

1 Friday, 5 March 2010
2 (10.00 am)

3 RT HON GORDON BROWN MP

4 THE CHAIRMAN: Good morning.

5 RT HON GORDON BROWN MP: Good morning.

6 THE CHAIRMAN: Good morning everyone. Today, the
7 Prime Minister, the Rt Hon Gordon Brown MP, is here to
8 give evidence to the Iraq Inquiry and the Committee are
9 acutely conscious that this hearing takes place in the
10 months leading up to a general election.

11 From the time that we began our work last July, we
12 have been at pains to preserve the absolutely
13 impartiality and the independence of the Inquiry. We
14 have been clear from the outset that we have to remain
15 outside party politics and we have asked the political
16 parties to respect that position and we repeat that
17 request today.

18 It was for that reason that, before Christmas, my
19 colleagues and I originally decided that we should ask
20 to see the Prime Minister, the Foreign Secretary and the
21 Development Secretary after the general election. On
22 19 January, the Prime Minister wrote to me, reiterating
23 he was prepared to give evidence whenever the Committee
24 saw fit. We discussed this letter and concluded that,
25 in the interests of fairness, we should offer the

1 Prime Minister, the Foreign Secretary and the
2 Development Secretary the option to give evidence before
3 the election, if they wished to do so, and all three
4 have taken up this offer. We will be seeing the
5 Development Secretary later today and the Foreign
6 Secretary on Monday morning.

7 We have a very serious task before us, to establish
8 the UK's involvement in Iraq between 2001 and 2009 and
9 to learn the lessons for future British Governments
10 facing similar circumstances. We can only accomplish
11 that task successfully if we are seen to be fair,
12 impartial and apolitical, and we are determined to do
13 so.

14 Now, we recognise that witnesses are giving evidence
15 based in part on their recollection of events and we
16 cross-check what we hear against the papers to which we
17 have given access.

18 I remind all witnesses that they will later be asked
19 to sign a transcript of the evidence to the effect that
20 the evidence given is truthful, fair and accurate.

21 Which brings me to my first question:

22 Prime Minister, you have been a senior member of the
23 Cabinet since 1997 and Prime Minister since 2007, in
24 June, and you are particularly well placed to offer us
25 insights into the whole period covered by our terms of

1 reference.

2 It has been borne in on this Inquiry from the outset
3 that the coalition's decision to take military action
4 led directly or, most often, indirectly to the loss of
5 lives of many people, servicemen and women in our and
6 the Multi-National Forces, the Iraqi security forces,
7 and many civilians, men, women and children, in Iraq.
8 Still more have been affected by those losses and by
9 other consequences of the action.

10 Given all that experience, I should like to ask
11 right at the outset whether you believe the decision to
12 take military action in March 2003 was indeed right.

13 RT HON GORDON BROWN MP: It was the right decision and it
14 was for the right reasons. But I do want, at the
15 outset, to pay my respects to all the soldiers and
16 members of our armed forces who served with great
17 courage and distinction in Iraq for the loss of life
18 and the sacrifices that they have made, and my thoughts
19 are with their families.

20 Next week, we will dedicate at the national
21 arboretum a memorial to the 179 servicemen and women who
22 died in Iraq and I think the thoughts and prayers of us
23 are with all the families today. I should also like to
24 say that there were many civilian injuries and deaths in
25 Iraq as well, British citizens, and my thoughts and

1 prayers are with them. And we know that there was a huge
2 loss of life in Iraq amongst civilians. And I think any
3 loss of life is something that makes us very sad indeed.

4 So I would like to acknowledge the contribution of
5 all our British forces, but particularly acknowledge the
6 sacrifice of those who lost their lives.

7 I think that this is the gravest decision of all, to
8 make a decision to go to war. I believe we made the
9 right decision for the right reasons, because the
10 international community had for years asked
11 Saddam Hussein to abide by international law and the
12 international obligations that he had accepted.
13 14 resolutions were passed by the United Nations, and,
14 at the end of the day, it was impossible to persuade him
15 that he should abide by international law.

16 My feeling is, and still is, that we cannot have an
17 international community that works if we have either
18 terrorists who are breaking these rules, or, in this
19 case, aggressor states that refuse to obey the laws of
20 the international community.

21 I do think, Sir John, we have lessons to learn,
22 however. I think in three areas I would like to discuss
23 with you and I hope that you will take on board the
24 questions and the answers that come from these issues.

25 The first is we have been fighting two wars and it

1 is essential that we have the proper structures of
2 decision-making. And, of course, as time has gone on,
3 both Tony Blair and I have changed the structures of
4 decision-making in government.

5 I think the second thing is we won the battle within almost
seven days, but it has taken seven years to win

7 the peace in Iraq. And I think we are developing the
8 concepts of a just peace and how we can actually manage
9 conflicts like this in a way that we get reconstruction
10 and a stake in the future by, in this case, the Iraqi
11 people.

12 I think the third thing we have learned, and I would
13 like to discuss it with you, but it is for you to ask me
14 questions, is that there will be interventions in the
15 future and international cooperation has got to be far
16 greater than it was. Global problems require better
17 global institutions. And I would particularly draw
18 attention to the importance in all this of the strongest
19 possible relationship between Europe and America,
20 something that I'm determined to build up and continue
21 to make stronger in the future.

22 THE CHAIRMAN: Thank you Mr Brown. We would like to begin,
23 if we may, by discussing your role as a senior member of
24 the Cabinet in the period up to March 2003. We would
25 propose then to come to the specific issues relating to

1 your departmental responsibilities as Chancellor and
2 then your role as Prime Minister after June 2007. So,
3 first, your role as a senior member of the Cabinet.

4 I will ask Baroness Prashar to start the question.

5 Usha?

6 BARONESS USHA PRASHAR: Prime Minister, as the Chairman
7 said, I want to discuss your role as the senior member
8 of the Cabinet in the period up to March 2003, but,
9 before that, I would like to get a better understanding
10 of your views about Iraq, because, by 2001, the
11 government had been in power for four years and had
12 taken military action in Iraq, Kosovo, Sierra Leone and,
13 of course, after 9/11 in Afghanistan.

14 What conclusions did you draw about the role of
15 force in supporting our foreign policy objectives?

16 RT HON GORDON BROWN MP: I think we had no alternative but
17 to intervene in situations where there are two risks to
18 the post-Cold War world. The first has been, as
19 I mentioned, the action of non-state terrorists; and, the
20 second has been the action of rogue states, or, in the
21 case of Iraq, aggressor states. And if the world
22 community is going to mean anything in terms of our
23 ability to cohere and our ability to live at peace, then
24 we have to be prepared to take international action.

25 It is, of course, far better if all countries are

1 united in the action that has got to be taken. But it
2 has been necessary to take action in situations where,
3 either through terrorism we are put at risk in our own
4 country, or through aggressor states the region, in this
5 case in Iraq, the region around Iraq is put at risk as
6 well.

7 BARONESS USHA PRASHAR: Can I just come back to the specific
8 question on Iraq because Mr Blair argued in the Commons
9 on 18 March 2003 that there was a link between terrorism
10 and weapons of mass destruction, which constituted what
11 he said was a fundamental assault on our way of life and
12 that a threat of chaos from tyrannical regimes with WMD
13 and extreme terrorist groups with the possibility of the
14 two coming together, represented what he called a real
15 and present danger, and he made similar points to us in
16 his evidence to the Inquiry in January.

17 Did you see a real and present danger of this kind
18 coming from Iraq in 2003?

19 RT HON GORDON BROWN MP: I think we are dealing with this
20 post-Cold War world. Let me just say that, after the
21 end of the Cold War, and the expectation that we would
22 have peace and that the instabilities that had existed
23 because of the Cold War were over, we found that there
24 were a number of states and then we found there were
25 a number of non-state terrorists who were prepared to

1 cause huge instability around the word.

2 This is essentially how this generation will be
3 seen. We will be seen as a generation that had to deal
4 with a post-Cold War era in which you both had terrorism
5 and you had states like Iraq which were aggressor states
6 because of what they had done in relation to Iran and
7 also in relation to Kuwait. And, therefore, in my view,
8 the world community is justified in taking action where
9 international obligations, in this case accepted by Iraq
10 at the end of the Kuwait/Iraq war, were not being
11 honoured.

12 If you are going to have international law and
13 international community, then you need to be absolutely
14 sure that the world community can constrain and impose
15 rules and regulations that allow us to live in a more
16 peaceful world. So I'm not making a distinction between
17 the two problems. These are two problems, however, that
18 lead to action.

19 BARONESS USHA PRASHAR: I understand that, but can I just be
20 more specific about this? Because what I really want to
21 establish is whether you saw this as a real and present
22 danger in March 2003.

23 RT HON GORDON BROWN MP: The evidence that we had - I met
24 the intelligence services on a number of occasions
25 during the course of 2002 and early 2003, and - in

1 addition to my discussions in the Cabinet and in
2 addition to my discussions with Tony Blair himself -
3 I was given information by the intelligence services
4 which led me to believe that Iraq was a threat that had
5 to be dealt with by the actions of the international
6 community.

7 Of course, at all points, we wished the diplomatic
8 route to be successful. So throughout 2002 and early
9 2003, we were hopeful that the diplomatic route and UNSCR
10 1441 and the United Nations would bring Iraq to a sense
11 that they had to cooperate and they had to disclose as
12 well as dismantle whatever weapons they had. But the
13 information we had was information given to us by the
14 intelligence authorities.

15 BARONESS USHA PRASHAR: So you would agree with Mr Straw,
16 who, I think, told the Inquiry that the case for
17 military action stood or fell on whether Iraq posed
18 a threat on international peace and security by reasons
19 of his weapons of mass destruction. Would you agree
20 with that?

21 RT HON GORDON BROWN MP: My thesis is this: that
22 persistently Iraq had been asked by the international
23 community to disclose and then dismantle weapons that
24 every country who signed that United Nations Resolution
25 believed that they had; that we had a responsibility to

1 ensure that international law in this case was upheld
2 and the international community would mean very little
3 if we could not, in the case of a country that had
4 systematically -- was, in fact, a serial violator of
5 international law -- we would have no sense that the
6 political will would be there for future interventions
7 which might be necessary, if we could not show that we
8 could come together to deal with the problem of Iraq.

9 But, of course, what we wanted was a diplomatic
10 route to succeed. And right up to the last minute and
11 right up to the last weekend, I think many of us were
12 hopeful that that diplomatic route could succeed.

13 BARONESS USHA PRASHAR: So your concern was mainly about the
14 breach of the United Nations Resolutions. It was
15 defiance by Saddam Hussein of those resolutions that you
16 felt was a reason to invade --

17 RT HON GORDON BROWN MP: Yes, my view has always been,
18 throughout this episode, that the sanctions and then the
19 No Fly Zones and then the tightening of sanctions and
20 then, of course, the demand that Iraq disclose to the
21 international community what it had and what it was
22 doing, this was all about the implementation of a new
23 international set of rules that were necessary in
24 a post-Cold War world; that we had already seen how much
25 instability could be caused by individual states that

1 were either failed states or rogue states, as well as
2 seeing the effect of terrorism and the action of
3 non-state actors in terrorism; that we had essentially
4 failed in Rwanda to take action where it was necessary;
5 we had tried hard in the Balkans to take action that was
6 required; but 14 resolutions of the United Nations had
7 been systematically violated and ignored by Iraq and it
8 was our responsibility to make sure that the
9 international order could work for the future.

10 BARONESS USHA PRASHAR: Can I move to more specifically
11 about your role as a senior member of the Cabinet?

12 RT HON GORDON BROWN MP: Yes.

13 BARONESS USHA PRASHAR: We understand from earlier evidence
14 that Mr Blair discussed Iraq frequently with you in
15 private conversations. Is that correct?

16 RT HON GORDON BROWN MP: Yes, we had formal meetings of the
17 Cabinet, and I think it is true to say in 2002 Iraq
18 was --

19 BARONESS USHA PRASHAR: I will come to that, but I'm talking
20 about private conversations with Mr Blair.

21 RT HON GORDON BROWN MP: I was going to say, in addition to
22 these formal meetings of the Cabinet, I talked to
23 Mr Blair regularly. We talked about all sorts of
24 issues, of course, because: we were dealing with
25 economic issues; we were with dealing with the reforms

1 of the Health Service; we were dealing with a whole
2 series of issues, including dealing with the Euro, an
3 inquiry into how we would approach the Euro -- but I would
4 talk to him about Iraq and about the process of
5 diplomatic negotiations.

6 BARONESS USHA PRASHAR: So you would say you were absolutely
7 in the loop from early 2002 onwards?

8 RT HON GORDON BROWN MP: Yes, I think we have got to
9 understand that foreign affairs and the conduct of
10 foreign affairs, as I have discovered since I became
11 Prime Minister, is quite different in many ways from the
12 conduct of domestic policy. And there has been a whole
13 debate over many, many years about Cabinet and
14 Prime Ministerial Government.

15 But what you have got now is a unique situation
16 where in the past, 50 years ago, Prime Ministers and
17 Foreign Secretaries would operate through Ambassadors
18 and operate through memos. You have instant contact
19 between the Prime Minister and the American President.
20 Instant contact between the Foreign Secretary and the
21 Secretary of State. And of course, if it was necessary,
22 between me and the Economic Minister. And that's true of
23 France and Germany and our relationships with them.

24 So foreign policy is essentially -- the
25 Prime Minister and the Foreign Secretary, the

1 Defence Secretary, involved very directly with their
2 opposite numbers in every country. And they are in
3 a position to report to you and report to the Cabinet
4 about what is actually happening on a day-to-day,
5 sometimes hour-to-hour, basis. And instead of
6 intermediaries of the past, there is a huge issue about
7 how individuals work far more closely together and the
8 better the personal relationships, the better the
9 conduct of foreign policy as well.

10 BARONESS USHA PRASHAR: But I understand that the relevant
11 Cabinet Committee, that is the Defence and Overseas
12 Policy Committee, didn't meet, but Mr Blair told us that
13 there were lots of ad hoc meetings and he described as
14 constant interaction within government on the key issues
15 involving key players.

16 Were you part of these interactions at these ad hoc
17 discussions?

18 RT HON GORDON BROWN MP: Yes, I was talking to the
19 Defence Secretary from June 2002 about what would be
20 necessary in the -- in case we failed in our diplomatic
21 efforts.

22 BARONESS USHA PRASHAR: What time in 2002?

23 RT HON GORDON BROWN MP: From about June 2002, about what we
24 would have to do -- I think you will find that there is
25 correspondence between the Defence Secretary and the

1 Treasury about these issues; that we were discussing, in
2 the eventuality that our diplomatic efforts failed, what
3 would we do and what would be the nature of our military
4 engagement.

5 I said immediately to the Prime Minister that the
6 military options that were under discussion -- there
7 should be no sense that there was a financial restraint
8 that prevented us doing what was best for the military.
9 I think Mr Hoon wrote me in June -- I think the Treasury
10 did a paper in June about these very issues. I was then
11 advised, I think, to talk to Mr Blair. I told him that
12 I would not -- and this was right at the beginning --
13 I would not try to rule out any military option on the
14 grounds of cost. Quite the opposite. He should feel
15 free, because this was the right course of action, to
16 discuss the military option that was best for our
17 country and the one that would yield the best results,
18 and that we understood that some options were more
19 expensive than others, but we should accept the option
20 that was right for our country.

21 BARONESS USHA PRASHAR: When did you become aware of the
22 UK's decision to support the US invasion of Iraq?

23 RT HON GORDON BROWN MP: The decision was finally made by
24 the Cabinet and then by the House of Commons --

25 BARONESS USHA PRASHAR: When did you become aware?

1 RT HON GORDON BROWN MP: At the last minute, in March. Right
2 up until the last minute, I was hopeful, as I think the
3 whole country was, that we would reach a diplomatic
4 resolution of these issues. By the weekend --

5 BARONESS USHA PRASHAR: But that was the decision to go to
6 war. I'm talking about when did you become aware of the
7 UK's support for the US invasion if one was to take
8 place?

9 RT HON GORDON BROWN MP: We would support the US invasion
10 only at the last minute when we were deciding that it
11 was not possible for the diplomatic route to work any
12 further.

13 I remember going on television, I think it was the
14 Frost programme, the Sunday before the Parliamentary
15 vote and the day before the Cabinet decision on this
16 matter. And even at that stage, we were hopeful that
17 diplomatic routes could work. But even at that stage we
18 were also worried that the interventions of the
19 United Nations were preventing a resolution and it was
20 not possible to imagine that this could be sorted out
21 simply by a delay.

22 So it was, for me, a hope right up until the last
23 minute that diplomatic action would work. And I think
24 the efforts that Tony Blair and Jack Straw made in
25 putting our case to the other countries and putting our

1 case to the United Nations, they should not be faulted,
2 because they tried everything within their power to
3 avoid war.

4 I think you will see, when I spoke at the Cabinet on
5 the day before the Parliamentary vote, I was very clear
6 that we had to exhaust all diplomatic avenues before we
7 could included conclude that it was inevitable or
8 impossible to avoid a decision about war, and these
9 diplomatic avenues were being tried right up until the
10 last minute.

11 BARONESS USHA PRASHAR: Can I go back? In the wake of 9/11
12 and the change of approach of the US administration in
13 2002, Mr Blair said that there was a whole series of
14 government decisions about smart sanctions and a very
15 structured debate about the review the policy and
16 government strategic options.

17 Now, you were not at the meeting that took place at
18 Chequers on 2 April -- at Crawford --

19 THE CHAIRMAN: Before Crawford.

20 BARONESS USHA PRASHAR: Sorry, before Crawford on 2 April.
21 But do you recall that -- were you part of this review
22 that took place?

23 RT HON GORDON BROWN MP: Well, clearly when sanctions were
24 being examined, the Treasury and the Foreign Office
25 would be involved, because the implementation of

1 sanctions depends on the Treasury's ability to do
2 certain things, as it does the Foreign Office, but we
3 were coming to a position where sanctions were being
4 accepted by Saddam Hussein. He was finding ways round
5 them.

6 BARONESS USHA PRASHAR: I know that, but I think my point
7 really is: were you involved in discussions about smart
8 sanctions and were you part of the structured
9 discussions and policy options that were being
10 considered in the early part --

11 RT HON GORDON BROWN MP: I was not --

12 BARONESS USHA PRASHAR: -- of 2002?

13 RT HON GORDON BROWN MP: I was not at any meetings prior to
14 the Prime Minister's visit to Crawford, but I would know
15 about the discussions about sanctions. If sanctions
16 were to be changed, the Treasury would undoubtedly be
17 involved and I would be involved in taking decisions.

18 BARONESS USHA PRASHAR: So you were being kept informed by
19 the officials in the Treasury?

20 RT HON GORDON BROWN MP: Yes, we would continue to monitor
21 what was happening with sanctions, so, too, would the
22 Foreign Office, because it was obviously our policy in
23 relation to Iraq, depending on our knowledge as to
24 whether sanctions were working or not. But the
25 conclusion that we had reluctantly to draw was that

1 sanctions were not being effective in the way that we
2 had wanted and were inflicting damage on the Iraqi
3 people, without, at the same time, causing the greatest
4 of concern to the ruler of Iraq.

5 BARONESS USHA PRASHAR: As the situation evolved in 2002 and
6 2003, were you and other senior members of the Cabinet
7 consulted on the developing policy?

8 RT HON GORDON BROWN MP: Of course, of course. We had
9 reports, as you will see, regularly to the Cabinet about
10 the diplomatic course that was being taken and, of
11 course, a lot of the discussions were leading up to the
12 first resolution, 1441, in November, and the Cabinet was
13 regularly kept in touch by Jack Straw and by the
14 Prime Minister about what was happening.

15 So I cannot see an argument that says that the
16 Cabinet were not informed. We were informed fully about
17 the process of the negotiations. They were essentially
18 focused on the diplomacy. We hoped that the diplomacy
19 would work and we were regularly updated on the problems
20 as well as the opportunities that came from that
21 diplomatic process.

22 BARONESS USHA PRASHAR: Were you informed of Number 10's
23 exchanges with the White House and did you see
24 Mr Blair's letters to the President?

25 RT HON GORDON BROWN MP: No, I would not expect to see

1 private letters between Mr Blair and President Bush.

2 BARONESS USHA PRASHAR: Did he tell you the gist of the
3 conversations he was having, the private conversations
4 he had with him?

5 RT HON GORDON BROWN MP: I would be discussing with him, on
6 a private basis, all the other issues we were dealing
7 with and he would keep me up-to-date with the progress
8 of the diplomatic route, but at the same time -- I'm
9 making it clear to you, from June 2002 -- we in the
10 Treasury had to start making preparations in case there
11 was a possibility of war.

12 In June, we looked with the Defence Secretary at
13 a number of options. We said finance was no barrier to
14 discussing and concluding on the best options.

15 In September, we wrote a paper about the
16 reconstruction of Iraq, and we were amongst the first to
17 look at the problems that had to be dealt with if there
18 was to be reconstruction had we ended up in a war that
19 we had not sought but the diplomatic avenues had failed.

20 I think we did some very important work in
21 estimating what the cost of the war would be and I think
22 we got it -- I think our first estimate was 2.5 billion
23 by 2006, and then it was 4 billion -- and I think we were
24 right, and then we also --

25 BARONESS USHA PRASHAR: We are going to come back to that

1 later, if I may say, but can I just go back to your
2 point about the Cabinet meetings?

3 Mr Blair did tell us that there were some 24 Cabinet
4 meetings, but was the discussion substantive, because
5 you were being kept informed? Were real options
6 discussed? Was it a proper discussion and assessment of
7 the risks and options or was it just pure information?

8 RT HON GORDON BROWN MP: I think when a Cabinet is meeting,
9 they are getting a report from each of the Secretaries
10 of State, where there are issues that have got to be
11 reported or resolved.

12 In the case of Iraq, everybody was trying to get
13 a diplomatic solution, so the discussions at the Cabinet
14 were essentially about how we could push forward our
15 diplomatic processes so that we could get a diplomatic
16 solution which would prevent war.

17 So what was being reported to the Cabinet on most
18 occasions was what were the difficulties and what were
19 the successes of our diplomatic efforts to persuade the
20 rest of Europe, persuade other countries to join us in
21 UN Resolutions or to join us in putting pressure on
22 Iraq, or pressure, in some cases, or discussions with
23 some of the other Arab states.

24 That was the main gist you will see recorded in the
25 Cabinet minutes or the discussions at that time, because

1 we were anxious to avoid war. We had to prepare for it
2 and were doing that in the ways that I have suggested,
3 but the Cabinet was essentially discussing how we could
4 do more to move forward the diplomatic route.

5 BARONESS USHA PRASHAR: But my understanding is that it was,
6 of course, a diplomatic route backed by military threat
7 and there is information that in the preparations -- in
8 the meeting at Crawford, you know, military options were
9 actually discussed, but were these properly explored in
10 the Cabinet? Because, yes, of course you are pursuing
11 the diplomatic route, but were there contingency plans
12 being made both about the military operation and the
13 aftermath planning. Was there proper discussion at
14 these 24 Cabinet meetings?

15 RT HON GORDON BROWN MP: I was aware, as I have told you,
16 because of the discussions I was having with the
17 Ministry of Defence, about the various military
18 options that were being looked at.

19 In fact, as you probably know from the evidence that
20 you have received, one set of military options would
21 have led us to -- if war had to happen -- would have led
22 us into one part of Iraq. Eventually the decision was to
23 move into another part of Iraq and we became responsible
24 for the Basra area, but that was not the original plan
25 and that changed over a period of time.

1 Now, I was involved in discussions about making sure
2 that sufficient resources were available to do that. And
3 I always said that resources would be available. But at
4 the Cabinet I would say that the most general
5 discussions that we had were -- generally, the
6 discussions were about the diplomatic effort. But in the
7 different committees, obviously, the Prime Minister was
8 talking to the Foreign Secretary and the
9 Defence Secretary about options. I was not involved in
10 these discussions, but I was aware of what was happening
11 because of the role that the Treasury had to play in
12 advance financial planning for any eventuality that
13 would happen.

14 BARONESS USHA PRASHAR: You received, I know, oral and
15 written briefings and submissions from Treasury
16 officials from the middle of 2000 onwards about
17 development of the policy and about aftermath planning.

18 What issues did your officials raise with you? What
19 were the specific issues that were raised with you?

20 RT HON GORDON BROWN MP: First of all the cost. And we
21 looked at different estimates of what intervention would
22 cost, depending on the options that were decided on. And
23 my view was that it had to be the best military option
24 and we had to support the military decision that was
25 made and not rule out any option on financial grounds.

1 The second thing we looked at was the reconstruction
2 of Iraq and we knew that there would be world economy
3 implications; for example, the oil price spiked \$10
4 higher, and that was an effect of the initial part of
5 the war. We had foreseen that, but we also had to look
6 at reconstruction, and I was determined -- I may say it
7 is one of my regrets that I wasn't able to be more
8 successful in pushing the Americans further on this
9 issue -- that the planning for reconstruction was
10 essential, just at the same time as the planning for
11 war, if the diplomatic avenue failed, and we were
12 working on reconstruction and what might be done, what
13 I have called earlier the search for a just peace. We
14 were looking at that early on and we had a paper
15 in September. We discussed a number of options. When
16 it came to March, we had a special Cabinet meeting on
17 this.

