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CONTAINING IRAQ: FUTURE MILITARY OPTIONS

(A discussion paper by the Ministry of Defence)

AIM

To consider potential adjustments to the military component of our policy towards Iraq taking account of:

- (a) developments since UK policy for the medium term was agreed by DOP in May 1999;
- (b) the need to be ready to handle the inevitable debate with the Bush Administration on future policy that will ensue over the next few weeks.

POLICY OBJECTIVES

2. DOP agreed last year that our policy objectives towards Iraq (in support of our overarching interest in regional stability) were:

- (a) in the short term, to reduce the threat posed by Saddam to the region (including by eliminating his WMD programmes);
- (b) in the longer term, to reintegrate into the international community a territorially intact Iraq.

3. In taking forward this policy, our supporting objectives have been to:

- (a) sustain UK/US co-operation, and where necessary act as a moderating influence on US policy;
- (b) prevent Saddam from using air power to suppress the Shias in the south and the Kurds in the north by maintaining no fly zones;
- (c) sustain the credibility of international efforts to control the proliferation of WMD.

These still stand.

4. DOP recognised last year that:

- (a) containment offered the only viable way of pursuing these objectives;
- (b) Iraq was unlikely soon to accept an in country arms control regime, and in its absence our strategy would have to rest on diplomacy, external controls, sanctions and the threat of force (requiring a significant military presence);

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(c) to be sustainable, our policy required broad international and regional support;

(d) humanitarian improvements would alleviate, but not arrest, the decline of Iraq's economy;

(e) we were in for the long haul: containment does not produce rapid or decisive results; it is resource intensive, both in diplomatic and military terms; and it is not easy to sell, either at home or in the region.

5. We should be clear that in regional terms, the principal threat posed by Saddam's Iraq is to Kuwait (the incorporation of which into Iraq remains a core aspiration for Baghdad). And we also need to recognise that the UK remains very much the junior partner in a coalition; any proposed adjustments in military posture must be capable of being sold to the US, whose military in particular will be acutely sensitive to any change that might undermine their ability effectively to defend Kuwait.

TAKING STOCK OF PERFORMANCE

6. The success of our policy since May 1999 needs to be measured in terms of both our short and long term objectives. Judged against the first, containment has been successful: we have deterred Saddam from acting to destabilise the region. He remains in his cage. But this assessment takes no account of whether Saddam remains capable of potentially threatening regional security; nor is it predicated on progress towards our longer-term aspiration.

7. On both counts, the record is less encouraging. Iraq's refusal – despite the carrot of sanctions suspension offered up by UNSCR1284 – to accept an in-country arms inspection mechanism has stymied efforts to eliminate its WMD programmes (which we can assume, in the absence of such inspections, to be continuing). As a result, we are no closer in practice to the position where sanctions can be lifted and Iraq rehabilitated into the international community than we were in December 1998. Yet sanctions are eroding. Whilst the humanitarian position inside Iraq has improved – as a result of improvements in the oil price and in the oil for food programme – this is not the widely held perception, resulting in increased levels of sanctions-busting and popular pressure in the Arab world for a relaxation absent Iraqi compliance. Continued confrontation in the no fly zones has, meanwhile, further undermined international consensus, providing Saddam with opportunities to attract sympathy both in general from the breach of Iraqi sovereignty represented by the zones and individually in respect of coalition bombing in response to Iraqi threats. Meanwhile, increases in the oil price have enabled Saddam to make significant sums from smuggling, which go directly towards alleviating the consequences of sanctions for his inner circle, thereby reducing any pressure to co-operate. The recent violence in the Occupied Territories has led to an upsurge in anti-US feeling across the Middle East, further increasing sympathy for Saddam who – in contrast to other regional leaders – is popularly perceived to be standing up for Arab rights.

