

June 1, 2009

By fax to: (703) 613-3007

Information and Privacy Coordinator  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Coordinator:

Under the Freedom of Information Act, 5 U.S.C. subsection 552, I am requesting information described in this CIA announcement:

U.S. INTELLIGENCE SHARING WITH IRAQ DURING THE IRAN-IRAQ WAR -  
1980-1988

In 1991, the former Director of Central Intelligence and current Secretary of Defense, testified before the U.S. Senate Select Committee on Intelligence - SSCI. Director Gates discussed the sharing of U.S. Intelligence with Iraq during the Iran-Iraq war (1980-1988).

Eight years later, on January 20, 1999, the National Security Archive sought out records concerning this intelligence sharing by submitting a request to the CIA. They assigned it case number F-1999-00204. There it sat for another 10 years. The records are now 20-30 years old.

The CIA indicates that it has not yet completed the request. Nevertheless, it is nearing completion.

If you would like to obtain a copy of the documents soon to be released on the topic of U.S. Intelligence sharing with Iraq during the Iran-Iraq War, simply send a request mentioning the Freedom of Information Act to:

Delores M. Nelson  
Information and Privacy Coordinator  
Central Intelligence Agency  
Washington, DC 20505

If there are any fees for searching for, reviewing, or copying the records, please let me know before you task my request.

Sincerely,

John Young  
251 West 89th Street  
New York, NY 10024  
212-873-8700

Central Intelligence Agency



Washington, D.C. 20505

June 11, 2009

Mr. John Young  
251 West 89<sup>th</sup> Street  
New York, NY 10024

Reference: F-2009-01142

Dear Mr. Young:

This is a final response to your 1 June 2009 Freedom of Information Act request, received on 1 June 2009 in the office of the Information and Privacy Coordinator, for copies of the documents on the topic of U.S. Intelligence sharing with Iraq during the Iran-Iraq War that were released in F-1999-00204.

Enclosed are six documents totaling 39 pages that were released in the earlier request. As a matter of administrative discretion, and in accordance with our regulations, the Agency has waived the fees for this request.

Sincerely,

A handwritten signature in cursive script that reads "Delores M. Nelson".

Delores M. Nelson  
Information and Privacy Coordinator

Enclosures

APPROVED FOR  
RELEASE DATE:  
09-Jul-2008

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IMMEDIATE

REF: . . . . .

STAFF

[Redacted]

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PAGE 001  
TOT: 300531Z JUN 88

[Redacted]

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BRIEF 300530Z [Redacted]  
TO: IMMEDIATE [Redacted] ROUTINE MEA BRIEF.

WNINTEL

[Redacted]

SUBJECT: MIDDLE EAST BRIEF OCPAS MEA 88-152 FOR 30 JUNE 1988.

FROM: DDI/O/CPAS.

CIAC CPAS - MEAB 88-152 . . . . .

CONTENTS

- 1. IRAN-IRAQ: SITUATION REPORT
- 2. IN BRIEF

1. IRAN-IRAQ: SITUATION REPORT

MILITARY ACTIVITY

[Redacted]

TEHRAN WILL RECEIVE A UN DELEGATION TO INVESTIGATE ITS CLAIMS OF IRAQI CHEMICAL WEAPONS USE IN THE FIGHTING; THE DELEGATION WAS SCHEDULED TO LEAVE EUROPE YESTERDAY. [Redacted]

COMMENT: BAGHDAD CONTINUES TO CONSOLIDATE ITS GAINS [Redacted] AND IS LIKELY TO REINFORCE ITS DEFENSIVE LINES WHILE UNITS INVOLVED IN THE RECENT FIGHTING ARE PULLED BACK INTO RESERVE. REPUBLICAN GUARD AND ARMORED UNITS MAY SOON BEGIN TRAINING FOR IRAQ'S NEXT ATTACK. [Redacted]

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[Redacted]

PAGE 002  
TOT: 300531Z JUN 88

[Redacted]

[Redacted] TEHRAN'S REQUEST FOR THE UN MISSION INDICATES  
[Redacted] WILL KEEP TRYING TO FOCUS INTERNATIONAL ATTENTION ON IRAQI'S  
USE OF CHEMICAL WEAPONS AND THAT IT MAY HAVE EVIDENCE FROM THE  
RECENT FIGHTING. [Redacted]

IRAQI CRITICISM OF THE US

IRAQI PRESIDENT SADDAM HUSAYN PUBLICLY CRITICIZED THE US  
TUESDAY FOR PROVIDING IRAN WITH INTELLIGENCE ON IRAQI PREPARATIONS  
TO RECAPTURE THE MAJNOON ISLANDS. HE CHARGED THAT SOME OF THIS  
INFORMATION WAS OBTAINED FROM SATELLITE PHOTOGRAPHY AND THAT THE  
PRESS, QUOTING US INTELLIGENCE SOURCES, PREDICTED THE ATTACK. THE  
GOVERNMENT-CONTROLLED IRAQI PRESS IS ALSO ATTACKING THE US FOR  
HOLDING A MEETING WITH IRAQI KURDISH REBEL LEADER JALAL TALABANI  
EARLIER THIS MONTH. THE IRAQIS ARE DEPICTING THIS AS EVIDENCE OF A  
SHIFT IN US SUPPORT TO IRAN NOW THAT BAGHDAD ENJOYS THE MILITARY  
EDGE. [Redacted]

COMMENT: THE IRAQIS APPEAR TO BE CONCERNED THAT THE MEETING  
WITH TALABANI IS A WARNING NOT TO PRESS THEIR MILITARY ADVANTAGE TOO  
FAR. BAGHDAD HAS LONG RESENTED WHAT IT BELIEVES WAS US SUPPORT FOR  
THE IRANIAN- AND ISRAELI-BACKED KURDISH REBELLION IN THE MID-1970S  
THAT FORCED IRAQ TO ACCEPT A BORDER AGREEMENT WITH IRAN. SADDAM'S  
CRITICISM MAY ALSO BE INTENDED IN PART TO FLAUNT A VICTORY ACHIEVED  
DESPITE IRAN'S ADVANCE KNOWLEDGE OF THE OFFENSIVE. [Redacted]

[Large Redacted Area]

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Director of  
Central  
Intelligence

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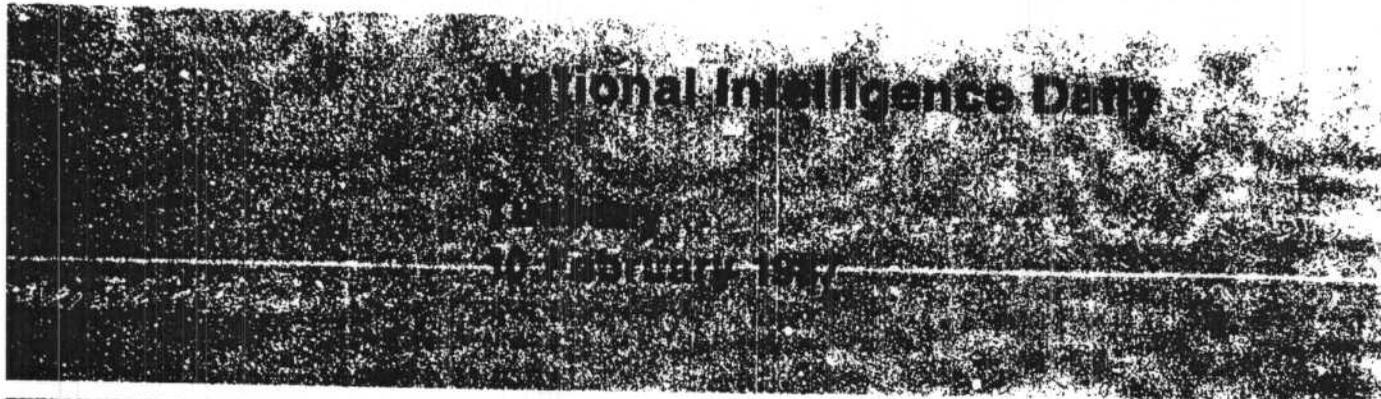
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CIA/CPAS NID 87-033JX



APPROVED FOR RELEASE  DATE:  
07-14-2008



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CPAS NID 87-033JX  
TCS 2783:87  
10 February 1987

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IRAQ-US:

**Relations Strained**

**Baghdad's current anger over US policy toward Iran and Iraq is grounded in Iraqi suspicions that the US wants to prolong the war—suspicions that will be difficult to reverse.** [redacted]

[redacted] the Iraqis are venting their bitterness over US arms sales to Iran and over their perception that Washington has failed to respond to their concerns. Iraqi intelligence has been harassing the acting US defense attache, and the regime insisted for a time that the US Ambassador personally pick up diplomatic pouches. In more public actions, First Deputy Prime Minister Ramadan has charged the US provided false information to Iraq, and the Iraqi press has become more critical of the US.

