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TO PRIORITY FCO

TELEGRAM NUMBER 371 OF 10 APRIL

INFO PRIORITY BAGHDAD, WASHINGTON.
INFO SAVING UKMIS NEW YORK.

MY TELNO 370: IRAN/IRAQ.

1. THE INCIDENTS ON THE IRANIAN BORDER WITH IRAQ DURING THE LAST FEW WEEKS HAVE BEEN FULLY REPORTED IN THE PRESS, AS HAVE THE CLOSURE OF CONSULATES IN THE TWO COUNTRIES, THE WITHDRAWAL (AS PRESENTED IN IRAN) OF THE IRANIAN AMBASSADOR IN BAGHDAD AND THE SUBSEQUENT WITHDRAWAL OF HIS ENTIRE STAFF, MATCHED BY THE WITHDRAWAL FROM TEHRAN OF THE IRAQI EMBASSY. CLEARLY THERE HAS BEEN A SERIOUS DETERIORATION IN RELATIONS WITH IRAQ AND THE QUESTION ARISES WHO IS TO BLAME AND WHERE IT WILL LEAD.

IT IS DIFFICULT TO APPORTION BLAME. WITHOUT BEING ABLE TO CHECK IN OUR PAPERS OF LAST YEAR, I THINK THAT THE FIRST MOVES CAME LAST SPRING FROM IRAN, IN THE SHAPE OF CALLS TO THE IRAQI SHI'I TO RALLY TO THE IRANIAN REVOLUTION. THIS PRODUCED THE RIOTS IN THAWRA TOWNSHIP IN BAGHDAD AND THE HOUSE ARREST OF AYATOLLAH BAHR SADR. IN RETALIATION, THE IRAQIS BEGAN TO EN-COURAGE SUBVERSION IN KURDESTAN AND KHUZESTAN AND TO TURN BAGHDAD RADIO, IN FARSI, AGAINST THE IRANIAN REGIME. DURING THE LAST MONTHS OF HIS MINISTRY YAZDI TRIED TO COOL RELATIONS DOWN AND TO PERSUADE SADDAM HUSSAIN TO CALL OFF THESE CAMPAIGNS BUT WITHOUT SUCCESS. RECENTLY IRANIAN GOVERNMENT SEEM TO HAVE DECIDED TO REACT MORE FORCEFULLY AND TO STEP UP THEIR ATTEMPTS TO INSTIGATE THE SHI'I IN SOUTHERN IRAQ WHILE ALSO ENCOURAGING IRAQI KURDS IN THEIR FIGHT AGAINST BAGHDAD. DUA'I THE IRANIAN AMBASSADOR TO IRAQ, WHOSE EARLIER CAREER WAS AS ANTI-SHAH PROPAGANDIST ON RADIO BAGHDAD, WAS OUTSPOKEN IN HIS CRITICISMS, ALMOST CERTAINLY WITH KHOMEINI'S BLESSING AND EARNED HIS EXPULSION. COTBZADEH, BANI SADR AND KHOMEINI HIMSELF NO LONGER TROUBLE TO PLAY DOWN THEIR IDEAS OF EXPORTING THEIR REVOLUTION, QUITE THE REVERSE, AND IN THE LAST FEW DAYS, FOLLOWING THE RENEWED IRAQ! CLAIM, ON BEHALF OF THE ARABLS, TO THE TUNBS AND ABU MUSA, HAVE BEEN VITRIOLIC IN THEIR ABUSE OF THE IRACI BAATH AND OF SADDAM HUSSAIN. A STATEMENT ATTRIBUTED TO A PLO SPOKESMAN IN THE RECENT SEMINAR IN BAGHDAD CLAIMING THESE ISLANDS HAS PROVOKED A DISPUTE BETWEEN IRAN AND THE PLO, THE LATTER MAKING CLEAR THAT WHILE THE STATEMENT WAS UNAUTHORISED AND UNTIMELY, IT CORRECTLY REPRESENTED THE PLO VIEW. CONFIDENTIAL /3. FOR

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- FOR ALL THE SOUND AND FURY, I AM DOUBTFUL IF THE PRESENT TENSION WILL LEAD TO OUTRIGHT WAR. WITH ITS ECONOMIC DIFFICULTIES, THE DEMORALISATION OF ITS FORCES AND ITS TROUBLES WITH ITS MINORITIES, IRAN IS IN NO STATE TO ENGAGE IN HOSTILITIES. H M AMBASSADOR, BAGHDAD WILL HAVE VIEWS ON SADDAM HUSSAIN'S MOTIVES. AS SEEN FROM HERE, HE IS UNLIKELY TO RISK HIS ARMY, COMPRISED IN LARGE PART OF SHI'I WHOSE LOYALTY TO THE BA'ATH THE IRANIAN PRESS IS ALREADY QUESTIONING, IN THE DIFFICULT BORDER COUNTRY, UNLESS AND UNTIL THE IRANIAN ARMED FORCES AND IRAN ITSELF SHOW A CONSIDERABLY GREATER DEGREE OF DISINTEGRATION. I ALSO DOUBT IF THERE IS A REAL RISK OF AN IRAQI ATTACK ON THE TUNBS AND ABU MUSA. MOREOVER THE RISK THAT OVERT ATTACK BY IRAQ MIGHT BE USED BY THE SOVIET UNION AS A PRETEXT FOR INTER-VENTION IN IRAN MUST BE A RESTRAINT, ALTHOUGH, SHOULD IRAN SHOW REAL SIGNS OF COMING APART UNDER MINORITY PRESSURES, SADDAM MIGHT EVEN SO BE TEMPTED TO SECURE KHUZISTAN.
- 4. INSTEAD I FORESEE A CONTINUANCE OF BORDER INCIDENTS, SOME OF THEM QUITE SERIOUS, AND A STEPPING UP OF CROSS-BORDER SABOTAGE IN KHUZESTAN ON THE PART OF IRAQ AND OF SUBVERSION AND TERRORISM ON THE PART OF IRAN. THE WAR OF WORDS WILL CONTINUE AND BOTH SIDES WILL CONTINUE TO TRY TO USE THE KURDS FOR THEIR OWN ENDS. THIS COULD GO ON INDECISIVELY FOR A LONG TIME.

FCC PLEASE PASS SAVING TO UKMIS NEW YORK.

GRAHAM

[REPEATED AS REQUESTED]
[THIS TELEGRAM WAS NOT ADVANCED]

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