

PRIME MINISTER

MEETING OF MINISTERS: THE GULF

You have a meeting of Ministers tomorrow morning to discuss developments in the Gulf. Mr. Waldegrave will represent the Foreign Secretary.

The following are points which you will wish to cover.

DIPLOMATIC

- Mr. Heath's Mission. This will inevitably be the main news. It is clear that he was secured the release of some hostages, but we do not - at the time of writing - know how many (though there are reports that most of the 53 on his list will be allowed to go). Saddam Hussain appears to have given no indication of willingness to withdraw. We are this evening taking the line that we welcome the release of any British citizens, and are pleased for their families; but they should never have been taken hostage in the first place. The meeting will wish to consider whether this is adequate or needs elaboration.
  
- situation at the UN. The next draft resolution on Iraq/Kuwait (dealing with compensation and accountability) has now been agreed by the five Permanent Members and will be further discussed early this week. Unfortunately it is getting entangled with discussion on the Palestinian issue. It is agreed there will be a meeting of the five Permanent Members at Vice-Chief of Defence staff level once the resolution is through.

Our attempt to deal with the Secretary-General's decision to abandon his mission to Israel by means of a Presidential statement has run into trouble, with the non-aligned seeking a resolution. There will be further discussion in New York on Monday.

Meanwhile there is no reply as yet to your message to Mr. Shamir:  
the Israeli Cabinet meets today, so we may get some response  
tomorrow.

- Embassies in Kuwait. Your message to the President persuaded the Americans not to insist on inserting an additional clause in the resolution on compensation. But General Scowcroft has indicated that they remain very concerned about how to handle closure of their Embassy and look to us for some alternative suggestions What can we suggest?
- Mr. Primakov's visit. You will wish to give your impressions of this. My note is in the folder.
- Aid for Jordan etc. The Foreign Secretary will raise the need for early disbursement of aid for Jordan, Egypt and Turkey at tomorrow's Foreign Affairs Council.
- Article <sup>51</sup>~~56~~ letter. You told the President that you intended to agree a text with the Amir and then leave it on one side until needed. The President raised no objection.
- UN Secretary-General's good offices. President Bush has indicated that the US might encourage the UN Secretary-General to use his good offices to try to find a political solution for a period of 30-45 days. You tried to discourage this on the grounds that diplomacy has been given a chance already. But it seems inherently likely that Secretary Baker will want to pursue it.
- Advice for British Communities at risk from hostilities in the Gulf. The FCO and MOD were charged with further work on this. I doubt it will be ready by tomorrow. But I have put a copy of the paper in the folder in case.
- Arab opinion. There are worrying indications in the intelligence that opinion in countries like Saudi Arabia is beginning to weaken. The Saudi Government are likely to

press increasingly for early military action.

MILITARY

- 7 Armoured Brigade's tanks have started to arrive, with good publicity.
- interceptions. There are reports on BBC tonight that an American war ship fired across the bows of an Iraqi tanker: but no further news.
- UK/US consultations. CDS will see General Colin Powell this week. Sir Percy Cradock is in Washington on Monday and Tuesday and will see a number of intelligence contacts as well as General Scowcroft.

OIL

- Oil prices fell significantly last week.

C. D. POWELL

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