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July 17, 1969

Inquiry about USG Assistance to New Iraqi Government

Mr. Saad Saleh Jaber, Iraqi Businessman
Mr. Talcott W. Seelye, NEA/ARN
Mr. Thomas J. Scotese, NEA/ARN
Mr. Bryan H. Baas, NEA/ARN

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Mr. Jaber reviewed the current state of affairs in Iraq emphasizing the widespread unrest and resistance to the Baath regime. He noted that the army is at war with the Kurds in the north, that there have been anti-government demonstrations by the Shi'a in the south, that Iraqi troops are stationed in Jordan and Syria and that the GOI has needlessly provoked Iran. Disenchantment with the regime is general through the country. Although there are many army officers and high-ranking government officials that support the Baath regime, they are not doctrinaire Baathis but are merely opportunists who would easily be swayed.

Mr. Jaber expounded the theory that all Iraqi revolutions have been the embodiment of popular sentiment. Going back to July 1958, he stated that the revolution was truly popular and was supported by 99% of the people. In February 1963, the Iraq populace had become thoroughly fed up with Qassim and naturally welcomed the change in government. In November of the same year the Iraqis were thoroughly disgusted with the Baath and the thugs in the National Guard and were fully behind Abdul Salam's revolution. The same situation, he said, obtains at present. The Iraqi people have had their fill of the Baath regime and would quickly rally behind a revolution. He feels the Baath is very insecure

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and it would take very little to bring it down. He noted in this connection that the majority of the troops in the army are Shi'a, whereas the officers are Sunni, and he suggested this could be an element in bringing about a revolution. Mr. Baas asked whether the Shi'a troops would respond to an appeal from Muhsin al-Hakim to mutiny against the Sunni officers. Mr. Jaber (who is Shi'a) said that he really didn't know (1) if Hakim could be persuaded to issue such an order or (2) if the troops would comply. The Shi'a nevertheless are firmly opposed to the current regime and could be counted upon to support a revolution.

Mr. Jaber asked what support a new Iraqi Government could expect from the United States if it were moderate, rightist and pro-West. (Mr. Jaber did not ask at any time about assistance in bringing about the overthrow of the Baath.) Mr. Jaber went on to explain that what he had in mind was financial assistance to permit the new regime to establish itself solidly. He noted that at the time of takeover by a new group, the Treasury would probably be bare.

Mr. Seelye told Mr. Jaber that if a moderate group took over in Iraq and wanted U.S. recognition and establishment of diplomatic relations, we would probably respond promptly and positively. He noted, however, and Mr. Jaber agreed, that prompt recognition by the USG would not necessarily be helpful to a new regime attempting to establish itself. Mr. Seelye went on to explain that there are some very real obstacles to the assistance of the type envisaged. For one thing, in the absence of diplomatic relations there are legislative prohibitions to providing assistance, and the only possibility that occurred to Mr. Seelye offhand was CCC credit. Even if relations were established, it would be exceedingly difficult to obtain Congressional authorization for any type of aid program. With diplomatic relations such things as Export-Import Bank credits and PL-480 would be possibilities that could be explored. Mr. Jaber understood that prompt material U.S. assistance was not something that could be counted upon.

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Mr. Jaber said that he was proceeding to Beirut on the evening of July 17. He indicated that his trip was prompted by a cable he received a few days ago. Although Mr. Jaber did not state the purpose of his trip to Beirut, he left the distinct impression that it was concerned with a conspiracy to unseat the Baath in Baghdad.

At the conclusion of the conversation, the possibility of commercial financing for a new government was considered. It was noted that a number of U.S. banks have a very real interest in doing business in Iraq and have in the past been anxious to extend loans because of GOI's excellent repayment record. Also, there are quarterly payments from the Iraq Petroleum Company. Mr. Jaber indicated that he would give further consideration to private, commercial sources of funding. He also indicated that he would be in touch with us in the future.

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