

LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET

<u>Doc #</u>	<u>DocType</u>	<u>Doc Info</u>	<u>Classification</u>	<u>Pages</u>	<u>Date</u>	<u>Restriction</u>
03c	airgram	A-488 from Baghdad open 7/31/12 per NLJ/RAC 11-55	C	9	5/15/65	A
03u	airgram	A-678 from Baghdad open 7/31/12 per NLJ/RAC 11-55	C	9	1/29/65	A
19	report	p. 9 and map from intelligence report Sanitized 9-24-07 same sanitization 10/8/16 per NLJ/RAC 15-95	S	2	11/20/64	A
22	letter	Robert C. Strong to Bob Komer open 7/31/12 per NLJ/RAC 11-55	C	2	10/17/64	A
22a	letter	Robert C. Strong to Bob Komer - exempt per RAC. 09/00	S	1	10/19/64	A
23	letter	Robert C. Strong to Phillips Talbot open 7/31/12 per NLJ/RAC 11-55	C	2	10/15/64	A
23a	memo	from Robert C. Strong sanitized 7/31/12 per NLJ/RAC 11-55 same sanitization 10/8/16 per NLJ/RAC 15-95	S	3	10/13/64	A
23b	memcon	from J. E. Akins open 7/31/12 per NLJ/RAC 11-55	C	2	10/1/64	A
23c	memcon	from Robert C. Strong open 7/31/12 per NLJ/RAC 11-55	C	3	10/13/64	A
23e	memo	from Robert A. Bauer to Ambassador open 7/31/12 per NLJ/RAC 11-55	C	1	10/15/64	A
28	report	intelligence report - sanitized per RAC 08/02 same sanitization 4/3/14 per NLJ/RAC 11-55	S	6	3/64	A

Collection Title National Security File, Files of Robert W. Komer

Folder Title "Iraq - (December 1963-March 1966)"

Box Number 28

Restriction Codes

- (A) Closed by Executive Order 12958 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
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06/03/2003

MS
Initials

LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET

<u>Doc #</u>	<u>DocType</u>	<u>Doc Info</u>	<u>Classification</u>	<u>Pages</u>	<u>Date</u>	<u>Restriction</u>
30	memo	intelligence report - exempt per RAC 09/00 exempt 4/3/14 per NLJ/RAC 11-56	S	3	1/3/64	A
34	report	pp. 5-6 of Current Intelligence Digest - sanitized per RAC 08/02 - same sanitization 10/8/16 per NLJ/RAC 15-95	S	2	12/5/63	A

Collection Title National Security File, Files of Robert W. Komer

Folder Title "Iraq - (December 1963-March 1966)"

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06/03/2003

Initials

~~CONFIDENTIAL~~

January 29, 1965

MEMORANDUM FOR

JACK VALENTI

Jack, do we know anything about White House approaches by the J. A. Jones Co. of Charlotte, N. C. ? These people have some legitimate claims against Iraq, and are trying to get State and AID to finance a new AID project there, by means of which Jones could get its claim settled.

AID and State strongly oppose any new cheap loans to unfriendly Iraq and keep telling Jones Co. so, but latter keeps claiming WH interest. Their general counsel, Haywood Robbins, told State recently he'd heard from Clint Murchison (whose TECON firm is joined with Jones in the Iraqi operation) that the President had said he didn't want to think about their problem till after the inauguration. State wants to know if the President really is interested.

R. W. Komer

~~CONFIDENTIAL~~

Att. (1) Read/Bundy Memo 1/25/65 att. Memcon Jernegan/Robbins 1/21/65 re JAJones Co
(2) Memo Jernegan to Komer, 12/28/64, subj. Iraq: Claims of J. A. Jones Construction Co., Charlotte NC and its Proposal for USG Development Financing.

DECLASSIFIED
E.O. 12958 Sec. 3.5
NLI-S-0001
By mg, NARA, Date 6-203

SECRET

Mac -

July 29, 1964

Jim Greenfield called me too about matter of Commerce sending six US businessmen in Iraq, etc. and fact that Friedman of Jewish Telegraph Agency preparing to make a stink about it.

We agreed best thing is to quietly and indefinitely postpone Commerce trip (silly anyway), and ask Mike Feldman to call off Friedman (saying it ain't gonna happen). Thus we might squash a piddling bit of trouble before it happens.

RWK

SECRET

DECLASSIFIED
E.O. 12958 Sec. 3.5
NLJ-S-00001
By 19 NARA, Date 6-2-03

3

Gray

DEPT. DISTRIBUTION
ORIGIN ACTION

DEPARTMENT OF STATE

AIRGRAM

EDU 9-3 IRAQ
XR POL 15-1 IRAC

NEA-10

Original to be Filed in _____ Decentralized Files:

FILE DESIGNATION

RM/R	REP	AF	ARA
1	1		
EUR	FE	NEA	CU
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INR	E	P	IO
5	4	1	
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AGR	COM	FRB	INT
LAB	TAR	TR	XMB
		3	
AIR	ARMY	NAVY	OSD
5	3	4	31
USIA	NSA	CIA	NSC
8	3	10	6

AIR POUCH
HANDLING INDICATOR

~~CONFIDENTIAL~~

A-91

NO.

3a
1

TO : Amembassy BAGHDAD

DECLASSIFIED
E.O. 12958 Sec. 3.5
NLJ-S-88001

By mg NARA; Date 6-2-03

Dec 20 4 54 PM '65

FILED-PBR

FROM : DEPARTMENT OF STATE

DATE:

SUBJECT : Baghdad University

REF : A-427

1. We concur that efforts should be made to cooperate with the Bazzaz Government on the Baghdad University project. Effective help would serve to improve U.S.-Iraqi relations, strengthen U.S. cultural influence and produce a symbol of U.S. friendship for Iraq.

2. We have investigated ways the U.S.G. can respond to the Bazzaz request. AID assistance is precluded by the termination of the AID program and no other source of U.S.G. funds exists. (Given the very early stages of planning on the President's world-wide education program, we are unable to predict the possibility of assistance from this source.) We believe foundations and other private organizations are the only likely source for funds of the magnitude apparently required and for other assistance needed to create the institution Bazzaz and others envision. We are apprising Ford Foundation and others that this request has been received from the Iraqi Prime Minister at a very high level in the Department. We are indicating that the Department is endeavoring to obtain more details on the project from the GOI and a more precise idea of what the Iraqis believe U.S. assistance should be; and that, once this is received, the Department would desire a more thorough discussion of possible ways they might help.

3. To advise on possible university administrative reforms, CU could shift emphasis of the FY-1967 American specialist program from coaches to educational administrators. Their advice, if really desired and heeded by responsible Iraqis, could go a long way to pinpoint the real problems of making the university an effective institution. Such a shift in emphasis might also provide an avenue of approach to the broader needs suggested in paragraph 4.B. of Embassy's A-427.

SUGGESTED DISTRIBUTION

- BATOR
- BOWDLER
- BOWMAN
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- COOPER
- JESSUP
- JOHNSON
- KEENE
- KROMER

M

POST ROUTING

TO:	Action	Info.	Initials
AMB/PO			
DCM			
POL			
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ADM			
AID			
USIS			
FILE			

Action Taken:

Date:
Initials:

FORM 10-64 DS-323

~~CONFIDENTIAL~~

For Department Use Only

In Out

Drafted by: NEA:NE/E:RHAdams:acs

Drafting Date: 12/13/65

Phone No.: 3077

Contents and Classification Approved by: NEA:NE - Harrison M. Symmes

Clearances: CU/NEA:WCLakeland (draft)

NEA:NE:LFDinscore

GROUP 3

Downgraded at 12-year intervals

~~CONFIDENTIAL~~

-2-

4. We suggest that the following be conveyed to Bazzaz drawing on the foregoing as appropriate: (1) U.S.G. is willing to explore fully with foundations and private organizations prospects for assistance once more precise details on the project are received, (2) the U.S.G. is prepared to look into more immediate ways of helping the university (American specialists, etc.) if he so desires. FYI We have reservations re possibility of mounting a program of the magnitude the Bazzaz request implies and wish to avoid conveying the impression that our help can or will be fully responsive.

GP-3

RUSK

~~CONFIDENTIAL~~

AIRGRAM

SP 10 US

36

NEA-10

IM/R	REP	AF
1		
IRA	EUR	FE
VEA	CU	INR
E	P	IC
L	FBO	AID
GR	COM	FRB
NT	LAB	TAR
TR	XMB	AIR
RMY	CIA	NAVY
SD	USIA	NSA
		NSC 6

20

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A-484

LIMITED OFFICIAL USE

HANDLING INSTRUCTIONS

- BUNDY
- BATOR
- BOWMAN
- CHASE
- COOPER
- JESSUP
- JOHNSON
- KEENE
- ...

TO : Department of State 1965 NOV 19 AM 8 39

(ORIG LETTER TO PRES)
Enc & S/S incl advance copy of ltr
11-19-65 via Tube
NEA

ANALYSIS RM/AN
Jag

FROM : American Embassy Baghdad

DATE: November 13, 1965

SUBJECT: Transmittal of Letter from President Aref to President Johnson

REF : Baghdad's A-419 SP 10 US
NEA

Transmitted herewith is a letter in Arabic dated October 31, 1965 from President 'Abd al-Salam Muhammad Aref to President Johnson. The letter is in reply to President Johnson's letter of August 13, 1965 to President Aref presenting televised pictures of the planet Mars taken by the spaceship Mariner V on July 14, 1965. President Johnson's letter was delivered to Prime Minister Bazzaz on October 27 for transmission to President Aref.

Also enclosed is an unofficial translation of President Aref's letter, made by the Embassy, together with a translation of the note of November 11, 1965 from the Ministry of Foreign Affairs forwarding this letter.

For the Ambassador:

J. Wesley Adams
J. Wesley Adams

Counselor of Embassy

Enclosures (3): As stated
all in m

Decontrolled following November 13, 1966

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FORM 4-62 DS-323

FOR DEPT. USE ONLY

In Out

Drafted by: DCM:JWAdams:ega:11/13/65

Contents and Classification Approved by: AMB:RCStrong

Clearances:

1965 NOV 19 PM 1 03

COPYFLO-PBR

LIMITED OFFICIAL USE

Airgram No. 484,
Enclosure 1, page 1
Baghdad, Iraq

30
/

No. 200/1040/1040/extraordinary
Baghdad, November 11, 1965

Iraqi Republic
Ministry of Foreign Affairs
Protocol

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States in Baghdad and has the honor to attach a letter which His Excellency Marshall 'Abd al-Salam Muhammad Aref, President of the Republic, is sending in reply to a letter from His Excellency Lyndon B. Johnson.

The Ministry would appreciate if the Embassy would assure its delivery to His Excellency.

The Ministry takes this opportunity to assure the Embassy of its high respect and appreciation.

(Seal of the Ministry of Foreign Affairs)

Embassy of the United States of America

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LIMITED OFFICIAL USE

Airgram No. 484
Enclosure 2
Baghdad, Iraq

Presidential Palace
October 31, 1965

Dear Mr. President:

I received with much happiness your historic letter of August 13, 1965 to which were attached the first televised pictures of the planet Mars taken by the spaceship Mariner V on July 14, 1965.

At this time I present to Your Excellency and the friendly American people my sincere thanks for this valuable gift of a profound historic victory. I also wish to express to you in my name and in the name of the Iraqi people the extent of our appreciation and admiration for the magnificent victories which the American scientists have realized in the realm of the conquest of space.

There is no doubt that the cooperation of the scientists and of the engineers who come from a number of countries and professions is one aspect of human efforts which have come together for the sake of a better future for all humanity. The decision of Your Excellency to place all the pictures which were taken of this planet at the disposal of the scientists throughout the world is a gratifying living example of this fruitful cooperation.

The success of this trip's great scientific mission is of value for the spirit of progressive humanity striving to extend the limits of knowledge. I would like to share with you the idea that this important scientific accomplishment will certainly increase the decision of the peoples of the world everywhere to proceed to the conquest of space in a peaceful scientific spirit spurred on by a desire to realize an increase of knowledge.

(President Aref's paraph)

Sincerely yours

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AIRGRAM

EDU 9-3 IRAQ
AR POL 15-1 IRAQ
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NEA 10		
RM/R	REP	AF
1	1	
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NEA	CU	INR
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E	P	IO
4	1	
L	FBO	AID
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AGR	COM	FRH
INT	LAB	TAR
TR	AMR	AIR
3		5
ARMY	CIA	NAVY
3	10	4
OSD	USIA	NSA
31	8	3
		NSC 6

A-427

~~CONFIDENTIAL~~

NOV 22
HANDLING INDICATOR

TO : Department of State, Washington

Info : BASRA

FROM : Amembassy, BAGHDAD

SUBJECT : Follow-up to Iraqi Prime Minister / Foreign Minister Bazzaz's Request for USG Assistance for Baghdad University.

REF : Deptel 193; Baghdad's A-420.

ANALYSIS & DISTRIBUTION
BRANCH

Joy

DECLASSIFIED
E.O. 12958 Sec. 3.5
NLJ-S-98001
By 15, NARA, Date 6-2-03

DATE: October 30, 1965

In his meeting with Iraqi Prime Minister/Foreign Minister Bazzaz on October 8, the Secretary agreed to look into the question of what could be done to assist Iraq to finance rapid completion of construction of the new Baghdad University. Bazzaz wants the financing to be done without interest.

1. Baghdad University's Principal Problem.

In my opinion, turning Baghdad University into a fine institution of higher learning depends less on construction of a new campus than on proper organization and administration, and on improvement in the caliber of the faculty and curriculum.

2. Financial Situation. Iraq, of course has substantial resources of its own and is relatively unencumbered by external obligations. At the same time there are limits to what can be financed from current income when account is taken of both current operations and the need for capital outlays of a developing economy. In recent months the GOI seems to have become increasingly aware of the need for more careful management of its financial resources, possibly because of budgetary strains of the Kurdish war and slower than anticipated growth of oil revenues. There has been increased talk in Baghdad of seeking foreign loans to assure full implementation of the five-year plan, of which the new university is one aspect.

Iraq can pay over a period of years for University construction. If Iraq ratifies the IPC agreement, its oil revenues will rise appreciably in coming years, and much more of the five-year plan can be financed through Iraq's own resources, and foreign loans can be more readily serviced. Whether ratification of the IPC agreement is politically feasible should be determined in the next two or three months. If by the end of this time

~~CONFIDENTIAL~~ GROUP FOUR

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In Out

FORM 4 67 DS-323

Drafted by: Amb:RCS:mvm 10/29/65

Contents and Classification Approved by: Ambassador

Clearances: DCM, POL, ECON, USIS.

1965 NOV 5 AM 11 33

BUNDY-SMITH
BATOR
BOWDLER
BOWMAN
CHASPE
COOPER
JESSUP
KELSO
KISTNER
M
WELCH
WINTERROWD

no action has been taken, ratification prospects will have to be regarded as dim. If the GOI fails to ratify, it is not impossible that the IPC shareholders will further reduce their offtake and thus appreciably reduce Iraq's revenues from oil. In this case Iraq would be able to service existing loans but would be a less attractive risk for additional loans.

3. Cost of Building University. The construction of a new campus to house some 12,000 of the 20,000 students attending twenty colleges and higher institutes is about ID 15 million (\$42 million). The plan calls for completion in five years, but a more realistic period would be eight years. In addition an American architectural firm has a contract for designing a new campus for Mosul University and an Egyptian firm similarly has contracted for Basra University. Presumably these two institutions will require at least another \$41 million. Both are still under the control of Baghdad University.

4. What should be done from the US? USG funds for construction are not available nor are they likely to be even when President Johnson's envisioned program for support to education around the world gets under way.

I believe that three lines should be explored:

- A. With private foundations, principally Ford, to determine whether a long-term (10 years), low-interest loan can be made for up to half the cost of Baghdad University (perhaps the Gulbenkian Foundation would be willing to participate with one or more US foundations);
- B. With private foundations to stimulate active interest in a major program to develop a badly needed first class technical educational system in Iraq, particularly for agriculture; and
- C. The combining of USG and private resources in the US to contribute a larger number than at present of high caliber professors, for which Iraq has great need, to help put the three Iraqi universities in a better position to meet their responsibilities effectively. Competent men spending two or three years apiece in Iraq can have a tremendous impact on administration, standards, curriculum, students, and development of graduate courses.

5. Need for a Constructive Response. It would be helpful to have from the Department in the next month or so some indication of what follow-up is being undertaken to Bazzaz's request. I have long been convinced that the US has an opportunity to register enduring fundamental impact on Iraq through a larger educational and cultural program. The US is in a unique position to do so. No other country can do it, nor any combination of other countries. To date, resources available have been minimal though somewhat larger this year than in the past few years.

INITIAL ACTION REQUESTED:

Inform me in the next few weeks of lines along which the USG is following up on Bazzaz's request, with authority to tell Bazzaz.

~~CONFIDENTIAL~~

Robert Strong
Robert Strong

AIRGRAM

SP 10 US

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NEA-10

RM/R 1	REP	AF
ARA	EUR	FE
NEA	CU	INR 5
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S/S 37	G 1	G/PM 1
AGR	COM	FRB
INT	LAB	TAR
TR	XMB	AIR
ARMY	CIA	NAVY
OSD	USIA	NSA
		NSC 6

(5)

A-419

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HANDLING INDICATOR

TO : Department of State, Washington

1965 NOV 1 PM 12 30

30
1

RM/AN
ANALYSIS & DISTRIBUTION
BRANCH

FROM : Amembassy, Baghdad

DATE: October 28, 1965

SUBJECT : President Johnson's letter to President Aref

REF : Deptels 97, 99 and 170.

NEA

During my initial call on Prime Minister Bazzaz in his capacity as Foreign Minister on October 27, I handed him without comment a first-person note enclosing President Johnson's letter and the photograph of Mars and requesting they be forwarded to President Aref. Bazzaz said he would transmit them to Aref promptly. Question of call on Aref did not arise.

Robert C. Strong

- 4 33
- BUNNY-SMITH
- BATOR
- BOWLER
- BOWMAN
- GHASE
- COOPER
- JESSUP
- JOHNSON
- KEENE
- KOMER
- MOODY

FORM 4-62 DS-323

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In Out

Drafted by:

AMB:RCS:mvm 10/28/65

Contents and Classification Approved by:

Ambassador

Clearances:

OUTGOING TELEGRAM Department of State

13761

INDICATE: COLLECT
 CHARGE TO

~~CONFIDENTIAL~~

BUNNY-SMITH
BOWLER
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CHAS
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KELLY
KORNER
MOUNT

34

86

Origin
NEA

ACTION: Amembassy BAGHDAD 193

Info:

INFO: CAIRO (VIA POUCH)
TEHRAN (VIA POUCH)

OCT 26 2 01 PM '65

SS

EMBTEL 253

G

Following summary of conversation with Secretary, Prime Minister and subject to amendment upon review.

SP

1-a. During October 8 conversation with Secretary, Prime Minister raised

SAH

Kurdish question. While recognizing matter basically internal problem, noted

H

EUR

there were also external aspects to it. Said GOI willing look at Kurdish

IO

P

peoples as nation, however he predicted there would never be Kurdish state

USIA

including all Kurds. PM suggested progress might be made on problem if US and

NSC

INR

UK would advise Shah unwisdom his policy.

CIA

NSA

b. Secretary reiterated US supports territorial integrity Iraq and asked

DOD

PM try understand limited influence US has in such matters. He cited India-

IGA

AID

Pakistan as example.

E

COM

c. In response Secretary's question whether he might consider making

TRSY

discreet probes to learn whether there is mutual desire friendship between

XMB

Tehran and Cairo, PM claimed Shah has exaggerated fear President Nasser.

Nasser would like cooperate with Iran. Iran's provocations cause him react.

PM contrasted Shah's professed fear Nasser's ambitions with Shah's ambitions

among Arab territories in Persian Gulf. Secretary suggested Iranian Foreign

Minister Aram might be engaged in dialogue but PM responded it unrealistic think

anyone but Shah could change official attitude toward Egypt and Arab world.

He thought only advice from friendly powerful governments could persuade Shah.

DECLASSIFIED
Authority FRUS, Vol. XI, # 176
By NARA, Date 6-2-03

Drafted by: NEA:NE:LFD:more:es:acs

Tel. Ext. 3236

Telegraphic transmission and classification approved by: NEA - Rodger P. Davies

Clearances: S/S - Mr. Humphreys

NEA:NE - HMS

XXX-
M - Mr. Funk

Vice President's office
(Mr. Rielly in substance)

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115
d. As first civilian PM Iraq in many years, he felt atmosphere of stability. Secretary said US has elementary interest in welfare and territorial integrity Iraq adding we have no national ambitions in Iraq and that we ready explore ways assist Iraq on road to development.

e. PM raised particular program in which he personally interested, namely building University Baghdad into great institution. Secretary said Department would be glad review possibility US assistance on some aspect of University scheme.

f. PM agreed worthwhile examines possibilities investment guarantee agreement.

2-a) In talk with Vics President October 15, Bazzaz conveyed President Arif's highest regards to President and wished speedy recovery from operation. Stated Iraq after series revolutions is developing and in evolutionary stage as member Free World. Present government is non-aligned. Past governments had interpreted non-alignment badly. Present GOI socialistic but not Marxist or Communist. Recognizes role private enterprise.

b. Bazzaz stated Nasser only Arab world leader who effectively combatting communism and marxism. Key to good relations with Arabs is good relations with Nasser.

c. PM alleged Iran encouraging disturbances northern Iraq for purely destructive reasons. Shah's problem is his attitude towards Nasser. US should use good offices convince Iran stop aiding Kurds.

d. Finally PM urged US persuade British adopt better attitude toward South Arabia.

e. VP stated PM was speaking to sympathetic mind. Social reform in US occurs within structure mixed economy. VP emphasized distinction between communism and

~~CONFIDENTIAL~~

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d. PM reiterated idea re US assistance in building new university. It would cost \$30-35 million. Iraq ~~was~~ able repay in 7-8 years. Mann said he would look into matter.

e. Bazzaz raised Kurdish problem in economic sense as drain on Iraq's finances. He mentioned building loan program and said existing Iraqi institution needs capital. GOI might request \$7-8 million loan from US. Mann said he would ^{also} ~~be happy~~ look into this.

GP-3

RUSK

NOTE: Pouched by OC/T.

INCOMING TELEGRAM *Department of State*

390

86
Action
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~~CONFIDENTIAL~~

BUNBY
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COOPER
JESUP
KINSON
MOODY

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06733

FM USUN NY
TO RUEHCR/SECSTATE WASHDC **SECTO 40**

1965 OCT 8 PM 5 10

INFO RUQVWG/AMEMBASSY BAGHDAD 03
RUQVWA/AMEMBASSY TEHRAN 08
STATE GRNC
BT

~~CONFIDENTIAL~~ OCTOBER 08

FOLLOWING POINTS FROM SECRETARY'S CALL ON PRIMIN BAZZAZ
OCT 8 ARE DRAWN FROM UNCLEARED MEMCON, FYI, NOFORN, SUBJECT
TO REVISION UPON REVIEW.

FONMIN RECITED FAMILIAR GOI VIEW OF KURDISH PROBLEM AND ASKED
THAT USG ADVISE SHAH THAT IRANIAN CLANDESTINE AID TO KURDS
FOSTERING FUTURE TROUBLE FOR ENTIRE AREA INCLUDING IRAN.
BAZZAZ ASKED THAT WE GET SHAH AT LEAST TO STOP SUPPLYING
AMERICAN ARMS TO KURDS.

SECRETARY IN RESPONSE EMPHASIZED LIMITATION OUR INFLUENCE,
DRAWING PARALLEL WITH INDIA-PAKISTAN CONFLICT WHERE IN EACH
SIDE ALWAYS EAGER HAVE US TELL OTHER PARTY WHAT TO DO BUT RARELY
DISPOSED TO LISTEN OUR CONSEL ON THEIR OWN BEHAVIOR.

SECRETARY MOOTED POSSIBILITY THAT BAZZAZ AS NEW PRIMIN
MIGHT MAKE CONTACTS AIMED AT SHAH-NASSER DETENTE PARTICULARLY IN
PROPAGANDA FIELD. PRIMIN'S RESPONSE EXPUNDED THESIS THAT
CAIRO POSTURE MERELY REACTION TO SHAH'S MISGUIDED ANIMOSITY.
BAZZAZ EVALUATION OF NASSER ONE OF UNQUALIFIED ADMIRATION.

SECRETARY MADE NO RPT NO COMMITMENT TO PURSUE KURDISH
PROBLEM WITH SHAH.

INVITING USG TAKE RENEWED INTEREST IN IRAQ INTERNAL DEVELOPMENT,
BAZZAZ ASKED THAT WE HELP ACCELERATE UNIVERSITY EXPANSION.
SECY AGREED TO LOOK INTO POSSIBILITIES US HELP ON SOME ASPECTS
UNIVERSITY PROGRAM.

IN ANSWER TO QUERY BY SECY, BAZZAZ AGREED WOULD BE USEFUL TO
REVIEW FEASIBILITY INVESTMENT GUARANTEE AGREEMENT. SECY AGREED
OUR TWO GOVTS SHOULD CONSULT ON THIS TOPIC.

GP-2.

RUSK
BT

ADVANCE COPY TO S/S-0 10/8/65, 5:22 P.M.

DECLASSIFIED
E.O. 12958 Sec. 3.5

~~CONFIDENTIAL~~

NLIJ-S-98001
By *Ag* NARA, Date 6-2-03

OUTGOING TELEGRAM Department of State

0 2 6 6 1

INDICATE: COLLECT
 CHARGE TO

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3h

84

Origin
NEA

ACTION: Amembassy BAGHDAD

97
[Handwritten signature]

SEP 4 3 50 PM '65

Info:

Your A-222, August 26

SS
NSC
SCI

Recommend you return President's letter to Department and offer
photographs to College of Science, University Baghdad.

END

BURN
BATON
BOWD
BOWEN
CHASE
COOPER
JESSUP
JOHNS
KERRY
KORNER
MOODY

RUSK

Drafted by:

NEA:NE:LFDinsmore:es:9/1/65

Telegraphic transmission and

classification approved by:

NEA - William J. Handley

Clearances:

NE - Mr. Davies

S/S- Mr.
Rattray

White House - Mr. Komer

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AIRGRAM

SP 10 US 31
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5/5-27

RM/R	REP	AF
1		
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NEA	CU	INR
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L	FBO	AID
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A-222

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TO : DEPARTMENT OF STATE

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- BUNDY-SMITH
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FROM : Amembassy BAGHDAD

DATE: August 26, 1965

SUBJECT : Transmittal of Presidential Letter to President Aref

REF :

The Embassy is in receipt of the letter from President Johnson to President Aref dated August 13, 1965, enclosing a copy of a first television photo of Mars taken from the MARINER IV spacecraft on July 14, 1965.

Prior to forwarding this letter to President Aref, the Embassy wishes to recall that a year ago we received a similar letter for delivery to President Aref from President Johnson enclosing a booklet of moon photos taken on July 31, 1964 by cameras of the United States spacecraft Ranger VII. On that occasion, Ambassador Strong addressed a note to the Foreign Ministry stating that at President Aref's convenience he would be prepared to deliver President Johnson's letter either in person or to the Foreign Ministry for transmittal to the President. No reply was ever received, apparently in reflection of President Aref's deep-seated feeling about United States support of Israel. At the Department's instruction, President Johnson's letter was returned to Washington.

President Aref's apparent desire to snub the United States and its President was most recently demonstrated in his failure to reply to an offer by Ambassador Strong to call on him prior to the Ambassador's departure on home leave, as reported in A-147 of August 4, 1965.

In view of this consistent record of discourtesy toward President Johnson and his representative in Iraq, the Embassy recommends that it neither forward President Johnson's letter nor inquire as to President Aref's inclination to receive it. Instead, the Embassy requests authorization to return the letter and its enclosure to the Department.

[Handwritten signature: J. Wesley Adams]

J. Wesley Adams
Chargé d'Affaires a.i.

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FORM 4-62 DS-323

Drafted by: Chargé: J. Adams : mjb : 8/25/65

Contents and Classification Approved by:

Clearances: POL: ESDuncan *[Signature]*

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OUTGOING TELEGRAM Department of State

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ACTION: Amembassy BAGHDAD

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Following message sent President Johnson by President Arif: QUOTE

It pleases me to extend to Your Excellency in my name and on behalf of the Iraqi people heartfelt felicitations on the occasion of the National Day of the United States of America with best wishes for your personal happiness and for continued prosperity of the American people UNQUOTE.

*Pres. Arif
to LBJ
7/9/65*

President Johnson replied as follows: QUOTE I extend my own thanks and the thanks of the American people for your expression of best wishes on the 189th anniversary of our nation's independence. UNQUOTE

White House does not plan release. No objection if GOI wishes to do so.

END

RUSK

Drafted by:

Telegraphic transmission and

NEA:NE:LFDinsmore:es:7/9/65

classification approved by:

NEA:NE - Harrison M. Symmes

Clearances:

S/S-S - Mr. Tuller

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COMMERCIAL TELEGRAM

ACTION: TO:

NEA

Info:

His Excellency

JUL 9 6 51 PM '65

SS

Field Marshal Abdul Salam Mohammed Arif

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President of the Republic of Iraq

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Baghdad, Iraq.

I extend my own thanks and the thanks of the American people for your expression of best wishes on the 189th anniversary of our nation's independence

Sincerely,

Lyndon B. Johnson

- BUNDY-SMITH
- BATOR
- BOWDLER
- BOWMAN
- CHASE
- COOPER
- HAYNES
- JESSUP
- JOHNSON
- KERRY
- LEWIS
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- REEDY
- THOMSON

Drafted by:

Telegraphic transmission and

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S/S-S - Mr. Tueller

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After prolonged and difficult negotiations GOI-IPC dispute appears very near resolution with prospect agreement being signed by July 1. Department most pleased by this development and hopefully nothing will happen jeopardize GOI signature. IPC considers it extremely important hold publicity and speculation to absolute minimum during this critical juncture when Iraqi petroleum officials pushing through agreement Iraqi high command for approval. ~~IPC considers that Government has already passed some information to Iraqis. IPC considers General Mansour reportedly disclosed several substantial details in talks with Prime Minister and Fallah of USOC several weeks ago.~~

Representative IPC American partners has requested we answer any queries as follows: GOI and IPC have reached an agreement subject to formal ratification by GOI which now in process. Inquirers wanting further information should be referred to Iraq National Oil Company. Department agrees and requests addressees follow this line. GP 3 END

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NLI-9-08001
NARA, Date 6-2-03

Drafted by: *[Signature]* Telegraphic transmission and
NEA:NE/E:GME:nsky:RPAdams:cd:6/11/65 sification approved by: NEA - John D. Jernegan
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HANDLING INDICATOR

TO : DEPARTMENT OF STATE

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FROM : AMEMBASSY BAGHDAD

DATE: MAY 19, 1965

SUBJECT : Political-Economic Assessment

REF : CA-6014, December 9, 1964; A-980, May 15, 1965*
A-859, April 16, 1964; A-850, April 14, 1964

Summary

Long-range improvement in United States relations with Iraq will depend as much or more on developments in the Middle East external to Iraq than on bilateral issues with Iraq - on matters such as the Arab-Israeli dispute, United States relations with the UAR, British policy in the Arab Peninsula, the manner in which Iran conducts itself. While seeking accommodations on these and other issues there are, however, many things we can do, and are doing, to improve the base of goodwill toward the United States in Iraq. These programs, designed to assist Iraq in its economic and social development, include: (1) participation by United States firms of equipment and "know-how" for major industrial and agricultural enterprises; (2) the supplying of United States professors, athletic coaches and other specialists; also cultural programs and training of Iraqis in the United States; (3) a limited program of training in the United States for officers in the armed services and assistance to military athletic programs.

