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From:  
To:  
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IMMEDIATE  
311215Z OCT 05  
BASRA  
FCO LONDON  
MODUK; PJHQK  
I9E

Info:  
Transmission at:

IMMEDIATE  
311245Z OCT 05

SUBJECT: INFO: SIC19E BASRA: FIRST IMPRESSIONS

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FM BASRA  
TO IMMEDIATE FCO  
TELNO 16985/05  
OF 311215Z OCTOBER 05  
AND TO ROUTINE BAGHDAD, MIDDLE EAST POSTS,  
AND TO ROUTINE PARIS, TOKYO, UKMIS NEW YORK, UKREP BRUSSELS, ROME  
AND TO ROUTINE THE HAGUE  
INFO IMMEDIATE MODAD, MODUK, PJHQ, SIC19E

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#### SUMMARY

1. WIDESPREAD LINKS BETWEEN CRIME AND POLITICS HAVE UNDERMINED BASRAS SECURITY. WHILE OUR EFFORTS ON SECURITY SECTOR REFORM (SSR) SHOULD HELP ADDRESS THE PROBLEM, ULTIMATELY IT CAN ONLY BE SOLVED BY FIRM ACTION FROM BAGHDAD.

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#### DETAIL

2. THOUGH ITS POPULATION OF JUST OVER TWO MILLION IS ONLY MARGINALLY GREATER THAN THAT OF ITS NEIGHBOUR, DHI QAR, BASRA HAS A CHARACTER DISTINCT FROM THE OTHER PROVINCES IN SOUTH EASTERN IRAQ. ITS GEOGRAPHY, SECTARIAN MAKE-UP (BETWEEN 25-30% OF THE PROVINCE IS SUNNI) AND HISTORY ALL CONTRIBUTE TO A MORE COMPLICATED SOCIAL AND ECONOMIC MIX, WHICH IS REFLECTED IN ITS POLITICS.

#### BACKGROUND

3. FOR MUCH OF ITS HISTORY, BASRA LOOKED TO THE GULF AND BEYOND RATHER THAN INLAND. THE IRAN-IRAQ WAR CLOSED BASRA AS A PORT. BETWEEN 1980 AND 1988, HALF THE POPULATION FLED. THE INDISCRIMINATE VIOLENCE OF IRANIAN-BACKED EXILES DURING THE INTIFADA IN 1991 AND THE RUTHLESSNESS WITH WHICH SADDAM SUBSEQUENTLY PUT DOWN THE UPRISING FURTHER TRAUMATISED THE CITY. THE INFLUX INTO THE CITY FOLLOWING THE DRAINING OF THE MARSHES FURTHER ADDED TO THE SOCIAL DISLOCATION. BASRA, ON THE OVERTHROW OF SADDAM, WAS A CITY WHOSE SOCIAL, POLITICAL AND ECONOMIC

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5. PICTURES HAD LARGELY DECAYED.

4. AS ELSEWHERE IN SOUTHERN IRAQ, THE POLITICAL SCENE IN BASRA SINCE 2003 HAS BEEN DOMINATED BY RIVALRY BETWEEN SADRISTS AND BADRISTS. IN THE LAST TWO YEARS, DIFFERENCES BETWEEN THE TWO GROUPS HAVE GROWN, AND, AS WAS SEEN IN AUGUST, CAN FLARE UP INTO OPEN CONFRONTATION. THE SADRISTS IN PARTICULAR HAVE SOUGHT TO EXPLOIT THE APPEAL OF NATIONALISM AND FUNDAMENTALIST ISLAM IN THE SLUMS OF BASRA. THE CITY IS A LESS LIBERAL PLACE THAN IT WAS A YEAR AGO, WITH GANGS ENFORCING CLAMPDOWNS ON THE SALE OF DVDS, MUSICAL INSTRUMENTS, ALCOHOL, WOMENS ATTIRE AND BEHAVIOUR AND GAMBLING THROUGH INTIMIDATION. BOTH SUNNIS AND CHRISTIANS HAVE BEEN TARGETED BY SHII EXTREMISTS. EVEN THE CHALDEAN ARCHBISHOP HAS RECEIVED DEATH THREATS.

THE ECONOMY...