Although the Iraqis never fully overcame their mistrust of the US, Iraqi leaders, particularly those who supported closer ties to the US, feel betrayed and humiliated by perceived US deception. [redacted]

[redacted] The Iraqis now wonder if the US wants an endless war that would bleed both Iran and Iraq—a policy goal they also ascribe to Israel. [redacted]

[redacted] Baghdad is especially troubled by US reticence to discuss Israel's role in the Iranian affair, US statements that arms sold to Iran were defensive, US-Iranian meetings in West Germany in December, and US failure to make a point of Iraq's importance publicly. Baghdad believes the US is still focusing on improving relations with Iran at Iraq's expense. [redacted]

**Comment:** Recent developments have erased most of the gains in bilateral relations since diplomatic relations were restored in 1984. Iraq's anger and suspicion probably are even deeper than it is expressing; it wants to avoid driving the US closer to Iran. For that reason, Baghdad is likely to maintain proper, if cool, working relations with Washington. [redacted]

Iraqi leaders will be extremely wary of any US efforts to mollify Baghdad or to seek closer cooperation with Iraq or other Arab states—even after the war. The recent developments have weakened key US contacts in the regime who are proponents of closer bilateral relations, particularly Foreign Minister Aziz, and strengthened Iraqi leaders, like Ramadan, who advocate closer ties to Moscow. [redacted]

Nevertheless, the Iraqis probably see little chance of significantly increased support from the USSR, which is distrusted for its arms embargo against Iraq early in the war. They believe both superpowers regard Iran as the greater geopolitical prize. [redacted]

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TOS 733:87

10 February 1987

APPROVED FOR RELEASE   
 DATE: 07-14-2008

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22 July 1986

Talking Points for the DDI

How Can the United States Help Iraq?  
 22 July 1986

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The United States can do little militarily--short of direct combat intervention--that would improve Iraq's military position against Iran. Increased US political and economic support would strengthen Baghdad temporarily but would not overcome Iraq's main weakness--Saddam Husayn's mishandling of the war. Even a change of leaders would not necessarily improve the situation because Saddam's successors are likely to continue the same policies in the near term.

Baghdad's meddling in military matters and its unwillingness to use its forces effectively undermine Iraq's overwhelming superiority in firepower and equipment.

- Iraq has no shortage of modern military equipment and has the largest army in the Arab world. Baghdad's fear of casualties and equipment losses hinders Iraq's use of such forces--especially its air force.
- Baghdad has never allowed Soviet advisors among combat units and is unlikely to allow US advisors in Iraq. Iraq has competent commanders, but they are prevented from fighting effectively.

Increased US political support would improve Iraqi morale only temporarily. Strong US pressure on countries to limit or reduce their political and economic support for Iran would be needed to offset the growing view that Iran will win the war.

- Direct US expressions of support and pressure on Arab countries to maintain or increase their political and economic aid would shore up flagging Iraqi civilian morale. Without an improvement in the military situation, however, civilian support for the regime and the war will continue to erode.

This document is classified  
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 in its entirety.

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- Pressure from Arab leaders--President Mubarak and King Husayn of Jordan--might persuade Baghdad to alter its battlefield tactics.
- Maintaining the arms embargo against Iran remains crucial in limiting Tehran's military capabilities against Iraq. A weakened embargo may give Iran just enough ammunition or new artillery to launch an offensive that would cause Iraq's defenses to crumble.

US economic support would help reduce current Iraqi economic difficulties that are likely to add considerably to a decline in Iraqi morale.

- US approval of Exim Bank financing would encourage other countries to provide Baghdad with additional credit to buy imports.
- Additional purchases by US firms of Iraqi oil would slightly improve Baghdad's foreign exchange situation.

#### IRAQ-IRAN MILITARY FORCES

	<u>Iraq</u>	<u>Iran</u>
Ground Forces Manpower	800,000	800,000 to 1,000,000
Armored Vehicles	7,000	500-600
Artillery	2,400	900
Operational Combat Aircraft	550	50

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APPROVED FOR RELEASE DATE:  
14-Jul-2008



(b)(3)  
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OCA 87-5953  
10 November 1987

MEMORANDUM FOR THE RECORD

SUBJECT: Testimony Before the Subcommittee on Europe and the Middle East and the Subcommittee on Arms Control, International Security and Science, Committee on Foreign Affairs

1. On 10 November 1987, at 1000 hours, in room 2200 Rayburn House Office Building, the Subcommittee on Europe and the Middle East and the Subcommittee on Arms Control, International Security and Science, Committee on Foreign Affairs, received testimony on the Iran/Iraq war and the Persian Gulf issue. A transcript was taken. (U)

2. Present from the Subcommittees were:

Lee H. Hamilton (D., IN)	Benjamin Gilman (R., NY)
Mel Levine (D., CA)	Robert Lagomarsino (R., NY)
Stephen Solarz (D., NY)	Donald Lukens (R., OH)
	Doug Bereuter (R., NE) (U)

3. Present from the Subcommittee staffs were:

Chris Kojm	Katherine Wilkens
Mike Van Dusen	William Fite
Toni Verstandig	Ivo Spalatin
Hillell Weinberg	Rita Janey Wright-Rutan (U)

4. Present from CIA were:

B.E. Layton, Director, Near Eastern and South Asian Analysis, Directorate of Intelligence  
 [Redacted] Office of Near Eastern and South Asian Analysis, Directorate of Intelligence  
 [Redacted] Office of Near Eastern and South Asian Analysis, Directorate of Intelligence  
 [Redacted] Deputy Director, [Redacted] Office of Congressional Affairs  
 [Redacted] Office of Congressional Affairs  
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5. Mr. Layton began the testimony by giving a brief statement covering the five areas of concern that Mike Van Dusen, Subcommittee staffer, had given to the Office of Congressional Affairs, in preparation for this testimony. Those five areas of concern were: the Iranian domestic situation; the Iraqi domestic situation; Iranian intentions as best we can describe them; arms supply to the two combatants in the Gulf; and the question of stability in the Gulf states themselves. (Copy of opening talking points attached.)

6. After Mr. Layton's opening statement, a round of questioning followed. Some areas of concern covered were: the gradual escalation of activity in Iran and why we think this is happening; interest of bringing the war to a conclusion between Iran/Iraq; the possibility that Iran will launch another offensive this winter; whether Iran is considered stronger or weaker than at this time last year; the reliability of information the Intelligence Community receives; the support the Soviets are giving Iraq in terms of arms sales and the fact that they have undertaken to lease both to Kuwait; the War Powers act; deflagging of the reflagged ships; the motivation of the Chinese selling arms to Iran; and the Silkworm missiles that the Chinese have directly or indirectly sold to Iran.

8. There was one other outstanding question from Mr. Lukens. He wanted to know how many countries at last count, including Switzerland and Sweden, have sold arms to Iran? This is being provided by the Office of Global Issues.

Office of Congressional Affairs

Attachments

Distribution:

Orig. - OCA Record (Bfg. Folder)

1 -  Chrono

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Director of  
Central  
Intelligence

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SNIE 34/36 2-86

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# Is Iraq Losing the War?

Special National Intelligence Estimate

APPROVED FOR  
RELEASE DATE:  
14-Jul-2008

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SNIE 34/36.2-86  
April 1986

Copy 441

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**THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.**

**THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.**

*The following intelligence organizations participated in the preparation of the Estimate:*

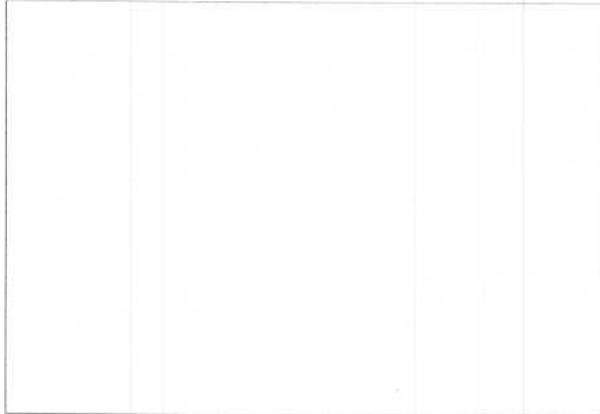
The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Department of State, and the Treasury.

*Also Participating:*

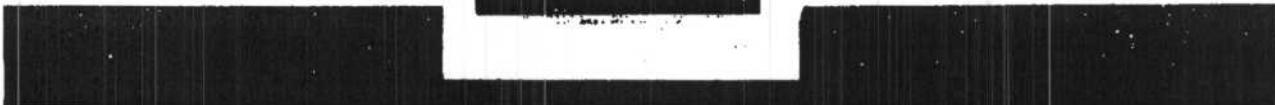
- The Assistant Chief of Staff for Intelligence, Department of the Army
- The Director of Naval Intelligence, Department of the Navy
- The Assistant Chief of Staff, Intelligence, Department of the Air Force
- The Director of Intelligence, Headquarters, Marine Corps



**NATIONAL SECURITY INFORMATION**  
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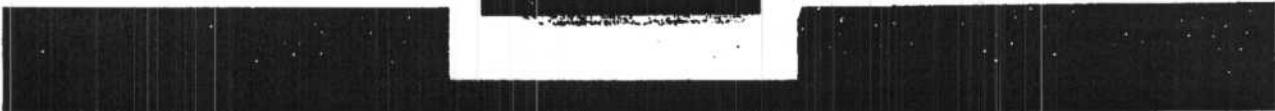
SNIE 34/36.2-86

IS IRAQ LOSING  
THE WAR?

Information available as of 3 April 1986 was used in the preparation of this Estimate, which was approved by the National Foreign Intelligence Board on that date.

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SCOPE NOTE

This paper examines the prospects of an Iraqi defeat in the Gulf war. The paper addresses trends in the war and is not limited to a specific time frame. While the paper focuses on Iraq, Iranian resolve and vulnerability to attack are considered to gauge the likelihood and implications of a significant shift in Iraq's war policies.