We believe our programs in those areas are having a solid impact, as attested by University Deans, government officials and the enthusiasm of Iraqi youth for our cultural presentations. Assuming no war

*A-980, Revolutions in Iraq, may be read as a companion piece to the supplement to this assessment.

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E.O. 12958 Sec. 3.5
NLJ-S-98001

GROUP 3
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By *sq*, NARA, Date 6-2-03

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FORM 4-62 DS-323

Drafted by: POL:JEAKins:plj:5/15/65
Clearances: Contents and Classification Approved by: Charge d'Affaires ad interim J. Wesley Adams

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Airgram No. 989, page two
Baghdad, Iraq

in Palestine with the United States committed to the defense of Israel, we believe that continued support of Iraq's development, through programs of the type we are now pursuing, may eventually convince Iraqis that we are no danger to them and that we (unlike the communists) wish only their well being.

Iraq is an artificial state which was created by the British from three disparate groups, the Shi'a Arabs, the Kurds and the Sunni Arabs. They have never succeeded in working together. Although many differences seemed to be disappearing before the Revolution of July 14, 1958, the inter-community friction has grown subsequently and is probably greater now than at any time since the foundation of modern Iraq in 1922.

The Iraqi economy has been affected adversely by the agricultural reform law of 1958, by the economic eccentricities of Qassim and by the socialism of the two successor regimes. It has been rescued only by a large and increasing income from oil. One of the main sources of discontent and instability in Iraq is the unemployment and the general lack of economic advance.

Rather than facing its internal problems Iraq has devoted much of its energies to the question of Palestine, and in the past year or two has increasingly opposed the British in the Arabian Peninsula. To most Iraqis, Israel is an imperialist base in the heart of the Arab homeland; it could not have been founded and it could not endure without the help given it by imperialism. Great Britain is ascribed some of the responsibility, but the main culprit is the United States.

As Iraq has committed itself to the destruction of Israel, the conclusion reached by many Iraqis, including those prominent in the government, is that the United States must be working to overthrow it (and other anti-American Arab states) in favor of a return of the monarchy. Believing this, it is only a short step to finding evidence of the American hand in every problem facing the country. Iraqi governments have proved incapable of defeating the Kurdish rebels. By accusing the Americans of inciting and arming the Kurds, they are then spared the unpleasant conclusion that the Kurds have legitimate grievances or that the Kurds could otherwise withstand the might of the Iraqi army. (They have evidence that Iran is permitting help to reach the Kurds through Iranian Kurdistan and they cannot believe this could be done without American approval.) Similarly the Iranians, who many believe are encouraged by the Americans, are arousing the Shi'a against the government.

The Arab adage that "the enemy of my enemy is my friend" has led them to look to the Soviet Union for support. It has been given in the United Nations, and the Arabs count on Soviet military assistance if the Jordan waters dispute degenerates into war. More important, Iraqi governments since 1958 have found in the Soviet Union the only ready source of the modern weapons they have convinced themselves are necessary for the inevitable showdown with Israel.

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Airgram No. 989, page three
Baghdad, Iraq

The obsession with Israel has also provided the justification for increasing the size and the pay of the army to a point where it consumes a substantial portion of Iraq's annual income. Perhaps some Iraqi nationalists also have their eye on Kuwait.

Iraq had unpleasant experiences with local communists in 1959-60, and many Iraqis are now firmly committed to anti-communism. They are, however, able to make careful distinctions between the local communists who are enemies and the Soviet Bloc countries which are friends. The Soviet Union is never criticized in the international field (even Soviet moral support for the Kurds is usually mentioned only obliquely). The full force of Iraqi invective has been devoted to the West for the last seven years. The United States, particularly, has been attacked for its policies and actions in Cuba, the Congo, Vietnam and now the Dominican Republic.

We cannot hope to see an overtly pro-Western government returned to power in Iraq, but our goals are more modest than this. We would like: (1) to see a stable government devoted to the welfare of the people and eschewing foreign adventures (there is reason to believe that the majority of thinking Iraqis also aspire to such a government); (2) to limit and, if possible, reduce communist influence in Iraq; (3) to maintain access to Iraqi markets; (4) to continue the flow of Iraqi oil to the West on reasonable terms; (5) to maintain transit privileges in and over Iraq, and finally (6) to destroy the image of America as the sworn enemy of the Arabs.

There are only limited means (economic and cultural) available to us within Iraq to improve our immediate image. We can sell Iraq limited quantities of arms and we can continue to keep our hands off the Kurdish revolt, but these are secondary matters. Even if we were to help Iraq crush the Kurds, it is unlikely that our position would be greatly enhanced; other issues would then assume greater importance, and the unfortunate byproduct would be to drive large elements of the Kurds into Soviet arms. But much of Iraq's political thinking is done in Cairo and we could improve our position here by convincing Nasser that we are not committed to the destruction of the UAR or of any other "liberated" Arab state.

The present Iraqi government is weak and is popularly not expected to last long (no one can know how long), but the constructive actions the USG has already instituted are appropriate and should be continued with the Aref regime or with any other successor government except a communist dominated one: (1) encouraging Iraqi contact with Americans - primarily professors, coaches and other specialists at Iraqi universities, but also American cultural groups and attendance at conferences and seminars in the United States; (2) responding to Iraqi requests for cooperation in the economic and social development of the country; (3) conducting our limited training program for Iraqi officers and providing coaches and athletes; and (4) scrupulously refraining from interference in Iraqi internal affairs.

The effect of such efforts would be greatly enhanced if we could demonstrate

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Airgram No. 989, Enclosure I
Baghdad, Iraq May 15, 1965

Supplementary Information for the
Political-Economic Assessment

A. Iraq's Basic Wealth

Iraq is a rich country, or it should be one. It has sufficient land and water and it has a substantial income from oil to finance economic development. Agriculture is and will remain for some time the source of livelihood for a majority of the Iraqis. But since 1958 the country's economy has not improved and its agriculture has deteriorated.

B. Lack of Adequate Development

That Mesopotamia, which has traditionally been a large food exporting area, is no longer even self-sufficient in basic food items is due largely to an ill-conceived and ill-administered agricultural reform program which confiscated large estates without proper provision for their continued operation. Much private business and industrial enterprise has been destroyed, and what remains has been demoralized.

Funds which earlier would have gone to economic development have, since 1958, gone to non-productive projects and to the military which now consumes a substantial portion of the national income. The air force and the army are large, the officers are paid disproportionately high salaries when compared with the country as a whole and they are retired with generous pensions.

Socialism has become an almost mystical word to the present regime; it has some appeal to army officers who understand little of the economics behind it; but as it has not yet provided increased wages or increased job opportunities, it seems to be losing its appeal among the masses. Nonetheless, given the general anti-West, ergo anti-capitalist prejudices of the Near East, the word "socialism," if not its substance, will probably be retained indefinitely.

Iraq, unlike some other developing countries, is rescued from its economic follies by a large and continually increasing income from oil. This reliance on oil revenues while not healthy for the country has at least guaranteed the Iraq Petroleum Company a considerable degree of security in face of the government's general socialist and anti-imperialist position.

C. Racial and Religious Divisions - Sunni Domination

Iraq is not a unitary state. Nor has it ever before existed in its present form. Modern Iraqi boundaries were set by the British between the end of the First World War and 1926 when an agreement with Turkey was finally signed.

The majority of the country is Shi'a Arab. The next largest group is the Kurds, and the Sunni Arabs are a poor third. Nonetheless, Sunni Arabs, for a number of reasons, have dominated Iraq since its establishment as a modern state and have maintained their control over the army and the top civilian administration. There has often been opposition from one of the other groups but rarely before in the history of modern Iraq has the opposition of the Kurds

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Airgram No. 989 May 15, 1965
Enclosure I, page two
Baghdad, Iraq

and the Shi'a been as strong as it is today. The Kurds, demanding a form of self-rule, are in open revolt against the central authority, and the Shi'a, suffering under real or imagined discrimination, are almost as solidly united against the current Aref regime as are the Kurds.

D. Recent History of Instability

Even under the British Mandate Iraq was not stable, but its history since July 1958 has been one of constant upheaval (see A-980 for Notes on Iraq's Revolutions). The present regime for a time enjoyed a degree of negative support from those who felt that each successive revolution had brought a deterioration in the internal situation in Iraq; it would, therefore, be better to maintain the present government than to risk a still worse one. This opinion is no longer expressed. The consensus is that this government, too, must yield and there is again hope that the successor will be an improvement.

E. Obsession with Israel and its American Backers

Iraqi Arabs like their Arab neighbors are obsessed with Israel which has by far been the most important political food for every Iraqi government. They rankle under the humiliation given the Arabs by its establishment in 1948 and they fear its expansion. The military regimes in power since 1958 have promised the people the eventual defeat of Israel, and they have thereby justified the increase in the strength of the armed forces. They have also shown themselves anxious to obtain modern weapons abroad at almost any political cost. The main source of these arms has been and will continue to be the Soviet Union. This Iraqi reliance on the Soviet Union and the automatic association of the West with Israel have resulted in a steady erosion of the Western position in Iraq and have guaranteed the Soviet Union a position of influence. The communists were given a considerable set-back after the February 1963 Baathi coup, but the necessity of acquiring Soviet weapons and the Soviet willingness to continue supplying them resulted in a restoration of a degree of good relations between the USSR and the Baath and Aref regimes, albeit local communists were and still are regarded with considerable suspicion.

F. Other Iraqi Complaints Against the West

Yet it is not only the need for arms against Israel and Western support of Israel which turn the Iraqis against the West. The general xenophobia contributes to the strain on relations with the West. More specifically the British imperial position in the Persian Gulf and in Aden is considered an active threat to Arabism, and the Iraqis have an almost pathological fear of British omnipotence. Iranian assistance to the Kurds is considered further proof of imperialist meddling - that Iran could act independently is never considered. All these factors combine to make it easy for Iraqis to see imperialism's hand in every event that affects the Middle East - or even events which have no bearing on Arab affairs. Nasser's theory of the grand imperialist plot against the "liberated" Arabs is accepted without question as a logical culmination of imperialist machinations.

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Airgram No. 989 May 15, 1965
Enclosure I, page three
Baghdad, Iraq

G. Kurdish War

The main internal problem facing Iraq today is the Kurdish revolt. It has the ironic twist of the United States maintaining complete neutrality while the Soviet Bloc radio (particularly Voice of the Iraqi People) supports the Kurds strongly in their fight against the central government. Yet because it is convenient to blame imperialism for all ills and because the Bloc is automatically absolved from guilt by the Iraqi need for Soviet arms and by Soviet support of the Arab cause in Palestine, the official Iraqi line is consistently that the Kurds are supported by CENTO and Mulla Mustafa is a "tool" of Western imperialism.

H. United States Position in Iraq

As stated above, the United States position in Iraq is weakened by our close ties to Israel, and to a much lesser extent by our association with Great Britain and Iran. The vast majority of Iraqis are basically anti-communist even though willing to cooperate closely with the Soviet Union on the questions of Palestine, colonialism and other international issues. Our main assets here are the Western education of many Iraqis and the Western orientation of many more. These are of considerable potential value but cannot be exploited adequately in face of the more tangible opposition to Western policies.

The United States is regularly under press attack in Baghdad. We have become largely inured to the editorials and tend to dismiss them as the rantings of mad men who have no influence in their own country. It is probably true that the effect of a few anti-American editorials in the controlled press and a few anti-American statements by government officials is not great, but the cumulative effect of an unrelieved diet of such statements can scarcely fail to be harmful to the United States. If an Iraqi youth grows to maturity having heard nothing but the "indisputable fact" of American enmity to Arabs, he may come to accept this without questioning and may eventually come to turn for guidance to the strongest opponents of the United States - the Soviet Union and the local communist party. Fortunately there are other influences at work which tend to cancel out at least some of the effect of the GOI propaganda.

Our relations with Nuri al-Said and the Baath were quite good. They were worse with the successors to both regimes, i.e. Qassim and the present Aref government. Nonetheless, we have no history of attempting to overthrow any government in Iraq and, therefore, are not burdened with the extensive suspicions of the Syrians who believe we have actually plotted against them. Iraqis, however, are convinced of American attempts to overthrow various other regimes, i.e. Nasser and Mossedegh, and they believe that we are capable of plotting against them even though we have not tried in the past. Many of these conclusions are reached on the basis of "what should be so, is so." Qassim was strongly anti-Western; he therefore concluded that the West must be, and therefore, was working against him. If this government attacks us, as it does, it assumes we must be preparing counter-attacks whether we are or not.

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Airgram No. 989 May 15, 1965
Enclosure I, page four
Baghdad, Iraq

I. United States Aspirations in Iraq

Many Iraqis yearn for the stability and economic progress of the pre-1958 monarchy and some would even like to restore a king to Baghdad. While we should harbor no illusions about their chances for success we might somewhat more legitimately hope for a relatively well-disposed government in Baghdad. We can nonetheless be satisfied with less.

We and our allies now have access to Iraqi oil on reasonable terms and we have transit rights through and over Iraq. We can hope to retain these. Iraq's dependence on oil income and the world surplus of oil production capacity should persuade Iraq to come to an agreement with the Iraq Petroleum Company. It is unlikely that over-flight privileges would be threatened by a non-communist government here. We can also aspire to retaining a significant portion of Iraq's market and should be able to expand trade even with the present socialist government.

Assuming it will be possible to prevent war between the Arabs and Israel (we would have little chance of retaining even our present position in the Arab world if we were to back Israel or were believed to be backing Israel in any Arab-Israel armed conflict), we can look to our long term goals in Iraq which as stated in current policy papers are quite suitable.

J. United States Policy toward Present Government

Under the present government there seems to be little we can do in Iraq to counteract anti-American propaganda. We can try to remain on friendly and correct terms with at least some members of the regime by being receptive to Iraqi requests for limited arms deliveries and other goodies, and we can keep hands off the Kurdish revolt. Neither will be effective in restoring warm relations with Iraq. In fact nothing could be as long as Iraq's leaders are convinced that all American action in the Middle East is designed to help Israel and to destroy Nasser, Ben Bella, Aref and their "liberated" colleagues. Even if we were able to force or persuade the Shah of Iran to cooperate with Iraq in crushing the Kurds, it is highly uncertain our position in Baghdad would be much improved. The most predictable result would be that many of the Kurdish revolutionaries would be driven into the Soviet embrace.

The only action we could take which would be truly satisfactory to Iraq's present rulers would be to break diplomatic and economic relations with Israel (or at the very least suspend public and private economic and military assistance). We obviously will not even consider either step, but even if we would take one or both, the satisfaction would be momentary and other problems facing the Arabs would develop into new obsessions. The oil companies, the British colonial position in the Gulf, the Iranian occupation of "Arabistan" and the Turkish occupation of "Iskenderun" would all cloud our relations.

But if the anti-Western trend cannot be reversed at present by any action in Iraq itself perhaps it could be decelerated through action outside the country.

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Airgram No. 989 May 15, 1965
Enclosure I, page five
Baghdad, Iraq

If we were able to convince Nasser that our Palestine policy is based on a strict neutrality and we would oppose Israeli aggression as much as Arab aggression, and if we could convince him (and thereby his Iraqi supporters) that we do not intend to move against him, our position in Iraq would be improved in direct proportion to our position in the UAR.

K. United States and the next Iraqi Government

There is, however, some chance of improving our position in Iraq substantially after the next coup d'etat. Although there is much wishful talk of a clean sweep of old elements and a new group of relatively conservative civilians may come to power, a more likely development would be Prime Minister Yahya expelling the Nasserites from the government (as he is believed to be thinking of doing). This could be a positive development. As Yahya has little independent backing, he may be forced to rely on conservative Iraqi elements or on the moderate military faction of the Baath party, and his government's base of power could be significantly broadened.

If the new government is able to provide the stability and the economic progress Iraqis want, and if it is willing to restore some of the democratic processes, it would have a good chance of survival, and we should be ready to be helpful.

It is, of course, quite possible that the new government would be a simple repetition of a Qassim-type dictatorship. Lacking popular support and being afraid of being branded an imperialist tool, it would take strong measures to prove its independence of the West through rash actions against American interests, through a continuation of anti-American attacks in the press and by even stronger support of the Soviet Union on international questions. In this case we could only sit tight and wait for the next change.

L. Conclusions

Given the limited intelligence and the obsessions of the present Iraqi leaders, our policy of correct but reserved friendliness must be continued. We should, however, be prepared to enter promptly into discussions with any new government, and we should be prepared to give it assurance of American good will and a warning against increasing reliance on the Soviet Bloc. If the new government is anything more than a straight military regime, particularly if it includes responsible Shi'a and Kurds (which would automatically increase its chances of survival), we should be prepared to be as cooperative as possible.

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JOINT STATE-DEFENSE MESSAGE

DOD has agreed update delivery 200 armored personal carriers, M-113A1's to sometime early this summer. These being diverted from other procurement requirements in order satisfy Iraq's need.

To some extent this expedited delivery may advance army payment disbursements and GOI should promptly decide what course it wishes to take regarding financing. As mentioned Reftel Letter of Credit for balance due on credit arrangement will continue be acceptable. This would be drawn upon by Department Army during balance of year as payments required. Otherwise credit involving interest payments now outstanding will continue.

GP-3.

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E.O. 12958 Sec. 3.5

NLI-S-0001
By *19* NARA, Date *6-2-03*

Drafted by:

Telegraphic transmission and

OASD/ISA/ILN:Clarkson Stevens:es:5/2/65

Transmission approved by:

NEA:NE - Rodger P. Davies

Clearances:

NEA:NE - Mr. Dinsmore

NEA/NR - Colonel Bunte

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A-980 NO. ~~CONFIDENTIAL~~ 35 HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO: ALEPPO, AMMAN, ANKARA, BASRA, BEIRUT, BONN, CAIRO, DAMASCUS, JIDDA, KUWAIT, LONDON, TAIZ, TEHRAN, TEL AVIV

FROM : AMEMBASSY BAGHDAD DATE: MAY 15, 1965

SUBJECT: Thoughts on Past and Future Revolutions* in Iraq - not a policy paper

REF :

Summary

Revolutions occur in Iraq when major segments of the populace are united in the belief that a change must come. The army carries them out, but the revolutions have always been in response to the will of the people. Revolutions have been preceded by a community of anti-government feeling, by open talk against it and by a general belief that it would not dare move against all those who speak against it. Such conditions prevail in Iraq today. The government, as constituted, has few supporters. Civilians grumble openly and take little regard of the possibility of the presence of government agents or provocateurs.

*Anti-government moves are called revolutions in Iraq if they succeed. If they do not, they are called "treason." "Treason", however, can be upgraded to "revolution" by a later government. The Rashid Ali revolt of 1941 was called "treason" by the restored monarchy, but it has now officially become "revolution." Internal power shifts may also be called "revolutions." The elimination of the Baathi National Guard in November 1963 was originally called a "movement" (a good word but not in the same class as "revolution"), but when the military Baathis who participated in the "movement" were eliminated from the government, it was upgraded to a "revolution." This was necessary to make President Aref officially the "Hero of Three Revolutions." These "revolutions" would be called "coups d'etat" by most observers. They could also be described as "upheavals." We will use the terms interchangeably.

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NARA, Date 07/18/2012

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Although there has never before been unity of feeling on what the successor government should be, there is today some sense of the ideal attributes of any new regime. It should restore Iraq's economy and should be relatively conservative; it should not be anti-Arab, but should place the interests of Iraq before those of Arab unity; there should be a reasonably free democracy.

With every successive revolution the monarchy looks better, and most Iraqis would like the new government to restore the happier aspects of the pre-1958 regime - not, however, any formal ties with the West.

The most likely next development will be a move by the anti-Nasserites under Prime Minister Tahir Yahya to eliminate the Nasserites. But almost any new military group taking over the government would be weak and might be forced to look to the civilians for support; it could win this only by meeting some of the aspirations of the people. If the new leaders would make concessions to the Shi'a, the conservative Sunnis and the Kurds, the government which would eventually emerge could perhaps fulfill the wish of most Iraqis for an independent and stable Iraq. Although this government would be attacked from abroad, it might nonetheless have a good chance of survival. Iraqis do not want to repeat their experiences with military dictatorships, with Baathist and Arab socialism or even with Nasserism. Outside attacks might be less effective than they are supposed to have been in the past.

Such a development may seem utopian. Iraqis are notoriously corrupt and have shown little tendency to cooperate or to compromise. Even if they were able to unite long enough to form a regime, conservative in economics and liberal in politics, which most Iraqis seem to want, they would probably soon fall into old patterns and the regime would collapse. Surely if such a new regime were to repeat the errors of the monarchy, it would meet the same fate. But if the leaders have learned the lessons of the last seven years, the government might be able to survive. In any case a popularly based regime seems the only alternative to a succession of military dictatorships ending in either a Nasserite or a communist takeover.

Role of the Army

Revolutions in Iraq, like most revolutions elsewhere, are planned and executed by the army. An aroused citizenry in revolt against the central authority was a possibility in south Iraq in the 1920's and is still possible in the Kurdish mountains of the north. But the revolutions carried out in Baghdad since 1958 have been purely military; the role of the civilians has seemed little more than cooperating and then participating in the governments formed subsequently. Nonetheless, it would be false to conclude that the military establishment of Iraq can operate completely independent from popular feelings or popular pressures.

Influences on the Army

The Iraqi army, in spite of the steady encomium of press and radio, is not held in great esteem by any significant segment of the Iraqi people. Indeed,

it is actively hated by most. Iraqis looked to their military officers in the 1930's and in the upheavals of 1958 and even 1963 to deliver them from the corrupt civilian politicians and from civilian bickering and inefficiency. The officers, many Iraqis believed, were clean; they were honorable and ambitious only for the welfare of the country. The picture was tarnished after July 1958. November 1963 saw its complete effacement. The officers quickly proved to be at least as corrupt and far crueler and more dangerous than their civilian predecessors. They were inefficient and arrogant. The unkindest cut of all was that they were immensely expensive. The military establishment now devours a substantial proportion of the budget of the country. And its officers, often failures in school and usually drawn from the middle and lower middle classes, are paid high salaries which arouse the jealousy and disfavor of most civilians.

Many officers are sensitive to this popular displeasure and, in spite of the benefits accruing to them, surprisingly few enroll their own sons in the military academies. They aspire for them civilian positions as engineers, doctors or lawyers. Although officers will at times stick together against all civilians - particularly if they believe their prerogatives are threatened (as they were by the Baath's National Guard) - they are sensitive to the will of the people as expressed by their own brothers, cousins and friends. Iraqi society is made up almost entirely of family groups. And family pressure is frequently dominant in determining action taken by the individual. The Iraqi in uniform cannot free himself from his largely civilian family.

The officer class as such can have had no grievances under any of the recent Iraqi regimes - except perhaps the Baath. All regimes, including the Baath, have feared the army, have allowed it to grow with few checks on size or strength and have tried to buy the loyalty of its officer corps through high pay, lavish and continual praise and positions of honor and influence in the country. Yet the officers have been responsive to the civilian complaints and in not one of the three recent upheavals has any significant portion of the army actively defended the legitimate government.

Revolutions occur when Governments lose Popular Support

There can be no doubt that the royal Iraqi regime in its last days was highly unpopular. The government was considered undemocratic, corrupt and feudal. There were widespread complaints about the fixing of the parliament elections, nepotism and graft and particularly about the all-pervading security arm of the government which allegedly terrorized the people. Furthermore, most Iraqis (both Sunni and Shi'a) were rankled by the presence of the British in Iraq and, considering themselves Arabs, felt isolated from the stream of Arab nationalism. The British-French-Israeli attack on Egypt in 1956 heightened these feelings, made the pro-British regime even more unpopular and made its demise inevitable. The dispatching of Iraqi troops to Jordan in July 1958 merely provided the pretext for the revolution.

Although Arab union was certainly the goal of many Iraqi Arabs in 1958, it became clear, soon after the revolution of July, that the government of Abd al-Karim Qassim was in no way tied to Nasser and certainly did not intend

to submerge Iraq in Nasser's UAR. Nor did Qassim make any pretense at instituting a more truly democratic regime. Qassim was willing - even anxious - to break ties with the West, to exploit anti-British feelings and to become more closely identified with communism, but this was not enough and Iraq became as completely isolated from its Arab brothers as it ever had been under Nuri al-Said. By the end of 1960 the consensus in Iraq was that Qassim must go. His megalomania, his police, his cooperation with the communists and particularly his failure to solve Iraq's economic problems had completely alienated a large segment of the people. When he was finally overthrown in February 1963, there was widespread rejoicing.

The Baathi regime, which succeeded Qassim, also quickly aroused the enmity of the population by its harrassment, not only of communists, but of all its domestic enemies. It increased its unpopularity by appointing inexperienced and immature young men to high government offices with a resulting deterioration in government efficiency. It promised Arab union and free elections, but union was to be achieved only on Baath terms and free plebiscites were conveniently forgotten. Popular ire was concentrated on the Baath's paramilitary National Guard and in November 1963 when the Baath was overthrown, the population again rejoiced.

Signs of Discontent preceding Upheavals

Every upheaval in Iraq was preceded by a wave of popular indignation, by a contempt for the security forces and by an almost open courting of arrest by large numbers of people. Iraqis would speak openly against their government in cafes, in offices and on the street. They would express their opinions to each other and to foreigners regardless of possible danger to themselves or of the presence of provocateurs or government agents. There was a general sensing of dissatisfaction, a community of feeling and a universal belief that the government dare not move simultaneously against all Iraqis or even against selected ones for fear of provoking demonstrations or actual revolution. The actual move against the government when it has come, was made by the army but always in response to, or at least in cognizance of this popular will.*

Iraq Today

Conditions which prevail in the country today are remarkably similar to those immediately prior to the last three uprisings. The current government, while not as violent as its predecessors, has ~~not~~ not reduced the size of the security arm of the government, nor has it in any way restored any of its democratic processes. True, it is unionist - a quality which would have gained

*Baathi civilians played a major role in sparking the coup against Abd al-Karim Qassim on February 8, 1963. They also occupied the radio station and provided, through the National Guard, a considerable degree of security for Baghdad. This was only possible, however, because of the willingness of the army to cooperate against Qassim. Furthermore, the decisive action of investing the Ministry of Defense and capturing Qassim himself was the work of the army.

the approbation of the Iraqi people in 1958 - but does so no longer. Since 1958 there has been a drastic change in Iraqi feelings. Nasser has lost some of his enchantment for the Iraqi masses, and the GOI's ostensible devotion to Arab unity is one of its greater weaknesses. Furthermore, the regime has failed to solve the Kurdish problem and has brought the Shi'a to open opposition.

All of this might have been forgiven had the country's economy been restored, but it has not. Unemployment has not decreased and the market has been depressed by the application of an ill-conceived government monopolization program. In short, the present regime is as unpopular at this time as were any of its three predecessors in the days immediately before their downfall.

In the last two months Iraqis have started speaking more and more openly about the necessity of overthrowing the regime. Aref is hissed in moving picture theaters and in the least pretentious cafes when his picture appears on television. He drives through the streets with no sign of applause from Iraqis and anti-government demonstrations are once again being organized by the Shi'a. Aref, although of limited intelligence, apparently has recognized the danger and has reportedly told young officers in the Palace that he has not much longer to live and the revolution will be in their hands. He appears to be worried and certainly has lost weight in the last few months.

Iraqi Aspirations

Although uprisings occurred in Iraq when major factions of the population united in agreeing that the government must be changed, there has never been unity of views on the composition of the successor government. Each post-1958 regime has represented only minorities or personalities and has thereby, from its inception, carried with it the seeds of its destruction.

As in the periods immediately preceding the earlier three revolutions, Iraqis are now united in the belief that the regime must be changed. Most groups would like to see Nasser's influence reduced (although Nasserites themselves reportedly are planning a coup to frustrate any attempt to do so) and this may be achieved by one faction in the government eliminating the other. Many Iraqis, however, would like to sweep away all those connected with the government today.

Probably a majority of Iraqis in a free plebiscite would vote for a return to a regime similar to that of pre-1958. Many would even like a restoration of the monarchy, but few would go as far as favoring restoration of the Nuri al-Said ties with the West. It is a human failing to consider the past more pleasant than the present, and in the Iraqi mind the monarchy is now cast in a completely unrealistic golden glow. True, economic conditions have not improved since 1958, but it is unlikely that the Nuri al-Said government even approximated the paradise many now remember: the government before 1958 gave the people work; there was great economic advance; food and living costs were low and wages were high and rising; and there was complete absence of police terror. The conclusion, which follows almost automatically, is that Iraq, after it has tried military dictatorships, a period of communist ascendancy, Baathi and Arab socialism and Nasserism, must look back, at least in some ways, to the beginning.

Possible Successors

Assuming that these are the views of the majority of people there is, of course, no guarantee that the next government will in any way resemble a free parliamentary democracy. Public dissatisfaction may motivate the army to act, but the public has been unable to influence the character of the regime that has been set up. The most probable change would be a simple shift of power from the Nasserites towards the Tahir Yahya group of Iraqi nationalists or another group of officers - a change which could then develop into another Qassim-type dictatorship.

These new hypothetical military leaders of the country, even if they came to office with honorable intentions, once having tasted power would probably be unwilling to relinquish it; certainly they would not be inclined to do so to a civilian regime devoted to reducing the influence or the size of the army. Would such a government then fare much better than its predecessors? It is unlikely that it would enjoy any more popular support than any of its predecessors. It would be immediately attacked by Nasser, and although he does not have many positive assets in the country, attacks by his radio traditionally have shaken Arab governments. The new "strongman" would probably try to find an accommodation with the communists - as did Qassim - or with the Baath and would probably be tempted to prove his "Arabism" by intemperate acts against the West. It is highly unlikely that he would make any attempt to halt the growth of the military - much less reduce its size and its involvements. He would last long enough to unite the public against him, long enough to invite the army to unite and install yet another dictator.

