

C O N F I D E N T I A L SECTION 01 OF 05 BAGHDAD 003316

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TAGS: KDEM PGOV PHUM PREL SY TU EG IR IZ

SUBJECT: NEA A/S FELTMAN'S MEETING WITH PRESIDENT TALABANI

REF: A. BAGHDAD 3193

Â¶B. BAGHDAD 3157

Â¶C. BAGHDAD 3229

Â¶D. BAGHDAD 3205

Â¶E. BAGHDAD 3196

Classified By: A/DCM Gary A. Grappo for reasons 1.4 (b) and (d)

Â¶1. (C) SUMMARY: In a wide-ranging discussion with visiting NEA A/S Feltman on December 14, President Talabani underscored the importance for Kurds of the POTUS/VPOTUS telephone calls with Kurdistan Regional Government (KRG) President Barzani, the December 7 White House statement on Iraq's election law and the message conveyed by Secretary of Defense Gates. He predicted a tough government coalition process in Iraq after the March elections, dismissed the significance of the Kurdish Goran ("Change") Movement and said the PUK and KDP - which will again run on a united Kurdish list - had agreed with PM Maliki's State of Law coalition to try to form a front as part of a government coalition after elections. On Iran ("a very difficult country"), Talabani said the domestic political situation is highly unstable and the regime's leadership paralyzed: Supreme Leader Khamenei fears further alienating the Iranian street, but is hemmed in by regime hardliners and cannot afford to appease the opposition, either. Iran's multi-ethnic population and the Islamic Revolutionary Guard Corps' (IRGC) efforts to expand its writ posed additional challenges for the regime. While Syria and Iran

agreed on much, Syria's attempts to resuscitate Iraq's Ba'ath Party (a mistake, in Talabani's view) worried Tehran. Talabani said Saudi Arabia's effort to re-tether Syria to the broader Arab community had prompted closer Egyptian-Iraqi ties. The Saudi effort to isolate Iraq from its regional neighbors was "misguided", but given the personal enmity between King Abdullah and PM Maliki, Saudi-Iraqi rapprochement was unlikely if Maliki won another term as PM. Talabani said Iraq's second oil bid round helped allay concerns about Iraq's credit worthiness, highlighted its potential to become a wealthy country and gave Iraq a chance to rival Saudi Arabia's oil production in 10-15 years. End summary.

ELECTION LAW AND SECRETARY OF DEFENSE GATES' VISIT  
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¶2. (C) Talabani said KRG President Masoud Barzani was "very pleased and satisfied" with the recent visit of Secretary of Defense Gates (ref A) and his reiteration of the December 7 White House statement on the U.S. commitment to Iraq's constitution (including Article 140), support for a census and pledge to help resolve outstanding Arab-Kurd issues. Talabani said that while some actors in the Iraqi Kurdistan Region (IKR) claimed the Kurds were "deceived" into settling for 43 parliamentary seats as part of the recently-completed election law deal (ref B), he and Barzani believed long-term relations with the U.S., as manifested in the White House statement and the SecDef's message, were more important than an additional 2-3 parliamentary seats. A/S Feltman underscored the U.S. commitment to resolve outstanding Arab-Kurd issues in accordance with Iraq's constitution and Article 140.

¶3. (C) Talabani noted that "some Kurds" failed to understand that Article 142 stipulates that any proposed changes to the constitution cannot impinge on rights

otherwise guaranteed to the provinces. (Comment: Mentioned in the White House statement of December 7, Article 142 provides a mechanism for amending the constitution. In Qprovides a mechanism for amending the constitution. In mentioning it, Talabani likely intended to caution that any attempt to amend the constitution in a way that limited Kurds' rights to resolve DIBs issues under Article 140 would be unacceptable. End comment.) While the Bush administration had been "very friendly" toward the Kurds, it had never publicly expressed support for Kurdish interests, Talabani said. (Note: He claimed former VP Cheney committed to doing so after Iraq adopted hydrocarbons legislation, which has still not occurred. End note). Kurds were "very glad" about the POTUS/VPOTUS-Barzani calls and December 7 White House statement, which represented a commitment by the U.S. to them. (Note: As reported ref C, Kurdish, Arab and Turkoman interlocutors have publicly and privately expressed the fears that the POTUS/VPOTUS calls, together with the December 7 statement, represent a deal by which the KRG agreed to accept a consensus election law agreement in exchange for U.S. support of a process that would lead to the eventual annexation of Kirkuk into the IKR. End note.)

