

NOTE

Our foreign policy is so joined, we both face the same issues. So a Democrat victory is seen here as a "thumping" for me as well as you!

But strangely, I think we have a big opportunity: with power comes responsibility. Those used to the comfort of opposition, now have to engage with finding solutions.

However, my worry is: waiting for Baker's group to come up with a strategy. We should lead the consensus not simply follow it. Our danger is either being seen for political reasons, to "cave in", which we will never do; or have to be told the answer because we can't think of it. Actually our strategy is already evolving. Before Baker reports we should spell out that evolution. When he reports, it should be seen as a further evolution plus a basis for consensus, but in line with a direction already outlined.

The elements for Iraq, which taken together would be seen as a change of pace and effectiveness, are as follows, in my view:

IN IRAQ

- (1) A political compact published by the Iraqis that commits to non-sectarian government that has both Sunnis and Moqtada-al-Sadr on board. We should aim for this around the time of the renewed UNSCR. It should rule out partition.
- (2) A plan for better governance which should focus on Maliki's governmental capability and in particular on the disbursement of money for reconstruction.
- (3) Acceleration of the plan to complete the formation of army and police, filling in the gaps in command and control, training and equipment.
- (4) A conditional timescale as outlined by Casey already, focused on Iraqi capability and making no concessions on democracy.

IN THE REGION

This is the crucial missing piece. We need a "whole" Middle East strategy. Iran is the strategic threat. It can apply pressure in Palestine through Hamas; in

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Lebanon through Hizbollah

and in Iraq through the Shia militia.

We must lift the pressure points. We have to do Palestine/Israel; secure Siniora in Lebanon and get Hizbollah pinned back; build the moderate forces in the region, uniting the Arabs against Iranian influence; and put it up to Syria and Iran visibly and clearly.

We have to expose their true and hostile intent. But we can only do that if we are framing the debate in terms of the whole region. The huge benefit in Iraq, of such a strategy, is that it gives us more than what is happening day to day in Iraq to talk about. That is our problem: it is all events, ghastly and bloody, unconnected to the underlying strategic cause. A "whole" Middle East strategy forces our opponents to confront reality.

We can discuss this Friday. I thought your Wednesday press conference was brilliant: dignified and magnanimous.

TB

9 November 2006