For at least a year we have been hearing reports of a group of "honorable officers" who realize that the pattern must be changed. They know the army cannot run the country efficiently, and they plan to take over the government and then turn it over to competent civilians who will proceed to establish a free, democratic, parliamentary government. We have read the pamphlets issued by this "group" and we have listened to Iraqi civilians discuss the progress and the plans of these paragons. But we have never heard the names of any officers involved, and we have doubted their chances of success and even their existence. The picture of Iraqi army officers, recognizing their own incompetence, tasting power and then forswearing it, has seemed too good to be true.

We have never been impressed with the capabilities of any of Iraq's governments since 1958 or with any of their top leaders, and we have never predicted long terms of office for any of them (in fact, we have usually erred on the side of predicting coups before their ordained times had arrived). We are not impressed by any of Iraq's leaders today, and we do not see how the present government can long survive its internal divisions, its war in Kurdistan and its unrest in the Shi'a south. But bad as it is, Aref and the men in his government have generally looked better to us than any of their possible successors.

Possibility of a Conservative "Iraq-First" Regime

The picture we have painted is black and we do not wish to imply now that

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Baghdad, Iraq

the sun is about to break the gloom. We repeat that we believe the most probable development in Iraq will be another military take-over (by Tahir Yahya or perhaps by some unknown military officer) which will prove no better and probably worse than the present regime. There is, however, a possibility that the pattern can be broken; that the men who take over from Aref will be or will develop into something new. The greatest hope will lie in the weakness of the new regime and in its probable desire to enlarge its base of support in the country. It would be able to do this only by meeting the aspirations of the people.

This would entail the withdrawal of the army to its barracks - a consideration we have heretofore dismissed as fanciful. Perhaps it is not so strange now. Some officers may have been able to delude themselves into believing their own propaganda about the places of honor they enjoy in the hearts of their countrymen, but most of them must be aware of the hatred and envy with which they are viewed by civilian Iraqis. Approbation of family and peers is very important in Arab countries and it is at least possible that a group of officers (those around Tahir Yahya?) would be willing to take steps to win it. Although this would be attractive to many officers, it would be balanced in their eyes by the attraction of the exercise of power. Officers have, heretofore, enjoyed both adulation and power. Now they will be forced to choose. It is not absolutely certain that power will prove more attractive especially as choosing the approval of the people would not mean relinquishing material prerogatives. No successor government would be foolhardy enough to propose reducing the size of the army or the pay of the officers, at least not for a long time. But it might be at least able to stop the growth.

Such a transformation of power assumes the retention of a strong military man as president or prime minister or a military clique at least for a transitional period after which two alternative paths would appear: a permanent benevolent dictatorship or a return to a parliamentary form of government. The simplest would be the retention of the leader of the next coup as dictator. If intelligent and farsighted he could satisfy many of the aspirations of the people. And such a man could probably have more success in controlling the military than could any civilian. Unfortunately, this hypothetical leader who could unite the people, solve internal problems and fight the external enemies is nowhere in evidence. He may be hidden in some division fighting the Kurds in the north or he may arise suddenly from obscurity of the southern swamps, but it is doubtful. Since Saladin, Iraq has not produced a man of the requisite charisma and intelligence to be the true leader Iraq needs. And Saladin was a Kurd.*

Iraqis, however, are not looking for a "leader." They have experienced several in recent years and they have found them wanting. This should not imply that Iraqis are all sincerely devoted democrats. But most of them believe that the limited democratic form of pre-1958 has proved to be the least unsatisfactory of Iraq's political experiments.

*Jalal Talabani might fill the role, but he too is a Kurd and a Kurdish national leader today seems impossible.

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All governments since 1958 have recognized the desire for some form of parliament and all have promised free plebiscites or elections, a free press and the right of assembly. If the new government were to fulfill these promises, it could claim (or at least imply) to be a legitimate successor to the monarchy and thus profit from the popular nostalgia for 1958.

Such a regime would be attacked by the communists, but the communists in Iraq are still weak, and Iraqis now listen to their broadcasts primarily because they expose inequities of the present regime. The regime would be attacked by the radical Baath, but the Baath's internal organization is weak, and few Iraqis would favor its return to power. Finally, it would be attacked by Nasser, but the effectiveness of Nasser's broadcasts is probably grossly exaggerated. Nasser attacked Qassim vigorously and his relations with the Baath were very bad, but there is little evidence that he should be ascribed any significant measure of responsibility for inciting Iraqis to overthrow either of these regimes. Nasser's radio is widely held responsible for the revolution of 1958, but even that is questionable. In any case, Nasser has lost influence in Iraq and his attacks might even strengthen the regime - particularly if it had independent, internal sources of support.

If this hypothetical popularly-based government were to nominate a respected Shi'a as president, if a certain degree of self-rule were given to various provinces, including the Kurdish ones, and if the parliament reasonably represented the views of constituents, it would be strengthened. If it were also to maintain a suitable anti-Israel stance, if it would eschew all formal ties with the West, Turkey or Iran, its position would be further enhanced. And finally, if it would abolish the Economic Establishment, denationalize a few industries, decrease unemployment and put Iraq on its feet economically - the sine qua non of a successful government - then not only would it be almost invulnerable from attacks or blandishments from abroad, but might serve as a strong pole of attraction away from Nasser's brand of Arab nationalism. The current plotters promise to do all these things.*

Chances of Survival of the new "Conservatives"

The problems of forming the new conservative government would seem of minor importance when compared with the problems of maintaining it. Everything would depend on its ability to solve Iraq's internal problems - especially the economic ones. If successful the new government might be assured a considerable period of power. The major danger would come from the army and it is unlikely that it would move against a popularly supported regime. Armies may act independently of the public in other countries, but they do not have such a record in Iraq.

None of the problems would seem insoluble if a reasonable degree of good

* Mesopotamia has never been subservient to the Nile, although as Iraqis point out frequently, Egypt has often fallen to Mesopotamian conquerors. Few Iraqis would like to start a new trend today.

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Baghdad, Iraq

will and a reasonable effort were displayed by a group of moderately reasonable men in power. Unfortunately Iraq is not a reasonable country. With its weak and divided nature perhaps there can never be any solutions to the problems which have plagued it since its independence.

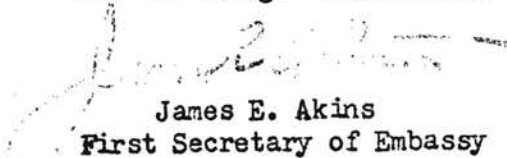
The Kurds despise the Arabs and the Arabs are afraid that any concession to the Kurds would be a step toward independence. The Shi'a want to rule the country and the Sunni fear (with some reason) that if they succeed, they will relegate Sunni Arabs to positions of unimportance. Further complicating the picture is the alien nature of cooperation and altruism in Iraq. There are relatively few who would place the interests of Iraq above those of their particular community. There are even fewer who would place the good of the country above personal gain.

If the new government, as is sadly probable, is composed of squabbling, venal men interested only in increasing their personal fortunes, then it will quickly lose the support of the people and the army will move once again. The circle will have been completed. We will be back to July 1958.

Conclusion

Bearing in mind the caveats, recognizing the probability that the next change in government will be just another military maneuver, we still believe that there is a possibility that the next change ~~in government~~ (or the change after the next one) could bring Iraq a government reasonably responsive to the wishes of the people. It would survive only if it continued to enjoy the backing of all major elements in the society, and this would be possible only if clean men were found to administer it. We cannot say that Iraq is about to be saved for democracy; but it seems to us unduly pessimistic to assume that Iraq is fated to an endless downward spiral of incompetent military dictatorships which can only end in communist or Nasserite domination.

For the Charge' d'Affaires


James E. Akins
First Secretary of Embassy

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Talbot March 24 received Ambassador al-Hani who asked what was happening in NE. Beginning with Israeli 1964 diversion Tiberias waters Talbot reviewed accumulation of events heightening area's preoccupation with Arab-Israeli affairs, with Jordan Waters question in almost central position of growing tension.

Talbot stated US has stood on 1955 Unified Plan as basis for equitable water allocations. We assisted Jordan complete East Ghor project, and in endeavors find way help build Maqarin Dam conferred with IBRD and urged feasibility survey. US has also assisted Israel in water recovery plans, and we are satisfied Israel has remained within UP allocations.

Meanwhile Israel's concern over developments has risen as Syrians began diversion works, as Arab radio and newspapers increased tempo and volume of alarms and threats, and as UAC developed.

Drafted by: NEA:NE:LFDinsmore:es:3/29/65

Telegraphic transmission and classification approved by: NEA - Phillips Talbot

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By *ry* NARA, Date 6-2-03

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In midst all this various German involvements added new elements of tension.

Governor Harriman went to Israel for wide-ranging talks on major NE subjects of concern to Israel. He reaffirmed our adherence to President Kennedy's May 8, 1963 statement regarding security in NE. He told Israelis we believe problems of area cannot be solved by military means and added US wants no misunderstanding of that.

Al-Hani cautiously agreed with Talbot's comment that atmosphere is now rpt now somewhat less charged than it was month ago. However, Ambassador continued there great anxiety in area that things not normal. Further, Arabs see events as having meaning and not as being merely coincidental. Arabs feel Israel pushing hard demanding US arms. He asked flatly if US making deal to become major supplier Israel's weapons.

Talbot reiterated US traditional policy: not to become major supplier arms to countries directly concerned Arab-Israel dispute. Noted nevertheless that in past all parties somehow able obtain all arms they want, particularly since 1956. Despite this wasteful arms buildup we do not rpt not think NE problems will be solved by arms. Danger lies in one side's getting too much and attempting military action or in one side's developing feeling desperation and taking action. US has at times noted arms disparities and has made exceptions its arms sales restraint policy. Hence when UAR acquired bombers (TU-16) against which Israel had inadequate defense US supplied HAWK. We furnished modest amount arms Jordan in past. UAC and availability Soviet arms for Jordan made our current sales offer necessary -- to keep Soviets out. Might be better if all arms salesmen went home.

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Ambassador said Arabs have understood US policy regarding avoidance becoming major supplier. He noted newspapers saying US will now become major supplier to Israel.

Talbot replied that if there should be change in US policy, he had no doubt it would be signalled in advance. Speaking philosophically he wondered whether policy restraint is effective when other nations exert no controls. However, he added, whenever we ask ourselves this question we return to original policy.

Al-Hani, "speaking frankly, off record" said had US taken "initiative" in Arab world US would now rpt now have role play in NE. Arabs have not recognized restraint in US policy, but instead attachment to Israel. He pleaded for new atmosphere. Arab public opinion once greatly influenced by residue good will toward US, now rpt now drifting. Drift should be arrested before new "dogma" about US is created.

Talbot said close associate had gone to Iraq as Ambassador to see if possible find basis common understanding. We continued hope for understanding and have tried show good will. In process US takes certain amount abuse from Iraq. US does have friendly relationships with Israel, the only real point of difference with Iraq.

Ambassador acknowledged purely US-Iraqi relations satisfactory. On Kurdish question he vaguely remarked that distance makes understanding difficult.

Ambassador finally asked whether US contemplating new declaration following President Kennedy's statement of May 1963. Talbot said nothing in particular contemplated.

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FROM : Amembassy BAGHDAD

DATE: March 15, 1965

SUBJECT : The Near Eastern Scene, the Risks to US Interests and What We Can Do

REF : Embtel 727

SUMMARY

In the reftel we promised a follow-up piece. Many Iraqis are deeply concerned, suspecting a deep laid plot to destroy Nasser and his Arab friends, using Israel as a spearhead as well as Arab states friendly to the West. Unless such fears are ameliorated, Iraq will move more rapidly toward the Soviets and domestic communism will be strengthened.

This paper compiles our own "horror list" of the major actions likely to be taken against US interests in event of an Israeli attack on the US, or an Israeli attack on Lebanon or Syria, or a continuation, unchecked, of the present unhappy trend.

There are a good many things the US can do to reverse the trend, to reduce the risks to manageable proportions and to discourage aggression by Israel. We see no signs of an early Arab intention to attack Israel and we believe they lack the capability now and for some time to come.

Paragraph II below contains an account of the dilemma facing those Iraqis who are well-disposed toward the US and at the same time remain good Arabs. They feel tragedy for Iraq, yet must support the Arab cause. What will the US do to sustain them?

END SUMMARY

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By 19 NARA, Date 4-20-03

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- ~~THOMAS~~

I. Iraqi View of the Near Eastern Scene

The following summary of an editorial in Al-Thawra Al-Arabia, organ of the Arab Socialist Union of Iraq, on March 10 reflects the type of thinking of the real leaders of Iraq:

Imperialist movements in the Arab area reveal certain aspects of the plot which imperialism is trying to execute, including the retreat of some from the agreement for the political solution of the Yemeni issue and resumption of feverish activity against the (Yemeni) republican system. This contradicts the resolutions of the Arab Summit Conference. Also the visit of Mr. Talbot to certain Arab capitals as well as the visit of Mr. Harriman to Tel Aviv reveal beyond doubt that imperialism is trying to influence certain Arab states and isolate them from those opposing imperialism.

No doubt the attempt to find agent governments in certain Arab states, in addition to the severe attacks made by the reactionary press in the Arab nation against Arab liberation movements, as well as the activities of certain political figures known for their attachment to imperialism: all this reveals a plan being hatched within the Arab nation supported by imperialism for the overthrow of the Arab revolutionary movement (Nasser).

The wonder is that the editorial left out the machinations of the imperialists with the Kurds and that it omitted what other editorials point out: West German recognition is part of the imperialist conspiracy, and Israel as the tool of imperialism will attack the Arabs.

Perhaps this sort of thinking reflects what Iraq's friends, the Egyptians, also think or fear. It is ominous for the future unless efforts are made to change it, unless Arab fears are dispelled, unless the USG quietly talks over the problems in the area with other than its friends (Israel, Saudi Arabia, Jordan and Lebanon). These fears are real, whether or not well-founded, and will have a serious influence on Arab actions as time goes on. The position of the US will decline in Iraq (and come under a squeeze in Jordan and Lebanon) as long as the fears are unabated. While it is not possible for the US to dispel all fears and suspicions, it can ease them by diplomatic means. Iraqis are going to act on the basis of what they think, not on the basis of what we think they should think. They are convinced that Israel is getting special attention from the US, to their own detriment.

II. Dilemma of Iraqi Friends of US - An Example

A few days ago I called on a highly respected Iraqi engineer, Muhammad Makzoumi, President of the Engineers Society, at the large project he is

supervising. He is intelligent, thoughtful, perceptive, decent; he had his higher education in the US and respects many things about the US; he has many American friends in Baghdad. Before having a look at the project we talked at length about the political, social and economic problems of Iraq, what Iraq could do about them, and how the US could be helpful. When I mentioned Israel as a limiting factor in US-Iraqi relations, it was the first time Israel had come into our frequent conversations.

Makzoumi, ever courteous and friendly, explained the dilemma he and many others like him found themselves in. He deeply believed Iraq should be part of the Free World, should have close interrelationships with the West, should draw on the West for its needs, and in no way should abet the communist countries against the West. When he had been elected president of the Engineers Society, he had pledged himself to elevate the engineering profession in Iraq to the highest possible standards and status, and to keep the society out of politics. His colleagues and the GOI had concurred. Now, however, as head of the society, he is engaged in drafting a telegram political in nature. The situation in the area, stemming from the deep injustice to the Arabs that is Israel, does not permit him to be silent. No matter how he rationalizes there is something stronger inside him forcing him to make himself heard, forcing him to identify himself with the Arab cause even though he will be participating in a process that is leading Iraq in the direction he knows it should not go, toward the Soviets and toward communism. His very soul is in pain, but he has no choice. US willingness to be helpful in the economic, social and cultural development of the Arabs cannot offset the zeal with which the US succors Israel and the disregard the US shows for Arab feelings. Now a truly dangerous situation exists, with Israel threatening renewed aggression which could only push the Arabs into Soviet arms. What can the US do to avert this potential tragedy and to recognize reality?

Makzoumi was not play acting. He was deadly serious. What about those Iraqis and other Arabs who are not pre-disposed to the West, who have less intelligence, less perceptiveness and less rationality? They are far more numerous, far more volatile, and far more influential in a crisis.

III. Embassy Baghdad's "Horror List"

A. What will happen to US interests if Israel attacks UAR?

1. Closure of Suez Canal
2. Denial of overflights
3. Stoppage of oil shipments to West
4. Nationalization of IPC
5. Sabotage of various oil installations
6. Rapid enhancement of Soviet position

7. Considerable rise in domestic communist activity
8. Renewed assault on Western bases in or near Near East
9. Reduction in Western trade
10. Termination or serious curtailment of information and cultural programs

a. Attacks on USIS installations

11. Harassment of Embassies

B. What will happen to US interests if Israel attacks Lebanon or Syria?

1. Denial of overflights
2. Stoppage of oil shipments to West
3. Sabotage of various oil installations
4. Rapid enhancement of Soviet position
5. Considerable increase in domestic communist activity
6. Reduction in trade with West
7. Curtailment of information and cultural programs
8. Harassment of USIS and chanceries

C. Cost to US interests if current trend is not reversed, short of Israeli attack.

1. Continued enhancement of Soviet and communist positions
2. Increased pressure on Western oil interests
3. Limited sabotage of oil installations
4. Renewed assault on Western bases
5. Reduction in trade
6. Curtailment of information and cultural programs

IV. What US Can Do

A. Make clear to Israel that US will not condone attack on Arabs.

B. Meet Israel's reasonable needs for armaments by enunciating a new arms sales policy. After two or three months sign an agreement with Israel. Make the deal known to Nasser before it becomes public. Give Arabs equal terms and limit sales per annum to both sides. Exclude jets, offensive rockets and missiles, chemical agents and nuclears. (Arabs are unlikely to become large customers.)

C. Seek quietly mending of relations with UAR, including use of presidential correspondence. Otherwise Nasser will conclude US high command is utterly hostile, is unwilling to deal with him and seeks his downfall. Otherwise, Nasser will continue to seek to prove UAR is more important to US interests

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Page 5, A-829 from Baghdad

than is Israel. In dealing with the Soviets, the US does not seek to corner them, but rather to leave a way out. So it must be with Nasser. Capitulation to him is unnecessary. Rather, exploration, expounding of US positions, in secret, and an effort to get him to contribute effectively to reconciliation. He has at times played a constructive role and can be so persuaded again. We only harm our own interests if we try to isolate him. If Egypt is not helped to meet its domestic needs, something worse than Nasser will follow him. The known devil is better than the unknown.

D. Find a way to supply more food by September 1965. Otherwise the USSR will pick up the tab and gain immensely. If new food supply is only indirectly related to US policy requirements, and in secret, Nasser may find it in his interest to make policy adjustments. It is worth trying.

E. Eschew trying to "dump" Nasser. It has been tried before and failure was expensive. Next time it will be more expensive. Nasser was made an Arab hero by overt Western challenges. Arab friends of US would either have to defend Nasser or endanger own positions. The mystique of Nasser is real among Arabs, who do not want him ruling them but want him to continue to strut the world stage and continue to be the voice of the Arabs venting Arab aspirations. The Soviets would be delighted to pick up with Egypt what the US drops.

F. Be guided by our own evaluations of Israel's security position and capability and intentions of the Arabs. The US constantly shows deep concern for Israel and keeps warning the Arabs against aggression. The Arabs regard this as partiality. Israel is a security threat to the Arabs, has launched one major and several lesser attacks on them and is threatening another attack. The Arabs have not attacked Israel since 1948; they lack early capability, show no intention of attacking, and maintain a defensive posture. UNEF continues, the UAR is bogged down in Yemen, Nasser has repeatedly stated his awareness of the futility of trying to destroy a Western supported Israel, and divisive factors are so strong among Arabs that with careful handling of our problems in the area the Arabs are likely to return to quarrelling among themselves long before the UAC becomes an effective force or the northern tributaries of the Jordan are effectively diverted.

G. Prevent Israel from going nuclear. The Arabs are frightened that Israel may obtain a nuclear capability. The US can provide adequate assurance to the Arabs by requiring Israel to accept IAEA safeguards for all its reactors before the US signs up with Israel for the great desalting project. The USG has the leverage and the great bulk of thinking Americans will support the administration in using it.

H. Take Jordan waters issue to UN if necessary and if Israel or Arabs refuse to do so. There is plenty of time before the Arab project comes to fruition. The Arab project will break down if careful diplomacy allows

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Page 6, A-829 from Baghdad

divisions among the Arabs to have free play. Unnecessary military action by Israel would damage US interests and put several more nails in the coffin of US-Arab relations.

I. Praise Nasser for his effective role in the revamping of the Sudanese Government and in persuading that government to deal sensibly with the South Sudan question. (He has tried but failed with the Kurds. His effort here might be praised, too.) It would cost nothing to do so, and would serve to offset some of the hard things we have to say.

J. Give Nasser to understand we cannot accept the acquisition of Soviet arms by Jordan or a change in the status of Jordan. If Nasser is dealt with by quiet diplomacy and if he believes a new one-year food agreement could be reached by late summer, there is a possibility he will concede on this and other lesser troublesome issues. At least the effort should be made.

K. Help Nasser get off the hook in Yemen. This is one of the serious roots of our problems in the area. Our friends, Saudi Arabia and Britain, seem determined to make him lose face and to extract the maximum penalty, yet they bitterly protest because he will not evacuate his forces and keeps reacting. Nasser has warned of further military action against Saudi Arabia and is fostering subversive action against the British in Aden. Inevitably we shall become involved again in situation perpetuated by our friends. If they let Nasser off the hook, the Yemenis will be in a position to invite the Egyptians to leave and to seek to regulate their own affairs. Nasser has paid a high price for his intervention. How much more must he pay? How much more trouble and risk to our interests must be endured? It is time for a real peace effort with honorable retreat by all. Nasser must of course make an equal contribution to a settlement.

V. Conclusion

There is an underlying reservoir of good will for the US in the Arab world, but that reservoir is shrinking. If the present trend is not reversed, the reservoir will cease to contain much.


Robert C. Strong

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A-817

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NO.	
TO :	Secstate WASHINGTON
INFO :	BASRA, CAIRO
FROM :	Amembassy BAGHDAD
SUBJECT :	Review of Iraq's Economic Development Plans
REF :	CERP, Section D; Emb A-264, 9/19/63; Emb. A-601, 12/29/64; Emb A-660, 1/21/65.

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HANDLING INDICATOR

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FROM : Amembassy BAGHDAD

DATE March 10, 1965

SUBJECT : Review of Iraq's Economic Development Plans

REF : CERP, Section D; Emb A-264, 9/19/63; Emb. A-601, 12/29/64; Emb A-660, 1/21/65.

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SUMMARY

The GOI has announced a new five-year plan to begin April 1, 1965. This plan follows a succession of provisional and detailed economic plans dating back to 1955. A review of the Central Bank statistics concerning past plans indicates that expenditures have never exceeded ID 66 million in any year as compared with the new plan's allotment of approximately ID 110 million per year in government projects alone. The past figures also show a substantial surplus in the development budgets.

The purpose of this report is to give a brief summary of Iraqi development plans since 1955 as background and perspective for the new Five Year Plan to go into effect on April 1, 1965. Statistics used in this report are from the Central Bank of Iraq, except where otherwise noted. Published statistics have been supplemented by figures supplied by the Central Bank in response to specific requests. Revenues, expenditures and surpluses/deficits for each plan, by fiscal year, are shown in Enclosure No. 1.

GROUP 4

Downgraded at 3-year intervals.
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By mg, NARA, Date _____

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FORM 4-62 DS-323

Drafted by: Econ:WMMcClelland:RProhme:dmm 3/9/65

Contents and Classification Approved by:

Clearances: DCM:JWAdams

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- THOMSON

First Development Steps: 1950 - 1955

In 1950 a Development Board was established to utilize increasing oil revenues for national development; in 1953 a Ministry of Development was formed and 70% of the state's oil revenue was allocated to the Board. (This was reduced in the 1959/60 budget to 50%) A six-year plan was issued in 1952, followed by a more extensive plan in 1955. In 1956 a still more ambitious six-year plan was announced.

Six-Year Plan: 1955 - 1959

This Six-Year Plan, undertaken when Iraq was still a kingdom with strong-man Nuri al-Said as Prime Minister, called for the expenditure of ID 500 million over the period April 1, 1955 to March 31, 1961. The GOI was unable to spend all the revenues provided by the plan, but the surplus was used to allow continuation of expenditures without cutting back in 1956-57 when pipeline stoppage during the Suez crisis seriously cut oil income and thus development funds.

On July 14, 1958, a revolution removed the old regime and the new Qasim government continued with the old plan until January 1, 1960. Under the Six-Year Plan some ID 227.3 million were spent and an overall surplus of ID 15.1 million was realized.

Provisional Economic Plan (PEP): 1960 - 1961

This plan provided for an expenditure of ID 393 million over a period of four years. However, Law No. 70 of 1961 cancelled the unexpired portion of the PEP on December 17, 1961. Under this plan total expenditures were ID 108.4 million and an overall deficit of ID 7.4 million was realized.

Detailed Economic Plan (DEP): 1961 - 1963

This plan came into force on December 17, 1961 and continued until the February 1963 revolution. Total expenditures under this plan were ID 74.7 million with an overall surplus of ID 20.3 million.

Interim Investment Program: FY 1963/64

After the February, 1963, revolution, the DEP was restudied and ID 66 million was allocated for major and complementary projects in FY 1963/64. According to published provisional Central Bank figures, the Development Budget realized a surplus of ID 8.3 million in the period April, 1963 to January, 1964; unpublished provisional figures of the Central Bank for all of FY 1963/64 are as follows:

<u>Revenues</u> (In millions of dinars)		<u>Expenditures</u> (In millions of dinars)	
Oil Revenues	57.2	Agriculture	4.3
Attached & Independent Agencies	0.8	Industry	5.0
Other	0.4	Transport & Communications	13.4
		Building & Housing	20.6
		Premiums & Interest on Soviet Loan	0.7
Total	ID 58.4	Total	ID 44.0*
	<u>44.0</u>		
Surplus	ID 14.4		

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Interim Investment Program: FY 1964/65

The total development budget surplus from the beginning of the PEP (1/1/60) to the end of FY 1963/64 amounted to ID 27.2 million. This roughly corresponds to statements of the Director of Research in August, 1964, that the FY 1964 Development Budget revenues would be made up as follows:

Surplus from previous years	ID 30 million
Oil Revenues	60 million
In ordinary budget of various ministries for development projects	<u>10 million</u>
Total	ID 100 million

An "Investment Program for 1964/65" was issued in 1964 but the projects listed were, for the most part, taken from the older plans and no total was given for the overall plan. An outline of the plan appeared in the Middle East Economic Survey, June 5, 1964, and this program, showing a total of ID 105,700,000 is probably as accurate an outline of the program as is available. (Enclosure No. 2)

* A member of the Economic Planning Board Steering Committee informally supplied the figure of ID 53 million for expenditures of the FY 1964 Development Budget.

In the local press various officials mentioned figures ranging from ID 105 million to ID 120 million. In private conversation they admitted that Iraq did not have ID 120 million to spend but they were anxious that no project be neglected for lack of funds and they were confident that expenditures would not approach the ID 100 million mark. Among other steps to speed up development was a new regulation allowing ministries to issue and award tenders of less than ID 250,000 on their own authority.

GOI receipts and expenditures under the FY 1964/65 Investment Program will not be known for several weeks after the end of the fiscal year and will probably not be published for a year or so. However, the Director of Research & Statistics at the Central Bank of Iraq, has informed the Embassy that the GOI hopes to end the year with a surplus of ID 10 million in the current development budget (Emb A-601). The Director gave the Embassy the following figures on the first nine months' operations of the 1964 Investment Program:

Revenue	ID 32.8 million
Expenditures	37.7 million
Deficit	ID 4.9 million

It should be noted, however, that the Investment Program receives quarterly payments of oil revenues in January and late March so that its revenues will be greatly increased. It is therefore quite possible that a surplus of ID 10 million will be realized. End LIMITED OFFICIAL USE

Begin CONFIDENTIAL

There have also been reports of various large military expenditures by the Ministry of Defense out of development funds. Although it is probable that these expenditures have in fact taken place, the Embassy is unable to obtain formal confirmation of the reports. Nevertheless, development funds are definitely being used for such projects as an ID 5 million loan to the INOC (See A-601) and to meet the expenses of the Economic Planning Board. When the new Five Year Plan is in full operation more severe competition may develop within the GOI between those pressing for expenditures for plan projects and those seeking development funds for expenditure for special government projects and pet defense items.

Comment: Since the record demonstrates that at no point in its history has the GOI been able to spend more than ID 66 million a year on development, it will obviously take a basic change in attitude and in GOI procedures to meet the ambitious expenditure targets established for the new Five Year Plan for 1965-69.

Enclosures: *6*

1. Summary of GOI Development Expenditures Since 1955.
2. 1964-65 Development Allocations.

For the Ambassador:

Rupert Prohme
Rupert Prohme
First Secretary of Embassy

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Enclosure 1
A-317, from Baghdad
March 10, 1965

Summary of GOI Development Expenditures Since 1955
(In Millions of Iraqi Dinars)

<u>Plan</u>	<u>From</u>	<u>To</u>	<u>Revenue</u>	<u>Expendi- tures</u>	<u>Surplus/Deficit</u>
<u>Six-Year Plan</u>					
	4/1/55	3/31/56	60.8	34.0	26.7 (+)
	4/1/56	3/31/57	52.1	43.0	9.1 (+)
	4/1/57	3/31/58	35.9	57.4	21.5 (-)
(1958 Revolution)	4/1/58	3/31/59	61.7	52.2	9.5 (+)
(Qasim Regime)	4/1/59	12/31/59	31.9	40.6	8.7 (-)
<u>Provisional Economic Plan</u>					
	1/1/60	3/31/60	11.5	9.3	2.2 (+)
	4/1/60	3/31/61	47.7	47.6	0.1 (+)
	4/1/61	12/17/61	41.8	51.5	9.8 (-)
<u>Detailed Economic Plan</u>					
	12/17/61	3/31/62	24.9	15.4	9.5 (+)
	4/1/62	3/31/63	70.0	59.3	10.7 (+)
<u>Interim Investment Programs</u>					
	4/1/63	3/31/64	58.4	44.0	14.4 (+)
	4/1/64	3/31/65	n/a	n/a	10.0* (+)

*Reported GOI target estimation.

