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 SEPTEMBER 1973. SHAH WAS IMPRESSED AND GRATIFIED BY THE SPEED OF THIS WASHINGTON DECISION AND BY YOUR PROMPT NOTIFICATION TO HIM. HE NOW PLANS TO INCREASE HIS OWN SUBSIDY BY "A LITTLE MORE" THAN FIFTY PER CENT. NOBLESSE OBLIGE.

2. THE SHAH SAID OUR DECISION IS IMPORTANT AND MOST 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.)

/CONTINUED/

RELEASE:

[Signature]

[Date: Mar 2008]

[Secret/Sensitive Exclusively Eyes Only]
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'ath 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'ath-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'ath could not do without being swept from power. Incidentally, Shah said he is asking Barzani to return here 1 September.

4. Warm regards.