SUBJ: Situation in Iraq

1. During call on Asst. Sec. Sisco on April 19, Ambassador Van de Kerchove, Belgian Ambassador to Iraq, characterized internal situation in Iraq as one of relative stability. However, rivalries continue within Baathist Party leadership. Soviet influence is increasing, particularly in commercial area. Soviet political influence, on other hand, is not strong. At/relations between Iraq and Soviet Union are strained, flowing essentially from Soviet unhappiness with continued Iraqi persecution of Communists. Also Soviets are unhappy with Iraq's negative attitude toward a peace settlement.
2. Sisco inquired whether, as is currently case in certain other Arab countries, there is a QTE loosening up UNQTE in attitudes? Ambassador thought not. Sisco asked whether Soviet presence is considerable. Ambassador said his Soviet colleagues were almost invariably critical of Iraqi Government, both with regard to government's persecution of Communists as well as with respect to difficulties Soviets are experiencing in working with Iraqis in implementing economic projects.

3. Sisco asked whether Ambassador would characterize regime as totalitarian. The Ambassador replied in affirmative with important exception that Kurds are permitted freedom of expression. Kurdish views are expressed in particular in daily Kurdish newspaper al Ta'akhi. But, Ambassador emphasized, this is only form of freedom permitted in Iraq today.

4. In response to Sisco's question re Iraq's attitude toward peace settlement, Ambassador said that Iraqi Government would not openly support peace settlement, but it would...
nothing to prevent it occurring. Among other things, lack of a common boundary between Iraq and Israel affords Iraq luxury of dissociating itself from settlement.

5. Sisco inquired re Iraqi Government's attitude on Palestinian movement. Ambassador replied that while Iraqi Government gives fedayeen QTE theoretical support UNQTE, Government as practical matter does very little to help fedayeen movement. For one thing Iraqi regime is apprehensive regarding potential rivalry from a strong fedayeen movement. Ambassador agreed with Sisco's observation that Iraqi Government has now turned inward.

6. Ambassador noted that Iraq is taking an increasing interest in Persian Gulf but said it has few assets to work with in this connection. Iraqi Army is weak. Sisco asked whether Iraqi Government has made issue over ownership of Islands of Tunbs and Abu Musa. Ambassador replied that, to his knowledge, subject
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has never been mentioned in Iraqi press. Sisco commented that Iraq seemed to be isolated even from mainstream of Arab world. Ambassador said that Iraqi Army is generally unpopular in country and noted that recent celebration of Army's 50th anniversary was held outside Baghdad and was attended essentially by members of diplomatic corps and foreign delegates.

7. In response to question about Kurds, Ambassador said that both Kurds and Iraqi Government know that neither side can win. Thus they are ready to cooperate within limits, but Kurds are prepared to resume fighting if necessary. Kurds remain well armed and in a sense are small state within a state.

8. Sisco asked about current Iraqi attitudes toward Jordan. Ambassador said that Iraqi Government has no intention of interfering in Jordan, and he noted recent withdrawal of most Iraqi troops from that country. He said it appears as if Iraqis
are not really interested in Jordan now, perhaps in part because of increased Iraqi preoccupation with the Gulf.

9. Sisco inquired about Iraqi relations with Iran. Ambassador said that five months ago relations with Iran were bad, but they improved during recent OPEC oil negotiations in Tehran. He expected, however, that relations between two countries would again deteriorate.

10. In response to Sisco's question re economic situation, Ambassador said that last year was a bad one for Iraq from an economic standpoint. It had an unfavorable balance of trade, and there had been a drought. This year seemed to be slightly better in both areas. Additional oil revenues resulting from recent agreements will help situation.

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ROGERS

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