18 BARONESS USHA PRASHAR: This was discussion within the
19 Treasury with your officials?

20 RT HON GORDON BROWN MP: A discussion with the Treasury
21 officials, but also discussion about how the
22 international institutions could be brought in.

23 BARONESS USHA PRASHAR: Did you discuss those concerns
24 raised by those figures with the Prime Minister --

25 RT HON GORDON BROWN MP: Of course --

1 BARONESS USHA PRASHAR: -- with the Cabinet?

2 RT HON GORDON BROWN MP: -- and we had a meeting of the

3 Cabinet at the beginning of March, if I am right --

4 BARONESS USHA PRASHAR: The beginning of March?

5 RT HON GORDON BROWN MP: -- 2003, where we discussed the

6 reconstruction issue. I offered to prepare a paper that

7 was to be sent to the Americans about the issues of

8 reconstruction that had to be dealt if there was to be

9 a military action. And we were determined to understand

10 how we could get the international institutions involved

11 in reconstruction.

12 We didn't see that it was possible for Britain and

13 America -- there were 40 countries eventually in the

14 original coalition -- but we didn't see how it was

15 possible, without the International Monetary Fund, the

16 World Bank and the United Nations, in the end, being

17 involved in reconstruction to get the finance that we

18 thought could be something in the order of \$45 billion

19 for reconstruction.

20 So we were focused on this issue of reconstruction.

21 And, as I say, I wish that it had been possible to

22 follow that through much more quickly in the aftermath

23 of the first few days of the battles.

24 BARONESS USHA PRASHAR: From what you are telling me, it

25 seems to me that you had very comprehensive briefing

1 submissions from officials on these issues and you were
2 fully appraised of these issues, but how did you ensure
3 that your perspective was represented to the Cabinet and
4 your colleagues? I mean, influencing Americans is one
5 thing, but were you able to influence your colleagues
6 about these issues?

7 RT HON GORDON BROWN MP: Yes, I think we had a meeting of
8 the Cabinet at the beginning of March in which we
9 discussed -- of a Cabinet Committee, I may say, at the
10 beginning of March in which we discussed these issues of
11 reconstruction. Tony Blair asked me to prepare a paper
12 that he then sent --

13 BARONESS USHA PRASHAR: Reconstruction is one thing, but
14 what about the military options? Because there was
15 a question of, you know, what were the consequences if
16 we got involved in the south of Iraq, what would be the
17 cost of that?

18 RT HON GORDON BROWN MP: I had already made it clear that
19 the military option had to be one that was best for the
20 military, and that the Treasury would not in any way
21 interfere and suggest that there were cost grounds for
22 choosing one option against another. That was not our
23 job. The Treasury was there to advise on how we could
24 deal with the financial issues that arose from the
25 military decisions and the political decisions

1 that were made.

2 So there was no time from June when the Treasury
3 said, "This is a better military option because it is
4 cheaper or less costly". At every point, I made it
5 clear that we would support whatever option the military
6 decided upon with the Prime Minister and the Cabinet and
7 that there would be no financial barrier to us doing
8 what was necessary to be done.

9 BARONESS USHA PRASHAR: My final question is about the Joint
10 Intelligence Committee, because you will have received
11 the JIC papers and we have been told by some Cabinet
12 members that they had personal briefs on intelligence.

13 Did you receive such briefings?

14 RT HON GORDON BROWN MP: Yes, I did.

15 BARONESS USHA PRASHAR: Did you ask to be briefed?

16 RT HON GORDON BROWN MP: I asked to be briefed and I was
17 briefed.

18 BARONESS USHA PRASHAR: When was that?

19 RT HON GORDON BROWN MP: I have got the dates of the
20 meetings for you: 4 March 2002, so very early,
21 9 September, 13 December, 6 February and 24 February.

22 So I had five meetings with the intelligence chiefs
23 where I was briefed on the evidence and information that
24 they had and it was -- these were very full briefings.

25 BARONESS USHA PRASHAR: You were convinced that the WMD was

1 a real threat?

2 RT HON GORDON BROWN MP: The information I was given was
3 that there was evidence that was known to many
4 countries, not just our country, about the weaponry that
5 the Iraqi Government held, and, of course, at that time
6 there was a greater certainty amongst the intelligence
7 community that this weaponry was there.

8 I think we have learned that intelligence can give
9 us insights into what is happening, but we have got to
10 be more sure, as people have recognised, about the
11 nature of the intelligence we were receiving from
12 certain people.

13 BARONESS USHA PRASHAR: Thank you.

14 THE CHAIRMAN: Thanks, Usha. Can I turn to
15 Sir Roderic Lyne. Roderic?

16 SIR RODERIC LYNE: Prime Minister, I wonder if I could just
17 pick up one point of detail from your conversation with
18 Baroness Prashar, which is that, in March of 2002, the
19 Cabinet Office produced an options paper which was
20 a strategic review of the courses available over Iraq,
21 whether continuing containment or regime change in
22 different forms. Obviously a very important paper which
23 we discussed with Mr Blair.

24 Did you see that paper at the time?

25 RT HON GORDON BROWN MP: I don't recall seeing that paper.

1 My main involvement in looking at the options started
2 from June.

3 SIR RODERIC LYNE: Do you think that, as one of the most
4 senior members of the Cabinet, you should have seen that
5 paper? I mean, you were going to have to obviously pick
6 up the bills, but you were also a key member of the
7 Cabinet.

8 RT HON GORDON BROWN MP: Yes, but I think everybody knew
9 that we were pursuing a diplomatic route. Everybody
10 knew that sanctions were being considered and how we
11 dealt with them. The No Fly Zones had been an issue, of
12 course, and everybody knew that there were options
13 available to us.

14 It was only when it became clear that we had to look
15 at specific options and cost them that the Treasury
16 became involved.

17 SIR RODERIC LYNE: Yes, sir, there is a Treasury role, but
18 your role is as a very, very senior member of the
19 Cabinet, and here was the government looking at the
20 fundamental question of whether you'd continue with
21 containment or -- the mood in Washington had changed
22 after 9/11, people were pushing for regime change there,
23 and the government was looking at this choice.

24 Isn't it curious that, as Chancellor of the
25 Exchequer, you weren't actually shown the paper.

1 RT HON GORDON BROWN MP: I think I knew that was happening
2 at the time. I don't think I needed to see every paper
3 that was put about this. But I do say that, by June,
4 I was very much involved in looking at the financial
5 aspects --

6 SIR RODERIC LYNE: Things had moved forward by then?

7 RT HON GORDON BROWN MP: Yes.

8 SIR RODERIC LYNE: Okay. I would like to try to form
9 a clear understanding of the situation that the Cabinet
10 faced in March 2003 as it came to the point of decision,
11 and then, perhaps in a few minutes move on to the
12 question of the conflict itself and the immediate
13 aftermath.

14 You have talked about the need to exhaust the
15 opportunities for diplomacy and trying to make peace.
16 Were you convinced that we had exhausted all the
17 possibilities for a solution via the UN and through
18 diplomacy by the middle of March 2003?

19 RT HON GORDON BROWN MP: Yes, I am afraid we had to draw
20 that conclusion, and I think members of the Cabinet,
21 when presented with the information and the evidence,
22 drew that conclusion as well. With one exception.

23 I think that we had tried very hard on the
24 diplomatic route. We had reached a situation where we
25 had -- everybody agreed in November that there was an

1 issue with Iraq, that the weapons had to be disclosed,
2 that disclosure had to come and there was a final
3 opportunity to do something about it.

4 This had not happened in the intervening period and
5 we therefore had reluctantly to come to the conclusion
6 that there was, first of all, very little chance that
7 Saddam Hussein would take the action that was necessary;
8 and then, unfortunately, that the countries that had
9 signed 1441, that included a whole range of countries,
10 including, if I may say so, Syria and countries like
11 that, that we couldn't reach a final agreement about the
12 nature of the action that was to be taken.

13 SIR RODERIC LYNE: But we were still in a situation in which
14 the UN inspectors were reporting they were getting some
15 cooperation from Iraq and they wanted more time to
16 pursue their inspections and many members of the
17 United Nations, including the Security Council, agreed
18 with them. So shouldn't we have given them more time?

19 RT HON GORDON BROWN MP: But it was also obvious, I am
20 afraid, that some countries were making it clear that
21 they would not support action under any circumstances.
22 So whether we had given more time or not at that
23 stage -- and of course, it would have been far better if
24 we could have given more time -- we had to have an
25 assurance that countries that had signed 1441 were

1 prepared to reach a decision at some point, and that was
2 not the evidence that was available to us as we made our
3 Cabinet decision.

4 SIR RODERIC LYNE: I would like to come back to that in
5 a minute, but Number 10 itself had actually asked the
6 White House for more time, and yet, on 17 March, the
7 Cabinet decided that time had run out. Isn't there
8 a contradiction there?

9 RT HON GORDON BROWN MP: No, because I think people did want
10 to exhaust the diplomatic process to the full, but by
11 that weekend, it was clear to us that there was a number
12 of countries, who had supported the original resolution,
13 that under no circumstances would agree to military
14 action, even though people thought that was the only
15 route ahead if Saddam Hussein continued to defy the
16 United Nations.

17 So it was the conclusion that arose from other
18 countries now saying that, even if there were more time
19 for the inspectors, they would not support action.

20 SIR RODERIC LYNE: You have referred to Iraq as an aggressor
21 state and clearly Iraq had been an aggressor state. It
22 had an appalling record of aggression against all of its
23 neighbours under Saddam Hussein but at the time we are
24 talking about, in March of 2003, was there actually
25 a current threat of aggression by Iraq?

1 RT HON GORDON BROWN MP: I think all the evidence that
2 people had in November, let's say, before we come to
3 the March resolution, that all the rest of the world
4 agreed that there were problems that had to be addressed
5 by Iraq if they were to be a member of the international
6 community; and they felt that he had a final opportunity
7 to deal with issues where he had not been honest with
8 the international community and had not disclosed, far
9 less dismantled, any of his weapons.

10 So from November to March, the issue was not, it
11 seems to me, that the rest of the world did not agree
12 that there were disclosure problems and did not agree
13 that there were disposal problems. The question was
14 whether people would be prepared to follow the rules of
15 the international community that, where someone
16 consistently and persistently is a serial violator of
17 the rules of the international community, action has got
18 to be taken.

19 SIR RODERIC LYNE: Yes, self-evidently, Iraq had been in
20 breach of these rules for many years and many
21 UN Resolutions, as you have pointed out, and the
22 international community had responded to that through
23 a range of measures, which you have also referred to,
24 sanctions, No Fly Zones, as well as active measures of
25 deterrence, but my question was: was there a threat of

1 aggression from Iraq that required us to take this
2 military action?

3 RT HON GORDON BROWN MP: I put it the other way. The
4 diplomatic route appeared to the Cabinet to have reached
5 a conclusion where we could not see the possibility of
6 Saddam Hussein abiding by the rules of the international
7 community. I come back to my original argument. For
8 me, the issue was, we are in a post-Cold War world, we
9 are dealing with instabilities that exist in different
10 parts of the world. If the international community
11 cannot cohere, then we are sending a message to other
12 potential states and other potential aggressors that
13 they are free to do as they will.

14 So for me, the issue was: are we, as an
15 international community, prepared to follow through the
16 logic of our position, and when the diplomatic route has
17 failed, then we have either got to show ourselves unable
18 to take action because we can't agree or we have got to
19 be prepared to take the action as necessary.

20 So for me, the issue goes back to how we, as an
21 international community, will deal with problems where
22 you have rogue states, where you have failed states,
23 where you have obviously non-state actors who are
24 terrorists. And if we cannot find a way of dealing with
25 these problems, then the world will be a very unsafe

1 place for the future.

2 I am afraid this became a test of whether the
3 international community was prepared to deal with
4 problems in a post-Cold War world where instabilities
5 were becoming more and more apparent.

6 SIR RODERIC LYNE: So it was that reason rather than the
7 threat of aggression that convinced you?

8 RT HON GORDON BROWN MP: I have always taken the view that, if
9 we can't build a strong international community where
10 people abide by the rules that are set, and if we cannot
11 cohere to do so, then we are sending a message to other
12 states and other countries that they are free to do as
13 they will.

14 SIR RODERIC LYNE: This is a message that other states will
15 have heeded as a result of the action in Iraq?

16 RT HON GORDON BROWN MP: I think this is the issue. As
17 I said at the beginning, one of the lessons that
18 I learned from Iraq -- and I think it is a lesson that the
19 whole of the world has got to really come to terms with --
20 is our international institutions for global cooperation
21 on these matters are not yet strong enough.

22 America and Europe of course must work more closely
23 together, and one of the problems in Iraq was that that
24 closeness of working was not seen. America and Europe
25 are now working far more closely together with the

1 French and the German and the Italian Government and the
2 Spanish Government, working far more closely with the
3 Americans. But if we are going to build an international
4 community where people will feel safer from both the
5 threat of terrorism and failed states or rogue states,
6 then we have to have an international system of
7 governance which people feel will take action when those
8 people who break the rules are found to have done so.

9 SIR RODERIC LYNE: Yes. From the answers that you gave to
10 Baroness Prashar, would I be right in understanding that
11 you were briefed on the terms in which Mr Blair had
12 pledged the UK support to President Bush in the first
13 half of 2002?

14 RT HON GORDON BROWN MP: I believe right up to the last
15 moment, we, Britain, were trying to get a diplomatic
16 solution. So I'm not sure that I accept the premise of
17 your question.

18 SIR RODERIC LYNE: I am referring to evidence we have been
19 given by a number of people, Mr Blair himself,
20 Alastair Campbell. Encapsulating, you said you didn't
21 see the correspondence between Mr Blair and
22 President Bush, but what I'm trying to understand is
23 whether you, as a senior member of the Cabinet,
24 understood the gist of what he was saying to
25 President Bush in terms of pledging our support.

1 RT HON GORDON BROWN MP: I think all of us knew what the
2 stakes were- - that we had to make the diplomatic process
3 work or there was a danger that we would be at war with
4 Iraq. But our efforts, right until the last minute, the
5 efforts of the whole government, in my view, were to try
6 to make a diplomatic solution work, and even in that
7 last weekend, when I talked in detail to Tony Blair and
8 was working very closely with him, we were trying to see
9 whether we could get some of the countries who had
10 indicated they would support no action under any
11 circumstances to change their position.

12 So I would say that the decision was made only after
13 the diplomatic course was fully exhausted.

14 SIR RODERIC LYNE: But, as we have heard from a number of
15 witnesses, we had told the White House privately in the
16 first half of 2002 that if we couldn't make the
17 diplomatic -- which was obviously the preferred route
18 for both us and them -- couldn't get a peaceful
19 resolution of this issue, that we would stand with them
20 in taking firmer action.

21 RT HON GORDON BROWN MP: Well, we had to prepare for war, as
22 I said, because, from June, we were in -- the Treasury
23 and I were looking at options that were available to us -
24 but I still insist to you that at every point in that
25 year, our first priority was to get a diplomatic

1 solution.

2 SIR RODERIC LYNE: I think that's completely clear. The

3 question I'm asking is whether the Prime Minister of the

4 day had told you effectively what he told

5 President Bush.

6 RT HON GORDON BROWN MP: We knew that the options available

7 to us included going to war. We knew also, however,

8 that the best chance of peace and the international

9 community working to best effect was the diplomatic

10 route, and I still hold to the position that I think you

11 are trying to move me from -- the final decision --

12 SIR RODERIC LYNE: I'm just asking for a yes or no answer as

13 to whether he told you what he told President Bush.

14 RT HON GORDON BROWN MP: The final decision was made in the

15 end by the Cabinet after the diplomatic option was

16 exhausted. I kept in regular touch with Tony Blair and

17 I knew what the options were, but I also knew that he

18 and I were trying to make sure that the diplomatic

19 option was the one that was to be used and the one that

20 was to be successful, and until it was exhausted, there

21 was no decision made about going to war.

22 SIR RODERIC LYNE: No. Do I take it from this that he

23 hadn't told you in terms of what he had said to

24 President Bush?

25 RT HON GORDON BROWN MP: I had regular conversations with

1 Tony Blair and we talked about these issues, but I do
2 not have copies of his letters and I don't know the
3 exact conversation, and you wouldn't expect me to.

4 SIR RODERIC LYNE: In his exchanges and exchanges between
5 his staff and President Bush's staff, he had emphasised
6 that there were a number of points that the
7 British Government wanted to establish before any
8 conflict, any possible conflict, took place with Iraq.

9 He put great emphasis, as we have heard in evidence,
10 on the UN route, on building a wide coalition with
11 international support, on gaining the support of public
12 opinion in our own country on proper preparation,
13 including preparation for the aftermath, and not least
14 on achieving substantive progress in the Middle East
15 peace process. I assume that you would be fully aware
16 and supportive of those points?

17 RT HON GORDON BROWN MP: Yes, we discussed the Middle East
18 peace process particularly, because we felt that
19 progress could be made. The Treasury, at that stage, and
20 I were working on an economic plan for the Middle East
21 where we could underpin the political route map with an
22 economic route map, if you like, where we could offer
23 the Palestinians the chance of greater prosperity if
24 violence was abated. And we were really learning the
25 lessons that we had learned in other parts of the world,

1 including Northern Ireland, that if we could reduce the
2 incentive to violence by making sure that people were
3 more prosperous, then we might have a better chance of
4 the peace process working.

5 So I was directly involved in initiatives on that
6 issue and it was essentially part of the Cabinet's
7 interest in this whole region that we could move forward
8 that Middle East peace process.

9 SIR RODERIC LYNE: Why hadn't we succeeded in achieving more
10 substantive progress on the Middle East peace process
11 by March 2003?

12 RT HON GORDON BROWN MP: I have dealt with friends in Israel
13 and friends in the Palestinian authorities and the
14 progress of peace-making in the Middle East is one where
15 it is very difficult to get both sides to do the same
16 thing at once. And it is an experience of small steps
17 forward and sometimes steps backwards, and, of course,
18 the splits within the Palestinian organisations had made
19 it more difficult, and the changes in Israeli politicians
20 obviously mean that you often have to start again.

21 SIR RODERIC LYNE: But we have heard from other witnesses
22 that, while the Americans heard what we said about the
23 importance of putting pressure on the process,
24 effectively they did almost nothing to achieve this,
25 except, at the very last minute, to publish the road

1 map. So our efforts to persuade them to push this
2 forward hadn't succeeded.

3 RT HON GORDON BROWN MP: President Bush did become the first
4 President to commit himself to a Palestinian state and
5 it was a very important step forward, but we always
6 recognised that we had to get the balance right between
7 the security that the Israelis needed for them to reach
8 an agreement and persuading the Palestinians that there
9 was a potential prosperity in a viable Palestinian --
10 economically viable Palestinian state.

11 In all the times that I have been involved in this,
12 you vary between wondering whether you can proceed inch
13 by inch, or whether you have got to bring things to
14 a head, as has happened in some instances over the last
15 10 or 20 years, and trying to work for a solution that
16 is all-encompassing.

17 Now, at that point, people were looking for
18 something that was more all-encompassing and it didn't,
19 in the end, move forward.

20 We are still in the same position today, where we
21 are trying to get small advances that would allow people
22 to have confidence to have negotiations on the biggest
23 issues.

24 SIR RODERIC LYNE: I mean, you said as Prime Minister
25 in October 2007 in the House of Commons, that you were

1 convinced, after you made a visit to the region, that
2 progress in Iraq cannot be fully achieved without
3 progress on the Israeli/Palestinian issues.

4 Doesn't this imply that we should have continued to
5 contain Iraq while trying to achieve more progress
6 beforehand on the Middle East peace process?

7 RT HON GORDON BROWN MP: I don't think so. Look, there is
8 a debate about this and obviously you, as a Committee,
9 will be wanting to enter into that debate.

10 In the Middle East, when I talked to Palestinian and
11 Israeli leaders, they all know what the settlement that
12 is necessary is likely to involve. They all know that
13 final negotiations would involve the future of
14 Jerusalem, would involve a land exchange, would involve
15 agreement about the Palestinian refugees. It is how
16 they get to this final settlement that is the issue, and
17 how we can move them along when there are so many
18 difficulties en route.

19 Every time we try to move forward, there is
20 something that happens that makes it more difficult to
21 do so. And more recently it has been the problems in
22 Gaza that have prevented us doing this. But I don't
23 think that what has happened in Iraq has prevented us
24 moving forward in the Middle East at all.

25 SIR RODERIC LYNE: That wasn't the point I was making.

1 Let's come back to the Cabinet meeting that, as you
2 have emphasised, took the actual decision, the meeting
3 of 17 March 2003. That was the moment when you and
4 other members the Cabinet, except, of course, for the
5 late Robin Cook, who resigned, accepted shared
6 responsibility for the decision to going go to war with
7 Iraq, and if you look back from that point, do you feel
8 that there should have been a Cabinet Committee set up
9 before the conflict happened -- one was set up
10 immediately afterwards to deal with it -- that people
11 like you should have been represented on?

12 I think, if I'm right in interpreting your answer to
13 Baroness Prashar, you hadn't actually been at Mr Blair's
14 ad hoc meetings on the subject that he told us about.
15 You weren't at his meeting at Chequers in April 2002,
16 which was an important one. You weren't at his meeting
17 on 23 July 2002, which was an important one. There
18 wasn't a Cabinet Committee, and yet the Cabinet now had
19 to take this very big decision over whether or not to go
20 to war. Shouldn't you have been cut in earlier?

21 RT HON GORDON BROWN MP: I have to say that traditionally
22 the Chancellor has never been on these committees and
23 I don't think it happened previously.

24 SIR RODERIC LYNE: On War Cabinets in the past?

25 RT HON GORDON BROWN MP: When it came to the War Cabinet

1 being constituted, the Chancellor was a member of that.
2 As I understand it, previously, in other instances, the
3 Chancellor, under previous governments, had not been
4 a member of the War Cabinet.

5 SIR RODERIC LYNE: You were widely seen as one of the most
6 influential members of the Cabinet, as the most likely
7 successor, accurately, to the then Prime Minister.

8 RT HON GORDON BROWN MP: It is very kind of you to say all
9 this, but the fact of the matter is I did not feel at
10 any point that I lacked the information that was
11 necessary, that I was denied information that was
12 required.

13 But my role in this was not to second guess military
14 decisions or options. My role in this was not to
15 interfere in what were very important diplomatic
16 negotiations -- that was what the Prime Minister and the
17 Foreign Secretary and the Defence Secretary were
18 involved in.

19 My role in this was first of all, as Chancellor of
20 the Exchequer, to make sure that the funding was there
21 for what we had to do, and we did make sure that that
22 happened; and, secondly, to play my full part as
23 a Cabinet member in the discussions that took place, and
24 that is indeed what I did. And when the Cabinet met on
25 the Monday before the Tuesday vote in the House of

1 Commons, I spoke at the Cabinet and made my position
2 clear.

3 SIR RODERIC LYNE: You said in your opening remarks that one
4 of the points from which we needed to draw lessons from
5 fighting two wars was that we needed proper structures
6 of decision-making.

7 RT HON GORDON BROWN MP: Yes, that's absolutely right.

8 SIR RODERIC LYNE: Looking back to the situation in the year
9 and a half before we went to war with Iraq, did we have
10 the proper structures of decision-making? Shouldn't we
11 have had a Cabinet Committee, such as had existed in
12 many previous governments, that didn't interfere with
13 the conduct of business but that reviewed the strategy,
14 reviewed the diplomacy, reviewed the preparations?
15 Shouldn't we have had a committee to do that before the
16 conflict, rather than just set one up afterwards?

17 RT HON GORDON BROWN MP: I think we did learn lessons and
18 I think, after the Butler Inquiry, Tony Blair set up
19 a more formal system of decision-making, and that was
20 the right thing to do.

21 I may say that I have taken this further in the
22 position that I hold now. We have a National Security
23 Committee that includes in attendance all the
24 intelligence chiefs, the chiefs of defence, as well as
25 the senior ministers, and it will meet regularly to

1 discuss issues related to Afghanistan, mainly now, but
2 previously Afghanistan and Iraq. It is underpinned by
3 a senior officials' meeting prior to that and a junior
4 officials' meeting prior to that.

5 The Foreign Secretary, the Defence Secretary and the
6 International Development Secretary are asked to meet
7 before these meetings to sort out issues relevant to the
8 relationship between these Departments. And I do say, as
9 I said right at the beginning, that we are learning,
10 rightly so, that when you are facing, in this case, two
11 wars, that the structure of government decision-making
12 has to change, and you have to involve in that
13 decision-making all the security and defence chiefs in
14 a very direct way and formal way, and you have also got
15 to involve all the senior politicians who are involved
16 in this.

17 That is the structure of decision-making that
18 I think is necessary for a world where we have an
19 interventionist stance related to difficult problems
20 where we are part of an international community trying
21 resolve these problems. We have to have that formal
22 process of decision-making.

