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Near East and South Asia Review



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Supplement
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Articles

Iran-United Kingdom: Military Trade

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Iraq: Kurdish Situation Worsens

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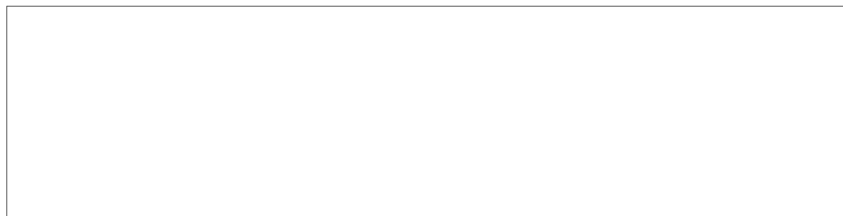
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There are increasing signs that the faction-ridden Kurdish opposition is coalescing; but, although the Iraqis plan to pacify the Kurds this summer, a major assault is unlikely, since Baghdad cannot run the risk of being drawn into a two-front war.

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Some articles are preliminary views of a subject or speculative, but the contents normally will be coordinated as appropriate with other offices within CIA. Occasionally an article will represent the views of a single analyst; these items will be designated as noncoordinated views. Comments may be directed to the authors.

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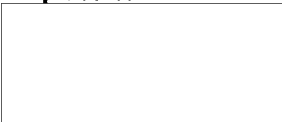
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Articles

Iran-United Kingdom: Military Trade

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British military sales to Iran in the last five years have been limited but have helped Tehran maintain its military capabilities by keeping some of its Western military equipment operational. British willingness to provide spare parts and equipment to Tehran appears designed to secure a stronger political position in Iran when the war with Iraq ends or the political structure of the clerical regime changes after Khomeini dies. London's sales of defensive hardware—vehicles, avionics, and air defense systems—to Tehran will improve Iran's military capabilities against Iraqi and US forces in the Persian Gulf region. The British recognize that the spare parts and equipment they provide are being used in military operations but regard the improvement in Iranian military capabilities as marginal.

what London sees as fierce competition from other potential suppliers. The British see obvious economic benefits to their industries from such sales, but British officials also have argued to US counterparts that a link to Iran could provide leverage to the West by avoiding the complete isolation of Tehran

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We believe that the British view Iran as the naturally dominant power in the Persian Gulf over the longer term regardless of the outcome of the Iran-Iraq war and the future of the Khomeini regime. London probably wants to be in a position to take advantage of ties to Iran in order eventually to have a stronger position than other Western nations. The British undoubtedly recognize that their spare parts are being used for military purposes, but they appear convinced that such use has only a marginal effect on the Iran-Iraq conflict.

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UK-Iranian Trade

Iran was the United Kingdom's second-largest arms customer before the war, buying \$800 million in hardware between 1970 and 1980. Major Iranian purchases included 900 Chieftain tanks, 350 Scorpion light tanks, a destroyer, four destroyer escorts, and Rapier surface-to-air missile systems. Since the war with Iraq began, the United Kingdom has provided about 10 percent of Iran's arms purchases.

Official Military Sales

Since the beginning of the Iran-Iraq war in late 1980, Tehran has purchased at least \$200 million in military hardware and spare parts from the United Kingdom. Most of these deals have consisted of helicopters, radars, spare parts, and ammunition. In 1983 Iran signed a \$50 million contract with the British firm Westland to purchase helicopters. in November 1982 Iran placed an air defense radar purchased from Britain on Khark Island.

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Trade with Iran is important to the United Kingdom, and London maintains a very favorable overall balance of trade with Tehran despite the war. In 1983 and the first three-quarters of 1984 Britain exported over \$1.7 billion in goods to Iran, while imports were valued at \$519 million. Over 90 percent of British exports were manufactured goods, while oil accounted for 82 percent of the imports from Iran.