5. BASRA SHOULD BE IRAQS ECONOMIC POWERHOUSE. NOT ONLY DOES IT HAVE THE COUNTRYS ONLY COASTLINE, BUT 80- OF IRAQS CURRENT OIL PRODUCTION COMES FROM THE SOUTH, WITH 60- FROM THE AL-RUMAILAH FIELD SOME 50KM WEST OF BASRA ALONE. HAVING BEEN DEPRIVED OF THEIR FAIR SHARE OF OIL-REVENUE FOR DECADES UNDER SADDAM, AND SUFFERED IN THE FRONT-LINE DURING THREE WARS IN THE LAST 25 YEARS, THE POPULATION EXPECT TO REAP MORE OF THE BENEFITS THAT GEOGRAPHY HAS GIVEN THEM.

6. HOPES FOLLOWING THE ELECTIONS EARLIER THIS YEAR THAT BASRA WOULD RECEIVE SPECIAL TREATMENT FROM CENTRAL GOVERNMENT, ALLOWING IT TO COLLECT TAXES ON E.G. OIL PIPELINES AND PORTS, TO COMPENSATE IT FOR THE DAMAGE INFLICTED DURING THE IRAN-IRAQ WAR HAVE NOT BEEN FULFILLED. THERE HAS ALSO BEEN TALK FOR SOME TIME OF PLANS FOR THE REGION TO BECOME A SPECIAL ECONOMIC ZONE, BUT LITTLE ACTIVITY. TWO AND A HALF YEARS AFTER THE FALL OF SADDAM, THERE ARE MORE GOODS IN THE SHOPS, MORE SATELLITE DISHES AND MORE DEMAND FOR POWER AND WATER (WHICH IS NOT MET BY THE STILL LIMITED SUPPLY). BUT ECONOMICALLY BASRA IS STILL STRUGGLING.

...CRIME...

7. THE IRAQI POLICE DO NOT COMPILE CRIME STATISTICS. BUT OVER THE SUMMER, OUR POLICE ADVISERS HAVE RECORDED AN AVERAGE OF 65 MURDERS A MONTH IN THE PROVINCE. KIDNAPPING AND EXTORTION ARE RIFE. BASRA HAS LONG BEEN KNOWN FOR SMUGGLING AND PROSTITUTION. BOTH CONTINUED TO FLOURISH DURING THE 1990S, WHILE IN RECENT YEARS, THE PROVINCE HAS BECOME AN INCREASINGLY IMPORTANT CONDUIT FOR ILLEGAL DRUGS FROM AFGHANISTAN VIA IRAN.

8. BUT THE SERIOUS MONEY TODAY COMES FROM OIL SMUGGLING, USING THE METHODS PERFECTED UNDER SADDAM TO EVADE UN SANCTIONS. WE HAVE NO RELIABLE FIGURES FOR THE EXTENT OF THE PROBLEM. BUT ESTIMATES FROM BOTH THE US IRMO AND MND(SE) SUGGEST THAT POSSIBLY AS MUCH AS 30- OF THE SOUTHS OIL PRODUCTION IS APPROPRIATED ILLEGALLY. THEFT OCCURS UPSTREAM (E.G. BY TAPPING DIRECTLY INTO PIPELINES) AND DOWNSTREAM (GENERALLY FROM LORRIES CARRYING REFINED PRODUCT).

...AND POLITICS

9. CORRUPTION MAY BE ENDEMIC THROUGHOUT IRAQ. BUT IN BASRA, WHERE THE OPPORTUNITIES FOR ILLICIT GAIN ARE GREATER, THE STAKES ARE HIGHER. POWER IS NOT OBTAINED JUST THROUGH THE BALLOT BOX. LINKS

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1. BETWEEN CRIME AND POLITICS ABOUND. NO PROMINENT POLITICIAN SEEMS UNDAUNTED, AND ALL THE MAIN PLAYERS HAVE THEIR OWN MILITIAS WITH LINKS TO THE VARIOUS LAW ENFORCEMENT AGENCIES.

