United States Department of State

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INFORMATION MEMORANDUM
S/S

TO: P - Mr. Armacost

FROM: INR - Morton I. Abramowitz

SUBJECT: Iraq's Foreign Policy: Deeper into the Mainstream

The attached paper looks at Iraq in the longer term and concludes:

-- Iraq's shift toward moderation, cooperation with neighbors, and mainline Arab positions on Palestine seems permanent and deepening.

-- In the likely case that the Iran-Iraq war ends in an armed truce rather than a peace treaty or a decisive victory, Iraq will be vulnerable, hence unlikely to embark on foreign adventures in the Gulf or against Israel.

-- Iraq will continue to expand indigenous arms production and procurement from Western and Chinese sources to reduce dependence on Moscow for weapons, Baghdad's chief remaining tie to the USSR.

-- Baghdad sees the need to continue deepening ties with the US, despite frictions over commitment to the PLO, human rights abuses, nonalignment, and Iraqi suspicions of US motives and goals in the Mideast.

Attachment:
As stated

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IRAQ'S FOREIGN POLICY: DEEPER INTO THE MAINSTREAM

One of the Mideast's controversial and pivotal questions is what direction Iraq will take when the war finally quiets down. Is Iraq's moderating policy trend chiefly war-driven, so that when the fighting ceases, "Big Bad Baghdad" will loom again? Or does it arise from wider circumstances that will continue the trend after the war?

Epitomizing this ambivalence are dual Israeli reactions to Iraq's renewed relations with Egypt after Baghdad successfully spearheaded the Arab opening to Cairo at the November Amman summit. Foreign Minister Peres welcomed the move and praised Iraq for confronting Iranian fundamentalism, but Prime Minister Shamir and Defense Minister Rabin still see Iraq as a greater long-range threat to Israel than is Iran.

"Moderate" versus "radical." Iraq's alignment on Palestinian issues with the "moderate" Arab states contrasts with Baghdad's former leading role in opposition to Israel. Even Iraq's current cheering for the Palestinian uprising stays well within the range of other Arab nations' statements. Notable also is Iraq's abandonment of opposition to Yasser Arafat, which it had maintained through the mid-1970s, in favor of reconciliation with the PLO. At the same time, Iraq has developed good working relations with Kuwait and is no longer trying to encroach on Kuwaiti territory, as it did in the early 1970s. Iraq's peaceful ties with most other area states differ from its support in the early 1970s for left-wing and subversive elements within their countries (e.g., Oman and North Yemen).

Moderating trend predates the war. The first indications of these shifts were visible by 1978. They built on Iraq's growing interest in Western technology and were given impetus by differences with Moscow over Mengistu's Ethiopia in conflict with Muslim Eritreans. The Algiers accord of 1975, settling the urgent Kurdish problem and the Iranian threat, constituted a major turning point: not only did Iraq fail to consult the USSR, but the agreement was followed by resolution of the neutral zone dispute with Saudi Arabia. Rifts with radical Syria deepened, as Damascus closed the oil pipeline through Syria from 1976 to 1979 over fee disputes. By mid-1978 Iraq's Communist Party was suppressed.

While Iraq was in the forefront of opposition to Camp David and the expulsion of Egypt from the Arab League in November 1978, the need to harmonize policy with other Arab states led Iraq to reduce significantly the activities of Abu Nidal and restore relations with Arafat and the mainstream PLO. By late 1979 Saddam had visited Jordan and begun joint projects.

especially expansion of Aqaba port. The Arab Charter of February 1980 brought a veiled denunciation of Soviet troops on Moslem Afghan soil. Saddam even hoped to host the nonaligned nations in 1982.

Wartime friends. War with Iran, begun in a miscalculated attempt to achieve security from revolutionary Iran (and to retake territory due in the Algiers accord), led to the immediate destruction of Iraq's southern port facilities and reduced oil income. Iraq became heavily dependent on the Gulf states, primarily Saudi Arabia and Kuwait, as well as Jordan. Equally significant was the imposition of a Soviet arms embargo, which shattered Iraqi confidence in the USSR and reinforced Saddam's determination to diversity sources of supply. Thus Iraq increasingly turned to the West (initially, France); an aboutface on Egypt followed. Iraq also became more dependent on Turkey, as its only oil outlet for a time. Expanded pipelines through Saudi Arabia and Turkey now give new permanence to Iraq's vital economic links with its pro-Western neighbors.

