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MUSCAT TELNO 387: SEIZURE OF ZANOOBIA

SUMMARY

1. CONFIRMATION FROM STATE DEPARTMENT THAT ZANOOBIA EN ROUTE FOR SRI LANKA. ACCOUNT OF EVENTS OFF OMANI COAST. CLEAR NEED FOR FURTHER EXCHANGES WITH THE AMERICANS.

DETAIL

2. WE DISCUSSED THE ERRATIC FORTUNES OF THE ZANOOBIA LATE ON 5 SEPTEMBER WITH SIDMAN (POL/MIL BUREAU), THE STATE DEPARTMENT OFFICIAL CHARGED WITH TRACING THE PROGRESS OF POSSIBLE SANCTIONS BUSTING VESSELS. SIDMAN CONFIRMED TO US THAT THE ZANOOBIA HAD NOW SET SAIL FOR SRI LANKA UNDER THE WATCHFUL EYE OF THE USS GOLDSBOROUGH.
3. WE WENT ON TO SEEK AN EXPLANATION FOR THE CONFUSION OVER THE ZANOOBIA'S FINAL DESTINATION THAT HAD ARISEN DURING ITS BRIEF HALT OFF THE OMANI COAST, DRAWING ON THE POINTS IN FCO TELNO 257 TO MUSCAT. SIDMAN SAID THAT THE OMANIS HAD BEEN SLOW IN GIVING AGREEMENT TO BRINGING THE ZANOOBIA INFO OMANI TERRITORIAL WATERS, AND THIS LAS MINUTE APPROVAL HAD STOPPED SHORT OF PERMISSION TO USE PORT FACILITIES. THE OMANIS HAD APPARENTLY BEEN CONCERNED THAT THE ZANOOBIA WOULD BECOME THEIR RESPONSIBILITY ONCE IT ENTERED PORT AND THE ABSENCE OF A US OFFER TO TAKE FULL RESPONSIBILITY WAS IN SIDMAN'S VIEW A FACTOR IN THEIR DECISION. THE OMANIS HAD GONE ON TO CONTACT THE IRAQIS WHO HAD INDICATED TO THEM THAT THEY WISHED THE ZANOOBIA TO BE DIVERTED TO ADEN. THE AMERICANS HAD BEEN INFORMED OF THIS AND HAD RAISED NO OBJECTIONS. BUT WHEN THE IRAQI AMBASSADOR HAD GONE OUT TO THE VESSEL IN THE OMANI POLICE LAUNCH, HE HAD APPARENTLY INSTRUCTED THE CAPTAIN (WHO HAD BEEN NOTABLY UNCO-OPERATIVE WITH THE AMERICANS THROUGHOUT) TO RETURN TO HIS HOME PORT. HENCE THE CONFUSION OVER ITS FINAL DESTINATION.
4. SIDMAN RECOGNISED THE CLEAR DIFFERENCE OF VIEW BETWEEN US ON THE ADVISABILITY OF DIVERTING INTERCEPTED VESSELS TO PORTS SUCH AS ADEN.

BUTH HE WENT ON TO ASK WHETHER WE HAD ESTABLISHED FIRM GUIDELINES AS TO PORTS IN THE REGION THAT WOULD BE QUOTE OFF-LIMITS UNQUOTE TO TO SHIPS INTERCEPTED BY BRITISH NAVAL VESSELS AND ENQUIRED WHETHER SUCH VIEWS WOULD BE INFLUENCED BY CARGO. GIVEN THAT THE YEMENIS HAD DISCONTINUED THEIR OFF-LOADING OPERATIONS FROM IRAQI OIL TANKERS DURING THE THIRD WEEK OF AUGUST AND IN VIEW OF THEIR COMMITMENT TO THE OBSERVATION OF SANCTIONS, THE STATE DEPARTMENT HAD TAKEN THE (COMMONSENSE) VIEW THAT IT WOULD BE DIFFICULT TO OBJECT STRONGLY TO THE DIVERSION THERE OF A CARGO OF TEA. WE CLEARLY SAW THINGS DIFFERENTLY AND HE AGREED THAT WE NEEDED TO COMPARE NOTES SOON IN THE LIGHT OF THIS EXPERIENCE.