London also has supplied Iran with equipment ordered by the Shah. Britain recently delivered the Khark, a naval oiler, to Iran. In early May the United

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Motivations

British Defense Secretary Heseltine has made a major effort to encourage British arms sales in the Persian Gulf region, including Iran, in large part because of



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Kingdom delivered to Iran two landing support ships, each capable of transporting nine tanks across the Gulf. [Redacted]

purchase spare parts from US firms, particularly for American-made aircraft. [Redacted]

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Despite US demarches, British officials told US diplomats recently that the United Kingdom will sell certain material such as trucks or spare parts that will not improve Tehran's military capability.

Fragmentary evidence does not provide a total figure on the value of military-related purchases that the Iranian mission in London buys from third countries or on the gray arms market. We estimate, however, that this office probably spends tens of millions of dollars a year on such equipment. [Redacted]

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Outlook

The British are unlikely to halt their military trade with Iran despite US pressure. British officials have at times shown much irritation over expressions of US concern about arms sales and have responded that Washington is overreacting to "minimal dealings." Foreign Office officials have resisted pressure to halt deals with Iran, and last summer some officials even claimed that Washington was attempting to undercut Britain's position in the Arab world by spreading exaggerated accounts of the sales. We would also expect the British to be sensitive about how the United States acquires information about deals with Iran. [Redacted]

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Although Baghdad will continue to have a wide edge in firepower, equipment and spare parts from the United Kingdom will improve Iranian capabilities against Iraq. British spare parts will help Iran field and maintain more armored vehicles. The Iranians also have been pleased with the effectiveness of helicopter attacks against Iraqi forces, and Iran probably will adapt new "civilian" helicopters from the United Kingdom to carry ordnance or transport men. Large numbers of trucks will help Iran to move, concentrate, and supply its forces. [Redacted]

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International Gray-Market Arms Purchases

Iran's most important arms purchasing office is in London. [Redacted]

The

London office provides the Iranians with an important means to avoid the Western arms embargo that would otherwise block Western firms or suppliers from selling items directly to Iran. The Iranians, for example, have used the London office to try to

British-supplied or -manufactured parts and defensive weapons also could help Tehran maintain or perhaps even improve its air defenses, increasing the threat to

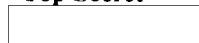
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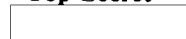
US operations in the Persian Gulf should there be a confrontation. Replacement electronic components would enable Iran to keep more of its aircraft operational. Spare parts for British ground radars already in Iran, new radars, or new anti-aircraft weapons would improve Tehran's ability to locate and destroy aircraft over southern Iran. 

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**Iraq: Kurdish
Situation Worsens** [Redacted]

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There are increasing signs that the faction-ridden Kurdish opposition is coalescing. The two major Kurdish resistance groups have effected a reconciliation after years of feuding. Iran, Syria, and Libya support the rapprochement because they would like to marshal the Kurdish guerrillas into a more formidable force against Baghdad. The Iraqis plan a "total campaign" to pacify the Kurds this summer, but we believe a major assault is unlikely, since Baghdad cannot run the risk of being drawn into a two-front war. [Redacted]

Background

In early February, Iraq attacked the stronghold of the second-largest Iraqi Kurdish resistance group, the Patriotic Union of Kurdistan (PUK). The Iraqi Army moved in a two-pronged assault against the guerrillas concentrated around the Kurdish city of Sulaymaniyah. Using bulldozers and dynamite, military units leveled communities deemed sympathetic to the PUK to destroy the guerrillas' popular base. Within days after launching the assault, the Iraqi military commander in charge of the operation declared its successful conclusion. [Redacted]

The guerrillas, however, were hardly defeated. They fought back, [Redacted]

[Redacted]

Baghdad responded to the guerrilla violence in March by resuming its attacks on the local Kurdish communities. Before the riposte was launched, however, it had to be scaled back. Tehran had

mounted a major assault near the important southern Iraqi city of Al Basrah, and Iraq pulled troops out of Kurdistan to repel the Iranian attack, according to US diplomats in Baghdad. As of this writing, the PUK was continuing its rampage in the north. [Redacted]

