

Friday, 5 March 2010

1

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 encourage 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  
6 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 the  
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 may 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 the  
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. 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 Department 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 decision 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 although 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 JACK STRAW 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 was 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 in 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 to 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 NSID, as it is called, as a committee has worked well  
5 and allows on equal terms all people who contribute 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 the remember to 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 9th, 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 9th. At that meeting I was asked to do a paper  
17 that we 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 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 9 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 interferes.

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

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 contradict 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 a year  
9           ahead, 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 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 9th, 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

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,  
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, that 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 of, 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 year.

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,

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, 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  
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 half 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 the 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 do 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, ie 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       overstretch, 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 is economic prosperity  
24           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 that 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 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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