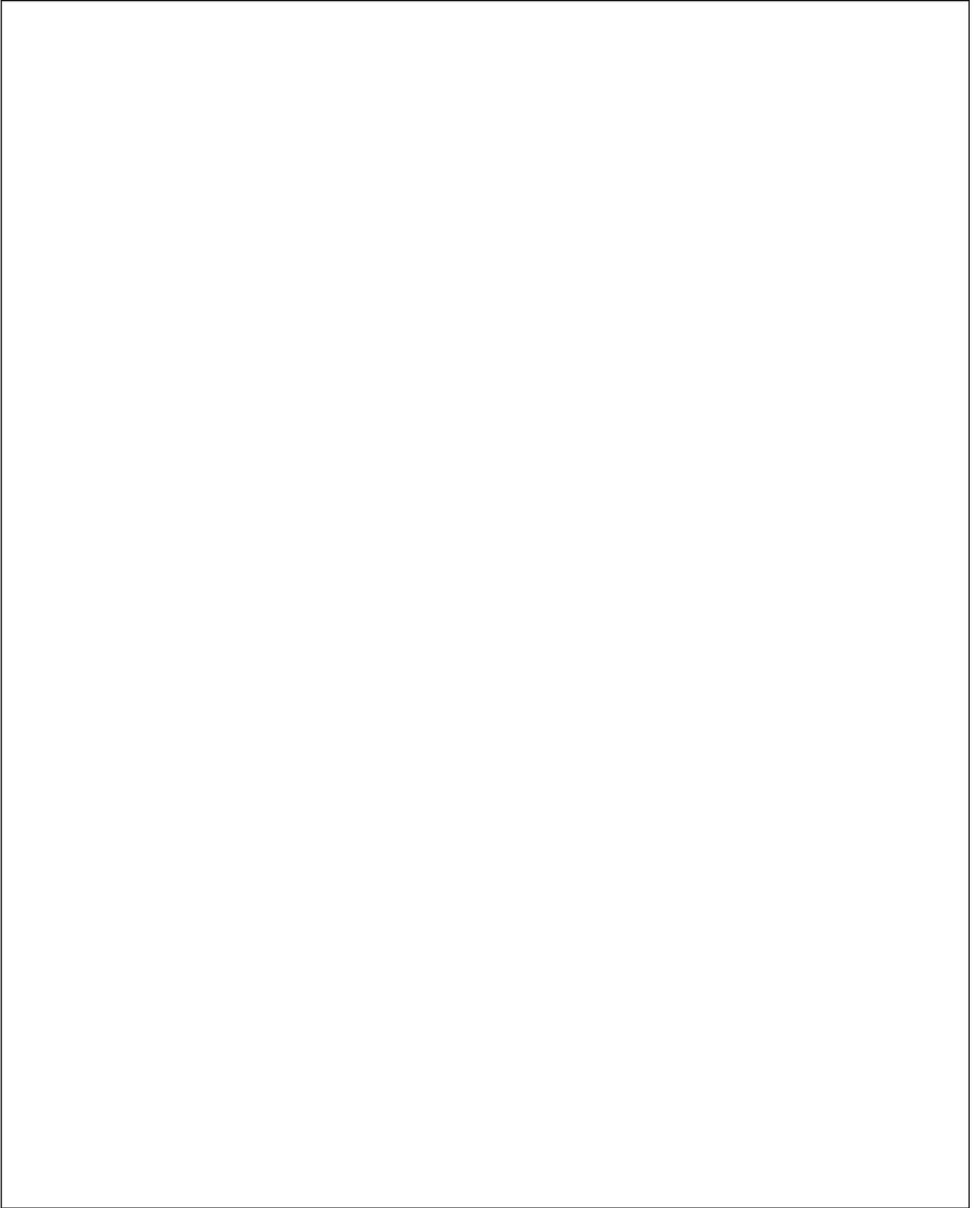


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3 October 1983

briefing for Congressional Oversight Committee

Iran-Iraq war

Summary

1. After three years of fighting, the war is a stalemate with neither side able to win a decisive victory on the ground and, until recently, unwilling to risk the uncertainties of escalation. Ayatollah Khomeini is determined to continue the war until Iraqi President Saddam Hussein falls from power. Iraq's precarious economic situation leaves it vulnerable to Iran's strategy of fighting a lengthy war of attrition. Iraq, therefore, is desperately searching for a way to end the war or relieve the country's financial burden.