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GOVERNMENT FORMATION - "THEN WE'LL HAVE PROBLEMS"

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¶4. (C) While the negotiating for a consensus agreement on an election law compromise had been difficult, Talabani claimed delaying the election until March would mitigate weather-related complications during the polling. After that would come the effort to form a coalition government. "Then we will have problems", Talabani predicted. (Note:

Responding to Ambassador Hill's question about whether Iraqi Kurdistan Parliament Speaker Dr. Kamal Kirkuki would participate in the Kurdish Alliance List's negotiating team, Talabani characterized Kirkuki as "a foolish man" and joked that he was not really a doctor, not really named Kamal and was not actually from Kirkuk, as his surname suggested. End note.) Responding to A/S Feltman's question about whether government formation negotiations would be over the position of the president or the presidency (encompassing the president and two vice-presidents), Talabani said that in accordance with the Iraqi constitution, they would only pertain to the office of the president. Referring to VP al-Hashimi's unhelpful veto of the November 8 election law, Talabani noted that the current arrangement by which the president and two vice presidents may veto legislation had benefits and drawbacks. (Note: It is unclear whether parliament will approve holding a constitutional referendum to extend the current arrangement by which the president and two vice presidents have a veto. End note.)

¶5. (C) Talabani said in recent negotiations the PUK and KDP reached agreement with PM Maliki's Shi'a-led State of Law Alliance (SLA) to form a front as part of a coalition government after elections. The bloc with the largest number of seats would nominate a candidate for PM. (Comment: Consummation of the proposed deal will likely depend on how many seats SLA is able to win. End comment.) Talabani said the KDP and PUK will again run together on a united Kurdish Alliance List (KAL). Nawshirwan Mustafa's Goran (aka, "Change") Movement would run on a separate list, as would the Kurdish Islamic Union and League of Muslims of Kurdistan.

TALABANI DISMISSES GORAN MOVEMENT'S SIGNIFICANCE

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¶6. (C) Responding to A/S Feltman's question about what Goran meant for Kurdish internal politics, Talabani characterized the movement as an expression of dissatisfaction with the status quo. Criticizing Goran's "negative agenda", he claimed the movement lacked an organized party structure, a program and leadership. (Comment: As reported ref D, Goran largely agrees with the PUK/KDP's "national" Kurdish agenda; however, unlike the PUK/KDP, Goran believes implementation of Article 140 and progress on resolving Kirkuk should be the first among them. End comment.) Talabani complained that although Goran members were part of a group of IKG parliamentarians that participated in election law negotiations in Baghdad, they later claimed they had been deceived into backing the compromise agreement.

¶7. (C) Sharply criticizing Goran, he claimed its members were "politically immature" and did not understand politics outside the IKR. Dismissing Goran's significance for internal Kurdish politics, Talabani claimed "thousands" who had supported the party in July's KRG parliamentary elections had been disappointed by it and were now leaving. Talabani claimed many of those were joining Kurdish Islamic parties, whose ranks were swelling, to register opposition to the existing PUK-KDP bipolar order.

IRAN: "NO SECURITY AND NO STABILITY"

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¶8. (C) A/S Feltman gave the U.S. assessment that the Iranian regime's failure to respond positively to elements of the October 1 proposal reflected divisions within the regime's leadership and an inability to reach a decision on its nuclear aspirations. Talabani cautioned against ignoring "the real crisis" Iran's regime now faced. Opposition born of the regime's heavy-handed response to

election protests had clearly demonstrated that the regime lacked the support of a majority of Iranians. Supreme Leader Ayatollah Ali Khamenei does not want to lose the sympathy of the Iranian street, but "cannot afford to appease it, either." Talabani expressed his view that recent remarks by Majlis Speaker Ali Larijani decrying

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"plots" against Iran's nuclear program also constrained Khamenei's room for maneuver and threw into stark relief the internal political crisis the regime faces. There is "no security and no stability in Iran now", Talabani said.