Baghdad's relations with the Soviet Union have not returned to the old cordiality. Even after Moscow resumed arms deliveries in April 1981, relations with the USSR remained wary. Baghdad renewed the Soviet friendship treaty in June 1987, and hosted the Afghan prime minister--the only Arab state to accept such a high-level visit--promptly obtaining favorably revised Soviet arms repayment terms. Nevertheless, Iraq strongly criticizes, both privately and publicly, Soviet foot-dragging on a second UNSC Gulf resolution and encourages Arab pressure on the Soviets.

Baghdad also goes after diversified arms sources--chiefly France (14 percent of Iraq's weapons agreements since 1983) and the PRC (7 percent)--partly to avoid overdependence on Soviet sales (43 percent) and partly because Baghdad prefers Western aircraft. The recent push to produce more arms domestically also offers Iraq greater freedom of maneuver.

As for the off-again-on-again "rapprochement dance" with old enemies Syria and Libya, Iraq's motive clearly is not a desire to rejoin the "radical" camp, but a geostrategic maneuver to reduce support for Iran. Iraq appeals to these two for support or blasts them for "treason," citing pan-Arab principles mostly for window dressing; the real leverage, at least in Syria's case, is the money of Iraq's mainline Arab allies.

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Will Iraq revert to aggressiveness? The link between the war and the extent of Iraqi policy changes poses the question of whether, once the war winds down, Iraq will return to seeking to dominate its neighbors. The fact that the Gulf states are so weak, and Syria so economically fragile, merely raises the urgency of this question.

Fears of Iraqi aggression seem exaggerated. No matter how the war ends, Iran will remain the most serious threat to Iraq. The Baghdad regime will have to station its major forces on this border for decades to come. Had the war ended seven years ago with a quick, overwhelming Iraqi victory, Kuwait might have had cause to be anxious, but Syria's Soviet friendship and Jordan's moderate and Western ties would even then have been powerful disincentives to Iraqi muscle-flexing.

Armed truce. In any event, peace is unlikely in the near term. The war will most likely wind down (possibly more rapidly with a UN arms embargo) to a de facto cease-fire in place, an uneasy and inherently unstable solution for both sides. Each belligerent would have to spend money on its forces guarding the border and on arms, but otherwise would focus first on rebuilding its exhausted society.

Such an outcome would enhance the importance of Iraq's economic and political links to its wartime friends, even if their willingness to support Iraq financially diminished. Frictions about oil overproduction, Iraqi pressures on the GCC, and Palestinian issues would certainly arise. But Arab caution--and fear of Iran--would downplay disagreements.

The continued need for military security might keep Sadda- solidly in place a while longer. A clearcut end to "Saddam's war," by contrast, might produce upheavals that could oust him. Saddam has husbanded manpower and resources throughout the war, and would be unlikely to squander them elsewhere while still toe to toe with Iran. He would certainly be aware that the war-weary Iraqis would be unwilling to support a military adventure in another direction.

Without Saddam. If Saddam were to disappear from the picture with the war still stalemated, his initial replacements would probably be a mixed group of Ba'athist civilian leaders with military supporters. The group's chief aim--attempting to use Saddam's absence to bring the war to a close--would need buttressing by other policies: nurturing Iraq's present links to Saudi Arabia, Jordan, and Egypt; resuming and intensifying rapprochement negotiations with Syria; and keeping balance in relations with the two superpowers. Such a group would hardly imagine old-line Ba'athist slogans and bullying of neighbors could help end the war.

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Working--warily--with the US. Reestablishment of relations with the US in November 1984 meshed thoroughly with Iraq's established shift toward mainstream Arab positions, a trend strengthened by wartime needs. While the war lasts, our principal value to Iraq is our campaign to achieve a cease-fire and peace negotiations. Keeping his eye on that goal, Saddam booted out some terrorists, reined in Iraqi outrage over Irangate, apologized for the Stark--to the surprise of many--and is making sure the Iraqi side cooperates on deconfliction. There is no lack of contentious issues, however, among them chemical warfare and brutal treatment of the Kurds. Iraq's stance on Israel--now mere vituperation against the "Zionist entity"--will be a major determinant in future US-Iraq relations. Saddam and some key supporters will be slow to relinquish suspicions of US hegemonic designs on the Mideast.

A nation still in the crucible. The war has impelled a new degree of conesion among Iraq's diverse peoples (Kurds excepted), and some have claimed that it is now a united country. But Iraq will not have overcome the war and achieved a secure footing as a nation until it has mastered three challenges for which radicalism proved of little avail: to resolve differences with the Kurds, to secure its border with Iran, and to develop peaceful mechanisms for transferring power to new leaders.

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