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2004-0416-F; 2005-1003-F; 2009-0857-F; S

FOIA Number:
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FOIA MARKER

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Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: National Security Council
Series: H-Files
Subseries: NSC Meetings Files

OA/ID Number: 90002
Folder ID Number: 90002-019

Folder Title:
NSC0052 - August 06, 1990 - Iraqi Invasion of Kuwait, Persian Gulf

Stack:	Row:	Section:	Shelf:	Position:
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Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Minutes	Meeting of the National Security Council Re: Minutes of NSC Meeting on Iraqi Invasion of Kuwait [Page #3 is present twice.] (7 pp.)	08/06/1990	(b)(1)	S
02. Agenda	Re: National Security Council Meeting (1 pp.)	08/06/1990	(b)(1)	S

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC Meetings Files

WHORM Cat.:

File Location: NSC0052 - August 06, 1990 - Iraqi Invasion of Kuwait, Persian Gulf

Pinksheet Number: DJC1263

OA/ID Number: 90002-019

Date Closed: 7/31/2009

FOIA/Sys Case #: 2004-0416-F

Re-review Case #:

P-2/P-5 Review Case #:

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NSC/S PROFILE

RECORD ID: 9020979
RECEIVED: 20 AUG 90 09

TO: SITTMANN

FROM: HAASS

DOC DATE: 20 AUG 90
SOURCE REF:

KEYWORDS: KUWAIT
NSC

IRAN
MINUTES

PERSONS:

SUBJECT: MINUTES OF NSC MTG ON 6 AUG RE IRAQI INVASION OF KUWAIT

ACTION: HILL APPROVED RECOM

DUE DATE: 23 AUG 90

STATUS: C

STAFF OFFICER: HAASS

LOGREF:

FILES: IFM O

NSCP: NS0052

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO
HAASS
NSC CHRON

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White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By JS NARA, Date 07/31/2009

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSAJC

CLOSED BY: NSAJC

DOC 1 OF 1

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RECORD ID: 9020979

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

001 SITTMANN
001

CAO ASSIGNED ACTION REQUIRED

Z 90082013 FOR DECISION
X 90082111 HILL APPROVED RECOM

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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2008

By 002 NARA, Date 02/31/2009

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National Security Council The White House

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LOG # 20979

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOG A/O

SEQUENCE TO

HAS SEEN

DISPOSITION

Ken Hill

Bill Sittmann

Bob Gates

Brent Scowcroft

Bill Sittmann

Situation Room

West Wing Desk

NSC Secretariat

1

KA

A

2

KA

A = Action

I = Information

D = Dispatch

R = Retain

N = No further Action

cc: VP

Sununu

Other

Should be seen by:

(Date/Time)

COMMENTS

Minutes - NSC (Aug. 6)

DISPATCH INSTRUCTIONS:

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90 AUG 20 A10 : 13

20 AUG 20 A11 : 01

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

August 18, 1990

ACTION

NOTED

MEMORANDUM FOR WILLIAM F. SITTMANN

FROM: RICHARD N. HAASS 

SUBJECT: Minutes of NSC Meeting on Iraqi Invasion of
Kuwait, August 6, 1990, 5:05 P.M.-6:00 P.M.,
Cabinet Room

Attached at Tab I are the minutes of the National Security Council Meeting on August 6, 1990, regarding Iraqi invasion of Kuwait.

RECOMMENDATION

That the minutes at Tab I be filed for the record.

Approve KJA for Disapprove _____

Attachment
Tab I Minutes

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White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By WJ NARA, Date 07/31/2009

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Meeting of the National Security Council

DATE: August 6, 1990
LOCATION: Cabinet Room
TIME: 5:05 - 6:00 pm

SUBJECT: Minutes of NSC Meeting on Iraqi Invasion of Kuwait (8)

PARTICIPANTS:

State

Secretary Baker

Treasury

Secretary Brady

DOD

Deputy Secretary Atwood

Justice

Attorney General Thornburgh

CIA

Director Webster

JCS

General Powell

OMB

Director Darman

DOE

Deputy Secretary Moore

White House

Governor Sununu

Brent Scowcroft

Michael Boskin

NSC

Richard Haass

The President. What I wanted to do was get a quick update and then talk about economic implications. (8)

General Scowcroft. Before we begin, I want everyone to look at today's headline in the Washington Post (Note: headline refers to covert action options allegedly under consideration). If leaking continues, it will force us to limit the decisionmaking circle. (8)

The President. What this does is risk something very serious and undermines our efforts. (8)

Director Webster. In the last 24 hours, the situation has stabilized. There is no real increase in preparations at the Saudi border. Iraq still has not withdrawn any significant forces from Kuwait and may be augmenting them with units taken from its border with Iran. There are some worrisome developments

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that suggest Saddam may be preparing for major war: reserve call-ups, base preparations near the Saudi border. But we have not yet seen their Republican Guard units reforming for attack. (S)

The President. Between now and yesterday, what are the developments? (S)

Director Webster. There are no significant troop movements. Iraq is shutting down one of its principal pipelines through Turkey. (S)

