1. Ambassador Helms is out of Tehran until 29 June. He will be very interested in the intelligence from [insert relevant source]. Thank you for forwarding this significant intelligence to us so promptly.

2. Through SAVAK-Kurdish channels the Shah has been receiving intelligence on Soviet material physically delivered to Iraq quite soon after it arrives. We should, therefore, expect him to learn of the Scud arrivals soon after the event. His reaction will be as the reference message predicts: he will want weapons systems to counter the Scud.

3. The "partial easing of strains" between Iraq and Iran referred to in the reference have been more cosmetic than real. The Shah continues profoundly to distrust the Ba'ath regime. His continued heavy support to the Kurds is a better indicator of his real attitude than the reestablishment of diplomatic relations and the cessation of direct military confrontation of Iraqi and Iranian forces in the border areas. The Iraqi's real
ATTITUDE TOWARD THE SHAH IS MORE ACCURATELY TO BE READ FROM
THE CONTENT OF THE CLANDESTINE RADIO BROADCASTS EMANATING
FROM TRANSMITTERS NEAR BAGHDAD THAN FROM THEIR DIPLOMATIC CONVERSATIONS WITH THE IRANIAN AMBASSADOR. EACH REGIME CORRECTLY REGARDS THE OTHER AS "THE ENEMY", HOWEVER, THEY MAY CAMOUFLAGE THIS FOR TACTICAL AND CONVENTIONAL REASONS. (THE SHAH SHOWED AT LEAST THE EDGE OF HIS CARD IN HIS INTERVIEW WITH LE MONDE IN PARIS ON 25 W JUNE.)

4. THE SHAH IS AWARE THAT THE EGYPTIANS HAVE THE SCUD AND THAT THE SYRIANS PROBABLY HAVE IT TOO. HE HAS EXPECTED THE IRAQIS TO GET THEM BECAUSE HE CONSIDERS IRAQ TO HAVE EMERGED AS THE SOVIETS BEST HOPE FOR ADVANCING THEIR INTERESTS IN THE ARABIAN PENINSULA AND THE EULBE. E2, IMPDET.

TOP SECRET