

**The Carter Administration and the "Arc of Crisis":
Iran, Afghanistan and the Cold War in Southwest Asia, 1977-1981**

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**The Carter Administration and the "Arc of Crisis":
Iran, Afghanistan and the Cold War in Southwest Asia, 1977-1981**

Brief Chronology of Events

1977

January 20, 1977 -- Jimmy Carter is inaugurated president of the United States.

March 21, 1977 -- On the 50th anniversary of the Pahlavi dynasty, the Shah grants amnesty to 653 prisoners, one of several similar measures the monarch takes during this period.

May 13, 1977 -- Secretary of State Cyrus Vance visits Tehran for a CENTO conference and a meeting with the Shah.

May 13, 1977 -- President Carter signs Presidential Directive 13 ordering a review of all arms sales cases.

June 18, 1977 -- William Sullivan presents his credentials to the Shah as U.S. ambassador. Opposition forces reportedly see Sullivan's appointment as a signal that the Carter administration will not press the Shah to liberalize.

August 1, 1977 -- Iran withdraws its offer to purchase AWACS from the United States due to congressional opposition. Vance warns the Senate Foreign Relations Committee that any delay in the sale would be a grave mistake. President Carter reaffirms his support for the sale in early September.

August 6, 1977 -- Prime Minister Abbas Hoveyda resigns after 12 years in office. The Shah replaces him the next day with Jamshid Amouzegar.

September 23-27, 1977 -- President Carter holds meetings with Andrei Gromyko to revive the SALT process, an issue that occupies much of the administration's efforts over the next two years.

October 1977 -- Students in Tehran call for Ayatollah Khomeini's return from exile.

November 7, 1977 -- Vance announces President Carter's decision to postpone his trip to Iran.

November 15 -16, 1977 -- The Shah visits the United States, triggering protests in both countries.

December 31, 1977 -- President Carter arrives in Tehran for an official visit of less than 24 hours. At a state dinner, Carter calls Iran "an island of stability in one of the more troubled areas of the world."

1978

January 8-9, 1978 -- Police open fire on a crowd of seminary students demonstrating in Qom. Following the incident, the Tehran Embassy tries to establish regular contact with opposition religious figures and bazaar merchants to improve intelligence.

February 18-19, 1978 -- Anti-government demonstrations take place in several major cities commemorating those killed in Qom. In Tabriz, serious violence breaks out.

April 16, 1978 -- In an interview with *The Times* of London, the Shah states that torture is no longer practiced in Iran and that recent disturbances are the work of small groups of "ignorant people."

April 26, 1978 -- Ronald Reagan, George Bush, and Margaret Thatcher visit Iran.

April 27, 1978 -- The Saur Revolution in Afghanistan results in the overthrow of Mohammad Daud at the hands of the Soviet-backed PDPA.

May 1978 -- A variety of serious disturbances take place this month in cities across Iran. At one point, the Shah announces that despite the unrest, which he blames on National Front supporters, he will proceed with political liberalization.

May 6, 1978 -- In an interview in *Le Monde*, Khomeini rejects the Shah's charge of an alliance between religious conservatives and Marxists.

June 6, 1978 -- General Nasser Moghaddam replaces General Nematollah Nassiri as head of SAVAK.

July 3, 1978 -- The Shah issues a private "Code of Conduct" for the royal family barring them from profiteering in business deals.

July 5, 1978 -- A Policy Review Committee meeting, chaired by Vance, is held to resolve disagreements within the administration about U.S. arms sales policy toward Iran. The meeting results in the decision, later reversed, to sell Iran 31 F-4E aircraft capable of installing radiation suppression equipment, among other military items.

July 23, 1978 -- Former Prime Minister Ali Amini calls for a government of national reconciliation saying he has been asked to moderate between the Iranian government and the religious opposition.

July 26, 1978 -- Charles Naas reports a rash of recent rumors concerning the Shah's health. He says the monarch appears "a little tired, but otherwise fine," and that Naas will monitor the situation.

July 27, 1978 -- Khomeini issues a proclamation claiming exclusive leadership of the opposition movement for the Islamic clergy.

August 1978 -- A CIA study, entitled "Iran after the Shah," concludes that "Iran is not in a revolutionary or even pre-revolutionary situation."

August 1, 1978 -- A pipe bomb is thrown over the wall of the U.S. Consulate in Isfahan.

August 5, 1978 -- On the 72nd anniversary of the Constitution and the beginning of Ramadan, the Shah declares his intention to open the political system and further pursue his liberalization program.

August 15, 1978 -- Khomeini reportedly sends a message to Ayatollah Shariatmadari telling him to stop discussing the Constitution and Parliament since they should be replaced by Islamic institutions. Khomeini subsequently issues a proclamation calling on army troops not to shoot their brothers, but to oppose the government.

August 19, 1978 -- An estimated 430 moviegoers die in an arson fire at the Rex Cinema in Abadan sparking anti-Shah riots. In the next few days, 29 movie theaters throughout the country are set ablaze.

August 22, 1978 -- Sullivan returns from a two-month vacation in United States.

August 27, 1978 -- Jaafar Sharif-Emami replaces Amouzegar as prime minister.

c. September 1, 1978 -- Due to disagreements between CIA and INR, a draft National Intelligence Estimate on Iran is shelved.

September 3, 1978 -- After Prime Minister Sharif-Emami presents his new program, Shariatmadari gives the new government three months to accede to opposition demands, while Khomeini denounces the new government and calls for the overthrow of the régime.

September 4, 1978 -- 200,000 demonstrate in Tehran to mark the end of Ramadan.

September 5-19, 1978 -- The Camp David summit takes place. The peace process stalls in late Fall, as the Iran crisis is unfolding.

September 6, 1978 -- The government imposes a ban on all unauthorized rallies.

September 6, 1978 -- Washington receives Iran's five-year plan for military purchases, reflecting no reduction of the Shah's military objectives despite stated Carter administration policy to cut back on arms sales.

September 8, 1978 -- A major religious rally takes place in Jaleh Square, Tehran, the day after the government has declared martial law in several key cities. Government troops open fire on the crowd in the capital, killing scores.

September 10, 1978 -- In the wake of the Jaleh Square shootings, the Shah tells Sullivan he will not abandon his liberalization program, nor will he abdicate. President Carter telephones the Shah to reaffirm U.S. support for his régime.

September 19, 1978 -- Sullivan reports that a number of Shah loyalists are beginning to explore political options and that some have approached the Embassy for assistance.

September 23, 1978 -- Iraqi forces place Khomeini under house arrest in Najaf.

October 1, 1978 -- In response to a call from the National Front, a nationwide, one-day work stoppage takes place.

October 6, 1978 -- Khomeini flies from Baghdad to Paris.

October 10, 1978 -- President Carter issues a strong statement of support for the Shah during a Washington press conference.

October 14, 1978 -- The Sharif-Emami government announces major cuts in military and atomic energy spending.

October 19, 1978 -- In a meeting with parliamentary leaders, the Shah indicates he will transfer power to the people through a new Majlis, a move made possible, he says, by his recent reforms. Public reaction is skeptical.

October 20, 1978 -- Iran cancels an order for 70 F-14 fighter aircraft.

October 24, 1978 -- Sullivan and Deputy Defense Secretary Charles Duncan meet with the Shah, who cuts the session short, and in the presence of Sullivan and British Ambassador Anthony Parsons discusses two options for restoring order: installing a military régime or forming a coalition government. The two envoys instead suggest bringing opposition politicians into the present government.

October 31, 1978 -- President Carter meets briefly with Crown Prince Reza, restating his support for the Shah.

November 2, 1978 -- The SCC convenes for its first formal, high-level review of U.S. Iran policy since the beginning of the crisis.

November 5, 1978 -- Tehran explodes in rioting a day after troops open fire on demonstrating students. The government responds by imposing martial law.

November 6, 1978 -- The Shah goes on television to announce a new military government. His speech is apologetic and conciliatory. Meanwhile, in Paris, Khomeini and Sanjabi issue a joint statement ruling out any cooperation with the Shah's régime. Khomeini calls for the formation of a new "Islamic Republic."

November 13, 1978 -- President Carter reaffirms U.S. support for the Shah and pledges not to intervene if the Shah abdicates or is voted out of office.

December 1-2, 1978 -- On the eve of Moharram, thousands of demonstrators violate the curfew in cities around the country.

December 12, 1978 -- George Ball submits his report on the Iranian situation to President Carter. He recommends that the United States press the Shah to transfer power to a "Council of Notables" and that Washington open a channel of communication with Khomeini.

December 15, 1978 -- President Carter announces normalization of relations with China, another major issue that has competed for the president's attention during this period.

December 27, 1978 -- Brzezinski convenes a session of the SCC, focusing on contingency planning in case of the total collapse of order in Iran. Possible steps include ordering the *USS Constellation* to be ready to move into the Indian Ocean, and scheduling a visit to Saudi Arabia by a squadron of F-15 fighter aircraft.

December 28, 1978 -- President Carter asks Sullivan to inform the Shah that the United States supports the formation of a civilian government only if it is moderate and can maintain order. Otherwise, the Shah should immediately form a military government to put an end to disorder and violence, or organize a Regency Council to supervise the military.

December 29, 1978 -- The Shah appoints Bakhtiar prime minister, a move denounced by Khomeini the following day.

1979

January 3, 1979 -- At a NSC meeting, President Carter and his advisers agree that the Shah is irretrievably damaged. However, there is reluctance to force him to step aside. The group decides to send General Robert Huyser to Iran to maintain contact with Iranian military leaders and show continued U.S. support.

January 4, 1979 -- Sullivan informs the Shah that he is welcome to travel to the United States.

January 6, 1979 -- The Shah announces plans to leave Iran for vacation as soon as order is restored.

January 10, 1979 -- President Carter decides to forgo direct contacts with Khomeini as proposed by Sullivan in favor of an indirect approach through the French government. Sullivan's outraged reply leads Carter to demand he be relieved of his post, but Vance persuades him this would be a mistake at this critical moment.

January 10, 1979 -- Khomeini issues a statement saying that Iran could have good relations with United States and Western Europe if those governments stopped supporting the Shah and interfering in Iran's internal affairs.

January 13, 1979 -- The government announces the formation of a nine-man Regency Council. In response, Khomeini declares the establishment of a Revolutionary Islamic Council as a kind of shadow cabinet to the Bakhtiar administration.

January 13, 1979 -- The Shah rejects the idea of a military coup and tells the military to support Bakhtiar.

January 16, 1979 -- The Shah leaves Tehran for Cairo.

January 22, 1979 -- 800 Air Force warrant officers declare their loyalty to Khomeini and revolt against their officers at various air bases in Iran.

February 1, 1979 -- Khomeini returns to Iran, along with Yazdi, Ghotbzadeh, Bani-Sadr and other advisers.

February 3, 1979 -- The United States and Iran sign a Memorandum of Understanding cutting back U.S. military assistance and canceling the sale of about \$6.6 billion worth of military equipment already under contract. Further reviews are planned.

February 5, 1979 -- Khomeini appoints Bazargan prime minister of the Provisional Government.

February 6, 1979 -- Foreign Minister Mirfendereski withdraws Iran from CENTO.

February 11, 1979 -- Bakhtiar officially resigns as prime minister and goes into hiding. (He later repudiates his resignation from Paris.) Bazargan takes over as premier.

February 12, 1979 -- President Carter at a news conference announces the United States continues to favor a stable and independent Iran and stands ready to cooperate with the Provisional Government. Meanwhile, the Soviet Union recognizes the new government and praises Khomeini for his anti-imperialist views.

February 14, 1979 -- Fedayeen gunmen attack the U.S. Embassy and hold the ambassador and staff at gunpoint for nearly two hours.

February 15, 1979 -- The CIA reports that Tudeh Party activity has increased markedly over the last month, beginning with its first public demonstrations in years on January 21 and 22 in Tehran.

February 21, 1979 -- Iran announces the United States will not be permitted to continue operating its secret surveillance installations in northern Iran.

March 1, 1979 -- Khomeini takes up residence in Qom.

March 8-14, 1979 -- President Carter travels to the Middle East. On March 26, Begin and Sadat sign the peace treaty in Washington.

March 30-31, 1979 -- In a nationwide referendum, an overwhelming majority of Iranians approves the formation of the Islamic Republic. Boycotts take place in Kurdish and Turkoman areas.

c. April 1979 -- The Shah begins receiving chemotherapy treatment.

April 1, 1979 -- The Islamic Republic is declared.

April 6, 1979 -- Sullivan ends his tour of duty in Iran.

May 17, 1979 -- The Javits Resolution condemning summary executions in Iran passes the Senate. The Bazargan government immediately objects on the grounds that it represents interference in Iran's internal affairs.

June 4, 1979 -- Iran refuses to accept the appointment of Walter Cutler as the new U.S. ambassador and asks that his nomination be withdrawn.

July 9, 1979 -- Supporters of Khomeini and Shariatmadari reportedly clash violently in Tabriz.

August 7, 1979 -- Iranian exiles meet in London in hopes of organizing a European-based opposition to Khomeini.

August 7, 1979 -- Bruce Laingen concludes that the Soviets have been cooperating with Khomeini for lack of a better alternative, for the sake of protecting their economic stakes in Iran, and to prevent instability on their borders.

August 17, 1979 -- President Carter sends a telegram to Bazargan conveying assurances that Washington stands ready to cooperate with the Islamic Republic.

August 22, 1979 -- Bazargan, Yazdi and Amir-Entezam receive a briefing from a CIA officer in Tehran focusing on threats to Iran. Bazargan hopes such briefings can be held every two months.

August 31, 1979 -- Ayatollah Taleghani accuses the Soviet Union of fomenting disturbances in Kurdistan. The Embassy has no indication of direct Soviet involvement but does have evidence of Fedayeen participation in the fighting.

October 20, 1979 -- The Shah is diagnosed with lymphatic cancer. French physicians apparently first discovered the cancer six years earlier, but the Shah ordered that it not be disclosed. He reportedly began receiving chemotherapy treatment some six months ago.

October 22, 1979 -- The Shah arrives unannounced in New York for medical examinations.

November 1, 1979 -- Brzezinski meets with Bazargan, Yazdi and other Iranian officials in Algiers. Iranian television shows Brzezinski shaking hands with the Iranian delegation.

November 4, 1979 -- The "students following the line of the Imam" attack and seize the Embassy. Khomeini and other leading political figures express their support for the action the following day.

November 6, 1979 -- Bazargan and his government resign. The Revolutionary Council takes charge in the interim.

November 14, 1979 -- President Carter freezes Iranian assets in U.S. banks and their foreign branches.

November 20, 1979 -- A group of armed Islamic fanatics seizes the Great Mosque in Mecca.

November 25, 1979 -- Two Iranian representatives tentatively accept a compromise agreement to release the hostages in exchange for the establishment of an international commission to investigate Iran's complaints.

November 28, 1979 -- Khomeini dismisses Bani-Sadr as acting foreign minister. Ghotbzadeh takes his place.

December 12, 1979 -- President Carter orders the expulsion of most Iranian diplomats from the United States.

December 25, 1979 -- Soviet troops begin the invasion of Afghanistan.

December 30, 1979 -- U.N. Secretary General Waldheim leaves for Iran on an attempt to negotiate the release of the hostages.

1980

January 12, 1980 -- White House Chief of Staff Hamilton Jordan meets with Harold Saunders after meeting with two intermediaries, Villalon and Bourget, thus initiating a secret negotiating effort for the hostages that will predominate for the next three months.

January 13, 1980 -- The Soviet Union vetoes U.N. sanctions against Iran.

January 23, 1980 -- In his State of the Union address, President Carter promulgates what becomes known as the Carter Doctrine.

January 25, 1980 -- Bani-Sadr is elected the first president of the Islamic Republic of Iran. Clerics were banned from running for the office.

January 28-29, 1980 -- Six Americans in the Canadian Embassy escape Iran using Canadian diplomatic passports.

March 6, 1980 -- The hostage-takers announce they will turn over the American captives to the Revolutionary Council.

April 7, 1980 -- The United States severs diplomatic ties with Iran, expels remaining diplomats and bans all exports to Iran.

April 21, 1980 -- Vance submits his resignation to President Carter. It is announced publicly on April 28, after the hostage rescue attempt.

April 24, 1980 -- Operation Rice Bowl ends in disaster at Desert One. Within a few days, planning for a second operation gets underway.

July 27, 1980 -- The Shah dies of cancer in Egypt.

September 22, 1980 -- Iraqi forces launch the invasion of Iran.

November 4, 1980 -- Ronald Reagan is elected president.

1981

January 20, 1981 -- The release of the remaining hostages occurs nearly simultaneously with Reagan's inauguration as 40th president of the United States.



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DIRECTOR OF CENTRAL INTELLIGENCE
Human Resources Committee

ASSESSMENTS SUBCOMMITTEE

FOCUS Iran

An Intelligence Community Review of Reporting by Human Resources from The United States Mission in Iran

Attached are the findings of an interagency review of reporting by the various elements of the Intelligence Community and other departments and agencies in Iran. FOCUS reviews of reporting from overseas missions are conducted by the Human Resources Committee with a view to enhancing the effective management, coordination, and utilization of reporting programs in both the field and at the Washington level.

The FOCUS review is in two parts. Part I assesses the substance of reporting, i.e., its adequacy, appropriateness and timeliness, and its responsiveness to the information needs of Washington policy officers and the Intelligence Community. The Reporting Assessment is written by the National Intelligence Officer concerned on the basis of an interagency seminar in which intelligence analysts and policy officers participate. For those aspects of the assessment in which a consensus is not reached, provision is made for dissenting views to be recorded.

Part II, the Action Review, (1) examines reporting problems and opportunities identified by or arising out of the Reporting Assessment and (2) develops agreed or recommended follow up action. Its objectives in so doing are to suggest ways of improving coordination at the Washington level and provide information and findings designed to assist Ambassadors in the overall supervision, of field reporting programs and resources. The Action Review is based upon an Assessments Subcommittee discussion of written comments provided by Washington reporting managers, and an examination of the Reporting Assessment against the

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background of past activities of field reporting elements, the reporting environment involved, the adequacy of reporting guidelines, and related matters affecting the utilization, management, and coordination of field reporting programs.

The Human Resources Committee would welcome comment or suggestions regarding the FOCUS program.

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

4 November 1976

MEMORANDUM FOR: Ambassador Edward S. Little, Chairman
Human Resources Committee

FROM : David H. Blee
National Intelligence Officer for
the Middle East

SUBJECT : Part I, Reporting Assessment -- FOCUS Iran

1. Introduction. An interagency seminar was convened on 14 October 1976 under my chairmanship to consider the substance of reporting from our Mission in Iran -- its adequacy, appropriateness, timeliness, and responsiveness to the information needs of Washington policy officers and the Intelligence Community. Over forty persons participated, representing several bureaus in State, the NSC Staff, USIA, DOD/ISA, various offices of CIA and DIA, the military services, NSA, Treasury, and the Intelligence Community Staff. A list of participating offices is at Tab A. The seminar discussion, which forms a principal basis for this report, lasted some three hours and followed fairly closely the extensive agenda found at Tab B. Ambassador Helms has been invited to participate in the FOCUS exercise, and Lt. Colonel Patrick, my assistant, will discuss FOCUS further with the Mission in Tehran in the near future. Ambassador Helms' comments and suggestions will be considered most carefully, especially in the next phase of the FOCUS Review.

2. General Comments. No attempt has been made to summarize the discussion of all the agenda and other topics; instead, I have chosen to highlight selected issues, particularly some that suggest a need for followup activity either in the Mission or here in Washington. In discussing information topics and current and prospective reporting, we have tried to consider in at least a general way the priority of the information concerns and their impact on the US and its programs.

3. Generally speaking, reporting from the Mission on most topics is very satisfactory. Many of the information and analysis problems which do exist stem from the nature of the Iranian power structure. Since the Shah is close to being an absolute monarch, it is important to ascertain what he really thinks, as distinct from what he states for the benefit of particular audiences. Reports of discussions that Ambassador Helms and other high-ranking American officials have with the Shah are helpful in this regard, particularly when they include subjective comments by the reporter.

4. Regional Concerns. Reporting on Iran's relations with most of its neighbors has been good, not only from Mission Tehran, but also from the U.S. Missions in the other countries. For example, reporting on Saudi-Iranian relations has been excellent, although expanded coverage of bilateral discussions about economic concerns and mutual security arrangements would be useful. There has been extensive reporting on Iranian relations with Oman, and quite adequate coverage of relations with the countries of South Asia. As a longer range issue, on-going Mission assessment and analysis on this subject of Iranian concerns in the Indian Ocean area would be welcome.

5. Two special concerns are Israel and Iraq. The consensus of seminar participants is that Mission reporting from Tehran provides an adequate view of Israeli-Iranian relations. This relationship will continue to be an important subject and one on which information is most readily obtained from the Iranian side.

6. Our problems in assessing Iranian-Iraqi relations are complicated by the absence of an Embassy in Baghdad; this necessitates relying very heavily upon reporting from the Mission in Iran. There was excellent coverage during the period of the Iraqi-Kurdish fighting, but current reporting is sparse even regarding the Iranian side of the equation. It was suggested that we could compensate for our existing technical collection limitations and our heavy reliance in the human resource area on information provided by SAVAK by increased Mission analyses of Iraqi-Iranian relationships.

7. A more basic concern, voiced by a number of reporting users, was that Washington does not have a clear perception of the Shah's long-range objectives. For example, why is he acquiring such a vast array of sophisticated military hardware? The Shah states that adequate defenses against Communist-equipped Iraq are merely precautionary, yet the placement of new bases suggests other interests. In 1985 when oil revenues from Iranian production have peaked and his oil rich neighbors are just across the Gulf, what does the Shah intend to do with his accumulated weaponry? Will he still claim and demonstrate concern for the stability of the area? Or will he have destabilizing objectives? Expanded country-team efforts to assess the Shah's long-range

objectives and to identify long-term trends in the Persian Gulf region are needed as well as a parallel stress on analysis among the Washington community.

8. Other Foreign Relations. The Mission has given high priority to watching the development of relationships with the Soviets and has done a fine job in reporting on this subject. On Iranian foreign relations reporting in general, suggestions voiced by participants included: (1) a need for Washington users to agree to a common regularly updated priority listing of Mission reporting requirements; (2) the value of reporting on reactions from a diversity of sources -- including middle-level governmental employees -- rather than relying almost entirely on discussions with the most senior diplomatic and intelligence liaison channels; and (3) the requirement for fuller Mission reporting of Iranian economic, scientific and defense relationships with France, the UK, and all the EEC countries. State and other agencies following international narcotics matters also urged increased reporting on narcotics trafficking by all appropriate elements of the Embassy.

9. Bilateral Relations with the U.S. Considerable discussions ensued about the tremendous volume of official and unofficial bilateral arrangements between the United States and Iran and the problems and possibilities that these present for U.S. policymakers and for intelligence specialists. On the one hand, as stressed by the NSC Staff participant, thousands of U.S. contractors conduct business with the Iranian Government, independent of established channels before the U.S. Government has the chance to review its policy implications. This constitutes a serious policy problem for the USG. On the other hand, there are thousands of established, non-official Americans in Iran, who represent a significant reporting potential, but the Mission lacks personnel to undertake a systematic effort to exploit these assets.

10. Domestic Situation. Not only do we need further reflections on what is behind the Shah's words and actions, but also additional information and field analysis is needed as to how decisions are formed and who is influential in implementing them. In this regard, it is particularly important to know what subjects are withheld from the Shah and the degree to which reports to him are doctored by his subordinates. To what extent do such practices warp his perspective, isolate him, and imperil his regime? It should be noted that several recent Embassy airmgrams -- on decision making, the 15 top people around the Shah, and the top military officials -- represent the kind of reporting that is particularly helpful. However, State analysts were among those who stated that they do not have adequate information and field analysis regarding succession to the throne. What are the mechanics? Who will be the leading actors? How will the Shah's pet projects -- including the economic development programs -- be affected by his departure?

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11. The biographic reporting program needs to be re-emphasized. What is particularly needed is not just biographic data, but biographic analysis and intelligence. Such reporting should concentrate on potentially important leaders, including senior military officers and the key members of the royal family. Some better way to tap the experience of U.S. Security Assistance Officials and to acquire existing reporting containing information on and impressions of Iranian military officials is one suggestion for alleviating this weakness. Additionally, an effort must be made in Washington to share and disseminate within the Intelligence Community available biographic analyses.

12. Reporting on terrorism has been good, although we remain dependent on information provided by SAVAK. There is a continuing need for more first hand information about opposition elements. While it is a politically difficult and sensitive matter for Embassy officials to meet with identified opponents of the Shah, the Mission should have the widest possible range of contacts.

13. A better understanding is needed of how ordinary Iranians perceive their situations. For example, when the anti-corruption and anti-inflation campaigns began, the Mission provided good reporting of the effects of these drives on Iranian businessmen. Such reporting has diminished; periodic updates are needed. Similarly, we need more first hand information on the grass-roots impact of the economic development plans. Have there been tangible economic gains at the village level?

14. Other matters discussed include the need to obtain a better understanding of SAVAK, its internal functioning, political reliability, and influence on the Shah. Related to information about SAVAK are questions concerning its methods and the human rights situation in Iran. Reporting from the Mission has been quite good, but even better coverage is needed in view of continuing Congressional interest.

15. Economic Concerns. There is, of course, a wide array of economic reporting from the Mission, much of it very helpful. The obvious bottlenecks to economic development are being covered well (e.g., needs for skilled manpower, ports, etc.). More in depth reporting on the industry-wide development of key industrial sectors (e.g., steel, petrochemicals, copper) would be appreciated. The competition between the military and the civilian sectors for scarce skilled manpower and the impact of such competition on both military preparedness and the civilian economy requires special reporting emphasis. Qualitative aspects of manpower and the efficacy of training efforts also require expanded investigation.

16. The Iranians share information with us regarding future alternatives to oil as an energy source. Regarding oil pricing strategies, CIA/DDO reporting is especially useful, as it provides data going beyond the comments

of Iranian officials. A Treasury representative advised that more information from the National Iranian Oil Company planners and technicians would be useful, particularly on plans and strategies for the oil industry. Similarly, data is needed on the development of natural gas reserves and on prospects for further exports. There has been good reporting regarding the bartering of oil to the U.S. for goods, but bartering arrangements with the U.K. (and others) have not been so adequately reported. Oil sales and transshipment data involving Israel has been less adequately reported since the 1973 war but it is still needed in Washington.

17. Military and S&T. Considerable concern was expressed during the seminar discussions by military analysts about the lack of reliable information within the intelligence Community about the capabilities of the Iranian armed forces. Basic OB and TO&E data is simply not available. Moreover, appraisals of the military threat and prevailing regional balance of forces are also lacking despite the substantial US military presence in Iran. There has been some good Defense Attache Office reporting on military training, and additional data from U.S. companies training Iranians on equipment provided (e.g., on helicopters) has been instructive. Better data is needed on Iranian construction of ports and bases. Unfortunately, Security Assistance Organization training reports, trip reports regarding visits to Iranian bases, and similar data are not now routinely reaching the intelligence analysts in Washington.

18. Excellent reports have been received about Iran's nuclear development plans. Any indications that the Iranians are proceeding with the development of nuclear weapons would, of course, be particularly important.

19. Most information now available about military coproduction or possible third-country transfers of hardware is that provided by the companies themselves or filed with the Munitions Control Board. We have inadequate information to allow independent judgments on such matters. It is particularly difficult to assess the possible transfer of sophisticated U.S. technology licensed to Iran. The Mission should continue to monitor reporting on military production to be sure it does not fall between the military and economic reporting sections.

20. Considerations for the Future. A number of suggestions for increasing reporting coverage were raised by seminar participants. I recommend that they be considered further by the HRC Staff, in consultation with appropriate Washington collection managers.

-- An additional Embassy officer (possibly a political/military officer) would be helpful in assuring a more systematic Mission effort to keep track of significant dealings with the Iranian Government by U.S. contractors and other businessmen. This

officer also might take the lead in the drafting of periodic country-team assessments of the significance of the full range of U.S. activities in Iran and their impact on the Government of Iran, on the Iranian citizenry, and on U.S. foreign policy objectives.

-- The potential of the Security Assistance Organization needs to be more fully utilized. Reports of contacts with Iranians, training reports, trip reports, and the like should routinely be made available to the DAO and through that Office to the Washington community.

-- Exchange students, teachers, missionaries, etc. who live for a time in Iran should be debriefed periodically on a selected basis for information acquired via their normal activities. Perhaps the political/military officer mentioned above might do that in Tehran; CIA/DCD could follow up in the United States.

-- A full list of U.S. businessmen known to be doing substantial business in Iran should be made available both to the Mission and to interested analysts in Washington. Analysts could then be encouraged to use such a regularly revised list as a key to the preparation of tailored requirements for CIA/DCD collection activity in the United States. The list also would facilitate efforts by the Mission to keep track of U.S. businessmen in Iran.

21. Prioritized Information Needs. I will be available to work with your Human Resources Committee to develop a list of specific prioritized information needs requiring Mission attention in the mid-term future.

David H. Blee

David H. Blee
National Intelligence Officer
for the Middle East

ATTACHMENT A

PARTICIPANTS IN SEMINAR

HSC Staff

STATE

INR
CU
NEA
PM
S/NM
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USIA

DEFENSE INTELLIGENCE AGENCY

Defense Intelligence Officer
DC
AH

NATIONAL SECURITY AGENCY

Other DEFENSE DEPARTMENT

ISA
JCS
Army
Navy
Air Force

TREASURY

CIA

DDI/OCI
DDI/OSR
DDI/OPR
DDI/OER
DDO/DCD
DDI/FBIS
DDS&T/NED
DDO/NE
DDO/Planc

INTELLIGENCE COMMUNITY STAFF

FOCUS IRAN - AGENDA

I. Evaluation of the substance of reporting on the following significant issues:

A. REGIONAL CONCERNS

1. Progress toward achievement of an Iranian-sponsored mutual security pact of the Persian Gulf littoral states. Will such a pact ultimately exclude the US from the region or imperil the uninterrupted flow of oil from the Gulf?

2. Status of Iranian relations with Saudi Arabia. Does Iran expect subversion and/or overthrow of the governments of Saudi Arabia or Kuwait within the foreseeable future? If threatened, would the Arab regimes heed the Shah's admonitions or accept Iranian aid?

3. Efforts by the Government of Iran to pressure Bahrain into altering its position on ousting MIDEASTFOR in 1977.

4. Indications that the Shah intends to alter the Iranian presence in Oman -- either withdrawing his forces or moving to make their presence permanent. What is the extent and nature of Iran's bilateral security ties with Oman; do they include policing the Strait of Hormuz and future joint military cooperation? Is there a common policy concerning "innocent passage" for vessels entering and leaving the Gulf? Does Iran seek to establish a permanent operational base in Oman in order to project its power into either the Indian Ocean or Red Sea?

5. Maintenance of the Iran-Iraq accord of March 1975. Are there any indications that Tehran is reviving the Kurdish war or permitting guerrilla operations in Iraqi Kurdistan to be staged from Iran? Is Talebani's Kurdish National Union having any success in recruiting either Iraqi Kurdish refugees or Iranian Kurds?

6. Status of Iraqi-backed subversive efforts in Iran. Is Baghdad providing support for terrorist operations by fedayeen elements operating inside Iran? What is the nature and extent of Iraqi support being provided to Iranian terrorist groups? Is Baghdad promoting dissidence among the Baluch tribesmen or Arab inhabitants of Khuzistan?

7. Status of Iranian relations with Pakistan and India. Is Iran still committed to the maintenance of the present state of Pakistan? Has Tehran altered its policy of abstaining from any direct involvement in Pakistan's Baluchistan problem? Has Baluchi unrest seeped into southeastern Iran?

8. Status of Iranian participation in CENTO, the RCD and other regional cooperation efforts.

9. Extent and nature of bilateral irritants between Iran and Afghanistan. Have there been any significant changes in Iran's aid program for Kabul? Has such aid had any success in either moderating Afghan policies toward Pakistan or diluting Soviet influence in Afghanistan?

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10. Progress toward implementation of the envisioned Iran-South Africa-Australia defense triangle in the Indian Ocean. Are contracts being implemented to effect the concept? Has Iran taken additional steps to gain access to the ex-British base on Gan Island?

B. ARAB-ISRAELI CONFRONTATION

1. Changes in Iran's policy of maintaining discreet but good relations with Israel in political, economic and military matters. Is Iran maintaining its liaison with Israel relative to technical and military intelligence? What is the current level and price of oil shipments to Israel? Is Iranian oil continuing to be transshipped through the Israeli pipeline?

2. Status of Iran's relationships both with Arab moderates and more radical elements -- including the PLO. Have there been significant changes in Tehran's associations with the Arab world, and what would be the likely regional effects of such changes? Do Iranian-Arab aid and trade patterns and joint ventures presage an increase in economic interdependence within the region?

3. Expansion of Irano-Egyptian ties and their impact on Tehran's relations with Saudi Arabia, Syria, Israel and the US. What is the status of Iranian military training programs for Egyptian personnel? What is Iran receiving in return for such training?

C. SUPERPOWER RELATIONSHIPS

1. Status of Iranian relations with the USSR. Has there been any noticeable increase in Soviet influence? Have the amounts or terms of communist economic and military assistance changed? Are there outstanding border disagreements? Are overflight rights for the USSR being continued? Are the terms of the natural gas exchange agreement being observed by both parties?

2. Status of relations with the US. Have there been any changes in the pattern of Iranian investments of surplus oil revenues in the US and other Western nations? Has Tehran undertaken any actions to restrict its domestic market for US goods and services?

3. Status of US nationals in Iran. Has the growing number of US military and contractor personnel impacted adversely on Iranian attitudes toward the US? Are there any indications that the Government of Iran intends to take any actions that might alter the existing MAAG agreement or jeopardize US communications, AEDS or covert facilities? Does Iran contemplate withdrawing its extension of rights to the US for temporary deployment of US Navy F-3s to Bandar Abbas?

4. Moves toward the development of a more independent foreign policy. What sentiment is there for assuming a neutral posture in world affairs? Are there plans for reducing Iranian dependency upon the US or for curtailing US influence in Iran?

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D. DOMESTIC CONCERNS

1. Level of internal dissidence. Are the terrorists having any success in attracting adherents? Do the government's press policies impact on the terrorists' public image? How successful is SAVAK's anti-terrorism campaign; does the Shah appear satisfied with SAVAK's efforts? Has the murder of US nationals given rise to any manifestations of anti-Americanism among the general populace?
2. Suppression of infiltration efforts by communist and other radical groups. What are the major anti-regime elements and from whom do they receive backing -- Iraq, Libya, USSR, Cuba, PLO?
3. Status of the Shah's anti-corruption and anti-inflation campaigns. Have new regulations been effected to implement the Shah's policies? Are they enforceable and likely to stop existing corruption and profiteering?
4. Indications of improved (or worsened) income distribution in Iran. Have there been tangible economic gains at the village level? What is the political impact of growing economic awareness among the populace?

E. ECONOMIC CONSIDERATIONS

1. Status of the current development plan, including both industrial and agricultural efforts. What is the impact of labor, port and other infra-structural problems on development efforts? Are the government's remedial actions having any effect? Are cutbacks in investment goals for developmental projects likely?
2. Lack of a trained/trainable manpower base. Can Iran sustain a high rate of economic growth with its limited technological base? Are the Iranian people accepting the influx of foreigners needed to implement development plans?
3. Development of cost effective alternatives to oil as an energy source. What is the status of plans for the development of a national petrochemical industry as an alternative to oil production? Is the planned installation of atomic energy reactors proceeding on schedule? What are Iran's plans for stockpiling and for carrying out cooperative nuclear programs with other countries?
4. Oil pricing strategies. What are Iran's plans for protecting its oil income from the effects of world inflation and rising commodity costs? Are there any indications that the government may radically alter its agreement with the consortium?
5. Changes in current foreign investment strategies. Who are the key financial experts and what is their influence on government policies? Have there been any significant changes in the relationship between the Central Bank and the Ministry of Finance?

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II. Identification of current reporting strengths and deficiencies:

- A. Within the Mission.
- B. External to the Mission.

III. Mission assessment of the support provided it by the Intelligence Community.

IV. Conclusions and recommendations for future reporting.



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DIRECTOR OF CENTRAL INTELLIGENCE
Human Resources Committee

ASSESSMENTS SUBCOMMITTEE

27 December 1976

FOCUS Iran

Part II: Action Review

I. INTRODUCTION:

The Assessments Subcommittee reviewed the Reporting Assessment (Part I) in its meeting on 30 November 1976. Represented were the National Intelligence Officer (NIO) for the Middle East, the Department of State, CIA, DIA, the Army, Navy, and Air Force, and the Intelligence Community Staff. Part II summarizes the general conclusions, observations and recommendations of the Assessments Subcommittee and includes agency comments about issues which emerged during the course of the Review. The Subcommittee was advised that comments from Embassy Tehran on possible areas of interest to the Mission had not been received and are therefore not reflected in the Review. The Assistant National Intelligence Officer for the Middle East visited the Embassy, however, and discussed a draft of the Reporting Assessment informally with Mission Officers. No outstanding reporting problems or issues were identified at that time.

II. CONCLUSIONS, OBSERVATIONS AND FOLLOW-UP ACTION:

A. Concurrence in Reporting Assessment. The Subcommittee concurs in the Reporting Assessment's judgment that reporting from Embassy Tehran on most topics is satisfactory and that many of the information and analysis problems which do exist stem from the nature of the Iranian power structure.

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B. The Shah as a Source of Information. In discussing key information from Iran, Department of State analysts observe: "The Shah has ruled for 35 years. In view of our long-standing close ties, his consistency (beneath all the stagecraft) and his candor (within the Persian context), we know quite a bit about his aims and tactics. He is likely to see it in his interest to keep us *au courant* in the future. Given the nature of his state, we will remain largely dependent on his soliloquies and on the ability of our Ambassador and others to pose penetrating questions. Realistically, we should not expect to get significantly more information from him than we are receiving now."

The CIA suggests that: "It would be useful to have alternate sources of information about the Shah. Of only slightly lesser importance are similar comments on the individuals close to the throne--those who advise the Shah, execute his will on vital matters, protect his life, bring him information, etc."

C. "Memcon" Reporting. Department of State representatives suggest that "The Embassy should be encouraged to continue the flow of memoranda of conversation (memcons) and informal ambience reportage". The Subcommittee underscores the value of such less formally structured reporting to Washington policy officers. It notes, however, that experience in this and other FOCUS Reviews demonstrates that Foreign Service memcons are normally not made available to interested analysts outside of the Department of State. The State member agreed to raise this issue with responsible officials in the Department of State and request their assistance in seeking a resolution of this difficulty.

D. Information from Nonofficial Americans in Iran. Paragraph 20 of the Reporting Assessment urges increased efforts on the part of the Mission to obtain information about Iranian developments from the many American exchange students, teachers, missionaries and businessmen in Iran. The Department of State member observes that the Mission already maintains contact with nonofficial Americans in Iran. Other Subcommittee members who note that there are special restrictions on (operational) intelligence contacts with missionaries and certain categories of exchange students. They believe that concerns about overt and social and normal Embassy interactions with American citizens, especially businessmen, can be overdrawn. The Subcommittee believes that the Ambassador is in the best position to weigh the opportunities and potential risks involved in collection efforts in this normally difficult and sensitive area.

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E. Identities of American Businessmen. The Subcommittee agrees that a list of U.S. businessmen known to be doing substantial business in Iran might be useful to the Mission and certainly would be useful in Washington. Analysts could use such a list as a guide in preparing more precisely stated requirements for the efforts of CIA's Domestic Collection Division (DCD) in the United States. The Department of State member notes in this respect that "Section 36 (A) (7) of the Arms Export Control Act (AECA) requires the President to include in his quarterly reports to Congress, an estimate of the number of U.S. citizens present in each foreign country at the end of each quarter for assignment in implementation of sales under the Foreign Military Sales Program and commercial exports license or approved by the Office of Munitions Control".

F. Military Reporting. The Subcommittee believes that the Reporting Assessment overstates the need for additional order of battle information. CIA notes that "basic OB and TO&E data are not available for certain units, such as the Imperial Guards Division." DIA points out that during the past 18 months some 130 reports had been received on military order of battle (10.8 percent of all DIA intelligence reports from DAO Iran). CIA analysts, however, have asked for additional information on overall capabilities of armed forces and military contingency planning as well as force development planning in the 1973-1978 time frame. The NIO, who attended the Part II discussions, agreed that it is not that basic data are not available but that there are important gaps, a point that is concurred in by DIA and CIA.

DIA holdings support the need for more data on Iranian military bases but reflect inadequately stated requirements for information on these installations. In responding to requests for improved biographic reporting, DIA states: "Biographic reporting received on Iran amounted to 6 percent of total reporting (vs. about 12 percent for overall DIA biographic report receipts). It should be recognized that our analytical resources are limited and that biographics remain a relatively low priority for DoD, other targets considered. There is, however, close and continuing coordination between DIA biographic analysts and the CIA Office of Central Reference (OCR), which has authority to task the Defense Attache System through DIA. We appreciate the need for improvement in analysis by the field collectors with respect to biographic reporting. We will, therefore, highlight this need in our 15 December 1976 DIAGram to collectors in which we will ask for the reason why a particular biographic report is being prepared, and request judgmental information on the sphere of influence and authority exercised by the key military leaders reported on."

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G. Security Assistance Organization Information.

The Subcommittee believes that this major official U.S. organization in Iran is in possession of extensive information about the Iranian armed forces, military bases and personalities--acquired during the normal course of its business--which has not been readily available to intelligence analysts in Washington who could use it. DIA states that it has addressed this continuing information problem with both the Office of the Secretary of Defense and the Defense Attache Office in Tehran and notable improvements in the working relationship between the MAAG and the DAO in Tehran have occurred in recent months. This is the fourth FOCUS Review, however, in which the Subcommittee has called attention to this issue. It recommends that the Intelligence Community Staff pursue the matter on a priority basis with the appropriate authorities in the Defense Intelligence Agency and the Department of Defense.

H. Additional Staffing. The Reporting Assessment

suggests the need for the assignment of an additional reporting officer to Embassy Tehran. Department of State officials do not share the justification as stated in the Assessment. Treasury notes that the economic section is competent and fully utilized, but overextended. The Subcommittee does not concur in the suggestion. It believes that Washington collection managers and the Chiefs of Mission concerned are best qualified to determine the extent to which judgments and findings contained in this or other FOCUS Reviews provide useful contributions to management decisions with regard to staffing for which they are responsible.

I. Follow-on Guidance. The Subcommittee recommends

that the Human Resources Committee working closely with the National Intelligence Officer and Washington policy officers draw up a prioritized list of national information needs for transmittal to the Mission.

David J. Carpenter (R)

David J. Carpenter
(Department of State)
Chairman, Assessments Subcommittee

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DEPARTMENT OF STATE

MEMORANDUM

January 25, 1977

TO: PH - Mr. Ericson
T - Mr. Ledogar
S/P - Capt. Patton
EUR/POV - Mr. Garrison
EE/CRF/PSE - Mr. Hart

FROM: NEA/PA - Stephen E. Palmer, Jr.

SUBJECT: NSSM 239

REF: My January 13, 1977, Memo

Please get to me (ext. 20503, Room 4234) by noon
Wednesday, January 26, clearance/comments on the
attached draft, at whatever level you deem desirable.

Attachment:

Draft Memo to S

NEA/PA:SEP Palmer, Jr.:jr
1/25/77 20503

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TO: The Secretary
INFO: 1 - Mr. Hall
FROM: NSA - Alfred L. Anderson
PM - Leslie Allen

U.S. Security Policy Toward the Persian Gulf

The Problem

As your January 11 confirmation hearing, Senator Humphrey urged that you soon attend to the completion of NSAW 236 on our Gulf security policy. The Senate Foreign Relations Committee resolved September 1, 1976 that further U.S. arms sales to Gulf countries be deferred until after the Committee had been informed of the substance of the findings and decisions of the 236 policy study. Moreover, several other time-sensitive issues, involving military and intelligence facilities in the Gulf region, should be decided in the context of a re-examined Gulf security policy framework approved at the highest levels of the new Administration.

Background/Analysis

In February 1976 the NSC, prompted by concern in Defense and elsewhere about the intensity of our military cooperation with Iran, requested in NSAW 236 a thorough study of relevant factors. The study was directed by State under the aegis of the Political/Military Inter-departmental Group. It addressed a variety of pertinent security considerations, in the context of our economic and other main interests in the Persian Gulf. It suggested

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broad policy options set, no NSC direction, contained no explicit recommendations. This Response to the NSIM (at Attachment 1) was completed and sent to the NSC in May.

Due to other preoccupations at the White House, for six months nothing further happened on the NSIM 238 exercise. In November and December the Defense Department tried to obtain decisions on several specific issues involving new military/security facilities in the Gulf area. We warded off these attempts to "piece-meal" certain aspects of the 238 study, on the ground that the decisions should be made in the context of an overall Gulf security policy framework to be determined by the new Administration.

In early January the Senior Review Group decided to carry the exercise one step further with an Executive Summary of the May study. This Summary (at Attachment 2) sharpens the relationship of several urgent issues to broad policy pastures, and recommends new procedures for managing our "security assistance" programs. It was approved at the Deputy Security level by all the participating agencies except Treasury, which apparently wanted more of a pro-Saudi Arabia slant. We understand that General Scowcroft commended the Executive Summary and the May Response to Mr. Brzezinski. The participating agencies undertook to bring these documents to the priority attention of their respective new leaderships, so that the

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completion of this policy examination could be undertaken expeditiously.

We believe the January Executive Summary and the May study will be useful to you and the President as you consider the broad policy choices to be made in our Persian Gulf security policy. In the Summary pp. 17 and 18, is a suggested formula for working with the Congress as this policy appraisal is concluded. In addition to pending military cases cases Annex 1 of the Executive Summary, other specific related questions need urgent resolution.

Recommendation

That you soon read the Executive Summary, after which it would be well if Ms. Benson and we could confer with you regarding next steps, i.e., the development and consideration of policy recommendations. EUP, which deemed the Executive Summary deficient in its treatment of the relevance of our Gulf security decisions to overall U.S.-Soviet strategic considerations, will be involved.

Attachments:

1. Executive Summary of NSSM 238
2. May 1976 Study

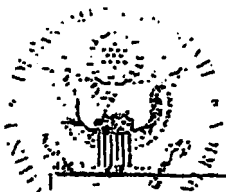
Drafted: NEA/RJ:SEP Palmer Jr:bam
(NSSM 238 Staff Director)
1/21/77

Clearances: T-Ms. Benson
S/T-Mr. Lake
TNR/RNA-Mr. Staggard
EUP/TWO-
NEA-Mr. Solar
NEA/711-Mr. Quinn
NEA/711-Mr. Hine

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THE FUTURE OF IRAN:
 IMPLICATIONS FOR THE US

BUREAU OF
 INTELLIGENCE
 AND RESEARCH

Summary

Iran is likely to remain stable under the Shah's leadership over the next several years, and committed to its relationship with the US as long as the Shah rules. The prospects are good that Iran will have relatively clear sailing until at least the mid-1980s, when oil production will probably slow and when the Shah says he will step aside in favor of the Crown Prince.

--Iran's patterns of leadership and decision-making, its policies on key issues, and its tactics in pursuing its objectives probably will continue in the familiar mold.

--The Shah, who has become increasingly self-confident over the past decade, will become less amenable to advice from the US or from his domestic counselors.

--Economically, Iran's development program is getting back on track after the slump in oil liftings that began a year ago, but port congestion, transportation inadequacies, low agricultural production, shortages of skilled manpower, etc., will continue to hamper economic development.

Certain Iranian policies and various aspects of the development process may pose problems for US policymakers:

--Those who are worried about human rights may propose making a change in Iranian practices an issue in the US-Iran relationship.

--Those who are concerned about arms sales may point to the amounts Iran is spending

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 SENSITIVE INTELLIGENCE SOURCES
 AND METHODS INVOLVED

Report No. 704
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on arms and to the deficiencies in Tehran's management of its economic development. They can be expected to argue that the US should restrict its arms sales in order to prevent a diversion of funds from economic development in a way that would cause economic, social, and political instability.

--Those who are anxious about stability in the Middle East may argue that Iran's power could be destabilizing in the long run.

These concerns give rise to the following questions:

--Against the possibility of a deterioration in the US-Iran relationship, what range of foreign policy options does Iran have?

--How susceptible to US influence will Iran be in coming years?

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The Stability of the Regime

The undercurrent of terrorist violence notwithstanding, the Shah rules Iran free from serious domestic threat. At age 57, in fine health, and protected by an elaborate security apparatus, the Shah has an excellent chance to rule for a dozen or more years, at which time he has indicated that the Crown Prince would assume the throne. His military establishment and internal security apparatus (SAVAK) continue to operate effectively under his close personal supervision. Neither seems likely to challenge him, although the Shah's intimates, who have held key positions in these organizations for 30 years, are likely to depart for reasons of health, age, and fatigue by the early 1980s.

Military Support. The Shah personally selects and rewards the higher-ranking officers, giving the armed forces privileges designed to keep them content and to maintain their loyalty.

- Military salaries since 1975 have been 20 percent higher than comparable civil service rates.
- Top military officers continue to profit from their official positions, and only the most extreme cases of corruption are singled out for punishment.
- All service grades enjoy perquisites (housing, clubs, discount stores) that cushion them against the inflationary pinch.

In addition, the Shah keeps the military content by ensuring that they have large quantities of late-model equipment.

Furthermore, the military establishment is subjected to political indoctrination and close attention from the security organizations. As a result, the officer corps is only minimally involved in politics and has little sympathy with subversive groups.

Despite these measures, the loyalty of the armed forces may become questionable if discontent among the

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elite should rise because of economic setbacks and political frustrations. Military attitudes are not immune to pressures generated in the civilian world. Moreover, in recent years, the military has attracted recruits from the middle and lower middle classes, which tend to be conservative and dubious about the effects on traditional values of the Shah's drive toward modernization. In addition, most junior officers are nationalistic and prone to resent the privileged position of foreign advisers. Iranian officers are also the victims of a slow promotion system, because of inflation in the senior ranks and the Shah's need to see how officers perform over an extended period before he promotes them. As a result, it often takes 20 years to become a major.

On balance, however, there is little chance of a military move as long as the Shah remains at the helm. The senior commanders are in close control of their less predictable juniors, and the risks of plotting are very high. In no small measure, the reluctance of officers to step out of line reflects the effectiveness of the security apparatus, but it also reflects the enormous stake of the senior commanders in the present system from which their perquisites derive.

The Ears and Eyes of the Shah. SAVAK has very broad powers and monitors all elements of Persian society, including the military and the royal family. Its present leader, General Nasiri, is a highly effective manager, loyal to the Shah. Reliable sources indicate that Nasiri's desire to retire is growing, but the Shah has persuaded him to stay on for the present.

Should Nasiri depart, royal control over SAVAK may be less certain. Even under Nasiri, SAVAK's relations with the Shah have reflected occasional strains.

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Opponents of the Regime. SAVAK has driven political opposition underground. The urban terrorist movement remains more an irritant than a serious challenge to the Shah; its organizers purportedly believe that only a holding action is possible, given the passivity of the masses and the loyalty of senior officials to the Shah. SAVAK reports that some guerrillas have decided to relocate to Europe because it is too costly for them to operate at home.

Nonetheless, some small extremist groups in Iran are likely to continue their attacks on the Shah's regime. To this end, they will persist in assassination efforts against Americans (who were described as the Shah's "masters" in one document discovered in the aftermath of the assassination of the three Rockwell Company employees last August). The killing of American civilians and their dependents could have a major impact on Iran's economic and military development if it convinces many US technicians to leave and others not to come to Iran.

Despite SAVAK's successes against them in recent months, the two principal terrorist groups remain tightly knit, determined and capable of isolated strikes upon individuals or small groups. The Iranian security forces, however, are improving with time, and it is not likely that the terrorists will be able to mount operations that seriously threaten the regime.

Beyond the terrorist fringe, there is other opposition as well. Among the intelligentsia, the professional middle class, and the religious conservatives, dissatisfaction is felt over the Shah's arms purchases and over the effects of a "top-down" program of modernization on traditional values and on what many think are Iran's most pressing needs. A substantial proportion tacitly withholds ultimate allegiance to the regime, following the age-old Shi'a doctrine of dissimulation in the face of superior force. In this tradition, Iranians as a whole feel that violence should be used only as a last resort and that it is better to tolerate unsatisfactory conditions in the belief that "this too will pass." Thus, opposition to the regime is more a state of mind than a readiness to act.

Human Rights and Internal Security. The Shah's regime frequently is accused abroad of violating human

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rights. There is some evidence that these criticisms are valid, but the Shah, who considers the subject nobody's business but his, admits only those "practices common to Western nations" and justifies his attitude by asking:

"Do the people getting killed by terrorists have no rights? Are we not protecting human rights by preventing innocent people from getting killed?"

Moreover, Persians have experienced authoritarian rule for millennia, and the Shah's tactics have not exceeded traditional bounds. Faced with the choice of introducing an alien and potentially unstable democratic system or of holding the line against political liberalization, the Shah has been convinced for a decade that a strong monarchy is the only guarantee of stability and of rapid economic development. Of course, the Shah's future dilemma is that as living standards improve and as increasing numbers of Iranians go abroad for work or study, more pressure will be generated on the regime to share power with the newly educated and recently affluent.

Since the Shah's firm approach has worked thus far to stabilize the monarchy, it would be difficult to persuade him to change his practices. In fact, the Shah would regard US pressure to ease up on the opposition as a thinly veiled attack on his throne. Inasmuch as the Shah has an abiding belief in the efficacy of his security techniques and worries considerably about his ability to guarantee the succession of his 16-year-old son, he is not likely to be amenable to suggestions that he restrain his security services.

A Successor Regime

Because Iran's political structure is, in effect, the projection of one man, the provision for a smooth transfer of power is Iran's crucial long-range problem. In the past year, the Shah has tackled the succession question by:

- hastening the grooming of the Crown Prince (he was sent on well-publicized visits to Egypt and the USSR);
- expressing publicly on several occasions his confidence in the intelligence of the Crown Prince;

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--continuing steps to bequeath to his son a nationwide political organization and a network of stable, smoothly functioning institutions with a strong chain of command that could survive the transfer of power; and

--having the Queen, who would be Regent until the Crown Prince is 20, undertake an active role in public affairs.

Several years ago the Shah spoke of "fixing things so that at least the Crown Prince will do no harm," and, in February 1975, he replaced the existing political parties with the Rastakhiz, a national party which probably will serve as a mechanism to communicate policy guidance from the central government to the public and to mobilize the populace in support of the regime. This effort, however, is viewed somewhat cynically by Iranians, who doubt that the Shah intends to give the new party any significant authority and who see it largely as a means for the politically ambitious to come to the Shah's attention.

There is a widespread belief in Iran that the Shah's autocratic style cannot survive his death or abdication. His personality probably will not allow him to transfer any real authority to his son while he is still on the scene. Thus, it will be difficult for the Crown Prince to gain the stature and experience necessary to maintain the present system of rule.

 This pessimism reflects their judgment that pressure for political modernization can be expected to mount as the Shah prepares to relinquish power. In their view, when he departs, prosperity may not compensate for the absence of institutions that would permit the participation of larger numbers of the elite in the decisionmaking process. This erosion of the authority of the regime, according to the Old Guard, would constitute a serious degradation of their privileged position and usher in a period of increasing instability.

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Prosperity Holds the Key

The Shah is dependent on oil revenues to modernize and industrialize Iran's traditional economy. Economic development and a rising standard of living are his principal means of assuring continued stability and, ultimately, the regime's survival. Since 1973-74, Iran has had at its disposal \$20-22 billion yearly in oil income--sufficient, with proper management, for the Shah's ambitious programs for economic development and military modernization. Revenues of at least this magnitude in real terms are likely to continue until the late 1980's before declining with the drawing down of Iran's oil reserves, unless there are increases in oil prices sufficient to offset future drops in production. Estimates of Iran's oil wealth, however, admittedly are shaky since Iranian oil reserves are among the world's most structurally complex and the per-barrel price of oil in coming years has yet to be determined. In any case, extensive seismic work has uncovered no new fields or promising structures since the mid-1960's.

Iran's economy is developing impressively. Even before the 1973 oil-price hike, the GNP was growing at an average rate of 11 percent. Oil has been the mainstay of this growth. But oil aside, the outlook is favorable, though not good enough to meet the expectations generated by current levels of revenue. Iran has:

- considerable agricultural potential;
- good prospects for developing copper and other mineral resources;
- immense reserves of natural gas; and
- a base for heavy industry that has the potential for rapid expansion (notwithstanding the shortage of skilled labor).

In the past two years, however, the rate of growth of Iran's economy has slowed significantly because of the rapid expansion of imports, the failure of oil revenues to keep pace with the cost of imported goods,

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and infrastructure bottlenecks (port congestion, shortages of skilled labor). Last year, the non-oil sector grew at a rate of 13 percent, slightly above the level of the previous two years. On the other hand, the oil sector in 1975 (still about 50 percent of GNP) experienced a negative rate of growth--down 11 percent over the level of the previous year. As a result, the overall rise in real GNP was only about 3 percent, a drastic decline from the 42-percent increase recorded in 1974.

Shortfalls in anticipated oil revenues are creating budgetary difficulties for the Iranian Government. The budget for the current fiscal year (March 1976-77) calls for \$45 billion in expenditures. As revenues for the year are falling considerably under this figure, borrowing on the order of at least \$2 billion will be required to keep programs on schedule. The government has already had to scale down its plans somewhat in order to keep the level of debt manageable. Prime Minister Hoveyda has rationalized this process by describing the economy as entering a "cruising speed" era, phasing down from its previous uncontrolled acceleration.

In disciplining the economy, the regime has introduced measures which, if actually carried out, suggest better control over long-term spending. It has:

- approved a budget that relies on higher tax rates and more rigorous collection (tax revenues in 1975 were only 9 percent of the budget);
- continued the campaign against inflation, profiteering, and corruption;
- strung out payments under previous contracts and cut back its aid programs to other countries.

On the other hand, the slowing of the rate of economic growth--blamed by Iranians on Western oil companies--has also encouraged Iran's proclivity to make Western nations the scapegoats for its failures. The Iranian Government has:

- become more sensitive to exploitation by foreign suppliers, saying that it "is through being hustled by economic carpetbaggers";

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--stepped up its demands on France, the USSR, and other trade partners to accept greater amounts of non-oil exports from Iran; and

--agreed to co-sponsor Pakistan's proposal for a Third World summit on economic cooperation, as a way of indicating its disenchantment with the industrialized world.

The US, in particular, has been singled out by the regime for having ignored the lessons of the energy crisis and for blocking progress at the Paris conference on the New International Economic Order.

Economic Problems

Despite its rapid rate of growth and vast oil revenues, Iran faces potentially serious economic problems:

- a widening disparity in urban and rural incomes, with farmers earning, on the average, less than \$200 in annual per capita income (little more than one-tenth of the average income of city dwellers);
- lagging agricultural production, with the gap between the demand for food and its production widening at the rate of 6 percent annually;
- floundering educational programs, with the illiteracy rate about 66 percent and a critical shortage of teachers (Iran trains only about 1,000 teachers per year, far short of the number needed for a population of 34,000,000, which already has a massive shortage of skilled manpower); and
- rampant corruption and profiteering. The recent anti-corruption campaign has left most of the new rich untouched but has driven several billions of capital out of the country and reduced the already low propensity of the wealthy to invest in Iran; the new prosperity, furthermore, has resulted in

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conspicuous consumption by the wealthier classes, thereby increasing the gap between the urban rich and the 2 million poor who live in slums on the south side of Tehran.

The present regime does not seem capable of effective planning. The highly centralized decisionmaking process works well in implementing programs of action in fast-moving situations, but it performs less well when dealing with complex programs which make conflicting demands on increasingly limited resources or which necessitate long-range planning. The weakness in the planning process is illustrated by the government's failure to anticipate that enormously increased imports would lead to port congestion. As a result, goods pile up and deteriorate or are lost in transit; surcharges and cargo demurrage cost Iran an estimated \$1 billion in 1975.

There seems scant likelihood that planning will improve since:

- Iranian officials avoid taking initiatives in the expectation that the Shah will provide all policy guidance.
- The concentration of authority and responsibility at the top means that the bureaucracy takes action only when royal attention is focussed on a particular subject. The "spotlight effect" results in frantic efforts on matters which are important to the Shah at the moment, while yesterday's priority languishes.
- The Shah operates with a very small group of trusted decisionmakers, such as Finance Minister Ansary and Rastakhiz Party head Amouzegar, who are overburdened and forced to make decisions on many economic matters without adequate study.
- Very few officials consistently can give the Shah bad news and maintain their influence. As a result, shortcomings tend to be concealed.

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Another problem is the general absence of a sense of dedication or a work ethic among the Iranian elite. Easy oil money has created the impression that "progress is inevitable." Lack of government self-discipline is a corollary. The regime tends to use its money for the sorts of development projects that promise a quick return rather than building the institutions that, over the longer term, would increase the sense of participation and thus permit a lessening of the cynicism bred by centuries of autocratic rule. While the Shah is aware of these problems and often addresses them in his speeches, his exhortations seem to have fallen on deaf ears.

Implications for the Political Process

Despite its undeniable benefits, economic development will over time create political problems for the regime. The regime cannot afford an appreciable slowing of the rate at which the standard of living is rising. Yet the gap between promise and fulfillment already is widening. And it will be almost impossible for the regime to meet the rising expectations of the political elite.

Competition for scarce resources between two favored groups--the military establishment and the technocrats, both of whom have been favored by the regime and whose loyalty is reinforced by costly privileges--will become more acute. Military hardware prices are rising faster than Iran's oil income. The security forces, as well, have an interest in the allocation of resources and are not likely to remain outside this competition.

The growing numbers of educated Iranians produced by development programs will add to pressures within the system for a broader sharing of political power. Student unrest is endemic--and growing. Unlike the reformers of the Mossadeq era, who were satisfied merely to participate in the process of economic development, the newer generation of aspiring elite is not likely to accept permanent exclusion from the decisionmaking process.

As a master political strategist, the Shah will seek new ways to head off these dangers. Indeed, as long as he is in charge, his regime is likely to stay ahead of demands

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for political participation. His successors, however, undoubtedly will be harder pressed to meet the mounting pressures within the system. Prosperity will not necessarily guarantee a smooth transition to new rulers.

Foreign Affairs

Iranian foreign policy is the Shah's special preserve; in this field, he makes every major and many minor decisions, generally on his own. This means that the royal prestige is on the line in every important issue and that the Shah's personality traits have maximum scope for expression.

Despite his increasing self-assurance, the Shah worries about threats to the sovereignty of his nation, which he regards as an extension of himself. He also is concerned about the will and resolve of the US, his major foreign supporter. He is frustrated by Iran's continuing dependence on outside support for his programs and by criticism in the US of his regime. Simultaneously, he stresses the need for greater self-reliance and self-discipline. Thus, on August 11, 1976, Tehran's controlled newspapers carried both these headlines: "US Arms Cut Won't Hurt Iran" and "Free World Cannot Afford To Lose Iran."

Regional Aspirations. The Shah, over the past several years and especially since the British withdrawal from the Gulf, has been trying to use his growing military power to assert Iran's interests in the region. He is boldly seeking to establish Iran as a dynamic force willing to arbitrate disputes and guarantee regional borders. In the last two years, the Shah has:

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--settled his major problems with Iraq--the Kurds and the Shatt al-Arab dispute--in March 1975 and maintained a conciliatory stance and correct relations thereafter despite continuing ideological differences;

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- labored behind the scenes to reduce Pakistan/Afghanistan friction; and
- pursued initiatives for a Gulf Security Pact against the footdragging of the Arab Gulf states.

On regional matters, the Shah has demonstrated a tolerance for setbacks and frustrations, while persisting in his basic aim of assuring regional stability through Iranian military strength and workable relations with his neighbors, including the USSR.

Despite Iran's intention to play a leadership role in the Gulf and secure the oil lanes, it confronts many restraints on its ability to apply power in the Gulf. These include, for example:

- the Arab nature of the southern shores of the Gulf, which means that Iranian military action there in pursuit of Iran's own objectives would incur the enmity of the entire Arab world and invite violent opposition from Iraq and conceivably from Saudi Arabia as well;
- Iranian vulnerability to a USSR response following a unilateral Iranian move against one of its Gulf neighbors;
- recognition that seizing oil wells and storage complexes is not an easy task and that Iran's own petroleum industry would be highly vulnerable to counterattack;
- the stability of the Gulf states; and
- uncertainty about the battle-worthiness of its untested army.

Global Decisions. Mindful of history, the Shah sees the Soviet Union as his principal enemy. But he regards it as presenting a danger only in the context of a general East-West confrontation or of a general US retrenchment overseas. To sharpen his understanding of the US commitment and to learn the extent to which the Soviets will tolerate his arms buildup and his regional anti-Communist

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leadership, the Shah employs a strategy of constantly testing both the US and the USSR.

After a series of probes of US steadfastness in 1975, the Shah has become more confident about the US, although his concern about the US Congress has risen sharply. In interviews in 1976, the Shah expressed the conviction that "substantial military support would be forthcoming from the US if Iran were invaded."

In 1976, the focus of the Shah's testing appears to have shifted to the USSR:

- He strongly rejected Soviet complaints about Iran's arms buildup and the presence of so many Americans in Iran, saying that a sovereign power has every right to arm and defend itself.
- He broke relations with Cuba to signal his displeasure with Communist support of insurgencies in Africa and Oman.
- He ordered a propaganda campaign condemning Communist designs in the Gulf and Soviet support of terrorism.

Nonetheless, we anticipate that the Shah's concern is likely to center increasingly on his relations with the US in coming years, rather than on those with the Soviet Union, because the US is so heavily involved in his military and economic programs.

US-Iranian Relations: A Look Ahead

Heretofore, a mutual concern over Communism and instability in the Middle East has fostered an extended period of close relations between the US and Iran. On his own, the Shah is not likely soon to make a fundamental or drastic alteration in the relationship, given our personal relationship with him, his measured regional behavior, and his willingness to "buy American."

Over the longer run, however, some facets of the relationship may prove troublesome:

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--The US is closely identified with the Shah and with SAVAK, which is his main instrument of control. At best, it will take time to establish a similar relationship with a royal successor and, at worst, it may not be possible at all if the nature of the regime changes. Hence, when the Shah leaves the scene--many years from now in the normal course of events or earlier if he should meet assassination--the US may lose access to the Iranian governing elite.

--If Iran's actions involve intervention in Arab Gulf states and if such action were to embroil Iran in a quarrel with Saudi Arabia, the US could be left stretched between allies.

--Purchases of "next generation" arms would require enormous sums and would jeopardize Iran's development program. Yet the failure of this program to meet national expectations would undercut a basic pillar of the regime and lead to political unrest, increase the threat of subversion, and call into question the loyalty of the security forces and ultimately the value of Iran as an ally.

--The Shah may become irritated at the questioning in the US of his motives and back away from cooperation in various fields--e.g., intelligence cooperation, regional security arrangements, CENTO exercises, support in international forums for US positions, etc.--as a means of "bringing the US to its senses."

A continuing source of difficulty is the Shah's conviction that he is the best judge of Iranian interests and that Iran must not be prevented from playing its rightful role on the larger world stage. Stemming from this attitude is his increasing resistance to guidance from his friends, including the US. His concern that Iran eventually may have to "go it alone" makes him even less responsive to outside influence.

In these circumstances, the question of oil pricing will remain a perennial cause of friction. The Shah can be expected to continue to press for higher oil prices

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despite US responsiveness to his security requirements and representations that price increases are damaging to the US and the non-Communist world. The Shah is fully aware of the value the US places on his "embargo proof" oil and on his willingness to assume regional security responsibilities. As a result, he can be expected to drive a hard bargain, especially as his oil reserves decline. The Shah's willingness to push his arguments to the hilt, his personal diplomatic skill, and the advantages of a centralized monarchy in pursuing a foreign policy of "brinkmanship" combine to give him leverage in the oil question, though he will still have to take a back seat to Saudi Arabia.

Nevertheless, despite his public claims that he can shop elsewhere, the Shah is most anxious to have continued access to US military equipment because only the US can supply what he wants in the quantities he needs and because US arms:

- are competitive in price, quality, and durability;
- pose the least problems for his technically short-handed armed forces;
- involve the US more directly in the future security of Iran, particularly in the sense that US technicians will probably be needed to ensure their proper operation.

The Shah's military modernization program is itself a potential source of friction in the US-Iranian relationship, particularly since the program may run into increasing difficulties in coming years as a result of shortages of skilled manpower and rapidly increasing costs. Indeed, the expenses of acquiring the next generation of military equipment are likely to face the Shah with serious problems of allocating resources:

- Iran will have to contend with pressure in the US--already considerable--to limit arms sales to Iran.
- The Shah's desire for regional hegemony, especially if it arouses the suspicions of Saudi Arabia, could bring him into conflict with the US.

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The Shah's increasing impatience with the pace of the development program will make him less able to deal effectively with these various sets of problems as time passes. He is, for example, by no means convinced that the key question is the need for more rational allocation of resources between the military and developmental sectors, and he would resent US advice on this score.

Regardless of the strong US-Iranian relationship, the Shah intends to fulfill Iran's national goals on his own terms. Thus, it is unlikely that a reduction of arms sales by the US would give Iran more money to spend on internal development. Instead, the Shah would seek to buy arms elsewhere. One of the by-products of this process would be a lessening of US ties to the Iranian military.

If the Shah felt that the US was imposing unjustified restrictions on the flow of arms to Iran, he might:

- demand higher oil prices in an effort to fund more expensive arms systems from France and elsewhere;
- taking his cue from Spain and Turkey, ask for reimbursement for facilities in Iran which the US now can use free;
- sound the alarm about Soviet pressure on Iran;
- threaten to turn neutralist.

In sum, coming years will probably see a somewhat cooled relationship between Iran and the US. But the Shah recognizes that the USSR is his only long-term external threat, and he is aware that the West European powers cannot guarantee his state and his oil lanes. Therefore, a fundamental shift by Iran away from the US is not anticipated, but dealings with Tehran will probably become difficult.

Internally, the Shah is likely to have to scale down some of his more ambitious development plans in the face of entrepreneurial failures. Attacks on the regime by political dissidents will persist. Nonetheless, Iran's people will be better off economically and the country will

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continue to make steady progress toward industrialization, though it will not soon reach the level of even the poorest Western state.

Externally, Iran should be able to achieve a more self-reliant position vis-a-vis its neighbors, including the USSR. But the Shah's own sense of mission and inflexibility on many issues are certain to grow and to contribute to periodic friction with a number of countries, especially among the Gulf states.

Prepared by Franklin P. Huddle
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Approved by P. H. Stoddard
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THE SECRETARY'S MEETING
WITH THE SHAH OF IRAN
May 13, 1977

5/16/77
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BIOGRAPHIC SKETCH OF THE SHAH

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DEPARTMENT OF STATE
BRIEFING MEMORANDUM

S/S

April 30, 1977

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TO: The Secretary

FROM: NEA - Alfred L. Atherton, Jr. *fi 86*

Your Meeting with the Shah, May 13, 1977

CHECKLIST

-- Objectives are to discuss the Administration's broad policy objectives, emphasizing that we have an integrated approach to such matters as handling the USSR, arms control measures, African and Middle East problems, and nuclear proliferation.

-- Presidential Invitation. Deliver invitation for Shah to visit Washington later this year.

-- US-Iran Relations. Assure the Shah of Administration's strong desire to continue very close ties; seek to ensure that our solid relationship can be a buffer for future differences on specific issues.

-- Arms Transfers. Explain our general arms transfer policy and respond to queries on AWACS, F-16 and F-18.

-- Indian Ocean Demilitarization. Explain to Shah our views and assure him we will consult closely with Iran.

-- Human Rights. Note importance of this issue to this Administration and refer to encouraging steps Iran has taken.

-- Oil Prices. Express our strong view that there should be no further price increase this year.

-- Iraq. Inform the Shah of steps to improve relations.

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II. OBJECTIVES OF YOUR TALKS WITH THE SHAH

You will be the first senior civilian official of the Carter Administration to talk with the Shah (General Brown met with him recently). We see the discussion as the opening of a frank dialogue -- which can be continued later this year by the President and you -- on the Administration's foreign policy objectives and how Iran's interests and programs relate to ours. The Shah thinks in large geopolitical concepts and will want to measure our perceptions against his own. This audience will help set the tone of our future bilateral relationship.

The Shah will not disagree in principle with the concern of the Administration for restraint in arms transfers, more stringent control over nuclear exports, and human rights. He believes that Iran's record in these respects is quite good, if measured in the context of its national traditions, history, strategic situation and stage of development, and is concerned that our emphasis on these principles is downgrading the priority we previously gave to the dangers of Soviet imperialism and political radicalism.

In these circumstances, our best course may be to use the "special relationship" (or "partnership") we have developed with Iran over three decades, to which the Shah attaches great importance, to obtain Iran's understanding and support of our objectives. Iran's influence in the region is considerable and is bound to grow. Your meeting with the Shah is an opportunity to start the process of bringing our relationship with Iran into more mature balance, so that the parallelism of significant national interests provides a solid foundation for frank discussion where interests or views or priorities diverge.

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In summary, your basic objective is to leave the Shah (a) reassured that we greatly value our bilateral ties and recognize the important, positive role he can play regionally as well as in the broader world arena (especially in international economic affairs); but also (b) aware that our own imperatives, such as on arms transfers policy, may require adjustments in our relationship which we are prepared to talk out sympathetically but frankly.

Hopefully you will also be in a position, on behalf of the President, to invite the Shah to the United States later this year at a mutually agreed time.

III. SETTING

The U.S.-Iran Relationship: A Changing Scene

We have developed over three decades, especially in the last ten years, a particularly close and complex relationship with Iran which was (at least until recently) based on a solid bipartisan national consensus. On Iran's part, its strategic geographic position, including its position on the Straits of Hormuz (through which passes 58-60 percent of international trade in oil), the anti-communist nature of its leadership, and the Shah's willingness to project his power and influence in the region -- in ways generally useful to us and, only occasionally, detrimental to our interests -- have highlighted the country's importance to us.

In the first two decades after World War II, Iran joined CENTO (originally the Baghdad Pact),

provided us access to Iranian airspace and other military facilities, provided a stable source of petroleum for Israel, and coordinated with us its influence on such regional matters as Afghan-Pakistan-India problems. In return, Iran relied

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on the U.S. deterrent umbrella for its deepest security concerns, and received from us substantial economic and military assistance which was vital to the Shah both internally and externally. We involved ourselves deeply with the Shah's military and economic planning and were generous with our advice on Iran's internal political development. In effect, Iran was a "client state."

In the last ten years this essentially unbalanced tutelary relationship was changed by a number of developments: the Shah gained firm political control of his country for the first time in his long rule; the Iranian economy started to modernize and grow at a record rate, and U.S. economic and military aid was terminated; British power withdrew east of Suez and a number of new mini-states, potentially the targets of Arab radicalism, were established in the Persian Gulf; the U.S. was isolated from much of the Arab world for a lengthy period after the 1967 war; the Vietnam War raised serious doubts as to the activist nature of the U.S. role in Asia; and a revolution in the international petroleum economy spotlighted the importance of Persian Gulf oil in the industrial states.

Our response to these changed circumstances was to evoke the Guam doctrine and to promote Iran to the role of regional partner in maintaining -- together with Saudi Arabia -- stability in the Persian Gulf region. The Shah accepted this role as it coincided with his own perceptions of Iran's evolving power and interests. Iran received, as a result, favored access to advanced U.S. weapons systems; in 1972, President Nixon ordered that we would, in general, agree to sell Iran those weapons it requested. We undertook to inform the Shah, and frequently consulted with him, on broad U.S. political strategic decisions and Middle Eastern issues. The significant increases in oil revenues since 1973 have assisted Iran to become a regional power of consequence more quickly than had been envisaged.

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Iran's power and influence have been used, in general, responsibly and in ways that support our interests and objectives in the area: it did not join the Arab oil embargo; it has remained a reliable supplier of oil to Israel -- a key factor in the Sinai II agreement; it has extended substantial economic aid to Egypt, Syria, Pakistan, Afghanistan and India; it assisted Oman in quelling an insurgency backed by the People's Democratic Republic of Yemen; the Shah personally interceded to bring about rapprochement between Pakistan and India, and between Pakistan and Afghanistan; and he negotiated a settlement of certain Iraqi-Iranian tensions, including long-standing border problems which threatened to boil over into serious conflict.

