

To: Iraq Directorate (Telegrams)
From: Swift Incoming Telegrams (Machine 2)
Subject: LEAD: OO IRAQR/FCOLN 359: NOSEC: IRAQ: VALEDICTORY: THE
END OF OCCUPATION
Sent: Monday, June 28, 2004 7:07:01 AM GMT

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TELNO 359
OF 280726Z JUNE 04
AND TO IMMEDIATE ISTANBUL
INFO IMMEDIATE UKMIS NEW YORK, WASHINGTON

PERSONAL FOR:

John Sawers, FCO
John Buck, FCO
Neil Crompton, FCO
Sir Emyr Jones Parry, UKMIS New York
Sir David Manning, BE Washington

ISTANBUL PLEASE PASS TO PS/NO10, PS/SOSFCA, SIR NIGEL SHEINWALD

PART 1 OF 2 PARTS

SUBJECT: NOSEC: IRAQ: VALEDICTORY: THE END OF OCCUPATION

SUMMARY

1. Two days ahead of schedule authority passes to a sovereign, interim government and the CPA disappears. The growing unpopularity of the occupation and Coalition, the problems over security and the failure to sort out the electricity supply are the most visible signs that we have fallen short of what we had hoped to achieve. But this is not the whole story. Despite the security situation, we can still point to important achievements and there are grounds for optimism for the future.

DETAIL

The problems we faced

2. The issue that has dominated all others over the last 14 months has been security. For Iraqis this means crime as much as the politically motivated violence. The failure to crack down on the

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orgy of looting in April last year resulted in a crime wave which the Coalition has never been able to bring fully under control. Since last summer we have also had to face a growing insurgency.

3. A case can be made for saying that the Coalition would have faced a serious security challenge whatever action it had taken. The US military presence was always going to be a magnet for Islamic extremists. And Saddam's security forces may indeed have melted away last April with the intention of mounting armed resistance at the first opportunity. But it is hard to escape the conclusion that CPA policies and US military tactics made the situation worse.

4. The decisions on de-Baathification and disbanding the army are regularly cited as the crucial mistakes that alienated the Sunnis and fueled the insurgency. This needs some qualification. No democratic change in Iraq would have been possible if the senior levels of Baath Party leadership had been left in place.

De-Baathification was necessary; it was also popular with the majority of Iraqis. But the policy was poorly explained and its implementation badly handled.

5. The army is a more difficult case. It was always a mistake to conflate the army with the Baath Party when for years the Baath Party saw the army as the main threat to its rule. But Bremer is right to point out that the army had disbanded itself, that most conscripts had no wish to return and that, with barracks trashed, it would have been impossible to feed and house recalled units. But a clearer explanation at the outset that the army would be reconstituted and that professional officers untainted by past crimes would be welcome to join might have helped.

6. Occupation was never likely to be popular. Iraqis rejoiced in the defeat of Saddam Hussein but never saw themselves as a defeated nation. Most of the Shia recognised what they stood to gain from the fall of Saddam and were willing to cooperate with the Coalition. It was always going to be more difficult in the Sunni areas from which much of Saddam's party and security apparatus was drawn. But what might have been an uneasy acquiescence was too often turned into anger and resentment by military tactics which were heavy handed and disdainful of the Iraqis. The Abu Ghraib prisoner abuse scandal epitomised the problem but it went much wider.

7. The insurgency may also have profited from the delay in explaining when and how Iraqi sovereignty would be restored. Not until November, seven months after Bremer's arrival, was the political process resolved and a date of the end of the occupation announced - seven months in which those who claimed that the Americans would never leave and were interested only in stealing Iraq's oil had free rein. Even then, the argument about how the interim government would be selected made it impossible to go out and explain to the Sunni community how they would be included in the political process. This was not entirely the CPA's fault. As early as July Bremer was advocating his seven point plan and a (no doubt overly ambitious) timetable that would have had the Coalition handing over to an elected government in the autumn of

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2005. But, rightly, he wanted Governing Council buy in and by the time it was clear that they could not agree and that Sistani's opposition was an insurmountable obstacle, three months had been wasted.

8. The other major political problem we faced was the lack of internal leadership, particularly but not exclusively Sunni, as a result of Saddam's policy of eliminating all potential rivals. The CPA was forced to rely on exiles and on political parties which were organised on ethnic/sectarian lines. Their dominant presence on the Governing Council and the absence of strong Sunni representation tended to reinforce a feeling among the Sunni community that they were being excluded from the political process.