10. AT THE TOP OF THE (CRIMINAL) PILE SITS SAYYID YOUSIF AL MUSAWI, THE LEADER OF THE THAR ALLAH PARTY, A BADR-ALIGNED GROUP, ORIGINALLY SET UP (WITH IRANIAN ASSISTANCE) TO ROOT OUT BAATHISTS, BUT TODAY MORE CONCERNED WITH CRIME THAN POLITICS. THAR ALLAH HAVE BEEN HEAVILY INVOLVED IN SMUGGLING (OF BOTH DRUGS AND OIL) AND FORCED MAERSK OUT OF THE PORT OF UM QASR EARLIER THIS YEAR.

11. JUST BENEATH SAYYID YOUSIF (BUT WITH HIS SIGHTS FIRMLY FIXED HIGHER) IS THE GOVERNOR OF BASRA, MUHAMMED AL-WAILI, A CAREER CRIMINAL BEFORE HIS ENTRY INTO POLITICS (WITH FADHEELA), WHO HAS INCREASINGLY (AB)USED HIS POSITION TO AMASS MORE POWER. PARTS OF THE OIL PROTECTION FORCE NOW ACT AS HIS PERSONAL MILITIA. HE HAS REPLACED SENIOR OFFICIALS IN THE LOCAL GOVERNMENT WITH HIS PLACEMEN= IS RUMOURED TO HAVE THE CHIEF OF POLICE (AND THE MINISTER OF THE INTERIOR IN BAGHDAD) ON HIS PAYROLL= AND RECENTLY FAILED TO GET THE IRAQI ARMY TO INTERVENE IN HIS DISPUTE WITH THAR ALLAH. NOW WIDELY SEEN AS OUT OF CONTROL, HE WILL BE DIFFICULT TO REMOVE, THANKS TO THE FADHEELA BLOCK ON THE COUNCIL.

12. WATCHING AL-WAILIS RISE WITH INCREASING CONCERN IS THE LEADER OF BADR, HASSAN AL-RASHID. OUTMANOEUVRED BY AL-FADHEELA IN HIS ATTEMPT TO BE RE-APPOINTED GOVERNOR EARLIER THIS YEAR, HE IS THE SADRISTS BETE NOIRE. HIS MEDIA ADVISER WAS MURDERED EARLIER THIS YEAR, WHILE HE HIMSELF WAS THE TARGET OF AN ASSASSINATION ATTEMPT IN OCTOBER. UNTIL RECENTLY, AL-RASHID SEEMED CONTENT TO STAY OUT OF THE ARGUMENTS BETWEEN THE GOVERNOR AND THE COUNCIL IN THE EXPECTATION THAT AL-WAILIS POPULIST GESTURES (RESTRICTING THE TRANSFER OF BASRA-GENERATED ELECTRICITY TO THE NATIONAL GRID, THREATENING TO CALL OIL WORKERS OUT ON STRIKE) WOULD BACKFIRE ON HIM POLITICALLY. BUT AL-WAILIS GROWING POWER HAS PROMPTED AL-HASSAN TO MOBILISE OPPOSITION IN AN ATTEMPT TO REMOVE HIM.

13. OMS CONTINUES TO BE ACTIVE, PARTICULARLY IN THE POORER AREAS. HOWEVER, IT IS DIFFICULT TO JUDGE ITS LEVELS OF SUPPORT AND THE STATE OF ITS RELATIONS WITH THE OTHER POLITICAL PARTIES. OMS CURRENTLY HAS NO IDENTIFIABLE LEADER IN BASRA. MEANWHILE, WE REMAIN CONCERNED AT THE LINKS THE MINISTER OF TRANSPORT, SALAM AL-MALIKI, (FORMERLY A LEADING MEMBER OF OMS IN BASRA) MAINTAINS BOTH TO INDIVIDUALS CONNECTED TO ATTACKS ON COALITION FORCES.

14. GIVEN ALL THIS, IT IS DIFFICULT TO ENVISAGE THE MAIN SHII PARTIES WORKING TOGETHER IN DECEMBERS ELECTIONS, EVEN THOUGH THEY MAY BE ON THE SAME NATIONAL LIST. THE OTHER PARTIES ARE LIKELY TO BENEFIT FROM THIS. SINCE JANUARY, THE SUNNIS HAVE REALISED THAT TO AVOID ISOLATION THEY WILL NEED TO PARTICIPATE IN THE POLITICAL PROCESS AND HAVE BEGUN TO ORGANISE THEMSELVES EFFECTIVELY. THEIR REPRESENTATION IN THE NEW ASSEMBLY IS LIKELY TO REFLECT DEMOGRAPHICS. INCREASING CYNICISM ABOUT THE BEHAVIOUR OF THE MAIN SHII PARTIES MAY BENEFIT THE SECULARISTS, BUT THEIR CAUSE IS NOT HELPED BY THE LOW VISIBILITY OF THE INA IN THE PROVINCE.

