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THRITY INFORMATION

5932 December 14, 1952 2:16 p.m.

Secretary of State

761, December 13, 3 p.m. NO:

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During my first call on PRIMIN, I told him, in discussion of his prog as announced to Iraqi people, there were several points on which I believed we cld be of assistance and on which we were ready to act shid he feel our assistance wid be help-I specifically mentioned proposed agreement now in FONOFF concerning reimbursable mil aid which open new sources of certain $^{\circ}$ items for Iraqi army. I noted that our desire is to supplement rather than substitute for present source supply. I made appropriate complimentary remarks about the army and its behavior during recent disturbances.

He expressed pleasure at my remarks and described army as last bulwark against communism in Iraq. When I mentioned US need to supply new equipment first to the battle fronts, he commented that with Iran acting as it was, Iraq rather close to active battle front.

I mentioned Miri Sirf project agreement, also in FO, and our overall TCA approach in Iraq which cld be of considerable help to his reform prog. As in discussion mil agreement he listened politely, but did not (rpt not) develop subj further.

Concerning the published statement suspending dev board law, I said I had been under impression that board had been doing good work. He agreed it had done useful planning, but needed new and younger faces. The poor did not (rpt not) feel board's benefits and 5 or 6 million pounds of annual 50 million from oil revenue were needed immed to alleviate econ burden of people. Said that change in present law being considered, perhaps reducing board's share oil revenues from 70 to 60 percent, but a board wld continue and its plans wld be carried out.

PRIMIN reaffirmed plans carry out elections and punish instigators recent disturbances in mil tribunals. In separate discussion with UK Amb, in his talk same day with PRIMIN, PRIMIN said govit had not (rpt not) decided whether polit parties as such wld col permitted participate elections. When I made same points as to Acting FONMIN (EMBTEL 679) re need reopen USIS quickly to offset Commie blow at both Iraq and US prestige, he agreed we shld not (rpt

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-2-761, December 13, 3 p.m. from Baghdad.

not (rpt not) let Commies knock either of us out of business. He made no (rpt no) comment, however, concerning Iraq's assumption of compensation for damage.

PRIMIN said his chief concern narrowing gap between ruling classes and people and that it essential people feel govt interested their well-being. Reduction and elimination taxes, cheaper prices for essentials, free primary and secondary educ, books and meals in schools; etc, long overdue.

PRIMIN indicated his strong antagonism to communism. He also expressed particular concern at Kashani's agitation in favor of Iraqi "brothers" and asked if our Amb in Iran able influence him toward reason. He said he wld not (rpt not) permit students challenge govt authority here as they did in Iran, but expressed concern about impression made on Iraqis by events in Iran, noting long common frontier and hundreds of thousands of Iranian pilgrims visiting Iraqi Holy Places regularly.

BERRY

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