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## KEY JUDGMENTS

A continued failure by Baghdad to exploit its many military advantages over Iran will mean that Iraq will suffer additional military setbacks and probably lose the war over the long term. Iraq's strategy—to outlast Iranian resolve to bring down the Ba'thist regime—will not work unless Baghdad substantially raises the costs to Iran. Only a change to a much more aggressive posture designed to preempt Iranian offensives and cripple Iran's economy would turn the war around:

- Despite Iraq's advantage in weaponry, its objective is only to *end*, and not *win*, the war—that is, to emerge with the Ba'th regime and Iraqi territory intact. The regime translates this objective into a reactive, ineffective use of its military forces that has largely yielded the initiative to Iran.
- Although both Iraq and Iran are vulnerable to political unrest caused by war weariness and economic problems, in the short term *Iraq's* internal situation is more vulnerable because of declining civilian morale and more acute manpower shortages. Moreover, the narrow base of Saddam's regime makes him more susceptible to challenge and possible removal with little warning.

Iran's vital economic and military facilities remain highly vulnerable to Iraqi air attack, and a sustained and effective Iraqi campaign against these targets could severely limit Iran's ability to fight the war and ultimately force the regime to reconsider its policies—short of making peace. Baghdad's failure to launch a concerted air campaign emanates from a deeply ingrained aversion to broadening the scope of the war. Baghdad could well go on resisting meaningful change on this issue until it is too late.

Iran's recent military successes have caused further decline in the morale of Iraq's war-weary population—Iraqis are depressed over heavy casualties from a seemingly unending conflict they fear they are not winning. At the moment, Iraqi troops still have the will to resist Iranian attacks and Baghdad faces little organized dissidence outside of Kurdistan, but further Iranian successes will heighten discontent over the war, embolden opponents of the regime, and make security more difficult.

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On the basis of very limited evidence, we believe grumbling over Saddam's conduct of the war is already growing among both military and civilians and increases the chances of assassination or, less likely, a coup. Would-be coup plotters currently are restrained by Iraq's vigilant security services and the belief that Saddam's fall would embolden Tehran to forge ahead to entirely eliminate Ba'thist rule in Baghdad. If Iraq does not begin to fight the war more effectively, some military officers may conclude that although Iraq *may* be defeated without Saddam, it *will* lose if he stays. Most Iraqis probably would rally behind a new leadership [redacted]

The leaders of a military coup probably would pursue more aggressive war policies than a civilian regime, but a successor regime—whether civilian or military—would suffer from infighting and increased internal dissidence. Iran probably would find any non-Shia successors unacceptable as negotiating partners. [redacted]

Meanwhile, declining oil revenues will hamper Baghdad's "guns-and-butter" policy of paying for both the war and the consumer goods necessary to maintain the civilian economy and morale. Unless Iraq's Persian Gulf allies substantially increase their financial aid, Baghdad will be forced to cut imports by at least 25 percent, largely at the expense of industrial and consumer goods and services. [redacted]

For its part, Iran is likely to launch a series of medium or small-scale border attacks in 1966 to weaken Iraq's defenses. If Tehran judges that Iraq's military, political, and economic situation has deteriorated significantly, Iran will launch a large offensive, hoping that a single major blow would shatter Iraq's will to fight and cause the collapse of the regime in Baghdad. Nevertheless, Iran probably will have significant logistic problems if it attempts to launch a major offensive. [redacted]

Iran's initial success at Al Faw has hardened the clerical regime's resolve to continue the war until the Ba'thist regime is toppled. The most likely post-Khomeini government will not be more conciliatory if the military gains more battlefield successes. [redacted]

Iran's leaders are unlikely to scale back the war effort in the next 12 months unless the war leads to serious popular discontent. In the event that Iraq inflicted crippling damage to the Iranian economy in as soon as four months, and certainly within a year, Iranian leaders would face instability severe enough to force a rethinking of their war policy. [redacted]

In the event Iraq did maintain a campaign of effective air attacks, Iran would respond by first increasing operations against shipping in the Persian Gulf and, if desperate, attacking Iraqi cities. If Iraqi attacks

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began to weaken the Iranian economy seriously, the Iranians would very likely launch terrorist or commando attacks on the Arab Gulf states. Iran would be reluctant to expand the ground and air war into these countries. It probably would not try to blockade or interdict all shipping through the Strait of Hormuz because of fear about US or Western intervention.

The defeat of Iraq or the establishment of a credible Islamic republic in southern Iraq would significantly increase the threat of instability for countries such as Kuwait and Bahrain, which have large Shia populations. Shia restiveness in the Eastern Province of Saudi Arabia would also grow, as would the potential for sabotage against oil facilities. Political and ideological pressure from Iran probably would cause the Gulf Cooperation Council states to draw closer together and appeal to the West for diplomatic and even military support to discourage Iranian intervention.

The Gulf war has not served Moscow's overall interests in the region—largely giving the United States greater opportunity to play a security role in the Gulf and to improve its ties to Baghdad. Moscow has consistently called for an end to the war, fearing that US strategic interests would continue to gain at Soviet expense. Despite Moscow's support for Baghdad, the Soviets do not want either Iran or Iraq to emerge as clear victor. Moscow has long preferred a relative balance between the two countries as the best way to exert its influence in the region.

If the Soviets believed that a major Iraqi defeat loomed on the horizon, they would be under considerable pressure to help Baghdad. The credibility of the USSR would be at stake if it were perceived as unwilling to assist a country near its borders with whom it enjoyed longstanding ties. Furthermore, even though the Soviets would be unlikely to engage in direct combat support to Iraq against Iran, lending Baghdad military aid would hold several advantages for Moscow:

- It would place the USSR in the position of major player in the Gulf, rivaling the United States.
- The United States would be hard put to condemn the Soviets since the request would come from a regime that the United States itself has not wished to see collapse.
- Moscow might see this as a way to force a dialogue with the United States about joint handling of regional security issues—including the Arab-Israeli problem.

We believe it more likely, however, that Moscow would be reluctant to send Soviet ground or air forces into Iraq, even if invited.

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The Soviets would have several less risky options for demonstrating their credibility as an ally and as a major arbiter of Gulf politics. The Soviets could pursue some combination of the following initiatives:

- Deliver new weapon systems.
- Supply additional military advisers and intelligence.
- Increase tensions along Iran's border with the USSR and step up military operations in western Afghanistan.
- Enforce an embargo on Soviet-made arms reaching Iran from Eastern Europe.
- Stop the transit of Iranian imports crossing Eastern Europe and the USSR. (S NF)

Short of sizable direct intervention, there is little the United States could do to shore up the Iraqi military position. Iraq remains well armed, and US military aid or advisers would only marginally improve Iraq's ability to defend itself against Iran. As long as Iran continues to have access to its non-Western suppliers—Libya, Syria, North Korea, and East European countries—it can maintain its military effort at current levels indefinitely. Under these conditions, a further tightening of the Western arms embargo on Iran will have little effect. (S NF)

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DISCUSSION

### The Sixth Year of War

1. The Iran-Iraq war has dragged on for more than half a decade with neither side able to end the conflict. Both countries have been weakened by war expenses and property losses estimated at a quarter trillion dollars and over a million casualties. Although Iraqi and Iranian military fortunes have waxed and waned, Iran's initial military success at Al Faw raises questions about Baghdad's staying power and whether Iraq may be losing the war.

### Different Strategic Objectives

#### Iraq

2. Iraq's objective since 1982 has been to end the war with the Ba'ath regime and Iraqi territory intact. The government and populace are extremely sensitive to casualties, and the regime must weigh the human costs of each step it takes. Similarly, Saddam Husayn believes that any efforts to improve the effectiveness of his military must also guard against the emergence of any political rivals who could exploit the country's war weariness to seize power. These factors have heavily influenced Iraq's war strategy, which is to:

- Defend Iraq against Iranian attacks, making clear Iraq's readiness to negotiate the war's end. Iraq hopes this strategy will wear down Iranian will over time, prevent a popular outcry in Iraq, and ensure continued international support.
- Husband its resources for a long war. Use superior firepower and technology to inflict unacceptable casualties on Iran while minimizing Iraq's losses.
- Maintain economic pressure on Iran.
- Maintain popular support for the war effort by shielding the populace from the costs of the war. Provide heavily subsidized consumer goods and generous compensation to casualties or their survivors.

3. The Iraqi leadership perceives its strategy as being a reasonable one given the military situation, domestic, and foreign policy concerns. Iraq has consistently allowed its defensive strategy to become a reactive one, however, forfeiting the initiative to the

Iranians. Iraqi execution of the war is characterized by interference by politicians in military matters, misuse of modern weaponry, unaggressive commanders, and reluctance to preempt Iranian offensive preparations or conduct their own offensives. Additionally, sporadic, unaggressive, and limited air attacks on oil facilities, shipping, and civilian targets have inflicted little serious damage to Iran's economy.

