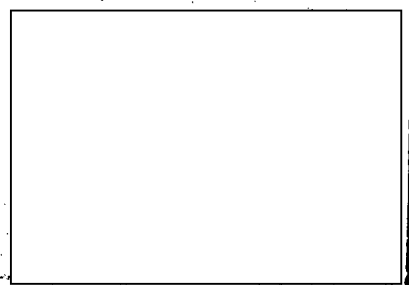




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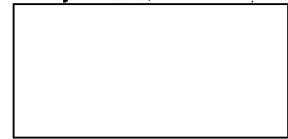
Iraq-USSR: A Downturn in Relations

An Intelligence Memorandum

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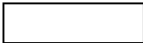
PA 80-10058C
February 1980

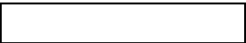
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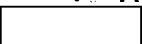


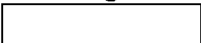
**Iraq-USSR:
A Downturn in Relations (U)**

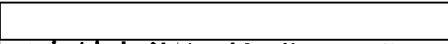

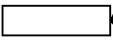

Summary

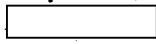
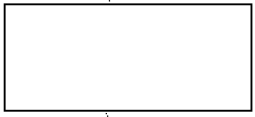
The Soviet Union's invasion of Afghanistan has reinforced Iraq's mistrust of Moscow and further strained an already cool relationship. It has stimulated a high-level Iraqi review of relations with the Soviets, posing prickly questions for Baathist leaders as they try to develop a suitable response to the Soviet aggression. The increasingly hostile behavior of the Iraqi Communist Party, which the Baathists regard as a tool for Soviet subversion, will help shape Baghdad's response. 

Iraq's public denunciation of the Soviet invasion is in contrast to the Iraqi reaction to Moscow's initial meddling in Kabul in mid-1978. This openly critical attitude has sparked rumors that Baghdad might cancel its friendship treaty with the USSR. So dramatic a move, however, would have to be weighed carefully because of the Iraqi military's heavy reliance on Soviet-supplied equipment. Moscow already manipulates military spare parts deliveries to Iraq in an attempt to advance political ends. Cancellation of the treaty, therefore, would have serious consequences for Iraqi military strength. 

Baghdad fears that the Soviet occupation of Afghanistan and the US-Iran confrontation will introduce superpower competition into the Persian Gulf and spoil Iraq's opportunity to replace Iran as the dominant power in the region. 

Whether Baghdad decides on gradual or precipitous change in its relations with Moscow, any such change would be unlikely to lead to closer ties with the United States, with which the Baathists still have substantial differences, especially over Arab-Israeli issues. At a minimum, however, Iraq is likely to strengthen the existing trend toward closer ties with Third World and Western nations. 

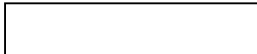
This paper was prepared by  Office of Political Analysis. It has been coordinated with the National Intelligence Officer for the Near East and South Asia, the Directorate of Operations, the Office of Economic Research, and the Office of Strategic Research. Research was completed on 31 January 1980. Questions and comments are welcome and should be addressed to the Chief,   Office of Political Analysis,  (U)





**Iraq-USSR:
A Downturn in Relations (U)**

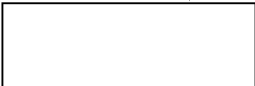
The Soviet invasion of Afghanistan has created a major predicament for Iraq. The sudden appearance of some 80,000 Soviet troops in a nearby country combined with the potential for Soviet gain from rampant instability in Iran has caused great alarm in top Baathist circles. Iraqi President Saddam Husayn has publicly denounced the Soviets on two separate occasions, describing the occupation of Afghanistan as a naked power play. The shock of the Soviet invasion has begun to wear off, and the Baathists are probably conducting a thorough review of their relations with the USSR with a view to seeking adjustments to protect Iraqi sovereignty.



