

REPORT CLASS SECRET WNINTEL NOFORN

NO CONTRACT ORCON

COUNTRY: IRAN

SUBJECT: EFFECT OF KURDISH FIGHTING ON IRANIAN RELATION WITH IRAQ.

1. DURING THE PAST WEEK, THE SITUATION IN IRANIAN KURDISTAN DETERIORATED CONSIDERABLY IRANIAN MILITARY TOOK OVER 100 CASUALTIES DURING THE PAST WEEK : PRIME MINISTER MEHDI BAZARGAN IS TRYING TO DEVISE SOME WAY OF ENDING THE FIGHTING AS HIS GOVERNMENT'S VIEW IS THAT THE ONLY LASTING SETTLEMENT TO THE KURDISH PROBLEM MUST COME FROM THE ECONOMIC DEVELOPMENT OF THE AREA AND THIS CANNOT BE STARTED UNTIL THE SITUATION RETURNS TO NORMAL.

2. DURING HIS VISIT TO HAVAN FOR THE NON-ALIGNED CONFERENCE, FOREIGN MINISTER IBRAHIM YAZDI HAD LONG CONVERSATION WITH IRAQI PRESIDENT SADDAM HUSAYN. DURING THIS CONVERSATION, YAZDI ASSURED HUSAYN THAT IRAN WAS ENGAGING IN NO AGITATION AMONG THE SHI'A COMMUNITY IN IRAQ, ADDITIONALLY IRAN HAD NO DESIGNS ON BAHRAIN. NOR WOULD THE IRANIAN REVOLUTION BE EXPORTED TO ANY OTHER COUNTRY. AT THE TIME YAZDI AND HUSAYN AGREED TO MEET LATER, EITHER IN TEHRAN OR BAGHDAD. YAZDI TOLD HUSAYN THAT THEY COULD THEN DISCUSS THE CONTINUATION OF AGREEMENTS BETWEEN THE TWO COUNTRIES THAT WERE THE BASIS OF THE MARCH BETWEEN THE TWO COUNTRIES.

3. UPON RETURN TO IRAN, YAZDI WAS PUBLICLY CRITICIZED THE NEWSPAPER JUMHURI ISLAMI FOR HAVING CONFERRED WITH HUSAYN IN HAVANA. GIVEN THE CURRENT DETERIORATING SITUATION IN IRANIAN KURDISTAN YAZDI IS AFRAID THAT ANY PUBLIC OVERTURE TO THE IRAQI GOVERNMENT WILL MEET WITH SEVERE CRITICISM IN IRAN. THE BAZARGAN GOVERNMENT HAD CONSIDERED HAVING MADE A PUBLIC STATEMENT TO THE EFFECT THAT IRAN DID NOT INTEND TO EXPORT THE REVOLUTION AND WAS DOING NOTHING AGAINST THE TERRITORIAL INTEGRITY OF IRAQ. THE COMPLICATION IS THAT THE LEADER OF SHI'A COMMUNITY IN IRAQ IS INDEPENDENT OF KHOMEINI AND IF HE CHOSE TO IGNORE OR QUESTION KHOMEINI'S STATEMENT IT WOULD CONTRIBUTE TO A WORSENING OF RELATIONS BETWEEN THE TWO COUNTRIES.

4. ACQ: 18 OCTOBER 1979.

5. FIELD DISSEM: EMBASSY AND DEFENSE ATTACHE AT TEHRAN. SENT TO AMMAN, BEIRUT, CAIRO, ISLAM ABAD, JIDDA, KARACHE, KUWAIT, MANAMA, NEWDEHLI, TELAVIV.

REPORT CLASS SECRET WARNING NOTICE INTELLIGENCE SOURCES AND METHOD -S INVOLVED NOT RELEASABLE TO FOREIGN NATIONALS NOT RELEASABLE TO CONTRACTORS OR CONTRACTOR/CONSULTANTS. DISSEMINATION AND EXTRACT ION OF INFORMATION CONTROLLED BY ORIGINATOR. RVW 18 OCT 99

DRV D9C.] CLASSIFIED BY RECORDED REPORTING OFFICER. ALL PORTION CARRY CLASSIFICATION AND CONTROLS OF OVERALL DOCUMENT. S E C R E T