COMMENT

5. IT IS NOT CLEAR TO US HOW FAR THE US HANDLING (OR MISHANDLING) OF OMANI SENSITIVITIES CONTRIBUTED TO THE CONFUSION OVER THE ZANOUBIA BUT THE WILLINGNESS OF BOTH THE US COMMANDER IN THEATRE AND HIS AUTHORITIES BACK HOME TO AGREE TO THE OPTION OF DIVERSION TO ADEN HAS HIGHLIGHTED THE NEED FOR FURTHER US/UK EXCHANGES. WE RECOMMEND THAT IF ACTION IS TAKEN IN THE MARGINS OF THE BAHRAIN NAVAL CONFERENCE, WE BE INSTRUCTED TO FOLLOW UP IN PARALLEL WITH THE AGENCIES HERE.

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From: R French, NAD
Date: 6 September 1990

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THE SECRETARY BAKER'S APPEARANCES BEFORE HOUSE AND SENATE COMMITTEES

1. We gave limited circulation yesterday to the text of Secretary Baker's opening presentation to the House Foreigns Affairs Committee on 4 September. This was mostly unexceptional.

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2. I now attach extracts from the question and answer sessions in both the House Committee on 4 September and in the Senate Foreign Relations Committee yesterday, giving Secretary Baker's views on "jump-starting", the Israeli/Palestinian peace process, the current position of the Palestinians, and the proposal for an international conference.

3. For ease of reference, I also attach a copy of Washington telno 2145, commenting on Secretary Baker's appearance before the House and Senate Committees.



R French
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guarantee. So it is in a very different situation economically, it is in a different situation with respect to the FMS debt owed to the United States, and of course, as I indicated in earlier answers, Egypt's response in this crisis has been nothing short of extraordinary. President Mubarek has demonstrated very, very courageous leadership and the question of Egypt's FMS debt has been one of the major issues on the US-Egypt bilateral agenda since 1983. Those are the primary reasons.

REP. HYDE: Just one more statement if I may, Mr. Chairman. You say something really interesting and exciting on page 10 when you talk about revived efforts to resolve the conflicts which lie at the root of such proliferation, including the festering conflict between Israel and its Palestinian and Arab neighbors.

I have always thought this terrible series of events in the Middle East does present a unique opportunity for some concerted focus on that virtually intractable problem of Israel and the Palestinians. And if this thing does get resolved, perhaps the working arrangement which is unique in history, with us as the honest broker, might be able to get off the ground. And we might have as an ancillary but nonetheless very significant benefit a resolution of that conflict which, second only to East Germany merging with West Germany seemed beyond our wildest dreams some years ago. But with what has happened in Eastern Europe, it seems to me that no fantasy is too wild and maybe that can be resolved as long as we're having the world focus on the Middle East in this Iraq-Kuwaiti situation.

SEC. BAKER: Well Mr. Hyde, as you know we -- we made what we think was some very good progress last year and earlier this year toward implementing an initiative of Prime Minister Shamir for elections in the West Bank and Gaza. We were making pretty good progress toward a possible Israeli-Palestinian dialog when the government changed. The new Israeli Foreign Minister will be here tomorrow for his first trip in his capacity as Foreign Minister. I'll be meeting with him and we will be focusing, yes, on events in the Persian Gulf. But we will also be focusing on how we might jumpstart, if you will, the process of -- the peace process and the process of moving toward a dialog between Israelis and Palestinians.

REP. HYDE: Thank you Mr. Secretary

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Union is with us today, is because they are somewhat embarrassed about what Iraq has done with the military hardware that the Soviet Union has given them.

I think, on the question of -- on the question of arms strategy, that it does make sense to find a way to -- to assist moderate Arab states in defending themselves. And I think one thing this crisis does is point up the fact that there is a necessity for these countries to be able to defend themselves, and that they can defend themselves with weapons sold by the United States in a way that does not become a threat to Israel, provided we recognize and remain committed to our commitment to Israel's qualitative advantage.