23 So, yes, I agree with you, we have learned lessons
24 from the informality of the previous procedures, but, as
25 Tony Blair said to you, he made changes himself as

1 a result of what he learned and then the Butler Inquiry.
2 I have made further changes, which I think are the right
3 things to do. And I think National Security Council, the
4 NSIC as it is called, as a committee has worked well
5 and allows on equal terms all people who contribute to that
6 discussion -- should contribute to that discussion -- to
7 make their contribution.

8 So this is a reform in the machinery of government
9 that I think has already been made, and if we are to
10 learn further lessons, I will be guided by the
11 Committee's conclusions on that very issue.

12 SIR RODERIC LYNE: That's obviously a very important point
13 for us, as an Inquiry that is trying to learn lessons
14 from this.

15 So in the absence of the sort of structures that you
16 have set up and that Mr Blair set up after the
17 Butler Report, was it the situation, on 17 March 2003,
18 that the Cabinet, and particularly the most senior
19 members of the Cabinet, were adequately briefed,
20 adequately informed, adequately aware of all the
21 different aspects of this question in order to share in
22 the collective responsibility for the decision?

23 RT HON GORDON BROWN MP: Undoubtedly I was, and I had full
24 information.

25 SIR RODERIC LYNE: You were?

1 RT HON GORDON BROWN MP: There is no sense in which I felt
2 that I had inadequate information. Obviously, the
3 intelligence information has had to be reassessed as
4 a result of what we have now learned, but there was no
5 sense in which we were denied information that was
6 necessary for us making a decision. And certainly, on my
7 part, I was fully engaged in the discussions that had
8 taken place that weekend, before the Cabinet meeting,
9 but, equally, I was involved in the financial decisions,
10 that involved also being aware of all the military
11 options that we had to consider.

12 So I would stress that as far as both my
13 relationship with the Prime Minister and with the
14 information, I was fully in line with what was being
15 done.

16 SIR RODERIC LYNE: On the intelligence which you mentioned,
17 Robin Cook, of course, had raised concerns about the way
18 the intelligence was being interpreted. He had actually
19 challenged this. Were you aware at the time of his
20 concerns? Had he discussed them with you?

21 RT HON GORDON BROWN MP: Robin's view, as I understand it,
22 was that the policy of sanctions and the No Fly Zones
23 were a better way of dealing with the problem.

24 SIR RODERIC LYNE: But he had actually queried the
25 intelligence too.

1 RT HON GORDON BROWN MP: I do not recall a conversation with
2 Robin about the intelligence. He may have mentioned
3 that at the Cabinet. I cannot recall that. But I do
4 know that when I had questions to ask about the
5 intelligence, and I reported to you the meetings that
6 I had with the intelligence services, they were telling
7 me information that had not only been confirmed by their
8 security services, but by other countries' security
9 services as well.

10 We have subsequently discovered that the sources of
11 these intelligence reports to a number of different
12 intelligence authorities were probably the same and the
13 wrong sources, but at that time, I had full briefings
14 from the intelligence services and I was given
15 information that seemed credible -- plausible at the
16 time.

17 SIR RODERIC LYNE: Because in Robin Cook's resignation
18 statement, which was, of course, before we discovered
19 that the intelligence had been faulty, he, in public, in
20 the House of Commons, actually challenged whether it was
21 correct, but had he essentially kept this to himself
22 within the Cabinet? He hadn't made it more widely
23 known?

24 RT HON GORDON BROWN MP: I think we knew that Robin had
25 objections, because he felt that the sanctions and the

1 non-military route should be pursued, but I think the
2 question of the intelligence emerged more, if I may say
3 so, after this and after the investigations that have
4 taken place into what actually happened that led the
5 intelligence services to conclude certain things.

6 Intelligence is a guide but it cannot be the only
7 means by which you make decisions.

8 SIR RODERIC LYNE: From the five briefings that you had and
9 the JIC papers that you read and received like other
10 members of the Cabinet, were you convinced that the
11 threat from what was being reported to be Iraq's
12 programmes of weapons of mass destruction was growing?

13 RT HON GORDON BROWN MP: I was convinced of a more basic
14 fact, I just say to you; for me, I repeat, the major
15 issue was that a breach of the international community's
16 laws and decisions was something that was unacceptable.

17 As far as the intelligence was concerned, we took
18 the information that was given by the intelligence
19 services, but the more basic question was whether you
20 could continue in a new world with circumstances where
21 one country was determined to stand out against the
22 international community no matter what happened.

23 SIR RODERIC LYNE: I think you have made that very, very
24 clear. I think the Chairman wants to call a coffee
25 break at this point. I would like to come back

1 afterwards, if I can, to one or two other aspects of the
2 question that faced the Cabinet on 17 March.

3 THE CHAIRMAN: I think now is the time for a short break.

4 Can I say to those in the room: please do not leave
5 the room unless you really need to, because it will take
6 quite a long time to get in. We are going to resume in
7 about ten minutes.

8 (11.01 am)

9 (Short break)

10 (11.11 am)

11 THE CHAIRMAN: Thank you. Let's resume and I will ask
12 Sir Roderic Lyne to resume questioning, but on
13 a different theme, I think.

14 SIR RODERIC LYNE: A different aspect of the same theme,
15 I think. One of the important questions obviously that
16 the Cabinet had to be clear about was the legality of
17 the conflict. Were you fully satisfied with the advice
18 that was given to the Cabinet on that point?

19 RT HON GORDON BROWN MP: Yes. I believe that the role of
20 the Attorney General was to advise us on the matter of
21 the legality. He gave us advice, he was certain about
22 the advice he gave, and we had then to go on and make
23 our decisions on the basis, not simply of the legal
24 advice, but the moral, political and other case for
25 taking action.

1 SIR RODERIC LYNE: Sure, but on the legal advice, were you
2 and other Cabinet ministers aware that the Attorney
3 General's position had been very different until
4 early February 2003?

5 RT HON GORDON BROWN MP: I wasn't aware in any detail of
6 this. I wasn't involved in discussions with the
7 Attorney General. I wasn't involved in meetings with
8 the Attorney General at all. We had this
9 straightforward issue. We were sitting down, as
10 a Cabinet, to discuss the merits of taking action once
11 the diplomatic avenues had been exhausted,
12 unfortunately, and we had to have straightforward advice
13 from the Attorney General: was it lawful or was it not?
14 His advice in the Cabinet meeting was unequivocal.

15 SIR RODERIC LYNE: So you, at that time, had not seen the
16 formal written advice that he had presented to the
17 Prime Minister on 7 March?

18 RT HON GORDON BROWN MP: No, and I think that -- look, I'm
19 not a lawyer, I'm not an international lawyer. As
20 I understand it, the constitutional position is very
21 clear, that before a decision of such magnitude is made,
22 the Attorney General has to say whether he thinks it is
23 lawful or not. That was the straightforward question he
24 had to answer. If he had answered equivocally in his
25 statement to us, then of course there would have been

1 questions, but he was very straightforward in his
2 recommendation.

3 To me, that was a necessary part of the discussion
4 about the decision of war, but it wasn't sufficient
5 because we had to look at the political and other case
6 that had to be examined in the light of the period of
7 diplomacy at the United Nations.

8 SIR RODERIC LYNE: So you and other Cabinet ministers,
9 except, of course, for the Foreign Secretary and the
10 Prime Minister, were not aware that the Attorney
11 General's position had been equivocal only two weeks
12 beforehand in his document of 7 March and had been
13 indeed directly opposed to the position he took in
14 Cabinet up to about 11 February?

15 You were completely unaware of this and you were
16 unaware also that the Foreign Office's legal advisers,
17 specialists in international law, did not agree with the
18 position that the Attorney General presented to Cabinet?

19 RT HON GORDON BROWN MP: I think there had been some press
20 coverage about the Foreign Office. I may be wrong on
21 that, but I think there may have been some press
22 coverage.

23 SIR RODERIC LYNE: The Foreign Secretary referred to some
24 press coverage.

25 RT HON GORDON BROWN MP: Look, the question that came before

1 us: was the advice of the Attorney General that this was
2 lawful or not? The Attorney General gave unequivocal
3 advice to the Cabinet. I think he has been along to the
4 Committee to explain the basis on which he gave that
5 advice; I have heard him now give his evidence to the
6 Committee. But he had a straightforward question to
7 answer. It wasn't a simple question, but it was
8 a straightforward question, "Was it lawful or was it
9 not?" and he gave an unequivocal answer.

10 SIR RODERIC LYNE: You don't think the Cabinet needed to
11 know whether this was based on a robust position or
12 a slightly controversial position?

13 RT HON GORDON BROWN MP: I think, in retrospect, people, as
14 historians of this matter, will look at it very
15 carefully and look at what happened and what was said
16 between different people at different times and what
17 were the first drafts, the second drafts and the third
18 drafts. But the issue for us was very clear. I mean,
19 we are a Cabinet making a decision. Did the
20 Attorney General, who is our legal officer responsible
21 for giving us legal advice on these matters, have
22 a position on this that was unequivocal? And his
23 position on this was unequivocal.

24 He cited, as I have already done, the United Nations
25 resolutions that led to us believe that Saddam Hussein

1 had failed to comply with international law. He cited
2 1441 and the importance of the final opportunity for
3 Saddam Hussein. All these things were said and it laid
4 the basis on which we could make a decision, but it
5 wasn't the reason that we made the decisions. He gave
6 us the necessary means to make a decision, but it wasn't
7 sufficient in itself.

8 SIR RODERIC LYNE: If you had known that his position had
9 been equivocal only ten days previously in formal advice
10 presented to the Prime Minister, would it have changed
11 your view?

12 RT HON GORDON BROWN MP: I don't think it would have changed
13 my view, because unless he was prepared to say that his
14 unequivocal advice was that this was not lawful, then
15 the other arguments that I thought were important played
16 into place, and that was what I have already talked to
17 you about: the obligations to the international
18 community, the failure to honour them, the failure to
19 disclose, the failure to discharge the spirit and the
20 letter of the resolutions, particularly 1441 -- and I knew
21 that there was a debate about whether 1441 should lead
22 to a further decision or to a further discussion.
23 I knew that that was an issue. But it seemed to me the
24 Attorney General's advice was quite unequivocal.

25 SIR RODERIC LYNE: Then we get to the decision itself. As

1 you say, the Attorney General has advised. The Cabinet
2 has been advised that the diplomatic route effectively
3 is at an end. At this point of taking the decision,
4 only the Prime Minister and the Foreign Secretary had
5 been fully involved in the approach; only the Foreign
6 Secretary, so far as we have heard in evidence, for
7 example, had been aware of the terms of the
8 Prime Minister's correspondence with the President,
9 which was very important. Only the Foreign Secretary
10 had seen the earlier advice from the Attorney General.

11 But the Cabinet as a whole has to share in the
12 responsibility for this decision and we hadn't achieved
13 all of the things we wanted to achieve on the
14 Middle East peace process, in terms of UN support, in
15 terms of international support and so on.

16 Do you think that this Cabinet, in which only two
17 members were fully in the picture, 100 per cent in the
18 picture -- and you were obviously more in the picture
19 than those who were not as close as you to the
20 Prime Minister -- was able to take a genuinely
21 collective decision, or was it being asked essentially
22 to endorse an approach that had been taken by your
23 predecessor at a time when the die effectively was
24 already cast?

25 RT HON GORDON BROWN MP: I have got to be very clear.

1 I believed we were making the right decision for the
2 right cause. I believed I had sufficient information
3 before me to make a judgment. Of course, I wasn't
4 trying to do the job of the Foreign Secretary or trying
5 to second guess something that had happened at other
6 meetings. I was looking at the issue on its merits and,
7 as I have said to you before, I was convinced of the
8 merits of our case.

9 Equally, at the same time, we have learned about how
10 we do these things in the future, and it was important
11 to me that the matter went to Parliament and the matter
12 went to a debate in the House of Commons. And we have got
13 to remember too that the vote in the House of Commons was
14 absolutely overwhelmingly in favour of taking the action
15 that was necessary. And I believe that in future it will
16 be important that a government puts this matter to the
17 House of Commons as a matter of right; that the House of
18 Commons vote on these matters before any country goes to
19 war.

20 So I think we have learned from the process that we
21 need also Parliamentary engagement in this and I favour
22 a change in the constitution, which we are bringing
23 about, where Parliament will, in all normal
24 circumstances, vote on the issue of peace and war.

25 SIR RODERIC LYNE: Two of your colleagues who were around

1 that table, the former Development Secretary and the
2 then Foreign Secretary, in their evidence to this
3 Inquiry, have told us of the concerns that they had.

4 Mr Straw described this decision as the most
5 difficult decision he had ever faced in his life and one
6 of the most divisive questions of his political
7 lifetime. It was obviously a very difficult decision
8 for him. Was this a decision that you had any personal
9 reservations about?

10 RT HON GORDON BROWN MP: Nobody wants to go to war. Nobody
11 wants to see innocent people die. Nobody wants to see
12 your forces put at risk of their lives. Nobody would
13 want to make this decision, except in the most gravest
14 of circumstances, where you were sure that you were
15 doing the right thing.

16 I have said that I think it was the right decision
17 made for the right reasons. I think the issues that
18 arise in reconstruction and what happened afterwards are
19 issues where I want to learn the very important lessons,
20 and we are learning important lessons for the future,
21 but the decision to take the actions we did was the
22 right decision and it was made for the right reasons.

23 SIR RODERIC LYNE: You spoke just now of the importance of
24 the House of Commons vote, and obviously your own
25 influence in securing support for what was

1 a controversial decision in the House of Commons on
2 18 March must have been important.

3 Were you happy with the way that the question was
4 presented to the House of Commons by your predecessor in
5 his speech on that day?

6 RT HON GORDON BROWN MP: Yes. We were in a position where
7 the Cabinet had made its recommendation. I think, in
8 future, the House of Commons will have the right to make
9 the final decision, and that is what I'm trying to
10 achieve.

11 It was clearly a vote that was made after the
12 recommendation of Cabinet, which was sufficient in
13 itself for us to make the decision to go to war, but it
14 would have been better, and it will be better in the
15 future, that Parliament retains the right to make the
16 final decision.

17 SIR RODERIC LYNE: You stressed right throughout this
18 morning the importance to you of maintaining
19 international order and international institutions in
20 the world that we now live in. But we were in
21 a situation, you as a Cabinet, were in a situation, of
22 having to go to the House of Commons and ask them to
23 support something for which we had not got the support
24 of the United Nations Security Council?

25 Wouldn't it have been much better if we had been

1 able to prolong the diplomacy until such time as we had
2 got the support of the Security Council, thereby
3 strengthening international institutions?

4 RT HON GORDON BROWN MP: If there had been any chance that
5 the Security Council would have been prepared to come to
6 a decision based on its merits, within a few weeks'
7 time, I would have supported that, but countries had
8 made it clear that, irrespective of the merits, they
9 were determined not to enforce the will of the
10 international community.

11 SIR RODERIC LYNE: Which countries?

12 RT HON GORDON BROWN MP: A number of countries were making
13 it clear that, irrespective of what actually the results
14 of the investigation were, that although the 1441 had
15 said that they were prepared to consider all necessary
16 measures --

17 SIR RODERIC LYNE: But which countries said that?

18 RT HON GORDON BROWN MP: -- they wouldn't be prepared to do
19 so.

20 SIR RODERIC LYNE: Which countries said that?

21 RT HON GORDON BROWN MP: I think it was being made clear by
22 a number of countries in the region, and I think France
23 and Germany was making that clear also.

24 SIR RODERIC LYNE: Germany wasn't on the Security Council.
25 Are you really referring to France here?

1 RT HON GORDON BROWN MP: Statements were made by
2 President Chirac which were very clear that he was not
3 prepared to support military action.
4 SIR RODERIC LYNE: At that time.
5 RT HON GORDON BROWN MP: He was not prepared to support
6 military action and could give no indication that there
7 was a time when he would support military action.
8 SIR RODERIC LYNE: After he made his statement, didn't the
9 French Government immediately contact Number 10, the
10 Foreign Office, the British Embassy in Paris to say that
11 the British Government was not interpreting his
12 statement in an accurate way.
13 RT HON GORDON BROWN MP: That may have happened, but, you
14 know, I wasn't the Foreign Secretary or the
15 Prime Minister. The contacts that would be had with the
16 French would be through them.
17 What I knew is that there was very little chance on
18 our assessment that the diplomatic route could lead to
19 success if a number of countries were not in themselves
20 willing to consider the action that would flow from
21 that.
22 Look, I think you have got to understand -- and
23 I know the Committee will want to look at this -- we are
24 at the beginning of a new phase of the world community.
25 We were in a post-Cold War phase, where the tensions

1 between Russia and America are not the paradigm within
2 which people see what they should do as individual
3 states around the world.

4 There is a danger in this period that certain
5 countries, rogue states, would be prepared to take
6 actions that hurt the international community and
7 certainly disobeyed the laws of the international
8 community, and this was a test of whether the
9 international community could hold together.

10 Unfortunately, we could not bring all countries
11 along, but if the international community had then
12 decided that, after 14 resolutions and after a huge
13 attempt at diplomacy and after trying sanctions but not
14 succeeding with sanctions, it was going to give up on
15 this, then I think we would be sending a message to
16 every potential dictator around the world that they were
17 free to do what they wanted.

18 I think that is a very important message to learn;
19 that nothing was going to be perfect in a situation
20 where we were in the midst of creating the -- if you
21 like, the institutions and the practices of a new world.
22 It was perhaps inevitable that some countries would not
23 feel part of that process for the time being, but
24 relationships between France, Germany and Britain and
25 America, are stronger now than they have ever been and

1 I think that shows our determination, as all countries
2 working together, to create the international community
3 that requires that international law and international
4 rules be observed.

5 SIR RODERIC LYNE: But at this precise time we are talking
6 about, the UN inspectors were saying, "Give us more
7 time". The French Government was saying to us, and the
8 Chilean President, who was a crucial player, the Chilean
9 government on the Security Council, were again saying,
10 "We need more time before we come to this decision".
11 They weren't saying, "We will never do it". So why did
12 we have to take the decision on 17 March?

13 RT HON GORDON BROWN MP: I think you have got to make
14 a judgment here --

15 SIR RODERIC LYNE: It wasn't because the Americans had said,
16 "We are simply going to take military action this week"?

17 RT HON GORDON BROWN MP: I think it is a matter of judgment
18 here, that for --

19 SIR RODERIC LYNE: But there was an American military
20 deadline, wasn't there?

21 RT HON GORDON BROWN MP: But it is a matter of judgment for
22 the British Cabinet, and I'm talking about the decisions
23 that we made and not that other countries made. The
24 matter of judgment was whether, after 14 resolutions,
25 after 1441 had united the international community, after

1 Saddam Hussein had refused to comply, was giving minimal
2 disclosure, the diplomatic channels had become
3 exhausted, as to whether you take the action that you
4 said in November you were prepared to take. We were
5 prepared to take that action and I justify that decision
6 on the basis of our judgment that the diplomatic route
7 had become exhausted.

8 Now, other people can take different judgments, but
9 this was the judgment of the British Cabinet at the
10 time.

11 SIR RODERIC LYNE: Mr Straw told us in his evidence that
12 a foreign policy objective of regime change would be
13 improper and self-evidently unlawful. Mr Blair, perhaps
14 in contrast to that, had said in his speech in Texas in
15 2002, talking not just of Iraq but in more general
16 terms:

17 "If necessary the action should be military, and
18 again, if necessary and justified, it should involve
19 regime change."

20 He said to this Inquiry that Saddam had threatened,
21 not just the region, but the world, and in the
22 circumstances it was better to deal with this threat, to
23 remove him from office.

24 Does that imply that the British Government had
25 ended up by aligning with the American interpretation of

1 international law, the revival argument that the
2 Attorney General presented to the Cabinet and the
3 American objective of regime change, which had always
4 been their policy, indeed under the previous
5 administration, under pressure of an American military
6 deadline?

7 RT HON GORDON BROWN MP: Our position was not that. Our
8 position was to support action so that the will of the
9 international community -- that Saddam Hussein disclose
10 and dispose of weapons -- be reinforced. And at the back
11 of my mind was this sense that, if the international
12 community did not act here, then the international
13 community would find it difficult to gain credibility
14 for acting in other areas, and this new world order that
15 we were trying to create was being put at risk.

16 So I go back to what I say is the wider argument
17 about defying the will of the international community.

18 SIR RODERIC LYNE: But in order to achieve that objective
19 that you have described, was it, in effect, essential to
20 remove Saddam's regime from office, irrespective of
21 weapons of mass destruction?

22 RT HON GORDON BROWN MP: That became the result of the
23 action. That became the result. But the intention of
24 the action was to force Iraq to abide by the
25 interpretation of the international community about its

1 obligations. But, in the end, his failure to comply and
2 his failure to disclose and then dismantle was seen as
3 a reason why action had to be taken inside Iraq and the
4 eventual effect of that was to remove him from office.

5 SIR RODERIC LYNE: Chairman, I think you wanted to come in.

6 THE CHAIRMAN: Mr Brown, I would like to just pick up
7 a point, going back to the legal advice, looking ahead,
8 not back at what happened in the Cabinet that made the
9 decision, but rather to a possible lesson to be learned
10 for the future.

11 There was implied in the full advice, which the
12 Cabinet didn't see, and didn't ask to see, that there
13 was a risk exposure both for ministers themselves and
14 not least for Crown servants, both military and civil,
15 in the event that in some jurisdiction or in some
16 process it could be found that the decision was not
17 lawful.

18 Now, is a plain constitutional doctrine that says:
19 the Attorney rules, "Yes, it is, no, it isn't",
20 sufficient when there is that element within it -- and
21 I'm thinking about future situations, where the risk
22 exposure of Crown servants and Crown ministers may be
23 involved?

24 RT HON GORDON BROWN MP: I knew at that stage that the
25 Permanent Secretary to the Civil Service and the

1 military chiefs had required, as they should have, clear
2 guidance as to what the position was. So I knew that
3 they were satisfied that they had got the legal
4 assurances that were necessary.

5 As far as the future is concerned, I think our
6 desire to be more transparent in the way we make
7 decisions has, of course, got to be balanced by the
8 needs of national security. But I think it is important
9 that we do everything in our power, if we are putting
10 these issues to Parliament and not simply taking
11 executive decisions without recourse to Parliament, then
12 I think we will have to provide greater information than
13 was done at that time.

14 So that is one of the lessons that I think will be
15 learned. It will be inevitable that Parliament would, in
16 the circumstances in which it was making the final
17 decision, ask for greater information. So I think this
18 is one of the lessons we can learn.

19 But I do say that everything that Mr Blair did
20 during this period, he did properly, and I do not say
21 that I was anything other than fully informed about the
22 issues that I needed information on to make my
23 decisions.

24 THE CHAIRMAN: Thank you. Back to you, Sir Roderic.

25 SIR RODERIC LYNE: Could I now turn to the campaign, but

1 particularly to the immediate aftermath of the military
2 action?

3 In January this year you said in a press conference
4 that the mistake in the war was not to do the
5 reconstruction and plan it in the way that was necessary
6 to so that Iraq could recover quickly after
7 Saddam Hussein fell.

8 What went wrong with the planning for the aftermath?

9 RT HON GORDON BROWN MP: I think this will be debated for
10 many years to come, and I hope that your Inquiry can
11 make some recommendations about how we deal with it in
12 the future.

13 Look, the ideal situation would be this: that an
14 international organisation like the United Nations have
15 a security and reconstruction agency that is available
16 immediately reconstruction of an individual country
17 needs to happen.

18 That would be true, for example, in Zimbabwe, if
19 there was to be a change of government. It is certainly
20 true in Sudan, Somalia. It is certainly true in the
21 Balkans areas where reconstruction has to take place.

22 So one of the lessons we have got to learn is that
23 there are going to be interventions that are necessary
24 in the future for humanitarian or for other reasons,
25 that you will have failed states, you will have

1 conflict-ridden states that will break down. You will
2 have states that need to change, and we should have in
3 place, as we have now in Britain -- we have got 1,000
4 people who are ready to help in reconstruction,
5 immediately if there is a need for it. We should have
6 a United Nations or an international agency which is
7 responsible for security and reconstruction.

8 Just as we have military support, we need civilian
9 support so that we can do all things that are necessary
10 when a broken state has to be rebuilt. So that's my
11 first lesson that I learned.

12 I always thought, from June 2002 onwards, that
13 reconstruction would be a problem. In my first
14 meetings, I said that we had to plan properly for that.
15 But we couldn't. Let us be honest, we couldn't persuade
16 the Americans that this had to take the priority that it
17 deserved, and the course of action in Iraq has been that
18 we only came to what I would call the Iraqi-isation, in
19 other words, Iraq security forces, Iraq police, Iraq
20 economic development and Iraq political development --
21 that was the basis on which reconstruction could take
22 place. That is what a just peace involves, and we only
23 came to that later and not at the first point after the
24 invasion.

25 I regret this, I cannot take personal responsibility

1 for everything that went wrong. We tried -- I did
2 a paper to the Americans just before the war was
3 declared that said that these things had to be planned
4 for and we needed the international organisations to be
5 involved.