As Saddam Husayn surveys developments in the region, he sees a picture that must inspire deep concern and apprehension for the future of his radical, but anti-Communist, regime. South Yemen, Ethiopia, and Afghanistan are, to varying degrees, ruled by Soviet clients. North Yemen is vulnerable to pressure from the USSR and its client in South Yemen. Moscow has improved its ability to influence developments in Iran and Pakistan. Unity plans with Iraq's archrival, Syria, have been scrapped, and Damascus has moved closer to the USSR. The Soviet naval presence in the Indian Ocean has grown over the decade. Closer to home, the Iraqi Communist Party, which is tied to Moscow, has recently declared that an end to Baathist rule in Baghdad is its top priority. These developments no doubt strengthen Iraq's conviction that the Soviets are intent on gaining control of the Persian Gulf's energy resources, including Iraq's vast oil reserves.



Signs of Baghdad's cooling relations with Moscow have been visible for several years, especially after the Marxist Taraki regime took over in Afghanistan in the spring of 1978. Commercial contacts with the USSR are weakening, and the Soviets view with concern growing Western economic activity in Iraq. There have been reports of Soviet workers in Iraq subjected to abuse by the local population. Political ties also have been soured by Soviet interference in the region and the Baathists' harsh repression of the Iraqi Communist Party. Only in the military sphere does Baghdad place high value on its ties with Moscow, and even in this area the Iraqis have been trying to reduce their dependence.



Lackluster Economic Ties

Economic relations with the USSR have stagnated. Most recent increases in civilian imports have come from non-Soviet sources, a trend that seems likely to continue in 1980.

The Soviets have run into difficulties in negotiating 1980 oil supply contracts with Baghdad. The Baathist regime not only refused a Soviet bid for increased deliveries, but cut the USSR's authorization to 2.5 million tons in 1980, 1 million tons less than in 1979. Other Warsaw Pact states reportedly also were disappointed by the Iraqi refusal to allow larger purchases. None apparently were cut back drastically, but the Iraqi rebuff complicates their efforts to secure adequate oil supplies. Iraq has the oil to sell to the Soviets and East Europeans, but has decided instead to boost 1980 oil sales to Western and Third World nations—areas where Baghdad seeks to increase its political and economic influence.

Indications that Iraq may reconsider its decision on 1980 oil supplies to the Soviets have given rise to speculation that Baghdad is holding back in hopes of pressuring Moscow to be more generous in providing arms supplies. Iraq is interested in obtaining new equipment and in speeding up the delivery of military spare parts.

Military Dependence

The USSR is Iraq's chief arms supplier, providing the bulk of the Iraqi armed forces' major combat equipment, including tanks, aircraft, ships, and missile systems. Burgeoning oil revenues, however, have given the Baathists the opportunity to diversify their arms suppliers and ample funds to purchase those items most suitable for Iraqi military needs regardless of the country of origin. Since 1974, Baghdad has ordered about \$3 million in Western military equipment, mostly from France. Despite these purchases, the number and range of Soviet arms in Iraqi hands and on order mean that barring a dramatic policy shift, Baghdad will be dependent on Soviet weapons well into the 1980s.

Moscow's tight control of military spare parts for Iraq's Soviet-supplied military equipment has probably strengthened the Baathist regime's wariness of its continued dependence on one arms supplier.

In an attempt to lessen their dependence on Soviet spare parts, the Iraqis have recently sought to expand their domestic arms industry and arrange for alternative sources for maintenance of Soviet-supplied equipment. As part of this effort, the Iraqis have cultivated a military relationship with Yugoslavia that includes arms purchases, military training support, and maintenance and construction assistance. [redacted]

[redacted]

Yugoslavia has been selling military goods and services to Near Eastern states that are uneasy about their dependence on the USSR or that have had their arms supplies cut off. [redacted]

