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Report of the Hungarian Ambassador in Iraq on the developments of the military conflict between Iraq and Iran

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Subject: The Situation of the Military Conflict between Iraq and Iran, expected developments

At the end of 1986 and at the beginning1987, the burdens of the war that turned to its 7th year has further worsened the economic life in the Republic of Iraq and the occupation of Fao in February this year led to both military and internal political convulsions. Ending the war early and reducing the negative effects were invariably in the focus of Iraq's foreign and internal political efforts.

1./ Over the last year, a relative balance remained in the military power relations of Iraq and Iran, that on Iraq's part was based on the technical supremacy of its land and air forces and bigger fire-power, while on the Iranian side, the supremacy was based on the existing surplus of human power, fighting spirit and the opportunity for initiation.

There have been remarkable changes in some elements of the military situation recently:

- a./ Both parties' economic potential has further weakened, especially in the case of Iraq, it has happened at a faster speed, directly influencing some military directives;
- -Iran's military power is growing faster as compared to Iraq, while Iraq's technical superiority is gradually reducing;
- -the strategic initiation is still in the hands of Iran and it uses the opportunities increasingly better.

b./ The Iranian troops broke through Shat-el-Arab on 9 February, having occupied and holding el-Fadt, one of Iraq's strategically important naval exit up to this date.

The Iranian success indicates the beginning of qualitative changes, both in military and political terms. The war on land has reached to the immediate neighborhood of the Gulfcountries, shaking the faith in the firmness of Iraq's defense, damaging the reputation of the Iraqi army and may cause internal political convulsion. /See my top secret report No. 34/86 / It has brought forward the potential and the danger that Iran would create the core of an Islamic Republic of Iraq based on emigrant and internal opposition forces, thereby tearing off the country's southern, vital area. The loss of Fao partly supports the presumption articulated already last year, that in case the war would drag on, Iran would be capable of deciding the outcome of the conflict even by military means.

- -Iraq's attempts to liberate the Fao-triangle have failed. To counterbalance it, a series of minor attacks have been launched on the full line of the front, and the city of Mehran has been occupied. The tactic of "active defense" has been announced, increasing the air-strikes against the Iranian hinterland. However, these steps could not counter-balance the loss of Fao, neither politically, nor militarily.
- -The military tension has stabilized on a level higher than previously, with better Iranian conditions, that can mean a point of departure for a new series of Iranian military successes.
- c./ Characteristics of the current situation:

- -Both parties endeavor to keep the military positions reached earlier and show activity on the full front line, but neither of them risks carrying out doubtful, bigger attacks.
- -Both parties have been searching for the options of delaying an economic-financial collapse, in the form of grants, credits, respite, political bargain, etc.
- -Active Iraqi offensives basically serve internal political interests, in connection with the Faofailure. Earlier Iraq did not have the economic and military potentials and means for launching a decisive strike, either. Due to the drop in oil prices and the increase in economic problems, the current campaign also will run out of steam soon.
- -This way, while Iran continues the preparation for another large-scale attack, Iraq's main task is to make the counter measures: redeployment of forces in the expected main direction of attack, accelerated conscription and training, replacement of weaponry and increasing the productivity of domestic war industry.

Iran is expected not to stop the actions, similar to the one in Fao, executed at a properly selected time and location, the success of which can be directly measured by the influence it has on Iraq's internal political and economic situation and which bring Iran to its final aim, to making the Iraqi regime shatter and possibly causing the collapse of it. Iraq continues the bombing of Iranian oil, industrial and military objects, concentration districts and supply lines.

The military tension increases from time to time, and influenced by internal problems, Iraqi steps of provocative nature can be expected, which might be followed by Iranian counter strikes. Tendencies refer to potential bigger fights in the Fall.

These presuppositions are justified in recent developments. Iranian troops launched an offensive to liberate the border town of Mehran, occupied by Iraqi troops on 17 May. Iraq was forced to announce in a military announcement Nr. 2278 on 2 July, that after a 2-day long, heavy fight, the Iraqi troops were withdrawn from the town of Mehran to the state border.

However, the Iranian announcement dated 4 July reports that the Iranian troops continued to penetrate 15 km deep into Iraqi territories in the area of Mehran.

Before the battle of Mehran, Iran launched a missile attack on the area of Kirkuk – that were residential areas according to Iraqi information, — that in reality proved to be oil and gas processing objects 25 km south of the town. The Iraqi Foreign Minister immediately turned to the UN General Secretary with a letter calling attention to the danger of the renewal of a "war against towns" following the Iranian action. He asked for the UN's intervention to stop the "Iranian aggressor".

In the meantime, the Iranian Army has launched small attacks with the purpose of reconnaissance on the southern part of the front, too. The situation is still tense in the area of Fao. The combat actions are supposed to be part of the preparation for a larger scale offensive. The situation can be especially dangerous in the Mehran area, being closer to Baghdad, in case the Iranians press further advance.

2./ The Iraqi foreign policy steps to stop the war early, to have a political settlement have basically remained unsuccessful, achieving only some partial result. The expected support from the UN, from the great powers, and the non-aligned countries lagged behind Iraqi demands, hardly going beyond a call for both parties to settle the conflict peacefully. The resolutions apply to both parties; they do not take up positions expressly on either Iraq's, or Iran's side.

Iraq failed to achieve the declaration of the war as an Arab national defensive war. Although some material, economic and other assistance has been received especially from the Gulf nations, but Iraq is not satisfied with the political support. Syria and Libya are clearly backing Iran. Thus not even the Arab background is united and this effects the bilateral relations of Iraq with certain Arab countries, and similarly, it creates an obstacle for the convening of the long-awaited Arab Summit.

Due to all this, Iraq's relations with the above-mentioned international organizations have significantly deteriorated and the Iraqi propaganda regularly criticizes the role and impotence of the UN and the non-aligned movement. In the latter case the criticism reaches the Indian president acting as the chairman of the movement.

Although Iraq is awkwardly careful to portray the relationship with its main financial supporters, the Gulf countries undisturbed, during private talks, the Iraqi officials do not deny their suspicion about the improving contacts between the Arab Gulf countries and Iran.

-Iraqi diplomacy, as well as the Iraqi Army, have gradually lost their opportunities for initiation and it is doubtful if they can apply any new element in their activity, or whether they will be capable of changing their methods. The activity on behalf of Iraq will hardly be capable of achieving more either in the international organizations or in the bilateral relations. The other method applied by Iraq, conveying different international conferences in Baghdad, hardly brought any tangible results and this kind of "people's or mass-diplomacy" will be more likely used for propaganda purposes only.

-In spite of the above-mentioned, the Iraqi leadership, in their external communications, stick to their optimism claiming that the war can be ended within a reasonable period of time. They consider the demolishing of the Iranian hinterland and creating internal political tension as the biggest means to achieve this aim. An element of this policy is the harboring of Mudshahidin Khalk's leaders and the support provided for them and for other Iranian leaders in opposition. However, the Iraqi leadership do not give up the alternatives of diplomacy. In the current phase, trying to increasing Iran's isolation, they concentrate on persuading the countries friendly to Iran to cut down their connections and on trying to distance her allies from Iran. The talks with Syria have raised some hopes, but according to our sources, the rapprochement has come to a deadlock during the initial phase.

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