**Table 1**  
Estimated Manpower and Equipment,  
February 1986

	Iraq	Iran
All armored vehicles	9,000	2,000
Artillery	2,350	700
Operational combat aircraft	450-500	50-60
Personnel under arms*	800,000-950,000	600,000-1,000,000

\* Includes regulars, reservists, and irregular troops

4. Although the replacement of incompetent commanders and more aggressive tactics in the ground and air campaigns would improve Iraqi military effectiveness, the Ba'athist regime's mistakes in pursuing its war goals will not be easily reversed. Key officials are keenly aware that their own miscalculations of Iran's resolve and military effectiveness have led to their current situation. This fact, combined with the mistakes presented above, stifles initiative, traumatizes decisionmakers, and leads to a hesitant and risk-averse approach to war fighting. Ironically, the more the threat from Iran increases, the more sensitive the regime must be to the political reliability of its commanders and simply holding on to power.

\* The community remains uncertain about the precise reasons for Iraq's hesitancy to mount a sustained air campaign against Iran. Possible explanations range from a deeply ingrained fear of expanding the war (in light of previous disastrous miscalculations) to fear of the specific consequences of such a move, such as aircraft losses or retaliation. Many analysts feel that none of these adequately explains continued Iraqi restraint in the face of significant reverses in the war.

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5. Iraq's prolonged hesitancy about mounting a sustained and effective air campaign against Iranian economic targets raises serious doubts that it ever will do so. (For a more complete discussion of Iran's vulnerability, see annex.) It probably will continue with incremental, though not necessarily effective, air attacks in the Persian Gulf and Iran. In our judgment, the Iraqi Air Force has the capability of inflicting damage on the Iranian economy that would limit Iran's ability to fight the war and ultimately force the regime to reconsider its policies—short of making peace. [ ]

6. The shock of the defeat at Al Faw and the loss of an Iraqi city—albeit unoccupied—has provided the strongest stimulus to date for the Saddam regime to alter its policies and use an air campaign to raise the costs of the war for Iran. Iraq has, in fact, increased the frequency of attacks launched, but this incremental shift has been ineffective. If the Iraqis suffer further setbacks, they may continue to increase the tempo of the air war. The effects of these attacks on Iran's population and economy, however, could occur as much as six months downstream. If Iraq waits until its strategic situation is unraveling, Iranian resolve will have increased, and an economic campaign may well come too late. [ ]

7. Significant casualties in 1986 would very likely undermine Iraqi military capabilities even though Iraq's equipment outnumbers Iran's by between two and eight to one in tanks, artillery, and aircraft. Recent losses have already weakened elite Iraqi units that Baghdad has often depended on in crisis. Further casualties increase Iraq's dependence on new, inexperienced recruits and reservists. Although 177,000 Iraqi males reach draft age each year, poor civilian morale is likely to increase draft dodging and desertions, further reducing Iraqi military manpower. [ ]

#### Iran

8. Unlike Baghdad, Iran's objective has been to win the war. Khomeini's objectives—the removal of Saddam Husayn and the Ba'athist regime and the establishment of a fundamentalist pro-Iranian regime in Iraq—have not changed during the conflict. To achieve these objectives, Iran has waged a war of attrition against Iraq to weaken civilian support for the regime in Baghdad and demoralize, weaken, and eventually cause the collapse of the Iraqi armed forces. [ ]

9. Iran will continue to retain the military initiative by maximizing its military advantages, especially in manpower and religious fervor. It uses its Basij minimally trained volunteers and Revolutionary Guard troops to overwhelm Iraqi defenses and force Iraq to mount costly counterattacks. Iranian commanders have demonstrated aggressiveness and imagination on the battlefield by launching surprise attacks on weak defenses, in bad weather, or in poor terrain, which neutralizes Iraqi's mechanized forces. Iran's tactic of seizing mountainous or swampy territory forces Baghdad's armor-heavy forces either to concede the area or try to recapture it and suffer heavy losses. [ ]

10. Nevertheless, we believe that equipment shortages, supply problems, and interservice rivalries will continue to hinder Iranian military capabilities. Lack of armor, artillery, and aircraft will limit the tempo, duration, and extent of Iranian attacks. The US-backed arms embargo has reduced or cut off most of the large arms sales to Iran from Western countries, although Tehran has received military supplies from the black market, Third World manufacturers, the Soviet Bloc, North Korea, Libya, and China. We believe that such purchases probably will not be large enough or arrive in Iran in time to influence battles significantly in the next year. Friction between the regular armed services and the Revolutionary Guard will also continue to undermine Iranian operations. [ ]

11. Declining oil prices and the falling value of the dollar alone probably will not place unmanageable economic pressure on the war efforts of either Iran or Iraq over the next several months. The low cost of Iran's "labor-intensive" war strategy and Arab financial aid to Baghdad probably will prevent critical shortages of military supplies in either country. Over the longer term, however, Iran will find it difficult if not impossible to afford large quantities of weapons and munitions, even if it can find suppliers. [ ]

12. With a pool of over 460,000 Iranian males reaching draft age each year, Tehran will be able to fight indefinitely at current or even higher levels and still not suffer manpower shortages. Moreover, Iran probably can mobilize hundreds of thousands of volunteers and reservists for major battles. [ ]

#### War on the Home Front

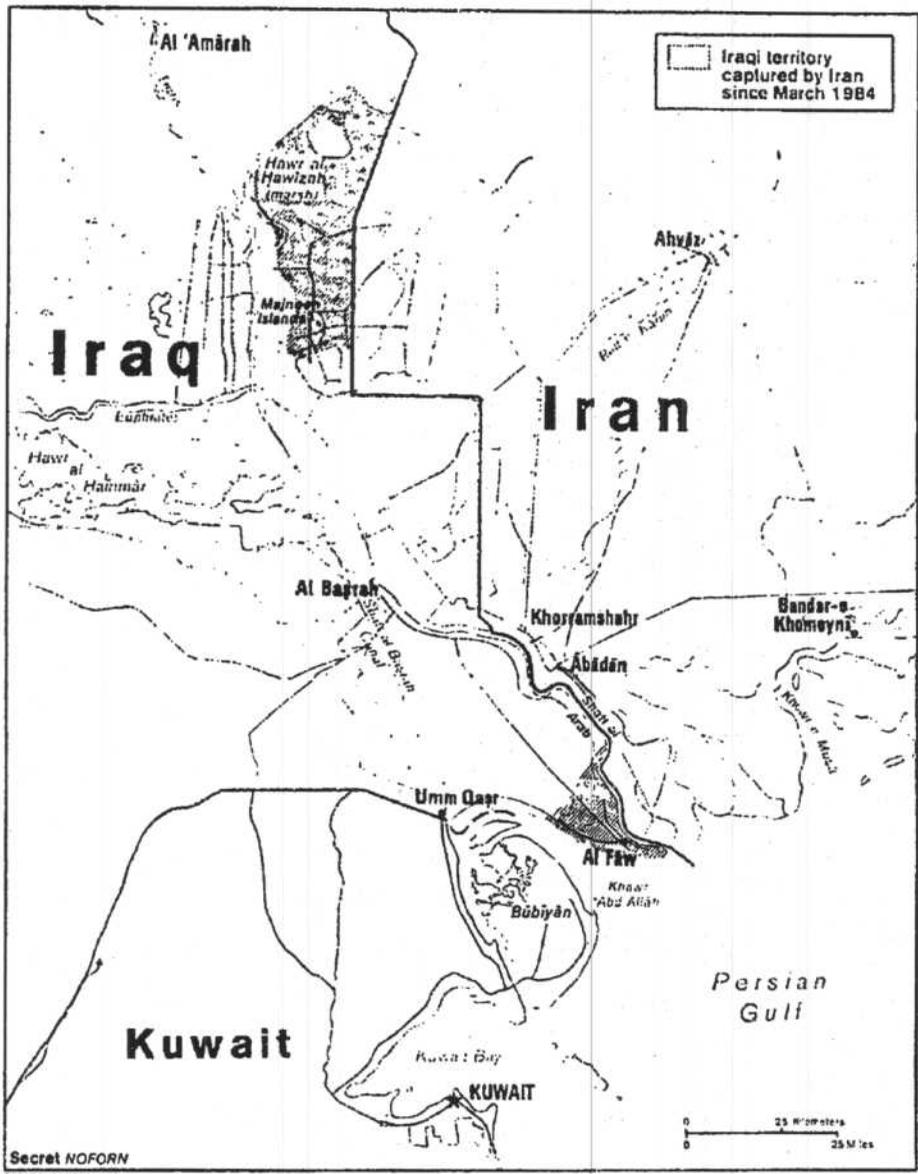
##### Iraq

13. Iran's crossing of the Shatt al Arab waterway—an important defensive and psychological barrier—and seizure of Al Faw port have caused further

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decline in the morale of Iraq's war-weary population. The Iraqis are increasingly depressed over heavy casualties and the prospects of still more losses in a conflict they fear they are not winning. Iraq has suffered about 400,000 casualties in the five-and-a-half-year-old war—the equivalent of over 5.8 million in a population the size of the United States or 11 percent of Iraqi males of military age.

**Table 2**  
Estimated Casualties,  
September 1990-February 1991

	Iraq	Iran
Military killed and wounded	373-400	600-650
Civilians	10	75
Total population	15,500	43,000

14. At the moment, Iraqi troops still have the will to resist Iranian attacks. If Iran achieves a series of military successes, however, Iraqi morale and determination to fight will deteriorate. Saddam and the ruling Ba'th Party are not popular, but the majority of Iraqis—even the Shias, who comprise 55 percent of the population and 70 to 80 percent of Iraq's fighting forces—appear to prefer secular Ba'thist rule to Iran's brand of Islamic fundamentalism. The Ba'thists have vigorously courted Iraq's Shias by employing an astute, but expensive, combination of carrots and sticks. Despite vast improvements in the standard of living of Shias under Saddam and efforts to integrate them into society, most Shias are lukewarm toward the regime. As the death toll mounts, the apparent enthusiasm they once felt for Saddam has switched to resentment over his starting the costly war and his inability to end it.