The U.S.-Iran relationship has continued to center on mutual security arrangements but has become increasingly broad based. Our exports of civilian goods to Iran are now averaging almost \$3 billion per year (well over \$4 billion if military goods were included); direct U.S. investment in Iran is over one-half billion dollars; and the largest U.S. firms and banks are active in the country. We established in 1974 a U.S.-Iran Joint Commission to promote U.S. public and private sector cooperation. Iran has asked for our collaboration in supplying the major part of a nuclear power network that it seeks to establish. Over 50 American universities have links with Iranian universities or governmental institutions and the Iran student population in the U.S. is now approximately 30,000, the largest single contingent from any foreign country. Iran provides us with only 5 percent of our oil imports, but Iranian production is critical to Japan and Western Europe.

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In a major sense Iran has reached the position of a stabilizing influence which has been a goal of U.S. policy ever since World War II; but, in the process the U.S. national consensus on Iran has been seriously eroded. There is wide concern in this country, reflected in the media, public and Congress, that Iran is needlessly overarmed and that the 30,000 Americans there will produce dangerous frictions in our relationship or would be hostages in the event of a conflict. The Shah is broadly viewed as arrogant, imperial and dictatorial, which he is, but this is a caricature which overlooks his extraordinary intelligence, energy and singleminded dedication to his country's rebirth and modernization. Regardless of their distortions these perceptions now somewhat limit our flexibility in dealing with Iran. The principal nettle in the relationship has been Iran's advocacy of higher petroleum prices than we thought were justified and which have weakened the western economies. Other factors could also complicate our relations with Iran in the future. We will have to be alert to possible detrimental frictions between the Gulf Arabs and Iran because of Iran's preeminence in the Gulf. Public criticism of Iran by us because of human rights practices could lead to serious friction. Finally, the Shah's failure so far to develop political institutions could cause instability at the time of transition from his authoritarian rule.

The Shah: His Views, Concerns and Personality

The Shah, on the throne since 1941, is an intensely pragmatic and nonideological leader. He is concerned with broad balance of power concepts and acutely sensitive to what he perceives to be shifts among the world's major power centers. He has a consuming ambition to see his country socially advanced and militarily and economically strong--the predominant power in the region, able to deter his neighbors and possibly to dominate them should they stray from his preferred path, to assure the

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security of the vital Persian Gulf waterway, and to contribute to western security vis-a-vis the Soviet Union and radical regional forces. Under his strong personal leadership Iran is essentially a "status quo" power which values peace and stability above all in the region.

He views the Soviet Union, which has occupied parts of his country twice in this century, as an abiding threat to Iran and to the entire area. He tries to maintain a reasonably friendly relationship with the Soviets and does not anticipate direct attack by them on Iran -- although he says that, if attacked, he will fight to the utmost of the country's capability while awaiting outside help. Currently he is much concerned by what he understands to be Soviet influence in Iraq, Afghanistan and India and at key places in the Indian Ocean littoral including the Horn of Africa, and he talks of a Soviet-supported "pincers" plan to justify his darkest fears. He cites the Soviet use of Cuban forces as surrogates in Africa as further cause for concern.

He will impress upon you his strongly held concept that Iran's national interests are complementary to our own throughout the area and that an economically and militarily strong Iran can play an important role in protecting these mutual interests. The Shah sees his country as a potential bastion of pro-Western strength in the area between Europe and Japan, whose strength he also sees as in the vital interests of Iran. On the other hand, he sees himself and his country as having to be strong because of "the decline of the West." He may not be able to rely on Europe and America as major powers. He is well aware of the backlash of the Vietnam War and the changing U.S. public perceptions of the U.S. security role in the area. In discussing arms sales recently in a meeting with our MAAG Chief, he asked "If not Iran, who else in the area can contribute to peace and stability in the region -- I do not know how it harms you -- we have never aggressed on anyone."

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You will find that the Shah strongly supports our Middle East negotiating initiative, our efforts toward majority rule in Rhodesia, and our intent to structure a tough domestic energy policy, as well as of our concerns about nuclear proliferation -- as long as our policy on this subject provides for air-tight fuel supply assurances at no commercial disadvantage.

He tends to be stiff and formal but is voluble and articulate in presenting his views. He is quick to sense slight or condescension. He is extraordinarily well informed and for decades has given interlocutors somewhat contradictory impressions of the breadth of his interests and knowledge on such diverse fields as nuclear energy, oil, arms, population pressures and the world food supply, along with an ethnocentric view of the world.

The Iranian Domestic Scene

The Shah is in a stronger position internally than at any previous time in his long rule (36 years). He leads an authoritarian government in which he makes all important decisions and many of lesser significance. Domestic political considerations do not seriously constrain him in formulating his foreign and national security policies. His military and internal security forces appear to be loyal. Although he does not seem to be enormously popular as a person, the vast bulk of the Iranian people support his policies, at least passively, and there are no serious contenders for power. The two known terrorist organizations -- one of the extreme left and the other rightist -- are small, well armed and disciplined, supported by outside forces (Libya, the Popular Front for the Liberation of Palestine, and European terrorist groups) and highly motivated. They have not, however, caught the imagination of the populace and, except for the remote possibility of a successful assassination, are not an immediate threat to the Shah.

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We expect this stability to persist for the next several years. In the longer run, the Shah or his successor will face increasing pressures from the rapidly growing young educated class to share more real power and must deal with the inherent problems and frictions arising from the rapid modernization of a very traditional society -- urbanization, rising expectations, changing mores, etc. The Shah is intellectually aware of these issues and recognizes that his highly personal form of rule must change in time. His new unitary political party or movement, the Rastakhiz (Resurgence), is a step in the direction of encouraging popular political participation, particularly at the local levels, and creating a political structure to exist side by side with the government. It is much too early to know whether this party in fact will establish roots and whether at the right time the Shah will permit in fact some real devolution of power.

The Iranian economy is on a forced march to modernization and diversification, fueled by an extremely one-sided dependence upon oil export earnings. Iran has limited oil reserves, however, and will have little crude oil for export by the late 1990s. The government is, therefore, spending large sums (\$30-35 billion in the current five-year plan) to create an "alternative" economy to oil, which will be broadly based on natural gas petrochemicals, steel and copper production, a consumer goods industry and a large program of nuclear power development. The economy is booming -- a thirteen percent GNP increase is forecast this year -- but beset with a grave shortage of technically skilled and managerial-level manpower and an inadequate base of educated and trainable Iranians, port and transportation bottlenecks, a frequently inert and heavy bureaucracy and traditionalist values and attitudes.

Despite these serious problems, economic and social progress is palpable and is likely to expand exponentially in coming years. A major (and unexpected) reduction in crude oil production and export, however, would be a crippling setback; the economy, for at least two more decades, will be highly dependent on this one resource.

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IV. ISSUES/TALKING POINTS

1. Arms Transfers

Since 1970 Iran has ordered from us over ten billion dollars in weapons, services and training. As soon as the final contracts are signed for the 160 F-16s, whose sale we agreed to last year, the total will be over thirteen billion dollars. The Iranian Air Force, in particular, is oriented toward U.S. sources and doctrine. The Administration's policy on future arms transfers will be the bilateral issue of most importance to the Shah and the touchstone for him of our future relationship.

He has stated that he will wish to discuss with you future purchases of an additional 140 F-16s. In addition, he is likely to argue his need for nine Airborne Warning and Control System planes (AWACS), instead of the five approved by the President. The additional F-16s are to supplement F-4s and F-5s in the Iranian inventory and he wants the AWACS to substitute for a larger number of very expensive and vulnerable mountain top, air defense radar stations. A special U.S. Air Force air defense study recently prepared for Iran indicates large dollar and manpower savings for Iran by the use of AWACS; the Shah was told that the presentation of this study did not imply a U.S. commitment to sell AWACS.

The Shah has not recently raised anew with us his desire to purchase 250 F-18Ls, a proposed land version of the Navy's F-18 carrier plane whose development may hinge on whether a sale to Iran is consummated. The F-18Ls would eventually replace the F-4s and F-5s. It is possible that he may not pursue it. Northrup has received no U.S. Government support for development of this aircraft for foreign military sales. (The question of the production of advanced weapons solely for export like the F-18L is one of the major issues in PRM 12 now awaiting Presidential decision.)

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The Shah may raise the point that he can purchase military equipment from other countries, as indeed he already has. Iran has made significant purchases of tanks, air defense missile systems from the United Kingdom; vehicles, artillery, and missiles from the Soviets; helicopters from Italy; and missile patrol boats from France, for example. However, the Shah has stated a preference for U.S. equipment. He has demonstrated this preference particularly in acquiring U.S. aircraft. There are no apparent indications of an Iranian appreciation of the logistical support considerations inherent in this diversification of sources for military equipment nor an appreciation of their limited flexibility due to dependence on different countries for sustained support in the event of employment of Iranian military forces. It is, therefore, questionable whether the Shah may be gaining independence from the U.S. through diversification in his military purchases. However, he is effectively lessening the leverage implied in a possible short term withholding of support under conditions short of actual conflict.

Your Approach

We believe your approach should combine two elements: a frank explanation of President Carter's arms transfer policy and clear support for Iran's security needs, drawing upon the following points.

-- President Carter strongly desires to bring about restraint in the international traffic in arms. In addition, there is strong public and Congressional sentiment in the United States to do just that. The national consensus which long existed for our foreign policies was badly eroded in the last several years and a new consensus has to be developed again if we are to be effective around the world.

-- To that end the President is considering several approaches, perhaps including the imposition of a dollar ceiling on arms exports.

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-- The President's new policy of restraint in arms transfers is designed to reduce the total amount of the world's resources that is put into armaments. It is specifically not intended to weaken our friends and allies and is not directed against any one country.

-- We intend to honor our commitments to support Iran and our other friends. We have no illusions that we can achieve a world without arms or that the basically antagonistic policies of the USSR can be changed by kind words.

-- Our long collaboration with Iran in many fields is a source of great satisfaction. As we continue to cooperate with Iran on security matters, we hope that we will benefit from Iranian assistance on efforts to limit the growth in arms around the world.

-- The Shah is a deeply respected world leader. Enlisting his commitment to the important cause of arms transfer restraint would be an immense contribution to that effort.

-- Our policy towards arms sales may require constraints on new orders and stretch-outs of some programs and purchases. We would like to consult closely with him and his advisers in whatever format the Shah may wish.

If he presses for nine AWACS or additional 140 F-16s, we suggest that you tell him that you will report his views to the President and have an analysis made of how these purchases would be affected by the controls the President has chosen.

If he asks about the F-18L, you should inform him that the U.S. Air Force will not purchase F-18Ls. It is doubtful that the policies will permit us to produce planes or other sophisticated weaponry which would be for only the export market.

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2. U.S.-Soviet Relations

The Shah's general attitude toward this Administration and the conclusions he will draw for future Iranian policies will be heavily weighted by his assessment of how we view the Soviets. He tends to see Soviet actions -- whether in South Asia, Africa or elsewhere -- as part of a grand design for increasing Soviet influence and power. He does accommodate the Soviets on certain matters (e.g. granting overflight to Soviet Somalia-bound reconnaissance aircraft, return of a Soviet defector pilot) while engaging in some trade with the Soviets (particularly natural gas exports). He is inclined to believe in particular that the Soviets aspire to control eventually the oil resources of the Persian Gulf and the world's oil sea lanes.

Your Approach

-- You should share frankly with him our assessment where U.S.-Soviet relations are headed in the next few years, show him that we have taken the measure of the Soviets and view them warily, and that U.S. defense and arms control efforts (SALT) and our policies in Southern Africa, the Middle East and on the Horn constitute a carefully integrated policy.

3. Nuclear Energy

Iran plans to build by the end of the century more than 20 nuclear reactors with an electrical output of 26,000 megawatts. The Germans are currently constructing two reactors and contracts will be let to the French soon for two. The Iranians

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undertook publicly in the communique on the March 1975 U.S.-Iran Joint Commission meeting, to purchase up to eight reactors from U.S. suppliers. Lying behind this massive program are the Shah's knowledge that Iran's oil is limited, his belief that petroleum products should be conserved and used for higher value petrochemicals, the fact that Iran has very limited undeveloped hydroelectric potential or quantities of coal, and that his projected large industrial program must have adequate new sources of energy.

Since 1974 we have been negotiating with Iran on an Agreement for the Peaceful Uses of Nuclear Energy. By August 1976 we had cleared away many technical sticking points but had not reached agreement on the crucial reprocessing issue. The Iranians have been deeply concerned about assured fuel supply for their reactors and have not wanted at this time to bind themselves in a formal agreement to forego reprocessing or breeder reactors in Iran in the event either or both became economically viable in the future. (The Shah was briefed last year by Bob Seamans of ERDA on these matters.) Also, they have been concerned about the ability of the Nuclear Regulatory Commission to interrupt the flow of fuel to a foreign user despite government-to-government agreements assuring supply.

Beyond these substantive issues, the Shah has taken the position that, as a party to the NPT and an adherent to the IAEA safeguards regime, Iran should receive treatment generally equal to that of the European NPT signatories. He tends to view the London Suppliers Group as an exporters' cartel potentially threatening the future energy needs of the LDCs. He has repeatedly foresworn any intention to acquire nuclear weapons, vigorously supports the objectives of non-proliferation, and directed an initiative by Iran in the United Nations

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two years ago for a Middle East Nuclear Free Zone. Last December, in response to our request, he advised Prime Minister Bhutto to abandon his reprocessing plans.

Your Approach

-- You should review our concern over non-proliferation and plutonium recovery, stressing that the economics of plutonium are not yet proven and that the world does have time to seek alternatives which avoid adding to the risk of global disaster.

-- You could note that we appreciate Iran's concern about assured fuel supplies. Our policy review had this very much in mind and we believe our conclusions will satisfy Iran.

-- The United States particularly wants the principal future consumers to work with us in finding solutions to these grave problems which are world issues. We would be happy to hold discussions on the International Fuel Cycle Evaluation Program with a view to Iranian participation.

-- Bilaterally, we are prepared to resume negotiations any time after June, which is convenient to Iran.

-- (In this context of nuclear energy, you could weave in the main points of the President's energy policy to evidence our deep commitment to resolving energy needs.)

-- We would appreciate the Shah's continuing support of our efforts to forestall reprocessing in Pakistan.

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4. Indian Ocean Demilitarization

The Shah will be particularly interested in being informed of what the President has in mind concerning Indian Ocean demilitarization. Over two years ago he stated that the major powers should in due course remove their naval forces and presence from the Indian Ocean and leave the security of the area to the littoral states. He has in mind a broad mutual security understanding by these states. However, he has made it clear to us that he does not wish a unilateral U.S. withdrawal and that he favors for the present a U.S. presence in the area to counter Soviet naval forces.

The Shah has ordered four Spruance-class destroyers and three submarines, as well as a small number of P-3 surveillance aircraft, which he expects will provide Iran with the beginning of a "blue water" navy by the mid 1980s. He has noted that Iranian concern is not just passage through the Hormuz Straits but also to provide protection of the oil sea lanes. He may suggest that Iran is acting in our mutual interest by assuming this larger role.

Your Approach

-- President Carter has stated our interest in seeking to reach agreement with the Soviets on mutual military restraint in the Indian Ocean. He has stated that our objective is demilitarization. During my trip to Moscow I raised this issue, and the Soviets agreed to establish a working group to continue discussions. We expect the first meeting of this group to take place this summer.

-- We feel that it is important to avoid a competitive arms race in the Indian Ocean, but we do not yet know if the Soviets will treat this question seriously. In Moscow they repeated their public position that the first step should be the dismantling of Diego Garcia, but they continue to deny that they have a similar facility in Somalia.

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-- In order to reach any agreement, the Soviets will have to accept that neither side should gain military advantage as a result of an agreement. We are not contemplating a unilateral decrease in our presence in the region.

-- We do not think that it will be easy to reach an agreement. There are major differences in the way we maintain our respective military presence in the area. We are now reviewing what type of military activities might be covered by a bilateral agreement.

-- We intend to keep in close touch with Iran and our other friends in the region, and we will welcome your views as we develop our position and undertake future discussions with the Soviets.

5. South Asia

Within the last year the Shah has stressed Iran's "eastern policy" and has noted that geographically Iran is closer to South Asia than to the Arab World. Iran has traditionally had close relations with Pakistan based on their mutual apprehensions over long-term Indian ambitions and over Indian and Afghan ties with the Soviet Union which the Shah has seen as part of the "pincers movement" (Iraq the other side) of Soviet expansion.

[The breakup of Pakistan has been a persistent nightmare to him from another point as well. Separatism on the part of Pakistan's Baluch tribes could evoke emulation by the neighboring Baluch in Iran where a Baluchi independence movement has spluttered off and on for years.

You will find the Shah disturbed by Bhutto's political problems and perhaps uneasy about the strength of the Hindu rightist Jan Sangh in the

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new Indian Government as well as the long-term stability of that government, although he may be pleased that Indo-Soviet ties are likely to decrease. He felt quite comfortable with Mrs. Gandhi's government with whom he opened increased economic ties, including a substantial Iranian investment in an iron ore project and deferred payment facilities for oil. He may press for a more forthcoming U.S. arms sales policy on Pakistan, though he has supported U.S. attempts to block delivery of the French nuclear fuel reprocessing plant to Pakistan. He will probably also express irritation with Afghanistan's position on the Helmand waters issue and Afghan President Daoud's advocacy of Pushtunistan.

Your Approach

-- Concerning Pakistan, you could record our agreement that Pakistan has legitimate security and economic needs. There is no justification, however, for nuclear reprocessing in Pakistan (the Shah last year shared our concern). If the Pakistanis forego reprocessing, we are prepared to help in the modernization of Pakistan's military forces. We are waiting for matters to clear before we can negotiate with Pakistan. Despite Bhutto's fear, we have not been supporting his opposition.

-- You would value knowing how the Shah sees the situation in Pakistan and how we could work together to enhance the chances of its playing a positive, stabilizing role in the region.

-- Turning to India, you could say that we are gratified with India's return to democracy. The new government has gone out of its way to reassure its neighbors, particularly Pakistan, that good relations are wanted. Also, there is hope that Prime Minister Morarji Desai will gradually move India to a more balanced non-alignment with a gradual

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lessening of Soviet ties. How does the Shah view the prospects in India?

-- If he raises Pushtunistan and the Durand Line you should reaffirm our continued recognition of the Durand Line as the international border between Pakistan and Afghanistan. You could note that we had been encouraged by the rapprochement between Pakistan and Afghanistan and appreciated the Shah's personal role in furthering this. You might state that we hope the current situation in Pakistan will not impede this process.

-- Should the Shah raise the question of Soviet influence in Kabul, you may wish to reply that we have been gratified to see this diminish during the past year and feel that the best way to insure that this trend continues is to strengthen Afghanistan's ties with the West.

-- If he refers to the Helmand waters you could note that it is in both Iran's and our interest that this issue be resolved to increase Afghanistan's economic ties with the West, which would be considerably strengthened through the projects financed by Iran's aid. We hope Iran will take the necessary initiatives to keep a dialogue going.

6. Africa: The Horn and The South

The Shah tends to view eastern and southern African developments in broad strategic geopolitical terms: Are the Soviets or their surrogates gaining strength along the Indian Ocean periphery from which oil sea lanes can be interdicted? In his perception, leftist control of Angola and Mozambique could foreshadow the development of a "red band" across southern Africa; the Shaba fighting is only the current step in this design.

Last year, in the early stages of our involvement in Angola, he indicated tentative interest in aiding Zaire. We have had recent indications that he is

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disturbed over what he sees as U.S. reluctance to play its appropriate role in Zaire. An Iranian spokesman recently noted that Iran will probably be requested to provide economic assistance to Zaire and indicated it was prepared to do so.

Iran has long had close ties with South Africa which are based on South Africa's control of the Cape waters tanker route, mutual economic benefits (Iranian oil to South Africa and uranium ore, technology and other products to Iran) and the fact that the Shah's father was given sanctuary in exile by South Africa.

The Shah is very interested in Rhodesia and has indicated willingness to contribute to the Zimbabwe fund. He probably does not welcome "majority rule" but sees it as inevitable; therefore a quick, peaceful transition is best.

Your Approach

-- You should sketch in broad terms how we interpret current developments on the Horn and in Southern Africa, including the Soviet/Cuban involvements, and brief him on the various actions we are taking. You could register our pleasure that Iran will join the Zimbabwe fund.

-- You might wish to note that the current fighting in Shaba places another burden on the already dangerously stretched Zairian economy. Mobutu has recently told the IMF he intends to go ahead with Zaire's stabilization program and recommend some encouraging managerial reforms. But we are worried that the financial burdens of the Shaba invasion may make successful implementation impossible. Iranian assistance would be welcome and could even be crucial.

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7. The Middle East Negotiations

Iran has traditionally visualized Israel, with which Iran has close ties, as a center of western-oriented strength and, in the Nasser period, a prickly hedge to keep Arab nationalism distracted. The Shah, however, also saw the Arab-Israeli dispute as creating the conditions for the entry of Soviet power into the Middle East and the spread of the influence of Arab radicalism. From Iran's point of view Middle Eastern developments in the last few years are very positive: Sadat and Assad are, in the Shah's view, responsible and moderate; King Hussein is firmly in power; Iraqi influence and that of the more radical Palestinian rejectionists have waned, and the U.S. is fully engaged in the peace process. The Shah has been very supportive of our negotiating efforts.

Iran supports the Arab interpretation of Resolution 242 -- withdrawal from "all" territories -- and formation of a Palestinian state. The latter he sees as a future source of instability but, reluctantly, as a political necessity.

Your Approach

-- We have kept the Shah generally informed of our judgments on your Middle East visit and of the results of the recent Rabin, Sadat, Khadāam and Hussein visits to Washington. You should bring him up to date on the President's talks with Asad and exchange views on how we currently see the unfolding of the Geneva process. He will be particularly concerned that our Middle East discussions with the Soviets not facilitate their reentry into the area.

-- You should express appreciation for Iran's investment in and assistance to Egypt and note that we look forward to working with Iran in the consultative group on Egypt.

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8. Human Rights in Iran

The Shah maintains that critics of human rights conditions in Iran grossly exaggerate the situation, fail to recognize the tremendous social and economic advances in the country, and show no understanding of its particular historical and political conditions. At times he wonders whether there is malign (i.e. communist) interest behind criticism of Iran, and why the U.S. and other Western countries pick on their friends and not others. He may take the position that human rights is an internal matter. He is, however, acutely sensitive about Iran's poor image abroad and understands that this can have a direct impact on the ability of Western governments to deal with Iran.

In recent months the government has taken a number of steps which constitute an encouraging beginning in improving the human rights situation (see attached background paper).

Your Approach

-- In discussing the priorities of President Carter, you will want to refer to the importance of human rights to the President personally and as an element in our national consensus. You could comment that we have noted steps taken by Iran to improve certain human rights practices and its image abroad and encourage further steps in this direction.

-- In the unlikely event the Shah asks what further steps would be helpful, you could suggest that such steps as could be taken to ensure that due process to individuals is fully protected in the military court system (e.g. right to counsel of choice, open trials) would be useful. He might consider the value of further encouraging responsible critics to come to Iran to see for themselves what the real story is. Iran has an excellent story to tell on its economic and social progress which Iranian scholars and others should bring to the attention of Western colleagues.

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9. United States-Iran Joint Commission

The next meeting of the Joint Commission should take place in Washington this year. (The Commission is headed jointly by yourself and the Iranian Minister of Finance and National Economy, Hushang Ansary.) The Iranians at one time suggested informally that the session be held early in the year but have not been pressing for a date.

You could tell the Shah that the new Administration recognizes the value of the Joint Commission and we will be in touch to work out a mutually agreeable date for a meeting later this year.

/You may meet Ansary at one of the social functions and could also pass to him our desire to hold a Joint Commission meeting later this year and ask for his views on the substance of the session.7

10. Oil Prices

Iran is considered a price hawk although the Iranians have always claimed to be "moderate" on the oil price issue (compared to Iraq and Libya). Its prominent role within OPEC arises from its large production and articulate leadership of the OPEC majority which continues to favor substantial increases in world oil prices. At Doha in December, Iran and the OPEC majority decided to raise their prices by ten percent on January 1 and by an additional five percent on July 1. Saudi Arabia and the UAE announced a five percent increase for the year and Saudi Arabia ordered an increase in production. At issue is whether Saudi Arabia can bring sufficient pressure on the sales of its Gulf neighbors, particularly Iran, to re-establish the Saudi veto over OPEC price decisions. High world demand and bottlenecks in Saudi Arabia have spared the higher priced producers from feeling any pressure thus far and they are likely to remain in a strong position for several months before

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bargaining strength begins to shift in favor of the Saudis toward the end of the year. Our interest in moderating the OPEC price path is served by a continuation of the Saudi policy until they have demonstrated a convincing potential to flood the market to the detriment of the key upper tier producers. At the same time we should attempt to discourage the Shah and other leaders in the upper tier group from going ahead with an additional five percent price increase in July. The Shah, however, is likely to view the Administration's energy policy, with its recognition of the need for a rising trend in domestic energy prices, as a vindication of the policies he has pursued.

Your Approach

-- The President's program calls for moving U.S. domestic oil prices up to the current world price level by stages.

-- This does not mean that we consider the world price as right or that any further quantum increase in the general world price level is justified.

-- The world economy is still struggling to adjust to past sharp oil price increases and we hope that Iran will refrain from supporting any further price increases in July.

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DIRECTOR OF CENTRAL INTELLIGENCE
Human Resources Committee

Office of the Chairman

HRC-C-77-043
17 MAY 1977

The Honorable William H. Sullivan
American Ambassador
Tehran

Bill
Dear Mr. Ambassador:

In transmitting the FOCUS Iran Review to Charge d'Affaires Jack Miklos in January, the Acting Director of Central Intelligence indicated that a limited prioritized list of items of national intelligence interest would be provided to the Embassy. Attached is the promised list developed by the Human Resources Committee with the advice of the National Intelligence Officer for the Near East and South Asia. Since the list is concise, no order of prioritization is indicated.

This guidance is being provided to you separately from the FOCUS Review, and it may appear rather skeletal in form. We hope, however, it will be of some use to you as a coordinated interagency expression of the most important Washington information needs. More detailed guidance is provided on a regular basis through departmental channels.

As we gain experience in the FOCUS Program, we are hopeful that these assessments of human source reporting and the reporting guidance which flows from them will simplify and facilitate the work of the overseas missions. I would welcome any comments that you may have on any of these matters.

Sincerely,

Ambassador Edward S. Little

Attachment:
Guidance Package

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GUIDANCE: IRAN

The following is a list of general topics of interest to the intelligence and foreign affairs communities.

I. Political

A. Internal

1. Long-range objectives and policies of the Shah and his key advisors, both civilian and military.
2. How and by whom major political, national security and economic decisions are made.
3. The role SAVAK plays in the government.
4. The Government of Iran's involvement in human rights violations.

B. External

1. Sources of foreign military threat to Iran.
2. The balance of forces in the region as it affects Iran.
3. Relations with the Soviet Union and the Gulf countries, particularly Saudi Arabia and Iraq.

II. Economic

- A. Economic development programs, especially the National Iranian Oil Company strategy and sales policies.**

- B. Plans being formulated for nuclear development.**

III. Military capabilities of the Royal Iranian Armed Forces.

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Background. Twice in this century attempts to emulate Western forms of representative government, multi-political parties, freedom of speech, and the right to dissent have been tried and failed in Iran. These are concepts that are essentially alien in this ancient monarchy. Loyalties and interests are traditionally in order of priority to family, tribe and only distantly to the monarch and the nation. Cooperation, group efforts, and working within institutions are not part of the Persian heritage and their absence accounts in substantial measure for past failures of Western political values to take root and grow. Dissent and opposition have been seen generally as attempts to overthrow the established regime and to frustrate its objectives. Nevertheless the notion is gaining strength that Iran is not an island unto itself and that it must accommodate to outside ideas and influences. One response has been to invite "constructive criticism" but keep it within manageable boundaries.

Some intellectuals and conservatives had not found this a sufficiently adequate or satisfying outlet however. A kernel of the old fanatical religious groups have continued in being and the Shah's regime has constantly felt itself under challenge from those who still believe that the 17th century Safavid dynasty reached the apogee of social organization and development. Religious opposition to the government has continued and even grown as the pace of modernization has increased since 1963 at the time of White Revolution. Terrorist groups, probably under the aegis of Mujahidin-e-Khalq (People's Strugglers), began recruiting impressionable youths from deeply religious Muslim backgrounds. Most of these younger people began by being aghast at the Shah's reform program, particularly land reform (peasant habits changed slowly) and giving women the vote. The COI has kept a close eye on the leading radical imams, moving to discredit some, simply watching others.

In the same period, 1963-1975, left-leaning members of the National Front, many of whom had been Tudeh (communist) Party members, discarded an active interest in politics. Some became coopted, impressed by the Shah's revolutionary reform efforts. At least two became ministers. Most, however, simply dropped out of politics and became apolitical. Several remained university teachers, some went into business (and became well off as Iran's wealth grew rapidly in the late 60's and 70's). Many remained privately critical of the Shah, cynical about government, and unwilling to participate in regime-sponsored activities such as the Resurgence Party. Not a few came to accept the country's development, but centered their criticism on the lack of

civil liberties--the growth of press and publishing, censorship, detention procedures, etc. In addition, there is a growing left-oriented and anti-establishment intellectual and academic community. Representatives of this movement exist not only in student groups but to an increasing degree in other areas of society, particularly those who have had foreign university training.

Opening Up the Political System

Concurrent with Iran's growing interest in its human rights image, which began about the fall of 1976, came the realization that people remained critical of the government's ability to respond to economic and social challenges. Moreover, it was becoming obvious to Iran's leaders that to coordinate and continue Iran's economic growth something more than tacit cooperation of the rising numbers of Iran's new middle class was going to be required. In short, the Shah and the government, by spring 1977 at the latest, began to look for ways to encourage the active support of the new elites. Criticism within the Resurgence Party, provincial and city councils and the Majles was tolerated--to the point where many who participate enthusiastically are now wondering what good it has done. Is anybody listening? To make this process more creditable, the GOI resurrected and spot-lighted the activities of three bodies created to examine the government--the Imperial Commission, the Imperial Inspectorate Organization (IIO) and the Study Group of Iranian Problems. Each group has been given a separate and sometimes overlapping mandate: The Imperial Commission to focus on overseeing economic development, eradicating waste and eliminating corruption; the IIO to monitor the progress of the Administrative Revolution and since June 7 to conduct unannounced spot inspections of all GOI ministries and offices; and the Study Group to debate and evaluate GOI problems and policies and to forward their criticism and reports to the Shah. (Ref. B describes the evolution of these groups.)

To inaugurate the new campaign in June and July, the Imperial Commission meetings were televised nationally. Committee reports and ministerial testimony revealing "deficiencies and shortcomings" in the national economic development plan received extensive comment and coverage. Commission wrath was primarily directed at the power, textbook, cement, labor and hospital shortages and caused little short of a sensation--ministers were being attacked and forced to defend their policies or to promise change. At a similar meeting of the Study Group in June, the Prime Minister and other top officials were closely questioned about GOI mismanagement and bungling. According to a summary prepared by a Study

Group member was also a GOI local employee, many of the members of the group are known for their distrust or antipathy toward the GOI. The group is an on-the-record question-and-answer session with the Prime Minister, the integrity of the government is directly impugned and its performance ridiculed. The group has been in the IIC has been recast as the GOI's "watchdog" agency to adjudicate citizen complaints, to conduct independent investigations and to prepare reports for the Shah. It is the most powerful and effective of the three groups and has the full confidence and support of the Shah. The only question remaining is whether the Shah and the Prime Minister will live up to their promises and be able to convince a skeptical public that they mean business.

Sources close to the Prime Minister assert that this carefully orchestrated campaign to open up and permit more criticism of the government was initiated with the Shah's blessing and the Prime Minister's recent actions lend credence to those reports. Speaking to the press on July 5 and to the I.C. on July 12, Hoveyda said every Iranian has the right to criticize and differ in all national affairs except where "the essence of Iran's nationhood is concerned" (i.e., the Shah, the Constitution, and the Shah-People Revolution). He stated what has become the government's position: "There is no reason why a country that has, thanks to the Shah's leadership, reached a position of strength from one of weakness should be afraid of criticism." How this will eventually work out in practice is not yet certain--following a Kayhan editorial of June 7 criticising censorship as bad for Iran, the Prime Minister is reported to have telephoned Kayhan's editors and stormily accused them of going too far too fast when they echoed his own criticism of present censorship arrangements. Nevertheless, it seems clear that the GOI is adopting a more tolerant basic position regarding opposition to government policies than it has in some time. There has even been stray talk of allowing a second political party, but so far it remains just that--stray talk.

Stirring of Opposition

Other signals emanating from the GOI--the Military Court Reform Bill (see Ref C), and counterattacks against international charges of torture in Iran (Ref D) have led some formerly apathetic individuals and groups to return ever so tentatively to the political arena. This has been reinforced by their belief that the danger of repression is less because Iran wants to open up a bit, and the new U.S. human rights policy has pressured countries in general and Iran in particular to exercise police controls with more restraint on dissidence.

The most visible evidence of this "reawakening" are two letters which have been circulating privately, one addressed to the Shah, the other to Prime Minister Mofeyda. The Embassy has obtained both in secret and has translated them informally (attachments one and two). The letter to the Shah is probably as articulate a statement of the liberal aspirations of the ex-oppositionists as is available. It was written by twelve individuals, three of whom signed the letter. All three were senior National Fronters, one an ex-minister of justice. Several individuals close to this circle say there are others who are considering ways to break their silence. One prominent ex-Fronter, the grandson of Prime Minister Mossadeq, has indicated privately to friends that many of the "old circle" remain, and if there were a ~~"true"~~ liberalization, there would be more such activity. Most of those involved with the letter to the Shah have been in opposition to the government, either tacitly or openly, since Mossadeq's time. This led Resurgence Party Deputy Secretary General Darius Homayoun to refer publicly to "political fossils" who criticize outside the accepted channels with the same old shopworn ideas.

The second letter, addressed to the Prime Minister, was signed by 40 intellectuals who form the Writer's Guild of Iran. According to F.Y.I., a local political review (see attachment three) it was actually part of a series begun some months ago. According to two sources in Tehran, it represents a line of thought that has been prevalent in oppositionist circles for several years, one that has even been played by the clandestine radio Peike Iran off and on in the past.

According to one of the signers of the letter, all 40 signed "because the government wouldn't dare jail all of us in the present climate on human rights." The list of signers is a reasonable Who's Who of older intellectual dissidents, many of whom have been or are connected with the arts or teaching. Dr. Gholam Hossein Saedi the subject of U.S. human rights inquiries was a prominent author who spent time in jail. Ali Asghar Haj-seyd-Javadi is a prominent anti-communist intellectual who was very annoyed when clandestine radio Peike Iran picked up one of his articles two years ago and rebroadcast it. Several others on the list have backgrounds ranging from near-Tudeh to National Front.

To date, the GOI has not reacted openly except to denigrate such offerings without mentioning names or otherwise giving them publicity. Those who wrote the letters and otherwise identified themselves with the sentiments contained in them are waiting to see what the government will eventually do. Their hope is to stimulate more criticism, perhaps heading even closer to the edge of directly criticising the "untouchables"--Constitution, Shah, and Shah-People Revolution.

Religious Unrest

Activities of religious groups over the past six months have shown a definite stirring, though less is known in detail about them. Right wing Muslims have tried to interest foreign human rights groups in the fate of those charged with killing Ayatollah Shahrubadi (Ref E) on the grounds they were religious martyrs. This does not appear to have been successful, except in a modest way in Great Britain, but there are hints that despite their right-wing fanaticism, some of the more pragmatic conservative Islamic imams and ayatollahs are willing to ride the human rights horse into alliance with those on the left where mutual interests can be made to coincide.

Signs of challenge to the regime from this quarter are mainly secondary and low key--increased use of the chadour among college-educated women as a sign of opposition to government, resistance to women's rights legislation (almost amounting to pressure group lobbying) and the spread of unflattering jokes about the Shah.

Religious restiveness has been reinforced by the revival of Islamic political fortunes in neighboring political arenas--Pakistan, where the religious opposition to Bhutto led to a military takeover; Turkey, where religious factions appear to hold at least some balance of power in the new, divided parliament; and Saudi Arabia, where the Shah perceives the fanatical Islamic right as one of the serious problems for any reigning Saudi monarch.

The Shah and the government have taken discreet steps to keep this type of potential opposition under control. In addition to normal surveillance of religious factions, the Shah finally paid a visit to Imam Reza's shrine at Mashad in May to meet with religious leaders and urge, in his public speech, that faithful Muslims not be misled into terrorism by subversive groups. In their trips to various provinces, the Prime Minister and Empress Farah have devoted time and public utterance to placating the faithful and trying to draw them (and their religion) into a supportive relationship to the government. A perceptive younger member of the Empress' Special Bureau claims the royal family watches the religious situation very carefully, and that many rural development efforts are geared to drawing more of the religious fundamentalists into the modern sector through greater participation in secular projects.

What Will the Government Do?

Both the GOI and the Resurgence Party are assimilating this upsurge of criticism and limited "opposition" which has been

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Tehran A-121
Page seven

brought on by a combination of the GOI's own policies and circumstances. Over the short term, it appears to be three options, or a combination of approaches. 1) The government could bring the oppositionist actions under the Resurgence Party umbrella. By calling for critics to become active in the Party or promoting critics to Party units, the GOI could attempt to encompass the nascent opposition entirely within the present political system. This will not be wholly possible, since there are other organizations--the Imperial Commission, the Group for the Study of Iran's Problems, and the Imperial Inspectorate, for example--which play roles in this area. Having identified some critics through letter signatures, these individuals may get the call to play the Party Game. Some may heed, most probably will not--this could eventually bring them into conflict with the system itself as they try to justify their refusal to participate by attacking the system and the Shah personally.

2) Both government and Shah may simply continue to relax and allow more criticism as the price of opening up the political system. This could only be done if it is perceived that this type of opposition is safely manageable in security terms, and that the system is stable enough to afford what the Shah calls the "luxury of dissent". Any hint of foreign support for or even public sympathy with opposition groups from any quarter would probably bring a sharp, if perhaps sophisticated, crackdown.

3) The government may simply repress such criticism or limit it a priori on grounds of state security. This seems an unlikely choice--it would defeat the purpose of opening up the political system. Undoubtedly, however, the Shah would take this course if criticism got out of hand--or exceeded the permissible and attacked on a regular and sustained basis, the Shah as an institution, the Constitution, or the Shah-People Reforms. Khomeini's current posture suggests that criticism which calls these fundamentals into question will not be allowed, or subject the critics to the force of harassment and limitation.

In practice, the GOI will probably use all three--tolerance to bring criticism out, attempts to direct it toward the Party, and some form of limiting control to keep it from destabilizing the developing Iranian political system. The degree to which repression may be applied will depend upon the content of the critic's message. If oppositionist criticism remains focused rather narrowly, as it has for 7-10 years, on a critique of present facts of life, it may be supportable at a fairly high level of vituperation. If,

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...it is...
...the three "for..."
...criticism will...
...the Shah himself might not...
...in criticism of the...
...if it were done...
...muckraking over his own personal role...
...suggestions of a "people's republic" for Iran...
...times are likely to get as short a shift as one would expect...
...in a modernizing monarchy which is nonetheless still a real monarchy.

U.S. Attitudes

The U.S. is not directly involved in this process of increased criticism, nor should it be. Critics of the COI may use symbols with which many Americans might sympathize. The U.S. may also come under fire from those caustic of our traditionally close ties with Iran under the Pahlavi Dynasty.. In both cases, we should treat the process of criticism as a purely internal Iranian matter. At discreet moments and in the right place privately, it will do no harm and some positive good to express our approval of the opening up process and reinforce the thinking that has led to it. On the other hand, the U.S. should avoid the temptation to make public pronouncements on the subject which might be misinterpreted by either critics or supporters of the present regime, or both. Given the differences in culture and political perception between elites and ordinary individuals in both countries, as well as the long history in Iran of connection between foreign intrigue and dissidence, the lower the U.S. profile, the better.

[Signature]
SULLIVAN

no attachments

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INDICATE
☐ COLLECT
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AMEMBASSY TEHRAN		CLASSIFICATION	SECRET
E.O. 11652	ACTION: SECSTATE WASHDC		
TAGS:	SECRET TEHRAN 60367		
SUBJECT:			
ACTION:	E.O. 11652: GDS		
	TAGS: AMGT, PPOK, IR		
	SUBJ: GOALS AND OBJECTIVES IN IRAN		
DCM2	(A)		
AMB 2	REF: 77 STATE 291277; (B) 77 STATE 295486		
POA 2			
ECON2	1. WE NOTE WITH APPRECIATION DEPARTMENT'S RECOGNITION THAT		
PH	STATEMENTS OF GOALS AND OBJECTIVES SHOULD NOT BE VIEWED WITH		
USIS	AS		
COMS	FIXED OR IMMUTABLE. WE HAVE EXAMINED WITH CARE THOSE SET		
OR2	FORTH IN REPTEL B. IN LARGE MEASURE WE BELIEVE THEY ARE		
DAO	REALISTICALLY ACHIEVABLE AND ADDRESS OUR CENTRAL CONCERNS		
MAAG2	AND INTERESTS IN IRAN. WE HAVE, HOWEVER, MODIFIED AND		
CRU1	EXTENDED THIS STATEMENT TO TAKE INTO ACCOUNT RECENT		
POUCH	DEVELOPMENTS AND SLIGHTLY ALTERED PERCEPTIONS OF WHAT OUR		
SHIR	CURRENT GOALS AND OBJECTIVES OUGHT TO BE. THERE FOLLOWS A		
TABR	FULL RESTATEMENT IN THE FORMAT USED IN REPTEL B.		
ISPA2	2. BEGIN TEXT. I. A SUSTAINED POLITICAL/ECONOMIC		
20/reh	RELATIONSHIP BUILT UPON TRUST, CONFIDENCE, AND MUTUAL		
	RESPECT.		

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CLEARANCES:

SECRET

CLASSIFICATION

OPTIONAL FORM 152(H)
 (Formerly FS-413(H))
 January 1978
 Dept. of State

SECRET

Classification

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367

-- MAINTAIN AND REINFORCE THE RELATIONSHIP OF TRUST AND CONFIDENCE ESTABLISHED WITH THE SHAH.

-- ASSESS THE RANGE OF EMBASSY CONTACTS IN THE IMPORTANT SEGMENTS OF IRANIAN SOCIETY AND INITIATE STEPS TO EXPAND RELATIONSHIPS TO THE EXTENT POSSIBLE WITH THOSE FORCES AND GROUPS WHICH ARE EVOLVING INTO IMPORTANT CENTERS OF INFLUENCE AS IRAN MODERNIZES. THIS SHOULD TAKE INTO ACCOUNT OPPORTUNITIES PRESENTED BY RECENT EASING OF SOME GOVERNMENT RESTRICTIONS ON POLITICAL ACTIVITY, RECOGNIZING THAT SOME RISKS MAY BE INVOLVED IN CERTAIN CASES, REQUIRING THAT WE PROCEED SELECTIVELY AND PRUDENTLY.

-- ENCOURAGE PRINCE AMOUEGAR AND HIS CABINET TO REFLECT ON IRAN'S LONG-TERM ECONOMIC GOALS AND TO PLAN A SPECIFIC AND INTEGRATED PROGRAM OF INITIATIVES DESIGNED TO MAINTAIN ECONOMIC MOMENTUM AS OIL REVENUES INEVITABLY DIMINISH. IN THIS RESPECT ENCOURAGE AND SUPPORT IRANIAN INITIATIVES TO SEEK OUTSIDE EXPERT ASSISTANCE AND ADVICE FROM THE IBRD AND OTHER APPROPRIATE SOURCES.

-- ENGAGE FULL RANGE OF USIS CAPABILITIES IN KEEPING IRANIAN DECISIONMAKERS AND OPINION HOLDERS INFORMED OF US POLICIES AND ATTITUDES AFFECTING IRANIAN INTERESTS AND IRANIAN-US RELATIONS.

II. AN ENHANCED US-IRANIAN RELATIONSHIP IN NON-MILITARY FIELDS.

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OPTIONAL FORM 157a(1)
(Formerly PS-413a(1))
January 1971
Dept. of State

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MHA

-- ENCOURAGE THE CONTINUATION OF A RELIABLE PETROLEUM SUPPLY FOR THE UNITED STATES AND ITS CLOSEST ALLIES AND THE ADOPTION OF A MODERATE PRICING POLICY. EXPLAIN U.S. ENERGY POLICIES AND PROGRAMS, AND THE NEED OF THE WORLD ECONOMY FOR OIL AT BEARABLE PRICES.

-- FACILITATE AN INCREASE IN THE UNITED STATES' SHARE OF THE MARKET IN IRAN AND BE PREPARED TO USE THE WEIGHT OF THE AMBASSADOR'S OFFICE IN SUPPORT, AT A MINIMUM, OF NONDISCRIMINATORY ACCESS BY AMERICAN FIRMS TO BUSINESS OPPORTUNITIES IN IRAN.

-- ASSESS HOW WE CAN MAKE THE US-IRAN JOINT COMMISSION MORE EFFECTIVE, INCLUDING HOW TO INVOLVE THE US PRIVATE SECTOR MORE FULLY.

-- PURSUE WITH DR. ETEMAD AND HIS ATOMIC ENERGY ORGANIZATION ASSOCIATES FORMULATION OF FINAL TEXT OF US-IRANIAN NUCLEAR COOPERATION AGREEMENT WHICH MEETS PRESIDENT'S NONPROLIFERATION OBJECTIVES.

-- MAINTAIN US INTELLIGENCE-GATHERING PRIVILEGES IN IRAN, AND CONTINUE TO PROVIDE QUID PRO QUO LIAISON SUPPORT IN RESPONSE TO THESE PRIVILEGES. CAREFULLY WEIGH ANY PROPOSALS FOR ADDITIONAL PRIVILEGES TO ENSURE THAT THEY DO NOT ENDANGER EXISTING ASSETS.

-- SEEK TO ENGAGE IRAN MORE FULLY IN REGIONAL NARCOTICS EFFORTS AIMED AT REDUCING NARCOTICS PRODUCTION IN AFGHANISTAN AND PAKISTAN AND REDUCING ILLICIT NARCOTICS

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OPTIONAL FORM 102a (Formerly FS-413a) (Rev. 10-7-73)

TRAFFIC INTO AND THROUGH IRAN.

-- WORK WITH GOV MINISTRY OF EDUCATION TO IMPROVE PROCEDURES IN THE EVALUATION AND PROCESSING OF IRANIANS SEEKING AN EDUCATION IN THE US.

-- EXPAND OPPORTUNITIES FOR IRANIAN STUDENTS PLANNING TO STUDY IN THE US TO RECEIVE APPROPRIATE ORIENTATION, COUNSELING, AND ENGLISH INSTRUCTION PRIOR TO THEIR DEPARTURE.

-- CONTINUE TO PRESS IRAN FOR FULL PAYMENT OF THE DELINQUENT SURPLUS PROPERTY DEBT.

III. CAREFULLY COORDINATED MILITARY RELATIONSHIP INCLUDING THE MILITARY SUPPLY PROGRAM.

-- MAINTAIN A CONTINUING DIALOGUE WITH THE SHAH AND HIS PRINCIPAL MILITARY ADVISORS ON HIS MILITARY NEEDS WITH THE AIM OF AVERTING NONESSENTIAL MILITARY SALES REQUESTS.

-- CAREFULLY SUPERVISE EXISTING AND ANTICIPATED FOREIGN MILITARY SALE CASES.

-- CLOSELY MONITOR ACTIVITIES OF THE REPRESENTATIVES OF US ARMS MANUFACTURERS TO ENSURE THAT THEY ARE OBSERVING THE NEW REGULATIONS ON SALES PROMOTION AND SEEK WAYS TO REDUCE THE NUMBER OF US DEFENSE-RELATED CONTRACTOR PERSONNEL IN IRAN TO THEIR ESSENTIAL NUMBERS.

-- MONITOR OUR MILITARY SUPPLY RELATIONSHIP TO ENSURE THAT LEGITIMATE IRANIAN DEFENSE NEEDS ARE MET WITHIN THE FRAMEWORK OF CURRENT ARMS TRANSFER GUIDELINES.

REEXAMINE US-IRAN MILITARY COOPERATION RELATIONSHIP TO ENSURE THAT IT IS CONSISTENT WITH PUBLIC LAW 95-92.

-- ENCOURAGE GOI TO ACCEPT INCREASED RESPONSIBILITY FOR DEVELOPMENT OF IMPROVED MILITARY MANAGEMENT, PLANNING, AND INTERNAL STAFFING TECHNIQUES WITH THE ULTIMATE OBJECTIVE OF ELIMINATING ~~DEPENDENCE~~ ^{DEPENDENCE} ON US MILITARY ADVICE AND ASSISTANCE.

-- MAINTAIN US OVERFLIGHT RIGHTS AND ACCESS TO IRANIAN PORTS FOR NAVAL SHIPS.

IV. MAINTENANCE OF IRAN'S BALANCED POSTURE IN REGIONAL AFFAIRS.

-- ENCOURAGE THE CONTINUATION OF IRAN'S BALANCED APPROACH TO ARAB-ISRAELI AFFAIRS AND ITS SUPPORT FOR OUR MIDDLE EAST PEACE NEGOTIATIONS.

-- ENCOURAGE THE MAINTENANCE OF A POSITIVE IRANIAN RELATIONSHIP WITH ISRAEL, INCLUDING AN OIL SUPPLY LINK.

-- MAINTAIN IRAN'S OPPOSITION TO PAKISTAN REPROCESSING.

-- SUPPORT IRAN'S COOPERATION WITH SAUDI ARABIA, OMAN, AND OTHER ARABIAN PENINSULA STATES ON PERSIAN GULF SECURITY, KEEPING INFORMED ON ^{RELEVANT} ~~IRANIAN~~ SECURITY

DEVELOPMENTS IN IRAQ ~~AND~~ AND IRAN'S OTHER REGIONAL NEIGHBORS.

ENCOURAGE
-- ~~ENCOURAGING~~ A CONTINUATION OF RESPONSIBLE IRANIAN COOPERATION WITH AFGHANISTAN, PAKISTAN, AND INDIA IN BOTH POLITICAL AND ECONOMIC SPHERES.

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Classification

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MRN

-- ENCOURAGE IRANIAN SUPPORT OF OUR PRINCIPLE POLICIES
IN AFRICA.

V. IMPROVEMENT IN IRAN'S HUMAN RIGHTS PERFORMANCE.

-- REVIEW WITH THE SHAH AND OTHER RESPONSIBLE OFFICIALS,
ON APPROPRIATE OCCASION, US HUMAN RIGHTS POLICIES,
FOCUSING ON IMPROVEMENT IN HUMAN RIGHTS (WHICH IS
ATTAINABLE) AS OPPOSED TO PUSHING FOR CHANGES IN THE
POLITICAL SYSTEM (WHICH MAY SMACK OF FOREIGN
INTERFERENCE AND BE COUNTERPRODUCTIVE), NOTING THE
IMPACT AN UNFAVORABLE IRANIAN PUBLIC IMAGE ON THIS
ISSUE MIGHT HAVE ON IRAN'S INTERNATIONAL POSTURE IN THE
US AND ELSEWHERE.

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SULLIVAN

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OPTIONAL FORM 100-10

ANALYSIS

January 29, 1978

1. IRANIAN DISSIDENCE ON THE INCREASE

The recent incidents of violence in Iran are the most serious of their kind in a decade. Though they are not an immediate threat to the Shah's regime, they may have put his traditionalist Islamic opponents in their strongest position since 1963. If he crushes the dissidents, he will damage Iran's relations with the US; if he does not, they will be encouraged to step up their actions against him. So far, the Shah has demonstrated considerable uncertainty about how to face the challenge.

* * * * *

The January 9 incident at Qom, in which several persons were killed by the police (estimates vary widely from 6 to 300), has sparked nationwide disturbances, as well as some incidents abroad in which several more may have been killed. Security officials fear an increase in bombings and other violent acts. In protest against the shootings in Qom, traditional religious leaders have called for a period of national mourning, and bookstores in most major Iranian cities have been intermittently closed. In subsequent terrorist acts, two policemen have been killed; bombs exploded (without casualties) in Tehran on January 15 and 19; and there have been riots at nearly all major universities and colleges.

To counter these manifestations of dissidence, the government has sponsored "pro-Shah" demonstrations; marshalled Rastakhiz Party members to rally against the religious leaders; directed police to avoid arresting dissidents and to concentrate on anti-terrorist activity; [REDACTED]

B-1
EC

A broad range of traditional dissidents (Islamic conservatives, student progressives, dissatisfied intellectuals, and terrorists) and some new and potentially powerful elements (judges, lawyers, and businessmen) have been involved in the recent disruptions. All are aware that the Shah's decision last year to encourage more open political discussion roughly coincided with President Carter's inauguration, and they tend to ascribe the Shah's action to the Administration's emphasis on human rights. Much of their courage

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- 2 -

20 JAN 1975

stems from their belief that the Shah cannot afford to lose US military supplies by dealing harshly with his domestic foes.

The greatest potential danger to the Shah is that he may lose control over the religious elements and their adherents, leading to the inherently more dangerous confrontation of secular modernizers against fundamentalist religious leaders—a problem that has been avoided for almost 15 years.

[REDACTED] NOFORN/NOCONTRACT/ORCON [REDACTED]

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SHIP
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1452

TO: DEPARTMENT OF STATE

INFO: DEPT PASS TO AMEMBASSY LONDON

FROM: AMEN. MRSY TEHRAN

DATE: APR 1, 1978

E.O. 11652: XGDS-4

TAGS: SHIR, PINT, PINS, IR

SUBJECT: THE IRANIAN OPPOSITION

REF: A. 77 TEHRAN A-124, B. TEHRAN 390

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Summary: This airgram identifies opposition groups and individuals who have emerged during the past eight months during which the Iranian government (GOI) has increased its toleration of opposition views. These groups run the spectrum from left to right and include those who have some contacts with elements of terrorist groups. Probably the most articulate of their spokesmen come from the "liberal/moderate" opposition which has advocated return to "constitutional" rule, including new elections and greater independence for the judiciary. In recent weeks, a more conservative religious opposition has also manifested itself publicly. Dissidence connected with religious beliefs continues to be the most potentially dangerous type of opposition in GOI eyes. The government has acted to restrict public meetings but allows dissemination of letters and circulars issued by the dissidents. On the other hand, the GOI has mobilized individuals for pro-GOI demonstrations through Iran's only legal political party. For now, the majority of opposition groups are working within, or at the edges of, the system. Should they perceive that the GOI cannot be significantly influenced in this way, at least some of them could move toward use of violence. The overwhelming majority of these opposition groups perceive the U.S. as capable

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-31-

of influencing the GOI to allow them a role. Should they feel this hope is disappointed, the relative (and surprising) low level of anti-Americanism could give way to greater anti-U.S. sentiments and action. End Summary.

Introduction

This airgram attempts to sketch out what we know of Iranian oppositionists who have emerged during the recent 8-month period in which the GOI has shown greater tolerance for public expression of dissent. Since the Iranian opposition has been "underground" for so long, and since it is still relatively cautious about revealing itself to outsiders, this airgram should be considered a rough cut at a description of various opposition groups, not a definitive analysis of everyone on the scene. This is especially true since various oppositionists hold overlapping membership in several definite groups or organizations. The description below begins with those groups considered to the left of the spectrum and proceeds across through those generally considered the "moderate liberal" opposition to the religious conservatives of the right.

Groups with Possible Terrorist Links

To the very far left of the ideological spectrum are leftist revolutionary groups such as the Revolutionary Organization of the Tudeh Party, which is active in Europe and apparently maintains a tightly-knit organization in Tehran. We know very little about this group, except that one of their members was captured in a terrorist shootout in December, 1976. Other similar radical marxist groups exist primarily in Europe, but appear to us as small, shadowy organizations with little impact in Iran.

Probably the largest and best known of the leftist groups is the National Liberation Front (NLF), including its emerging offshoot, the Iran Freedom Seekers Liberation Movement. The NLF was organized about 1964 in Paris by Benesh Sadr. One of its principal members and organizational contacts in Paris, Sadeq Chahkadeh, has been responsible for a number of letters written to individuals within Iran. Although the NLF has terrorist links, it has tried to portray itself as an umbrella organization for all moderate dissident groups to the right of the marxists, though the others do not accept this claim. The NLF appears to have small, tightly-knit groups in Tehran and in several European and American cities. Its headquarters in the U.S. is reportedly in Houston. Its main contact in Tehran may be Ahmad Sadr-Haj-Sayed-Javadi, an ex-judge who has been involved with a number of opposition projects, including the recent letter to UNSYG Waldheim.

Some Moslem Ayatollahs have contact with some Mujahidin-e-khalq (People's Strugglers) guerrillas. They do not, as far as we know, form a specific group for this purpose. At the present time, we do not know how these connections take place, but they have been hinted at second and third hand by a number of individuals who have dealt with the oppositionist movement. Through these Ayatollahs, the main, but much more fluid and fundamentalist, anti-leftist mass of religious oppositionists may maintain at least a liaison with some factions of the Mujahidin. It appears that the terrorists' action teams are kept separate from these contacts. Additionally, a great deal of support for the religiously oriented opposition movement comes from the Bazaar--an important center of opposition at this point on the political spectrum.

While there are a number of people who call themselves communists or Tudeh Party supporters, the Party remains illegal and its organization, if any, is underground. The Embassy believes the local leader of this faction may be Abdol Ali Partovi-Alavi, an ex-university professor and former Tudeh Front Organization chief who is the brother of Bozorg Alavi, a Tehran leader who remains in exile in East Germany. Little is known about possible other members of this group, but it has contacts among leftist personalities in other universities in Iran and several university professors feel that marxists who are "fellow travelling" with this group currently wield substantial ideological and intellectual influence among students.

More Moderate Descendants of the Older National Front

The organizational structure of the center of the oppositionist movement is so fluid as to make exact description problematic. Nevertheless, we discern the following major elements, many of whose personalities hold overlapping membership in one group or another.

The Union of National Front Forces of Iran which was organized in November 1977 draws together a number of individuals such as Dariush Foruhar, Dr. Karim Sanjabi, Shahpour Bakhtiar, and Ali Sheygan. This group has worked for a return to constitutional government and a dismantling of the Shah's "dictatorship". Ali Asghar Haj-Sayed-Javadi is probably the leading writer who is connected with this group. Most of the moderate groups accept the major lines of Haj-Sayed-Javadi's thoughts as laid out in a long, 200-page letter written in April 1977. The Embassy has been trying to obtain a copy, thus far without success. Its orientation is leftist, and it includes many alumni of the (Mossadeq's period) National Front.

The Radical Movement of Iran was founded in 1975 by Engineer Rahmatollah Moghadam-Maraghe'h and several friends. The Embassy believes that Mohammad Hossein Maleki and Eng. Kazem Hassibi are probably members or associates of this particular unit. The Radical Movement of Iran takes a line similar to the Union of National Front Forces and calls for the abolition of Iran's

single party, a free press, new and free elections, and unshackling of the judiciary. Its principal points of difference with the Union of National Front Forces appear to be ones of personalities which may go back as much as 25-30 years. It seems to be situated less to the left (in the fashion of the "Radical Party" in France) and be a bit better disposed to Americans.

The Tollers Party is led by Dr. Mozaffar Bagha'i Kermani. The Party is essentially the personal creation of the Dr. who has been an inveterate writer since he was a Mossadeq supporter who broke with the prime minister in 1953.

There are a number of other significant individuals, many of whom are members of the outlawed Iranian Writers Guild which has been trying to reestablish itself. Among these are Hedyatollah Matin-Daftari, a Tehran lawyer and grandson of Mossadeq; Ali Amini, ex-liberal prime minister and close friend of a number of the oppositionists of all factions; Fereidun Adamyat, a former Iranian ambassador to Holland and India; Moghadam-Maraghe'h of the Radical Party (above); and Eng. Mehdi Bazargan, the first managing director of NIOC and a long-time opponent of the Shah. Bazargan has been a prominent speaker at several rallies and is one of the most articulate spokesmen for a return of constitutional government, expanded freedom of the press, total independence of the judiciary, and completely new and free elections for Parliament.

Several groups and individuals have organized themselves in a "new National Front" with a directorate of seven leaders-- Eng. Moghadam-Maraghe'h, Eng. Bazargan, Karim Sanjabi, Dr. Kazem Samii, Ayatollah Haj-Sayed Abolfazle Moosavi-Zanjani, a Mr. Sangabedi and one other. This group cooperates with the new founders of the Iranian Human Rights Committee formed in January 1978, and indeed memberships overlap. It also coordinates with Foruhar's group, but--despite the presence of some religious figures in the "new National Front"--there would appear to be little coordination with religious conservatives and fanatics.

In addition to these long-time oppositionists, there are a number of figures who have become important either because of incidents they have been involved in or because of foreign connections. Chief among these are Gholam Hassan Sa'edi, a writer who has come to the attention of American publishers; Dr. Homa Nateq, a Tehran University history professor (and member of the writers guild); and Ali Asghar Massoudi, a former army officer and ex-counsel for political prisoners in military courts. Most of these moderate oppositionists eschew violence and believe as an article of faith that the U.S. could play a major role in inducing the Shah to deal with what they call the "liberal opposition."

It is this seeming dependence upon American action which has caused them to urge a suspension of terrorist activities through intermediaries with the terrorist groups. They would be potentially dangerous, however, should substantial numbers of them become convinced that the U.S. cannot or will not cause the Shah to treat with them. While we know the Iranian government is sensitive toward American efforts to deal with them, over the past eight months the Embassy has received no indication that the government openly frowns on contact with these individuals, people close to them, and other oppositionist supporters. This presumably could change if the government felt threatened or became uncertain of the USC's basic support.

Religiously Oriented Groups

In the past two weeks, primarily as a result of the Qom incident and its aftermath (see ref B), the outlines of a religious opposition have become clearer. Ayatollah Sayed Ghassem Shariatmadari has emerged as the public spokesman for this group, primarily because of his interview with three foreign journalists (Tehran 0961). A behind-the-scenes supporter of the "progressive" Ayatollahs and a link with the Tehran religious faction is Dr. Nasser Minatchi who is a lawyer and head of the board of directors of Hosseyniyeh Ershad Religious Center near the Friday Mosque on Old Shemiran Road. The Center was closed five years ago because of some speeches made against the government. The GOI quietly allowed it to reopen in the past few months and it may again become a center for at least tacitly accepted dissident religious opinion. Another Ayatollah, Haj Sayed Abolfazle Moosavi-Zanjani, has been linked to the more moderate oppositionists listed in the last section.

It appears that there are a number of religious factions that may come to cluster around Ayatollah Shariatmadari. For most of them, the Ayatollah Khomeini, exiled to Iraq in 1963, is considered the true leader of the Shiite faithful. Khomeini's principal disciple has been Ayatollah Mahmud Talequani, who was jailed for ten years in August 1977. Another of these, Talequani's close associate, Moslem theologian Hossein-Ali Montazari, has been in prison for sometime. The Embassy understands that several, perhaps as many as ten, ayatollahs and mullahs were imprisoned or exiled in the fall of 1977 for anti-government statements. One source believes this has been a prime reason why other religious leaders have come forward to challenge the interpretation of their stance as reactionary, and why the GOI has tolerated their emergence.

The Qom incident has caused religious figures to look to their organizational situation. The loose and fluid religious structure of Iran offers perhaps the only country-wide network

for an oppositionist group. Thus far, anti-government sentiment has largely remained beneath the surface due to assiduous work by Savak and because religious leaders have (we believe) continually assessed their prospects for confrontation with the government as unfavorable. We have no hard facts, but there is some indication that moderate oppositionists and more progressive religious leaders have talked about joining together for certain demonstrations similar to those which eventually led to confrontation with the GOI in 1963. Circumstances would appear to be important --if additional incidents involving the religious community, such as firing upon marchers, either occur or can be generated, religious fervor could be activated to provide the mob manpower for demonstrations.

It is difficult to get an accurate reading of religious/political beliefs. Progressive figures speak in terms which would accommodate the secular state. They accept "human rights", land reform and tacit separation, in practice if not in theory, between church and state. Basic Shi'ite doctrine, however, has always emphasized the importance of religion in everyday life, and in Iran Shi'ism has always been closely tied to Iranian nationalism. Those familiar with Shi'ite doctrine believe more fundamentalist Shi'ite mullahs will have difficulty supporting a more progressive doctrine. This could result in an important doctrinal dispute between those Moslems, both laymen and clerics, who wish to accept some form of separation of church and state by referring such matters as wearing the veil to individual conscience, and those who will insist on the application of "true" Shi'ite principles to every sphere of human life. The former would be consistent with the beliefs of many of Iran's new emerging middle class and would open the way for the more religious of them to support a movement combining religion and politics. Religious opposition which emphasizes fundamentalist Shi'ism would probably chase more enlightened moderates into tacit if unhappy alliance with the government.

Miscellaneous

This airgram has not dealt with groups deliberately connected to active terrorists, the Mujahidin-e-khalq (Peoples' Strugglers) and the Charikha-ye-Fada'i-Khalq (Peoples' Sacrifice Guerillas). Thus far, we find no hard indications of direct links between the action teams of either of these groups and the more moderate oppositionists noted above, but this may be due merely to good security practice. There is a strong supposition (but only a supposition) that moderate oppositionists have prevailed upon terrorist groups to desist from active violence against Americans while the Carter administration is given a chance to see if it can or will influence the Shah and the GOI. There have been a number of incidents of violence over the past year, several related to the Carter visit to Iran, December 31 to January 1, which suggests either that the

prohibition is not absolute or that terrorist discipline is not complete. What may reasonably be expected, however, is that there will remain some loose coordination between the various opposition figures and the terrorist movement. At times, the moderates may restrain the extremists; it is also possible that the extremists will influence the moderates in the direction of stimulating (or at least condoning) greater violence.

Iranian Government Reaction

The Iranian government has thus far permitted at least some public meetings, though it clamped down on such gatherings rather severely in late Nov-Dec 1977. The dissidents have been allowed to issue letters, but these have been covered only sporadically (and always negatively) in the press. There have been indications that the GOI intends to mobilize groups and individuals through the Resurgence Party in counter-demonstrations desired to show support for progressive government programs against reactionary oppositionist activities. Such counter-demonstrations have taken place since November 22, 1977, climaxed by the nationwide January 26 parades in favor of the Shah-People Revolution.

The government has not dealt with the substance of the oppositionists' challenge that Iran has strayed from the constitutional path. Rather, it has suggested that the Monarchy, the Constitution and the Shah-People Revolution are basic elements on which all components of the Iranian nation agree. The GOI has not yet drawn a stark line between the government as a force for progress and all oppositionists as reactionary, but the thrust of its statements and those of speakers at pro-government rallies suggest this line. Opponents of the GOI are repeatedly being tarred as agents of renascent colonialism (taken in the broadest historical sense) to suggest that the nefarious past interference in Iran's affairs by Russia and Britain might be revived through such dissidents. By drawing the mantle of patriotism around the Shah and his four-decade-old rule, spokesmen are trying to broaden the appeal of the government beyond specifics such as the Party or the Shah-People Revolution to patriotism in a more general sense.

Some GOI and Resurgence Party (RPPI) officials harbor the belief that some oppositionists might be induced to bring their activities into some sort of association with the RPPI. At present this appears a vain dream. Those who might consider this line of action are not the committed oppositionists listed above, but rather people who have remained apathetic non-participants in the Iranian political system: Iran's emerging middle class. To a considerable degree, one could say that the struggle over the coming months and years will be one between the GOI and the oppositionists for

the allegiance of a substantial majority of those now moving into Iran's modernizing elite. Should the government succeed in retaining and strengthening the allegiance of this group, oppositionists would remain at best a minor irritant on the national scene. Alternatively, in the unlikely possibility that the oppositionists win the allegiance of many in this strata of the population, the way would be open for another severely dichotomous split similar to that which evolved in 1963, with a like potential for schizophrenic domestic strife.

Potential for Increased Anti-Americanism

Until late 1977, increased opposition activity in Iran had not resulted in stronger anti-Americanism per se. However, since December, leaflets emanating from both the marxist left and the religiously-oriented right of the opposition spectrum have carried explicitly anti-U.S. overtones and statements, and the volume of such leaflets has increased in the past month.

Given intensive American interaction with Iranian society at all levels, and the inevitable resultant strains between two cultures in friction, the extent of current restraint in overt anti-Americanism is surprising. One significant reason is the virtually unanimous oppositionist perception (regardless of what may actually be the case) that the USG, with its substantial influence and power within Iran, could compel the Shah to open up the political system if it wanted to. This led the oppositionists to play down their dismay at what they consider to be U.S. "support" for the Shah and to discourage religious opposition from voicing their natural anti-foreign sentiments.

Should oppositionist elements begin to believe, as some extremists are already doing, that the U.S. either can not or will not act as the midwife for oppositionist entry into the Iranian political system, the current constraint on latent anti-Americanism may be reduced and overt manifestations of it increase. The Embassy will be commenting more fully on this phenomenon in other contexts.



SULLIVAN

C O N F I D E N T I A L

TEHRAN 1691/1

P 031012Z FEB 78
FM AMEMBASSY TEHRAN
TO RUEHC/SECSTATE WASHDC PRIORITY 3659
INFO RUEHAM/AMEMBASSY AMMAN 1336
RUEHCR/USINT BAGHDAD 1010
RUEHES/AMEMBASSY CAIRO 5593
RUEHEM/AMEMBASSY DAMASCUS 0706
RUQMEE/AMCONSUL DHAHRAN 2264
RUCMOD/AMEMBASSY DOHA 2798
RUSEQE/AMEMBASSY ISLAMABAD 3779
RUQMRA/AMEMBASSY JIDDA 4030
RUSBLK/AMEMBASSY KABUL 5194
RUOMKX/AMEMBASSY KUWAIT 4928
RUEHC/AMEMBASSY LONDON 4290
RUQMAM/AMEMBASSY MANAMA 1359
RUEHMO/AMEMBASSY MOSCOW 1440
RUQMT/AMEMBASSY MUSCAT 0787
RUSBAE/AMEMBASSY NEW DELHI 3437
RUFNPS/AMEMBASSY PARIS 3722
RUDKPT/AMEMBASSY RABAT 0354
RUFERO/AMEMBASSY ROME 1341
RUQMNS/AMEMBASSY SANA 2323
RUEHTV/AMEMBASSY TEL AVIV 1619
RUGMTI/AMEMBASSY TRIPOLI 0544
RUEEER/AMEMBASSY TUNIS 0304

CHRG: STATE 2/2/78
APPRV: MIN:CVNAAS
CRAFTD: POL:3BLAMERAKI
CLEAR: NONE
DISTR: POL 3 AMB MIN
ECON-2 PM ICA
OR ADM ST
DAO AFOSI CERO

BT

C O N F I D E N T I A L SECTION 01 TEHRAN 01691

E.O. 12065: GCS 2/2/85 (LAMBRAKIS, GEORGE B.) OR-P
TAGS: PINS, PGOV, IR
SUBJECT: (U) IRAN: UNDERSTANDING THE SHI'ITE ISLAMIC
MOVEMENT

1. (C - ENTIRE TEXT).
2. SUMMARY: THOUGH BASED ON INCOMPLETE EVIDENCE, OUR BEST ASSESSMENT TO DATE IS THAT THE SHIA ISLAMIC MOVEMENT CO-MINATED BY AYATOLLAH KHOMEINI IS FAR BETTER ORGANIZED, ENLIGHTENED AND ABLE TO RESIST COMMUNISM THAN ITS DETRACTORS WOULD LEAD US TO BELIEVE. IT IS ROOTED IN THE IRANIAN PEOPLE MORE THAN ANY WESTERN IDEOLOGY, INCLUDING COMMUNISM. HOWEVER, ITS GOVERNING PROCEDURES ARE NOT CLEAR, AND PROBABLY HAVE NOT BEEN TOTALLY WORKED OUT. IT IS POSSIBLE THAT THE PROCESS OF GOVERNING MIGHT PRODUCE ACCOMMODATIONS WITH THE ANTI-CLERICAL, INTELLECTUAL STRAINS WHICH EXIST IN THE OPPOSITION TO PRODUCE SOMETHING MORE CLOSELY APPROACHING WESTERNIZED DEMOCRATIC PROCESSES THAN MIGHT AT FIRST BE APPARENT. END SUMMARY
3. AS LEFT AND OTHER ADDRESSEES ARE AWARE, WE HAVE FOR SOMETIME BEEN LABORING WITH THE PROBLEM OF UNDERSTANDING THE FAITH AND DEPTH OF THE RENASCENT SHI'ITE RELIGIOUS MOVEMENT IN IRAN BOTH FOR ANALYTICAL AND POLICY PURPOSES. WHILE OUR STUDY IS FAR FROM CONCLUDED, IT WOULD BE USEFUL TO MAKE SOME TENTATIVE JUDGMENTS AT THIS CRITICAL STAGE IN IRAN'S ONGOING REVOLUTION.
4. FIRST, WE HAVE AMASSED ENOUGH EVIDENCE TO DATE TO BE

REASONABLY SURE THAT THE ISLAMIC MOVEMENT HEADS THE IRANIAN REVOLUTION BOTH IN THE PERSON OF THE SYMBOLIC LEADER, AYATOLLAH KHOMEINI, AND IN THE ORGANIZATION, OR PERHAPS MORE ACCURATELY INTERLOCKING ORGANIZATIONS, WHICH SUPPORT HIM. IRANIAN GOVT SPOKESMEN HAVE FOR A LONG TIME PEDDLED THE CHARGE THAT KHOMEINI'S FOLLOWERS ARE FOR THE MOST PART CRYPTO COMMUNISTS OR LEFTISTS OF MARXIST STRIPE. THIS BELIEF IS SHARED QUITE WIDELY BY OTHERWISE WELL-INFORMED IRANIANS, INCLUDING JOURNALISTS AND BUSINESSMEN AS WELL AS GOVT SERVANTS. TO A CONSIDERABLE EXTENT IT IS BASED ON A FABLE THAT COMMUNISTS HAVE BEEN INFILTRATED AS YOUTHS INTO THE RELIGIOUS SCHOOLS AND NOW CONSTITUTE THE MULLAHS AND OTHER ORGANIZERS OF THE RELIGIOUS MOVEMENT. "PROOF" OF THIS IS DEDUCED FROM THE ASSUMPTION MADE GLIBLY BY MANY IRANIANS THAT THE RELIGIOUS PEOPLE, INDEED IRANIANS IN GENERAL, ARE TOO DISORGANIZED AND INCAPABLE OF PUTTING TOGETHER AN EFFICIENT MOVEMENT UNLESS THIS IS DONE FOR THEM BY "THE ONLY ORGANIZED GROUP IN IRAN" -- THE TUDEH PARTY.

