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Defence and Overseas Secretariat

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12 February 2001

Alan Goulty CMG
Director Middle East North Africa
Foreign and Commonwealth Office
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u13/1

Dear Alan,

IRAQ

As I have explained to Simon Webb and William Patey, No 10 have asked for a short Note by Officials, highlighting the key issues which need to be settled in the course of the review of Iraq policy. The aim is to finalise the note for the Prime Minister's weekend box and I attach a draft on which I would be grateful for comments from you and copy addressees by 1pm on Wednesday 14 February.

2. Depending on the nature of your comments, it may be necessary thereafter to convene a short meeting on 15 February to finalise the draft. If the Foreign and Defence Secretaries wish to comment to the Prime Minister on the issues raised, Private Offices could write at the beginning of next week.

3. I am copying this to John Sawers (No 10), Simon Webb, Paul Schulte and Paul Luker (MOD), William Patey, Tim Dowse and Rodric Williams (FCO), Robert Cooper and Jon Day (Cabinet Office).

Yours,
Tom

TOM McKANE

Enc:

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IRAQ

(A Note by Officials)

Summary

UK policy objectives and containment strategy remain valid. UNSCR 1284 remains viable as a basis for our approach, though it may not achieve WMD disarmament. But we must move to "smarter" sanctions and recapture the moral high ground. The US approach is undecided and the subject of inter-agency discussion. Our immediate aim must be to persuade the US of the need to work through the UN rather than unilaterally, and to move to "smarter" sanctions.

Introduction

2. Ahead of the Prime Minister's visit to the US, this paper sets out the state of Whitehall thinking and UK/US discussions on Iraq policy.

Policy Objectives

3. Since the 1991 Gulf Conflict, our policy objectives towards Iraq have been, in the short term, to reduce the threat Saddam poses to the region, including by eliminating his WMD programmes; and, in the longer term, to reintegrate a territorially intact Iraq as a law-abiding member of the international community. **These objectives remain valid, although we should recognise that we are unlikely to rid Iraq completely of WMD.**

Policy Implementation

4. We have sought to achieve our objectives by a policy of **containment**. This has had several elements:

- **WMD disarmament**, through inspections and monitoring. Since December 1998, this has been on ice. UNSCR 1284 provides for UNMOVIC to establish the key outstanding disarmament tasks, draw up a work-plan and report against it; the carrots for Iraq are the suspension and eventual lifting of sanctions. Iraq shows no sign of agreeing to the deployment of UNMOVIC.
- **Sanctions**, which have become increasingly controversial. Despite the vast expansion of the Oil For Food (OFF) programme under UNSCR 1284, Saddam has succeeded in

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using sanctions as a propaganda tool, assisted by excessive US holds on OFF contracts. Meanwhile, the enforcement of sanctions has weakened, with Iraq's neighbours complicit in oil smuggling operations.

- **Military containment through the No Fly Zones (NFZs).** Like sanctions this has become a double-edged weapon. The humanitarian justification for the NFZs remains valid but we do not know how long it will remain so. The Southern NFZ also plays a key role in contingency plans for the defence of Kuwait, providing early warning of Iraqi moves and a chance to counter them from the air, buying time to reinforce Kuwait itself. Without the SNFZ, the defence of Kuwait would require a much more substantial permanent US/UK force [MOD – any idea how big, in total and for the UK contribution?].

Discussions with the US

5. In early exchanges with the new US team, we have argued that **UNSCR 1284 should remain the basis of our approach, but with “smarter” sanctions.** Under the current policy, no progress can be made without Saddam's say-so. He exploits humanitarian misery and blames sanctions, while rejecting UNMOVIC. So **we want to re-design sanctions to hit the régime rather than the people,** without the ambiguities that lead to the US blocking \$3bn worth of OFF contracts. [FCO – what **sanctions additional to an embargo on arms and dual use goods do we envisage?**] We also want the remaining sanctions to be better enforced, but this requires the co-operation of Iraq's neighbours,
6. UNMOVIC's continuing exclusion from Iraq would not be a disaster – indeed, it might even be preferable: although its presence would constrain WMD activity, it would not stop it, and like UNSCOM it would provide Saddam with a way of provoking a crisis when he wanted one. However, this is not an argument for abandoning UNSCR 1984. We can be confident that Saddam will continue to refuse to admit UNMOVIC to Iraq. But if, against expectations, Saddam decided to let UNMOVIC in and co-operate with it, we could in theory move within months to the suspension of at least some of the remaining sanctions [FCO – which sanctions would we suspend?] with continuing controls over Iraqi revenues [FCO - Can we say what these controls would be?].

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7. If Saddam were contemplating accepting UNSCR 1284, one of his preconditions would be an end to US/UK patrols in the **No Fly Zones**. It seems unlikely that we will reach that point, but the NFZs will remain a target for criticism. We understand that the US are looking at different ways of maintaining them [**MOD – any read-out yet?**], but MOD and the Pentagon have examined this before and concluded that it is less risky for our aircrew to maintain their patrols than to stop them and have to restart them later in response to violence against the Shia or a move against Kuwait.

US thinking

8. Colin Powell and State Department officials appear to be thinking along broadly similar lines to us. But the US inter-agency debate is still raging. The NSC is sceptical about the value of working through UN mechanisms and pursuing UNSCR 1284, and seems interested mainly in tightening the enforcement of sanctions by working with Iraq's neighbours – an approach which, on its own, is unlikely to succeed.

9. Some in the NSC and the Pentagon continue to hanker after "**régime change**". We of course agree that Iraq would be better off under different leadership. But the Iraqi opposition in exile is not a credible alternative government. And we certainly cannot support illegal action aimed at toppling Saddam. In the region and more widely, experience suggests that talk of régime change as a policy aim is counter-productive.

UK objectives in discussions with the US

10. Our main aim for now should be to get the US to accept that:

- a. **Even if we were to conclude that it is preferable not to deploy UNMOVIC, we need to be seen to be working through the UN rather than unilaterally**, and with the support of the P5 and the rest of the UNSC if possible. We know that UNSCR 1284 is not the complete answer. But there is little prospect that Saddam will agree to admit UNMOVIC to Iraq. And being seen as upholding UN authority, rather than pursuing a national agenda, is crucial to winning the presentational battle, both in the region and with respectable international opinion generally.
- b. **We need to neutralise the sanctions issue and win back the moral high ground**. It must be clear that the sufferings of the Iraqi people are the responsibility of Saddam, not the UN or the US/UK. To achieve this, we need a much more targeted

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sanctions régime, which does not affect ordinary people. We should move in this direction now, and not wait for Saddam to sign up to UNSCR 1284.

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