And you've heard me say here today that that is a commitment that we do recognize, and that does persist.

So I guess those would be my answers to your questions.

REP. LEVINE: Mr. Arafat?

SEC. BAKER: Well, let me tell you what I think about that. I think that -- I think that Mr. Arafat jumped too quick. I think that as Palestinian remittances have dwindled off because Palestinian laborers are having to leave the Gulf states, because they are having to leave Kuwait where they had to leave because of the invasion, I think that there could well be, perhaps, some reassessment.

And I think, in fact, you are beginning to see, in public comments and in other ways, that a reassessment is in fact going on.

Make no mistake about it, though, Mr. Levine. One of the most -- one of the most telling arguments that Saddam Hussein makes is that he is the champion of the downtrodden Arab. He is the champion of Palestinians who have no place to go and who are sorely put-upon, and that's why I think -- and I can't remember who raised it, maybe it was Henry Hyde. That's why I think it's important that we keep our eye as well on the ball of moving, if we possibly can, toward some resolution of that problem, because then the ground will not be as fertile as it is today.

REP. FASCELL: Excuse me, but let me move on.

Mr. Secretary, I know that you've got to leave here, and under our rules, those members who are here when the meeting started would get a chance to be called upon.

I have two more in that category, if you could stay to answer their questions.

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the issue of Helsinki, I think, calls up the question of what is to be the role of the Soviet Union. Frankly, I think the Soviet Union has been having it both ways. They favor sanctions, and yet they have as many as five to six thousand advisors still in Iraq, many of them economic, some of them military. And I think that they have been using a figleaf excuse that they have a contractual obligation to fulfill. And I think for them to insist that its contracts have more intrinsic value and interest -- than the interest of world peace, I think is a deception masquerading as a principle. And I believe that President Gorbachev, by pulling out his advisors, military and economic, would have -- it would have a tremendous psychological as well as practical impact, and it would be clear that the Soviet Union is willing to demonstrate that its deeds will match its words.

Secondly, I hope the President will resist the Soviet suggestion that there be a more comprehensive solution to the Middle East. The Israeli-Palestinian dispute is not the reason for Saddam Hussein gobbling up Kuwait, and there should be no dilution of the enormity of his act. And so, I hope that we will not allow the Soviets to muddy the waters and say, "Let's look at a comprehensive solution." We have to keep the focus upon what has happened in Iraq and Kuwait, and not succumb to that temptation.

SEC. BAKER: Senator Cohen, number one, we're not entirely sure the extent to which these Soviet advisors are, indeed, free to leave. We have said that we think their military advisors certainly should leave if they are free to, and we will continue that -- continue to have a dialogue with them about that. We've already started it.

With respect to the other point of your -- the other point that you make about the idea of an international conference that would embrace all of the conflicts in the Middle East, I have already said that what we have with respect to the Persian Gulf crisis is an international conference. It's taking place in New York in the Security Council, and we've got five unanimous Security Council resolutions as to what should be done and what the goals and objectives should be. Saddam Hussein made a suggestion a couple

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of weeks ago that we link the Israel-Palestinian issue and the Persian Gulf problem, and we, as you know, have minimum low regard for those suggestions.

SEN. PELL: Thank you.

Senator Sarbanes.

SEN. PAUL S. SARBANES (D-MD): Thank you very much, Mr. Chairman.

Mr. Secretary, first of all I want to commend the President and you and the administration for what I regard as a very skillful way in which you've handled this crisis. I think you've shown both firmness and prudence. And those are important qualities, and I particularly am impressed by the administration's ability to develop this very strong, indeed overwhelming international consensus with respect to isolating Iraq and bringing sanctions to bear through the United Nations.

As I understand your approach, it was to put force into Saudi Arabia to preclude a further aggression by Saddam Hussein and Iraq, that they're there on a deterrent, defensive role to develop this international consensus and to bring maximum economic pressure to bear on Iraq.