5. THESE DETRACTORS APPEAR TO BE LABORING IN AN IGNORANCE OF THE ISLAMIC MOVEMENT WHICH IS IN SOME CASES GREATER THAN THAT OF WESTERN OBSERVERS. WESTERNIZATION IN IRAN ACHIEVED A STATUS AND LEGITIMACY UNDER THE TWO PAHLAVI MONARCHS WHICH HAS PRACTICALLY WIPED OUT MEMORIES OF THE ISLAMIC PAST FOR LARGE NUMBERS OF PEOPLE WHO WENT TO SCHOOL IN THE WESTERNIZED IRANIAN SCHOOL SYSTEM AND DID THEIR HIGHER STUDIES FOR THE MOST PART ABROAD. FOLLOWING THE MODEL OF KEMAL ATATURK IN TURKEY AND CONTINUING INTO THE POST-WORLD WAR II PERIOD, THE PAHLAVI SHAHS HAVE SOUGHT TO SPAND THE ISLAMIC ESTABLISHMENT AS AN IGNORANT REACTINARY REMNANT OF THE PAST WHICH IS FAST BECOMING OBSOLETE. STEPS WERE TAKEN TO RENDER THIS A SELF-FULFILLING PROPHECY. THE GOVT HAS MADE EFFORTS TO CUT OFF THE MULLAHS FROM DIRECT FINANCIAL SUPPORT BY THE PEOPLE AND TO MAKE THEM DEPEND ON GOVT SALARIES. BY KEEPING THE MULLAHS AS FAR OUT OF PUBLIC SIGHT AS POSSIBLE, SEEKING TO RIDICULE THEM, LOCKING UP MANY OF THE LEADERS IN SAVAK PRISONS, AND BT

#1691

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P 0312:22 FEB 79
 FM AMEMBASSY TEHRAN
 TO RUEEC/SECSTATE WASHDC PRIORITY 3660
 INFO RUEHAM/AMEMBASSY AMMAN 1337
 RUEHCR/USINT BAGHDAD 1011
 RUEHED/AMEMBASSY CAIRO 5594
 RUEHEM/AMEMBASSY DAMASCUS 0707
 RUQMDH/AMCONSUL DEHRAN 2265
 RUQMCE/AMEMBASSY DOHA 0799
 RUSBCD/AMEMBASSY ISLAMABAD 3780
 RUCMRA/AMEMBASSY JIDDA 4231
 RUSELK/AMEMBASSY KABUL 5195
 RUQMWK/AMEMBASSY KUWAIT 4929
 RUETC/AMEMBASSY LONDON 4291
 RUCMAM/AMEMBASSY MANAMA 1360
 RUEHMO/AMEMBASSY MOSCOW 1441
 RUQMMT/AMEMBASSY MUSCAT 0788
 RUSEAR/AMEMBASSY NEW DELHI 3438
 RUFNPS/AMEMBASSY PARIS 3723
 RUDKBT/AMEMBASSY RABAT 0355
 RUFRHC/AMEMBASSY ROME 1342
 RUOMNS/AMEMBASSY SANA 0304
 RUEHTV/AMEMBASSY TEL AVIV 1620
 RUQMTI/AMEMBASSY TRIPOLI 0545
 RUDKKE/AMEMBASSY TUNIS 0305
 BT

C O N F I D E N T I A L SECTION 02 TEHRAN 01691

INSISTING ON NON-RELIGIOUS MODELS OF THE FUTURE FOR IRAN, THE SHAHS HAVE ATTEMPTED TO PUSH IRAN THROUGH A PERIOD OF WESTERNIZATION INVOLVING A SEPARATION OF CHURCH AND STATE WHICH TOOK CENTURIES TO DEVELOP IN EUROPE.

6. NEVERTHELESS, IT HAS BECOME OBVIOUS THAT ISLAM IS DEEPLY IMBEDDED IN THE LIVES OF THE VAST MAJORITY OF THE IRANIAN PEOPLE. IN ITS SHI'ITE FORMAT, IT HAS OVER THE CENTURIES BECOME STRONGLY IDENTIFIED WITH IRANIAN NATIONALISM, EVEN BEFORE THE AGE OF MODERN NATIONALISM PENETRATED THE EAST. THE PAHLAVIS ATTEMPTED TO SUPPLANT THIS ANCIENT NATIONALISM WITH A MODERN VERSION BASED ON A RETURN TO TRADITIONS, LEGENDS AND GLORIES OF THE PRE-ISLAMIC PAST. THAT EFFORT MIGHT HAVE BEEN SUCCESSFUL IF ALLOWED TO CONTINUE UNCHALLENGED FOR MANY MORE DECADES OR CENTURIES. ITS SUCCESS DEPENDED ON CREATION OF INSTITUTIONS WITH ROOTS AMONG THE PEOPLE TO COMPETE WITH THAT OF SHI'ITE ISLAM.

7. HOWEVER, THE REFORMING PAHLAVI MONARCHY WAS CHALLENGED EARLY ON BY ANOTHER WESTERN IDEOLOGY -- COMMUNISM. ITS INFANT PARLIAMENTARY AND OTHER GOVERNMENTAL INSTITUTIONS CAME CLOSE TO BEING TAKEN OVER IN THE LATE 1940S AND EARLY 1950S BY THE COMMUNIST METHOD OF WESTERNIZATION. THE PRESENT SHAH'S SUCCESSFUL DEFENSE AGAINST THE CHALLENGE AND HIS ABSORPTION IN THE CREATION OF A MODERN, SECULAR AND INDUSTRIALIZED IRAN BLINDED HIM TO THE MORE ANCIENT CHALLENGE OF ISLAM AND ITS HOLD ON THE PEOPLE. WHILE HIS EFFORTS TO CREATE A NEW IRANIAN IDEOLOGY BASED ON "2500 YEARS OF IRANIAN KINGSHIP" AND DEVELOPMENT OF THE

"GREAT CIVILIZATION" WERE DIRECTED PERSONALLY AND APPEARED TO BE MAKING SOME HEADWAY. IT IS CLEAR TODAY THAT THEY DEEPENED THE RESENTMENT OF SHI'ITE ISLAM AND BROADENED THE OPPOSITION TO HIS REGIME AMONG MORE AND MORE CLASSES OF PEOPLE WELL BEYOND THOSE STRICTLY PRACTICING RELIGION. TODAY, EVEN THE SHAH'S USE OF THE PERSIAN LANGUAGE IS DISTORTED. IT SEEMS THE SHAH REGULARLY MAKES ERRORS IN HIS USE OF THE LANGUAGE, WHICH ONLY REINFORCES THE CHARGE THAT HE IS AN IMPLANT OF FOREIGN INTERESTS SERVING FOREIGNERS RATHER THAN HIS OWN PEOPLE.

8. HISTORICALLY, ISLAMIC SCHOLARS HERE TRACE THE DEVELOPMENT OF SHI'ISM IN TERMS OF ITS RESISTANCE TO AUTHORITY AT SEVERAL STAGES. ORIGINALLY A MARK OF PERSIAN RESISTANCE TO ARAB AND MONGOL INVADERS, IRANIAN SHI'ISM SPLIT AND THE MAJOR DIVISION IN A SENSE "WENT UNDERGROUND" AFTER THE SAFAVID RULERS ADOPTED IT AS THE OFFICIAL COURT RELIGION. THESE POWERFUL PERSIAN RULERS TRANSFORMED SHI'ISM INTO A TYPE OF SUNNISM, PERSIAN SCHOLARS TELL US. THAT IS, THEY LEMANLED AND GOT SUBSERVIENCE OF A PART OF THE SHI'A ESTABLISHMENT TO THE KING. ACQUIESCENCE WAS GIVEN TO THE PRINCIPLE THAT, IN THE ABSENCE OF THE "HIDDEN 12TH IMAM," THE KING COULD MAKE NECESSARY TEMPORAL DECISIONS. CONCURRENT WITH THIS OFFICIAL ("SAFAVI") STRAIN, HOWEVER, WAS THE UNOFFICIAL STRAIN OF SHI'ISM ("ALAVI") WHICH BELIEVED AND PREACHED RESISTANCE TO UNJUST AND CORRUPT RULERS AND LIE BEHIND THE ANCIENT SHI'ITE DOCTRINE OF CONCEALMENT.

9. THE EXISTENCE OF BOTH STRAINS IN SHI'ISM IS MARKED BY PARALLEL SYSTEMS OF MOSQUES, DATING ESPECIALLY FROM THE TIME OF FATHI ALI SHAH QAJAR, IN MANY IRANIAN CITIES -- THOSE BUILT BY THE SHAH AND SUPPORTED BY HIM, THOSE BUILT BY THE PEOPLE AND PRAYED IN BY THEM. THE "IMAM JOM'EHs" APPOINTED BY THE GOVT TO PRESIDE OVER THE SHAH MOSQUES WERE NOT RESPECTED BY THE BELIEVERS WHO SOUGHT OUT THEIR OWN MULLAHs AND MOJTAHEDS, TO WHOM THEY RENDERED OBEDIENCE AND PAID THEIR TITHES. THIS UNDERGROUND "ALAVITE" STRAIN CAME TO THE SURFACE IN THE 19TH CENTURY WITH THE TOBACCO

BT
#1691

NNNN

P 031010Z FEB 78
 FM AMEMBASSY TEHRAN
 TO RUEHC/SECSTATE WASHDC PRIORITY 3661
 INFO RUEHAM/AMEMBASSY AMMAN 1338
 RUEHCR/USINT BAGHDAD 1012
 RUEHEG/AMEMBASSY CAIRO 5595
 RUEHDM/AMEMBASSY DAMASCUS 0708
 RUEHME/AMCONSUL DHAHRAN 2066
 RUQMOD/AMEMBASSY DOHA 0800
 RUSFGD/AMEMBASSY ISLAMABAD 3781
 RUQMRA/AMEMBASSY JIDDA 4032
 RUSBLX/AMEMBASSY KABUL 5198
 RUEHCV/AMEMBASSY KUWAIT 4930
 RUITC/AMEMBASSY LONDON 4292
 RUQMAM/AMEMBASSY MANAMA 1361
 RUEHMO/AMEMBASSY MOSCOW 1442
 RUQMNT/AMEMBASSY MUSCAT 0789
 RUSBAE/AMEMBASSY NEW DELHI 3439
 RUFNPS/AMEMBASSY PARIS 3724
 RUEHBT/AMEMBASSY RABAT 0356
 RUEHRO/AMEMBASSY ROME 1343
 RUQMNS/AMEMBASSY SANA 0305
 RUEHTV/AMEMBASSY TEL AVIV 1621
 RUQMTI/AMEMBASSY TRIPOLI 0546
 RUEKKR/AMEMBASSY TUNIS 0306
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C O N F I D E N T I A L SECTION 03 TEHRAN 01691

REFFLION, WHEN THE CLERGY SUCCESSFULLY LED A BOYCOTT AGAINST THE KING'S GRANT OF A TOBACCO MONOPOLY TO THE BRITISH. IT WAS THE KEY FORCE BEHIND THE REVOLUTION AT THE TURN OF THIS CENTURY WHICH PRODUCED THE CURRENT CONSTITUTION IN 1906 AND 1907. FORCED AGAIN INTO AN INACTIVE ROLE BY THE PAHLAVI SHAH, THE ALAVITE STRAIN IS THE HEART OF THE SUCCESSFUL REVOLUTION TODAY.

10. IF ONE EXAMINES IRAN FOR POLITICAL STRUCTURES TODAY, ONE IS STRUCK BY THE APPEARANCE OF A WASTELAND. MODERN PARLIAMENTARY DEMOCRACY HAS HAD LITTLE SUCCESS IN THE SHORT PERIOD WHEN IT HAS BEEN TRIED, AND IT IS AN AGE HERE THAT THE ONLY RELATIVELY EFFECTIVE POLITICAL PARTY IN THE PAST HAS BEEN THE COMMUNIST, OR TUDER, PARTY. NOTABLES AND OTHER POWERFUL PERSONS, INCLUDING MANY MULLAHS, HAVE BEEN REPRESENTED IN THE PARLIAMENT AS INDIVIDUALS WITH PERSONAL FOLLOWINGS. WHO MAKE TEMPORARY ALLIANCES WITH EACH OTHER BUT HAVE DONE PRECIOUS LITTLE TO ADVANCE THE INSTITUTION OF DEMOCRATIC GOVT AS UNDERSTOOD IN THE WEST. THE ONE PRIME MINISTER WHO ACHIEVED A DEGREE OF POWER TO CHALLENGE THAT OF THE SHAH, MOSSADEQ, OPERATED IN A PERSONALIZED AUTHCRITARIAN WAY WHICH LEFT A MEMORY AND A POLITICAL LEGACY IN IRAN. BUT NO POLITICAL ORGANIZATION OR PROMISE OF FUTURE INSTITUTIONALIZATION. IN SHORT, A CENTRAL POWER WITH A GRIP ON THE-PEOPLE HAS ALWAYS BEEN NECESSARY TO RULE IRAN.

11. THE ISLAMIC ESTABLISHMENT HAS DRAWN RENEWED VIGOR FROM THE LITERACY AND EDUCATION DRIVES WHICH HAVE TRANSFORMED SO MUCH OF THE IRANIAN POPULATION OVER THE PAST

FOUR OR FIVE DECADES. MUSLEM LEADERS CAN CALL ON EDUCATED MUSLEM YOUTH, MANY OF WHOM HAVE LEARNED WESTERN ARTS OF PROPAGANDA AND ORGANIZATION IN THEIR U.S. OR EUROPEAN SCHOOLS AND UNIVERSITIES. THE ISLAMIC ESTABLISHMENT ITSELF, WHICH WAS ORIGINALLY TAKEN BY SURPRISE BY THE ONSLAUGHT OF MARXIST IDEOLOGY, HAS OVER THE PAST TWO OR THREE DECADES DIGESTED AND APPARENTLY GONE FAR TO IMMUNIZE ITSELF AGAINST THIS WESTERN IDEOLOGY. MEANWHILE, IT HAS MOVED TO MODERNIZE ITS OWN PERCEPTIONS OF THE WORLD AND OF THE ROLE SHI'ISM CAN PLAY IN GOVERNING IRAN.

12. AS EXPLAINED BY SCHOLARS HERE, SHIA ISLAM TEACHERS NOT ONLY ADHERE TO THE UNCHANGING VALUES EMBODIED IN THE KORAN AND IN THE SUNNA (TRADITIONS OF THE DEEDS AND SAYINGS OF THE PROPHET) BUT ALSO THE NEED FOR REINTERPRETATION TO KEEP UP WITH CHANGING TIMES. THE PRINCIPLES OF ISLAMIC LAW THAT ARE CONCEIVED AS DYNAMIC IN THIS SENSE ARE "EJTEHAD," OR PHILOSOPHICAL REINTERPRETATION OF THE ETERNAL VERITIES, AND "EJMA" OR "CONSENSUS," I.E., AGREEMENT BY RELIGIOUS LEADERS THAT CERTAIN NEW INTERPRETATIONS ARE SANCTIFIED AND HAVE THE FORCE OF THE LAW. WHAT THIS AMOUNTS TO IS A CONTINUING GRIP ON THE IRANIAN POPULATION BY A CLERICAL ORDER WHICH IS NUMEROUS, AT LEAST PARTIALLY MODERNIZING, SUPPORTED BY ITS OWN SOURCES OF FUNDS, AND ORGANIZING ITS OWN CHANNELS OF COMMUNICATION AMONG THE FAITHFUL. IT HAS BECOME CLEAR BEYOND ANY DOUBT THAT MOST OF THE BAZAAR MERCHANTS CONTINUE TO SUPPORT THE RELIGIOUS LEADERSHIP WITH LARGE AND REGULAR CONTRIBUTIONS. MILLIONS OF DOLLARS PASS THROUGH THE HANDS OF THE TOP AYATOLLAHS EVERY DAY OR WEEK. THESE GO FOR A VARIETY OF GOOD WORKS AND SUPPORT THE MOVEMENT."

13. AN EXAMPLE OF ORGANIZATION IN THIS REGARD IS A RELIGIOUS SCHOOL SYSTEM BEGUN 32 YEARS AGO BY AN AYATOLLAH WHO IS STILL ALIVE, WHICH HAS GROWN TO 1500 SCHOOLS SPREAD ALL OVER IRAN. THE SCHOOL SYSTEM IS ENTIRELY SUPPORTED BY BAZAARI FUNDS, AND STUDENTS FROM PROMINENT RELIGIOUS, BAZAARI AND OTHER FAMILIES TAKE NOT ONLY THE
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C O N F I D E N T I A L

TEHRAN 1691/4

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FM AMEMBASSY TEHRAN
TO RUEHC/SECSTATE WASHDC PRIORITY 3662
INFO RUEHAM/AMEMBASSY AMMAN 1339
RUEHCR/USINT BAGHDAD 1813
RUEHIG/AMEMBASSY CAIRO 5596
RUEHDM/AMEMBASSY DAMASCUS 0729
RUOMKH/AMCONSUL DHAHRAN 2067
RUOMOD/AMEMBASSY DOHA 2801
RUSEQD/AMEMBASSY ISLAMABAD 3782
RUQMRA/AMEMBASSY JIDDA 4233
RUSBLK/AMEMBASSY KABUL 5197
RUOMKW/AMEMBASSY KUWAIT 4931
RUDTC/AMEMBASSY LONDON 4293
RUQMAM/AMEMBASSY MANAMA 1362
RUEZMO/AMEMBASSY MOSCOW 1443
RUQMMT/AMEMBASSY MUSCAT 0790
RUSBAE/AMEMBASSY NEW DELHI 3440
RUFNPS/AMEMBASSY PARIS 3725
RUDKBT/AMEMBASSY RABAT 0357
RUFHRO/AMEMBASSY ROME 1344
RUQMNS/AMEMBASSY SANA 0306
RUEHTV/AMEMBASSY TEL AVIV 1622
RUQMTI/AMEMBASSY TRIPOLI 0547
RUDKSR/AMEMBASSY TUNIS 0307

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C O N F I D E N T I A L SECTION 04 TEHRAN 01691

REQUIRED GOVT COURSES, TAUGHT IN GOVT SCHOOLS, BUT ALSO SOME RELIGIOUS COURSES WHICH THE GOVT HAS BANNED IN ITS SCHOOLS. AN EFFORT BY THE GOVT TO TAKE THESE SCHOOLS OVER A FEW YEARS AGO WAS SUCCESSFULLY RESISTED BY THE RELIGIOUS/BAZAARI ESTABLISHMENT. ENOUGH UNIVERSITY PROFESSORS AND OTHER LEARNED PERSONS VOLUNTEER THEIR SERVICES TO SUCH SCHOOLS SO THAT THE STUDENTS GRADUATE WITH SUFFICIENTLY RESPECTABLE KNOWLEDGE AND CREDENTIALS TO ASSURE THEIR SUCCESS IN THE UNIVERSITIES. WE HAVE SEEN A WIDE VARIETY OF PAMPHLETS AND BOOKS PRODUCED FOR USE IN SUCH SCHOOLS WHICH INDICATE THE EXTENT OF ORGANIZATION IN THE MOSLEM COMMUNITY.

14. THERE IS LITTLE REASON TO BELIEVE THAT THE PROMINENT RELIGIOUS MILITANTS MUCH IN EVIDENCE ARE CRYPTO-COMMUNISTS. ALTHOUGH SUCH ILK MAY WELL HAVE INFILTRATED THE KHOMEINI CAMP FURTHER ICWN. THE ISLAMIC ESTABLISHMENT IS NEITHER AS WEAK NOR AS IGNORANT AS THE SHAH'S GOVT AND SOME WESTERN OBSERVERS WOULD PORTRAY IT. IT HAS A FAR BETTER GRIP ON THE EMOTIONS OF THE PEOPLE AND ON THE MONEY OF THE BAZAAR THAN ANY OTHER GROUP. IN MANY WAYS IT SUPPORTS A REFORMIST/TRADITIONALIST VIEW OF IRAN WHICH IS FAR MORE ATTRACTIVE TO MOST IRANIANS AT THIS TIME THAN THE MODELS OF COMMUNISM REPRESENTED BY THE SOVIET UNION OR MAINLAND CHINA.

15. ON THE OTHER HAND, IT IS NOT GUARANTEED TO OPERATE IN PARLIAMENTARY DEMOCRATIC FASHION AS WE UNDERSTAND IT IN THE WEST. IN FACT THE IDEA OF MERITOCRACY ("TAQVASALARI") IS SAID TO BE IMBEDDED DEEPLY IN ITS APPROACH. ELEMENTS

C O N F I D E N T I A L

TEHRAN 1691/4

OF AUTHORITY APPEAR TO BE COLLECTIVE (AS SUGGESTED BY THE PRINCIPLE OF "EJMA"), RATHER THAN REPOSING IN A SINGLE INDIVIDUAL, EVEN ONE MORE EQUAL THAN THE OTHERS, SUCH AS "IMAM" KHOMEINI. A GOOD DEAL OF AUTHORITY IS LIKELY TO BE EXERCISED BY AN "ISLAMIC COUNCIL," THOUGH THE MAKE-UP OF SUCH A COUNCIL IS STILL NOT CLEAR. UNDER THE MOVEMENT'S PROGRAM, POLITICAL LEADERS RATHER THAN MULLAHS WOULD APPEAR DESTINED TO PLAY THE PREPONDERANT ROLE IN MAKING AND EXECUTING GOVT POLICY. THE IDEA THAT EXPERTS SHOULD BE JUDGED BY THE RELIGIOUS LEADERSHIP AND THEN REINFORCED IN APPLYING THEIR EXPERTISE TO VARIOUS AREAS OF THE ECONOMY IS PART OF THE PROPOSED GOVERNING PROCESS, AS WE UNDERSTAND IT. THUS, ON THE SURFACE, IT WOULD APPEAR THAT THE WESTERNIZED PROCESS OF POLITICAL PARTIES VYING IN PARLIAMENT TO SET POLICY WOULD BE SUPPLEMENTED BY A MORE INFORMAL AND TRADITIONAL PROCESS TO DECISION-MAKING THROUGH VARIOUS GROUPS ACHIEVING CONSENSUS.

16. ALL THIS IS VAGUE AT THIS STAGE, HOWEVER, AND WE SUSPECT THE MOSLEM ESTABLISHMENT WOULD PROBABLY NOT BE ABLE TO AVOID MAKING SOME ACCOMMODATIONS WITH WESTERNIZED IDEAS OF GOVT HELD BY MANY IN THE OPPOSITION MOVEMENT. THIS WOULD BE LIKELY TO APPEAR OVER A PERIOD OF TIME RATHER THAN IMMEDIATELY. MEANWHILE, WE CAN EXPECT THAT THE ROLE OF A POST REVOLUTIONARY SHI'A ISLAMIC MOVEMENT WOULD HAVE BROAD POPULAR SUPPORT. IT WOULD PROBABLY RESIST COMMUNISM AS AN ALIEN IMPORT TO THE BEST OF ITS ABILITY, AS WELL AS RESISTING MANY OTHER ASPECTS OF WESTERNIZATION. SULLIVAN
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C O N F I D E N T I A L

TEHRAN 1691/4

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UNITED STATES INTELLIGENCE AGENCY

INTELLIGENCE APPRAISAL

IRAN:
RELIGIOUS-INSPIRED
OPPOSITION(U)

29 MARCH 1978

Roots of Religious Opposition In Iran

(U) Recent unrest in Iran has highlighted traditional opposition by religious leaders to the government. This opposition manifested by the religious community in Iran originated in an Islamic schism that occurred shortly after the Prophet Mohammed died in 632 AD. The Prophet's son-in-law Ali and Muawiya, a descendant of previous rulers of the Islamic community, became embroiled in a struggle of succession. When Ali was murdered, his chief opponent was chosen as leader by the majority of Muslims. Those who favored Ali became his followers and were known as the Shiat-al-Ali. The line of succession for the Shiite is from Mohammed through Ali and his descendants to the last of 12 Imams, the spiritual and temporal leaders of Shiite Islam. The last Imam disappeared in the 10th Century and will return some day to redeem man. The declaration of Shiite Islam as the state religion by the Safavid Dynasty in the 16th century further divided Iran from the rest of the Sunnite Islamic community.

(U) The interpretation of religious law in Iran is made by the Ulama, religious leaders of the Shiite community, even though the individual follower of Islam theoretically does not need an intermediary between himself and God. The Mujtahid provides religious leadership to the people and makes judgments on religious conduct (figure 1). Since interpretation of the law involves all facets of life -- including social, economic, and political matters -- the religious leader inevitably comes into opposition to the

RELIGIOUS

- PISHVA-YE-MUSLEMIN -- Universally recognized, presently unoccupied
- AYATOLLAH -- High status in the community, next to the above
- MUJTAHID -- Literally, "the one who must have complete authorization to give religious rulings, have recognition in the community"
- MULLA -- Works at the community level, religious precepts, schooled as the

UNCLAS

RELIGIOUS HIERARCHY IN SHIITE IRAN

- Universally recognized by Shiite community as religious; presently unoccupied,
- High status in the Shiite community, and the highest honor, next to the above, that a Shiite leader can attain. Literally, "the Sign of God."
- Must have completed a course of religious studies and receive authorization from a qualified Mujtahid. Must also have recognition from laymen and scholars in the religious community.
- Works at the community level as a leader knowledgeable in religious precepts; individual is not as extensively schooled as the above.

UNCLASSIFIED

Figure 1

state or its agents. The Ulama consider the Shah a subject under Islamic law and answerable to those who interpret it. He is seen as a temporal ruler of the Iranians until the last of the Imam returns to provide salvation for all.

(U) Religious leaders have in modern times played a prominent role in antigovernment activities. During the latter half of the 19th century, they were instrumental in thwarting efforts by Naser-i-Din Shah to grant concessions to foreigners who would have "Westernized" Iran. Their active opposition to the British tobacco concession in 1892 led to a cancellation of foreign monopolies. In the early 1900s, religious leaders were divided on the issue of constitutional reform, but the majority eventually supported the political dissidents who forced the Shah into signing the constitution. The Ulama appeared to support the constitution as a step toward modernization, but they were actually in favor of the document because it could be used to limit the Shah's power. Although their current demand for a return to "constitutional rule" is an act of defiance to the Shah, the leaders have not acted so boldly as to prompt a direct and harsh reaction by the Monarch, who would probably not like to be seen as opposing "constitutional rule" per se.

(U) Reza Shah, who founded the present Pahlavi dynasty, widened the division between the religious community and the government when he embarked on a number of reforms and modernization efforts. Since then, the influence and powers of the religious leaders have gradually eroded.

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Department of State

INCOMING
TELEGRAM

SECRET

NOD47B

PAGE 01
ACTION NOD9-00

TEHRAN 03892 251515Z

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S/A A, CIA, WH

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SECRET TEHRAN 3892

NOD19

FOR CHRISTOPHER FROM SULLIVAN

E.O. 11652: GDS
TAGS: PINS IN
SUBJ: GOI DISCOURAGEMENT OF DISSIDENT POLITICAL ACTION

REF: A. TEHRAN 3870, B. TEHRAN 10827 (77)

1. I AM BECOMING INCREASINGLY CONCERNED BY THE EVIDENCE THAT IRANIAN AUTHORITIES HAVE DECIDED TO RESORT TO HEAVY-HANDED MEANS TO DISCOURAGE DISSIDENT POLITICAL ACTION. REF A IS THE LATEST CASE IN POINT.

2. THESE ACTIONS ARE BEING TAKEN DESPITE THE SHAH'S REITERATED ASSURANCES TO ME AND OTHERS THAT HE CONTINUES TO PURSUE A POLICY OF "LIBERALIZATION" AND DESPITE PRIME MINISTER AMOUEGAR'S ASSURANCES (REF B) THAT THE GOVERNMENT AND THE RASTAKHIZ PARTY WOULD NOT RESORT TO BROWNSHIRT TACTICS IN THEIR "SILEN MAJORITY" RESISTENCE TO DISSIDENT VIOLENCE.

3. I HAVE SPOKEN ABOUT MY CONCERNS TO TWO CABINET MINISTERS AND FOUND THEM BOTH PRIVATELY SYMPATHETIC. IT IS MY INTENTION TO MAKE A MORE FORMAL REPRESENTATION TO AMOUEGAR, SINCE THE SO-CALLED "RESISTENCE CORPS" IS NOMINALLY UNDER HIS CONTROL. I INTEND ALSO TO REMIND HIM OF HIS EARLIER

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Department of State

INCOMING
TELEGRAM

SECRET

PAGE 02

TEHRAN 03802 251513Z

ASSURANCES TO ME ABOUT NON-VIOLENCE.

4. I SAW AMOUZEGAR BRIEFLY AT THE AIRPORT YESTERDAY AFTER HIS RETURN FROM THE UNITED STATES. HE TOLD ME THAT WHILE IN WASHINGTON, HE HAD MET A NUMBER OF OFFICIALS, ESPECIALLY FROM THE CONGRESS, BUT ALSO FROM THE DEPARTMENT. IN PARTICULAR, HE MENTIONED AHERTON.

5. IN A MESSAGE WHICH I SENT THROUGH ANOTHER CHANNEL, I RECOMMENDED THAT A SENIOR DEPARTMENT OFFICIAL RAISE OUR CONCERN WITH HIM DURING HIS RECENT STAY IN WASHINGTON. BEFORE I MEET WITH HIM AGAIN I WOULD LIKE TO KNOW WHETHER THIS WAS DONE AND, IF SO, WHETHER THERE WAS ANYTHING IN THAT CONVERSATION ON WHICH I CAN BUILD IN MY TALK WITH HIM.
SULLIVAN

SECRET

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY

June, 1978

III 5-39 (CIA)

E

Iran: Increase in Religious Dissidence

481

The Shah of Iran probably will soon face another round of the violent demonstrations that have left an estimated 50 to 60 persons dead since early January. Next Monday marks the end of the traditional 40-day Muslim mourning period for the victims of the flareup that began on 9 May and tied down security forces and troops for more than a week. The Shah's threat last month to crack down on any further disorders is thus likely to be tested in the next few days.

The spate of serious clashes staged by conservative Muslim demonstrators over the past four months—each marking a 40th day commemoration—has increased concern that the Muslim opposition, dormant since the mid-1960s, may be developing into a long-term security problem for the Shah. The Shah, addressing a group of academics last week frankly predicted a year or two of unrest—a price he said the government must pay for its policy of political liberalization.

The potential for trouble is not limited to the large conservative Muslim community. Moderate to left-wing critics of the government, who are united with dissident Muslim clergymen only in their opposition to the Shah, may encourage their followers to swell the ranks of conservative religious demonstrators.

Spokesmen for the moderate political opposition have expressed sympathy for Muslim militants killed in recent disturbances and have applauded the demand of Muslim leaders for a more representative form of government. This suggests that the moderate left may formalize an alliance of convenience with the extremist Muslim right, which could be a dangerous development for the regime.

The politicized clergy, who oppose the Shah on religious grounds, have been able to exploit other popular grievances—inflation, poor housing, and the inadequate distribution of basic commodities—that are chronic problems in urban working class areas. Militant students, a perennial headache for the Shah, added their weight to religious demonstrations this year and are likely to be involved in future flareups.

to the Shah.

Available intelligence suggests the terrorists, who have not killed Americans in the past three years, might resume operations against US nationals if the Shah continues his "get tough" policy in handling dissidents.

The civil disorders this year have exposed some glaring deficiencies in the ability of the police to contain mob violence. On one occasion, the police panicked and fired into a crowd of demonstrators, killing 12. During another demonstration, the police abandoned their posts, forcing the government to call in the army to restore order. Police units nationwide have been severely taxed since the first incidents in January, thus impairing their effectiveness in dealing with future relations.

(See Iran. . Page 2)

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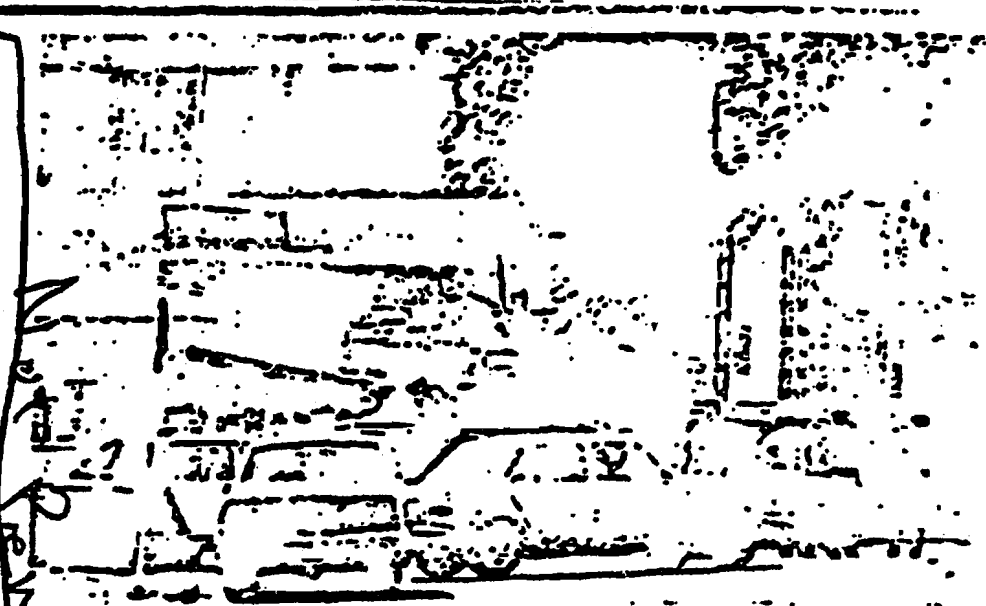
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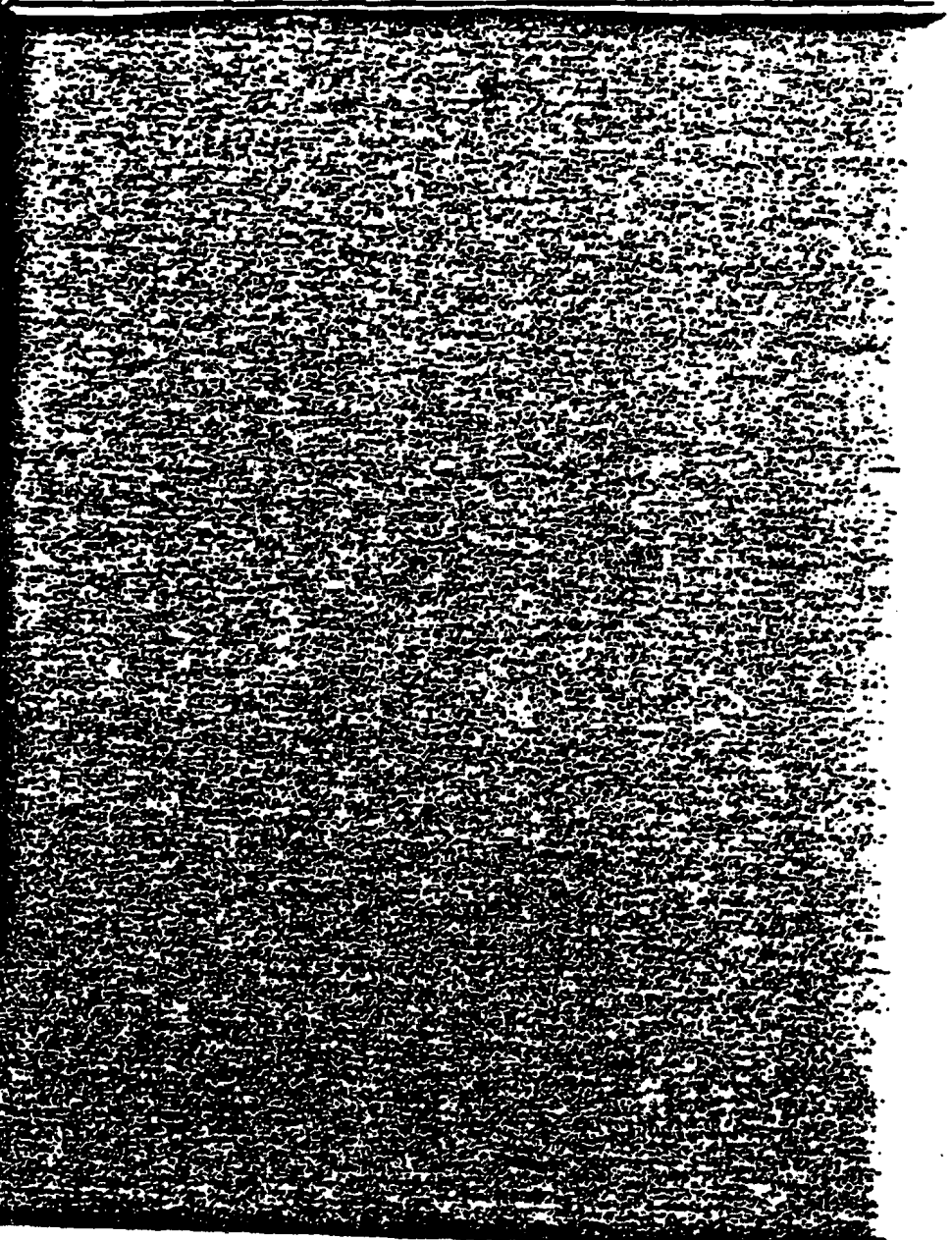
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*Iranian troops on tank patrol in Tehran after
demonstrations against the Shah, 12 May*



12
SECRET/LIMDIS

Tehran, Iran

June 8, 1978

S. L. mi
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Henry Precht, Esquire
NEA/IRN
Department of State
Washington, D. C.

Dear Henry:

X
Welcome to Command Central, NEA/IRN style. We are delighted to have you aboard, though perhaps not as much as Hyles is. What we have for you today should give you something to get your teeth into early. The memcons enclosed with this letter are being very closely held as you see, and I wanted to forward them to you with a word for explanation and comment so they may be used to best advantage.

Mohammad Tavakoli, who is a ranking member (but who has thus far not admitted to it) of the Liberation Movement of Iran (LMI) controlling board or executive committee, was introduced to John Stempel as a byproduct of another contact within the Mission. As you will see from the memcons, the relationship has developed slowly but, as we understand from our other contacts, very satisfactorily from the LMI point of view. Despite their suspicions, they appear to be on the verge of beginning meaningful discussions with John which could give us some real insights into and information about the LMI and various fringe groups, to supplement that from other POL and Embassy contacts.

The LMI will almost certainly at some point begin exhorting us to do different things. We know from the way the initial contact was arranged that they are quite eager to talk to us, but have the usual paranoia about CIA involvement. You and others might give us your thoughts in due course about the directions we might like this contact to go, the pressures we should be prepared to accept, and what aims of our own we might want to press at some future time. We think for the moment we should keep this specific business as quiet as possible.

As far as additional distribution is concerned, we will leave that to your discretion. Obviously, continued utility of this contact depends on extreme discretion by those who

SECRET/LIMDIS

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SECRET/LINDIS

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know about it. We do not know the genesis of the LMI's belief that the Administration has a "separate channel" into the Embassy (see May 30 memocon), but we would hate to see our side billing this contact as that sort of thing. We are handling the matter here by simply saying generally that we are in touch with a whole range of people on various occasions and letting it go at that.

We find it fascinating that Richard Cottam, as several of us had thought, is still a principal contact for the LMI in the U.S. and that they were willing to confirm this, even in the early stages of discussion.

Sincerely,

Charles W. Naas
Minister-Counselor

Attachments:
as stated above

POL:JDStempel/bjh

SECRET/LINDIS

URGENT ACT 1776

DEPARTMENT OF STATE

AIRGRAM

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SECRET/LIMDIS

A-105

HANDLING INSTRUCTIONS

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ARMY	CIA	NAVY
OSD	USE	NSA

TO : DEPARTMENT OF STATE

EO 11652 : XGDS-4

TAGS : PINS, PGOV, IR

FROM : AMERICAN EMBASSY TEHRAN

DATE: AUGUST 1, 1978

SUBJECT : UNCERTAIN POLITICAL MOOD: RELIGIOUS DEVELOPMENTS,
TOUGHER ROYAL LINE ON DEMONSTRATORS

REF :

SUMMARY: Source who has been helping broker court contacts with religious groups notes official disappointment with recent developments, especially Ayatollah Shariatmadari's refusal to publicly break ranks with Ayatollah Khomeini. Shah's mood of health concern some court officials. According to this source, Shah has directed much tougher line against demonstrators in wake of July 26-29 rioting. Corruption could become major political issue. Communist and Khomeini forces are staying in opposition background for moment. GOI seen as still in disarray. Source represents pessimistic view current in several circles but probably overstates negative aspects of present situation. Support for various elements of his views are found in other quarters as well, however, and Iranian political mood seems of roller coaster for the moment. **END SUMMARY.**

Hedayat Eslaminia, who has been discussing the religious situation with Embassy Political Officers for the past few months, opened a July 25 meeting with Political Officer Stearns in somewhat low spirits. The religious situation has "come apart". Eslaminia learned from General Fardoust and SAVAK Chief Moghaddam that the Shah was most distressed that Ayatollah Shariatmadari did not publicly oppose Ayatollah Khomeini's call for a subdued, "politicized" celebration of 12th Imam's birthday July 21. Eslaminia says Shariatmadari and his supporters have increased their dislike for Khomeini until it borders on hate because pro-Khomeini groups are blackmailing Shariatmadari supporters by threatening to shut down or burn their shops in the Bazaar.

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FORM 8-68 05-323

Classified by: **POL: JDS**
Declassify on: **Declassify on: Lab**

Contents and Classification Approved by: **CHARGE: CMAAS**

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6 Jan

With respect to Ayatollah Shariatmadari, Eslaminia said recent events have increased Shariatmadari's concern for his own position. Khomeini retains an almost mystic respect of mass of illiterate population and Shariatmadari feels he cannot differ to a significant degree with Khomeini in public. (Comment: We are not sure just how independent Shariatmadari actually is.) Eslaminia noted that all senior Ayatollahs in Iran are beginning to jockey for personal position. This could create a situation in which moderate religious figures would have trouble maintaining centrist policy in the face of challenges from more reactionary groups.

In the wake of disturbances in Iran July 21-22, Shah met on July 22 with his aide, General Fardoust and SAVAK Chief Moghaddam to discuss future policy towards demonstrators. Eslaminia, who is close to both Fardoust and Moghaddam, said the Shah was depressed with the outcome of the religious demonstrations and after a somewhat mercurial session in which Moghaddam was heavily criticized, the Shah directed that demonstrations would henceforth be broken up by military force and the army was authorized to fire on demonstrators. In response to a question, Eslaminia said he had been working for three days to reverse or moderate this decision, but the Shah and his principal advisors were now convinced that compromise with religious leaders may not be possible. Eslaminia believes this is an extreme position which will hopefully change, but it is clear that the throne is taking a much tougher line against dissidents in the wake of Shariatmadari's inability or unwillingness to oppose Khomeini publicly. For example, Shah is now against letting Mullah Falsafie speak publicly because it is feared he might ignite a sizable riot.

In passing, Eslaminia noted that Fardoust and Moghaddam, who are good friends of his, expressed some concern at the Shah's health. Political Officer mentioned rumors were prevalent in Tehran that something had happened. Eslaminia quickly replied that Shah was physically all right as of July 22 but somewhat "down" mentally. According to Eslaminia, medical blood tests had been ordered to determine if there was any physical problem. Later in conversation, Eslaminia noted that the U.S. and others should keep an eye on the Shah and if something were wrong, they should urge him to convene the Regency Council and prepare Iran for change, not just depart Iran abruptly as his father had done. When Political Officer expressed thought that this might be premature, Eslaminia merely smiled sadly and noted it pays to think ahead (absence of Shah from visible public eye has given rise to number of rumors. Eslaminia is concerned because those nearest Shah whom he knows well are concerned. This situation has arisen as a result of the Shah's current vacation during which he has made few public appearances. The Embassy has no evidence to indicate there is anything wrong, but the rumors are beginning to take on a life of their own.)

When asked how religious leaders viewed the recent ministerial changes Eslaminia sighed and said "it does not matter how one arranges the garbage cans". The Prime Minister and the Cabinet are doing virtually nothing about religious/political challenges and persist in the view that this is the Shah's and SAVAK's problem. Only the Shah himself and the Court Minister are concerned and time is passing. A bad situation is developing because Tudeh (communist) and radical groups are lining up behind Khomeini very quietly. They plan to let the Khomeini faction discreetly back candidates to parliament who will, after they are elected, reveal true colors and ban together to "wage war" against the present system. Eslaminia believes this tactic may well work because the GOI is currently in political disarray--the resurgence party is confused and the Prime Minister is not moving with sufficient speed to consolidate his forces. Eslaminia reeled off the following names of political figures who might be used as speakers. All are political activists who have the respect of religious leaders as well as politicians: Saeed Vaziri, Rahim Zehtabfard (former East Azarbaijan Resurgence Party Chief who resigned shortly before Tabriz riots in February), Mahmoud Touloui, Abdul Hossein Tabatabaie (presently a judge and former MP), and Dr. Shokraie (an Ex-MP from Qom with excellent ties to the Shariatmadari camp).

These and others like them should begin politicking so that basic lines of administration positions will be public by the time universities open in September. If this is not done, the student movements are likely to be won completely to one or more of dissident groups who are now planning major thrusts on campuses.

Eslaminia sees an even bigger problem with corruption. A number of key Bazaar merchants, including all major leaders, wrote a public letter recently to the Minister of Finance asking for an investigation of certain deals favoring the wealthy importers. Eslaminia ticked off three: A) Ali Rezaie imported two million tons of iron at 20 rials per kilo without paying customs tax and is selling it at 36 rials per kilo. Small iron shops have no or little profit margin and are being driven to the wall while Rezaie is reaping immense profits. B) Fabric maker Yassini, a close confidant of Princess Ashraf, has imported two million meters of cloth without paying requisite customs duties. He is selling it at virtually double what he paid for it. C) Textile maker Lajevardi has also imported cheap textiles and sold them at a higher price.

In addition, a number of importers of vehicle spares with known ties to Princess Ashraf have raised their prices to retailers without any apparent justification, thus squeezing profits of this group. The result, says Eslaminia, is the

beginnings of a major new wave of dislike for the royal family as well as the government, raising the question of corruption to a major political issue. Eslaminia said he thought the Shah had better take a hand before small merchants and some manufacturers become convinced their interests lie with the opposition. (COMMENT: While the problem of corruption has been a consistent Eslaminia concern in past, Embassy has heard from a number of sources that financial wheelings and dealings keyed to royal family and friends are beginning to affect a sizable number of people and merchants are getting both smarter and bolder about raising these questions in the public arena.)

COMMENT: This conversation being reported by airgram because it emphasizes several themes which we have heard often elsewhere during the past month relating to confusion in the Iranian political system: A) concern for health of Shah; B) increasing difficulties in getting the regime and religious leaders on compatible tracks; and C) growing concern with corruption and problems of GOI political disorganization.

The actual situation is not, of course, as bad as tableau being painted by pessimists. There is much uncertainty and anxiety in political circles which has increased both suspicions and manic-depressive tendencies of Iranian political figures. Iranian politics are undoubtedly going through a "summer of discontent". New alliances may or may not emerge. Observers should not, however, jump to conclusion that country is going to hell in a hand basket. Situation seems to be one of trying to manage long overdue political growing pains under somewhat less than optimum conditions.

NAAS


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UNITED STATES GOVERNMENT

Memorandum

TO : Ambassador

DATE: August 22, 1978

FROM : John D. Steppel, Acting Head of Political

SUBJECT: While You Were Away ...
...the place really didn't turn to crap, but it might have
looked like it:

Domestic Scene

--July and August saw an increase in religious pressure on the government (Tehran 7890 and 7311). A discreet split between the Khomeini and Shariatmadari factions may have become public as a result of the Abadan Theatre disaster, when the moderates condemned the firebombing and nothing has yet been heard from the Khomeinists. Anti-western and anti-American sentiment has increased significantly in the past two-three weeks.

--The Shah's Constitution Day speech (Tehran 7456) put Iran squarely on the road to liberalization in a public way. This may undergo some shifts, as the Shah noted on August 17 (Tehran 7949), if violence continues. Rumors of the Shah's ill health (Tehran 7043) caused much toing and froing, but now appear laid to rest.

--Earlier in the summer, a number of older politicians, such as Ali Amini, began to take advantage of the liberalization to make political statements. We received a number of approaches from people who want our aid or seek support for their own anti-communist (of course!) schemes.

--The July Cabinet shift made no major changes (Tehran 6975).

--The Prime Minister finished a year in office. Our assessment (Tehran 7702) suggested he needs more political finesse.

Foreign Affairs

--Iranians were delighted with the Sino-Japanese peace treaty and the forthcoming visit of Chairman Hua will probably be the major foreign policy event of the year.

--Iran has been itchy over potential communist threats--castigating Castro (Tehran 7187); worrying about the Mauretanian coup; seeing two choppers shot down by the Soviets (Tehran 6912), and, most recently, making us aware of their concerns over the "Sovietization" of Afghanistan (Tehran 7770)

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2.

Human Rights

--We are following the story of 38 prisoners who were allegedly tried by civil court, released and then picked up by SAVAK for Military Trial.

--The 28th Amordad (Shah returns in 1953) Amnesty on August 19 saw 62 anti-state prisoners released in a flock of 711. No names yet.

--The new Bar Association leadership remains active, and progressive faction lawyers have continued to defend demonstrators--some get off, some don't.

The Next Few Days

You could have a busy weekend ahead. August 24 to 26 are the high mourning days of Ramazan. Until the Abadan Theatre tragedy, many demonstrations were expected, perhaps even a sit-in on the Shahanshahi Expressway. The fire may bring a public reaction against violence. We also understand the GOI has recently picked up a number of the more fractious mullahs, so the expected confrontation may not be as great as previously expected. August 26, the day which commemorates the actual death of Imam Ali, could still be a very sticky 24 hours given the emotionalism and fanaticism which has come to mark demonstrations in the past two weeks.

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 058

SECRET SECTION : OF 2 TEHRAN 0

NODIS

FOR SECRETARY VANCE AND DR. BRZEZINSKI FROM SULLIVAN

E.O. 11552: GDS

TAGS: PGDV, PINS, PINT, IR

SUBJ: RECOMMENDATION FOR PRESIDENT TO SHAH LETTER

REF: TEHRAN 8187

1. IN THE FEW DAYS THAT I HAVE BEEN BACK IN TEHRAN, IT HAS BECOME CLEAR TO ME THAT THE SHAH HAS MADE A FUNDAMENTAL POLITICAL DECISION, AS ANNOUNCED IN HIS CONSTITUTION DAY SPEECH, TO TRANSFORM HIS AUTHORITARIAN REGIME INTO A GENUINE DEMOCRACY. HE HAS REACHED THIS DECISION AS A RESULT OF HIS OWN INTELLECTUAL CONVICTIONS, BECAUSE HE FEELS IRAN HAS BECOME TOO COMPLEX AND TOO VOLATILE TO GOVERN THROUGH THE CURRENT PROCESSES OF BENEVOLENT AUTHORITARIANISM. HE THEREFORE FEELS THAT THE ONLY WAY TO PRESERVE THE INTEGRITY OF THE COUNTRY IS TO CHANGE POLITICAL SYSTEM, EVEN IF THAT CHANGE PUTS THE MONARCHY AT RISK. INDEED, HE REALIZES THAT, UNLESS THE SYSTEM CHANGES, THE MONARCHY IS PREDICTABLY DOOMED.

2. UNITED STATES POLICY ON HUMAN RIGHTS HAS HAD ONLY A PERIPHERAL BEARING ON THIS DECISION, AND WE SHOULD THEREFORE REFRAIN FROM CLAIMING THIS A "VICTORY" FOR

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DEPARTMENT OF STATE A/CDC/HR

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RDS or XDS EXT. DATE

TS AUTH. REASON(S)

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THAT POLICY. IT NEVERTHELESS REPRESENTS A DEVELOPMENT WHICH WE CAN ONLY WELCOME, BECAUSE OF OUR OWN INSTINCTIVE CONVICTIONS THAT THE PROCESSES OF DEMOCRACY, UNTIDY AS THEY MAY BE, ARE THE BEST GUARANTEES OF SURVIVAL AND PROGRESS FOR ANY NATION. I BELIEVE, THEREFORE, THAT WE SHOULD DEVELOP POLICIES AND TAKE ACTIONS DESIGNED TO ENCOURAGE AND ENHANCE THIS NEW DEVELOPMENT IN IRAN.

3. THE IRANIAN PUBLIC HAS NOT YET FULLY ABSORBED THE IMPORT OF THE SHAH'S DECISION. INDEED, IN THEIR TRADITIONAL CYNICISM, MOST OF THEM DO NOT SEEM TO REGARD THE ANNOUNCED INTENTIONS AS BEING GENUINE. THE REACTION IN THE BAZAAR IS THAT THIS IS ALL "PLAY ACTING" FOR THE BENEFIT OF THE WEST, AND PARTICULARLY FOR THE UNITED STATES. NEVERTHELESS, TO AN OUTSIDE OBSERVER LIKE MYSELF, WHO HAS BEEN ABSENT FOR TWO MONTHS, THE CHANGES IN THE POLITICAL CLIMATE ARE STRIKING. THE PRESS, EVEN BEFORE THE NEW PRESS LAW HAS BEEN ENACTED, HAS COME TO RESEMBLE A WESTERN EUROPEAN PRESS. THE LIBERTY OF POLITICAL PERSONALITIES TO SPEAK OUT CRITICALLY IS UNPRECEDENTED.

4. THOSE IN POSITIONS OF AUTHORITY, ESPECIALLY THE MILITARY AND SECURITY OFFICIALS, ARE AWARE OF THE GENUINE NATURE OF THE SHAH'S DECISION BECAUSE THEY HAVE RECEIVED ORDERS FROM HIM TO IMPLEMENT THE CHANGES. MANY WHOM I HAVE SEEN HAVE GREAT DOUBTS ABOUT THE WISDOM OF THE SHAH'S COURSE, EVEN THOUGH THEY REMAIN LOYAL TO HIS ORDERS. THEY ARE NERVOUS AND AFRAID OF "THAT GREAT BEAST," THE PEOPLE OF IRAN. SOME OF THE MORE SOPHISTICATED OFFICIALS NOT ONLY AGREE WITH THE SHAH'S ACTIONS, BUT HAVE ENCOURAGED HIM IN THAT DIRECTION. EVEN THEY, HOWEVER, ARE NERVOUS, BECAUSE THEY HAVE NEVER

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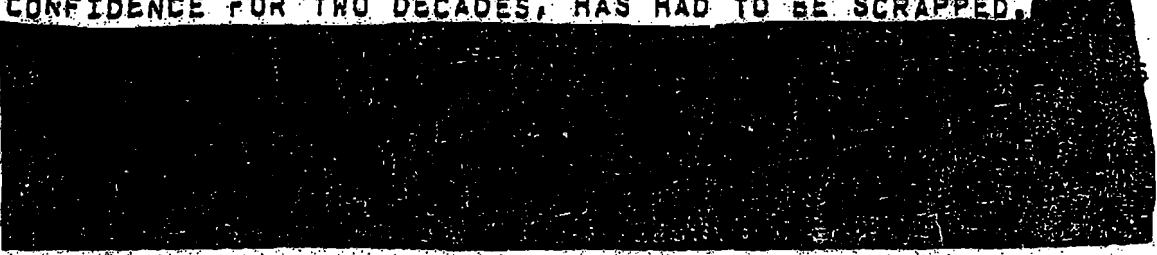
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PLAYED THE DEMOCRATIC GAME BEFORE AND THEY ARE NOT SURE
HOW THINGS WILL TURN OUT.

5. AS FOR THE SHAH HIMSELF, YOU WILL HAVE READ IN MY
8187 THAT HE HAS NOT MADE HIS DRAMATIC DECISION IN A
BURST OF EXHILARATION AND ZEAL. HE IS MOROSE, NERVOUS
AND SUSPICIOUS. HIS GAME PLAN, WHICH HE NURTURED IN SUCH
CONFIDENCE FOR TWO DECADES, HAS HAD TO BE SCRAPPED.



6. THE REACTION OF HIS REAL ENEMIES, FROM THE SOVIETS
THROUGH THE RADICAL ARABS AND THE FUNDAMENTALIST MUSLIMS,
IS FORESEEABLE. THEY WILL TRY TO CAUSE SUCH TROUBLES IN
THE STREETS THAT THE SHAH WILL BE FORCED TO IMPOSE
MARTIAL LAW COUNTRY-WIDE. ON THE OLD LENINIST PREMISE
THAT "WORSE IS BETTER," THEY WILL SEEK TO FRUSTRATE
POLITICAL LIBERALIZATION AND INSTIGATE THE WORST SORT
OF POLITICAL REPRESSION. IN THIS WAY, THEY WILL ATTEMPT
TO PROVE TO THE WORLD THAT THE SHAH'S "DEMOCRACY" IS A
FARCE AND THAT ANY ELECTIONS TO BE HELD ARE MOCKERY.

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FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC IMMEDIATE 59

SECRET SECTION 2 OF 2 TEHRAN 8217

NODIS

CORRECTED COPY (TEXT PARA 8,)

7. IT IS FAR FROM CERTAIN HOW THE POLITICAL SCENE WILL
DEVELOP HERE.

THE FABRIC OF THIS SOCIETY, UNDER THE
STRESS OF A GENUINE DEMOCRATIC OPPORTUNITY, MAY DISINTE-
GRATE AND THE SHAH MAY FEEL HE HAS TO REIMPOSE STRICT
POLITICAL CONTROLS. THAT SORT OF THING HAS HAPPENED
BEFORE AND THE U.S. ASSISTED IN THE RE-ESTABLISHMENT OF
"INTERNAL SECURITY." IF WE CONSIDER IT IN OUR INTERESTS
TO SEE THE SHAH PERSEVERE IN HIS DEMOCRATIC DECISION
THIS TIME, WE SHOULD CONSIDER WHAT WE CAN DO TO HELP.

8. THE SHAH'S PARTISANS HAVE ALREADY BEGUN TO SHOWER
ME WITH SUGGESTIONS OF PUBLIC ACTIONS WE COULD TAKE TO
SHOW OUR SUPPORT FOR HIS POLICY OF LIBERALIZATION AND TO
SUSTAIN HIM IN HIS DETERMINATION TO CONTINUE. THEY ARE
PARTICULARLY MINDFUL OF THE RUMORS PREVALENT HERE THAT
THE U.S. WISHES TO "DUMP" THE SHAH OR DESTABILIZE THE
COUNTRY. SINCE I FEEL WE WILL HAVE TO WEIGHT ANY
CORRECTIVE ACTIONS VERY CAREFULLY, I AM NOT YET
PREPARED TO PROPOSE ANY SUCH MEASURES UNTIL I CAN

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HAVE HAD WIDER CONSULTATIONS WITH ALL SECTORS OF THE
IRANIAN GOVERNMENT. IN THE MEANTIME, HOWEVER, I
BELIEVE A LITTLE PRIVATE ENCOURAGEMENT TO THE SHAH
WOULD BE IN ORDER. ACCORDINGLY, I HAVE DRAFTED THE
FOLLOWING PROPOSED LETTER FROM THE PRESIDENT TO THE
SHAH. I WOULD GREATLY APPRECIATE AUTHORITY TO DELIVER
IT, WITH WHATEVER MODIFICATIONS THE PRESIDENT MAY MAKE,
AT THE EARLIEST OPPORTUNITY. I HAVE AN APPOINTMENT WITH
COURT MINISTER HOVEYDA AT 1:00 THE MORNING OF THURSDAY,
AUGUST 31. WHILE I REALIZE THIS IS VERY SHORT NOTICE,
IT WOULD BE THE IDEAL TIME TO ACT.



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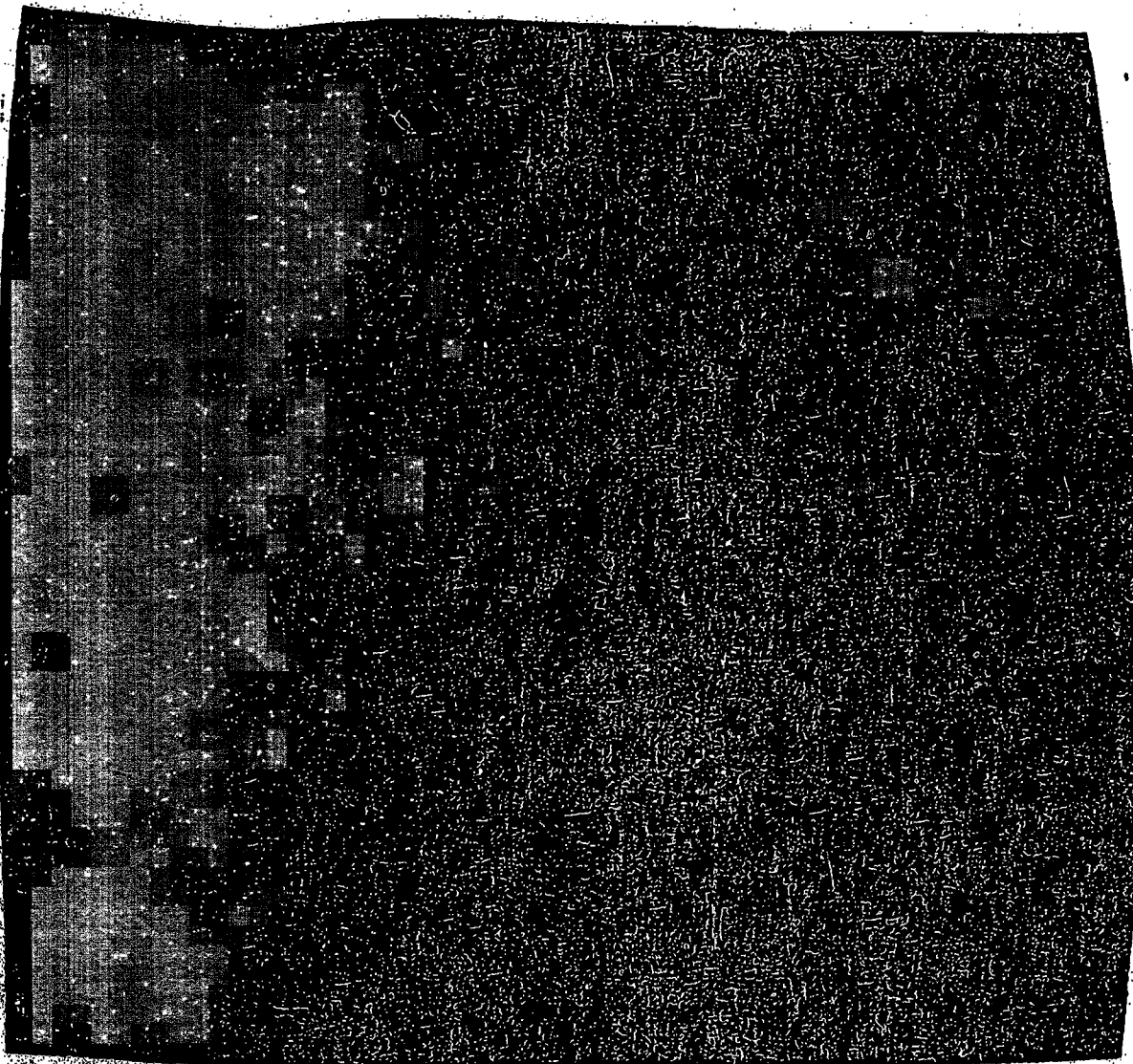
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10. I BELIEVE THIS PROPOSED LETTER WOULD HAVE THE
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EFFECT OF STIFFENING THE SHAH IN HIS RESOLVE TO HOLD
GENUINELY DEMOCRATIZED ELECTIONS AND THAT ITS EARLY
DELIVERY IS A TIMELY NECESSITY,
SULLIVAN

EOT

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DISCUSSION

I. BACKGROUND TO CURRENT UNREST

Iran in 1978 has been experiencing political turmoil and civil unrest more serious than at any other time in Shah Mohammed Reza Pahlavi's 37-year reign. Ironically, the unrest that threatens the Shah has been born largely of his success in promoting social change and economic development in Iran's traditionally ~~oriented~~ society. This change has been so rapid that it has outpaced the ability of the country's social, economic, and political institutions to adapt. It was the confluence of serious problems growing out of each of these areas, rather than any single adverse or unpopular development, that precipitated the escalating street demonstrations that led to the declaration of martial law in September 1978. Despite martial law, popular unrest continued, and has in fact assumed new forms such as widespread labor stoppages and student boycotts.

Social Ills

The ~~social~~ ^{social} modernization of Iranian society in the past 15 years has brought substantial benefits to Iran's population, as in ~~education~~ ^{education} and medical services, but has also created serious dislocations that have contributed directly to civil unrest. The Shah's White Revolution, formally launched in 1963 and later designated the Shah-People Revolution, introduced fundamental ~~incomplete~~ ^{incomplete} changes to the basic ~~structure~~ ^{structure} of Iranian society, including land ownership, rural development and water distribution, the court system, education and health services, and the role of the clergy and ~~women~~ ^{women}. To the disruptive

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impact of these reforms has been added the social effects of rapid, virtually forced, industrialization, ~~the most notable effects have been~~ the accelerated emergence of a modern middle class, and ~~the~~ increasingly rapid urbanization ~~and~~.

Those who now challenge the Shah and seek to reform or replace Iran's political system are drawn from groups that have benefitted from the transformation of society, notably the growing numbers of educated youth, as well as from the disadvantaged groups that have not, especially unskilled and unemployed migrants to the urban areas. Both categories, if only through exposure to the media, have partially assimilated modern, secular ideas and values that have left them ill-equipped to live in a harsh, impersonal urban environment, and have prompted them to challenge all authority, including ^{that of} the Shah and traditional Islam. This last development has served to reinforce ^{already strong} the predisposition of the ^{politically} influential religious leaders, the mullahs, to oppose modernization.

Economic Difficulties

Until recently the steady and rapid growth of Iran's economy seemed able to assure material progress sufficient to override the ill effects of growing social problems. Now, however, the Iranian government and people are aware that the economic benefits already won are not well distributed, that future benefits will not come as easily, and that the overall quality of life may not be improving, even in the areas where the economy has grown most quickly. Because the ^{aspirations} ~~expectations~~ of virtually all classes have outpaced ^{their} material gains,

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moreover, the political impact of the economic situation has become ^{much} more ^{difficult} troublesome than the economic reality, which almost certainly is that the typical Iranian enjoys a higher standard of living now than at any time in the past. Complaints center on inflation, corruption, and the increasingly uneven distribution of wealth, as well as on such concrete needs as housing, food, transportation, employment, and essential public services.

The economic difficulties that contributed to the current unrest resulted primarily from the very ambitious industrialization drive of the early and mid-1970s. Based on ^{anticipated} ~~projected~~ oil revenues (prices having quadrupled in 1973 and 1974) ^{for example,} the 1973-78 five-year investment program included \$70 billion in industrial development projects. During the period 1970-76 Iran enjoyed average annual real GNP growth of over 10 percent, but it also suffered ^{and the economic} related problems: shortages of skilled labor; overtaxed storage, port, and inland distribution facilities; serious bureaucratic delays; growing inflation (24 percent in 1977); and the relative neglect of agriculture and the private sector. The boom came to a halt in 1977 -- when real GNP growth fell to less than three percent and more modest goals were adopted -- but the political damage, especially among urban workers, small businessmen, and artisans, had already been done.

Political Impasse

Iran's political system has proved unable to respond effectively to the surge of demands on it that has grown out of the country's myriad social and economic problems. Paradoxically, the Shah and the government are now suffering the consequences both of his long-time authoritarian rule, which has allowed little opportunity for meaningful popular participation, and of his recent ~~steps~~ ^{has} political liberalization, which ~~has~~ ^{has} permitted the expression of grievances that ~~has~~ ^{has} led to serious unrest. The liberalization program, underway

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for the past two years, has in fact allowed considerable freedom for the press, has permitted formation of political parties outside the official Rastakhiz Party, and has promised free elections in 1979. In addition, the program has been accompanied by a significant reduction in the use of police state methods by SAVAK and other agencies to monitor and control political activity. As a result of this lifting of constraints, political expression by a wide variety of groups, loyal and disloyal, has mushroomed beyond the ability of the country's enfeebled official institutions to cope. Neither the people nor the State ^{are yet} prepared to accept the duties and responsibilities of a democratic political system.

The Rastakhiz Party has virtually collapsed in this turmoil, and the Majlis (parliament) -- although much more active as a forum for debate of the country's problems than at any time since the 1950s, and therefore of some use as a safety valve -- has failed to provide effective solutions to or leadership out of the political uncertainty. The burden therefore has fallen wholly on the Shah ~~[and on the new and generally weak government of Prime Minister Jafar Sharif-Erami]~~ to balance the need for public order with the need for a political settlement. Senior military leaders have been pressing the former; the civilian opposition has been demanding the latter.

The civilian opposition mounting the challenge contains two main elements: the leftist successors to the National Front of the 1950s, now cooperating to a limited extent under the name Iranian Freedom Seekers Liberation Movement; and the conservative Shia religious community. The nationalists draw strength from the urban ^{middle} and upper class intelligentsia, and oppose authoritarian government generally, whereas the religious opposition is supported by the lower and lower-middle classes, and opposes primarily the

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reformist policies of the Shah that threaten the status of religion in the country. In addition, the organized opposition includes two terrorist groups -- the People's Strugglers, which draws its membership from the religious opposition; and the People's Sacrifice Guerrillas, which is leftist oriented and directed and recruits among university students -- and the Tudeh (Communist) Party. The religious leaders, especially such figures as exiled Ayatollah Ruhollah Khomeini or Ayatollah Shariat Madari from the holy city of Qom, have great influence with and can quickly mobilize the masses, but in the past they have demonstrated only a limited ability to organize themselves and their followers. The leftist parties and terrorist groups are better organized, but command a smaller following. Leaders of the several opposition groups perceive the need to work together, but their widely differing tactics and goals (discussed below) have made effective cooperation impossible.

II. NEAR TERM OUTLOOK

The period up to mid-1979 is likely to prove critical in determining the ability of the Shah to preserve the powers of the Pahlavi dynasty and Iran's existing political system in even a weakened form functioning as they have in the past. The Shah in this time frame will need to demonstrate his determination and ability to protect civil order, for although martial law could be extended beyond its scheduled expiration in March 1979, to do so would further weaken his position by implicitly acknowledging failure to reestablish stability and confidence. Additionally, the Shah has promised that the quadrennial elections to the Majlis due by early summer 1979 will be held and will be free. Making good on this pledge will require unparalleled concessions on the part of both the monarch and his principal opponents. If the Shah succeeds in meeting these challenges, he will have won himself a respite; if he fails, his position ^{will} be progressively undermined.

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Enforcing Martial Law.

The Shah and the government will face major difficulties in attempting to maintain civil order in the coming months even under martial law. Although relative stability has been maintained since September in Tehran and the eleven other cities where martial law has been instituted, civil disturbances and terrorist incidents have spread ~~to several cities~~ ^{throughout the country}, labor stoppages have shut down a great many public and some private sector enterprises, and student boycotts have delayed the opening of most universities. Ironically, the government's success in restoring order in these circumstances will turn in large part on the continued willingness of its more moderate opponents to counsel restraint to their more radical co-religionists and political associates. Government representatives have been consulting with selected religious leaders and civilian politicians, attempting with some success to play on their interest in avoiding anarchy and in ensuring controlled change and continued basic stability. This tactic will not end the disturbances or satisfy the critics, but it may buy time and prevent further solidification of the opposition while the government seeks to implement reforms.

^{still} Should more serious disorders recur, the monopoly of force held by the Iranian armed and security forces ^{theoretically} ~~provides~~ ^{provide} them the capability to prevent the disturbances from growing out of control, either in the immediate future or in 1979 if an extension of martial law becomes necessary. Although normally not well trained for riot control, these forces have been provided special equipment and limited additional training, and will be able to protect the regime ^{but only} as long as they remain loyal and determined to do so. The military at present is supporting the regime and is prepared to defend it with

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force, but it is clear there are degrees of loyalty and support among its personnel.

Senior officers have the most at stake in the regime, are the most conservative politically, and tend to be the most loyal to the Shah. It was they who convinced the Shah to declare martial law, however, and they would be the most tempted in extreme circumstances to translate their frustrations with continued unrest and ^{with} the troubles of the civilian government into demands for a military government or ^{into} a military coup. ~~Although~~ ^U we have less information concerning the attitudes of junior officers and enlisted men, ^{but} the latter in particular are drawn largely from the same disadvantaged groups ^{lower and lower-middle class} as are the demonstrators. There is therefore less certainty, if ~~public~~ ^{security broke down} ~~discussed~~, that these elements of the military would long obey orders to fire on demonstrators solely to protect the Shah and a government appointed by him. Of the several military units available to enforce martial law, the Imperial Guards, now deployed in Tehran, the Special Forces Brigade, and the Airborne troops are considered most reliable by the Iranian government.

Calming the Opposition

The security situation will finally be quieted, if at all, only following significant concessions by the Shah and the government over and above what they have already offered. These concessions will be necessary in all areas: social, economic, and political. Even sweeping concessions will not ensure continued calm, however, for there is an almost universal tendency among Iranians, and certainly among the political and religious opposition, to

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interpret any concessions as signs of weakness that should be exploited rather than as positive elements of ^{settlement} political ~~negotiations~~. The Shah and the government therefore will need to couple well timed and well defined concessions with the judicious exercise of sufficient authority and force to intimidate those who, equating lenience with weakness, would further challenge the regime.

The demands being pressed by the several opposition groups vary widely, ^{their} in terms of substance, the spirit in which they are made, and the likelihood of their acceptance by the regime. The Shia clergy, who are leading the most effective opposition, also differ among themselves. The ~~most~~ most ~~well~~ ^{known} influential leader, the exiled Ayatollah Khomeini, has for years ^{the overthrow} called for ~~removal~~ of the Shah and the establishment of a theocracy; thus there is ~~therefore~~ virtually no chance that the Shah or any secular government can ^{reach} ~~reach~~ a settlement with him. More moderate religious figures in Iran, including the well known Ayatollah Shariat ^{no} ~~adari~~, demand ~~a~~ a reduced role for the Shah and the effective implementation of existing but heretofore ignored constitutional provisions for the review of legislation by a committee of ^{who would} theologians ^{compatibility with} ~~pass~~ on its ~~Islamic~~ Islamic tenets. Although there is no chance that such a body would be allowed a veto power, there probably is some room for a compromise solution. Regardless of their personal rivalries and differences over ultimate goals, ~~however~~ Shia religious leaders are united in their demand that the Shah halt his ^{modernization} ~~social development~~ programs, which they believe have had a degenerating, secularizing effect on traditional Islamic society.

Civilian politicians -- notably those affiliated with the National Front, but also those leading the small independent parties being formed in

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anticipation of the 1979 elections -- for the most part are demanding a sharp reduction in the role of the Shah and the establishment of a constitutional monarchy *with a prime minister independent of the Shah.* Generally leftist oriented, these politicians are pressing for greater civil rights, an end to corruption and privilege, and a more independent foreign policy, including ^a ~~the~~ loosening of Iran's ties to the US. This group is supported by a significant portion of the modern middle class, but does not have the widespread, fanatical following of the mullahs. This amalgam of civilian oppositionists is not opposed in principle to the Shah's program of modernizing Iran's society and economy, and stands to gain the most from any expansion of political liberalization. The Shah and government therefore have a better chance of arranging an accomodation with this group than with any other element of the opposition.

There is no likelihood that the current regime can find any common ground with the country's two terrorist groups or with the Tudeh Party. All want to depose the Shah; the Communists and the People's Sacrifice Guerrillas would install a secular Marxist government, the People's Strugglers apparently favor the theocracy called for by the radically conservative Shia leaders. The Iranian security services over the years have sharply limited the effectiveness of these radical groups, with the result that they have not been able to mount a concerted attack on the regime, even though they are in contact with one another and share some overlapping membership. These groups maintain clandestine organizations, however, that may enable them in the future to capitalize more effectively on civil disorder, especially through the use of terrorism.

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The Shah has already made a number of concessions in his effort to end civil unrest and elicit the tolerance of moderate religious and political leaders. In the area of society and religion, he has appointed a prime minister (Sharif-Emami) who enjoys good relations with Shia leaders, dismissed some ^(considered by Shia to be an heretical group) well-known government officials who were members of the Bahai sect, abolished the cabinet post for women's affairs, elevated responsibility for the religious endowment fund to cabinet level, closed gambling casinos, reverted from the so-called Pahlavi calendar to the ^{Islamic} ~~Gregorian~~ calendar, and opened private negotiations with the religious leaders. To meet economic demands, the government ^{TRIED TO} ~~has~~ settled numerous strikes in public sector enterprises ^{on} ~~in~~ generous terms -- increased wages, housing allowances, pensions and the like -- and ~~has~~ indicated its intention to cut back spending on defense and nuclear programs in favor of projects directly affecting the masses of the people, including housing, agriculture, transportation, and sanitation. In the political field, the regime ~~has sought to underscore the virtues of~~ ^{pledged that} the Shah's liberalization program ~~and has pledged that it~~ ^{promised the release of all political prisoners,} will continue, circumscribed the activities of the royal family, launched a vigorous anti-corruption program, and affirmed the freedom of the press, the right to assembly, and the independence of the universities. The Shah ~~has~~ also allowed marginally greater latitude to ^{Sharif-Emami} the ~~current~~ government than was enjoyed by its recent predecessors. ^{When these measures failed to halt the violence, a military government was brought in.}

None of Iran's basic problems will be solved in the few months that remain before the 1979 elections are due, yet it is during this period that the Shah

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most badly needs to protect a measure of public order and political confidence. ~~We believe that he still has a~~ chance of doing this, and of inducing participation in the elections by the moderate opposition, but only if the government continues to ^{grants} implement ^{substantial} concessions. These would ^{include} ~~there~~ concrete evidence of the government's intention to improve the economic lot of the common man, to protect or enhance the prerogatives of the mullahs and the role of Islam, to lift martial law as scheduled, ~~and~~ to allow unfettered political activity in the pre-election period, ~~and probably the replacement of the current government with one more independent of the Shah~~
Impact on Foreign and Defense Policy

^{during 1978} The unrest in Iran has had no significant impact on the country's ^{political} relations with its neighbors, ~~including its most important northern neighbor, the Soviet Union,~~ Iranian officials have occasionally alleged that the USSR has actively backed dissident groups in Iran, but we have no independent evidence to confirm this, and the Iranian security services have privately acknowledged that the disturbances have been homegrown. The Soviets ~~look on~~ the Shah as an opponent who uses Iran's political, financial, and military might to frustrate Soviet regional goals, ~~and would welcome his removal.~~ ~~It seems apparent that the Shah will survive the current challenge, but they~~ ~~have been~~ ^{directly} disinclined to become involved in the events in Iran lest such involvement jeopardize the currently good bilateral economic relationship and acceptable political ^{that exist} ties between Tehran and Moscow. Soviet interests ^{probably would} suffer a short term setback if the Shah were overthrown and succeeded by a reactionary military or religious government, but ~~Soviet~~ ^{might also} such a development ~~and~~ usher in a period of instability that in time would facilitate the expansion of Soviet influence

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in Iran and in the Persian Gulf region. Concerned with Iran's domestic problems, the Shah ~~is likely~~ is likely in the near term to take great care to avoid any changes or difficulties in his relations with the Soviets.

