

NOTE FOR THE RECORD**PRIME MINISTER'S TELEPHONE CALL WITH PRESIDENT BUSH, 18 OCTOBER**

The Prime Minister and President Bush spoke on the secure telephone for some 40 minutes this evening about the situation in the Gulf.

The President said that he had been most grateful for the Prime Minister's message earlier in the day which set out the issues very clearly. He shared many of her concerns and was growing increasingly restless about the lack of progress in getting Iraq out of Kuwait. He agreed that the key calculation was whether we had the luxury of giving sanctions time to work. They had not had the dramatic effect for which we had hoped. He was also worried about the mingling in of the Palestinian problem. This could adversely affect the cohesion of the coalition against Iraq. He was trying to get Shamir to show some flexibility over admitting the UN Secretary-General's mission to Israel, but so far without success. The result was that US/Israel relations were as bad as they had been for some time. But one had to admit that, in terms of the Gulf crisis, the Israelis had been reasonably cooperative.

The Prime Minister said that she had been grateful for the President's prompt reply to her message. She thought time was on Saddam Hussein's side: he would use it to try to weaken our resolve. She shared the President's concern about the events in Jerusalem and his dismay that Shamir would not receive the Secretary General's mission. Shamir was putting himself in the wrong, which was always a mistake. Moreover, he owed the President something because of the way the United States had responded to the situation in the Gulf. He should repay this by being helpful over the mission.

The Prime Minister continued that she was uneasy with the proposal in the President's message to invite the UN Secretary-General to use his good offices with Iraq for a period of 30-45 days. We did not have to worry about giving diplomacy a

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chance: diplomacy had already been tried for eleven weeks without success. If the Secretary-General got involved in negotiations, our resolve would be undermined little by little. The other Arab Governments would come to believe that Saddam Hussein would get his way and they would weaken. Those countries who had sent troops would be left looking foolish, unable to get Saddam Hussein out. President Bush said that he understood those concerns. The only point of action by the Secretary-General would be to demonstrate that we were prepared to go the extra mile in search of peace. We would not be able to give the Secretary-General any flexibility: he would only use his good offices to secure implementation of the Security Council resolutions. The Prime Minister said that her doubts remained.

The President continued that the more urgent matter was the resolution currently before the Security Council on compensation. The United States had suggested adding a clause on the right to reproviseion nationals in Iraq and Kuwait or extract them if need be. He viewed this as something which could lead to the use of force. His particular concern was with the American Embassy in Kuwait, where there were 8 diplomats and 19 non-diplomats. The moment was arriving when a decision would have to be made between closing the Embassy and seeing the occupants slink off to Baghdad with their tails between their legs: or action either to re-supply them or to bring them out. The second option could be extended to the British and other Embassies remaining in Kuwait. He thought the American people would support him in refusing to sit by and watch those in the Embassy marched off to Baghdad. This would amount to humiliation of American citizens. He could not just turn them over to a brutal dictator. By demanding the right to reproviseion them or take them out, either Saddam Hussein could be forced to climb down or there would be a casus belli for military action.

The Prime Minister said she had some instinctive objections to this proposal. What about the American and British citizens who were not in the Embassies but elsewhere in Kuwait? Did the President envisage trying to extract them? Or would action be

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limited to the people in the Embassy? Moreover, did the proposal apply only to Kuwait or to Embassies in Baghdad? In our own case, our Ambassador was determined to stay in Kuwait for as long as possible and would not think it right to abandon other British citizens. The Embassy was able to remain in contact with some of them, and receive and pass on information. She did not think our public opinion would readily accept action which saved diplomats but left others to their fate. Moreover she wondered whether action to extract Embassy staff from Kuwait was really practical. Presumably there would have to be some sort of safe conduct.

The President said that there was nothing much to be done about the Baghdad situation. But in Kuwait there was the possibility of action. The logic of the Prime Minister's position was that we should think in terms of reprovisioning the Embassies so that they could stay, rather than extracting the occupants. But the American Embassy was not actually able to do anything to help Americans there. If Iraq refused to accept a mission to extract them, authorised by the United Nations, there would be justification for the use of force. Alternatively, if the Americans announced that they were coming in with helicopters or a ship, with the authority of the UN behind them, to take the occupants of the Embassy out, and the Iraqis then shot down a helicopter or otherwise interfered with the operation, there would be a clear casus belli. It could be the provocation which led to implementation of Phases 1 to 3. He still found it difficult to see how we could initiate military action without a provocation.

The Prime Minister repeated that all her instincts were against the idea of saving diplomats and abandoning others: and reprovisioning would drive a coach and horses through food sanctions. We did not need any further justification for military action beyond what Iraq had already done in Kuwait. The only reason we had not so far invoked the military option was that we were not quite ready for it. Our own forces would not be on the ground and acclimatised for another 3/4 weeks. We should not delay too long: equally we should not move too soon. But she would reflect further on the President's ideas.

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She understood his wish for a trigger point for military action.

The President said that the Americans were ready for Phases 1 to 3. We should not make Saddam Hussein twenty-five feet tall. He had little idea of the power of the air strike which would hit him. Public support might begin to erode if we did not act fairly soon. He was increasingly worried about the brutalities and destruction in Kuwait. He would like to see the US and Britain standing together on this issue. It was a chance to do something and save at least some people. But the United States could act alone and not involve Britain if that was what we preferred.

The Prime Minister said the President's instinct that there was not much time was absolutely right. We could not wait until everything was in perfect order. But we were not ready yet: and it would be a great mistake to start on something which we could not finish. We would lose the vital element of surprise. She was still not convinced that this issue was the best means to make the transition to the military option. The President said that early decisions were needed on whether to go ahead with adding the clause to the resolution currently before the Security Council. The Prime Minister said she would reflect for a few hours and let the President have her considered views. The President agreed that they should continue to discuss the options.

The Prime Minister added that the Amir of Kuwait would be visiting London next week. We now had the text of a letter asking us to use force to recover Kuwait, with which we were generally satisfied. She proposed to proceed to final agreement on the text with the Amir, but to ask him to delay signature until the letter was needed. The President raised no objection.

C.D.P.
C. D. POWELL

18 October 1990

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