15. Declining oil revenues will hamper Baghdad's efforts to shore up sagging spirits. Until recently, the regime has effectively shielded consumers from war-related deprivations. Baghdad has instituted price controls and price subsidization of basic necessities, free or heavily subsidized public services, and gifts to officers and families of the war dead. These measures have been reduced gradually over the past three years, and falling oil prices, combined with the decline in the value of the dollar, will force still more austerity measures.

16. Despite the recent opening of the oil pipeline to Saudi Arabia, we expect Iraqi oil exports to generate only about \$5.5 billion this year, leaving a shortfall of \$5 billion at current import rates. Even if, as appears likely, Iraq can persuade foreign creditors to roll over some \$1.5 billion in debt payments due this year and Gulf allies provide aid of about \$3.0 billion, Iraq must pare imports by 25 percent.

17. Barring a sharp increase in financial aid from the Gulf states, the burden will fall largely on imports of industrial and consumer goods and services. Ministries reportedly are preparing to lay off workers, and shortages of important consumer goods have already appeared. Further cuts in benefits for military officers also seem likely. Iraqi efforts to pursue more restrictive fiscal and monetary policies will not prevent inflation from increasing.

18. Iraq's security services—widely regarded as among the most brutal and effective in the Arab world—have largely eliminated most organized dissidence outside of Kurdistan and intimidated potential dissidents. The task of the services will be more difficult in the coming year. There have been more reports of open civilian and military criticism of Saddam's leadership. This development could embolden dissidents, but the very effectiveness of the police state will tend to mask indications of impending trouble.

19. At present, Dawa and other Shia dissident groups are divided and weak. The arrest of Dawa and other Shia activists, the execution of prominent leaders, and the expulsion of over 60,000 Shias of Iranian descent appear to have forced Shia rebels to operate largely outside Iraq.

20. Kurdish guerrillas seeking greater autonomy pose a growing, but still manageable, threat. Some 8,000 rebels control much of the mountainous border areas north of Mosul, Irbil, Kirkuk, and As Sulaymaniyah from which they stage attacks against government, military, and economic targets. The Kurds—who receive limited military support from Syria, Libya, and Iran—are likely to step up their operations in the spring and summer and will continue to tie up thousands of Iraqi militiamen. Baghdad, however, probably will not have to divert significant numbers of troops from the front to contain the Kurds.

#### Outlook

21. We believe Iran is likely to launch a series of medium or small-scale attacks along the border in 1996 to maintain pressure on Iraq. Tehran may judge

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that operations similar to Al Faw could cause the Iraqi Army to crumble or will help prepare the way for a major Iranian attack in late 1986 or early 1987. A series of small-scale attacks would tire and disperse Iraqi units, wear out equipment, and keep the Iraqis in a constant state of alert and apprehension. Tehran would portray such operations as a succession of Iranian victories in order to lower Iraqi civilian morale, foment popular unrest, and weaken support for the Baghdad regime. If, however, Iran fails to keep up military pressure on Iraq, Baghdad will reinforce its defenses, rebuild its forces, and be in a better position to resist Iranian attacks in 1987.

22. If Tehran judges that the Iraqi military and political situation has deteriorated in 1986, it will most likely try to launch a large-scale offensive in hopes that a major blow will shatter Iraqi defenses. Iran would probably see a combination of coup attempts or plots, civilian unrest, poor combat performance by many Iraqi units, and large-scale desertions as evidence that an offensive would very likely succeed. The attack probably would attempt to isolate and capture Al Basrah or the Iraqi cities of Mandali or Khanaqin. If Iran can overcome significant logistic difficulties, the Iraqis might not be able to redeploy units quickly enough to stop Iranian advances, and Iraqi defenses in the south could collapse. Because of the potential magnitude of this loss and probable continuing Iranian attacks, remaining Iraqi forces probably would be sorely tested to stop further Iranian advances.

23. Such major Iraqi military defeats might spur efforts by disgruntled Iraqis to assassinate Saddam. He has escaped over a dozen such attempts since the Ba'thist coup in 1968. If Saddam is assassinated or dies a natural death, the Revolutionary Command Council—Iraq's highest ruling body—would appoint his successor. No successor would enjoy a strong power base, and a collegial type of leadership would emerge that would give greater influence to the military. The new government would test Iran's willingness to end the fighting following Saddam's removal—one of Tehran's principal negotiating demands.

24. Saddam's death would trigger maneuvering for power by various military and civilian Ba'thists, embolden opposition to the Ba'thists, and probably reduce the effectiveness of the security apparatus. Most Iraqis, however, probably would rally behind the new leadership, and it is possible that a collective leadership, more open to alternative views, might even fight the war more effectively.

25. In any event, the risk of a military coup will continue to increase unless Baghdad's war fortunes reverse or Iran shows signs it might be willing to end

the war. There are more indications of crumbling over mismanagement of the war in the military and among civilians. Officers and troops are upset over political interference in military decision making and Iraq's inability to bring Tehran to the bargaining table despite Baghdad's superiority in military commitment. So far, the dissidence remains unorganized.

26. A coup is unlikely in the next few months—absent a major military setback—because of Saddam's effective security apparatus and his appointment of loyalists to key positions in the military. Moreover, we believe military officers would be reluctant to risk switching leaders in wartime. Instead, the military probably will press Saddam for policy and operational changes to improve Iraq's war making ability. If Saddam does not comply, and Iraq experiences more reverses, elements within Iraq's military are increasingly likely to conclude that, although the war may not be winnable without Saddam at the helm, they are certain to lose if he stays.

27. The leaders of a military coup—almost certainly Ba'thists—would rule collegially and would follow policies similar to those of civilian successors to Saddam. Military rulers, however, probably would pursue more aggressive war policies than a civilian regime. Successor regimes, whether civilian or military, would suffer from infighting and increased internal dissidence. For its part, Iran would not find Ba'thist military officers any more to its liking than civilian Ba'thists.

#### Iran

28. We do not expect Khomeini to change his conditions for ending the war over the next 12 months. The success at Al Faw has hardened the regime's resolve to continue the war until the Ba'thist regime is toppled and an Islamic government is established.

29. An improved Iranian military situation will also reduce the already slim chance that a post-Khomeini government would change Iran's objectives. Even if the war remained stalemated, the likely successor government probably would initially be uncompromising on the issue of Saddam. The principal contenders for power after Khomeini's death will try to outbid each other for recognition as the chief protector of his legacy, including, especially, his adamant opposition to the Iraqi Ba'thists. None of the contenders would want to give opponents an issue to exploit by advocating a softening of Iran's war policy, particularly while the military is making gains.

<sup>2</sup> For a more comprehensive treatment of this issue, refer to the Memorandum to Holders of SSI-2-1.5.1, *Iran's Prospects for Near Term Stability*, February 1986.

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30. The clerics are likely to change their objectives only if they perceive that the war has become a significant cause of popular discontent severe enough to threaten the regime's survival, and that winding down the war is the only way to reverse that trend. We do not believe the regime will face such a choice over the next year given Iraq's current military policy. A resurgence of war weariness and continued economic deterioration in Iran during that time may raise the level of popular discontent, but, by holding the initiative, Iran has the option of scaling back operations rather than abandoning its objectives. [ ]

31. Popular willingness to continue the war is likely to decline significantly if Iraq inflicts significant Iranian casualties or cripples the Iranian economy through airstrikes on oil export facilities and economic infrastructure. Most Iranians would at first direct their anger at Iraq, but we do not believe the Iranians have a limitless capacity to endure privation, unemployment, inflation, electricity outages, and shortages of some key imports. Increasing numbers of Iranians would question the diversion of resources to fight a war that does not directly involve the survival of the state. A decline in popular morale is likely to be avoided only if continued Iranian successes on the ground convince the populace that victory on Iran's terms is still a realistic possibility. [ ]

32. Iranian leaders would face significant instability if Iraq repulsed major Iranian advances in the ground war and mounted a successful campaign to cripple the Iranian economy. This could be severe enough to force a rethinking of their war policy in as soon as four months and certainly within a year. By instability, we mean repeated antiregime demonstrations, strikes, sabotage, and other incidents throughout Iran. The Iranians are unlikely, under any circumstances, to declare a formal peace. Their most likely choice would be to wind down the war and eventually accept a de facto truce. [ ]

33. The decline in oil prices is also imposing pressure on the Iranian economy and popular morale. Lowered revenues alone, however, are not likely to lead to regime-threatening instability within the next year. The foreign exchange reserves available to Iran will prevent the effects of even a precipitous decline in revenues from being felt for several months, and several more months are likely to pass before antiregime activities could reach serious proportions. [ ]