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SADDAM'S OBJECTIVES

8. Our thinking needs to take into account Saddam's perspective. Although it is difficult to get inside his thinking we can be reasonably clear of his strategic objectives. These are to:

- (a) remain in power, by ruthlessly suppressing any group or community that appears to threaten his hold on power;
- (b) for reasons of both prestige and as a weapon of last resort, both retain and expand his residual WMD capability;
- (c) regain, for reasons of prestige, his position of regional hegemony (including a residual claim on Kuwait).

9. To that end, he seeks the removal (or at least emasculation) of sanctions and to rebuild both his conventional and non-conventional forces. He is highly unlikely to accept UN inspectors unless he could be assured that they would be ineffective and that their presence inside Iraq would quickly result in an end to sanctions. We can expect continued efforts to isolate the US and UK and reduce regional support for the presence of Western forces in the Gulf. Playing up the effects of sanctions is likely to be his main weapon; but he is also likely to continue with efforts to generate international sympathy by sustaining the confrontation in the no fly zones.

REVIEWING POLICY

10. Against this background, it is right to consider the full range of options, including of moving towards a policy of seeking to overthrow Saddam or of cutting our losses and seeking to promote regional stability by reaching an accommodation with the Iraqi regime. Both such extremes have advantages: but they are also fraught with such strategic and political drawbacks as to make them unattractive when considered against some kind of continued effort to contain Saddam. On this basis, this paper concentrates on the potential military contribution to containment (not least on the basis that whatever our policy stance, as a bottom line we shall always want to insure against policy failure). The discussion inevitably focuses heavily on whether – in order successfully to contain Iraq – we need to sustain the no fly zones, not least given their centrality to the current military effort. It needs to consider, in the event that we decided to do away with the zones (perhaps in order to buy support for our wider policy of containment) or that they became otherwise unsustainable, how we would replicate their deterrent effects.

THE NORTHERN NO FLY ZONE

11. Whilst the northern no fly zone in no way contributes to our strategic objectives of preventing Iraq from threatening its neighbours, it is successful in limiting Saddam's ability to repress the population of the Kurdish Autonomous Zone (KAZ) by successfully preventing the use of Iraqi air assets north of the 36th parallel. Whilst the no fly zone covers only half of the KAZ, the US has made clear its determination to counter any Iraqi attempt to attack that portion located south of the 36th parallel. The JIC has assessed that whilst Saddam could retake the KAZ, he is

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likely to be deterred from doing so whilst the northern no fly zone is maintained; but that, if an attack on the KAZ was forthcoming, a humanitarian emergency similar in scale to that precipitated in 1991 could ensue. We have a very real interest in preventing this, not least given the instability it would cause on Turkey's eastern border and the likely emboldening effect on Saddam /

/. It is also the case that - whatever Saddam does - the sustainability of the KAZ is directly dependant on Kurdish confidence, which is acutely sensitive to perceived variations in the level of coalition commitment.

12. We have examined whether there is scope, however, for moving away from our current posture. This might offer a means of further dampening down the level of confrontation (which has traditionally, although not recently, been higher in the north) and denying Saddam the potential propaganda tool afforded by regular coalition bombing in self defence. This work suggests three basic options for the future of the northern no fly zone:

- (a) the status quo;
- (b) KAZ patrols only;
- (c) patrols in Turkish airspace only.

The status quo

13. We could continue with the extant pattern of patrolling, which covers the whole of the northern no fly zone and involves routine crossing of a "Grey Line" roughly correlating with the boundary of the KAZ. To minimise the risk, coalition aircraft only cross the Grey Line when a full force protection package is available (allowing the suppression of the Iraqi air defence system), and only do so to conduct tactical recce runs or to respond to Iraqi threats. We have maintained this concept of operations for nearly ten years, during which there is good evidence to suggest that it provides some measure of deterrence to Iraqi attacks on the Kurds. This approach is fully consistent with the current policy, and allows a rapid response to Iraqi aggression (whether against the Kurds or coalition aircrew conducting the patrols), albeit within the limits imposed by the Turks. But sustaining this posture would afford no reduction in the risk to aircrew.

