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DRAFED BY NEAWARN CHUICLIANSON APPROVED BY HEAVARH OLHACK

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FOLLOWING REPEAT SENT THEO ALL HATO CAPITALS CALRO FRANKFUR EUROPEAN POLAD COLLECTIVE APRIL 3 .QUOTE:

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FOLLOWING REPEAT SENTS ACTION JAKABTA APRIL

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FOR AND FAIRBANKS

FOUL ONLING REPEAT SENT ACTION USUN NEW YORK LINEO BAGHDAD CANBERRA TEL AVIV JERUSALEH JIDDA RIKADH KUMAHT HANANA DOHA HUSCAT STOCKHOLM ANKARA ALGIERS WIENNA ROHE BONN DAHASCUS GENEVA TOKYO UN SECURITY COUNCIL CAPITALS MARCH ST QUOTE

CONFEDENT LAL STATE 094420

E.O. 12356: DECLE DADR TAGS: PREL PARH, UNSC. IR. IZ

CHENICAL WEAPONS: HEETING WITH IRACI CHARGE SUBJECT:

REF : STATE: 91964 CONFIDENTIAL

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- 2. (SUMMARY) IRAGI CCM KIZAR HAHDOON CALLED ON NEA DAS PLACKE HARCH 29 TO PRESENT IRAGI VIEWS ON UNSU CONSIDERATION OF CH USE IN IRAN-IRAQ WAR. HE SAID IRAQ WOULD PREFER UNSO PRESIDENTIAL STATEMENT TO RESOLUTION AND LISTED THREE ELEMENTS IT SHOULD CONTAIN. PLACKE SAID USG COULD ACCEPT IRAQI ELEMENTS AND PRESIDENTIAL STATEMENT IF THAT WAS CONSENSUS OF UNSO. PLACKE INFORMED HANDOON THAT ON MARCH 30 USG WOULD IMPLEMENT LICENSING REQUIREMENTS ON EXPORTS TO BOTH IRAN AND IRAQ OF FIVE CHEMICALS THAT COULD BE USED IN CW PRODUCTION. (END SUMMARY.)
- UNSC DRAFT RES ON CH: HANDOON EXPRESSED STRONG IRAQI PREFERENCE FOR STATEMENT BY PRESIDENT OF SECURITY COUNCIL RATHER THAN UNSC RESOLUTION. IRAQIS BELIEVED THAT RESOLUTION HOULD BE SUBJECT TO MANY COMPROMISES AND HOULD CAUSE "BALOO" ABOUT CH ISSUE, WHILE PRESIDENTIAL STATEMENT COULD BE CLEARLY DRAFTED AND COULD INCLUDE CH AS ONE OF THREE OR FOUR ELEMENTS. IRAQ BELIEVED PRESIDENTIAL STATEMENT SHOULD INCLUDE: 1) . HENTION OF FORMER UNSC RESOLUTIONS ON THE WAR. INCLUDING RES 840; 2) STRONG CALL FOR PROGRESS TOWARD ENDING WAR THROUGH -CEASEFIRE OR NEGOTIATIONS: 39 REFERENCE TO CH WITHOUT HENTIONING ANY SPECIFIC COUNTRY. ON LATTER POINT. HANDOON REFERRED TO REPORT OF UN MISSION TO IRAN AS PRECEDENT IN NOT KENTIONING IRAQ. HANDOUN SAID STATEMENT SHOULD TREAT ON AS ""UNQUALIFIED ISSUE" AND MAKE GENERAL POINT OF ATTEMPTING TO STOP SPREAD OF CH USE. IRAQ HOULD. NOT BE HELD RESPONSIBLE FOR CONTINUING THE WAR OR SPECIFICALLY BLANED. HANDOON CONHENTED THAT IRAQ FELT CONFIDENTIAL CONFIDENTIAL

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THIS APPROACH WAS NOT FAR FROM PRESENT UNSC EFFORTS.

