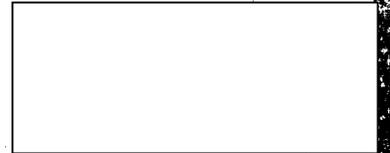




Director of
Central
Intelligence

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National Intelligence Daily (Cable)

18 September 1980

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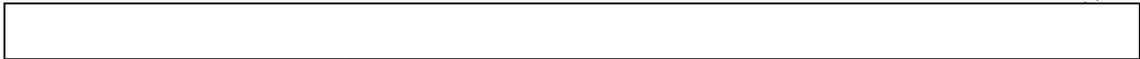
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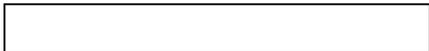
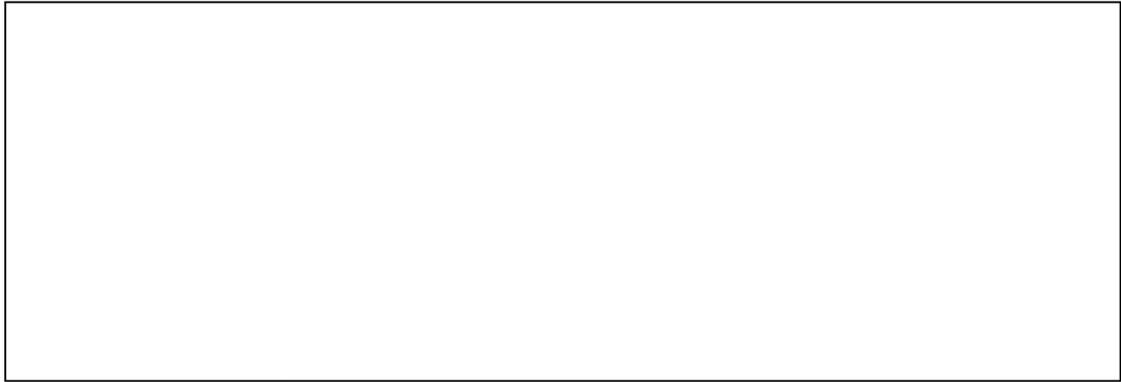
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SITUATION REPORT

IRAN

Iraqi President Saddam Hussein's abrogation yesterday of the 1975 Algiers Accord with Iran suggests that Iraq intends to force further border change. [redacted]

Saddam declared the accord "null and void," saying that Iran had violated its terms by interfering in Iraqi domestic affairs and by failing to return disputed territory. Pointedly warning Iran to benefit from recent military "lessons," Saddam called on Iran to return all the land "usurped" from Iraq and the Arab nation, the latter presumably a reference to the three islands near the Strait of Hormuz occupied by Iran in 1971 and still claimed by the United Arab Emirates. He also said that Iraq had decided to restore "complete legal and effective" sovereignty over the Shatt al Arab. [redacted]

Iraqi leaders have been encouraged to move against Iran for a variety of reasons. The Iranian military is weak and disorganized, presenting Baghdad with a unique opportunity to redress the terms of an agreement the Iraqis believe was unfairly forced on them by a then superior power. Iran's revolutionary regime is also fragmented politically and isolated internationally with no superpower ally to deter external aggression. [redacted]

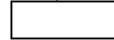
Iraqi leaders may believe that their harsh repression of Shia Muslim dissidents earlier this year has put the security services in a better position to control Iraq's majority Shia community. Iraqi propaganda stressing the Arab-Persian nature of the dispute also probably has helped build popular support for a confrontation with Iran. [redacted]

//A more immediate factor in building support for an aggressive stance against Iran probably has been the Iraqi military's performance. [redacted]

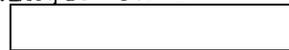
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A final Iraqi decision on how much military force will be needed to secure Iraq's goals probably hinges on Iran's response to Saddam Hussein's demands.//



Iranian Reaction

Tehran has not yet formally replied to Saddam's speech, but press reports indicate that a member of President Bani-Sadr's staff characterized it as a "declaration of war." Iran is unlikely to accept any changes in the border, especially along the Shatt al Arab. The Abadan refinery, a major supplier of fuel for domestic consumption, and the ports of Khorramshar and Abadan, which accounted for 10 percent of Iran's import tonnage last year, are located on the Shatt.



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