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NOTE

I would really have welcomed the chance to discuss this face to face; but I don't think the political context quite right just now, to come to the US and make the speech I wanted to give, very much for the reasons in this note. The purpose of this is to see how the context can be changed!

The political position we both find ourselves in, is rather similar. Bluntly, Iraq pulls us down. The sheer weight of propaganda against us crushes the perfectly reasonable case we can make; demoralises our supporters and confuses the public. It leads to a settled determination on the part of our opponents that we are failing and should fail. Yet the case is inherently strong. And both of us want a strong finish to our time in office. Funnily enough, I think there is an opportunity here for us to seize and here's how I think it can be done.

People can still see the rationale both for removing Saddam and for seeing it through, given the Iraqi people's desire for democracy. But the facts on the ground beat the argument. We may be right in theory; but in practice it seems as if Iraq is beset by sectarian violence which we can't control and above all no Government is yet formed. They may have voted for a Government but they haven't got one. The result is: people are zoning out our argument. We're not getting heard sufficiently.

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We can't afford for this to continue. I think it is time we started to take risks. We need to put Iraq in a different place and then build out from there. I want to suggest a strategy.

1. We go all out to get a unity Government in Iraq.

We need to give a very strong signal to this effect. Condi and Jack are going to Baghdad this weekend. Nigel is going to follow up with a visit. Steve is also considering one. If necessary I will go. But we should leave the Iraqis in no doubt: the stalemate has to end and a competent Government must be installed. This must include a top quality, neutral figure in the Ministry of Interior. It is perfectly obvious to me that a lot of the Shia violence is now being organised out of there and there has to be a definitive statement going throughout the police, it won't be tolerated. But this is the time to cash in all of our chips here.

2. On the back of this, we publish a programme both for the new Government and for security transition from the MNF to full Iraqi control. The UN should be consulted and the result welcomed by the Security Council. This should be careful on timelines - nothing arbitrary but always dependent on the job being done. But there has to be a huge collective sense of moving forward. We should have good media/communication people out there helping them organise a blitz on their own and western media. It needs to be a complete turning point.

3. We should asap then build out from there, using the renewed credibility of Iraq moving forward, to act across the board on a number of different fronts:

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(i) on MEPP, I continue to think (especially reading the post-election comments of Ohlmert and Hamas) we need to step forward with a bold offer to Hamas: we are prepared to grip the process and seek a solution, including the prospect of final status negotiations, if they commit unequivocally to a two-state solution and to ending the violence. The needs to be fleshed out with enough detail to be credible; and we should then organise the Arab/Muslim world to come behind it. From my talks with many, including the excellent Yudhoyono in Indonesia, they would do so and it would transform the standing of moderates in the Islamic world. But if we don't do something like this, I predict that within months the consensus on Hamas will fracture and people will start talking direct to them.

(ii) On WTO, I think we should up our whole profile dramatically. We have free trade and justice for the poorest countries, on our side. Against us, are many of our protagonists on the issue of terrorism. We are absolutely on the high ground. I think you should make it a personal priority. It may fail, but it is one of these issues on which "trying" counts for a lot. And it is just possible you could do it. The Brazilians could bring the G20. The Germans could bring the EU, with us. Success here would be very big.

I suggest we plan around a series of meetings to raise this and insist on progress. For my own part, I think a leaders' meeting, as suggested by Lula has something in it.

(iii) on energy, we are missing a crucial opportunity. One part of global opinion - a large part, is obsessed by climate change.

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Another part - including everyone in practical policy-making positions - is becoming equally focused on energy security. We also have the G8 summit in Russia, with energy as the topic, a summit which for all sorts of other obvious reasons, is going to be fraught. You have made "addiction to oil" a big US issue. You have the Asia Pacific Partnership. We can all see how China (and to a lesser extent India) is buying up the world's energy reserves. Above all, there is an emerging consensus, following on the G8 + 5 Gleneagles process, that any deal that does not involve you, China and India, is not worth having.

Without in any sense moving from your position on climate change or Kyoto, you could put forward an international initiative on how to move to a low-carbon economy. This could include the sharing of technology, especially on nuclear. It would be completely consistent with all you have done and again put our opposition on the back foot.

(iv) you mentioned Sudan to me. This is a critical test of our commitment to conflict resolution and to Africa. We should lead visibly on it. We should also revive the commitments we made at the G8 on the peace-keeping force and on governance.

The point of the above is: to put Iraq in a different place and then drive through across the agenda, making the case for a values-based approach to international relations, in pursuit of open economies and engaged foreign policy. We need to champion the campaign world-wide against your three "isms": isolationism, protectionism and nativism.

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This is a powerful case; it cuts across left/right lines; above all, it's right. In its wake, we could start articulating how we reform the international institutional architecture – UN, IMF, World Bank, G8, WTO. The truth is: in no case is it fit for purpose.

But of course none of this will be as persuasive as it can be unless Iraq is in better shape. Once the Government is formed, then I would really like to come over to you and make the last of my speeches.

My point is very simple in political terms: this is the time to go for it; to take risks. To strive and fail is so much better than not striving. But actually, I think it could just succeed and in doing so, give us the strong finish we both want.

TB

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