MULTI-ETHNIC POPULATION CHALLENGES IRAN'S REGIME

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¶9. (C) Compounding longstanding fissures in the political landscape is Iran's multi-ethnic population, which had become an increasingly prominent source of friction, according to Talabani. Noting 14 Kurdish intellectuals were recently sentenced to death for peacefully opposing the Iranian regime, Talabani highlighted what he termed the emerging "partisan war" between the regime and ethnic Azeris. Talabani flatly said there had been "interference in and falsification of" election results by the regime. He agreed with A/S Feltman's assessment that it was unlikely reformist Mir Hossein Mousavi had legitimately lost in his predominantly Azeri home province. Stressing the key role Mousavi played during his tenure as Iranian Prime Minister in developing ethnically Azeri areas of Iran, Talabani said he was genuinely popular and enjoyed wide support. Describing the current struggle between reformists and the regime, Talabani said Mousavi is "now engaged in a fight from which he cannot retreat".

IRGC ANTAGONIZING IRANIAN ARMY AND BAZAARIS

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¶10. (C) A/S Feltman observed that Iran's Islamic Revolutionary Guard Corps (IRGC) was taking advantage of political instability and the leadership's paralysis to expand its writ. Talabani agreed, but noted that while the IRGC's leadership is united at the senior levels, divisions exist among the rank and file. The IRGC was not popular, he said: Iranian Army leaders were unhappy that the IRGC, a rival for resources and influence, was expanding its domain and Iranian merchants were unhappy about the IRGC's increasing involvement in economic activities. A/S Feltman underscored potential short-term dangers stemming from increased IRGC influence. An example was the increased IRGC naval presence in the Persian Gulf, where the U.S. and Iranian navies had longstanding experience with each other's operations and established bridge-to-bridge communication protocols to mitigate potential miscommunication.

¶11. (C) Agreeing that the IRGC was trying to extend its influence, Talabani said the IRGC had to approve the appointments of most Iranian ambassadors, including all those appointed to "important states". He stressed the importance of differentiating between "what they (IRGC leaders) say and what is in their hearts". In their hearts, IRGC leaders are afraid; however, they adopt a maximalist public line in the belief it will help the regime reach the best possible deal with the U.S. and Europe on the nuclear program and other issues. Talabani attributed significant changes in the IRGC's leadership cadre to concerns about loyalty stemming from the widely-repeated view that 70 percent of IRGC officers voted for reformist former Iranian President Mohammad Khatami in 1997, and presumably remain sympathetic to the reform movement.

IRAN "A VERY DIFFICULT COUNTRY"

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¶12. (C) Noting that the U.S. had pursued bilateral and multilateral approaches, but had not been able to prompt Iran's regime to respond, A/S Feltman asked Talabani what Iran's regime to respond, A/S Feltman asked Talabani what advice he might offer. After a long pause, Talabani sighed and conceded that Iran is "a very difficult country". While some Iranians claimed nuclear weapons were un-Islamic, the regime was making "quick progress" towards acquiring nuclear weapons capability. Talabani said he believed there were more secret sites than the recently disclosed one at Qom, and assessed that the Iranian regime sought to approach turn-key status with respect to its ability to initiate production of nuclear weapons. He noted the potency of the nuclear program as a "national issue" with which the regime could rally the Iranian people and deflect attention from shortcomings in domestic programs. Citing increased Russian pressure on Iran, Talabani said he thought U.S. policies had been "wise." He offered that it would be helpful if China reached a similar decision with respect to its willingness to further pressure Iran, and suggested that increased Iraqi oil production could help mitigate

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China's dependence on Iranian oil, potentially freeing China to pursue a harder policy on Iran's nuclear program.