This preoccupation with internal developments will also prompt Iran to seek continued correct relations with its ~~primary~~ ^{also with} primary regional rivals, Iraq and Afghanistan. The reconciliation reached with Iraq in 1975 has endured well, and the Iraqis are in any case not likely to seek to take advantage of Iran's current difficulties. Although the Iraqi regime is ideologically opposed to the Shah, its apprehension about Soviet activities in ~~the area~~ ^{the area} ~~the Persian Gulf region~~ ^{the area}, and its concern about the attitudes and behavior of the ~~half~~ ^{one-} half of the Iraqi population that is Shia, incline Baghdad to prefer a continued role for the Shah to the uncertainties of political chaos ^{in Iran} or the emergence of a reactionary religious or military government. Possessing virtually no capability to influence events in Iran and busy consolidating its own power, the leftist ~~regime~~ ^{in Afghanistan} regime of President Taraki is also not likely in the near term to initiate problems ~~in~~ with Iran.

intent Iran's military capabilities ~~are being~~ ^{already} have been affected, at least minimally, by the demands of enforcing and administering martial law. The Imperial Guard, the Special Forces, and some airborne troops are deployed in Tehran, and virtually all units around the country have been drawn on for troops and equipment to supplement local police forces. This diversion, ^{as well as} ~~psychological and~~ physical, almost certainly has had a detrimental effect on readiness levels and morale, and may have had a limited impact on combat capabilities as well. These problems are not likely in the near term,

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however, to reduce significantly Iran's overall military superiority over Iraq or in the Persian Gulf, nor are they likely to stimulate any review of Iranian security policy in these areas. A decision in the interests of economy to postpone indefinitely or cancel the future purchase of sophisticated military equipment, especially the projected large numbers of F-14 and F-16 aircraft and sizable quantities of ground force equipment, would not impact on overall military capabilities until at least the early 1980s, but by the mid-1980s would begin to reduce Iran's capabilities relative to both Iraq and the USSR.

Iran in fact ~~probably~~ will cut back or delay purchases of military and possibly industrial equipment from the US as a result of economic difficulties growing out of the current unrest, but this is likely to be a limited retrenchment that will not ^{in itself} impact on the broader relationship. ~~the~~ Economic difficulties presumably will incline Iran again to push for moderately higher oil prices, but price policy is not likely to become tied in any more direct way to near term political developments. Despite their perennial suspicions that the US is involved in all of Iran's domestic affairs, ^{official} ~~Iranians~~ consider a continued close relationship with the US, and American backing for the Shah, to be essential in a period of political uncertainty. If the Shah follows through with his current plan to pursue implementation of his liberalization program, serious difficulties over human rights and other bilateral political issues are likely to be avoided.

III. LONGER TERM PROBLEMS

Iran faces several basic problems ~~confronting~~ that will place important constraints on the country's longer-term options in domestic and foreign

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policy whatever the fate of the Shah and the present government. The direction Iran goes in the ~~present~~ ^{early 1980s in fact} will be determined in large part by perennial realities deriving from four principal problem areas:

- economic growth and declining oil production;
- domestic tensions between modernization and traditionalism, and between liberalization and authoritarianism;
- Iran's role in the Persian Gulf region and beyond;
- international orientation and dependence on the US.

Economics and Oil

Iran's basic economic problem is that the country's crude oil productive capacity is now approaching its peak, and will begin to decline, probably in the early 1980s. At the same time, large and probably growing sums will be required to finance continued diversification of the economy and to support even reduced military and nuclear programs. Beyond this, substantial new expenditures are ~~inevitably~~ ^{likely} certain to arise as the government ~~is obligated~~ ^{seeks} to meet growing popular demands for economic gains.

Iran's crude oil productive capability is 6.8 million barrels per day ^(4d) in 1978. Sustainable capacity may rise to 7 million b/d by 1980, but will decline thereafter, almost certainly falling to 6 million b/d -- and perhaps substantially less -- by 1985. The rate of decline will depend on the success of a massive and costly gas injection program that is intended to maintain reservoir pressures and facilitate crude output in the major oilfields. We consider that the entire volume of Iran's 43 billion barrel proved reserves probably will be exploitable over time with the widespread emplacement of desalting

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units at the oilfields and as a result of an extensive well and equipment maintenance program. An additional 17 billion barrels of probable reserves might be recovered using natural gas injection, although this would be at very high cost.

With oil output falling, any Iranian government will come under growing pressure ~~in the early 1980s~~ to increase oil prices to finance on-going programs and to cover increased imports. If there were no oil price increase until 1980, for example, Iran's current account would be in deficit in that year. In the more likely circumstances that oil prices rise at about the same rate as Iran's import prices and oil production diminishes gradually to 5.5 million b/d by 1985, Iran's current account will go into substantial deficit in 1982 (figure 1). If real oil prices were to rise about five percent a year over the next several years, on the other hand, Iran might be able to maintain a current account surplus through 1985.

Iran's \$13 billion in official reserves and \$6 billion in official non-reserve assets will enable it to borrow on favorable terms for development projects, and borrowing is expected to increase substantially. The country has no other ready solution to its growing foreign payments problem in the period through the mid-1980s, however. Natural gas production (from reserves of 500-600 trillion cubic feet, second in size only to those of the USSR) will rise substantially in the next few years, but will not replace oil as a major foreign exchange earner. An active program to attract foreign investment has recently enjoyed limited success, but it will falter unless political stability is quickly restored.

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As a result of these difficulties, ~~the economy~~^{GDP} for the next several years is likely to grow at a modest rate of only four to seven percent annually, and little progress is likely to be made in restructuring the economy. Despite the current emphasis on the need to diversify industry, for example, this sector will constitute only a slightly larger proportion of GNP in 1985 than it did in 1977 (figure 2). Serious domestic constraints will persist as a result of the generally inadequate infrastructure, the shortage of skilled labor and technical personnel, the lack of productivity in the private sector and agriculture, and the inflation that will be further stimulated by the economic concessions now being granted to quiet popular unrest.

In the next few years Iranian policy makers ~~will be able to take at least limited steps to~~^{will} shift resources away from the recently favored military and nuclear programs to such fundamental needs as transportation and agriculture. Unless ^{such} significant changes in priorities are made, for example, the proportion of Iran's food requirements produced domestically is likely to fall from the current 75 percent to as low as 60 percent, necessitating a manifold increase in payments for food imports and price subsidies. On the political side, reorientation will be essential to forestall further unrest as popular expectations are deflated by reduced economic growth. In the coming period of leveling or declining oil production, therefore, this will entail ~~some~~ reduction in the 28 percent⁶ of annual budget expenditures that now goes to defense. Such a reduction would leave Iran still able to finance ~~some~~ arms purchases, but not on the scale of the 1970s.

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Domestic Tensions

The disorientation of Iran's society and political system that has created formidable near-term problems for the Shah will not soon abate. Tension will persist for many years -- under any government, with or without the Shah -- between the forces of modernization and those of tradition; and between the forces of liberalization and those of authoritarianism. The two conflicts are entwined but distinct; the Shah continues to agonize, for example, over whether his strong commitment to modernizing Iran can best be pursued through authoritarian or liberal policies.

There is much in Iranian history to predispose both the ruler and the ruled to exercise and to expect authoritarian behavior. There exists no tradition of the orderly transfer of authority, ~~for example~~, there has been no real experience with democratic forms, and there is little feeling of Iranian nationalism, even though the first Persian empire was founded more than 2500 years ago. The modern idea of a nation-state arrived late in Iran as an importation from Europe, and did little to inspire Iranian politicians to transcend the common virtues of independence and self-aggrandizement in the interests of the general welfare. This reluctance was also reinforced historically by the great physical and cultural diversity of the country, and by the long succession of alien rulers.

There is in Iran, on the other hand, an established tradition of a strong ruler at the head of an authoritarian government, and of general obeisance to any authority that manifests its will with force. The experience of the current Shah, for example, superficially suggests that political stability in Iran is best assured by authoritarian government, and that periods

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of the greatest political unrest arise when the ruler, for whatever reason, shares authority, as during the Mosadeq crisis of 1951-53, or attempts to introduce additional freedoms, as with the liberalization program of the mid-1970s. In fact, although the political behavior of Iranians will change only slowly, the popular appetite for participation in government has been sufficiently whetted by such factors as exposure to the media and Western values, education, and urbanization, that no government will have the option of turning back permanently. This conflict between authoritarianism and liberalization is so fundamental that it is almost certain over the next several years to cause continued instability, and therefore major problems for either the Shah or an alternative military or civilian regime.

The related cultural dichotomy that will ensure continued disorder in Iranian society is the tension between modernization and traditionalism. The Shah has been the chief proponent of rapid modernization, but the goals of the program are supported also by the bulk of the military leadership and by the secular politicians, many of whom in other respects are opponents of the Shah. Modernization as promoted by the Shah has focused on land and economic reforms, women's rights, education and health, and rural development. With progress in these areas, moreover, have come other fundamental changes, especially rapid urbanization, the alteration of the traditional class structure, and the general, perhaps irreversible, secularization of society. These, too, have proved socially and political disruptive.

The inability of Iranian society to accommodate successfully to these social changes stems in large part from the long-standing and pervasive influence

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of religion and religious leaders. Iran is distinguished from all other principal Islamic states in that its population adheres overwhelmingly to the heterodox Shia branch of Islam. Although the Shia faith (eight percent of all Muslims) serves in part to unify Iran's two large cultural groups, Persian and Azarbaijani, it also provides the devout with a mindset and a leadership that is fanatically opposed to modernization. Shia Islam is not merely a religion; rather it is an all encompassing religious, economic, legal, social, and intellectual system that controls all aspects of life, and the sect's leaders, unlike their counterparts in Sunni Islam, are believed to be completing God's revelations on earth.

The tens of thousands of Shia mullahs, although not well organized politically, have more direct and regular contact with the masses of Iranians than do government or party officials. Because for years the mullahs have seen their economic, judicial, administrative, and social prerogatives circumscribed by successive governments and the forces of modernization, the mullahs are now using their influence to check this trend. Their challenge now is to the Shah, but for at least the next several years they will retain sufficient strength to make similar demands on any military or civilian regime in which they themselves are not heavily represented. We do not foresee any likely circumstances in which a government controlled by religious leaders would come to power, although religiously based political parties may emerge. If meaningful elections are held, either in 1979 or thereafter, politicians will find it useful to appeal for support from the clergy.

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Regional Role

Geography and history together have ensured that Iran for the indefinite future will face certain difficult constraints in its relationship with its regional neighbors. Strategic, economic, political, and cultural factors all distinguish Iran's interests from the often competing interests of the Arabs to the West or the ^{Arab Pakistanis} Afghans to the East. Iranian leaders of any political stripe will find their options in regional foreign and defense policy limited by the need to protect the country's territorial integrity and oil routes, and by their interest in balancing the anti-Persian outlook and policies of neighboring states.

Iran's most immediate foreign policy concern is to ensure Iranian hegemony in the Persian Gulf region, a goal dictated by apprehension about Arab radicalism and the vulnerability of Iran's oil fields and shipping lanes. In pursuit of this goal, Iran has sought correct bilateral relations with the States it sees as most likely to threaten this hegemony -- the USSR, Iraq, and Saudi Arabia -- and has tried to interest the Arab Gulf states in a regional collective security arrangement. Deepseated Arab distrust of Persian ambitions has precluded any such multilateral agreement, and almost certainly will continue to do so, although the Arabs individually have been willing to normalize relations with Iran.

Iran and Iraq have observed scrupulously the provisions of the Algiers Accord of 1975 that ended Iran's involvement in the Kurdish rebellion and delineated the two states' common border, and bilateral relations are likely

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to remain stable for the next few years. This stability is a result primarily of the apprehension Iraqi leaders have of Iran's military strength and political influence, and their concern about Soviet activities in the area. Iran, for its part, is grateful that ^{currently} Iraq is neither meddling in Iran's domestic problems nor attempting actively to subvert the smaller conservative Arab regimes in the Gulf. Saudi Arabia's determination to preserve its sphere of influence on the Arab side of the Gulf, its more conservative policy on oil prices, and its apprehension about developments inside Iran and about the policy toward Saudi Arabia of a possible post-Shah government are likely to preclude significantly closer ties with Iran, ~~as a result of the~~. The two states' shared anxiety about perceived Soviet and radical Arab threats probably will lead them to minimize any contentious bilateral issues, however.

Iran's defense policy in the Persian Gulf ^{region} is aimed at creating a preponderant force capable of deterring or making costly an attack from any quarter, and able to project Iranian power abroad, especially in the north-west Indian Ocean. If current plans for the acquisition of additional military equipment are implemented, these objectives are likely to be substantially achieved by the mid-1980s as the Iranian armed forces, already the largest and best equipped in the Gulf, increase their superiority over the other littoral states. If Iran for economic reasons cuts back sharply or delays indefinitely its purchases of sophisticated military equipment, however, especially F-14 and F-16 aircraft and major ground force equipment, the margin of its superiority over Iraq will be reduced significantly in the mid-1980s.

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Iran's present military superiority over Iraq rests primarily on the strength of its Air Force, which has more high-performance aircraft, better pilot training, a greater airborne EO capability, and ordnance such as laser-guided bombs and TV-guided missiles that are unavailable to Iraq. The Iranian Navy also is far superior to that of Iraq; it could easily close the Gulf to Iraqi shipping, and could attempt small amphibious operations. The two states' ground forces are more nearly balanced, however, with each side possessing different advantages in terms of equipment and capable of incursions into the other's territory. The disposition of ground forces (figure 3) and the greater mobility of Iraqi forces could in fact give Baghdad a substantial numerical advantage along the border during the initial stages of an attack.

A program of naval expansion now underway will, ^(if pursued into) the 1980s, further strengthen Iran's ability to project its forces into the Indian Ocean and onto the Arabian peninsula. Despite this accretion of military power, however, we estimate that Iran will continue to act in a restrained manner consistent with its current policy. ^{under any foreseeable government} Iran would be likely to intervene with its forces to control security problems among the smaller states on the Arabian Peninsula only if invited to do so or if tacitly approved by the conservative Arabs, especially Saudi Arabia -- as was the case when Iran intervened in the Dhofar War in Oman in the mid-1970s -- and would move to seize and control shipping lanes only in response to a direct threat to Iran's own security.

The distrust that characterizes relations between Iran and Afghanistan is virtually certain to deepen over the next few years as a result of what Iran considers Afghan President Taraki's steady movement toward a closer

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relationship with the USSR. ^{Either the} ~~the~~ Shah ^{or a military government} ~~probably~~ ^{would} provide covert support to Afghan dissident groups if ^{they} ~~he~~ perceives an opportunity to undermine the leftist government ^{in Afghanistan} ~~there~~, but owing to Iran's domestic problems and apprehension about possible Soviet reaction, ^{would be} ~~is~~ not likely to interfere blatantly or directly. On the diplomatic level, Tehran will seek continued correct relations with Kabul in the hope of checking the growth of Soviet influence in Afghanistan or Pakistan. To protect against a longer term deterioration, however, Iran over the next few years will take steps to improve its military posture in the eastern border area. Iran's limited forces in the east at present are sufficient to defend against any likely military threat, but they have little capability to project power beyond Iran's borders.

International Orientation

Iranian leaders of all but the most radical leftist or terrorist groups share an apprehension about Iran's geopolitical position. They see Iran as surrounded not only by basically unfriendly or unreliable area states, but also by a superpower, Russia, that is determined over the long term to undermine Iran's regional influence and internal stability. As a result of this perception and the extensive ties that Iran consequently has developed with the United States, no sharp reorientation of Iranian policy vis-a-vis ^{the} superpowers is likely in the period through the mid-1980s.

The vigorous anti-Communism of the Shah and of most senior Iranian political and military leaders grew out of the Soviet occupation of Iran during and after World War II, and out of the difficult early years of the Shah's reign, when the Soviets were seen as the principal threat to his role and to the

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SUBJECT: Assessment of the Political Situation in Iran

1. ~~REDACTED~~ Serious civil disturbances organized by opponents of the Shah have repeatedly occurred during 1978, and have led to the Shah to take special measures to deal with the situation. Such measures included the appointment in August of a new Prime Minister, Sharif Emami (who is considered more acceptable to the religious opposition leaders than his predecessor); and the announcement that free elections will be held in mid-1979. For a variety of reasons there is intense and widespread opposition to the Shah. As he continues his liberalizing policies during the coming year — allowing more freedom of expression and political activity than in the past — it is possible that sporadic disturbances will continue. Despite the clear danger to the Shah's position posed by continuing unrest, we believe that since he has the support of Iran's military leaders and of much of Iran's educated elite that his regime will survive.

2. ~~REDACTED~~ Underlying the troubled situation are social and economic developments resulting from the various modernization programs undertaken in Iran in recent years. Reactions against such modernization efforts have come primarily from Iran's traditionalist Muslim clergy.

a. Modernization. Changes in Iranian society are occurring at a rate that contributes to political, social, and economic dislocation. A salaried, professional, modern middle class has developed; and the gap between the lower classes—peasants, laborers, small shopkeepers—and the middle class is growing larger. Economic modernization is forcing changes and accompanying political problems that the government is not well-equipped to handle. A major factor is the adverse effect of rapid urbanization. A lack of skills keeps urban immigrants in low paying part-time jobs; while the lack of social cohesiveness provides a potential for demagogic exploitation. Many who joined in the reactionary religious, antigovernment demonstrations in 1978 came from this urban group.

b. Religious Conservatism. Religious sentiment—often fanatical and prone to violence—is a permanent feature of Iranian society and politics. The most important religious leaders are opposed to the Shah and his modernization efforts. Many Friday sermons are used to obliquely attack the Shah. Expanded educational facilities also now permit more students of lower and lower-middle class origins to receive university training; these students tend to voice conservative religious opposition to the Shah.

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3. Organized Opposition to the Shah's Regime. The Shah's liberalizing policies—permitting more freedom of speech and political activity—have had the effect of giving his opponents opportunities which they previously lacked to take action against him. His enemies have transformed heretofore unorganized and unarticulated dissatisfaction into demonstrations, civil strife and political instability. Demonstrations have led to riots, requiring even sterner repressive measures to restore order. Once started, the cycle of riots and repression is extremely difficult to stop. Opposition to the regime comes from the religious conservatives, the National Front, and two organized terrorist groups.

a. Religious Conservatives. The Shi'ite Muslim leaders have the greatest ability to bring people into the streets. These leaders are strongly opposed to the Shah's social reforms and modernization programs, which they believe are a threat both to the Islamic religion and to their own positions. In organizing riots and demonstrations against the regime the religious leaders draw their support from the lower and lower-middle class "bazaaris" (small merchants), unskilled and semiskilled workers and from students who identify with them.

b. The National Front. Left-leaning nationalist intellectuals from the middle and upper classes have coalesced around the National Front, which is the descendent of the National Front coalition of the 1950s. They attack the Shah as a despot who leads a corrupt regime and profits from the suffering of the masses. The intellectual elitism of the National Front has produced few followers among the populace. It does, however, have a considerable student following.

c. Terrorist Groups. Other dangerous opposition to the regime comes from the two terrorist organizations: the People's Strugglers, which draws its membership from the religious opposition; and the People's Sacrifice Guerrillas, which is leftist oriented and directed, and recruits from among university students. Both are small in size but do have the capability to carry out assassinations and attacks on either Iranian or US officials or installations. These groups can be expected to become more active in such operations in the future.

4. Current Situation and Outlook. Because widespread demonstration and rioting were threatening a serious breakdown of law and order, martial law was imposed on 8 September 1978. Since the imposition of martial law, a degree of order has been restored; and by the end of September, curfew restrictions had been relaxed in the larger cities. The Shah is taking steps to come to terms with the religious leaders; and seems to be encouraging more participation by the educated public, (including moderate opposition elements) in political life. The leaders of the armed forces are, loyal to the regime, and there is no evidence of significant disaffection within the officer corps. The regime has a better than even chance of surviving the present difficulties, and the Shah will probably be able to maintain his position through the early 1980s.

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DEPARTMENT OF STATE
WASHINGTON

September 13, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: Warren Christopher, Acting *WC*

I agree that we should consider this quickly

Nicaragua. Pete Vaky briefed the House and Senate foreign affairs committees today on Nicaragua. He found a general consensus that a mediation effort initiated or supported by the United States was urgent. Costa Rican efforts to open mediation have thus far been hampered by Somoza's opposition, coolness from other Central American governments, and the alleged attack by a Nicaraguan plane on a Costa Rican border area. We are undertaking steps to revive and promote the Central American mediation effort. We are also lobbying for an OAS call -- sponsored by Venezuela and Costa Rica -- for a meeting of Foreign Ministers which could send a fact-finding mission to review the cross-border attacks.

Argentina. In his meeting with the Vice President, Videla indicated that Argentina will agree to receive the Inter-American Commission on Human Rights (IACHR) in return for the issuance by the Ex-Im Bank of "letters of interest" on two projects. (These letters are preliminary steps and do not finally commit Ex-Im to authorize the financing.) The Argentines have said that they would want the letters of interest issued before they announce the IACHR visit, in order to avoid the appearance of responding to U.S. pressure. We are planning to agree to Ex-Im's issuance of the letters this month, and the Argentines have told us that in October they will agree to the visit. Assuming the IACHR visit is announced and assuming there is no deterioration in human rights conditions in Argentina in the interim, Ex-Im would then proceed to make a preliminary commitment to finance the

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projects in question and to resume certain other Ex-Im programs as well. This approach was worked out yesterday in a meeting in which John Moore and Henry Owen participated.

Iran. I asked Ambassador Zahedi, who is just back from Tehran, to come in today to reassure him of our continuing support for Iran and to seek his assessment of the present situation there. Zahedi claimed that the recent highly-organized demonstrations are a new phenomenon, stimulated by the communists and quite different from the disjointed protests led by the religious leaders in recent months. He said the government declared martial law when it appeared that a coup by younger officers was a possibility. I expressed the hope that the current martial law measures and related steps are only temporary; he assured me they were. I assured him unequivocally that the U.S. was not involved in any respect in the plotting against the Iranian Government.

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TELEGRAM

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FROM	AMEMBASSY TEHRAN	CLASSIFICATION	CONFIDENTIAL
E.O. 11652:	ACTION: SECSTATE WASHDC PRIORITY		
TAGS:	INFO. AMEMBASSY ANKARA USINT BAGHDAD		
SUBJECT:	AMEMBASSY ISLAMABAD AMEMBASSY JEDDA AMEMBASSY KUWAIT AMEMBASSY LONDON AMEMBASSY MOSCOW AMEMBASSY PARIS USLO PEKING USCINCEUR		
ACTION:			
POL-3	CONFIDENTIAL TEHRAN 09157		
AMB	LIMDIS		
DCM	E.O. 11652: GDS		
P/M	TAGS: PGOV, PINR, PINS, PINT, IR		
OR	SUBJECT: IRAN AND THE SHAH: A ROCKY ROAD AHEAD		
CRU-2	1. IN THE COURSE OF THE PAST SEVERAL DAYS, AND IN THE SHADOW OF A MAJOR EARTHQUAKE DISASTER IN EASTERN IRAN, THE NEW GOVT OF IRAN HAS RECEIVED ITS VOTE OF CONFIDENCE IN THE PARLIAMENT AS WELL AS PARLIAMENTARY APPROVAL FOR SIX MONTHS OF MARTIAL LAW. AN AIR OF CALM HAS BEEN RESTORED TO THE IRAN CITIES, EXCEPT FOR MINOR INCIDENTS OF LAWLESSNESS, BUT THE SHAH AND THE GOVT FACE ENORMOUSLY		

DRAFTED BY: POL:GBLambrakis
 AMB:WHSullivan
 DCM:CNH
 OR:HFeldman

DRAFTING DATE: 9/21/78
 TEL. EXT.:
 CONTENTS AND CLASSIFICATION APPROVED BY:

CONFIDENTIAL

OPTIONAL FORM 100-10
(Formerly 100-10)
January 1977
GPO 4-5-77

COMPLICATED PROBLEMS IN THE FUTURE.

2. THE GOVT NOW FACES THE COMPLICATED TASK OF ESTABLISHING ITS LEADERSHIP, CREATING SOME SENSE OF CONFIDENCE IN GOVT ITSELF, AND ACHIEVING A POPULAR CONSENSUS FOR ITS POLICIES. IN ORDER TO DO THIS, IT MUST MOVE CONVINCINGLY TO LIBERALIZE AND BROADEN ITS BASE SO THAT RESPONSIBLE POLITICAL GROUPS WITH DEMOCRATIC AMBITIONS CAN PLAY A ROLE IN THE RE PROCESSES OF GOVT. AT THE SAME TIME, IT MUST PLACATE THE MANY WHO HAVE LENT THEMSELVES TO A LEADERSHIP^{WHICH}/NXTN HAS CALLED FOR THE OVERTHROW OF THE CURRENT REGIME.

IF IT DOES NOT SUCCEED IN THE LATTER EFFORT, IT IS PREDICTABLE THAT THE LIFTING OF MARTIAL LAW AND THE RE-OPENING OF THE LIBERALIZATION PROCESS WILL RESULT ONCE AGAIN IN THE TURBULENCE OF THE RECENT PAST AND A REVIVAL OF THE SORRY CYCLE OF MILITARY SUPPRESSION. THE CONSEQUENCES FOR THE SHAH AND THE MONARCHY COULD BE OMINOUS.

3. THE SHAH HAS BEEN DIRECTING HIS LIBERALIZATION PROGRAM OVER THE PAST TWO YEARS ON LARGELY AN AD HOC BASIS. EVENTS THEMSELVES DETERMINED THAT TWO HISTORIC CONSTITUTIONAL ISSUES WOULD BE REOPENED: THE INDEPENDENCE OF THE PRIME MINISTER AND HIS CABINET AS REPRESENTATIVES OF, AND RESPONSIBLE TO, THE PARLIAMENT AND THE POWERS OF THE SHI'A ISLAMIC CLERGY AS TRADI-

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TIONAL GUARDIANS OF THE PEOPLE'S RIGHTS AND EXPONENTS OF THEIR GRIEVANCES. BOTH ISSUES HAD PREVIOUSLY BEEN SETTLED IN THE SHAH'S FAVOR, ONE WITH SUPPRESSION OF MOSSADEGH AND RESTRAINT OF HIS SUCCESSORS IN THE 1950's, THE OTHER WITH REPRESSION OF AYATOLLAH KHOMEINI'S MOBS IN 1963. OVER THE PAST SUMMER THE SHAH DEMONSTRATED THAT HE WAS WILLING TO YIELD SOME POWER TO A PRIME MINISTER AND PARLIAMENT AS PART OF THE LIBERALIZATION LEADING TO PROMISED FREE PARLIAMENTARY ELECTIONS NEXT JUNE. HE AND THE AMOUZEGAR GOVT SHOWED LESS WILLINGNESS OR ABILITY TO ACCOMMODATE THE SHI'A CLERGY OR TO RECOGNIZE THE AREAS OF POPULAR DISCONTENT WHICH THAT CLERGY MIGHT BE ABLE TO EXPLOIT.

4. CONSEQUENTLY, THE CLERGY USED CENTURIES-OLD TECHNIQUES TO CALL OUT THEIR MASSES. BOTH THE MODERATE CLERGY BEHIND AYATOLLAH SHARIATHADARI OF GHOM (WHO IS ALLIED WITH NATIONAL FRONT AND OTHER MIDDLE CLASS CONSTITUTIONALIST POLITICIANS WHO HAVE SOPHISTICATION BUT NO MOB APPEAL) AND, ON THE OTHER HAND, THE EXTREMIST COALITION OF FANATIC MOSLEMS LED BY AYATOLLAH KHOMEINI IN IRAQ (WHICH HAS REPORTEDLY BEEN PENETRATED AND IS ASSISTED BY A VARIETY OF TERRORIST, CRYPTO-COMMUNIST, AND OTHER FAR LEFT ELEMENTS) LAUNCHED STRONG APPEALS TO LARGE SECTIONS OF THE ECONOMICALLY DISADVANTAGED ELEMENTS OF SOCIETY WHO NURSE A WHOLE HOST OF ECONOMIC

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OPTIONAL FORM 107dM1
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MRM

AND SOCIAL GRIEVANCES. THESE ARE GRIEVANCES BROUGHT ON TO A CONSIDERABLE EXTENT BY THE FRUSTRATIONS, INEQUITIES, CORRUPTION, AND RISING EXPECTATIONS ENGENDERED BY THE SHAH'S PROGRAM OF ECONOMIC DEVELOPMENT AND WESTERNIZED SOCIAL REFORM SINCE 1963. SINCE THESE DISCONTENTED PEOPLE HAVE LITTLE TO LOSE AND SINCE THE MODERATE CLERGY HAD LITTLE GAIN TO OFFER THEM, THEY SOON LENT THEMSELVES TO THE MORE RADICAL LEADERSHIP OF KHOMEINI, WHO CALLED FOR THE OVERTHROW OF THE SHAH AND THE DESTRUCTION OF THE CURRENT SYSTEM.

5. THE GRIEVANCES WHICH MOTIVATED THIS EXTREMIST OPPOSITION ARE TO A LARGE EXTENT SHARED BY MANY POLITICIANS AND OTHER CITIZENS WHO SUPPORT THE SHAH AND WHO FEAR THE CHAOS WHICH WOULD RESULT FROM THE END OF THE MONARCHY. ~~NEVERTHELESS, THE~~ ~~THE/MODERATE LEADERS~~ ~~COOPERATED WITH THE EXTREMISTS TO SCARE MORE CONCESSIONS OUT OF THE SHAH, AND THE SHARIATMADARI CLERGY DID NOT DARE TO LET ITSELF BE OUTFLANKED ON THE LEFT AND LOSE MASS SUPPORTERS TO THE EXTREMISTS. THE NET RESULT WAS AN APPARENT COALESCENCE OF ALL STREAMS OF OPPOSITION IN ONE MASSIVE FIRESTORM DIRECTED AGAINST THE SHAH.~~

6. IN PRACTICE, AS INDICATED IN THE FOREGOING PARAGRAPHS, ~~UNIFIED~~ ~~THE NATURE OF THE OPPOSITION IS NOT AS/UNIFIED AS IT MIGHT APPEAR. MOREOVER, THE PROBLEM OF DEALING WITH IT~~

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IS NOT AS SIMPLISTIC AS SOME HAVE SUGGESTED. FOR
EXAMPLE, THERE ARE SOME WITHIN THE GOI, AND PARTICULARLY
IN THE MILITARY, WHO BELIEVE THAT THE PROBLEM THEY FACE
CAN BE HANDLED BY THE INCARCERATION OF OPPOSITION POLITI-
CIANS AND LESSER MULLAHS AMONG THOSE WHO LEAD THE
MALCONTENTS, ON THE GROUNDS THAT THEY ARE SUBVERSIVES.
MORE SOPHISTICATED OBSERVERS, INCLUDING THE SHAH,
RECOGNIZE THAT THE TOP RELIGIOUS LEADERS SUCH AS
KHOMEINI AND SHARIATMADARI ARE ABOVE ARREST UNDER
PRESENT CONDITIONS AND IN ANY CASE OTHER LEADERS WOULD
SOON TAKE THE PLACE OF THOSE ARRESTED. RATHER, THE
PROBLEM MUST BE MET BY ADDRESSING THE SOURCES OF DIS-
CONTENT, WHILE GAINING TIME FOR GOVT PROGRAMS TO TAKE
EFFECT.

7. AS PART OF THIS HOLDING ACTION, TO PLACATE THE
DISCONTENTED, THE SHAH HAS AUTHORIZED A CAMPAIGN
AGAINST PAST CORRUPTION FEATURING ARRESTS OF FORMER
MINISTERS AND OTHERS YET TO COME. THE ULTIMATE
RESULTS OF THESE ARRESTS--WHICH ARE ORGANIZED BY
SAVAK UNDER MARTIAL LAW REGULATIONS EVEN THOUGH IT
IS GENERALLY BELIEVED/SUFFICIENT PROOF CAN NEVER BE
PRODUCED TO CONVICT MANY OF THE ARRESTEES IN A CIVILIAN
COURT OF LAW--MIGHT BE COUNTER-PRODUCTIVE. THERE ARE
MANY AMONG THE SHAH'S SUPPORTERS AS WELL AS THE
OPPOSITION WHO CRITICIZE HIS THROWING OF FORMER

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SUBORDINATES TO THE WOLVES AS A MATTER OF EXPEDIENCY WHEN HE HIMSELF HAS BEEN RESPONSIBLE FOR ALL MAJOR POLICIES UNDER EVERY GOVT IN THE PAST FIFTEEN YEARS OR MORE.

8. THE REAL ISSUE YET TO BE RESOLVED IS WHETHER, IN THE SHORT SPACE OF THE SIX MONTHS OR SO WHICH THE GOVT HAS ALLOWED ITSELF TO TERMINATE MARTIAL LAW AND PUSH THROUGH LIBERALIZING LEGISLATION, IT CAN CONVINCE THE IRANIAN PUBLIC THAT IT IS SINCERELY TACKLING THE CAUSES OF DISCONTENT AND PLACATE, ISOLATE, OR OTHERWISE PREVENT THE OPPOSITION FROM INITIATING THE MOB ACTION WHICH WOULD AGAIN THREATEN THE WHOLE ESTABLISHMENT EDIFICE. THE SHAH AND HIS BUREAUCRACY HAVE A MANDARIN MENTALITY WHICH WILL HAVE TO STRAIN ENORMOUSLY TO EMPATHIZE SUCCESSFULLY WITH THE MALCONTENTS.

9. MEANWHILE, THOSE POLITICAL LEADERS--WHETHER IN SUPPORT OF OR IN OPPOSITION TO THE CURRENT GOVT--WHO WISH LIBERALIZED EVOLUTIONARY CHANGE WILL HAVE TO EXERT THEMSELVES SIGNIFICANTLY IF THEY ARE TO ACHIEVE THE DEGREE OF POLITICAL ORGANIZATION REQUIRED TO BE SUCCESSFUL IN THE SORT OF FREE ELECTIONS WHICH THE SHAH HAS ORDAINED. AS OF NOW, MANY OF THEM HAVE ONLY THE LEAKIEST POLITICAL VESSELS WITH WHICH TO CONTEST THE ELECTIONS. THEY THEREFORE STAND THE RISK OF BEING SWAMPED BY THE ONLY APPARENT POLITICAL FORCE WHICH

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CURRENTLY EXISTS IN IRAN--THE RELIGIOUS-POLITICAL-
EXTREMIST OPPOSITION.

10. THESE, THEN, ARE THE CONDITIONS UNDER WHICH THE
SHAH AND HIS NEW GOVT FACE THE IMMEDIATE FUTURE. THE
FUNDAMENTAL STRUCTURE OF THE COUNTRY REMAINS INTACT,
BUT THE THRENZKA TURBULENCE OF THE RECENT PAST, LIKE
THE EARTH TREMORS WHICH CONTINUE TO TROUBLE THE EASTERN
PROVINCES, ARE SYMPTOMS OF THE SORT OF DISRUPTION WHICH
COULD POTENTIALLY OVERWHELM THIS SOCIETY. THE EMBASSY,
IN SUBSEQUENT MESSAGES, WILL ATTEMPT TO ASSESS THE
STRENGTH OF THE VARIOUS FORCES AT WORK, THE COURSES
OF ACTION THEY MAY BE EXPECTED TO FOLLOW, AND THE INTER-
PLAY WHICH MUST BE ANTICIPATED.

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OPTIONAL FORM 107 (Rev. 1-1-61)
(Formerly FS-413) (Rev. 1-1-61)
January 1961
Dept. of State

50-301



THE WHITE HOUSE

*Personal note to
the Shah*

#25

THE WHITE HOUSE
WASHINGTON

9-28-78

To The Shah

Again, let me extend my best wishes to you as you continue your successful effort for the beneficial social and political reforms in Iran.

All of us recognize the great benefits to our own nation and to the world of a strong and progressive Iran. Your support of the Camp David accords and your encouragement of the leaders who are or may be involved in consummating the peace effort would be very valuable.

Sincerely,
Jimmy Carter

FOR 11/2/80 NLS NLS-00-161
BY J DATE 5/21/01

4796-76
Executive Registry

78-3739

DECLASSIFIED

Authority NND023070By KJ NARA Date 6/7/05

30 October 1978

MEMORANDUM FOR: Deputy Director for National Foreign Assessment
FROM: Director of Central Intelligence
SUBJECT: Meeting with Dr. Brzezinski, 27 October 1978

1. Zbig asked me to drop by on Friday afternoon late. He requested a special analysis of the opposition to the Shah. He would like to know things such as:

- a. Who are the various opposition groups?
- b. What does each of them represent?
- c. What would each of their programs be if they were able to come to power?
- d. Who is financing each of them?
- e. Are there any connections between any of these groups and the Iranian military?

2. Overall, he wants to catalog the various alternatives to the Shah that lie ahead should the Shah fall out of power. Basically, he wants to try to demonstrate that it is not a simple question of either the Shah or democracy, but that a move away from the Shah would not be a move towards democracy.

3. I told him that I thought your briefing for the President last Wednesday was most of what we had on this. He felt that that had not gone into as much detail as he desired with respect to financing and specific programs. I told him I doubted that we really had that much more detail. [REDACTED] 25X
now that the Iranian press has been opened up for a few weeks. I assured him we would check [REDACTED] 25X
[REDACTED] on this.

4. I request that you supplement your briefing with whatever additional detail we do have available and focus it on what the alternatives to the Shah are and how we would characterize them.

5. Assuming we establish that he is right that a move away from the Shah would not be towards democracy, he would then like to undertake [REDACTED] to disseminate to the world the true undemocratic character of the Shah's opposition. I pointed out to him that I thought

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there would be real problems with the Congress [REDACTED]

25X1

[REDACTED] I felt so many liberal Members of Congress believe the Shah was so undemocratic that they would not tolerate a program to help keep him in power. Nonetheless, I said that was no bar to our developing the analysis that he wanted [REDACTED]

25X1

outline [REDACTED] potential is in the area of informing the Iranians and others as to the character of the Shah's opposition.

1C

25X1

25X1

[REDACTED]
STANSFIELD TURNER
[REDACTED]

cc: Deputy Director for Operations

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Department of State

TELEGRAM

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ACTION NEA-11

INFO OCT 01 EUR-12 ISO-00 NEAE-00 CIAE-00 DODE-00
PM-05 H-01 INR-20 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 ICA-11 SAA-01 SES-01 SOE-02 AID-05
CEA-01 CONE-00 EB-05 DOE-15 INT-05 OMB-01 OES-09
STR-07 TRSE-00 ACOA-12 LAB-04 SIL-01 NA-05 MCT-02
AGRE-00 /166 W

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FM AMEMBASSY TEHRAN

TO SECRETARY MEXICO PRIORITY 1270

INFO AMEMBASSY AMU GHAD

AMEMBASSY ANKARA

USINT BAGHDAD

AMEMBASSY DOHA

AMEMBASSY ISLAMABAD

AMEMBASSY JODDA

AMEMBASSY KABUL

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

USCINCEUR

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C O N F I D E N T I A L SECTION 1 OF 3 TEHRAN 10621

EO 11652: GDS

TAGS: PINS, PGOV, FINT, IR

SUBJ: LOOKING AHEAD: SHIFTING IRANIAN PUBLIC ATTITUDES

SUMMARY: EVENTS OF PAST MONTH, PARTICULARLY PAST WEEK, HAVE
LED TO CLEARLY DISCERNABLE SHIFTS IN ATTITUDES REGARDING SHAH
AND GOI AMONG MANY GROUPS OF IRANIANS. SUCH CHANGES, WHILE
SIGNIFICANT IN THE SHORT RUN, ARE ESPECIALLY IMPORTANT.

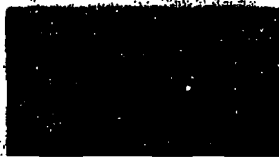
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BECAUSE THEY FORESHADOW CHANGED WAYS OF THINKING AND BELIEVING

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ABOUT POLITICS IN IRAN. MOST IMPORTANT CURRENTS ARE: A) RENEWED QUESTIONING OF SHAH'S EFFECTIVENESS AND LEGITIMACY, PARTICULARLY BY GROUPS WHICH HERETOFORE HAVE GIVEN AT LEAST TACIT ALLEGIANCE (AND USUALLY MUCH MORE) TO SHAH AND GOVERNMENT; B) GROWING BELIEF AMONG ALL SEGMENTS OF SOCIETY NOT DIRECTLY INVOLVED IN GOVERNMENT THAT SHARIF-EMAMI REGIME CARRIES TOO MUCH BAGGAGE FROM PAST TO BE ABLE TO SUCCESSFULLY RESTORE ORDER OR PROVIDE FOR TRANSITION TO FREELY-ELECTED GOVERNMENT; C) REALIZATION AMONG MIDDLE CLASS MODERNIZERS THAT BOTH RELIGIOUS FORCES AND COMMUNISTS HAVE MUCH MORE ORGANIZATIONAL CAPACITY THAN MOST IMAGINED; AND D) RAPIDLY SPREADING FEELING THAT PRESENT GOI WILL NOT BE ABLE TO COMPROMISE WITH RELIGIOUS LEADERSHIP AND THAT ALTERNATIVE IS LIKELY TO BE MILITARY GOVERNMENT AND RATHER SOONER THAN LATER (LATTER BELIEF IS WIDESPREAD AMONG BOTH SUPPORTERS AND OPPONENTS OF SHAH). DESPITE PERSIAN TENDENCY TO MANIC-DEPRESSIVE CYCLES IN POLITICS, SHIFT IN BASIC ASSUMPTIONS WHICH HAVE UNTIL NOW GOVERNED MOST PEOPLES' BEHAVIOR WILL FURTHER REDUCE STABILITY OF IRANIAN PUBLIC OPINION. BOTH PRO-AND ANTI-SHAH ELEMENTS ARE AGREED MONARCH MUST SHOW BETTER LEADERSHIP AND DETERMINATION IF HE IS TO SHAPE EVENTS HIS WAY AND REVIVE THE CENTER IN IRANIAN POLITICS. END SUMMARY.

1. OVER PAST TEN DAYS, NUMBER OF EMOFFS HAVE NOTICED BASIC CHANGES IN ATTITUDES AMONG DIFFERENT CLASSES AND CATEGORIES OF INDIVIDUALS. WHAT FOLLOWS IS COMPILATION AND INITIAL ANALYSIS OF SOME CHANGES WHICH ARE BOUND TO AFFECT FUNDAMENTAL PERCEPTIONS OF POLITICS AND GOVERNMENT IN IRAN. WHILE THEY WILL UNDOUBTEDLY HAVE AN IMPACT IN THE SHORT RUN, PERHAPS THEIR GREATER IMPORTANCE IS IN FORESHADOWING CHANGED WAYS OF THINKING ABOUT POLITICS WHICH IN THE LONG

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RUN MAY ALTER THE POLITICAL SHAPE OF THE COUNTRY.

2. MOST SIGNIFICANT OF THESE IS WIDESPREAD, NEARLY UNIVERSAL PESSIMISM AMONG VIRTUALLY ALL GROUPS IN MODERN SECTOR OF SOCIETY ABOUT FUTURE OF COUNTRY AND GOVERNMENT. PUBLIC REFUSAL OF AYATOLLAH KHOMEINI TO COMPROMISE WITH GOI AND ECHOING VIEWS OF AYATOLLAH SHARIATMADARI (TEHRAN 10499) HAVE CREATED PESSIMISM ABOUT POSSIBILITY OF ENDING CURRENT UNREST AND POLITICAL CRISIS ANY TIME SOON ON TERMS WHICH WOULD ALLOW CONTINUED POLITICAL LIBERALIZATION. UPPER CLASS

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SUPPORTERS OF SHAH (INCLUDING SOME SENIOR GOVERNMENT OFFICIALS), WIDE RANGE OF BUSINESSMEN, PLUS SUBSTANTIAL NUMBERS OF IRAN'S MODERATE ACADEMIC "ESTABLISHMENT", BELIEVE THAT "END" OF PRESENT POLITICAL GAME IS LIKELY TO BE MILITARY RULE. THERE IS WIDESPREAD AGREEMENT AMONG SUBSTANTIAL MEMBERS OF THOUGHTFUL PERSIANS THAT SHAH HAS NOT EXERCISED EFFECTIVE LEADERSHIP. HE HAS NOT EVEN TAKEN "OBVIOUS" OPPORTUNITY TO ADDRESS HIS PEOPLE DIRECTLY ON TV AND DISCUSS ISSUES WITH THEM. HE SEEMS STILL TO THINK THE PEOPLE TOO IMMATURE FOR SERIOUS EXPLANATIONS. THIS IS PARALLELED BY A WILLINGNESS AMONG SIZABLE NUMBERS WHO HAVE SUPPORTED THE SHAH CONSISTENTLY AS IRAN'S BEST HOPE FOR THE FUTURE TO QUESTION WHETHER THE SHAH SHOULD REMAIN. THEY DO NOT WISH TO DO HIM IN, BUT THEY SEE LITTLE HOPE TO BREAK THE DEMONSTRATION CYCLE IN

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ACT N NEA-11

INFO OCT-01 EUR-12 ISO-00 NEAE-00 SAA-01 SEB-01
CIAE-00 COME-00 EG-08 INR-10 LAB-04 NEAE-00
SIL-01 MA-05 MCT-02 SOE-02 AID-05 CEA-01 DODE-00
DOE-16 M-01 INT-05 L-02 NSC-05 OMB-01 PH-05
ICA-11 OES-09 EP-02 SS-15 STR-07 TNSB-00 ACDA-12
PA-01 ADR-00 1156 0

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P. B. ...
FM ...
TO SECRETARY ... PRIORITY 1271
INFO ...
AMEMBASSY ...
USINT ...

AMEMBASSY BONA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY NEW DELHI
AMEMBASSY PARIS
USCINCEUR
USCINCPAC

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PRESENT CIRCUMSTANCES. SOME WOULD EVEN CHANCE A REGENCY
FOR THE CROWN PRINCE. THEY ARE, FOR THEM, "THINKING THE
UNTHINKABLE" FOR THE FIRST TIME.

3. SUBSTANTIAL ELEMENT IN THIS PATTERN IS WIDESPREAD
PERCEPTION BY GROUPS NOTED ABOVE PLUS CIVIL SERVANTS AND
EVEN SOME MILITARY, THAT SHARIF-EMAMI GOVERNMENT IS BEING
OVERTAKEN BY EVENTS. MORE IN SORROW THAN IN ANGER, SUB-
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STANTIAL NUMBERS OF BUREAUCRATS, YOUNG TECHNOCRATS, BUSINESS-
MEN AND OTHERS WITH LARGEST STAKE IN MODERNIZATION (WHICH

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GOVERNMENT HAS FOSTERED FOR PAST TWO DECADES) ARE CONCLUDING THAT SHARIF-ENAMI GOVERNMENT MUST GO. TOP "DEFEND" MINISTRY MEN NOTE MAY CRONOS HAVE "RAMPAGED AT WILL" THROUGH MINISTRIES FOR PAST FOUR OF FIVE DAYS, AND HAVE VIRTUALLY BROUGHT CERTAIN MINISTRIES' WORK TO A HALT. THIS IS REINFORCED BY VIRTUALLY UNANIMOUS VIEW OF ALL POLITICIANS WHO THEMSELVES DO NOT HAVE DIRECT STAKE IN GOVERNMENT THAT SHARIF-ENAMI GOVERNMENT AND PRIME MINISTER HIMSELF ARE TOO CORRUPTED WITH PAST TO EVER BE ABLE TO PRESIDE OVER FREE ELECTIONS. FROM MODERATE POLITICIANS NOW ORGANIZING CENTRIST GROUPS (WHO AVOID SUPPORT FOR PRIMUM "AT LEAST UNTIL ELECTIONS") TO NATIONAL FRONTIERS WHO CALL FOR "NEUTRAL" GOVERNMENT, THERE IS BELIEF THAT GOVERNMENTAL CHANGE MUST COME. ECHOING VIEW IS THAT ANY NEW TRANSITIONAL GOVERNMENT MUST CONTAIN AT LEAST SOME "NON-ESTABLISHMENT" POLITICIANS IN IT. CORRUPTION ISSUE HAS BEEN WELL USED BY OPPONENTS OF REGIME TO DISCREDIT MANY IF NOT MOST POLITICIANS OF PAST FIVE TO SEVEN YEARS. EVEN POLITICIANS CLOSE TO PRESENT SCENE WILL RELUCTANTLY CONCLUDE IN PRIVATE THAT DAYS OF SHARIF'S HAND-PICKED GOVERNMENTS ARE PROBABLY GONE FOREVER. GOVERNMENT'S INABILITY TO RESTORE PUBLIC ORDER, MORE THAN ANY PROUDENCEMENT ABOUT POLITICAL LIBERALIZATION, HAS TURNED MODERN IRAN INTO PARTICIPATORY STATE IN PUBLIC EYE. (CONSENT PROBLEM WITH THIS PERCEPTION IS THAT SUBSTANTIAL NUMBER OF PEOPLE, ESPECIALLY FORMERLY ALIENATED NON-POLITICALS AND OPPOSITIONISTS, BUT ALSO INCLUDING ESTABLISHMENT TYPES SUCH AS CIVIL SERVANTS, SEE EFFECTIVE POLITICAL ACTION NOW IN TERMS OF STRIKES AND DEMONSTRATIONS, NOT ORDERED PARTICIPATION IN ELECTION OF PUBLIC OFFICIALS.)

4. ANOTHER NEW PERCEPTION, WHICH HAS COME AS A RATHER
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UNPLEASANT SURPRISE TO GOVERNMENT, SECULAR OPPOSITION, AND MODERNIZERS OF ALL STRIPES IS REALIZATION THAT RELIGIOUS LEADERS AND ESPECIALLY EX-TUDEH (COMMUNIST) SUPPORTERS ARE MUCH BETTER ORGANIZERS THAN ANYONE IMAGINED. VIRTUALLY ALL ACADEMICS AGREE THAT MAJOR IRANIAN UNIVERSITY STUDENT BODIES ARE BEING POLARIZED ABOUT 70-30 BETWEEN STUDENTS ADHERING TO ISLAMIC AND COMMUNIST ORGANIZATIONS RESPECTIVELY. UNDERGROUND ORGANIZATION OF TUDEH HAS SURFACED WITHIN PAST WEEK AT VIRTUALLY ALL UNIVERSITIES (INCLUDING AMERICAN-FOUNDED DAMAYAND COLLEGE FOR GIRLS, WHICH HAS NEVER HAD A SERIOUS DEMONSTRATION BEFORE THIS YEAR)

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FOR UNIVERSITY REFORMS AND FULL INDEPENDENCE FOR SOI. NUMBER OF OUR BEST ACADEMIC SOURCES HAVE SUGGESTED THAT MIDDLE GROUP HAS EVAPORATED ON UNIVERSITY CAMPUSES AND STUDENTS ARE BEING DRAWN TO ONE OF TWO POLES. NEITHER OF WHICH REALLY WANTS SETTLEMENT UNDER PRESENT GOV. THIS HAS, UNDERSTANDABLY, DEPRESSED MANY, AND IN MANY CASES CAUSED EXTREMELY VISCERAL REACTIONS AGAINST WHAT IS BELIEVED TO BE UNWISE AMERICAN HUMAN RIGHTS POLICY WHICH HAS BROUGHT IRAN TO PRESENT SITUATION. ONE REWARD U.S. AS TRAITOR TO IRANIAN PEOPLE FOR FAILING TO EXERT MORE CAPACITY FOR HUMAN RIGHTS, THEREBY LEAVING COUNTRY IN PRESENT STATE. CLEARLY ONE CASUALTY OF CURRENT UNREST IN IRAN HAS BEEN OBJECTIVE, UNEMOTIONAL ANALYSIS BY VERY GROUP, PROBABLY WHICH MIGHT HAVE BEEN ABLE TO PROVIDE STABILIZING LEADERSHIP UNDER OTHER CIRCUMSTANCES.

5. IF PEOPLE PERCEIVE THAT RELIGIOUS LEADERSHIP IS CAPABLE OF KEEPING PEOPLE IN STREETS AGAINST WILL OF GOVERNMENT, ALTERNATIVE HAS INCREASINGLY COME TO BE SEEN AS MILITARY GOVERNMENT. OPPOSITIONISTS WOULD PREFER DEPARTURE OF SHAH, BUT SUSPECT THIS WILL NOT HAPPEN VOLUNTARILY. SUPPORTERS OF THE SHAH SEE IRAN'S FIRST NEED AS SOCIAL ORDER. BOTH NOW TEND TO PERCEIVE INEVITABILITY OF MILITARY GOVERNMENT WITH OVERWHELMING PROBABILITY IT WILL BE HARD-LINE AFFAIR, ENDING DOMESTIC POLITICAL LIBERALIZATION AND PROVOKING
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GREATER ORGANIZED TERRORIST ACTIVITY. PRO-MONARCHISTS SEE

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ACTION NEA-11

INFO OCT-01 EUR-12 ISO-00 NEAE-00 SAA-01 SES-01 SOE-02
AID-05 CEA-01 CIAE-00 COME-00 COOE-00 EB-06
OGG-15 H-01 IIR-10 INT-05 L-03 NEAE-00 NSC-05
OMB-01 PH-05 TCA-11 OES-09 SP-02 SS-15 STR-07
TRBE-00 ACDA-12 LAB-04 SIL-01 HA-05 MGT-02 AGRE-00
PA-01 /155 H

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P R 311909Z OCT 78
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC PRIORITY 1272
INFO AMEMBASSY ABU DHABI 1052

AMEMBASSY BAHRAIN
USCINCPAC
AMEMBASSY Doha
AMEMBASSY ISLAMABAD
AMEMBASSY JODA
AMEMBASSY KABUL
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY NEW DELHI
AMEMBASSY PARIS
USCINCEUR
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C O N F I D E N T I A L SECTION 2 OF 3 TEHRAN 10621

THIS AS REGRETTABLE NECESSITY TO PRESERVE MODERN SOCIAL AND
ECONOMIC FABRIC; OPPOSITIONISTS VIEW IT AS TRAGEDY FOR COUNTRY
AND REGRESSIVE FASCISM WHICH WILL OPEN OPPORTUNITIES FOR
TERRORISM.

6. MANY GOVERNMENTAL AND INDUSTRIAL SECTOR EMPLOYEES,
ESPECIALLY BANKERS AND ECONOMIC PLANNERS, SEE CURRENT RASH
OF STRIKES SLOWLY STRANGLING COUNTRY WITH NO "WAY OUT."

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PRIVATELY, MANY SA SHARIF-EMAMI POLICY OF LETTING MOBS
VENT FEELING HAS GONE BEYOND HOPE OF SUCCESS TO DISRUPT ON

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OF BOTH ECONOMY AND SOCIAL FABRIC. OIL PRODUCTION IS DOWN, FACTORIES ARE IDLE AND INFRASTRUCTURE PROJECTS SUCH AS KHUZISTAN SUGAR PLANTATION COMPLEX WILL BE IN RUINS AFTER MONTH OR SO OF NEGLECT. MANY FEEL (AND ARE NOW READY TO DISCUSS WITH THEIR FRIENDS) THAT SOME SORT OF BASIC CHANGE IS NECESSARY. WHILE PERHAPS NOT YET READY TO SERIOUSLY ADVOCATE NEW GOVERNMENT OR REGIME, THEY ARE NOW LISTENING SERIOUSLY TO OPPOSITION ANALYSIS THAT SIX MONTHS AGO WOULD HAVE BEEN CONSIDERED BALDERDASH.

7. FOLLOWERS OF PERSIAN SCENE WHO ARE USED TO MANIC-DEPRESSIVE NATURE OF PERSIAN POLITICAL THOUGH MAY TEND TO ASCRIBE FEATURES DESCRIBED ABOVE TO STANDARD TO-ING AND FRO-ING OF PEOPLE UNUSED TO DEMOCRATIC RHETORIC AND PARTICIPATORY PROBLEMS. SHIFTS IN ATTITUDES GO DEEPER THAN THAT, HOWEVER, TO QUESTIONING OF BASIC ASSUMPTION OF PAST 15 YEARS THAT SHAH IS TOUGH, UNCHALLENGEABLE LEADER WHO IS EFFECTIVE LEADER OF COUNTRY. FEELING THAT POLITICAL PROCESS IS AT DEADEND HAS PRODUCED SENSE OF FRUSTRATION WHICH MAY ULTIMATELY BE MORE DAMAGING TO STABILITY OF IRANIAN PUBLIC OPINION THAN MERE FACTS OF PRESENT UNREST.

8. OVERWHELMING BULK OF IRANIANS OF ALL CLASSES, EVEN HIS OPPONENTS, SEEM TO BE WAITING FOR SHAH TO DO SOMETHING. HABIT OF WAITING FOR THE TOP TO ACT IS HARD TO ERADICATE. SEVERAL PERCEPTIVE PERSIAN OBSERVERS HAVE NOTED THAT ESTABLISHMENT FIGURES SEEM TO BE WAITING AROUND FOR SHAH TO "GIVE THE NOD" TO SOME GROUP OR GROUPS TO BEGIN OPERATING ON HIS BEHALF WITHIN POLITICAL ARENA. EFFECT OF THIS "WAITING FOR GOOD" ATTITUDE IS THAT MYRIAD OF NEW POLITICAL PARTIES LACK IMPACT. VIRTUALLY EVERYONE, ESPECIALLY YAST
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MAJORITY OF THOSE WHO MIGHT BE CONSIDERED PART OF POLITICAL CENTER, ARE LOOKING FOR LEADERSHIP, HOPEFULLY FROM THE THRONE. EVEN OPPOSITIONISTS FEEL THEY HAVE TO HAVE SOMETHING TO OPPOSE AND THEY SEE THIS AS SHAH AND HIS POLICIES, NOT GOVERNMENT. FOR BOTH SYMBOLIC AND PRACTICAL REASONS, SHAH'S FAILURE TO ACT DECISIVELY (IN FULFILLMENT OF PERSIAN STEREOTYPE), OR EVEN APPEAR ON TV AND ADDRESS HIS PEOPLE, HAS LED TO MORE QUESTIONING, LESS SECURE ATTITUDE AMONG VIRTUALLY ALL SECTORS OF PUBLIC OPINION

9. EVEN IF ORDER IS RESTORE SHORTLY WITHOUT A MOVE TO

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MILITARY GOVERNMENT. MOST PERSIANS FEEL SHAH MUST DO BE
TO SURVIVE. FOR FIRST TIME IN TWO DECADES SERIOUS COFFEE
HOUSE THOUGHT IS BEING GIVEN TO OTHER POSSIBILITIES. LACK
OF DIRECT ACTION THUS FAR BY THOSE WHO DO NOT OPPOSE SHAH
AND BY MAN WHO DO GENERALLY REFLECTS ONE ASSUMPTION FROM
PAST THAT REMAINS: THERE IS NO Viable ALTERNATIVE TO SHAH
FOR THIS REASON, EVEN MANY OPPOSITIONISTS THUS FAR REMAIN
WILLING TO LIVE WITH HIM, ALBEIT AS THE LEASER OF EVILS.
HOWEVER, THIS ASSUMPTION TOO IS COMING UNDER INCREASING
CHALLENGE.
SULLIVAN

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[Transcribed from poorly legible copy]

SECRET

From: Amembassy Tehran
Action: Secstate Wash DC Immediate
Subj: Looking Ahead: The Military Option
Ref: Tehran 10267 (NOTAL)

Summary: A military takeover is feasible, but at heavy long-term cost for U.S. interests as well as for Iran. End summary.

1. It has become a commonplace in Tehran conversations these days that the country is heading ever [word illegible] to some sort of military takeover [5 words illegible] of stopping street disorders and [word illegible]. The main difference of opinion is between those who believe that the polarization of opposing forces between the enemy camp and the Shah's has reached the point of no return leading to a test of strength, and those who believe that this test of strength can still be postponed or averted by introduction of a political solution within the present constitutional framework. Almost everybody agrees a military takeover will be ordered by the Shah eventually, if the disorders continue. Differences of opinion exist as to the degree of chaos that will be averted by such a military takeover, the degree of long-term harm that will be done by it, its likely duration, and the forces which will emerge in Iran under the military régime and afterward.
2. Most people believe the military are pressing for such a takeover. Top military officers have continued to express to us in a very direct way their impatience with the present government. Air Force General Babii [?] has been the most blunt and outspoken, and he is champing at the bit to impose order. Admiral Habibollahi, General Oveisi, and others, while not as extreme as Babii, believe a halt must be called to the vast public disorders. General Azhari, perhaps the most reflective [word illegible] in the military establishment, appears to be wobbling: he told General Gast, chief of ARMISH-MAAG, that perhaps the Shah had gone too far too quickly in his liberalization. These officers profess loyalty to the Shah -- we believe sincerely -- and imply that no action would be taken without his blessing. They also realize that without the Shah's approval, a military government would lose any veneer of "legitimacy." They are, however, deeply disturbed by the apparent weakness and desolation of the Shah currently, and in due course may attempt to force his hand -- join us or leave.
3. Supporting the idea of a takeover are many Embassy contacts within the business and government establishment here, including some technocrats. They frequently phrase the thought more gently as the need for firm leadership and view it as the lesser of two evils if disorders continue and political remedies seem unavailing. Many have convinced themselves that nothing less than the national survival of Iran and its non-communist future are at stake. A goodly portion of these people consists, on the other hand, of moderates who eagerly wish for a political solution rather than a military takeover. Even

the stronger partisans of a takeover [2 words illegible] it would inflict deep wounds [3 words illegible] in the long run.

4. The Shah himself told the ambassador that one of his options would be a military government. He has said this could be either straight-out rule by the armed forces or a mixed civilian/military government with a general as prime minister. He has not specified who the general would be, though Fereidun Jam, a former chief of staff and present ambassador to Spain, has often been mentioned by circles best described as neither whole-heartedly pro-Shah, nor oppositionist.

5. Any takeover would have to involve a very hard crack-down on demonstrators in the streets, students and professors demonstrating in the universities, schoolchildren and teachers demonstrating in the schools, religious leaders and their bazaari merchant backers, left-wingers of all sorts, and sufficient numbers of striking workers to get all strikers back on the job. Some curbs on the press would be inevitable. The momentum of this operation would involve thousands of arrests, among the first probably being many of the political prisoners, who have been released over the past year or two. Since the opposition has made it clear it is preparing guerrilla-style resistance, the army would have to face extensive urban violence, and a degree of hit-and-run terrorism outside the cities. Given the pro-government passivity of many areas of the countryside [5 words illegible] Sunni Moslem tribes who were pacified by Reza Shah and the present Shah not [3 words illegible] the army should be able to handle disturbances outside the larger cities. For urban purposes, the police and SAVAK would have to be given a freer hand than in recent months, perhaps, assisted by some sort of military intelligence in whom the Army high command would have greater confidence. To be effective, the takeover would have to turn Iran back to the tightly controlled state it was before liberalization began in mid-1976.

6. We are quiet [sic] sure this can be done -- but at a cost. We believe the vast percentage of the military officers would be loyal to such a government -- particularly if the Shah's imprimatur was on it -- and a large percentage of the troops would follow their officers. (The government policy of stationing troops away from their home area would help in this respect, though we would witness some desertions and even defections to the other side.) A degree of antagonism exists between the military and the security forces, but this is more in the nature of rivalry than any difference of policy, and we would expect the security agencies to cooperate.

7. On the other hand, almost everyone agrees the long-term costs would be heavy. In the eyes of vast numbers of moderates who have been hoping for a moderate outcome, [the rest of the document is illegible -- approximately 3 pages].

[signed]

Sullivan

Top Secret

(Security Classification)

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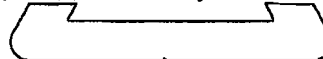
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Top Secret

(Security Classification)

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

3 November 1978

MEMORANDUM FOR: Director of Central Intelligence

VIA : Director, National Foreign Assessment Center

FROM : [REDACTED]
National Intelligence Officer for the
Near East and South Asia

SUBJECT : PRC Meeting on Iran, 6 November 1978

1. Action Requested: None; for your information.
2. Background: Attached are the following papers related to the situation in Iran:

Tab A: Current Situation.

Tab B: Impact of Iranian oil strikes.

Tab C: Your Memorandum for the Record, "Meeting with Dr. Brzezinski, 27 October 1978".

ORPA's answers to the questions raised by Dr. Brzezinski concerning the Shah's opposition.

Tab D: Background on the National Front.

Tab E: Available information on foreign involvement in domestic strife.

Tab F: US business in Iran.

Tab G: Possible role for the World Bank.

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~~TOP SECRET UMBRA~~ [REDACTED]

25X1A

Tab H:

[REDACTED]

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Tab I:

[REDACTED]

25X1C

Tab J: Value of [REDACTED] options for replacement.

25X1C

Tab K: Collection capabilities and prospects for improvement:

[REDACTED]

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Tab L:

[REDACTED]

3. We understand that you will be asked to open the PRC meeting with an update on current developments in Iran. On Monday morning we will provide you with the latest traffic and suggested talking points.

[REDACTED]

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~~TOP SECRET UMBRA~~ [REDACTED]

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3 November 1978

The Current Situation

- I. The Shah's efforts to modernize Iran have unleashed unexpected strong forces of reaction that are not being contained by martial law or piecemeal concessions to the opposition.
 - A. The Shah must act quickly and resolutely in reaching an accommodation with his moderate political and religious opponents if he is to stem the tide running against him. He is ready to give up some of his power but perhaps not enough to satisfy his opponents.
 - B. Civil disorders and the crippling strike in the oil industry are likely to continue until the Shah reaches a settlement with the opposition.
 1. The Shah, at an early date, will appoint another civilian government to replace that of Prime Minister Sharif-Emami whose efforts to reach a settlement with the Shah's opponents have failed.
 2. The Shah would like to have a new government installed before 2 December when the Muslim month of mourning begins.
 3. Disorders could get totally out of control in December unless the Shah and his opponents reach an accommodation.
 - C. The Shah says he is willing to try to reach a durable settlement through a political compromise. Military rule according to the Shah, would only bring more bloodshed and would not be a long-lived solution.
 1. If efforts to form a government of national reconciliation fail, however, the Shah is likely to opt for military rule as the only alternative to abdication.

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- D. The coalition government that the Shah is considering is one that would include opposition figures. The press reported today that the Shah will meet shortly with Karim Sanjabi, a National Front leader, presumably to discuss the formation of a coalition government.
1. The Shah foresees tough negotiations with moderate opponents who will not move without the grudging acquiescence to a settlement of Muslim extremist Khomeini, exiled in Paris. Khomeini is by far the most influential religious leader among Muslim dissidents. In his latest interview with the press, Khomeini insists the Shah must go.
 2. If Khomeini continues to refuse to go along, the Shah would persist in his effort to isolate religious extremists and work with the moderate opposition. Prospects for success of efforts to isolate Khomeini are dim, however.
- E. The Shah is confident that his senior military commanders would support any coalition government he appoints.
1. We believe, however, that the loyalty of senior officers, some of whom have bridled at government concessions to the opposition, will require close watching.

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3 November 1978

The Opposition to the Shah

The Shah's opposition is fragmented into many groups. None is well-organized, the various groups do not cooperate in any systematic way and indeed, if they did not have the Shah as a common target, there would be great areas of disagreement among them. No single group or coalition gives any promise of a genuinely democratic government should it come to power; although it might have popularity--at least in the early stages--it would lack the power to impose its will, it would be inexperienced and dependent on the same bureaucracy that has failed the Shah, and it would be a constant target for other ambitious elements, including the military.

The Opposition Muslim Clergy

Most of the demonstrations and riots have been the work of that segment of the population that is strongly influenced by the religious leaders. These demonstrations seem to be based on local grievances and inspired immediately by local religious leaders. Two factions can be identified, although the distinction is somewhat artificial because of constant interaction.

Ayatollah Ruhollah Khomeini, now living in France, is looked to as a guide by most of the demonstrators. He represents the view that the Shah must go and be replaced by an "Islamic Republic". He has presented no specific program but is rich in pious generalities. Concrete measures can be inferred from statements made by other religious leaders. Education would be segregated, women would be veiled to avoid temptation, nothing contrary to Islam would be published or broadcast. This could lead to extensive censorship but the argument of religious leaders would be that censorship is the prohibition of what is wrong and not of what is right.

Ayatollah Shariatmadari is the most influential opposition clergyman living in Iran. He has sometimes taken a somewhat more moderate line than Khomeini, for example, willingness to tolerate a Shah as a figurehead. He has, however, been moving closer to Khomeini in recent weeks apparently feeling that Khomeini has such a strong following that he cannot risk getting out of step with him. Doctrinally, Shariatmadari's would not be much different from Khomeini's but left to his own devices Shariatmadari might be more willing to compromise.

Both groups are funded in the traditional way, by donations from the pious, especially rich bazaar merchants. There is no known connection with the military but it is likely that both religious leaders have some followers in the rank and file of the armed forces.

The nationalist opposition, generally called the National Front, is a disparate group which traces itself back to former Prime Minister Mohammad Mossadeq's group of the same name in the early 1950s. Its members range from left of center to far-left. They are mostly white collar, middle class, professionals such as doctors, lawyers, teachers and writers. They call for a return to the constitution, although like others, it is only selected features they favor. The nationalists can be divided, somewhat arbitrarily, into a right faction, which would be willing to make a deal with the Shah and expect to win a portion of power in next summer's elections; a center faction which wants to accept the government's plans for election and would like to see the Shah's powers reduced and a leftist faction which wants the Shah overthrown. The leftist faction is in touch with both Ayatollah Khomeini and one of the two terrorist groups. The center and right factions appear to have caved in to the leftist faction, feeling that they could only lose by continuing to advocate a moderate line.

Beyond calling for a return to the constitution and for a parliamentary government, the National Front has produced little that could be called a program. Given the differing ideologies it is unlikely that a realistic program could be produced. A purely National Front government would probably be unable to produce an effective administration. Personal rivalries, divergent philosophies, and inexperience would all contribute to an unstable government.

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Financing is probably drawn mostly from the personal resources of the leaders and their followers. The leftist faction probably is bankrolled by bazaar merchants. The National Front does not operate any organization or publications which would require a large expenditure of funds.

The officer corps generally holds the National Front in low regard. Although some among the military may be sympathetic to one or another of the National Front factions there is no known link with any of the military organizations.

There are two terrorist organizations which seem to have played little part in the disturbances, although two or three attacks on police stations may be attributable to them. Recent anti-US incidents appear to have been the work of unaffiliated religious fundamentalist or radical leftist fringe groups. There has been, however, very little reporting on either organization in recent months.

The "People's Strugglers" has drawn its members from those who are religiously inclined. They seem to have had a Marxist leadership originally and perhaps still do. This accounts for the government's description of the terrorists as "Islamic Marxists." The People's Strugglers is the group that has been responsible for assassination of US nationals in the past.

The People's Sacrifice Guerillas is a straight forward Marxist terrorist group that has targeted only Iranian officials.

Little is known about these two groups. They have cooperated in the past but have also had some serious differences over ideology and tactics. Both groups have been quiescent for nearly two years following the loss of several of their leaders in clashes with the security forces. Membership of the organizations is estimated at 2500-3000, however, and there should have been little difficulty in finding alternate leadership. The long quiet period might be a matter of policy. The People's Strugglers are in touch with an element of the National Front and has been urged by some National Front leaders to avoid violence for the time being.

Both groups seem to have received help in the past--training, money and weapons--from the PLO, the Libyans, and perhaps Iraq and China, but there is no current information at all on these relationships.

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The terrorists appear to have no political program except that of eliminating the Shah's regime.

The Tudeh Party is the communist organization in Iran. In its entire 37 year history it has been a faithful and reliable tool of Soviet policy in the country. The party has been nearly unreported for more than a decade but conventional estimates put the number of party members at 1000-2000 with perhaps 15,000-20,000 sympathizers. Although the party has been outlawed since 1949 when an alleged party member tried to kill the Shah it operated freely until 1955 when it was smashed by the security forces.

The Central Committee leadership is in the Soviet bloc, Moscow, Bulgaria, East Germany. Little is known of its activities except for the occasional statements and party programs that it issues. A clandestine radio station speaking for the Party was located in Bulgaria for many years is operating now from the Soviet city of Baku where it first began activities in the 1950's.

Details on Party financing are not known but funds are probably supplied by the Communist countries supplemented by dues levied on individual members.

Tudeh party policies and programs have always followed the Moscow line and have mirrored every shift in Soviet policy. The one time when this did not occur--when a faction wanted to adhere to the more hardline Chinese views on violent revolution--a split occurred and the Chinese faction was expelled from the party.

There is no known connection between the Tudeh party and the military. In 1955, however, a 600-man Tudeh organization was discovered and broken up. It included one-third of the instructors at the military academy, the prime minister's personal security officer, the counter-espionage chief of the Police Department a switchboard operator in the royal palace. Since that time the military have been under constant scrutiny.

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

DECLASSIFIED
Authority AIN 2023070
By KH NARA Date 6/7/08

Deputy Director for National Foreign Assessment

6 November 1978

MEMORANDUM FOR: Director of Central Intelligence
FROM : Deputy Director for National Foreign Assessment
SUBJECT : Strategy for the Shah

1. In our view the Shah has only a very limited time to turn the situation around even if the new military government succeeds in restoring order.

2. Essentially, what the Shah must do is to create a conviction among the diverse groups which oppose him that he has recognized the need to change priorities and direction in various ways. Merely saying that he is doing so will probably not be adequate given the strong feelings and doubts about him which have been manifested in recent weeks. Consequently, the Shah should be encouraged to take a series of actions which will dramatize the fact that he has changed priorities and recognized the need for reforms. This is the context within which the various proposals should be presented:

- a. The request for a group of international lawyers to draft an election law and oversee its carrying out;
- b. The request to the World Bank for a mission to review the program for development;
- c. The request to the IMF to advise on wage rates;
- d. Perhaps other requests for explicit international advise or missions to assist on other economic issues.

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State Dept. review completed

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e. The creation of a respected commission to weed out corruption.

A 3. In presenting these changes the Shah might well use the method urged by [] of talking informally on TV and dealing frankly with the past abuses or mistakes which these measures could be designed to overcome.

C 4. Only if the Shah is able to re-establish his own legitimacy and credibility with at least some of the groups who are critical

[] reinforce the effects of his own actions; they cannot be a substitute for them.

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[Transcription from poorly legible copy]

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From: William Sullivan

Subj: Thinking the Unthinkable

1. With the incidence of Shi'i [2-3 words illegible] on Saturday, November 11, [word illegible] its [word illegible] Thursday-Friday weekend, Iran has entered on a long three-day holiday. Current indications are that it will be quiet but we shall have to test its temper as the days pass. Sunday, November 12, will be a critical day, because only then will we see whether the military government will be successful in getting this country back to productive work.
2. In the meantime, it might be useful to engage in some fundamental examinations of the situation in Iran and the future of U.S-Iran relations. In doing this, it is probably healthy to examine some options which we have never before considered relevant.
3. For foreigners, the general cliché about Iran has been that its society rested on two pillars -- the monarchy and the Shi'a religion. For the past fifteen years, the religious pillar has been very much subordinated and the tilt has been decidedly towards the monarchy. It is not necessary in this message to describe the way in which the religious pillar has been changed [or "seen a change"?] in the past ten months. However, it may be necessary to examine very closely the changes which have taken place in the monarchy pillar.
4. First, the authority of the Shah has considerably shrunk. His support among the general public has become almost invisible these days. Portraits of the imperial family, which formerly adorned every shop window, have nearly totally disappeared. Whether the views of the silent majority, the only tangible evidence of Iranian support for the monarchy comes from the armed forces. It has therefore become commonplace to refer to the monarchy as the "Shah -- supported by the military."
5. However, even within that relationship, events of recent days may have produced a subtle change. It may be more correct at this time to speak of the monarchy pillar as being constituted essentially of the military - which (currently) supports the Shah. In consequence, the two elements that need our examination are the military and the religious.
6. At the moment, these two elements are ostensibly in confrontation. The religious have called for the equivalent of Satyagraha -- passive resistance with strikes in strategic areas of the economy. The oil production facilities, Iran Air and the telecommunications system seem to be the prime targets of their attention. If the military can get these areas of the economy back in full production peaceably, they will probably be able to prevail over the religious, but the relationship [2 ½ lines illegible].