KAZ patrols only

14. An option would be to restrict coalition flying completely to the airspace over the KAZ, monitoring Iraqi activity from behind the Grey Line. Again, this would be in line with our current policy in that we could continue to deter Saddam from moving against the Kurds. It would reduce the risk to aircrew (although there would be a residual threat from Iraqi air defence assets located just the other side of the Grey Line), and make even more remote the possibility of any incident involving a civil aircraft flying into Mosul. A reduction in bombing in response to Iraqi efforts to target coalition aircraft would serve to reduce tension with Turkey over the use of Incirlik. There are some disadvantages, however. Whilst we would not make our shift public, neither the Kurds nor Saddam could fail to notice it: we would need a robust information operations campaign to make clear our continuing determination to

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prosecute the mission. And just as important, we should need to accept, were we to move to this option, that the cessation of patrolling over "hostile" (Baghdad controlled territory) would entail an increase in risk and/or reaction time should operations south of the Grey Line be required.

Turkish airspace only

15. A third option would be to cease patrolling over Iraqi airspace completely, with coalition aircraft remaining behind the Turkish border. We could monitor the northern no fly zone reasonably effectively, given its small size, without flying over Iraq, although the effectiveness of recce assets looking into Iraq would be constrained by weather. Deterrence could be maintained by the presence of a force at Incirlik. But keeping a large number of offensive assets at high readiness would be resource intensive, and Turkish restrictions on training in their airspace might impinge on readiness. Turkish approval would also be required for any resumption of coalition operations over Iraqi territory were Baghdad to cross red lines: this could not be guaranteed in all circumstances. Adopting such an approach would support our current policy, while removing the day to day presentational and legal downsides associated with patrolling in Iraqi airspace. It would remove the risk of aircrew capture and of an accident with civil flights during routine monitoring operations. It would significantly reduce tension with Turkey over use of Incirlik.

It would be relatively risk free to re-establish patrols over the KAZ should this subsequently be required. But this option would greatly reduce our understanding of Iraqi air defence activity south of the Grey Line, thereby increasing the risk (and likely time of response) associated with coalition operations south or west of it in response to Iraqi breaches of red lines (as could be required, for example, in the event that unambiguous intelligence was forthcoming of an Iraqi intention to attack the Kurds). And, in order to minimise the adverse impact on both Kurdish confidence and deterring Saddam, it would have to be accompanied by a rigorous information operations campaign. We would also need to consider the impact of public disclosure that we had ceased patrolling over northern Iraq on our stance in the south.

THE SOUTHERN NO FLY ZONE

16. Our consideration of options for the future of the southern no fly zone is complicated by the fact that, whilst it is necessary to constrain Saddam's ability to repress his people, the existence of the zone is of critical utility to defending Saudi Arabia and Kuwait. although a military offensive outside Iraq's borders would be limited by shortfalls in equipment and logistics, Iraqi forces are still large and well organised by regional standards. While UK/US military forces remain deployed in the region and prepared to intervene militarily, an attack on Kuwait is very unlikely. But, if the southern no fly zone and US-declared no drive zone (which prevents Iraqi Republican Guard deployments south of the 32nd parallel) became defunct, warning time for an attack would shorten because the intent behind any Iraqi deployment in Southern Iraq would be harder to judge. Saddam has never withdrawn his claim on Kuwait and has shown a continuing readiness to deploy his forces in aggressive postures. Should deterrence fail, UK/US forces in the region might be insufficient to defeat an Iraqi attack. If US and UK forces were withdrawn

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from the Gulf, and Saddam perceived that the West was no longer prepared to intervene militarily, he could try to re-take Kuwait. In such circumstances he would succeed, even with his current force levels. Support from other Gulf States would be too little, too late – t

