

1. PR
2. LC

Further Rycroft No. 10

DECLASSIFIED
CONFIDENTIAL - PERSONAL

Mr Ricketts

Cc: Mr Wright
Mr Chaplin o/r
Mr Pattison, UND
PS/PUS

Further,

have attached. I thought
you might also find
Charles Gray's note to
Peter R. interesting as
background. Pb regard the
as a third copy.

IRAQ: CONTAINMENT: QUERY FROM NO 10

1. Following our conversation of yesterday evening, I have reworked the passage on containment in the material commissioned by Mr Rycroft.
2. The difficulty lies in providing No 10 with language which will adequately bring out the deficiencies in our present policy and show that there is a need to move beyond it, without suggesting that it has been a total failure (which, for the reasons set out in the first version of this passage, we do not believe to be the case). And I also see a presentational risk that if we do not in the end go hard over on a policy of military action, and have already said categorically that containment has failed, we shall be setting ourselves up for accusations that we are then left with no policy at all.
3. So rather than tie us down to pursuing an alternative to containment immediately, the language below seeks to demonstrate why the present state of affairs cannot continue indefinitely, thus leaving us with some flexibility on the timing of any other action.

Charles Gray

DECLASSIFIED
CONFIDENTIAL - PERSONAL

1. PR
2. File

~~CONFIDENTIAL - PERSONAL~~
DECLASSIFIED

4. The sanctions programme and containment. Tell me why the policy of containment cannot continue indefinitely. The evidence that sanctions were crumbling, and that (Saddam) is leeching oil revenues for weapons programmes.

The purpose of the policy of containment through sanctions has been to ensure that Iraq is disarmed, in compliance with the demands of the international community as expressed in successive UN Security Council resolutions.

There are two main elements to this:

- WMD disarmament (by means of the UN's inspections regimes); and
- reducing Iraq's ability to finance its WMD programmes by controlling their revenues from oil.

The policy had some success in dismantling Saddam's arsenal when the inspectors were able to operate. And it has slowed his efforts to rebuild WMD. The arms embargo has been effective in preventing Saddam acquiring new complete weapons systems. But:

- in the absence of the Inspectors, Iraq can continue work on its WMD programmes unimpeded. Iraq is in violation of a string of Security Council Resolutions intended to curb the programme;
- controls on Iraq's sources of finance are eroding. Iraq's illicit revenue rose from \$1.8bn in 2000 to over \$3bn in 2001. This is giving Saddam access to large sums over which the international community has no control.
- much of this is certainly going into his high-priority WMD programmes. Although the sanctions regime has now been narrowed and targetted on goods of most concern, no sanctions regime will be completely effective in stopping a ruthless and well-funded regime getting its hands on some of the goods and technology needed for a WMD programme.

These trends cannot be allowed to continue.

Prime Minister 1 cc JPo/DM/AW/pvd/mp

This is the missing FCO
advice on your question

about containment. We need to bring out the deficiencies
of the containment policy without saying that it has

~~CONFIDENTIAL - PERSONAL~~
DECLASSIFIED