4. PLACKE EMPHASIZED FIRM USG OPPOSITION TO USE OF CW. HOWEVER, WE AGREED ON DESIRABILITY OF CONTINUING TO CALL WORLD ATTENTION TO TRAGEDY OF THE HAR AND HOULD SUPPORT DUTCH DRAFT. INCLUDING THREE POINTS HADE BY IRAQ. USG WOULD LIKE TO SEE SOMETHING CONSTRUCTIVE COME OUT OF THIS UNSC EFFORT; IF CONSENSUS DEVELOPED IN FAVOR OF PRESIDENTIAL STATEMENT, WE COULD ACCEPT IT AS WELL. OUR VIEW IS THAT IT IS IMPORTANT TO TAKE A POSITION ON FINDINGS OF MISSION IN IRAM. SINCE THE EXPERTS DID NOT

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TAKE A POSITION ON SCURTE, HE HOULD NOT PRESS FOR THAT.

- 5. HAMDOON CLAIMED THAT IRANIANS WERE UPSET ABOUT ENVIRONMENT AT UN AND FELT THAT ALL THE FORCES IN THE WORLD WOULD LIKE TO SEE IRAN DEFEATED. IT WAS THEIR PURPOSE TO PUNISH IRAQ AND NOT TO TALK OF CEASEFIRE OR NEGOTIATIONS. PLACKE SAID IRAN SHOULD TAKE SOME SATISFACTION FROM FACT THAT ITS COMPLAINT WAS ACKNOWLEDGED AND THAT INTERNATIONALLY-RECOGNIZED EXPERTS HAD PRODUCED RESPECTABLE FINDINGS. HAMDOON FELT IRANIANS WOULD NOT BE SATISFIED WITH ANYTHING BUT HILITARY VICTORY. PLACKE COMMENTED THAT THISWOULD NOT PRODUCE VICTORY FOR ANYONE -- ONLY SUFFERING.
- G. U.S. CHEHICAL LICENSING REQUIREMENTS: PLACKE DELIVERED U.S. POSITION ALONG LINES OF REFTEL. HE INFORMED HAMDOON THAT ON MARCH 30 USG WOULD BE IMPLEMENTING LICENSING REQUIREMENTS ON CERTAIN CATEGORIES OF CHEHICALS FOR EXPORTS TO BOTH IRAN AND IRAG. THE REQUIREMENTS WOULD BE PUBLISHED IN FEDERAL REGISTER ON APRIL 2. THESE WOULD COVER FIVE CHEHICAL COMPOUNDS WE HAVE DEFINED AS THOSE MOST LIKELY TO BE USED IN PRODUCTION OF CW. PARTICULARLY NERVE GAS. WE ABSOLUTELY RESIST BEING SOURCE OF SUPPLY FOR ANYTHING THAT COULD CONTRIBUTE TO PRODUCTION OF CW. PLACKE MENTIONED TWO CONFIDENTIAL

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INSTANCES IN WHICH IRAQI SHIPPING AGENTS HAD SOUGHT TO PURCHASE SUCH CHEMICALS AND WE HAD STOPPED THE SALE. PROCEDURALLY. THE FIVE CHEMICALS WOULD BE REHOVED FROM NO-CONTROL CATEGORY AND PUT UNDER LICENSING REQUIREMENTS FOR BOTH IRAN AND IRAQ. PLACKE NOTED THAT SAME INFORMATION SHOULD ALREADY HAVE BEEN COMMUNICATED TO IRAQI MFA.