Services

9. After security, services have been the CPA's main failing. Baghdad presently has fewer than 12 hours per day of electricity - no different from a year ago. The Iraqis had inflated expectations of what the CPA could deliver; the Coalition seriously under-estimated the scale of the problem. Sabotage and increasing demand have compounded the problem but disorganisation and delays in securing funds have played their part. For Iraqis it means another summer with limited supplies.

The CPA

10. Bremer deserves enormous credit for getting the Coalition out of the hole it found itself in May last year. It is difficult to imagine where we would be now without his incisive leadership. But the CPA never worked as well as it should and the in-fighting in Washington, which was evident before the liberation and which sabotaged efforts to achieve any sensible post-conflict planning, continued to dog policy formation throughout the life of the CPA. It also robbed the CPA of the experience of senior State Department Arabists for many months (and when they arrived their talents were not used to the full). Furthermore the civil/military interface was always murky and became an increasing liability when things started to go badly wrong last April.

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[S.L.McCarthy]

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PART 2 OF 2 PARTS

SUBJECT: IRAQ: VALEDICTORY: THE END OF OCCUPATION

So what went right?

11. In the end, and given the security problems, quite a lot. All the opinion polls confirm the Iraqis are happy to be rid of Saddam and want a democratic future for Iraq. On the political side much has been accomplished:

we have set in train a political process, backed by the interim government, widely supported within Iraq and endorsed by the UN and international community, which will lead to elections by the end of January 2005, the drafting of a permanent constitution, a referendum and fresh elections on the basis of that constitution;

- with the UN's help we have established an independent electoral commission and reached agreement on an electoral system (imperfect but likely to minimise the scope for intimidation and violence);

- efforts to promote provincial and local government and introduce

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grass roots democracy have been a considerable if still fragile success;

- the interim government itself is broadly representative of Iraq's different communities, made up of highly qualified individuals and led by a Prime Minister who looks increasingly impressive. It has received support domestically and internationally;

- the Transitional Administrative Law (TAL), even though it is only transitional and parts of it (mainly those relating to the Kurds) controversial, is a potentially historic document. The civil and minority rights it enshrines are widely popular (and will be difficult to ignore in drafting the permanent constitution). And the compromises it embodies on some of the most difficult issues facing Iraq show that those problems are in the end soluble.

12. On the economic side new and stable currency has been introduced; an independent Central Bank, sound monetary policy and budgetary discipline and controls are in place. Higher wages have resulted in a mini consumer boom. New banking regulations and a new code of foreign direct investment will, once security improves, position the economy for rapid growth. The black spot is unemployment (on which estimates differ) but as the US supplemental and other donor money kicks in this should be a diminishing problem.

13. An enormous range of other work, not all of it immediately visible, has been achieved. I would point in particular to the work done by CPA Advisers to re-establish the machinery of government, reform Ministries, draw up strategies and put proper financial controls in place. There may be some way still to go but there is now a functioning system to hand on to the new interim government.

Future Prospects

14. It is not too difficult to imagine worst case scenarios. It will be weeks and probably months before we can hope for a real improvement in security. Many of the new political and economic structures and the institutions for dealing with problems like corruption are fragile. We will need to find ways of supporting them when we no longer have direct oversight. And there are important political forces, both internal and external, who will want to undermine a democratic political process or bend it to their own interests.

15. But there are grounds for optimism:

- the psychological dividend of ending the occupation may not be immediately apparent but over time it will become clearer that Iraqis not the US and UK are calling the shots. (It goes without saying that blatant attempts to pull the strings will quickly destroy the credibility of the new government);

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- as more Iraqi security forces are properly trained and equipped so the MNF will be able to adopt a lower profile;

- elections, which now seem distant to most Iraqis, will begin to loom large and Iraqis will increasingly realise that their future is in their own hands. (It is imperative that, whatever else the UN does or does not do, their electoral team begin work on preparing the elections as soon as possible);

- Allawi himself appears to have the right instincts: his views on de-Baathification and re-employing some former military officers, his willingness to use his old Baathist and tribal associations to reach out to parts of the Sunni population who have felt excluded should enable him to adopt a strategy for winning over some of the insurgents and isolating Zarqawi and the Islamic extremists;

- the economic benefits of the supplemental will begin to offer tangible evidence of a better future.

16. My final word must be a tribute to all the British staff who have worked in the CPA. They are a remarkable bunch of people who have done an extraordinary job in the face of hardship and danger. A British secondee and one of his close protection team were killed when their car was blown up; another British secondee badly injured in a rocket attack. Despite the risks, they got on with their work and in an organisation which repaid initiative exercised influence out of all proportion to their numbers. Their courage and fortitude were exemplary.

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