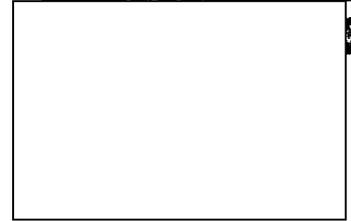




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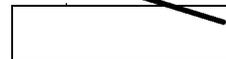
# National Intelligence Daily

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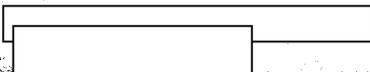
### Special Analysis

Iraq: Diplomatic Offensive

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## Special Analysis

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### IRAQ: Diplomatic Offensive

*Baghdad is carrying out an intense diplomatic offensive to ease its economic strangulation and to force Iran to negotiate, or—if these efforts fail—to deflect any condemnation of future Iraqi attacks on Iran's oil lifeline. Iraq's diplomatic strategy has included promotion of a UN Security Council resolution that called for a cease-fire in the war. Baghdad also is seeking some improvement in its relations with the US. If the diplomatic efforts fail to produce significant progress, the Iraqis are likely to intensify air attacks later this year, probably using Super Etendard aircraft to attack tankers serving Iran.* [redacted]

The diplomatic offensive is motivated by Iraq's economic plight and probably also by eroding morale in the military and the general population. Baghdad already has had to make sharp import cuts this year and to defer about \$4 billion in payments to help balance its current account. [redacted]

Iraq began its diplomatic effort in August with warnings to its backers in the Persian Gulf that it would step up the war if they did not provide enough aid for its economic needs. Baghdad probably also pushed these states to urge the US and other Western nations in turn to renew pressure on Iran to end the war. [redacted]

Baghdad then requested Western countries to urge the Arab states in the Persian Gulf to increase financial support for Iraq, [redacted] The Iraqis also asked the US and the UK to halt third-country sales of their arms to Iran and sought cutbacks in Iranian oil purchases by West European countries. Iraq repeated its threats to strike Iranian oil facilities, hoping to play on Western fears that such attacks could bring Iranian retaliation against Gulf oil installations and involve the West in the conflict. [redacted]

### Efforts in the UN

Iraq recently succeeded in gaining the adoption by the UN Security Council of a resolution calling for a cease-fire and underscoring international support for freedom of navigation in the Persian Gulf. Baghdad hopes to exploit the Iranian opposition to the resolution to lay a diplomatic basis for using the Super Etendards against Iranian oil targets. [redacted]

*continued*

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[REDACTED]

### Relations With the US

Iraq is attempting to improve relations with the US and gain public US support. Baghdad believes that US leadership is needed to elicit Western action against Iran. [REDACTED]

The Iraqis appointed a new man in September to head their Interests Section in Washington and emphasized to US officials his close ties to President Saddam Husayn. More recently, Saddam reversed the Iraqi position on relations with the US by stating publicly that Baghdad might normalize ties with Washington before the war ends. [REDACTED]

Saddam also responded to US complaints about Iraqi links to terrorist groups by claiming that Iraq has severed ties with Abu Nidal, leader of the Black June Palestinian terrorists. [REDACTED]

[REDACTED]

### Results Mixed

Iraq has provoked Iranian counterthreats to close the Strait of Hormuz, thus succeeding in bringing home to the West the danger of expanded fighting. Baghdad's efforts have secured some additional aid from the Gulf states and promises of more. [REDACTED]

[REDACTED]

The Gulf states have renewed pressure on Damascus—so far unsuccessfully—to reopen the Iraqi oil pipeline through Syria in order to head off a widening of the war. The oil line, even with only one of its two spurs open, could increase Iraq's current oil revenues by 50 percent. Saudi Arabia reportedly also has agreed in principle to allow Iraq to build a pipeline that would connect with the trans-Saudi line, although Riyadh appears unenthusiastic about the project. [REDACTED]

Iraq probably will await the reactions to its diplomatic efforts in the UN and the Gulf before making new military moves. Iraq will expect the Gulf Arabs to provide additional funds if, as is likely, Syria refuses to reopen the pipeline in the next several weeks. If Saddam decides that his diplomatic offensive can make no further headway, however, he will rely more on his military alternative, including the Super Etendards. [REDACTED]

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[REDACTED]