17. Our thinking on the future needs, therefore, to be informed by an understanding of the incidental strategic benefits derived from our current policy of maintaining the no fly zone for humanitarian purposes. There are two key points. First, patrols enable the coalition to maintain a better picture than would otherwise be the case of Iraqi force dispositions – in particular air defence – south of the 33rd parallel. This reduces the day to day risk to our aircrew. But more fundamental is the early warning provided of any Iraqi intent to attack Kuwait. The presence of combat aircraft in the zone enables airborne recce (and intelligence collection) assets – such as U2 or PR9 – to fly sufficiently far forward to monitor potential Iraqi troop concentration areas. Some 92 key targets are currently regularly imaged, of which only a proportion are covered by satellite. The mix of recce assets varies according to the competing priorities for the various platforms, and the need to draw-on the particular strengths of each. Satellites are invulnerable, but they are predictable (making them prone to deception), subject to weather limitations and cannot always provide the necessary definition.

18. Second, the southern no fly zone, in conjunction with the no drive zone, provides a buffer between Iraqi forces and Kuwait and Saudi Arabia. In addition to the early warning afforded, coalition contingency planning (OPLAN 1003/JCP502) to defeat such a threat is predicated on being able to attrit Iraqi forces before they reach the southern border and on using the time afforded by the buffer rapidly to reinforce the limited assets held in theatre.

19. Our thinking has also needed to take into account the size of the southern no fly zone. Whilst the area of principal interest to coalition forces is east and south of the Bahr al Minh lake, this alone is at least ten times bigger than the entire northern zone. This has particular implications for recce, especially our ability to achieve the task from outside Iraq. Against this background, we have considered four options for the future of the southern no fly zone:

- (a) the maintenance of a continued buffer by establishing an air defence and ground security zone **in Iraq** over which coalition recce assets could – with appropriate force protection – continue to operate;
- (b) the cessation of patrolling over Iraq, monitoring activity north of the Iraqi border with strategic recce assets flying inside Kuwaiti/Saudi airspace;
- (c) relying on satellites for early warning and retaining the capability rapidly to reinforce should this be required;

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(d) maintaining the status quo.

20. In considering the options, we have been mindful of their potential impact on our deterrent posture (that is, how Saddam would perceive them) and on their credibility in terms of the defence of Kuwait. We have, in judging them, kept in mind that:

(a) Saddam is likely to respond to any reduction in the constraints on his military capability and activity by adjusting his posture to meet the new 'red line' (as he did in the north during Kosovo, and is currently doing with the Grey Line policy);

(b) he will test Coalition resolve by incrementally breaching any new red line and measuring the Coalition reaction;

(c) reductions in warning time would have important implications for the size and readiness of coalition force deployed in theatre.

The buffer option

21. This would provide for the maintenance of a no drive zone, and introduce a much smaller air defence zone (perhaps south of the 32nd parallel as with the current no drive zone).

This stance would allow effective monitoring of Iraqi action against the Marsh Arabs. Further work would be required to establish its legality (the ADZ might continue to be justified in terms of humanitarian necessity, or potentially in terms of anticipatory self-defence under UNSCR 949). There would be an impact (in terms of force protection) for forces deployed in Kuwait, for whom, the warning time of Iraqi air attack would be reduced). This increased threat might require more assets, or a move away from Kuwait. Further work is also required on the key question of whether the coalition could rely on satellites to provide imagery of Iraqi force dispositions north of the 32nd parallel.

22. The obvious drawback to this proposal is the fact that it maintains an ongoing fundamental requirement for coalition aircraft to over fly Iraq with all that implies. There would also be an increased threat to coalition aircrew should they be required to fly north of the 32nd parallel (against an Iraqi aircraft engaged, perhaps, in attacks on civilians). Absent significant benefit (and it is not yet clear whether there would be significant disbenefit in terms of the defence of Kuwait) it would also be seen as a sop (and portrayed as a victory) by Saddam, but one that offered no prospect of a change in his behaviour. If Saddam's attitude to moving forward with UNSCR 1284 was to change unexpectedly radically, this option as a hugely extended UNIKOM type mission might be worth considering.