7. On the other hand, if the military are to restore production and to break the tide of passive resistance, they will reach the point of making a fateful decision -- either to enforce production by a bloodbath or to reach an accommodation with the religious. Since the latter are dominated by Ayatollah Khomeini, it must be assumed that a pre-condition for an accommodation would be the acceptance of his insistence that the shah must leave and the monarchy be dis-established in favor of an Islamic Republic.

8. It is rather difficult to imagine a man like Prime Minister General Azhari willingly plunging his country into a blood bath. It is equally difficult to imagine him, or most military officers of his vintage, inciting the Shah to abdicate. However, if the Shah and the military both shy away from the bloodbath, it may eventuate that both the Shah and the more senior military would abdicate, leaving the armed forces under the leadership of younger officers who would be prepared to reach an accommodation with the religious.

9. If such a turn of events should transpire, it would be important for the U.S. to have done a careful evaluation of its consequences for our position and that of our allies with respect to Iran. The following considerations are relevant:

(A) Both the Iranian Armed Forces and the Khomeini Muslims are strongly anti-communist and anti-Soviet. We say this despite reports of alleged communist infiltration of Khomeini's circle of advisors.

(B) The younger military officers have a genuine pro-West orientation. All Air Force, most Army, and many Navy officers have been trained in the U.S. Those Navy not trained in U.S. have been trained in U.K. and Italy.

(C) Despite religious complaints that the West is "stealing" Iranian oil, logic of Iran's economic ties with West would have to assert itself in any realistic appraisal of Iran's economic survival.

(D) Iranian military ought to be able to preserve its integrity and not RPT not evaporate. Religious would find it useful for military to remain intact, because they have no RPT no Islamic instruments for maintaining law and order or the integrity and defense of the nation.

(E) As consequence of any military-mullah accommodation, Khomeini could be expected returcato [sic: return to?] Iran in triumph and [2 words illegible] like position in the political constellation [?]. He has said that at such time, he would reveal the name of his candidate for political leadership. However, it would presumably have to be someone acceptable to the military rather than a Nasser-Gadhafi type that might be the Ayatollah's preferred candidate.

(F) If, as result of foregoing considerations, non-communist, moderate political figures like Bazargan and Minatchi should emerge in positions of responsibility, they would call for elections to a constituent assembly to draw up a constitution for an Islamic Republic of Iran. If elections are held in any atmosphere other than one of frenzy, such assembly ought to contain a strong percent of non-communists, non-Islamic-fanatics, and pro-

western moderates who would have considerable influence in developing a responsible constitutional document.

(G) While it is difficult to predict the sort of government which might [emerge] from subsequent general elections, there would be reasons to hope that it would maintain Iran's general international orientation except that it would cease its ties with Israel and associate itself with the Arabs, possibly [sic] closer to the Rejectionist Front than to Saudi Arabia. It would probably be a Kuwait writ large in its general orientation.

(H) Although U.S. involvement would be less intimate than with the Shah, it could be an essentially satisfactory one, particularly if the military preserves both its integrity and its status as one of the "pillars" of the nation. There would presumably be fewer Americans [2 lines illegible].

10. [Word illegible] this rather [word illegible] scenario could come about only if every step along the way turned out well. Any single misstep anywhere could destroy it and lead to unpredictable consequences. Therefore, it should not RPT not be interpreted as this Embassy's prediction of future events.

11. Our current [word illegible] of trusting that the Shah, together with the military, will be able to face down the Khomeini threat is obviously the only safe course to pursue at this juncture. However, if it should fail and if the Shah should abdicate, we need to think the unthinkable at this time in order to give our thoughts some precision should the unthinkable contingency arise.

Sullivan



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Prospects for a Military Government

- I. The establishment of a military government by the Shah may improve the security situation for the time being. It is not a permanent solution to Iran's problems.
 - A. The new government under the former chief of the Supreme Commanders Staff, General Qolam Reza Azhari will have two priority jobs,
 - 1. To establish order
 - 2. To get the government services operating again
 - B. A major reason for escalating violence in recent weeks has been the realization of the mobs that the security forces were constrained from using force.
 - 1. Prime Minister Sharif Emani with the acquiescence of the Shah apparently hoped that use of minimum violence would soothe the crowds. It had the opposite effect.
 - 2. The new government must now establish that it is overwhelmingly in control and prepared to use maximum force. It should be able to do this.

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- C. Sporadic violence of the hit-and-run type will probably continue but the massive demonstrations of recent weeks should end.
- D. The ability of the military to run civilian institutions has never been tested. Although many officers have had experience with large scale military organizations few, if any, have been involved in civilian administration.
 - 1. The government will be dependent on the normal civilian bureaucracy for its day-to-day operations. Even at its best this bureaucracy is inefficient, corrupt and often obstructive.
 - 2. Some ministries are likely to face purges of personnel as the new chiefs attempt to establish authority and eliminate opposition.
- E. The establishment of military government will probably be welcomed by many in the short run, although few will risk expressing much support for it.
 - 1. The anarchy created by the mobs added to the paralysis of public services caused by strikes must have struck hard at the "silent majority," those committed to neither side.

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II. At the most, military government may provide a breathing space for the Shah while he attempts to put together a civilian government once more.

A. The Shah is still committed to free elections by next summer. For this he will need a civilian government.

B. He may try again to win the cooperation of the moderate oppositionists. The National Front has been unwilling or unable to stake out an independent position and caved in almost entirely to the demand of religious leader Khomeini that the Shah abdicate.

1. Faced with the threat of prolonged military rule or of participation in a new civilian government, some of the opposition may choose to cooperate.

C. The Shah will likely be anxious to end military government as soon as he can.

1. The chances of a popular military figure emerging as a major political force is something the Shah would not welcome.

2. The military, as a body, has not been an independent political force in Iran. Prolonged involvement in civilian government could establish an unwelcome precedent.

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3. Prolonged military rule is likely to lead to another test of strength with the radical opposition and begin a new cycle of violence.
4. In such a situation the loyalty of the troops--most of them drawn from the same class as the demonstrators--would be severely tested.

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INFORMATION

NATIONAL SECURITY COUNCIL

November 20, 1978

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: SAMUEL M. HOSKINSON
SUBJECT: Basic Questions on Iran to be Posed
at SCC Meeting, November 20, 1978

You should ask Turner to produce a Special National Intelligence Estimate (SNIE) assessing the Shah's prospects for remaining in power. This is the basic analytical judgment you and the President require and NFAC is seriously remiss for not producing it to date. Apparently they would rather avoid the issue than take a chance on doing their job and possibly coming up with the wrong answer!

The following questions should be addressed in such a SNIE:

1. What does the evidence indicate of linkage between religious fundamentalists and leftists--is Khomeini being supported by the Soviets, Libyans, Iraqis?
2. What is the state of SAVAK? How has it been affected by the arrest of its long-time head Gen. Nasser and the purge of other senior officers? How effective is SAVAK in keeping tabs on opposition activities? How loyal is the SAVAK new leadership? What is the relationship between SAVAK and the military government?
3. What do we know of actions in the Iranian military? Are there identifiable ideological groups? Attitudes varying with age differences among officers? Different groups reflecting social or tribal origin?
4. Is dissidence linked with separatist attitudes in Azerbaijan? Among the Kurds? Beluches? The Arabs of Khuzistan?
5. What are Soviet clandestine broadcasts telling Iranians? Do broadcasts in Azeri from Baku reveal Soviet intentions toward the Northwest? What are the Soviets saying to the Kurds?
6. To what degree are the Soviets exploiting the opposition to keep the internal situation stirred up?
7. What do we know about the plans of opposition politicians, labor agitators and student organizations?

~~SECRET~~

Z. Brzezinski

11/20/78
NSC
HLS-98-90
9/3/2000
MARS. DATE



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DECEMBER 12, 1971

SUMMARY ~~MEMORANDUM~~ MEMORANDUM FOR PRESIDENT

1. Iran is today the strategic center of the world. Dominating the Persian Gulf and with a 1500-mile border with the Soviet Union its continued stability and possible collapse could endanger the world oil supply and tilt the balance of power.
2. The Shah has been irreparably damaged by recent events. He cannot regain his absolute power position except through violent repression that could turn Iran into another Lebanon.
3. By acting promptly and visibly the Shah has a last chance to preserve the dynasty either by assuming the role of Constitutional monarch or through a regency.
4. But the time for action can be measured in days; delay will mean a resumption of turbulence. There is danger that the Shah may toy with half measures that will not succeed. Mistrust of the Shah is so widespread as to rule out any gradual relinquishment of power. The Shah must announce unequivocally that he is transferring all civil power to a civilian government coalition. He might remain commander of the armed forces as called for by the 1906 Constitution, but only with the clear commitment that he will use the armed forces for internal matters only with the approval of the government and parliament.
5. Unless the Shah acts dramatically to transform the situation, events will rapidly deteriorate. Oil production is less than one fifth what it was, the banking system is badly impaired, unemployment is mounting and inflation is heading toward 30%. The army cannot cope with these economic problems. Meanwhile it has started a counter-campaign of beating and shooting. Bloody reprisal and counter-reprisal are sure to follow.
6. The telegrams indicate that some representatives of the National Front have been talking with Ambassador Zahedi acting for the Shah. Given the personal interests of those conducting the talks I fear the talks could lead to half measures that do not involve a definitive transfer of power. In that event time will have been lost without producing anything adequate to secure public confidence and stop the strikes and violence.

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ISSUES AND IMPLICATIONS OF THE IRANIAN CRISIS

George W. Ball

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Review for Declassification
on December 12, 1984

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The collapse of the Shah's regime is far more significant than a localized foreign policy crisis with exceptionally high stakes; it challenges the basic validity of the Nixon Doctrine. We made the Shah what he has become. We nurtured his love for grandiose geopolitical schemes and supplied him the hardware to indulge his fantasies. Once we had anointed him as protector of our interests in the Persian Gulf, we became dependent on him. Now that his regime is coming apart under the pressures of imported modernization, we have so committed ourselves as to have no ready alternative.

This paper will deal primarily with the immediate political crisis in Iran and what our policy may look like over the near and longer term. But the events in Iran also call for a searching reappraisal of the assumptions underlying the Nixon Doctrine and the degree to which we can afford to delegate to others the protection of our own vital interests.

THE IMMEDIATE WEEKS HEAD

Now that the Shah has so far weathered the storm of Ashura, he will be tempted to conclude that he can retain his power intact. Yet the passage of the immediate crisis does not mean a return to tranquility. On the contrary, Iran faces a period of protracted turbulence and perhaps another intense confrontation on the day of mourning that will occur about January 20th (40 days after Ashura). Continuing turmoil will disrupt economic activity; inflation will rise to 30 percent or more; and the cancellation of construction projects, the impairment of the banking system, and the slowdown of the economy will increase unemployment and public discontent.

Yet dangerous as they will be, the next few weeks may offer the last clear chance for Iran to avoid a dark night of repression and the vanishing hope for anything resembling constitutional government.

To exploit this brief interlude of opportunity we should, in my view, change our approach in dealing with the Shah. In these latter days of crisis we have tended to treat the Shah as though he were an invalid requiring constant encouragement and incessant avowals of unqualified support. To continue such solicitous treatment could encourage the Shah to illusory hopes and deter him from squarely facing his predicament. Ever since President Nixon's visit to Tehran in 1972, we have behaved as though Iran were a power equal to America, and, as I shall point out later, have contributed to the Shah's megalomania. Though we need the Shah in the short run, he needs

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us far more, both now and in the longer future. If he thinks he can take for granted our full support he will feel less need to make the hard decisions and undertake the difficult actions required even for his own survival.

I think it important, therefore, that we try as soon as possible to condition the Shah to the realities of his own precarious power position. We must make clear that, in our view, his only chance to save his dynasty (if indeed that is still possible) and retain our support is for him to transfer his power to a government responsive to the people. Only if he takes that action can Iran hope to avoid continued disaffection followed by cumulative economic paralysis. Our interest is to assure that the Shah uses the limited period of respite now available to bring about a responsible government that not only meets the needs of the Iranian people but the requirements of our own policy.

In seeking to facilitate such a transfer of power we must take into account (a) the possible form of the government to which power may be transferred, (b) the process by which we make our influence most effectively felt, and (c) the timing of our moves.

Possible Form of Government

Efforts to Organize a Coalition

The most desirable solution -- at least for the short term -- would probably be for the Shah to remain as chief of state, retaining qualified command of the Army but entrusting the exercise of political power and decision to a civilian government.

Although he is not keeping us fully informed, the Shah seems to be trying to negotiate with representatives of the National Front to reach agreement on the establishment of a coalition government. While encouraging those efforts, we must make it clear that nothing less than a full transfer of political power will enable his dynasty to survive. At the same time we should not permit our expressed loyalty to the Shah to inhibit us from a quiet dialogue with representatives of the various moderate interests.

If current efforts to organize a coalition government fail primarily because the Shah is unwilling to give up enough of his powers, mass demonstrations, strikes and violence will continue to enfeeble the economy. In that event the chances are

either that the Shah will abdicate in favor of his son under pressure of the Army or "hunker down" while the Army attempts to restore order through Draconian repression characterized by terror, torture, widespread imprisonment and wholesale bloodshed.

So long as the Shah feels he has the unquestioning support of the United States, he is unlikely to accept the limitations imposed on a constitutional monarch or to abdicate. Thus, instead of letting the Shah think we are with him all the way no matter what he does, we should firmly and repeatedly lay out the terms essential to a peaceful transfer of power.

Shah as Commander of the Army

In his talks with representatives of the National Front, the Shah has so far stubbornly insisted not only on retaining his role (given him by the 1906 Constitution) of Commander-in-Chief of the Military Forces but also on controlling the military budget. This latter demand cannot possibly be accepted by a coalition government; military expenditures must be treated like any other items in the budget and determined by the civilian authorities.

If he gives up the budget, there are some practical advantages in leaving the Shah as Commander-in-Chief under a coalition government. He has personally picked the officer corps for a quarter century (ever since 1953), and they have looked to him for their orders. Many of the older officers would almost certainly be repelled by the idea of taking orders either from a coalition government or from a regency council in the event the Shah were to abdicate in favor of the Crown Prince.

In addition to the Shah's special relation with the military, he is the only symbol of Iranian unity in the far reaches of a country inhabited by largely illiterate and widely disparate ethnic groups. The departure of the Shah and the creation of an Iranian Republic might run the risk of encouraging the creation of ethnic republics (Baluchistans, Kurdistan, Arabistans, etc.) that could lead to Balkanization and pave the way for increased Soviet influence.

Shah or Regency?

At the moment, elements of the moderate opposition are proposing that the Shah abdicate in favor of the Crown Prince,

who would for the next two years (until he reaches the age of 20) be responsible to a regency council. They hope to clear this scheme with Khomeini, since, were he to approve, it might relieve much of the current pressures. Still it is not entirely clear whether opposition sentiment is anti-dynasty and anti-Pahlavi or merely anti-Shah.

That question may, however, be academic since, in the absence of great pressure from his military commanders, there is so far no evidence to suggest that the Shah would abdicate. He seems more likely to hang onto his crown, resorting to increased repression so long as the Army gives its full support.

Iran Without the Shah

The older hardline officers in the top military command are likely to remain loyal to the Shah and if necessary to use brutal force to keep him in power. There is, however, evidence of growing discontent particularly among the junior officers. Though I think it unlikely that we shall see the emergence of a Nasser or group of Greek colonels who would send the Shah packing, we cannot rule out that possibility -- particularly if they are led down the road of increasing repression.

Though it would seem out of character, it is not beyond the realm of possibility that the Shah might leave of his own accord. Were he to decide that he could not remain in face of a continued display of public disaffection, he would probably try to arrange a regency. If that proved unacceptable, we might have to deal with Iran without the Shah, in which case the military would be the only effective center of power.

The most serious question is whether, if the Shah were to leave, the armed forces could find another focus of loyalty or discipline. Failure to find such a focus could well lead to a power struggle that would not only be disruptive but could result in the installation of a military dictator who relied for legitimacy solely on force.

For the time being, therefore, we should try to keep the Shah on the scene, but only if he is prepared to transfer power to a responsible civilian authority and some agreement can be reached with responsible representatives of the nationalist groups. To continue to back him while he sought to hold power by continued repression would, in my judgment, not only be futile, but lead, in the longer term, to the ultimate destruction of our authority in the area.

The Process of Selecting a Civilian Government

If there were one clearly outstanding leader of the opposition, the Shah might designate that man as prime minister with full authority to choose a government that would give appropriate representation to all responsible elements of the opposition -- ranging from the mullahs to the non-communist elements among the discontented students. But no single leader can be found who inspires confidence across a wide spectrum of opposition opinion.

If the Shah tries instead to designate the whole government -- presumably in negotiation with some civilian politicians who claim to represent a cross-section of responsible opinion -- the result will bear the stigma of the Shah's creation and be automatically discredited. If such a government should succeed in coming to power, it would be unlikely to last very long. Turbulence would continue, while the problems facing any such newly constituted government would be far beyond its capacities.

Popular Election

Yet if any government chosen directly by the Shah would be subject to popular suspicion, immediate resort to the electoral process offers no realistic alternative. Though the Shah has proposed an election in June for a new parliament (Majlis) from which a new government might be formed according to normal parliamentary procedures, to try to hold an election so soon -- before political parties have had time to organize effectively -- would produce political aberrations with violently divisive results.

Council of Notables

Though any government selected directly by the Shah would be automatically discredited, we might try to avoid -- or at least minimize -- that danger by having the Shah, in consultation with moderate spokesmen, appoint a broadly representative body to name a government. We might, for example persuade him to nominate a Council of Notables, carefully chosen to represent the major sectors of responsible opinion. The mandate of that Council (which could expand its own membership) would be to select a new government. Since that government would be created by a representative body it would be at least one step removed from being the Shah's creation.

If we were to set this process in motion we could not risk leaving the choice of the Council solely to the Shah's discretion; otherwise he would nominate only personalities compatible with his views. Instead we should ourselves suggest to him a carefully vetted list of individuals representing a wide spectrum of responsible opposition together with some largely apolitical technicians competent to run the government.

Within the last few days, with the help of the Agency, we have been assembling such a list. This has not been an easy task, since many of the most qualified men have been compromised through association with the Shah while those not compromised have been out of political life for a quarter century. Whether the Council of Notables would be able to agree on a new government is by no means certain. Instead they might, as Ambassador Sullivan has suggested, agree only on demanding the abdication of the Shah. But in the absence of more practical alternatives, it would still seem a risk worth running.

The creation of such a Council would obviously require the agreement not only of the Shah but of the military. Under this scheme the armed services (though not SAVAK) would continue to be responsible to the Shah as Commander-in-Chief in accordance with 1906 Constitution. But the Shah would have to accept explicit constraints regarding his use of the military, and he would have to let the parliament determine the military budget in the same way as it determines the allocation of resources to any other area of government expenditure.

U.S. Bargaining Power

Before trying to gain the approval of the military to this line of procedure we should carefully assess our bargaining leverage. We have, of course, ample clout with the Air Force, which is the apple of the Shah's eye. We provide them with nearly all of their equipment, including \$7.5 million of highly sophisticated hardware now on order. We also have a strong position with the Navy, which has a large pipeline of orders for American ships and advanced systems.

But neither the Air Force nor the Navy is likely to play the major role in political decisions. The Army alone has the power to dominate the streets and countryside and take repressive measures.

Unfortunately, we do not have the same degree of leverage with the Army as with the other services. Only 25 percent of the Army's equipment is American made, and its American procurement program for the future calls for little more than the supply of spare parts. Our appeal to the Army must, therefore, be more in terms of our willingness to guard Iran against Soviet aggression. We should make it crystal clear that our defense efforts will substantially depend on the establishment of a government in Iran that we can support with self-respect.

I do not know who is in the best position to exercise maximum persuasion on either the Shah or the military. The Shah might be left to Ambassador Sullivan, who has already established some relations of confidence. On the other hand, it might be well to ask Secretary Harold Brown or someone else from the Defense Department to conduct discussions with the Army and the other military services.

Timing

Although negotiations have been underway for some time between the Shah and opposition elements, there is no indication that any significant progress has been made. Both sides are looking for a signal from us about how to proceed. The public and private positions we take will strongly influence the direction of the negotiations.

We should not delay in conveying our private views to the Shah that a transfer of power is indispensable and urgent. The next few weeks provide the last opportunity for the Shah to take initiatives which could let the steam out of the opposition, focus their attention on the formation of a government, and generally engage the political forces of the country in something more positive than a monotonous denunciation of the Shah.

Delay or equivocation on our part in making our position clear can only let the situation drift, create the impression that we are satisfied with the status quo, and tempt the Shah to maintain an unrealistically unyielding posture in his negotiations with the opposition. We should try to avoid injecting ourselves actively into the negotiation process until the parties specifically request assistance; and we should avoid giving the impression of endorsing particular candidates for particular jobs. Our endorsement can become a political kiss of death, as it has been for Dr. Amini.

We have everything to gain if the Iranians can -- with our indirect guidance -- work out their own problems. Our objective should be to make sure that they approach the task realistically, work at it intensively and do not simply talk themselves into an endless stalemate broken by sporadic outbursts of new dissatisfaction.

Finance and Supply

In the very short term, Iran's economic picture is manageable. The government has roughly \$10 billion in reserves, there are stocks of most staples, and some new supplies are reportedly on order. If the political obstacles to the normal functioning of the economy can be removed in the relatively near future, there is no overwhelming reason why the economy could not be brought back to health. However, the longer the strikes go on -- particularly in the oil fields, but also in utilities, distribution, retail and banking -- the more difficult it will be to avoid an economic collapse. So far the effective breakdown of the banking industry has interfered with normal payments to creditors which has in turn resulted in lack of confidence among lenders, an absence of short-term financing for commercial orders, and growing uneasiness on the part of foreign investors. If the loss of oil revenues and disruption of all aspects of Iranian economic life continue, severe effects will begin to be felt in the new year. Under the best of circumstances, inflation will go back to the 30 percent level or higher, unemployment will increase due to the general slowdown of economic performance, and shortages of some items will almost certainly occur. All of these effects will be magnified the longer the crisis of confidence continues.

In the longer term, Iran faces sizable problems of a structural nature. I understand that Treasury is looking at this. At some point, we may have to address the possible rescheduling, stretching out or renegotiation of the \$12 billion in military equipment sales currently in the pipeline. However, it will be possible to deal with longer-term economic issues only when the political situation has been clarified and, hopefully, some degree of stability restored.

Dealing with Khomeini

The Ayatollah Khomeini, by his fanatical opposition to the Shah for more than 15 years, has come to personify the revolt. The Iranian people view him as a legendary, almost sacred, figure, whose actions are beyond reproach. In the

near future any political solution that does not have his expressed or implied acquiescence will be difficult to achieve. He could well provide an insurmountable obstacle to any solution that leaves the Shah with even titular authority and it is by no means clear that he could be placated by the creation of a regency. Thus we urgently need to open a disavowable channel of communications with him or his entourage. If we are to undertake a more active role in political developments, we will at least need a means of passing messages or seeking private views.

We should also consult closely with the French at a very high level in an attempt to make Khomeini's visit to France as brief as possible and to limit the extent to which he and the shadowy group around him are permitted to manage events in Iran. We must avoid actions that could be misrepresented as harassment or persecution, since that would arouse fury in Iran and might threaten French or U.S. interests. But there is a range of actions short of expulsion that could reduce his ability to coordinate activities in general, his exposure and ability to communicate promptly and freely would probably be less in an Arab country than in Paris.

Lessons From Past Experience

Our handling of the Iranian crisis will test whether or not we have learned from our experience in the past decades. From that experience we should have distilled three painful but relevant lessons.

The first is that we must avoid the catastrophic illusion that, because we support a foreign country, our vital interests are in every way congruent with the interests of that country as perceived by the government in power. Prior to the Carter Administration we sometimes indulged that illusion with regard to Israel. The issue with Iran is more complicated, since it does not concern that country's relations with other nations, but rather the arrangement and distribution of power within the country itself.

The second principle is that we should not, as we did with General Diem, encourage the overthrow of an existing government until we are reasonably sure that the successor government would offer a better chance of stability.

The third principle is that we should not -- as we did with President Thieu -- become the prisoner of a weakened leader out of touch with his own people, who induces us to act against our own interests by constantly threatening -- like the heroine in an 18th century novel -- to collapse if we say a disagreeable word.

IRAN -- TWO YEARS FROM NOW

The most likely prospect for Iran is that two years from now there will be either (a) a military government with or without the Shah, (b) a weak civilian government without the Shah or with a regency or ~~the~~ with the Shah exercising limited powers, or (c) civil war and anarchy.

Military Government

If there is a military government with the Shah still trying to assert full control, it will be because the Shah and the generals have opted to try to save his regime through repression. Whether a cruelly harsh regime could last two years is impossible to predict. At some point it would likely become so onerous that the people -- or the young officers who are closer to the people -- would throw it out, but only after great bloodshed. Meanwhile one could expect the economy to sink to a low level, even though the generals would no doubt do everything possible to keep the oil flowing and might well be able to do so.

What should be our posture towards such a regime? Certainly we could not maintain the same close relations as in the past with a group resembling the Greek Colonels and still make any pretense of championing human rights. But should we continue to provide the same vast amounts of military hardware? To cut off the present pipeline for the Air Force would be a highly provocative act that would cause violent reactions among the military, though not so much in the ranks of the Army which would most likely be controlling.

Certainly also we would have to rely less on Iran for the protection of the Gulf. But if we continue to think of defense in the Nixon Doctrine terms of a prime dependence on local powers, there are no real alternatives in the area. Saudi Arabia is far too small in population while any attempt to improve its military strength would create awkward American domestic problems with pro-Israeli groups. Thus we would almost certainly be driven to changing our emphasis to a greatly increased reliance on our own direct defense capabilities.

Civilian Government

If the Shah retires or becomes a constitutional monarch, we could not look forward to a strong stable central authority. Nor is such stability assured even if the Shah goes and the milit

let a civilian government (or a succession of such governments) take over. Unless a man on a white horse should come riding on stage (and there is none on the horizon), we could hope for nothing better than the French Fourth Republic, without the benefit of the French Administration which kept the country going. Thus, now that the Shah can no longer wield absolute power, Iran is likely to appear as a far weaker and less secure country no matter how well it adjusts to civilian control. Moreover any civilian government will be far less complaisant than the Shah has been since it will have to take account of the anti-American overtones of the struggle that created it. Thus -- whatever happens -- we shall no longer be able to rely on Iran as a strong anchor of support in the Persian Gulf area.

Although Iran is probably fated for a long period of instability and political uncertainty, the situation is not entirely without some hopeful signs. Iran has great natural and human resources. Iran's oil reserves and great production capacity provide a solid base for economic recovery once the strikes have ended. There is a wealth of young, well-educated and energetic men and women who have systematically been excluded from the political process or even the administrative areas of government. Many of the most talented of these have gone into self-imposed exile or spend most of their time outside Iran. If that body of talent could be mobilized and put to work, Iran's future need not be bleak.

Civil War and Anarchy

No matter what actions we may take in the present crisis, we cannot look forward to a tranquil future for a nation as socially, economically and spiritually disturbed and divided as Iran is today. We must frankly face the possibility that -- perhaps after a period of repressive government -- we might well have to cope with an Iran torn by civil conflict and with the Soviet Union threatening to intervene in response to leftist elements that had managed to exploit the revolutionary turmoil. In that event we might have to face down the Soviet Union in a direct political confrontation.

If Moscow persisted, we might even have to contemplate the occupation of at least the southern half of the country, which includes the oil fields. No matter how unattractive that prospect, we must be ready for that contingency. We simply dare not let Iran fall within the Soviet power orbit. Not only would that critically tilt the global balance of power, but Saudi Arabia and the Gulf states would be thrown

into total shock by hostile forces just across the Gulf and able to interdict Gulf traffic.

That danger is increased significantly by the presence of Iranian populations on the opposite side of the Gulf. A very significant proportion of the resident populations are of Iranian origin in Bahrain (40-50%), the UAE (especially Dubai, 25-30%), Kuwait (20%), and others. Part of this population is well established and goes back several generations. Others are laborers who have migrated in search of petrodollars. Many of the Iranian shops are run by young educated men who have come to escape Iran, particularly the draft. This population, and particularly the young shopkeepers, constitutes a built-in channel for the distribution of radical nationalist ideas across the Gulf. This could become a factor if Iran goes into a prolonged period of domestic violence and radicalization.

THE IMPACT OF THE IRANIAN CRISIS ON OTHER STATES

Saudi Arabia and the Gulf States

The Saudis and many of the smaller Persian Gulf states look to the United States for reassurance and leadership as they watch what appears to be an encirclement of the Gulf by an expanding Soviet presence in the Horn of Africa, South Yemen and now Afghanistan. However, any tangible shift of U.S. policy toward a higher profile or closer military cooperation would also require some difficult policy choices on the part of the Saudis and the smaller principalities of the Gulf. In the past, their calls for the United States to "do something" about Soviet advances have not only lacked specificity but have also been notable for the absence of any apparent willingness by the Gulf states themselves to pay a significant political price.

If the United States is to increase the tangible evidence of its security commitment to the Gulf, it will require not only the acquiescence but the active cooperation of its friends in the region. We should begin as soon as possible to consult frankly with the Saudis about the options we face. We must invite them to address with us the painful choices associated with security planning for the area. A more vigorous U.S. security policy toward the Gulf would not be popular in Baghdad, Damascus, Tripoli and elsewhere. Would the Saudis be prepared to risk criticism from those sources?

In any event, the fact that we chose to consult seriously in advance of difficult policy choices might be reassuring evidence of our seriousness of purpose, as compared with the largely sterile exchange of formal assurances that has characterized so much of our dialogue over the past year.

Impact on Soviet Union

Brezhnev's statement of November 19, and his letter to the President strike an ominous note in suggesting that, because the Soviets have a long border with Iran, they should enjoy a special position of influence in that country -- at least balancing our own. This bears a close and disquieting resemblance to the Brezhnev Doctrine -- the asserted claim of a right to intervene, not because Iran is a socialist country but merely because it is adjacent to the Soviet Union and thus can affect its security interests.

The possibilities for conflict are heightened by two documents. One is our own Mutual Defense Treaty with Iran of 1959, though that requires us to do little more than consult and take such actions as we deem fit. More important is a Soviet-Iranian Cooperation Agreement that dates back to 1921. The key passage is Article 6:

If a third Party should attempt to carry out a policy of usurpation by means of armed intervention in Persia, or if such Power should desire to use Persian territory as a base of operations against Russia, or if a Foreign Power should threaten the frontiers of Federal Russia or those of its Allies, and if the Persian Government should not be able to put a stop to such menace after having been once called upon to do so by Russia, Russia shall have the right to advance her troops into the Persian interior for the purpose of carrying out the military operations necessary for its defense. Russia undertakes, however, to withdraw her troops from Persian territory as soon as the danger has been removed.

This treaty has a long history and there have been subsequent statements and agreements. There are also responsibilities spelled out in the treaty (e.g. agreement not to permit the formation of groups within the territory of one state called for acts of hostility against the other) which the Soviets systematically disregarded for years. The Iranians have, therefore, maintained that the treaty has been invalidated by these repeated violations.

But the Soviets consider the treaty to be valid and in force and might well employ it as the juridical excuse for intervention if the Soviets saw a reasonably safe opening. Such an opening might occur if Iran were torn by angry dissension after a protracted ordeal of repressive military government and the Soviets saw a chance to exploit the pent up discontent.

IRAN AND THE NIXON DOCTRINE

In considering longer-term plans with regard to the Persian Gulf area, we should consider the effect of current events on the so-called Nixon Doctrine, which held that the United States should try to reduce its own overseas commitments by arming friendly regional powers to provide the principal protection of their own areas. That furnished our principal conceptual rationalization for pumping vast quantities of arms into Iran.

On paper, Iran offered an almost perfect setting for the application of the Nixon Doctrine. Not only did it occupy a strategic location on the Soviet border, dominating the Persian Gulf and most of the world's oil, but it was ruled by a man who owed a considerable debt to the United States (which had kept him on the throne in 1953). The Shah was moreover a proclaimed anti-Communist who saw the world in the same geopolitical framework as Nixon and Kissinger.

The event that established the trends which culminated in the present crisis occurred in May 1972, when Nixon and Kissinger visited Iran. Having recently traveled to China President Nixon came to Tehran direct from Moscow, full of confidence that his global policies were finally coming together as a coherent whole. Oil, he told the Shah, must never again be cut off as had occurred under Mossadegh.

The Shah was quite prepared to continue the oil flow and resist the Soviets but his price was high. He demanded the most modern weapons, United States cooperation in dealing with the Kurdish revolt, and American military technicians.

The Shah had a broad vision and vaulting ambitions. He declined the offer of an increased United States naval presence in the area on the ground that he could defend the Gulf himself. His relations with Haile Selassie in Ethiopia and with the regime in South Africa furnished the key to his Indian Ocean strategy. As for Iran, he was confident he could deal with his domestic problems by putting the subversives in jail.

The Shah agreed with President Nixon on the need to prevent the students from becoming infected with subversive tendencies. Nixon agreed to help the Shah by providing any weaponry he needed.

The Shah's immediate requests were approved by Dr. Kissinger, who was National Security Advisor. He directed the Secretaries of State and Defense to offer to sell F-14 and F-15 aircraft then still in development, laser-guided bombs that were just being introduced to American units in Vietnam, and an increased number of uniformed technicians. Decision on the acquisition of military equipment, Kissinger decreed, should be left primarily to the Government of Iran, and the United States should not discourage Iran's appetite for highly sophisticated equipment.

Nixon's laying on of hands and his willingness to treat the Shah as the guardian of western interests in the whole Gulf area, greatly contributed to the megalomania that ultimately produced the current debacle. When two years later the quadrupling of oil prices provided Iran with an enormous increase in revenues, the present crisis became almost inevitable. With arms flowing in and plenty of money to buy more the Shah felt commissioned by Allah to transform Iran into one of the major nations of the world. Overnight he sought to build a backward, religious country into a modern -- though highly corrupt -- industrial state. Meanwhile, he accumulated vast stores of the most advanced equipment which is now dangerously spread out over the Iranian desert and -- in case Iran slipped into anarchy -- could prove an enormous temptation to the Soviet Union.

The past events reveal the fragility of the Nixon Doctrine and suggest a reconsideration of the whole policy initiated at Guam. Though theoretically the United States should find it useful to entrust the defense of strategic areas to local nations -- or regional combinations of nations -- the concept is fraught with dangers. Never again should we transfer such vast military resources to an antiquated monarchy that rules largely by force without the consent of the people. The over enthusiastic application of the Nixon Doctrine by President Nixon and Dr. Kissinger bears a direct responsibility for the predicament in which Iran -- and America -- now find themselves.

CONCLUSIONS

1. The Shah and his regime have been irreparably damaged by the events of the past year. The situation can never return to the status quo ante with the Shah exercising absolute control.

2. There is no quick or risk-free way to restore stability to the country. In my view, however, we would be inviting disaster if we were to continue trying to prop up the Shah as a monarch retaining any substantial powers of government. Even were we to succeed momentarily, it would lead to an inevitable deterioration of events in which our interests would greatly suffer.

3. There is danger that the relatively small amount of violence during the Ashura weekend will delude the Shah into concluding that only cosmetic concessions are necessary for him to hold on to power. That would be the certain prescription for continuing strikes, demonstrations, the disruption of the economy, and brutal repression, with the danger of anarchy at the end of the road.

4. Already there is increasing evidence of dissension on the part of some younger officers and the more the Army is required to fire on civilians the greater the chances of mutiny, while increasing radicalization and the factionalism within the ranks may lay the basis for a military coup and potential civil war.

5. All parties are looking to the United States for signals. Our public and private posture will play a large role in determining whether the Shah and the opposition can achieve a non-violent accommodation that must inevitably relieve the Shah of most of his powers.

6. Though we should use our influence to try to bring into power a civilian government we should recognize that any such government will be weak and difficult. Its weakness will result not only from inexperience but from the fact that, while recent mass demonstrations have given an impression of common purpose, leaders involved represent mutually antagonistic groups and philosophies utilizing the slogans of religion only because they have no other central unifying theme. Since it will owe its creation to a nationalistic civil uprising marked by anti-American slogans, it will be less accommodating to our interests than the absolute monarch with whom we have been working. But it will still be a better long-term bet than a repressive military government or anarchy which are the most likely alternatives.

7. We should take prompt steps to reassure the Governments of Saudi Arabia and the Gulf states that, no matter what developments occur in Iran, we will do everything necessary to guarantee the security of the Gulf. Meanwhile, we should offer the Saudis the opportunity to review possible measures to strengthen their security, making it clear that a more forward security posture on our part will require their active cooperation.

8. We should continue to try to detect and confront every Soviet effort to increase its influence in Iran and develop contingency plans for a vigorous response.

9. Ever since Vietnam, the United States has come to rely increasingly on regional powers and allies for the protection of our own interests overseas. To some degree that is inevitable and desirable. But the Iranian experience suggests that we have permitted the balance to shift too far in one direction. It may be time to take a reasoned look at the possibilities and implications of a shift back toward greater self-reliance on our own capabilities and a more vigorous assertion of our own objectives abroad. At a minimum, we should be aware that overloading underdeveloped nations with the weight of large armies and advanced military equipment risks the fatal weakening of their social and economic structures.

Specific Steps

1. Ambassador Sullivan should inform the Shah that the benign outcome of Ashura now offers him the last remaining possibility to preserve his dynasty and bring peace to his country. But the minimum condition he must meet is to transfer his powers to a civilian government and become a constitutional monarch.

2. Ambassador Sullivan should urge the Shah to appoint a Council of Notables in the next week or two before the opposition has had a chance to regroup. The Council would be mandated to select a civilian government to which the Shah would transfer all of his powers over the civil life of the country. The same message should be given separately to the Empress and to General Azhari.

3. Ambassador Sullivan (or the Station Chief) should provide the Shah with a list of candidates for the Council of Notables making clear that, while we are not proposing to dictate his appointments, that list represents the kind of individuals he should appoint -- men not compromised by association with his own regime.

4. The Agency should begin exploring immediately the possibility of establishing a disavowable channel of communication to Khomeini and his entourage. At some point we will probably need to send and receive messages; if the mechanism is to be in place when it is needed, we should start now.

5. Our public posture during the next few weeks should:
(1) Emphasize the importance of the Shah's role as a symbol of unity and continuity; (2) Oppose a return to violence; (3) Call for political accommodation and national reconciliation.

6. If this plan should fail because of continued strong nationalist resistance to any scheme that would leave the Shah with even nominal power, we should be prepared to take further action in the light of conditions at the time, possibly including pressing for a regency. In any event we should use all our leverage with the military to persuade them not to resort to repressive measures to prop up a bankrupt regime detested by the people.



DEPARTMENT OF STATE

WASHINGTON, D.C. 20520

OFFICIAL-INFORMAL
SECRET EYES ONLY

December 19, 1978

The Honorable
William H. Sullivan
American Ambassador
Tehran

Dear Mr. Ambassador:

I am sorry that the press of business here and in Tehran has reduced the movement of letters back and forth. A quiet moment has come and I'll use it to bring you up to date on some very sensitive matters that I cannot commit to the phone or cable. You, perhaps, know more about these matters than I do, but let me share with you.

First, there is real concern in this building about back-channel communications from the White House directly to the Iranians, notably the Brzezinski-Zahedi channel. Ben Read called me about a week ago to ask me what I knew of such communications and asked me to keep him informed when I developed any information. From what I hear from other sources, I gather that his concern reflects the feeling of Mr. Christopher and the Secretary. I am not really aware of very much about the channel and have to rely on my Persian-produced cynicism. I do understand that Brzezinski made a call to Zahedi last Friday or Saturday which induced the Ambassador to take off for Isfahan to see about his troops there.

I met with Brzezinski myself 2 or 3 weeks ago in a private session in which he queried me about Iran in general and my pessimistic views of the future. I did not tell him what I have since tried to convey through Gary Sick: That is that I consider Zahedi to be a disastrous counterpart in dealing with the Iranian crisis. In my view he is utterly self-serving, lacks good judgment and is prone to act quickly on the basis of bad information. I regret that I believe his counsel has been one of the strongest factors working on opinion in the White House.

SECRET

GDS 12/19/84 (PRECHT, HENRY)

~~SECRET~~

As the Ball report was sent to the Department in one copy for Christopher's eyes only, so the only one seen it. I met a couple of times with Mr. Hill, and I believe I understand his views fairly well. He doesn't seem to think that the Shah has much future and believes that we ought to begin to prepare ourselves for the inevitable. For my own thoughts on that subject I enclose a copy of a memorandum I did for Hal Saunders. I have held these thoughts for a long time now but in no definite answer to the day of investigations. I have decided to put a few of them down on paper. You may not agree with my outlook or analysis, but the task seems to me to be one of finding a graceful exit for the Shah while gaining a fair amount of credit in doing so for the U.S. It doesn't strike me as an impossible task, but it is certainly one that must be carefully prepared, particularly with the Iranian military. I think we have consistently underestimated and not really evaluated our leverage with that group. I do not think we ourselves ought to name ministers, but our midwifery could be very active. We could, for instance, convoke a balanced (including Khomeini) 6-8 man committee of notables to work out a Persian solution which we would back. Whether that solution were a constitutional monarchy or a regency substitute, we should be prepared to endorse it.

I presume you are aware of the Top Secret list of questions that was sent out over the weekend for the Shah. I have not been shown the list, such is level of distrust that exists in the White House towards the State Department (and egotistically, I feel, towards myself). I am afraid that we are losing valuable time and that events may sweep us by, depriving the U.S. of the opportunity to recoup its position in Iran.

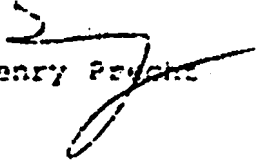
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I have probably confided more than I should to a piece of paper, but I doubt I have much of a future any way. I would ask you to protect me for the sake of the education of the young. Whatever the risks, I believe it important to give you my frank assessment of how things are shaping up on the Iranian front these days.

Sincerely,


Henry P. Jones

Enclosure:

Copy of Memorandum to Mr. Callahan.

SECRET



[Transcribed from poorly legible copy]

SECRET/NODIS

December 19, 1978

To: NEA - Harold H. Saunders
From: NEA/IRN - Henry Precht
Subject: Seeking Stability in Iran

There is general agreement that the Shah has only a marginal chance of surviving as a constitutional monarch. No one, to my knowledge, believes he can return to the exercise of full power, the Shah himself has acknowledged this privately. We have come to our conclusion slowly and reluctantly and more through erosion of our previous position than from a "zero-based" analysis of what the future might hold for Iran and U.S. interests.

I believe the Shah's position has eroded more rapidly than our perception of it. I do not think that it is now possible to salvage even a "king of Sweden" role for the Shah--certainly not over the long term, e.g. one year.

The assumptions behind our preferences for the Shah as a constitutional monarch are that: (a) his continued presence can best ensure stability in Iran; (b) he offers the best means of protecting U.S. interests there; (c) the civilian alternatives are dubious on both counts in the short run and probably only a stage to leftist instability in the long term; and (d) the departure of the Shah would be a shock to our friends in the region and a boon to our critics at home. I believe we should examine each of these assumptions and, if they are not as solid as we suppose, begin quickly to prepare a new U.S. line.

A. The Shah as a Force for Stability

This argument rests principally on the premise that only the Shah can guarantee the unity and discipline of the Armed Forces. [7 lines illegible] While it is highly unlikely that [two words illegible] or General Oveissi would take any step [three words illegible] the same cannot be said of the [26 lines illegible]

B. [Illegible]

The assumption based on history does not reflect the radicals [5 words illegible] in Iran. A weakened Shah, subject to continuing strong domestic pressures, may not be much different in his foreign policy orientation from an uncertain civilian government that might replace him. Both governments would be introspective; both, as OPEC results have shown, would push for higher oil prices; both would be more difficult for Israel (although a successor regime would be more difficult than the Shah); both will be careful with the Soviet Union (fearing an active Soviet effort to destabilize the Iranian system); both will be forced to [cut?] military and large civilian contracts with the [2 words illegible] our allies; and both will want some public distance between them and the U.S.

so as to appear [word illegible]. Whether either will have any reason to [5 words illegible] on us will depend on events [word illegible] in large measure, what we do.

There is not much we can do to protect U.S. interests [4 words illegible] the throne in a weakened position; he will be essentially boxed in by his opposition and will have little [word illegible] for responding in ways that we desire on important questions. To enable us to be in a stronger position with a successor government, we should take the following steps before such a government comes to be:

1. Enlarge our contracts with the opposition and [2 words illegible] Iranians with the object of assuring them that the U.S. is interested in Iran and downplaying our interests in the future of the Shah. We should be quite clear about what our interests are in Iran and what we are not pushing for: we will want Iran to be free of Soviet influence, but we are not particularly interested in the quantity of arms that Iran purchases from us.

2. We should extend these contacts in a discreet way to the Khomeini factions. We should, however, keep the Shah informed about what we are doing because he will find it out anyway. We should not be too concerned about his reaction. We should impress upon the Shah that we both share the same objective, a stable and prosperous Iran, and that he has a responsibility to do everything possible to help bring this about.

3. We should move vigorously to promote with the Shah and the opposition a scheme such as the "Council of Notables" idea that will preserve a minimal role for the Shah as constitutional monarch. We should be prepared to fall back fairly quickly from this position, acquiescing in the departure of the Shah if we cannot obtain for him a "king of Sweden" role. We should be prepared in advance for a surprise abdication.

4. We should probably conduct our negotiations with the Shah and the opposition on the future of Iran through a special intermediary, e.g., George Ball, who would embody U.S. interest and evenhandedness in a way that would gain us substantial credit should the opposition come to power. If the U.S. intermediary role were to fail, we would be no worse off than if we stood aside and trusted the Shah to work out arrangements with his opponents.

C. The Alternatives to the Shah are Dubious and Possibly Destabilizing in the Future.

No one can really predict how a successor government will "fit" with the Iranian public or as a combination of disparate interests. There is a growing conviction among analysts, based on conversations with leading oppositionists, that's there are moderate and responsible groups which would be friendly towards the U.S. and could also govern. There is also a good possibility that if a civilian successor regime came in with the blessings of most key oppositionists, including Khomeini, it would be greeted with relief by an Iranian public terribly fatigued by the turmoil of the past year. Such a government could divert some energies towards the prosecution of the corrupt and unjust in the Shah's civilian and military hierarchy. Its biggest problem would be in managing the

economy but there it would probably enjoy an easier road than a government under the Shah which would continue to be afflicted by strikes.

In the past six week the military government has demonstrated failure in restoring order and restarting the economy. Under the present leadership the military is damned for its association with the Shah and for its harsh methods. It will not constitute a viable choice for Iranian stability until its top ranks are purged.

We need a much clearer perspective on the players in the opposition -- those we can count on and those who would serve only their own interests or interests that are hostile to the U.S. We should not, however, delude ourselves that we know enough about Iran to pick all of the members of a Council of Notables or cabinet, but we should at least know the core group of foremost figures (independents and oppositionists) and have an idea of the likely orientation of those persons who might be selected in a future government.

D. The Departure of the Shah would Shock our Friends and Please Our Critics

There is probably an inevitability in this assumption. It will be extremely difficult for the U.S., which has supported one man for three decades and daily reaffirmed that support in the strongest terms during the past three months, to claim victory when he is dumped. We may simply have to take our lumps on this one, but life will be easier for us if we produce a successor government that is moderate, stable and responsible.

There are certain steps that we can take to minimize the lumps:

1. We should begin now to educate the Saudis and others about the true nature of what the Shah's problem is, e.g., a loss of support and credibility because of corruption, harsh police methods, lack of political freedom, etc. We should steer them away from the communist-in-the-woodpile thesis for which there is little or no hard evidence. We should describe the problem of lack of support for the Shah, including military disaffections. In other words, we should educate those who are worried about the future in Iran about the real forces that are producing that future. We realize this is not an easy task and considerable doubt will remain, but we must make the attempt.

2. We should keep these states fully informed of our actions toward reaching a political solution that is protective of Western interests. We should enlist their support.

3. We should make the same effort with the Congress and the U.S. press.

4. We should not react in panic to bolster Turkey, Pakistan, or other states but should proceed in a calm manner to do what is necessary under ordinary circumstances to ensure that those states have adequate defenses and reasonable means for economic development.

Conclusion

This paper proposes that we begin to move now with definite stops towards a post-Shah future in Iran. To [word illegible] ourselves that we can get something better in the short run that will be useful for the U.S. in the long run could be seriously destructive to the [word illegible] position we have in Iran. That position has been seriously weakened during the past three months because of our delayed perceptions, hesitancy to make hard choices, our unwavering support for the Shah and the anti-Americanism that has flourished. We must move fast to [regain?] our position.

(JAY)

Tehran, Iran
December 24, 1972

Mr. John Golden
Quarry Hill, Incorporated
P. O. Box 9392
Arlington, Virginia 22209

Dear John:

Thanks for your qualified Christmas greetings and the copy of the article on Iran which you published in the National Defense Journal. On this Christmas eve, the only caroling we hear is from a rather scruffy crowd of teen-agers marching by the Embassy and chanting "Yankee Go Home."

It has been some time since I have had the benefit of your views on the situation here, but I think both of us would agree that it deteriorated more rapidly and to a greater depth than we could have anticipated last year at this time. The worries which you and I used to share were addressed to a somewhat longer time-frame than has proved to be the case.

You have doubtless seen the many mutual recriminations abounding in Washington on "who lost Iran." Many of them touch upon the issue of the Embassy's access to dissident groups, particularly in the bazaar and among the religious. In that regard, I once again want to thank you for the assistance you gave to me in assisting our people to broaden their contacts in those two areas. I still, of course, remain frustrated in some measure about our inability to comprehend everything that makes these people tick, but at least in these days we do not lack voluble expressions of their often illogical viewpoints.

I hope you will visit us again in the new year and trust it will be a better one than the year just passed as far as Iran is concerned.

and the system.

Page 10.

William H. Sullivan
Secretary

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THE SECRETARY OF STATE
WASHINGTON

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~~SECRET~~ #17

December 26, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance^{CV}

1. Iran - The Shah told Ambassador Sullivan today that Sadiqi's effort to form a new civilian government had not succeeded. Sadiqi had asked for another six weeks to put together a cabinet. Sullivan told the Shah that Iran could not afford another six weeks of drift. The Shah said that he was faced with the prospect of installing a new hard-line military government that would initiate a policy of "brutal repression." He wondered whether the U. S. would support such a policy. Sullivan told the Shah that the U. S. could not make such a decision for Iran.

Iranian oil production has now dropped well below a million barrels. Critical shortages of kerosene and heating fuels are developing and Tehran is said to have only one or two days' supply remaining. The Central Bank, government offices and businesses remain on strike and demonstrations in the streets of Tehran have given that city the appearance of being under seige. Particularly disturbing is the fact that anti-Americanism is at the highest level yet.

sk — I have established an Iranian work group which meets daily under Dave Newsom. We may have to discuss options with you in the next forty-eight hours and will be in touch with you about this.

RDS - 2/3 12/26/98 (Vance, Cyrus)

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BY *[Signature]* 6/15/01



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E.O. 12065: XNDS 1-2-99 (STEMPEL, J.D.) CR-P
TAGS: PINS, P30V, PORS, IR
SUBJECT: COTTAM ON KHOMEINI, LIBERATION MOVEMENT (LMI)
AND NATIONAL FRONT (INF)

SUMMARY: PROF RICHARD COTTAM REVIEWED HIS DEC 28 MEETING WITH AYATOLLAH KHOMEINI FOR EMBASSY AND OFFERED HIS IMPRESSIONS OF OPPOSITION AFTER SHORT VISIT TO IRAN. HE BELIEVES LIBERATION MOVEMENT (LMI) AND OTHERS WILL RELUCTANTLY ACQJIESCE IN BAKETIAR GOVERNMENT BUT HOPE FOR EVENTUAL SHIFT TO LMI-BACKED "ADVISORY" COUNCIL PLUS SHAH'S PERMANENT DEPARTURE. COTTAM DESCRIBED KHOMEINI ORGANIZATION AND SAID HE BELIEVES GROUP HAS GOOD CONTROL OF STREET MOES. ALL OPPOSITIONISTS AGREE THAT CONTINUED DISORDER WILL OPEN WAY FOR COMMUNIST ORGANIZATIONS TO PLAY GREATER ROLE. . END SUMMARY.

1. PROF COTTAM MET WITH EMBOFF STEMPER JAN 1 FOR TWO-HOUR REVIEW OF PRESENT POLITICAL SITUATION, INCLUDING REPORT ON HIS MEETING WITH AYATOLLAH KHOMEINI DEC 28. COTTAM SPENT DAY WITH KHOMEINI ENTOURAGE AND BELIEVES EBRAHIM YAZDI TO BE LEADING TACTICIAN IN KHOMEINI CAMP. COTTAM FOUND KHOMEINI TO BE VERY MUCH A GENERALIST WHO DISLIKES TO GET INTO DETAIL. KHOMEINI IS THE BOUNDARY-SETTING, CHARISMATIC LEADER OF THE ISLAMIC MOVEMENT WITH YAZDI AS HIS CHIEF OF STAFF. COTTAM DESCRIBED SADEQ GOBZADEH'S MAIN CONTACTS AS WITH THE MUSA SAIR GROUP IN LEBANON (COTTAM HAD NOTHING TO OFFER ON THAT PUZZLE) AND WITH BOUMEDIENNE IN ALGERIA. GOBZEDEH'S RELATIONSHIP WITH QADDAFI BLOWS HOT AND COLD, "SINCE BOTH ARE A LITTLE SCREWY."
2. KHOMEINI DID STATE THAT HE WAS NOT INTERESTED IN MULLAHS TAKING OVER GOVERNMENT AND LEFT IMPRESSION THAT PRESENT SUCCESS OF MOVEMENT WAS GOD-GRAINED AND INEVITABLE. COTTAM WAS STRUCK BY HOW LITTLE KHOMEINI'S SCO APPEARED TO BE INVOLVED IN MOVEMENT AND BY ABSENCE OF DIFFERENCE PATTERNS AMONG THOSE AROUND KHOMEINI. COTTAM NOTES THIS IS EXTREMELY UNUSUAL, AND PROBABLY REFLECTS EGALITARIAN DOMINANCE OF ISLAMIC SOCIALIST IDEOLOGY EXPOUNDED BY ALI SHARIATI, WHICH IS DOMINANT INTELLECTUAL CURRENT IN KHOMEINI MOVEMENT. ENTOURAGE AROUND KHOMEINI WAS DESCRIBED AS HALF GRADUATE STUDENTS WHO HAVE DROPPED OUT TO WORK FOR MOVEMENT AND HALF YOUNG MULLAHS LEARNING AT THE FEET OF THE MASTER.
3. COTTAM OFFERED OBSERVATION THAT BECAUSE OF ACCEPTANCE OF SHARIATI'S ISLAMIC SOCIALISM IN KHOMEINI MOVEMENT, CONSERVATIVE MULLAHS IN IRAN (READ: SHARIATMADARI GROUP) MISTRUST HIM; COTTAM HEARD ONE AYATOLLAH REFER TO KHOMEINI AS "PRACTICALLY A SUNNI." OVERWHELMING MAJORITY OF COTTAM'S EDUCATED CONTACTS IN IRAN REGARD KHOMEINI AS REACTIONARY.

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"LITTLE BETTER THAN A SAUDI WAKAF." THIS MISREPRESENTS KHOMEINI VIEW, WHICH COTTAM FEELS IS MUCH MORE LIBERAL. COTTAM FELT PART OF THIS FALSE PERCEPTION WAS DUE TO CONSCIOUS DECISION BY YAZDI AND KHOMEINI NOT TO EMPHASIZE LINKS WITH MOSCADEQ. PURPOSE OF THIS WAS TO SHOW THAT "NEW" ISLAMIC MOVEMENT IS RELIGIOUS AS WELL AS POLITICAL, WITH SOLID IDEOLOGICAL BASE IN KHOMEINI'S AND SHAHJADI'S WRITINGS.

4. TURNING TO KHOMEINI ORGANIZATION WITHIN IRAN, COTTAM SAID REAL ORGANIZATION LEADER IS SEYED MOHAMMAD BEHEZTI, A GHOLHAZ MULLAH WHO PILOTS MOVEMENT AND IS MAIN CONTACT WITH PARIS. AYATOLLAHS TALEQANI, RAFSANJANI, AND MONTAZERI ARE KEY TITULAR LEADERS, BUT THERE IS NO RPT NO ECCEHAT BEHEZTI AND HIS GROUP OF YOUNGER MULLAHS AND SECULAR ASSOCIATES, INCLUDING EHSSEIN NAZIGH, THE PROGRESSIVE HEAD OF BAR ASSOCIATION ARE DOING THE MAIN WORK. BAZARGAN IS IMPORTANT TITULAR LEADER BUT NOT A REAL ORGANIZER.

5. COTTAM SAID LMI WILL "TOLERATE" A BAKHTIAR GOVERNMENT. THIS CAME FROM LEADING LMI FRIEND OF COTTAM, BAHRAM BAHRAMIAN, AND TWO OTHER MEMBERS OF WHAT COTTAM DESCRIBED AS "INNER GROUP" OF LMI. ACQUIESCENCE IN BAKHTIAR GOVERNMENT WILL NOT STOP OPPOSITION TO SHAH, AND LMI HOPES EVENTUALLY FOR "ADJUSTMENT" OF SHAH'S DEPARTURE ON VACATION TO SOMETHING ALONG LINES OF FOUR-MAN "ADVISORY COUNCIL" WHICH LMI TRIED TO SELL SHAH. INTERESTINGLY, COTTAM SAID BAHRAMIAN CLAIMS SHAH WAS ON VERGE OF BUYING THIS ARRANGEMENT IN EARLY NOVEMBER BUT DECIDED AGAINST IT AFTER "DISCUSSION WITH U.S. AMBASSADOR." (COMMENT: WE UNDERSTAND INITIATIVE FOUNDERED ON SHAH'S UNWILLINGNESS TO LEAVE COUNTRY.)

6. IN LONGER TERM, COTTAM SAYS KHOMEINI MOVEMENT DEFINITELY PLANS TO ORGANIZE A POLITICAL PARTY TO DRAW ON KHOMEINI CHARISMA. COTTAM THINKS SUCH A PARTY WOULD WIN ALL MAJORITY SEATS IT CONTESTS (COMMENT: WE DON'T QUITE SEE IT THAT WAY). IT IS NOT CLEAR HOW SUCH A PARTY WOULD BE
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BE LINKED. IF AT ALL, WITH REST OF NATIONAL FRONT (INF).

7. COTTAM SAID KHOMEINI PEOPLE ARE VERY PROUD OF THEIR ORGANIZATIONAL ABILITY TO GET THE PEOPLE OUT IN THE STREETS. THEY HAVE A SMALL PROBLEM WITH THE INF, BUT RESOLVED IT ON DEC 10-11 BY GIVING THE INF ITS OWN "SECTION" WITH ITS OWN SLOGANS. COTTAM THOUGHT LMI COULD FIND ENOUGH GOOD MEN TO GOVERN AND DISAGREED WITH VIEW THAT ONLY TWO OR THREE OF PRESENT VISIBLE LEADERSHIP IN LMI SEEMED TO HAVE EXPERIENCE AND SENSE NECESSARY TO RUN MODERN MINISTRIES. COTTAM AGREED THIS WAS KEY QUESTION, HOWEVER, AND SAID THERE REMAINS SUBSTANTIAL ROOM FOR DOUBT.

8. ALL OPPOSITIONISTS COTTAM HAD SEEN AGREED THAT FUP HER TROUBLE WOULD LEAD TO POLARIZATION BETWEEN ISLAMIC MOVEMENT AND TUCHE. TUCHE WOULD BE THE MAJOR GAINER IN SUCH A POLARIZATION, SINCE ITS ORGANIZATION HAS NOT YET REALLY "GONE PUBLIC" AND MANY OF ITS FORMER LEADERS ARE ONLY JUST RECENTLY OUT OF JAIL. COTTAM NOTED THIS PUT SOME PRESSURE ON LMI TO WORK OUT A SETTLEMENT, BUT NOT ENOUGH TO OVERCOME ANY KHOMEINI HARD-LINE. SULLIVAN

BT

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C O N F I D E N T I A L

TEHRAN 0200/2



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SITUATION REPORT: Iran

Prime Minister Bakhtiar has had little success in securing moderate opposition support for his new government, which does not include any opposition figures. More demonstrations denouncing Bakhtiar took place in Tehran and other cities yesterday.

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//Bakhtiar's cabinet consists mostly of senior civil servants and respected professional men. One second-echelon opposition figure who Bakhtiar had hoped would join the cabinet told US officials that he was totally opposed to the new government, which he characterized as too little, too late. The source reiterated that the Shah must leave the country before the moderates will break with Khomeini.//

25X1

Bakhtiar persuaded retired General Jam to become Minister of War. Jam is likely to press the Shah to give him control over the day-to-day operations of the military.

25X1

Bakhtiar left several cabinet positions vacant and took the Interior Minister post himself. The new Minister of Foreign Affairs is Ahmad Mir-Fendereski, a former official in the Foreign Ministry who was fired in 1973 for allowing Soviet overflights to resupply the Arabs during their war with Israel.

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Zahedi has long urged the Shah to crack down on the opposition. We believe that if Zahedi and other hardliners in the court now favor the Shah's departure, their change probably reflects their frustration with his refusal to order a crackdown. We doubt that Zahedi expects Bakhtiar to implement the "iron fist" approach, and Zahedi probably prefers that the military do so. The Shah has still not set a departure date, and his public comments remain vague on his plans.

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L.O. 12065: RGDS 1/10/85 (S.T. ESCUDERO)
TAGS: PINR IR
SUBJ: MEETING WITH AYATOLLAH SHARIAT-MADARI

1. FOLLOWING IS SUMMARY OF HIGHLIGHTS OF MEETING JANUARY 10 WITH AYATOLLAH SHARIAT-MADARI IN QOM. FULL REPORT WILL FOLLOW SEPTEL.
2. EMBOFFS PERETT AND ESCUDERO, ACCOMPANIED BY NATIONAL FRONT LEADER NASSER MINACHI, MET PRIVATELY WITH HAJI SEYYED MOHAMMAD KAZEM SHARIAT-MADARI, MOST IMPORTANT ISLAMIC LEADER PRESENTLY IN IRAN, IN QOM JANUARY 10. EMBOFF MADE PRESENTATION URGING MODERATE, NON-PROVOCATIVE BEHAVIOR TO AVOID INCREASING INEVITABLE NERVOUSNESS ON PART OF MILITARY SHOULD SHAH LEAVE IRAN. EMBOFF FURTHER NOTED THAT US WOULD USE WHATEVER INFLUENCE IT MAY HAVE WITH MILITARY COMMANDERS TO URGE THAT MILITARY ALSO BEHAVE IN RESPONSIBLE FASHION.
3. SHARIAT-MADARI IMMEDIATELY AGREED WITH THRUST OF EMBOFF'S STATEMENT. HE EXPRESSED DEEP CONCERN THAT MILITARY WILL NOT ACCEPT SHAH'S DEPARTURE, NOTING RUMORS THAT THEY HAVE ALREADY CONSPIRED WITH THE SHAH TO INSTIGATE TROUBLES WHICH WOULD CAUSE A NATIONALIST GOVERNMENT TO FAIL AND MAKE POSSIBLE THE SHAH'S RETURN TO POWER. HE REPEATEDLY SUGGESTED THAT THE US DO ALL POSSIBLE TO PREVENT THIS. HOWEVER, WHILE NOTING THAT LEFTISTS AND OTHER CONSPIRATORIAL ELEMENTS MIGHT NOT OBEY HIS DIRECTIONS, HE AGREED TO ISSUE ON JANUARY 11, AN INSTRUCTION ORDERING THE FAITHFUL TO REFRAIN FROM ANY FORM OF VIOLENCE OR ANY SORT OF PROVOCATIVE BEHAVIOR TOWARD THE MILITARY DURING THE PERIOD AFTER THE DEPARTURE OF THE SHAH. THE INSTRUCTION WOULD BE ISSUED UNDER HIS SEAL AS WELL AS THOSE OF THE AYATOLLAHS GOLPAYGANI AND MARASHI.

4. AYATOLLAH WAS VERY FORTHCOMING REGARDING FUTURE RELATIONS BETWEEN IRAN AND THE US. HE EXPRESSED APPRECIATION FOR PAST US ASSISTANCE AND NOTED THAT IRAN'S NEED TO SELL OIL IS AS GREAT AS THAT OF THE US TO BUY. HE REMARKED UPON IRAN'S NEED FOR US PROTECTION AGAINST THE USSR. PRESENT CRITICISM OF US STEMS FROM MISTAKEN BELIEF THAT US HAS INTERFERED IN INTERNAL IRANIAN AFFAIRS. THIS PROBLEM CAN BE CLEARED UP AND GOOD US-IRANIAN RELATIONS CAN BE RE-ESTABLISHED ON A BASIS OF MUTUAL RESPECT.

5. SHARIAT-MADARI STATED THAT HE HAS NEITHER APPROVED NOR DIS-APPROVED BAKHTIAR GOVERNMENT. SOME AMBIGUITIES IN BAKHTIAR'S PROGRAM REGARDING THE MEANING OF SOCIALISM IN THE PHRASE "SOCIAL DEMOCRACY" AND THE ATTITUDE OF THE BAKHTIAR GOVERNMENT TOWARD OPERATION OF THE TUDEH PARTY IN IRAN (WHICH THE AYATOLLAH WOULD OPPOSE) NEED TO BE CLEARED UP. ALSO, PRIME MINISTER MUST ACT IN STRICT ACCORDANCE WITH THE CONSTITUTION.

6. COMMENT: SHARIAT-MADARI WAS CLEARLY PLEASED TO SEE SOMEONE FROM USG. HIS ATTITUDE WAS COMPLETELY REASONABLE AND COOPERATIVE. HOWEVER, IT IS DOUBTFUL THAT HE WOULD BE WILLING TO TAKE A POSITION TOO FAR OUT IN FRONT OF THAT OF KHOMEINI AND IT REMAINS TO BE SEEN HOW MUCH OF SHARIAT-MADARI'S COOPERATIVE ATTITUDE WILL BE TRANSLATED INTO THE BEHAVIOR OF IRAN'S TRADITIONALLY QUARRELSOME POLITICIANS ONCE THE SHAH HAS GONE AND THEY HAVE THE POWER.

SULLIVAN

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Department of State

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YES ONLY FOR THE SECRETARY

EO 12065: RDS-3 1/10/99 (SULLIVAN, WILLIAM H.)
TAGS: PGOV, IEPR, IR, US
SUBJ: USG POLICY GUIDANCE

REF: STATE 007032

(S) ENTIRE TEXT

1. GENERAL HUYSER AND I WILL SEE THE SHAH AT 1130 THURSDAY JAN 11
TO CARRY OUT INSTRUCTIONS CONTAINED REFTEL.

2. HOWEVER, YOU SHOULD KNOW THAT PRESIDENT HAS MADE GROSS AND
PERHAPS IRRETRIEVABLE MISTAKE BY FAILING TO SEND EMISSARY
TO PARTS TO SEE KHOMEINI AS PREVIOUSLY AGREED - I CAN NOT RPT
NOT UNDERSTAND THE RATIONALE FOR THIS UNFORTUNATE DECISION.

3. GENERAL HUYSER HAS ALREADY ASKED SECRETARY BROWN TO ASK
PRESIDENT TO RECONSIDER, IN VIEW OF URGENT APPEALS FROM IRANIAN
MILITARY THAT WE ARRANGE RELATIONSHIP BETWEEN THEM AND KHOMEINI.

4. I URGE YOU IMMEDIATELY TO JOINT HAROLD BROWN IN THIS PLEA FOR
~~SECRET~~

11/2/00 NSC 116-00-161
5/21/01

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Department of State

INCOMING
TELEGRAM

~~SECRET~~

PAGE 02

TEHRAN 00514 101907Z

SANITY. IT IS INCOMPREHENSIBLE TO ME AND GENERAL HUYSEN TO UNDERSTAND WHY THIS DECISION HAS BEEN OVERTURNED. FAILURE TO ACT IMMEDIATELY COULD PERMANENTLY FRUSTRATE U.S. NATIONAL INTERESTS IN IRAN.

5. GISGARD MAY BE HELPFUL, BUT NO RPT NO IRANIAN TRUSTS FRANCE AND ONLY AN EFFORT FROM THE U.S. WILL CARRY WEIGHT. MOREOVER, THE U.S. OUGHT TO OBTAIN SOME CREDIT FOR BRINGING MILITARY AND RELIGIOUS TOGETHER IN IRAN TO SERVE OUR NATIONAL INTERESTS.
SULLIVAN

~~SECRET~~

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Dist

USO/SCA Chief

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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

12 January 1979

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INTELLIGENCE MEMORANDUM

IRAN: THE RADICALS IN THE OPPOSITION

SUMMARY AND KEY JUDGMENTS

--Radical elements in the Iranian opposition movement have recently increased their activity. The religious leaders who have dominated the movement appear unable to hold some of these radicals in line and are worried by a leftward trend among the rank and file. (S)

--The radicals evidently are most active among the oil workers in southwestern Iran, where Ayatollah Khomeini's injunctions to restore oil production to the level of domestic consumption have proved difficult to implement because of the divisions among the striking workers. (S)

[REDACTED] the pro-Soviet Communist Tudeh Party [REDACTED] we suspect it is trying to exploit the situation. (S)

--We continue to believe that the religious leadership of the opposition is predominant and plays the major role in organizing antigovernment demonstrations. (S)

This memorandum was prepared by the [REDACTED] of the Office of Regional and Political Analysis. (b)(3)

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Date 23 JAN 1986

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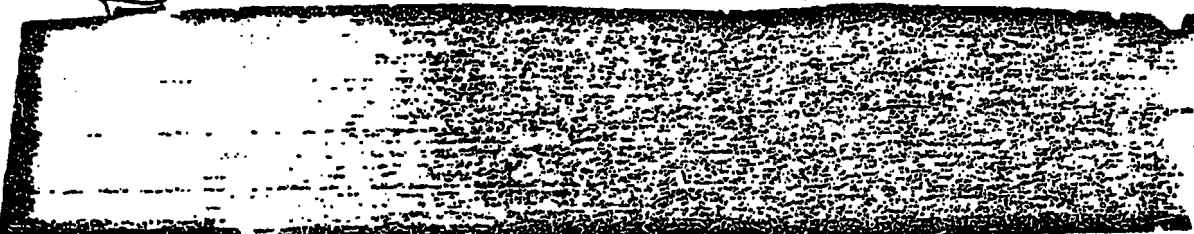
--The left wing of the opposition movement, however, could become more influential in the future.
(C)

The opposition to the Shah of Iran has never been a cohesive movement. It is a collection of widely disparate groups with differing ideologies and rival leaders. The most cohesive and organized segment has consistently been the religious opposition centered around Shia Islamic leaders. The symbol of this opposition is Ayatollah Khomeini, who has effectively mobilized huge numbers of followers for demonstrations and strikes against the Shah's government. ~~(C)~~

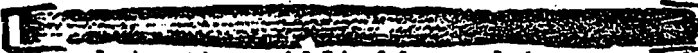

Khomeini's Complaints






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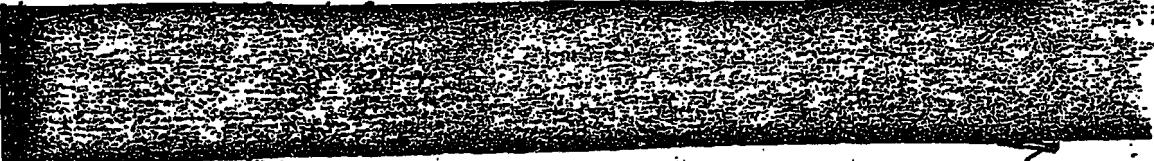


Radicals in the Oilfields

 radicals are well organized in the oilfields and have achieved significant influence among the workers. Two recent incidents suggest that Khomeini has been unable to control the course of events in the oilfields completely in the direction he wants. 

On 23 December two prominent officials--an American and an Iranian--of the Oil Services Corporation of Iran were assassinated in Ahvaz. The assassinations appeared to be the work of professionals, but no one has claimed responsibility for them.  to indicate that either of the two well known terrorist groups in Iran--the Peoples Strugglers or the Peoples Sacrifice Guerrillas--were responsible. 

While Khomeini had in the early 1970s urged the Peoples Strugglers to assassinate Americans, there is no evidence to suggest he was behind the attacks of December 23. 



In the aftermath of the double assassinations oil production plummeted. Khomeini subsequently urged that the oil workers restore production to the level necessary to meet domestic needs and ease hardships. He appointed a respected member of the National Front with long experience in oil matters, Mehdi Bazargan, to head a committee to visit the oilfields and urge the workers to restore production.

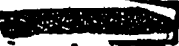

In return, government officials agreed to withdraw security forces from the oilfields--in effect turning over control of oil production to the opposition. [REDACTED]

Bazargan encountered serious difficulties in the negotiations with the striking oil workers. According to one report, he discovered that the writ of Khomeini was not universally accepted among the strikers, and that there were groups of workers who clearly had "very leftwing" affiliations. Nevertheless, Bazargan has had some success in getting the oil workers to resume production, and the US Embassy in Tehran reports that the majority of workers apparently are still following the religious leadership, especially Khomeini. ([REDACTED])

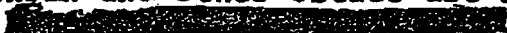

[REDACTED]


We suspect that this group of strike leaders includes many who during their education in the West were exposed to the tactics of demonstrations and strikes used by radical student groups in Europe and the US. Significant numbers of Iranian students have returned to the country in recent months. It is likely that many of these students are participating in the demonstrations in Tehran and are active in the oilfields. [REDACTED]

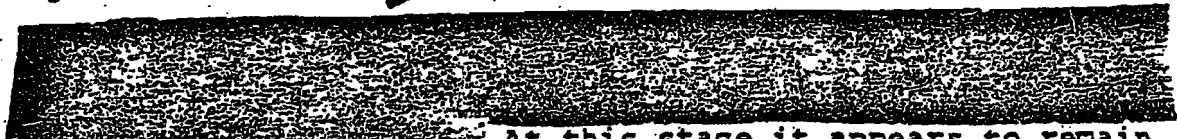

[REDACTED]

 The Tudeh Party, however, has always made the oil workers a primary target of its recruiting efforts. We do not exclude the possibility that Tudeh elements are active now. The Tudeh played only a small role in organizing the demonstrations last year that produced the current crisis, but we have long believed the Tudeh would try to capitalize on the situation. The Tudeh most probably hopes for a period of chaos and liberalized political standards in which it can organize. The degree of Tudeh influence in the opposition has always been difficult to measure because many Iranians characterize any leftist or radical as a Tudeh Party member when, in fact, the individual may have no connection with the party. 

Impact

Elsewhere, the evidence of an increasing radical/leftist role in the opposition is much less concrete than in the oilfields. There have been allegations that some of the recent demonstrations in Tehran and other cities are being led by Tudeh Party members,  For the most part the demonstrations in recent weeks continue to be dominated by religious opposition figures. 

Nonetheless, some of the recent demonstrations in Tehran and other cities probably have been led by forces outside Khomeini's influence. For example, on 11 January Khomeini urged his followers publicly not to take justice into their own hands and to avoid attacks on agents of the old regime. The same day a mob in Shiraz attacked the local headquarters of SAVAK. In other cities SAVAK agents have been lynched by demonstrators. 


