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O 240512Z MAR 84 FM SECSTATE WASHDC TO AMEMBASSY KHARTOUM IMMEDIATE INFO USINT BAGHDAD IMMEDIATE

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EXDIS, FOR RUMSFELD PARTY DECAPTIONED

E.O. 12356: DECL: OADR TAGS: PREL, US, IZ

SUBJECT: BRIEFING NOTES FOR RUMSFELD VISIT TO BAGHDAD

1. S - ENTIRE TEXT.

2. SETTING: TWO EVENTS HAVE WORSENED THE ATMOSPHERE IN BAGHDAD SINCE YOUR LAST STOP THERE IN DECEMBER: (1) IRAQ HAS ONLY PARTLY REPULSED THE INITIL THRUST OF A MASSIVE IRANIAN INVASION, LOSING THE STRATEGICALLY SIGNIFICANT MAJNUN ISLAND OIL FIELDS AND ACCEPTING HEAVY CASUALTIES; (2) BILATERAL RELATIONS WERE SHARPLY SET BACK BY OUR MARCH 5 CONDEMNATION OF IRAQ FOR CW USE, DESPITE OUR REPEATED WARNINGS THAT THIS ISSUE WOULD EMERGE SOONER OR LATER. GIVEN ITS WARTIME PREOCCUPATIONS AND ITS DISTRESS AT OUR CW STATEMENT, THE IRAQI LEADERSHIP PROBABLY WILL HAVE LITTLE INTEREST IN DISCUSSING LEBANON, THE ARAB-ISRAELI CONFLICT, OR OTHER MATTERS EXCEPT AS THEY MAY IMPINGE ON IRAQ'S INCREASINGLY DESPERATE STRUGGLE FOR SECRET

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SURVIVAL. IF SADDAM OR TARIQ AZIZ RECEIVES YOU AGAINST THIS BACKGROUND, IT WILL BE A NOTEWORTHY GESTURE OF THE

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UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: FRANK E SCHMELZER DATE/CASE ID: 07 NOV 2003 200302235

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GOI'S INTEREST IN KEEPING OUR RELATIONS ON TRACK -- AND PERHAPS A MEASURE OF HOW MUCH THEY THINK WE MAY ULTIMATELY HAVE TO OFFER TO THEIR WAR EFFORT.

- CW/BILATERAL RELATIONS: THE SECRETARY AND LARRY EAGLEBURGER MET WITH MFA UNDER SECRETARY ISMET KITTANI AT THE DEPARTMENT MARCH 15. THEY CLARIFIED THAT OUR CW CONDEMNATION WAS MADE STRICTLY OUT OF OUR STRONG OPPOSITION TO THE USE OF LETHAL AND INCAPACITATING CW, WHEREVER IT OCCURS. THEY EMPHASIZED THAT OUR INTERESTS IN (1) PREVENTING AN IRANIAN VICTORY AND (2) CONTINUING TO IMPROVE BILATERAL RELATIONS WITH IRAQ, AT A PACE OF IRAQ'S CHOOSING, REMAIN UNDIMINISHED. TO EMPHASIZE THIS POINT, EAGLEBURGER CONVEYED TO KITTANI THE VICE PRESIDENT'S INVITATION TO TARIQ AZIZ TO COME TO WASHINGTON AT A MUTUALLY CONVENIENT TIME. NONETHELESS. IN A FOLLOW-UP DISCUSSION WITH DICK MURPHY, KITTANI PROFESSED THE GOI TO BE "UNPERSUADED" OF OUR CLAIMED MOTIVES IN CONDEMNING IRAQ FOR CW USE. THIS MESSAGE BEARS REINFORCING DURING YOUR DISCUSSIONS.
- 4. ARMS TO IRAN: TO ILLUSTRATE OUR CONTINUEO SUPPORT, EAGLEBURGER AND DICK FAIRBANKS WENT INTO SOME DETAIL REGARDING OUR EFFORT TO CRIMP THE FLOW OF ARMS TO IRAN FROM STATES FRIENDLY TO US. THE IRAQIS ARE WELL AWARE OF THIS INITIATIVE, AND HAVE BEGUN TO MAKE DIPLOMATIC EFFORTS OF THEIR OWN TO OFFENDING COUNTRIES, AND HAVE WORKED WITH ARAB FRIENDS TO BUILD ADDITIONAL PRESSURE ON OFFENDERS. WE HAVE NO FEEL FOR HOW FAR THE IRAQIS MAY HAVE PUSHED THE SOVIETS AND THEIR ALLIES ON THIS ISSUE. IRAQ CONTINUES TO BRING TO OUR ATTENTION PERSISTENT SECRET

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REPORTS OF ISRAELI SHIPMENTS TO IRAN. IT WOULD BE USEFUL FOR YOU TO BE ABLE TO SAY THAT YOU HAD RAISED THIS ISSUE IN TEL AVIV ONCE AGAIN.

