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DEPARTMENT OF NATIONAL DEFENCE  
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INTELLIGENCE  
REPORT

BULLETIN DE  
RENSEIGNEMENTS

NO.: 91/86

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IRAQ: Saddam Hussein - Not In Serious Trouble Yet

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IRAQ: Saddam Hussein - Pas encore en grosse difficulté

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IRAQ: Saddam Hussein - Pas encore en grosse difficulté

Résumé

Les récents succès militaires de l'Iran soulèvent à nouveau l'hypothèse du renversement du gouvernement de Saddam Hussein en Iraq. Nous n'avons aucune preuve donnant à penser qu'un coup est imminent ou même probable, mais les pertes, les difficultés économiques et l'impuissance à mener à bien l'effort de guerre pourrait inciter des éléments au sein de l'armée ou du parti Baath au pouvoir à déloger Saddam. Rien ne garantit que le régime qui pourrait lui succéder, chercherait ou concluerait la paix avec l'Iran. Une défaite militaire totale de l'Iraq reste peu probable. L'Iraq est toujours assez bien placée pour poursuivre l'effort de guerre ou même l'intensifier, ce qui pourrait amener les états du Golfe à intervenir plus directement. Les dirigeants iraniens profitent jusqu'à un certain point de la poursuite de la guerre. Les succès relatifs actuels de l'Iran, malgré de sérieux inconvénients, encourageront probablement les autorités à poursuivre la lutte.

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IRAQ: Saddam Hussein - Not In Serious Trouble Yet

Summary

1. Recent Iranian military successes again raise the possibility that the Saddam Hussein government in Iraq could be ousted. While we have no evidence to suggest that a coup is imminent or even likely, the combination of casualties, economic difficulties and the failure to pursue the war effort effectively might provoke elements within the military or ruling Baath Party to oust Saddam. There is no guarantee that a successor regime would either seek peace or achieve peace with Iran. A complete Iraqi military defeat remains unlikely. Iraq continues to be reasonably well-placed to carry on with the military effort or even intensify it, and this could lead to more direct involvement for the Gulf States. Iranian leaders derive some benefits from the continuation of the war. Iran's relative current success, despite significant disadvantages, probably encourages the leadership to pursue the conflict.

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Report

2. Iraq suffered a military setback when Iran succeeded in occupying a small pocket of Iraqi territory in early February. A complete Iraqi military defeat remains unlikely but continuing Iraqi failure to regain the Al Faw pocket or a serious military reverse raises the possibility of changes within Iraq which could affect the conduct of the conflict. President Saddam Hussein's apparent determination to eliminate the Iranian pocket might lead to the number of casualties that could indeed set coup forces in motion. Although Hussein's government could be vulnerable to an internal coup a change in Baghdad would not necessarily mean an end to the war or defeat for Iraq.

(SECRET)

3. Despite Iran's recent success in the Al Faw peninsula, it still appears incapable of using its manpower advantage to overwhelm better equipped Iraqi forces fighting on their own territory. Iraq, for its part, has so far lacked the will to mount an offensive campaign or use its superior equipment to inflict serious damage on Iran's infrastructure.

(SECRET)

Inside Iraq

4. Iraq is still in relatively good shape to continue the war despite reduced revenue. The fall in the price of oil has been slightly offset by increased export capacity. Financial support from Kuwait and Saudi Arabia has also continued. But the large revenue increase Iraq had hoped for will not occur. Problems could occur as Iraq makes deep cuts in spending and investment to avoid serious financial difficulties in the coming months. Iraq still possesses large inventories of combat aircraft, tanks and artillery and its access to military supplies from the USSR, France and elsewhere is unimpeded. The civilian economy will be the first to feel the impact of reduced revenues. The government may attempt to shield consumers by reducing domestic investment rather than by radically reducing the availability of already scarce consumer goods.

