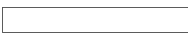




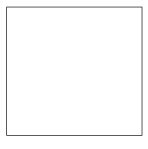
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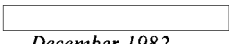
Iraq: A Handbook



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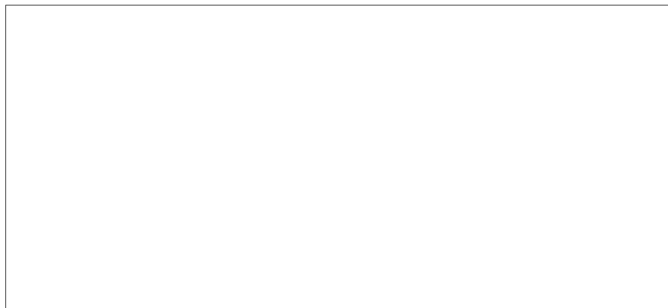
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Iraq: A Handbook



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**Iraq:
A Handbook**

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Introduction*Information available
as of 1 November 1982
was used in this report.*

Iraq is potentially one of the most powerful countries in the Middle East and seeks a major political and military role in the region. It has abundant natural resources, ample water, more than 30 billion barrels in estimated oil reserves, a relatively large and skilled population, and great agricultural potential. Largely landlocked, Iraq sits astride the land bridge from Central Asia to Africa and shares borders with six other states—Saudi Arabia, Kuwait, Iran, Turkey, Syria, and Jordan. With a population of about 14 million, it maintains the largest Army in the Middle East.

Since the overthrow of the monarchy in 1958, relations between Iraq and the United States have ranged from prickly to nonexistent, constrained by Iraq's radical ideology and its desire to preserve its revolutionary credentials. Successive Iraqi leaders have urged an Arab collective security arrangement for the Gulf region that would enhance Iraq's power and exclude any US military presence. The heavy US involvement in Iran, Iraq's historical enemy, has left Iraq deeply suspicious of US intentions. Moreover, continued US support of Israel sustains and strengthens these suspicions and in view of Iraq's opposition to the existence of the Jewish state, frustrates accommodation between the United States and Iraq.

The Iraqi military-led revolution in 1958 overthrew the British-supported monarchy as part of an effort to eradicate the vestiges of Iraq's colonial occupation, destroy its wealthy landowning class, and create a modern, independent state. Following a decade of violent political struggle, in which civilian and military groups indulged in coups, countercoups, and assassinations, the civilian-led Ba'th Party of Iraq gained control in 1968 and launched an era of major social, economic, and political change. In the last 14 years the Ba'th leadership has attempted to impose a stable government and secular national institutions on a poor, tradition-minded, heterogeneous population.

Most of Iraq's current leaders are veterans of the early political struggles. Their policies and methods reflect their brand of revolutionary ideology and their long years in clandestine opposition. Drawing on the vagaries of Arab unity and nationalism, they stress a secular state and promote policies that call for rapid economic development and social change. Above all, Iraq's young leaders—most are in their forties or early fifties—believe that the revolution still lives and that it must be carefully controlled and directed by a small cadre of leaders at the top.

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The regime can claim several notable accomplishments:

- A high degree of institutionalization in both state and party.
- Rapid and widespread economic changes, with minimal corruption, which have generally benefited previously underprivileged classes.
- Steady progress on social issues such as literacy and health care.
- Effective control of the military by the civilian establishment and the exclusion of the military from political decisionmaking.

But serious problems remain, some of which are exacerbated by the regime's continued reliance on repression to maintain control.

- There is no mechanism for the orderly transfer of power. President Saddam relies on a narrowing circle of relatives and trusted loyalists to make key decisions, while reportedly deemphasizing the role of the Ba'th Party.
- Large elements of the population—the Kurds and Shias in particular—believe they have not benefited proportionately from government programs and nurse longstanding grievances against the regime.
- Large-scale rural-to-urban migration has produced a considerable population of urban poor, much of it crowded into the slums of Baghdad.
- Ambitious economic programs are plagued by short-term cash and labor shortages and will continue over the long term to suffer from inadequate diversification and poor productivity.

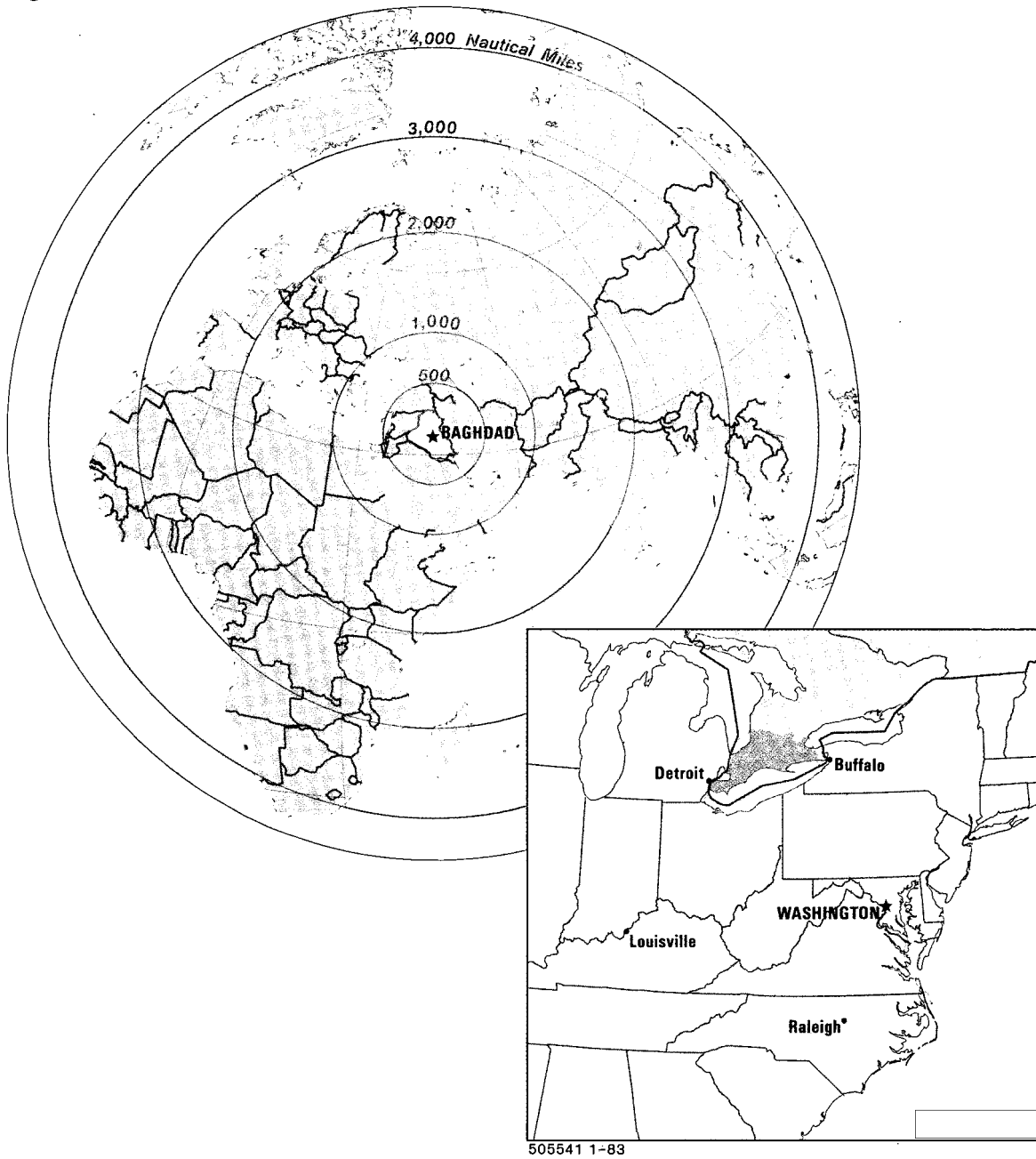
The Iranian revolution posed an ideological and economic challenge to the radical, elitist, secular regime in Iraq. It is a Shia revolution, with a potential to stimulate unrest among the 55 percent of Iraq's population that is Shia. The religious zeal and Shia doctrines, however, do not appear to have had widespread appeal inside Iraq. The economic threat appears more immediate; the precipitate decline in relations between the countries led to the closing of the Shatt-al-Arab, Iraq's economic lifeline.

Iraq responded to the Iranian challenge with a military threat—the invasion of Iran in September 1980, propaganda, and repression at home. The war with Iran—now in its third year—is draining Iraq's economic and military resources, forcing the imposition of austerity measures and cutbacks in economic development. It already has forced the regime to deemphasize the revolutionary nature of its Ba'th ideology to gain the financial support of moderate Arabs. It has undermined Iraq's bid for leadership of the Nonaligned Movement and has worsened always tense Iraqi/Syrian relations. It has also weakened the regime's support among Iraq's disparate religious and ethnic elements.

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Figure 1



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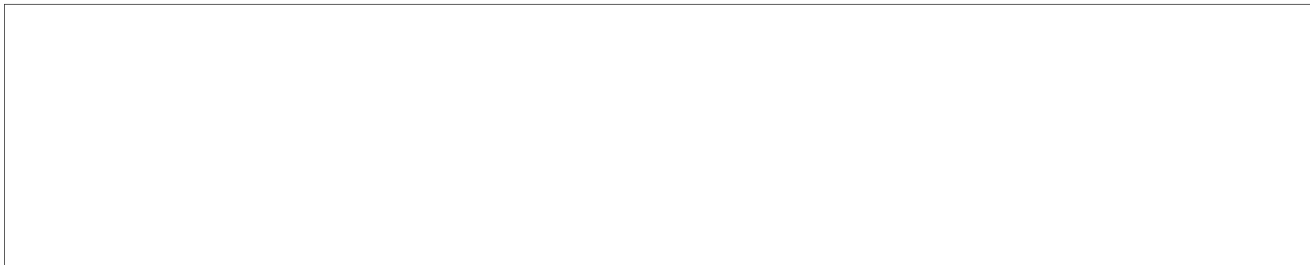
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Geography

Location and Area

Iraq is located at the head of the Persian Gulf on the land bridge between Africa and central and southern Asia. Historically traversed by trade routes between the Gulf and the eastern Mediterranean, the country is better irrigated than most in the Middle East and relatively well endowed with natural resources, particularly petroleum. It has an area of about 445,500 square kilometers, slightly less than half the size of Egypt and two-thirds as large as Texas.

Topography

Iraq has three distinct topographic regions—the northeastern highlands, desert plains in the west and south, and the Mesopotamian Plain along the Tigris and Euphrates Rivers south of Baghdad. Elevations are mostly less than 500 meters but range from near sea level in the southeast to 3,700 meters along the Iranian border in the northeast.

The northeastern highlands are composed of rocky hills and mountains separated by narrow gorges and valleys. Hill summits range from about 300 meters to about 2,000 meters above sea level. Open deciduous forests are common; only scattered shrubs are found at higher elevations. Most streams are perennial and swollen in spring by melting snow. Towns are small and generally concentrated along stream valleys.

Desert plains cover about two-thirds of Iraq. Vegetation is limited to sparse grasses and shrubs; the southwestern desert is nearly barren. There are few permanent settlements and only a sparse transportation network.

The Mesopotamian Plain is Iraq's chief food producing area. It is low and crossed by a dense network of canals and irrigation ditches that carry water from the Tigris and Euphrates Rivers to croplands. Extensive marshes, mudflats, and date groves are located in the southern part of the delta region, below the port of Al Basrah. Baghdad is in the northern, more temperate part of the delta. Most of Iraq's population resides in the delta and along the upper reaches of the Tigris

and Euphrates valleys. Some large cities are located in the intermediate area between the desert and the northeastern highlands.

Climate

Iraq has hot, dry, nearly cloudless summers (June through September) and mild to cool, moderately cloudy winters (December through March). Winds, generally from the northwest or west, are strongest in summer.

Temperatures generally decrease from south to north and from low to high elevations. Temperatures as high as 49° C and as low as -7° C have occurred at most locations.

Precipitation, mostly rainfall, is associated with migratory lows that move across the country from October to May. During this period, much of the country receives less than 5 centimeters of rain a month, although in the mountains precipitation may be as high as 25 centimeters in some months. Almost no precipitation falls during the remainder of the year. There is occasional light snow except in the extreme southern desert; heavy snows occur in the mountains.

Relative humidity is generally highest in the early morning and lowest in the afternoon, ranging mostly from 10 to 35 percent in the period June through August and from 40 to 90 percent in December and January.