LINKS TO BAGHDAD...

15. GIVEN BASRAS RESOURCES, THE ATTRACTION OF FEDERALISM IS OBVIOUS, AND THERE IS CONSIDERABLE SUPPORT FOR THE THREE SOUTH EASTERN PROVINCES (BASRA, DHI QAR AND AL-MAYSAN) TO MAKE UP AN

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ANOMOUS ZONE. MUCH AS MANY BASRAWIS DESPAIR OF THEIR OWN POLITICIANS, THE LACK OF ATTENTION THAT JAAFARIS GOVERNMENT HAS PAID TO THE PROVINCE, ITS FAILURE TO FOLLOW UP ON PROMISES OF GREATER ECONOMIC SUPPORT AND ITS RELUCTANCE TO SORT OUT BASRAS INCREASING SECURITY PROBLEMS HAVE STRENGTHENED THIS.

...AND IRAN

16. TRADITIONAL IRAQI SUSPICIONS OF IRAN ARE AS STRONG IN BASRA AS THEY ARE IN THE REST OF IRAQ. THE BADRISTS ARE REGULARLY ATTACKED FOR BEING IRANIAN STOOGES, AND THERE IS NO POLITICAL CAPITAL TO BE GAINED BY PUBLICLY BEING SEEN TO HAVE LINKS WITH IRAN. THERE ARE INDICATIONS THAT THE IRANIANS HAVE MAINTAINED THEIR TIES TO THE BADRISTS (AND FORGED NEW ONES WITH SOME OF THE BREAKAWAY SADRISTS). BUT IT SEEMS LIKELY THAT, ON THE IRAQI SIDE, THESE RELATIONSHIPS ARE LARGELY OPPORTUNISTIC, AND DO NOT PRESAGE A SIGNIFICANT INCREASE IN IRANIAN INFLUENCE IN THE REGION.

17. MEANWHILE, GEOGRAPHY DICTATES SOME COMMON INTERESTS. A NUMBER OF TRIBES STRADDLE THE BORDER. WHILE SMUGGLING HAS LONG BEEN A MAINSTAY OF THE BASRAWI ECONOMY, LEGITIMATE TRADE IS GROWING. IRANIAN PRODUCTS ARE INCREASINGLY FOUND IN BASRAS SUQS.

SECURITY...

18. COMPARED TO CENTRAL AND NORTHERN IRAQ, THE NUMBER OF COALITION CASUALTIES IN BASRA HAS BEEN LOW. BUT THE THREAT OF KIDNAPPING AND EFP IED ATTACKS BY ANTI-COALITION GROUPS REMAINS HIGH, AND DISRUPTS BOTH OUR AND MND(SE)'S WORK. IN ADDITION, THE LEVELS OF CRIMINAL, POLITICAL AND SECTARIAN VIOLENCE ARE HIGH AND RISING. THIS LAWLESSNESS OVERSHADOWS ALL LIFE IN BASRA, AND ACTS AS A MAJOR OBSTACLE TO DEVELOPMENT.

...THE POLICE...

19. THE POLICE (IPS) ARE CURRENTLY UNABLE TO ADDRESS BASRAS SECURITY PROBLEMS. MINIMAL SCREENING OF ENTRANTS TO THE IPS AFTER THE FALL OF SADDAM, POOR LEADERSHIP AND THE CONNECTIONS BETWEEN POLITICIANS AND CRIME IN BASRA HAVE RESULTED IN A FORCE RIVEN WITH FACTIONS, MANY OF WHOM ARE AS LIKELY TO BE INVOLVED IN CRIMINAL ACTIVITY AS HELPING TO PREVENT IT. OUR POLICE TRAINING AND MENTORING EFFORTS ARE APPRECIATED. BUT THE SCALE OF THE PROBLEM MEANS THAT, ULTIMATELY, THE SOLUTION MUST COME FROM THE IRAQIS THEMSELVES, WHICH MEANS, GIVEN THE MESS THAT IS BASRAWI POLITICS, CENTRAL GOVERNMENT.