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Unity Among the Guerrillas

The PUK, led by guerrilla chief Jalal Talabani, apparently was caught off guard by the Iraqi assault. At the time Baghdad struck, Talabani's guerrillas had been observing an uneasy truce with the Iraqis. In late 1983, Talabani had agreed to support Baghdad's war effort in return for a grant of autonomy for Iraq's 2.5 million Kurds. Technically, the autonomy deal was still pending when Baghdad unilaterally abrogated the arrangement by attacking the guerrillas [Redacted]

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Baghdad probably believed that Talabani was vulnerable to attack. His offer to discuss peace with the government had isolated him—his alliances with Syria and Libya were severed by the two states as soon as the truce with Iraq became public. In addition, the truce intensified ill feeling between the PUK and other Kurdish guerrilla groups, particularly the largest group led by Mas'ud Barzani. Barzani and Talabani both aspire to lead Iraq's Kurdish community, and, when Talabani went over to the Iraqi side, Barzani labeled him a traitor. [Redacted]

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Nevertheless, when Baghdad launched its assault against Talabani, Barzani behaved with statesmanlike restraint. He did not try to exploit his rival's difficulty. [Redacted]

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Pressure From the North

The reconciliation between the two strongest Iraqi Kurdish guerrilla groups opens the way for Talabani to join the anti-Baghdad front of Kurds and Communists that Syria put together last summer.

With shoulder-fired ground-to-air missiles and wire-guided antitank missiles, the Kurds can inflict heavy losses on attacking Iraqi units.

[Redacted]

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[Redacted]

Saddam has pursued a strategy throughout the war with Iran of avoiding heavy casualties. It therefore seems likely that, as soon as casualties begin to mount, the Iraqis will break off hostilities with the Kurds. They will choose instead to contain the resistance, throwing a cordon across the Kurdish north from Rawenduz in the east to Zakho in the west. They will then defer pacification of the Kurdish regions until after the war. [Redacted]

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This coalition of Kurds and Communists originally numbered less than 10,000, fighters, with the bulk of its cadres supplied by the Barzanis. If—as seems likely—Talabani joins the front, its strength will swell to over 10,000, and it will be able to contest Iraq's control of the Kurdish north. [Redacted]

Even this strategy, however, may not prove effective. Iraq must keep open the main roads through the region, particularly the major highway to Turkey, over which important commercial goods are transported. It also must maintain control of the major cities in the north. If the guerrillas cut the roads or threaten the cities, Baghdad will have to respond militarily and, thus, could be drawn into a two-front war—which it has neither the manpower nor the resources to wage. If this occurs, we expect it will turn to the Turks for assistance. [Redacted]

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The rebels now occupy most of the territory from the Turkish-Iraqi border to Mosul and Irbil and operate in the area surrounding Sulaymaniyah. From Irbil and Sulaymaniyah they threaten Kirkuk, Iraq's major oil center. The US Embassy in Baghdad recently reported that the Australian Ambassador required a 70-man escort during a recent visit to Irbil, and that he was accompanied entering and leaving the city by an armored column. [Redacted]

Turkey—with a large and potentially rebellious Kurdish population of its own—fears the Iraqi Kurdish revolt will spill into its territory, and has conducted a number of cross-border raids against the Iraqi Kurds. Iran, however, has warned Turkey against continuing these incursions. Tehran supports the Kurds to reduce Iraqi military pressure on Iran and to keep the Baghdad regime off balance. The Turkish General Staff is urging the government to keep up the cross-border raids, while Turkey's civilian rulers prefer to accommodate the Iranians. [Redacted]

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Outlook

Iraq's President Saddam Husayn is planning a major offensive to pacify the Kurdish north [Redacted]

[Redacted]

[Redacted]

The magnitude of the offensive probably will depend on the status of the war with Iran, but in any case we doubt Iraq will be able to eradicate the guerrillas.

[Redacted]

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