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Enclosure 2
A-817, from Baghdad
March 10, 1965

1964-65 Development Allocations:

The new Iraqi Economic Planning Board, which was set up last March (MEES, 3 April), has approved the country's development allocations for the fiscal year 1964-65. The allocations, which add up to ID 105,700,000, are distributed among the following sectors:

<u>Sector</u>	<u>1964-65 Development Allocations (ID)</u>
Industry	30,400,000
Transport & Communications	28,100,000
Public Buildings & Housing	19,500,000
Agriculture	19,200,000
Defense	<u>8,500,000</u>
Total	105,700,000

(Extract from Middle East News Survey, June 5, 1964.)

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WEEKLY REVIEW

MOST IMMEDIATE CONCERNS OF IRAQ ARE KURDS SITUATION AND UAR-FRG CONFRONTATION BUT MANY IRAQIS SEE GATHERING STORM CLOUDS IN AREA SIMILAR TO PRE-SUEZ PERIOD AND ARE DEEPLY WORRIED. IRAQI OFFICIALS AND OFFICERS ARE OPENLY STATING THAT KURDS HAVE CHOICE BETWEEN ACCEPTING GOI TERMS (WE HAVE A NEW REPORT THAT PRIMIN WILL LEAD A DELEGATION CFN 741

PAGE TWO RUQVWG 1431 ~~CONFIDENTIAL~~ TO NORTH FOR FINAL PEACE EFFORT) OR FACING FULL SCALE MILITARY ACTION. ASSUMING BULK OF KURDS WITH BARZANI AND KDP REFUSE BACK DOWN, NEXT FEW WEEKS SHOULD SEE SCOPE AND INTENSITY OF CONFLICT EXPANDED TO FULL SCALE HOSTILITIES. IMPACT ON FORTUNES OF PRESENT GOI DEPENDS ON DEGREE OF SUCCESS ACHIEVED AND WHETHER SECURITY CAN BE MAINTAINED AMONG RESTIVE SHI'A WITH ONLY TOKEN FORCES.

WHILE MANY IRAQIS RESENTFUL OF UAR MANIPULATION OF OTHER ARABS ON ISSUES SUCH AS RELATIONS WITH FRG, CONSENSUS IS THAT FRG HAS PLAYED INTO UAR HANDS BY RELATING CONFLICT TO ISRAEL, THUS LEAVING ARABS NO CHOICE BUT TO FOLLOW LEAD OF CAIRO. THIS IS ONLY PART OF GATHERING STORM SEEN BY IRAQIS WHO FEARFUL OF ISRAELI ATTACK RISING OUT OF ARAB PRESSURES ON JORDAN WATERS. HARRIMAN'S VISIT TO ISRAEL REGARDED WITH DEEPEST SUSPICION. MANY ASSUME USG, ON WHOM THEY PLACE BLAME FOR ORIGINAL FRG-ISRAEL ARMS DEAL, WILL PICK UP WHERE FRG LEFT OFF AND ENABLE ISRAEL UNDERTAKE ATTACK DESPITE KNOWN US PREFERENCE FOR PEACE. GOI HAS BEEN SLOWLY MOVING IN DIRECTION OF SOVIETS

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 By 19 NARA, Date 6-2-03

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IN ANY EVENT DESPITE SOVIET POSITION ON KURDS AND PRESSURE FOR PARTICIPATION OF COMMUNISTS IN IRAQI POLITICAL LIFE. AS TENSIONS MOUNT BETWEEN WEST AND UAR, BETWEEN ISRAEL AND ARABS AND WITHIN IRAQ BECAUSE OF KURDISH AFFAIR, GOI MOVE TOWARD SOVIETS LIKELY BE STRENGTHENED. GOI STILL BELIEVES IRAN TO BE MEDDLING WITH KURDS AND SHI'AS, ANOTHER FORM OF PRESSURE PUSHING IRAQ EASTWARD. TURKS AND PAKISTANIS ARE DOING BEST TO HELP SMOOTH THINGS OVER AND PROMOTE RAPPROCHEMENT, BUT WE BELIEVE MANY OBSTACLES EXIST AND RECONCILIATION CAN PROCEED ONLY SLOWLY AND UNCERTAINLY, PARTICULARLY IUAIRAN IS UNCOOPERATIVE ON KURDISH PROBLEM.

INTERNAL GOI TENSIONS PERHAPS ARE BEING ABATED SOMEWHAT AS RESULT OF PREPARATIONS FOR MILITARY CAMPAIGN IN NORTH AND APPARENT DECISION TO DROP CONSULTATIVE ASSEMBLY IDEA. GOI EXPECTED BE EXTREMELY SENSITIVE TO FOREIGN ACTIVITIES AROUND IRAQI FRONTIERS, TO FOREIGN REACTIONS ON KURDISH HOSTILITIES, AND TO DEVELOPMENTS INVOLVING ISRAEL. WHETHER IPC NEGOTIATIONS CAN BE CARRIED TO SUCCESSFUL CONCLUSION REMAINS TO BE SEEN, BUT ANY ONE OF A MYRIAD OF POTENTIAL MISCHANCES COULD BLOCK A SETTLEMENT

PAGE FOUR RUQVWG 1431 ~~C O N F I D E N T I A L~~
DESPITE A GENEROUS IPC STANCE. QUESTION OF US POSTURE ON KURDISH PROBLEM REQUIRES CAREFUL CONSIDERATION. WE PLAN TO SUBMIT A RECOMMENDATION SHORTLY.

WHILE IRAQIS ARE SUSPICIOUS OF US ACTIVITIES AND INTENTIONS, EMBASSY'S POSITION HAS NOT FURTHER DETERIORATED NOTABLY OF LATE, BUT WE NOTE CONSIDERABLY FEARS FOR FUTURE IN THIS RESPECT AMONG THOSE WELL DISPOSED TOWARD US. AMERICAN BUSINESSMEN STILL RECEIVE WELCOME AND CONTRACT FOR EQUIPMENT FOR THREE TV STATIONS IN FINAL DRAFTING STAGE WITH RCA. THIS TYPE OF ACTIVITY CONTINUES TO BE OUR BEST DEFENSE IN IRAQ.

WORD IS STILL LACKING ON DETAILS OF IRAQI ECONOMIC NEGOTIATIONS IN MOSCOW. ONE USEFUL DEVELOPMENT REMINDING ALL IRAQIS OF THE REALITIES OF SOVIET RELATIONS AND DOMESTIC COMMUNISM IS COMMEMORATION IN MOSUL THIS WEEK OF SHAWWAF REVOLT OF 1959, WITH ATTENDANT PUBLICITY. CRITICISM OF US ON VARIOUS COUNTS IN IRAQI PRESS PALES IN SIGNIFICANCE COMPARED WITH THIS OBSERVANCE.

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TO : Department of State

1965 FEB 1 AM 11 29

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ADEN, BASRA, CAIRO, DEHRAN, JIDDA, KHORRAMSHAHR, KUWAIT, LONDON
PARIS, ROME, TEHRAN

FROM : AMEMBASSY BAGHDAD

DATE: JANUARY 29, 1965

SUBJECT: Iraqi Role in the Persian Gulf Area in Next Five Years.

REF : Deptel 371, December 28, 1964; A-620, January 5, 1965 (not repeated to all addressees)

Introduction and Summary

The traditional Iraqi aspirations in Kuwait did not disappear with the Baath government recognition of the new state. Iraqis, with few exceptions, would like to see the Shaikhdom incorporated in Iraq and have some hopes of achieving this by driving out the British. They would also welcome British evacuation of the Arabian Peninsula and they probably rather vaguely dream of seeing Arab rule in Khuzistan (Arabistan). They would be interested in Iraqi domination of the Trucial Coast area and control of its future oil income. In the next five years Iraq is likely to participate in a non-military offensive against the British presence in the area; it will probably continue to send arms to insurgents whenever they show they can use them and it may continue subversive actions in Khuzistan - particularly if the Iranians encourage Kurdish or Shi'a unrest in Iraq. But Iraq by itself constitutes little danger to the area. Iraqis are unpopular throughout the Arab world and the inhabitants of the Gulf have no desire to be closely associated with them.

Iraq united with Egypt would be more sinister, particularly as it would appear that Arab Unity was again advancing. The appeal of unity, the capabilities of Egypt (based conveniently on Iraq) and the wealth of Iraq could prove a dangerous combination. Iraq, independent but working in close harmony with Egypt, would also be more of a threat than Iraq alone. However, we think the Iraqis will not wish to abet Egyptian control of the Persian Gulf.

GROUP 3

Downgraded at 12-year intervals; not automatically declassified.

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FORM 4-62 DS-323

Drafted by: POL:JEAKINS:mlh:1/28/65

Contents and Classification Approved by: Amb. Robert C. Strong

Clearances:

DCM: J. Adams

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E.O. 13526, Sec. 3.5

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AIRGRAM NO. 678
Baghdad, Iraq
Page Two

In the more likely event of a reversal of Arab unionism in Iraq, the attractiveness of Arab union as a concept would decrease and Iraq could provide the negative role of giving the Gulf States a rallying point against Nasser's subversion. In this case, Britain would probably have little difficulty in maintaining the status quo for the next five years. It cannot be maintained indefinitely, however, and some effort should be made to arrange political changes which will continue to afford reasonable protection to Western interests.

1. Iraqi Aspirations

A. Kuwait

The claim that Kuwait is an integral part of Iraq did not originate with Iraq's late dictator, Abd al-Karim Qasim. King Ghazi and Premier Nuri al-Said both referred to the "historical" unity of the Ottoman vilayet of Basra (including Kuwait) and both advanced claims on the shaikdom. Iraqis of all classes and political persuasions are convinced that Kuwaitis in the 1930's wanted union with Iraq but were frustrated by the British. Some will now admit that the majority of the Kuwaitis would prefer to maintain their independence but even these relatively enlightened Iraqis rarely would accord the Kuwaitis any choice in the matter. This "traditional unity" of Basra and Kuwait and the widespread family and commercial ties between the two cities give Iraq a solid case in the eyes of most Iraqis. Kuwait's oil revenues are a more tangible attraction not referred to by Iraqis.

Qasim's threat to annex Kuwait in June 1961 was condemned by his local enemies not because they thought it was unjustified but because it was bungled. If Qasim had quietly and successfully moved troops into Kuwait town, the action would have been applauded by the great majority. The consensus here is that the Kuwaitis should have been first conjoled into renouncing the treaty of assistance with Great Britain before "reunification" took place - either by force of the Iraqi Army or by internal revolt in Kuwait. Qasim's main error was that he frightened Kuwait back into Britain's arms.

The tribute of \$30 million paid by Kuwait to the Baath government of Iraq in return for its recognition of the State of Kuwait was received with little enthusiasm here. Iraqis believed concurrently, albeit with some contradiction that 1) the payment was too small; 2) Iraq could have won a permanent annual payment from Kuwait; 3) Iraq should not have recognized Kuwait at all. Both the present Iraqi Prime Minister and the Minister of the Interior told a Kurdish representative that the Baath's recognition of Kuwait was its "greatest treason" to Iraq. The Iraqis are now refusing to demarcate the Iraqi-Kuwait border, either

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AIRGRAM NO. 678
Baghdad, Iraq
Page Three

in the hope of extracting more money from Kuwait or to avoid establishing a legally recognized border, the absence of which could be useful later on.

The GCI may be perceptive enough to realize that Kuwait cannot be conquered at least for the time being. It has concentrated on trying to lure Kuwait capital into Iraq but its remarkable lack of success in doing this, in spite of sweeping guarantees to the Kuwaitis, will probably lead to an increase in the popular sentiment that Kuwait must be taken by wile or by force.

In the next five years Iraq may well have governments which are realistic enough not to attempt to conquer Kuwait but it will probably not have any which would relinquish the dream of capturing Kuwait or which would refrain from exploiting any opportunity to realize the dream provided it could be done with relatively little danger to Iraq.

B. Khuzistan

Casim government officials spoke of the 2 or 3 million Arabs living in Iran. Prime Minister Tahir Yahya has gone one better with a reference to the 6 million Arabs who live under the foreign yoke in Arabistan (Khuzistan). The Arab Socialist Union in its first meeting last summer (with President Abd al-Salam Aref present and voting) resolved that Arabistan and Iskenderun must be liberated from "foreign imperialist domination".

The immediate and strongly negative reaction from Iran and Turkey caused second thoughts in Iraq and the ASU decided that any such call in the future would be limited to "liberation of Palestine and other usurped parts of the Arab homeland." The Assistant Secretary General of the ASU has told us that if Iran and Turkey take offense they can do so only by admitting that Arabistan and Iskenderun are "usurped".

Most Iraqis probably feel that Arabistan should eventually be returned to the 'Arab homeland' but their sentiments have little form or substance (unlike their designs on Kuwait) and at least for the time being they would be quite content to forget their "eight million" lost brethren. Any move Iraq might try to make in the next five years to subvert the Arabs living in Khuzistan would not be part of a serious attempt to absorb the area or even to incite its inhabitants to general revolt but would most probably be Iraq's response to real or fancied Iranian attempts to exploit Kurdish or Shi'a unrest on this side of the border.

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C. Arabian Peninsula.

Qasim called the entire southern littoral of the Persian Gulf the historical extension of Iraq. Few other Iraqis in or out of the government share this illusion but they are united in their demand that Britain leave the peninsula - not only the Gulf but Muscat and Aden as well. Their views on what disposition should be made of the territory are somewhat vague: "Occupied South Yemen", as the Aden colony and protectorate are invariably called, should be returned to Yemen. Muscat and Oman probably could remain an independent Arab state - under the Imam of Oman or any other anti-British leader. The Trucial States, Qatar and Bahrain are more troublesome. The suggestion made by Iraq's "Arabian Gulf Expert", Dr. Bahaud Ali Da'ud (A-620) that the shikhdoms should be held in trust by the Arab League, might be acceptable to most Iraqis, provided they could be convinced it were not merely a cover for absorption by the U.R. The establishment of an Iraqi protectorate over the area would also win great popular support if there were the possibility of such a development. But the lesser Gulf States are not a particularly pressing concern to most Iraqis and Iraq's aspirations there are not particularly serious although availability to Iraq of the growing oil revenues would be attractive.

No government in Iraq in the next five years would stop the call for an end to British imperialism in the area. But they might not all be as active as the present one in working to destroy British influence. Similarly, no Iraqi government could condone, or even refrain from actively opposing efforts by the Iranians, to infiltrate, colonize or otherwise dominate the Arabian littoral of the Gulf. (See Section IV)

II. Iraqi Capabilities.

A. Military.

Iraq has an income from petroleum approaching \$350 million per year. It has an Army and Air Force, well equipped by the Soviet Union, of about 70,000 men. If it were not for the British, Iraq could and might well move into Kuwait - protests in the UN notwithstanding-within the next five years. Her ability to capture Khuzistan by force is non-existent and is likely to remain so. The "liberation" by Iraqi forces of Bahrain, the Trucial States or Muscat as long as British forces are stationed in the Gulf, is also too far-fetched to warrant serious consideration.

B. Diplomacy and Subversion.

In the next five years Iraq can be expected to continue to supply arms to dissident groups in the Gulf and in Southern Arabia and to exploit all opportunities in the United Nations, in Afro-Asian bodies and in non-Aligned Conferences to call for the British evacuation of Arabia. Whether it will back up its words with action would depend on the government in power in Baghdad. A strong and prosperous nationalist regime might consider breaking diplomatic relations with Great Britain; it might impose a partial embargo on British goods or might move against the Iraq Petroleum Company - at least if it could convince itself that the operation would not be too costly to Iraq. The Nuri regime broke diplomatic and most commercial relations with France at the time of the Suez war and similar action against Great Britain cannot be totally discounted.

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Baghdad, Iraq.

An anti-Nasser Qasim-type dictatorship might be more dangerous in that it would feel obliged to prove its nationalism through actively and rashly opposing imperialism. But its actions would be circumscribed by Iraqi weakness. Even a conservative regime (which is unlikely) would have to continue the call for British evacuation of the Gulf but it would be more inclined to avoid a confrontation with the west.

As for more subtle subversion of the area - inciting Arabs against their governments - Iraq can hope to do little by itself in the next five years. Iraq may consider Kuwait as its lost qadha but few Kuwaitis agree and Iraq would have no chance in the foreseeable future of convincing many Kuwaitis that their future prosperity lay in a "reunification of the Basra Vilayet". Iraq's capabilities of subversion - other than by arming dissidents - farther down the Gulf would seem no greater.

Although few Iraqis will admit it, Iraq is unpopular in Kuwait; Iraqis are considered cowardly and cruel, barbaric and uncouth and the attraction they exert is negligible. Even given the skip-theory of Arab brotherhood (you hate your neighbor but love your neighbor's neighbor) we do not believe Iraqis are much more appealing to Uth al-Quwainis, for example, than they are to Kuwaitis.

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III. Iraq and Egypt.

Iraq is currently shipping arms to the Gulf States; it has sent a medical mission to Lubai and it will certainly try to exploit the potential of the development office which the Arab League hopes to open somewhere in the Trucial States. The effectiveness of these efforts is dubious. But Iraq working with Egypt would be quite different. Nasser is considered THE Arab Leader by many in this part of the Arab world - even by those who dislike him. His appeal is not to union with Egypt but to Arab unity and his strictures against artificial divisions in the Arab world, against the attempts of the imperialism to keep the Arabs weak and divided, cause sympathetic vibrations on the lutes of Iraq and the Gulf. Economic self-interest may be an effective shield for the shaikhs and the emirs against Nasser's blandishments but it might not protect the younger, more idealistic Kuwaitis, the foreign Arabs in Kuwait or the dispossessed of the Persian Gulf and Muscat.

The success of any attempt of subversion of the Gulf, we believe, depends largely on the success of Arab nationalism. If Iraq were to go into the UAR (which seems unlikely at this reading) the pressure will increase and the Arab propaganda machine will try to convince the Gulf Arabs that union is inevitable and they must not remain outside. Britain could be faced with an armed revolt in Muscat or the shaiikhdoms which the Arabs would exploit in the UN. If the Saudi Arabian monarchy falls and if the successor government is pro-unionist the Arabs would probably almost certainly switch to backing the new republican claims on the Trucial States (including Buraimi), Qatar and Bahrain. The pressure from the surrounding states, combined with the political attraction of unity could then make the British position most difficult. However, a republican Saudi Arabia might prove to have its own deep interests in adjacent territories along the Gulf.

If unity falters, as seems probable; that is, if the present or a new government in Iraq backs off from the unity agreements now in force, and especially if an anti-Nasser regime comes to power in Baghdad, the Gulf would be given a longer breathing spell. Nasser might continue to plot and agitate but his glamour would be tarnished and Iraq, which itself would be no attraction and little danger to the Gulf Arabs, could at least serve as a counter-balance to Egypt. It is noteworthy that in the Kuwaiti crisis of 1961 the Egyptians kept silent on British measures to protect Kuwait from Iraq. The Iraqis could scarcely conclude other than that Egypt had its own designs in Kuwait.

The present situation is one of Egyptian - Iraqi collaboration in the Gulf and South Arabia against the Persians and British, but we question how far the Iraqis will go to promote Egyptian interests at their own expense. Certainly they will make things as tough as they can for the foreigner. It is interesting that the announcement a year ago that an Egyptian Consulate General would be established in Basra has not yet been implemented.

IV. The Arabs and Iran in the Gulf.

The coolness of relations between Iraq and Iran varies in direct proportion to the influence of Nasser in Baghdad. If there were a fully independent government in Iraq, one which had clearly postponed plans for union with Egypt, the present hostility between Iraq and Iran would decrease. Iran would probably reduce

the scope of its intrigues among the Iraqi Shi'a and Kurds and Iraq would repay the courtesy by stopping its (feeble) attempts to arouse the Arabs of Khuzistan. But a restoration of the warm relationship which existed before 1958 would be unlikely. Any government in Iraq would be forced to exhibit its Arabism and there are too many issues on which Iran appears to take an anti-Arab, not merely an anti-Nasser, stand.

The Arabs consider themselves the aggrieved party in their dispute with Iran. With the exception of their nebulous claim on Khuzistan, which no one presses very vigorously, the Arabs have no known territorial ambitions to the north of the Gulf. Their insistence on the use of the term "Arabian Gulf" is little more than an annoyance and should not be interpreted as a claim on Iranian territory.

The principal complaints against Iran (specifically, the Shah) are its membership in a western "imperialist" defense pact and its close relations with Israel. But this by no means exhausts the catalogue of Arab grievances. Arabs claim, and many believe that Iran is plotting the dismemberment of Iraq (with both the Shi'a south and the Kurdish north absorbed by Iran) and the colonization and eventual absorption of Kuwait, all the Trucial States, Muscat and Oman.

This might appear to be merely another example of Arab paranoia were it not for ample evidence of quasi-covert Iranian intrigue in the Arab world and the formal Iranian claims to Arab land. Even the least credulous of Arabs has been led to question Iranian intentions. In addition to its current operation among the Kurds and Iraqi Shi'a, Iran has perhaps encouraged, or at least permitted, the emigration of Persians to Kuwait and the other Gulf States. It has not always been cooperative with Iraq on the Shatt al-Arab which, regardless of the merits of the Iranian case, is legally an Iraqi river. Finally, it has declared the Arab islands of Bahrain to be an Iranian province and it has laid claim to almost two-thirds of the Persian Gulf sea-bed.

Assuming the Shah remains in power, we believe the Iranian-Arab confrontation in the Gulf in the next few years will be almost as acute as the Arab-British. For Iraq this means continued participation in Arab efforts to drive Iranians out of the Arabian Peninsula, or, if Arab cooperation breaks down, unilateral Iraqi efforts in the same direction but probably in clandestine or semi-covert action.

V. Future of the Gulf.

The maintenance of the status quo in the Gulf would seem to be in the interest of the United States and its allies - a not impossible task for the next few years. Given the likelihood of a reversal of the unionist trend in Iraq, the British lease on the area could be extended although not renewed indefinitely. We believe that some permanent solution to the problem must be found - preferably before pressures increase to the point where there is no alternative to withdrawal in face of nationalist or other forces. What would be the possibilities?

- 1) Independence. Perhaps Bahrain could aspire to independence (with treaty ties to Britain) but could Qatar or any of the Trucial States? Doubtful. And would it really be in the interests of the west to have a series of quasi-independent sheikhdoms under ignorant and incapable rulers? Again doubtful.
- 2) A Federation or a Union of States. Possible; but would it be big enough to justify an independent existence and could it long stand if Egypt opposed? Or would it be unduly vulnerable to Egyptian influence in its weakness?
- 3) Union of Kuwait and the Other Gulf States. Frequently mentioned. But neither the Kuwaitis or the inhabitants of the other Gulf States have shown much enthusiasm for the scheme, nor would Egypt and Iraq be likely to agree.
- 4) Arab League Mandate for the Area. This is the plan of Iraq's Arab Gulf expert, Dr. Mahmud Ali Deud who would not consult the inhabitants of the area. The plan probably could be made to work as a strictly Egyptian colonial venture. But again, do we want the wealth of the Gulf under Egyptian control? And would this not facilitate Egyptian subversion of Saudi Arabia and Kuwait?
- 5) Absorption by Saudi Arabia. The inhabitants of the area would oppose this solution now but it might be the most sensible and viable one, particularly under the monarchy. If the monarchy is replaced by an Arab nationalist regime the coastal inhabitants might be more prone to join the rest of the peninsula. The question here would be whether Saudi or Egyptian interests would prevail. Presumably we would not wish Arabian Peninsula oil to come under Egyptian control.
- 6) A Union of the Trucial Oman with Oman and Muscat. This would be vigorously resisted by the inhabitants of the area and by the Arab propaganda machine. It would be considered an imperialist maneuver similar to the South Arabian Federation and probably would fail. But if the Sultan were deposed and if a reasonably liberal regime - possibly under Sulaiman Bin Hinayar or even the Imam of Oman - could be installed in Muscat the objections would be at least partially overcome. A new state of Southeastern Arabia would have the resources, the size and the population to be an independent state - certainly with as much right to existence as Kuwait. It would be isolated from the rest of the Arab world by sea and by desert; it would be inoculated to some extent against Arab nationalism by the local dislike of the Saudis (the Wahhabis), the Egyptians and the Iraqis and it would surely want to use the newly discovered wealth of Abu Dhabi and Muscat for itself, not for the "Arab people". Its newly educated young men might succumb to the slogans of unity but if they could look to a brighter and more prosperous future at home the new state might even be able to survive.

The Sultan presents a problem. The British have long deplored him, all the while wringing their hands and complaining that they are unable to control "that awful man". They must protect him, they have told us, because any move to coerce him or remove him would have serious repercussions throughout the Gulf. Even the Shaikh of Kuwait, they say, would question the British assurances to him if they abandoned the Sultan. But this obstacle should not be immovable.

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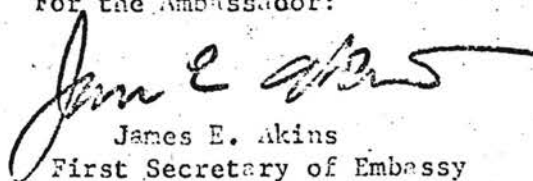
Page 9, Airgram No. 678
Baghdad, Iraq.

The South Arabian Federation might have been a good idea but it came too late. A Southeastern Arabian State or Greater Oman, if it is formed, should be formed before it appears to be an emergency measure in response to intolerable pressure. It might endure a generation and could we ask for more?

This solution may not be perfect but it seems at least as acceptable as any of the alternatives. Of course, if we could reach an enduring accommodation with Egypt the situation changes and an Egyptian mandate, which would bring stability, might be more attractive. But given the feelings toward Nasser of the Shah, the American Zionists and the oil companies we cannot entertain this as an alternative. And an enduring accommodation with Egypt even after Nasser disappears seems improbable.

It is in our interest, as currently defined, to support states in the Arab world which have a strong positive interest in their own survival as independent states. Fortunately the Arab himself will assure the strength of the divisive forces; his independence and the inter-Arab antipathies will remain the strongest counter-actions to the appeal of union. This makes possible continuation of our standing position on Arab unity. Eventually, perhaps, nationalism will prevail, but by that time, we hope, our investment in the area will have declined in importance and Western Europe, we hope, will have been freed of dependence on Arab oil.

For the Ambassador:



James E. Akins
First Secretary of Embassy

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ORIGIN ACTION

DEPARTMENT OF STATE

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TO : Department of State 1965 NOV 19 AM 8 39

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(ORIG LETTER TO PRES)
Encl. to S/S incl advance copy of sign -
11-19-65 via Tube

RM/AN

J. Wesley Adams (signature)

FROM : American Embassy Baghdad

DATE: November 13, 1965

SUBJECT : Transmittal of Letter from President Aref to President Johnson

REF : Baghdad's A-419 SP 10 US
NEA

Transmitted herewith is a letter in Arabic dated October 31, 1965 from President 'Abd al-Salam Muhammad Aref to President Johnson. The letter is in reply to President Johnson's letter of August 13, 1965 to President Aref presenting televised pictures of the planet Mars taken by the spaceship Mariner V on July 14, 1965. President Johnson's letter was delivered to Prime Minister Bazzaz on October 27 for transmission to President Aref.

Also enclosed is an unofficial translation of President Aref's letter, made by the Embassy, together with a translation of the note of November 11, 1965 from the Ministry of Foreign Affairs forwarding this letter.

For the Ambassador:

J. Wesley Adams
J. Wesley Adams
Counselor of Embassy

Enclosures (3): As stated

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In Out

rafted by: DCM:JWAdams:ega:11/13/65

Contents and Classification Approved by: AMB:RCStrong

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Airgram No. 484,
Enclosure 1, page 1
Baghdad, Iraq

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No. 200/1040/1040/extraordinary
Baghdad, November 11, 1965

Iraqi Republic
Ministry of Foreign Affairs
Protocol

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States in Baghdad and has the honor to attach a letter which His Excellency Marshall 'Abd al-Salam Muhammad Aref, President of the Republic, is sending in reply to a letter from His Excellency Lyndon B. Johnson.

The Ministry would appreciate if the Embassy would assure its delivery to His Excellency.

The Ministry takes this opportunity to assure the Embassy of its high respect and appreciation.

(Seal of the Ministry of Foreign Affairs)

Embassy of the United States of America

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Airgram No. 484
Enclosure 2
Baghdad, Iraq

Presidential Palace
October 31, 1965

Dear Mr. President:

I received with much happiness your historic letter of August 13, 1965 to which were attached the first televised pictures of the planet Mars taken by the spaceship Mariner V on July 14, 1965.

At this time I present to Your Excellency and the friendly American people my sincere thanks for this valuable gift of a profound historic victory. I also wish to express to you in my name and in the name of the Iraqi people the extent of our appreciation and admiration for the magnificent victories which the American scientists have realized in the realm of the conquest of space.

There is no doubt that the cooperation of the scientists and of the engineers who come from a number of countries and professions is one aspect of human efforts which have come together for the sake of a better future for all humanity. The decision of Your Excellency to place all the pictures which were taken of this planet at the disposal of the scientists throughout the world is a gratifying living example of this fruitful cooperation.

The success of this trip's great scientific mission is of value for the spirit of progressive humanity striving to extend the limits of knowledge. I would like to share with you the idea that this important scientific accomplishment will certainly increase the decision of the peoples of the world everywhere to proceed to the conquest of space in a peaceful scientific spirit spurred on by a desire to realize an increase of knowledge.

(President Aref's paraph)

Sincerely yours

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White House
S/S 4788

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2-Rit.

APPROVED: V.P. Office

DATE: OCT 27 1965

October 15, 1965
10:25 a.m.

5

Call on the Vice President by Iraqi Prime Minister

The Vice President
Mr. John E. Rielly, Office of the Vice President

H.E. Abd al-Rahman al-Bazzaz, Prime Minister of Iraq
H.E. Nasir Hani, Ambassador of Iraq

NEA - Mr. Raymond Hare, Assistant Secretary
S/CPR - Mr. Chester Carter, Deputy Chief of Protocol
NE - Lucien Kinsolving, Desk Officer, Jordan-Iraq Affairs

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1. Exchange of Courtesies and General Policy

Prime Minister Bazzaz conveyed President Aref's highest regards to the President and wishes for a speedy recovery from his operation. The Vice President thanked him and informed him that the President is improving every day.

The Prime Minister said that he felt he already knew the Vice President indirectly through reading and admiring the latter's speeches on liberalism. He noted that Iraq is developing, after a series of revolutions, into a stage of practical evolution as a member of the free world community. He continued that he is the first civilian prime minister in Iraq since 1958, and that he wishes to put his extensive legal experience at the service of the Iraqi people. He had said to Secretary Rusk and Under Secretary Mann that the United States and Iraq agree on fundamental ideas and differ only in emphasis on terminology. In the past the Iraqi Government has interpreted "non-alignment" badly, but the present Government means it in

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the full sense of the word. He explained that the present Iraqi Government is socialist but not Marxist or Communist. It believes in government intervention to achieve social justice and social welfare; and while it does not believe in extreme laissez faire, it does not ignore the role of private enterprise. The new Iraqi Government needs the help of understanding friends.