The border option

23. An option would be to cease patrols over Iraq.

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Our position would need to be bolstered by a major information campaign reiterating our continued determination to contain Iraq. This would be attractive in terms of ceasing routine flying over Iraq and would remove the risk of aircrew capture and an accidental shootdown of an Iraqi civil flights. But combat aircraft would still be required in theatre, both to provide protection to the recce assets and deterrence. New red lines would have to be established, and we would need (in order to retain credibility) to be clear about what level of Iraqi violation merited a response. But this could not meet our strategic objectives. Saddam could be expected very quickly to repopulate the south of Iraq both with aircraft and Republican Guard forces. But the limited information that would be provided on Iraqi troop dispositions would render invalid contingency plans for the defence of Kuwait. Warning time of a major attack might be reduced to less than 48 hours. The required buffer – in both time and space – required both to reinforce in time and attack Iraqi combat capability before it reached the Kuwaiti border would be removed. With current forces in theatre, Saddam could successfully take Kuwait. For deterrence to be credible, therefore, a large in-place force would be required, together with a clear demonstration of intent to reinforce. This would be financially costly and might not be either militarily or politically sustainable. Any option involving the enduring deployment of an armoured or armoured infantry battle group could only be sustained by withdrawing a similar force from the Balkans or by incurring additional over stretch (with implications for the delivery of very high readiness forces for the JRRF and on operational tour intervals). Running costs would be likely to exceed those relating to Kosovo due to increased demands caused by strategic lift and desertisation. Similar arguments – particularly in relation to over stretch – are likely to apply to the US, not least to an Administration keen to reduce its world wide deployed footprint.

24. The additional burden of increased troops permanently deployed would hardly be welcome either to the Al Saud or Al Sabah.

In any case, coalition airfields would be at high risk and require increased force protection measures (or aircraft would have to be removed from their exposed position in Kuwait). When (rather than if) Saddam transgressed the new red-lines, requiring coalition aircraft once again to operate over Iraq, they would be at greater risk (and a response delayed), due to the lack of detailed information on the disposition of the Iraqi IADS. Finally, however hard we tried, we could never escape the charge that this was a major defeat for the coalition, that we had caved in to Saddam.

'Deterrence'

25. If the attractions of ending patrols over the southern no fly zone are judged to justify forgoing the military benefits associated with them, an option would be to scale back the in place military presence and rely on maritime assets and the threat of retribution to communicate the deterrent message and satellites to provide a limited intelligence picture. Reassurance and commitment to allies could be demonstrated by regular exercises (as a measure of our reinforcement capability), and through a robust information campaign. Superficially this might appear to offer savings. But the additional costs of regular exercise deployments to the region should not be underestimated. In any case, in practice there is no useful scope for increased exercise that would have any **strategic** benefit. The US already swamps the region

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with offers of exercises. Any additional contribution by the UK – such as participation in INTRINSIC ACTION in Kuwait – would improve bilateral relations and may have benefits for Army training, but it would not alter fundamentally Saddam's perception of reduced UK/US commitment. And this option, however it was spun, would again be perceived as a victory for Saddam. It would also be difficult to portray as offering any meaningful deterrence, given the inability of deployed forces to defend Kuwait. Any deterrent effect would be founded on Saddam's perception of our continued determination to liberate rather than defend Kuwait (and his assessment of the likely pain which would be inflicted upon him in the process), a perception that this major scaling back of apparent coalition resolve would do nothing to strengthen. At the very least, this would hand a major irritant to Saddam, who we might expect to use ambiguous deployments in southern Iraq as a means of triggering (as in 1994) coalition deployments to the region. As a pre-condition for such crises, this option does not meet the policy objectives.

The status quo

26. As now, this option would entail patrolling the zone to the minimum extent necessary commensurate with ensuring minimum risk to aircrew, in order to limit Saddam's ability to oppress the Marsh Arabs. It would enable continue regular reconnaissance of the sites that are assessed to provide indicators and warnings of Iraqi intent. And whilst coalition patrols per se do not stop Saddam from penetrating the zone (as he proved on 4th September), the combination of air supremacy, knowledge of his air defence system and proven determination to take response measures do deter him from using air assets against civilians or any adventurism further south. They are assessed to be militarily sustainable, even given the regular civil flights between Baghdad and Basra.