...AND MND(SE)

20. OPINION POLLS SUGGEST THAT UP TO 80- OF THE POPULATION OF BASRA WOULD LIKE TO SEE MND(SE) LEAVE. CONSCIOUS OF THE STRENGTH OF NATIONALIST FEELING, NO POLITICIAN PUBLICLY SUPPORTS THE DEPLOYMENT. BUT IN PRIVATE, MANY BASRAWIS SAY THAT MND(SE) IS ALL THAT IS STOPPING THE CITY DESCENDING FURTHER INTO CHAOS. THE RECENT INTERNMENTS OF TERRORISTS ARE WIDELY APPLAUDED. IF THE RIGHT INDIVIDUALS ARE PICKED UP, FURTHER DETENTIONS WOULD BE WELCOMED.

21. BUT THAT IS NOT TO SAY THAT SUCH OPERATIONS WILL NOT PROVOKE A REACTION. THE INCIDENT AT THE JAAMEAT POLICE STATION ON 19 SEPTEMBER WAS SPARKED BY EFFORTS TO SECURE BRITISH HOSTAGES TO

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1 CHANGE FOR JAYSH AL-MAHDI COMMANDERS FARTUSI AND SAJJAD SEIZED TWO DAYS EARLIER. THE THREAT OF FURTHER KIDNAPPINGS OF MND(SE) AND CONSULATE PERSONNEL REMAINS HIGH. AND GIVEN THE STATE OF THE IPS IN BASRA AND OF LOCAL POLITICS, IT WOULD BE UNREALISTIC TO EXPECT THE AUTHORITIES TO BE CO-OPERATIVE IF THE MILITIAS WERE SUCCESSFUL IN APPREHENDING ANYONE.

#### THE FUTURE

22. ALONE TO SORT OUT THE PROBLEMS HERE. BUT IT IS DIFFICULT TO ENVISAGE AN EARLY SOLUTION. LOCAL ELECTIONS ARE UNLIKELY TO BE HELD BEFORE THE MIDDLE OF 2006. JAAFARI HAS REPEATEDLY DUCKED THE ISSUE, AND NO ACTION CAN BE EXPECTED BEFORE THE ELECTIONS IN DECEMBER.

23. WE NEED TO BE REALISTIC ABOUT WHAT WE CAN ACHIEVE WITH THE RESOURCES AVAILABLE. WE CAN TACKLE THE WORST EXCESSES IN THE IPS THROUGH OUR SSR PROGRAMME AND THE DETENTION BY MND(SE) OF THOSE INVOLVED IN TERRORIST ATTACKS. BUT LOOKING TO THE LONGER TERM, OUR PRIORITY MUST BE TO CONVINCE THE NEW GOVERNMENT OF THE NEED TO TAKE EARLY ACTION TO SORT OUT BASRAS PROBLEMS. WE SHOULD HIGHLIGHT THE REVENUE LOST THROUGH CRIMINAL ACTIVITY TO ENCOURAGE CHANGES IN THE LAW ON SMUGGLING (CURRENTLY A CIVIL RATHER THAN CRIMINAL OFFENCE)= THE FORMULATION OF A NATIONAL OIL STRATEGY= AND SUSTAINED ACTION TO REFORM THE IPS AND IN PARTICULAR TO ROOT OUT THE INFLUENCE OF THE MILITIAS. ALONGSIDE THIS, WE SHOULD CONTINUE TO ENCOURAGE ECONOMIC DEVELOPMENT, IN PARTICULAR THROUGH IMPROVED LAWS ON FOREIGN INVESTMENT AND GREATER INVOLVEMENT BY THE UN AND WORLD BANK TO HELP PROVIDE FUNDING FOR INFRASTRUCTURE DEVELOPMENT.

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ACP Message Identifier: RBDWDFA 1155 3041209  
Military Message ID: 4853 051031124853Z  
AMRAD Received Time: 311245Z OCT 05

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