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JOHN SAWERS

**IRAQ**

I attach a Note by Officials on the main issues that need to be addressed with the US Government as we review how best to maintain our policy of containment of Iraq. The Prime Minister may find this a helpful summary in preparation for his talks with President Bush next week.

2. I am copying this to Sherard Cowper Coles (FCO), Julian Miller (MOD) and to Richard Abel (Cabinet Office).



**TOM McKANE**

15 February 2001

Att

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Note by Officials

## Summary

Whatever we do, we need to move to "smarter" (but better enforced) sanctions and recapture the moral high ground. We cannot achieve complete WMD disarmament, but we should aim to constrain Iraqi activity: UNMOVIC may be the best way of doing this, but there are downsides to having UNMOVIC in Iraq and, anyway, Saddam is unlikely to agree to their presence on Iraqi territory. On the military aspects of containment, some argue for ceasing patrols in the Southern No Fly Zone and relying more on deterrence: the military assess that to defend Kuwait without the Southern NFZ would require the deployment of substantial new ground forces. Our policy should include some promotion of régime change. The US approach is undecided :

## Introduction

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

## Policy Objectives

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

## Policy Implementation

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

- **WMD disarmament**, through inspections and monitoring. Since Operation Desert Fox and the withdrawal of UNSCOM, this has been on ice. UNSCR 1284 was designed to restore in-country monitoring through UNMOVIC in return for

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suspension and eventual lifting of sanctions. Iraq shows no sign of agreeing to the deployment of UNMOVIC.

- **Sanctions**, which have become increasingly controversial. There is still widespread support for the arms embargo, and for controls on dual-use materials with plausible application to WMD programmes. But there is an increasing sense that economic sanctions are unfair to the Iraqi people, ineffective as a means of pressuring the régime, and indeed counter-productive because Saddam and his cronies benefit disproportionately from the smuggling which undermines the sanctions. Meanwhile, the enforcement of sanctions has weakened,
  
- **Controls on Iraq's oil revenues**, through the UN escrow account and the Oil For Food (OFF) programme. These are important in preventing Saddam from diverting revenue to conventional or WMD re-armament. But the bureaucratic controls which have developed over the programme, and the approach we take to scrutinising OFF contract applications, are widely perceived as undermining the humanitarian purpose of OFF.
  
- **Military containment, including through the No Fly Zones (NFZs)**. Like sanctions this has become a double-edged weapon. The humanitarian role for the NFZs remains valid but this is increasingly disputed. The Southern NFZ also plays a key role in current contingency plans for the defence of Kuwait, providing tactical intelligence of Iraqi moves and a chance to counter them from the air, buying time to reinforce Kuwait itself.

### Smarter Sanctions

5. Under the current policy, no progress can be made without Saddam's say-so. He exploits the suffering of the Iraqi people and blames sanctions, while rejecting UNMOVIC. Departments agree that, irrespective of whether Saddam ever signs up to UNSCR 1284, we should re-design sanctions to focus more closely on controlling military and WMD-

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related items, and reduce the impact on the Iraqi people. Measures might include:

- reducing significantly the number of humanitarian contracts on hold
- revising the scope of items classed as being of potential dual use
- further simplifying the procedures for Sanctions Committee approval by expanding the pre-approved lists and, possibly, liberalisation of import procedures for the most essential civilian goods.

6. **This “narrowing” of sanctions should be balanced by a concerted effort to achieve better enforcement.** This would mean tackling unregulated border trade and ensuring that those trading with Baghdad pay no commissions or surcharges outside OFF. This requires the co-operation of Iraq’s neighbours,

A high profile success against sanctions busters would help to reinforce the régime.

7. If Iraq eventually signed up to UNSCR 1284 and decided to co-operate with UNMOVIC, we would move to suspension of sanctions, whilst retaining some control over Iraq’s oil revenues: ideas on immediate and post-suspension arrangements are set out in the attached note by the FCO. **There are judgments to be made about how much change to implement now and how much should be tied to Iraqi co-operation under UNSCR 1284.** On the one hand, since such co-operation is unlikely to be forthcoming, **we should make sure that we implement now any measures which we would wish to carry out for their own sake.** On the other hand, as long as our policy is formally based on 1284

We also need to decide whether to elaborate the details of the 'post-suspension regime' in public or to continue to insist that Saddam should first demonstrate his willingness to co-operate.

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### Blocking WMD Build-up

8. Neither UNMOVIC nor any other arrangement (including bombing) will provide a guaranteed way of ridding Iraq completely of WMD. A robust UNMOVIC presence in-country would undoubtedly constrain Iraqi WMD activity, but not prevent it. If UNMOVIC never gets in, we may need to consider some form of external monitoring, based on intelligence (which would be easier to collect in an Iraq that had a more open trading relationship with the rest of the world) and, perhaps, enhanced border controls (if Iraq's neighbours can be persuaded to co-operate). Failure to deploy UNMOVIC would also be a blow to the international community's non-proliferation efforts. On the other hand, the ample evidence we have of Iraq's determination to keep its WMD suggests that UNMOVIC would never be able to close the file.