At this stage it appears to remain more or less under the direction of the religious leaders who inspired it, especially Khomeini, but it will be more and more difficult as the crisis continues for anyone to reassert authority and control over the country. 

The diffusion of power from the hands of Khomeini and the religious leadership may well become most apparent in the labor field. Until late last year there was no labor movement in Iran--unions had existed in some areas, but their leadership was completely discredited and had little or no influence. In the last few months the workers have discovered their power and have learned that they can bring the country to a standstill. (S)

The formation of worker organizations is creating a powerful new force in the Iranian political equation. It is clear from Bazargan's experience in the oilfields that this movement is far from monolithic. The religious leadership still appears to exercise the greatest degree of influence, but it is certain that radical leftists and the Tudeh Party will make every effort to take advantage of the situation to improve their own position. The longer the current crisis continues the more likely it becomes that the radicals will gain in influence. (S)

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1. 120000Z: RDS-4 1-16-79 (STEMPEL, J.D.) OR-P
ACCT: PINK, PORS, IR
SUBJECT: RELIGIOUS ORGANIZATION SENDS U.S. SUPPORT FOR
MODERATES

REF: TEHRAN 00009

SUMMARY: SHARIATMADARI ORGANIZER QUERIED POLOFF ON
PROJECTED SITUATION FOR NEXT FEW DAYS. RELIGIOUS MODERATES
WOULD LIKE TO ORGANIZE FOR EXPECTED COLLAPSE OF KHOMEINI-
LED GOVERNMENTAL SOLUTION. HE URGED U.S. BACKING, HOWEVER
DISCREET, FOR THIS EFFORT AND EXPRESSED REAL FEAR THAT
"FOREIGN HAND" WAS BEHIND KHOMEINI. END SUMMARY.

1. POLOFF STEMPEL MET WITH HEDAYAT ESLAMINIA AND DR.
JAVAD MANAGHEBI, PROFESSOR AT EL ANIAT RELIGIOUS COLLEGE,
TEHRAN (SEE LINDIS MEMCON DATED APRIL 30, 1978) AND A
CONFIDANT OF AYATOLLAH SHARIATMADARI MORNING JAN 15.
MANAGHEBI IS HEAD OF "BRAIN-TRUST" GROUP OF RELIGIOUS
FIGURES WHO SHARE VIEWS OF MODERATE RELIGIOUS LEADERS,
BUT HAVE MAINTAINED GOOD LINES WITH KHOMEINI CAMP.

2. IRANIAN PAIR WANTED U.S. VIEWS ON NUMBER OF HARD
QUESTIONS: WILL KHOMEINI COME BACK AND WHEN? WILL HE
MOVE VERY RAPIDLY TO DISCARD MONARCHY? POLOFF SAID
USG DID NOT HAVE DEFINITIVE ANSWERS TO THESE QUESTIONS,
BUT IT LOOKED LIKE KHOMEINI WOULD RETURN AT SOME POINT,
AND THAT THERE WOULD BE EFFORT TO CHANGE GOVERNMENT.
QUESTION OF WHETHER KHOMEINI WOULD SUCCEED DEPENDED ON
EXACTLY WHAT HE TRIED TO DO AND MILITARY REACTION. IN
THIS CONNECTION, THERE WAS SOME ROOM, POLOFF OPINED, FOR
MODERATE RELIGIOUS PRESSURE ON KHOMEINI NOT TO MOVE TOO
FAST.

3. MANAGHEBI SAID IT WAS SHARIATMADARI (AND HIS GROUP'S)
VIEW THAT IT WAS USELESS TO TRY TO PROP UP BAKHTIAR GOVERN-
MENT; THE SOONER KHOMEINI TOOK POWER AND THE PEOPLE SAW
THAT HEAVEN WOULD NOT BE FORTHCOMING WITHIN THE MONTH, THE
SOONER SERIOUS WORK COULD BE DONE IN "REBUILDING" IRAN.
BIG PROBLEM WAS WHETHER KHOMEINI DRIVE FOR ISLAMIC
REPUBLIC COULD BE MURED OR SLOWED DOWN ENOUGH FOR STRAINS
IN OPPOSITION TO DEVELOP. MANAGHEBI SAID KHOMEINI HIMSELF
WAS STaunchLY ANTI-COMMUNIST. YAZDI, GHOTBAZADEH, BANISADE
AND SOME OF THE YOUNGER MEN AROUND HIM IN PARIS WERE
RADICAL MARXISTS BENT ON "DESTROYING THE IRANIAN NATION,
AND MODERATE AYATOLLAS KNOW THIS. FOR "UNHOLY TRIO
AND HOLT MAN" THE "ISLAMIC REPUBLIC" WAS A SHAM.
MANAGHEBI RETURNED SEVERAL TIMES TO THE THEME THAT A
"FOREIGN HAND" WAS BEHIND KHOMEINI. HE READILY ACCEPTED
POLOFF'S ASSURANCES THAT IT WAS NOT RPT NOT USG, BUT

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THOUGHT IT WAS PROBABLY THE RUSSIANS AND MIGHT BE THE BRITISH. EMBOFF REPLIED USG THOUGHT THERE WAS NO MASSIVE SUPPORT FROM FOREIGN SOURCES, BUT IT WAS CLEAR USSR WAS "MEDDLING" IN TROUBLED WATERS.

4. GROUP WHICH MANAGHERI LED WAS READY TO WORK FOR MODERATION AND REDUCTION IN INFLUENCE OF LEFTIST RADICALS IN MOVEMENT AS LONG AS IT COULD BE CERTAIN ATTEMPT WAS NOT FOREDOOMED TO FAILURE. IDEALLY, GROUP WANTED U.S. SUPPORT, OR AT LEAST GUARANTEE AGAINST FOREIGN INTERVENTION AGAINST IT. EMBOFF REPLIED THAT USG FOLLOWED FOREIGN PROBLEM VERY CAREFULLY AND WOULD CONTINUE TO DO SO; QUESTION OF FURTHER U.S. "SUPPORT" WOULD HAVE TO BE CONSIDERED ELSEWHERE, BUT EMBOFF THOUGHT THIS MIGHT NOT BE HELPFUL, GIVEN CURRENT ANTI-FOREIGN FEELING IN IRAN. IRANIAN PAIR AGREED THAT ANY SUCH SUPPORT WOULD HAVE TO BE MORE SYMBOLIC THAN ACTUAL. FOR NOW, SIMPLE ASSURANCE THAT USG THOUGHT ACTIVITY WAS WORTHWHILE WOULD BE HELPFUL. EMBOFF AVOIDED ANSWERING QUESTION, BUT NOTED USG FAVORED MODERATION AND CONSTITUTIONAL GOVERNMENT.

5. PAIR ASKED WHAT NEXT SIX MONTHS WOULD BRING. EMBOFF NOTED USG HAD SAME PROBLEM WITH CRYSTAL BALL THAT EVERYBODY ELSE HAD. MANAGHERI THOUGHT IF REFERENDUM ON MONARCHY COULD BE PUT OFF FOR SIX MONTHS, IT COULD BE WON BY MONARCHY IF RELIGIOUS LEADERS COULD BECOME ACTIVE. PAIR WERE ABSOLUTELY CAUSTIC IN THEIR CRITICISM OF INAPTITUDE OF EVERYONE IN GOI FROM SHAH TO COURT MINISTER TO OTHER SENIOR OFFICIALS. ISLAMINIA SAID SITUATION HAD COME TO PRESENT STATE BECAUSE SHAH "LOST HIMSELF" AND GOT NO HELP FROM THOSE WHO SHOULD HAVE REALIZED THEY HAD MOST TO LOOSE.

6. COMMENT: IT IS TEMPTING TO TALK ABOVE IN TOO-LITTLE-TOO-LATE BASKET, AND CERTAINLY IT WAS CLEAR THAT BOTH MEN REALIZE TIME FOR MODERATE SOLUTION TO NEUTRALIZE KROMINI HAS PASSED. COMMENTS, ESPECIALLY BY MANAGHERI, SUGGEST STRAINS ARE ALREADY BEGINNING TO BREAK THROUGH IN RELIGIOUS MOVEMENT, AND SHARIATMADARI FORCES ARE BEGINNING TO LOOK AT THE POST-SHAH PHASE IN TERMS OF ENHANCING THEIR ST.

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OWN POSITION VIS-A-VIS THOSE WHOM THEY VIEW AS ENDANGERING ISLAM. MANACHERI IS AN IMPRESSIVELY INTELLIGENT PROFESSOR WHO HAS THE BEST GRASP OF PERSIAN POLITICS OF ANY OF THE RELIGIOUS FIGURES WITH WHOM REPORTING OFFICER HAS DEALT. HE IS IN HIS EARLY FIFTIES AND SPEAKS PERSIAN BUT VIRTUALLY NO ENGLISH. HE CLAIMS HIS NETWORK OF RELIGIOUS SUPPORTERS WAS IMPORTANT FACTOR IN INDUCING AYATOLLAH KHOMENI TO MODERATE HIS STAND AGAINST ATTACKING FOREIGNERS (IT'S "UNISLAMIC", ACCORDING TO THE DR.). EMBASSY WILL KEEP IN TOUCH. SULLIVAN

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DEPARTMENT OF STATE

Washington, D C 20520

CONFIDENTIAL

MEMORANDUM

January 17, 1979

TO: NEA/IRN - Mr. Henry Precht
FROM: PM/SSP - Robert B. Mantel
SUBJECT: Contact with Sadagh Ghotbzadeh in November 1977

I want to bring to your attention the substance of a conversation with Sadagh Ghotbzadeh who, according to recent press reports, appears to be a key aide and spokesman for the Ayatollah Khomeini. Ghotbzadeh called me some time in November, 1977, to request that I have lunch with him, identifying himself as head of an Iranian resistance movement based in Paris. I asked Charlie Naas, then Country Director for Iran, whether he had any information on Ghotbzadeh. Naas did not know of Ghotbzadeh or his organization. I subsequently had lunch with Ghotbzadeh, approximately 2-3 weeks prior to the visit of the Shah in December, 1977 if my memory is correct. Main points made by Ghotbzadeh follow:

-- he was in the US to make contact with Americans both in and out of the Government whom he knew were familiar with Iranian affairs. (He apparently was familiar with my Senate Foreign Relations Committee Staff Report on "US Military Sales to Iran.")

-- he and his organization were admirers of the US and the ideals for which it stood. He was particularly pleased with the emphasis being placed on human rights by the Carter Administration, and saw an opportunity to influence the policies of the Administration so that it would not repeat the mistakes of previous Administrations, namely -- identifying US interests in Iran and the region as being coincident with and dependent upon the views, policies, and indeed the continuing rule of the Shah.

-- the Shah was universally hated within Iran, and that pressures were building throughout Iranian society against the Shah and his repressive form of government.

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Despite SAVAK, he and his organization had clandestine contacts with all levels of Iranian society, including the military. These contacts were reporting that the Shah was increasingly unpopular and that a revolution was brewing.

-- the US was identified with the Shah's repression because of the US view that US interests required unequivocal support of the Shah and his policies. Iran and the US have many common interests but that the US would suffer when the revolution came unless the Carter Administration took steps to avoid identification with the regime and its repression.

-- with regard to the military, the top generals and other leaders were "bought" by the Shah, but low and middle ranking officers were increasingly resentful of the corruption and repression around them. If the crunch came, the bulk of the military would support the Iranian people rather than their corrupt leaders.

-- in conclusion, Ghotbzadeh stressed that he saw renewed hope in the Carter Administration as a result of its policies of human rights. He hoped that the arms restraint policy announced by the President would lead to a more realistic posture vis-a-vis the Shah's requests, many of which merely wasted Iranian treasure.

I discussed the above with Charlie Naas following the meeting. Subsequently, Ghotbzadeh sent me information published by his organization, including a communique of August 22, 1978 in the name of Ayatollah Khomeini. I forwarded all of this information to HA/HR who, I understand, circulated it to NEA/IRN and INR/RNA among others.

I have not heard from Ghotbzadeh in any personal way since the luncheon and the subsequent personal letter of December, 1977, which, in retrospect, is quite prophetic.

Ghotbzadeh seemed to be a serious fellow who spoke in a moderate, sensible way. He hoped the new Administration would change American policy toward Iran; if so he would welcome it. He did not seem ideologically anti-American.

I hope that the above is of interest and possible use to you.

Attachments

cc: INR/RNA - Mr. George Griffin

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E.O. 12065: RDS-3 (1/2/79) (SULLIVAN, WILLIAM L.) CR-M

TAGS: PINT, IR

SUBJECT: GHOEBZADEN VISIT TO THE U.S.

REF: STATE 16921

1. IT IS MY VIEW THAT WE SHOULD MAKE AN EFFORT TO MEET AS MANY AS POSSIBLE OF THE PEOPLE AROUND KHOMEINI IN ORDER TO HAVE A BETTER IDEA OF THEIR VIEWS AND IN ORDER CONVINCE THEM U.S. DOES NOT REGARD THEM AS OUR ENEMIES.
2. ACCORDINGLY, I WOULD FAVOR CONTACT BETWEEN EXECUTIVE BRANCH AND GHOTBZADEH, PREFERABLY AT THE SAUNDERS LEVEL.
SULLIVAN

DEPARTMENT OF ARMY WASHDC

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~~CONFIDENTIAL~~
The Huyser Mission in Iran

January 4 to February 4, 1979

General Huyser (then the Deputy Commander, United States European Command) arrived in Iran on January 4, 1979 and departed one month later, on February 4, 1979. He remained in Iran during the entire period of his mission. General Huyser was selected to go to Iran on the basis of his prior experience in the country, and his personal relationship with the Shah and senior Iranian military officers.

General Huyser's mission had two purposes:

- In a period of substantial and increasing public and political disorder, General Huyser was to act as a contact between the Iranian military establishment -- then an important, and perhaps the most important, institution in Iranian political life -- and our own government. He was uniquely qualified to serve in this capacity because of his long friendships with key Iranian military leaders. General Huyser was instructed to keep senior officials in Washington informed of the morale and effectiveness of the Iranian military forces and to ensure that the Iranian military leaders maintained confidence in United States support. In addition, he sought Iranian military cooperation in safeguarding sensitive U.S. military equipment.

- General Huyser was also directed to encourage the continued solidarity, readiness and operational effectiveness of Iranian armed forces through, among other things, personal contacts and consultations with senior officers of all the

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PER 3/14/92 KLC/HFE NLC-96-160
BY Q NARS DATE 5/8/92

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services. Iranian military stability was thought to be especially important in view of:

-- The necessity that the military remain strong and intact if a responsible government were to have any hope of functioning effectively.

-- The danger that domestic unrest might encourage a neighbor to exert external pressure or even attempt military encroachment.

-- The possibility that activists might resort to sabotage or wholesale destruction of oil production and distribution facilities.

-- The potential for continued political unrest to deteriorate into a complete collapse of public order, public services, and the supporting infrastructure.

In the performance of his mission, General Huyser worked toward continued Iranian military support for the legitimate government in Tehran. Until the departure of the Shah, this meant support of the Shah's efforts to structure a responsible, stable, and effective civilian government. Following the Shah's departure on January 16, 1979, the legal and duly constituted government was that of Prime Minister Bakhtiar, and General Huyser urged members of the Supreme Commander's Staff and other senior Iranian generals to support that administration.

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General Huyser in no way encouraged the departure of the Shah. Nor did he play a role in the collapse of the Iranian military establishment. To the contrary, while he was in Iran he worked successfully to avert that collapse. Nor had he anything to do with the fall of the Bakhtiar government. The events in Iran were the result of powerful indigenous forces that swept the Shah from power, and then supported the Ayatollah Khomeini and his vision of Iran as an Islamic republic. General Huyser was in no position to affect the basic realities of the Iranian revolution.

- The forces that ousted the Shah clearly enjoyed the overwhelming support of the vast majority of the Iranians in and out of the country.

- In the final analysis, the Shah did not command the loyalty of substantial numbers of the Iranian armed forces. The loyalties he did enjoy were confined largely to the most senior officers of the several services -- and even within that group there were some whose loyalty to the Shah was open to question. Iranian military formations decayed gradually as effective forces during the period from mid-January 1979, when the Shah departed, to February 5, when Bazargan was appointed Prime Minister of a "provisional government" by Khomeini. Over the night of February 11, the military leadership that the Shah had appointed before his departure withdrew military forces to their barracks in the face of major demonstrations, signalling the ultimate collapse of the Bakhtiar government.

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● Despite his earnest efforts and best intentions, the Shah's civilian successor, Bakhtiar, was unable to establish an effective government enjoying broad public support -- a failure resulting in large measure from the rapid and uncontrollable speed of revolutionary events.

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PLEASE PASS TO AMERICAN EMBASSY TEHRAN

E.O. 12255 GDS 2/18/85 (NEWSON, DAVID)

TAGS: PEPR, PGCV, IR

SUBJECT: MESSAGE FOR AMBASSADOR SULLIVAN

1. SUPPLEMENTING PREVIOUS INSTRUCTIONS, WE BELIEVE IT
MATTER OF MAJOR IMPORTANCE THAT YOU RAISE IN MANNER YOU
DEEM MOST EFFECTIVE WITH EITHER PRIME MINISTER OR FOREIGN
MINISTER FOLLOWING TWO ITEMS OF CONCERN. THESE SHOULD
BE GIVEN PRIORITY IN YOUR APPROACH.

2. THERE IS DEEP CONCERN IN THE UNITED STATES OVER THE
SUMMARY TRIALS AND EXECUTIONS OF MILITARY OFFICERS AND
MEMBERS OF THE PREVIOUS REGIME. WE RECOGNIZE THAT IRAN
IS IN A REVOLUTIONARY SITUATION. NONETHELESS, WE HOPE A

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OUTGOING
TELEGRAM

Department of State

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PAGE 02

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REGIME SUPPORTED BY MANY WHO REACTED ADVERSELY TO HUMAN RIGHTS PRACTICES OF THE PREVIOUS REGIME, WILL BE GUIDED BY PRINCIPLES OF JUSTICE AND HUMAN DIGNITY IN ITS PRACTICES.

3. THE EXECUTIONS OF MILITARY OFFICERS IN PARTICULAR WOULD SERVE TO WORK AGAINST THE EFFORTS TO RESTORE UNITY AND ACTIVITY IN THE MILITARY. IN OTHER SITUATIONS WE HAVE OBSERVED THAT PATTERNS OF SUMMARY TRIALS AND EXECUTIONS HAVE WORKED AGAINST THE EARLY RESTORATION OF NORMAL ORDER.

4. ON THE QUESTION OF THE SENSITIVE MILITARY EQUIPMENT WHICH WAS PURCHASED FROM THE UNITED STATES, WE WOULD LIKE TO MAKE CLEAR THAT WE RECOGNIZE THIS AS IRANIAN EQUIPMENT. WE WOULD STATE WE SHARE WITH IRAN AN INTEREST IN MAINTAINING THE SECURITY AND INTEGRITY OF THIS EQUIPMENT AND OF THE MANUALS WHICH ACCOMPANY IT AND IN PROTECTING IT FROM ACCESS BY THOSE WHO MAY BE WORKING FOR UNFRIENDLY FOREIGN POWERS. IRANIAN OFFICIALS OF THE NEW GOVERNMENT SHOULD BE REASSURED ON THIS POINT. VANCE

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1 March 1979

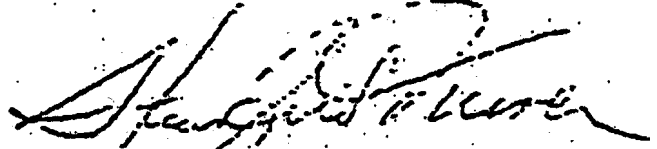
ALERT MEMORANDUM

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MEMORANDUM FOR: National Security Council
SUBJECT: Iran

We believe there is a good possibility that the Bazargan Government may not survive the combined pressures posed by internal friction and a sustained external challenge from the left. Even if Bazargan is able to remain in office, there is little prospect that his government will be willing or able to develop effective cooperation with the US.



STARSFIELD TURNER

Attachment

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

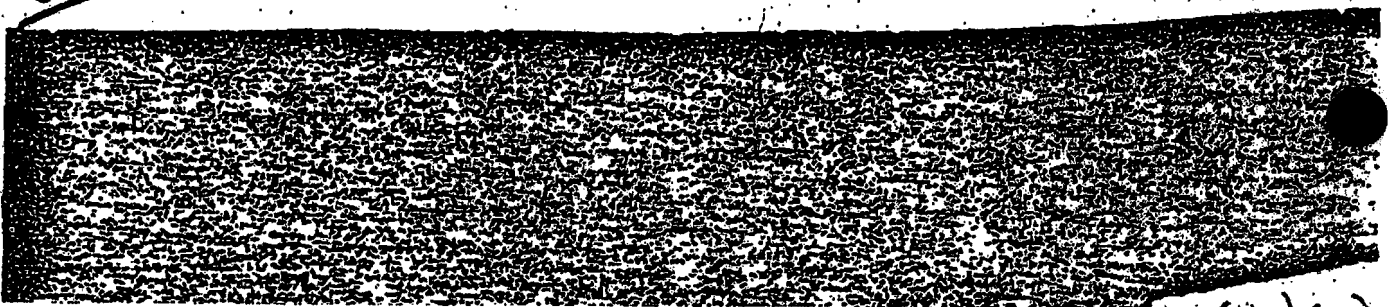
1 March 1979

ALERT MEMORANDUM

The government of Prime Minister Buzargan is not in effective control of Iran, despite some progress in restoring economic activity. His government has not succeeded in restoring law and order, is beset by political divisions in its own ranks, is troubled by nascent autonomy movements in Kurdistan and Azerbaijan and is facing a severe challenge from heavily armed and committed leftists. Buzargan's ability to cope with these problems is limited by the collapse of the military and security forces and the eroding loyalty of the revolution's paramilitary forces, the Mujahadeen. Buzargan's problems may be increased now that Ayatollah Khomeini has left Tehran for Qom and has removed himself from the day-to-day conduct of governmental affairs.

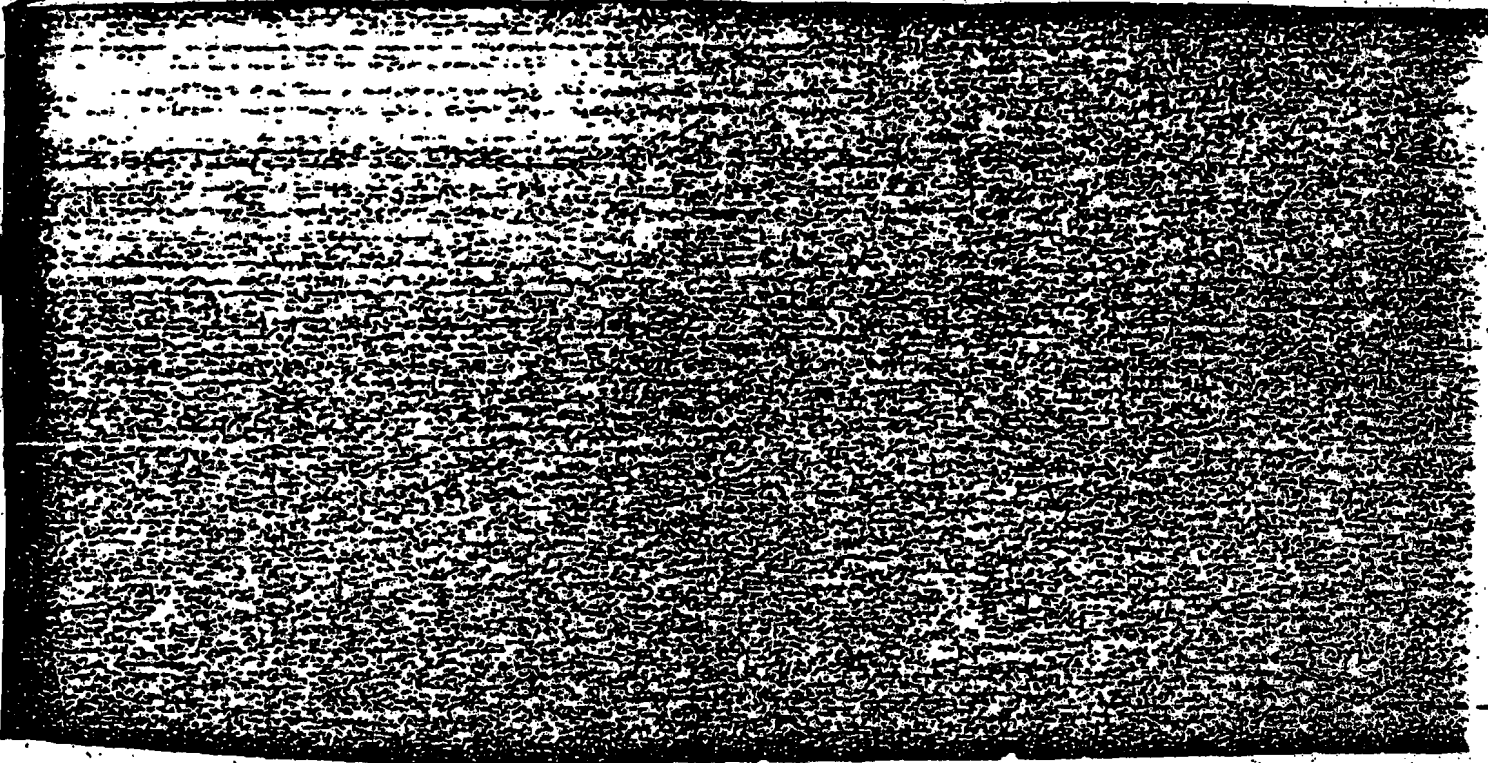
We believe there is a good possibility that the Buzargan government may not survive the combined pressures posed by internal friction and a sustained challenge from the left. Even if Buzargan is able to remain in office, he probably will have to continue to make far-reaching concessions to the left in order to retain power. There is also the possibility that the Prime Minister may be overthrown by more radical members in or outside of his own government, and there is potential for civil war if he decides to challenge the left militarily.

Given the likelihood of prolonged instability in Iran, there is little prospect that the Buzargan government will be able or willing to develop effective cooperation with the



US. The government will be preoccupied with its own survival and maintaining the country's national cohesion; its reliability as an oil exporter will be in doubt.

While the Soviets have maintained a cautious and conciliatory line toward Bazarov in most respects thus far, clandestine radio has tacitly supported his leftist opponents on one key issue--their insistence that they be allowed to retain the arms which enable them to force concessions from him. Moscow is likely to increase covert efforts to broaden its contacts among the leftist factions while gradually becoming more open in support for Tudeh's claim to a role in the new power alignment. Should the situation degenerate into open civil war, the Soviets are likely to funnel covert support to those elements that then appear most favorable to their interests, while professing nonintervention and continuing to warn the US against intervention.





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FROM: ZBIGNIEW BRZEZINSKI

DATE: March 3, 1979

~~TOP SECRET/SENSITIVE~~

36

CONSULTATIVE SECURITY FRAMEWORK FOR THE MIDDLE EAST (U)

The fall of the Shah's regime in Iran has added a new and dangerous dimension to the crisis in the Middle East. Immediately, we face a problem of perceptions and expectations. For all countries, and especially those with whom we have good relations, the future is uncertain and threatening. They lack confidence in the direction of US policy and in the willingness of the U.S. to use its power on behalf of their security. This political and psychological crisis can only be contained by forceful and purposeful U.S. action. (S)

The basic sources of instability in the Middle East remain:

-- The Arab-Israeli conflict and the frustrated political aspirations of Palestinians.

-- Political radicalism that feeds on that conflict and on the unevenness of socio-economic development.

-- Determined, opportunistic Soviet efforts to exploit these stresses to displace U.S. influence in the area and to expand that of the U.S.S.R. for ideological, strategic and economic purposes.

-- The great disparity in wealth and human resources within the region. (C)

The stakes at the moment are extremely high. Another major setback to U.S. policy in the area -- such as collapse of Camp David, the fall of Sadat, political instability in Saudi Arabia, or another slump in US-Turkish relations -- could put the region dangerously out of control. Another Arab-Israeli war, reentry of Soviet influence at the center of the region, sharp diminution of U.S. influence in the Arab world, and denial of Western access to Middle East oil could ensue. (TS)

Instability in the Middle East interacts closely with US, Western European and Japanese economic conditions. Anxieties on all fronts are intensified by the great dependence of the West on Middle East oil resources. The reaction of oil-producing states in the region to the impact of Iran on the market seems destined to intensify inflationary pressures resulting from tight energy conditions in Western economies.

~~TOP SECRET/SENSITIVE~~

Review on March 3, 1999

Extended by Zbigniew Brzezinski

Reason for Extension: NSC 1.13 (f)

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E.O.12958, Sec.3.6

PER 1/24/94 NRC HRE JLC -98-110
BY Q NARS. DATE 2/19/99

At the same time, the voracious appetite of the West for oil makes it difficult to manage the economic development of the oil-producing states, especially Saudi Arabia, in an orderly manner. (S)

This set of conditions makes it highly desirable that US steps to enhance Middle East security be coupled with new steps to reduce US dependence on Middle East oil and to coordinate policy initiatives with the Europeans and Japanese. Such steps would have the salutary effects of demonstrating policy discipline and giving U.S. diplomacy somewhat greater freedom of action in the Middle East. (S)

The Strategic Concept

In response to these developments, the US should seek to develop a broad consultative security framework for the Middle East. This concept does not envisage a collective alliance system in the Middle East, nor is it simply another name for bilateral cooperation on security issues between the US and selected regional countries. Instead, it involves the shaping of a consultative relationship on regional security issues between a cluster of states that share common security concerns. The consultative relationship would be, in the first instance, between the individual countries and the US respectively, but an effort would be made from the very start to move towards some form of multilateral consultations as well.

In promoting such a relationship, the US might consider a more formal security relationship with one or more Middle Eastern countries, if that serves US national interests. For example, the US and Israel might well reach a special understanding on defense issues as part of the implementation of the Camp David Accords. Such a special understanding would be designed to enhance Israeli security as well as to promote the needed accommodations required for continued progress towards a more comprehensive peace. In time, this could evolve toward a treaty relationship as Israel moves toward agreements with its other neighbors.

In addition to a bilateral US-Israeli understanding on defense cooperation, the US might also undertake a similar relationship with Egypt. Such understandings could be expanded in time to include Saudi Arabia and Jordan.

In addition to this inner-cooperative core, security-oriented consultations could be formally developed also with Sudan, Turkey and (after return of internal stability) Iran. However, any effort to develop relations with this latter group of states

would have to be pursued cautiously, depending on progress with the first group.

The US would be thus developing various degrees of consultative relations in the area of security with the Middle Eastern nations, thereby shaping a common sense of purpose and gradually institutionalizing the sharing of intelligence information and more systematic consultations on security matters.

Accordingly, the US should react to the immediate crisis in ways that lay the groundwork for the consultative security framework in the Middle East. The elements of that framework should be:

-- Peace between Israel and Egypt.

-- A political process designed to contain, and if possible resolve, the Palestinian dimension of the Arab-Israeli conflict over a period of several years.

-- A security framework that enhances stable military relationships within the region, with appropriate arms controls, and exclusion of destabilizing influence from outside.

-- A region-wide campaign of socio-economic development that mobilizes and pools the now disconnected resources of the region -- population, technical-organizational skill levels, wealth from oil, and political authority -- toward greater prosperity and political institution-building. (S)

These elements or goals are interrelated and must be advanced to a substantial degree. The US is the only nation with the power and political influence to bring about these changes, and even our role will of necessity be primarily that of a catalyst. Our ultimate objective in the Middle East must be to cultivate an awareness of common security problems that will lead to cooperative actions. This will take many years, because the region lacks a common, dominant political culture and a capacity to submerge internal conflicts in the face of a common threat. This problem is compounded by the widespread perception that the US is not a reliable ally. (S)

In some ways, launching a regional security strategy with the goals stated above can be likened to the Truman Doctrine, the Marshall Plan, and the creation of NATO in Western Europe after World War II. Then, too, a strategically vital

region faced external threat, intra-regional conflicts, socio-economic privation, and local radicalism for which US power, wealth and leadership toward unity were the remedy. (C)

There are, however, also important differences that need to be noted. The region lacks the homogeneity that existed on the political-elite level in the post-World War II devastated Europe. There is also not the same degree of shared perception of a common threat. The pro-American elites in Europe agreed that the Soviet Union was a common enemy. In contemporary Middle East the awareness of Soviet threat is still obscured by hostility towards Israel and the fear that Israel, buttressed by the US, might become militarily and politically the dominant force in the region.

The US thus will have to move cautiously and gradually, focusing initially on those states which are more likely to be receptive. Emphasis should be put on the proposition that there is no intention to shape a formal alliance system. Instead, it is the US objective to facilitate cooperation in security areas only to the degree that it is focused against a common external threat.

In addition, our NATO allies and Japan have a major stake in the security of the Middle East. Accordingly, their cooperation in some fashion will have to be solicited, especially in terms of wider global implications of peace or war in the Middle East.

The US Commitment

To advance our basic goals, the US will have to assume additional political, economic and military burdens:

-- We shall have to take the lead in defining security concepts and institutions that are suited to the legitimate needs of the regional states.

-- We shall have to continue to work for the broadest possible Arab-Israeli accommodation.

-- US security guarantees to the region will have to be more extensive and perhaps more formal than those currently in existence.

-- We shall have to augment our military presence in the region, particularly in the vicinity of the Persian Gulf.

-- Over the course of the next five years, we shall probably have to spend perhaps as much as an additional \$10-15 billion over and above our present annual outlays of \$3 billion in military and economic assistance, even if Saudi, West European, and Japanese resources can be enlisted -- which they should be.

-- Whether we like it or not, the Soviets will see our new purposefulness in the area as directly hostile to their interests, and they are likely to escalate their own efforts to oppose ours. We will have to face this fact.

-- We shall have, finally, to demonstrate a new level of commitment to energy policies at home that reduce the US national reliance on Middle East oil imports, and encourage within the limits of the possible similar policies on the part of Europe and Japan. (S)

Words and Actions

To explain our new strategy toward the Middle East to friends in the region, allies, and to our own public will at some early point require a major Presidential pronouncement. This message will have to lay out our security concept for the region and link it with new domestic steps in the energy field. Such a statement should follow, not precede, tangible steps which demonstrate the viability of this approach. Any sense that lofty US rhetoric will not be followed by strong actions would be counterproductive. (S)

Action Agenda

1. The President's trip to the region could be followed by more systematic explorations through a Vance or Brzezinski consultative trip to key countries -- Israel, Egypt, Saudi Arabia, Turkey, and Jordan -- to give political structure and momentum to our new commitment to the area, and to elicit support for next steps. This could be followed by a more formal visit, if needed, by the Secretary of State, once the actual consultative process is underway. In any case, some preliminary discussions of an informal type designed to help the concept evolve spontaneously would be needed.
2. The President should make a speech unveiling the basic concept, preferably after the signing of an Egypt-Israel peace treaty.

3. The Camp David peace process should continue, mindful that success will be ambiguous in value because it will tend to polarize the Arabs, and that failure must not be allowed to weaken our overall position in the Middle East. A US dialogue with Palestinians should be part of any post-treaty negotiation on the West Bank/Gaza.

4. We should increase US military capabilities and off-shore presence relevant to the Persian Gulf (see following) and attempt to consult with the Egyptians, Saudis and Omanis on permitting access and landing rights to needed on-shore basing facilities.

5. We should develop a comprehensive plan for modernizing, and reducing, the Egyptian armed forces for self-defense and some projection capability on behalf of Sudan and against Libyan threats. A comprehensive program of economic assistance should also be developed.

6. A major effort in military and economic assistance to Turkey must be initiated.

7. We should undertake a major policy review of our entire relationship with, and presence in, Saudi Arabia.

8. With Saudi cooperation, overt and covert action against the PDRY regime should be considered. Similar steps in cooperation with Egypt against Qadhafi should be reviewed.

9. We should put such pressure as we can on the U.S.S.R. to take concrete steps that will reduce destabilizing Soviet influences in the area, e.g., a halt to anti-American propaganda in Iran; a reduction of Soviet-Cuban presences in Libya, the PDRY, and Ethiopia.

10. Iraq, Syria, and Iran's new leadership should be approached to prevent their concluding that we have written them off.

11. In collaboration with the Saudis and, perhaps, the Egyptians, a comprehensive plan for the security of Oman should be implemented. This should include military and internal security support, joint exercises and planning, and occasional demonstrations of presence.

12. We should immediately begin exploring with key NATO allies and with Japan the possible forms of support they could offer to implementation of our strategy. While some allies will object, we should begin to engage the formal staff machinery of the Alliance in examining the problems of Middle East security. (TS)

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US Military Capabilities and Presence

We should immediately undertake a series of demonstrative actions, stretched over a period of months, to underscore US interests and capabilities. Examples are:

- Visits by US military forces and personnel to key countries for symbolic and consultative purposes, avoiding the hollowness of the F-15 visit to Saudi Arabia.
- Upgrade our plans for Diego Garcia.
- Add several combatant vessels to Middle East Force.
- Cruise a carrier strike element from Seventh Fleet through the Arabia Sea.
- Exercise the passage of a US nuclear-powered combatant through the Suez Canal, to which Sadat evidently agreed in principle during Brown's visit.
- Conduct a series of low-keyed, combined force exercises in the US Southwest, testing logistics, air, sea, and land combat capability relevant to operations in the Persian Gulf.
- Establish an East-of-Suez Command entity of some kind, located in the US but equipped to move. (TS)

Meanwhile, we should consolidate, update, and act on the appropriate force posture and programming recommendations contained in OSD, JCS and PRM-43 studies. We should resolve the matter of making South Asia contingency capabilities fully independent of capabilities for a NATO war, and program accordingly. (C)

Consulting with the Saudis, we should get Oman to agree to a small, but visible joint amphibious landing exercise on the southern coast of Oman. (S)

We should begin a careful, but systematic policy review of the option of getting the Saudis and the Egyptians to agree to regular base access for US contingency forces in Saudi Arabia and in the Sinai. Provision for prepositioning appropriate stocks should be sought. (S)

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17 Mar 79

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CHATTER: VLTomseth
Cleared: GBLambrakis

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ACTION: SECSTATE WASHDC IMMEDIATE RUEHL

INFO: AMEMBASSY ABU DHABI 006-007 RUQMBI
AMEMBASSY ANKARA 004-005 RUQMGW
USINT BAGHDAD 005-006 RUEHLR
AMEMBASSY BONN 0012-0013 - RUFHOL
AMEMBASSY CAIRO 004-005 RUENEG
ANCONSUL DHARAN 001-002 RUQMDH
AMEMBASSY DONA 001-002 RUQMOD
ANCONSUL FRANKFURT 001-002 RUHFHT
AMEMBASSY ISLAMABAD 007-010 RUQBOD
AMEMBASSY JIDUA 002-003 RUQMRA
AMEMBASSY KABUL 001-002 RUQBKL
AMEMBASSY KHARTOUM 001-002 RUQMKM
AMEMBASSY KUWAIT 001-002 RUQMKW
AMEMBASSY LONDON 001-002 RUQDTC
AMEMBASSY MANAMA 001-010 RUQMAM
AMEMBASSY MOSCOW 001-010 RUENMO
AMEMBASSY MUSCAT 004-005 RUQMNT
AMEMBASSY NEW DELHI 004-005 RUQBDE
AMEMBASSY PARIS 011-012 RUFNPS
AMEMBASSY BEIJING 001-002 RUJMTG
AMEMBASSY RABAT 003-004 RUQKBT
USLO RIYADH 002-003 RUQMYA
AMEMBASSY ROME 003-005 RUFHRO
AMEMBASSY TOKYO 002-003 RUENKO
USCINCPAC VAITINGEN GE RUQNAQA
USCINCPAC RUHQHQA
USCUCOSOUTH RUFRSHH

TAGS: PGOV, PINT, PINS, IR

NO: 12065: GDS: 3/17/85. (TOMSETH, V.L.) DR-P

SUBJECT: The Bazargan Government One Month Later and
Prospects for the Future

1. C entire text

2. Summary: The Bazargan Government, after one month in
office, remains extremely ineffectual. The unexpected
suddenness with which it came to power, lack of a policy
on how to employ the former regime's bureaucrats, police
and military officers, collapse of the military and law
enforcement agencies, and Khomeini's tendency to undercut

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Bazargan are among the factors which explain the continued weakness. We doubt that Bazargan, as distinct from the larger Islamic revolutionary movement, will be able to assert his government's authority or to see its program through to successful completion. Rather, it seems more likely that the coming months will be dominated by potential contenders for power preparing themselves for the possibility of eventual armed confrontation.

End Summary.

3. A month after displacing the last government appointed by the Shah, the Provisional Government of Mohd. Bazargan remains exceedingly ineffectual. During its time in office it has accomplished almost nothing, not even establishment of an undisputed claim to primacy in administering the nation's affairs. More often than not, it is the revolutionary committees which despite repeated announcements that they are to be integrated with existing government agencies, continue to thrive as independent power centers that actually govern, at least in matters of local concern. The power of this parallel system of government has been especially evident in the areas of law enforcement and administration of justice, areas where the Provisional Government has been shown impotent and acutely embarrassed time and again by arbitrary arrests, summary trials and ~~grossly~~ ^{grossly} executions carried out by the committees without regard to the government's jurisdictional responsibilities.

4. There are several factors involved in the Provisional

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Government's continuing inability to function effectively. The first relates to the unexpectedness with which the Bakhtiar government fell. Despite brave pronouncements from the Khomeini camp even before the Ayatollah's return to Iran that an administrative structure had been created and was ready to replace the Pahlavi regime, it is clear that Bazargan was almost totally unprepared to assume command of the government apparatus when he did. Second, there has been considerable vacillation regarding whether or not to utilize fully the existing civilian law enforcement, and military structures. Bazargan is caught on the horns of a dilemma here: Many senior bureaucrats, police and military officers are assumed to be tainted by virtue of their collaboration with the Pahlavi regime, but often they are the only ones with the expertise needed to do certain jobs. The Provisional Government's uncertainty in how to handle this matter frequently results in no policy at all. In the absence of a clearly defined position, the committees have been left free to deal with these individuals as they see fit. Needless to say, committee members have not hesitated to settle old scores. Third, the disintegration of law enforcement agencies and the military has left the Provisional Government with no means to bring force to bear when its authority is challenged--as it regularly is.

5. The biggest handicap of all, however, is the role of

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Ayatollah Khomeini. Prior to the collapse of the Pahlavi regime, among Khomeini's strengths as leader of the opposition were his penchant for speaking in generalities and, beyond a vague insistence on returning to the political ideals of the Prophet and the Imams, his apparent lack of any well thought-out plan to carry out a revolution. Accordingly, his pronouncements were open to a wide variety of interpretations. As the almost universally recognized leader of the Islamic revolution, Khomeini still has to be listened to, but these days his frequently Delphic utterances delivered in alliteration no longer mean all things to all people. Rather, they are a source of considerable confusion and, ultimately, administrative paralysis as the Provisional Government is forced to spend an inordinate amount of time putting out fires started by Khomeini's off-the-cuff remarks on subjects as diverse as frozen meat and the wearing of the veil.

We doubt that Bazaarani will be able to overcome the obstacles before him. It is extremely unlikely that Khomeini will refrain from making the kind of statements that have badly undermined the Provisional Government to date. One source close to the Ayatollah has mentioned efforts to provide him with better counsel in the hope that it will reduce the number of ill-considered statements he makes, but Khomeini does not seem the sort to hold his tongue for considerations of practical politics. Rather, his percepti-

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of himself as the chosen messenger of God in the Iranian revolution carries with it a responsibility to speak out on matters of divine concern. Nor does Bazargan have much prospect of being able to revitalize law enforcement agencies and the armed forces, organizations which otherwise might be able to put some teeth into his government's mandate to rule. The revolutionary committee structure, which for the moment commands an overwhelming preponderance of firepower, has already demonstrated it will resist all efforts to curb its present prerogatives. Moreover, according to the same source with connections to Khomeini mentioned above, Khomeini prefers that the committees continue in existence.

7. Under the circumstances, it will be most difficult for the Provisional Government to see its main tasks: a referendum on the type of government Iranians want for themselves, election of a constituent assembly to debate and adopt a new constitution, and election of a majles and formation of a new government under the terms of that constitution through to successful completion. Already, a controversy over the format of the referendum has arisen, and indeed there are growing doubts that the Provisional Government can even solve the logistics problems involved in holding the ballot before the date it is presently scheduled for--March 30th. In the meantime, economic problems accumulate, unemployment grows, ethnic minorities

grumble, and the revolutionary committees do their own thing. That a political program such as that set out for itself by the Provisional Government will be possible in the midst of such conditions stretches credibility to the breaking point.

8. More likely, we believe, will be efforts by these forces contending for power to develop the coercive wherewithal to prevail in a struggle in which armed strength almost certainly will determine the final outcome. This plan to be what is behind Deputy PM Yazdi's program to create a paramilitary National Guard responsive to him. Yazdi, the only member of the Provisional Government who also holds a seat on the shadowy Central Revolutionary Committee, appears to be in a relatively strong position to bid ultimately for power. His major point of vulnerability is his "American connection," something potential rivals have already indicated a willingness to exploit. The Islamic mojahedin-e-khalq and the Marxist Tudeh-e-khalq organizations, both now well-armed, are certainly contenders. The various local revolutionary committees themselves seem too fragmented and their leadership too preoccupied with carving out petty fiefdoms to become a serious alternative to the Provisional Government as a national government. Perhaps some provincial committees, however, in places like Shiraz (where the local committee has a significant military component and local military units survived the revolution

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virtual contact to the extent of potential. The
main effect of such a policy would be to render influential
by throwing their weight behind the intended political
power of Mother, a change in the fact that any group of one
could be a serious challenge to it all.

2. In such a policy, the policy to be continuing
paralysis of the power of the group, which are up
to become the real contenders for power. The group could
solidify their position in the future, which could
easily become a bloody struggle for dominance.

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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

20 March 1979

INTELLIGENCE MEMORANDUM

IRAN'S AYATOLLAHS

Ayatollah Ruhollah Khomeini's return to the holy city of Qom has not diminished his active role in political issues nor his status as the symbol and driving force of the Islamic movement. The Shiite clergy have provided the organizational strength of the Islamic movement, and most of the clerical leaders continue to support Khomeini's goals. A number of leading Ayatollahs are opposed to Khomeini's determination to see the creation of a conservative Islamic state in Iran. These moderates, however, cannot be expected to take any steps that would diminish Khomeini's leadership.

Khomeini's Continuing Political Role

Ayatollah Khomeini's active involvement in the Iranian revolution has not diminished since his return to Qom from Tehran on 1 March. Khomeini has remained firm in his insistence that the national referendum scheduled for 30 March offer a choice only between an Islamic republic and restoration of the monarchy, despite protests from many groups including the provisional government of Prime Minister Bazargan. In various speeches in Qom, which have been nationally televised, Khomeini has called on his followers to vote for the Islamic

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This memorandum was prepared by the [redacted]
of the Office of Regional and Political Analysis [redacted]

RP M 79-10157

Approved for Release
Date 23 JAN 1980

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~~AND METHODS INVOLVED~~

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republic and to ignore those who urge a more "democratic" government. Khomeini has branded the use of the words "democratic" and "national" as evidence of continuing foreign domination and imperialist influence.

Khomeini has continued to issue strident calls for a thoroughgoing "Islamicization" of Iranian society. Promising complete freedom under an Islamic republic, Khomeini has in effect decreed that Iranians have no choice but to accept the form of government he wishes to see created. In a speech in Qom on 1 March, Khomeini urged that Iran be purged of all corrupt Western influences. He said that the bureaucracy, the judiciary, education, culture, and the mass media would all go through an Islamic metamorphosis. He urged the creation of a "Ministry for Righteous Behavior and Prevention of Sin" to supervise the achievement of this objective. In a speech before departing from Tehran the day before, Khomeini called on Iranians to eliminate all aspects of American military, economic, cultural, and political influence over Iran as soon as possible.

Despite Khomeini's statements from Paris before his return to Iran that the government would be run by professional politicians and that no clergyman would participate, Iran continues to have, in effect, two parallel governments. The provisional government of Prime Minister Bazargan rules in name, while real authority is exercised by "revolutionary committees" in which the Islamic clergy participate.

The "revolutionary committees" claim to act in the name of Ayatollah Khomeini. But there is no single central authority, and one committee's writ often runs only as far as the boundary of the next committee's jurisdiction. These committees are not responsive to the Bazargan government. The Prime Minister has strongly protested the trials and executions of former officials, for example, and Khomeini has promised that all prisoners held by the various committees will be turned over to Bazargan's Minister of Justice. Continuing arrests of former officials by Revolutionary Committee members have demonstrated, however, that Khomeini is either incapable

-2-

himself of bringing all the committees into line or not fully resolved to bring an end to "committee justice."

The Islamic Revolutionary Council (IRC), which was announced just prior to the fall of the Bakhtiar government, appears to be a loosely organized group of Khomeini's immediate followers and advisers established by the Ayatollah to give the appearance that decisions in the course of the revolution are arrived at by consultation among senior leaders of the Islamic movement.

The loosely structured "council" appears to allow Khomeini to shift the blame for unpopular decisions upon others and absolve himself. In backing away from his statements on the role of women, for example, which sparked protest demonstrations in Tehran and other cities, Khomeini backed down reluctantly but told Bazargan and his aides that he was receiving "bad advice" from his religious supporters.

Khomeini's role as the leader of the Islamic movement, and the participation of the Islamic clergy in running Iran, will apparently be institutionalized under the new constitution now being drafted. Though the relationship between the clerical leaders and the secular politicians will probably continue to pose problems for the foreseeable future, the constitution reportedly will provide for a "supervisory council" consisting of five religious leaders and seven politicians to "monitor and protect" the constitution. The central "supervisory council" will have counterparts at every level down to village administration.

Opposition of Moderate Clerical Leaders to Khomeini's Role

[REDACTED]

Ayatollah Shariat-Madari was the leading clerical figure present in Iran during the period when Khomeini was leading the opposition from exile. He has publicly opposed the present wording of the referendum to be held on 30 March which gives Iranians a choice between the monarchy and an Islamic republic. Shariat-Madari favors a more open-ended question that would allow voters to express their views on what kind of government they want. Shariat-Madari has long favored a democratic system of government based on the present constitution.

Shariat-Madari and other moderate clerical leaders remain unwilling to take any action to challenge Khomeini's leadership, however. As long as they perceive that Khomeini has the backing of the Iranian people, their own conservatism and caution, coupled with their perceptions of the fragility of their positions within the informal Shiite hierarchy, will not permit them to take any stand involving a substantial risk. Moreover, as traditionalist clerical figures they do not believe that the Islamic clergy should play a role in the day-to-day conduct of political affairs.

Ayatollah Talaghani's Role as Moderator

Ayatollah Seyed Mahmud Talaghani, the leading clerical figure in Tehran and a long-time opponent of the Shah who spent 18 of the last 30 years in prison or in exile, has emerged as an important voice of moderation. Talaghani has been urging restraint upon contending political groups while at the same time attempting to persuade Khomeini to be more compromising in his views. Talaghani is trusted by a wide variety of groups, including the two armed guerrilla organizations, who regard

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Khomeini as an uncompromising fanatic.* Talaghani is also a long-time supporter of Khomeini and a close friend of Prime Minister Bazargan. As such, Talaghani's importance as a moderator is considerable. [REDACTED]

Talaghani has stressed the need for unity among revolutionary groups and has warned of the threat posed by communism. On 5 March Talaghani expressed these views at a rally of several hundred thousand people gathered to honor the late National Front Leader Mohammad Mossadeq. Leftist groups had planned to use the occasion to castigate the provisional government of Prime Minister Bazargan for its "reactionary" policies. Following Talaghani's remarks, however, the leftists, including the Chariks and the Mujahedin, modified their speeches, choosing instead to make a temperate call for "revolutionary rights." (b) (b)

Talaghani, [REDACTED]

[REDACTED] has supported the leftist demand that the coming referendum allow voters to choose between a "republic" and a "democratic republic" rather than an "Islamic republic." Talaghani fears that if leftists' demands are ignored, the radical groups will either mount a campaign of armed opposition in Tehran to an Islamic government, or will move to Iran's rural areas to mobilize opposition among ethnic and tribal minorities. [REDACTED]

Ayatollahs: Background Information

There may be slightly more than 100 Shiite leaders in Iran who are accorded the title ayatollah. However, the informality

The leftist Charik organization appears willing to go along with Talaghani as long as he generally supports leftist positions. Talaghani's recent statements supporting Ayatollah Khomeini's position on women's rights drew an angry rebuke from leftist spokesmen who claimed Talaghani had deserted them.

of the process by which Islamic clerics achieve this position at the top of the Shiite hierarchy, together with the traditional Iranian liberality in according and adopting titles, make an exact determination impossible. Islamic clerics who acquire respect for the quality of their writings and sermons, who demonstrate a mastery of Islamic law and practice, and who are distinguished by the humility of their life-style, may be accorded the title of ayatollah.

There has been no single "first among equals" of the Shiite clergy in Iran since the death of Ayatollah Bourujerdi in 1961. Bourujerdi, who was widely respected for his honesty and incorruptibility, was accorded the title "a'alam." The present most senior clerical leadership in Iran is reluctant to accord this title to Khomeini since his prominence has come through political activity rather than through a reputation for piety or learning. Of the six leading ayatollahs--including Ayatollah Khoi (who is currently in Iraq), Shariat-Madari, and Golpayegani--Khomeini in fact has generally been ranked last by Islamic scholars familiar with the hierarchy.

The Iranian ayatollahs often act autonomously. They may work together in a common cause--such as the movement against the Shah--but they are known to have differences and professional jealousies.

(b)(1)
(b)(3)

The traditionalist Islamic clergy have in the past disdained active participation in political affairs. This position was at least in part made necessary, or convenient, by the government under the two Pahlavi Shahs who attempted to keep the Shiite clergy in line through policies of repression of religious dissidents and cash payments to cooperative clerical

leaders. Nevertheless, the Shiite clergy play a major social role in Iran, acting as spiritual counselors, legal advisers, teachers, dispensers of charity, and general purpose father figures.

Large amounts of money collected in the form of the "khom," or religious tax, are channeled through the ayatollahs. In the case of the major leaders of the clergy, these funds may total millions of dollars a year. The ayatollah is accountable for the funds only to his conscience, though since these leaders achieve their positions on the basis of a reputation for honesty and humility, it is reasonable to assume that most of the funds are used for charitable purposes. The leading ayatollahs are noted for the austerity of their life style.



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STATE
CHG: CWNARS
POL: GBLAMBRAKIS: VAN
E/C: CTAYLOR

AMEMBASSY TEHRAN
SECSTATE WASHDC, PRIORITY
INFO USINT BAGHDAD
AMEMBASSY CAIRO
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY NEW DELHI
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV

E.O. 12065: GDS 4/11/85 (LAMBRAKIS, G.B.) OR-P
TAGS: PEPR, PINS, IR
SUBJ: THE BAZARGAN GOVERNMENT AND THE FUTURE

1. (S-ENTIRE TEXT)

2. SUMMARY: WE EXPECT THE BAZARGAN GOVERNMENT TO SLOG
ALONG FOR SOME TIME YET, GRADUALLY GETTING MORE CONTROL
OF THE COUNTRY'S AFFAIRS BUT WITH NO DRAMATIC IMPROVEMENTS.
A MAJOR THREAT WILL ARISE IN THE FORM OF ECONOMIC DIS-
AFFECTION, PARTICULARLY AMONG THE THREE TO FOUR MILLION
UNEMPLOYED. THE GOVERNMENT WILL TRY TO CONTAIN THIS BY
STRESSING THE VIRTUES OF THE ISLAMIC SIMPLE LIFE, CONTINU-
ING TO BLAME THE SHAH AND FOREIGNERS FOR ECONOMIC PROB-
LEMS, BUT ALSO FINDING A MEANS OF GETTING MONEY TO WORKERS
THROUGH UNEMPLOYMENT COMPENSATION, MAKE-WORK PROJECTS, AND
QUOTE START UP UNQUOTE CREDITS TO INDUSTRY. KHOMEINI'S
INFLUENCE (IF HE LIVES) SHOULD PREVENT THE OVERTHROW OF
THE GOVERNMENT BY VIOLENCE OF LEFT OR RIGHT WHILE THE
REVOLUTION RUNS ITS COURSE. IN TIME, A NEW AUTHORITARIAN
GOVERNMENT MIGHT BE EXPECTED TO SEIZE THE REINS OF
GOVERNMENT, BUT THAT IS FAR IN THE FUTURE, AFTER THE
ISLAMIC MOVEMENT HAS HAD ITS DAY IN THE SUN. THIS
ESTIMATE IS CONSIDERED OPTIMISTIC IN SOME OF ITS JUDGE-
MENTS BY SOME OF THE REPORTING OFFICERS AT POST. IT MAY
HAVE TO BE REVISED IN A FEW WEEKS TIME. ITS MAIN PURPOSE

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AT THIS TIME, HOWEVER, IS TO TAKE ISSUE WITH CERTAIN WASHINGTON ESTIMATES WE HAVE SEEN WHICH SUGGEST THE HIGH PROBABILITY OF A LEFTIST OR COMMUNIST TAKEOVER OF POWER IN IRAN IN THE VERY NEAR FUTURE. WE DO NOT RATE THAT AS ANYTHING MORE THAN AN EXTREMELY UNLIKELY POSSIBILITY IF EVERYTHING REPEAT EVERYTHING GOES WRONG. END SUMMARY.

3. THE REFERENDUM CREATING AN ISLAMIC REPUBLIC WAS HELD ON MARCH 30 - 31 AS SCHEDULED AND TOOK PLACE PEACEFULLY. DESPITE DIRE PREDICTIONS THAT (A) IT WOULD BE FURTHER POSTPONED AND (B) THERE WOULD BE ARMED TROUBLE. WE HAVE HEARD FROM A FRENCH EMBASSY SOURCE THE REPORT THAT KHOMEINI INSISTED THE REFERENDUM BE HELD AS SCHEDULED, THREATENING TO CALL OUT THE PEOPLE FOR MARCHES IN THE MILLIONS AS A SUBSTITUTE, IF THE ELECTION OFFICIALS REFUSED TO HOLD IT THEN. THIS RINGS TRUE. IT MAY ALSO EXPLAIN THE PADDING OF FIGURES REGARDING TOTAL VOTER TURNOUT BY THE ELECTION OFFICIALS AFTERWARD. WE HAVE REPORTED ON THE REFERENDUM BY SEPTEL. IN THIS CABLE WE PAUSE TO CONSIDER WHERE THE BAZARGAN GOVERNMENT STANDS AND WHERE IT MIGHT BE GOING.

4. IT IS BEST TO START WITH CERTAIN THINGS WE KNOW:

--A. AS REVOLUTIONARIES, BAZARGAN AND HIS PEOPLE ARE BASICALLY CONSERVATIVES. AMONG BAZARGAN'S CLOSEST COWORKERS, YALDI APPEARS THE MOST RADICAL, BUT THAT PROBABLY STEMS FROM THE ROLE HE IS PLAYING AS A BRIDGE BETWEEN THE GOVERNMENT AND THE COMMITTEES.

--B. THE ISLAMIC MOVEMENT HAS MANY OTHER CONSERVATIVE LEADERS (SHARIATMADARI ET AL) AS WELL AS SOME A SHADE LESS CONSERVATIVE (TALEGHANI) AND SOME QUITE RADICAL IN THEIR SOCIAL IDEAS WHILE FANATICAL IN THEIR RELIGION. (A PORTION OF THE MUJAHEDDEEN -- THE COLLEGE EDUCATED ONES). KHOMEINI AND HIS CLOSEST AIDES SUCH AS DR. BENESHTI DESIRE PUNISHMENT OF PAST MALEFACTORS AND A RETURN TO ISLAMIC FUNDAMENTALISM, BUT ALSO SHARE MANY CONSERVATIVE AIMS. THEY CONTINUE TO APPEAL TO THE MORE RADICAL REVOLUTIONARIES EVEN WHILE PERMITTING THE GOVERNMENT TO CARRY OUT A DEARLY CONSERVATIVE POLICY. AS A MEASURE OF THIS UNDERLYING CONSERVATISM, LET US RECALL THAT KHOMEINI, TALEGHANI, SHARIATMADARI, AND THE OTHERS ARE ALL (A) FERCELY ANTI COMMUNIST AND (B) FOR RECONSTRUCTION OF A NATIONAL ARMY, DEFINED AS ONE THAT WILL OBEY THEM, NOT THE SHAH. THERE IS UNDERLYING STRAIN BETWEEN BAZARGAN AND KHOMEINI -- WHICH NO DOUBT EXPLAINS BAZARGAN'S THREAT (TO QUOTE NOUVEL OBSERVATEUR UNQUOTE) TO REFUSE CANDIDACY FOR PRESIDENT OF THE REPUBLIC UNDER THE NEW CONSTITUTION. BUT KHOMEINI AND BAZARGAN NEED EACH OTHER, AND WE THINK

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DIFFERENCES WILL BE PATCHED UP TO PERMIT BAZARGAN TO RUN AND BE ELECTED PRESIDENT.

--C. THE MULLAHS OVERWHELMINGLY CONTROL THE MASSES, AND THEY ARE IN TURN LARGELY CONTROLLED BY VARIOUS AYATOLLAHS. KHOMEINI HAS PARAMOUNT CONTROL FOR THE MOMENT, BUT OTHERS SUCH AS TALEGHANI OR SHARIATMADARI RETAIN CONSIDERABLE RESIDUAL INFLUENCE.

--D. THE LEFT WING HAS NO MASS FOLLOWING. THE TUDEH IS WEAK. OTHER COMMUNISTS AND MARXISTS ARE ANTI-SOVIET, AND THE CHARKI FIDAYEEN GUERRILLAS ARE ONLY BEGINNING TO ORGANIZE POLITICALLY. THEY ARE YOUNG, MOSTLY COLLEGE-EDUCATED, WELL-ORGANIZED, AND ARMED, BUT THEIR POLITICAL FOLLOWING IS MINISCULE COMPARED TO THE RELIGIOUS MOVEMENT.

--E. FINALLY, KHOMEINI BY HIS FRUGAL LIVING WITH LITTLE MATERIAL WEALTH AND HIS EMPHASIS ON MORAL VALUES IS SETTING AN EXAMPLE FOR THE GOVERNMENT AND COUNTRY TO FOLLOW. THE PRIME MINISTER, THE HEAD OF NIJC, AND VARIOUS OTHER HIGH CIVIL SERVANTS HAVE OR ARE IN THE PROCESS OF ANNOUNCING CUTS IN THEIR SALARIES. THIS IS A MOVE WHICH SEEMS INTENDED AS A PRECEDENT TO BE FOLLOWED BY MORE AND MORE OF THE FAITHFUL. IF IT CATCHES ON AS A POLICY IT SHOULD DO MUCH MORE TO DEFUSE THE POTENTIALLY EXPLOSIVE ECONOMIC SITUATION. A GENERAL DEFLATION OF THE ECONOMY (LOWER RENTS, LOWER TAXES, PERHAPS EVENTUALLY LOWER PRICES) IS INTENDED AS A COMPANION MEASURE. ALSO, CALLS FOR CONTRIBUTIONS FROM THE WELL-TO-DO HAVE BEGUN WITH KHOMEINI'S REQUEST FOR SUCH HELP IN BUILDING HOUSING FOR THE POOR. ADDITIONAL CALLS CAN BE EXPECTED.

S. ON THE OTHER HAND THERE ARE SOME THINGS WE DO NOT YET KNOW:

--A. WHEN WILL KHOMEINI DIE? IF THAT OCCURS SOON IT IS CONCEIVABLE THAT THE ISLAMIC MOVEMENT WILL SUFFER SEVERE INTERNAL PANGS OF LEADERSHIP, WHICH ITS OPPONENTS OF THE LEFT -- BUT ALSO PERHAPS OF A RENASCENT MONARCHICAL RIGHT -- COULD EXPLOIT.

--B. HOW DEEPLY ARE MARXISTS DUG IN AMONG SKILLED WORKERS IN THE OIL FIELDS AND ELSEWHERE? EVIDENCE TO DATE SUGGESTS A PROBLEM THERE, BUT NOT ONE THAT IS INSUPERABLE FOR THE ISLAMIC MOVEMENT. ARE THE ROOTS SECRETLY MUCH DEEPER THAN WE THINK? THAT IS A POSSIBILITY WE CANNOT DISMISS UNTIL WE HAVE MORE EVIDENCE ONE WAY OR THE OTHER.

--C. WHAT ROLE WILL THE UNARMED BUT SKILLED BOURGEOISIE PLAY IN THE PRATICE OF THE CONSTITUTION AND THE PARLIAMENTARY ELECTIONS TO FOLLOW? SO FAR MANY OF THEM SYMPATHIZE WITH THE AIMS OF MAJID DASTGIRI'S NATIONAL DEMOCRATIC FRONT OR ARE MEMBERS OF LIKE MANNED GROUPS WHO FEAR LONG TERM DOMINATION BY THE MULLAHS AS MUCH AS A

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COMMUNIST TAKEOVER. IF THIS INFLUENTIAL CLASS IS NOT INTEGRATED INTO THE FRUITS OF THE REVOLUTION, THE COUNTRY'S ECONOMY WILL SUFFER EVEN MORE THAN OTHERWISE AND THE LEFTISTS WILL APPEAR STRONGER THROUGH A TACIT ALLIANCE WITH THESE MODERATES AGAINST THE ISLAMIC MOVEMENT AND ITS (BAZARGAN'S) GOVERNMENT.

Q. WHAT DO THESE FACTORS AMOUNT TO?

A. FIRST, THE PROBABILITY THAT BAZARGAN WILL SLOG ALONG MAKING SLOW PROGRESS TOWARD ONE GOAL AFTER ANOTHER (THE CONSTITUTION, A NEW PARLIAMENT, RECONSTRUCTION OF A VIABLE ARMY, ETC.). THE REALITY OF KHOMEINI'S AND THE ISLAMIC MOVEMENT'S POWER WILL SHIELD BAZARGAN FROM SERIOUS DAMAGE BY POTENTIAL LEFTIST OR RIGHTIST VIOLENCE. HE SHOULD NOT LOOK FOR ANY DRAMATIC BREAKTHROUGHS IN SECURITY, EFFICIENCY OR SOCIAL STABILITY AND HAPPINESS, HOWEVER. THIS PROCESS IS LIKELY TO CONTINUE FOR MANY MONTHS, PERHAPS EVEN YEARS, AS LONG AS HE REMAINS HEALTHY AND DOES NOT WEARY. THERE IS NO SUBSTITUTE FOR BAZARGAN AS P.M.

B. WITH MANY PEOPLE STILL BELIEVING THAT THE REVOLUTION MUST CONTINUE, PRESSURE WILL REMAIN ON KHOMEINI AND INDEED BAZARGAN TO MAKE APPROPRIATE NOISES AND QUOTE REVOLUTIONARY UNQUOTE DECLARATIONS (SOME OF THEM IN FOREIGN AFFAIRS, BUT MOST AT HOME) TO PREVENT TOO RAPID DISILLUSIONMENT OF THEIR ERSTWHILE FOLLOWERS. THE MOPS HAVE BEEN STIRRED UP TO SHAKE THE EDIFICE UNTIL THE SHAH TOPPLED. NOW THEY MUST BE COAXED SLOWLY, GRADUALLY TO GO BACK TO WHAT THEY WERE DOING. IN MANY CASES THIS WILL MEAN FINDING NEW THINGS FOR MANY TO DO -- SUCH AS ENROLLING THEM IN THE NEW ARMY OR REVOLUTIONARY GUARD.

C. THE SHORTCOMINGS OF THE ECONOMY, AND LACK OF MATERIAL REWARDS FOR THE CHILDREN OF THE REVOLUTION, WILL UNDOUBT-ABLY KEEP POTENTIAL TROUBLE BREWING, PARTICULARLY IN AREAS OF THE ECONOMY (SOME STILL TO BE IDENTIFIED) WHERE A COMMUNIST OR OTHER LEFT WING ORGANIZATION IS ESTABLISHED AMONG THE WORKERS. THIS IS POTENTIALLY THE MOST DANGEROUS ISSUE, WHICH COULD BRING DOWN THE GOVERNMENT. WE SUSPECT, HOWEVER, THAT SUCH GRUMBLING WILL NOT REACH CRITICAL PROPORTIONS BECAUSE OF THE COUNTERACTION OF THE ISLAMIC MOVEMENT, WHICH IS PREACHING A SIMPLER, PIOUS LIFE FREE FROM THE CORRUPTING EFFECTS OF WESTERN-INSPIRED MATERIALISM.

D. IT IS IMPORTANT IN THIS CONNECTION, THOUGH, THAT EVERY ABLE-BODIED MAN HAVE SOME SORT OF INCOME. THE PROBLEM OF UNEMPLOYMENT WILL HAVE TO BE SOLVED -- PROBABLY BY JERRY RIGGING AND AD HOC SOLUTIONS WHICH AMOUNT IN THE AGGREGATE TO LESS EFFICIENCY OF THE ECONOMY AS A WHOLE AND MORE UNDER-EMPLOYMENT. THIS REALITY WILL BE

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EXCUSED WITH THE GOVERNMENT'S ASSERTION THAT IT HAS PRODUCED GREATER ISLAMIC SOCIAL JUSTICE AND POPULAR HAPPINESS. AS PART OF THE PROCESS MENTIONED ABOVE, WE SHOULD EXPECT A GREAT DEAL OF EXPERIMENTATION, MUCH BACKING AND FILLING BOTH IN POLITICS AND IN ECONOMICS. THIS IS ONLY NATURAL IN A COUNTRY WHICH LACKS EXPERIENCE IN MODERN POLITICAL INSTITUTIONS, WITH A GOVERNMENT WHICH REFLECTS THE VIRTUES OF MODERN ECONOMIC DEVELOPMENT AS PRACTICED IN THE WEST. THE SPECTRE OF A NEW AUTHORITARIANISM WILL REMAIN EVER PRESENT ON THE HORIZON, AS PEOPLE BATLE WITH FRUSTRATION AND THE CROSS CURRENTS OF COMPETING EASTERN AND WESTERN CULTURAL VALUES. AN AUTHORITARIAN SOLUTION UNQUOTE IS ALMOST CERTAIN TO OCCUR SOME DAY BUT ONLY WHEN THE ISLAMIC MOVEMENT HAS HAD ITS MOMENT IN THE SUN AND RUN ITS COURSE.

7. COMMENT BY CHARGE: I HAVE BEEN BACK IN TEHRAN ONLY TEN DAYS AND MY OWN THOUGHTS ON THE SUBJECT HAVE NOT YET JELLED. HOWEVER, I DO NOT WISH TO HOLD UP THIS THOUGHTFUL REPORT IN ORDER TO REACH A CONSENSUS. I SHALL SUBMIT MY OWN VIEWS IN DUE COURSE AND HAVE ASKED POLITICAL OFFICER STEMPER TO GIVE HIS OWN ANALYSIS BASED UPON HIS FOUR YEARS EXPERIENCE HERE. NAASMR

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CONFIDENTIAL
STATE
CHG:CHNAAS
POL:JOSTEMPEL
NONE

AMEMBASSY TEHRAN
SECSTATE WASHDC, IMMEDIATE
INFO AMEMBASSY ABU DHABI
AMEMBASSY ANKARA
AMEMBASSY BAHRAIN
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY KUWAIT
AMEMBASSY MANAMA

E.O. 12065: GDS 04/12/85(STEMPEL, J.D.)OR-P
TAGS: PGOV, PINS, PINT
SUPJ: MEETING WITH DEPUTY PRIME MINISTER YAZDI

1. (C-ENTIRE TEXT THIS IS A REPORTING MESSAGE.)

2. SUMMARY: CHARGE OUTLINED U.S. DESIRE TO NORMALIZE RELATIONS AND SPEAK FRANKLY ABOUT PROBLEMS. YAZDI, NOTING U.S. INVOLVEMENT WITH PAST REGIME, EMPHASIZED LETTING PAST GO, COOPERATING IN CERTAIN AREAS, AND HAVING NEW AMBASSADOR WHO UNDERSTOOD IRAN AND IRANIAN REVOLUTION. END SUMMARY.

3. CHARGE ACCOMPANIED BY ACTING POL CHIEF STEMPEL CALLED ON DEPUTY PRIME MINISTER YAZDI AT HIS OFFICE APRIL 12. THIS CABLE COVERS GENERAL PRESENTATION; SEPIELS (NOTAL) WILL DEAL WITH OTHER SPECIFIC MATTERS.

4. CHARGE OPENED BY NOTING HE HAD JUST RETURNED FROM CONSULTATIONS AND WOULD BE IN CHARGE UNTIL NEW AMBASSADOR ARRIVED. HE EXPRESSED USG DESIRE TO NORMALIZE RELATIONS AS CONDITIONS PERMIT AND NOTED THERE WERE SEVERAL SHARED INTERESTS WHICH OFFERED OPPORTUNITY FOR U.S. AND IRAN TO WORK TOGETHER. U.S. GOALS WERE SIMPLE: WE WANT TO SEE IRAN MAINTAIN ITS TERRITORIAL INTEGRITY, REMAIN INDEPENDENT OF FOREIGN POLITICAL DOMINATION AND DEVELOP ECONOMICALLY. TOUCHING ON PROBLEM OF PAST TIES TO OLD REGIME, CHARGE SAID U.S. HAS NO ULTERIOR MOTIVES AND DOES NOT WISH TO EMBARRASS NEW GOVERNMENT BY PRESSING RECONCILIATION. USG WOULD BE RESPONSIVE TO IRANIAN WISHES. HE SOLICITED ANY

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SUGGESTIONS YAZDI MIGHT HAVE ON STEPS THAT MIGHT BE TAKEN IN THIS DIRECTION, AND URGED DEPUTY PM TO BRING TO HIS ATTENTION ANY PROBLEMS OR CHARGES AGAINST U.S. CHARGE EMPHASIZED IT IS BETTER TO DISCUSS FRANKLY THAN TO LET PROBLEMS FESTER.

5. YAZDI RESPONDED THAT ONE GREAT OBSTACLE TO NORMALIZING IRANO-US TIES WAS INDEED QUOTE YOUR DEEP INVOLVEMENT WITH PREVIOUS REGIME UNQUOTE. HE MOVED SWIFTLY TO MORE POSITIVE TACK, NOTING THAT GOVERNMENT IS READY TO NORMALIZE WHEN U.S. QUOTE DEGREE OF RESPONSIVENESS TO CORRECT PROBLEMS OF PAST UNQUOTE (UNSPECIFIED) WAS CLEAR. PAST IS PAST, HE SAID, AND IRANIANS ARE PRAGMATIC. THERE ARE MANY AREAS FOR COOPERATION. IRAN WILL IN DUE COURSE NEED U.S. TECHNOLOGY AND AGRICULTURAL PRODUCTS. NORMAL RELATIONS WOULD BE BASED ON MUTUAL RESPECT. IN THIS CONNECTION, YAZDI SAID APPOINTMENT OF NEW AMBASSADOR WAS A VERY POSITIVE STEP, ESPECIALLY IF HE IS QUOTE SOMEONE WHO UNDERSTANDS THE NEW GOVERNMENT AND THE IRANIAN REVOLUTION UNQUOTE CHARGE ASSURED HIM NEW APPOINTEE WOULD BE THAT KIND OF PERSON. (COMMENT: IF YAZDI HAS BEEN INFORMED OF APRIL 11 REQUEST FOR AGREEMENT, HE GAVE NO HINT OF IT.) YAZDI THEN ADDED THAT NEW APPOINTEE SHOULD HAVE HAD QUOTE MINIMUM ANTI-REVOLUTIONARY INVOLVEMENT IN OTHER COUNTRIES UNQUOTE CABINET AND RELIGIOUS LEADERS, INCLUDING KHOMEINI, ARE READY FOR NORMALIZATION AS BASIC STEPS ARE TAKEN:

6. DISCUSSION THEN TURNED TO QUESTION OF REVOLUTIONARY COURTS AND OTHER SPECIFIC ITEMS (BEING REPORTED SEPTELS).
HAAS##

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STATE

CHG:CNNAAS

POL:JSTEMPEL

POL:METRINKO GARRETT, ECON: TAYLOR BASH MAAG: GAST
POL (2) CHG ECON OR ICA RF

AMEMBASSY TEHRAN

SECSTATE WASHDC, IMMEDIATE

INFO: AMEMBASSY ABU DHABI

AMEMBASSY ANKARA

USINT BAGHDAD

AMEMBASSY BONN

AMEMBASSY CAIRO

AMCONSUL DHAKRAH

AMEMBASSY DOHA

AMCONSUL FRANKFURT

AMEMBASSY ISLAMABAD

AMEMBASSY JIDDA

AMEMBASSY KABUL

AMEMBASSY KHARTOUM

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY BEIJING

AMEMBASSY RABAT

USLO RIYADH

AMEMBASSY ROME

AMEMBASSY TOKYO

USCINCEUR VAIHINGEN GE

CINCPAC HONOLULU HI

USDOCOSOUTH NAPLES IT

E.O. 12065: RDS-4 4/25/99 (STEMPEL, J.D.)OR-P

TAGS: PGOV, PINT, PINS, PORS, IR

SUBJ: LOOKING AHEAD: PART II: CURRENT SITUATION

REF: A) TEHRAN 4025 NOTAL, B) TEHRAN 2681 NOTAL,

C) TEHRAN 2682 NOTAL, D) TEHRAN 4253 NOTAL,

E) ISLAMABAD 4517 NOTAL

1. (S-ENTIRE TEXT) THIS IS A REPORTING TELEGRAM.

