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Report of the Hungarian Embassy in Iraq on the changing of the internal power structure in Iraq and its consequences

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Baghdad, February 21, 1984.

Subject: changes in the Iraqi power structure
and some of its consequences

Leaning on the support of the civil wing of the Iraqi Baath Party president Saddam Hussein had built a well-organized power system and despite the turn that took place in the war in the summer of 1982, up to the fall of last year he had managed to maintain firm control over the country both in foreign policy and in domestic affairs.

One important pillar of presidential power is the party itself; another one is the army, including security forces as well as regular and civil defense forces. These two main forces

enjoyed a relatively stable support from the majority of the Iraqi people. Internal supervision was secured by the followers of the president who come from his family or from the region where he was born.

The stable power structure outlined above started showing some cracks last fall and the balance of power seems to be breaking down. The changes are partly due to the protracting war and partly to the internal transformation of the system:

1./ The protracting and bloody war has shattered the economic foundations of the system and as a result the revenues that are necessary for the steady supply of the population and the army and for operating the Iraqi economy that is dependent on imports and foreign labor force to a great extent have diminished to a level that is hardly tolerable any longer. These developments urged the Iraqi government to solve two problems: on the one hand consumption should be reduced to a level that is allowed by the present circumstances, and on the other new ways should be found to export Iraqi oil. The Iraqi leadership has managed to solve these two problems only in part so far and it remains to be seen whether they can implement real and effective measures in this respect. The chances for rapid changes and improvement are practically nil until the beginning of 1985.

- The deterioration of the economic and financial situation and the measures taken under pressure have caused distortions in production and in the forces of production. For example, there is a serious imbalance in industrial production to the advantage of military industry, while due to the shortage of raw materials and labor force the newly built factories cannot work properly, including the iron and steel factories; agricultural labor force was absorbed by the military, the war and the cities.

- Corruption is running wild, the black market has become an important factor in the economy, and irritating differences have developed between the working classes and the “privileged” in terms of supply of basic goods and financial conditions. Though overall consumption has been reduced, it is still well over the level that the country can maintain, and

many inconsistent measures have evoked further tension both in the economy and in the mood of the people.

- Several plans have been made to increase oil exports – none of them is viable before 1985. The most recent new possibility is a pipeline to be built with American assistance through Jordan. We have given an account of this plan in our economic report. Even if it can be built, extra revenues will only be realized from the beginning or the middle of 1985.

In brief: the Iraqi leadership cannot reckon with more revenues coming from its own resources than in 1983. However, state expenditures will further increase, mainly due to the costs of the war.

2./ In the 4th year of the war the population seems to be increasingly worn out both financially and morally. The propaganda of the system can no longer counterbalance the shortages that people experience; the president, the leadership and the war itself have lost much of their popularity among the people and the number of firm followers of the regime has diminished considerably. The failure to put an end to the war and the hopeless prospects for the future have mobilized some forces within the Iraqi leadership that demand rapid and radical decisions and a prompt conclusion of the war. These people mostly come from young cadres of the Baath Party.

Mention must be made here of the fact that Saddam Hussein's deliberate efforts to decide the rivalry between the civil and the military wing of the Baath party for the benefit of the latter has met with only a partial success so far. Although he has managed to discard the military officials of the "old style" from the leadership, the new, young cadres of the party have created a platform of their own and tend to oppose many of the president's aspirations, though on the same ideological basis. The new leadership of the military, trained in hard battles, is therefore likely to act at a higher level that is more dangerous to the power of the president in order to win a more important role in political decisions.

This process coincides with a serious weakening of the family base of the president, the “Tikrit Clan” that has always been the most important support for Saddam Hussein. Differences of opinion within the clan, partly due to efforts to redistribute leading positions and partly to secure the future of the family, lead to a division in the clan last fall.

In actual practice this was manifested in the replacement of the presidential brothers and the quick “disappearance” of several individuals that had been quite close to the president. There appears now to be a gap at the leading posts of the pillars of the system mentioned above, the party and the armed forces. These posts are to be filled still by the president, but the influence of the new group forming in the army (let us call them “young Baathists”) is beginning to assert itself.

Another center of power is beginning to take shape around the figure of first deputy Prime Minister Ramadan, commander of the People’s Militia. The replacement of one of the brothers of the president, the powerful head of the Intelligence Service, Barzan Al-Tikrit was partly due to the hostile relationship with Ramadan.

The “young Baathists” today do not yet constitute an organized force, and their opposition is restricted to certain areas only. What is already obvious of their political aspirations however is that they do not support the unsuccessful peace negotiations with Iran, and they are convinced that the dragging war with Iran will undermine the system and eventually lead to its fall. Naturally, today nobody yet dares to speak of such ideas publicly in Iraq.

Presumably this group, becoming more and more influential within the leadership of the army, has no strong position on what should happen after the war, but they have a very strong view that Iran can only be made to end the war by military force. Their position has been gradually gaining ground in the Iraqi leadership since the end of last year and is reflected in several official statements made by Iraq. One concrete result of this process was that on February 2 Iraq announced that it would resume attacks on Iranian settlements.

Although it is premature to draw far-reaching conclusions at this point, it is clear that the Iraqi leadership has deliberately increased tension in the past few weeks, thereby speeding up certain developments that are not in its favor at all. Today we can see two possible explanations for this: according to one the Iraqi leadership intended to deter a large scale Iranian offensive by its threats. The other explanation might be that it got caught in the same trap of overconfidence that we saw in 1980 and Iraq really wants to provoke a final battle that will settle the war for once and for all. We believe that the latter explanation is closer to reality, and the new, young leaders of the army have played and continue to play a decisive role in this line of policy. What do they expect in view of the current balance of forces? Maybe they believe that a battle more serious than any other clash before and the elimination of a large number of civilians on both sides will force the great powers to act or intervene more radically. This is a slim chance though. Reality is that the war continues and new tensions are emerging.

While in the middle of 1983 we could firmly state that Saddam Hussein's personal power and the system he maintained were strong and unshakable, now, at the beginning of 1984 we can see several signs that there are some forces that clearly strive to curb the president's personal cult and dictatorship. They obviously act in defense of the system maintained by the Baath Party, but they also intend to reorganize the internal relations of power. This could result in a power crisis whether or not the war will eventually come to an end.

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