## Regional Implications

### Prospects for Expansion of the War

34. Tehran would respond to increased Iraqi air attacks by initially stepping up military operations in the Persian Gulf. It would increase attacks on oil tankers from the Gulf states, perhaps seizing some as compensation, and confiscate cargoes bound for Iraq. If desperate, Iran would launch air and missile attacks against Iraqi cities. Iran probably would expand the war to the Arab Gulf states only if Iraqi attacks began to seriously weaken the Iranian economy. Tehran then would consider using Iranian-backed terrorists to attack oil facilities in the Gulf states or to foment civil unrest against the local government. Iranian commandos or aircraft might raid offshore oil-loading facilities. We judge that Iran would be reluctant to expand the ground war to the Gulf states or try to close the Strait of Hormuz because of the fear of US or other Western intervention. [ ]

35. Falling oil prices, combined with the widely held perception of its military prowess, has caused Iran to abandon its relatively moderate policy toward the Gulf states. Iran will continue to use its leverage to try to force the Arab states in the Gulf to end their support for Iraq and to cut oil production to stabilize prices. Iran has attempted, without much success, to drive a wedge between Iraq and the Gulf states by cultivating good bilateral relations with them and by generally refraining from sponsoring terrorism against them. Although Iran has attempted to coerce the Arabs since the Al Faw campaign with blunt threats of retaliation if its demands are not met, so far the Gulf states have held firm. [ ]

36. If Iran is not able to secure Saudi cooperation to shore up oil prices, Tehran is likely to make good on its threats to use force. As a first step, Iran probably will try to attack or interdict tankers carrying oil from the neutral zone to be sold on Iraq's behalf. If this tactic fails to gain Saudi compliance and low oil prices begin to seriously hurt Iran's economy, Tehran may step up its pressure by sponsoring terrorism against Gulf state facilities. [ ]

### Impact on the Gulf

37. A major Iraqi defeat—including large territorial losses—would probably be followed by the establishment of an Islamic republic in southern Iraq. This development would have significant consequences for the stability of those Gulf countries with large Shia

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populations—notably Kuwait and Bahrain. Many Shi-  
as in these countries, as well as in the large Shia  
population of Saudi Arabia's Eastern Province, have  
long been sympathetic to the goals of the Iranian  
Islamic regime and inspired by the example of the  
Ayatollah Khomeini. Moreover, Sunni fundamentalists  
around the Arab world—while not wishing to import  
most features of Tehran's Islamic Republic—will draw  
further inspiration and encouragement from a defeat  
of secularist Iraq by Islamic forces.

35. Another Khomeini-style regime would invigo-  
rate Shia elements to agitate more openly and force-  
fully against their Sunni-dominated governments.  
Government repression of Shias would increase as  
security services moved to quell any visible signs of  
opposition to the government. Sunni-Shia tensions  
among the populace, never far below the surface,  
would increase and probably lead to open clashes.

39. Iran would try to use its increased political and  
military power to gain the leading role in OPEC and  
pressure other members to lower production and raise  
prices. If Iran acquired leverage on Iraqi oil produc-  
tion, it would rival Saudi Arabia in terms of both  
production capacity and reserves. Riyadh, therefore,  
might be intimidated into working with Iran to raise  
oil prices.

#### The Soviets: Interests and Options

##### The Soviet View

40. The Gulf war has not served Moscow's overall  
interests in the region despite boosting Soviet arms  
sales:

- Moscow alienated Iraq early on in the war by  
placing an arms embargo against Baghdad in an  
unsuccessful ploy to curry favor with the new  
Iranian regime, causing lingering distrust.
- The war sparked deep concerns in the Gulf,  
causing the formation of the Gulf Cooperation  
Council (GCC), which turned to the United  
States for strategic assistance against Iran.
- The war has complicated Soviet efforts to  
achieve greater cooperation among Iraq, Syria,  
and Libya, all of which have longstanding mili-  
tary ties to Moscow.
- The Gulf states' concern over the war and their  
need for US security guarantees have tended to  
offset resentment against the United States for its  
pro-Israeli stance.

— Iraq moved closer to the West, normalized rela-  
tions with the United States, and adopted a more  
moderate position on most regional issues.

41. Moscow has consistently called for an end to the  
war, fearing that the US would continue to advance its  
strategic interests at Soviet expense. Unable to make  
any significant inroads in its relations with Tehran,  
Moscow has supported Iraq—providing over \$6 billion  
worth of arms to Baghdad since the war began. Its  
senior officials have continued to publicly  
urge both parties to end a war Gromyko has  
described as "illogical"—suggesting that it does not  
serve Soviet interests.

42. Despite Moscow's support for Baghdad, the  
Soviets do not want either Iran or Iraq to emerge as  
clear victor. Moscow has long preferred a relative  
balance between the two countries as the best way to  
exert its influence in the region:

— A victorious Iran not only would undermine  
Soviet influence in Baghdad, but also probably  
would make the Khomeini regime even less  
susceptible to Soviet inroads or pressure and free  
up assets that could be used to support the  
Afghan mujahadeen. Moreover, the Kremlin  
would not want to see an anti-Soviet Iranian  
regime, whose Islamic fundamentalism might  
potentially attract followers among the USSR's  
approximately 45 million Muslims, spread its  
influence beyond Iranian borders.

43. If the Soviets believed that an Iraqi defeat  
loomed on the horizon, they would be under consider-  
able pressure to help Baghdad. Soviet credibility  
would be at stake if it were perceived as unwilling to  
assist a country in need of help near the Soviet Union  
with longstanding ties to the USSR. Furthermore,  
helping Baghdad would hold several advantages for  
Moscow:

- It would place the USSR in the position of major  
player in the Gulf, rivaling the United States.
- The United States would be hard put to condemn  
the Soviets since the request would come from a  
regime that the United States itself has not  
wished to see collapse.
- Moscow might see this as a way to force a  
dialogue with the United States about joint han-  
dling of regional security issues—including the  
Arab-Israeli problem.

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In spite of these pressures and inducements to act, however, the Soviets are unlikely to use Soviet Ground Forces in Iraq.

44. In a prolonged scenario, the Soviets would have several options designed to demonstrate Soviet credibility as an ally and as a major arbiter of Gulf politics. The Soviets could pursue some combination of the following initiatives:

- Deliver new weapon systems such as the more accurate SS-21 surface-to-surface missile or the longer range SS-12.
- Supply additional military advisers and intelligence, possibly even using the Soviet military advisers in Iraq to participate in tactical planning and operations, if Iraq made the request.
- Heighten Iran's concern about direct Soviet military action by increasing tensions along Iran's border with the USSR and step up military operations in western Afghanistan. Moscow could even create incidents along the Soviet border involving some exchange of fire.
- Enforce an embargo on Soviet-made arms reaching Iran from Eastern Europe and try to impose similar restrictions on Syria, Libya, and possibly even North Korea. This would involve expenditure of considerable equities with these states in order to enforce Moscow's will.
- Stop the transit of Iranian imports crossing Eastern Europe and the USSR.

45. Even less likely:

- Moscow could send fighter squadrons to Baghdad and fly air attack missions against Iranian troop concentrations or targets inside Iran.
- Moscow could fly combat missions against Iran from airbases in the USSR.

46. None of these measures—other than major Soviet participation in air combat against Iran—would prevent Iran from continuing the war. They would,

<sup>1</sup>The Soviets face considerable logistic difficulties, particularly in a rapidly deteriorating situation. A symbolic force will not deter Iran. Although air transport would be quickest, the Soviets would have to obtain permission for numerous overflights from Turkey or risk flying over Iranian territory. The Soviets would require several days to send a tactical air regiment (40 aircraft) and at least a week to send an entire airborne division, some 7,000 men, to Iraq. While such forces might slow down an Iranian advance, they would need to be quickly reinforced with more heavily armed forces—probably requiring several weeks to several months—to effectively hold back a major Iranian assault.

however, severely damage the Soviets' hopes of improving relations with Iran over the longer term. Relations with Iraq's rivals would be strained, while the Arab countries that support Iraq probably would be suspicious of Soviet intentions. Direct Soviet military conflict with Iran could become dangerous to Moscow if it led to a broader Soviet-Iranian military engagement, which could heighten the prospects of a US-Soviet confrontation over Iran.

- On balance, we believe the Soviets will be unlikely to engage in direct combat support to Iraq against Iran, but Moscow would need to calculate the impact of the collapse of a country near its borders with which it has had a Friendship Treaty since 1972.

#### Change in the Iraqi Leadership

47. The effect of Saddam's demise on Soviet-Iraqi relations would depend upon the nature of the regime that replaced him. From Moscow's standpoint, an Iranian-dominated Shia regime or a more Western-oriented leadership would be worse alternatives than Saddam.<sup>4</sup> If Saddam were simply replaced by his chief lieutenants—the most likely scenario—chances are they would share his distrust of the Soviets, although they probably would not allow this to dominate Iraqi policy toward the USSR as Saddam often has. The Kremlin might try to ingratiate itself with the new leaders by offering better credit terms on arms purchases, some of the more advanced weaponry it has been reluctant to provide, and possibly intelligence and security support to help them maintain power. The relationship might become less acrimonious in this case but probably would not differ markedly from that which prevails under Saddam.

#### Implications

48. In the event of a looming Iranian victory, the Gulf states would seek reassurance from Washington that they could still count on US support in the event of direct Iranian threats. These countries would seek and expect public statements of support for their territorial integrity and security from the United States and from West European countries to reduce the appearance of rushing into the US embrace. They would also try to expand cooperation between the

<sup>4</sup>Moscow's relations with Saddam have been troubled over the years by its 1980 arms embargo and differences over the Arab-Israeli peace process, Iraqi Communists, the flow of Soviet-made arms to Iran from Syria, Libya, and Eastern Europe, the Soviet invasion of Afghanistan, and the Eritrean rebellion in Ethiopia.