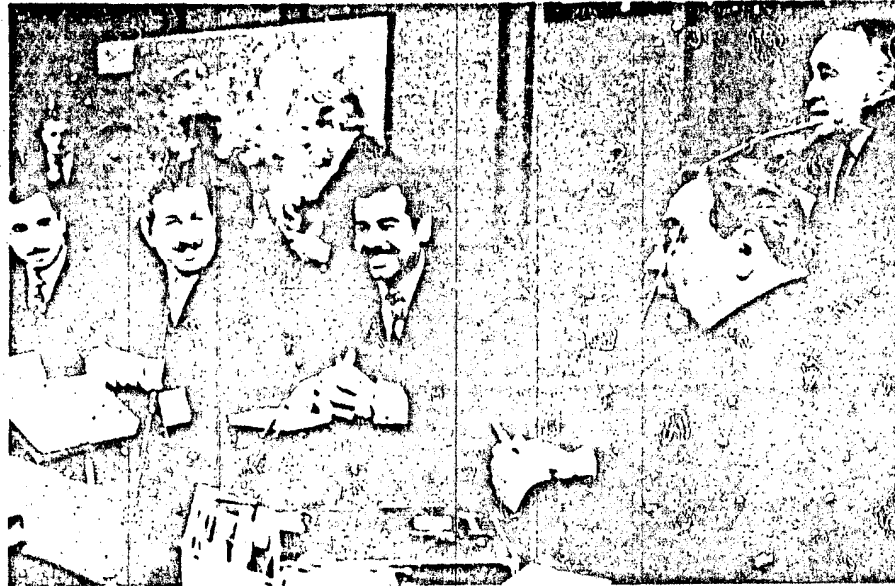
Cool Political Ties

Iraqi-Soviet political relations, strained by Moscow's meddling in South Yemen and Ethiopia, have grown even more taut in the wake of the Soviet invasion of Afghanistan. Iraq's public disapproval of the USSR has gone far beyond the Baathist reaction to the Marxist coup in Kabul in mid-1978. Iraq has publicly condemned the Soviets, voted for the UN resolution calling for the immediate withdrawal of foreign troops from Afghanistan, and was the first radical Arab state to agree to attend the Islamic Conference meeting in Pakistan that was highly critical of the USSR and its Afghan clients. Although Iraq supported conference resolutions critical of the United States, we have no information that Baghdad tried to soften criticism of the Soviets. [redacted]

Iraq has also made directly known to the USSR its opposition to the occupation of Afghanistan. Despite close political, economic, and military ties over the years, Moscow has been unable to convert its leverage into effective political influence in Baghdad. Growing Iraqi oil wealth has further restricted Moscow's ability to sway Iraq. The USSR's use of military force to secure its political position in Afghanistan has probably shaken Iraq's belief that the USSR is a safe ally with whom differences could be overlooked or contained because overall bilateral relations were beneficial to Iraq. [redacted]

The Baathists' most immediate fear regarding Soviet intentions toward Iraq probably centers on the possibility for Soviet gains in Iran. The Iraqis are concerned that a post-Khomeini government will be controlled by a radical leftist regime in which the Soviet-backed Communist party, the Tudeh, has a central role. In Baghdad's view, such a development would lessen Soviet interest in maintaining good ties with Iraq as Moscow's only political ally in the region. The Iraqis also believe this would give the USSR leverage over them and once again link Baghdad's Gulf rival to a superpower. [redacted]

1972: Saddam Husayn and Brezhnev in happier days.

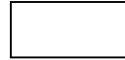



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Despite the Treaty of Friendship and Cooperation signed in 1972, Baathist leaders are wary of the Soviets, an outlook reflected in the long history of violence between the Baath Party and the Iraqi Communist Party. The Baathists see the Communists as tools for foreign subversion. President Saddam Husayn may have suspected a Soviet hand in the opposition expressed last summer to his succession to office. Among those convicted of conspiracy were three Iraqi officials who had served as heads of mission in the USSR, East Germany, and Hungary. [redacted]

In 1973, as a gesture to the Soviets, the Baathists allowed the Communists to participate in the powerless Progressive and Popular National Front and occupy a number of innocuous government positions. But even this limited activity proved hard to tolerate. A new round of repression began in July 1978: 21 Communists were executed for proselytizing in the armed forces. The regime's anti-Communist campaign has since driven most of the party's leadership into exile in Eastern Europe, while rank-and-file members have gone underground, many in Kurdistan, a traditional area of party strength. The Communists were dropped last year from the National Front and from their Cabinet positions and will not be allowed to take part in the elections for the National Assembly and the Kurdish Council. [redacted]