The Vice President replied that the Prime Minister was speaking to a sympathetic mind with regard to the philosophy he had just articulated. The present United States administration has made advances in the social field at a rate that we have never known since the days of President Roosevelt. Social reform in the United States is carried out within the structure of a mixed economy; our corporations give more welfare benefits to their employees than even the Government does. We are now trying to give more benefits to the one-fifth of our people who are poor in terms of money, education, health, and neighborhood environments. The Vice President noted that he himself came originally from a humble environment.

As the conversation then turned to relations with socialist regimes abroad, the Vice President emphasized the distinction between Communism and socialism. He stated that we have close relations with the Scandinavian countries and Great Britain who are trying various forms of mixed socialist welfare states. He stated that the real secret of freedom is the right to express and exchange points of view.

2. Nasser

Prime Minister Bazzaz stated that in the underdeveloped world an important objective is to lift up the middle classes. Nasser has done great work in developing the Egyptian middle class, and he is thus the only leader in the Arab world who is effectively combatting both communism and Marxism. He emphasized that the key to good relations with the Arabs is good relations with Nasser, who is the head of the largest, most influential, and most important Arab state. The Prime Minister stated that he himself, as the head of a fully sovereign Arab state, recognizes this fully.

The Vice President noted that he had visited the UAR during the period. Mr. Hare had been Ambassador there and had had personal talks with Nasser as well as bringing a message from the late President Kennedy. We have differences, but the policy of our government is to try to find ways to agree. Some time ago Congress reacted to an emotional feeling against Nasser on the part of the American people, and the President, Vice President, and Secretary of State had had to work hard to reverse a Congressional decision so that the flow of food to Egypt could continue. We appreciate such frank words from our intellectual friends such as the Prime Minister. However, he added, Nasser needs frank talk too.

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3. Kurds.

The Prime Minister next raised the Kurdish question, stating, "We think our neighbor Iran is not behaving the way it should". He alleged that Iran is encouraging disturbances in the north of Iraq. He paid tribute to the Kurds as courageous and hard-working people who have been unfortunately divided. He himself would be happy to see them reunited, but this has become impossible, since they are split between Iraq, Turkey, and Iran. The Kurds in Iraq have been the best treated of all, and have been offered a free partnership in the Iraqi Government, which many Kurds are now serving as officials and Ambassadors. The Iraqi Government respects the Kurds, but the present situation has no justification. Iran is trying to exploit it for purely destructive reasons, since Iran knows that an independent government created in the Kurdish area would fall under Communist domination. Prime Minister Bazzaz said that he had seen the Shah and spoken to him frankly about the matter, but that the Shah's problem is his attitude towards Nasser: He strikes at Iraq so as to strike at Nasser. Thus, U.S. arms given to Iran for self-defense have been given in turn to the Kurds. The Iraqi Government believes that the United States should use its good offices to convince Iran that it should stop this, and hopes that the United States will help Iraq solve the Kurdish problem peacefully. Iraq could not, however, accept any territorial cession or division.

The Vice President replied that he was not informed about the details of this problem but that he knew the Secretary of State was looking into it. He stated that it is not the policy of the United States Government to furnish arms to cause trouble. Sometimes what arms we do give are regrettably diverted elsewhere and all sorts of complaints arise as in the recent disputes between India and Pakistan, and over Cyprus. We take strong measures to prevent such illicit diversion but cannot always successfully control it. We will make every effort to stop such diversion.

4. South Arabia

As a last request, the Prime Minister stated that he wished to urge the United States to persuade the British to adopt a better attitude toward South Arabia, including Aden. He hoped they would come back to reason and act quickly before the situation gets worse. Great Britain is a Western country, and as the Arabs say, "When your cousin has committed a crime, you suffer for it". It is therefore in the U.S. interest to persuade the British to stop the current repression, which is a most strange way for a Labor Government to act.

The Vice President replied that he would refer this problem to Mr. Hare, and the meeting thereupon ended.

Approved in S
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NEA-Mr. Daniel Newberry

1965 OCT 22 PM 5, 1965
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October 8, 1965

SECRETARY'S DELEGATION
TO THE
TWENTIETH SESSION OF
UNITED NATIONS GENERAL ASSEMBLY
New York, September-October 1965

MEMORANDUM OF CONVERSATION

Date: October 8, 1965

Time: 10 a.m.

Place: Waldorf Towers
Prime Minister's
Suite (30C)

Subject: Arab Relations with the Shah of Iran (Part I of III)

Participants:

US
The Secretary
Mr. Daniel Newberry, NEA

Iraq
H. E. Abd al-Rahman Bazzaz,
Prime Minister
H. E. Nasir Hony, Ambassador
to the United States

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The Secretary asked the Prime Minister whether he as the new head of the Iraqi Government could contemplate making some discreet contacts to see whether there might be a reciprocal desire for friendship between Tehran and Cairo.

The Prime Minister's lengthy response concentrated on what the Prime Minister characterized as the Shah's exaggerated fear of President Nasser. He asserted that he knew that President Nasser would like to cooperate with Iran, but the Prime Minister expressed the opinion that President Nasser was being continually provoked by Iran to react.

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By 102/14 NARA, Date 6-2-03

OCT 22 1965

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The Prime Minister recalled a long audience he had had with the Shah last year when Mr. Bazzaz had visited Tehran as Secretary General of OPEC. The Prime Minister said he had attempted to disabuse the Shah of his low opinion of Nasser.

In this context the Prime Minister contrasted the Shah's avowed fear of Nasser's ambitions in Iran with what the Prime Minister called the Shah's own ambitions in the direction of Arab territories in the Persian Gulf.

The Prime Minister characterized President Nasser as a most responsible statesman and one who is far from being under communist influence as the Shah seemed to think. The Prime Minister credited President Nasser with important help in overthrowing the Qasem regime in Baghdad.

When the Secretary suggested that the Iranian Foreign Minister, Mr. Aram, was a sensible man with whom a dialogue could be undertaken, the Prime Minister responded that it was unrealistic to think that there was any person other than the Shah in Iran who could change the official attitude toward Egypt and the Arab world.

The Secretary called attention to the recent Casablanca agreement among the Arab leaders to a stand-down of propaganda against one another. The Secretary hinted that consideration ought to be given to extending this stand-down to the propaganda exchanges between Cairo and Iran.

The Prime Minister again expressed the view that Cairo was merely reacting to Tehran's animosity. He expressed the conviction that only advice from friendly, powerful governments could persuade the Shah to change. The Prime Minister asserted that he himself could bring about a cessation of Egyptian propaganda against Iran in a period of 2-3 weeks if there was a genuine change of attitude on the part of the Shah.

In reciting some of the difficulties in Iraqi-Iranian relations the Prime Minister referred to the present Iranian Ambassador in Baghdad as the most absurd person imaginable to be accredited to a friendly country. The Prime Minister expressed the wish that the Shah would send a more sensible envoy to represent him in Iraq.

~~SECRET~~

Approved in S
10/13/65

NEA-Mr. Daniel Newberry

1-Komer
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RECEIVED
McGEORGE CUNDY'S OFFICE

~~CONFIDENTIAL~~
SecDel/MC/23
October 8, 1965 22 PM 5 01

SECRETARY'S DELEGATION
TO THE
TWENTIETH SESSION OF
UNITED NATIONS GENERAL ASSEMBLY
New York, September-October 1965

MEMORANDUM OF CONVERSATION

Jug

Date: October 8, 1965

Time: 10 a.m.

Place: Waldorf Towers
Prime Minister's
Suite (30C)

Subject: US-Iraqi Relations (Part II of III)

Participants:

US
The Secretary
Mr. Daniel Newberry, NEA

Iraq
H. E. Abd al-Rahman Bazzaz,
Prime Minister
H. E. Nasir Hony, Ambassador
to the United States

Distribution:

S/S IO
G NEA
S/P CU
INR/OD AID
CIA USUN-3

White House
AmEmbassy BAGHDAD

The Prime Minister emphasized that he was the first civilian Prime Minister of Iraq in many years. He said that he felt that now with an atmosphere of stability in his country, the United States and other friends should be more mindful of developments in Iraq. The Secretary responded that the United States has a basic interest in the welfare and territorial integrity of Iraq. He assured the Prime Minister that we have no national ambitions in Iraq and that we are ready to explore ways in which we could assist the Government of Iraq on the road to development.

~~CONFIDENTIAL~~

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E.O. 12958 Sec. 3.5
NLI-S-68001
By 19 NARA, Date 6-2-03

OCT 22 1965

CONFIDENTIAL

-2-

The Prime Minister pointed to one particular program which had for a long time engaged his own personal and affectionate interest, namely the building of the University of Baghdad into a great institution. The Prime Minister said that he cherished the notion that if the University could be transformed in a relatively brief period, such an achievement could go a long way to allaying the frustrations of Iraqi youth. The Secretary, before asking the Prime Minister to expand on this subject, recalled that the United States had had the impression over the past several years that if we had displayed an interest in such a program our interest would not have been welcomed by the Government in Baghdad. The Secretary went on to commend to the Prime Minister the benefits offered to a developing country such as Iraq in the land-grant college conception of a university.

The Prime Minister expressed the belief that if a massive operation could be mounted with foreign assistance, the entire program of transforming the university could be achieved within perhaps two years. The Secretary said that the Department would be glad to review the possibilities of United States' assistance on some aspect of the university scheme.

The Prime Minister agreed that it would be worthwhile to examine the possibilities of working out an investment guarantee agreement. The Secretary said that we would look into the matter and be in touch with the Iraqi Government.

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Approved in S
10/13/65

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McGEORGE BUNDY'S OFFICE

NEA-Mr. Daniel Newberry

1965 OCT 21 PM 4 59

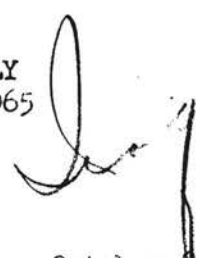
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1-Komer
2-Pit.

8

SECRETARY'S DELEGATION
TO THE
TWENTIETH SESSION OF
UNITED NATIONS GENERAL ASSEMBLY
New York, September-October 1965



MEMORANDUM OF CONVERSATION

Date: October 8, 1965

Time: 10:00 a.m.

Place: Waldorf Towers
Suite (30C)

Subject: Kurdish Affairs (Part III of III)

Participants:

U.S.
The Secretary
Mr. Daniel Newberry, NEA

Iraq
H.E. Abd al-Rahman Bazzaz
Prime Minister
H.E. Nasir Hony, Ambassador
to the United States

Distribution:

S/S	IO	AmEmbassy TEHRAN
G	NEA	
S/P	USUN-3	
INR/OD	White House	
CIA	AmEmbassy BAGHDAD	

The Prime Minister early in the conversation asked the Secretary to consider the serious implications of affairs among the Kurds as they now stood. The Minister characterized the problem as basically an internal one for the Government of Iraq but remarked that there were also external aspects to the problem. He asserted that the Government of Iraq does not pretend that the Kurds are Arabs but rather the Government was willing to look at the Kurdish peoples as a nation. Even so, the Prime Minister predicted, there would never be a unified Kurdish state embracing the Kurdish peoples of Iraq, Turkey, Iran, Syria, and the Soviet Union. The Prime Minister estimated that if the Kurds of Iraq were accorded the kind of autonomy that some of their

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NLI-S-68001
By 18 NARA, Date 6-2-03

OCT 21 1965

CONFIDENTIAL

- 2 -

leaders were demanding, the only kind of political entity which would evolve would be a communist puppet regime.

The Prime Minister expressed the conviction that Iraq's neighbors should cooperate with Baghdad in the search for tranquillity in the Kurdish area. He called particular attention to the need for Iran to understand that the Iranians were creating future trouble for themselves by continuing clandestine assistance to the Iraqi-Kurdish insurgents. The Prime Minister suggested that if the United States and the United Kingdom could advise the Shah of the invisability of his policy, maybe progress could be made. The Prime Minister stressed that he was not asking the United States to intervene in the internal affairs of Iran but only to advise the Shah, particularly that the Shah not use arms supplied to him by the United States for smuggling into Iraqi Kurdistan. The Prime Minister cited the United States' close association with CENTO as giving us a legitimate right to make such a request of Iran.

The Secretary reiterated that the United States supports the territorial integrity of Iraq. He asked the Prime Minister to appreciate that the capability of the United States to exert influence in such matters was sometimes overestimated. The Secretary cited our experience in the India-Pakistan quarrel as an example of how little the parties were disposed to listen to our counsel.

CONFIDENTIAL

AIRGRAM

TP 8 IRAQ(BA)
R POL 15-1 US/JOHNSON

E-12

Original to be Filed in _____ Decentralized Files.

FILE DESIGNATION

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ARMY	CIA	NAVY
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A-21.

UNCLASSIFIED

HANDLING INDICATOR

TO : Amembassy BAGHDAD

Joseph X Coates

9

123
to
Baghdad
Fair
3/10/65

Aug 10 1 51 PM '65

FROM : Department of State

DATE:

SUBJECT : Presidential Message for Baghdad Fair

REF :

The Presidential Message for presentation at the United States National Exhibition in Baghdad, November 1-30, 1965 is as follows:

"I extend to you a warm welcome to the first United States Exhibition in Iraq.

"This exhibition deals mainly with petrochemicals - chemicals derived from that great natural resource, oil, which Iraq has in such abundance - and with the products which the scientific use of these chemicals in industry has made possible.

"The petrochemical industry has created vast employment opportunities and new dimensions for a more abundant life for all men.

"Exhibitions such as this provide a vital forum for the exchange of goods and ideas. We hope that this exchange will lead to increased trade and strengthen the ties of friendship between the peoples of Iraq and the United States.

Lyndon B. Johnson"

RUSK

- ~~BUNDY-SMITH~~
- ~~BATOR~~
- ~~BOWDLER~~
- ~~BOWMAN~~
- ~~CHASE~~
- ~~COOPER~~
- ~~HAYNES~~
- ~~JESSUP~~
- ~~JOHNSON~~
- ~~KEENE~~
- ~~KLEIN~~
- ~~ROSEN~~
- ~~WAGNER~~
- ~~WHEAT~~
- ~~WILSON~~

2

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In Out

FORM 4-63 DS-323

Drafted by: <i>CH</i> E:OT:STA:LHPomeroy:ntu	Drafting Date: 8-2-65	Contents and Classification Approved by: E/STA - JMCHand <i>CA</i>
Clearances: Commerce/OITP- Mr. Craig <i>2/10</i> Mr. Clarke <i>2/10</i> Mr. Fox	XXXXXXXXXXXXXXXXXXXX USIA/IAN-Mr. Curran <i>2/10</i> Mrs. Vardaman <i>2/10</i>	P-MS-Mr. Reynolds <i>2/10</i> USIA/ICS-Mr. Hickok <i>2/10</i> NEA-Mr. Bensky <i>2/10</i> NEA-Mr. Lensmore <i>2/10</i>
White House - Mr. Komer <i>RKS/S</i> - Mr. Walsh <i>JPA</i>		

RWK -

It's standard practice to have a presidential message for all trade fairs. It's displayed beside a large picture of the President to greet visitors.

H.



S/S 12281

DEPARTMENT OF STATE

WASHINGTON

August 5, 1965

RECEIVED
McGEORGE BUNDY'S OFFICE

1965 AUG 5 PM 5 02

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2-fils

*Pat'd 8/9/65
w/RWK of as
written*

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Presidential Message for the United States
National Exhibition in Baghdad, 1965.

Enclosed is a proposed Presidential Message for the
first United States Exhibition in Baghdad, Iraq, to be
held November 1-30, 1965.

The exhibition will have a petrochemical theme.
Broadly stated, its purpose is to enhance the image of
the United States in the Near East and to promote trade
and cultural relations between the United States and Iraq.
More narrowly stated, our objective is to present an
image of United States competence and expertise in every-
thing having to do with oil, Iraq's great natural resource.
At the same time, we seek to leave the impression of a
free enterprise system which has exploited the vast poten-
tial of oil to the benefit of everyone.

If the suggested message is approved, the Department
will transmit it to our Embassy in Baghdad for appropriate
use at the exhibition.

B. H. Read
Benjamin H. Read
Executive Secretary

Enclosure:

Suggested Presidential Message
in the form of an Airgram.

AUG 5 1965

AIRGRAM

Original to be Filed in _____ Decentralized Files.

FILE DESIGNATION

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HANDLING INDICATOR

106

TO : Amembassy BAGHDAD

FROM : Department of State

DATE:

SUBJECT : Presidential Message for Baghdad Fair

REF :

The Presidential Message for presentation at the United States National Exhibition in Baghdad, November 1-30, 1965 is as follows:

"I extend to you a warm welcome to the first United States Exhibition in Iraq.

"This exhibition deals mainly with petrochemicals - chemicals derived from that great natural resource, oil, which Iraq has in such abundance - and with the products which the scientific use of these chemicals in industry has made possible.

"The petrochemical industry has created vast employment opportunities and new dimensions for a more abundant life for all men.

"Exhibitions such as this provide a vital forum for the exchange of goods and ideas. We hope that this exchange will lead to increased trade and strengthen the ties of friendship between the peoples of Iraq and the United States.

Lyndon B. Johnson"

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FORM 4-63 DS-323

Drafted by: <i>CH</i>	Drafting Date: 8-2-65	Contents and Classification Approved by: <i>E/STA - JMGHand</i>
Clearances: <i>E:OT:STA:LHPomeroy:ntp</i>	XXXXXXXXXXXXXXXXXXXX	P-MS-Mr. Reynolds <i>[initials]</i> NEA-Mr. Bensky <i>[initials]</i>
Commerce/OITP-Mr. Craig <i>[initials]</i>	USIA/IAN-Mr. Curran <i>[initials]</i>	NEA-Mr. Densmore <i>[initials]</i>
Mr. Clarke <i>[initials]</i>	Mrs. Vardaman <i>[initials]</i>	
Mr. Fox <i>[initials]</i>		



S/S 11404

DEPARTMENT OF STATE

WASHINGTON RECEIVED
McGEORGE BUNDY'S OFFICE
July 28, 1965

1965 JUL 28 PM 6 54

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2 - Pitt.

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Telegram from President Arif

In response to your transmittal slip of July 26 the Department believes no further response is necessary to President Arif's telegram to the President dated July 15. President Arif's message is merely an expression of appreciation for the President's congratulatory message on Iraq's National Day.

Benjamin H. Read
Executive Secretary

Enclosure:

Copy of Telegram to the
President from President
Arif.

JUL 29 1965

11a

The White House
Washington

1965 JUL 15 PM 1 41

WN14 61 VIA RCA

BAGHDAD 15 JULY 1965 1710

THE PRESIDENT

THE WHITEHOUSE WASHINGTONDC

I THANK YOUR EXCELLENCY FOR THE KIND MESSAGE OF GREETINGS ON THE
OCCASION OF THE SEVENTH ANNIVERSARY OF 14 JULY REVOLUTION
WITH BEST WISHES FOR YOUR EXCELLENCY'S HAPPINESS AND FOR THE
WELFARE OF THE AMERICAN PEOPLE

FIELD MARSHAL ABDULSALAM MOHAMMED ARIF
PRESIDENT OF THE REPUBLIC OF IRAQ

Copy
L.S.B.
7/15/65

OUTGOING TELEGRAM Department of State

04603

INDICATE: COLLECT
 CHARGE TO

UNCLASSIFIED

12

85

COMMERCIAL TELEGRAM

Origin

ACTION: TO:

NEA

Info:

His Excellency

Jul 9 6 51 PM '65

SS

Field Marshal Abdul Salam Mohammed Arif

G

President of the Republic of Iraq

P

USIA

NSC

Baghdad, Iraq,

CPR

I extend my own thanks and the thanks of the American people for your expression of best wishes on the 189th anniversary of our nation's independence.

Sincerely,

Lyndon B. Johnson

- BUNDY-SMITH
- BATOR
- BOWDLER
- BOWMAN
- CHASE
- COOPER
- HAYNES
- JESSUP
- JOHNSON
- KENNY
- KERN
- KOMER
- MOODY
- REEDY
- THOMSON

Drafted by:

Telegraphic transmission and

NEA:NE:LFDinsmore:es:7/9/65

classification approved by:

NEA:NE - Harrison M. Symmes

Clearances:

S/S-S - Mr. Tueller

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OUTGOING TELEGRAM Department of State

04606

INDICATE: COLLECT
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Origin

ACTION: Amembassy BAGHDAD

14

Irif

JUL 9 6 51 PM '65

NEA

Info:

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USIA

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CPR

Following message sent President Johnson by President Arif: QUOTE

*Pres Arif
22237
7/9/65*

It pleases me to extend to Your Excellency in my name and on behalf of the Iraqi people heartfelt felicitations on the occasion of the National Day of the United States of America with best wishes for your personal happiness and for continued prosperity of the American people UNQUOTE.

President Johnson replied as follows: QUOTE I extend my own thanks and the thanks of the American people for your expression of best wishes on the 189th anniversary of our nation's independence. UNQUOTE

White House does not plan release. No objection if GOI wishes to do so.

END

RUSK

Drafted by:

Telegraphic transmission and classification approved by:

NEA:NE:LFDinsmore:es:7/9/65

NEA:NE - Harrison M. Symmes

Clearances:

S/S-S - Mr. Tueller

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DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

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14

Kowal

May 26, 1965

TO: Mr. Bromley Smith S
The White House
FROM: *John P. Walsh*
John P. Walsh
Deputy Executive Secretary



On May 7 S/S forwarded at the request of the White House, a personalized autographed picture of President Johnson for delivery to Ambassador Strong in Embassy Baghdad.

The embassy has recently advised the department that the picture sustained damage en route, being received with several holes punched through it. I am bringing this information to your attention with the thought that the President may wish to replace the damaged photograph with a new one for the ambassador.

MAY 27 1965

*Eng ret'd to Mrs Roberts
" - Jounta - what - RWK "*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

February 13, 1965

MEMORANDUM FOR R. W. KOMER:

I suggest you tell State that the President has
absolutely no interest in this matter.



Jack Valenti

*Done in call to Jennings
16 Feb '65
RWB*

Lili
15



FEB 15 1965

~~CONFIDENTIAL~~

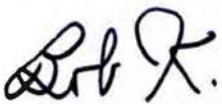
January 29, 1965

MEMORANDUM FOR

JACK VALENTI

Jack, do we know anything about White House approaches by the J. A. Jones Co. of Charlotte, N.C.? These people have some legitimate claims against Iraq, and are trying to get State and AID to finance a new AID project there, by means of which Jones could get its claim settled.

AID and State strongly oppose any new cheap loans to unfriendly Iraq and keep telling Jones Co. so, but latter keeps claiming WH interest. Their general counsel, Haywood Robbins, told State recently he'd heard from Clint Murchison (whose TECON firm is joined with Jones in the Iraqi operation) that the President had said he didn't want to think about their problem till after the inauguration. State wants to know if the President really is interested.



R. W. Komer

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EO. 12958 Sec. 3.5
NLJ-S-22001
By NS NARA, Date 6-2-03

~~CONFIDENTIAL~~

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
~~CONFIDENTIAL~~ (Attachment)

Kowal

January 25, 1965

TO: Mr. McGeorge Bundy
The White House

FROM: Benjamin H. Read
Executive Secretary

Handwritten notes:
2-23
Henderson

Leaf

Attached for the information and files of the White House is a copy of a memorandum of conversation between Mr. John D. Jernegan and Mr. Haywood Robbins dated January 21 regarding J.A. Jones Company Request for AID Loan to Iraq.

Attachment:

As stated.

~~CONFIDENTIAL~~ (Attachment)

JAN 26 1965

16a

(38)

DEPARTMENT OF STATE

Memorandum of Conversation (TELEPHONE)

DATE: January 21, 1965

SUBJECT: J. A. Jones Company Request for AID Loan to Iraq

PARTICIPANTS: Mr. Haywood Robbins, General Counsel, J. A. Jones Construction Company
Mr. John D. Jernegan, Deputy Assistant Secretary, NEA

J.D.J.

COPIES TO:

S/S - 3	AID/NESA - 2	M - 2
G - 1	INR - 8	
NEA - 2	H - Miss Folger	
NE - 2	Dept. of Commerce	
NE/E - 2	Amembassy Baghdad	
U/IB - 2	White House - Mr. Komer	
A/AID - Mr. Gaud		

(32)

AID (US) 9 IRAG

I called Mr. Robbins with reference to the visit he and Mr. Harold Kohler had made to me on December 22 at which they had renewed their expression of hope that an AID loan could be made to Iraq in order to enable the J. A. Jones Company to get a contract for the proposed large irrigation project in the Kirkuk region and, by arrangement with the Iraqi Government, receive payment of some \$11 million in Iraqi dinars in settlement of pending claims connected with the construction of the Derbendi-Khan Dam.

I told Mr. Robbins that I had checked the appropriate authorities in the Department and in AID and had found no change in their previously stated opposition to any concessional lending to the Government of Iraq. My inquiries at the White House had elicited no information as to any Presidential views on this subject. (I pointed out, however, that this might be due to the pre-occupation of the White House staff with the inaugural preparations.)

Mr. Robbins thanked me for calling. He said that he, himself, had the impression the White House had been pre-occupied with the inauguration and he had decided not to pursue the matter for another week or two. He had heard, furthermore, from Mr. Clint Murchison (whose firm TECON is associated with J. A. Jones in the Iraqi operation) that the President had said he did not intend to do anything or even think about the company's proposal until after the inauguration. Mr. Robbins said he would be back in Washington in about two weeks and would get in touch with me then.

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EO 12958 Sec. 3.5
NLS-00001
By 19 NARA Date 6-20-03

FORM DS-1254
3-61

~~CONFIDENTIAL~~

GROUP 3
Downgraded at 12 year intervals; not automatically declassified
GPO 908992

(2)

DEPARTMENT OF STATE
ASSISTANT SECRETARY

Re: This refers to our recent conversation. Please don't treat it as an official paper, but I feel a need to know whether there is any high level interest in this matter.

December 28, 1964

CONFIDENTIAL

TO : Mr. Komer - *Personal*
FROM : NEA - John D. Jernegan
SUBJECT: IRAQ: Claims of J.A. Jones Construction Company, Charlotte, North Carolina, and its Proposal for U.S. Government Development Financing

NEA and Embassy Baghdad have long been concerned with the matter of the contractor claims which arose out of the 1956-62 construction of the Derbendi-Khan Dam in northeastern Iraq by a Jones-dominated joint venture. The company has kept the Department fairly well informed about its problems although its estimates as to the exact size of its claims against the GOI have varied from about \$8 to over \$16 million. While we have not officially endorsed the Jones claims, as we have no way of determining their precise validity, we have repeatedly prodded the GOI to make equitable settlement of these and several other claims of private American contractors. The instability of the GOI and the general hesitancy of its officials to take upon themselves the responsibility for actions that would cost the government money have proven tremendous obstacles blocking settlement of these claims, notwithstanding the Iraqi Prime Minister's apparent sincerity in wishing to achieve settlements.

In recent months the Jones' strategy has been to seek U.S. Government financing of a large (up to \$25 million) new irrigation project around Kirkuk in northern Iraq. The company believes that, in the course of negotiating and executing this project, it can recover a substantial portion of the money it claims is due it from the Derbendi-Khan project. Company tactics have been to approach high Department of State and AID officials, often through the good offices of Senator Ervin of North Carolina, seeking AID financing for the Kirkuk project. The Secretary told Jones' representatives Robbins (General Counsel) and Kohler (V.P. for Foreign Operations) August 18 during his second meeting with them in less than a month that he could see no chance for an AID project loan in Iraq. Mr. Gaud told them the next day that AID's policy on termination of concessional lending to Iraq was a firm one. The Iraq Government itself appears to be fully reconciled to our position on the unavailability of AID financing but the Jones Company is showing remarkable persistence in seeking to have the policy reconsidered.

CONFIDENTIAL

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EO. 12958 Sec. 3.5
NLJ-3-88001
By *19*, NARA, Date *6-2-03*

GROUP 3
Downgraded at 12 year intervals; not automatically declassified

DEC 29 1964

~~CONFIDENTIAL~~

Jones' representatives told me December 22 (memcon attached) they understood this matter had been brought to the President's attention by one or more persons from among the following: Governor Connally of Texas; Mr. Roger Blough of U.S. Steel (who is also the head of the President's Business Advisory Council); and David Rockefeller of the Chase Manhattan Bank. They understood further that the President was amenable to doing something about the situation. I undertook to make discreet inquiries through our White House liaison official.

Attachment:

Memcon of December 22, 1964

NEA:NE/E:WJWolle:cd
12/23/64

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

December 22, 1964

J.A. Jones Company's Difficulties in Iraq

Mr. Haywood Robbins, General Counsel, J.A. Jones Construction Company
Mr. Harold Kohler, Vice President for Foreign Operations,
J.A. Jones Construction Company

NEA - John D. Jernegan
NE/E - William D. Wolle

S/S	A/AID - Mr. Gaud
G	AID/NESA
NEA	INR - 8
NE	H - Miss Folger
NE/E	Dept. of Commerce
U/IB	Amembassy Baghdad

Messrs. Robbins and Kohler said they were trying to get some relief with respect to the Jones Company's situation in Iraq. Mr. Robbins said the matter has been brought to the attention of President Johnson. He understood it had been raised with the President by one or more of the following: Governor Connally of Texas, Mr. Roger Blough of U.S. Steel (who is also the head of the President's Business Advisory Council), and David Rockefeller of the Chase Manhattan Bank. He also thought it might have been mentioned at the White House by others familiar with the Jones case including Commerce Secretary Hodges, "the head of CIA", Secretary Rusk and Governor Harriman. Mr. Robbins understood the President was amenable to doing something about the situation.

Mr. Jernegan asked about the present status of the Jones claims in Iraq. Mr. Kohler summarized by saying that the Iraqi Government had taken no effective action on the existing claims and that Jones was requesting U.S. Government sponsorship for the large Iraqi irrigation project near Kirkuk. He described this project as one which would distribute water from the Dibbis detention reservoir, now nearly completed, situated below the Dokan Dam site. The Jones Company believes that its proposal, which would involve a long term U.S. Government loan of up to \$25 million to Iraq, would be beneficial to Iraq's development, would enable Jones to get its money out of the long standing claims for past work, and would be in the interest of the U.S. Government.

