

## ADVANCE COPY

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IRAQ/KUWAIT: FOREIGN NATIONALS

## SUMMARY

*Cut*  
1. US CONSIDER THAT SCR 664 BUTTRESSES THEIR LEGAL POSITION ON RETAINING AN EMBASSY IN KUWAIT. THEY WILL NOT COOPERATE WITH IRAQI DEMANDS FOR THE WITHDRAWAL OF THEIR EMBASSY OR THE ROUNDING UP OF US NATIONALS, BUT WILL NOT RESIST FORCIBLE MEASURES. THEY WILL CONTINUE TO DEMAND FREEDOM TO DEPART, CONSULAR ACCESS TO US NATIONALS AND A RETENTION OF DIPLOMATIC PRIVILEGES FOR STAFF IN KUWAIT AND IRAQ. US URGING ALL FOREIGN GOVERNMENTS TO PROTEST TO IRAQI GOVERNMENT BOTH IN BAGHDAD AND IN CAPITALS AND TO MAKE STRONG PUBLIC STATEMENTS (LIKE PRESIDENT BUSH TODAY). URGING INTERNATIONAL COMMUNITY TO RESIST IRAQI ATTEMPTS TO OBTAIN RELIEF FROM SANCTIONS BY PROPOSING DEALS ON FOREIGN NATIONALS.

## DETAIL

← 2. STATE DEPARTMENT HELD A FURTHER MEETING ON 20 AUGUST TO REVIEW THE SITUATION ON FOREIGN NATIONALS. MACK (DEPUTY ASSISTANT SECRETARY, MIDDLE EAST MADE THE FOLLOWING POINTS:  
A - SCR 664 HAD IN THE VIEW OF STATE DEPARTMENT LEGAL ADVISERS BUTTRESSED US DETERMINATION TO MAINTAIN AN EMBASSY IN KUWAIT AFTER 24 AUGUST. ANY CONCERN ABOUT THE LEGAL BASIS FOR MAINTAINING A PRESENCE HAD BEEN REMOVED. BUT IN PRACTICAL TERMS A DECISION WOULD HAVE TO BE MADE VERY SOON ABOUT HOW TO REACT TO THE 24 AUGUST DEADLINE. THE US HAD DETECTED NO GIVE IN THE IRAQI POSITION, EITHER ON EMBASSIES OR ON THE ROUNDING UP OF FOREIGN NATIONALS AND THEIR TRANSPORTATION TO IRAQ TO BECOME QUOTE HUMAN SHIELDS UNQUOTE. US ADVICE TO THEIR NATIONALS WAS IDENTICAL TO OUR OWN: TO REMAIN IN THEIR HOMES, KEEP A LOW PROFILE, NOT COOPERATE WITH THE IRAQI AUTHORITIES BUT AT THE SAME TIME NOT RESIST FORCIBLE MEASURES. AS REGARDS THEIR EMBASSY, THE US WERE STILL INCLINED TO REMAIN, BUT WERE MINDFUL OF THE THREAT IF THEY DID:

THE IRAQIS COULD CUT OFF FUEL, WATER, TELEPHONES AND ELECTRICITY. THERE WAS ALSO THE RISK THAT THEY MIGHT BE FORCIBLY EJECTED. THE ADMINISTRATION WERE STILL CONSIDERING HOW THEY WOULD REACT. MACK SAID PRIVATELY THAT HE WOULD BE INTERESTED IN THE DECISION REACHED BY EC FOREIGN MINISTERS IN PARIS TOMORROW, WHICH WOULD HAVE AN INFLUENCE ON US THINKING. IT WAS IMPORTANT TO TRY TO REMAIN IN STEP ON THIS.

B - IRAQ: THE SITUATION HAD NOT CHANGED. RUMOURS PERSISTED THAT THE US COMMUNITY WOULD BE ROUNDED UP, AND SOME HAD TAKEN REFUGE IN THE US RESIDENCE. THERE WAS STILL NO CONSULAR ACCESS TO 35 US CITIZENS IN THE RASHID HOTEL. TARIQ AZIZ HAD SAID THAT THEY HAD BEEN MOVED BUT HAD NOT SAID WHERE.

C - 24 AUGUST DEADLINE: MACK SPECULATED THAT 24 AUGUST MIGHT BE THE DATE ON WHICH THE IRAQIS HAD DECIDED TO CRACK-DOWN ON KUWAITI CITIZENS. HE NOTED THAT THE IRAQIS HAD NOT YET REALLY OCCUPIED KUWAIT CITY. THEY MIGHT NOW SEEK TO DO SO AND DID NOT WANT FOREIGN DIPLOMATS AS WITNESSES TO WHAT COULD BE A BLOODY PROCESS.