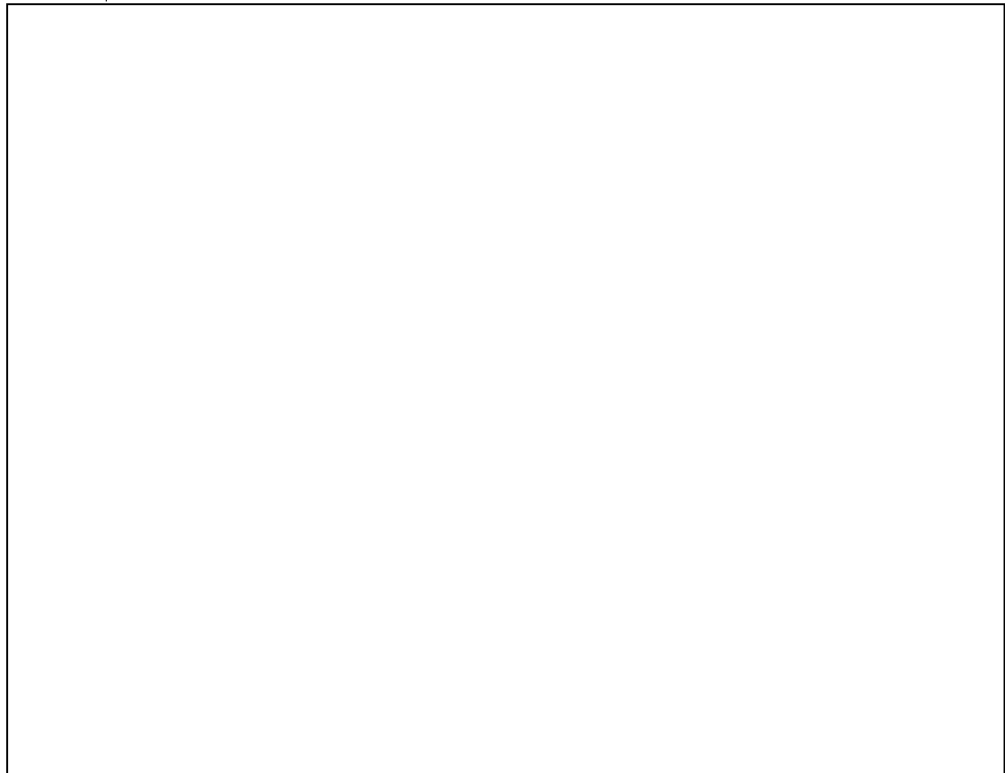
Moscow has offered little in the way of public support for the beleaguered Iraqi Communists, hoping its silence would preserve correct state relations with Iraq. Moreover, the Soviets probably judged that the Iraqi Communists' chances of exercising influence in Iraq in the near term were so slim as



not to be worth supporting openly. Soviet rhetorical restraint, however, has done little to alleviate Baathist mistrust. 

Recent Communist activities are sure to further undermine the Soviet Union's standing with the Baathists:

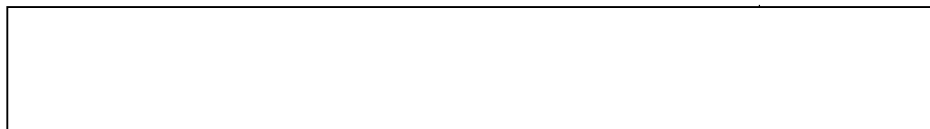
- In late December the leader of the Iraqi Communist Party declared that the party's most urgent task was to put an end to the Baathist "dictatorship." He said there was a bright future for building a broad anti-Baathist alliance of Arabs, Kurds, and religious groups, an ominous reference to the Communists' willingness to exploit restiveness among Iraq's majority Shia Muslim population.



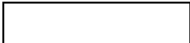
Conclusion

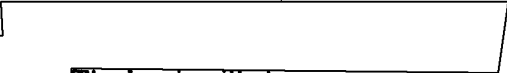
The Baathists will move on several fronts to preserve Iraqi independence and international influence. These steps will include:

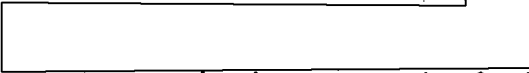
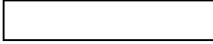
- Continuing pursuit of an Arab leadership role, perhaps even advocating a security pact for the Arab nations on the Gulf.