Natural Resources

Petroleum and Minerals. Iraq's oil reserves are estimated at about 36 billion barrels, about 5 percent of the world total, significantly less than Saudi Arabia's 164 billion but more than the 30 billion estimate for the United States. It has natural gas reserves of 35 trillion cubic feet. The major fields are located in the northeastern Kurdish region north of Baghdad and

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Figure 2
Precipitation

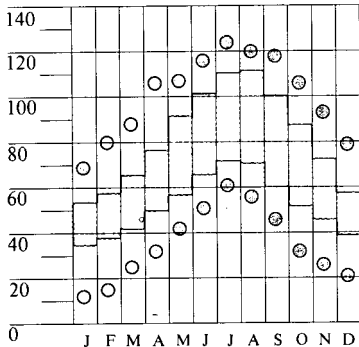


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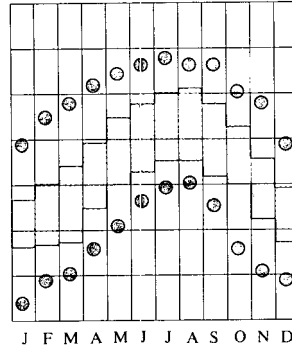
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- Absolute maximum
- Mean daily maximum
- Mean daily minimum
- Absolute minimum

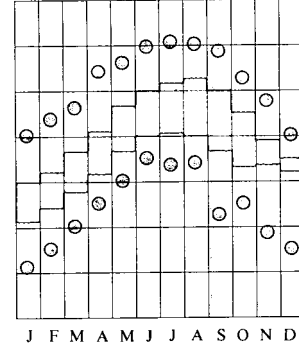
Mosul
Elevation 728 ft.



Ar Rutbah
Elevation 2018 ft.



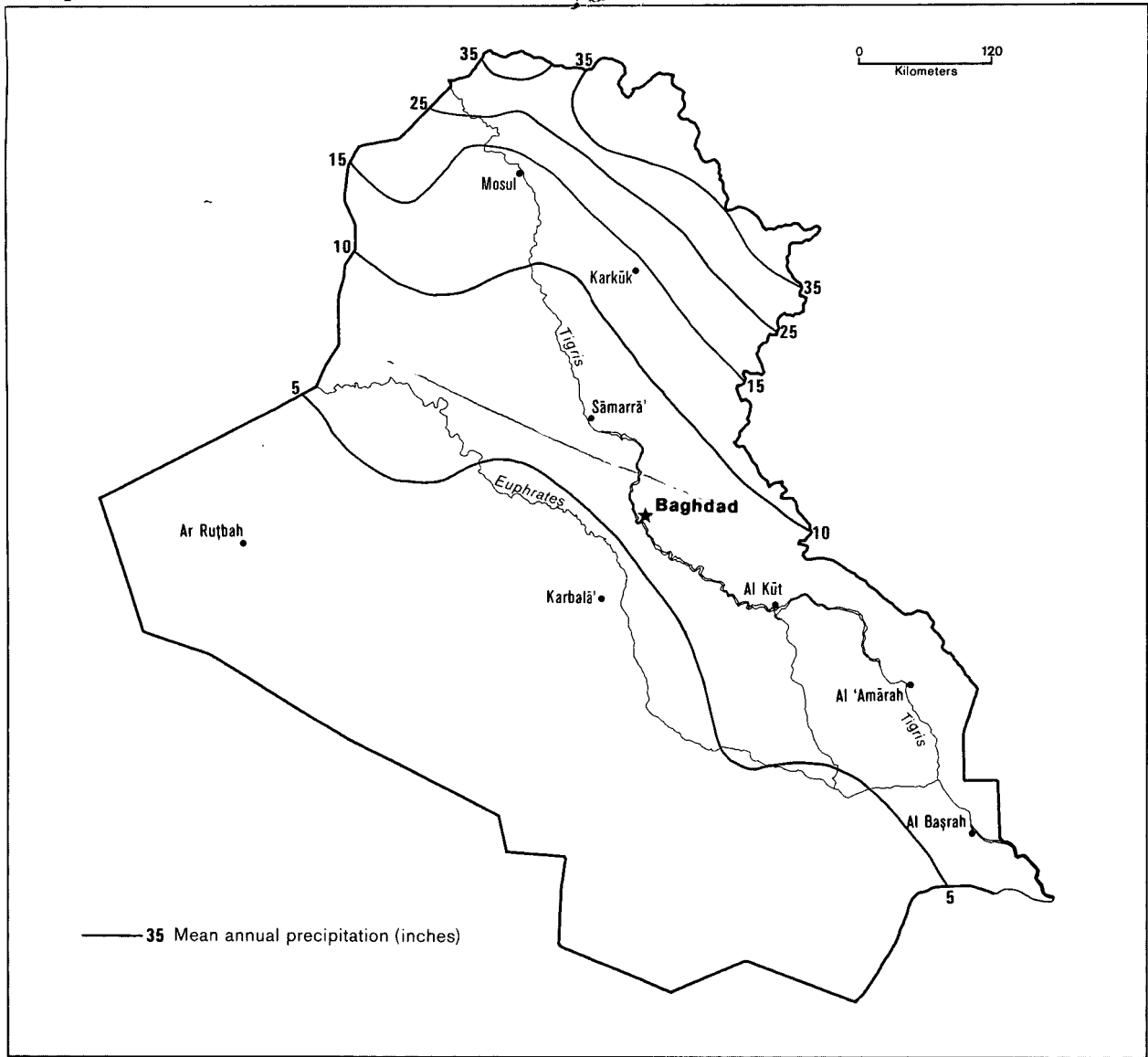
Al Basrah
Elevation 7 ft.



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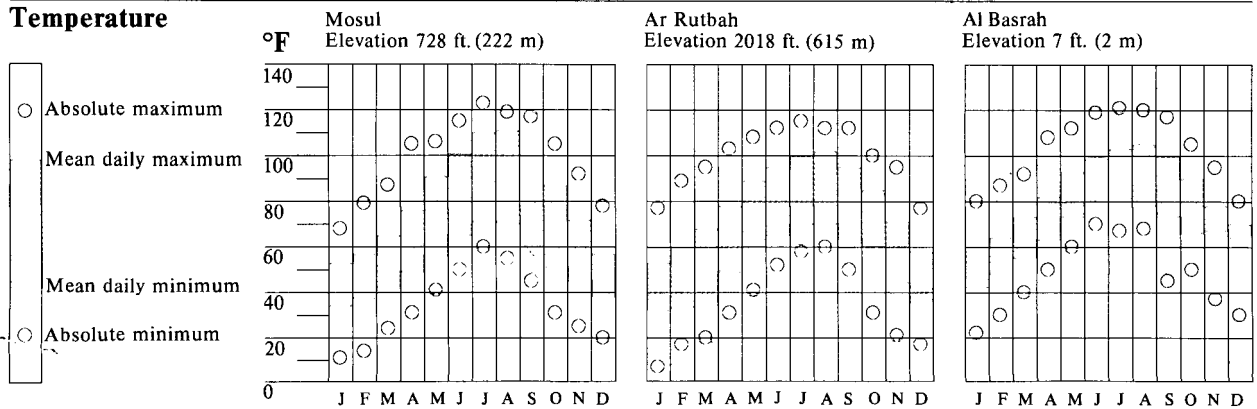
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**Figures 2 and 3
Precipitation**



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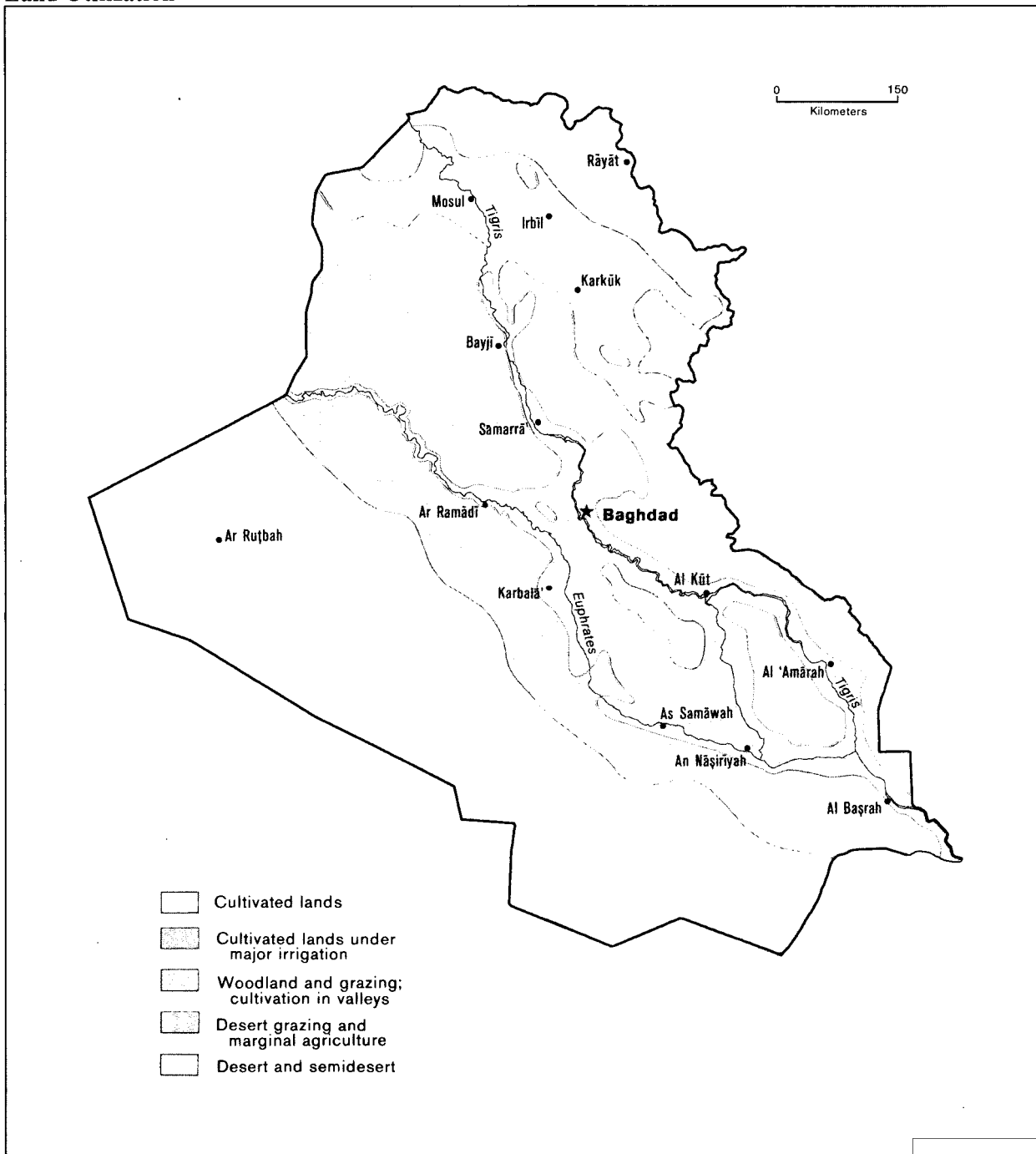
Temperature



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Figure 4
Land Utilization



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Figure 5
Population



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the southeastern Al Basrah Province. Iraq's other mineral resources are limited. Limestone, gypsum, phosphates, and sulfur are in sufficient supply for some commercial use. Other mineral deposits include iron, chromite, copper, lead, and zinc but not in sufficient quantities to be exploited.

Agriculture and Livestock. The Tigris and Euphrates Rivers have more water available for agriculture in Iraq than is available in most countries in the region—giving Iraq the potential for greater agricultural output. Agriculture in the north depends on rainfall and in the south on irrigation. Wheat is Iraq's most

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important crop, and 1.3 million tons were produced in 1980. Barley is replacing wheat in areas troubled by salinity, and 575,000 tons were grown in 1980. Wheat and barley account for approximately 80 percent of Iraq's cultivated area. Iraq is the world's largest producer of dates. Other crops include lentils, flaxseed, beans, rice, sesame, corn, millet, tomatoes, eggplant, okra, and cotton.

Sheep (9.7 million in 1978) and goats (2.5 million in 1978) are the most important livestock raised. Cattle, waterbuffalo, asses, camels, horses, and poultry are also kept.