Henson Moore. We may succeed in reducing the flow of Kuwaiti and Iraqi oil to the market. If that oil (4.5 MB/D) goes off market and is not replaced by surge production (of which 4 MB/D exits), it would result in a price increase of \$10 - \$30 a barrel. We recommend you give serious consideration to allowing us to prepare the SPR. There is an IEA meeting in Paris this Thursday, an occasion that provides an opportunity to discuss drawdowns with the Germans and the Japanese. There are three options when it comes to the SPR: work with IEA, the U.S. alone, or doing nothing. We are already beginning to see some disruptions in the market. (S)

Governor Sununu. I see some inconsistencies in your numbers. (U)

General Scowcroft. The Federal Reserve has a similar study. The price of oil could go up to \$36 a barrel. But the price would fall \$4 a barrel with each million barrels added. (S)

The President. What does getting the SPR ready mean? (U)

Henson Moore. The law requires a presidential declaration. We would also talk with others. (U)

General Scowcroft. Another critical question is the surplus capacity of others. (S)

Henson Moore. We figure there is a surplus of 4 MB/D. 2.5 MB/D is in the Gulf; 1.5 MB/D comes from outside. An additional source of supply is Saudi ability to expand capacity. They could increase it by some .5 - .75 MB/D in three months. (S)

Secretary Brady. The financial markets are down badly. The price of oil is rising. The effect of petroleum and home heating oil price increases is already .5% in the CPI, or .6 - .7% of GNP. This would bring our growth down toward zero. It would also have a big effect on our import bill. As for sanctions, almost every major financial center has acted to freeze Kuwaiti assets. Regarding Iraqi assets, which matter less, the U.S., Britain,

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France and EC have acted. With the U.S., EC and Japan onboard, the embargo of oil products from Iraq and Kuwait is already 60-70%. Although the U.S. and Japan have embargoed trade, others are needed if it is to be effective. On credits, the U.S., Japan and Germany have cut them. (C)

The President. How long can Iraq withstand the pain of this economic isolation? All this military preparation must be expensive for them. This is a question for the intelligence community. (C)

Attorney General Thornburgh. Do we have a prediction of how much of Iraq's oil will get out? (C)

Henson Moore. This would be the second largest disruption involving oil in history, second only to the Iranian revolution. History suggests they will lower their price until they can sell. (C)

General Scowcroft. Iraq oil will only get into the market if they are physically able to do so. (C)

Henson Moore. That is correct. We need to distinguish between an embargo and a blockade. (C)

Secretary Baker. We also need to discuss cheating. The Central Bank of Jordan is allowing Iraq to use Jordanian accounts. We called in the Jordanian ambassador and warned him. (S)

Secretary Brady. I agree. Jordan is our biggest problem. (C)

Secretary Baker. Also, Mark Rich is offering storage for Iraqi crude with the help of Swiss banks. (C)

The President. Now, with international law on our side, we should lean on them. (C)

General Scowcroft. We also ought to think about publicizing what they are doing. (C)

Director Darman. With time, cheating will go up. If things work, the value of cheating will go up. Unless the Saudis increase production, the effect on us will be a recession. The SPR is not a perfect substitute, as it is a depletable resource. In fact, depleting the SPR will increase prices given the influence of market expectations. Democracies and market-oriented economies are less prepared to wage this kind of battle than non-market economies, especially given that modern communications will affect us more than it will them. We need to assess not simply the change in Iraq's welfare, but what it takes to starve them. We will be more responsive to ordinary pain than

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they will. The key will be giving them extraordinary pain. We will therefore need to target their key vulnerabilities. (S)

Secretary Baker. But food will be exempt. (U)

Richard Haass. No. Under the Security Council resolution, we can block food shipments except those that can be shown to be for humanitarian purposes. (U)

General Scowcroft. Part of what is driving up the price of gas is uncertainty. If following the UN resolution we can get increased production and some oil from the SPR, we can minimize the advantage of cheating. (S)

Director Darman. I am not arguing against tough action. A blockade makes sense. My personal opinion is that it won't be enough without using the SPR, increased Saudi production, and a willingness to tolerate recession given the current weakness of the economy. (S)

Michael Boskin. The economy is weaker overall. Inflation is lower than it was in 1979, though, which gives us more latitude. Previous shocks were larger than what is contemplated here. We should consider the worse possible case, which would be cementing the cartel power of OPEC rather than a few months of economic dislocation. (S)

Governor Sununu. One thing missing from this analysis is the ability to absorb the loss by changing use patterns. DOE's models ignore the fact that the import loss would be a smaller share of imports than the historical parallels. (U)

Director Darman. What about conservation? Fuel-switching? (U)

Governor Sununu. I agree. I am concerned about the use of rote models. (U)

Director Darman. Either way, you have to get this guy out of there. (S)

The President. Yes -- that is the bottom line. (S)

Director Darman. The bottom line is that Saddam with Kuwait is a long-term problem. (S)

General Scowcroft. That is the reason for the President's policy. (S)

The President. Darman is making a point I agree with, that all will not be tranquil until Saddam Hussein is history. (S)

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Governor Sununu. The key is food. (C)

