Jp 01233

PRIME MINISTER

Implications of Iraqi Withdrawal from Kuwait OPD(G)(90) 6 and 8

These are two important papers. They deal with a situation which was always possible but which has become more likely following the passage of Security Council Resolution 678 and the US proposal of direct talks. They both deal with the crucial end-game phase of the crisis.

- 2. Among the points they bring out are:
 - a. The fragility of the coalition in the event of a partial Iraqi withdrawal, even when its incomplete nature becomes plain. In particular, there would be a deleterious effect on US Congressional opinion.
 - b. The even greater fragility if Saddam withdraws completely.
 - c. The fact, often overlooked, that we would face the long-term problem of Iraqi weapons of mass destruction even after a successful war (the facilities might not be fully destroyed and, in any case, could be rebuilt, since the knowledge is there), or even if Saddam Hussein were overthrown (his successor might be little better).
 - d. The need, whether there has been war or not, for stringent control of imports of technology and military equipment into Iraq. At the same time, the difficulty in enforcing an efficient embargo.

- e. The prospect of Iraqi/Kuwaiti negotiations after the crisis and the risks inherent in such negotiations unless the Kuwaitis are stiffened.
- f. The need for long-term security arrangements in any event.
- 3. What the papers do not address so clearly are:
 - a. The chances of Saddam surviving a complete withdrawal. He could probably manage it, but it is not a foregone conclusion, and in order to maximise the chances of his overthrow it will be essential to deny him any face-savers or diplomatic prizes, eg in the Palestinian context. So far as we can, we have to show him as a defeated figure.
 - b. The dangerous implications for the area of a successful Iraqi withdrawal: the great boost to Saddam's prestige of having survived confrontation with the United States, the consequent shift of allegiances among the Arabs, the temptation to Israel to strike.
 - c. The immediate military implications: Should the allies follow into Kuwait? With the Arab forces leading? What would our vulnerability be?
 - d. The problem in setting up a regional security structure: are we to concentrate on Iraq/Kuwait or do we go at once for a wider net, including Syria and Israel? The second is tempting, but would soon be wrecked on Israeli intransigence. We shall probably have to go for the first, but we shall have to be ready with justifications for a partial approach. They can probably be found by references to Iraq's behaviour: only Iraq has used its weapons of mass

destruction; only Iraq has sought to extinguish a neighbouring state.

- e. The fact that, despite all our efforts, Iraq is likely to retain or redevelop its NBC weapons and that security may therefore come to depend on a balance of deterrence in the area, rather than on unrealistic hopes of a weapon-free Middle East. As part of that deterrence we might consider offering Western guarantees to any neighbouring countries threatened with Iraq's nuclear or NBC weapons.
- 4. In the immediate future the question is how would we and the Americans make the best of a bad job, ie the recovery of Kuwait but the survival of Saddam plus his weapons? There are a number of possible answers, or rather palliatives:
 - a. Arrange pre-emptive statements that partial withdrawal will not do, that only if Saddam is out, in full, by 15 January is he safe from attack.
 - b. Avoid the implication that once he has fully withdrawn the crisis is over and we can all go home. In particular bring out now in public the fact that we cannot be satisfied with reversion to the status quo ante, that Saddam is still a pariah and a danger.
 - c. Stress, again in public, the unfinished business, the need for compensation, the need for a continuing embargo, the need for long-term security arrangements.
 - d. Keep as much of the UN machinery in place as possible. A new Security Council resolution will be needed to lift the sanctions now in force. Further security measures we take could be covered under the general rubric of Security Council Resolution 678

(measures to restore international peace and security in the area).

- e. Use the leverage in the timing of allied forces withdrawals.
- f. Continue to warn the Israelis off. It is illusory to suppose they could do the job for us. But they could drag us in, in the worst possible political conditions, or force us to split from the Americans on the issue, which would be even more damaging.
- g. Above all, talk the situation through at top level with the Americans, ensure that we are saying the same thing and that we shall have the same reactions ready if any of the withdrawal scenarios materialise.

le.

PERCY CRADOCK