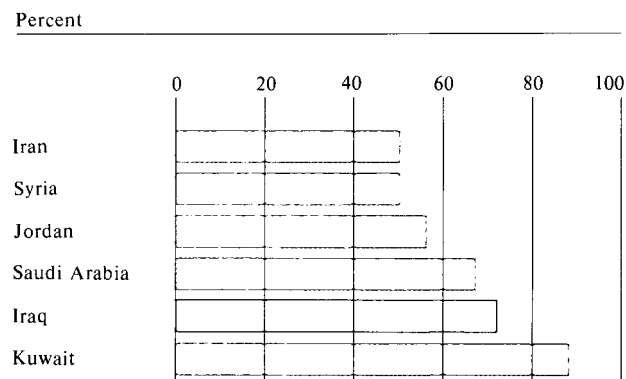
Human Resources

Population. The population of Iraq was estimated at 14 million as of July 1982, compared to Iran's 41.2 million and Syria's 9.4 million. If growth continues at the present rate of 3.3 percent, Iraq's population will approach 19 million by 1990. Baghdad, the largest city and capital, is estimated to have about 3 million inhabitants. Like other countries with high fertility and mortality rates, the population is young—nearly 60 percent are below the age of 20. Population density varies greatly, with highest concentrations in the Tigris-Euphrates delta. Although the concentration of population in the river areas is similar to the pattern in Egypt, the population density in the delta is only one-third that of the Nile valley and delta.

Iraq has sufficient arable land and water to support a much larger population. Both the area of cultivation and crop yields could be substantially increased. The government encourages large families and hopes to increase the size of the population to between 22 million and 24 million by 1995.

Religion and Ethnic Groups. Heterogeneity is the most striking characteristic of Iraq's population. Over 70 percent share the Arabic language and about 90 percent the Muslim religion, but sectarian, ethnic, tribal, and denominational differences abound. Iraq's Muslims are divided primarily into the Sunni and Shia sects. The Sunnis dominate the government, even though Shia Muslims constitute about 55 percent of the Iraqi population. The Shias occupy the lowest social and economic strata. Although the Shias' role in government has increased slightly under

Figure 6
Selected Countries: Urban Population, 1980



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Saddam Husayn, their influence remains insignificant. This discrimination dates from the Ottoman Empire when the Turks considered the Shias to be sympathetic to neighboring Shia Persia and excluded them from positions of responsibility.

Kurdish minority lives in the northern, mountainous region of Iraq. The Sunni Kurds, 18 percent of the population, have historically resisted assimilation and domination by outsiders. Intermittent warfare has existed for decades between the central government and the Kurds, who have often been aided by Iran.

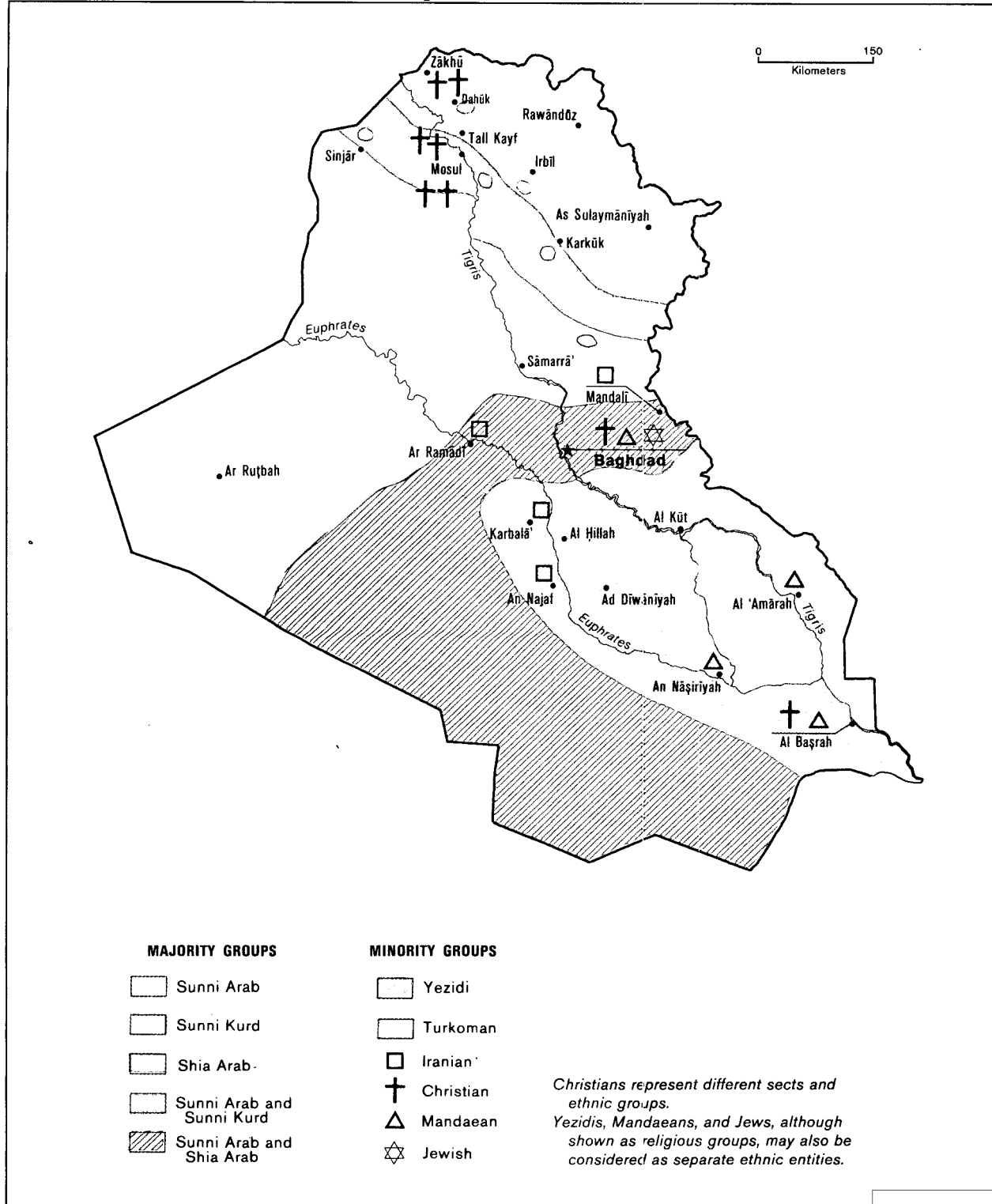
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The Turkomans (less than 3 percent of the population) have occasionally fought on the side of the Kurds against the central government. The nomadic Bedouin population—about 300,000 in 1971—has been reduced to less than 95,000 as a result of government settlement programs.

Iraqi Christians (about 5 percent of the population) are generally better educated and more Westernized

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Figure 7
Distribution of Religious and Ethnic Groups



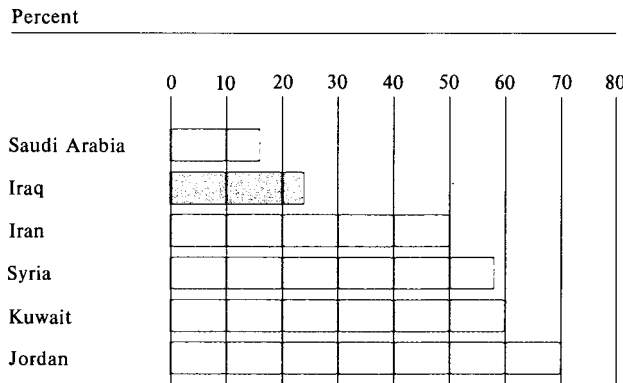
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Figure 8
Selected Countries: Adult Literacy^a



^a Persons 15 years and older who can read and write.

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than the Muslim population. The Christian community is centered mainly in northern Iraq and in the big cities. The community is fragmented among Greek Orthodox, Nestorian Assyrian, Roman Catholic, and Uniate Chaldean sects. Other religious sects are the Yezidis (found interspersed among the Kurds), who combine elements of paganism, Zoroastrianism, Christianity, and Islam, and the Mandaeans, a Gnostic sect (found mainly in large cities). The Jews, a flourishing minority of 125,000 in 1948, now number less than 3,000. The majority of the Iraqi Jewish community migrated to Israel.

Education and Health. Estimates of literacy among the population range from 20 to 40 percent, compared with an average of 40 percent for Syria and 20 percent for Saudi Arabia. Over 25 percent of the population was in school in 1980. Education is provided and controlled by the government and is compulsory through grade six. There are six universities and numerous vocational and training schools. Substantial resources are being devoted to the expansion of the educational system at all levels. Private education was abolished in the mid-1970s. Substantial income from

Table 1
University Enrollment

	Total Enrollment (1978-79)	Staff (1978-79)	Graduate Students (1977-78)
Total	91,716	3,741	2,074
Baghdad	32,672	1,714	1,465
Mosul	11,730	699	283
Basra	10,278	486	51
Mustansiriya	10,664	295	118
Technology	7,823	193	61
Sulaimaniya	5,112	324	96

oil exports since 1973 has enabled Iraq to begin a large-scale school construction program, in addition to welfare projects, such as hospitals and housing.

The high incidence of disease in Iraq is the result of poor diet, inadequate sanitation, ignorance of and indifference to modern hygienic practices, an inadequate medical system, and unhealthy environmental conditions, particularly in the southern delta region.¹ Numerous lakes, marshes, and other areas subject to seasonal inundation breed mosquitoes. Contamination of water supplies and the spread of waterborne diseases (such as typhoid) follow seasonal floods.

The Ministry of Health controls almost all medical facilities; private facilities are subject to government supervision. There are 177 hospitals and about 4,000 physicians. Shortages of trained personnel and poor distribution of those available are major problems. Government-trained physicians are required to spend four years in public health service.

¹ The most prevalent communicable diseases are amebiasis, diphtheria, gonorrhoea, helminthiasis, infectious hepatitis, influenza, malaria, measles, meningococcal meningitis, poliomyelitis, schistosomiasis (bilharzia), tuberculosis, typhoid and paratyphoid fevers, and trachoma.

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Economy

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Economy

Before the war with Iran broke out in September 1980, Iraq was in the midst of an ambitious development program aimed at economic independence. The war has forced Baghdad to scrap much of its development effort and reduce imports. Oil revenues declined precipitately following destruction of Iraq's oil export terminals on the Gulf early in the war and the subsequent closure of Syria's pipeline to Iraqi crude.

Iraq's socialist economy is centrally administered by the Ba'thist government. It plans, executes, and manages all oil operations as well as most activity in other sectors of the economy through more than 200 public corporations and institutions. The main tools for managing government policy are five-year plans implemented through annual development and import programs.

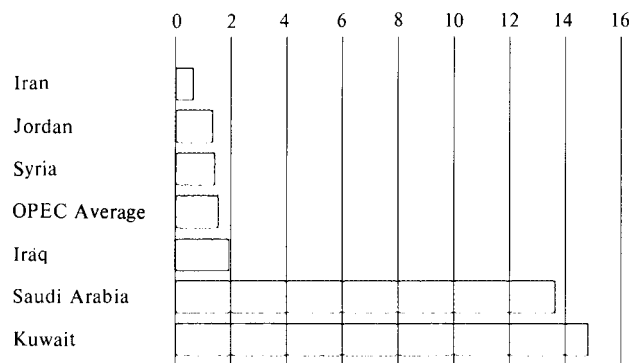
Iraq's economic strategy to achieve self-sufficiency and an improved standard of living stresses both agricultural and industrial development. Iraq relies on imports of equipment, material, and technology to build the base for its domestic capability and has eagerly sought foreign contractors, favoring turnkey projects that conserve its own scarce labor supply.

Despite the war with Iran, Iraq announced an economic development plan for 1981-85 that initially carried a price tag of \$133 billion. Reconstruction of war-damaged installations, however, especially the oil facilities, will take top priority when hostilities end. The plan, typically overly optimistic, emphasizes across-the-board expansion of the major sectors of the economy, including highway construction, telecommunications, and housing. Iraq also has set a goal of agricultural independence by 1985.

Although Baghdad was able to keep the plan on track in 1981, largely by borrowing heavily from its Gulf state allies, it was forced to cut development spending in 1982 because of the mounting cost of the war and reduced oil revenues. New projects were canceled altogether, and work on many existing ones not

Figure 9
Selected Countries: GDP per Capita, 1982^a

Thousand US \$



^a Projected.

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essential to the war, petroleum industry, or the Non-aligned Summit were postponed. Moreover, the loss in oil revenue from the closure in April 1982 of one of its two export pipelines compelled Iraq to substantially draw down foreign exchange reserves to avoid additional major import cuts.