9. External monitoring would be less of a constraint than UNMOVIC inspections. On the other hand, an UNMOVIC presence in Iraq –

– would put a trigger back in Saddam's hands: if Saddam wanted to provoke a crisis, UNMOVIC would provide a means of doing so.

10. **Departments do not agree on whether UNMOVIC's entry to Iraq would be, on balance, desirable or undesirable. This probably does not matter in the foreseeable future,** as there seems to be no prospect of Saddam's agreement to it (if he surprised us, Departments agree that UNMOVIC should go in). Being at best agnostic about the merits of UNMOVIC need not prevent us promoting a policy based on UNSCR 1284. Indeed we need to be seen to be working through the UN – rather than unilaterally and with the support of the P5 and the rest of the UNSC if possible.

### Military Containment

11. If Saddam were contemplating accepting UNSCR 1284, one of his preconditions would be an end to US/UK patrols in the **No Fly Zones**. It seems unlikely that we will reach that point, but the NFZs will remain a target for criticism.

12. We understand that the US are looking at different ways of maintaining the NFZs, but MOD and the Pentagon have examined this before and concluded that **it is less risky for our aircrew to maintain their patrols than to stop them and have to restart them later in response to violence against the Shia or a move against Kuwait.**

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13. Some are tempted to cease patrolling the NFZs and focus more on other means of deterring Iraq and defending its neighbours. Departments disagree on the implications of this. But the UK and US military assessment is that – **if Ministers still wanted to defend Kuwait rather than planning on ejecting an Iraqi force which had succeeded in occupying it - without the Southern NFZ, the US and UK collectively would need to station up to three additional armoured brigades in Kuwait, and augment the current land- and sea-based strike capability (ie, aircraft and cruise missiles).**

14. A proportionate UK contribution might be anything from an

This would be costly, and would create significant additional overstretch in the armed forces. **It is difficult to see how such a deployment could be managed for any length of time without withdrawing at least part of our forces in the Balkans (and probably all of them if a brigade were required).**

15. Without such a deployment, MOD's advice is that the UK would have to rely upon the to respond to an Iraqi attack on Kuwait. But it would take to deploy a substantial ground force, so this is an option for of Kuwait, rather than for

16. MOD will consider further with Departments the scope for developing a posture of deterrence credible enough to dissuade Saddam from any Kuwaiti adventure without the SNFZ or additional deployments in Kuwait, and the extent to which the UK could make a practical contribution to it.

### Régime Change

17. Most US officials, to widely varying degrees, believe that their Iraq policy should include the promotion of change in the country's government. Some have on how to do this - eg, arming opposition groups and encouraging them to try to overthrow the régime –

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which are unacceptable and of proven futility. And aggressive rhetoric on this subject tends to be counter-productive in the region, particularly when it cannot be backed up by practical success.

18. **But there is a case for including the promotion of régime change as part of our policy, rather than simply assuming an indefinite stalemate.**

We could certainly do more to hold out to the Iraqi people the prospect of a brighter future post-Saddam – a sort of Contract with Iraq. This could include a better co-ordinated US/UK information campaign, and more work with the Iraqi opposition in exile (though there is some scepticism over their credibility and usefulness). We could also consider more support for INDICT's campaign to bring Saddam and some of his cronies to justice for war crimes.

**US thinking**

19.

**It is very unlikely that this internal US debate will have been resolved by the time of the Prime Minister's visit.**

**Cabinet Office  
15 February 2001**

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Immediate measures to refocus the sanctions regime

In the Security Council

- expand the lists of pre-approved goods
- narrow the scope of the definition of dual-use goods
- reach agreement governing non-commercial passenger and cargo flights to Iraq
- crack down on oil smuggling
- privatise administration of the "oil for food" programme

Bilaterally

- alleviate UK restrictions on the assets of Iraqi individuals
- simplify UK licensing procedures for exports to Iraq
- review UK visa procedures for Iraq citizens
- allow UK companies to communicate with Iraqi entities about post-sanctions trade

Post-suspension arrangements

In the Security Council

- dismantle the "oil for food" programme (except in northern Iraq)
- allow Iraq to import all civilian goods except those which are prohibited or controlled
- privatise the UN control mechanism (including the Sanctions Committee)
- establish an account in the name of the Central Bank of Iraq which Iraq can use to build up foreign reserves and pay off bilateral debts
- allow Iraq to export freely all non-oil exports
- allow commercial flights to and from Iraq
- permit limited investment in Iraq's oil industry

Bilaterally

- restore UK diplomatic presence in Baghdad
- encourage cultural/academic links
- cease patrols of the SNFZ