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5. The combination of casualties, economic difficulties and failure to pursue the war effort effectively - due in part to Saddam's interference with military operations - might provoke elements within either the military or the ruling Baath Party to oust Saddam. We have no evidence to suggest that this type of effort is underway nor that it would necessarily succeed. Saddam controls an effective and ruthless security apparatus. He has attempted to coopt military leaders with honours and marriages with members of his family. He has apparently endorsed recent limited offensives in the central front that have met with some success. This may improve military and civilian morale in the short term. (SECRET)

6. Saddam's departure would not necessarily mean that Iraq would seek peace with Iran. Saddam has limited the military's plans to destroy Iran's economic infrastructure in order to avert bitterness in post-war relations with Iran. If the putschists were primarily military, their aim would probably be to wrest control of the war effort from the Baath Party to eliminate the Party restraints under which it now operates. An activist military regime would attempt to make the war too costly for Iran to continue. At the least, they would wish to ensure the war was pursued as a low intensity conflict. At most, they would wish to ensure that Khomeini's successors would sue quickly for peace. A successor from the Baath Party who tried to make peace might not be sufficiently "pure" in Iranian eyes to be an acceptable interlocutor. There is little likelihood of a successful coup from outside Baath Party or military ranks. (SECRET)

Iranian Views

7. Iran might well refuse to negotiate with Saddam's successors should they seek peace. Iranian leaders already derive some benefit from the continuation of the conflict since the war is, to some extent, a unifying force in Iran. The Iranians have proven resourceful and resilient. Despite important deficiencies they currently hold the initiative in the conflict. While war weariness among the population may be growing, the military success enjoyed to date may encourage Iranian leaders to continue the conflict

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regardless of changes in the government in Baghdad or the death of Khomeini. A change in government in Baghdad might lead the Iranians to believe that total victory could be achieved. They might be tempted to launch an offensive during the confusion that would inevitably accompany a change of government in Baghdad to try to establish a Shia state in "liberated" Iraqi territory and to carry on with the desultory warfare experienced in the past three years.

(SECRET)

Regional Implications

8. Iraq's recent setbacks have already alarmed the states of the Persian Gulf. Shia<sup>1</sup> groups within states like Kuwait, Bahrain (where Shia are a majority of the population) and Saudi Arabia might be encouraged more actively to help Iran both by lobbying for changes in the policies of their own governments and by engaging in clandestine activities on Iran's behalf.

(SECRET)

9. The Gulf states are, however, more alert to the dangers of Shia activism now than they were earlier in the decade. The relative failure of the Iranian regime to provide a model for future revolutionary governments may have reduced the appeal the Islamic revival once had. Some states in the region may be inclined to seek increased American military, political and diplomatic assistance by moderating their antipathy to a USA military presence in the Gulf and by adjusting positions on other Middle East issues.

(SECRET)

10. Were the Saddam regime to fall, reactions in the other Gulf states would depend upon the nature of the successor regime. An activist military regime might risk expanding the war in the Gulf and might seek to associate the Gulf states with Iraq more actively. An Iraqi regime

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<sup>1</sup> Iran, as the pre-eminent Shia country, attempts to export its brand of Shia fundamentalism throughout the Moslem world.

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which sought peace would probably result in the Gulf States attempting to de-emphasize their ties to the West as a whole and the USA in particular, at least until the fate of the Iraqi peace feeler became clear. (SECRET)

11. Were any of the Gulf states to believe that they faced an imminent threat of Iranian supported insurgency, they would immediately call for American and, probably, UK assistance. (SECRET)

Outlook

12. A general failure of Iraqi will to pursue the conflict, even to the point of losing the war, remains a remote possibility. Even if the regime in Iraq were to change, this would not necessarily produce an end to the conflict, much less an outcome favourable to Iran. Alternatively the total defeat of Iran is highly unlikely. (SECRET)

13. Finally, while an eventual Iranian victory would present new and difficult problems for the West, some advantages could accrue. The moderate states of the Gulf, Saudi Arabia, and Jordan, which would most directly be threatened, might be more inclined to draw closer to the West in the search for security. (SECRET)

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