Main Sectors of the Economy

Petroleum. The petroleum sector is the financial backbone of Iraq's economy. Oil revenue provides virtually all of the country's foreign exchange and revenue for the government budget. Oil output in 1979, the last full year of production before the war

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Figure 10
Iraq: Key Economic Indicators

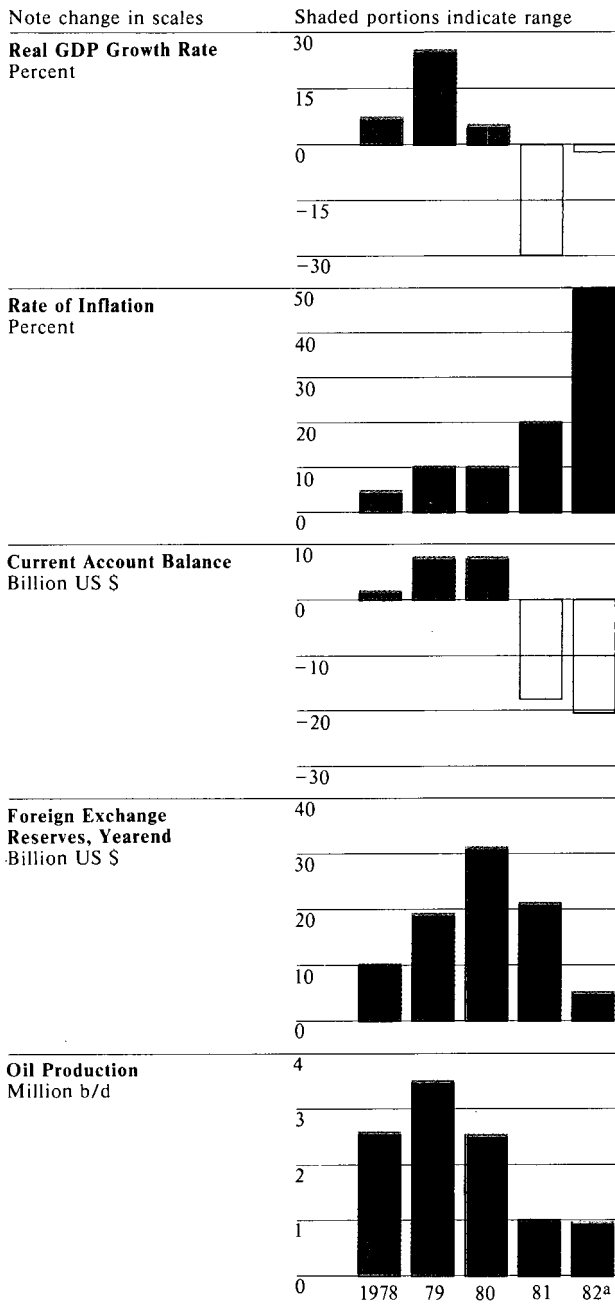
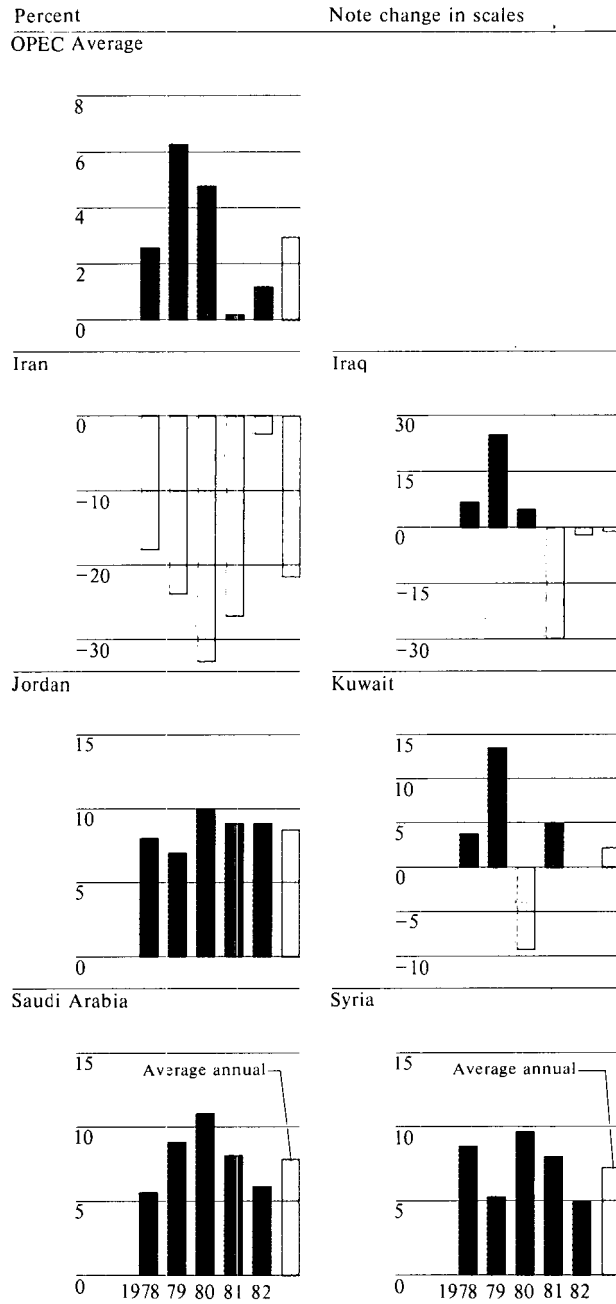


Figure 11
Selected Countries: Real GDP Growth^a



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Figure 12
Economic Activity

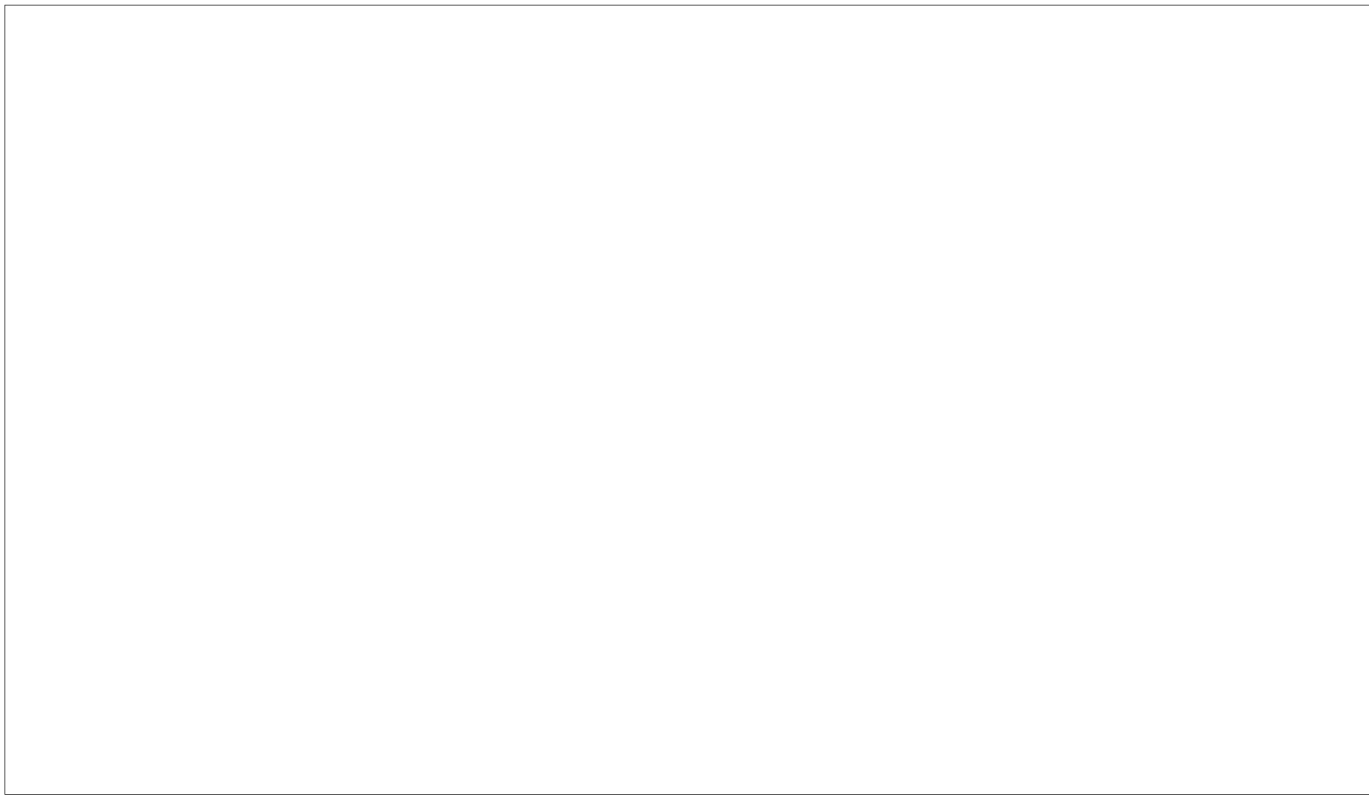


with Iran, was about 3.5 million barrels per day (b/d), making Iraq the world's fourth-largest oil producer. With oil sales abroad of 3.2 million b/d in 1979, Iraq was the second-largest exporter after Saudi Arabia.

As a result of the war with Iran, production and exports have plummeted; for all of 1981 production

averaged only about 1 million b/d. Iranian attacks almost destroyed Iraq's two oil export terminals on the Persian Gulf, Khor al Amaya and Mina al Bakr, which had a combined capacity of 3.2 million b/d. Reconstruction of these terminals will take about two years.

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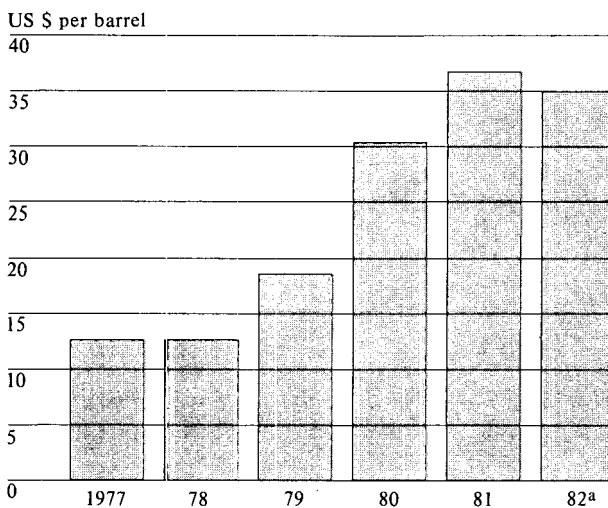
Oil exports fell even further in April 1982 because Damascus, in alliance with Iran, denied Iraq use of the oil pipeline across Syria. Iraqi exports now are restricted to a pipeline across Turkey, which has been operating near its capacity of about 700,000 b/d. Iraq and Turkey are expanding the pipeline's capacity to about 900,000 b/d, a project that will take about a year to complete.

When hostilities cease, Baghdad plans to install at least four temporary single-point mooring systems in the Gulf. Installation would take about six months and give Iraq a Persian Gulf export capacity of 1.5-2 million b/d. Once its Persian Gulf terminals are repaired, Iraq's export facility capacity—including the pipelines—will be over 5 million b/d.

We believe Baghdad could increase its oil production capacity to about 4-4.5 million b/d by the late 1980s, based on prewar development plans.



Figure 14
Iraq: Official Oil Prices



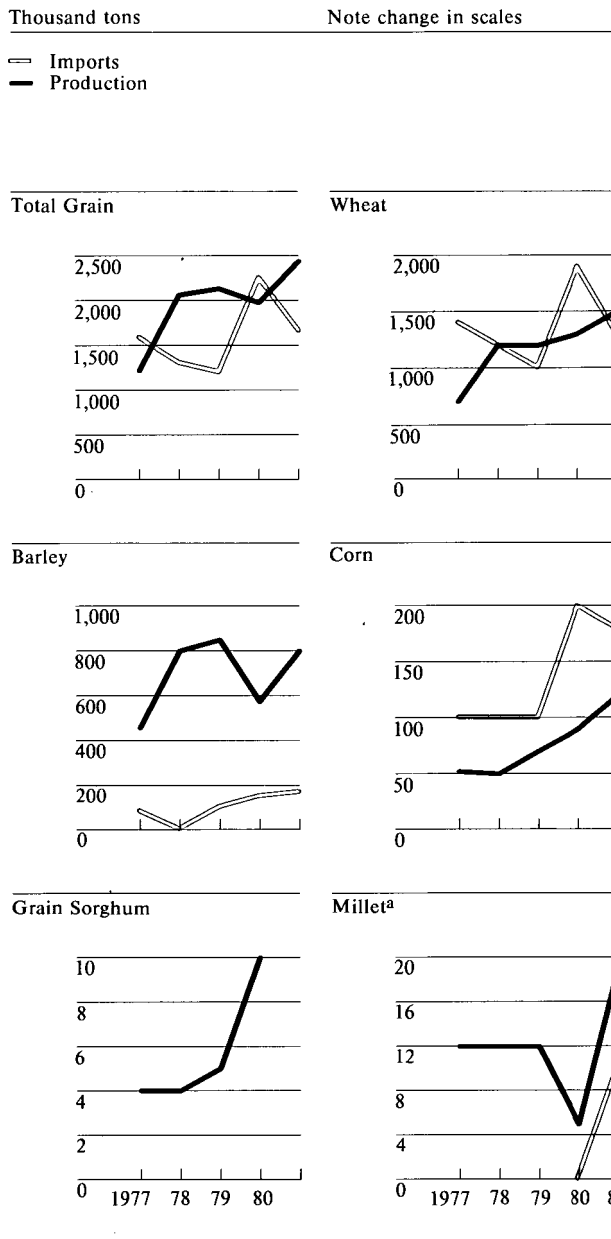
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Figure 15
Iraq: Import and Production of Selected Crops



^a Includes grain sorghum.

