

S E C R E T 170751Z OCT 79 STAFF

CITE TEHRAN 54502

TO: PRIORITY DIRECTOR.

WINTEL SYBAT (SDPLOD)

1. CHARGE, MR. RON SMITH AND ADLESICK MET WITH YAZDI AND SDPLOD/1 FOR TWO HOURS AFTERNOON OF 16 OCTOBER. SUBSTANCE OF MEETING BEING REPORTED BY CHARGE VIA STATE CHANNELS. SDPLOD/1 SAID THAT CHAMRAN UNABLE TO ATTEND MEETING BECAUSE HE WAS DETAINED IN KURDISTAN. THEY EXPECTED HIM BACK IN TEHRAN MOMENTARILY. ADLESICK PLANNING TO STAY COUPLE OF DAYS IN HOPE CHAMRAN SHOWS UP. ACCORDING TO SDPLOD/1 THEY CONTINUE MUCH INTERESTED IN REESTABLISHING LIAISON.

2. CONSIDERABLE PART OF THE CONVERSATION DEALT WITH IRAQ AND KURDISH PROBLEM. YAZDI HAS FAIRLY UNSHAKABLE BELIEF THAT ISRAEL AND UNITED STATES HEAVILY INVOLVED WITH IRAQIS IN SUPPORTING KURDISH INSURRECTION. WE WERE ABLE TO POINT OUT HOW HIGHLY UNLIKELY THIS IS, BUT FACT THAT YAZDI BROUGHT IT UP A SERIOUS IRANIAN CONSIDERATION INDICATES DEGREE OF PARANOIA ABROAD IN BAZERGAN GOVERNMENT.

3. MR. SMITH GAVE VERY GOOD BRIEF ON SOVIET ENERGY PROBLEMS. FROM DISCUSSION WITH YAZDI, IT IS CLEAR THAT THEY WERE UNAWARE OF CONSEQUENCES OF THEIR CANCELLING GAS CONTRACT WITH SOVIETS. BELIEVE THAT THIS BRIEFING TOGETHER WITH ADLESICK BRIEFING HAS GIVEN THEM FACTUAL INFORMATION TO MULL OVER WHEN CONSIDERING THE CONSEQUENCES OF ACTIONS TAKEN BY GOVERNMENT. AT ONE POINT IN THIS DISCUSSION, YAZDI RATHER NAIVELY SAID THAT HE COULDN'T UNDERSTAND SOME OF OUR POINTS IN LIGHT OF SOVIET OUBRIETTES TO HIM WHICH HAD BEEN VERY FRIENDLY RECENTLY. WE POINTED OUT THAT UNDER THE CURRENT SITUATION, THE SOVIETS HAD LITTLE IN THE WAY OF ALTERNATIVES BUT TO BE FRIENDLY FOR THE TIME BEING. THE CRUNCH WOULD COME WHEN THE SOVIET UNION BECAME A NET OIL IMPORTER.

4. SDPLOD/1 IS DELAYING HIS DEPARTURE UNTIL 20 OCTOBER. DURING COURSE OF MEETING HE SEEMED MORE SYMPATHETIC TO OUR