6 SIR RODERIC LYNE: We had, of course, anticipated that the
7 United Nations would do exactly as you said and it had
8 a lot of experience and also organisations like the
9 World Bank. But we weren't able to do that because we
10 couldn't get the support of the United Nations.

11 So that -- I mean, you can have an international
12 agency, but if you don't have the legitimacy that allows
13 it to operate, then you are stuck, and so that was
14 surely the situation we found ourselves in.

15 RT HON GORDON BROWN MP: But the United Nations did come in
16 at a later stage.

17 SIR RODERIC LYNE: After a resolution in May.

18 RT HON GORDON BROWN MP: I was Chairman of the IMF at that
19 time and the IMF -- the IMF Committee at the time, and
20 the IMF were prepared to come in. The World Bank was
21 prepared to come in. I talked to the President of the
22 World Bank and asked them to come in, and we had the two
23 funds, the development fund for Iraq and the
24 international reconstruction facility for Iraq, but it
25 is true to say that the post-war planning -- because we

1 now know that you cannot win the peace simply by
2 military action, you need to engage the people of Iraq,
3 or any other country -- you need to give them the chance
4 of political empowerment at some stage; you need to have
5 strong security forces; and, you need what I discovered in
6 Basra, you need economic development. People have got
7 to have a stake in the future.

8 These things were not the central part of the
9 initial reconstruction plan, but they became that way,
10 and the lessons that we have learned in Iraq are now
11 being applied in Afghanistan in the policy that we are
12 pursuing now. And I hope the Committee may be able to
13 draw some of the lessons that we have learned in Iraq
14 and say that they are more relevant to other situations
15 as well as to Iraq itself.

16 SIR RODERIC LYNE: I think there is going to be a lot there
17 for us to explore. You say that from June 2002 onwards,
18 you were pressing for thought to be given to this
19 question, but the British Government's own planning for
20 the aftermath really didn't get into gear
21 until February 2003. Why did we take so long? Why were
22 we so late doing it?

23 RT HON GORDON BROWN MP: I think the Committee will have
24 a paper that we did in September --

25 SIR RODERIC LYNE: Recommendations were made. We only set

1 up the Iraq Planning Unit on about the 11th or so
2 of February 2003.

3 RT HON GORDON BROWN MP: This was -- originally, of course,
4 we wanted this to have been an international effort, so
5 our original proposals were that we had to involve the
6 UN, IMF, World Bank as quickly as possible. That was
7 obviously frustrated by what was happening in the
8 diplomatic negotiations over trying to find a way
9 forward.

10 We had a meeting, I believe, on March 9th¹, of
11 ministers to discuss reconstruction. I was asked, as
12 a result of that --

13 SIR RODERIC LYNE: That's very late.

14 RT HON GORDON BROWN MP: Yes. That was as a result of the
15 papers that had been done. We had a meeting
16 on March 9th². At that meeting I was asked to do a paper
17 that was to be sent to the Americans after that meeting about
18 some of the things that we thought had to be done for
19 reconstruction.

20 SIR RODERIC LYNE: But why do you think the Cabinet hadn't
21 paid more attention to the aftermath planning at an
22 earlier stage?

23 RT HON GORDON BROWN MP: I think because we were more
24 confident than you may look now that the diplomatic
25 process would have more success, but clearly we were

¹ No 10 has advised that this meeting took place on 6 March

² [as above]

1 preparing for military options and clearly we had also
2 to prepare for reconstruction.

3 Now, the work that was done in America, and clearly
4 the work that was done in Britain, was not done as much
5 in parallel as it should have been done.

6 THE CHAIRMAN: Could I just intervene? We know from what we
7 have heard and read from open sources that there was
8 a great deal of planning done for the aftermath by the
9 State Department.

10 RT HON GORDON BROWN MP: That's right.

11 THE CHAIRMAN: But that was not drawn on when the Department
12 of Defence became that department. Is that right?

13 RT HON GORDON BROWN MP: This is the problem I'm alluding
14 to; that there was a different decision being made about
15 what the path of reconstruction would be, and,
16 obviously, our planning was based, first of all, on more
17 international involvement by other partners, and,
18 secondly, on the issues that I have raised that we have
19 learned more about in recent years, that you have got to
20 get the Iraqi people on your side. This is what
21 General Petraeus of course learned when he was in his --
22 the work that he did in 2006/2007. That you have got to
23 have economic projects that allow people to feel they
24 have a stake in the future and you have got to get the
25 security and armed forces of Iraq sorted out in such

1 a way that they can be responsible for security and that
2 requires a non-corrupt police as well.

3 Now, these are all the lessons that we have applied
4 in Basra, and I believe, if we look at this in the next
5 session, we have learned lessons from Basra that are
6 applicable to Afghanistan, but also to other countries
7 around the world.

8 But I come back to this original point that, really,
9 this new world has got to have some international
10 organisation that is responsible, not just for
11 peacekeeping, and not just for humanitarian aid where we
12 have international organisations, but for stabilisation
13 and reconstruction.

14 SIR RODERIC LYNE: But, presumably, it will only be able to
15 operate in areas where there is an international
16 consensus in favour of the action, which obviously
17 wasn't --

18 RT HON GORDON BROWN MP: I'm not sure about that, if I may
19 say so, Sir Roderic, because, in the end, the
20 United Nations came into Iraq, was prepared to come in.

21 SIR RODERIC LYNE: Only after the resolution had been passed
22 in May.

23 RT HON GORDON BROWN MP: That was two months later, but it
24 did pass that resolution. Of course, the United Nations
25 mission in Iraq led to the tragedy of deaths in Baghdad

1 and the withdrawal of the personnel of that mission, and
2 the World Bank mission personnel, the IMF personnel had
3 to be withdrawn. We had Treasury people in Iraq during
4 this whole period who were working in very difficult
5 circumstances, very bravely, organising the new currency
6 for Iraq, organising the new financial budgeting system
7 for Iraq and organising part of the reconstruction. So
8 we were directly involved in all these things.

9 SIR RODERIC LYNE: You said that in the planning period we
10 and the Americans weren't joining up effectively and
11 obviously a lot of warning signals came back from
12 Washington to London in the early months of 2003,
13 expressing great concern about the American lack of
14 planning for the aftermath and the shift of locus to the
15 Defence Department. We have heard this from a lot of
16 earlier witnesses.

17 Shouldn't we, given the very large commitment we
18 were making to this operation in the military
19 commitment, have been able to exercise more influence
20 over the Americans to make sure that the aftermath plan
21 was done properly and we were cut into it.

22 RT HON GORDON BROWN MP: Later in the year, I did go across
23 to the States and I did --

24 SIR RODERIC LYNE: I'm talking about the period before the
25 invasion.

1 RT HON GORDON BROWN MP: Yes, I made it absolutely clear to
2 the United States that I felt that they had to take more
3 seriously the issues of reconstruction.

4 For the first period, of course, the issue was:
5 would the military campaign succeed? It succeeded in
6 a very short time, as you know, so the issue of
7 reconstruction became more urgent and more immediate
8 than perhaps people had expected it to be.

9 I can only say that we had started planning in the
10 Treasury for this some months before but we had to
11 persuade our other colleagues that this was the right
12 thing to do. I mean colleagues in other governments,
13 the American government in particular.

14 SIR RODERIC LYNE. The planning done by your officials in the Treasury, had
15 that looked at the likely scenarios that might arise
16 after conflict in Iraq, including an upsurge in
17 terrorism, instability, having to deal with very damaged
18 infrastructure, the need for a peacekeeping force to
19 keep a lid on the ethnic and religious tensions there
20 and so on? Were these things that the Treasury was
21 looking at?

22 RT HON GORDON BROWN MP: A lot of these matters would be
23 matters that the Foreign Office would be looking at more
24 carefully than we would be. We were looking at the
25 economic issues that would arise, about jobs, about the

1 provision of utilities, about the currency -- as you
2 know, we completely remodelled the Iraqi currency.

3 SIR RODERIC LYNE: So you were looking at these things. Do
4 you think that the problems which did arise in the
5 aftermath could have been mitigated if the coalition had
6 been much better prepared really to get into action on
7 the issues that you have mentioned right at the
8 beginning and if it had had this wider international
9 support that we didn't get until after the second
10 resolution was passed in the United Nations in the
11 middle of May?

12 RT HON GORDON BROWN MP: Yes. We have got to remember,
13 however, that there were 40 countries as part of
14 coalition. It wasn't two, three, four or five -- there
15 were 40 countries.

16 SIR RODERIC LYNE: But there were only two occupying powers,
17 us and the United States.

18 RT HON GORDON BROWN MP: That's right, but we've got to
19 remember that, by May, the United Nations had come into
20 play, and despite all the difficulties they faced in the
21 future, the United Nations were part of the
22 reconstruction programme. We needed the IMF and the
23 World Bank.

24 What we had concluded in the Treasury was that we
25 would need all these organisations to be involved for

1 the reconstruction to be successful.

2 SIR RODERIC LYNE: At what point did it become obvious to

3 you, before the conflict, that this planning was

4 defective? Did you get worried about it?

5 RT HON GORDON BROWN MP: I don't think that we were fully

6 aware of all the tensions within the US administration.

7 SIR RODERIC LYNE: Of how bad it was going to be?

8 RT HON GORDON BROWN MP: I feel that we should, of course,

9 have been able to more quickly do what we eventually did

10 on politics, economics and security, that is building up

11 the Iraqi forces, but the decisions that were made in

12 the first days were not in line with that.

13 We have learned that lesson and that lesson has to

14 be learned for future conflicts as well - that it is only

15 a necessary condition of changing Iraq that military

16 action happened; that it was only sufficient if we had

17 the reconstruction, and that's what I mean about a just

18 peace; a just peace must involve -- and I think we have

19 got to look at this for other countries -- that there is

20 a right of the citizens to participate in the political

21 system established as quickly as possible.

22 SIR RODERIC LYNE: Once you get security and law and order.

23 RT HON GORDON BROWN MP: Security and reconstruction go hand

24 in hand.

25 SIR RODERIC LYNE: The UK was not only the joint occupying

1 power of the United States, but it was also decided that
2 we would take lead responsibility for the four provinces
3 in the southeast of Iraq.

4 Were you involved in the decision that we should
5 take on this responsibility?

6 RT HON GORDON BROWN MP: Yes, this was a big decision
7 because, basically, we were taking far greater
8 responsibility for one area. Basra was about 2 million
9 people. The other provinces were another group of
10 people. And Basra became the centre of both our problems
11 and what we were eventually able to achieve successfully
12 I think in putting Basra into a position where it could
13 govern itself.

14 SIR RODERIC LYNE: Do you remember when the decision was
15 taken that we would take on this role?

16 RT HON GORDON BROWN MP: There were two decisions, weren't
17 there? The first decision was when the military
18 decision was that instead of our troops going in in the
19 north, our troops would go in in the south, and that was
20 a decision taken by -- on military advice and that was
21 a change that was made to our plans.

22 The second decision was how we would organise Iraq
23 after the military success. I can't recall exactly when
24 we were given the responsibility for Basra, but I know
25 that for us it then involved economic, social and

1 political measures, including big measures in economic
2 development.

3 SIR RODERIC LYNE: There were some meetings that again have
4 been discussed in earlier evidence, held in March, the
5 Prime Minister, the Development Secretary -- I can't
6 recall offhand whether you were at them or not -- about
7 taking charge of Basra and what would be required for
8 that and funding for it and so on.

9 RT HON GORDON BROWN MP: There was a War Cabinet, as you
10 know, that --

11 SIR RODERIC LYNE: Before the War Cabinet was set up.

12 RT HON GORDON BROWN MP: The March 6³ reconstruction meeting?

13 SIR RODERIC LYNE: Yes. Now, subsequently, once the
14 occupying -- the invasion had happened, we were in
15 position as occupying power. We began to have to deal
16 with some very, very serious problems of insurgency
17 within Iraq, a huge security problem which got worse and
18 worse.

19 Do you consider that the problems that the British
20 and the Americans did encounter as occupying powers were
21 principally caused by external interference and
22 Al-Qaeda, external interference by Iran and Al-Qaeda?

23 RT HON GORDON BROWN MP: There was external interference.

24 SIR RODERIC LYNE: Was this the principal cause of the
25 difficulties?

³ No 10 has advised that this meeting took place on 6 March

1 RT HON GORDON BROWN MP: You have really got two things
2 happening at once. You have got an attempt from both
3 Iran and by Al-Qaeda to make their mark in Iraq, but you
4 have also got the Sunni insurgency and you have also got
5 the tension between Sunnis and Shias.

6 So it is not wholly an external problem, but that
7 did contribute to the instability of Iraq.

8 SIR RODERIC LYNE: It contributed, yes.

9 Were these problems that -- all of them, that we
10 could have anticipated and should have anticipated?

11 RT HON GORDON BROWN MP: I don't think we could have
12 anticipated everything that happened subsequent to the
13 invasion.

14 SIR RODERIC LYNE: But broadly speaking?

15 RT HON GORDON BROWN MP: I think one of the lessons that we
16 have learned, that we will apply in future, is that you
17 have got to move quickly to giving the Iraqi people
18 a sense that they have greater control over the
19 situation.

20 Now, it is true that we were dealing with the Iraqi
21 army that had existed under Saddam Hussein and
22 politicians and bureaucrats who worked under
23 Saddam Hussein, but it is also true, I think -- and we
24 learned this lesson from other past conflicts -- that
25 unless you can quickly involve the people of the country

1 in a sense that they have or are about to get more
2 control over the country, then you become very quickly
3 an army of occupation rather than an army of liberation,
4 and we never wanted to be an army of occupation.

5 SIR RODERIC LYNE: Finally, before I hand over to the Chair,
6 just the Cabinet mechanisms, you have referred to the
7 ad hoc ministerial meeting that did begin to happen from
8 19 March, and, indeed, met almost daily, I think, until
9 10 April. That was an ad hoc ministerial meeting,
10 effectively a War Cabinet, and I believe you attended
11 it. Do you feel that that served a useful purpose and
12 functioned well?

13 RT HON GORDON BROWN MP: Yes, the War Cabinet, which met
14 almost daily, and I attended a large number of these
15 meetings but it also was happening at the time of the
16 Budget and other things that were happening,
17 international meetings. So I attended as many as
18 I could. Yes, it served a useful function, and, yes, it
19 allowed the different departments and agencies to report
20 on what they were doing. So we had a greater
21 co-ordination as a result of it.

22 SIR RODERIC LYNE: But then a second committee was set up,
23 which was the ad hoc ministerial meeting on Iraq
24 rehabilitation. That began to meet from 10 April and it
25 went to meeting right through at least until August.

1 Was that also an effective ministerial committee of the
2 kind that we hadn't had before?

3 RT HON GORDON BROWN MP: I think we are learning lessons all
4 the time here. I can't give you specific information
5 about the success of that particular venture, but it was
6 a necessary means by which we dealt with some of the
7 problems that arose. What I can tell you is that we
8 have learned a fuller lesson about the need for
9 government to be organised for a situation where you are
10 at war, and in this case at war with two countries, with
11 Afghanistan and Iraq, and so you need structures of
12 decision-making that can --

13 SIR RODERIC LYNE: But you, as Chancellor, didn't go to the
14 meetings of the Ministerial Committee on Rehabilitation?

15 RT HON GORDON BROWN MP: I think that would be the
16 Chief Secretary. The Treasury has got two ministers,
17 and if there were matters affecting public expenditure,
18 it would probably be the best thing, at that stage, for
19 the Chief Secretary to be at that meeting. I think he
20 was present.

21 SIR RODERIC LYNE: He went on 8 May. The previous three
22 meetings you had, the Foreign Secretary, the
23 Defence Secretary, Patricia Hewitt, the Attorney
24 General, but only Treasury officials. I wondered why
25 the Treasury was only represented at official level on

1 this ministerial committee.

2 RT HON GORDON BROWN MP: I don't know.

3 SIR RODERIC LYNE: You don't recall?

4 RT HON GORDON BROWN MP: On that particular day, I am very

5 happy to write to you to explain that, but normally

6 a minister would want to attend.

7 SIR RODERIC LYNE: Right.

8 THE CHAIRMAN: Thank you. I would like to ask some

9 preliminary questions on financial aspects essentially

10 before 2003, and after the lunch break -- I know

11 Sir Lawrence Freedman will want to pick up the larger

12 theme, but just to begin with, you have told us already

13 this morning, Mr Brown, that the cost of potential UK

14 involvement in action -- the central lesson at the time

15 I think you told us was 2.5 billion, was not to be seen

16 as a constraint on a decision whether to act or not.

17 How far, though, was the potential impact on the

18 public finances sufficiently a concern that it was

19 something you needed to share, or was it something that

20 the Treasury could contain within itself?

21 RT HON GORDON BROWN MP: No, we had to be clear with

22 Parliament that we were setting aside money for this

23 endeavour. So we made an original estimate that the

24 costs would be £2.5 billion by 2006, because our planning

25 period took us through to then.

1 Then, having revised our estimate, it was £4 billion
2 to 2006, and I think I'm right in saying that the
3 eventual additional cost above the Ministry of Defence
4 normal budget by 2006 was just over £4 billion. So that
5 was an accurate assessment that was made.

6 In November, I reported to the House of Commons that
7 we had set up a Special Reserve. That was a billion
8 pounds. That was for a year. So I was reporting
9 the Special Reserve.

10 In April, when I did the budget, I reported that
11 that Reserve was now £3 billion to take us through the
12 next period of time. In actual fact we spent about
13 a billion pounds a year additional money on Iraq for most of
14 these years, and, in total, Iraq has cost the Treasury
15 something in the order of £8 billion. £2 billion of
16 these are for urgent operational requirements, but the
17 total cost is £8 billion that we have found over these
18 years to pay for the effort we made in Iraq on top of an
19 also rising defence budget.

20 THE CHAIRMAN: I would like to return in a moment, if I may,
21 to the Special Reserve, but first, again picking up
22 a point you made early on this morning, that you were
23 not going to advise your colleagues that the financial
24 considerations should determine either the scale of our
25 military contribution, or, indeed, whether we should

1 make it, if diplomacy failed.

2 Sir Nicholas Macpherson, your Permanent Secretary,
3 told us pretty much the same; that the Treasury wasn't
4 in the business of advising, his case, ministers to
5 support one intervention over another on cost grounds.

6 On the other hand, the scale of the UK's commitment,
7 whether the minimal engagement, if it would come to
8 military intervention, or, as actually turned out,
9 a major land contribution, the difference was very
10 great.

11 Was the concern about the broader economic
12 consequences for the UK, the potential ones, something
13 that you needed to get a grip on and understand and
14 estimate in contributing to the eventual decision?

15 RT HON GORDON BROWN MP: Yes, we had a paper in July. It
16 may have been June actually, but it was around that
17 period, where we looked at the cost of the various
18 options that were being put forward by the
19 Ministry of Defence, and I think in that paper it said
20 I should talk to the Prime Minister about -- that I was
21 going to talk to the Prime Minister about that.

22 I made it clear to the Prime Minister that no option
23 should be ruled out on the grounds that it was too
24 costly, that we had to choose what the right military
25 option was, the right option for our security, and if we

1 were to be in a position where the diplomatic avenue
2 failed, he should know that the Treasury would make
3 allowance for whichever option was chosen.

4 Then in September, we did a paper -- it could have
5 been September/October -- we did a paper and that was on
6 the overall effects of potential war with Iraq. We said
7 the oil price was likely to go up by 10 per cent. We
8 thought that the world economy would suffer a greater
9 degree of volatility as a result of it and we looked at
10 all the issues that would arise in a situation where
11 Iraq was not supplying oil to the world, but equally, at
12 the same time, there was instability in the region.

13 We concluded that the costs then of reconstruction
14 would be something in the order of \$45 billion. So we
15 did work on reconstruction as well and took the view
16 that this had to be shared as much as possible with the
17 international community, and that was why we wanted the
18 IMF and the World Bank involved.

19 So these were the preparations that we made, but the
20 first public announcement of setting aside money was in
21 the November pre-budget report. We set aside £1 billion.

22 By that time, I had already made available to the
23 Defence Secretary £500 million for preparations, which
24 included the purchase of necessary equipment in case we
25 were to be at war. I think it came in tranches of 200,

1 200 and 100. We also set aside money for training that
2 was to be available for extra training by the
3 Ministry of Defence, and then every application made by
4 the Ministry of Defence subsequently, I made it
5 absolutely clear that every application that was made
6 for equipment, and every application that was made for
7 resources necessary for the conduct of the campaign in
8 Iraq, had to be met by the Treasury. And we created
9 a system that was quick and fast-moving so that we could
10 make sure the Ministry of Defence had the equipment they
11 needed as quickly as possible.

12 THE CHAIRMAN: Thank you. I would like to return in just
13 a moment to the system of what are known as UORs,
14 I think urgent operational requirements, and how it
15 worked.

16 Just before that, however, did the assessment of the
17 financial impact, globally as well as nationally, of
18 potential military action, clarify itself sufficiently
19 before, in effect, the March period, or indeed a little
20 before March, when it became more likely than not that
21 military action would take place? Was there
22 a sufficient handle on the financial and economic
23 consequences by then?

24 RT HON GORDON BROWN MP: Yes, I think so. I think we knew
25 what was likely to happen, and, in fact, the oil price

1 did go up by 10 per cent and spiked, but equally, it is
2 reassuring to know that our estimate of the costs of the
3 engagement in Iraq was proven to be accurate.

4 The costs of reconstruction, again we made a pretty
5 big estimate of what it was likely to cost and I think,
6 again, we were proven to be right.

7 As far as the effects on the world economy, we felt
8 that these could be managed.

9 THE CHAIRMAN: Just before we turn to the Special Reserve
10 and the UOR, we have seen the papers to which you
11 referred about the assessment of the potential economic
12 impact and, if I may say so, as a formal civil servant,
13 they are impressive in their quality.

14 What we can't find, and it may simply be this was
15 the habit of the time in the Treasury, there is not much
16 minuting on the discussion of them or how they were
17 handled in meetings or discussions. Is that just how it
18 was?

19 RT HON GORDON BROWN MP: I think in the case of the first
20 paper it was about the military options, and I think it
21 said in the first paper that I would want to talk to the
22 Prime Minister about it and I did. So that was
23 a conversation that I had with the Prime Minister.

24 On the second set of issues on reconstruction, we
25 were making estimates of what was likely to happen and

1 that led to us the meeting on March 6th⁴, when we looked
2 at the difficult decisions that had to be made on
3 reconstruction, and I agreed that I would prepare
4 a paper that would be sent to the Americans to remind
5 them that we had a view of reconstruction that appeared
6 to be different from their view.

7 THE CHAIRMAN: Thank you. You have mentioned already the
8 provision in the pre-budget report of £1 million for
9 Special Reserve. I think I have got two questions, if
10 I may.

11 The first is, you set the amount of the Special
12 Reserve for defence purposes for respective military
13 engagement at £1 billion in November, and then in your
14 budget in April you raised that to 3 billion.

15 Was there a concern that the pressures on the
16 Reserve from all quarters in financial 2002/2003, was
17 such that it would, as it were, threaten to bust the
18 limit, hence the need to create a Special Reserve, or
19 was there a different rationale?

20 RT HON GORDON BROWN MP: Well, the Special Reserve was
21 created and I think we said it was to do with issues of
22 security and to counter terrorism, and it wasn't created
23 with an announcement that this was money we would
24 definitely spend on Iraq, but it was created so that
25 there was public recognition that we had set aside

⁴ No 10 has advised that this meeting took place on 6 March

1 £1 billion.

2 By the time it came to the Budget, it was clear that
3 this action would take place over a period of time, and
4 in actual fact, the £3 billion represented, I think,
5 a cost of £1 billion a year. In addition, of course, to
6 the existing defence budget, which was also rising at
7 that time, and I have to emphasise that, and I said that
8 every single request that was made for equipment had to
9 be met, and every request was met. And at any point the
10 military commanders were able to ask for equipment that
11 they needed, and I know of no occasion when they were
12 turned down for it.

13 THE CHAIRMAN: Thank you. Again, we might return to that
14 a little later on, but just for the record, it would
15 help me, I think, if we could have on the record what
16 the terms of the Treasury's golden rule were and how far
17 it came near in 2002/2003 and 2003/2004 coming under
18 threat.

19 RT HON GORDON BROWN MP: I think this may be misunderstood,
20 but the golden rule was to be met over the cycle. It
21 wasn't a rule that had to be met year on year. So if we
22 had to borrow in one particular year, then that would be
23 understood in relation to the whole cycle. But the
24 golden rule was that current expenditure would be
25 covered by taxation and that capital expenditure would

1 allow for borrowing, and we were meeting the golden rule
2 at that time. And it is only, of course, the global
3 financial crisis that has made it difficult for us to
4 meet that rule.

5 THE CHAIRMAN: One other point, if I may, on the Special
6 Reserve and how it was presented. As you have just told
7 us, it was described as being needed to meet the
8 United Kingdom's defence and overseas needs in the fight
9 against global terrorism, and in the budget report
10 in April 2003 it was defined more specifically as for
11 possible action in Iraq.