IRAN-IRAQ-SYRIA RELATIONS

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¶13. (C) While Iranian leaders' views on individual Shi'a Iraqi leaders were "not homogeneous" (some supported former



PM Jaafari, others supported PM Maliki), they are united in their desire for a Shi'a-led government and fear of a resurgent Ba'th Party. Talabani said a contact told him during his last visit to Iran that Muhammad Nassif Khayrbek, the former head of Syria's General Intelligence Directorate and a senior advisor to President Bashar al-Asad recently visited Tehran and proposed that Iran and Syria cooperate to bring Iraq's Ba'th Party back to power as "a bridge between Iran and Syria". (Note: Talabani flew to Iran on/about November 22 to appeal for the lives of Iranian Kurds sentenced to death. End note.) A/S Feltman noted that while Iran and Syria agree on much, a major point of divergence is Iraq. Talabani agreed, noting that Syria heavily supported Iraqi Ba'thists, while Iran opposed them. Syria is actively working to change Iranian leaders' minds; however, Syria's support for the Iraqi National Movement coalition that includes, among others, former PM Ayad Allawi (secular Shi'a) and Saleh al-Mutlaq (Sunni with Ba'thist ties) "worried Iran."

¶14. (C) Talabani said the Syrian regime approached him one month ago through a friend to ask that he help mediate between Syria and Iraq to reduce tensions stoked by PM Maliki's accusation of Syrian complicity in recent bomb attacks against GOI facilities in Baghdad. The emissary said Talabani should contact President Bashar al-Asad directly, and that Syria was willing to "cease all support for action against Iraq" if an accommodation could be reached. A/S Feltman noted that the U.S. was trying to identify ways to improve relations with Syria. Talabani stressed that if there were any improvement on the Israeli-Palestinian track, better U.S.-Syria relations could be possible. Recalling an exchange several years ago with Bashar in which he asked what Syria wanted from the U.S., Talabani said Bashar answered that he wanted the Golan back and a stable Iraq that would not work against Syria, in that order. Talabani said he asked Bashar if the

order could be reversed, pointing out that strong Syria-Iraq ties could help Damascus with respect to Israel.

SYRIA ERRS IN TRYING TO RESTORE IRAQ'S BA'TH PARTY  
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¶15. (C) On Syria's support for those conducting attacks in Iraq, Talabani said Syria made "a big mistake" in thinking it could return the Ba'th Party to power in Iraq, which was their ultimate goal. The nadir of Syrian-Iraqi relations coincided with the period in which the Ba'th ruled Damascus and Baghdad. Syrian leaders wanted to play the role of "fraternal helpers" in restoring Iraqi Ba'thists to power. Baghdad's offer to reopen pipelines, supply gas and open points of entry on the Syria-Iraq border had been viewed suspiciously by Damascus, which did not believe a Maliki-led government would honor such commitments.

¶16. (C) A/S Feltman noted that in conversations with Syria, the SARG always raised Iraq. The U.S. recently asked Syria to stop broadcasts from Damascus of Ba'thist-backed satellite channels glorifying terrorism and violence, but had not seen any action. Talabani offered that Syria was Qhad not seen any action. Talabani offered that Syria was waiting for the results of Iraq's upcoming elections, in which they hoped a strong Sunni bloc would emerge, before making any decisions on its Iraq policy. Noting that the SARG was good at collecting cards, A/S Feltman asked Talabani when they might actually play their hand. Talabani replied that while Hafez al-Asad had been an excellent player, Bashar was still young. Referring to Bashar's leadership style, he said Arabs jokingly described Syria as a "Jamluka", a play on the Arabic words "Jamahuriya" (Libya's "state of the masses") and "mamluka" ("monarchy").