~~CONFIDENTIAL~~

GROUP 3
Downgraded at 12 year
intervals; not
automatically declassified

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EO 12958 Sec. 3.5
NLJ-3-83001
By Ng NARA, Date 6-2-03

CONFIDENTIAL

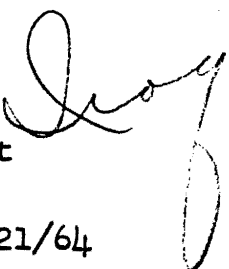
Mr. Jernegan said that while he had been away from the Department in July and August when the Jones representatives discussed this matter with the Secretary and other USG officials, his reading of the memoranda of conversations showed that the Department and AID reaction to the Jones proposal was fairly negative. He pointed out that it was definite USG policy not to provide concessional lending to Iraq and that even the small existing technical assistance program was being phased out. He said he would be willing to explore the matter with AID but believed the results would be negative. Asked whether something had been heard from the White House on this subject Mr. Jernegan said that to his knowledge there had been nothing. He said he would undertake to make discreet inquiries with the appropriate White House liaison official.

Questioned as to whether the Jones Company had reached a firm understanding with the Iraqi Government concerning its role in the Kirkuk project, Mr. Robbins replied that the Iraqi Government had made it quite clear it would settle the outstanding claims for four million Iraqi Dinars (\$11.2 million) if Jones could get them concessional financing for the Kirkuk work. Mr. Robbins emphasized that time was of the essence. The Iraqi Government had put out tenders some time ago on the Kirkuk project and had received bids from German, Yugoslav and Iraqi firms. The Jones company had been cabling Baghdad every 30 days or so asking the Iraqis to hold up a decision pending further efforts by Jones to secure U.S. Government financing.

CONFIDENTIAL

CLASSIFICATION

DEPARTMENT OF STATE
Executive Secretariat



12/21/64

Date

FOR: Mr. McGeorge Bundy
The White House

FROM: Benjamin H. Read *WAH for*
Executive Secretary

For your information and files.
SecDel /MC/29 Part 1 and 2
SecDel /MC/28 Part 1 of 3

Enclosures:

CLASSIFICATION

DEC 22 1964

Approved in S
12/17/64

6280

Kowal

~~CONFIDENTIAL~~
SecDel/MC/28
December 11, 1964

18a

SECRETARY'S DELEGATION
TO THE
NINETEENTH SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY
New York, November 1964

MEMORANDUM OF CONVERSATION

Date: December 10, 1964

Time: 4:30 p.m.

Place: USUN

PART I of III

Subject: The Kurdish Problem

Participants:

U.S.
The Secretary
NEA - Mr. Walsh

Iraq
Foreign Minister Najib Talib
Under Secretary for Foreign
Affairs Kadhim Khalaf

Distribution:

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The Minister said that he had one problem which he wished to bring to the attention of the Secretary, namely, the Kurdish situation.

The Minister said that the Kurdish problem fundamentally dominated the Iraqi scene. The Iraqi Government is preoccupied with this issue and has little time or energy to turn to other pressing economic and social issues. He was not sure that they were any closer to a solution now than they were before the fighting started several years ago.

The Minister went on to say that he could not understand certain elements of the Kurdish problem. Manifestly there are unidentified forces supporting the Kurds. The Kurds are poor people and their land has been damaged by war. Where are they getting money from to buy staple foods, arms, and equipment? Who are these mysterious forces? What do they want?

GROUP 3
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DECLASSIFIED
E.O. 12958 Sec. 3.5
NLJ-S-25001
By 19 NARA, Date 6-20-03

~~CONFIDENTIAL~~

- 2 -

The Minister stated that his Government might be able to deal with Mullah Mostafa Barzani but the Communists and the Democratic Party were much more difficult. In his opinion, the Kurds were controlled by the Communists. If a Kurdish state were established, it would be a Communist enclave which would split the Arab world, pierce the protective CENITO belt, and shatter the stability of Turkey and Iran. He had seen Kurdish maps indicating a Kurdish state stretching from Iskendrun in Turkey to Basra in Iraq.

He said that the Turks had sealed their Kurdish frontier. On the other hand, some support was drifting into Kurdish hands across the long Iranian frontier. This did not appear to be the result of deliberate Iranian Government intent but rather reflects the inability of a weak government to patrol its frontiers.

He asserted that he did not wish to suggest that the U.S. was supporting the Kurds but he did wish to emphasize that his Government is sore-perplexed by the machinations of some mysterious force which is supporting the Kurds.

In reply, the Secretary categorically assured the Minister that the United States was not directly or indirectly supporting the Kurdish movement. The U.S. supported the independence, integrity, and prosperity of Iraq. It had no other interest in Iraq affairs. Furthermore, he shared the Minister's concern about the dangers of Communist penetration of the Near East by means of a Kurdish independence movement.

The Minister said that he was very pleased to have had this exchange of views and to receive this reassurance in respect to what he had known was American policy. He said that the U.S. could help Iraq by determining who is the financing and supplying source for the Kurds and what the motivation of this source is.

JPWalsh:nrs:12-11-64

CONFIDENTIAL

~~SECRET~~19
Asia-Africa

PRO-NASIRISTS GAIN GROUND IN IRAQ

A cabinet reshuffle in Baghdad last weekend indicates that advocates of Iraq's early union with Egypt have strengthened their position.

The leading proponent of an "Iraq first" policy has been dropped from the cabinet while all the leading advocates of early union have been retained. All the new members of the cabinet are pro-Nasirists. Prime Minister Tahir Yahya, whose position on the issue has been equivocal, remains in office; he now may have joined the pro-Egyptian faction. The position of President Arif, who has given lip service to the idea of union but who is not fully trusted by the more aggressive pro-unionists, has probably been weakened.

The two factions have been struggling for power ever since the army overthrew the Baathist regime a year ago. Behind-the-scenes maneuvering intensified following Nasir's rejection last month of Iraqi pleas for immediate union. Nasir's insistence that the Kurdish problem be solved peacefully before union turned this already difficult issue into a political football. The anti-Nasirists have called for a renewal of the conflict with the Kurds, while the pro-Egypt-

tians have advocated a compromise. Neither Iraqi faction is genuinely interested in an accommodation with the Kurds, but the position of the Egyptians and the pro-Nasirist Iraqis has probably reduced Kurdish resistance to the idea of union. The Kurds have been fearful that they would be swamped in a greater Arab state.

Nasir has thus far been markedly reluctant to commit himself to union with Iraq. However, it is possible that with the new cabinet changes he may feel that political circumstances there have progressed to a point where a union might be made to work. He has indirectly told the US that he has 15,000 troops in Iraq. Actually there are probably no more than 200-300 but this remark may be an advance warning that he plans to send additional forces to bolster the regime prior to a formal announcement of union.

If Nasir in fact intends to enter a union with Iraq, the Baghdad regime would need reinforcement. It is generally unpopular, and the recent cabinet reshuffle has not broadened its base. Anti-unionists in fact believe that the reshuffle makes a counterstroke by their sympathizers in the army more likely.

EO 13526 3.5(c)

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20 Nov 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

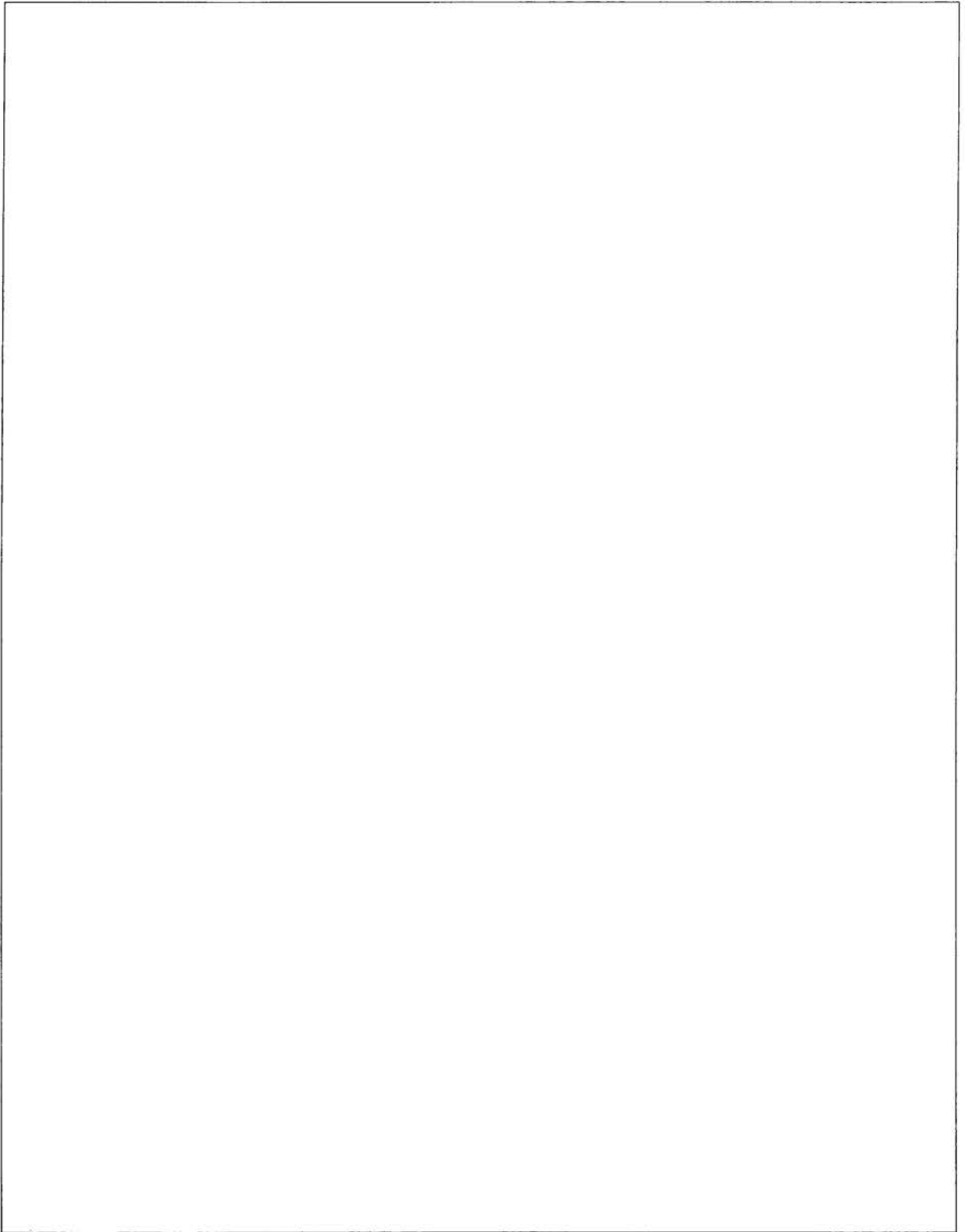
Page 9

SANITIZED

E.O. 13526, Sec. 3.5

NLJ/Rac 15-95

By UCA NARA, Date 07-15-2016



OUTGOING TELEGRAM Department of State

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INDICATE: COLLECT
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Nov 10 9 37 PM '64

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Origin

ACTION: AmEmbassy BAGHDAD 289

NEA
Info:

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Following message received from President Arif:

QUOTE The President, the White House. On the occasion of your election to the Presidency of the United States of America I am very pleased to extend to Your Excellency on behalf of the Iraqi people best and sincere congratulations with my prayers for your complete success in performing your heavy duties which I hope will be an active instrument in serving demonstrate my earnest desire to further strengthen the links of friendship and cooperation between our two countries for the benefit of our two peoples. UNQUOTE

Following reply sent: QUOTE I deeply appreciate your kind message of congratulations on my election as President of the United States and extend to you my sincere good wishes. Sincerely, LYNDON B. JOHNSON UNQUOTE

White House does not plan release of reply but has no objection if President Arif wishes to do so.

END

- __BUNDY-SMITH
- __BATOR
- __BELK
- __BOWMAN
- __BRUBECK
- __CHASE
- __FORRESTAL
- __JESSUP
- __JOHNSON
- __KEENY
- __KLEIN
- ✓__KOMER
- __MOODY
- __REEDY
- __SAUNDERS
- __SAYRE

BALL.

Drafted by:

NEA:NE:AIKillgore:he:11/10/64

Telegraphic transmission and

classification approved by:

NEA/NE - Rodger P. Davies

Clearances:

~~XXXXXXXXXXXXXXXXXXXX~~ S/S - Mr. Tueller

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FORM 8-63 DS-322

NOV 12 1964

Handwritten: Fred Arif to RBG 11/10/64

OUTGOING TELEGRAM Department of State

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INDICATE: COLLECT
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82 COMMERCIAL TELEGRAM

Origin ACTION: TO:

NEA

Nov 10 9 14 PM '64

Info HIS EXCELLENCY

SS FIELD MARSHAL ABD AL-SALAM MUHAMMAD ARIF,
P PRESIDENT OF THE REPUBLIC OF IRAQ,
US IA BAGHDAD.
NSC
C PR

289
Pms. Arif
11/10/64

I deeply appreciate your kind message of congratulations on my election as President of the United States and extend to you my sincere good wishes.

Sincerely,

LYNDON B. JOHNSON

- ~~BUNDY-SMITH~~
- ~~BATOR~~
- ~~BELK~~
- ~~BOWMAN~~
- ~~BRUBECK~~
- ~~CHASE~~
- ~~FORRESTAL~~
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Drafted by: NEA:NE:AIKillgore:he:11/10/64	Telegraphic transmission and classification approved by: NEA/NE - Rodger F. Davies
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~~XXXXXXXXXXXXXXXXXXXX~~ S/S - Mr. Tueller

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INDICATE: COLLECT
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- BUNN-SMITH
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ACTION: AmEmbassy BAGHDAD 270

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USIA

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President Republic Iraq:

QUOTE The President

The White House

Learned with deep sorrow news of demise of the late Herbert Hoover the former President of the USA. I therefore extend my profound condolences to Your Excellency the friendly American people and to the bereaved family UNQUOTE

Following reply sent:

QUOTE For myself and the American people I thank you for your thoughtful expression of sympathy on the death of former President Herbert Hoover. We are saddened by his passing but are inspired by the humanitarian ideals which are his legacy. LYNDON B. JOHNSON UNQUOTE

END

RUSK

Drafted by:

NEA:NE:LFDinsmore:he:11/3/64

Clearance:

Telegraphic transmission and:

classification approved by: NEA/NE - Roger P. Davies

S/S - Ammon Bartley

NOV 4 1964

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EMBASSY
OF THE
UNITED STATES OF AMERICA

Iraq

22

Baghdad, Iraq,
October 17, 1964

~~SECRET, LINDS~~

Dear Bob:

I've just written Phil Talbot about the activities of the British which I find do not agree with what they tell us. If you are interested, you might tell him or Rodger that I told you I was going to write, and thus get a copy. Since it seems unlikely that we either are willing or able to persuade the British and the Shah to knock off, I have proposed that we keep ourselves clearly separate. I have urged that we avoid concerting with the British in the area and that we maintain an independent line in Iran on these matters. Not only may Nasser make some gains, but the Soviets positively are.

I also have proposed that instead of measures against Nasser we try to get the UK to consider positive steps to protect their interests in the Gulf, i.e., by strengthening the Gulf itself through more forward-looking actions and more effective persuasion toward modernization. Just opposing Nasser is self-defeating. There are things we can do, too, but I see no imminent peril.

Since my participation in the talks with Willie Morris on the area, the British Embassy here has changed its line toward us and has been trying to persuade us that the UK is really quite in tune with our views and policy. This I deeply doubt, because there are too many indicators otherwise. It seems to me that one could say there are three possible explanations of this extraordinary procedure.

1. They are telling the truth, meaning that the British Embassy here has been out of line with the policy of its government (hard to believe).
2. The British tried to stir something up but failed, so now are pulling in their horns.
3. The British operation has been made fully covert (perhaps through Israel in Iran), with one policy being followed on the surface and the other through the clandestine mechanism. (This is my choice.)

The Honorable
Robert W. Komer,
The White House,
Washington, D.C.

~~SECRET, LINDS~~

Copy 1 of 4 copies,
Series "A"

DECLASSIFIED
E.O. 13526, Sec. 3.5
By UCLD NLJ/RAC 11-55
NARA, Date 07-18-12

It was nice seeing you and having a good talk. Also thanks for an excellent luncheon. Hope all goes well on the domestic and international political fronts. The meaning of the internal change in Moscow is not clear to me, though my hunch is that it may bode somewhat tougher lines.

Betty is still in Chicago with her ailing father and no one knows how long it will be. I'm struggling along here, and the uncertainty may continue indefinitely.

All the best.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bob", written in a cursive style.

Robert C. Strong

Iraq

1570
23

Baghdad, Iraq,
October 15, 1964.

Official - Informal

~~SECRET~~ ~~LLNDIS~~

Dear Phil:

I promised you a piece summarizing my case for questioning what is British policy and concluding that games are going on. It is attached as a memorandum.

In the meantime the British have been busily reassuring us that they really pretty much agree with us. Maybe they do, on some levels, but there is ample reason for doubting their protestations. Attached is another memorandum, prepared by Jim Akins. From this one can conclude either that someone has been giving the British at least some of the contents of our reporting, or that as a result of my meeting with Willie Morris the British have decided on different procedure. Nothing that I said in the meeting with Willie Morris, John Killick and Patrick Wright revealed anything of our reporting. We have said nothing to the British here.

In addition to what Rothnie and Egerton have said to Jim Akins, the current British Charge, Counselor John Robey, who just returned from home leave, came to see me October 13, to review politics and policy despite the fact that Ambassador Allen is due back tonight. His purposes seemed to be to obtain my current thinking and to assure me that there are no real differences between us. I attach a rather lengthy summary of this conversation.

Of course if Labour wins in Britain there is bound to be an examination of British policy in the area. I'd not expect a drastic change but perhaps some gradual modifications. A US-UK review may be a little slower in coming if Labour wins. If the Conservatives win, I assume they'll be after us fairly promptly and with a new urge to "do something about Nasser." I was impressed, in reading their paper on Nasser, with their desire that we use our resources to achieve their objectives since they admit they have little capability, and I was also impressed by their avowal that confrontation with Nasser must be avoided, when the effect of what they would like us to do would be a US confrontation with Nasser.

The Honorable
Phillips Talbot,
Assistant Secretary of State for
Near East and South Asian Affairs,
Washington.

DECLASSIFIED
E.O. 13526, Sec. 3.5

NLJ / RAC 11-58

By UCH NARA, Date 07-18-12

~~SECRET~~ ~~LLNDIS~~

This document consists of 5 pages. Copy 2 of 3 copies ("A")

OCT 20 1964

~~SECRET - LINDIE~~

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If it proves that the British have not been and are not pursuing a double game, but that there has only been local British Embassy aberration in Baghdad, then perhaps the exercise of recent months has been useful in abating the aberration.

If later additional evidence crops up that there has been a double game, as has occurred in the Yemen, we ought to consider confronting them with it.

In any event, I urge that we avoid concerting with the British in the Near East, and that we maintain an independent line in Iran. Consultation is fine, with eyes open. Concert is not. It seems doubtful that anything other than a major effort would succeed in getting the Shah off his hobby horse and to getting him to understand that his courses of action only exacerbate things. Since we're unlikely to do this, let's at least keep separate. He cannot manipulate Iraq successfully. He can only cause Iraq to react adversely and perversely. He is playing Israel's game. If the current situation persists there is a possibility of much more serious trouble, such as Iraqi harassment in the Shatt al-Arab and some sort of military confrontation, in which case we would be right in the middle and our interests could only suffer. The Soviets are gaining now from Persian policies and actions and Iraqi belief of UK hostility. Nasser can only gain as well.

In the Gulf area, if there is considered to be any real danger to US and UK interests, I believe there are a number of things that can be done to bolster the various entities against UAR and Iraqi subversion. Frankly, any rapid increase in danger will derive more from unwise Persian and British policies than from UAR-Iraqi capabilities. If Iraq and the UAR are not confronted by the West and Persia, I think the Arabs of the Gulf area will resist UAR-Iraqi efforts more effectively. I have already made some suggestions on what can be done in the Gulf. I'll be glad to make more if anyone is interested.

We must not confront the UAR and Iraq. Rather we must stress constructive relations with each Arab entity on the basis of mutual interests, avoiding any hint that we are doing so against the UAR and Iraq. The UK should do likewise and act on the basis of cold logic rather than emotional hatred.

With all best wishes,

Sincerely,

Robert C. Strong

Enclosures: *Murican 10/13*
Memorandum from Ambassador
Memorandum from Mr. Akins

~~SECRET - LINDIE~~

~~SECRET - LIMDIS~~MEMORANDUM

October 13, 1964

SUBJECT: Indicators of British Activity Against Iraq
and Cooperation with Iran in such Activity.

EO 13526 3.3(b)(1)>25Yrs

1. In August, [redacted] reported in detail an approach by his British opposite number, seeking on a personal basis to enlist US support in a campaign against Nasser and UAR-Iraqi unity. The Britisher said HMG had decided they could not live with Nasser and must do something about him, and they could not stand UAR-Iraqi unity because of their interests in the Gulf. HMG, he said, intended to work with Iran against Nasser and the Aref regime. This approach was closely related in time to the UK approach to the USG to discuss doing something about Nasser.

[redacted] promptly gave a strong negative answer and said he thought that the British were wrong and also that the UK and Iran lacked the assets to achieve their ends. It was the later conclusion of [redacted] that a similar approach was not made in Tehran because of the strong negative reply given in Baghdad. [redacted] also believed that the approach of his opposite number was probably on instructions rather than a personal initiative. 3.3(b)(1)
3.3(b)(1)
3.3(b)(1)

2. First Secretary Egerton, Political Officer of the British Embassy, in August was reported [redacted] to have met with a group of Kurds, to have urged that the Kurds renew military action against the GOI, to have taken a strong anti-Nasser line, and to have said the UK would support the Kurds through Iran with which country the UK planned to cooperate. 3.3(b)(1)

3. On September 7 Egerton strongly took similar line with Shawkat Aqrawi in the home of Jim Akins but did not promise British aid to the Kurds.

4. In early September Shawkat Aqrawi was not allowed to leave Baghdad for Cairo until he returned to Barzani with a message from the GOI saying the British and Iranians were actively working against the GOI and Barzani's assurance of cooperation with the GOI was desired.

5. In early September Hussain Jamil told me the British were openly urging GOI opponents to take action against the regime. This I reported as a local substantiation of the line I personally heard from the British Ambassador and others in the British Embassy.

~~SECRET - LIMDIS~~

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E.O. 13526, Sec. 3.5

NLJ 180c 15-95

NARA, Date 07-15-2016

By ULL

~~SECRET//LIMDIS~~

-2-

6. Iranian Savak chief Pakravan spent two weeks in London in August. The British gave us no information about Pakravan's mission there, nor did the Iranians.

7. From a variety of sources we know that members of the British Embassy have done a good deal of talking against the American Embassy and US policy.

8. The British were active in spreading rumors about the imminent arrival of large Egyptian forces, first in early August and again in late August and early September. As in January of 1964 their reports proved wrong and appear to have been psychological warfare.

9. The British Ambassador and Counselor both left Iraq in the summer, the Counselor in July and the Ambassador in mid-August. This is the pattern the British have used elsewhere when seeking to pull off an operation, [redacted] (They have both been returned to Iraq now.)

3.3(b)(1)

10. In the Yemen situation, the British long persisted in telling us they were not operating against the UAR and Egyptians, but I am informed [redacted] that we have picked up several pieces of evidence which the British have admitted, making them self-confessed prevaricators. If they have done so in Yemen, they can well have done so with regard to Iraq and Iran.

3.3(b)(1)

11. The English language paper in Tehran carried on October 1 a report which had to originate in Baghdad, that the British Embassy in Baghdad told British travelers from Iran that a coup is expected in Iraq in the next two or three weeks. More psychological warfare?

12. Israel plays an important role in Iran and is known to be supporting the Iraqi Kurds. Britain shares with Israel and the Shah a deep antipathy for Nasser. A British Conservative Government undertook the Suez campaign in partnership with Israel and France. It requires little imagination to conceive that, given the depth of HMG hostility to Nasser and the importance of the Gulf to the UK, the British may well engage in covert cooperation with Iran and Israel against a Nasserist-dominated Iraqi regime as well as against Nasser elsewhere.

13. Lebanese Ambassador, recently returned from leave, volunteered to me October 15 that the British are known to be working against Nasser and the GOI, that they openly are agitating against the GOI in Baghdad, that they are in collusion with Iran, and that they are en route to raising Nasser's prestige much higher as they did in 1956 and in Yemen. Asked what evidence he had, the Lebanese Ambassador said there was nothing concrete that would stand up in a court of law, but to those who knew the area well it was perfectly evident from the line taken by persons and publications known to be close to the British, and the Persian line is the same. So far,

~~SECRET//LIMDIS~~

~~SECRET: LINDIS~~

-3-

the US is not implicated, in the Iraqi mind, he said. He said that elsewhere in the world the British have conducted sound policy, but in the Arab world they are so blinded by hatred of Nasser that they have totally lost their perspective and are going to lose again.

COMMENT.

Recently the British in Baghdad have been making pointed efforts to reassure us that their policy in Iraq is not out of line with that of the United States. There are at least three possibilities here:

- A. They are telling the truth, meaning that the British Embassy here has been out of line with the policy of its government. (This is hard to believe.)
- B. The British made an effort to stir something up, have now found they cannot do so, and are pulling in their horns.
- C. The British operation has been made fully covert, with one policy being followed on the surface and the other through the clandestine mechanism. (This is my choice.)

Whatever the explanation, there has been plenty of British-created smoke in the area. There may have been or may still be some fire.

Robert C. Strong

Baghdad
Oct. 15, 1964.

Original and two copies only.

~~SECRET: LINDIS~~

~~SECRET NOFORN~~

MEMORANDUM OF CONVERSATIONS

Subject: British Embassy Officers' Views on British Arab Policy.

From : J. E. Akins, First Secretary, Political Section, Baghdad.

Within the last week Alan Rothnie, Economic Counselor and Charge d'Affaires of the British Embassy, and Stephen Egerton, First Secretary, Political have separately brought up the question of British policy in the Middle East. Both asked specifically that their remarks be kept "personal, confidential and off-the-record". I agreed and blush slightly as I herewith record their views. The men should of course be protected.

Egerton called at the Embassy September 23. As soon as he sat down he said he wanted to apologize for his rudeness to Agrawi (Embtel 247) in my home. He said that he had been highly undiplomatic and unwise; I agreed that he had been and then let the subject drop. Egerton then launched into a discussion of the US-British meetings in Washington on Near East policy. He referred to Ambassador Strong's role in them without, however, going into detail. (I told him we had received nothing from Washington - at the time I had not read the short telegram on the first meetings.) Although he did not mention any specific American complaints against the British policy in the Near East I had the strong impression that he was aware that some accusation had been made that the British were acting out of concert with the United States and that he was trying to smooth over relations between the two Embassies.

Egerton said that British Ambassador, Sir Roger Allen, "who has a brilliant analytical mind" had an unbounded contempt for the Arabs; he refused to call on any Iraqis - even on ministers - and has tried for some time to get a posting to a "civilized country". Sir Roger has strong ideas on what should be done with the Arabs and sometimes he could even give the impression that suggestions he makes facetiously on the necessity of getting rid of one Arab leader or another, are in fact British policy. Nothing could be further from the truth - not that British policy of muddling along has been terribly successful. In any case, Allen is to be replaced in late winter; the Embassy here hopes that the new Ambassador will be an Arabist and that British relations with Iraq will improve.

GROUP 3
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DECLASSIFIED
E.O. 13526, Sec. 3.5
NLJ/RAC 11-55
By LCB NARA, Date 07-18-2012

~~SECRET NOFORN~~

OCT 29 1964

At a dinner September 26, Rothnie discoursed at length on the British policy in the Near East. He repeated much of what Egerton said about Sir Roger, especially his dislike of Arabs, but he talked more of his own views. He said he feared he was out of step with the Foreign Ministry on the entire Middle East policy and he had asked for an assignment to Moscow for a few years. The FO agreed. Rothnie believes he will leave within this year. He objected specifically to the intransigence of the British oil companies; he thought that Britain would be able to preserve its economic interests in the area far longer if the oil companies were more forthcoming in their negotiations with Iraq and that a generous settlement with Iraq on the petroleum issue would go a long way toward improving bilateral relations. He was not^{at} all sure that the British planned to show any conciliatory signs.

Rothnie's greatest complaint was the UK policy toward the protectorates in the Arabian peninsula. He said they are frankly anachronisms. Britain must get rid of them but ~~that~~ the only thing the FO has come up with is the preservation of the status quo. He said the problem was very sticky and he had no pat solution but said it was clear that the current policies could lead only to disaster. He said he thought the British should put their cards on the table. They should inform the Arabs and the world that they intended to withdraw from Arabia and then they should call an international conference to decide ~~on~~ the development of the region. The Egyptians, the Saudis, the Yemeni Republicans (whom Rothnie thought Britain should recognize), the Americans, the Persians and possibly the Iraqis and a few others should sit down with the British and the Gulf shaikhs and sultans and hammer out a solution. Britain should accept any solution the Arabs themselves find acceptable. If no agreement could be reached the proceedings could be published and at least pressure on Britain would be reduced.

I should emphasize that both Egerton and Rothnie criticized existing ~~Brit~~ British policy. Rothnie particularly seemed to think that United States policy was much ~~mf~~ more realistic and had a much better chance of being successful. But neither man in any way implied that any part of British policy is being kept secret from us or that the British have any plans to subvert Iraq or any intention to sabotage our policies. Both men are fully aware of the limitations on British capabilities in the area and both in the past have commented with some amusement on the widespread and highly exaggerated opinion Iraqis have of British abilities to alter the course of history in the Middle East.

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MEMORANDUM OF CONVERSATION

American Embassy,
Baghdad, Iraq,
October 13, 1964.

PARTICIPANTS:

Mr. John Robey, British Charge^e, Baghdad
Robert C. Strong, American Ambassador to Iraq

SUBJECT: Situation in Iraq; Unity; British Policy.

Robey called at the Residence at his request. We talked for 2½ hours. He apologized for coming just two days before the return of his Ambassador, who no doubt would want to see me soon. He gave no reason for his call except that he rather wanted to have a talk.

I. Situation in Iraq.

We agreed that the Iraqi revolution has entered a new phase with the breaking of the economic power of the middle class and with the adoption of state capitalism; that the current power of the Nasserists had been enhanced by foreign pressure, added to internal pressures on the regime; that there was widespread discontent which eventually could lead to a change of government but that as yet the case for a change was not fully developed and there are many who approve of state capitalism; that it remains true that Iraqis will not permit Egyptians to control Iraqi forces or Iraqi financial resources; that Egyptian forces in Iraq are likely to remain small; that the more Egyptians brought in as advisers and officials, the greater the chance of incidents leading to a change; that there is widespread agreement that economic and social conditions in Iraq are shameful and that Iraq must make something of itself and its people, that the GOI wants Soviet political support against external pressures and large-scale Soviet economic assistance for internal development; that the GOI is releasing communists and restoring them to jobs as part of the price for Soviet support and assistance; that as communists improve their position their ability to damage the western position in Iraq would increase; that Iranian policies and actions toward Iraq were misguided and persuasion should be exercised on the Shah to get him to change; and that the Iraqi military who dislike current GOI policies would find it unhealthy to make a move that could be interpreted as cooperation with a foreign country.