7. WE WOULD ASK GOI'S COOPERATION, PLACKE CONTINUED, IN AVOIDING SITUATIONS THAT WOULD LEAD TO DIFFICULT AND POSSIBLY EMBARRASSING SITUATION. WE WILL NOT LICENSE CHEMICALS TO EITHER BELLIGERENT AND BELIEVE IT IS IN BEST INTERESTS OF BOTH USG AND GOI IF IRAQ MAKES NO FURTHER EFFORTS TO PURCHASE THESE CHEMICALS. WE DO NOT WANT THIS ISSUE TO DOMINATE OUR BILATERAL RELATIONSHIP NOR TO DETRACT FROM OUR COMMON INTEREST TO SEE WAR BROUGHT TO EARLY END. PLACKE HOPED HANDOON WOULD RECOMMEND THAT GOI

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TAKE ACTION ON THESE REQUIREMENTS, SO THAT NO SURTHER CONSIDERATION WOULD BE NEEDED. HANDOON RESPONDED THAT HE WAS NOT INFORMED ABOUT ANY CHEMICALS PROVIDED BY U.S.; BUT BELIEVED IT WAS IN GOI'S INTEREST TO CONSULT TO COOPERATE ON CHEMICALS, ESPECIALLY SINCE IRNIAMS HAVE SAID THEY WILL PRODUCE CHEMICAL WEAPONS. PLACKE SAID WE HAVE NOTED IRANIAM STATEMENT AND REITERATED THAT WE WINOT SELL CHEMICALS TO EITHER SIDE.

8. VISIT OF TARIQ AZIZ TO WASHINGTON: IN BRIEF DISCUSSION ON MEETING BETWEEN IRAQI FORMIN TARIQ AZIZ AND AMB. RUMSFELD, PLACKE COMMENTED THAT WE UNDERSTAND POINT MADE BY AZIZ THAT WITHIN CONTEXT OF THE WAR IT WOULD NOT BE APPROPRIATE FOR HIM TO VISIT WASHINGTON UNLESS THERE WERE SOME SPECIFIC MATTER TO BE DEALT WITH THAT WOULD PROVIDE APPROPRIATE JUSTIFICATION. IT WAS OUR INTENTION CONFIDENTIAL

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TO UNDERSCORE OUR PARTICULAR INTEREST IN DEVELOPING THE RELATIONSHIP WITH IRAQ, BUT WE HAVE NO SPECIFIC MATTER TO DISCUSS AT THE PRESENT TIME.

IRAGI PIPELINE: PLACKE SAID USG HAS JUST HET WITH BECHTEL FOR PRELIMINARY ASSESSMENT OF PROJECT: HE WOULD PROCEED TO SEEK ARRANGEMENTS THAT WOULD NEET IRAQI REQUIREMENTS. ON FINANCING, USG IS LIMITED TO EXPORT FINANCING THROUGH EX-IN BANK, HONEYER, WE UNDERSTAND . BECHTEL HAS SOME IDEAS ON ARRANGING FINANCING. ASSUMING THAT GOI IS PREPARED TO OFFER GUARANTEES. FOR OUR PART. WE WILL ENSURE EX-IH BANK UNDERSTANDS IMPORTANCE USG ATTACHES TO THIS PROJECT AND EXPLORE OTHER POSSIBILITIES. IN LIGHT OF TARIZ AZIZ' COMMENTS WE WILL HAVE TO WORK FURTHER ON THE SECURITY ASPECT WITH ISRAEL. CONSIDERINGPROXIMITY OF PROPOSED TERMINAL TO THAT COUNTRY. HANDOON STRESSED IMPORTANCE OF OUR DISCUSSING ISSUE WITH AMB. RUMSFELD IN VIEW OF RUMSFELD'S TALKS IN BAGHDAD. PLACKE SAID HE UNDERSTOOD SECHTEL WOULD BRIEF EX-IH. BANK. BUT DID NOT YET HAVE ENOUGH INFORMATION TO APPLY FOR EXPORT CREDIT. WE ARE FOLLOWING UP WITH EX-IN ON REGULAR BASIS. AS TARIO AZIZ HAD NOTED. MAJOR PROBLEMS ARE FINANCING AND THIRD PARTY GUARANTEES. SHULTZ UNQUOTE SHULTZ UNQUOTE SHULTZ

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