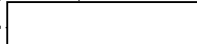





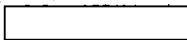
- Continuing efforts to increase Iraqi prestige in the nonaligned movement; Baghdad will succeed Cuba as leader of the movement in 1982 and probably hopes that this will inhibit the Soviets from engaging in blatant interference in Iraqi affairs.
- Developing closer ties with Western Europe and Japan. Iraq probably would not believe its independence was compromised by such a move since the Baathists could use their economic leverage to assure equal treatment.
- Giving greater consideration to relations with China. Warmer Sino-Iraqi relations would provide Baghdad with a political boost and underscore Iraq's independent approach to international affairs. It would also add to the strain with Moscow. 

Baghdad has already laid the groundwork for reducing its reliance on the USSR. The Iraqis are likely to accelerate their purchases of Western arms, despite having concluded a major arms agreement in mid-1979 with the Soviet Union. Several West European firms, for example, are strong candidates to supply an array of equipment to expand the small Iraqi Navy into a force capable of supporting the Baathist goal of making Iraq the dominant power in the Persian Gulf. 

 The Iraqis will also try to secure spare parts and maintenance services for their Soviet-supplied equipment from alternative sources such as Yugoslavia, Romania, India, and Vietnam, which all import significant quantities of Iraqi oil. 

Iraq's public denunciation of the USSR has fueled speculation that Baghdad might abrogate its friendship treaty with Moscow. Baghdad has done nothing to quell these rumors, a sharp contrast to official Iraqi denials in mid-1978 following similar reports that the friendship treaty was endangered by the Soviets' interference in Afghanistan. 

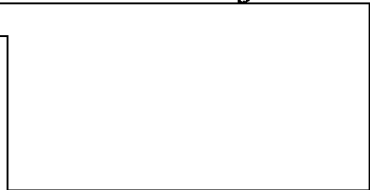
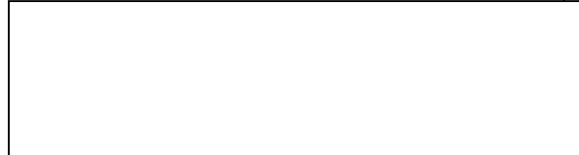
The Iraqis, who are almost certainly conducting a high-level review of relations with the USSR, are well aware that such a step would have far-reaching consequences for Iraqi military strength. Nevertheless, Saddam Husayn, a strong nationalist, has demonstrated an ability to make sudden policy changes to preserve or advance essential Iraqi interests. He may even be willing to risk a disruption in Soviet arms deliveries because the military threat from Iran and Syria is not great; the Iranian military is in disarray, and Syria must focus on Israel and Lebanon. A Soviet move into Iran could be the final straw inducing Saddam to break with the USSR. 



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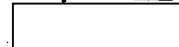
The Soviet invasion of Afghanistan has crystallized Baghdad's fears of superpower competition in the region, a threat not only to Iraqi sovereignty but also to Baghdad's plans to project its influence throughout the Gulf. Official commentary on Afghanistan, as well as on the Iran hostage situation, has consistently followed this line.



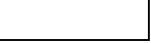
A chill in Iraqi-Soviet relations would not automatically lead to an improvement in relations with Washington. The importance of the Palestine issue to Iraq's foreign policy precludes Baghdad's drawing closer to the United States. Even if this obstacle were overcome, major differences with the United States would continue in areas such as north-south relations, oil policy, nuclear proliferation, and human rights. For the moment, only a direct Soviet threat to the survival of the Baathist regime could trigger a fundamental change in Iraqi views of the United States.



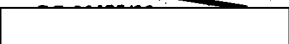
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MEMORANDUM FOR HOLDERS

The sentence dealing with Iraq's purchases of Western military equipment, page 2, fourth paragraph, line 6, of the Intelligence Memorandum entitled "Iraq-USSR: A Downturn in Relations" (PA 80-10058C, [redacted]

February 1980) should read:

Since late 1975, Baghdad has ordered about \$3 billion in Western military equipment, mostly from France.

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