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Agriculture. The agricultural sector has been the chronic underachiever in Iraq's economy. It employs 30 to 40 percent of the labor force but produces less than 7 percent of gross domestic product. Bureaucratic bungling in connection with the land reform program has led to low agricultural productivity. Largely as a result, Iraq has gone from agricultural self-sufficiency in the 1960s to net food importer today. Food imports cost the regime \$1.3 billion in 1980 and probably rose to \$2 billion in 1981.

Iraq's goal of agricultural independence depends on the completion of several massive water resource projects that Baghdad hopes will nearly double the acreage under irrigation. To attain this objective, Iraq has in various stages of construction or on the drawing board about 36 major irrigation and drainage projects that probably will cost over \$10 billion by the time they are completed. The agricultural program also includes the construction of dams and reservoirs for flood control and water supply along the Tigris and Euphrates Rivers. Because of the war the pace of development on these projects has been slowed.

Iraq has not had a significant increase in the amount of land under cultivation despite an abundance of water and potentially usable land. With only about half the cropped area of 73 million hectares irrigated, agricultural production still depends heavily on the vagaries of the weather. In the irrigated areas, rising soil salinity—a result of inefficient drainage systems—has left large areas of once-fertile soil too salty for farming. Moreover, the Tigris and Euphrates Rivers crest and flood at times that are not conducive for good growing conditions. Modern Iraq has not been able to duplicate the large, efficient irrigation system developed by the ancient Mesopotamian cultures.

The land reform program, with its emphasis on large-scale engineering projects, has failed to provide sufficient financial aid and technical expertise to overcome the lack of machinery, fertilizers, and modern farming practices that plague the individual farmer. Collectivization also has been slow to provide an efficient distribution and marketing system staffed by skilled workers and managers.

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Collectivization is hindered by some of the same problems that have retarded incentives and productivity in the Soviet Bloc. Mismanagement of the collectivization effort has encouraged peasant migration to urban areas, resulting in a shortage of skilled labor to run the new state farms. For example, an irrigation project at Qadisiya has only enough farmers to use half the project's current potential. Farmers have been discouraged by the government's inability to speedily redistribute expropriated land.

To help make up for labor shortages, Iraq has brought in agricultural workers from Egypt and Morocco. The regime also plans to provide easier credit to encourage its own farmers to return to the land. The additional strain of the war on the agricultural sector has now forced the regime to encourage the private sector to increase productivity.

The government also has faltered in providing amenities such as education, electrification, and connector roads to rural areas. Life for the average farmer is still primitive, and earnings are near the subsistence level.

Industry (Nonpetroleum). From 1976 to 1980 Iraq emphasized industrialization, but industrial output accounted for less than 10 percent of gross domestic product by the end of 1980, and virtually all of the goods were consumed domestically. The primary focus is on heavy industries based on energy resources—petrochemicals, fertilizers, phosphates, and natural gas. Iraq also is developing secondary industries for import substitution. The government's industrialization program is intended to reduce dependence on imports and on oil exports for revenue.

A sharp reduction in oil exports because of the war has caused a slowdown in the overall rate of industrialization. Strapped for vital foreign exchange by 1982, the regime was forced to cancel most new contracts and even postpone construction of many projects not related to petroleum or the war. The war has affected major industrial subsectors in varying degrees:



Military manpower demands have exacerbated the already serious shortage of skilled labor. Even before the war the government had to adjust the speed of development to the availability of labor. Since the war, Iraq has had difficulty retaining foreign workers who are jittery about staying with projects in the war zone.

Income and Inflation

Real per capita income in Iraq fell from about \$2,600 in 1980 to about \$1,900 in 1981 primarily because of the precipitous drop in oil earnings. Because of its deteriorating financial situation, the regime may not be able to prevent a further loss in individual income in 1982. Incomes are much higher among workers in the industrial sector as compared to those in agriculture.

Rapidly rising wage rates for unskilled workers in the industrial sector have contributed to urbanization in Iraq and an annual inflation rate approaching 50 percent. Because the government operates an extensive system of price controls, especially for food, which is the most important item in the price index, the true rate of inflation is probably much higher. Import cuts imposed by the government in 1982 probably have exacerbated upward price pressures. Because shortages are serious for most nonessential consumer items, the government is letting prices rise above mandated levels in an attempt to temper domestic demand.



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Transportation and Communication.

Although Iraq's 20,800-kilometer highway network is the major means of transportation, it is barely able to cope with present traffic. Only about one-third of the system is paved, distribution is poor, and the roads require frequent maintenance in some areas. Iraq's 1,700 kilometers of railroad consist of two lines oriented to long-haul traffic. Iraq has 3,800 kilometers of pipeline to move crude oil to refineries and export terminals. It can ship oil from either the south or the north through the strategic pipeline connecting Iraq's two major oil-producing regions.

Iraq has two major ports for handling general cargo, one at Al Basrah on the Shatt Al Arab and the other at Umm Qasr to the west on the Persian Gulf. The ports have a combined capacity of some 7 million tons per year. A smaller port at Al Faw is used primarily as an oil terminal.

All Iraq's ports have been closed by the war, and the principal road link to Kuwait's ports is vulnerable to Iranian attack. The principal port at Al Basrah has so far suffered little physical damage, but its approaches are blocked by sunken merchant vessels and by heavy silting in the absence of dredging. Harbor facilities at Umm Qasr are largely unscathed, although this port is also closed because of its proximity to the war zone.

To compensate, Iraq has turned to its neighbors—Jordan, Kuwait, Turkey, and Saudi Arabia.

[redacted] we estimate Iraq will transship roughly 12 million tons of cargo through the ports of these countries in 1982, compared with about 2 million tons in 1980.

Iraq is pressing ahead with the expansion of most of its overland import routes despite the cost and the war. To give its overland transportation system added flexibility, Iraq is building a \$3 billion, 1,200-km expressway that will connect Baghdad with the borders of Kuwait, Jordan, and Syria. Always uneasy about the bottleneck on the Persian Gulf, Iraq began design work on the expressway route in 1979.

Iraq's telecommunications network, owned and operated by the state, is largely restricted to the major

urban areas. Baghdad is the primary telecommunications center for Iraq and handles all international traffic. Iraq is constructing a microwave network to improve and expand telephone service in the country. In 1977, the latest year for which data are available, Iraq had about 320,000 telephones (about 2.5 per 100 population).

Foreign Trade and Balance of Payments

Prewar oil earnings—accounting for virtually all of Iraq's foreign exchange—were more than enough to cover spending abroad. The rash of contracts signed mostly with the West made the OECD countries—principally West Germany, Japan, and France—Iraq's largest source of imports. Purchases from OECD countries rose from about \$9.7 billion in 1980 to \$13.5 billion in 1981. Imports from the USSR in the same period increased only about \$500 million to \$1.4 billion, largely reflecting Iraq's dissatisfaction with Soviet technology.

Iraq's oil income jumped from \$11 billion in 1978 to \$25 billion by 1980, largely on the strength of dramatic price increases. Because of the war, oil export earnings dropped to about \$11 billion in 1981. Baghdad has tried to maintain a business as usual attitude despite the war by drawing down reserves and, more importantly, borrowing heavily from its Gulf state allies—more than \$20 billion from Saudi Arabia, Kuwait, the UAE, and Qatar by the end of 1982.

Iraq, however, recently was forced to adopt austerity measures and cut back imports. Reserves as of late 1982 were less than \$15 billion compared with the prewar level of nearly \$35 billion. Over half these funds are in highly liquid bank deposits and government securities and are thus readily available to meet Iraq's foreign exchange needs. The remaining reserves are held as gold, corporate securities, and other assets that probably could be sold only at a loss.

Exchange

Iraq maintains a comprehensive system of trade and foreign exchange controls to allocate earnings from abroad according to economic and social priorities.

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The Central Bank is responsible for implementing exchange regulations, and state trading organizations oversee imports. The official exchange rate is \$3.20 to the Iraqi dinar. Iraq's tightening foreign exchange position forced it to devalue the dinar 5 percent last October to trim import spending.



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Politics

History and Society

Iraq's history is marked by extended periods of foreign domination. Persians, Greeks, Romans, Mongols, Turks, and British have ruled at times over Mesopotamia, and each has contributed to the cultural complexity of a civilization that has flourished for more than 5,000 years.

The Turks gained control of Iraq in 1534 and lost it after World War I, when the Ottoman Empire was dissolved. The San Remo Conference of 1920 assigned the mandate over Iraq to Great Britain. With British support, an Iraqi monarchy was established under King Faysal I in 1921. Iraq obtained formal independence from Britain in 1932, and King Faysal died the following year. Under the incompetent rule of Faysal's son, Ghazi, who died in 1939, the Iraqi military began to emerge as a significant force. The military coup in 1958, led by Abd al-Karim Qasim, during which King Faysal II was killed, virtually eliminated the Iraqi upper class "old guard" from politics and inaugurated the domination of Iraq by a radical officer corps drawn primarily from the lower middle class.

Qasim was overthrown in February 1963 by an alliance of moderate officers and the Ba'th Party of Iraq, which advocated Iraqi nationalism. Ba'thists quickly outmaneuvered their moderate allies and instituted one-party rule. The Ba'th Party was soon seriously weakened by a split between its moderate and militant factions.

The Ba'thists were ousted in an Army coup led by Abd al-Salam Arif in November 1963. The regimes of Abd al-Salam and of his brother, Abd al-Rahman Arif constituted a period of relative stability, although decisions increasingly were made by small cliques of advisers. Many military elements felt excluded from power, and the Army mounted another coup in July 1968. A Ba'th Party countercoup two weeks later ousted the military leaders and consolidated the Ba'th position under Ahmad Hasan al-Bakr. During the late

1970s Bakr gradually was forced to yield power to his deputy, Saddam Husayn al-Tikriti, who formally replaced Bakr as President in July 1979.

The development of a stable national political and social structure in Iraq is hampered by the country's divergent ethnic and class groups, with different backgrounds, deep-seated suspicions of each other, and longstanding resentments. The most serious ethnic split is between the majority Arabs and the 18 percent of the population that is Kurdish. The Kurds have been in a state of rebellion, punctuated by occasional cease-fires, for decades. The country is also split along religious lines between the Sunni (orthodox) and Shia (schismatic) Muslims. The Shia majority (55 percent) has always been dominated by the Sunni minority, who control the government, Army, and economy.

Family and class groupings also divide Iraqi society. Many old values and habits undermine national unity and political authority. Even in urban areas, the lower class majority sees loyalty more in terms of the extended family than of any political entity. Families often seek arbitration of disputes from tribal leaders while avenging real or believed wrongs without recourse to the apparatus of governmental justice.

Power and Authority in Iraq

Party and government structures overlap in Iraq, with the same individuals holding the top posts in each structure. At the top of the government is the president, who is also chairman of the nine-member Revolutionary Command Council (RCC), which exercises legislative and executive power by decree. The president also heads the Ba'th Party, Iraq's only significant political party, which he rules through the Regional Command, a Soviet-style presidium. Separating the organs of policy formulation, decisionmaking, and execution is difficult. Adding to the difficulty is the

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secretiveness of the Iraqi system. Decisionmaking is a closely held and highly personal process, and the state apparatus is authoritarian.

Structure of the Government

A complicated political and legal structure exists on paper but bears little resemblance to reality. In theory, supreme legislative and executive authority in Iraq resides in the Revolutionary Command Council, which elects the president, who then becomes RCC chairman. It appoints the cabinet and ratifies laws and treaties. It establishes the highest judicial bodies in the land, supervises the affairs of the republic, and issues binding decisions. The RCC has evolved since its establishment in 1968; originally akin to a military junta, it is now overwhelmingly civilian.

Theoretically sharing executive authority under the constitution with the RCC is the president, who is also the commander in chief of the armed forces. The president has appointment powers and issues decrees on matters of generally less import than those handled by the RCC. Individual cabinet ministers are responsible to the president as are several senior advisers called presidential deputies. They appear primarily to be technocrats and administrative officials. There is a vice president who has mostly nonpolicymaking duties and who does not automatically succeed to the presidency. The National Assembly, Iraq's formal legislative body, plays no major role.

Who Rules Iraq?

