

W. German Company Cancels Nuclear Contract With Iran

Reuter

TEHRAN, July 31—The West German Company Kraftwerk Union today formally terminated its contract to build two nuclear power stations for Iran near the Persian Gulf port of Bushehr, a company spokesman said.

Iran has already spent \$3 billion on construction of the two 1,200-megawatt plants. Though more than half completed, the facilities could be ruined within six months unless the Iranians maintain the site properly, according to the Kraftwerk spokesman.

The spokesman said the company has preparing to claim at least \$550 million to cover its losses.

In political developments, Iranian authorities today released 16 Kurdish hostages captured by Islamic Revolutionary Guards during recent fighting in Marivan in northwestern Iran as thousands of angry Kurds closed in on the town.

A procession of about 5,000 Kurds, wearing traditional costumes and escorted by armed guerrillas, approached Marivan after marching 75 miles from the provincial capital of Sanandaj to demand the hostages' release.

Marivan, near the Iraq border, was nearly deserted. Most of its 20,000 Kurdish inhabitants have been camped in the surrounding hills since fighting between Kurdish guerrillas and the Revolutionary Guards broke out there earlier this month.

The Iranian authorities have been negotiating with the Kurds and the Revolutionary Guards in Marivan over the last few days to avoid any further clashes in the tense Kurdistan region.