ATTACHMENT B

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IRAQI AND IRANIAN NEGOTIATING POSITIONS IN THE WAR

Issues	Iraq	Iran
Basic Negotiating Position	Increasingly desperate to get a negotiated settlement. Has privately indicated that all issues are negotiable.	Recent statements by government officials more hardline. After military success at Dezful-Shush, Iran reiterated its basic three demands--withdrawal, identification of Iraq as aggressor, and payment of reparations--and claims to be unwilling to haggle.
Shatt-at-Arab	The central issue for Iraq. Iraq insists upon Iraqi sovereignty, with shared use. Has proposed a settlement based on possibly the 1938 agreement, providing Iraqi sovereignty but Iranian control of waters around Khorramshahr and Abadan. Rejects 1975 Algiers Accord as basis for negotiation.	Views Shatt as marginal issue, but cannot cede sovereignty. Has cited 1975 Algiers Accord--giving Iran sovereignty over the eastern half of the waterway--as possible basis for negotiation. Algeria reportedly shares this view.
Withdrawal of Troops	Will agree to immediate, total withdrawal of troops, if provided a ceasefire and Iranian commitment to negotiate.	Insists upon unconditional withdrawal before making any commitments to negotiate.
Blame	Has agreed to establishment of independent OIC peace commission to determine culpability.	Agrees to establishment of independent OIC commission but insists Iraq be condemned for starting the war.
Reparations	Insists negotiations to determine the aggressor must take place first.	Demands immediate payment of $100 billion in reparations by Iraq. Payment must be agreed to before ceasefire. Amount is reportedly negotiable based on the peace commissions determination of just payment for actual damages.
Refugees	Iraq has not addressed the question.	Iran reportedly insists upon return to Iraq of those thousands of Iraqis expelled since the Iranian revolution.
Forum for Negotiations	Would welcome mediation by any party likely to be successful.	Amenable to Islamic or Algerian mediation, but currently uninterested in negotiations.

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