12 We asked Sir Nick Macpherson why this had been
13 described as the fight against terrorism. We
14 raised this because we were interested to know whether
15 it implied a sense that the fusion of the global
16 terrorist threat and the Iraq problem had come together
17 and he told us not.

18 RT HON GORDON BROWN MP: No, no, no. Look, we were doing
19 counter-terrorism operations in other areas as well.
20 There was generally an instability around the world. We
21 thought that we had to make provision for it. We didn't
22 specifically announce in November that this was simply
23 Iraq; it was for Iraq and other purposes. By April, of
24 course, when we had the Budget, we were meeting -- at
25 a time I think it was the first budget for 50 years that

1 had happened when the country was at war.

2 THE CHAIRMAN: There is one other point I think it is
3 important to establish for the record because of this
4 terminological, not argument, but debate about was it
5 about global terrorism, was it about Iraq, or are the
6 two the same thing?

7 It is only really in 2004 onwards that the incursion
8 of Al-Qaeda into Iraq becomes a fact. Before that, you
9 are not facing a terrorist threat as such. The mounting
10 insurgency, yes, but that's the Saddam aftermath, and,
11 I think, to get the chronology right, and have
12 I understood it right, in November 2002, you have in
13 view a counter-terrorist use for the Special Reserve.
14 By April 2003, it is clear that the main body of it is
15 for the Iraq operations, but none of that deals directly
16 with counter-terrorism in Iraq, because that comes later
17 in 2004.

18 RT HON GORDON BROWN MP: I hope I'm not misunderstood on
19 this. I said right at the beginning I thought there
20 were two instabilities that the world had to deal with
21 in the post-Cold War world: one was terrorism by
22 non-state actors, and the second was rogue states or, in
23 the case of Iraq, I called it an aggressor state because
24 of its action in Kuwait in particular, but also its war
25 with Iran.

1 What we were recognising in the Special Reserve was
2 that there were two separate functions that had to be
3 dealt with because of instabilities. By the time we
4 came to April, we were clearly in conflict with Iraq and
5 the vast majority of that money, perhaps all of it, was
6 now going to be used for Iraq.

7 THE CHAIRMAN: Thank you. I would like to turn now to the
8 arrangements for funding the military operation in Iraq,
9 in particular the period leading up to the invasion and
10 perhaps immediately afterwards.

11 You have described already the necessary and
12 sensible approval system for expenditure ahead of and
13 indeed during the operation. I would like to -- or
14 rather, I think the Committee, as a whole, would like to
15 come, after lunch, to the broader question of its
16 relation to the overall defence budget, but just looking
17 at the need for urgent operational requirements, which
18 arise out of the actual military enterprise, the
19 Treasury set limits on how much the MoD could spend on
20 preparation and UORs, and from time to time, when
21 a request was made, you raised those limits,
22 incrementally.

23 RT HON GORDON BROWN MP: Can I put it the other way round --

24 THE CHAIRMAN: Of course.

25 RT HON GORDON BROWN MP: -- Sir John, if I may. We didn't

1 set limits on the expenditure on UORs or on equipment.
2 We made estimates about what they would need and said,
3 "If you need more, you come back to us".

4 So there was no limit set. There were allocations
5 made to show that money could be spent immediately, but
6 I think -- you know, I have got the different urgent
7 operational requirements that were agreed to and they
8 were all paid, they were all paid.

9 So it wasn't a question of there being a limit
10 beyond which you couldn't go. At all times we said,
11 "Here is money that is available now for the equipment
12 needs you need to address. Once you have spent that,
13 then we are prepared" -- and always were ready to and
14 actually did deliver more.

15 THE CHAIRMAN: From the evidence we have seen -- this is not
16 a disputed area, but there is one thing it is just worth
17 establishing, I think. UORs, urgent operational
18 requirements, qualify if they meet a set of eligibility
19 criteria which the Treasury must judge. No argument
20 with that. We have seen no evidence to suggest that
21 attempts were made to go outside those criteria or to
22 have an argument about whether they were met in
23 a particular case. But it is nonetheless, isn't it, for
24 the record, the case that there was a proper discipline
25 system for the operation of the UORs? It didn't lead to

1 contentious arguments or disagreements or refusals, but
2 there was a system.

3 RT HON GORDON BROWN MP: There was a system, but it was
4 a system that was one that I think helped the
5 Ministry of Defence make decisions quickly and get
6 equipment ordered quickly. And the initial allocation,
7 £500 million was the start of planning, for example, the
8 Challenger tanks, as I understand, had to be
9 designed in a particular way for the terrain in Iraq,
10 and night vision equipment -- all these things were being
11 ordered and money was being made available for that.

12 I think it was equipment that was needed in Iraq --
13 any piece of equipment that was needed for Iraq that
14 wasn't part of the normal ordering process of the
15 Ministry of Defence would be made available and that's
16 why £2 billion was spent in Iraq alone on urgent
17 operational requirements out of the £8 billion in total
18 that we have spent in Iraq. And the same goes in
19 Afghanistan, where we have provided very substantial
20 additional money for equipment and for materials that
21 are necessary for the conduct of the campaign.

22 So it wasn't restricted in the sense that we would
23 rule something out on the basis that we didn't think it
24 right. It was a flexible way that the
25 Ministry of Defence could meet the requirements that

1 they set and they wanted, and I know of no case where an
2 urgent operational requirement was turned down at any
3 time.

4 In fact, I said to my officials right at the
5 beginning, "All urgent operational requirements must be
6 met and we must do this as quickly as possible", and in
7 the end we brought in someone from the
8 Ministry of Defence to be with us as we made these
9 decisions so we could speed them up even faster, and at
10 the same time anything under £10 million was accepted
11 without there having to be a process.

12 THE CHAIRMAN: Just to round off on these two, in a sense,
13 secondary points. The first is that the officials in the
14 Treasury certainly in the Ministry of Defence, as
15 ministry, would have had to work quite closely together
16 and there had to be mutual satisfaction that the UOR
17 system was working.

18 RT HON GORDON BROWN MP: Yes.

19 THE CHAIRMAN: There is the usual amount of bureaucratic
20 interchange when that situation arises. You might have
21 kept a bit of an eye on it from on high, but you didn't
22 see any friction or problem there?

23 RT HON GORDON BROWN MP: No, I think everybody who has
24 spoken to the Inquiry, if I am right, has said that the
25 system worked well. I think it is a good system because

1 it allows money to be paid quickly and it meant that
2 certain things could be done within weeks or days rather
3 than normally it might take months, but this was all
4 expenditure additional to the Ministry of Defence
5 budget. It was all on top of the ordinary
6 Ministry of Defence budget, and, therefore, it was new
7 expenditure that was being authorised every few days by
8 the Treasury.

9 THE CHAIRMAN: Thank you. Just two other questions now
10 outside the defence area strictly, but this is about
11 claims by, for example, Clare Short, but also by her
12 Permanent Secretary in different language, that DFID had
13 considerable difficulty between late 2002 and
14 March/April 2003 in making and getting answers to claims
15 for additional funding which they would need to meet
16 their prospective responsibilities.

17 In the event, the claims were settled by mutual
18 agreement in late March. Was this because DFID was sort
19 of slow to make a timely and reasonable case or was it
20 because the uncertainty of the situation made it
21 difficult?

22 RT HON GORDON BROWN MP: No, it was neither. What DFID had,
23 unlike the Ministry of Defence and all other departments
24 have had this, was a contingency. So in the spending
25 review we had set aside contingency funding that was

1 available to DFID that I think in their case was
2 £80 million and our position was: use the £80 million
3 where that is necessary for the reconstruction and the
4 preparations for reconstruction of the Iraq and then
5 come to us and we will fund whatever is additional to
6 that. So we wanted the contingency that DFID had to be
7 used first of all and I think that was the right
8 decision.

9 Then, when we were satisfied that the contingency
10 was being used, I think we provided an extra £120 million
11 to DFID and that was additional money for the work they
12 were doing in reconstruction.

13 I think I'm also right in saying we provided
14 £20 million to the Foreign Office for additional work
15 that they had to do in setting up different things in
16 relation to Iraq. So we were ready to provide
17 additional money, but we wanted to be sure that DFID,
18 who had the Reserve of their own, their own contingency
19 fund, were using that first.

20 THE CHAIRMAN: Thank you. Your side reference to the
21 Foreign Office brings me, if I may say so, conveniently
22 to my last question before we break.

23 We have had evidence from a number of people that,
24 in particular, facing the prospective task of -- on
25 taking on the southeast and Basra province in

1 particular, there was going to be a need to find money
2 from -- for both FCO as well as DFID and that the FCO,
3 which was by then the lead department for aftermath
4 planning, were concerned they weren't getting the
5 resources they thought they needed to fulfil the
6 additional responsibilities they were being asked to
7 take on.

8 You have reminded us that there was an additional
9 20 million provided, and as is not unusual in Whitehall,
10 there is a gap sometimes between satisfaction and claim,
11 but I wondered if you would like to comment any more on
12 that, given, much later -- and we will come to it in the
13 afternoon -- the problems that Basra confronted us with
14 in terms of reconstruction and stabilisation.

15 RT HON GORDON BROWN MP: We will come to that this afternoon
16 undoubtedly as well. Everybody would like more money
17 than they receive, and that's a normal process of
18 discussion within government. But the Foreign Office did
19 receive this additional money. I have got to say, and
20 we will perhaps look at this when we come to Basra, one
21 of the issues in Iraq was that there was money available
22 through the United Nations. There was no financial
23 planning system in Baghdad that could release the money
24 to Basra, and we, the Treasury, had to go in and create
25 a new financial law that allowed expenditure from Iraq

1 to go to Basra which was Iraq's own funds being invested
2 in Basra.

3 So the issues in Basra were, first of all, obviously
4 what we could do, but, secondly, what the international
5 organisations could do, and, thirdly, what Iraq, through
6 their own oil money, could actually do, when money had
7 never gone to Basra before. But we had to create a law
8 under which financial planning and budgeting made it
9 possible for money to be distributed from Iraq to the
10 provinces.

11 THE CHAIRMAN: Thank you. I think this is a good moment to
12 break for lunch and we would like to resume at 1.30.

13 I think with no more ado, Prime Minister, we will break
14 now and come back at 1.30.

15 RT HON GORDON BROWN MP: Thank you very much.

16 (12.13 pm)

17 (The short adjournment)

18 (1.30 pm)

19 RT HON GORDON BROWN MP: Good afternoon.

20 THE CHAIRMAN: Good afternoon. Good afternoon everyone.

21 We will start without more ado and I will ask
22 Sir Lawrence Freedman to open the questions.

23 SIR LAWRENCE FREEDMAN: Thank you. Before lunch, you gave
24 us a figure of £8 billion for the cost to the Treasury
25 of the war and reconstruction.

1 Now, that has been provided by the Treasury in
2 addition to departmental budgets. Figures given by the
3 Treasury to us suggest that the additional costs of war
4 activity in Iraq now total some 9.2 billion. Is that
5 your understanding as well?

6 RT HON GORDON BROWN MP: I think the Treasury's figures will
7 be as accurate as we can get in this matter.

8 SIR LAWRENCE FREEDMAN: So we can --

9 RT HON GORDON BROWN MP: £2 billion of that were urgent
10 operational requirements, the rest, I just have to
11 stress, is money that the military got for the campaign
12 that we had in Iraq. I think over Iraq and Afghanistan,
13 it is about £17 billion in total and that is on top, in
14 addition, to the existing defence budget.

15 SIR LAWRENCE FREEDMAN: I think, being pernickety about
16 figures, it is 1.8 billion for urgent operational
17 requirements. But, I mean, there is a concern that that
18 9 billion is also a underestimate, that there are
19 consequential costs of compensation, medical costs,
20 disability allowances and pensions and so on.

21 Has the government yet managed to come up with
22 a full financial cost to the UK of the operation?

23 RT HON GORDON BROWN MP: These are the best costs we have at
24 the moment. Of course, for those people injured and for
25 the work that is done in healthcare, that will be

1 additional to this. And whatever help we can give to
2 people who have retired from the army in employment
3 services, in education, that will be additional to it.

4 But I think when we are talking about this figure of
5 £9.2 billion, you are suggesting, it is the money that is
6 spent on urgent operational requirements and all the
7 money that was spent on the exercise itself within Iraq.
8 So it is a very sizeable sum of money in itself and
9 obviously urgent operational requirements have also had
10 to be met for Afghanistan at the same time.

11 SIR LAWRENCE FREEDMAN: Indeed. As you say, it is
12 a sizeable sum of money. What effect did this have on
13 the government's overall public expenditure priorities?

14 RT HON GORDON BROWN MP: We decided very early on that
15 whatever the cost had to be met for Iraq, we would meet
16 it. So we had to take into account in all the decisions
17 that we then made that this was extra money that was
18 classified as money from the Reserve, but it had to be
19 expected, year after year, that we would have to meet
20 these costs.

21 So our budgeting was based on the fact that this
22 Reserve was something that would continue to have to be
23 used for a period of time, and we did the budget,
24 I think, for Iraq, originally £1 billion a year, but then
25 it has become a higher sum with all the urgent

1 operational requirements.

2 SIR LAWRENCE FREEDMAN: So in terms of your ability to meet
3 the golden rule and so on, did this have a significant
4 effect on --

5 RT HON GORDON BROWN MP: No, I would say that the global
6 financial crisis has been the most difficult period. We
7 would have been able to meet our golden rule, were it
8 not for the global financial crisis. But it is
9 a considerable amount of money, £18 billion in total for
10 Iraq and Afghanistan, and that is on top of -- I know
11 you want to discuss this -- a rising defence budget as
12 well.

13 So we had a rising defence budget; we had urgent
14 operational requirements; we then had the cost of the
15 exercises in Iraq and Afghanistan. And that adds up to
16 a very considerable amount of money that was spent.

17 SIR LAWRENCE FREEDMAN: It obviously has to have some effect
18 on priorities elsewhere.

19 RT HON GORDON BROWN MP: I think we managed to meet the
20 requirements of Iraq and Afghanistan without having to
21 cut other services, and I think we managed to meet these
22 requirements with a rising defence budget. I should
23 stress, at no time was any urgent request or request for
24 equipment or resources to do with Iraq ever turned down.
25 Every request was met. And from the beginning I made it

1 clear that the Treasury had to work with the Ministry of
2 Defence to make sure that these requests were met as
3 quickly as possible.

4 SIR LAWRENCE FREEDMAN: We will come on to those in
5 a moment. Can I just ask you about the macroeconomic
6 effects of Iraq, which you spoke a bit about before
7 lunch in terms of anticipation?

8 In practice, and again, obviously, the crisis of the
9 last couple of years tends to dwarf many other things,
10 but before that, would you say the war had had a major
11 macroeconomic effect?

12 RT HON GORDON BROWN MP: I think initially it had an effect
13 on the stability of the oil markets, but, to be fair,
14 over the last 12 years the oil price has gone from \$10
15 to \$150 and the major reasons for that have been
16 uncertainties about the world economy as a whole.

17 So, yes, volatility in the region affects oil
18 prices, which, of course, affects all other prices, but
19 I think the effects of the Iraq invasion are far less
20 than, for example, the effects of the global financial
21 crisis on the economy. Obviously, the human effects of
22 what happened in Iraq are something quite different.

23 SIR LAWRENCE FREEDMAN: Of course. But basically, just to
24 move on, you are saying that in terms of public
25 expenditure and the overall management of the economy,

1 the war didn't particularly make your life more
2 difficult as Chancellor?

3 RT HON GORDON BROWN MP: No, it did make my life more
4 difficult, because we had to find £17 billion over
5 a period of time, but we thought and believed that these
6 were manageable, given the priority that we attached to
7 doing the things that we did.

8 SIR LAWRENCE FREEDMAN: So it was manageable, but not too
9 severe. If we just look at the core costs from 2002 to
10 2009, we find that the Foreign Office spent more than
11 £320 million, DFID more than £540 million, and MoD more
12 than £8.2 billion and another £150 million for the
13 conflict and stabilisation pools.

14 So the non-military expenditure comes out at about
15 one tenth of the military. I'm just wondering, how do
16 you decide on the appropriate balance of effort between
17 MoD, DFID and the Foreign Office?

18 RT HON GORDON BROWN MP: I think you have to bear in mind
19 that the development expenditure was part of an
20 international funding effort that DFID were one partner
21 in. And so the actual amount of reconstruction
22 expenditure is far bigger, obviously, when you add what
23 the World Bank was doing, what the IMF was doing and
24 what other countries, who weren't even involved in the
25 conflict directly, militarily were doing.

1 So the reconstruction expenditure is, of course, far
2 higher than the figures you are giving.

3 SIR LAWRENCE FREEDMAN: On that basis, so was the military
4 expenditure.

5 RT HON GORDON BROWN MP: Yes, but the military expenditure
6 was America, some other countries and Britain, and we
7 paid our full share of the costs of that. But overall,
8 we expected other countries to contribute to the
9 development expenditure. We did not expect other
10 countries to contribute in the way that perhaps they
11 have done in Afghanistan, to the military expenditure.

12 SIR LAWRENCE FREEDMAN: Is there a place where the different
13 demands of DFID, Foreign Office, Ministry of Defence,
14 can be brought together and the allocations discussed,
15 or do these tend to have their other separate budgetary
16 processes?

17 RT HON GORDON BROWN MP: We have what you might know about
18 as the conflict prevention pool where we bring together
19 an amount of money, which is then decided upon by the
20 Ministry of Defence, the Foreign Office and the DFID
21 working together.

22 So what we call the conflict prevention pool brings
23 together a set of resources, and then, on the basis of
24 priorities, the three departments are prepared to agree
25 what is a priority.

1 Now, in fact, much of the money in recent years has
2 gone to Afghanistan, as a result of it being a priority.
3 But it is an attempt to bring together the work of DFID,
4 the Ministry of Defence and the Foreign Office and it is
5 an attempt that we have for these three departments to
6 decide their priorities together, and I think this is an
7 advance. But, obviously, when you are fighting a war,
8 the first priority has got to be to make sure that your
9 soldiers and armed forces are properly equipped, and
10 when it comes to the development issues, security and
11 development go hand in hand. We expected other
12 countries to make a substantial contribution to that
13 and, in fact, they did.

14 SIR LAWRENCE FREEDMAN: Just on the topic of the conflict
15 prevention pool, we have had evidence that for actually
16 quite a relatively small amount of money this wasn't
17 always a great success. There were a lot of arguments
18 between departments, and I think the phrase that was
19 used to us was there was a lack of common purpose often.
20 I was wondering if this has been a successful --

21 RT HON GORDON BROWN MP: You have rightly put the
22 intellectual case for a conflict prevention pool that
23 would bring together the three major departments
24 involved in these international affairs. Therefore, it
25 is right that they decide between themselves what are

1 some of the priorities moving forward. But it is also
2 right, it is a new system, it is something that we have
3 learned is an important thing to do, and we have tried
4 to speed up the way in which it can make decisions so
5 that it actually gets to the point where there is both
6 proper co-ordination and agreed purpose.

7 SIR LAWRENCE FREEDMAN: Just if we look at the
8 Foreign Office and DFID and other departments including
9 the Treasury, an awful lot of the money that was spent
10 there had to be spent on security, particularly for
11 close protection for staff. It comes to, I think, about
12 20 per cent.

13 Given this eats into the funding available to
14 deliver outcomes, why shouldn't all departments
15 operating in support of military operations have access
16 to the Reserve to cover their security costs as the
17 Ministry of Defence does?

18 RT HON GORDON BROWN MP: Well, they do have access to the
19 Reserve, but not automatic access to the Reserve. The
20 system that we have devised for the military is that we
21 fund the Ministry of Defence for their ordinary budget
22 on the basis that they are ready in case there is
23 military action, but all costs of military action are
24 met by the Treasury, by the Reserve.

25 So when you look at this figure of £9.2 billion,

1 £8.2 billion is Ministry of Defence expenditure. Only
2 £2 billion of that -- you said £1.8 billion -- is for
3 urgent operational requirements. The rest is to fund
4 the whole exercise of getting troops there and getting
5 troops into the position, funding what they need to have
6 as well as the equipment they have for fighting war. But
7 if you take the two other departments, they will be able
8 to apply to the Reserve but they don't have automatic
9 access to the Reserve.

10 So in the case of DFID, as I explained this morning,
11 they have their own contingency Reserve. That was built
12 into our spending review. The Departments should have
13 their own Reserves, so that the minute there is one
14 thing to do they have to come to the Treasury, and DFID
15 had quite a substantial Reserve of £80 million, and that
16 is the way that we have worked this through.

17 SIR LAWRENCE FREEDMAN: So did the Foreign Office or DFID
18 get any money from the Treasury Reserve?

19 RT HON GORDON BROWN MP: Yes, DFID got £120 million very
20 early on in March and I think the request was made at
21 the beginning of March and we met that very quickly.
22 The Foreign Office received, as I remember, £20 million.

23 In total, I think you have the table of spending by
24 the different departments. DFID goes up to £220 million
25 in 2003/2004 on Iraq. The Foreign Office is spending

1 £35 million on Iraq, and then you have other departments,
2 £5 million. But the bulk of it is, of course,
3 Ministry of Defence £1.3 billion.

4 SIR LAWRENCE FREEDMAN: But of course the security problems
5 arrived later. They become much more severe as time
6 went on.

7 RT HON GORDON BROWN MP: This is the change in Iraq that of
8 course becomes the big problem for us, both in terms of
9 our tactics and in terms of our strategy -- that we have
10 the Sunni insurgency, which is a real problem in the
11 Baghdad area of course, but we also have the insurgency,
12 some of it Iranian-provoked, in the Basra area where we
13 were most involved, and we had to deal with this by
14 changing tactics as a military. You will have heard
15 about that.

16 We had to deal with the growth of explosive devices
17 that were threatening our military. We had to order new
18 Mastiffs and Bulldogs, new vehicles that were more
19 suitable for the environment, but we took this decision
20 immediately the military asked for this. We provided
21 the vehicles for them to do that.

22 SIR LAWRENCE FREEDMAN: We are coming on to that in
23 a second, but at the moment I'm just asking you about is
24 the costs of the budget of the Foreign Office and DFID.
25 What is striking is how much of their resource they had

1 to spend on just looking after themselves.

2 RT HON GORDON BROWN MP: The Foreign Office in total
3 received £324 -- spent, sorry, £324 million; DFID,
4 £538 million. There were claims from the Reserve that
5 were met, but I think you have got to remember that the
6 military expenditure dwarfed all other expenditure for
7 a long time.

8 SIR LAWRENCE FREEDMAN: Of course. Let's now move on to the
9 military expenditure. We have already discussed funding
10 UORs in the preparation for military operations, and you
11 said that these were fully funded and indicated the
12 positive aspects of UORs and that they allow money to be
13 made available quickly. But there are a number of
14 pitfalls that have also been identified with UORs. They
15 often mean that items purchased at a premium, that any
16 acquisitions, whatever their short-term purposes, create
17 long-term pressures on the core defence budget because
18 of the extra demands for maintenance and training.

19 Did you share those sorts of concerns about having
20 to use UORs quite so much?

21 RT HON GORDON BROWN MP: I have discussed this with the
22 military on a number of occasions, because, obviously,
23 after a period of time, the need to train people on
24 vehicles, for example, that you are using in Iraq and
25 Afghanistan reflects on what you have to spend back

1 home, but we have tried to make an allowance for that.

2 You see, the operational requirements budget and the
3 way we did it was necessary because a lot of the
4 expenditure was adaptation to the circumstances that we
5 would find in Iraq. So if we had taken action earlier
6 on this, not knowing where these vehicles would be used,
7 and if we had adapted them for another environment --
8 they had to be readapted for Afghanistan -- we would not
9 necessarily have made the right decisions.

10 So the urgent operational requirements started to be
11 spent in the autumn of 2002 before war actually
12 happened, and then, consistently through that period.
13 There were very substantial sums of money available to
14 the armed forces for these operational requirements.

15 I think most people think that the system that we
16 developed, which was very fast, quick decisions, none -
17 as I said - refused, and at the same time, gradually, we
18 were able to bring military people into the Treasury to
19 help us on this.

20 This system has been applauded, I think, by most of
21 the people who have come before your Committee. And
22 I hope people would recognise that the sort of things we
23 were doing, adapting Challenger tanks, night-vision
24 systems and so on, how we dealt with biological and
25 chemical decontamination, all these things, these were

1 specific to the Iraqi venture and they weren't necessary
2 expenditure once we knew there was a risk we might go to
3 war.

4 SIR LAWRENCE FREEDMAN: It is clear that UORs have a great
5 advantage for the reasons that you have given, but they
6 can only be, by their nature, relatively short-term
7 fixes. There may well be gaps in provision that can
8 only be addressed through the core defence budget over
9 time. So if the core defence budget hasn't actually
10 given you the material with which to work, the sort of
11 adaptations you are talking about are unlikely to be
12 able to compensate.