In reality, a small handful of decisionmakers rules Iraq, despite the elaborate formal structure of the government and party. President Saddam Husayn and a few close relatives and friends, aided by a ubiquitous internal security apparatus, maintain a near monopoly on power by holding all the key positions in the RCC and Ba'th Party as well as such key ministries as Interior and Defense. Saddam occasionally purges and reorganizes the civilian and military leadership to prevent potential rivals from developing independent bases of support. RCC members frequently sit on special courts to try persons charged with offenses against the state.

Saddam's talent for survival has helped him climb to a position of authority and remain there for 14 years in a country notorious for its conspiratorial politics

and violent change. His whole political experience has been grounded in secrecy and intrigue. Saddam's life as a member of the underground in the 1950s and 1960s was interrupted by periods of imprisonment and exile. Saddam's leadership style reflects lessons learned during these formative years: be ruthless and preemptive; get "them" before they get you; trust few people—family, tribesmen, and Tikritis, plus a few selected, but expendable, outsiders.

The dominance of the Ba'th Party by Saddam's Tikriti clan goes far in explaining Iraqi political dynamics. Institutions such as the Ba'th Party and the military, which touch all levels of Iraqi society, play important roles in legitimizing the exercise of power. Nonetheless, individual and group loyalty based on common family, tribal, and religious ties is still the key to understanding politics in Iraq.

Internal Security

The Mukhabarat, the intelligence directorate headed by Saddam's half brother Barzan Ibrahim, may be one of the largest civilian government bodies, with perhaps as many as 10,000 members. It has supervisory authority over all other security mechanisms in Iraq, including the directorates of military intelligence and general security, as well as extensive

Three regional directorates of the Mukhabarat—northern, central, and southern—are responsible for internal opposition, particularly Shia dissidence and Communist party activity. Another elite directorate, which reports directly to Barzan, monitors the loyalty of Mukhabarat officers. The organization also runs its own staff college in Baghdad.

The Ba'th Party

The Arab Socialist Resurrection Party (Ba'th) is a secular political party organized in 1943 by two Syrians, Michel Aflaq and Salah al-Din Bitar. The Ba'th split in 1966 when a leftwing faction of the Ba'th seized power in Syria and forced moderate

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Ba'th elements to move to Beirut, where they stayed until the Ba'th Party seized power in Baghdad in July 1968. The Ba'th Party of Iraq has dominated politics in Iraq since then. The rival Iraqi and Syrian groups coexist, officially ignoring each other and espousing a similar, somewhat vague, leftwing philosophy based on their own brand of socialism and Arab nationalism.

The Ba'th Party has a history of clandestine activity and, like the Communist party, is highly compartmentalized. The cell is the basic unit. Three to seven cells make up a section. Above the sections are divisions and then branches. The entire party structure in the country (defined in party terms as a "region" of the Arab "nation") is directed by a regional command in which each branch is directly represented.

The Role of Ideology

Since coming to power in 1968, Ba'th leaders have made skillful use of mass organizational techniques and the media to secure public acquiescence to government policies. The government has stressed party ideology to overcome the country's serious sectarian and ethnic differences. Senior Iraqi leaders operate within a powerful ideological framework, embodied in the Ba'th Party motto, "Unity, Freedom, Socialism":

- A commitment to the eventual unity of the Arab nation.
- A commitment to national independence, particularly from superpower interference.
- A commitment to control the private economic sector, particularly large industries, to prevent accumulation of large profits.

These goals are buttressed by a commitment to the material and social progress of Iraq and all Arab countries based on secular Arab nationalism.

In most cases the regime's claim to correct adherence to Ba'th doctrine bolsters its authority in Iraq. The political value of Ba'th doctrine has been undermined in recent years, however, as Saddam has increasingly concentrated power in his own hands and Iraq has suffered the destabilizing effects of the war with Iran.



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Opposition

Opposition

To combat possible subversion and contain opposition, the Ba'th regime under Saddam Husayn uses unremitting terror against real and suspected opponents.

[Redacted]

[Redacted] The policy of repression has succeeded in limiting serious opposition activity inside Iraq. It has not prevented urban terrorism directed against the Ba'th Party and government officials or a modest upsurge of guerrilla activity in Iraqi Kurdistan.

Both middle class and lower class Iraqis remain potential sources of opposition to the regime, despite major economic growth since the Ba'th came to power in 1968. Many middle class Iraqis—[Redacted]

[Redacted]—remain dissatisfied with limited occupational opportunities and low pay. [Redacted]

[Redacted] The predominantly Shia lower classes are volatile elements in Iraqi society. Many have migrated to the large population centers but have had difficulty finding employment and are crowded into some of the worst slums in the Middle East.

Cooperation Among Opposition Groups

Iraq's opposition groups are a diverse lot—renegade Ba'thists and Communists, Sunnis and Shias, Arabs and Kurds—but many share similar goals. These include the opening up of the political process as well as the overthrow of the government. They talk about free elections, an open press, and representative institutions and profess to support Kurdish self-determination as well as equal rights for minority groups. Yet they are unable to cooperate on the most elemental level or to agree on a basic political program. None of the opposition groups can overthrow the government

by itself, but together they would pose a formidable threat, particularly the Kurds and the Shias, who comprise about 75 percent of Iraq's population.

[Redacted]

The Shia Opposition

Iraq's Shia community has long viewed itself as politically disfranchised and economically disadvantaged. It has been excluded from power partly by choice—Shias have opposed every Iraqi government since the first one created by the British in 1920. The Shias have been influenced by a small number of religious leaders and itinerant divines, many of Iranian origin, who have lived in Iraq's holy cities of Najaf, Karbala, Sammara, and Baghdad for generations.

[Redacted]

The largest and most influential Shia opposition group is the Dawa Party. It was founded in the 1960s by young Shia activists unhappy with the continuing pattern of discrimination and political repression. Heavily supported by Iran, Dawa has balked at working closely with other dissident elements.

Shia dissident activities in Iraq have increased since early 1982 but remain episodic and more an irritant than a threat. The operations appear to be limited to

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hit-and-run attacks on police posts and random shootings in Baghdad and Al Basrah. [redacted]

[redacted]

small groups for eventual guerrilla activities and is trying to rebuild its domestic organization. Its leaders meanwhile are in exile, discredited by the failure of the party's Moscow-directed policy of the early 1970s that called for cooperation with Ba'thists in a National Front government.

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The Kurds

Iraq's Kurdish rebels have the greatest number of armed supporters of all the dissident groups, perhaps as many as 15,000. Their effectiveness, however, is hampered by deep-seated enmity between leaders, tribal differences, chronic infighting among factions, and constant realignment.

CPI's apparent strategy is to cooperate with any and all dissident factions while trying to unify them in a common front against the government. The CPI has partly succeeded in its first objective; [redacted]

[redacted]

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Two factions dominate Iraqi Kurdish politics—the Iraqi Kurdish Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK). Their goals are similar; both would accept an accommodation with Baghdad in exchange for meaningful political and economic autonomy and recognition of their party's hegemony over the Kurdish community. Differences between the two factions mostly concern rivalry for leadership of Iraq's Kurds and competition for local support. These have kept their leaders at odds for the past decade and seem to preclude their cooperating now.

The second objective—unification of the anti-Baghdad factions—has proved far more elusive. Jalal Talabani, leader of the Patriotic Union of Kurdistan, has rejected Communist attempts to ally him or the National Democratic and Patriotic Front (NDPF) with the Barzanis, leaders of the Kurdish Democratic Party. Shia religious leaders adamantly refuse to consider joining forces with either the Communists or the various, vaguely defined Arab leftists.

Iraq's Kurdish dissidents have increased operations in northern Iraq since the start of the Iran-Iraq war in the hope of extracting political concessions from Baghdad. [redacted]

Moscow is sheltering much of the Iraqi Communist Party leadership and facilitating communication between party leaders in exile and cadre still in the region. The Soviets seem reluctant to intervene in the party's leadership crisis. Moscow would probably prefer a new leadership that would combine elements of the Kurdish and Shia groups still active in Iraq.

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[redacted]

Iraq's Kurds draw support from Iran and Syria, as well as the Iraqi Communist Party.

Foreign Involvement

Iraq's dissidents are vying for support from the same principal sources—Iran, Syria, and Libya. The competition for foreign money and arms is not only between factions but from within the same movement as well:

[redacted]

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Iraq's Communists

The Communist Party of Iraq (CPI), one of Iraq's oldest political parties, is divided into several factions. Most CPI factions are located outside Iraq except for small bands of guerrillas who operate in the north alongside the Kurdish groups, and a very small Shia group possibly centered around Al Basrah.

Arrests, executions, defections, and factional infighting since 1979 have decimated Communist ranks in Iraq, but the party survives, especially in the Kurdish north. The CPI has taken advantage of Baghdad's preoccupation with its war with Iran to infiltrate

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The Soviets provide safehaven in Moscow and Eastern Europe for Communist party exiles and Kurdish leftists but do not appear to be directly aiding or arming Iraqi opposition groups. The Kurds as well as the Communists and the Shia factions have Soviet-made weapons, but these are supplied for the most part by Syria, Libya, and pro-Soviet Palestinian groups or stolen from Iraqi units. Nevertheless, Baghdad suspects that the Soviet and East European assistance flowing to the dissidents comes with Moscow's blessing and instructions.



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Armed Forces

Armed Forces

Iraq's longest war, which began with its invasion of Iran in September 1980, has provided a severe test of the loyalty and combat capability of all elements of the Iraqi armed forces. After initial success against an ill-prepared enemy, Iraqi weaknesses in command, troop morale, and tactical planning negated Iraqi superiority in weapons and equipment, permitting the Iranians to seize the initiative and drive Iraqi forces back to the border.

At the same time, Iraq's armed forces have remained loyal to the regime even under difficult circumstances and have retained their organizational integrity and fighting capability. To some extent this is a product of Saddam Husayn's purges of officers and the presence in the military of politically reliable officers and personnel from the military Directorates of Political Guidance and Intelligence.

Iraq's Air Force has played only a minor role in the evolution of the war and has been more effective in attacking soft, high-profile, strategic targets such as population centers.

[redacted] For its part, the Iraqi Navy demonstrated weakness relative to the Iranian Navy. Its poor performance underscored the need to significantly expand Iraq's fleet.

Although influenced for many years by British training and military equipment, Iraq immediately after the revolution in 1958 turned to the Soviet Union for assistance. Since then, Iraqi forces have taken on many of the characteristics of the Soviet armed forces

Because of political disagreements with the Soviets and concerns about Soviet reliability, the Iraqi regime in the late 1970s began to diversify its sources of military supply by turning to Western Europe—particularly France—for new weapon systems (for example, Mirage F-1 fighter aircraft, Roland surface-to-air missiles, and naval ships). The Soviet Union's

arms embargo imposed at the beginning of the war encouraged Baghdad to diversify its sources of arms further.

[redacted] The Soviet Union resumed arms deliveries in the spring of 1981 but had to share the Iraqi market with Western Europe and China.

Army

Iraq's regular Army of some 350,000 men is the largest army in the Middle East. Most of these are normally positioned to defend the border with Iran,

[redacted] The Army also is responsible for defending the country's border with Syria. Internally, Kurdish dissidents, assisted by Iran and other foreign countries, continue to tie down some Iraqi units in the north.

The Army is divided into four corps, each with a primary geographic area of responsibility—the first corps in the north, the second in the central border area, and the third and fourth in the south. Most units have deployed during the war to defend those fronts most seriously threatened. Their permanent location will probably be determined by the outcome of the war.

During the war with Iran, the Army has had a mixed record, performing poorly inside Iran as the war has dragged on, but defending Iraqi territory well in the face of determined Iranian attacks.

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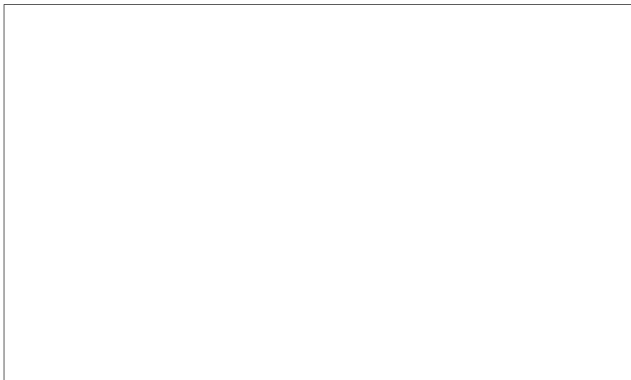
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elaborate air defense network, Iranian fighter-bombers were able to penetrate Iraqi airspace to attack targets well inside the country, including Baghdad. Iraqi air defense units have appeared to improve marginally as the war has gone on, successfully engaging Iranian aircraft over Baghdad.

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Navy

Iraq's small Navy is unable to challenge even Iran's weakened fleet for control of the Gulf. Its patrol boats are capable only of small-scale raids and coastal surveillance.