D - ASKED WHETHER PRESIDENT BUSH'S USE OF THE WORD QUOTE HOSTAGE UNQUOTE IN HIS BALTIMORE SPEECH (ON WHICH WE ARE REPORTING SEPARATELY) SIGNALLED A CHANGE IN THE DOMESTIC POLITICAL TEMPERATURE, MACK AVOIDED DIRECT COMMENT. HE NOTED THAT US RELUCTANCE INITIALLY TO USE THIS WORD HAD BEEN BASED ON A READING OF THE IRAN HOSTAGE CRISIS OF 1979. IT WAS FELT THAT THE CARTER ADMINISTRATION'S INTENSE FOCUS ON THE HOSTAGE SITUATION MIGHT ACTUALLY HAVE PROLONGED IT, BY MAKING CLEAR TO THE IRANIANS THE VALUE OF THE HOSTAGES. THE BUSH ADMINISTRATION HAD NOT WANTED EITHER TO HAND THE IRAQIS AN EARLY ADVANTAGE OR TO CORNER THEM. BUT RECENT IRAQI ACTIONS HAD MADE IT CLEAR THAT THERE WAS NO LONGER ANY POINT IN SEMANTIC NICETIES: THIS WOULD ONLY GIVE THE IMPRESSION DOMESTICALLY THAT THE ADMINISTRATION WERE DODGING THE ISSUE. YET THE ADMINISTRATION WERE ALSO CONCERNED NOT TO OVER-DRAMATISE THE SITUATION. THE HOSTAGE SITUATION WAS IMPORTANT BUT IT WAS NOT THE ONLY CONCERN. IRAQ'S OCCUPATION OF KUWAIT, THEIR MILITARY BEHAVIOUR AND THEIR AGGRESSIVE STANCE IN THE REGION (AND ITS IMPLICATIONS FOR US ECONOMIC INTERESTS) WERE ALSO HIGH-PROFILE ISSUES.

E - MACK NOTED THAT THERE WERE INCREASING SIGNS OF AN IRAQ STRATEGY TO TRY TO DIVIDE THE INTERNATIONAL COMMUNITY EG BY OFFERING FREE PASSAGE FOR CERTAIN NATIONALITIES (SWISS, AUSTRIAN

SWEDES, PORTUGUESE, FINNS AND NOW INDONESIANS AND ARGENTINES), POSSIBLY IN RETURN FOR IGNORING SANCTIONS AGAINST IRAQ. THIS WAS POTENTIALLY QUOTE A SMART MOVE BY SADDAM UNQUOTE, BUT THE INTERNATIONAL COMMUNITY SHOULD MAINTAIN ITS CURRENT SOLIDARITY.

F - FOOD: MACK SAID THAT US INTELLIGENCE CONSIDERED THAT IRAQI FOOD STOCKPILES WERE LARGE AND MIGHT INDICATE AN ELEMENT OF PRE-PLANNING. THERE WOULD BE SHORTAGES IN CERTAIN AREAS BUT GENERALLY STOCKS WERE GOOD FOR 6 MONTHS. WHAT IRAQ WAS SHORT OF AT PRESENT WAS MONEY. THIS WOULD HAVE IMPLICATIONS FOR THEIR ABILITY TO EVADE SANCTIONS. MOST SANCTIONS-BUSTERS WOULD REQUIRE CASH PAYMENT. THE FREEZING OF IRAQ'S (AND KUWAIT'S) OVERSEAS ASSETS HAD BEEN GENERALLY EFFECTIVE. IRAQI IMPORTS WERE ABOUT DOLLARS 17 BILLION PER ANNUM. WHILE THEY COULD TIGHTEN THEIR BELT ON THE FOOD SIDE AND BEGIN AN AUSTERITY PROGRAMME, THEIR INDUSTRIAL PLANT WOULD BEGIN TO RUN DOWN. IT WOULD NOT BE EASY TO PURCHASE EXPERTISE, INDUSTRIAL EQUIPMENT OR SPARES. MACK THOUGHT AS A CONSEQUENCE THAT THE HOSTAGES WOULD BE A MEANS OF LEVERAGE NOT JUST AGAINST US MILITARY ATTACK, BUT AS A MEANS OF ATTEMPTING TO LIFT THE ECONOMIC EMBARGO.

G - THE US WERE BEGINNING TO CONSIDER ON A CONTINGENCY BASIS WHAT THEY SHOULD DO WITH IRAQI DIPLOMATIC STAFF IN THE US. THEIR MEASURES WOULD BE ESSENTIALLY BASED ON RECIPROCITY, SHORT OF ACTUALLY PREVENTING IRAQI DIPLOMATS FROM LEAVING THE COUNTRY. FURTHER TIGHTENING OF INTERNAL TRAVEL RESTRICTIONS AND PRESSURE ON BANK ACCOUNTS WOULD BE EXAMINED. BUT IT WAS DIFFICULT TO CALIBRATE AN APPROPRIATE RESPONSE AS THE US DID NOT WISH TO PRECIPITATE FURTHER COUNTER-MEASURES AGAINST THEIR EMBASSY IN IRAQ.

H - SECURITY: MACK REMARKED THAT IN BOTH KUWAIT AND IRAQ, US EMBASSIES WERE DOWN TO QUOTE VERY SHORT BURN TIMES, UNQUOTE ON CLASSIFIED DOCUMENTS ETC. THE US WAS ALSO SUFFICIENTLY CONCERNED ABOUT SECURITY IN YEMEN TO HAVE ORDERED THE DEPARTURE OF DEPENDANT AND NON-ESSENTIAL PERSONNEL (54 PEACE CORPS WORKERS, AID AND MILITARY MISSION PERSONNEL). IN JORDAN, THE US HAD AUTHORISED VOLUNTARY DEPARTURE FOR EMBASSY PERSONNEL (PUTTING JORDAN ON THE SAME BASIS AS QATAR, UAE AND EP IN SAUDI ARABIA). TRAVEL ADVISORIES HAVE BEEN ISSUED IN PARALLEL FOR US NATIONALS IN BOTH COUNTRIES, EACH DISCOURAGING NON-ESSENTIAL TRAVEL.

3. STATE HAVE CALLED ANOTHER MEETING FOR 21 AUGUST.

WOOD

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