13 RT HON GORDON BROWN MP: I don't really accept that argument
14 because the defence budget itself was rising. The
15 defence budget was rising every year. The defence
16 budget was significantly larger than it had been a few
17 years before. So what we were dealing with was
18 a situation where we had a defence budget that was
19 rising. On top of that, we were meeting all the urgent
20 operational requirement claims. And on top of that all
21 the expenditure associated with Iraq and Afghanistan was
22 being met.

23 So we were funding the exercise in Iraq from the
24 Treasury with new operational requirements, but that was
25 on top of a rising defence budget. Now, in an ideal

1 world, I know our commanders and I know our military
2 staff would like to have even more equipment and would
3 like to spend more, but we had a rising defence budget
4 at that time and on top of that we met every expense
5 associated with Iraq.

6 SIR LAWRENCE FREEDMAN: I want to come in a moment to the
7 question of the defence budget. The point I was really
8 just making at the time -- before, was only the question
9 that the core defence budget has to give you the
10 foundation from which UORs could work. It was no more
11 than that.

12 RT HON GORDON BROWN MP: Yes, but I think we have got to
13 recognise that our system of funding the military for
14 every part of their activity when they are called on to
15 take action is one that makes sure that the military
16 have, in addition to a rising defence budget, all their
17 expenditure needs met when they are in conflict.

18 SIR LAWRENCE FREEDMAN: I want to turn now to a point that
19 you almost anticipated in an earlier answer. You will
20 be aware representations have been made to us, not least
21 by bereaved families of personnel killed in Iraq, and
22 these alleged that decisions you took as Chancellor of
23 the Exchequer regarding the funding of the war had
24 an adverse impact on operations. I'm just going to use
25 the words -- the questions that they put to us and pass

1 them over to you. That's the most straightforward way
2 of doing it.

3 So they asked basically these three questions: were
4 you aware of concerns about the lack of armoured
5 vehicles; did you receive any requests for funding,
6 particularly between 1997 and 2006, for the purchase of
7 armoured vehicles; and lastly, were any concerns raised
8 with you about the use of Snatch Land Rovers?

9 RT HON GORDON BROWN MP: I do understand the concerns of
10 every relative where there has been a death in conflict.
11 It is right that we give the fullest explanation
12 possible and my sympathies go out to people who have
13 questions that they wish answered. And I will do
14 everything in my power to answer, as I will continue to
15 do, the questions that people have.

16 I think, if you look the question of expenditure in
17 Iraq, you have got to start from this one fundamental
18 truth -- that every request that the military commanders
19 made to us for equipment was answered. No request was
20 ever turned down.

21 I would add to that, as long as I have been
22 Prime Minister, I have always asked the military at the
23 point at which they are undertaking any new operation,
24 can they assure me that they have the equipment that
25 they need for the task that they are undertaking. And at

1 every point the answer to the question is, "For the
2 operation that we are undertaking, we have the equipment
3 and we have the resources that are necessary".

4 I don't believe that any Prime Minister would send
5 our troops into conflict without the assurance from the
6 military that they had the equipment necessary for the
7 operation. And I do not believe that there was any
8 request that was made for equipment during the course of
9 these events in Iraq that was turned down.

10 Now, as for the issue relating to Snatch, the point
11 at which the Ministry of Defence decided that, as
12 a result of the change in tactics by the insurgents
13 against them, that they wanted additional and other
14 vehicles to deal with the problems they faced in the
15 Basra area, we immediately agreed with the
16 Ministry of Defence that they should have the additional
17 money. It was £90 million for new Mastiffs and new
18 Bulldogs.

19 So the first time the request was made, we met it
20 immediately with £90 million, and that was a decision
21 that military commanders could make only themselves as
22 to when and where they needed these new vehicles. But
23 once these new vehicles were asked for, they were
24 offered and the money paid, and I think within six
25 months, because that was the quickest procurement

1 programme for these vehicles -- these vehicles, or at
2 least some of them, were available in Iraq.

3 As far as vehicle spending after 1997, let me just
4 say that the strategic defence review set the scene by
5 which spending reviews were then made. Every spending
6 review -- 2002, 2004, 2007 -- involved a rise in real term
7 spending. It is not for me to make the decisions that
8 the military themselves, along with the
9 Defence Secretary, can make about specific items of
10 equipment, but the real terms rise in spending was there
11 for the military to make the decision as they thought
12 best.

13 At that time, as you probably know, FRES was the
14 programme for vehicles that was interesting the military
15 most, but again, I have to say that that programme, even
16 if it had been carried out in full, which it hasn't been
17 because of military decisions, that would have not given
18 us the right vehicles, as I understand it, for Iraq.

19 So when we needed the vehicles, when the
20 Ministry of Defence asked for them, when a request was
21 made, the expenditure was allocated and the vehicles
22 were provided and that's the Mastiff and Bulldog. And of
23 course, other vehicles have been provided with, I think,
24 £1 billion now spent on vehicles, about 1,000 vehicles
25 for Iraq and Afghanistan.

1 SIR LAWRENCE FREEDMAN: When were these decisions taken?

2 RT HON GORDON BROWN MP: Mastiff was the summer of 2006.

3 The Ministry of Defence came to us and said they wanted
4 to acquire more protected patrol vehicles for Iraq and
5 adapt others as quickly as possible. 100 Mastiff
6 heavily protected vehicles were agreed, the adaptation
7 of and additional 50 --

8 THE CHAIRMAN: I'm so sorry, Prime Minister, but for the
9 benefit of the stenographer, could you slow down,
10 please?

11 RT HON GORDON BROWN MP: Okay. Sorry.

12 It included 100 new Mastiff heavily protected
13 vehicles and the adaptation of additional 50 Bulldog
14 tracked personnel carriers, additional buy of Vector
15 light patrol vehicles, and of course Snatch itself was
16 upgraded, the latest upgrade to Snatch-Vixen, but it was
17 upgraded in 2004, 2005 and 2008. The expenditure for
18 that was around £30 million, and that was paid for. But
19 I have to stress it is not for me to make the military
20 decisions on the ground about the use of particular
21 vehicles.

22 What I can, however, say is that at every point we
23 were asked to provide money and the resources for new
24 equipment or for improving equipment, we made that money
25 available.

1 SIR LAWRENCE FREEDMAN: Thank you very much. That's very
2 helpful.

3 I want now to go on to this question of the core
4 defence budget. You have already indicated that it was
5 rising, but we have had expressed to us concerns by many
6 people from -- most, in fact, senior figures from the
7 Ministry of Defence that they were concerned that the
8 1998 strategic defence review had not been fully
9 financed. Were you aware of that?

10 RT HON GORDON BROWN MP: You know, in the debates that take
11 place between the Treasury and all departments, there is
12 always a request initially in the spending round for
13 more money. That is true of health, it is true of
14 education, it is true of defence, it is true of the
15 Foreign Office, and that is the way that the negotiating
16 system has worked.

17 In the end, you have got to reach an agreement and
18 in 2002, 2004, 2007 -- which are the main spending
19 reviews -- these were agreed settlements between the
20 Ministry of Defence and the Treasury. And these were
21 settlements based on, in the first place, a 1.2 per cent
22 real terms rise in expenditure, and the second a 1.4
23 per cent real terms per year rise in expenditure, and in
24 the third, 1.5 per cent. So there was a rising profile
25 of expenditure for the Ministry of Defence, and on top

1 of that all the Iraqi expenditure and Afghanistan
2 expenditure was being met.

3 So the Iraqi expenditure was being met, but at the
4 same time the defence budget was rising in real terms
5 every year⁵.

6 SIR LAWRENCE FREEDMAN: Can we just look at the 2002
7 settlement which is the critical one? That followed an
8 additional chapter to the strategic defence review.

9 RT HON GORDON BROWN MP: Absolutely.

10 SIR LAWRENCE FREEDMAN: That was commissioned after 9/11.
11 Now, the Ministry of Defence pushed in that for new
12 sorts of capabilities, not necessarily relevant directly
13 to Iraq. It couldn't have been in the time available.
14 Network-enabled systems, counter-terrorism and so on.

15 So this was -- this 1.2 per cent was for additional
16 capabilities because of the general international system
17 that had developed after 2001.

18 RT HON GORDON BROWN MP: Can I just perhaps add to the point
19 and clarify that? There was a terrorism budget that
20 after September 2001 was doubled in size. So we now had
21 twice as many staff in our security services as a result
22 of the threat that was posed on September 11, and also
23 the terrorist incidents that took place in our country.

24 Our counter-terrorism capability includes measures
25 for the police, counter-terrorism police had doubled,

⁵ The Prime Minister wrote to the Inquiry on 17 March with further evidence about defence spending. The letter was published on the Inquiry's website.

1 counter-terrorism security staff had doubled. So we
2 were also making available additional resources for
3 counter-terrorism in other departments' budgets, and, as
4 you know, the defence budget does not include the
5 security services budget and most of the
6 counter-terrorism money that we were spending.

7 So the defence settlement was based on the needs of
8 the military, including taking into account the new
9 chapter, which is, of course, the instabilities around
10 the world that we have been talking about. But much of
11 the counter-terrorism budget is not in the
12 Defence Department. It is in the Home Office and it is
13 in other departments, including the security services
14 whose budget has doubled and the staff in these agencies
15 has doubled as a result of 2001.

16 SIR LAWRENCE FREEDMAN: I'm just looking at the defence
17 budget at the moment, and they had their own additional
18 international responsibilities and potential demands,
19 that came in the aftermath of 9/11 separate from Iraq.

20 RT HON GORDON BROWN MP: I do again stress most of the
21 demand in relation to the effect of failed states and
22 the effect of rogue states, and, of course, what
23 happened in Afghanistan was related to Al-Qaeda's
24 presence in that area, most of that additional demand
25 was met from the Reserve.

1 SIR LAWRENCE FREEDMAN: That was for the particular war.

2 RT HON GORDON BROWN MP: Yes, but for Iraq and Afghanistan,
3 but Afghanistan was the main source of problem,
4 Afghanistan and Pakistan. So I do stress that the
5 defence budget could not be expected to absorb all the
6 costs of counter-terrorism and was not asked to, because
7 on the one hand, we had the additional security budget
8 which was doubling, and, on the other hand, we had money
9 spent in Afghanistan.

10 SIR LAWRENCE FREEDMAN: My point is only that the additional
11 demands that were recognised in the Ministry of
12 Defence's own extra chapter to the Strategic Defence
13 Review to some extent, probably to a large extent, took
14 up the 1.2 additional expenditure.

15 RT HON GORDON BROWN: The 1.2 per cent real terms rise --
16 and I have the figures here showing that, you know, the
17 rise went from, in 2001/2002, £23 billion, 2002/2003, £24 billion,
18 2003/2004 25, and then £26.5 billion, £27.5 billion. The
19 rise in expenditure was related to all the concerns that
20 had to be met by the Ministry of Defence.

21 SIR LAWRENCE FREEDMAN: Now, the 2002 settlement was the
22 first one that involved a new system of resource
23 accounting and budgeting rather than simple cash
24 accounting. According to the Ministry of Defence, this
25 was designed to encourage departments to deal with

1 inefficient capital assets and turn them into useful
2 cash. So they saw opportunities in depreciation,
3 capital charging, write-off allowances and things like
4 that. Was that your understanding of the advantages of
5 this new budgeting system?

6 RT HON GORDON BROWN MP: I wonder if you want a long
7 explanation or a short explanation about the advantages
8 of resource budgeting?

9 SIR LAWRENCE FREEDMAN: A short one for the layman.

10 RT HON GORDON BROWN MP: It is debated all over the Treasury
11 and other departments about -- it is basically to take
12 account of depreciation, and what we wanted to do was to
13 encourage departments to be more efficient in the use of
14 assets, and, therefore, to allocate resources against
15 depreciation that was taking place.

16 What in fact happened in the end -- although there was
17 a debate between the Ministry of Defence and the
18 Treasury, where the issue was what allowances were being
19 made for depreciation and why -- but what actually
20 happened in the end, if I may say so, was that the
21 Ministry of Defence got a higher budget than was
22 originally proposed in the spending review. There was
23 an issue about the Ministry of Defence wanting to
24 allocate to cash £1.3 billion that was essentially an
25 allowance for depreciation, but after all the

1 negotiations were completed, I can tell that you in
2 2002/2003, the Ministry of Defence got £698 million more
3 than was in the settlement. In 2003/2004, the
4 additional spending power to the Ministry of Defence was
5 £212 million above the settlement, and in 2004/2005 the
6 initial money was added to by £474 million above the
7 settlement.

8 So I just have to explain to you that we were
9 spending money in Iraq and Afghanistan, we were giving
10 a rising defence budget, and after all the debates about
11 resource accounting, we gave additional money in excess
12 of the original spending allocation to the
13 Ministry of Defence so they had more money available to
14 them than was announced in the spending review itself.

15 Now, I'm happy to go into all the details of how
16 that happened. And I'm happy to explain how the resource
17 accounting system worked. But the end result of this
18 was, after the discussions between the Treasury and the
19 Ministry of Defence, that the Ministry of Defence had
20 more spending money in 2002/2003, 2003/2004 and
21 2004/2005 than was originally allocated.

22 So the real terms rise for the Ministry of Defence
23 was greater than was announced in the spending review,
24 not less. And I want people to be absolutely clear that
25 at no point would the Ministry of Defence be allowed to

1 be put in a position, when at war in Iraq and
2 Afghanistan, where we did not equip the troops properly
3 for the frontline service, the frontline work that they
4 were doing on behalf of our nation.

5 SIR LAWRENCE FREEDMAN: You told us how the argument
6 concluded. I do think it is important, because we are
7 trying to learn lessons about government, just to look
8 at the process by which that agreement was reached.

9 Let me, without being an advocate, just try to put
10 what I understand the Ministry of Defence view on this
11 was.

12 I think it will go something like this: that the
13 2002 settlement seemed to them to be a good one
14 precisely because they were to turn non-cash into cash
15 and this would enable them to address what they
16 considered limitations on their funding prior to this
17 point. So they saw it as an important opportunity and
18 they believed that they had been encouraged to do this
19 by the terms of resource accounting budgeting. It was
20 a good thing to do and they clearly took to it rather
21 enthusiastically.

22 At some point, a concern then developed from the
23 Treasury that this was getting out of hand, that the
24 movement from non-cash to cash was going too far. So
25 I think the first point is that, although in cash terms

1 this concluded with extra money going into the
2 Ministry of Defence, to start with, if you are looking
3 at resources as a whole, that was not how the
4 Ministry of Defence saw it, they saw they were just
5 moving from one part of their resource to another and
6 spending it in a more efficient way.

7 Then into this process the guillotine came down. So
8 that, as I understand it, would be the Ministry of
9 Defence's presentation of what happened.

10 RT HON GORDON BROWN MP: The purpose of resource accounting
11 was to make sure that the assets of different
12 departments were used more efficiently. So there had to
13 be proof that the assets were being used more
14 efficiently for that to be able to release cash.

15 What happened was that at the beginning of the year,
16 the Ministry of Defence had an increase in its budget of
17 3.6 per cent. That was the basis of the spending review
18 and that was the basis on which everybody was planning
19 for the Ministry of Defence to move forward.

20 Then they decided that they thought that they had
21 non-cash resources. At one point it was £800 million,
22 then it was £400 million, then it became £1.3 billion that
23 they wanted to transfer into spending money. We said
24 that it was very unlikely that during the course of
25 a few months the efficiencies gained by the use of

1 assets had come to £1.3 billion. The Ministry of Defence
2 were planning to spend 9 per cent additional cash that
3 year. We had allocated 3.6 per cent. If we had allowed
4 every department to do what the Ministry of Defence were
5 doing, then we would have an extra cost of £12 billion,
6 which would be the equivalent to raising income tax by something
like

7 3 pence in the pound. So we couldn't allow a situation
8 to develop where, without a noticeable increase in the
9 efficiency of the use of assets, suddenly £1.3 billion
10 was being spent by the Ministry of Defence that really
11 was money it hadn't had allocated to it in the first
12 place.

13 So what happened then was there was a discussion
14 between the Ministry of Defence and the Treasury.

15 I wrote to the Prime Minister about this because it was
16 obviously an issue about the cash expenditure of the
17 Government. We eventually resolved this position with
18 the Ministry of Defence receiving, as it had,
19 £500 million extra for 2002/2003 before, then it received
20 an ability to vire £400 million in 2003/2004, and then an
21 ability to vire from non-cash to cash, £400 million in
22 2004/2005.

23 The net result of that was that the
24 Ministry of Defence had more spending available to it
25 the years 2002/2003, 2003/2004 and 2004/2005 than

1 originally in the spending review.

2 That is what actually happened and the
3 Ministry of Defence ended up with more money than they
4 would otherwise have been allocated. And on top of that,
5 of course, we had an additional £1.3 billion or more in
6 2003/2004 and a £billion in 2004/2005 which was for the
7 military operations themselves.

8 So this has really not much to do with Iraq, because
9 Iraq was being funded completely separately. The
10 Ministry of Defence had a 3.6 per cent rise in their
11 cash allocation. But as a result of the changes we made
12 with the Ministry of Defence, because we knew we had
13 issues about how the Ministry of Defence would move
14 forward in relation to both Iraq and Afghanistan, we
15 provided that extra money to them.

16 So the Ministry of Defence ended up with more money
17 than had been expected originally in the spending round.

18 SIR LAWRENCE FREEDMAN: I think we come back to the point
19 that the Ministry of Defence believed it was working
20 under some rules, and that, as they took advantage of
21 these rules, the rules changed.

22 RT HON GORDON BROWN MP: When you say "took advantage", this
23 is the issue. We have got, as a Government, in
24 introducing resource accounting, to see that the
25 efficiency in the use of assets is actually proven and

1 demonstrated, and it was pretty difficult to imagine
2 that in a period of one or two months, £1.3 billion of
3 big savings had come forward when the previous estimate
4 had been £400 million.

5 So at that point we decided that we had to look with
6 the Ministry of Defence at how they were running their
7 budget. There was an issue about control of cash that
8 had to be addressed. But the net result, I just stress
9 to you, was that the Ministry of Defence ended up with
10 more money and not less. And I would not want anyone to
11 go away with the impression that the Ministry of Defence
12 had less money than was allocated in the spending
13 review. In fact, they were given more money than was
14 allocated in the spending review after the discussions
15 that we had.

16 This suggestion that somehow they had their budget
17 cut, in fact the Ministry of Defence budget in these
18 years is a rising budget and was, further, as a result
19 of these additional negotiations that took place, and
20 that is in addition to what was being given directly to
21 Iraq in the first place.

22 SIR LAWRENCE FREEDMAN: Now, it is clear that as a result of
23 all of this that the difficulties arose because the
24 Ministry of Defence had been spending on one set of
25 assumptions, with which you, for the reasons you have

1 given, disagreed, and you felt a need to rein them back.

2 RT HON GORDON BROWN MP: I just want to again stress that

3 the Ministry of Defence had spending power in 2003/2004

4 which was £212 million greater than it started the year

5 with.

6 SIR LAWRENCE FREEDMAN: But they would see that as a

7 movement of resource. Can I just ask you to explain the

8 process by which this was decided?

9 The Chief Secretary seems to have discussed this

10 quite a lot with Mr Hoon, but you wrote directly to the

11 Prime Minister. Did you have any discussions yourself

12 with Mr Hoon at that point?

13 RT HON GORDON BROWN MP: The Chief Secretary was dealing

14 with this. I have here the letter that I wrote, which

15 was obviously copied to Geoff Hoon (the Defence Secretary)

16 and to the Permanent Secretary at the civil service, and

17 I set out in this letter the issues, that the

18 negotiations were between Paul Boateng, as you would

19 expect, the Chief Secretary to the Treasury who dealt

20 with the financial matters and Geoff Hoon.

21 SIR LAWRENCE FREEDMAN: But you wrote to the Prime Minister

22 about it?

23 RT HON GORDON BROWN MP: I wrote to the Prime Minister

24 because it had implications for all departments. If

25 every department had started using the system in the way

1 the Ministry of Defence was using it, then we would have
2 a cash problem amounting to £12 billion, which was beyond
3 what we had budgeted for and that would have had to lead
4 to decisions about taxation or about cuts in expenditure
5 everywhere else. So the Prime Minister had to be aware
6 that there was an issue in the Ministry of Defence, but
7 I repeat -- and this is why both Afghanistan and Iraq
8 were properly funded -- the Ministry of Defence had more
9 money in its real budget -- that's its ordinary
10 budget -- at the end of the year than we had allocated
11 at the beginning.

12 SIR LAWRENCE FREEDMAN: Given the assumptions upon which
13 they had been working, nonetheless the
14 Ministry of Defence had to hold themselves back,
15 because, as you said, they had been spending at a higher
16 rate and planned some of the future programmes on the
17 basis of having much more flexibility than, in fact,
18 they had. I know the numbers went up --

19 RT HON GORDON BROWN MP: But, Sir Lawrence, I should say
20 that the letter to the Prime Minister makes it
21 absolutely clear:

22 "Until a fortnight ago, Paul Boateng was discussing
23 whether it was acceptable for up to £490 million of
24 non-cash headroom in the resource budget to be
25 redeployed as cash spending. However, it has now become

1 clear that we are dealing with an issue of a completely
2 different scale which has been driven by a complete lack
3 of budgetary control in MoD, MoD's unforeseen
4 requirement for £1.15 billion of extra cash resources."

5 That was the issue. But I repeat that, even after
6 the negotiations, the Ministry of Defence ended up with
7 more money than was originally allocated to them in
8 cash.

9 SIR LAWRENCE FREEDMAN: So the problem with the
10 Ministry of Defence, as you saw it, was not necessarily
11 so much that they had moved money from non-cash into
12 cash, but the amount that was now being considered.

13 RT HON GORDON BROWN: The amount was going back and forward.
14 It started at £800, then it went to £400, then it went to
15 £1.1 billion, and this was a problem if this was all to
16 be money spent in cash.

17 But I just repeat, we resolved this issue and the
18 Ministry of Defence had more money than was originally
19 allocated in cash to them at the beginning of the year.

20 SIR LAWRENCE FREEDMAN: Thank you. If we then just look at
21 the impact of this. Mr Hoon did tell us that it caused
22 problems because the MoD had been spending at the higher
23 rate. Clearly both the Ministry of Defence and the
24 Treasury were anxious that the pressures on the defence
25 budget didn't have an impact on Iraq. But it has been

1 suggested that over time -- and this is a general issue
2 with the defence budget -- there can be impacts because
3 of the effects on logistic support, training and morale.
4 So in reaching the compromise, as it were, was that an
5 issue that concerned you?

6 RT HON GORDON BROWN MP: The next thing was the spending
7 review of 2004. And the spending review of 2004 gave the
8 Ministry of Defence a rising level of real spending,
9 moving from 1.2 per cent to 1.4 per cent in real terms
10 each year. And so the spending review of 2004 was
11 welcomed by the Chiefs of Defence Staff as being a good
12 spending review that allowed them to do the things that
13 they wanted to do.

14 While, of course, they started with a bid for lots
15 more money -- which happens for every department and that's
16 how the Whitehall process works -- they were satisfied at
17 the end of the review that they had the resources that
18 they needed.

19 SIR LAWRENCE FREEDMAN: I think we were told that that
20 settlement was decided hours before it was due to be
21 published. Is that a normal part of the review
22 process --

23 RT HON GORDON BROWN MP: That sometimes happens in spending
24 rounds and I wouldn't say that that was completely
25 unusual.

1 SIR LAWRENCE FREEDMAN: Not completely unprecedented?

2 RT HON GORDON BROWN MP: Not at all.

3 SIR LAWRENCE FREEDMAN: Before that happened, before the

4 settlement was agreed, we were told, I think by

5 Lord Walker, that he and the chiefs were almost close to

6 resignation in the arguments that were taking place back

7 and forth on the defence budget.

8 Did you talk directly to the chiefs about that

9 spending?

10 RT HON GORDON BROWN MP: I can't remember all the

11 conversations I had, but, of course, we did have

12 conversations with people within the Ministry of

13 Defence. But I have to stress to you that the

14 settlement of 2004, like 2002, was an agreed settlement

15 between the Ministry of Defence and the Treasury. I did

16 meet Lord -- certainly Lord Walker. I did talk to them

17 about the settlement. He then wrote me a letter which

18 I'm quite happy to pass to the Committee, saying:

19 "Although the settlement is tight, I should be able

20 to make it clear that the chiefs have been the

21 architects of the modernisation plans and they are not

22 the result of inadequate funding."

23 SIR LAWRENCE FREEDMAN: Thank you. One of the -- if you

24 look at what happened after 2004, and moving on with the

25 defence budget, I suppose one of the consequences of

1 these debates and the demands of Iraq and Afghanistan
2 increasingly, of course, over this time, is the
3 pressures elsewhere on the defence budget. Iraq and
4 Afghanistan get protected, but there have to be cuts in
5 maritime forces and so on to make way.

6 Is one of the risks of this sort of process that, in
7 a sense, you end up with a sort of mini defence review
8 without the transparency and explicit weighing of
9 priorities that a proper defence review would provide?