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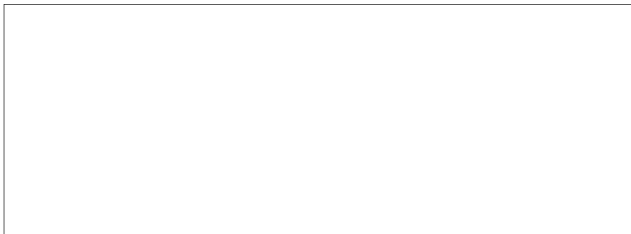
Air Force

Iraq boasts an Air Force of more than 400 fighter-bombers, most of them Soviet made, and some 400 jet-qualified pilots. Iraq has the full range of Soviet combat aircraft in its inventory, including helicopters and 16 bombers. Recently, the Air Force has been strengthened by the addition of French-built helicopters and Mirage F-1 interceptors.

Iraq plans to substantially upgrade its fleet.



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Most of the Navy has been trained by the Soviets either in the Soviet Union or in Iraq. Pakistani, Indian, and East European officers staff a naval academy at Al Basrah.



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Fighter aircraft pilots are handicapped by Soviet doctrine, which does not encourage pilot flexibility and initiative.

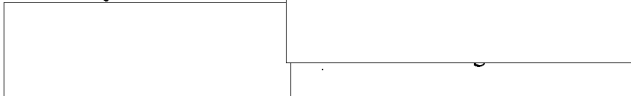


Paramilitary Organization

Iraq's mobile police force of some 20,000 personnel is responsible for maintaining internal security. It is equipped with small arms and a mixture of Soviet and European light armored vehicles.

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The Air Force became more effective during the second year of the war.



The Border Guard Force of some 50,000 men in 11 brigades is responsible for helping the Army provide security in the border areas. Border Guard units have been active in the Kurdish areas and have assisted the Army in operating against Iran during the war. They too are equipped primarily with small arms and light armored vehicles.

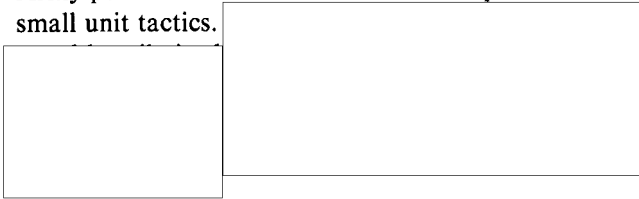
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Air defense forces have been equipped with Soviet SA-2s, SA-3s, and SA-6s and, more recently, with French Roland surface-to-air missiles. Their primary mission is to provide a thorough defense for Baghdad, point defense of airfields and other selected strategic installations, and some area coverage along the southern portion of the Iran-Iraq border. Despite Iraq's

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The People's Army, formed in 1970 as an instrument of the Ba'th Party to protect the regime, has evolved into a reserve military force currently composed of several hundred thousand men and women. Iraq claims that the force will eventually include some half million recruits. Most training is given by regular Army personnel at their facilities and emphasizes small unit tactics.



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Foreign Relations

Iraq's foreign policy is driven by Iraqi efforts to extricate itself from its war with Iran and regain a position of leadership in the Arab world. Saddam Husayn will also continue expanding relations with Western countries, including the United States, and lobby for a larger Iraqi role in the Nonaligned Movement.

Baghdad's foreign policy has moved away from a radical, isolationist, and left-leaning line since the late 1970s to a more pragmatic and nonaligned course. Economic development goals have led Baghdad to turn more to the West and to the richer, moderate Arab states. This trend has been reinforced by the costly war with Iran. The Soviet Union and radical Arab states have not proved dependable in Baghdad's eyes, while the West Europeans and moderate Arabs have been supportive politically and financially. Iraq's leadership ambitions in the Arab and nonaligned worlds, however, will continue to foster policies irritating to Western and moderate Arab interests, especially once the war with Iran ends.

The War With Iran

The Iraq-Iran war is only the most recent manifestation of a historical enmity and competition for regional dominance. When the war ends, it will be followed by a fragile peace that probably will leave one of the parties bitter and intent on altering the outcome at the first opportunity.

Nonetheless, Baghdad and Tehran have enjoyed periods of relative calm and accommodation in their relations. Such a period began in 1975 with the signing of the Algiers Accord, which effectively ended the latest round of Kurdish rebellion. The calm was broken with the revolution in Iran, which rekindled efforts by each side to undermine the other. Fearing the effects of the revolution on its own Shia population, Iraq began aiding Iranian exiles and dissidents in their activities against the Khomeini regime.

Iraq invaded Iran in September 1980 in the hope of precipitating the overthrow of the Khomeini regime. Publicly, it declared three less ambitious goals: Iranian recognition of Iraqi claims to disputed border territories and the Shatt al Arab waterway, an Iranian pledge to refrain from interfering in Arab affairs, and the return to Arab control of three Gulf islands that the Shah had occupied in 1971. As the war has dragged on, even these goals have proved unattainable, and Iraq is now faced with substantial Iranian demands, including war reparations, the return of tens of thousands of Iranian-origin Iraqis exiled to Iran, and at times even a new government in Baghdad. Iran retains the initiative in the war and will determine when it ends.

Relations With the West

Iraq began restoring contacts with the West in the mid-1970s in order to establish more balanced relations between East and West. Substantial economic ties with France began with an agreement to sell Iraq a nuclear reactor and fighter aircraft. Strong commercial ties have since been established with Japan, West Germany, Italy, and the United Kingdom, and firms from these nations participate in an array of industrial, agricultural, and social development projects. Italy also has become a key source of arms and nuclear assistance.

The Iraqis cite relations with France as a model for other Western industrial states. Saddam views Paris as a reliable and politically acceptable partner; in contrast to the USSR, France expedited arms shipments and sent technicians to maintain French equipment at the outset of the war with Iran. Paris, for its part, would like to ensure access to Iraqi oil and establish a long-term market for military equipment.

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Relations With the USSR and Eastern Europe

Iraq's close relationship with the USSR began in 1958 when Moscow hurried to recognize and support the revolutionary Qasim regime and establish a major presence in Iraq. Relations started to sour in the mid-1970s despite a formal friendship treaty and strong Soviet economic and military aid programs. Traditionally suspicious of Soviet motives, Iraq was uneasy about Soviet activity in Afghanistan, South Yemen, and the Horn of Africa and suspected Soviet meddling in Iran. Moscow was angered by Iraqi repression of the Soviet-supported Iraqi Communist Party. Growing economic independence during this period gave Baghdad the opportunity to follow a more nationalistic course. The USSR's six-month arms embargo after the outbreak of the Iran-Iraq war in September 1980 and its close relations with Iraq's archenemy Syria brought Iraqi-Soviet relations to a new low. Relations only superficially improved following Moscow's lifting of its arms ban in the spring of 1981.

Iraq's estrangement from the USSR is likely to endure after the war. Baghdad wants to reduce Soviet political leverage by diversifying Baghdad's arms suppliers. The Iraqis remain worried about Soviet expansionism in the region, particularly in the wake of the Soviet invasion of Afghanistan. They resent Moscow's support for rebellious Iraqi Communists and have been dissatisfied with the quality of civilian goods and services provided by the USSR and its East European clients.

Baghdad has made a special effort, however, to maintain good ties with energy-poor East European states such as Yugoslavia and Romania. They are attractive political partners and sources of arms and spare parts for the largely Soviet-equipped Iraqi military.

Relations With the Arab States

The Iraq-Iran war forced Baghdad to be more accommodating to the moderate Arabs. These states, led by Saudi Arabia, Jordan, and Kuwait, have provided Iraq with more than \$25 billion in financial aid, as well as logistic and political support. Iraq has responded by muting traditional hardline views on regional issues, including the Fahd peace plan, Jordan-PLO

relations, and US military ties. Relations with Egypt, which hit a low point after Egypt's signing of the Camp David accords, have improved steadily in 1982, largely as a result of Iraq's appeal for Arab support in the war with Iran.

Iraq's major Arab rivalry is with Syria. Political competition since the Ba'th Party split in 1966 has bred deep distrust, with each claiming to be the legitimate representative of pan-Arab Ba'thism. In pursuit of these claims, each has sponsored coup plots and assassinations against the other. Differing attitudes on negotiations with Israel, disputes over Euphrates River water resources, and religious sectarianism also create discord.

Attitude Toward Israel

Despite deep Iraqi opposition to Zionist activities in Palestine since the 1930s, Iraq has played only a minor military role in Arab-Israeli wars. Iraq has maintained a firm rejectionist foreign policy—depicting Israel as the ultimate enemy of the Arabs and a tool of the United States—and has not accepted UN Resolution 242 or the Camp David accords. Iraq has also provided financial and political support to radical elements of the Palestine Liberation Organization.

Growing Iraqi ties with the moderate Arabs, particularly Jordan, may account for recent Iraqi willingness to support more moderate elements in the PLO and to support Jordanian efforts to seek a negotiated settlement to the Arab/Israeli conflict. Deep mutual hostility between Israel and Iraq remains, however, and was exacerbated by Israel's bombing of the Iraqi nuclear reactor in June 1981. Iraq will continue to seek ways to assuage its humiliation and try to deepen Israel's isolation in the United Nations and other international organizations.

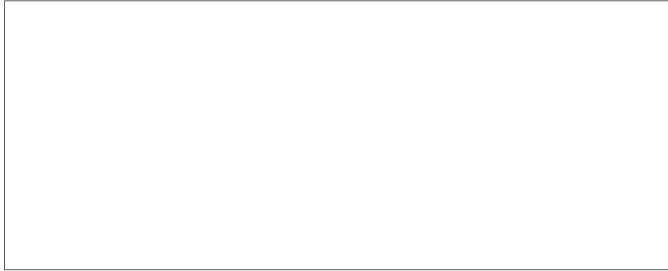
Relations With the Third World

Iraq has attempted to project itself as a leading nonaligned state. Deeply suspicious of the United States and the USSR, Saddam continues to see nonaligned forums as useful vehicles for condemning superpower interventions throughout the Third World and to lobby for economic and political independence,

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including the nationalization of foreign-owned enterprises in Third World countries. Having lost the opportunity to act as host to the Nonaligned Summit in 1982 and fill the chairmanship of the movement for the next three years, Baghdad will lobby hard to hold the next summit meeting in 1985.



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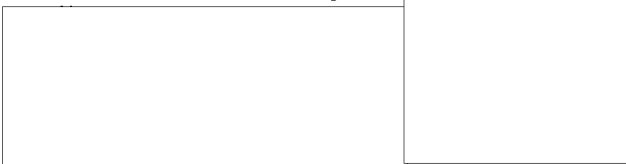
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US Interests

The United States has not had formal diplomatic relations with Iraq since 5 June 1967, the beginning of the Arab-Israeli Six-Day War. Iraq not only severed diplomatic relations with Washington but suspended oil shipments to the United States as part of the OPEC oil embargo, refused permission for US commercial aircraft to overfly Iraq, and established a boycott of US goods.

Relations have improved slowly as Iraq has sought to reduce its economic and military dependence on the Soviet Union and increase Western financing of Iraq's economic development. Since 19 September 1972 the United States has maintained an Interests Section in the Belgian Embassy in Baghdad.



Expanding US-Iraqi ties are limited largely to commercial and economic areas. In 1973 the Iraqi Government revoked its six-year ban on US imports. US firms have received large contracts for petrochemical plants, oilfield development, and offshore tanker terminals. In 1981 the Iraqis further expanded opportunities for US businesses in Iraq by allowing participation in the annual Baghdad International Trade Fair. Baghdad purchases large quantities of American agricultural products and has a growing appetite for sophisticated industrial goods and technology. US firms will probably play a significant role in reconstruction of the oil sector severely damaged by the war. Still, Japanese and European firms continue to have more success than Americans in Iraq. In 1981 US exports to Iraq totaled \$914 million. Japan's exports to Iraq during the same period totaled \$3 billion, those from West Germany were \$2.9 billion, and from France \$1.5 billion.

Iraq has shown interest in improving diplomatic relations with the United States since mid-1980. In April 1981 the US Deputy Assistant Secretary for Middle East Affairs was the first senior US official to pay an official visit to Iraq since the rupture of Iraqi-US relations in 1967. As a result of that visit the Iraqi Government now deals with the head of the US Interests Section as though he were a fully accredited Ambassador.

Despite the revived Iraqi interest in normal relations and shared concerns over the course of the Iranian revolution, a resumption of full diplomatic ties with the United States is not likely in the near future. Iraq is still suspicious of US intentions in the Persian Gulf and remains committed to eliminating superpower influence in the area and in the Arab world. It is sensitive to Iranian charges that Iraq has become a US "tool" in the region. The major stumblingblock to normalization is the Arab-Israeli dispute. Iraq continues to view US support for Israel as inimical to the interests of Iraq and the Arab world.