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GCC and the United States and Western Europe, which will provide at least the appearance of strength in numbers. They will urge a more visible United States in the Persian Gulf, particularly ship deployments [redacted]

49. Unless Iranian forces attack them, the GCC countries will be reluctant to make public appeals for Washington's military support to avoid provoking Tehran. They probably judge that Iran's hostility to US presence in the Gulf region will be intensified by any major Iranian victory and consequent increase of Iranian influence. They will also fear a domestic backlash if they draw too close to Washington and would perceive themselves as caught in a delicate balancing act [redacted]

50. The long-term impact of an Iranian victory on the Gulf would be profound. The GCC countries would initially pledge their willingness to work with

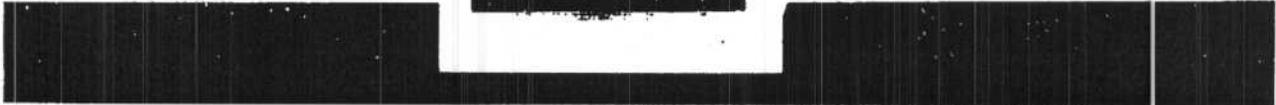
Iran to maintain stability in the Gulf, and, to the degree Iran responds positively, the Gulf states would reduce their visible links to Washington. If Iran threatened them, however, they would see little alternative to closer ties to the United States to forestall Iranian pressure. Iran's performance in the war—under severe economic constraints—has already assured [redacted] as the force to be reckoned with in the Gulf. [redacted]

51. Short of sizable direct intervention, there is little the United States could do to shore up the Iraqi military position. Iraq remains well armed, and US military aid or advisers would only marginally improve Iraq's ability to defend itself against Iran. As long as Iran continues to have access to its non-Western suppliers—Libya, Syria, North Korea, and East European countries—it can maintain its military effort at current levels indefinitely. Under these conditions, a further tightening of the [redacted]s embargo on Iran will have little effect [redacted]

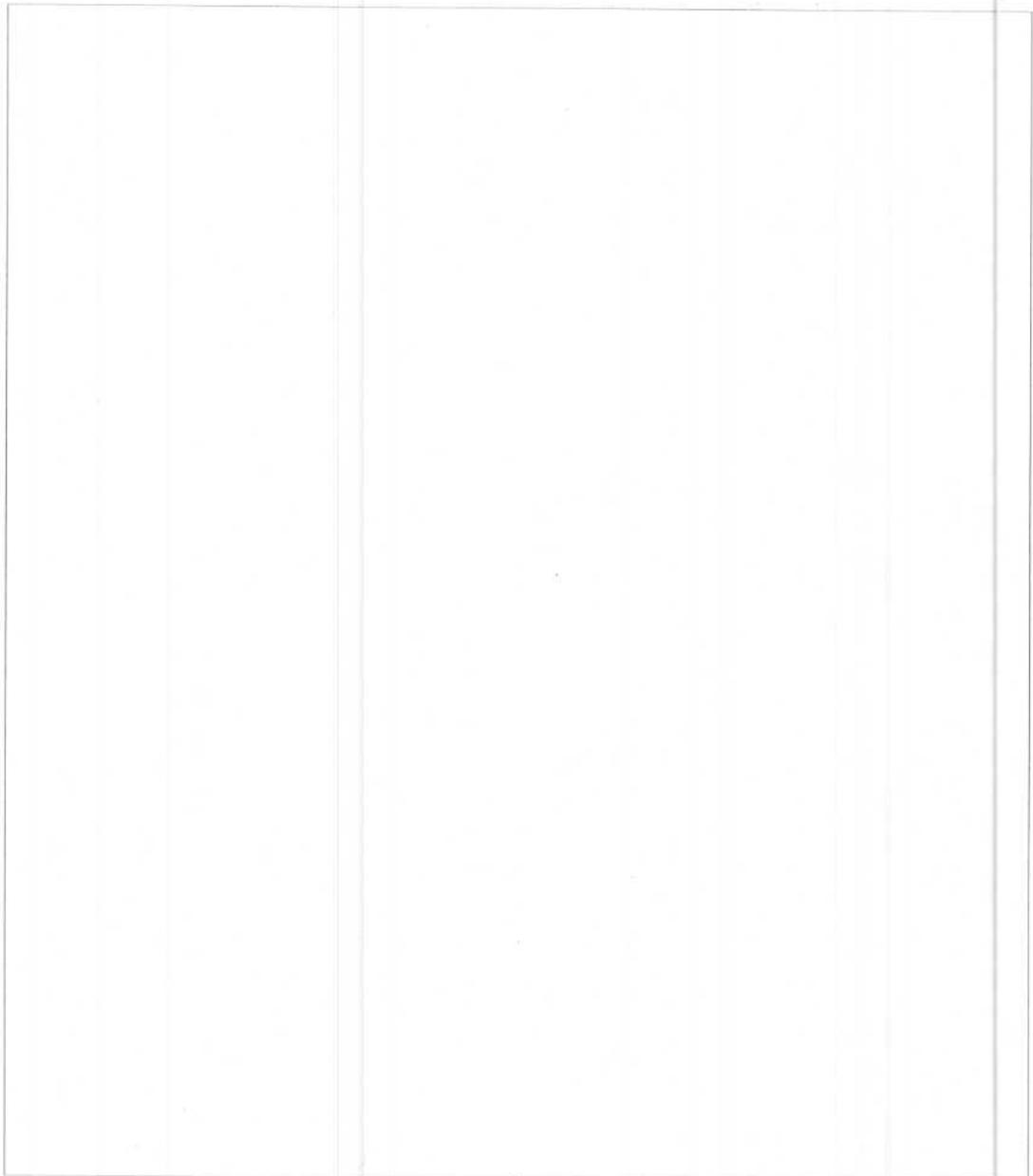
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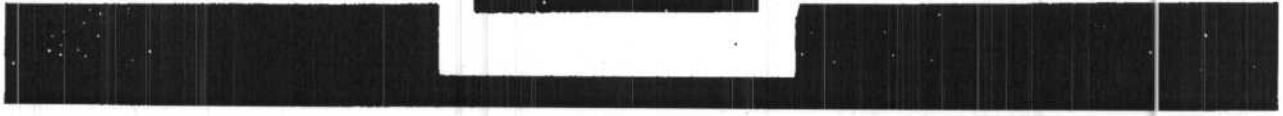


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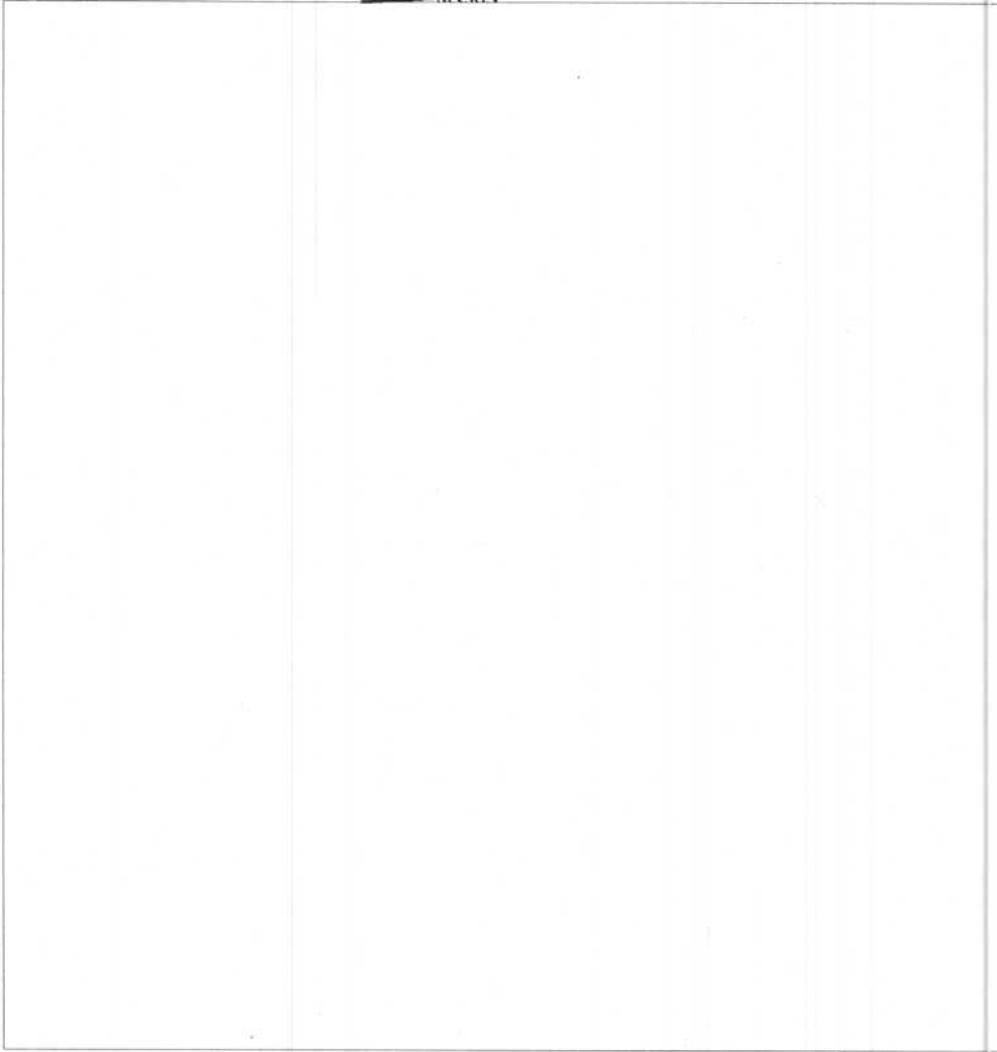