10 RT HON GORDON BROWN MP: I think there is a very important
11 question about the future. We had a Strategic Defence
12 Review after 1997. It was a major review about the
13 things that we had to do. We had to add an additional
14 chapter because new events, changes, terrorism, the
15 growth of instability in different parts of the world
16 made it necessary for us to add a new chapter to the
17 Defence Review.

18 We have decided that there will be a further Defence
19 Review and that in future there will be Defence Reviews
20 in each Parliament. But I think you would agree with me
21 that there has been an uncertainty about what has been
22 happening in Iraq and Afghanistan over these years, that
23 would have made a conclusive Defence Review quite
24 difficult. I think we are now in a better position to
25 evaluate what our needs are going to be for the future.

1 Therefore, this is probably the right time to go forward
2 with the new Defence Review.

3 I agree also with what lies behind your question,
4 that advance thinking about defence needs over a long
5 period of time must be part of the work of government
6 and you cannot just respond day-to-day, and that's not
7 what we have ever intended to do. We have intended to
8 have a long-term programme of defence modernisation as
9 well as meet the needs of Iraq and Afghanistan which we
10 have done as fully as we can.

11 SIR LAWRENCE FREEDMAN: Just on that point to conclude this
12 section before we go on to issues of reconstruction, you
13 will be aware that yesterday the Defence Committee in
14 the House of Commons issued a report which seemed to
15 imply that continuous adjustments to the defence
16 equipment programme to contain equipment within budget
17 had made it harder for the Ministry of Defence to
18 deliver equipment to time and cost.

19 So again, there is a concern -- you mentioned FRES
20 before -- that somehow we haven't managed the equipment
21 programme well enough over the past decade to be able to
22 produce the equipment that's needed for our forces at
23 time and at cost.

24 RT HON GORDON BROWN MP: I think there is an issue about
25 procurement that we have been dealing with over these

1 last few years. For example, you buy a type 45
2 destroyer and the original cost is fhalf a billion and it
3 actually costs £1 billion. So these are problems of the
4 procurement process that have got to be dealt with, and
5 the attempt at cash contracts is something that has been
6 fought also with difficulty.

7 I think the second thing you have got to remember is
8 that we ordered, for example, a new version of the Lynx
9 helicopter in 2005. So we made that decision in 2005,
10 but, because of the procurement process and because of
11 the design and everything else that is associated with
12 this, that new version of the Lynx will not be ready
13 until 2014.

14 So there is both the costs of procurement which have
15 got to be got down so that prices don't change so fast,
16 but you have got to recognise the timelag in some of
17 these major procurement programmes where you decide
18 something in 2005, but you can't possibly get the
19 equipment you want until 2014. These have all got to be
20 taken into account as we do our Strategic Defence
21 Review.

22 We have committed ourselves to publish the strategy
23 for the reform of acquisition. We have made a radical
24 commitment to publish annual assessments of the overall
25 affordability of our equipment plans, so I think we are

1 in a far better position moving forward to know how the
2 programme fits in with the resources that are available
3 to it. And I think we are learning lessons about the
4 procurement process as well as about certain priorities
5 for the defence programmes for future years.

6 But I must repeat that none of this would affect our
7 ability to do what we needed to do in Iraq, because that
8 was additional expenditure that the Ministry of Defence
9 was able to make. So the adaptation of Challenger tanks
10 or helicopters or the purchase of new helicopters was
11 something that we were able to do when we needed to and
12 that's something that we agreed on with the Ministry of
13 Defence.

14 SIR LAWRENCE FREEDMAN: As an example you have just given,
15 Lynx helicopters illustrated one of the basic problems,
16 that UORs can indeed help with the adaption of existing
17 equipment and so on, but the lead times to get new
18 equipment in place sometimes seem quite extraordinary.

19 RT HON GORDON BROWN MP: That's why we bought additional
20 Merlins from the Danish government and that's why we
21 modified the Chinooks, so that they could available for
22 use, in this case, in Afghanistan. But I have to tell
23 you the helicopter budget is a £6 billion budget over the
24 next ten years. We have a helicopter fleet of over 500
25 helicopters. It is the biggest in Europe, in western

1 Europe. It is the biggest, apart from America, in Iraq
2 and Afghanistan. And I do not accept the argument that
3 we have not funded our helicopter programme.

4 We have provided additional resources for
5 helicopters and bought helicopters where we needed to do
6 so, and you may know that the helicopters we used in
7 Iraq, they have to be adapted again for use in
8 Afghanistan, because the blades that are necessary for
9 Iraq are different from the blades necessary for the
10 weather and for the mountainous and high territory of
11 Afghanistan.

12 But all the time we are trying -- and these are
13 decisions for the military commanders on the ground --
14 we are trying to match the needs that they have at
15 a particular time with the resources that we can make
16 available. And I would just say to you on helicopters
17 that Mr Tebbit, the former Ministry of Defence
18 Permanent Secretary, made it clear when he spoke to the
19 Public Accounts Committee:

20 "We have provided, and in my judgment the military
21 judgment can follow, all of the military operational
22 helicopter assets needed for success."

23 Now, that's in October 2004, talking about Iraq and
24 the needs that we had in Iraq and Afghanistan:

25 "We have provided all the military operational

1 helicopter assets needed for success."

2 I would hope that the Committee could note that we

3 have done everything we can to make the helicopter

4 provision available, including buying from other

5 countries.

6 SIR LAWRENCE FREEDMAN: Yes, but there was a report that

7 suggested there was a 38 per cent gap, I think, between

8 our needs and actual provision, so --

9 RT HON GORDON BROWN MP: Are you talking about helicopters?

10 SIR LAWRENCE FREEDMAN: Yes.

11 RT HON GORDON BROWN MP: In helicopters we have a set of

12 more than 500. We have just ordered 22 new Chinook

13 helicopters.

14 SIR LAWRENCE FREEDMAN: This is in the period 2004/2005 when

15 helicopter needs were growing.

16 RT HON GORDON BROWN MP: I'm reporting what the

17 Ministry of Defence said to the Public Accounts

18 Committee in 2004.

19 SIR LAWRENCE FREEDMAN: The Public Accounts Committee gave

20 the other number. Because of time, I would like to move

21 quickly on to the questions of the costs of

22 reconstruction.

23 You said before lunch that you were concerned about

24 the aftermath of the war, when we were looking at the

25 war coming up in the early months of 2003, and I think

1 you said to us -- and I'm quoting:

2 "We couldn't persuade the Americans that this had to
3 be the priority that it deserved."

4 You mentioned a paper that you brought to a Cabinet
5 subcommittee in early March that was to be shared with
6 the Americans. Given we are about to invade and occupy
7 another country, and we don't seem to have an agreed
8 framework on what we were going to do about it, it
9 struck me, as you were saying that this morning, was
10 this not itself a reason to delay until we were properly
11 prepared?

12 RT HON GORDON BROWN MP: No, we did a number of things.

13 I have got to say there was agreement with the Americans
14 on the following things. We had immediately to try to
15 put Iraq on a sustainable economic footing. We then had
16 to leverage international finance for reconstruction,
17 and that led to the Madrid conference. We had to secure
18 international expertise on economic and international
19 policy. So we believed that we could move forward quite
20 quickly on a number of issues: debt relief, a new
21 currency, new budgetary measures in Iraq and setting the
22 framework within which the reconstruction of Iraq could
23 take place.

24 So we did move forward on all these issues. I think
25 Britain helped create the new Iraq currency. There were

1 two Iraq currencies, of course, when we started and we
2 had to effectively pick up the old currency and hand out
3 the new currency. And Treasury officials were travelling
4 around Iraq, and not in the safest way, having to give
5 out the new currency and bring the old currency in. And
6 we did achieve the debt relief that was necessary for
7 Iraq to move forward. And we did give them advice about
8 the budget.

9 The new financial law that was adopted within Iraq
10 was as a result of the Treasury's ability to persuade
11 them that they had to have a budgetary system that got
12 money into the provinces, including Basra.

13 But I agree with you on three things. What we
14 needed then to do was to build up the Iraqi army and the
15 Iraqi police, because that was an essential element of
16 a just peace that the Iraqis would be able, at some
17 point, to manage their own security.

18 Secondly, we had to have a programme for giving
19 Iraqis political power in their own country and that
20 included local government as well as national
21 government. And then we had a programme, which I think
22 was often underestimated, for giving people an economic
23 stake in the future of Iraq. So massive unemployment,
24 massive underuse of resources, and Iraq a potentially
25 wealthy country. So we had to set out a programme also

1 for economic reconstruction.

2 Now, it finally came together, but it did take some
3 time for that to do so. And I think when you look at our
4 efforts in Basra, in particular, you will see that this
5 was the foundation of the new approach to reconstruction
6 that we adopted -- what I have called the just peace,
7 where people feel that politically, economically and in
8 security terms, they have more control over the
9 decisions that affect them in their own country.

10 SIR LAWRENCE FREEDMAN: I was asking initially about what we
11 could look forward to in March 2003. As you have
12 indicated, all of these things may or may not be coming
13 together now, but they have taken an awfully long time
14 to do so with a lot of misery in between.

15 RT HON GORDON BROWN: The currency was pretty quick. The
16 debt relief followed pretty quickly. The financial laws
17 came not too long afterwards. I agree with you. The
18 point I was making this morning, we are learning all the
19 time that where there has to be intervention or where
20 there is a failed state or where there is
21 a conflict-ridden state, there is such a thing as a just
22 peace, that you have got to involve the people
23 themselves.

24 That is the lesson I think we have learned from
25 Iraq, we are applying in Afghanistan and it is something

1 that I think you probably need an international agency
2 for stabilisation and reconstruction that is set up to
3 help with these tasks.

4 SIR LAWRENCE FREEDMAN: It is a pretty tough way for these
5 lessons to be learned. There was a lot of grief
6 between March 2003 and now, from which we have finally
7 worked out some of the things that need to be done.
8 Part of the difficulty, going back to my original
9 question, was that these sorts of needs were understood,
10 lessons had been learned from situations elsewhere and
11 that we were aware of the difficulties and dangers that
12 could face our forces and face any efforts at
13 reconstruction and we were aware that the Americans
14 hadn't quite taken this as seriously as we seemed to be
15 taking it.

16 RT HON GORDON BROWN MP: Now you have a situation you can
17 lack back on where -- in Basra for example, a million
18 people -- in the 2 million population of Basra,
19 a million people have got electricity, have got water,
20 we have got 150,000 teachers, we have got 15,000 new
21 schools, we've got 100 health centres. That has
22 happened, but it did take a long time.

23 You see, I never subscribed to what you might call
24 the neo-conservative proposition that somehow at the
25 barrel of a gun, overnight, liberty or democracy could

1 be conjured up.

2 What I believed was that the case for intervention
3 was that international law had to be observed, but
4 I also believe that if you are rebuilding a country, the
5 people of that country have got to be more intimately
6 involved in the process of doing so. So at the earliest
7 point it was important that we had an Iraqi army, Iraqi
8 police, we had Iraqi politicians and we had Iraqis
9 running their own economy.

10 SIR LAWRENCE FREEDMAN: But the first thing that happened
11 was the Iraqi army was disbanded. The problem is --
12 I'll come back to it -- that whatever it is like at the
13 moment, the learning process was, by and large, borne by
14 the Iraqi people, and it was painful, and unfortunately,
15 the views which you say you disagree with may have been
16 those that were predominant in Washington in March 2003.

17 RT HON GORDON BROWN MP: Well, all I can say is it is never
18 a view that I have agreed with. I think it is important
19 to understand that the Iraqi army has been built up
20 again and the Iraqi police have been built up. And when
21 we left Basra, we were satisfied that, with 30,000
22 police and army now trained to do the job, our troops
23 could be in a position to leave and be sure that there
24 was security control for the people of Basra.

25 SIR LAWRENCE FREEDMAN: Just very briefly, on the costs of

1 the reconstruction, you gave a figure before lunch of
2 £45 million as an estimate. Clearly these were costs
3 that would have been unaffordable for the UK and the US.
4 You have talked a bit about international organisations.

5 To what extent did even this number depend on
6 assumptions about oil production, how quickly it could
7 be restored to fund the reconstruction within Iraq.

8 RT HON GORDON BROWN MP: There were basically three sources
9 of finance for Iraq. One was what we -- we were part of
10 the coalition -- were prepared to provide. The second
11 is what the international community could conjure up
12 through the IMF, the World Bank and through the donor's
13 conference, the Madrid donor's conference, where I think
14 500 -- I can't remember the exact figure, but a lot of
15 money was pledged to Iraq. And then, thirdly, Iraq
16 itself, because Iraq had the resources, there were trust
17 funds in relation to Iraq that were able to provide
18 resources back to the people of Iraq. But we had to
19 create a budgetary system in Iraq where the money was
20 not held at the centre but could actually be distributed
21 to the regions so that Basra could have some money.

22 So a lot of our efforts were persuading the
23 Iraqi Government -- and I spent a bit of time trying to
24 do this -- when they were established, to transfer money
25 from the centre to Basra itself and it was Iraqi money

1 that was to be used for much of the economic
2 reconstruction, not foreign money.

3 SIR LAWRENCE FREEDMAN: That was later on.

4 RT HON GORDON BROWN MP: Yes.

5 SIR LAWRENCE FREEDMAN: Just again going back to the
6 Coalition Provisional Authority to 2003/2004. You have
7 mentioned already the role that Treasury secondees
8 played in Iraq and the currency movement and so on that
9 they achieved.

10 A number of witnesses have said that one of
11 difficulties we faced in all of this was, because we
12 were minority partners in the venture, we found it
13 rather difficult to exercise influence over how the
14 Coalition Provisional Authority worked. Was that your
15 experience?

16 RT HON GORDON BROWN MP: We were partners in the provision
17 authority. My job at that time was to work with the
18 Americans and with the Iraqis to ensure that money was
19 available for some of the economic tasks that we needed
20 to be done. So we had to establish a currency, and that
21 was achieved. We had to have a budget and law so that
22 money could be distributed, and that was achieved, and
23 we played a very large part in doing that.

24 But I accept that the strategy that we had to adopt,
25 and certainly after the insurgency, the Sunni insurgency

1 came about, was one where, as General Petraeus himself
2 said, we had to build support from the people themselves
3 and that was really the next stage that had to happen.

4 SIR LAWRENCE FREEDMAN: But just again going back to this
5 earlier period, we were joint occupying powers. Were
6 you, as a senior member of the government at that time,
7 comfortable with the fact that we had taken on this
8 position as joint occupying power, when we were going to
9 find it very difficult to play the same sort of role
10 simply because we didn't have the resources the
11 Americans were going to be able to put into it?

12 RT HON GORDON BROWN MP: I did visit Iraq myself on two
13 occasions when I was Chancellor to look at what was
14 happening on the ground, but my visits were mainly --
15 I did go to Baghdad but I was also interested in how we
16 could develop the area of Basra.

17 So after the initial work on debt relief and on the
18 question of the currency, my concerns were: could we
19 construct an economic plan for Basra that would allow
20 the people to see the benefits of prosperity flowing
21 from the absence or the reduction of valuation?

22 I think that was the key task that we then faced,
23 and over the next few years that's what we did.
24 I wasn't myself directly involved with the negotiations
25 on the CPA.

1 SIR LAWRENCE FREEDMAN: The final question, just following
2 on from what you have said, do you think you were able
3 to ensure adequate funding for the Basra area while you
4 were Chancellor?

5 RT HON GORDON BROWN MP: Yes, we did get additional funding
6 into Basra. We had health and education as a priority
7 so that people could see that life was changing and
8 improving. We had a lot of quick impact projects that
9 would allow people to get jobs. I think we had
10 a project for employing 500 young people in Basra as
11 a symbol that people could get jobs under the policies.
12 We trained up a lot of teachers.

13 So all these things were starting to happen in Basra
14 but we had also the influence of Iranian elements in the
15 Basra province. We had the upsurge of violence in the
16 period after I became Prime Minister and these are
17 matters that we had to deal with as well.

18 SIR LAWRENCE FREEDMAN: In practice, all these factors went
19 to is it is very difficult to get this economic
20 reconstruction moving until very late on in the day?

21 RT HON GORDON BROWN MP: So long as the level of violence is
22 high, it is very difficult to persuade people that they
23 will have prosperity. But equally, if you can show
24 people that there is a way forward economically for them
25 to have a stake in the future, then the risk of them

1 supporting violence is less, and we had always to try to
2 move our economic programmes forward. Basra, I think
3 people will understand, is one of the potentially
4 richest areas in the whole region. It has a port --
5 I have toured round -- that is capable of massive
6 development. It had simply been left unused and
7 deserted by the policies of Saddam Hussein.

8 So there is a potential source, not only of oil
9 revenues, but of port and trade and development in the
10 Basra area and we wanted to show that this could be
11 improved.

12 SIR LAWRENCE FREEDMAN: I think we may hear a bit more about
13 that after the break.

14 THE CHAIRMAN: I think this is the moment for a short break
15 and after that, if we may, we will return to your time
16 as Prime Minister.

17 RT HON GORDON BROWN MP: Thank you.

18 THE CHAIRMAN: Thank you.

19 (2.34 pm)

20 (Short break)

21 (2.44 pm)

22 THE CHAIRMAN: We would like, Prime Minister, now to turn to
23 the time since June 2007, when you are Prime Minister,
24 and I will ask Sir Martin Gilbert to open the questions.
25 Martin?

1 RT HON GORDON BROWN MP: Good afternoon.

2 SIR MARTIN GILBERT: Prime Minister, you visited Basra
3 in November 2006. As a result of your experiences then,
4 and the events in the seven months that followed, were
5 there aspects of British policy in Iraq that you felt
6 needed to be changed when you became Prime Minister?

7 RT HON GORDON BROWN MP: My focus was to the area for which
8 we had responsibility and I have looked very carefully,
9 initially of course with Tony Blair, because he made
10 a statement to the House of Commons early in 2007 about
11 when we hoped to reduce the number of troops and
12 to improve how the Iraqi army and police were trained
13 but my determination was that we created the context in
14 which Iraqis, that is the people of Basra, had more control
15 over their own affairs. So we had to build up the
16 training of the Iraqi forces and the training of the
17 Iraqi police, and we did that. And eventually I think we
18 have trained 20,000 Iraqi forces.

19 Then we had to make sure that local government
20 elections took place, so that there was some stability,
21 which was not the men of violence holding the ring, it
22 was people who were democratically elected, who were
23 capable of making decisions. And then we had to do
24 something about economic development. So I planned, and
25 eventually we brought in someone who did a great job,

1 Mr Michael Wareing, to head up our Basra development
2 effort.

3 So, through the beginning of 2007, as I visited Iraq
4 but also as Tony Blair made his new statement in the
5 House of Commons, we were planning what we called
6 "overwatch", where we would move from what was called
7 "tactical overwatch", where we were there as the forces
8 but Iraqis were involved in the maintenance of stability
9 and law and order; and then we would move to what we
10 called "operational overwatch", which gave the Iraqis
11 far more control themselves of their own affairs; and we
12 moved then to "strategic overwatch", which is what we
13 eventually did, where we stood back, the Iraqis had the
14 control of their own security but we had
15 a reintervention capability if it was at all necessary.

16 So, at one and the same time we were following
17 through a political military security, if you like, an
18 economic strategy; at the same time our troops were
19 positioning themselves so that Iraqis could take more
20 responsibility for their own affairs.

21 And this went into a deeper commitment to all these
22 things during the course of 2007 and 2008.

23 SIR MARTIN GILBERT: In terms of timetable, before your
24 visit to United States in July 2007, what did you know
25 of American concerns that a change in the British

1 Prime Minister would mean a change in the timetable of
2 our plans to transition and draw down.

3 RT HON GORDON BROWN MP: I had spoken to President Bush
4 before I became Prime Minister, and I had talked to him
5 about the commitment that we had to finish the job in
6 Basra in particular. We had a lot of our military
7 personnel assisting in Baghdad and in other parts of the
8 country.

9 But our main effort by then was concentrated on
10 Basra, and I talked to President Bush about our plans
11 for developing our strategy in Basra. Over time we
12 would be reducing the number of troops but only as the
13 Iraqis were capable of taking control of law and order
14 in that area. And he was perfectly satisfied with what
15 we were doing and we had fairly amicable conversations,
16 both before I became Prime Minister and after I became
17 Prime Minister when I visited him in America. We had
18 a series of phone calls as well during the summer of
19 2007 as we developed this new strategy and then
20 I reported to the House of Commons in October, not only
21 about what we would do in Basra and how we would set the
22 conditions for the next period of time but also about
23 what we would do on troop levels.

24 SIR MARTIN GILBERT: Were there any difficulties in
25 adjusting the alignment between our policy and that of

1 the United States?

2 RT HON GORDON BROWN MP: No, I think they were happy that we
3 were in a position -- they had been dealing with the
4 Sunni insurgency. So General Petraeus was dealing with
5 that insurgency, with new tactics in Baghdad and the
6 surrounding areas and the province where Al-Qaeda had
7 made progress -- he was dealing with the efforts that
8 they made.

9 We were a different area, Basra. We had a local
10 insurgency. Some of it was inspired by Iran, but we
11 wanted to set the conditions in which the Iraqis would
12 have more control. That's why we left Basra Palace in
13 the autumn of 2007; and that's why we made sure that we
14 were training enough Iraqi troops so that the control of
15 law and order in Basra would gradually move to the
16 Iraqis.

17 SIR MARTIN GILBERT: One more focus on July 2007.

18 In your discussions and contacts with
19 Prime Minister Maliki, what did he ask for in terms of
20 our continuing presence, generally in Iraq and in
21 particular our assistance in Basra and the southeast.
22 Was this something you felt you could do, in terms of
23 what he wanted you to do?

24 RT HON GORDON BROWN MP: I think, having become
25 Prime Minister of Iraq, he was quite legitimately and

1 understandably wanting to assert the Iraqi influence
2 over all of Iraq. And I understood that because we
3 wanted them to be in a position also where the Iraqis
4 could take security control over the whole country. But
5 I stressed to him that we would not leave until we felt
6 the job had been done and we would continue to work for
7 these really -- there were three objectives that we had
8 to meet and once we had met them, we would expect Iraqis
9 to be able to take full security control of Basra. So
10 we were operating on a strategy that would allow us, as
11 the Iraqi forces rose in number and were trained and
12 properly able to do things, to reduce our number of
13 troops.

14 Now, there were hiccups in this because we had to
15 deal with some militias. We also had to deal with the
16 slowness of getting local elections and we had to deal
17 with the issues that arose from the Charge of the
18 Knights. So all these things had to be dealt with. But
19 our strategy never waivered -- that we wanted to build up
20 the Iraqi forces so that we would be in a position to
21 remove our troops over time.

22 SIR MARTIN GILBERT: He had to accept that this would be our
23 decision that we had fulfilled these conditions.

24 RT HON GORDON BROWN MP: Yes, and he understood that --
25 there was a debate, of course, about the conditions

1 under which we stayed in Iraq after the end of 2008.
2 That was a debate that we had with the Iraqis because
3 Parliament wouldn't pass the requisite legislation --
4 but we then had a Memorandum of Understanding.

5 But Prime Minister Maliki and I spoke a great deal.
6 We talked a lot about the issues that arose and I was
7 certain with him that we would not leave until we had
8 finished the task that we had set out to do.

9 SIR MARTIN GILBERT: I would like to raise another issue now
10 that several witnesses have discussed with us.

11 By the time you became Prime Minister, at the end
12 of June 2007, the British military was committed in both
13 Afghanistan and Iraq and there were plans already to
14 increase our commitment in Afghanistan. While
15 Afghanistan is clearly outside the remit of this
16 Inquiry, we recognise the existence and increasing scale
17 of British military commitments there may have affected
18 what the UK could attempt in Iraq.

19 I would like to ask you to what extent did the
20 increasing scale of British military commitments in
21 Afghanistan affect what we could do in Iraq?

22 RT HON GORDON BROWN MP: At no point, would I say -- very
23 clearly I'll say at no point were the needs of Iraq
24 neglected because of other things that we had to do. We
25 were on a trajectory, of course, where we could see that

1 we would be reducing the number of troops in Iraq, and
2 although not every figure could be met, partly because
3 of the Charge of the Knights and partly because of
4 insurgency, we knew what we wanted to do. But nothing in
5 Iraq suffered because of our commitments to Afghanistan
6 or to any other arena; we were determined to complete
7 the work that we had started in Iraq. That led us, over
8 a period of time, instead of going down to 2,500 troops,
9 as we wanted to do, to stay at 4,100, when it would have
10 been, of course, easier for us to come down to 2,500 but
11 it was right for us to keep the force levels that were
12 necessary while there was any hint that violence would
13 recur.

14 SIR MARTIN GILBERT: What advice were you getting from the
15 MoD and military chiefs with regard to the stresses and
16 strains of running two medium-scale, enduring operations
17 simultaneously and the effect this would inevitably have
18 on the armed forces?