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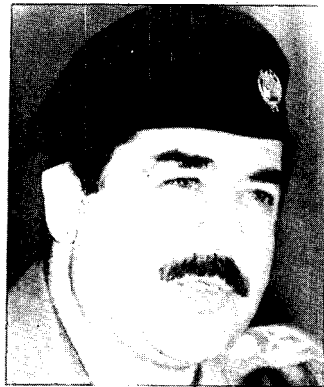
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Husayn, Saddam

In July 1979 Saddam Husayn formalized his de facto position as Iraq's strongman by ousting Ahmad Hasan al-Bakr and replacing him as President, chairman of the Revolutionary Command Council, and secretary general of the Ba'th Party. The primary architect of Iraq's authoritarian political system, he is the dominant force directing Iraqi domestic and foreign policy. His control of the ruthless and effective security network developed during his rise to power and his intolerance of opposition have concentrated power in the hands of a small inner circle of loyalists and kinsmen. Saddam, 45, is a Sunni Muslim.

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Chronology

- 647 Arabs establish caliphate in Baghdad.
- 1253 Mongol invasions launch prolonged political chaos, economic depression, and social disintegration.
- 1509 Persian Shia Safavids conquer Iraq.
- 1534-1918 Ottoman rule.
- 1918 British establish control over all Iraq.
- 1920 Mandate for Iraq is awarded to United Kingdom at the San Remo Conference.
- 1921 Hashemite monarchy is established by British under King Faysal.
- 1930 Treaty with Britain provides for 25-year alliance.
- 1932 Iraq achieves independence and membership in the League of Nations.
- 1953 King Faysal II crowned.
- 1955 Iraq becomes a signatory to Baghdad Pact.
- February 1958 Iraq and Jordan federate into new state called the Arab Union; Faysal II of Iraq is titular head of state.
- July 1958 Small group of Army officers, led by Abd al-Karim Qasim, revolt and assassinate the King; new Iraqi Republic dissolves the Arab Union, withdraws from the Baghdad Pact, and concludes defense treaty with United Arab Republic (union of Egypt and Syria).
- June 1961 Qasim claims Kuwait as an integral part of Iraq.
- August 1961 Kurds under the leadership of Mulla Mustafa Barzani begin an armed revolt against the central government.
- February 1963 Qasim is killed in military coup led by the Ba'th Party; Abd al-Salam Muhammad Arif is appointed President.
- April 1963 Unity agreement (Cairo Charter) is signed, calling for an enlarged United Arab Republic made up of Egypt, Syria, and Iraq.
- June 1963 UAR President Nasir announces his refusal to implement the Cairo Charter because of Ba'th Party control of the Syrian Government.

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October 1963 Iraq renounces claim laid to Kuwait by Qasim; Kuwait grants loan to Iraq.

November 1963 Following internal conflict within the Ba'th Party, Army seizes control and dissolves National Guard; Arif remains President.

July 1964 All banking and insurance operations, the three major trading companies, and all important industrial firms, except the Iraq Petroleum Company, are nationalized.

September 1965 Attempted coup by pro-Nasirist Prime Minister Arif Abd al-Razzaq fails; Razzaq flees to Cairo.

April 1966 President Abd al-Salam Arif is killed in helicopter crash; his brother Abd al-Rahman Arif succeeds him as President.

June 1966 Cease-fire reached between rebellious Kurds and government forces.

June 1967 Iraqi airfields attacked and some Iraqi planes destroyed during Arab-Israeli war. Iraqi troops enter Jordan but do not engage in battle. Relations with the United States are broken because of Arab charges of US aid to Israel.

July 1968 Young officers collaborate with the moderate wing of the Ba'th Party to overthrow the Arif government; officers are ousted in turn by the Ba'th, whose leader, Ahmad Hasan al-Bakr, becomes President.

January 1970 Iranian-backed coup attempt fails.

April 1972 Iraq-USSR Friendship Treaty signed.

March 1975 Iran-Iraq Treaty settling border disputes signed in Algiers.

1977 Iraq and Kuwait reach tentative border agreement.

October 1978 Syria and Iraq sign "charter for joint national action" against Egyptian/Israeli peace efforts.

January 1979 Unification talks with Syria begin.

July 1979 Saddam Husayn replaces Ahmad Hasan al-Bakr as President and Chairman of RCC.

August 1979 Saddam launches major purge of government leadership, arresting 67 senior officials and executing 21 for treason.

22 September 1980 Iraq invades Iran, and full-scale war begins.

April 1981 US Deputy Assistant Secretary for Middle East Affairs makes official visit to Baghdad—the first senior US official to do so since 1967.

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7 June 1981	Israeli planes attack and destroy Iraq's Osirak nuclear reactor.
15 September 1981	Iraq's Ismat Kittani chosen president of the 36th UN General Assembly.
June 1982	Iranian troops force Iraq to withdraw from Iranian territory.



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Statistical Summary

Land 445,480 km;² 18 percent cultivated, 68 percent desert, waste, or urban, 10 percent seasonal and other grazing land, 4 percent forest and woodland.

Limits of territorial waters (claimed): 12 nm.

Coastline: 58 km

People

Population: 14,034,000 (July 1982).

Average annual growth rate: 3.3 percent.

Ethnic divisions: 70.9 percent Arabs

18.3 percent Kurds

2.4 percent Turkomans

0.7 percent Assyrians

7.7 percent other

Religion: 55 percent Shia Muslim

40 percent Sunni Muslim

5 percent Christian or other

Language: Arabic, Kurdish

Literacy: 20 to 40 percent

Labor force: 3.1 million (1977)

30-percent Agriculture

27-percent Industry

21-percent Government

22-percent Other

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Government

Legal name: Republic of Iraq

Capital: Baghdad

Type: Republic. National Front government consisting of Ba'th Party and pro-administration Kurds; Communists play no role in government.

Political subdivisions: 18 provinces under centrally appointed officials.

Legal system: based on Islamic law in special religious courts, civil law system elsewhere; provisional constitution adopted in 1968.

Government leaders: President Saddam Husayn Abd al-Majid al-Tikriti; Deputy Chairman of the Revolutionary Command Council Izzat Ibrahim al-Duri.

Suffrage: universal.

Communists: estimate 2,000 hardcore members.

Political or pressure groups: political parties banned, some opposition to regime from disaffected members of the regime, Army officers, and religious and ethnic dissidents.

Member of: Arab League, FAO, G-77, IAEA, IBRD, ICAO, IDA, IFC, ILO, IMF, ITU, NAM, OAS, OPEC, UN, UNESCO, UPU, WFTU, WHO, WIPO, WMO, WSG, WTO

Economy

GNP: \$31.3 billion (1981 estimate), \$2,300 per capita.

Agriculture: dates, wheat, barley, rice, and livestock.

Major industry: crude petroleum; 1 million b/d (1981); petroleum revenues for 1981, \$10.6 billion.²

Electric power: 3,450,000-kW capacity (1979); 9.4 billion kWh produced (1979), 715 kWh per capita.

Exports including oil: \$10.8 billion (f.o.b., 1981 estimate); nonoil receipts, \$200 million (estimate).

Imports: \$20.7 billion (f.o.b., 1982 estimate); 14 percent from Communist countries (1980).

² Prewar production was 3.4 billion b/d, revenues \$21 billion.

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Major trade partners: exports—France, Italy, Brazil, Japan, Turkey, the United Kingdom, USSR, other Communist countries; imports—West Germany, Japan, the United States, the United Kingdom, the USSR, other Communist countries (1977).

Budget: public revenue \$17 billion, current expenditures \$8.9 billion, development expenditures \$11.1 billion.

Monetary conversion rate: 0.31 Iraqi dinar = US \$1.00 October 1982).

Fiscal year: calendar year.

Communications

Railroads: 1,700-km total; 1,123-km standard gauge, 575-km meter gauge.

Highways: 20,800-km total; 6,500-km paved, 4,650-km improved earth, 9,650-km unimproved earth.

Inland waterways: 1,015 km; Shatt al Arab (when dredged) navigable by maritime traffic for about 100 km; Tigris and Euphrates Rivers navigable by shallow-draft steamers.

Ports: three major (Al Basrah, Umm Qasr, Al Faw).

Pipelines: 3,820 km crude oil; 585 km refined products; 1,360 km natural gas.

Civil air: 30 major transport aircraft.

Airfields: 79 total, 69 usable; 27 with permanent-surface runways; 36 with runways 2,440 to 3,659 meters, 17 with runways 1,220 to 2,439 meters.

Telecommunications: good network consists of coaxial cables, radio relay links, and radiocommunication stations, 320,000 telephones (2.5 per 100 population.); nine AM radiostations, 13 TV stations; one satellite station with Atlantic Ocean and Indian Ocean antennas.

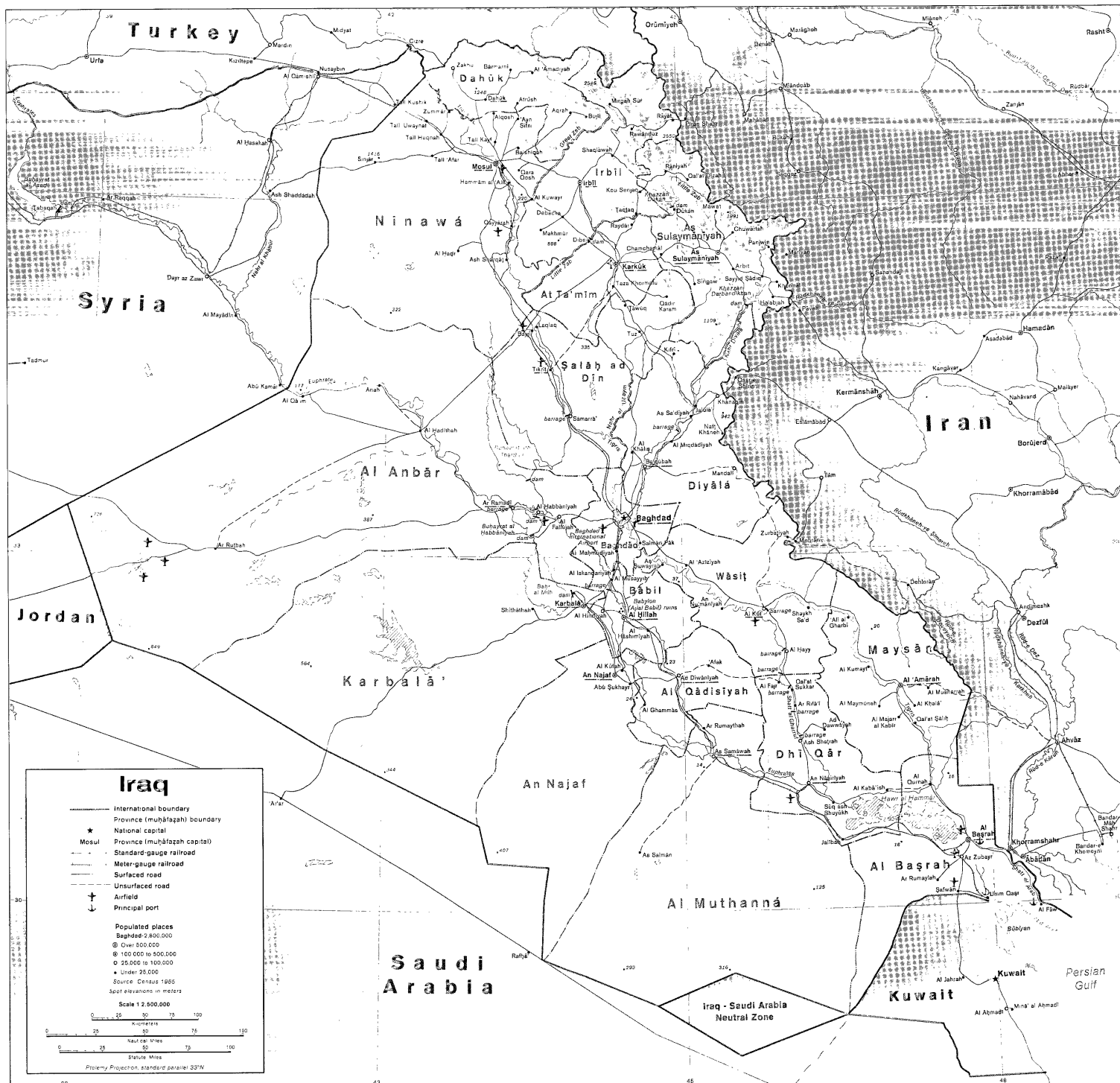
Defense Forces

Military manpower: males 15 to 49, 2,981,000; 1,659,000 fit for military service; about 146,000 reach military age (18) annually.



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