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2. SUMMARY: FOR NOW, AYATOLLAH KHOMEINI'S ISLAMIC MOVEMENT, WHICH IS ITSELF ON THE VERGE OF FRAGMENTATION, HAS POSITION; THE MOST CHARISMATIC LEADER; AND THE BEST, THOUGH SPLIT AND CONFUSED, ORGANIZATION. ALL OTHER GROUPS HAVE LIABILITIES TOO, BUT SOME HAVE MORE POTENTIAL FOR EVENTUAL EFFECTIVE ACTION TO ESTABLISH THE BASIC PREREQUISITES FOR GAINING AND HOLDING POWER. BARRING A RANDOM CATASTROPHIC EVENT, SUCH AS ASSASSINATION OF KEY LEADERS, IRAN MAY HAVE AS MUCH AS TWO MONTHS BEFORE THE NEXT SERIOUS ARMED CONTEST FOR POWER OCCURS. UNLESS ONE GROUP CAN CONSOLIDATE ITS POSITION WITHOUT SERIOUS CHALLENGE FROM OTHERS OR OVERCOME THE SERIOUS FRAGMENTATION OF VALUES WITH A UNIFYING PROGRAM, THE OUTLOOK WILL BE CHAOS AND THE EVENTUAL EMERGENCE OF AN AUTHORITARIAN LEADER IN THE MOLD OF IRAN'S STRONG MONARCHS OF THE TRADITIONAL PAST. END SUMMARY.

3. FROM A BROAD PERSPECTIVE, THE FIRST GROUP TO HAVE A SHOT AT CONSOLIDATING POWER IS THE PRESENT BIFURCATED ISLAMIC MOVEMENT/GOVERNMENT. KHOMEINI'S CHARISMA IS STRONG ENOUGH TO MAINTAIN A SEMBLANCE OF ORDER FOR AWHILE, AT LEAST UNTIL ONE OF THE CHALLENGERS BUILDS UP A BETTER ORGANIZATION. WHILE A VAST MAJORITY OF IRANIANS PROBABLY NOW SUPPORT KHOMEINI, GROUPS HAVE RETREATED FROM THEIR REVOLUTIONARY STANCE OF SUPPORT, AND MORE WILL DO SO AS KHOMEINI IS FORCED BY CIRCUMSTANCES TO CLARIFY HIS AIMS AND POLICIES. BROAD GENERALIZATIONS ON THE NATURE OF AN ISLAMIC STATE AND THE RESPONSIBILITY OF FOREIGNERS OR REACTIONARIES FOR ALL THAT IS BAD WILL ONLY GO SO FAR; NEITHER PROVIDES A FIRM BASIS FOR AUTHORITATIVE DECISION-MAKING BY THE PGOI. MOST IMMEDIATE TASKS FACING ISLAMIC MOVEMENT ARE TO ORGANIZE POLITICAL AND MILITARY POWER BASE (AT LEAST AS FAST OR FASTER THAN THEIR COMPETITION); GET THE ECONOMY MOVING (AT LEAST BY REDUCING UNEMPLOYMENT); ESTABLISH A CONSTITUTION AND GOVERNMENTAL STRUCTURE THAT THE MAJORITY OF THE COUNTRY CAN LIVE WITH; AND BUILD UNITY AROUND A SET OF POLICIES THAT A MAJORITY WILL SUPPORT. ISLAMIC MOVEMENT OCCUPIES THE POLITICAL HIGH GROUND -- IT IS THE INCUMBENT GOVERNMENT AND POSSESSES WHAT LEGITIMACY THERE IS IN IRAN THROUGH ITS LEADER, KHOMEINI. IT HAS SUBSTANTIAL LIABILITIES, TOO, HOWEVER. THE DUAL STRUCTURE OF GOVERNMENT IS A SERIOUS HANDICAP TO DEVELOPING UNITY OF POLICY AND POWER. THE POLITICAL ORGANIZATIONS OF THE MOSQUES ARE STRONG IN THEIR ABILITY TO MOBILIZE PEOPLE FOR STREET ACTION, BUT THEY DO NOT HAVE THE INSTITUTIONAL BASE TO MESH WELL IN A GOVERNMENTAL STRUCTURE. THE MOSQUE COMMITTEES, THEREFORE, ARE NOT THE UNQUALIFIED

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ASSET MANY BELIEVE. FOR THE MOMENT, HOWEVER, NO ONE HAS ANY BETTER ORGANIZATION. THE MOVEMENT ESPOUSES VALUES, INSOFAR AS THEY HAVE BEEN DEFINED, THAT ARE FACILY ACCEPTED BY A MAJORITY OF THE PEOPLE, BUT CERTAINLY NOT EVEN A SUBSTANTIAL MINORITY OF THE MODERNIZED ELITE, A KEY GROUP FOR CARRYING OUT BOTH ECONOMIC AND POLITICAL PROGRAMS OVER THE MEDIUM TERM. THE NIGHTMARE OF THE ISLAMIC MOVEMENT WOULD BE A SPLIT WITHIN RELIGIOUS RANKS, WITH AYATOLLAHS ON EACH SIDE. THIS WOULD SHATTER KHOMEINI'S CHARISMA AND WEAKEN THE UNITY OF THE MOVEMENT, PERHAPS BEYOND REPAIR.

4. THE MARXIST FEDAYEEN HAVE THEIR ASSETS AND LIABILITIES AS WELL. ON THE ASSET SIDE, THE FEDAYEEN PROBABLY HAVE THE BEST TYPE OF ORGANIZATION FOR MOBILIZING PEOPLE AROUND A UNITY OF PURPOSE FOR DIRECT VIOLENT ACTION. THEIR VALUES APPEAL TO MANY OF THE MODERNIZED ELITE (REF A AND B), ESPECIALLY AS THE CONTRAST WITH KHOMEINI'S PROGRAMS BECOMES MORE CLEAR, TO THE ADVANTAGE OF THE FEDAYEEN. THE MOVEMENT IS WEAK IN ACTUAL NUMBERS AND ORGANIZATION AT THE NATIONAL LEVEL. IT CURRENTLY HAS NO FIRST-CLASS NATIONALLY RESPECTED LEADERS (THOUGH IT MAY DEVELOP SOME) AND IT IS THE TARGET OF IDEOLOGICAL SHIPING FROM MARXIST SPLINTER GROUPS. TO BE A THREAT IN THE NEAR TERM, THE FEDAYEEN MUST ORGANIZE SUPERBLY WELL AND FORM THE RIGHT COALITION TO BE IN POSITION TO TAKE ADVANTAGE IF AND WHEN THE ISLAMIC MOVEMENT STUMBLES BADLY OR SPLITS. WE HAVE LITTLE HARD INFORMATION ON THE FOREIGN CONNECTIONS OF THE FEDAYEEN, BUT THEIR ACCESSION TO POWER WOULD MOST PROBABLY OCCUR IN SUCH A WAY AS TO FORCE THEM RATHER SWIFTLY INTO DEPENDENCE ON EXTERNAL FORCES SYMPATHETIC TO THEM -- THE PLO, THE USSR, LIBYA.

5. NATIONAL DEMOCRATIC FRONT: MATIN-DAFTARI'S NDF IS A POTENTIAL CHALLENGER IN TERMS OF LIBERAL DEMOCRATIC IDEAS WHICH WOULD PROBABLY COMMAND A STRONG FOLLOWING AMONG REVOLUTIONARY URBAN SECULARISTS AND THE ESSENTIALLY NONPOLITICAL (UNTIL NOW) MODERNIZING ELITE. UNFORTUNATELY THE NDF IS SERIOUSLY DEFICIENT IN MILITARY POWER, AND EVEN WEAKER IN NATION-WIDE ORGANIZATION THAN THE MARXIST PARTIES. UNLESS IT ENTERED INTO AN ALLIANCE WITH SUBSTANTIAL ELEMENTS OF THE RELIGIOUS MOVEMENT WHO WERE WILLING TO ACCEPT A CHURCH-STATE SPLIT, IT WILL NOT BE A FORCE IN EITHER THE SHORT OR LONG TERM. AS AN ALLY OF THE FEDAYEEN, IT WOULD BE SWALLOWED UP WITHOUT A TRACE ONCE THAT GROUP CAME TO POWER.

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OTHER ALTERNATIVE. THERE ARE ALREADY HINTS THAT THOSE OF THIS PERSUASION HAVE PROVIDED MANPOWER FOR THE KILL-A-MULL TODAY GROUPS WHICH HAVE SURFACED ENOUGH TO DISTRIBUTE HANDBILLS IN SEVERAL AREAS, AND MAY HAVE BEEN INVOLVED IN THE KILLING OF GENERAL QARANI. THERE IS ENOUGH ANTI-CLERICAL FEELING IN CERTAIN QUARTERS OF IRAN WHICH COULD, IF CONDITIONS BECOME RIGHT, BE TRANSLATED INTO VIOLENT REACTIONS TO AN ISLAMIC GOVERNMENT, ESPECIALLY IF SUMMARY EXECUTIONS AND OTHER ENEMY-CREATING ACTIVITIES OF THE KHOMEINI COMMITTEES CONTINUE. THE OCCASIONAL STATEMENTS FROM THE PGOI THAT A GENERAL AMNESTY WILL BE PROCLAIMED HAVE FALLEN ON CYNICAL EARS. SUCH A DECISION TO DO AWAY WITH THE EXECUTIONS (IF NOT THE TRIALS) WOULD EASE THE SITUATION, BUT NOT REVERSE IT.

9. NEAR TERM PROJECTIONS: THE GIGANTIC ORGANIZATION PROBLEMS WHICH FACE ALL CONTENDERS FOR PLACE AND POWER IN THE SHATTERED IRANIAN POLITICAL SCENE PROBABLY MEAN THAT IN THE ABSENCE OF A SUBSTANTIAL TRIGGERING EVENT (KHOMEINI'S DEATH, FOR EXAMPLE) IRAN MAY LIMP ALONG FOR THE NEXT TWO TO FOUR MONTHS HARRED BY LOW-LEVEL VIOLENCE RESULTING FROM CURRENT DISORGANIZATION AND SHARP VALUE CONFLICT (REF D). WE WOULD RATE THE ISLAMIC MOVEMENT'S CHANCES OF QUOTE MUDDLING THROUGH UNQUOTE BEYOND THAT POINT SLIGHTLY LESS THAN 50-50, LARGELY BECAUSE OF ITS ORGANIZATIONAL DISARRAY. POSSESSED OF ALL THE ADVANTAGES OF GOVERNMENT AS A CHARISMATIC LEADER, KHOMEINI SOMETIMES SEEMS BENT ON SNATCHING DEFEAT FROM THE JAWS OF VICTORY. HIS RECENT PUBLIC STATEMENTS IN SUPPORT OF THE ARMY AND HIS CRITICISM OF THOSE WHO HAVE ATTACKED CLERICS SOUND A BIT LIKE THE SHRILL NOTE OF A MAN WHO HAS BELATEDLY DISCOVERED THAT HIS GAME PLAN IS A MISHMASH. (WE DO NOT SHARE THE PAK VIEW OF IRAN'S CURRENT CHAOS AS KHOMEINI-DESIRED AND INSPIRED (REF E)). VIRTUALLY ALL OUR SOURCES CLOSE TO THE RELIGIOUS MOVEMENT DESCRIBE KHOMEINI AS INCREDIBLY NAIVE ABOUT THE MECHANICS OF GOVERNING POLITICS, AND HIS TREATMENT OF THE PGOI AND BAZARGAN HAS PROVOKED ULCERS AND CHAGRIN THE WIDTH AND BREATH OF THE CABINET. UNLESS THE PGOI CAN GET MORE CONTROL OF EVENTS AND START TO MOVE MORE RAPIDLY (WHICH BAZARGAN CLAIMS HE DOES NOT WISH TO DO), THEN THE ISLAMIC MOVEMENT WILL SQUANDER THE POLITICAL HEADSTART IT ACHIEVED AS THE VANGUARD OF THE REVOLUTION. FOR NOW, THE BALL IS IN KHOMEINI'S COURT; FROM A LONG-TERM PERSPECTIVE HE HAS

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The national ____ with the pen_ of early Iranian a foreign minister, the ____ regain its principal leader. Real [...] role in the final draft or the [...]no independent military strength, and has exhibited practically no ____ political activity since late February. [...]

The Iranian military for the moment, the Iranian armed forces are the current prize in the game of politics, not an independent counter. Though virtually bereft of leadership, armed forces are the only ____ with solid professional Iranian. And an accustomed command structure [...] to rebuild the army in an Islamic image with new [...] should it fail to do so or should military officers and senior enlisted men become disillusioned with the [...]it is not likely that the armed forces will [...]an independent [...]at least [...] men have quietly expressed dissatisfaction with one facto or another of the revolution.

The rest of the rights revolutionary ____ to the contrary, there remains a [...] for the modernizing politics of the Shah, if not for the monarchial system. These elements may hold themselves into one of the secular alternatives -Fedayeen, NDE, NF - but they could in a few weeks time, cause [...]

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NOT PLAYED IT VERY SMARTLY SO FAR. PROBABLY THE BEST INDICATOR OF WHETHER THE ISLAMIC MOVEMENT WILL SURVIVE AS THE DOMINANT FORCE IN IRANIAN POLITICS WILL BE HOW WELL ALL HANDS CAN IMPROVE UPON THEIR PERFORMANCE TO DATE.

10. THERE WILL UNDOUBTEDLY BE AT LEAST ONE MORE CHALLENGE TO THE ISLAMIC MOVEMENT, PERHAPS MORE IF IT REMAINS WEAK AND DIVIDED AND OTHERS GAIN IN STRENGTH. THE FEDAYEEN WILL ALMOST SURELY LEAD A MARXIST COALITION INTO BATTLE AFTER AN APPROPRIATE PERIOD OF ORGANIZATIONAL ACTIVITY. THIS STRUGGLE MAY BEGIN SLOWLY ON ISSUES WHERE THE FEDAYEEN HAVE BUILT-IN ADVANTAGE WITH GROUPS THEY ARE TRYING TO ORGANIZE -- ELECTORAL ARRANGEMENTS IN THE NEW CONSTITUTION, RIGHTS FOR WOMEN, AND ECONOMIC PROGRESS. THE FEDAYEEN STAND TO BE THE BIGGEST GAINERS IF THE PGOI FALLS ON ITS FACE IN REVIVING THE ECONOMY AND FULFILLING THE WANTS OF ITS FOLLOWERS. THERE IS A REAL DANGER THAT IT WILL BE THE MAGNET FOR DISSIDENTS RATHER THAN THE MODERATE MOF, NF AND THE OTHERS WHICH WILL RISE AND FALL.

11. BECAUSE OF THE FRAGMENTATION OF VALUES, AUTHORITY AND POWER, POLITICS IN IRAN IS A MUCH MORE SITUATIONAL ACTIVITY THAN IN MANY DEVELOPING COUNTRIES. GIVEN EVENTS WILL HAVE DISPROPORTIONATE IMPACT ON LONG-TERM PROSPECTS. THE LATITUDE FOR CHANGE IS WIDER THAN MOST REVOLUTIONARY SITUATIONS. IN PRESENT CIRCUMSTANCES, KHOMEINI CAN SHELDO BAZARGAN FOR JUST SO LONG BEFORE THE SHELDO SHATTERS OR TATTERS. THE PGOI MUST SHOW RESULTS SOON TO FORESHORTEN THE PERIOD OF RELATIVE CALM AND PLUNGE IRAN*** SURVIVE. KHOMEINI'S OR BAZARGAN'S DEATH WOULD IMMEDIATELY FORESHORTEN THE PERIOD OF RELATIVE CALM AND PLUNGE IRAN'S POLITICAL GROUPS INTO AN ARMED STRUGGLE FOR POWER, READY OR NOT. THE OUTCOME, IF IT OCCURS WITHIN THE NEXT SIX MONTHS WOULD BE CHAOS, FOLLOWED BY THE EMERGENCE OF AN AUTHORITATIAN FIGURE OF EITHER RIGHT OR LEFT, WHO WOULD BECOME BY SOME NAME, A NEW EDITION OF THE VERY AUTHORITARIAN REZA SHAH WITH AT LEAST SOME RELIGIOUS CREDENTIALS. IT IS AN EERIE FEELING INDEED TO HEAR LAST MONTH'S DEMOCRATS TALK OF THE GROWING NEED FOR STRONG LEADERSHIP. NAASH#

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STATE
CHG:CVMAAS
POL:JGSTEMPEL
NONE
POL(3) CHG ECON ICA OR

5/6/79

AMEMBASSY TEHRAN
SECSTATE WASHDC, IMMEDIATE
INFO AMEMBASSY ANKARA
USINT BAGHDAD
AMEMBASSY BONN
AMEMBASSY CAIRO
AMCONSUL DHAMRAN
AMEMBASSY DOHA
AMCONSUL FRANKFURT
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOSCOW
AMEMBASSY MUSCAT
AMEMBASSY NEW DELHI
AMEMBASSY PARIS
USLO PEKING
AMEMBASSY RABAT
USLO RIYADH
AMEMBASSY ROME
AMEMBASSY TOKYO
USCINCEUR VAHINGEN GE
USCINCPAC

Probably 4579

E.O. 12065: XDS-4 5/5/09 (STEMPEL, J.D.) OR-P
TACS: PFOR, PGOV, PINS, IR
SUBJ: MEETING WITH PRIME MINISTER BAZARGAN

1. (C-ENTIRE TEXT) THIS IS A REPORTING CABLE.
2. SUMMARY: CHARGE REVIEWED U.S. DESIRE TO NORMALIZE U.S.-IRAN TIES, NOTED PROPAGANDA AGAINST USG, AND STRESSED U.S. IS NOT IN ANY WAY INTERVENING IN IRANIAN INTERNAL AFFAIRS. BAZARGAN STRESSED HIS PERSONAL

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2;

...STRESSED PROBLEMS OF ECONOMIC TIES WITH U.S. ... PROBLEMS OF ... BAZARGAN OPINED IT ... TO HAVE A DRAFT ... ELECTORAL LAW FOR CONSTITUENT ... BAZARGAN-ENTEZAM BIG ...

...STILLER CALLED ... DEPUTY PM ... THOUGH IT WAS ... MOST OF WHAT WAS BEING ... WARM NOTE OF GREETING ... HE HAD USED ... RESULTS OF IRANIAN ... SUCCESS. USG STRONGLY ... RELATIONS TO EXTENT AND AT PACE ... TERRITORIAL INTEGRITY, ... ECONOMIC STABILITY.

...ANTI-U.S. PROPAGANDA ... U.S. IS NOT ... INTERFERING AND WILL NOT INTERFERE IN INTERNAL AFFAIRS ... CHARGE'S STATEMENT ... AROSE ON THIS ... OFFICIALS SHOULD NOT HESITATE ... WHEN HE ARRIVES. TIMELY ... MINIMIZE MISUNDERSTANDING.

...DONALD ... VALUE OF HIS ... FOR PRIME ... APPOINTMENT ... ON THIS ... THAT YAZDI SUPPORTED ... INDICATED ... JUDGED U.S. ... RELATIONSHIP IF U.S. AGREES ... INTENTIONS IS CORRECT, ... YOUR NEW AMBASSADOR WILL BE ABLE ... BAZARGAN THEN SAID IF USG HAD ... THAT WOULD HELP IRAN DEFEND ITS INDEPENDENCE ... WE WILL APPRECIATE IT IF ... HE INDICATED DEPUTY

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PM ENTEZAM SHOULD BE CONTACT FOR THIS PURPOSE.

6. PM NOTED THAT U.S. AND IRAN HAD HAD GOOD ECONOMIC AND MILITARY RELATIONS. NEW PGOI WANTED SAME, PERHAPS EXPANDED, ECONOMIC TIES. MILITARY RELATIONSHIP WOULD OF COURSE CHANGE. WEAPONS PURCHASES WOULD STOP, BUT PGOI NEEDED TECHNICAL HELP AND SPARE PARTS. PGOI HOPED AND EXPECTED TO HAVE FAVORABLE USG HELP IN SETTLING QUESTIONS OF CONTRACT TERMINATION AND RENEWAL. ENTEZAM ADDED THAT PGOI WANTED USG QUOTE NOT TO BE AGAINST US UNQUOTE ON DECISIONS WHETHER TO RENEW CONTRACTS OR NOT. ENTEZAM NOTED IN THIS CONNECTION: THAT \$8 MILLION IN SPARE PARTS WAS STILL WAITING IN TEXAS FOR SHIPMENT TO IRAN, AND URGED SOME ACTION ON THIS MATTER. CHARGE SAID HE WOULD CHECK ON IT, BUT THOUGHT SHIPMENT OF WHOLE \$8 MILLION WORTH HAD BEGUN SOME DAYS EARLIER. (MISSION BELIEVES AT LEAST ONE PLANELOAD HAS ALREADY ARRIVED; DETAILS WILL BE FORWARDED TO PGOI.) ENTEZAM ASKED FURTHER QUESTION ABOUT REPORTED ARRIVAL OF NINE U.S. MILITARY PLANES. CHARGE SAID THESE WERE NINE CARGO PLANES TO TAKE OUT BACKLOG OF HOUSEHOLD SHIPMENTS AND THAT PLANES WERE COMING AT RATE OF ONE OR TWO PER DAY, NOT ALL AT ONCE. ENTEZAM NOTED THIS WITH SATISFACTION.

7. IN RESPONSE TO QUESTION FROM CHARGE, PM DEVOTED A FEW MINUTES TO BROAD BRUSH OVERVIEW OF REVOLUTION, NOTING THAT HE WAS MERELY ELABORATING ON HIS RECENT TV TALK. IRANIAN REVOLUTION HAS SUCCEEDED VERY RAPIDLY. THIS BROUGHT MANY DIFFICULTIES, BUT PGOI WAS TRYING TO GET TOGETHER AND BEGIN TO MEET ITS PROBLEMS, ESPECIALLY SECURITY. ENTEZAM ADDED THAT PGOI HAD SUPPORT OF QUOTE 99 PERCENT OF PEOPLE UNQUOTE WHO ARE WILLING TO GIVE UP A GREAT DEAL TO MADE REVOLUTION SUCCEED. CONCERNED THAT RECENT KILLINGS OF ISLAMIC MOVEMENT LEADERS (GEN QARANI AND AYATOLLAH MOTAHARI) HAD INCREASED ANXIETY, BAZARGAN SAID THESE PROBLEMS WOULD BE OVERCOME. NEW DRAFT CONSTITUTION WAS BEING WORKED ON, BUT IT WOULD TAKE ONE TO TWO MONTHS FOR IT TO BE READY FOR RELEASE TO PUBLIC IN FINAL FORM. MEANWHILE, NEW ELECTORAL LAW HAD JUST BEEN COMPLETED, SO ADMINISTRATIVE PREPARATIONS FOR ELECTIONS OF CONSTITUENT ASSEMBLY WERE WELL ALONG. TWO OR THREE MONTHS MORE WOULD PROBABLY BE

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NECESSARY TO COMPLETE THIS PROCESS; THIS WAS EXAMPLE OF PROBLEM WHICH CAME FROM RAPID SUCCESS OF REVOLUTION. COMMENT: BAZARGAN AND ENTEZAM APPEARED SINCERELY POSITIVE, BUT THEY WENT TO SOME MODEST PAINS TO PAINT GOOD PICTURE OF REVOLUTION GRADUALLY CONSOLIDATING ITS GAINS. SINCE DISCUSSION CAME AT END OF MEETING, CHARGE DID NOT PUSH FOR THEIR REACTION TO HARD QUESTIONS OF POLITICAL ORGANIZATION. VIEW GIVEN ABOVE IS PROBABLY AS CLOSE TO AN APPROVED QUOTE PARTY LINE, UNQUOTE FOR THE ISLAMIC PGOI AS CAN BE FOUND.)

8. ENTEZAM AND BAZARGAN: ENTEZAM IS NOW CLEARLY PM'S RIGHT HAND MAN. HE HAS BEEN CLOSE TO BAZARGAN FOR SOME YEARS, BUT REALLY CAME INTO HIS OWN JUST BEFORE AND JUST AFTER SUCCESS OF REVOLUTION. DEPARTURE OF YAZDI FROM PRIME MINISTERIAL ENTOURAGE HAS GIVEN ENTEZAM GREATER ROLE IN GENERAL POLITICS OF PGOI, INCLUDING FOREIGN AFFAIRS, WHICH WERE VIRTUAL YAZDI PRESERVE. ENTEZAM IS ABOUT 48, A 1963 UNIVERSITY OF CALIFORNIA BERKELEY PHD IN ECONOMICS, AND HAS HAD HIS OWN PRIVATE CONSULTING FIRM FOR SEVERAL YEARS. WITHIN LIBERATION MOVEMENT OF IRAN (LMI) HE ROSE TO POSITION ON CENTRAL GOVERNING BODY OVER PAST TWO YEARS AND WAS ONE OF THOSE CHOSEN BY BAZARGAN FOR GOVERNMENTAL POSITION BECAUSE OF HIS MODERATE VIEWS. HE WAS CHIEF CHALLENGER OF CURRENT TEHRAN MAYOR TAVAKOLI, WHO REPRESENTED THE LEFTIST FACION OF THE LMI. BAZARGAN CHOSE ENTEZAM TO REPLACE TAVAKOLI AS THE LMI'S PRINCIPAL DAY TO DAY CONTACT WITH THE EMBASSY SEVERAL WEEKS PRIOR TO THE REVOLUTIONS SUCCESS.

9. BOTH ENTEZAM AND BAZARGAN SHARE A WESTERN INTELLECTUAL VIEW OF THE WORLD AND THE WAY OF LIFE SHOULD BE ORIENTED. THOUGH RELIGIOUS (BAZARGAN MORE SO THAN ENTEZAM), BOTH IMPLICITLY BELIEVE MORE IN WESTERN NATIONALIST CONCEPTS THAN THEIR THEOLOGICAL ALLIES IN THE ISLAMIC MOVEMENT. DURING THIS MEETING BAZARGAN LOOKED HEALTHY AND ALERT. NAA5MF

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NATIONAL SECURITY COUNCIL

May 29, 1979

NEA: Mr. Canby

Mr. Pruch

2nd 6/2/79

10:00

MEMO FOR DAVID NEWSOM

SUBJECT: Meeting with Morteza Bazarzan

Last week, Jonathan Roosevelt called and asked me to meet with Prime Minister Bazarzan's nephew. He apparently met with Henry Precht when he was in town last December. My notes from the meeting are attached for your information.

My reaction to young Bazarzan is that he is extremely naive, though well-meaning. He may have illusions of becoming an emissary of some sort between the PGOI and the USG. He has no experience (or apparently any real concept) of foreign policy, but he claims to see his uncle as often as twice a week.

I hope this will be useful to you. This suggested that I brief you on the meeting but that the distribution be limited.

Gary Sick

MEMO FOR THE RECORD

Meeting with Morteza Bazargan

May 25, 1979; 2:30-3:30 p.m. OEOB

Bazargan is an engineer (like his uncle). For many years he has been associated with an American engineer, William Bierschenk. They maintain communications on a fairly regular basis by telephone and telex on a professional basis and Bierschenk accompanied him on the visit, as did Jonathan Roosevelt.

He asked how we could help the Iranian Government deal with the internal threats they are experiencing in the west and south of the country. He again identified the problem areas as Mahabad (northwest near the Turkish-Iraqi border--Ayatollah Hosseini), Kurdistan (Afshar Qasemlu) and Khuzestan (southwest, oil fields--Ayatollah Khagani). He indicated they have proof of outside involvement consisting of shipments of money and arms coming across the border (presumably from Iraq) and that "things are very bad for us." He also claims that Generals Oveissi and Palizban are active in the Kermanshahan area, operating from the Iraqi side of the border. According to Bazargan, Palizban directs attacks on villages and travelers in the region, using forces of hundreds of fighters. He acknowledged that he had no evidence that Oveissi was physically present, though he claimed that Oveissi had made trips to the area on several occasions.

Sick assured him that he had checked carefully and could assure him that the United States was not involved in supporting or encouraging this activity in any way. We were prepared to cooperate with the Government of Iran in developing information about external support for internal subversion. We could perhaps be particularly helpful in providing information about Soviet activities in Afghanistan and along the northern Iranian border. However, if he believed that we could simply turn off the rebellious activities in Khuzestan, Kurdistan, etc., he was incorrect. The areas where we could be most helpful, e.g. support for the military, had been closed off. However, if the Government of Iran wanted to open a quiet exchange of information on this or other areas of concern, we would be prepared to be as cooperative as possible.

Bazargan appeared disappointed. He was clearly convinced that we were sponsoring the Kurdish and Khuzestan rebellions, and he was looking for more than an offer of information exchange. He acknowledged the offer of information about

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Soviet activities, but commented that they were "not particularly interested" in Soviet activities in Afghanistan. On the northern border, they would be interested primarily in tracking down agents the Soviets are using to run guns and money across the border. He showed no interest whatever in Soviet military activities across the border. He is absolutely convinced that the Soviets are not involved in the Kurdish, Khuzestan activities which were foremost on his mind.

Bazargan then asked if the U.S. Government had any complaints or suggestions to make. Sick replied that our primary concern was the security of Americans in Iran. We appreciated the steps which had been taken to provide security to the Embassy, but the continued anti-American statements did not make us feel more comfortable about our people there. Secondly, he should be aware of the enormous political problem created by the summary trials and executions. So long as these continue, it is going to be very difficult for us to make the kind of conciliatory gestures we would otherwise be prepared to do. Finally, our major objective is to develop a sound working relationship with Iran. We accept the revolution. We know the Shah is not coming back. We realize there is a legacy of past history which must be overcome. But we think that Iran-U.S. relations are too important to remain as they are today. Iran is important to us and we believe we have much to offer the new government. We both start from a basic opposition to Soviet encroachment, and we must build a new relationship starting from there. Bazargan jotted a few notes.

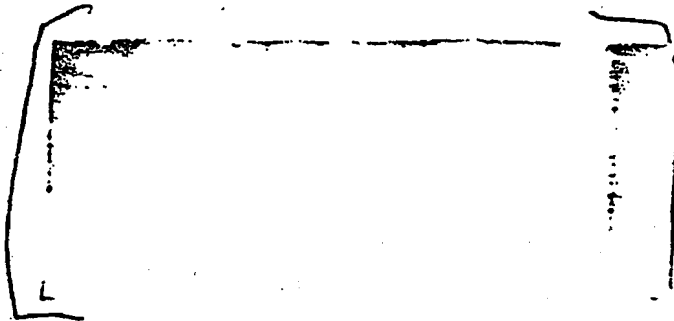
Bazargan apparently intends to talk to his uncle about officially recognizing him as an emissary of the Iranian Government. He was unclear about just what he had in mind, but it may have been an interest in establishing his credentials through a word from Bazargan.



Changes in the Middle East: Moscow's Perceptions and Options (U)

An Intelligence Assessment

*Research for this report was completed
on 29 May 1979.*



PA 79-10230
June 1979

Changes in the Middle East: Moscow's Perceptions and Options (U)

Key Judgments

The Soviets must be gratified by the current polarization in the Middle East and their own identification with the overwhelming majority of the Arab states on a major policy issue—opposition to the Egyptian-Israeli peace treaty. On balance, the signing of the treaty has thus far worked to Soviet advantage as has the fall of the Shah of Iran. The Soviets' ability to forge positive gains from these developments is limited, however, by the same basic constraints which have long hampered their advancement in the region.

While unhappy with the demonstrated US ability to arrange a separate agreement and by their own exclusion from the negotiating process, the Soviets are undoubtedly relieved by the widespread opposition to the accord in the Arab world and by the resulting isolation of their main Arab antagonist, Sadat. They certainly hope the treaty will fail to attract broader Arab support and that the unity of the opposition to the accord will be sustained. The Soviets' own ability to accomplish these ends is marginal, but they will try to:

- Obstruct formal implementation and thus acceptance of the treaty by the United Nations in order to undermine US credibility and upgrade their own image as defender of Arab interests.
- Play on differences between the United States and the moderate Arabs.
- Strengthen ties with their Arab colleagues to fortify opposition to the treaty.
- Support Arab measures to isolate Sadat, hoping thereby to help precipitate his downfall.

The departure of the Shah was a windfall for the Soviets because of the setback to US strategic interests. While they have not benefited directly, the new regime's inherent weakness and its withdrawal from a regional security role have created power vacuums both within Iran and in the area generally that they would like to exploit.

Apparent contradictions in the Soviets' tactics in the Gulf region reflect complexities in their objectives. They want to maintain a proper relationship with the Iranian regime to protect both the Tudeh Communist Party and their own assets as well as to encourage a continuing anti-US posture by that government. At the same time, the Soviets would like to see continuing instability within Iran, which will prevent it from reassuming a major role in area politics and might eventually lead to a more pro-Soviet government. Similarly, while they would like to court the traditional Gulf states, particularly Saudi Arabia, the Soviets want to take advantage of the current absence of a restraining power to undermine these same states.

In pursuit of these goals, the Soviets will:

- Seek a stable relationship with the Khomeini-backed government.
- Encourage formation of a united front that would include the Tudeh Party in a broader and more powerful leftist coalition.
- At the same time, back Tudeh's efforts to penetrate the new Iranian regime in order ultimately to subvert it.
- Support efforts by their allies (Gourri Yemen and the Popular Front for the Liberation of Oman) to subvert neighboring governments.

Efforts by the Soviets to advance their interests continue to be inhibited, however, by an impressive list of constraints:

- They want to avoid direct political or military confrontation with the United States in this region.
- They do not have the key to a political solution to the Arab-Israeli conflict.
- They want to prevent a backlash and repression of pro-Soviet elements in the area.
- Their inclination to support dissident and leftwing groups, even though indirectly, undermines promotion of bilateral relations with states that feel threatened.
- Virtually all of the Arab nations—even those with close ties to the USSR—are anti-Communist and distrustful of Soviet intentions.
- The West has the hard currency and civilian technology most of these nations want.

These factors leave the Soviets with a limited range of effective tools for advancing their interests. Their primary vehicle will continue to be the supply of arms and related services to build relations with various states; this approach requires the continuation of tension to produce the need. It also contains its own inherent dilemma: building the military capabilities of the Arab confrontation states may increase, rather than simply maintain, the level of tension and raise the risk of war and confrontation that the Soviets want to avoid.

Q 7 SV goals
in Iran & Pb?
What event op?
(see p. 4 below)

How accurate?



interesting idea

The Soviets' secondary, and thus far less successful, tactic is indirect and rather indiscriminate backing for destabilizing elements in the region—a process they hope will ultimately produce regimes more willing to cooperate with them.

These techniques do not hold out much promise of significant breakthroughs for the Soviets. In the past, the arms supply relationships with Arab states have not earned compensatory long-lasting military or political payoffs, and instability in the region has not produced pro-Soviet regimes, except in South Yemen. Soviet policy, basically negative, requires a continuing state of controlled tension that can be exploited at US expense. US setbacks, on balance, work to Soviet benefit. Nonetheless, the USSR's ability to establish a deep-rooted presence in the region remains severely circumscribed.

The above material is Unclassified.

In sum, the Soviets must be gratified that the signing of the Egyptian-Israeli treaty has not produced a more negative situation for them. Rather, by creating a new alignment in the Arab world, it may have opened the way for some incremental gains in their relations with a wide array of Arab states. They continue, however, to be limited to a basically negative policy—trying to hold together elements in opposition to the treaty and prevent successful development of the US-backed initiative. (U)

The Iranian Revolution

The Soviets certainly consider the Shah's fall and the victory of Khomeini's forces a severe setback to the US position and thus a strategic victory for them. At the same time, their ability to capitalize on the new situation is complicated by the anti-Soviet proclivities of the new Iranian regime and by seeming inconsistencies in their own objectives. (U)

The Soviets would like to establish a good working relationship with the Iranian regime to protect their own economic assets, encourage continuation of an anti-Western policy by the Islamic government, and help prevent a crackdown against the Tudeh Communist Party. At the same time, they hope that continuing instability within Iran will, in time, produce a more secular, leftist regime with a pro-Soviet bias. (U)

In the broader Gulf region, the Soviets are clearly gratified by the new regime's decision to end its close military relationship with the United States, withdraw from CENTO, and abandon active involvement in Oman. They undoubtedly also expect Iran to abandon its sponsorship of a Persian Gulf security pact and an Indian Ocean "zone of peace" (which the Soviets have viewed as being directed against them). (U)

The Soviets would undoubtedly like to take advantage of this new power vacuum in the region and the possible vulnerability of established governments. Their support for South Yemen's moves against North Yemen in February, an action they had sought to restrain last fall, suggests both an increased Soviet perception of the area's vulnerability and a willingness to exploit it. (U)

Recent developments in Afghanistan indicate, however, that the new situation in the Gulf also raises problems for the Soviets. Islamic resurgence exemplified in the Iranian revolution is as much anti-Soviet as anti-West. Muslim insurgents are mounting a challenge to the pro-Soviet regime in Afghanistan, and the Soviets have become increasingly involved in efforts to counter this threat. The Soviets have already criticized the Iranian Government because of its sympathy for the Afghan insurgents, and the situation may complicate Soviet-Iranian relations. (U)

The Soviets must also realize that their support for any aggressive activities in the region, even if indirect, increases the concern and vigilance of most of the Arab nations. The concerted Arab effort to halt the Yemeni conflict suggested a strong desire to contain the Soviets in the area. The Soviets are certainly aware that they may provoke counteraction by pursuing a seemingly interventionist policy, whether it be armed intervention to support the Afghan regime or disguised backing of subversion elsewhere. (U)

Current Soviet Policy Options

Response to the Treaty

Limited Diplomatic Options. Despite their current alliance with the overwhelming majority of Arab countries in opposition to the Egyptian-Israeli treaty, the opportunities the Soviets have to seize the diplomatic initiative are severely limited. The momentum in negotiations for a peaceful solution to the region's problems lies, after all, with the United States, and the impetus for unified Arab opposition to these moves lies with the rejectionist Arab states. The Soviets are, therefore, placed in the position of trying to maintain their own status as defender of Arab interests and to encourage continued opposition to the separate treaty. At the same time, however, they remain committed to a negotiated settlement and would like to keep open the possibility of a return to a broad negotiating forum in which they would play a major role. This perceived need to encourage opposition to the separate treaty while continuing to call for a comprehensive settlement further limits the scope of their policy options. (U)

Islamic resurgence
fundamentalist

The Soviets are also trying to ease relations with Iraq: at their initiative, Soviet foreign ministry official Oleg Grinyevskiy visited Baghdad for consultations in mid-May. The talks accomplished little, however, and chances for progress are not promising. Although Iraq has thrust itself to the forefront of Arab opposition to the treaty, it seems determined to keep the Soviets at arm's length. The Iraqis virtually ignored Gromyko's visit to Syria, suggesting their opposition to any Soviet interference in the area on the eve of the late-March Baghdad Conference. They have continued to repress the Iraqi Communist Party and were anxious to halt the Soviet-backed South Yemeni incursion into North Yemen. (U)

Soviet opportunities to strengthen ties with other Arab associates also appear limited. Although the USSR has expressed firm continuing support for the Palestinian cause, the Palestine Liberation Organization has little need for more Soviet aid at this time. Similarly, Algeria, Libya, and South Yemen are united in opposition to the treaty, but their position is peripheral and they have no need for assistance in this context. (U)

Efforts To Profit From Iran Revolution

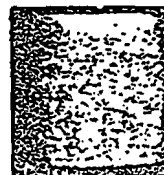
Attempts To Undermine the US Position. The Soviets are trying to exploit the anti-US aspect of the Iranian revolution, depicting the United States as both perfidious (seeking to manipulate the situation) and impotent (heralding the setback to US interests as an indication of the trend against imperialism in the region). They have tried to take credit for the US failure to intervene on the Shah's behalf, citing Brezhnev's November 1978 warning against outside interference. They are backing OPEC's policy of raising oil prices that creates economic problems for the West and increases Soviet hard currency income from oil sales to Western Europe. (U)

Courtship of New Government. The Soviets moved quickly to express support of the Khomeini-backed regime and to establish good bilateral relations. While they were undoubtedly disappointed by the somewhat cool reception they received, they were pleased by Iran's moves to cut ties with the United States, and they remain committed to pursuing good relations with whatever government is in power there. They were

cautious in their treatment of the Shah for many years because they wanted to expand economic relations, and they are now equally anxious to protect and, if possible, extend the assets they have built—particularly in the energy field. (U)

It is clear that the Soviets do not consider the Khomeini government completely desirable and that they are willing to risk offending it for objectives to which they assign higher priority. This was reflected in their inclusion of Iran among those countries they warned in authoritative *Pravda* articles in mid-March against interfering in the affairs of Afghanistan. Soviet press articles have become increasingly outspoken in their criticism of the regime and more willing to defend the role of Tudeh. (U)

Covert Support for Leftists. While the Soviets will continue to pursue smooth relations with the Khomeini regime, they would certainly prefer to see a more pro-Soviet regime eventually prevail. In addition, if there is to be a change, they very much want to be on the winning side. Thus, if they believe that the vulnerability of the regime is increasing, they will be tempted to increase aid to their current clients and step up their search for new clients within Iran. They will undoubtedly stay in the background, however, in order to preserve relations with the Iranian Government, maintain their international legitimacy, and protect the leftist movement from charges of "puppetism." (U)



861
EC

This is obviously a difficult policy for Moscow to pursue satisfactorily, as the Soviets risk damaging their relations with the Khomeini regime should their support for activities aimed at undermining the Iranian regime be detected. They have frequently pursued such seemingly inconsistent tactics, however, and they will probably continue to do so. (U) -

8

Because they hope to see a more pro-Soviet government emerge in Iran if the current regime is unable to control the situation, the Soviets have an interest in preventing the regime from stabilizing the country. For this reason, they sympathize with the activities of Iranian minorities (the Kurds, Azerbayzhanis, and others) who are currently posing problems for the central government. Given their own minority situation and the complex and overlapping nature of the minorities in the region, however, outright Soviet support for the separatist objectives of such groups is unlikely. Soviet commentary consistently draws a distinction between the "legitimate" desires of these minorities and the "imperialist-backed separatist" demands. While ambivalent about the objectives of the minorities, the Soviets probably would not oppose support funneled discreetly to them by third parties in the interest of maintaining instability and keeping the central Iranian Government weak. (U)

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The Soviets have also resumed criticism of the Government of Oman; in late April 1979, for the first time since 1975, they publicly welcomed a delegation from the Popular Front for the Liberation of Oman, a guerrilla organization operating against Oman from South Yemen. In recent weeks, Soviet press items have referred to Oman's agreement to permit US warships to use its ports and have charged that Egyptian troops are being deployed to Oman, where "the people are waging a stubborn struggle against the rotten regime of Sultan Qabus." These incidents suggest Moscow's probable approval of renewed PFLO and South Yemeni subversive moves against the Omani regime. (U)

In backing such objectives, the Soviets will undoubtedly avoid direct involvement in any operations. Rather, as long as South Yemen or some other cooperative actor has compatible interests and the inclination to pursue these interests actively, the Soviets can remain aloof. In the Yemeni conflict, the South Yemenis were the direct participants (behind a puppet National Front) and the Soviets maintained a very low key posture; they were thus able to project an almost neutral and seemingly benign public position. (U)

This Soviet preference for third-party involvement in activities that might become embarrassing or risky is also evident elsewhere in the Middle East. The use of Syrian and North Korean pilots to train Libyan pilots to fly Soviet aircraft and possibly to fly the planes themselves provides another current example. This approach has a number of advantages for the Soviets:

- They can plausibly deny involvement and intent.
- They run little risk of direct confrontation.

- They have increased flexibility and can either support or withdraw with little loss of face.
- They preserve their international respectability.

In spite of the protective coloration provided by this device, even indirect support for aggressive policies poses problems for the Soviets. While a facade is maintained, most leaders in the region are basically aware of Soviet objectives and techniques. Each new episode reinforces the fears and suspicions of both the traditional Arab states and Soviet associates opposed to any expanded superpower presence in the region. Their reaction may be to draw together in an effort to halt Soviet-backed operations—a reaction demonstrated in the coordinated Arab action to neutralize the Yemeni conflict and bring about a cease-fire. (U)

Prospects

It is possible that the Soviets will make some incremental gains as a result of the new, more favorable atmosphere created in the Middle East by recent events. Both the Saudis and Jordanians may be tempted to demonstrate their displeasure with US policies by expanding economic contacts with the USSR. In the Saudi case, this might mean the establishment of a Soviet presence (such as a consulate) on Saudi soil for the first time in more than 40 years. While such contacts in and of themselves would probably not be significant, they would give the Soviets a foot in the door and open the way to possible dealings with other conservative Gulf states. (U)

Their support for Arab opposition to the treaty and their role as arms supplier to many of these states should enable the Soviets to maintain current political relationships, if not to strengthen them somewhat. In addition, they may be able to earn more hard currency through arms sales, particularly if Syrian arms purchases are subsidized by Algeria, Iraq, or Libya. This arms relationship contains inherent problems for the Soviets; to sustain their image as backer of the Arab cause, they must help create a credible force on Israel's eastern front. Doing so, in turn, increases the danger of war and of confrontation with the United States. (U)

In the longer term, there are a number of hypothetical events that could strengthen the Soviet position in the Middle East. The Soviets would certainly consider it a victory if the isolation of Sadat and the pressures on him should lead to his fall from office. While there is little to suggest that a pro-Soviet regime would follow or that Egyptian policy would change greatly, it is safe to assume that the rabid anti-Sovietism of the current government would be mitigated and a less hostile course toward the USSR pursued. (U)

The Soviets do not currently appear to be in a position to benefit directly or substantially from the situation in Iran. The dominant personalities in that country appear uniformly anti-Communist and distrustful of the USSR. Should the chaos within the country intensify, however, it is possible that a secular leftist movement might emerge on top and that a more pro-Soviet policy would result. (U)

Soviet chances of successful exploitation of the new situation are probably highest in the Gulf region where Iran's withdrawal from a security role has clearly left a vacuum. A successful reunification of the Yemens under the aegis of the South would be considered an extension of Soviet influence and a potential threat to Saudi Arabia. The undermining of the Sultan's regime in Oman would similarly be viewed as a significant and symbolic advancement of Soviet interests. (U)

Short of these developments, it is unlikely that the Soviets will score dramatic gains in the Middle East in the foreseeable future. Even though disillusioned with US policies, most Arab states are not inclined to compensate by moving significantly closer to the USSR. Arab nationalism, buttressed by the rising tide of Islamic sentiment, militates against dependence on any outside power, and Communism as a philosophy is anathema. In addition, the Soviets have little, except arms, with which to tempt these nations. The region as a whole is becoming wealthier and, in general, prefers Western technology and civilian products. Politically, the Soviets still can provide only negative backing for Arab policies as they have no influence with Israel. In general, therefore, they must hope that US failures will redound to their benefit or that instability will eventually lead to more pro-Soviet regimes. (U)

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PAGE 01 STATE 139729
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APPROVED BY P:DNENSON
VIA:WHCRAFFORD (DRAFT)
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FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN IMMEDIATE
INFO WHITE HOUSE IMMEDIATE 2:42

SECRET STATE 139729

NOJIS

E.O. 12065 GDS, 5/29/85 (PRECHT, HENRY)

TAGS: PEPR, IR

SUBJECT: USG-PGOI RELATIONS

1. (S - ENTIRE TEXT)

2. YOU SHOULD SEE ENTEZAM OR YAZDI TO MAKE FOLLOWING
POINTS AND ASK THAT HE CONVEY THEM TO THE PRIME MINISTER:

-- WE ARE DISTURBED BY THE DETERIORATION IN RECENT WEEKS
IN OUR RELATIONS. WE HAD HOPED TO SET OUR RELATIONSHIP
WITH IRAN ON A COURSE OF STEADY, GRADUAL IMPROVEMENT.
AMBASSADOR CUTLER'S APPOINTMENT WAS PLANNED AS A SIGNIFI-
CANT STAGE IN THIS PROCESS.

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DEPARTMENT OF STATE A/CDC/MR	
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TS AUTH.	REASON(S)
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S Rockwell DATE 2/25/85

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NOJIS REVIEW

Cal A - Caption removed:
transmitted to O.F.A.D.C.

Cal B - Transmitted to O.F.A.D.C.
with additional markings
conducted by S/S

Cal C - Caption and custody
retained by S/S

Reviewed by: Sch. Bager

Date: 6/1/85

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PAGE 22

STATE 139729

-- THE PGCI SHOULD BE AWARE THAT SINCE FEBRUARY WE HAVE MADE EXTRAORDINARY EFFORTS WITH THE CONGRESS AND THE U.S. PRESS TO CONVEY A FACTUAL AND SYMPATHETIC UNDERSTANDING OF THE IRANIAN REVOLUTION AND THE DIFFICULTIES THE COUNTRY IS NOW EXPERIENCING. WE HAVE SOUGHT TO ENCOURAGE TO THE EXTENT FEASIBLE THE RESUMPTION OF NORMAL COMMERCIAL RELATIONS AND WE HAVE OFFERED ASSISTANCE AND COOPERATION WHEREVER THE PGCI CONSIDERED THAT DESIRABLE. OUR CHARGE HAS BEEN TO PASS THIS MESSAGE TO IRAN'S LEADERSHIP AND HE HAS DONE SO IN A SERIES OF CALLS.

-- AT THE SAME TIME WE HAVE ASKED THE PGCI TO TREAT US WITH FRANKNESS, BRINGING TO OUR ATTENTION ANY SUSPICION OF INTERFERENCE IN IRAN'S INTERNAL AFFAIRS. WE WANT TO REMOVE QUICKLY ANY DOUBTS OR SUSPICIONS ON THAT SCORE. WE APPRECIATE EFFORTS THAT THOSE IN FOREIGN MINISTRY AND GOVERNMENT WHO WISH TO SEE GOOD RELATIONS ARE MAKING.

-- AGAINST THIS BACKGROUND, WE ARE DEEPLY DISTURBED BY THE ANTI-AMERICAN DEMONSTRATIONS LED BY PERSONS INFLUENTIAL WITH THE PGCI AND THE UNFOUNDED ACCUSATIONS BY AYATULLAH KHOMEINI AND OTHERS THAT THE U.S. DIRECTLY OR INDIRECTLY WAS RESPONSIBLE FOR THE ATTACKS ON MONTAZERI, RAFSANJANI, AND GHARANI.

-- WE HAVE DELIBERATELY RESTRAINED OUR PUBLIC RESPONSE TO THESE ACCUSATIONS SINCE WE BELIEVE THAT NO USEFUL PURPOSE WOULD BE SERVED BY A PUBLIC CONFRONTATION. HOWEVER, OUR INTEREST IN PREVENTING A SPIRAL OF CHARGES AND COUNTERCHARGES SHOULD NOT BE MISINTERPRETED.

-- IT SHOULD BE CLEARLY UNDERSTOOD THAT THESE CHARGES ARE TOTALLY BASELESS AND CAN ONLY COMPLICATE OUR EFFORTS

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STATE 139729

TO REVERSE THE DOWNWARD TREND IN OUR RELATIONS.

-- WE ARE CONVINCED THAT THE PRIME MINISTER AND OTHERS SHARE OUR DESIRE TO PUT THE PAST BEHIND US AND BEGIN TO CONSTRUCT THE FOUNDATIONS OF A MUTUALLY BENEFICIAL RELATIONSHIP.

-- TO THAT END, WE WOULD WELCOME THE VIEWS OF THE PRIME MINISTER AND FOREIGN MINISTER ON THE PRACTICAL STEPS WHICH WE AND THE GOVERNMENT OF IRAN MIGHT TAKE TO CONVINCE KHOMEINI AND OTHER KEY LEADERS THAT THESE REPEATED CHARGES OF U.S. INTERFERENCE ARE NOT ONLY FALSE BUT ARE CONTRARY TO OUR MUTUAL INTEREST IN BUILDING A NEW RELATIONSHIP.

-- WE HAVE STATED THE READINESS OF CHARGE NAAS TO MEET WITH THE AYATOLLAH KHOMEINI. WE HAD ALSO INTENDED THAT OUR NEW AMBASSADOR WOULD CARRY A SPECIAL MESSAGE TO THE AYATOLLAH, BUT NOW THAT APPARENTLY WILL NOT BE POSSIBLE. FYI: WE HAVE GIVEN SOME THOUGHT TO THE IDEA OF A SPECIAL EMISSARY, BUT WE WONDER WHETHER THIS WOULD BE AN APPROPRIATE MOMENT FOR SUCH A MISSION AND HOW AN AMERICAN EMISSARY WOULD BE RECEIVED IN THE PRESENT CIRCUMSTANCES. END FYI.

-- WE RECOGNIZE THIS IS A DIFFICULT MOMENT FOR THE PGOI LEADERSHIP AND WE APPRECIATE THE RESTRAINT THEY HAVE SHOWN. IN THESE CIRCUMSTANCES WE ARE INTERESTED IN PARTICIPATING IN THE MUTUAL EFFORT TO CONSTRUCT A NEW RELATIONSHIP. WE WILL WELCOME THE QUIET SUPPORT AND ADVICE OF THE IRANIAN LEADERSHIP IN THESE EFFORTS.

3. IF IN YOUR JUDGMENT AND DEPENDING ON HOW CONVERSATION IS GOING, YOU THINK IT WOULD BE PARTICULARLY USEFUL TO USE FYI SECTION, YOU ARE AUTHORIZED TO DO SO. CHRISTOPHER

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 1826

SECRET SECTION 1 OF 2 TEHRAN 05774

NODIS

E.O. 12065: GDS 5/4/85 (TOMSETH, V.L.)

TAGS: PEPR, IR

SUBJECT: USG-PGOI RELATIONS

REF: STATE 139729

1. (S - ENTIRE TEXT.)

2. SUMMARY: I CALLED UN-FM YAZDI JUNE 4 TO MAKE POINTS IN REFTEL.

END SUMMARY.

3. ACCOMPANIED BY POLCOUNS, I CALLED ON FM YAZDI ON JUNE 4 TO RAISE POINTS IN REFTEL. I TOLD YAZDI THAT THE USG IS DEEPLY DISTURBED BY THE RISING LEVEL OF ANTI-AMERICANISM OF THE PAST TWO WEEKS AND THE ANTI-AMERICAN STATEMENTS OF INDIVIDUALS CLOSELY IDENTIFIED WITH THE PGOI. SPEAKING FRANKLY, I SAID THAT WE FOUND THE STATEMENTS OF AYATOLLAH KHOMEINI DECIDELY UNHELPFUL. I ADDED THAT, WHILE WE RECOGNIZE THE CONSTRAINTS IMPOSED BY THE HISTORY OF OUR RELATIONSHIP WITH IRAN, THE USG GENUINELY WANTS GOOD AND COOPERATIVE RELATIONS WITH THIS COUNTRY. IT HAS BEEN OUR UNDERSTANDING THAT THE PGOI WANTS THIS AS WELL. TOWARD KEEPING OUR PART OF THE AGREEMENT ON

SECRET

REVIEWED BY: *W. H. H. H. H.*

DATE: *6/13/85*

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STATEWELL DATE 2/15/85

REVIEWED BY: *W. H. H. H. H.*

DATE: *2/15/85*

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PAGE 02

TEHRAN 05774 01 OF 02 041318Z

THIS MATTER, WE HAVE DONE A NUMBER OF THINGS WHICH WE BELIEVE ARE IN ACCORD WITH PGOI DESIRES. THESE INCLUDE ENCOURAGEMENT TO U.S. BUSINESSMEN TO RETURN TO IRAN FOR THE PURPOSE OF PUTTING THEIR AFFAIRS IN ORDER. (AT THE PM'S REQUEST) OF A SMALL MILITARY ADVISORY UNIT TO HELP THE PGOI WITH PROCUREMENT AND OTHER MILITARY PROBLEMS, RETURN OF AN AGRICULTURAL ATTACHE WHO CAN SERVE AS A POINT OF CONTACT WITH THE PGOI FOR VITAL FOOD IMPORTS, AND EXTRAORDINARY EFFORTS BY THE ADMINISTRATION WITH THE AMERICAN CONGRESS AND PRESS TO EXPLAIN THE NATURE OF THE IRANIAN REVOLUTION AND OUR ACCEPTANCE OF IT. I EMPHASIZED THAT THERE SHOULD BE NO DOUBT ON THE LATTER POINT, AND, CONSEQUENTLY, THAT WE ARE MOST DISTRESSED BY STATEMENTS COMING FROM SUCH ORGANIZATIONS AS THE REVOLUTIONARY COURTS AND SUCH INDIVIDUALS AS AYATOLLAH KHALKHALI THAT WE ARE INVOLVED IN ACTIVITIES SUCH AS THOSE OF THE TERRORIST ORGANIZATION, FORGHAN. I CONCLUDED MY STATEMENT BY ASKING YAZOI FOR A RESTATEMENT OF THE PGOI'S POSITION ON RELATIONS WITH THE U.S. AND HIS VIEWS ON HOW THE DETERIORATION IN OUR RELATIONS OF RECENT DAYS MIGHT BE REVERSED, IF IN FACT THE PGOI WANTED NORMALIZATION.



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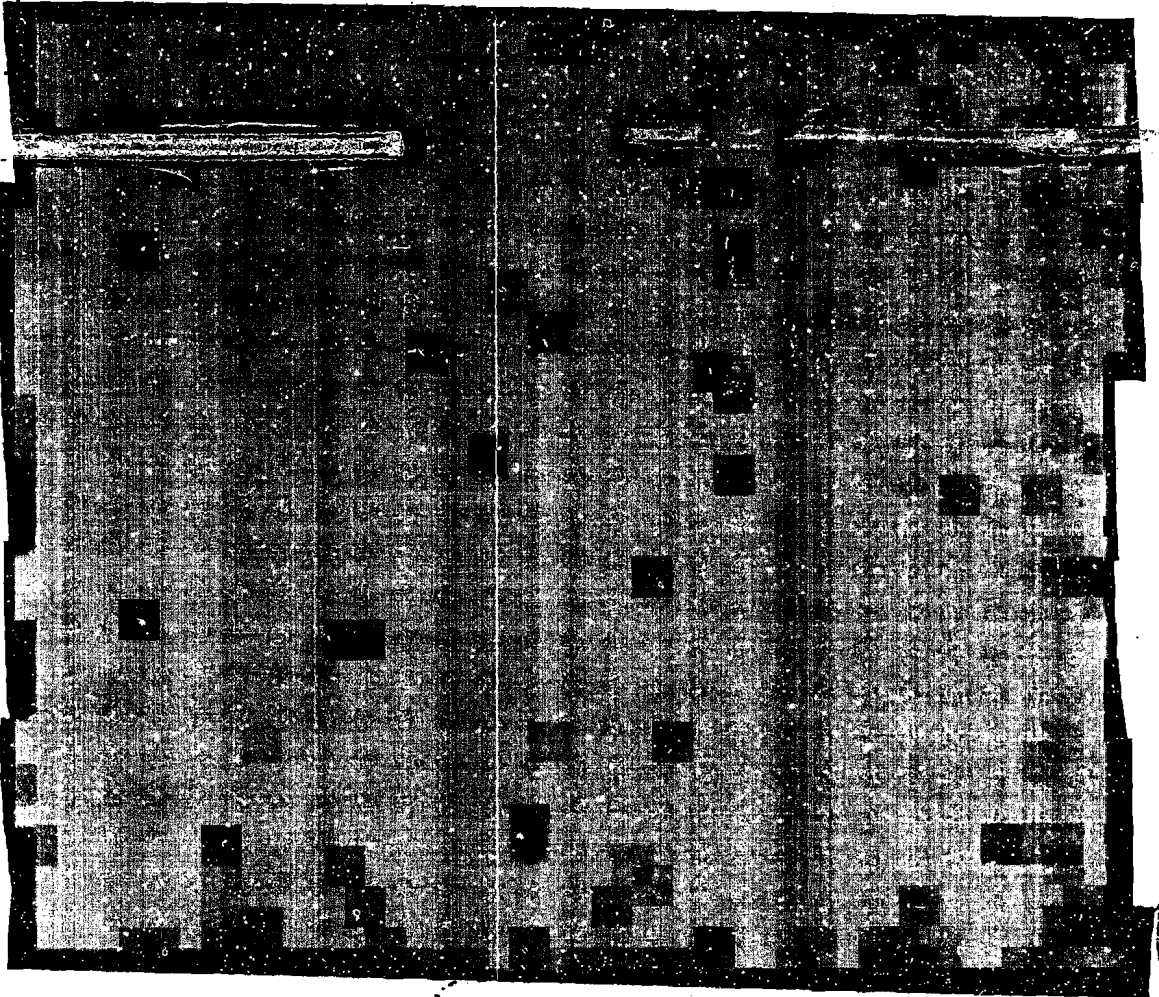
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S E C R E T SECTION 2 OF 2 TEHRAN 05774

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[REDACTED]

(119)

[REDACTED]

6. AT THAT POINT I REPEATED OUR CONCERNS REGARDING PROVOCATIVE STATEMENTS AND ACCUSATIONS FROM THE IRANIAN SIDE, SPECIFICALLY FROM KHOMEINI, KHALKHALI AND THE REVOLUTIONARY COURTS THAT INDICATED THAT THE U.S. IS ENGAGED IN ACTIVITIES IN IRAN THAT HAVE NO BASIS IN FACT. I NOTED THAT I MYSELF WAS PREPARED TO GO TO QOM TO RE-ASSURE THE IMAM ON THIS SCORE AND THAT IT HAD BEEN PLANNED THAT AMBASSADOR CUTLER BRING A SPECIAL MESSAGE WITH HIM FOR KHOMEINI. THE CRUX OF THAT MESSAGE UNDOUBTEDLY WOULD HAVE BEEN THAT WE ACCEPT THE IRANIAN REVOLUTION AND THAT WE DO NOT INTEND TO ATTEMPT IN ANY WAY TO REVERSE ITS COURSE.

[REDACTED]

(119)

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PAGE 02

TEHRAN 03774 02 OF 02 041319Z

[REDACTED] I THEN
REQUESTED HIM AS A CLOSE ADVISOR OF THE IMAM TO IMPRESS
UPON HIM THAT WE ARE IN NO WAY INTERFERING IN IRAN'S
INTERNAL AFFAIRS AND HAVE NO INTENTION OF DOING SO.
I CONCLUDED BY INVITING HIM ONCE AGAIN TO GET IN TOUCH
WITH ME IF THERE IS ANY ASPECT OF OUR RELATIONS WHICH
CONCERNS HIM, THE PGOI OR THE IMAM.

8. THEREAFTER, OUR CONVERSATION TENDED TO WELL ON THE
POINTS THAT WE HAD BOTH MADE EARLIER. [REDACTED]

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TEHRAN 05774 02 OF 02 041319Z

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16-15

1. ALL POLITICAL SECTION OFFICERS HAVE EXPERIENCED SAME
DETENTION. IN MANY CASES, THEY LEFT WITHOUT
ANY PERSONAL FRIENDS OF FOUR YEARS IN THE POLICE AND
WILLING TO STAY WITH HIM, THEY REMAIN WILLING TO
STAY AT THEIR HOMES. OF COURSE, A FEW CON-
TACTED POLITICAL OFFICERS OUT, BUT THESE ARE FREQUENT-

(11P)

IT BEING THE POLICY OF THE U.S. GOVERNMENT TO KEEP TO ITSELF ALL INFORMATION OF THIS NATURE, WE HAVE BEEN SHORT TIME REPORT SAME INFORMATION, AS SUCH INFORMATION FRIENDS, TO BE SEEN FREELY WITH OTHER AMERICANS.

6. CHARGE HAS NOTED THAT OF SOME DOZEN FORMER IRANIAN AMBASSADORS WHO HAVE RETURNED TO TEHRAN SINCE THEY PERSONALLY IN THE PAST, NONE HAVE TRIED TO GET IN TOUCH WITH HIM SINCE THEIR RETURN TO TEHRAN. VETERAN RETIRED AMBASSADOR TOLD POLOFF THAT MANY OF HIS COLLEAGUES ARE COMING TO SEE AN AMERICAN CONNECTION AS "PROFESSIONALLY VERY DANGEROUS THING IN ISLAMIC IRAN." WILL BE INTERESTING TO SEE HOW MANY IRANIAN OFFICIALS WILL BE AT FAREWELL FUNCTIONS FOR VETERAN OFFICERS WHO WILL BE DEPARTING WITHIN NEXT MONTH.

7. POST'S EXPERIENCE IN OBTAINING INFORMATION ON JEROME PROBLEM HERE IS EXCELLENT CASE IN POINT. WHILE WE HAVE MANAGED TO GET TO SOME SOURCES WHO WILL HELP US, THEY ARE ALL SCARED AND FEARFUL OF WHAT EFFECT U.S. CONTACT WILL HAVE ON THEM (REF E AND F).

8. SOME OF OUR PRIVATE CITIZEN CONTACTS HAVE NOTED INCREASED SUSPICION OF THEM AMONG IRANIAN COLLEAGUES AND FRIENDS. THIS IS PARTICULARLY ACUTE IN UNIVERSITIES, WHERE LEFT HAS BEEN BOARDING INTELLECTUALS WITH ANTI-U.S. MATERIAL. AS ONE CONTACT PUT IT, "EVEN THOSE WHO OUGHT TO KNOW BETTER ARE BEING SWEEP ALONG BY THE TIDE."

9. THERE IS NO DOUBT THAT CONTEXT BEING ESTABLISHED BY CURRENT EVENTS IS MAKING IT MORE DIFFICULT FOR US TO GATHER KIND OF INFORMATION WE NEED. WHILE SITUATION HAS NOT YET REACHED LEVEL IN SOME THIRD-WORLD STATES WHERE CONTACT BETWEEN EMBASSY PERSONNEL AND LOCAL CITIZENS IS SEVERELY RESTRICTED OR CONTROLLED, BASIC IMPACT OF RECENT WEEKS HAS PUSHED IRAN IN THAT DIRECTION. THIS

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1. C. R. E. T. 100850Z JUN 75 STAFF
THE TEHRAN 53395 GREGOROFF ACTING
O: DIRECTOR
MINTEL RYBAT
REF: TEHRAN 53375

2. IN A SCHEDULED PHONE CONVERSATION WITH SOLA
GREGOROFF EXPLAINED THAT WE ARE NOT PREPARED AT THE
TIME SHARI THADARI (SM) AN ASSURANCE OF SUPPORT.
IT OUR POSITION THAT MORE INFORMATION FIRST NEEDED
POLITICAL SITUATION IN IRAN AND
DOED THAT SINCE SM HAD WANTED TO KNOW SO QUICKLY
WHETHER WE WILLING TO PROVIDE HIM MONEY. GREGOROFF
TO RESPOND CATEGORICALLY IN THE NEGATIVE. FROM OUR
KIND OF AN OPERATION COULD ONLY BE ENTERED INTO AFTER
PLANNING AND FULL AGREEMENT ON ARMS.

3. JY 13 SAID HE WOULD GET THIS MESSAGE TO
MOUSSAVI. HE SAID SM'S AIMS IN THIS WERE CLEAR.
NOT NEED MORE TIME TO UNDERSTAND THEM. THE
ORGANIZING IN EARNEST. ORGANIZING FOR WHAT? GREGOROFF
THERE ARE TO BE RECTIONS THERE WOULD DOUBTLESS BE
WHO COULD SAY NOW THERE WILL BE RECTIONS? JY 13
UNDERSTAND THAT AS AN IMPORTANT RELIGIOUS FIGURE
PEOPLE CAME TO SM WITH REQUESTS FOR GUIDANCE
MONEY IN ORDER TO GATHER MORE FOLLOWERS. IN
MARJAS DERIVE THEIR POSITIONS AND IMPORTANCE BY
NUMBER OF FOLLOWERS THEY HAVE. HE WOULD DO
WORTHY PEOPLE AND THEREBY OBTAIN THEIR LOYALTY
WOULD OF COURSE ALSO BE USED TO COVER OVERHEAD
PARTY. JY 13 AGAIN STRESSED THAT SM WANTED TO GET
IN AZERBAIJAN AND OTHER PROVINCES (SEE
AZERBAIJAN GOVERNOR GENERAL'S REMARKS ABOUT
ORGANIZATIONAL WORK IN HIS PROVINCE. JY 13 SAID
FEEL TIME IS ON HIS SIDE. JY 13 CHIDED GREGOROFF
AS HE SAW IT, FOR END USE EACH DOLLAR IS TO

PAGE 2 TEHRAN 53395 53395 53395
SHOULD REALIZE THAT IN OUR INTEREST THAT SM
ENOUGH TO COME OUT WITH VIEWS THAT CHALLENGE SM

OF THE TRUTH OF SITUATIONS AT FRONT WILL BE KNOWN
(PARK) REFLECTS GREGORY'S SAID THAT COULD BE
BEFORE WITH SM BUT AGAIN, THE SM
AS WE WERE IN THE COURT OF THE SM
MENT MIGHT BE A SERIOUSLY INTERESTED IN
LOULD BE A ALL THE MORE NECESSARY NOT TO
SO, SUCH AS ACCUSATION INVOLVEMENT WITH SM
RANS THIS MESSAGE.

ONCE IN ORDER TO KEEP SM CHARGE TO SM
POLICE IN ORDER TO HAVE SOME QUESTIONS
OF THE SM FOR HIM NO PASS ON FOR TENS
PHONE OF THE SM FOR HIM NO PASS ON FOR
ON SOME MORE QUESTIONS. COME FOR WHICH

HOLDING IN ASKED SM ABOUT HIS OWN SITUATION. HE SAID
WENT TO GO BACK HOME IN ABSENCE OF LOCKY. SOULD
NOT BE ANY THE BACK FROM US. SM SAID HE MANAGING OK

STATION WILL PROVIDE FURTHER COMMENTS AND RECOMMENDATIONS
SEPARATELY.

ALL SE FILE 201-149868 201-268843. RVN 18JUN93 DMV
D E C R F T

SECRET NOFORN 1747
SUBJ: DIA INTELLIGENCE APPRAISAL 11-79 11 JUL 79 (U)
THE SUMMARY PORTION OF THIS APPRAISAL WIDES HEREWITH
AS AN ADVANCE SYNOPSIS OF THE HARD-COP: ... UN, WHICH IS
BEING PUBLISHED TODAY.

IRAN: KHOMEINI'S OPPOSITION. (U)

(S/NOFORN) AS THE REVOLUTIONARY EUPHORIA SUBSIDES, MANY ELEMENTS
OF IRANIAN SOCIETY ARE BECOMING INCREASINGLY DISILLUSIONED AS
THEY BEGIN TO PERCEIVE THAT ONE DICTATOR HAS BEEN REPLACED BY
ANOTHER. SOME GROUPS NEVER DID WANT AN ISLAMIC REPUBLIC BUT

SECRET SUBJECT 2115 SECRET
SUPPORTED AYATOLLAH KHOMEINI AS AN EXPEDIENT MEANS TO OUST THE
MORH. OTHER GROUPS WANTED AN ISLAMIC REPUBLIC, BUT THEY HAVE
NOW DECIDED THEY DO NOT WANT KHOMEINI'S DICTATORIAL INTERPRETATION
WHICH DOES NOT PROVIDE THE DESIRED GUARANTEES OF EXPRESSION AND
PERSONAL RIGHTS. ALTHOUGH MANY EDUCATED AND POLITICALLY ASTUTE
IRANIS ARE BECOMING INCREASINGLY DISGRUNTLED WITH THE REVOLUTION,
THE MASSES APPARENTLY REMAIN STEADFAST IN THEIR SUPPORT FOR KHOMEINI
EVEN THOUGH KHOMEINI'S OPPOSITION CONTINUES TO GROW AND BECOME
MORE VOCAL. THERE IS STILL NO GROUP THAT CAN SUCCESSFULLY CHALLENGE
KHOMEINI OR MODERATE HIS VIEWS AT THIS TIME. AS LONG AS HE COMMANDS
THE SUPPORT OF THE MASSES, THE AYATOLLAH WILL CONTINUE TO DETERMINE
THE FORM AND DIRECTION OF THE ISLAMIC REPUBLIC. (REV 26 JUN
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CHRG: STATE 7/17
APPRV: CHG:LEBLAINGEN
DRTD: POL:VLTOMSETH
CLEAR: A/M:GENCAST
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S E C R E T SECTION 01 OF TEHRAN 07430

EXDIS - MILITARY ADDRESSEES TREAT AS SPECAT EXCLUSIVE

E.O. 12065: GDS 7/17/85 (LAINGEN, L. B.) OR-M
TAGS: MASS, PEPR, IR
SUBJ: MILITARY SALES TO IRAN

REF: STATE 179065 (NOTAL)

1. (S - ENTIRE TEXT)

2. SUMMARY: I MET WITH FM YAZDI AT HIS REQUEST JULY 16 TO DISCUSS, INTER ALIA, SALES OF MILITARY ITEMS TO IRAN. YAZDI RAISED THREE CATEGORIES, I.E., SPARE PARTS THAT IRAN HAD ALREADY PAID FOR, PARTS IT WISHED TO ORDER UNDER A NEW ACCOUNT, AND 747 REPAIRABLES WHICH HAD BEEN SENT TO THE U.S. BUT HAD NOT YET BEEN RETURNED. I POINTED OUT TO YAZDI THE OVERRIDING NEED TO KEEP THE IRANIAN TRUST FUND SOLVENT AND REVIEWED FOR HIM THE ACTIONS WE HAD TAKEN TO ASSURE THIS. I EXPRESSED MY HOPE THAT PASSAGE OF THE DOD SUPPLEMENTAL WOULD ALLOW US TO GO FORWARD ON SPECIFIC MATTERS OF PCOI INTEREST, BUT CAUTIONED HIM THAT PASSAGE WOULD ONLY PROVIDE BREATHING SPACE IN WHICH TO SORT OUT THE RESOLUTION OF ALL OUTSTANDING CONTRACTS. I ALSO WARNED HIM NOT TO EXPECT THAT ALL SPARE PARTS, EVEN SOME THAT IRAN HAD ALREADY PAID FOR, WOULD NECESSARILY BE COMPLETELY AVAILABLE. END SUMMARY.

3. YAZDI CALLED ME IN ON JULY 16 FOR THE PRIMARY PURPOSE DISCUSSING THE SAME THREE CATEGORIES OF SPARE PARTS AS CHARGE AGAH RAISED WITH PRECHT ON JULY 11 (REFTEL). I TOLD YAZDI THAT I FOUND MYSELF SPENDING MORE TIME ON THIS GENERAL ISSUE THAN ANY OTHER ASPECT OF OUR BILATERAL RELATIONSHIP AND NOTED THAT OUR OVERRIDING OBJECTIVE IN THIS REGARD HAD BEEN PREVENTING A SITUATION FROM ARISING IN WHICH FORCE MAJEURE WOULD PRECLUDE OPTIONS BOTH WE AND THE IRANIANS WOULD PREFER TO EXERCISE IN THE PROCESS OF REBUILDING OUR RELATIONSHIP WITH ONE ANOTHER. I EXPRESSED THE HOPE THAT WITH THE SUCCESSFUL COMPLETION OF THE SENATE-HOUSE CONFERENCE ON THE DOD SUPPLEMENTAL AND THE IMMINENT PROSPECT OF THE BILL BECOMING LAW IT WOULD BE POSSIBLE TO MOVE FAIRLY EXPEDITIOUSLY ON THOSE SPECIFIC MATTERS OF INTEREST TO IRAN. I ALSO POINTED OUT TO YAZDI THAT IN CERTAIN INSTANCES, SUCH AS THE OUTSTANDING CLAIMS OF THE IIAF'S FREIGHT FORWARDER (BEHRING INTERNATIONAL), THE USG WAS NOT DIRECTLY INVOLVED IN THE FRUSTRATION OF IRANIAN MATERIEL, BUT THAT WE HAD NONETHELESS TRIED TO BE HELPFUL

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TEHRAN 7430/1 OF 2

BY UTILIZING IIAF AIRCRAFT TO TRANSPORT HHE TO MCGUIRE, WHICH IN TURN FACILITATED IIAF PAYMENTS TO FREIGHT FORWARDERS HOLDING SPARE PARTS CONSIGNMENTS THERE. I TOLD HIM THAT, WHILE WE LACKED PRECISE INFORMATION ON THE QUESTION OF 747 REPAIRABLES, IT WAS OUR IMPRESSION THAT THE PROBLEM WAS A DIRECT ONE BETWEEN THE IIAF AND PANAM OR BOEING OR BCTH. UNDER SUCH CIRCUMSTANCES THE USG MIGHT BE ABLE TO PLAY A FACILITATIVE ROLE IN BRINGING THE INTERESTED PARTIES TOGETHER TO RESOLVE THEIR OWN DIFFERENCES, BUT THE PGOI SHOULD UNDERSTAND THAT THE USG IS CLEARLY ENJOINED BY LAW FROM ACTING AS AN ARBITRATOR. YAZDI SAID HE COULD AND WOULD PROVIDE THE SPECIFICS REGARDING 747 REPAIRABLES.