19 RT HON GORDON BROWN MP: This is one of the few periods, of
20 course, in our recent history when you have had
21 two operations being mounted simultaneously, and I think
22 we have got to recognise that the length of these
23 ventures, since 2001 in Afghanistan, since 2003 in Iraq,
24 is particularly stretching for our forces. But, as
25 Sir Jock Stirrup, the Chief of the Defence Staff, has

1 said, our forces were stretched but he said not
2 overstretched. And we had to recognise that, obviously,
3 the additional resources that we provided for equipment
4 were there -- but we had to recognise that we had to
5 complete the tasks in Iraq as well as conduct the
6 operations we had agreed to in Afghanistan, and we have
7 done both to the best of our ability.

8 SIR MARTIN GILBERT: So there was no sense that the military
9 drawdown had to be a priority in Iraq because of the
10 Afghan commitments?

11 RT HON GORDON BROWN MP: I think we had reached a point in
12 Iraq where, if we could secure the conditions that
13 I talked about -- and that is security, greater
14 political control by the Iraqis and the beginnings,
15 indeed the push, for economic development -- this was
16 the right time, as Prime Minister Maliki wanted, of
17 course, for Iraq to be able to take more control over
18 their own affairs and eventually to take full control of
19 their own affairs.

20 SIR MARTIN GILBERT: You mentioned the situation in Basra,
21 and by the time you became Prime Minister Basra Palace,
22 our main base in Basra itself, is said to be the most
23 heavily rocketed and mortared place in Iraq, and merely
24 sustaining our troops there was putting them at a very
25 high risk indeed. Did you feel that, after leaving

1 Basra Palace, we would be able to establish a viable
2 overwatch on the city from the airport?

3 RT HON GORDON BROWN MP: I think the evidence is that, while
4 it was reported differently, people felt we had left
5 Basra Palace under pressure. The reality was different.
6 It was our strategy to leave Basra Palace and to base
7 ourselves at the airport. That was part of moving from
8 tactical overwatch to operational overwatch and then
9 strategic overwatch. So our reintervention capability
10 was available from being at the airport, but obviously
11 we wanted the Iraqis to take full control of Basra
12 themselves. And our strategy, therefore, of leaving the
13 palace and going to the airport was the right one, and
14 I think you can see and monitor the decline in violence
15 that took place after that. And perhaps you will get
16 evidence before the Committee about the reduction in
17 violence that followed us moving to the airport.

18 SIR MARTIN GILBERT: Were the Americans concerned about what
19 was going to be a three and a half month gap between
20 what would be Iraqi control in Basra and our being
21 unable really to influence the situation inside the
22 city?

23 RT HON GORDON BROWN MP: No, I don't think this was a big
24 issue at that particular time. There were issues that
25 arose over the Charge of the Knights, which came later,

1 and perhaps you want to raise that.

2 SIR MARTIN GILBERT: You announced in Parliament
3 in October 2007 the plan to draw down the forces in
4 southern Iraq from 5,500 to approximately 2,500 troops
5 from the spring of 2008. Can you tell us something of
6 the process by which you made the decision to reduce to
7 that level and that timescale and what advice you were
8 getting from the military?

9 RT HON GORDON BROWN MP: Yes. After I became
10 Prime Minister, I did really three things. Having
11 talked to Tony Blair at some length about these issues,
12 I did three things. I talked to the Americans in detail
13 and therefore I had a visit with President Bush and
14 several video conferences or phone calls with the
15 Americans.

16 Secondly, I obviously talked to
17 Prime Minister Maliki about the situation in Iraq. And
18 mainly, of course, I talked to our own commanders and
19 what their advice was about the way forward.

20 Now, Tony Blair, earlier in the year, had announced
21 our intention to go down to 5,500 forces. We had, by
22 the summer, got down to 5,500. I felt we could go down
23 further and so we announced we were going down to 4,500
24 but I felt we could set a longer term objective based on
25 these conditions. Really, that was the point at which

1 we established the conditions in which we would be
2 leaving Iraq, that we would be sure that we had 30,000
3 police and armed forces. 14 Division was being built up
4 in Iraq by the Iraqi Government and, as these numbers
5 grew, we felt we could reduce our numbers. So the Iraqi
6 forces were growing in numbers. I think in January 2007
7 it was 10,000. By November, it was 12,500 and then
8 by January 2008, 15,000 Iraqi forces.

9 SIR MARTIN GILBERT: With us training?

10 RT HON GORDON BROWN MP: With us training them, and then in
11 a position to take over security responsibilities, then
12 training the police, then, of course, the local
13 government elections, which I think were postponed but
14 eventually happened, with a very large number of
15 candidates, a very large number of people wanting to
16 stand for office. So it showed the potential for
17 democracy in that area. Then Michael Wareing's economic
18 development plan. And we held a number of development
19 conferences, invited a lot of companies from Britain and
20 other people to meet us in Downing Street, had
21 a conference also in Iraq and in London and moved
22 forward the economic agenda as well.

23 So we had a real plan for these three things to
24 change over the course of the next year or so and we
25 worked through that plan despite all the difficulties

1 that arose with the Charge of the Knights and everything
2 else.

3 SIR MARTIN GILBERT: My last set of questions is about the
4 economic plan, because in your speech of 8 October 2007,
5 when you announced the drawdown of the forces, you also
6 stressed in your statement that in addition to both the
7 political and the security help which the UK would give
8 Iraq, we would make a particular effort in the economic
9 sphere.

10 My first question in this regard is: was this
11 something you felt could be done, despite the precarious
12 security situation? How did that impact on your
13 perception of the economic --

14 RT HON GORDON BROWN MP: I think the implication of your
15 question is right, security and development have got to
16 go hand in hand. You can't have one without the other.
17 You have got to try to have both at the same time. So
18 our security numbers were being built up with the growth
19 the Iraqi police and armed forces, but the potential for
20 economic development was obvious to us.

21 I learned the lesson from the work I was involved
22 in, and others involved in, in Northern Ireland, that if
23 you can show people that there economic prosperity
24 is possible, then the risks of returning to violence are
25 seen by people to be too great to put at risk something

1 that they were now about to enjoy. So I wanted to show
2 in Basra, as did Michael Wareing and the economic
3 development team, that the chance of prosperity was
4 something that people should value and should not put
5 at risk by allowing the militias to have control in
6 the area.

7 I think gradually people had begun to see that the
8 economic advantages that were available to them mean
9 that encouraging or even tolerating violence is
10 unacceptable, and I think Basra has proved that you can
11 move forward in economic development. I think that's
12 one of the lessons to be learned for other conflict
13 areas, including the Middle East -- that if you can create
14 a level of economic development, then the people will
15 resist the men of violence and will be prepared, by
16 having a stake in the economic future, to accept
17 democratic processes of government rather than the rule
18 of militias.

19 SIR MARTIN GILBERT: You spoke in September 2007 about
20 Britain's stake in the future initiative in Iraq and
21 in November 2007 you spoke of a need to show Iraqis that
22 there was a peace dividend. Can you explain to us what
23 you meant by a stake in the future, and who did you see
24 as the main UK contributors to the peace dividend?

25 RT HON GORDON BROWN MP: I think that was -- first of all,

1 of course, training the forces and making sure that
2 there was the possibility of peace with Iraqis in
3 control, but it was essentially the economic development
4 of the area. So we were trying to persuade British
5 businesses to invest in the Basra area.

6 We were also trying to persuade -- I met local
7 business people in Basra and tried to encourage them
8 about the potential for the development of the area. As
9 I said earlier, I toured round the Basra port area and
10 it was full of wrecks from the era of the Iraq/Iran war
11 and yet it was a port with huge potential for the
12 future. So we tried to get people interested in
13 developing the port. Tried to get young people into
14 jobs. Did quick impact projects that helped people see
15 that infrastructure projects were happening. Got health
16 centres and schools opened again. And these were the
17 ways that we were trying to show people in Basra that
18 there was a way ahead that didn't involve violence for
19 the future.

20 SIR MARTIN GILBERT: At the time of our withdrawal from
21 Basra Palace to the airport, there are those who have
22 given us evidence, those who were involved, who said
23 that at that time we had become part of the problem in
24 Iraq.

25 How do you assess the impact of your economic

1 initiatives on the whole southeast region in terms of
2 Britain's standing in Iraq from being part of the
3 problem to being something else?

4 RT HON GORDON BROWN MP: It was very important to recognise
5 that all this time we did not want to be seen as
6 occupiers. We wanted to be seen as people who were
7 making it possible, empowering the Iraqi people to take
8 control. So the step from Basra Palace to the airport
9 was the logical step of people who wanted to see the
10 Iraqis taking security control of their areas.

11 So I don't agree with those who say that it was
12 either a mistaken thing to do or it was done under huge
13 pressure. It was the right thing to do as part of our
14 strategy. But the economic development of Basra is, in
15 my view, an important element of the greater peace that
16 exists in that part of Iraq now and we have now got very
17 good trade relationships with Iraq, but more
18 importantly, I think we should be proud that people like
19 Michael Wareing were prepared to devote huge amounts of
20 time as a British citizen going out to Iraq, building
21 the contacts with local business, trying to get
22 infrastructure projects underway and encouraging foreign
23 investors to come into Iraq.

24 Economic development must be part of any strategy
25 that we have in Afghanistan and in any area where there

1 is conflict around the world or a failed state. You
2 have got to have an economic element to the -- what
3 I call the building of a just peace, where you can work
4 very hard to win the battles but you have got to win the
5 support of the people as well by showing that you are in
6 a position to make it possible for them to deliver
7 a better standard of living for themselves.

8 SIR MARTIN GILBERT: Thank you.

9 THE CHAIRMAN: You mentioned, Prime Minister. The Charge of
10 the Knights and I wonder if I could turn perhaps briefly
11 to Sir Roderic on that score.

12 SIR RODERIC LYNE: Yes, this, of course it is the operation
13 that Prime Minister Maliki launched in March 2008 to
14 take on the militias in Basra and establish control
15 there. Did you have advance warning from
16 Prime Minister Maliki that he was going to do this?

17 RT HON GORDON BROWN MP: No, we knew that there was going to
18 be an operation at some point, but we didn't have
19 advance knowledge of the timing of it, but in retrospect
20 I think it is pretty clear that this was something that
21 was needed for Maliki to show that he had control over
22 his own area and was prepared to take on militants, even
23 in his own religion.

24 SIR RODERIC LYNE: It was needed, but we, at the time, were
25 in the lead role in maintaining security there. We had

1 that responsibility. So in an ideal world, should we
2 have actually been consulted on the timing of it?

3 RT HON GORDON BROWN MP: I think in an ideal world it would
4 have been better if he had consulted us, but I think in
5 retrospect what we are looking at is exactly what we
6 wanted to see: the Iraqis asserting their own ability to
7 control their own security, and over a period of time,
8 of course, the Iraqis have been able to do that.

9 So for me, while it was a difficult period,
10 obviously, in retrospect, it was the right thing to see
11 happen.

12 SIR RODERIC LYNE: Did his decision to do this reflect
13 a sense that our forces, the UK forces, were no longer
14 capable of restoring security in Basra, that we had, in
15 effect, allowed the militias to take control of the
16 city?

17 RT HON GORDON BROWN MP: I think you know the background to
18 this and the work that we did with JAM in Basra and
19 I think that background perhaps explains more about what
20 was happening during that period of time than has been
21 acknowledged. I'm happy to go into some of the details
22 of it but it does involve our security services.

23 SIR RODERIC LYNE: Yes, there were different aspects to this
24 but we had been in Basra by this stage for five years
25 and over that time the situation had become more

1 difficult and we had reached the point where effectively
2 something had to happen from Baghdad while we were still
3 maintaining a large number of combat troops in Basra.
4 So something over that period had got out of our grasp.

5 RT HON GORDON BROWN MP: I think when people look at the
6 full facts of this, they will understand why
7 Prime Minister Maliki wanted to act and they will also
8 understand the role that we were playing in Basra was
9 a role in reducing the violence. And so I don't draw the
10 same conclusion that some people draw, that there was
11 some sort of conflict of interest between the Iraqi
12 authorities and the British armed forces at this time.
13 Quite the opposite. We were trying to get to the same
14 position and perhaps each had not fully informed the
15 other about what was at stake here.

16 SIR RODERIC LYNE: But it didn't suggest to you that the
17 timetable that we had for drawing down our forces at
18 this stage was too rapid?

19 RT HON GORDON BROWN MP: We immediately made a statement,
20 I think to the House of Commons, to say that we would
21 maintain the level of forces at, I think it was, 4,100.

22 SIR RODERIC LYNE: We put it on hold for a while.

23 RT HON GORDON BROWN MP: We put it on hold.

24 SIR RODERIC LYNE: Yes.

25 RT HON GORDON BROWN MP: We wanted to be absolutely sure.

1 Look, we had gone so far in establishing Iraqi army and
2 Iraqi police forces as being the important operator in
3 the area. We did not want to see the work that we had
4 engaged in and started undone. So the right thing to do
5 was to suspend the reduction of forces and that's what
6 we did for nearly -- for many, many months afterwards.

7 SIR RODERIC LYNE: Can I turn to another aspect of the
8 Iraqi-isation of running events in Basra and the
9 southeast?

10 Going back to your conversation with
11 Sir Martin Gilbert just now about your economic
12 initiatives, why did it require your personal
13 involvement, as Prime Minister, to get these initiatives
14 going? I mean, shouldn't something have been done along
15 these lines a long time before, given that we had held
16 responsibility in the region for a number of years?

17 RT HON GORDON BROWN MP: No, these started when I was
18 Chancellor with the support of Tony Blair as
19 Prime Minister. But to be honest, one of the
20 difficulties we had was that the Iraqi central
21 government would not make the decisions that were
22 necessary to either release resources or to make it
23 possible for projects to happen in Basra. So we were
24 dealing with the business community who might have been
25 prepared to invest, us as the government pushing things

1 forward, but also the Iraqi authorities, and it was very
2 difficult to get things moving from the centre in
3 Baghdad when you needed decisions that would speed up
4 economic development in Basra.

5 So we were trying at all times to deal with the
6 Iraqi Government and not in place of them, but it was
7 very difficult to get decisions made. Eventually, of
8 course, we appointed someone, Michael Wareing, we set up
9 a Basra development commission and it was more
10 indigenous in its activity than previously and it
11 started to move things forward.

12 SIR RODERIC LYNE: That brings me to my next point. You
13 have described to us your concept of building a just
14 peace in Iraq and the essence of this being that the
15 local people should be able to take control of their own
16 lives, but in this particular instance your frustration
17 was that this was being impeded in Baghdad -- or we
18 weren't able to get it off the ground fast enough,
19 because they weren't taking ownership in Baghdad.

20 So in effect, you and Michael Wareing and others had
21 to give a lead from outside, whereas really, by then,
22 the Iraqi Government had been in power, Maliki's
23 government, for quite some time. They should have been
24 their initiatives rather than ours, shouldn't they?

25 RT HON GORDON BROWN MP: I think it was a bit like

1 Operation Overwatch where gradually you move to
2 a situation where the Iraqis have more control
3 themselves. But it is definitely the case that there is
4 a tension between the centre and the locality and it is
5 definitely the case that getting money out of the
6 central government for Basra was difficult. But I think
7 over time these are issues that any country has
8 to resolve about the relative power of the region and
9 the centre, and I think Iraq is having to deal with that
10 problem itself.

11 SIR RODERIC LYNE: When you set up the Basra Development
12 Commission, did you at that point get full support from
13 Prime Minister Maliki for it?

14 RT HON GORDON BROWN MP: Maliki was very keen on Basra
15 development. I think in Iraq they have this strong
16 sense that they can be a very strong country
17 economically, but obviously it required, as you have
18 rightly said, the push of some of our investors, and
19 particularly Michael Wareing, to get it moving forward.
20 So we had to hold investment conferences. I held two
21 meetings at Downing Street with potential investors and
22 I met businessmen, as I said to Sir Martin Gilbert, in
23 Basra, to talk about how they could move this forward.
24 SIR RODERIC LYNE: We were doing this at a time when our
25 civilian staff had had to be evacuated from the city out

1 to the airport. How much did our ability to promote
2 economic initiatives -- how much was it impeded by the
3 fact that the Foreign Office and the DFID staff were
4 actually holed up in the COB at the airport?

5 RT HON GORDON BROWN MP: I think over time this was the
6 right strategy, of course, that --

7 SIR RODERIC LYNE: We had to do it for reasons of security?

8 RT HON GORDON BROWN MP: Yes, but over time it was the right
9 strategy that we let the Iraqis have more control.
10 I think the development work proceeded even amongst some
11 of the difficulties of the violence in Basra. A lot of
12 economic development work was moving forward. So
13 I don't think that was the great hold-up of this.

14 I would point more to the difficulties of getting
15 decisions from Baghdad and also, of course, that, you
16 know, some of them were very big infrastructure
17 projects. We got people interested in the port because
18 it is such a huge infrastructure project, but it was
19 such a big project that investors were reluctant to
20 finally commit to it.

21 SIR RODERIC LYNE: Thank you.

22 THE CHAIRMAN: Prime Minister, I would like to finish this
23 hearing with one quite specific question, which is
24 puzzling the Committee at this stage and then a more
25 general one. I'm going to invite any general

1 reflections that you would like to make. The specific
2 one touches on policing. You have said, and so indeed
3 have others, that establishing security is the necessary
4 pre-condition for economic development for political
5 engagement and indeed for the establishment of human
6 rights in failing or flawed societies.

7 We have had much evidence about the problem of
8 establishing an effective and incorrupt police service
9 in really setting up the pillars for the just peace that
10 you have described. I wonder whether you have a view
11 yet as to whether we have the right concept even, let
12 alone the answer, to establishing an effective policing
13 service in countries such as Iraq, or indeed
14 Afghanistan.

15 RT HON GORDON BROWN MP: This is an issue that we are
16 dealing with particularly at the moment in Afghanistan.
17 So it is an issue about how you train, because you have
18 got to make a decision about what you are trying to
19 train people to do -- and there is a system of policing
20 that is more, if you like, military-related and there is
21 a system of policing that is more in touch with the
22 local population.

23 You know, the problems we found in both places is
24 the potential for corruption and the problem in some of
25 the policing in Basra was that people who were part of

1 the insurgency had inveigled themselves into being on
2 the police staff. So there was a number of incidents
3 relating to these sort of things. But I think the best
4 policing for the longer term is obviously one where the
5 police are more in touch with the civilian population
6 and the civilian population have confidence in the
7 police.

8 Therefore, while you may have to go through a phase
9 where the police are more closer to a military model
10 than you would like, I think in the end you want to have
11 a strong army that is properly trained and led and you
12 want to have a civilian police force that is able to
13 maintain contact with the local community and is
14 respected and trusted.

15 For that, you probably need local people doing the
16 job. A lot of police have been imported in
17 Afghanistan and Iraq to particular areas. You certainly
18 need corrupt-free police, and of course, what we have
19 learned is you have to pay for police properly in these
20 countries, otherwise they will not do the job that is
21 intended. But I think it is a big debate about whether
22 you follow different countries' models of policing in
23 countries like Iraq and Afghanistan. But the best is
24 surely a civilian model where you can move from a more
25 heavy-handed approach to a more light-touch approach

1 where you are more in touch with the local community.

2 THE CHAIRMAN: But not to be achieved or expected to be

3 achieved in one go. It is a sequential thing?

4 RT HON GORDON BROWN MP: No, I think this is also a lesson

5 that we have got to learn. You can't, as I said earlier,

6 conjure up a democracy overnight in a country that has

7 been a dictatorship for years, and, therefore, you have

8 got to be realistic about the objectives that you set,

9 and I think, after 2007, we set ourselves very clear

10 objectives about what we could achieve so that Iraqis

11 had a sense that they were in control of their own area,

12 that these were not unrealistic objectives in expecting

13 that, magically, we would have a police force that was

14 totally free of corruption.

15 THE CHAIRMAN: Thank you. I have got one broad question

16 before coming to the end of the hearing. It is this:

17 clearly life in Iraq today is almost incomparably much

18 improved from where it was under Saddam, or indeed in

19 the immediate aftermath of the invasion. We have

20 elections coming up. We have many fewer attacks and

21 casualties, though they did continue, and economic life

22 is developing and resuming and not least in the

23 southeast, in Basra. But at the same time, after the

24 seven years of our engagement nearly, a number of

25 serious acts of terrorism do continue. We have heard

1 quite a lot of evidence that, although there is a degree
2 of stability and the establishment of democracy, this is
3 still fragile and not to be relied on completely. The
4 US are still going to keep a very large body of troops
5 in the country by agreement for as long as it may take.

6 So looking at the whole history of our engagement in
7 Iraq, Prime Minister, over the past seven years, has it
8 actually contributed sufficiently and materially both to
9 the creation of a new international order, if you like,
10 certainly a just peace concept, and a greater respect
11 for international law, with sufficient consensus among
12 the comity of nations, or are we still, as it were, in
13 an uncertain or interim or conditional state so far as
14 Iraq goes?

15 RT HON GORDON BROWN MP: I think these are the right
16 questions to ask. First of all, as far as the
17 international community is concerned, I think there is
18 progress. There is a recognition that America and
19 Europe must work more closely together. We have had
20 international institutions like the G20 that are now
21 stronger. Britain, America, France and Germany talk
22 regularly about issues that we need to deal with in
23 common, in contrast to what happened before. And I think
24 that recognition does exist that you have got to build
25 up the international community's institutions, otherwise

1 other countries and failed states or rogue states will
2 feel free to take action. And, of course, it does raise
3 the question of Iran and other countries.

4 As far as Iraq is concerned, it seems to me that you
5 have got to look at what the alternative would have
6 been. We found a country where there were millions of
7 people who were without work or without proper
8 sustenance and who had been neglected by the regime. So
9 there is no doubt that the improvement in the conditions
10 of living of people in Iraq, schooling, hospitals, jobs,
11 the ability to use and get the oil wealth of Iraq for
12 their own people is improved.

13 But obviously the loss of life is something that
14 leaves us all sad. The loss of life, particularly after
15 the success of the initial military operation to remove
16 Saddam Hussein, is something that is -- leaves me very
17 sad indeed and we have got to recognise that war may be
18 necessary, but war is also tragic in the effect it has
19 to people's lives.

20 THE CHAIRMAN: I think we have come to the close of this
21 hearing. Bearing in mind what you have just said,
22 Prime Minister, and indeed Sir Lawrence Freedman's
23 earlier reference to the cost of these lessons to the
24 Iraqis themselves as well as to our armed forces and
25 others -- you have dealt with that both at the beginning

1 of this hearing and now again at the end -- are there
2 further or final reflections on that or on other aspects
3 that you would like to bring out before we finally
4 close?

5 RT HON GORDON BROWN MP: If you will allow me to say, I do
6 believe that I haven't had the chance to pay full
7 tribute to our armed forces and the great work that they
8 do and I hope that one of the lessons that we learn from
9 this is that we are -- we have the most professional and
10 the best armed forces in the world.

11 I think I also want to recognise that these were
12 difficult decisions. These were decisions that required
13 judgment. These were decisions that required strong
14 leadership. These were decisions that were debated and
15 divided a lot of opinion in the country. I believe they
16 were the right decisions. I believe we made the right
17 decisions for the right reasons, but I also believe it
18 is our duty to learn lessons from what has happened.

19 This is a new era after the Cold War. I want Europe
20 and America to work more closely together, because
21 I believe that is the basis of the international order
22 of the future.

23 If Europe and America can work closely together,
24 then we have a better chance of having international
25 institutions that can prevent war, that can intervene

1 where there are failed states and can take action which
2 has the consensual support the international community.

3 So one of the lessons I learned from this is that
4 Europe and America must work more closely together and
5 we must be more determined to change the shape of
6 international institutions that were found to be wanting
7 and could not do the things that we wanted them to do.
8 I think, as a government in Britain, we have to learn
9 that in this new world, where there is instability --
10 instability both because of states that are potentially
11 dangerous but also because there is terrorism that is
12 non-state -- that our structures of government have got to
13 reflect that this is a constant worry and this is not an
14 incidental happening.

15 We have got to be better prepared in future for the
16 reconstruction of countries and I do believe that's an
17 international responsibility and should not simply be
18 the responsibility of one country or one or two
19 countries.

20 I want to end by emphasising, if you will allow me
21 to do so, that the soldiers and the civilians who gave
22 their lives in Iraq, deserve both our sympathy and our
23 debt of gratitude and no one who makes the decisions
24 that Cabinets and governments have to make can do so
25 without recognising that lives are affected and

1 sometimes lives are lost as a result of the big
2 decisions and big challenges we have got to meet. So
3 I want us to recognise that 179 people from the service
4 families lost their lives, but also that civilians lost
5 their lives in Iraq and we have got to bear that in mind
6 in all the decisions that we make for the future.

7 THE CHAIRMAN: Thank you, Prime Minister. I should like, on
8 behalf the Committee, as well as myself, to thank you
9 and to all those who have been present throughout this
10 session both this morning and this afternoon.

11 I would be grateful if those in the hearing room
12 could remain seated until the usher indicates that it is
13 okay to leave. With that, I will close today's hearing.

14 At 4.30 we will resume, when our witness will be
15 Douglas Alexander, the Secretary of State for
16 International Development.

17 RT HON GORDON BROWN MP: Thank you.

18 THE CHAIRMAN: Thank you.

19 (3.25 pm)

20 (Short adjournment)

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