27. Last February, following a comprehensive review, we advised Ministers that current operations in the no fly zones met our objectives effectively and at lowest overall risk. We have revisited this conclusion in relation to the southern no fly zone for the purposes of the current review. It remains valid. In-theatre commanders are under remit to achieve the required task at minimum activity levels and at minimum risk, and force package sizes are significantly smaller than they were 18 months ago. But the key point from a policy perspective is not the numbers of aircraft in a particular package, or minor variations on patrol frequency. It is the fact that coalition aircraft are over Iraqi airspace at all. Against this perspective both of the factors above are issues for the local commander, and are not susceptible to definitional fiat from afar. We have revisited the question of whether UAVs could replace manned aircraft. But they have yet to reach the level of capability in terms of range, endurance and relative invulnerability to attrition that would allow them to be viable alternatives to satellites and manned aircraft. They currently have niche tactical roles (for example, in relation to surveillance of Seersucker sites on the Al Faw peninsula and in the detection of highly mobile targets) and the next generation of US UAVs due into service in 02/03 might have some wider potential. But, at least until then UAVs will not have a serious role to play in the southern NFZ. Put simply, if Ministers want to maintain a credible no fly zone – and the ability to enforce it is critical to its credibility – then regular patrols over Iraqi territory are required.

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28. The principal drawback of this option is that it would entail the continued provision to Saddam of opportunities to discredit the coalition and derive sympathy from the international community, as well as providing an excuse for non-co-operation on the WMD agenda. If we do decide to maintain the status quo, we would have to look further at bolstering our information campaign so as to combat Saddam's sophisticated propaganda effort.

WMD

29. It might be argued that we should be prepared to accept the weakening of our ability conventionally to contain Iraq in order to secure Iraqi behaviour consistent with our objective of eliminating Baghdad's WMD capability. Retreating from the no fly zones, so the argument runs, would remove an excuse for Iraqi non-compliance, buy support in the international community and act as an incentive for co-operation. Leaving aside the question of how Saddam might interpret such a concession, it is not clear – given the JIC assessment that Saddam is committed to retaining a WMD capability and that even were he to accept weapons inspectors he would ensure that they were ineffective – that this would result in the required breakthrough.

30. That said, the no fly zones are at best of limited value to our ability to secure our disarmament objective. They add very little in terms of our understanding of Iraq's WMD facilities: the majority of Iraq's suspect sites are located in the middle of the country, outside either no fly zone; and in any case,

And in any case, even if such information was available, we need to be realistic about the ability of military action to eliminate WMD production: at best it can set it back, but particularly in relation to CBW this is likely only to be temporary. At the same time, if we believe that we are in the future likely to have to take military action against Iraq's WMD capability, the risks of doing so are reduced the longer that we maintain the southern no fly zone.

*One best approach
? Tighten controls*

SANCTIONS

31. Given the limited propensity for military action to support our policy of eliminating Iraq's WMD capability – and the fact that resorting to such action is both politically costly and serves as a key indicator of the failure of such a policy – there is a powerful case in favour of sustaining as complete a sanctions regime as possible against Iraq, so long as Saddam refuses to submit to UN inspections and comply with his disarmament obligations. This is amplified by the limiting effect that sanctions have on Saddam's ability to reconstitute his conventional forces. We should be under no illusions that sanctions are a panacea: as the JIC has noted, Iraq is able to acquire some spares for his forces and some WMD precursors are probably getting through. Neither are sanctions any longer an effective means of pressurising Saddam into compliance with the obligations conferred upon him by UN Security Council Resolutions: they are sufficiently porous to enable him to smuggle enough oil to sustain his position in power.

