TO: AMBASSADOR HELMS, EXCLUSIVELY EYES ONLY

FROM: GENERAL SCOWCROFT

REFERENCE: Tehran 847 and 849

As you know, the Secretary is away from Washington. We have been considering possible responses and how we might be helpful in new situation as portrayed by Barzani in your messages. We are forwarding following preliminary staff-level thoughts in order to get your views on them as well as your thoughts and judgments on the issues which we would plan to put before the Secretary upon his return this weekend.

We see the following as some basic considerations:

1. Mulla Mustafa’s plan to establish what would be tantamount to an autonomous government would escalate the situation well beyond our covert capabilities to contribute meaningfully. To make a significant dent in Barzani’s requirements would project us beyond the boundaries of a covert operation, thereby making secrecy impossible, and would thus jeopardise other policy equities. All of this was, in fact, pointed out to Mulla Mustafa at the outset of our relationship, when even then he talked of establishing an autonomous government. What
disclosure your involvement would signal to the Soviets, how
this would affect U.S.-Turkish relations, and how it would be
viewed by the Arabs are questions which must be seriously
asked.

2. Would it be to our benefit to have a Kurdish-Arab or any other
kind of rump government established in a Kurdish safehaven?
Would it even be to Mulla Mustafa's advantage so to formalize
and symbolize his autonomy? Such a development probably
would give Iraq no choice but to launch a major attack against
Kurdistan if it is to protect its national integrity. Barzani's
action would be tantamount to aggression against Iraq, as
opposed to his stance to date of defending himself against
Baghdad Government attack. In the latter mode he can make
at least some sort of plausible claim to Iranian or other foreign
help; in the former he could not. Moreover, there is a real
question whether Barzani could put together a government in
which there was plausible Arab colorization. If not, he would
alienate Iraqi Arab dissidents, who we feel are growing in
strength and aggressiveness. (Evidence certainly points to
Baghdad's concern on this score.)
3. Would the Shah look with favor on the establishment of a formalized autonomous government? The Shah, like ourselves, has seen benefit in a stalemate situation in Iraq in which the Ba'th Government is intrinsically weakened by Kurdish refusal to relinquish its semi-autonomy. Up to now neither the Shah nor ourselves has wished to see the matter resolved one way or the other--either by Kurdish acquiescence or by the establishment of an unviable autonomous Kurdish Government (particularly one pretending to speak for Iraqi Arab sentiment as well). For Mulla Mustafa to attempt to form a government in safe-haven would be to narrow his own options to a dangerous point and gratuitously provoke Iraq (with strong Soviet and possibly even Turkish support). While Iraq already may be prepared to attack the Kurds, there may still be room for some sort of compromise between Barzani and Baghdad, or at least a situation considerably short of all out war. Are we certain that Barzani will personally cut and run?

4. We recognize that even if Barzani refrains from establishing a government, he is still faced with a serious situation, a withdrawal of Iraqi subsidies, a menacing deployment of Iraqi troops, and a population swollen with refugees. This will inevitably require more funds and supplies. But as earlier noted we doubt
seriously that we could provide anything like the required support level without disclosure. Thus it would seem that the problem can only be solved by the Shah, assuming he finds it in his interest to keep the Kurds in a state of dissidence and free of Baghdad control.

What we could perhaps do as a symbolic gesture of sympathy is provide through SAVAK, in addition to our present subsidy, a token amount, something in the order of one-half to three-quarters of a million (which may be left over in this year's authorization, thanks to a better dollar-dinar exchange rate than had been anticipated) for "refugee relief". And assuming the Kurds are forced to fight to defend themselves and thus expend much of their arms and ammo stocks, we would now begin air-lifting to SAVAK the current stockpile of some 900,000 pounds of nonattributable small arms and ammunition which we have been accumulating with great difficulty on a fairly barren open market. These are valued at about one-third of a million. This would require, over a period of time, approximately 20 dedicated C-141 flights. A combination of these two gestures would hopefully signal to Barzani that we are still sympathetic and friendly to his predicament and prepared to continue to help on a scale which can be kept covert, but that we cannot play a prime role in the new ballgame.

The above should be helpful in your understanding of preliminary assessment and limitations. We would appreciate your views and recommendations, both on the foregoing and on any other considerations you believe
relevant as further basis for decision. It would be useful to know how the Shah intends to react, if you can assess this without going into the subject with him, and whether he is prepared to take a major step toward meeting the new Kurd request with all that implies.

It would be helpful if we could have your views by March 28 since Secretary will return the following day.

Warm regards.

[Signature]

1. Attached hereon is a suggested draft to address the subject and its crucial implications.