2. General Military Situation. The conflict is the most destructive Middle Eastern war in modern times.

- At least 100,000 Iranians and 50,000 Iraqis have been killed and perhaps twice that number wounded.
- Some 3,500 armored vehicles have been destroyed or captured and more than 300 fighter aircraft have been lost.

Iraq can more easily replace its equipment losses because of a larger inventory and more reliable sources of resupply.

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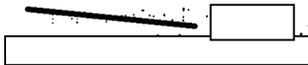
4. Recent Military Activity. [redacted] After its defeats in major battles in February and April (see map), Iran shifted to a war of attrition to spread out and wear down the Iraqis.

- The change in strategy followed heated debate in Tehran between war moderates and those calling for major offensives into Iraq.
- In July and August, Iran opened two new battle fronts to increase pressure on the Iraqis, gain control of key terrain along the border, and facilitate Iranian support for anti-regime Kurds inside Iraq.
- [redacted] the Iranians occupied a small salient inside Iraq in July which is now being used by Kurdish dissidents. An Iranian attack near Mehran in August failed to dislodge the Iraqis after a week of fighting.
- For the foreseeable future, we believe a war of attrition will continue on the ground with occasional limited Iranian attacks. Iran's shortage of military material and poor mobility which prevents it from achieving surprise make significant gains unlikely.

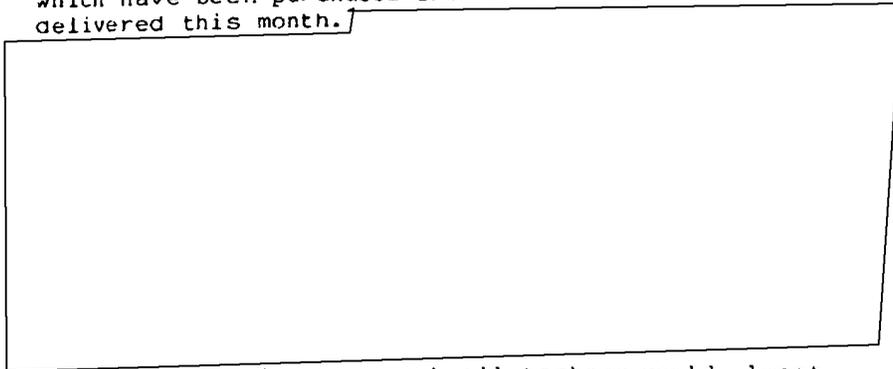
4. War Prospects. Both sides have the ability to continue the war into next year, but Iran's larger population and healthier economy give it a greater ability to withstand a long war.

- Iran's stronger economic situation is largely due to the dramatic increase in oil export earnings last year. Foreign exchange assets may reach \$20 billion this year.
- Iraq's staying power rests mostly on its superior flow of supplies from a variety of arms suppliers while Iran has struggled with the Western black market and smaller Third World and Eastern suppliers.
- On the other hand, Iraq's economic situation will deteriorate as long as the war continues unless it can find ways to resume export of large amounts of oil. Iraq's only oil export route currently is through the 700,000-bpd Turkish pipeline. Iraq will run a \$15 billion deficit this year.

5. Prospects for Escalation. We believe Iraq will escalate the war, if necessary, to relieve its financial plight. This escalation could lead to a disruption of Gulf oil exports vital to the west.



- President Saddam Hussein reportedly has concluded that only by disrupting Iran's oil exports can he pressure Tehran to negotiate, even if it requires Western intervention to impose a settlement.
- Iraq's most likely weapon to strike at Iranian oil exports is the Super Etendard fighter aircraft, five of which have been purchased from France and could be delivered this month.



6. An Iraqi decision to attack oil tankers would almost certainly prompt Iranian retaliation.

- Ayatollah Khomeini has threatened to close the Strait of Hormuz to shipping if Iraq interferes with its oil exports. Iran has the capability to do so unless challenged by western naval and air forces.
- The Iranians could choose other retaliatory options, including attacks on Arabian Peninsula Gulf facilities.
- Arabian Peninsula military forces could not successfully defend against Iranian air or naval attacks.

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