SAUDI-SYRIA THAW PROMPTS CLOSER EGYPTIAN-IRAQI TIES  
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¶17. (C) A/S Feltman asked Talabani what the visit to Damascus in October by Saudi Arabia's King Abdullah after a five-year hiatus in Saudi-Syrian relations meant for Iraq. Talabani laughingly said King Abdullah told him "You and Iraq are in my hearts, but that man (Maliki) is not". Citing Maliki's "failed promises" to Saudi leaders,

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Talabani said Abdullah and the Saudis refused to deal with the PM, despite U.S. attempts to mediate. Syria, too, blamed Maliki for Iraq's anti-Syria policies and found it difficult to work with him. According to Talabani, Syrian officials told Maliki during the latter's most recent visit to Damascus (shortly before the August 19 bombings in Baghdad) that they were supporting Iraq's Ba'th Party, further stoking Maliki's fear of Ba'thist conspiracies against him.

¶18. (C) Talabani said King Abdullah is trying to re-tether Syria to the broader Arab community, an initiative Egypt opposes. Partly as a consequence, Egyptian-Iraqi relations had improved. Riyadh tried to pressure Cairo not to facilitate Maliki's recent visit to Egypt, but the visit had come off. A/S Feltman offered that King Abdullah's visit to Damascus and the possibility of warming ties between Saudi Arabia and Syria was likely a factor in encouraging Egyptian ties with Iraq, to help counterbalance the Saudi effort. Noting Riyadh's important regional role, Talabani said Saudi Arabia was actively working to prevent Iraq from developing relationships with its regional neighbors, and claimed it had pressured Kuwait to backtrack on initial agreements with Iraq on issues dating to the Saddam-era. Despite Saudi opposition, though, Qatar and Bahrain were seeking improved relations with Iraq.

SAUDI-IRAQI RAPPROCHEMENT UNLIKELY IF MALIKI PM AGAIN

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19.(C) Talabani characterized the Saudi policy as misguided, noting that Iraq could play a positive role in attenuating tension between the Saudi government and its largely Shi'a opposition. A/S Feltman said the U.S. would encourage the Saudis to revisit their Iraq policy after upcoming

Iraqi elections in March. Talabani offered that if Maliki remained PM, things would likely remain as is since the enmity was personal; however, with a different PM - even another Shi'ite like ISCI's Ammar al-Hakim or Allawi - there was a chance for positive change. He cautioned that such an effort could be hurt if the Saudis' efforts to support the emergence of a strong Sunni bloc in the Iraqi parliament failed, which he thought likely.

¶20. (C) Talabani assessed Turkey's role with respect to Iraq as generally good and said his relations with Turkey were "excellent". Noting improved relations between Ankara and the KRG, he pointed to Turkish FM Gul's recent visit to Erbil. Turkey could play a positive role in the region and Ankara's policy towards Kurds (Iraq) and Alawites (Syria) was generally positive, despite opposition from the Turkish General Staff and some quarters of Turkey's parliament. He offered that Turkey could play a positive role with respect to Syria.

SECOND OIL BID ROUND

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¶21. (C) Talabani expressed surprise that companies from the U.S., which "liberated Iraq and therefore earned the right", had not won more contracts during Iraq's recently-concluded Second Petroleum Licensing Round ("bid round"), held December 11-12 in Baghdad. (Note: As reported ref E, only three of the seven pre-qualified U.S. companies attended the bid round and only one (Occidental Petroleum)

submitted a bid. No U.S. companies were awarded contracts during the second bid round; however, ExxonMobil and Occidental won contracts in the first round potentially allowing them to develop nearly three million barrels per day of future Iraqi oil production, representing nearly a third of the potential total increase in Iraqi oil production from the two bid rounds. End note.) Ambassador Hill underscored that U.S. oil and gas service companies were expected to garner significant business as part of the effort to increase Iraqi oil production under the new contracts. He also noted that with the second bid round, companies from all five UNSC permanent members had production contracts in Iraq. Noting that Iraq's oil production could rival Saudi Arabia's in 10-15 years, Talabani said the second bid round would help allay concerns about Iraq's credit worthiness and highlight its potential to become a wealthy country.

22. (U) A/S Feltman cleared on this message.

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