Director Darman. It is essential that Saudi Arabia increase production up to capacity. If we succeed we will punish Iraq more than we will suffer. We will also need the SPR and the willingness to accept a small recession. (C)

Secretary Brady. The market is assuming that Saddam Hussein will keep Kuwait and the U.S. will defend Saudi Arabia. (C)

General Powell. I assume Saudi Arabia has to increase its production in order for us to make our policy comprehensible to the American people. (C)

Director Darman. If they do this, there will be no recession. (U)

Governor Sununu. 3.5 MB/D equals 7% of free world oil. If the Saudis increase production there will only be a 3% loss. 3% can be swallowed with international discipline. (C)

Michael Boskin. We need to avoid price controls. (U)

Governor Sununu. We also need to avoid overly pessimistic studies. Economic policy can create a Cassandra mentality that will prove self fulfilling. (U)

Henson Moore. A 1 MB/D drawdown of the SPR is a rate that we can sustain for 20 months. (U)

The President. What should we do now with the SPR? (U)

Henson Moore. You ought to consider allowing us to discuss drawing it down. (C)

The President. Yes. (U)

Director Darman. This would be O.K. if others do the same. (U)

General Scowcroft. SPR drawdown can also demonstrate U.S. determination. (C)

The President. There will be costs in this, both budget and military. We are going to move some military forces. Please keep this to yourselves. Getting to this point has taken a great deal of effort. When will all this be public? (C)

General Powell. Some time tomorrow. (U)

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General Scowcroft. But there is a difference between rumors and official sources. (U)

Director Webster. Premature leaks could cause preemption. (Ø)

The President. It is one thing to defend and quite another to liberate. (Ø)

END OF MEETING

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1998-0099-F/2
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NSC MEETING
CABINET ROOM
5:00 - 6:00PM
MONDAY, AUGUST 6, 1990

WHITE HOUSE

✓ The President
✓ The Vice President
✓ Governor Sununu
✓ Brent Scowcroft
✓ Marlin Fitzwater

NSC

✓ Richard Haass

STATE

✓ Secretary Baker

TREASURY

✓ Secretary Brady

JUSTICE

✓ Attorney General Thornburgh

OMB

✓ Richard Darman

CEA

✓ Michael Boskin

ENERGY

✓ W. Henson Moore

DOD

✓ Donald Atwood

JCS

✓ General Powell

CIA

✓ Director Webster

PARTICIPANTS

The President

The Vice President

James A. Baker, Secretary of State

Nicholas Brady, Secretary of Treasury

Richard Thornburgh, Attorney General

Richard Darman, Director, Office of Management and Budget

John H. Sununu, Chief of Staff to the President

Brent Scowcroft, Assistant to the President for National Security
Affairs

William Webster, Director of Central Intelligence

Michael Boskin, Chairman of the Council of Economic Advisors

Donald Atwood, Deputy Secretary of Defense

H. Henson Moore, Deputy Secretary of Energy

General Colin Powell, Chairman of the Joint Chiefs of Staff

Richard N. Haass, Senior Director for Near East and South
Asian Affairs, (Notetaker)

DOOR

NSC MEETING
MONDAY, AUGUST 6
5:00pm

DOOR

Marlin Fitzwater

Governor Sununu

Michael Boskin

AG Thornburgh

Secretary Brady

The Vice President

Richard Haass

Gen Scowcroft

General Powell

Henson Moore

Director Webster

Secretary Baker

The President

Donald Atwood

Richard Darman

*The
Cabinet
Room*

Coulson

NSC 500 Cabinet

Principal ans.

Pres

VP

SUNUNU

Secur

✓ Atwood

✓ Powell

✓ Webster

✓ Brink

✓ Watkins

✓ Danman

✓ Thornburgh

Boskin

Harris

Baker

Fitz

same as yesterday

NS0052

NATIONAL SECURITY COUNCIL

August 6, 1990

IL MEETING
st 6, 1990
net Room
- 6:00 pm

MEMORANDUM FOR BRENT SCOWCROFT

FROM: RICHARD HAASS

SUBJECT: NSC Agenda

Please review and comment/approve
the NSC meeting agenda for
today at 5:00 (Monday, Aug 6).

APPROVE ✓ DISAPPROVE

-President
-CIA
-State/NSC
-Sanctions
-State/CIA
-Treasury
-and
-Treasury/Energy
-Brent Scowcroft

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E.O. 12958, SEC 3.4 (B) September 11, 2006
By DS NARA, Date 07/21/2009

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NATIONAL SECURITY COUNCIL MEETING

DATE: August 6, 1990
LOCATION: Cabinet Room
TIME: 5:00 - 6:00 pm

- I. Introduction.....President
- II. Intelligence Update.....CIA
- III. Diplomatic Update.....State/NSC
- IV. Circumvention of/Non-Support for Sanctions
 - a. MilitaryState/CIA
 - b. EconomicTreasury
- V. Implications of Interrupting Iraqi and
Kuwaiti Energy Exports.....Treasury/Energy
- VI. Summary.....Brent Scowcroft

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By MM NARA, Date 8/22/2014

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