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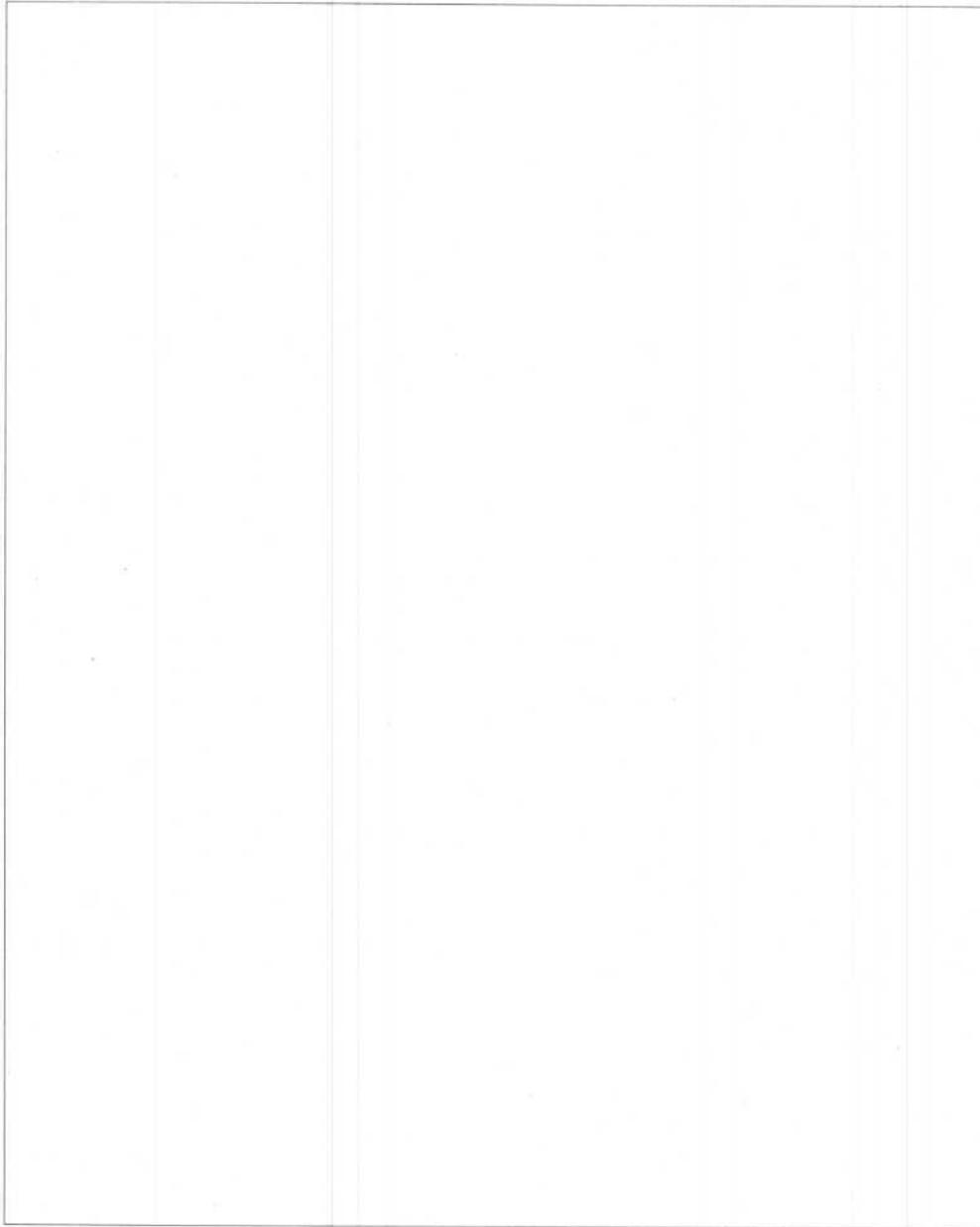


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The Director of Central Intelligence  
Washington, D.C. 20505

APPROVED FOR  
RELEASE DATE:  
14-Jul-2008

National Intelligence Council

NIC 03455-86  
22 July 1986

MEMORANDUM FOR: Deputy Director for Intelligence

FROM:

[redacted]  
Assistant National Intelligence Officer for NESA

SUBJECT:

CPPG Meeting on Iraq

1. After supplying a paper (Attachment A) and a briefing on the Iran/Iraq war last week, the Director requested further information and expanded recommendations in preparation for his weekly meeting with Admiral Poindexter. I am forwarding the paper written in response to that request (Attachment B) to provide our view of the situation before the upcoming CPPG.

2. If we can be of any further assistance, please ask. I would also like to take the opportunity to compliment the analysts in NESA covering the war. They have always been cooperative and supportive of our efforts but, more importantly, their analysis have been well ahead of developments in the war and certainly ahead of the rest of the community. I have found them anxious to "push the evidence" and thoroughly professional.

3. I look forward to hearing the results of the CPPG.

[redacted]

Attachments:  
As stated

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The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

MEMORANDUM FOR: Acting Director of Central Intelligence

FROM:

Assistant National Intelligence Officer for  
Near East and South Asia

SUBJECT: Developments in the Iran-Iraq War

1. A crisis in Iraq could be imminent. In our recent SNIE (Attachment A) we judged that Baghdad would probably lose the war over the longer term if it did not exploit its military advantages. Saddam has not substantially altered his war policies and the possibility of a collapse of Iraqi will is rapidly becoming more plausible. Several current developments are particularly disturbing:

- Iraq is faring badly in what has become a major Iranian effort (at least six Revolutionary Guard and two regular Army divisions) to take a strategic ridgeline
- There is a confluence of factors leading Iran to conclude that it must act now if it hopes to achieve a decisive victory. For example, the Iraqi Air Force has recently demonstrated dramatically the vulnerability of Iranian oil and communications facilities to its precision weapons, but they have not sustained the attacks in a way that seriously impairs Iran's ability to make war.
- Iraqi cohesion and prospects in the war has taken a decidedly pessimistic turn (Attachment C).

2. [redacted] thoughts on the psychological dimensions of the war. The danger is not an Iranian drive to Baghdad but a series of dramatic victories that destroys Iraqi military and political cohesion. [redacted] is right in trying to ratchet up the attention level ("we need to get in high gear"). The war has lingered on for so long that there is a dangerous,

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but widely held, assumption that the situation will not change rapidly and that there is little we can do anyway.

3. Recommend the following:

- That we advise NSC and other senior policymakers of the gravity with which we view the current situation and the prospects for the remainder of 1986.

Attachments:  
As Stated

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[REDACTED]  
The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

NIC 03384-86  
16 July 1986MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central IntelligenceFROM: [REDACTED]  
Assistant National Intelligence Officer for NESA

SUBJECT: Troubling Developments in the Iran/Iraq War

1. Saddam Husayn's grip may be slipping and his political fortunes are closely linked to reversing recent trends in the war. On the Iranian side, there is significant evidence that Iran has embarked on a major effort to win the war in the near term.

2. Iraq has suffered two serious military setbacks in 1986--Al Faw and now Mehran. Al Faw was a strategic loss and Mehran was (so far) only a tactical reversal, but both were major blows to Iraqi morale. By using surprise, better planning, and improved coordination Iranian forces have achieved success in limited attacks that have kept Iraq guessing and preserved the initiative for Iran. Even with these improvements, Iran could only impose a decisive strategic defeat on Iraq in conjunction with a major collapse of morale within the Iraqi military. Unfortunately, there are indications that Iranian efforts to erode morale are beginning to bear fruit:

- Iraqi casualties for this year (at least 30,000) are as high as all of last year. Civilian morale is described as the "lowest ever", with the first indications of widespread, open complaining about Saddam's mismanagement of the war.

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- The Iraqi economy has continued to deteriorate with little hope of improvement.

3. In spite of these problems, there is little threat from the organized resistance elements such as the Iranian sponsored Da'wa or Kurdish groups. The more likely threat to Saddam comes from the senior

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ranks of the military or from within the Ba'th party itself.

5. In short, the key element in preserving Iraqi stability will be the performance of the military. A major defeat--especially in a large campaign that inflicts significant casualties--would have a significant impact. Short of a complete debacle, another tactical defeat in the near term would not result in an unravelling of the military or a collapse of the front, but would further undermine Saddam's position. Over the longer term, a failure to develop and execute an effective strategy could well result in an outright Iranian victory.

6. Recommend that we:

- Advise NSC and other senior policymakers of the gravity with which we view the current situation and the prospects for the remainder of 1986.

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-- Reinvigorate efforts to cut off war materiel to Iran

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SUBJECT: CPPG Meeting on Iraq

NIC/A/NIO/NESA [redacted] (22 July 1986)

Distribution:

Orig - DDI

1 - AC/NIC

1 - VC/NIC

1 - A/NIO/NESA [redacted]

1 - NIO/NESA (Girono)

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