II. Unity.

Robey agreed that unity was impossible under present conditions, would be some time in coming if it came at all, and would be unlikely to endure. He agreed that the West should be careful not to appear to oppose unity and should let natural forces in the Arab world operate to the maximum. He

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E.O. 13526, Sec. 3.5

NLJ/RAC 11-55

NARA, Date 07-18-12

By U/LB

CONFIDENTIAL

OCT 23 1964

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agreed that if unity were speeded by the existence of external pressures, the consequences of the breakdown of such unity might be a strong^{er}/communist position in Iraq and grave damage to Western interests. He considered that the Kurdish question must be settled before unity would be possible and that the settlement would be hard to reach. He believes Iraqi character has not changed in recent years and that Iraqis will almost unanimously resist domination by others. At the same time Robey displayed a strong anti-Nasser feeling and a fear that maybe he could achieve something. He showed some fear that the Arabs would think of moving militarily against Israel in the next few years, encouraged by their new-found harmony, but ultimately he agreed that this was unlikely.

III. British Policy.

Robey kept emphasizing the degree to which the British agree with our views, but he often referred to the baneful nature of Nasser's activity and the need to take action to protect Western interests.

I said that since June I had been much disturbed by Iranian policy and actions toward Iraq and had also become unclear as to British policy. I advocated that pressure not be placed on Iraq; that there be no semblance of opposition to Arab nationalism or hostility to Nasser; that the West show no overt concern over Iraqi or joint maneuvers, over the drive for unity, and over stories Egyptian troops were coming to Iraq in large numbers. Robey kept saying the UK had the same position.

Robey agreed that Iraq should be treated normally but added that of course the Gulf was of extreme importance and that since Iraq related to the Gulf, this aspect had to be considered. To my queries, Robey replied that Iraq could not exert effective influence in the Gulf, that even if the UAR used Iraq as a base of action, it could not subvert the Gulf area, and that the Arabs could not detach Khuzistan from Iran. He also agreed there were many ways the Gulf area could be strengthened and he thought Iran was defeating itself in the policies it was pursuing in the Gulf area.

I suggested that a number of things could be done by the UK in the Gulf area to ensure its continued independence of UAR-Iraqi control, that effort and a bit of money might be needed but that the results would be worthwhile.

I took issue with UK policy on Yemen. Robey defended it half-heartedly, as necessary to raise the cost to Nasser.

CONFIDENTIAL

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-3-

On oil in Iraq, Robey said HMG were not interfering and that as far as he knew IPC was genuinely trying for a settlement. He agreed that the oil picture inevitably was changing a good deal and that full scope should be given to development of more realistic arrangements between companies and Arab governments.

I asked about UK policy toward British participation in the construction and financing of development projects in Iraq, I said several Iraqi leaders had made comments to me that the British were unwilling to assist Iraq and thus were unfriendly. I added that I knew UK was promoting exports of equipment and I was not seeking more competition for US companies in Iraq.

Robey replied that British contractors had claims in Iraq, had found it impossible to do business with the Qasim regime, and having plenty of business at home and elsewhere seemed uninterested in Iraq. HMG, he said, did not oppose British participation in Iraq's development, but he failed to confirm that HMG encouraged British firms to work in Iraq or would provide credit guarantees for them. (Robey was rather evasive.)

IV. CONCLUSION.

Robey appeared to have called on me to learn my views and to give me assurances before the return of his Ambassador who has very negative views on Iraq and Nasser. He was quite frank most of the time and departed saying that he personally and HMG really agreed almost entirely with me.

Robert C. Strong

Amb:RCS:mvm
Oct. 14, 1964

cc:

CONFIDENTIAL
NOFORN

Rec'd 10/20/64

This document consists of 4 pages and a 1-page enclosure. Copy 1 of 3 copies

~~SW~~
~~FJ~~
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NE
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FMD
~~CMR~~
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RPD

American Embassy,
Cairo, United Arab Republic,
October 16, 1964.

SECRET

OFFICIAL - INFORMAL

Group 3 - Downgraded at 12-year intervals,
not automatically declassified.

Dear Phil:

I very much appreciated your kind letter of October 2. We have settled ourselves in and are now making the incredible round of official calls expected of us.

We have a lot of work under way on the house, part of which had not been painted for years, and will be somewhat upset for another month until that work is finished. But the collection of paintings that we brought with us from the Woodward Foundation and the work that we are having done to the house encourage us to think that it will be rather attractive when we get through with it. We must continue to search for a permanent residence of our own either by purchase or by construction.

Things look very different from the field! I know that both of us will have the kind of exasperating experience of reading brief telegrams and wondering what those fellows at the other end of the line can possibly be up to.

I am going to give you in this letter a few very tentative reactions with the full knowledge that they may be meaningless in a few days and may have been quite wrong even as initial thoughts. Nevertheless I do have some rather strong impressions, some of which trouble me.

The Honorable
Phillips Talbot,
Assistant Secretary of State
for Near Eastern and South Asian Affairs,
Department of State,
Washington, D.C.

SECRET

DECLASSIFIED
E.O. 13526, Sec. 3.5
DATE 12-15-2001
NAFA, Date 6-2-03

OCT 29 1964

PRESERVATION COPY

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- 2 -

First, I find a strong sense here within the Embassy that there is a gap between Washington, to use that vague term, and the Embassy. Their concerns seem to me to be justified and underline the impression I had in Washington before I left of difference of viewpoint. What we must guard against most vigorously is the danger of changing policy by inaction at the same time that we tell ourselves (and the Egyptians) that there has been no change. There is a restlessness in the Egyptian hierarchy and an uncertainty as to whether there have been changes in our policy, and the fact that we fail to act on small matters to which in their view we are committed only increases their fears and suspicions. While the commodity loan is the most important example, there are others. If we want to change policy, obviously we should do it, but we should not permit ourselves to change policy without being fully aware that we are so doing and without being sufficiently honest with ourselves to say so. I had a good talk with Nick Farr and he talked at length with some of our colleagues here. I made all of these points to him and I believe he understands. He is a bright fellow and got the point.

I suspect that part of our trouble is the eternal problem that has existed between the Department and AID over the years, and that is assessing those circumstances in which we offer aid primarily for political reasons. I doubt that the standard aid measures for justification of economic assistance fit our situation at present. I believe that we are all speaking in rather different voices about the basis on which aid is extended to the UAR. AID is attempting to apply its standard criteria and is emphasizing long-term economic stability, but is not putting in enough aid to bring about the results for which it is programming. Moreover, I doubt that either the UAR or the United States will take the necessary steps to bring about those conditions that would justify aid on purely economic or development criteria. Whether this is true would perhaps be seen by such new economic analysis as we undertake. My strong guess is that we will

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- 3 -

conclude that we are giving aid for political reasons and that it is perfectly well justified on those grounds. If this is true, let us admit it to ourselves and proceed to undertake projects which will most likely bring the political results we seek and that will keep our foot in this important door as obviously and pleasantly visible as possible. If we should agree on an economic assessment and a different basis is established for our program here, I will be delighted, but even if we do, I doubt that the domestic political realities will permit a vastly increased aid program, even if the economic factors justify it.

The recurring rumors of change in our policy around various circles in Cairo have increased the attention directed at our action on the \$20 million loan. Without any doubt our action on this will send a strong signal to the Egyptians. We cannot and should not postpone this decision much longer. I think we must proceed with this loan and I hope that we can act upon it very shortly after the election, and that means a few days. What else do we have to send in to get a decision on this? If there is the slightest indication of trouble in getting this loan, please let me come back to Washington and join the fray. I doubt it will be necessary. I hope that action on the loan need not await Bill Macomber's arrival back in Washington. I will of course review the entire economic situation with him when he arrives here.

Another immediate impression is of much greater Soviet prestige in the Egyptian world than I had hoped to find, and of strong evidence in many quarters that the Soviet presence and influence are increasing fairly rapidly. Many factors must be examined and time must pass before we probably can prove that Soviet influence is really on the rise, but my first impression would support this view. Clearly our own posture becomes more important if in fact Soviet influence is as much on the rise as I suspect.

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- 4 -

Another quick impression is that there is less maneuverability within the Egyptian community than I had hoped to find. It will take time to build up any meaningful relationships with the hierarchy and there is less opportunity for a broader based representational activity than I had anticipated. But we will work on it and may find greater opportunities than have so far been apparent. The main ones seem to be in cultural and educational fields, regarded as safe and harmless by most of the establishment. I feel completely briefed in this area and might even teach them a trick or two.

Life for us is quite pleasant. The children are getting along well in their school (the Cairo American College). It's not quite up to St. Alban's and Cathedral, where they have been before, but they are getting a very special kind of experience, and the happy fact is, I think they appreciate it.

Thank you for your help on Abu Simbel. This was of real importance, and I am glad to have it complete. I will be paying an official visit to these monuments in the near future. The initial press response to the Washington announcement was far less than I had hoped, and I so informed the Minister of Culture and National Guidance, pointing out that if they expected a private committee in the United States to function effectively, they must remember that the source of funds at their disposal was primarily business and philanthropic groups. The absence of public interest here was not, I pointed out, likely to produce enthusiastic giving in the States. This got through, and Hatem is giving a reception to thank us for our contribution, which will take place in a few days. With the Non-Aligned Conference out of the way, maybe we can do better.

Betty joins in warm regards to you and Mildred.

Sincerely,



Lucius D. Battle
American Ambassador

P. S. I have just received the attached memorandum on the reception, which I find disturbing!

~~SECRET~~

PRESERVATION COPY

23e

C O P Y

CONFIDENTIAL

OFFICE MEMORANDUM

October 15, 1964

To: The Ambassador

Through: Mr. Halsema

From: Robert A. Bauer

Subject: Abu Simbel and Conflicts in the UAR Government

Bahei El Din Nassr called me today and requested my visit on an "urgent matter". He was very embarrassed when he told me Dr. Hatem has to postpone the reception on October 24 because of the present situation within the UAR government. There are continuous meetings going on and there "is a big fight between Hatem who is friendly to the West and Aly Sabri who is friendly to the East". Upon my question he said "both domestic and foreign issues are at stake". It would therefore be "politically very difficult" for Hatem to give a party for "the Americans". Hatem wants it to be understood that he will give the reception as soon as the issues are resolved. This seems to indicate that he is optimistic about the outcome of the dispute with Sabri. Bahei El Din expressed his hope that I will be able to convey this "highly confidential and touchy matter" in such a manner to you that you will understand "and bear with them".

RABauer:jmg:gr

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DECLASSIFIED
 E.O. 13526, Sec. 3.5
 NLJ/RAC 11-55
 By LCB NARA, Date 07-18-12

DOT 49 954

PRESERVATION COPY



S/S 13807

DEPARTMENT OF STATE
WASHINGTON
CONFIDENTIAL

October 6, 1964

24 5100
1. Komers to note
2. Return letter to file

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

*Aug ret'd BK
10/7/64
Jung*

Subject: President's Letter Enclosing Moon Shot
Photos for President of Iraq

On the basis of Embassy Baghdad's recommendation in its Airgram A-226, September 10, the Department requested that the Embassy return to Washington the President's personal letter to President Arif which enclosed moon shot photos. The Embassy had notified the Government of Iraq by diplomatic note on August 19 that the letter and enclosure had been received and that the Ambassador would either present them to President Arif personally or the Embassy would deliver them to the Foreign Office for transmission to Arif. Twenty-two days later, September 10, there was still no answer to the note, and the Embassy asked for instructions, recommending that we request the letter and enclosure be returned.

The Embassy commented that it believes President Arif's discourtesy stems from his deep-seated feeling about United States support of Israel. We agree that this is probably the reason, adding only the recollection that Arif has distinguished himself in recent months as seriously lacking in discretion (several reports indicated as much during his attendance along with Khrushchev at the Aswan Dam inauguration ceremonies in the United Arab Republic)

The Department regretfully returns herewith the President's letter and the enclosed booklet.

Grant G. Hilliker
for Benjamin H. Read
Executive Secretary

Enclosures:

- 1. Baghdad's A-226.
- 2. Letter and enclosure.

DECLASSIFIED
E.O. 12958 Sec. 3.5
NLI-3-00001
By *19*, NARA, Date *6-2-03*

GROUP 3
Downgraded at 12-year intervals;
not automatically declassified.

OCT 7 1964

CONFIDENTIAL

ORIGIN ACTION

S/S 56

DEPARTMENT OF STATE

AIRGRAM

SP 10 LIS

24a

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OSD	USIA	NSA

A-226

Confidential - Limdis

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HANDLING INDICATOR

TO : Department of State 10 35

This document consists of 1 page
number of copies, Serial

COPY NO. 52
SERIES B

ANALYSIS & DISTRIBUTION
BRANCH

FROM : American Embassy BAGHDAD

DATE: September 10, 1964

SUBJECT : Ranger Moon Shot Photos

REF : DEPCIRTEL 339, August 21. S/S

Upon receipt of President's letter to President Aref enclosing a booklet of moon photos, we sent a note on August 19 to the Foreign Office stating that either I would present the letter and booklet to Aref personally or the Embassy would deliver it to the Foreign Office for transmission to Aref, whichever he preferred.

Now Aref has gone off to the UAR without the courtesy of a reply, likewise failing to reply to informal inquiry whether he would want to see me before I return to the US for consultations.

Believe Aref's discourtesy stems from his deepseated feeling about US support of Israel.

Request instructions whether (1) to forward letter and photos to Foreign Office for delivery to Aref, or whether (2) to return them to the Department.

Recommendation: Recommend (2). In meantime, should the Foreign Office request they be forwarded, we shall do so.

Robert C. Strong
Robert C. Strong

1964 SEP 15 PM 12 30
COPY/FLC-PGR

DECLASSIFIED
E.O. 12958 Sec 3.5
NLJ-S-18001

By *rs* NARA, Date *6-2-83*

CONFIDENTIAL: LIMDIS

FORM 4-62 DS-323

FOR DEPT. USE ONLY

In Out

Drafted by: Amb:RCStrong:mvm 9/9/64

Contents and Classification Approved by: Amb Strong

Clearances:

OCT 7 1964

THE WHITE HOUSE

WASHINGTON

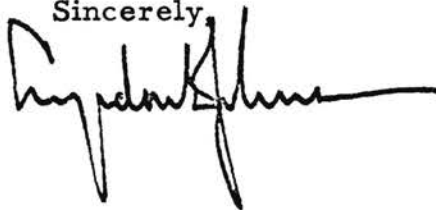
August 6, 1964

Dear Mr. President:


On July 31, 1964, cameras of the United States Spacecraft Ranger VII successfully photographed the surface of the Moon from close range. These photographs represent a very great extension in our knowledge of the Moon. The detail of our perception has improved more in this one step than in the three centuries of evolution of the earth-bound telescope. Having dedicated their efforts to the exploration of outer space for peaceful purposes, the people of the United States hope that this knowledge -- and what is learned in the continuing explorations of the future -- will work to the ultimate benefit of mankind in all lands.

It is, therefore, an honor and a privilege to present to you and your people on behalf of the people of the United States this special set of photographs of the Moon taken on the historic flight of the Ranger VII. These photographs symbolize the continuing desire of the United States that the benefits of this age of scientific discovery may be shared among all nations and all peoples for the cause of peace and human progress.

Sincerely,



His Excellency
Abd al-Salam Muhammed Arif
President of the Republic of Iraq
Baghdad


IRAQI NATIONALIZATION DECREE

After months of official assurances that rumors of impending nationalization were imperialist lies and of emphasizing the place of private capital in Iraq, Prime Minister Yahya announced on July 14 a new decree nationalizing all foreign and domestic-owned banks and insurance companies, as well as a large number of Iraqi industrial firms. He stated Iraq intends to compensate the owners with 15-year, 3 percent bonds and intends to establish a new economic law creating public direct-
orates to control banking, insurance and industrial sectors of the economy.

UAR Influence - Later, on July 14 (the Iraqi national holiday), President Aref read the charter of the new Arab Socialist Union which emphasized that the salvation of the Arabs lay in union and that socialism is a step toward union. The nationalization decision obviously reflects the influence of the pro-UAR and pro-union elements in the regime. As a result of the economic alignment, the Iraqi Government must be considered closer to the UAR and more susceptible to its influence.

The unexpected decree is a heavy blow to the Iraqi business sector which has recently voiced increasing fears that "Arab Socialist" measures might follow the obviously closer Iraq-UAR relations spearheaded by Aref in recent months. The situation bears watching for signs that the Iraqi nationalization move might serve to coalesce anti-regime elements in Iraq, thereby increasing the possibility of a new coup attempt.

US Interests Minimal - For the United States, the principal issue is compensation for the nationalized American capital. The decree affects a small handful of private American investments but appears to have no major effect on the oil industry which is the only really significant field of American investment. The United Kingdom, with broader interests in Iraq, has confirmed to us its concern over the Iraqi action. The Foreign Office noted that a large number of the firms affected are apparently owned in whole or in part by Britons and that is it considering sending a note to the Iraqi Government reserving all rights of British firms. Regarding longer term action, the traditional UK position has been that it does not dispute the right of a sovereign government to nationalize private firms as long as prompt and effective compensation is paid. This position will probably apply in the present Iraqi case.

--Current Foreign Relations, Issue No. 30, July 22, 1964

DECLASSIFIED
E.O. 12958 Sec. 3.5
NLJ-S-08001
By 19, NARA, Date 6-2-03

unity under his leadership among "liberated" Arab states. In this, it represents a marked advance in the subtlety of Nasser's tactics in pursuing the unity objective. The "coordination" document becomes the institutional expression of the "unity of goals before unity of ranks" concept which Nasser has enunciated recently.

In previous unity experience he sought to tailor the institutional frame to specific situations, thereby either frightening other Arab states or making unity appear as an empty slogan. In contrast, the coordination agreement is flexible enough to invite membership on the part of any Arab state which can attain a "liberated" status. Thus the coordination agreement provides Nasser on one hand with the machinery for a modest but solid progress toward unity under Cairo's tutelage, and, on the other, with a symbol dramatizing the solidarity of the "liberated" Arab camp. The symbol of Nasser's new and more realistic approach to Arab unity can be expected to exert a strong pull on the educated citizenry in "liberated" Arab states.

Nasser's statement at the signing ceremony that with the Yemen agreement "there is now common action between the UAR, Iraq, Yemen and Algeria" has given rise to speculation that Algeria will be next to join in a similar coordination agreement.

Saudis Reassured - Although believing no meaningful change in UAR-YAR relations has been brought about, we were concerned over the possible reaction of Saudi Prince Faisal to the accord. We therefore informally conveyed to the Saudis our impression that the present agreement appears to be a formalization of the UAR-YAR accord announced April 28, which provided for the creation of a "high council for joint coordination." The same communique noted that constitutional unity should be delayed until the border between Yemen and the South was secure and until the withdrawal of Egyptian forces. Nasser's July 13 speech underlines that coordination is not new.

Particularly in view of the apparent past reluctance of most UAR as well as YAR officials (except Sallal) to support full unity, there is little reason to anticipate any greater implementation of the new agreement than has taken place between the UAR and Iraq since conclusion of their similar accord in May.

UAR Troops in Yemen - We realize that the agreement could be used as a pretext for legitimation of the continued presence of UAR troops in Yemen. However, a coordinated military command has clearly existed for many months; and, realistically, troop withdrawal will continue to be dependent upon the UAR's analysis of the Yemen security situation rather than on the presence or absence of a formal coordination agreement. We further informed the Saudis, in response to their query, that the US position is that the UAR-YAR Coordination Agreement has no effect on commitments under the Yemen disengagement agreement and that we will continue to exert our efforts to bring about disengagement undertakings.

*

--Current Foreign Relations, Issue No. 30, July 22, 1964

THE WHITE HOUSE

06585

OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

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26

42

Origin
PR
Info:
SS
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NSC

ACTION: To Be Sent July 13, 1964.
USIA Do Not Release Before July 14.
Send info copy Amembassy Baghdad. 32

Jul 13 12 13 AM '64

Log books

HIS EXCELLENCY

ABD AL-SALAM MUHAMMAD ARIF, *

PRESIDENT OF THE REPUBLIC OF IRAQ,

BAGHDAD.

KUNDY-SMITH
ALEXANDER
BATOR
BELK
BRUDECK
CHASE
FORRESTAL
JESSUP
JOHNSON
KENNY
KLEIN
KOMER
MOODY
ANDERS
SAYRE

The people of the United States of America
join with me in extending to Your Excellency and
to the people of Iraq warm wishes and hearty
congratulations on this celebration of the National
Day of the Republic of Iraq.

LYNDON B. JOHNSON

Drafted by: U/PR:LNichols:pr 7/6/64

Telegraphic transmission and
classification approved by:

Angier Biddle Duke
Chief of Protocol

Cleanances:
NE - Mr. Dinsmore
NEA - Mr. Talbot

S/S-C - Mrs. Halla
S/S - Mr. Davies

WHITE HOUSE CONCURRENCE NOT NECESSARY

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JUL 13 1964

FORM 5-61 DS-322

05225

OUTGOING TELEGRAM Department of State

INDICATE COLLECT
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Origin

ACTION: **AmEmbassy BAGHDAD 25**

Handwritten signature and scribbles

Jul 9 8 26 PM '64

Handwritten note: 2239 7/4/64

NEA
Info

SS
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Following message sent President Johnson by President Arif:

QUOTE On the anniversary of the Declaration of U.S. Independence it pleases me to extend to you on my behalf and in the name of the Iraqi people heartfelt congratulations with best wishes for your personal happiness and for the continued progress and prosperity of the friendly American nation UNQUOTE

Johnson

President/*replied* as follows: QUOTE On behalf of the American people I thank you for your kind message of best wishes on the 188th anniversary of our nation's independence UNQUOTE

Handwritten note: 2239 Arif 7/9/64

White House does not plan release. No objection if GOI wishes to do so.

END

- ___ BUNDY-SMITH
- ___ ALEXANDER
- ___ BATOR
- ___ BELK
- ___ BRUBECK
- ___ CHASE
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- ___ SMITH, WM. Y.

ACTING

BALL

Drafted by:

NEA:NE:LFDinsmore:he

7/9/64

Telegraphic transmission and

classification approved by:

NE - Rodger P. Davies

Clearances:

3/3-8 - Mr. Higgins

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Current Support Brief

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NEW DEVELOPMENTS
IN SOVIET MILITARY AID TO IRAQ

□

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EO 13526 3.5(c)



CIA/RR CB 64-24

March 1964

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

~~NO FOREIGN DISSEM~~
~~SECRET~~

~~GROUP 1
Excluded from automatic
downgrading and
declassification~~

MAR 25 1984

SANITIZED
E.O. 13526, Sec. 3.5

NLJ/RAC 11-56

NARA, Date 03-21-2014

by UGW

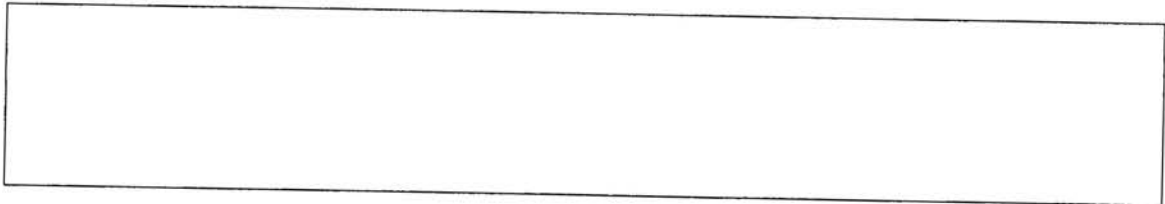
WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

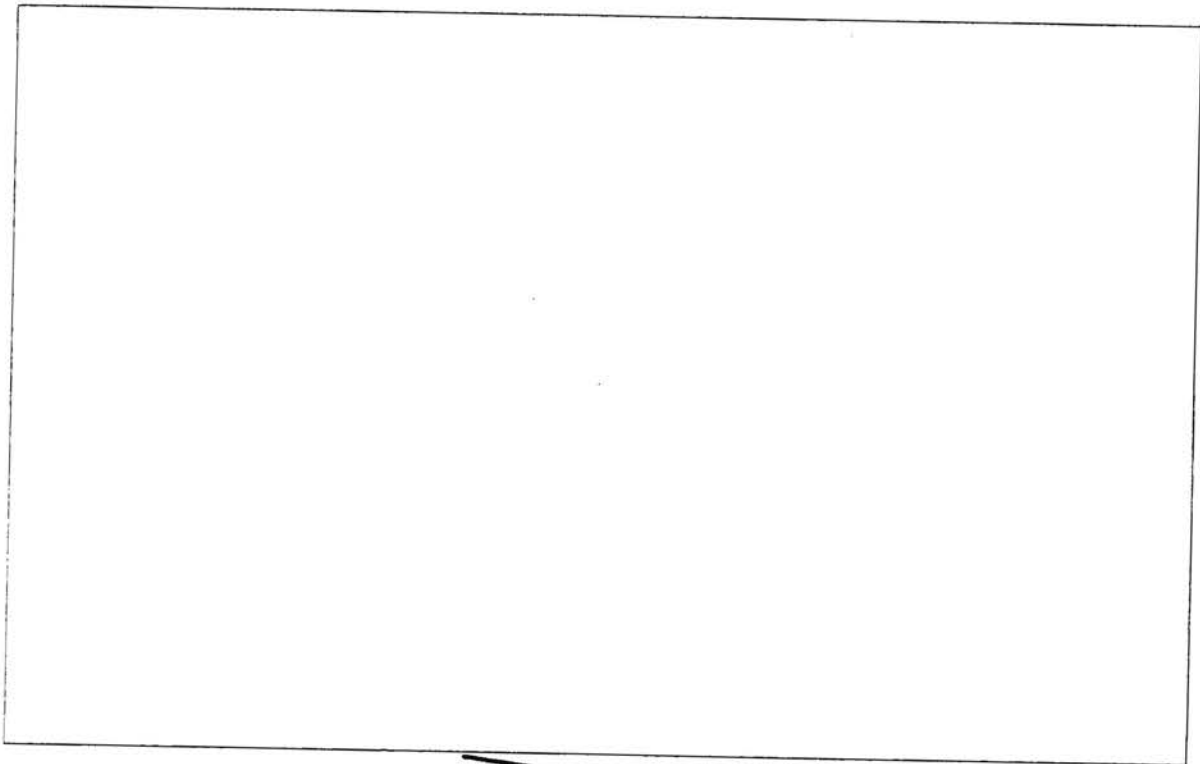
~~S-E-C-R-E-T~~

NEW DEVELOPMENTS
IN SOVIET MILITARY AID TO IRAQ

The USSR apparently has agreed to an Iraqi proposal to substitute additional aircraft and land armaments for the canceled surface-to-air missile (SAM) program. The new equipment reportedly includes MIG-21 jet fighters, tanks, armored cars, spare parts, and ammunition and will add to the sizable Iraqi arms inventory acquired under the Qasim regime. After a period of strained relations and a cessation of military deliveries following the Ba'athist overthrow of the Qasim regime, Soviet deliveries of military equipment resumed last September.

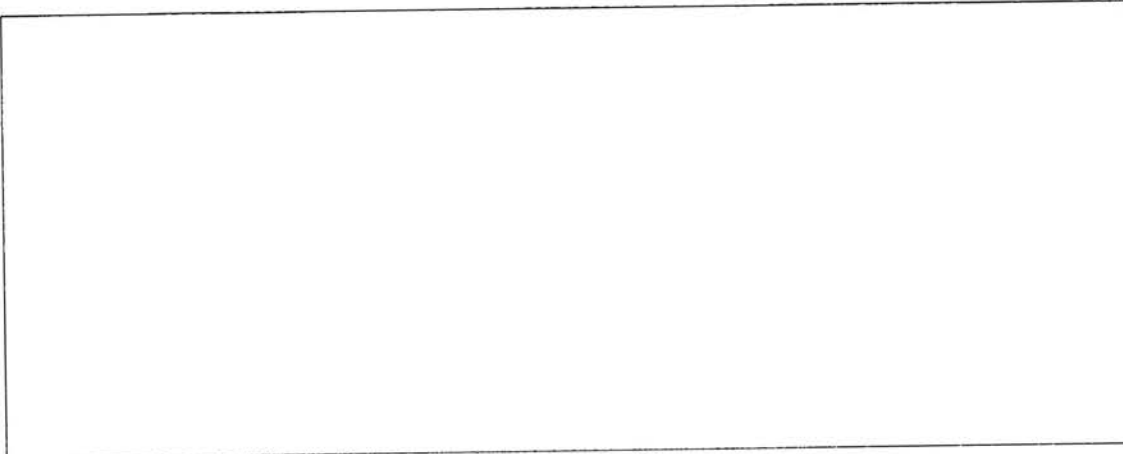


Barring any new agreement, annual payments by Iraq for its arms purchases should remain at about [redacted] through 1965. If a new agreement is signed, however, the repayment schedule may be revised.