I'd like to enter one mild dissent with Senator Lugar when he -- I mean, I think it's important to get these financial contributions, but I don't regard them as a United Way, I don't regard them as charity towards the United States, and I don't perceive this issue as the United States versus Iraq, and I don't see countries enlisting in the issue as supporting the United States, as the United States and those countries join together supporting very important principles of international conduct and behavior designed to deter aggression and to remedy aggression when it occurs.

And we occasionally run into representatives of other countries who feel that somehow they're doing the US a favor and I've always responded to them, "No, you're joining with the US in a common, international effort to achieve important objectives."

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We already know some of it. It's very sensitive information. We've been asked to protect it. Obviously, we would share it with members on a -- you know -- on a very classified and confidential basis.

SEN. KERRY: One final question -- the light's about to go -- King Fahd and President Mubarak both expressed the significance of the change in their relationship with the PLO. King Fahd specifically talking about the cut that they will now proceed on in their funding. I think it was about \$150 million from them. There was an additional \$100 million or so coming from the Emirates and Bahrain and so forth. The Emir and President Zayid and others all expressed anger and a sense of betrayal. So there has been a major shift in the dynamics there, as well as a shift towards King Hussein.

And I wonder how you view that shift in terms of American policy in the region, what opportunity it presents, and what impact it might have on Israel?

SEC. BAKER: I think it's still very important, Senator Kerry, that we do what we can to promote progress toward a peace process on the Israeli-Palestinian issue. I'm seeing this afternoon, as a matter of fact, at the conclusion of this hearing, the new Foreign Minister of Israel. He will be here for his first visit in that capacity. And we will be talking about the problems presented by the Gulf crisis, but we'll also be talking about the peace process.

I said yesterday before the House that it's my opinion, at least, that the PLO jumped too quick in terms of their rapid endorsement of the action of Saddam Hussein, and now as Palestinian workers are no longer remitting the earnings that they were remitting -- particularly from, let's say Kuwait, or perhaps to some extent other countries -- and as countries begin to take a second look at their contributions to the PLO, as you have indicated, I think there's reassessment -- reassessing going on, and it remains to be seen how that will work or play out.

We have made it very clear in our discussions with Egypt and with Israel in our efforts to promote the peace process that we are not asking Israel to sit down with the PLO. We are asking Israel to sit down and begin a

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dialogue with Palestinians, Palestinians from the territories. We will continue to see if we can make progress along those lines. The suggestion that I was asked about here a moment ago from the Soviets that there be an international conference is not a new one. There have been from time to time many suggestions regarding the possibility of an international conference dealing with the peace process. And there's quite a bit of support out there around the world for that.

We spent the better part of a year suggesting to our interlocutors in Europe and elsewhere around the world that it would make sense for us to see if we can't get some sort of a dialogue established between Israelis and Palestinians, and that that offered the best chance, we thought, for making progress on the peace process. And therefore, plans for an international conference should be put on the back burner.

There's still a substantial amount of support around the world for the concept of an international conference on the Israeli-Palestinian issue. Linking the two along the lines that Senator Cohen mentioned, of course, is unacceptable to the United States. These are two, while they relate to each other and impinge upon each other in some ways, they are, nevertheless, two separate issues and should be dealt with separately.

SEN. PELL: Thank you very much.

Senator Moynihan.

SEN. MOYNIHAN: Thank you, Mr. Secretary.

Mr. Secretary, I just -- at the risk of being repetitive, have to say that you have done a superb job. Everything Cordell Hull might have imagined, you have fulfilled. And the President also. The notion that we have an opportunity to establish a world order, an international order following the cold war along the lines that were conceived 45 years ago, is extraordinary. It is -- no more important thing could happen, and we wish you every success.

SEC. BAKER: Thank you, Senator.

SEN. MOYNIHAN: In that sense, and not in any way to be critical, but just to alert you. You don't always have the State Department with you. The President has spoken so well about the charter, about international law, about responsibilities. In this Committee, we have had other persons than yourself come before us and just be oblivious to these ideas, as if they were lost in the fog of the cold war.

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