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SECRETARY OF STATE

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PRIME MINISTER

2004: MANAGING UK DEFENCE CAPACITY

1. Recent internal reviews and discussions with the UN, NATO and EU (and last week with Donald Rumsfeld) allow me to offer colleagues a view on how we should manage our defence capacity over the next 12-18 months.
2. The Armed Forces have been busier in the last three years than in any period since the Second World War. Our capacity for activity until mid 2005 is effectively fixed by past decisions. We enter the year with five operational commitments: Northern Ireland, Iraq, Balkans, Afghanistan and West Africa (Sierra Leone); and deployments worldwide to deflect challenges from terrorism effectively add another. On present scales of effort, without any fresh decisions these will keep the Armed Forces over 30% committed to operations – well above the long term sustainable level. This burden falls heavily on specialised groups in short supply such as logisticians. So before we raise our level on any of the campaigns above or take on anything new, we need to reduce effort committed on some of them.

3. Taking them in rough order of priority:

Iraq

4. Clearly achieving strategic success will remain our highest priority. Most of our objectives have been achieved. But internal stability is far from assured

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and we must be ready to reinforce. After 1 July, the military profile should gradually shift towards a greater Iraqi lead and we should need fewer troops in the South East from later in the year. Adding small quantities of UK troops into other areas is unlikely to have a strategic effect or influence US operating methods. We are likely to find more useful some advisory and reconstruction roles at national level (e.g. setting up the Iraqi MOD).

5. The key issue is whether we should take a major role, by deploying the ARRC instead of a US Corps HQ so as to guide the nature and tempo of transition to Iraqi led security, centred around reconciliation and unification. But to do so would add to the strain on the Army, slowing their recuperation for fresh operations.

Northern Ireland

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Balkans

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Afghanistan

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West Africa

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Scope for reductions elsewhere

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Conclusion

11. Even with necessary restructuring of the Armed Forces as set out in the White Paper I cannot see an end to the imbalance between commitments and resources. So to give ourselves capacity to get existing campaigns through crucial phases, there are inexorable conclusions:


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- We shall have to be careful about taking on anything new

- It will be necessary to take some risks – perhaps over [Northern Ireland and Afghanistan] – to get the Armed Forces back in balance.
- Even then we will have little available for the unexpected.
- For the present, the ARRC is best kept poised for roles in either Iraq or Afghanistan in 2005.

12. I am sending copies of this minute to OD colleagues, the Northern Ireland Secretary and to Andrew Turnbull, David Omand and Geoff Mulgan.



(G H)

Ministry of Defence

12 January 2004

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