5. AQABA PIPELINE/EXIM: IRAQ KNOWS THAT EXIM RECENTLY ACCEPTED A VERY NEGATIVE COUNTRY STUDY ON IRAQ, WHICH RECOMMENDED THAT THE BANK DISCOURAGE ALL APPLICATIONS FOR MEDIUM (OVER 180 DAYS) AND LONG-TERM CREDITS, AND ONLY SELECTIVELY CONSIDER SMALL AMOUNTS OF SHORT-TERM FINANCING. AS EARLY AS MARCH 27, EXIM IS LIKELY TO CONSIDER, AND TO REJECT, A PENDING APPLICATION FROM

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WESTINGHOUSE TO PARTICIPATE IN A \$16U MILLION PORTION OF A \$1 BILLION HYUNDAI THERMAL POWER PLANT PROJECT IN IRAQ. THIS DECISION WILL ONLY CONFIRM IRAQI PERCEPTIONS THAT EXIM FINANCING FOR THE AQABA PIPELINE IS OUT OF THE QUESTION. EAGLEBURGER TRIED TO PUT THIS PERCEPTION TO REST, HOWEVER, EMPHASIZING TO KITTANI THE ADMINISTRATION'S FIRM SUPPORT FOR THE LINE. THE DOOR IS NOTYETCLOSED TO EXIM OR OTHER USG FINANCIAL ASSISTANCE TO THIS PROJECT: FORONE THING, THE PIPELINE IS A

QUALITATIVELY MORE ATTRACTIVE PROJECT FROM A CREDITOR'S POINT OF VIEW; SECONDLY, EXIM DOES NOW DO BUSINESS IN JORDAN - IN WHICH SOME 60 PERCENT OF THE PIPELINE'S COSTS WILL BE INCURRED. THE PROBLEM NOW IS FOR IRAQ, JORDAN, AND THE COMPANY TO SETTLE THE TECHNICAL ISSUES SO THAT THE COMPANY CAN MAKE A FORMAL PRESENTATION, FOLLOWED BY AN APPLICATION, FOR EXIM CONSIDERATION. MEANWHILE, WE ARE CONFUSED BY THE GOI'S OWN PRIORITIES: IT MAY BE PLAYING OFF THE AQABA LINE AGAINST THE SAUDI LINK IN HOPES OF GETTING ONE OR THE OTHER OFF TO A SPEEDIER START. (MORE ON PIPELINES BY SEPTEL)

6. JORDAN: KING HUSSEIN HAS BEEN INSTRUMENTAL IN TRYING TO IMPROVE US-IRAQI RELATIONS. HE HAS BEEN PERSONALLY ENGAGED IN CONVINCING SADDAM HUSSEIN TO WITHDRAW SUPPORT AND SANCTUARY FOR THE ABU NIDHAL TERRORISTS. HIS SUPPORT SECRET

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FOR IRAQ IN ITS WAR WITH IRAN HAS SOLIDIFIED THE JORDANIAN-IRAQI FRIENDSHIP. IT WOULD BE NATURAL FOR . SADDAM HUSSEIN TO INQUIRE ABOUT THE STATE OF US-JORDANIAN RELATIONS. YOU COULD USEFULLY DRAW ON THE FOLLOWING TALKING POINTS:

- -- WE UNDERSTAND KING HUSSEIN'S FRUSTRATIONS, ALTHOUGH WE DO NOT SHARE MANY OF HIS ASSESSMENTS.
- -- WE CERTAINLY REJECT HIS CONCLUSIONS THAT THE PEACE PROCESS IS DEAD AND THAT US POLICY IS IN THE HANDS OF THE ISRAELIS. THE US HAS THE FINAL SAY IN ITS FOREIGN AND DEFENSE OBJECTIVES, JUST AS KING HUSSEIN HAS THE FINAL SAY IN JORDAN'S FOREIGN POLICY.
- -- OUR THIRTY-YEAR FRIENDSHIP FOR JORDAN AND OUR COMMITMENTS TO JORDAN'S SECURITY AND UNIQUE AND ENDURING

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CHARACTER ARE NOT AFFECTED BY THIS LATEST BIT OF STRAIN.

- -- WE DO HOPE THAT DIPLOMACY CAN BE CONDUCTED IN THE NORMAL CHANNELS RATHER THAN IN THE PAPER. GOOD AND CLOSE FRIENDS SHOULD NOT RISK SENDING MISLEADING SIGNALS OF A BREACH IN OUR RELATIONS.
- -- WE WANT THE BEST POSSIBLE RELATIONSHIP WE CAN HAVE WITH JORDAN.
- 7. U.S. REGIONAL POLICIES: IRAQ IS CONFUSED BY OUR MEANS OF PURSUING OUR STATED OBJECTIVES IN THE REGION, WHETHER IN COMBATTING KHOMEINI, IN LEBANON, WITH SYRIA, OR WITH FRIENDS SUCH AS JORDAN, EGYPT, AND ISRAEL. IN EACH CASE, IRAQI OFFICIALS HAVE PROFESSED TO BE AT A LOSS TO EXPLAIN OUR ACTIONS AS MEASURED AGAINST OUR STATED SECRET

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OBJECTIVES. AS WITH OUR CW STATEMENT, THEIR TEMPTATION

IS TO GIVE UP RATIONAL ANALYSIS AND RETREAT TO THE LINE THAT U.S. POLICIES ARE BASICALLY ANTI-ARAB AND HOSTAGE TO THE DESIRES OF ISRAEL. SHULTZ

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