~~S-E-C-R-E-T~~

MAR 25 1965



2. Earlier Strained Relations and Interruption of Deliveries

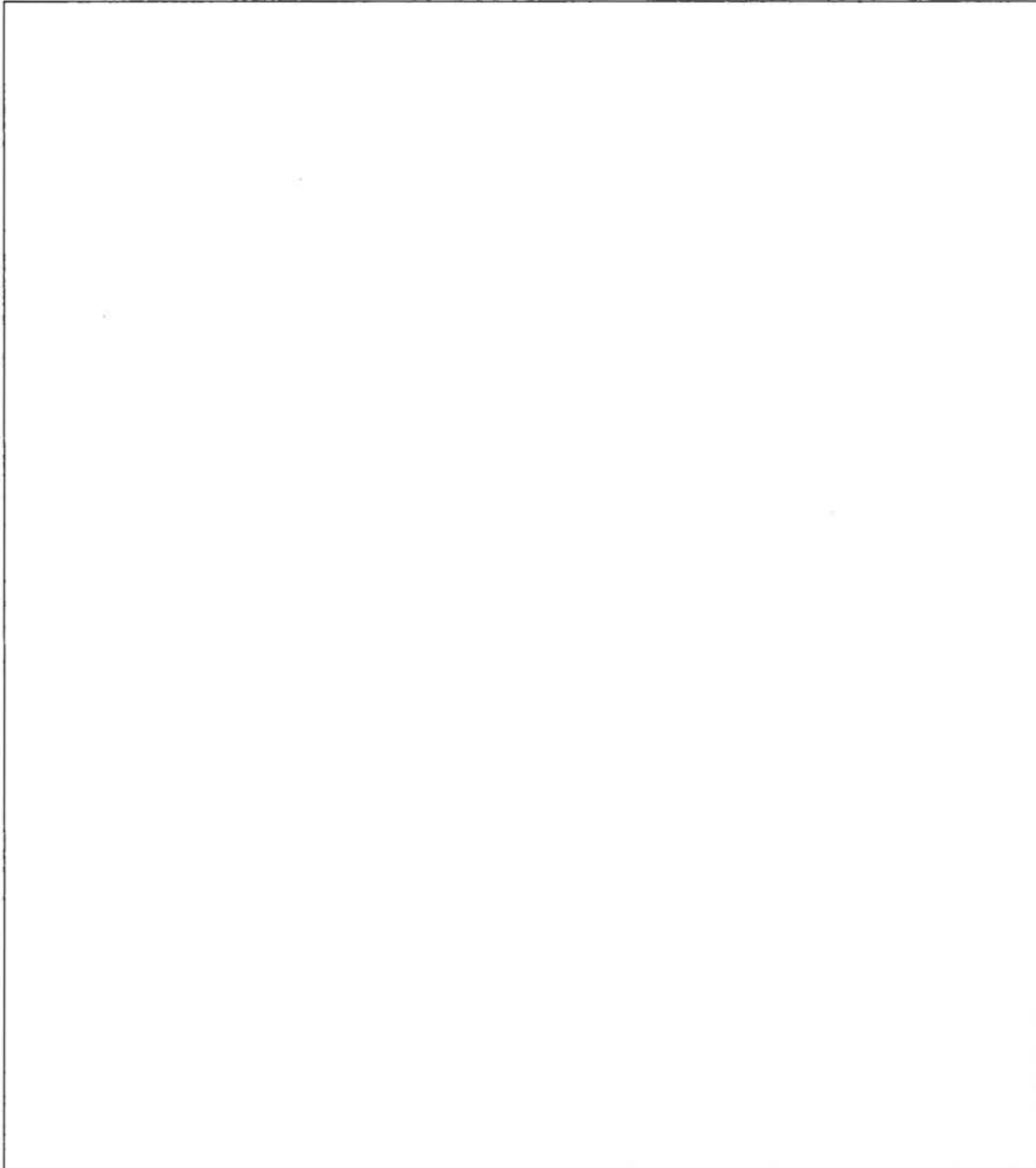
These developments point up a marked improvement in Soviet-Iraqi relations from the strained period following the overthrow of the Qasim regime on 8 February 1963. Following the coup, the severe repression of Iraqi Communists and a renewed offensive against the Kurdish minority by the new Ba'athist regime provoked a strong Soviet reaction, followed by counterpropaganda from the Iraqi side. A general review of Bloc-aided economic development plans was initiated by the Iraqi Government, a number of Bloc industrial projects were canceled, and alternative sources of military equipment were sought by Iraqi authorities. In addition to turning to non-Bloc countries for military items, the Iraqis sought to cancel an earlier commitment to accept Soviet SAM's.

The exacerbated Soviet-Iraqi relations resulted in a temporary cessation of military deliveries. For 3 months during the summer of 1963 the USSR denied specific Iraqi requests for military equipment, spares, and ammunition and delayed major items such as MIG-21 jet fighters and Mi-4 helicopters that were scheduled for delivery under previous contract arrangements.

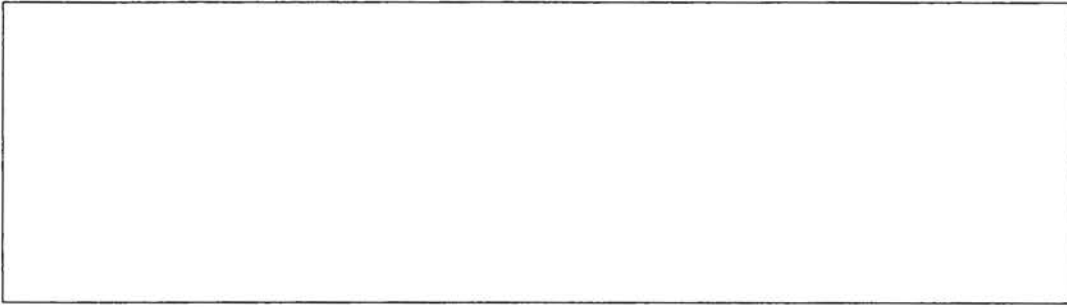
3. Improvement of Relations and Resumption of Deliveries

After relations had remained strained for several months, both sides apparently realized that each had much more to gain from an improvement in relations. Initiative for improving relations apparently came from the Iraqis, who already had a substantial built-in

dependence on Bloc sources of supply for spare parts and ammunition of all types -- from aircraft rockets to small-arms cartridges -- and for maintenance and operational training of personnel to assure effective use of equipment.

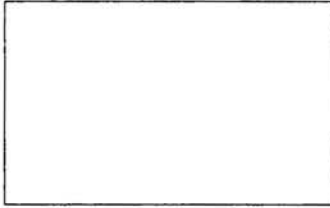


~~S-E-C-R-E-T~~



Analyst:

Coord:



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DEPARTMENT OF STATE

AIRGRAM

157 US/JOHNSON

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HANDLING INDICATOR

TO : DEPARTMENT OF STATE

JAN 13 PM 4 12

Handwritten signature

MAIL & DISTRIBUTION

FROM : Amembassy, BAGHDAD

DATE: January 9, 1964

SUBJECT : Transmitting Reply of the President of Iraq to Seasons Greeting Card from President and Mrs. Johnson.

REF :

Attached is the reply of President and Mrs. Abd al-Salam Muhammad Arif to the Seasons Greeting Card sent to them by President and Mrs. Johnson.

The card, delivered to the Embassy by the Foreign Ministry on January 8, 1964, is translated as follows:

In the name of God the Beneficent, the Merciful

Republic of Iraq
Presidency of the Republic
Protocol

With best greetings for the New Year

(signed) Staff Field Marshall Abd al-Salam Muhammad Arif
President of the Republic of Iraq

Mrs. Abd al-Salam Muhammad Arif

January 1964.

For the Ambassador:

William C. Lakeland
William C. Lakeland
First Secretary of Embassy

Enclosure: *Handwritten initials*

As Stated.

UNCLASSIFIED

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In Out

FORM 4-62 DS-323

Drafted by: POL:JMLord:mh:01/09/64

Contents and Classification Approved by: AMB:RCStrong

Clearances:

JAN 14 1964

Handwritten note in box

- ~~BUNDY-SMITH~~
- ~~ALEXANDER~~
- ~~BELK~~
- ~~BRUBECK~~
- ~~CHASE~~
- ~~DINGEMAN~~
- ~~DUNGAN~~
- ~~FORREST~~
- ~~JOHNSON~~
- ~~KILLIFF~~
- ~~KLEIN~~
- ~~KROMER~~
- ~~SAUNDERS~~
- ~~SCHLESINGER~~
- ~~SMITH, WM. Y.~~

UNCLASSIFIED

Enclosure 1, Page 1
Airgram No. A - 557
Baghdad, Iraq.

Reply of President and Mrs. Abd al-Salam Muhammad Arif to the
Seasons Greeting Card sent to them by President and Mrs. Johnson.

UNCLASSIFIED



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

American Embassy, Baghdad,
December 12, 1963

OFFICIAL-INFORMAL

CONFIDENTIAL

Dear Bob:

The past three weeks have gone rapidly, and there has been much to do, but the shocking death of President Kennedy is still hard to accept. Mrs. Kennedy and his family must find it so, too. I've often thought of you and others on his staff who were close to him, and of the profound personal loss you all feel. I know the depth of your emotion because of my own, which is based on a much more limited association.

Among the staff of the Embassy there was an insistence that we hold a memorial service. Among the Iraqis there were many who evidenced the same sense of loss as ours. Therefore I called in the leading Protestant and Jesuit clergymen on November 23d and worked out with them the service, a copy of which is enclosed. One of our men selected choral and organ music and played it over the amplifier system with great effect. Also on November 23d the Foreign Minister responded at once to my request for use of the only suitable large hall in Baghdad, not far from the Embassy, seating over 800. It was nearly filled. The service was very impressive, lasting 45 minutes as planned. The reaction to it was one of gratitude. It seemed to meet the needs of those present. A copy of my eulogy is enclosed. While a good deal more could have been said, and other expressions could have been used, to me it embodies the essence of the man and it fit the occasion.

I am pleased that President Johnson has asked the staff to continue. No doubt there will be changes eventually, but I voice the hope that you will not be leaving. Continuity is indeed essential and can be had only in continuity of personnel.

Our problems here have seemed minor since November 22. Gradually they will return to normal perspective and assume greater importance in our minds. It seems unlikely that stability has been achieved and

The Honorable
Robert W. Komer,
Room 372, Executive Offices,
The White House.

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E.O. 11652, Sec. 3.5
By 19 6-203

DEC 31 1963

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that things can remain as they are indefinitely. Something is going to have to give, but I cannot predict when. There is a prospect of further violence. It could be sudden and limited, or it could begin slowly and grow into something longer and bloodier. The Ba'ath Party has a considerable residue of strength. It may feel obliged to mobilize that strength for action in the not distant future, lest its residue be whittled away to impotence. On the other hand, it may not be able quickly to marshal an organization sufficiently united or sufficiently strong to undertake a coup, and its tactics may turn to harassment, sabotage, and even assassination. There are too many unknown factors at present to enable us to draw conclusions, including the behavior of certain key people under varying circumstances, or even what support they can muster from where, but we shall be keeping a close eye on all indicators no matter how small.

In the meantime, our best bet is to make it clear by word and deed that we will deal evenhandedly with any non-communist government in power.

This is all for now. May all go smoothly in this transition period. I've just read about our Yemen policy in the "Reporter" (Horton's piece). I gather he doesn't like it. Must have an axe to grind.

Sincerely,



Robert C. Strong

Enclosure:

Eulogy.

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MEMORIAL SERVICE
for
JOHN F. KENNEDY
The late President of the United States of America

11:00 a.m. Monday, November 25, 1963
at Khuld Hall, Baghdad

PROGRAM

- Prelude - Music
- Call to worship - Invocation
- Reading of scripture - 23rd Psalm
Eulogy
Ambassador Robert C. Strong
- Music
- Reading of scripture - 90th Psalm
Prayer
- Music
- Reading of scripture - 50th Psalm
Prayer
- Music
- Reading of scripture - John 11:1-27
Benediction
- Two minutes of silence in memory of President Kennedy
Postlude - Music

Participating Clergy:

- Reverend Father John P. Banks, S.J.
Reverend Morton S. Taylor
Reverend Father John J. Williams, S.J.
Reverend Lawrence Richards

DEC 31 1963

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EULOGY FOR PRESIDENT KENNEDY, DELIVERED BY
AMBASSADOR ROBERT C. STRONG
November 25, 1963

We are met here to do honor to the memory of a remarkable man.
¶ President John Fitzgerald Kennedy was a man of great courage and determination, yet a man of deep compassion.

He was a man of action, but a man of penetrating thought.

He possessed great drive to accomplish, yet ever he had a human touch.

He was burdened by office, but led an appealing family life.

He suffered personal tragedies and handicaps, yet overcame them by a sense of higher mission.

He was a believer in great power, but equally believed that power must be responsibly employed.

He was born to great wealth, yet believed deeply in equality of opportunity and equality before of the law.

He was a master politician, but a statesman who rose above partisan politics.

He was young, yet old in his knowledge of life, of history, and of what makes history.

He was a soldier, but devoted to the pursuit of honorable peace.

He was an American patriot, yet a friend to all peoples.

President Kennedy has been cut down in the flower of his life. We mourn his passing. ¶ His wife has lost a dear husband. For her we sorrow. ¶ His children have lost a loving father. For them we weep.

A nation and the world have lost a great leader. For the nation and the world let us not weep. President Kennedy's work will go on. The spark he struck has become a brightly burning light, fueled by the ideas and energies of a vast nation. That light will ever burn brightly, as a new leader carries on, sustained by the nation, knowing that from beyond the grave President Kennedy would say: Take little time to mourn. There is work to be done. There is much to be built. There is injustice to be rooted out. There are poverty and ignorance to be overcome. There are fears to be destroyed. There are freedoms to be gained. There are new worlds to be explored. There is peace to be won. Carry on.

We will carry on.

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DCS/111 - 12/9/63. 32

agreement with Ceylon contain a large grant component on the order of that contained in the agreement with India. The Prime Minister reportedly will hold a session after December 8 when the Minister of Commerce returns to Ceylon to seek to arrive at a lump sum figure for oil negotiations. She reportedly hopes for agreement within one week thereafter. Negotiations with Shell have run into problems, however, and the British High Commissioner has requested an appointment with the Prime Minister. Ambassador Willis has also requested an appointment to explain that the lump sum settlement discussed with Grant is feasible only if the Government is ready to talk about a figure covering the totality of properties of the oil companies. (Confidential)

8. Foreign Minister Anticipates Closer French/Pak Cooperation -- Upon his return from the US on December 5, the Karachi press reported Foreign Minister Bhutto as "fairly satisfied" but otherwise noncommittal on the outcome of his talks with President Johnson. He had informed the President that President Ayub would like to meet him at the earliest opportunity. Bhutto said he was particularly happy over the talks he held in France. He felt the conversations would bring a closer degree of Franco-Pak cooperation "especially in the political and economic fields." (Unclassified)

9. New Iraq Foreign Minister Sympathetic to US Contractor Claims -- In a December 4 meeting with the new Iraqi Foreign Minister, Ambassador Strong urged early consideration and settlement by the new Government of outstanding claims of US contractors (See DCS/110, Item 4). The Foreign Minister said he would repeat the previous government's directive to the Ministries for an early settlement of the claims; suggested that US firms send representatives to deal with the Ministries and offered the aid of the Foreign Ministry if difficulties were encountered. In a review of US aid policy toward Iraq, Strong said that, in view of Iraq's good foreign exchange position, we could not justify development loans but were prepared to continue the present type of assistance, i. e., participant training and Texas contract, supply of specialists, Eximbank financing, PL 480 assistance and encouragement of other governments and international institutions to find ways to be helpful. These, plus oil revenues which would grow if GOI and IPC could work things out, would provide Iraq with all the financing it could absorb. The Foreign Minister's attitude was friendly and warm. He expressed thanks for US aid to date and said he had been impressed when in the US by the generosity of the American people. (Confidential)

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By 19 NARA, Date 6-2-03

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FAR EAST

10. Rate Increase Delay on IDA Rail Loan to Korea of Concern -- USAID Seoul has been concerned about the ROKG failure to apply a 25 percent increase in freight rates called for under the \$14 million IDA loan to the Korean railways; the agreement stipulated an increase as of 1 July 1963. ROKG declined to initiate the rate increase first on alleged economic grounds, and secondly, because of fear of adverse political reactions when elections were pending. On December 5 the EPB Chairman told USAID Director Killen that ROKG desired to delay the increase until March 1, 1964, and asked for Killen's reaction. Killen pointed out that the loan involved IDA, a part of the World Bank, and was in no way associated with USG responsibility, ROKG must deal exclusively with IDA, and that it was his personal view that ROKG had fumbled the matter badly. Killen said it seemed there was no alternative now but to take action to apply the appropriate increases not later than January 1. Last Saturday, both the EPB Chairman and the SCNR Chairman of the Finance and Economic Committee told Killen the Cabinet and SCNR approved on December 6 a 15 percent increase in both freight and passenger rates effective as of January 1. The EPB Chairman said IDA was being informed that day (December 7). (Limited Official Use)

11. Special ECAFE Conference on Asian Economic Cooperation -- Although excluded from working sessions, Embassy Manila was invited to attend the opening session December 3 of the Special ECAFE Conference on Asian Economic Cooperation in Manila. The address given for President Macapagal asked for common action to break down barriers to intra-regional trade and investment and for mutual assistance to expand and diversify agricultural and industrial output. ECAFE Executive Secretary U Nyun called for a greater measure of import substitution through regional programs, for intra-regional trade expansion and for complementary industrial development. The Ministerial Conference concluded on December 6 with unanimous adoption of the resolutions for a six-point economic cooperation action program and a common approach at UNCTAD. The six points are: (1) liberalization of trade, removal of quotas and reduction of tariffs in the area; (2) concerted measures for promotion of exports of primary commodities at remunerative and reasonable prices; (3) coordinated establishment of industrial and other projects on a regional and sub-regional basis; (4) establishment of an Asian Development Bank; (5) rationalization of ocean freight rates; (6) coordination of air transport facilities.

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DEPARTMENT OF STATE
BUREAU OF INTELLIGENCE AND RESEARCH

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Research Memorandum
RSB-155, December 9, 1962

To : The Secretary
Through: S/S
From : INR - Thomas L. Hughes *TLH*
SUBJECT: Soviet-Iraqi Relations: Arif and the Ba'th

- ~~BUNDY, SMITH~~
- ~~ALEXANDER~~
- ~~BRUBACK~~
- ~~CH...~~
- ~~DU...~~
- ~~ED...L~~
- ~~FORRESTAL~~
- ~~JOHNSON~~
- ~~KLEIN~~
- ~~KOMER~~
- ~~SAUNDERS~~
- ~~SCHLESINGER~~

The confusing sequence of events in Iraq leading to the seizure of power by Arif has once more demonstrated the instability of Arab politics. This paper assesses the Soviet reaction to the latest coup in Iraq.

ABSTRACT

Although Moscow and the Iraqi Communists worked for the overthrow of the Ba'thist regime in Iraq, neither played a detectable role in the coup that brought Arif to power, thereby once again demonstrating their inability to influence developments in the Arab world. After a period of extreme caution while trying to determine Arif's stability and political orientation, the Soviets appear to be trying to encourage a new Kurdish settlement and to further weaken and divide the Ba'th by rehabilitating what they now describe as "moderate" Iraqi Ba'thists. This will probably be followed by an effort to encourage Arif to broaden his regime by inclusion of pro-Barzani Kurds and "democratic elements" in return for new Soviet military and economic assistance programs. Since the new government is not likely to concede much on either point, Soviet forbearance may be short-lived.

GROUP 3
Downgraded at 12-year intervals;
not automatically declassified

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By 19 NARA, Date 6-2-03

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Soviet Position Prior to Coup

Moscow has undoubtedly been impressed by two elements in the recent political turmoil in Iraq. For some months communist propaganda directed against the Ba'th regime had stressed the weakness and internal contradictions within the Ba'th Party. Moscow probably feels that events had borne out the accuracy of this assessment. At the same time, both Soviet policy and local communists showed themselves to be completely impotent in influencing Arab politics -- neither had in the end played a role in the overthrow of the Ba'th regime in Iraq although both had worked tirelessly to that end. Developments in the Arab world unfolded independent of communist influence, with Moscow remaining on the sidelines as an interested, watchful, and somewhat frustrated observer.

Soviet Press Cautious

Moscow responded to the confusing sequence of events in Iraq leading to the overthrow of the Ba'th regime first with elation, then caution, and finally with some bewilderment and reluctance to comment. Soviet news media, which had long attacked the Iraqi regime as fascist and imperialist-controlled, eagerly seized upon initial reports which suggested that the Ba'th was divided and that it was losing control. On November 15, Soviet commentaries attributed the Iraqi repression of both Kurds and domestic communists to the influence of the so-called extremist faction of Ba'thists. They approved when As-Sa'adi, the putative leader of the "extremists," was exiled from Iraq, although Izvestiya cautioned that "it would be premature to talk of victory by some sort of allegedly healthy elements of Ba'th."

The exodus of the Ba'th "moderate" leadership from Baghdad the following day, followed by Arif's seizure of power on November 18, caused Moscow to suspend comment and for a time to provide only factual accounts of Iraqi political developments. On November 20 an isolated, tentative commentary in Pravda expressed satisfaction over the apparent downfall of the Ba'th, although at the same time it continued to stress the significance of the defeat of the "extremist Ba'th clique." However, it equivocated on the meaning of Arif's coup and recommended caution: "It is difficult to make exhaustive conclusions about the forces which have come to power in Iraq before the dust...settles."

Gradually the Soviets regained equilibrium, focused on the Arif regime, and assessed the meaning of the new situation to Soviet policy. The Soviet press reported, under a Cairo dateline, the declaration by Tahir Yahya, the new Iraqi Premier, of Iraq's continued adherence to the Cairo Declaration of April 17, 1963 on the projected union of Iraq, Syria, and the UAR. Pravda viewed the dissolution of the Ba'thist "National Guard," which had

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"stained itself by its repression of democratic leaders," as a defeat of Ba'th "extremists" and explained the presence of Ba'th "moderates" in Yahya's cabinet as a political compromise: the Ba'th survived as a political force at the price of relinquishing its "dictatorship" over Iraq. Moscow also reported Arif's press conference of November 21, at which he made a conciliatory reference to the Kurds and announced Iraq's nonalignment and willingness to accept military and economic aid from any source if free of restrictive conditions. A Soviet-inspired campaign on behalf of the Kurds, which began even before Arif's remarks, quickly gathered momentum in a manner reminiscent of the one the Soviets launched at the time the Ba'thists were negotiating with the Kurds during the early period of their rule.

Equivocations Concerning the Ba'th

Of special interest has been the Soviet equivocation toward the Iraqi Ba'thists as compared with Moscow's former intransigent hostility. When the Ba'th became a significant political force in Arab affairs following its assumption of power in Iraq and Syria, Soviet propaganda differentiated between Syrian and Iraqi Ba'thists, handling the former with relative restraint while accusing the latter of being fascists, imperialists puppets, and perpetrators of genocide. Although the Soviets never went so far as to suspend their programs of military and economic aid to Iraq when the Ba'th overthrew Kassim, they considered taking this step because of the resumption of the Kurdish campaign and because of suspicions that Ba'thist efforts to disengage from dependence on Soviet aid constituted the first step in a shift toward a pro-Western orientation. The Ba'th regime in Iraq became subjected to intense Soviet pressure aimed at securing basic changes in its policies or its removal altogether.

Moscow's differentiation between Iraqi and Syrian Ba'thists was caused by such considerations as Soviet allowances for Nasser's relations with Syria and Iraq and the somewhat different internal problems of Syrian and Iraqi communists. But equally important as a factor in determining Moscow's posture was the circumstance that Soviet and Arab communists alike opposed the Ba'thist goal of Arab unification because of their opposition to any scheme of Arab unity contaminated by "imperialist" influence or controlled by a "reactionary" ideology.

Arab Socialism

Compared to the simple and straightforward Soviet opposition to the Arab unity plank of the Ba'thist platform, Moscow's attitude toward the Ba'th program of "Arab socialism" is more complex. It must be viewed in the light of the communist view of noncommunist "national-type" socialist movements characteristic of many newly independent and underdeveloped states. While criticizing them as "chauvinistic", "utopian", "petty bourgeois", and "nonscientific", communists nevertheless admit that such movements can play a progressive role in preparing a country for the eventual introduction of

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true Marxist socialism. Thus, in considering whether to support or oppose regimes like Nasser's or the Ba'thists, Moscow can bend ideological considerations either way and base its posture on other factors.

In the case of the UAR, the Soviets have supported Nasser and have given occasional praise to his brand of Arab socialism because they find that his policies tend, on balance, to further their short-range goals in the Middle East. He accepts Soviet aid, works effectively to eliminate Western interests from the Middle East, and provides valuable leadership to the nonaligned bloc of nations, including support to India in its dispute with Communist China. In Moscow's view these elements of his policy temporarily outweigh the fact that Nasser preserves his freedom of action, keeps local communists on a short leash, and pursues long-range goals that are incompatible with Soviet long-range goals.

The Ba'thists, on the other hand -- although their vague program of Arab socialism hardly differs from Nasser's socialism -- have followed other policies hostile to immediate Soviet interests. Iraqi Ba'thists disengaged from excessive dependence on Soviet military and economic aid in favor of a more neutral form of nonalignment involving acceptance of aid from both East and West. At the same time they embarrassed Moscow with their campaign to subdue the Kurds, engaged in an energetic propaganda duel with the Soviet bloc, repressed local communists, and even showed friendship for Communist China. In recent months Moscow has published lengthy analyses of the Ba'thist ideology stressing its inherent contradictions and predicting internal disputes within the Ba'th leading to its disintegration as a political force.

Now that Ba'thist control over Iraq has been reduced to Ba'thist participation in a coalition government, Moscow appears willing to rehabilitate individual Ba'thists in its own eyes by dubbing them as "moderates." The expectation that splinter groups might defect from the Ba'th to more progressive coalitions is not a new element in communist calculations. It was discussed at a conference of Marxist theoreticians from Middle Eastern communist parties held in the summer of 1963 under the auspices of Problems of Peace and Socialism, the Moscow-dominated journal of international communism. According to accounts published recently in Problems of Peace and Socialism (October 1963) and an Israeli communist paper (Kol Haam, Nos. 9, 11, 14, 15, and 17, October 1963), the conference welcomed the split of the Hawrani group away from the main Ba'thist organization in Syria headed by Michel Aflaq, and fully expected other intra-Ba'th disputes to take place, leading to the participation of Ba'thist splinter groups in a "progressive" coalition government in Syria:

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"It is still difficult to say which way the Ba'th Party will take the country [Syria].... The present situation in Syria is conducive to the formation of a broad coalition of communists, independent socialists, democratic nationalists, and Akram Hawrani wing of the Ba'th Party and part of the Aflaq Ba'thists and some progressive groups of the national bourgeoisie." (Problems of Peace and Socialism, October 1963, p. 66.)

Prospects

The failure of the Soviets to attack the participation of individual Ba'thists in the Iraqi cabinet formed after Arif's seizure of power, together with the sudden Soviet discovery that Ba'thist "moderates" exist in Iraq as well as in Syria, seems to indicate Moscow's awareness that the political developments expected to take place in Syria may have in fact materialized first in Iraq. In any case, the caution of Soviet comment on events in Iraq and the preference to wait until the dust settles shows that Moscow is still uncertain about the character of the Arif regime, its stability and political orientation. The Soviet revival of propaganda for a settlement of the Kurdish problem indicates that Moscow will also probably attempt to persuade Arif to follow two other policies essential to the furtherance of Soviet objectives: the broadening of his government to include "democratic elements" and pro-Barzani Kurds, and the adoption, as in Kassim's time, of an anti-Western form of nonalignment involving heavy dependence on Soviet assistance. Since the current Arif regime does not include any leftists and shows no signs of conceding much on either point, Soviet hopes and Soviet forbearance may be short-lived.

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Iraq

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NEAR EAST - AFRICA

5. Baathists Being Removed From Iraqi Government

Anti-Baathist officers and members of the government have begun to eliminate Baathist influence in the regime.

The Baathist minister of communications, a leader in the moderate faction of the party, has been eased out of office and exiled to Beirut with several associates. Baathist Vice President Bakr reportedly is also leaving the country. Hardan Tikriti, a strong Baathist who holds the key Defense Ministry post, has requested a British visa.

Pressures for a move against Baathists still holding positions of power have been growing among "Arab nationalist" army officers and government of-

ficials desiring closer relations with Cairo. President Arif has apparently acquiesced in the action against the Baath, but his role in the move is not yet clear.

While the anti-Baathist faction now appears to have the upper hand, the fate of 4th Division commander Nasrat is not certain. A dedicated Baathist, he reportedly has surrounded Baghdad in the expectation of a showdown. If he still retains his command, he may attempt to redress the present situation.

The decay of the Baathist position in Iraq is almost certain to further undermine the position of the party in Syria.

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CURRENT INTELLIGENCE DIGEST

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NARA, Date 07-15-2016

By ULL

~~SECRET~~*Middle East*

NEAR EAST - AFRICA

6. Middle East Oil

Major international oil companies and Secretary General Rouhani of the Organization of Petroleum Exporting Countries (OPEC) still have not reached agreement in their negotiations regarding increasing oil revenue for Middle Eastern producing countries.

Because the companies refuse to recognize OPEC as a bargaining agent, Rouhani acts as representative of individual OPEC members. He is negotiating, however, on the basis of resolutions adopted at an OPEC meeting last year.

The Western oil consortium operating in Iran, acting as lead man for the major companies, has offered a formula which would increase payments to the Middle Eastern govern-

ments by about three and a half cents per barrel, but Rouhani up to now has been holding out for a much larger rise. There is also disagreement on a number of points relating to the method of calculating the governments' shares. On 4 December, OPEC representatives meeting in Beirut stated that they found the consortium's proposals unacceptable.

Rouhani's position is somewhat weakened by an apparent tendency of three leading OPEC members--Kuwait, Saudi Arabia, and Iran--to take a more flexible attitude than Rouhani seems to favor.

The OPEC members will discuss possible courses of action at their next general conference, scheduled to be held in Saudi Arabia at the end of this month.

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Yahya
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Consortium

7. Mid-March Suggested for Next India Consortium Meeting --
USAID New Delhi states that the only significant development of a December 3 meeting of Indian Consortium representatives convened by GOI, was the disclosure that GOI suggested the next Indian Consortium meeting be held in mid-March. A February meeting was considered inopportune because of the budget presentation at that time. Also, it is well known that preparation of materials is lagging considerably. Documents for the Consortium are expected to be reviewed in January.
(Unclassified)

8. Iraqis Are Preparing a Request for US Food Grains -- *Strong*
During a Tuesday call of Ambassador Strong on Iraqi Prime Minister Yahya, Strong referred to rehabilitation of the Kurdish areas and repeated the previous US offer to assist through a grant of food grains which could be used to pay workers in connection with such things as reconstruction of houses, schools and roads, provided GOI would give us a full description of projects and requirements and, subsequently, a report on the use made of the grain. Yahya expressed appreciation and commented that the Cabinet had in fact considered this US offer at a meeting Sunday and appropriate Ministers were now drawing up projects with the aim of submitting a request to us shortly. When Strong attempted to discuss with him the bilateral issues of US aid policy and claims against GOI by a number of US contractors, Yahya excused himself to keep an appointment with the President but agreed to another meeting with Strong within a week. (Confidential)

AFRICA AND EUROPE

9. Germans Discuss Bloc Economic Penetration on Eve of Talks --
Members of the German delegation for bilateral talks on bloc economic penetration beginning here December 9 have commented to our Embassy in Bonn on specific agenda points. The Germans suggested that the recent drop in bloc aid commitments reflected a Soviet political decision rather than any resource shortages. Likewise, it is felt that the Soviet agreement to the limited nuclear test ban was a political rather than economic decision. No Soviet resources are actually saved since it must be presumed that the Soviet Union remains on a standby basis and may resume testing on short notice. The Germans are interested in Western opportunities created by the Sino-Soviet split and resultant divergent interests in particular regions. However, the German aid program is now determined on an ad hoc basis

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