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COTE TEHRAN	
TO: HENRY A. KISSINGER, WASHINGTON	
FROM: AMBASSADOR HELMS, TEHRAN	
REFERENCE: WH 31939	
1. INFORMED	SHAH IN NOWSHAHR
24 AUGUST OF OUR DECISION TO INCREASE	CASH SUBSIDY FOR
BARZANI BY FIFTY PER CENT COMMENCING S	EPTEMBER 1973. SHAH
VAS IMPRESSED AND GRATIFIED BY THE SPE	ED OF THIS WASHINGTON
DECISION AND BY YOUR PROMPT NOTIFICATI	ON TO HIM. HE NOW
PLANS TO INCREASE HIS OWN SUBSIDY BY "	A LITTLE MORE" THAN
FIETY PER CENT. NOBLESSE OBLIGE.	
2. THE SHAH SAID OUR DECISION IS	IMPORTANT AND MOST
TIMELY BOTH BECAUSE BARZANI BADLY NEED	S MORE MONEY AND
BECAUSE THE MONEY IS SYMBOLIC OF OUR M	ORAL SUPPORT (HE

TIMELY BOTH BECAUSE BARZANI BADLY NEEDS MORE MONEY AND BECAUSE THE MONEY IS SYMBOLIC OF OUR MORAL SUPPORT. (HE DID NOT SAY, BUT IT IS EQUALLY TRUE, THAT THE INCREASE OF OUR SUBSIDY IN RESPONSE TO THE SHAH'S RECOMMENDATION IS SYMBOLIC OF OUR SUPPORT FOR THE SHAH AND HE LIKES THIS REASSURANCE TOO.)

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3. CONSIDERING THE PROVOCATIVE ACTIONS IN WHICH IRAQ HAS ENGAGED EVEN WITH THE HANDICAP OF KURDISH RESISTANCE, ONE CAN IMAGINE, THE SHAH SAID, WHAT IT WOULD BE LIKE IF THE BA'TH REGIME DID NOT HAVE TO COPE WITH THE KURDISH PROBLEM. IT IS ESSENTIAL, HE BELIEVES, TO KEEP BARZANI'S KURDISH DEMOCRATIC PARTY FROM JOINING THE BA'TH-COMMUNIST NATIONAL FRONT. HE ADDED THAT BARZANI HAD FOLLOWED HIS GUIDANCE BY MAKING AS ONE OF THE CONDITIONS, THAT THE REGIME HOLD FREE GENERAL ELECTIONS, SOMETHING THE BA'TH COULD NOT DO WITHOUT BEING SWEPT FROM POWER. INCIDENTALLY, SHAH SAID HE IS ASKING BARZANI TO RETURN HERE 1 SEPTEMBER.

4. WARM REGARDS.

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