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32. But sanctions do make an important contribution to containment, however, in the sense that they continue to deny Saddam the vast bulk (even with the \$2bn he derives from smuggling, some 90%) of Iraq's oil revenues, which instead are channelled into the oil for food programme. This is vital: if Baghdad had control of these assets, we could be sure that the ratio of expenditure would tilt substantially in favour of his conventional and non-conventional military capabilities, greatly enhancing his ability (even with an arms embargo - which we could only expect to be very porous - in place) to threaten his neighbours. Sanctions erosion will tilt de facto the balance gradually in Saddam's favour: but this constraint on his ability to develop his military capabilities will remain a potent one. It is likely to be regarded as essential by the US.

33. Without progress on UNSCR 1284, the voices arguing in favour of easing sanctions are likely to continue to get louder, whether from those seeking to alleviate the humanitarian position inside Iraq, or those alive to the commercial opportunities associated with doing business in Baghdad. The wider sustainability of our policy argues strongly that we should accommodate this where we can, for example by streamlining the 661 Committee approval process, reducing the number of holds and bringing existing smuggling activities within the scope of oil for food. Crucially, we should look to make sanctions smarter and make it easier to conduct legitimate trade with Baghdad, by being prepared to widen the scope of the programme, granting more blanket clearances to general categories of goods not of an explicitly military or dual use nature. But we should maintain - even toughen - the embargo on arms and dual use for key areas such as WMD. And we should resist pressure to remove international controls over the disbursement of Iraqi oil revenues absent some major move by Saddam in the direction of compliance.

COSTS

34. Maintaining our current posture in the region consumes in the region of £25m per annum. This accounts for the deployed air forces and the UK maritime contribution to sanctions enforcement. Many of these costs, particularly relating to personnel, would be borne wherever the forces were located. In considering the options outlined above, we should be clear that the current level of commitment - with its acknowledged drawbacks - is judged sustainable by the RAF. The same could not be said of any requirement to base a larger number of forces - either land or air - in theatre, which would likely have significant resource and over stretch implications. An exercise deployment of, say, an armoured battle group would cost in the region of £10m (principally associated with the heavy lift required to get vehicles into theatre). The maintenance of one battle group's equipment pre-positioned in the region would have substantial initial costs even if the assets could be found to sustain such a commitment. (Running costs - based on US costs for their similar existing facility - would be in the region of £15m per annum).

35. Detailed scaling would be needed; but it is unlikely that less than a Brigade would be required with total annual costs in the £50-100m zone from Kosovo experience.

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CONCLUSIONS

36. Maintaining the no fly zones does come with a cost, in terms of the excuse it provides for Saddam's refusal to co-operate with the international community and the international sympathy generated for Iraq's people. Our analysis suggests that there may be scope for looking afresh at our activities in the northern no fly zone. Contacts with the US military

We would need to be clear, however, that a unilateral move in the north would not deliver significant political benefit, and might result in increased pressure to make unwelcome adjustments elsewhere.

37. In the south there are very strong grounds for concluding that -- in the absence of significant additional resources -- our policy objectives are most efficiently and effectively met by the existence of a no fly zone, or something very like it, however justified. The US military are likely to argue strongly for something resembling very closely the status quo, given the strategic importance of the zone for the defence of Kuwait and the impracticality in the current climate of making the significant enhancements required to in-theatre forces were it to be abolished. Were a decision to be taken to move away from this position -- for wider policy reasons -- we would need to be clear that in doing so there would be substantial impact on:

- (a) the credibility of our deterrent posture;
- (b) our ability with sufficient timeliness to pick and respond to indications of Iraqi hostile intent towards Kuwait;
- (c) our ability to prevent the use of air assets against the civilian Iraqi population.

The first two of these would require the deployment of increased levels of coalition forces in theatre, with highly unwelcome -- and probably unsustainable -- resource, political and presentational implications. All three would also lead to very difficult questions about how we would respond, at greater risk, in the event that Saddam tested the revised constraints of his cage.

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