A LONG DISCUSSION ENSUED WHICH CENTERED ON TWO FUNDAMENTAL ISSUES--(A) THE PGOI'S VIEW THAT THE TRUST FUND AND PROGRAMS THAT IRAN NO LONGER NEEDS OR WANTS NOT BE MIXED UP WITH IRAN'S ONGOING, LEGITIMATE MILITARY REQUIREMENTS, AND (B) THE LINGERING SUSPICION THAT WE ARE SOMEHOW DETERMINED NOT TO SEE THE DISTINCTION BETWEEN THESE TWO MATTERS. I WENT TO CONSIDERABLE PAINS TO EXPLAIN THAT WE APPRECIATED THE DISTINCTION IN PURELY TECHNICAL TERMS, AND THAT WE MADE NO OVERT POLITICAL CONNECTION BETWEEN THEM, BUT THAT WE HAD CONCLUDED THAT NEITHER CAN BE DIVORCED FROM THE CONTEXT OF OUR OVERALL BILATERAL RELATIONSHIP. ACCORDINGLY, I TOLD HIM, WE HAVE TRIED NOT TO LOOSE SIGHT OF OUR FINAL OBJECTIVE, WHICH IS THE NORMALIZATION OF OUR RELATIONSHIP, AND NOT TO LET ANY SINGLE ISSUE JEOPARDIZE ITS REALIZATION THROUGH LACK OF APPRECIATION THAT, IN THE FINAL ANALYSIS, ALL ASPECTS OF OUR RELATIONSHIP HAVE BEARING ON ONE ANOTHER. I CLOSED THIS PORTION OF OUR DISCUSSION BY POINTING OUT THAT, WHILE THE PGOI MUST LEAVE TO US THE DETERMINATION OF HOW TO HANDLE MILITARY SALES TO IRAN IN TERMS OF OUR DOMESTIC POLITICAL REQUIREMENTS, WE HAVE NO DESIRE TO PLACE OBSTACLES IN THE PATH OF SUCH SALES AS THE FINANCIAL SITUATION OF THE TRUST FUND PERMITTED. I ASKED FOR HIS FOREBEARANCE IN THIS REGARD, TO WHICH YAZDI RESPONDED THAT THE PGOI, TOO, HAS ITS DOMESTIC POLITICAL CONSIDERATIONS TO DEAL WITH. HE ALLOWED, HOWEVER, THAT IF THERE

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WAS MOVEMENT WITHIN THE NEXT TEN DAYS ON THE MATTERS HE HAD RAISED HE WOULD BE ABLE TO COPE.

5. BEFORE LEAVING THE SUBJECT, I CALLED TO YAZDI'S ATTENTION THAT PASSAGE OF THE DOD SUPPLEMENTAL WOULD ONLY PROVIDE BREATHING SPACE IN WHICH TO RESOLVE OUTSTANDING CONTRACTUAL MATTERS. I CAUTIONED HIM THAT IT WOULD NOT NECESSARILY MEAN THAT ALL SPARE PARTS ORIGINALLY DESIGNATED FOR IRAN, QUITE PROBABLY INCLUDING CERTAIN ITEMS IRAN HAD ALREADY PAID FOR, WOULD BE EITHER TOTALLY OR IMMEDIATELY AVAILABLE. I NOTED THAT IN THE INTEREST OF KEEPING THE TRUST FUND SOLVENT SOME THINGS EITHER HAD BEEN PURCHASED BY OUR OWN SERVICES OR HAD BEEN SOLD TO THIRD PARTIES. I SAID THAT WE WOULD BE BETTER ABLE TO DISCUSS THE SPECIFICS OF WHAT WAS INVOLVED WHEN WE RECEIVED A COMPREHENSIVE REPORT FROM DOD LATER IN THE MONTH. I ALSO REITERATED THAT IT WOULD HELP IF THE PGOI COULD SEND A TEAM TO WASHINGTON TO ~~SPEAK DIRECTLY~~ WITH THOSE IN OUR GOVERNMENT IN POSSESSION OF ALL THE DETAILS OF WHAT HAS BEEN DONE.

6. YAZDI'S REACTION WAS MORE MUTED THAN I WOULD HAVE EXPECTED, PERHAPS BECAUSE THE INFORMATION THAT WHAT THE IRANIANS HAD BOUGHT AND PAID FOR WAS NOT, AS HE PUT IT, "PACKED AND WAITING TO BE SHIPPED" SEEMED TO COME AS SOMETHING OF A SURPRISE TO HIM. I AGAIN WENT THROUGH THE RATIONALE OF WHY WE HAD DONE WHAT WE HAD DONE, NOTING THAT THE TRUST FUND COULD WELL HAVE BECOME INSOLVENT SOME WEEKS AGO IF WE HAD NOT SO ACTED. YAZDI COMPLAINED A BIT THAT IRAN HAD NOT BEEN GIVEN PROPER DETAILS ON HOW ITS MONEY WAS BEING SPENT SINCE 1966 AND CLAIMED THAT ASSURANCES WERE GIVEN IN JANUARY THAT THE EIGHT HUNDRED-ODD MILLION DOLLAR BALANCE IN THE TRUST FUND AT THAT TIME WAS "PLENTY TO COVER EVERYTHING." BUT CONCLUDED THAT THE WHOLE SITUATION WAS "A MESS, A..." "A CAN OF WORMS," I SUGGESTED.

7. THEREAFTER OUR DISCUSSION TOUCHED ON HOW WE MIGHT WORK TOGETHER TO KEEP EVERYONE WITH A NEED-TO-KNOW AS FULLY INFORMED AS POSSIBLE ON SPECIFIC DEVELOPMENTS REGARDING ALL ASPECTS OF THE TRUST FUND, MILITARY SALES, AND AVAILABILITIES (I SUGGESTED AS A FIRST STEP AN EARLY MEETING OF GEN. GAST, COL. KAMKAR OF THE MOND, AND FOURTH POLITICAL DEPARTMENT CHIEF BAYNADOR OF THE MFA). YAZDI ENDED THIS PORTION OF OUR MEETING BY SAYING THE PGOI MUST ANSWER TO THE IRANIAN PEOPLE ON THE SUBJECT AND EXPRESSING THE HOPE THAT WE WOULD BE ABLE "TO DO SOMETHING" FOR HIM IN THIS REGARD.

8. THE PREDOMINANT IMPRESSION THAT I CARRIED AWAY FROM THE MEETING WAS THAT OUR PERFORMANCE IN THIS AREA COULD VERY WELL BECOME THE ACID TEST IN THE OFFICIAL IRANIAN VIEW OF OUR SINCERITY IN WANTING A "NEW BEGINNING" IN OUR RELATIONSHIP WITH IRAN. YAZDI VOLUNTEERED THAT HE HAS BEEN LEARNING TO TEMPER HIS REVOLUTIONARY IDEALISM WITH THE REALISM REQUIRED BY THE EXIGENCIES OF HIS JOB. I THINK HE PROBABLY HAS BEEN, AND I THINK WE CAN JUSTIFIABLY TAKE AT LEAST PARTIAL CREDIT IN BRINGING

S E C R E T SECTION 02 OF 02 TEHRAN 07430

HIM ALONG IN THIS REGARD. HOWEVER, I AM CONVINCED THAT WE ARE GOING TO HAVE TO MAKE AN EVEN GREATER EFFORT THAN WE HAVE HERETOFORE IN EDUCATING THE NEW IRANIAN LEADERSHIP ON THE INTRACACIES OF THEIR COUNTRY'S FOREIGN MILITARY SALES RELATIONSHIP WITH US. WE MUST BE PREPARED TO PROVIDE THEM WITH AS MUCH DETAIL AS THEY CAN POSSIBLY ABSORB AND THEN SOME, AND WE MUST BE PREPARED TO PROVIDE IT IN A TIMELY FASHION. ACCORDINGLY, I TRUST THERE WILL BE NO DELAY IN THE REPORT WE HAVE BEEN PROMISED FOR JULY. FURTHER, PROMPT ACTION ON THE IIAF 5.5 MILLION DOLLAR FMS CASE AND AN EARLY RESUMPTION OF FLOW OF WHATEVER MAY BE LEFT IN THE PIPELINE WILL PROVIDE THE TANGIBLE PROOF NEEDED THAT WE ARE NOT ATTEMPTING TO CREATE OBSTACLES IN THE PATH TO RESOLUTION OF OUTSTANDING MILITARY SALES PROBLEMS. LAINGEN

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S E C R E T SECTION 02 OF 02 TEHRAN 07430



DEPARTMENT OF STATE

Washington, D.C. 20520

July 20, 1979

OFFICIAL-INFORMAL
CONFIDENTIAL

L. Bruce Laingen, Esquire
Charge d'Affaires a.i.
American Embassy
Tehran, Iran

Dear Bruce:

I will try to summarize in this letter my conversation with Andy Sens and earlier talk with Victor on Embassy reporting. At the outset like a good Foreign Service Officer -- and also quite honestly -- let me say that I think the Embassy does a superb job in the face of horrendous obstacles. Now to move quickly into the meat of this letter...

I think we need several things in reporting:

First, we need fast alert reporting on significant events. For example, when Bazargan installs clerics in the Cabinet, when General Rahimi is fired, when the unity march occurs, when nationalization is decreed or there is significant sabotage in the oil fields, we need a quick, brief Embassy message with your best analysis. I may have to do an evening reading item the same day. Although I am willing to rely on my own judgments, it would serve the national interest better if we had your authoritative input.

Second, we need the building blocks which will help us to construct a better knowledge of revolutionary Iran. Victor's reporting plan is exactly what I mean. We simply do not have the bios, inventory of political groups or current picture of daily life as it evolves at various levels in Iran. Ignorance here of Iran's events is massive. The U.S. press does not do a good job but in the absence of Embassy reporting, we have to rely on inexperienced newsmen. We need particularly to track constitutional developments.

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Third, we need reporting on significant conversations that you and others have in the Embassy. For example, you are the only official who has seen Mr. Nazih and your appreciation of this key personality and his views towards the U.S. will be read with interest at the very highest levels here, I am sure. In fact anything you send in as your impressions or reporting significant conversations is guaranteed wide readership among those people in our government who have not been fired. Beyond that I hope Victor and others in the Embassy can, despite the odds against you, stimulate conversations with intelligent political observers in Iran. We really need the kind of reporting we have had in the past in which an Embassy officer takes nourishment from someone like Matin-Daftary, some of the better newsmen or other Iranians who have no particular chip on their shoulders but who are sensible political observers. Be sure to identify these persons when you report so that we can evaluate on our own terms the validity of their opinions.

Finally, the excellent reporting on minority groups has been a real plus in political terms for this administration. I think we have handled the problem of Jews in Iran in a very successful way (ignoring the Javits Resolution) and much of the credit is due to you all for the continuing stream of reporting. I would suggest two slight changes. First, I would avoid rumors, questionable opinions or speculation that is likely to set off an alarm when there is no real need to do so. Don't talk about a holocaust unless you really believe that one is coming. Don't repeat someone's charges about people in jail or being executed without attempting to verify it first. In other words keep the reporting coming but be careful that it is accurate and reliable. Secondly, I hope the Embassy will continue to expand its field of contacts on this subject. Has anyone, for example, attempted to see the leaders of the left-wing Jewish movement for their perspectives on events?

We may send you a cable of comments on Victor's reporting plan, making a few suggestions. I hope you will let me know when you think Washington is not reacting properly to what you send us either by showing appreciation or by adjusting our policies to changed conditions. As I told Victor earlier

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- 3 -

I would like to maintain a continuing flow of informal communications between the desk and the Embassy so that we both know that what you are doing remains on target.

Sincerely,

Henry Precht
Director
Office of Iranian Affairs

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CHEROKEE - FOR THE SECRETARY
C O R R E C T E D C O P Y T E X T

E.O. 12065: ADS-3 7/28/79 (LAINGEN, L. BRUCE) UR-M

TAGS: PEPR

SUBJECT: SHAH'S DESIRE TO RESIDE IN THE U.S.

REF: STATE 194782

1. YOUR MESSAGE ASKS FOR MY PERSONAL AND PRIVATE EVALUATION OF THE EFFECT, ON THE SAFETY OF AMERICANS IN IRAN AND ON OUR RELATIONS WITH THE GOVERNMENT OF IRAN, OF THE SHAH BEING ALLOWED TO ESTABLISH RESIDENCE IN THE UNITED STATES.

2. A JUDGMENT ON THAT ISSUE MUST INEVITABLY BE (AND REMAIN) SPECULATIVE, CLOUDED BY THE ENORMOUS UNCERTAINTIES OF THE CURRENT IRANIAN SCENE--WHERE THERE HAS BEEN ALMOST NO PROGRESS TO DATE TOWARD RESOLUTION OF THE ULTIMATE POWER STRUCTURE. SUBJECT TO THAT RESERVATION, I CONCLUDE THAT FOR THE SHAH TO TAKE UP RESIDENCE IN THE U.S. IN THE IMMEDIATE FUTURE, BY WHICH I MEAN THE NEXT 2-3 MONTHS, WOULD CONTINUE AS BEFORE TO BE SERIOUSLY PREJUDICIAL TO OUR INTERESTS AND TO THE SECURITY OF AMERICANS IN IRAN. ON THE OTHER HAND, I BELIEVE THAT THIS SITUATION COULD BEGIN TO CHANGE WITHIN THAT TIME

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Col. F - [unclear]
Col. E - [unclear]
Col. G - [unclear]

William Kelly
April 18, 1980

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PERIOD TO MAKE THE RISKS MANAGEABLE BY LATE FALL THAT JUDGMENT, I MUST CONFESS, IS INEVITABLY SPECULATIVE AND PRESUPPOSES A GOOD DEAL OF GOOD FORTUNE FOR THE UNITED STATES. MY RATIONALE FOLLOWS.

3. I BELIEVE THE NEXT 2-3 MONTHS REPRESENT THE TIME PERIOD FOR TWO BASIC REASONS: FIRST, THE DEGREE OF FRUSTRATION (AND THUS THE POTENTIAL FOR SEARCH FOR SCAPGOATS) IN THE CURRENT IRANIAN POLITICAL SCENE AND, SECOND, THE STILL SENSITIVE NATURE OF THE BILATERAL RELATIONSHIP.

4. IRAN TODAY REMAINS POLITICALLY ADRIFT, ITS "GOVERNMENT" UNDER BAZARGAN STILL SUBJECT TO THE WHIMS OF THE ULTIMATE CONTROL OF THE AYATOLLAH AND HIS ENTourage. DAY-TO-DAY DECISION MAKING IS DIFFUSED, EXEMPLIFIED MORE OFTEN THAN NOT BY REVOLUTIONARY GROUPS AND FRACCTIONS SCATTERED IN AND OUT OF THE FORMAL ADMINISTRATIVE APPARATUS OF GOVERNMENT. THERE IS GROWING POPULAR FRUSTRATION OVER THE FACT THAT THE REVOLUTION HAS CHANGED THINGS VERY MUCH IN IRAN; INDEED FOR MANY OF THE POPULATION, CONDITIONS ARE WORSE THAN THEY WERE BEFORE.

5. IN THIS ATMOSPHERE, WE REMAIN THE CONVENIENT GOAT, TO THE POINT WHERE KHOMEINI THIS PAST WEEK TARGETED US AS SOMEHOW BEHIND THE BURNING OF HARVESTING THE FIELDS IN CERTAIN PARTS OF IRAN. FOR US NOW REFUGEE TO THE SHAH WOULD ALMOST CERTAINLY TRIGGER DEMONSTRATIONS AGAINST OUR EMBASSY. WITH LUCK, STOP AT THAT, WITHOUT A PHYSICAL ASSAULT OF THE TYPE WE EXPERIENCED LAST FEBRUARY. BUT THERE COULD BE NO ASSURANCE OF THAT, SINCE IRAN'S REGULAR MILITARY

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POLICE FORCES REMAIN LARGELY DEMORALIZED AND CANNOT YET BE RELIED ON TO APPLY THE FORCE THAT MIGHT BE NEEDED TO PREVENT VIOLENCE AGAINST US. INDEED THE GOVERNMENT HERE HAS YET TO FIND THE STRENGTH OR MEANS TO REPLACE WITH A UNIFORMED FORCE THE IRREGULAR GUERRILLA FORCE ASSIGNED BY KHOMEINI TO "GUARD" OUR COMPOUND SINCE LAST FEBRUARY. THE POSSIBILITY OF INDIVIDUAL OR GROUP TERRORIST ACTION AGAINST OUR CHANCERY AND PERSONNEL WOULD OF COURSE ALSO BE GREATER WERE THE SHAH TO COME TO THE U.S. NOW, THOUGH THAT IS A POSSIBILITY THAT ALREADY EXISTS.

6. NOR IS OUR BILATERAL RELATIONSHIP YET OF THE MUTUAL CONFIDENCE AND SUBSTANCE EASILY TO WEATHER A GESTURE OF THIS KIND TOWARD THE SHAH. I THINK WE ARE MAKING PROGRESS IN REMOVING AT LEAST SOME OF WHAT HAS BEEN A DEEPLY FELT SUSPICION AMONG REVOLUTIONARY IRANIANS THAT WE HAVE NOT YET ACCEPTED THE NEW REALITIES IN IRAN AND THAT WE ARE CONNIVING WITH THE SHAH, ZIONISM, OR WITH SAVAKIS TO UNDERMINE THE REVOLUTION. BUT IT IS SLOW GOING, AND WE DOUBT VERY MUCH THAT OUR CREDENTIALS HAVE BEEN ENHANCED MUCH AT ALL AS YET WITH KHOMEINI. GRANTING ASYLUM TO THE SHAH NOW WOULD NEGATE MUCH THAT WE HAVE ACHIEVED TO DATE, AND I WOULD NOT EXCLUDE A REPEAT IN SOME FASHION, DICTATED BY KHOMEINI, OF A KNEE-JERK TYPE OF POLICY ACTION AGAINST US AS DEMONSTRATED AT THE TIME OF THE JAVITS RESOLUTION.

7. WHAT I AM SAYING IS THAT WE NEED SOME ADDED CUSHION ON BOTH FRONTS--ON THE INTERNAL IRANIAN SCENE AND IN OUR BILATERAL RELATIONS--BEFORE WE ACCEPT WHATEVER RISKS

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TO SECSTATE WASHDC IMMEDIATE 2905

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NODIS CHEROKEE - FOR THE SECRETARY

THERE MAY BE FOR OUR INTERESTS IN DOING WHAT I BELIEVE
WE EVENTUALLY SHOULD DO-- ALLOW THE SHAH REFUGE IN
THE U.S.

8. THE NEXT 2-3 MONTHS ARE CRUCIAL AND POSSIBLY HOPEFUL
IN BOTH RESPECTS. INTERNALLY, BAZARGAN IS MAKING A
NEW AND STRONGER EFFORT TO GET KHOMEINI TO TRANSFER TO
HIS PROVISIONAL GOVERNMENT SOME OF THE AUTHORITY NOW
EXERCISED BY THE REVOLUTIONARY AND COURTS.
AND BY THE LOOSE HIERARCHY OF REVOLUTIONARY COMMITTEES
THAT STRETCH TO THE STREET LEVEL. GROWING PROBLEMS WITH
THE KURDS AND THE ARAB MINORITY IN KUZISTAN SEEM TO BE
REMINDING AT LEAST SOME OF THE REVOLUTIONARY ELEMENTS THAT
STEPS MUST BE TAKEN TO RESTORE THE STATUS OF THE MILITARY
IN TERMS OF BOTH AUTHORITY AND MATERIAL. BUT THE REAL
KEY TO STRENGTHENED GOVERNMENTAL AUTHORITY AND CONTROL
LIES IN THE SUCCESSFUL CARRYING OUT OF THE ELECTORAL
PROCESS (A KIND OF CONSTITUENT ASSEMBLY IS TO BE
ELECTED AUGUST 3) WHICH IS SUPPOSED TO RESULT IN A
CONSTITUTIONALLY ENDOWED GOVERNMENT IN POWER BY AUTUMN.

9. IT IS OF UTMOST IMPORTANCE, IN MY VIEW, THAT WE
NOT INJECT OURSELVES IN THAT PROCESS BY ANY PREMATURE
GESTURE TOWARD THE SHAH, WITH ALL THE SUSPICIONS ABOUT
OUR ATTITUDES AND ABOUT USG INTERFERENCE THAT THIS

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COULD AROUSE AND THE THE OPPORTUNITY IT COULD PROVIDE FOR THOSE REVOLUTIONARY HOTHEADS WHO WOULD PROBABLY LIKE NOTHING BETTER THAN A CHANCE TO FRUSTRATE THE POLITICAL TIMETABLE AND TAKE A CRACK AT US AT THE SAME TIME. 10. SIMILARLY, I BELIEVE IT IMPORTANT THAT WE NOT BURDEN OUR STILL THIN BILATERAL RELATIONSHIP WITH THE REVOLUTIONARY LEADERSHIP HERE UNTIL IT HAS GAINED ADDED SUBSTANCE AND DEPTH. AGAIN THERE IS PROMISE. DESPITE CONTINUED PROBLEMS ON MANY ISSUES BETWEEN US, WE HAVE SENSED IN RECENT WEEKS A GROWING APPRECIATION, AT LEAST WITHIN THE BAZARGAN GOVERNMENT, OF THE IMPORTANCE OF A BETTER U.S. RELATIONSHIP. LAST WEEK'S CONGRESSIONAL APPROVAL (IN THE DOD SUPPLEMENTAL) OF FUNDS TO PURCHASE THE FOUR SPRUANCE DESTROYERS ORIGINALLY DESTINED FOR IRAN HAS GIVEN US AND THE IRANIANS THE FLEXIBILITY TO BEGIN ALLOWING THE IRANIANS ACCESS TO MORE URGENTLY NEEDED SPARES FOR THEIR AIR FORCE AND OTHER MILITARY FORCES. THIS WILL HELP REMOVE LINGERING SUSPICIONS IN THE BAZARGAN GOVERNMENT THAT WE HAVE HAD ULTERIOR POLITICAL MOTIVES IN HOLDING BACK ON SUCH SHIPMENTS.

11. ASSUMING THAT THIS MORE HOPEFUL TREND IN OUR BILATERAL RELATIONSHIP CONTINUES AND DEEPENS, AND ASSUMING ALSO THAT THE CONSTITUTIONAL TIMETABLE HERE RESULTS IN A SOMEWHAT STRONGER GOVERNMENT IN PLACE BY AUTUMN, WITH ENHANCED AUTHORITY OVER IRAN'S SECURITY FORCES, THE RISKS IN A GESTURE ON OUR PART TOWARD THE SHAH COULD BE MUCH MORE MANAGEABLE. I WOULD THEREFORE HOPE THAT WE COULD DELAY ANY FINAL DECISION UNTIL WE SEE HOW THINGS DEVELOP OVER THE NEXT 60-90 DAYS. IT WOULD HELP MEASURABLY, IN MY VIEW, IF DURING THAT SAME TIME PERIOD WE WERE ABLE TO NAME AN AMBASSADOR, AN ACT THAT IN ITSELF WILL BE SEEN AS A VOTE OF CONFIDENCE IN

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THE NEW REALITIES IN IRAN.

12. THE JUDGMENT DESCRIBED ABOVE WOULD OF COURSE DIFFER IF THE SHAH WERE PUBLICLY TO RENOUNCE HIS CLAIM AND THAT OF HIS HEIRS TO THE THRONE BEFORE COMING TO THE U.S. SUCH ACTION ON HIS PART WOULD SUBSTANTIALLY LESSEN THE RISKS TO OUR INTERESTS. (I CONFESS, HOWEVER, TO FINDING IT HARD TO IMAGINE HIS TAKING SUCH ACTION IN THE SHORT TERM FUTURE). ON THE OTHER HAND, I DO NOT SEE THAT A PUBLIC STATEMENT BY THE SHAH SIMPLY FORESWEARING POLITICAL ACTIVITIES OF ANY SORT WOULD HAVE MUCH IMPACT. IT WOULD SCARCELY BE CREDIBLE HERE. LAINGEN

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DEPARTMENT OF STATE TRANSMITTAL SLIP		CLASSIFICATION CONFIDENTIAL	
		DATE July 30, 1979	
TO INR/RSE, EUR/SOV, Amembassies MOSCOW, TEHRAN			
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TO THE FOREIGN SERVICE		TO THE DEPARTMENT	
<input type="checkbox"/> For Transmittal to Addressee at the Discretion of Post <input type="checkbox"/> Post Information Only <input type="checkbox"/> Transmit to Foreign Office <input type="checkbox"/> Submit Report <input type="checkbox"/> Reply to the Individual		<input type="checkbox"/> Dept. Information Only <input type="checkbox"/> CERP Publications <input type="checkbox"/> Enclosure to Previous Airmgram <input type="checkbox"/> Reply to Department Request	
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REFERENCE			
ITEMS/REMARKS Attached is a UK paper on the impact of Islamic fundamentalism in the USSR, circulated by the UK Delegation to members of the Political Committee.			
IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE			
FILE NO.		SIGNATURE <i>James H. Madden</i> James H. Madden	
CLASSIFICATION CONFIDENTIAL		OFFICE Political Section	

FORM DS-4
12-64

ISLAMIC FUNDAMENTALISM AND THE SOVIET UNION

1. During his visit to Delhi on 2-3 July Lord Carrington, the Secretary of State, was told by Mr Vajpayee, the Indian Foreign Minister, that while in Moscow last month he and Mr Desai had received strong indications that the Russians were concerned about Islamic Fundamentalism. They were worried (Vajpayee thought with reason) that the virus might spread to the Soviet Moslem population.

2. The UK view has been that the likelihood of the Soviet Moslem population being infected by the Islamic revival in Iran and elsewhere was small, principally because of the different social conditions in the USSR and the fact that Shiites account for only a small proportion of Soviet Moslems. However, the Russians, though they affect to support Khomeini, are clearly uneasy about developments in Iran, and will not have taken kindly to Iranian broadcasts in Arabic criticising the state of Islam in the USSR. The head of the Iranian broadcasting authority complained in May that the Soviet Union was jamming Iranian wave-lengths by making use of high-powered transmitters. In particular he claimed that jamming had taken place during one of Khomeini's televised speeches in Azerbaijan. If there is any truth in this it would imply an attempt to prevent Soviet Moslems in Soviet Azerbaidzhan (who are Shiites) from tuning in to the Ayatollah.

3. Soviet statements on the possible effects of the Islamic revival on the Soviet Moslem population, although rare, have started to appear. According to a report in the Swedish newspaper Dagens Nyheter of 11 June, Pachayev Allokhshukur, Imam of Baku's largest mosque and vice-chairman of the spiritual administration for the Caucasus, held a press conference for foreign journalists in Baku in the presence of representatives of the Soviet MFA Press Department. Allokhshukur said, inter alia:

(a) It was not the Moslems' business to interfere in regional or republic policy. There were other organs and other elected people to look after politics.

(b) Moslems in Baku did not hide their joy over what happened in Iran. They had sent a telegram of congratulations and welcomed Khomeini when he returned to Iran, and had sent another when the monarchy was overthrown.

(c) "I cannot see that events in Iran mean that Islam will also make new inroads in the Soviet Union. We have no need of secret societies. We work completely openly with the authorities' approval."

4. Another report broadcast recently on Moscow Radio's Swedish Service said that a journalist had asked the leader of the Kazakh Moslem whether Islam was under-going a renaissance in the USSR because of the events in Iran and Afghanistan. He had replied that there had been no drastic increase in believers, although success in neighbouring countries obviously pleased Moslems.

CONFIDENTIAL

- 2 -

5. These statements indicate that the Soviet authorities wish to appear relaxed about the possibility of the Iranian and Afghan events having any serious impact among Soviet Moslems. Recent (and frequent) broadcasts stressing the freedom allegedly enjoyed by Soviet Moslems and respect on the part of the Soviet authorities for the cultural heritage of Islam (restoration of mosques, celebrations for the new Islamic century) carry the same implicit message: the spiritual and cultural demands of the Soviet Moslems are already being met, so there need be no fear of influences from abroad. A recent article in Kommunist (No 5, 1979) by the First Secretary of the Daghestan obkom, however, provides further evidence that the Soviet party authorities continue to be sensitive to the possible effects of outside influences on Soviet Moslems. Umakhanov complains that "Imperialist propaganda" has latterly begun more actively to speculate on nationalist feelings and prejudices in order to get socialist nations against each other. "The ideological centres of imperialist states, emigre nationalist organisations which are in the service of the bourgeoisie, make use of the ideas of Pan-Islamism and Pan-Turkism for the purpose of intensifying subversive activity against the peoples of the North Caucasus. They place no little emphasis on religion, on using it in anti-Soviet interests. Thus in its broadcasts bourgeois radio lays stress on the religious feelings of believing Moslems." Such expressions of concern are not new (although references to Pan-Islamism and Pan-Turkism are rare) and were probably not provoked by events in Iran and Afghanistan.

6. All this does not take us much further and we are not inclined, for the moment, to revise our earlier judgement. Nevertheless, things can change. Although evidence on the influence of Islamic Fundamentalism on Soviet Moslems is hard to come by and difficult to interpret, we would welcome the views of other Allies.



AUG 78 04 07Z

SECRET 511251Z JUL 79 STAFF
CITE DIRECTOR 485969.
TO: PRIORITY STOCKHOLM INFO TEHRAN.
WMINTEL RYBAT AJAJA
REF: STOCKHOLM 25929

1. DEPARTMENT IS SENDING TELEGRAM TO EMBASSY STOCKHOLM
ASKING THEM TO CONTACT NEW IRANIAN AMBASSADOR TO STOCKHOLM
AMIR ENTEZAM. EMBASSY IS NO PROPOSE TO ENTEZAM THAT US
WHO WELL KNOWN TO ENTEZAM TRAVEL TO STOCKHOLM TO MEET WITH HIM.
2. FBI ONLY. THIS ACTION BEING TAKEN BY DEPARTMENT AT
STATION INVESTIGATION. IF ENTEZAM AGREES TO MEETING, PLAN HAVE
FORMER DOON TEHRAN, JOSEPH M. ALLEIGHEN ACCOMPANY US AND MEET
WITH ENTEZAM. COS AT HIS DISCRETION MAY INFORM CHARGE THAT
MEETINGS WITH ENTEZAM ARE BEING PUSHED BY SENIOR LEVELS USC
AS MEANS EXPANDING USC CONTACTS WITH PROVISIONAL GOVERNMENT OF
IRAN.
3. ALL CONCERNED WOULD LIKE PULL OFF THIS MEETING AS SOON
AS POSSIBLE.

4. NO FILE. RWV 31 JULY 79 DRV DSC-1 ALL SECRET.
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#7934



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RE RUOKFNO #3150 2131430
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O R 011300Z AG: 79
FM AMEMBASSY STOCKHOLM
TO RUHRC/SECSTATE WASHDC IMMEDIATE 7343
INFO RUHMR/AMEMBASSY TEHRAN IMMEDIATE 250
RUHRC/AMEMBASSY COPENHAGEN 6401
RUHRC/AMEMBASSY HELSINKI 4013
RUHRC/AMEMBASSY OSLO 5727
RUHRC/AMEMBASSY BERLIN 2712
BT
S E C R - 2 T STOCKHOLM 3157

EIDIS

EO 12065: GDS 8/1/85 (CANNEX PAUL F) OR-4
TAGS: PEPF IR SW
SUBJ: CONVERSATION WITH IRANIAN AMBASSADOR AMIR ENTEZAM
REF: TEHRAN 9889 (NOTAL), R) STATE 198052 (NOTAL),
C) STOCKHOLM 3147 (NOTAL)

1. (S-ENTIRE TEXT)
2. CHARGE MET WITH AMBASSADOR ENTEZAM AFTERNOON JULY 31 IN ENTEZAM'S OFFICE. THE FORMER DEPUTY PRIME MINISTER IN IRAN'S REVOLUTIONARY GOVERNMENT ARRIVED IN STOCKHOLM IN LATE JULY AND WILL BE ACCREDITED TO THE FIVE NORDIC COUNTRIES (RESIDENT IN STOCKHOLM). HE IS SCHEDULED TO PRESENT CREDENTIALS TO KING CARL XVI GUSTAF ON AUGUST 28. ENTEZAM RECALLED HIS STUDENT DAYS AT HARVARD, HIS GENUINE ADMIRATION FOR MANY AMERICAN ACHIEVEMENTS, HIS DISAPPOINTMENT AND FRUSTRATION OVER US POLICY IN IRAN OVER PAST 25 YEARS, AND HIS DETERMINATION NOW TO HELP REBUILD GOOD BILATERAL RELATIONS WITH THE US. HE EMPHASIZED REPEATEDLY THAT RAPPROCHMENT COULD ONLY COME ABOUT ON THE BASIS OF MUTUAL RESPECT, NO US INTERFERENCE IN IRANIAN INTERNAL AFFAIRS AND NO DISTURBANCE OF IRANIAN INDEPENDENCE. HE SAID US AND OTHER GOVERNMENTS SHOULD NOT BE MISLED BY CONFUSED POLITICAL SITUATION IN IRAN TODAY. DESPITE THE GO BACK AND FORTH, THE IRANIANS ARE BUILDING, ALBEIT PAINFULLY SLOWLY, AN ISLAMIC MODEL WHICH, SEVERAL YEARS HENCE, OTHER COUNTRIES WILL WISH TO DUPLICATE. IRAN WISHES GOOD RELATIONS WITH THE US, THE SOVIET UNION, CHINA AND OTHERS, BUT THEY WILL BE DEVELOPED ONLY ON THE BASIS OF RESPECT FOR IRAN, ITS ISLAMIC INSTITUTIONS, ITS SOVEREIGNTY AND INDEPENDENCE. IF THE US HAS NOT LEARNED A LESSON FROM THE REVOLUTION AND ATTEMPTS ARE MADE NOW OR LATER TO REKINDLE THE KINDS OF SPECIAL RELATIONSHIPS WHICH EXISTED UNDER THE SHAH, THE ENMITY TOWARD THE US MANIFESTED OVER THE PAST SIX MONTHS WILL BECOME A PERMANENT FEATURE OF IRANIAN PUBLIC OPINION

AND GOI POLICY. THE PEOPLE OF IRAN HAVE LONG SUSPECTED AND FEARED SOVIET ENCRoACHMENT AND SIMILAR WARNINGS HAVE BEEN TRANSMITTED TO MOSCOW.

3. IN RESPONSE TO QUESTIONS, ENTEZAM SAID HE PLANS TO BE AN ACTIVE AMBASSADOR, NOT ONLY IN THE NORDIC COUNTRIES TO WHICH HE WILL BE ACCREDITED, BUT AS A ROVING AMBASSADOR THROUGHOUT EUROPE. HE IMPLIED THAT, AS A FORMER HIGH OFFICIAL OF GOI, HE HAS BEEN INSTRUCTED BY TEHRAN TO KEEP A CLOSE WATCH OVER IRANIAN RELATIONS WITH ALL EUROPEAN GOVERNMENTS (AS WELL AS IRANIAN AMBASSADORS IN THESE CAPITALS). THE PURPOSE, HE SAID, WAS TO LIFT THIS PARTICULAR POLITICAL-ADMINISTRATIVE BURDEN FROM THE SHOULDERS OF THE BAZARGHAN GOVERNMENT. HE MENTIONED PARENTHETICALLY THAT HE MOST PROBABLY WOULD HAVE TO VISIT WEST GERMANY SOON "TO CLEAR UP A SMALL PROBLEM." IN SWEDEN, HE PLANS TO MEET REGULARLY WITH GOV'T-MEN HERE (MOST ARE IN THE STUDENT COMMUNITY) TO EXPRESS THE HOPE THAT ALL IRANIANS, INCLUDING THOSE IN COMMUNIST PARTY, CAN WORK FOR THE GOOD OF IRAN. THUS FAR HE HAS MET WITH SEVERAL HUNDRED IRANIAN STUDENTS TO REQUEST THEIR COOPERATION AND TO EXPLAIN WHY IT HAD BEEN NECESSARY TO SUSPEND FOR A PERIOD THE TOTAL FINANCIAL SUPPORT FOR THEIR STUDIES. ENTEZAM SAID HE WOULD MEET THE "PROFESSIONAL" STUDENTS AS WELL AS THE ACADEMICALLY POOR STUDENTS AND WILL EVENTUALLY PROVIDE SUBSTANTIAL SUPPORT TO THOSE WITH GOOD RECORDS.

4. ENTEZAM RECALLED HIS TIME IN NATIONAL RESISTENCE MOVEMENT IN THE EARLY '50'S. A GOOD FRIEND OF THE IRANIAN PEOPLE AT THAT TIME IN THE AMERICAN EMBASSY WAS POLITICAL OFFICER RICHARD COTTAM (PHONETIC, ENTEZAM NOT SURE OF SPELLING). HE SAID COTTAM WAS ONE OF THE FEW AMERICAN DIPLOMATS WHO UNDERSTOOD AT THE TIME THE PROBABLE CONSEQUENCES OF THE US INSISTENCE ON PUTTING THE SHAH IN POWER. ENTEZAM SAID COTTAM MAINTAINED HIS INTEREST IN IRAN, HAD MET KHOMEINI IN PARIS LAST OCTOBER AND HAD VISITED TEHRAN IN NOVEMBER. HE THOUGHT COTTAM WAS NOW TEACHING AT AN EAST COAST UNIVERSITY (POSSIBLY PRINCETON OR PENNSYLVANIA), AND HE REMARKED ON WHAT A WISE STEP WOULD BE TAKEN, IN HIS VIEW, IF THE US WERE TO APPOINT COTTAM AS THE NEXT AMBASSADOR TO IRAN.

5. IN WELCOMING ENTEZAM TO STOCKHOLM, CHARGE ASSURED HIM OF THE EMBASSY'S INTENTION TO MAINTAIN CLOSE COOPERATION WITH HIS MISSION, EMPHASIZING OUR DESIRE TO BE HELPFUL WHENEVER APPROPRIATE. ENTEZAM SAID HE VERY MUCH APPRECIATED THIS EARLY CONTACT AND EXPRESSED HOPE THAT WE WOULD BE WILLING TO PASS TO HIM WHATEVER "NEW INFORMATION OF MUTUAL INTEREST" MIGHT BECOME AVAILABLE.

6. COMMENT: CHARGE LAINGEN'S DESCRIPTION OF ENTEZAM AS A GEARING INTELLIGENT, AND HIGHLY ARTICULATE REPRESENTATIVE OF IRAN'S REVOLUTIONARY GOVERNMENT IS COMPLETELY ACCURATE. ENTEZAM IS INDEED ANXIOUS TO MAINTAIN CONTACT WITH US AND SEEMS GENUINELY INTERESTED IN HELPING TO RESTORE GOOD US-GOI BILATERAL RELATIONS. EMBASSY WILL CONTINUE DIALOGUE WITH ENTEZAM AS FREQUENTLY AS POSSIBLE. CANNEY

DEPARTMENT OF STATE

January 22, 1953

SECRET - EYES ONLY

The Honorable
Mr. Bruce Wilson
Charge d'Affaires, a.i.
American Embassy
Tehran

Dear Bruce:

I was finally able to see your cable dealing with the same subject as the enclosed piece. I liked your thoughts very much and believe -- with a few details of difference -- we are in accord. My paper was prepared at Newsom's request with strict instructions not to cut anyone else in except those shown as clearing and Peter. So please protect me absolutely.

Sincerely,

Henry Brecht.
Director
Office of Iranian Affairs.

Enclosure.

SECRET - EYES ONLY

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174

Planning for the Shah's Come to the United States

This paper outlines some concepts we should address in considering the Shah's desire to come to the United States. We believe there are three broad questions:

- What new circumstances could justify a change in the USG position?
- What conditions should we seek from the Shah or state prior to his arrival here?
- What arrangements should we make for Embassy personnel to provide protection?

1. New Circumstances

The PGOI has laid out a plan for the adoption of a new constitution and election of a new government. If the plan is followed -- and that seems unlikely -- elections for an Assembly of experts will be held on August 3. The assembly will conclude its work in one month; the draft constitution, which the experts will have reviewed, will be submitted to a popular referendum probably in September; and elections for a president and Majlis could take place as early as October. Because the Iranian government has placed a high priority on establishing a stronger and legitimate single authority for the country, we believe the PGOI and Khomeini will make every effort to meet this schedule. Even with the inevitable delays, there is a good chance that the process will be completed by the end of 1979.

Once it is completed, we should inform the new government that we wish to clear our decks of old issues on the agenda. One of those old issues will be the status of the Shah. We could inform the government that we have resisted intense pressures to allow him to come to the U.S. because we did not wish to complicate the PGOI's problems or our efforts to construct a new relationship. Now with the new government firmly established and accepted, it seems appropriate to admit the Shah to the U.S. The new government may not like it, but it is best to get the issue out of the way. This discussion with the new GOI should take place after it is in place some 2-3 weeks and some few days before the Shah would come here. In the meantime,

SECRET/SENSITIVE

~~we should begin to prepare the Iranians by telling them~~
~~of the intense pressures for the Shah to come here --~~
pressures which we are resisting despite our traditional
open-door policy.

If the constitutional process does not proceed and Iranian instability seriously increases, and if there is no prospect for Iran to settle down, there may be an argument for going ahead and admitting the Shah anyway to get that inevitable step behind us, but it will be necessary first to review how dangerous the situation is.

In either of these scenarios we should aim for a positive change in our position on the Shah by January 1980. If this plan is adopted it probably would not be advisable to disseminate it beyond a close circle in the Executive Branch; perhaps a few key individuals outside might be informed so as to reduce pressures for a change. We would also have to discuss the issue with Members of Congress to indicate that we were addressing the issue and hope to resolve it successfully. This would reduce pressures which could lead, for example, to a Congressional resolution calling on the Administration to admit the Shah. However, this would increase the likelihood of leaks and our having to deal with the PGOT before we are ready.

2. Conditions

It would help substantially in explaining our position to the Iranians if the Shah were to renounce his family's claim to the throne. We believe the likelihood of his doing so is extremely remote, but the idea could be explored privately by trusted intermediaries so that if the Shah refused he would have no possibility of blaming the USG for a course he rejected.

Should the Shah refuse to renounce his claim, we should leave no doubt in the Iranian mind as to our attitude. We should make it quite clear publicly that we consider any claim to the throne by his family rendered invalid by the Iranian constitutional process, and we should make it clear privately to the Shah and his friends that we would not tolerate any counter-revolutionary acts here which might violate U.S. law, or our customary policies regarding political activities of persons admitted for temporary visits.

3. Security

We have the impression that the threat to U.S. Embassy personnel is less now than it was in the spring; presumably the threat will diminish somewhat further by the end of the year. Nevertheless, the danger of hostages being taken in Iran will persist.

~~We should make no move towards admitting the Shah until we have obtained and tested a new and substantially more effective guard force for the Embassy. Secondly, when the decision is made to admit the Shah, we should quietly assign additional American security guards to the Embassy to provide protection for key personnel until the danger period is considered over.~~

Before proceeding further we should have more detailed work on the legal, security and Congressional relations issues.

SECRET/SENSITIVE

Drafted: NEA/IRN:HPrecht:amp
8/1/79 - ext:20313

Clearances: NEA - Mr. Saunders
L/NEA - Mr. Small

SPECIAL ANALYSIS

IRAN: Six Months After the Revolution

(b)(3)

Ayatollah Khomeini has guided his fledgling Islamic Republic through the first phase of balloting necessary to approve the new constitution. Opposition to Khomeini is increasing, however, and subsequent steps toward final approval of the constitution as well as the election of a parliament and a president will almost certainly heighten the divisive debate over Iran's future. None of the opposition groups now on the scene seems capable of challenging Khomeini directly, but the present pattern of sporadic violence against the authorities is likely to increase as opposition frustration grows. Restive minorities will continue to try to seize as much local control as possible in their homelands, and this activity by Arabs in Khuzestan could affect oil production. The basic problem remains the failure to reinstitute governmental authority. There is a continuing lack of coordination between the government and the revolutionary committees, and until this is resolved Iran's economic and political problems cannot be addressed effectively. Khomeini's death would further complicate the nation's problems. (S)

There never was much doubt that Khomeini would retain control over the council of experts that was elected yesterday to consider the draft constitution. The last-minute boycott by the secular National Front and the Muslim Peoples' Party led by Ayatollah Shariat-Madari assured Khomeini's overwhelming victory. The draft constitution will be submitted to a national referendum in a month, and elections for parliament and president are supposed to follow. (S)

Khomeini branded all opposition to the constitution anti-Islamic and antirevolutionary and demanded participation by all Iranians. Despite his admonitions,

Approved for Release
Date 29 JAN 1986

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(65)

opposition to him personally and to what has been described as "the prevailing atmosphere of oppression" is likely to become stronger. Demonstrations by opposition groups are likely to intensify, and there is a strong possibility that secular groups and religious moderates may ally against Khomeini. Forghan, a terrorist group that has already assassinated three prominent persons associated with Khomeini, is likely to strike again. The combination of demonstrations and shootings will heighten tension. (S)

Lack of Government Control

The country's basic political problem remains the failure to reinstitute governmental authority over the activities of the revolutionary committees, which remain largely unchecked and only sometimes obey orders from Khomeini himself. Prime Minister Bazargan has complained bitterly to Khomeini about committee interference with his government and on at least two occasions threatened to quit. Bazargan now seems resigned to Khomeini's assertion that the committees are necessary until a regular military force can be built. Bazargan is now trying to coopt some members of Khomeini's Revolutionary Council into his cabinet. He hopes thus to bring more government functions under his control, but the more likely result is additional power for the Revolutionary Council at the government's expense. (S)

The government is continuing its efforts to revitalize the military, but the armed forces remain undermanned, poorly led, undisciplined, and ineffective. Troop strength in many units remains at about 50 percent and soldiers, at the instigation of their committees, have not been following orders. Many soldiers are reluctant to be assigned to security duty out of fear that they might later be tried and executed for harming demonstrators. (S)

Former Military Police Chief General Rahimi did provide a semblance of aggressive leadership for a time. Early last month he successfully challenged, for a while

--continued

with Khomeini's help, government authorities who wanted to fire him, apparently for taking too strong a line on discipline. Ultimately, Khomeini fired Rahimi when Bazargan argued convincingly that the cabinet would resign and there were no replacements. [REDACTED]

[REDACTED], Another military officer with leadership potential is Admiral Madani, the outspoken Commander in Chief of the Navy and Governor of Khuzestan Province who voices many of Rahimi's concerns. (S)

(b)(1)
(b)(3)

The Revolutionary Guards, who are intended to form an internal security force, remain an enigma. There are several Revolutionary Guard units--some receiving training from Palestinians and others from the Army. These groups do not seem to follow chain-of-command orders; some answer to the government, some to provincial governors, and others to Khomeini. Revolutionary Guards were instrumental in ending the fighting between Arabs and Persians in Khuzestan last month and responded to serious disturbances in Turkoman areas and most recently again in Kurdish areas. They have been reported with increasing frequency to be assuming security duties throughout Iran. (S)

Restive Minorities

With the lack of strong central government control and an ineffective military, autonomist-minded minorities--particularly the Kurds, Turkomans, and Arabs--are trying to seize as much local control as possible in their homelands. Most of Iran's tribal minorities are Sunni Muslims who have little regard for Khomeini and his idea of a Shia Islamic Republic. Fighting has broken out in Turkoman, Kurdish, and Arab areas when Persian-dominated revolutionary committees have become overbearing to the local minority group. (S)

The most recent disturbances occurred in Khuzestan, where Sunni Arabs fought it out with the local committees and Revolutionary Guards, and in Azarbayjan, where Kurds

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have been fighting government forces. Although relative peace has been restored in Khuzestan, Arab demands for greater autonomy have not been met, and further fighting can be expected to threaten Khuzestan's important oil industry. (S)

The Economy

Government indecisiveness on development spending, worker intimidation of private sector management, and expectations of prolonged political instability are preventing significant improvement in the economy. Only the oil and banking sectors have shown any real signs of life. (S)

Many Iranian economists believe nationalization of the banks last month was necessary to encourage bank managers to take a more aggressive stance in approving credits to finance economic recovery. Compensation of foreign bank partners has not been worked out, but the government has announced its intention to pay \$250 million to foreign shareholders. Despite some dissension between workers and oil company management, oil production has been running at about 3.9 million barrels per day with crude oil exports at about 3.2 million barrels daily. (S)

The few manufacturing facilities currently in operation are operating at less than 50 percent of capacity. Workers are interfering with executive decisionmaking. The government has forbidden firms to fire employees and has forced some to rehire dismissed staffs in order to disguise the extent of unemployment, which may be as high as 3.5 million (35 percent of the work force). After earlier nationalizing the banking and insurance companies, the government last month nationalized companies in the metals, aircraft, shipbuilding, mining, and auto manufacturing industries. Only minor industries now remain in the private sector. (S)

(b)(1)

11 AUG 79 3 31 Z

SECRET 12233Z AUG 79 STAFF

CITE DIRECTOR 493033.

TO: PRIORITY LONDON INFO TEHRAN, PARIS, DCD/HEADQUARTERS.

INTEL AJAJA GNSIGHT GNGRAPH

1. DCD SOURCE HAS PROVIDED INFORMATION THAT IRANIAN GEN. (RET) HASSAN TOUFANIAN, FORMER TOP LIEUTENANT OF SEAR AND MINISTER OF DEFENSE INDUSTRIES, CURRENTLY IN LONDON WHERE HE HOLDING MEETING OF IRANIAN MILITARY LEADERS PLOTTING OVERTHROW OF CURRENT GOVERNMENT OF IRAN. STATION WILL RECALL THAT SD-PRETEXT/1 HAD INFORMED ADLESICK OF 9 AUGUST MEETING SCHEDULED IN LONDON OF IRANIAN EXILES FROM EUROPE. IMPLICATION WAS THAT REAPPEARANCE OF EX-PRIME MINISTER SHAPOUR BAKHTIAR IN PARIS HAD STIMULATED EUROPEAN-BASED ORGANIZING ACTIVITIES.

2. A SEPARATE SOURCE, SD-PRETEXT/1, TRAVELED TO LONDON ON 9 AUGUST FOR WHAT IS PROBABLY THE SAME MEETING. SD-PRETEXT/1 SAID THAT HE WOULD BE MEETING WITH VARIOUS EUROPEAN EXILES IN AN ATTEMPT TO ORGANIZE THE IRANIAN COMMUNITY AGAINST KHOMEINI AND THAT AMONG SEVERAL PARTICIPANTS WOULD BE FORMER PM ALI AMINI AND IIAF BRIG GEN MEHDI MIR-HOSSEINI. THIS GROUP WAS PLANNING TO ATTEMPT TO MEET WITH BAKHTIAR CIRCA 10-12 AUGUST 1979.

3. WOULD APPRECIATE QUERY GNGRAPH FOR FURTHER INFO ON ALLEGED MEETING OF IRANIAN EXILES AND FOR CONFIRMATION OF TOUFANIAN'S PRESENCE UK.

4. NO FILE. RVW 10AUG79 DR D9C.1 ALL SECRET.

SECRET

BT
#2260



مهدی بازگان-۱۹

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C O N F I D E N T I A L SECTION 01 OF TEHRAN 08970

P.O. 12065: GIS 8/12/85 (TOMSETH, V.L.) OR-P
TAGS: PEPR, SOPN, MASS, CVIS, IR, ASEC
SUBJ: MEETING WITH PM BAZARGAN

TEHRAN 11-72/21

Chen
CLASS: CONFIDENTIAL
CHRG: STATE 5/12
APPRV: CH3:LBIAINGEN
PRFTD: POL:VLTOMSETH/SJR
CLPAR: NONE
DISTR: POL CH3 RF

1. (C - ENTIRE TEXT)

2. SUMMARY: I CALLED ON PM BAZARGAN AUGUST 11. FM YAZDI WAS PRESENT AS TRANSLATOR. FOLLOWING OPENING REMARKS ON OUR MUTUAL DESIRE FOR A FRUITFUL BILATERAL RELATIONSHIP, BAZARGAN SAID THAT THE PGOI IS DISAPPOINTED THAT U.S. PROMISES HAVE NOT BEEN BACKED UP BY ACTIONS. HE RAISED THREE PROBLEM AREAS: MILITARY SPARE PARTS, VISAS AND LACK OF A REPLACEMENT FOR AMBASSADOR CUTLER. I RESPONDED BY DETAILING WHAT WE HAVE DONE IN THE MILITARY SUPPLY AREA, POINTING OUT THAT THERE ARE ACTIONS WHICH THE PGOI MUST ALSO TAKE TO RESUME THE FLOW. I SAID THAT WE, TOO, ARE DISAPPOINTED BY OUR CONTINUING INABILITY TO GAIN ACCESS TO PROPERTIES AND RECORDS RELATED TO OUR PAST MILITARY PRESENCE IN IRAN AND ASKED FOR HIS HELP IN THIS REGARD. ON VISAS, I TOLD BAZARGAN WHAT WE HAD BEEN DOING AND WHAT WE WERE PREPARED TO DO, BUT AGAIN SAID WE NEEDED PGOI COOPERATION IN REMOVING THE IRREGULAR SECURITY PRESENTLY ON OUR COMPOUND. I RAISED PGOI TREATMENT OF U.S. CORRESPONDENTS AS AN IRRITANT IN OUR RELATIONSHIP. YAZDI RESPONDED WITH HIS NOW FAMILIAR CHARGES OF A CONSPIRACY IN THE U.S. MEDIA TO SLANDER THE IRANIAN REVOLUTION. BAZARGAN WAS MORE DISPASSIONATE IN HIS VIEW OF THE PRESS. THE MEETING ENDED WITH AN APPEAL FROM BAZARGAN FOR CONCRETE ACTS ON OUR PART TO DEMONSTRATE U.S. GOODWILL TOWARD IRAN. I SAID WE HAD TRIED AND WOULD CONTINUE TO TRY TO DO THIS, BUT URGED IRAN TO LOOK TO THE FUTURE RATHER THAN TO DWELL ON THE PAST AND TO STATE WHAT ITS REVOLUTION WAS FOR AS WELL AS WHAT IT WAS AGAINST. END SUMMARY.

3. I BEGAN BY THANKING BAZARGAN FOR RECEIVING ME AS CHARGE WHICH I TOOK AS AN INDICATION OF THE PGOI'S DESIRE TO WORK WITH THE USG TO BUILD A BILATERAL RELATIONSHIP THAT TOOK ACCOUNT OF THE NEW REALITIES IN IRAN. I EXPRESSED MY GOVERNMENT'S WARMEST REGARDS AND RESPECT FOR HIM PERSONALLY AND THE PGOI. WE WANTED TO WORK WITH IRAN, I TOLD HIM, ALTHOUGH WE UNDERSTOOD THAT IT WOULD TAKE TIME AND PATIENCE TO DEVELOP A MUTUALLY BENEFICIAL RELATIONSHIP. WE HOPED THAT IN PURSUING THAT GOAL THERE WOULD BE RESTRAINT AND UNDERSTANDING ON BOTH SIDES. I SAID THAT I HAD BEEN INSTRUCTED TO SAY THAT WE WERE READY TO HELP IN ANY WAY POSSIBLE THAT MIGHT CONTRIBUTE TO IRAN'S STABILITY AND THE WELL-BEING OF ITS PEOPLE. I TOLD HIM THAT I WAS OPTIMISTIC THAT WE COULD MAKE PRO-

CONFIDENTIAL

TEHRAN 8970/1

GRESS IN BUILDING OUR RELATIONSHIP BECAUSE IT WAS THE DESIRE OF BOTH OUR PEOPLES THAT WE DO SO. WHILE WE HAD SOME PROBLEMS TO WORK OUT, WE HAD STRONG CONTINUING MUTUAL INTERESTS. ON OUR SIDE WE REGARDED THE TERRITORIAL INTEGRITY, THE INDEPENDENCE AND THE STABILITY OF IRAN AS IMPORTANT TO US BEFORE THE REVOLUTION AND JUST AS IMPORTANT TO US IN ITS AFTERMATH. I WOULD BE RETURNING TO WASHINGTON TOWARD THE END OF AUGUST AND WOULD BE HAPPY TO CARRY ANY MESSAGE HE MIGHT HAVE.

4. BAZARGAN RESPONDED BY SAYING THAT HE HAD HEARD FROM OTHERS IN THE PGOI WHOM I HAD SEEN THAT I HAD SHOWN UNDERSTANDING AND GOODWILL TOWARD THE IRANIAN REVOLUTION AND HIS GOVERNMENT. HE ESPECIALLY WELCOMED HEARING OF OUR SUPPORT FOR IRAN'S INDEPENDENCE AND TERRITORIAL INTEGRITY. HE, TOO, HAD BEEN OPTIMISTIC ABOUT THE RESTORATION OF GOOD BILATERAL RELATIONS BETWEEN OUR TWO COUNTRIES. HE AND MEMBERS OF HIS CABINET, HE TOLD ME, HAD ALWAYS BEEN IN AGREEMENT ON THE DESIRABILITY OF CLOSE COOPERATION WITH THE U.S., AND CONSEQUENTLY HAD BEEN PREPARED ON NUMEROUS OCCASIONS TO STAND UP PUBLICLY TO DEFEND IRAN'S RELATIONSHIP WITH US, NOTWITHSTANDING THE HIGH LEVEL OF EMOTIONALISM IN THE REVOLUTION'S AFTERMATH AND ACCUSATIONS ABOUT U.S. INTERFERENCE IN IRAN'S INTERNAL AFFAIRS.

5. UNFORTUNATELY, FROM IRAN'S POINT OF VIEW, BAZARGAN SAID, THE U.S. HAD NOT RESPONDED IN ANY POSITIVE WAY THAT THE PGOI COULD USE TO DEMONSTRATE THE WORTH OF ITS RELATIONSHIP WITH US TO THE IRANIAN PEOPLE. "YOU HAVE ONLY GIVEN LIP SERVICE TO BETTER RELATIONS," HE SAID, "AND WE HAVE ONLY HEARD PROMISES FROM YOU." AS AN EXAMPLE, HE CITED ASSURANCES GIVEN BY AMBASSADOR SULLIVAN AND CHARGE NAAS THAT MILITARY SPARE PARTS WOULD BE DELIVERED. "NOTHING HAS HAPPENED," HE SAID, "NOT EVEN A DATE WHEN WE MIGHT EXPECT DELIVERY HAS BEEN GIVEN US. THERE WAS ALSO A PROBLEM INVOLVED IN CLEARING IRAN'S MILITARY ACCOUNTS. IRAN HAD RECEIVED NO INVOICES ON WHAT IT HAD BOUGHT AND PAID FOR SINCE 1966, HE CLAIMED. THE PGOI CONSEQUENTLY HAD NO IDEA OF WHAT ITS FINANCIAL POSITION WAS IN THIS AREA. SOME FIGURES HAD BEEN PRO-

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TEHRAN 8970/1

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TO RUEHC/SECSTATE WASHDC IMMEDIATE 3173

INFO RUEKJCS/SECDEF WASH DC IMMEDIATE

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C O N F I D E N T I A L SECTION 02 OF TEHRAN 080700

CLASS: CONFIDENTIAL

CHGGE: STATE 8/12

APPRV: CH3:LSIAIKGAN

TRFTD: POL:VLTOYSETH/BJI

CLEAR: NONE

ISTR: POL CHG RF

VIDED IN FEBRUARY, BUT THERE WERE STILL CASES OUTSTANDING FROM 13 YEARS BEFORE.

6. TURNING TO ANOTHER AREA, HE SAID THAT WE WERE NOT MEETING VISA NEEDS OR EVEN INDIVIDUALS NEEDING MEDICAL ATTENTION. SOME PEOPLE WHO HAD HAD OPEN HEART SURGERY AND WHO HAD MADE APPOINTMENTS FOR CHECK-UPS IN THE U.S. HAD NOT BEEN ABLE TO GET VISAS. YAZDI INTERCEDED TO SAY THE PGOI WAS UNDER GROWING PRESSURE TO ALLOW STUDENTS TO GO TO THE USSR FOR STUDY. THIS WAS SOMETHING THE PGOI DID NOT WANT TO DO, HE SAID, BUT WHICH IT MIGHT HAVE TO ACCEDE TO (IF WE DID NOT ISSUE VISAS TO THEM TO GO TO U.S. SCHOOLS BEING THE THREAT LEFT UNSAID). BAZARGAN SAID THAT THERE WAS ALSO THE QUESTION OF OUR FAILURE TO NAME A REPLACEMENT FOR AMBASSADOR CUTLER. YAZDI REPEATED HIS EARLIER CONTENTION THAT YOUR CHARGE "TOLD US WITHIN 24 HOURS THAT THE STATE DEPARTMENT HAD ACCEPTED OUR DECISION," ADDING THAT THEY WERE SUBSEQUENTLY TOLD THAT IT WOULD TAKE ONLY FIVE OR SIX WEEKS TO COMPLETE THE PROCESS.

7. I RESPONDED BY SAYING THAT I WELCOMED BAZARGAN'S FRANKNESS, PARTICULARLY SINCE SOME OF THE THINGS HE RAISED I HAD PLANNED BRINGING UP MYSELF. I WAS UNAWARE THAT IRAN HAD RECEIVED NO INVOICES FOR ITS MILITARY PURCHASES SINCE 1966; QUITE FRANKLY I FOUND SUCH A CONTENTION HARD TO BELIEVE. I NOTED THAT IN EARLIER DISCUSSIONS WITH FM YAZDI AND MOND RIAHI I HAD DEALT AT SOME LENGTH ON THE COMPLICATED NATURE OF OUR PAST MILITARY SUPPLY RELATIONSHIP. I ASSURED HIM THAT OUR PURPOSE WAS NOT TO STOP THE FLOW OF ESSENTIAL SPARE PARTS TO IRAN, BUT RATHER TO DEAL WITH THE ENTIRE RELATIONSHIP IN SUCH A WAY AS NOT TO JEOPARDIZE OUR ABILITY TO BE IN POSITION TO PROVIDE THE KIND OF SUPPLY RELATIONSHIP IRAN MIGHT WANT FOR THE FUTURE.

8. THROUGH PATIENT EFFORT WE HAD REACHED A POSITION WHERE WE WERE NOW ABLE TO RESUME DELIVERY OF SPARE PARTS IN THE PIPELINE. THIS HAD BEEN COMMUNICATED TO THE MOND AND THE MFA TWO WEEKS AGO, AND WE WERE NOW WAITING FOR IRAN TO MAKE SHIPPING ARRANGEMENTS SO THAT DELIVERIES COULD BE EFFECTED. SEVERAL PLANE LOADS OF SPARE PARTS HAD BEEN DELIVERED DURING THE PAST FEW MONTHS THROUGH ARRANGEMENTS WORKED OUT BETWEEN THE MAAG AND THE IIAF AND, FURTHER, WE WERE READY TO CONSIDER NEW ORDERS, INCLUDING THAT FOR COBRA/TOW CALIBRATION SERVICES. I SAID THAT AN OFFICER WOULD BE HAND CARRYING AN LOA FOR THIS CASE TO IRAN ON AUGUST 13.

1. I ALSO SAID THAT WE HAD BEEN URGING A MEETING OF
PGOI, MAAG AND EMBASSY OFFICIALS CONCERNED WITH THE
MILITARY SUPPLY ISSUE FOR SOME TIME. SUCH A MEETING,
WHICH WOULD DEAL WITH PROCEDURES, WOULD, IN OUR VIEW, HELP
DEVELOP BETTER UNDERSTANDING OF THIS COMPLICATED SUBJECT.
(BAZARGAN GOT ON THE PHONE--TO NIAHI I BELIEVE--AND
AFTER A BRIEF CONVERSATION AGREED THAT SUCH A MEETING
SHOULD BE CONVENED. HE ANT YAZDI SET AUGUST 14 AT THE
MFA AS THE DATE AND VENUE.) ON THE MATTER OF ACCOUNTING,
I TOLD BAZARGAN THAT THERE WAS A MEETING SCHEDULED IN
WASHINGTON AUGUST 22-24 FOR THE SPECIFIC PURPOSE OF
DELVING INTO THIS MATTER. A GREAT DEAL OF WORK WAS
GOING INTO PREPARATIONS FOR THIS MEETING AND HE HAD URGED
THE PGOI TO SEND A REPRESENTATIVE TO IT. THE MAAG WOULD
BE REPRESENTED IN ANY EVENT, AND COULD GIVE PGOI OFFICIALS
LATER, BUT WE BELIEVED IT WOULD BE FAR PREFERABLE FOR THE
PGOI TO HAVE ITS OWN REPRESENTATIVE PRESENT. I URGED
BAZARGAN TO CONSIDER THIS.

10. BOTH BAZARGAN AND YAZDI APPEARED TO BE TAKEN ABACK
BY MY STATEMENT THAT IT WAS UP TO THE PGOI TO MAKE
ARRANGEMENTS FOR DELIVERY OF ITS SPARES. YAZDI ASKED IF
WE DID NOT DELIVER THESE ITEMS FOR IRAN. I EXPLAINED
THAT WAS ONLY IN CERTAIN INSTANCES, AND THAT THE USUAL
PRACTICE WAS FOR THE PURCHASER TO MAKE ITS OWN ARRANGE-
MENTS. I AGAIN SAID THAT THE MEETINGS I HAD REFERRED TO
WOULD BE USEFUL IN HELPING THE PGOI TO UNDERSTAND THIS
WHOLLY VERY COMPLICATED SUBJECT AND URGED THAT IT SEND
SOMEONE TO WASHINGTON IN ADDITION TO PARTICIPATING IN
THE PROCEDURAL MEETING ON AUGUST 14.

11. I THEN RAISED A NUMBER OF PROBLEMS ON OUR SIDE.
I NOTED THAT WE HAD RETAINED A SMALL MILITARY MISSION IN
IRAN AND THAT THE BULK OF THOSE MEMBERS STILL HAD
BEEN INVOLVED IN TRYING TO WIND UP IN AN ORDERLY WAY OUR
PAST MILITARY PROPERTIES IN IRAN. WE HAD HAD ONLY VERY
LIMITED SUCCESS IN GETTING ACCESS TO RECORDS AT GULF
DISTRICT, IN RECLAIMING COMMUNICATIONS EQUIPMENT AND OTHER
PROPERTIES THAT BELONGED TO US, IN DISPOSING OF COMMIS-
SARY STOCKS, EVEN IN RESOLVING SUCH MINOR MATTERS AS THE
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TEHRAN 6970/2

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AMEMBASSY TEHRAN
TO RUEHC/SFCSTATE WASHDC IMMEDIATE 3174
INFO RUEKJCS/SECDEF WASH DC IMMEDIATE
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CLASS: CONFIDENTIAL
OR GE: STATE 12
APPRV: CH3:LELAINGEN
REFID: POL:VLTCMSET/WH
CLEAR: NONE
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MAIL ABANDONED AT THE APO. IT WAS NOT A QUESTION OF THE MONETARY VALUE OF WHAT WE ARE AFTER, ALTHOUGH THERE WERE SEVERAL MILLION DOLLARS INVOLVED IN THE COMMISSARY STOCKS ALONE; WE WERE CONCERNED ABOUT THE PRINCIPLE INVOLVED IN OUR CONTINUING INABILITY TO GAIN ACCESS TO WHAT IS OURS. I ASKED FOR BAZARGAN'S COOPERATION IN RESOLVING THESE ISSUES, NOTING THAT I WOULD BE SENDING A LETTER TO YAZDI IN A FEW DAYS ON THIS SAME SUBJECT RECOUNTING WHERE WE STOOD--WHICH, UNFORTUNATELY, WAS NOWHERE.

12. ON VISAS, I TOLD BAZARGAN THAT IT WAS NOT IN OUR INTEREST TO STOP THE FLOW OF PEOPLE BETWEEN IRAN AND THE U.S. I NOTED THAT IN THE AFTERMATH OF THE REVOLUTION AND THE ATTACK ON THE EMB WE HAD CONFRONTED A NUMBER OF PROBLEMS IN RESUMING FULL-SCALE CONSULAR OPERATIONS. THESE INCLUDED LACK OF AN ADEQUATE PHYSICAL FACILITY, A SHORTAGE OF STAFF AND INADEQUATE SECURITY. NONETHELESS WE HAD REDOUBLED OUR EFFORTS TO SEE THAT EVERY QUALIFIED SUBJECT WOULD GET A VISA IN TIME TO REACH HIS SCHOOL IN THE U.S. I TOLD HIM THAT WE WERE PRESENTLY PROCESSING 150 STUDENT VISA CASES A DAY AND THAT WE HAD PUT ON TWO SHIFTS TO COMPLETE NEW CONSULAR FACILITIES THAT WILL BE AMONG THE MOST MODERN IN THE WORLD. I EXPRESSED SURPRISE THAT THERE COULD BE INSTANCES OF INDIVIDUALS WHO REQUIRED MEDICAL ATTENTION NOT BEING ABLE TO GET VISAS, SINCE WE HAD MADE EVERY EFFORT TO SEE THAT GENUINE MEDICAL EMERGENCIES RECEIVED ATTENTION. I ASSURED BAZARGAN WE DID NOT WANT TO BE AN OBSTACLE IN THIS AREA, AND ASKED YAZDI TO LET ME KNOW OF ANY SUCH INSTANCES HE HEARD OF.

13. I WENT ON TO POINT OUT, HOWEVER, THAT WE HAD BEEN FORCED TO WORK WITHIN CERTAIN CONSTRAINTS IN OUR EFFORTS TO RESUME FULL-SCALE CONSULAR OPERATIONS, INCLUDING THE CONTINUING PRESENCE OF AN IRREGULAR SECURITY FORCE ON OUR COMPOUND. WE WERE GENUINELY APPRECIATIVE OF THE HELP ITS MEMBERS HAD PROVIDED, ESPECIALLY IN THE IMMEDIATE AFTERMATH OF THE FEBRUARY ATTACK ON THE EMB. BUT CONDITIONS HAD NOW CHANGED. IN OUR VIEW, THEIR PRESENCE WAS NO LONGER NECESSARY OR DESIRABLE. INDEED THE DEGREE TO WHICH THEY HAD INVOLVED THEMSELVES IN OUR INTERNAL OPERATIONS WAS DIRECTLY RELATED TO OUR ABILITY ACCORDINGLY, WE THOUGHT IT IMPERATIVE THAT THEY BE REMOVED AND REPLACED BY A REGULAR SECURITY FORCE OUTSIDE THE COMPOUND.

14. YAZDI SAID THE HEAD OF THE CENTRAL COMMITTEE WAS SUPPOSED TO TALK TO MASHALLAH KASHANI THAT VERY DAY WITH A VIEW TO HAVING HIM AND HIS PEOPLE LEAVE. THEY WOULD

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REPLACED WITH ANOTHER GROUP OUTSIDE THE COMPOUND.
HE ADDED THAT PERHAPS IT MIGHT ULTIMATELY BE POSSIBLE
TO REMOVE EVEN THAT GROUP. I SAID THAT WHILE WE WOULD
TAKE CARE OF SECURITY ON THE INSIDE, WE WOULD NEED SOME
KIND OF FORCE TO PROVIDE ADEQUATE CROWD CONTROL OUTSIDE
THE CONSULAR SECTION WHEN IT OPENED.

15. I THEN RAISED TREATMENT OF U.S. CORRESPONDENTS BY
THE PGOI, SAYING THAT I UNDERSTOOD THE PGOI CONCERN
THAT THE AMERICAN PRESS WAS NOT PRESENTING A BALANCED
PICTURE OF IRAN. I HAD NOT COME TO LODGE AN OFFICIAL
COMPLAINT ABOUT THE EXPULSION OF AMERICAN CORRESPONDENTS
BUT I DID WANT TO EXPRESS MY CONCERN ABOUT THE IMPACT
SUCH ACTIONS WERE HAVING ON OUR BILATERAL RELATIONSHIP.
WHILE OUR PRESS WAS NOT PERFECT, WE DID ALL WE COULD TO
ENCOURAGE BALANCED REPORTING. I SUGGESTED THAT CORRES-
PONDENTS ARE MOTIVATED BY VERY HUMAN CONSIDERATIONS.
THEY FOCUS ON THE SENSATIONAL BECAUSE THEY KNOW THAT IS
WHAT SELLS. BUT, WHILE A FREE PRESS MAY NOT ALWAYS
PRINT WHAT WE MIGHT WANT IT TO, THE ONLY THING WORSE WAS
A CONTROLLED PRESS.

16. I TOLD BAZARGAN THAT TO OUR PEOPLE THERE APPEARS
TO BE AN EFFORT DIRECTED SPECIFICALLY AGAINST THE
AMERICAN PRESS, A PERCEPTION THAT DOES NOT HELP THE
CLIMATE IN WHICH THE PGOI AND WE MUST WORK IN OUR EFFORT
TO REBUILD OUR BILATERAL RELATIONSHIP. I CITED THE
REMARKS BY DR. MOMEN OF THE MINISTRY OF NATIONAL
GUIDANCE TO THE EFFECT THAT AMERICAN CORRESPONDENTS IN
IRAN OFTEN SEEM TO BE SPIES FIRST AND JOURNALISTS SECOND.
SUCH A STATEMENT, WITHOUT ANY FOUNDATION AND BY A SENIOR
PGOI OFFICIAL, WAS IN NO ONE'S INTEREST.

17. WITHOUT WAITING FOR BAZARGAN TO RESPOND, YAZDI SAID
THAT THE "PROBLEM WITH YOUR PRESS IS THAT IT IS MISIN-
FORMING THE AMERICAN PUBLIC; IT IS SLANDERING US." HE
CITED AN INTERVIEW HE HAD GIVEN TO GREGORY ROSE UNDER THE
IMPRESSION THAT HE REPRESENTED NEW YORK MAGAZINE WHICH
ROSE SUBSEQUENTLY BILLED AS AN INTERVIEW WITH BOTH YAZDI
AND KHOMEINI AND SOLD TO PENTHOUSE MAGAZINE. ANOTHER
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TEHRAN 8970/3

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TO RUEHOC/SECSTATE WASHDC IMMEDIATE 3175
INFO RUEHCS/SECDEF WASH DC IMMEDIATE
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CLASS: CONFIDENTIAL
CHARGE: STATE 3/12
A. PRV: CHG:LELAIN/ST
TREID: POL:VLTON/STH/STH
CINAR: NONE
DISTR: POL CHG RF

C O N F I D E N T I A L SECTION 04 OF TEHRAN 08270

EXAMPLE WAS THE NEWSWEEK FEATURE, "THE JOYLESS REVOLU-
TION." "DID YOU READ IT?" HE ASKED. WHILE YAZDI TURNED
TO TRANSLATE FOR A SEEMINGLY PUZZLED BAZARGAN I BEGAN
TO RESPOND TO HIS SPECIFIC REMARKS ONLY TO HAVE HIM
RETURN TO THE SUBJECT WITH RENEWED HEAT. "SHOULD WE ROLL
OUT THE RED CARPET FOR THESE PEOPLE?" HE ASKED. "THEY
HAVE NEVER TREATED US FAIRLY. THEY CALL US FANATICS
AND BACKWARD. THIS SAME U.S. NEWS AND WORLD REPORT (SIC)
CALLED ME A COMMUNIST. I WROTE THEM A LETTER REBUTTING
THE CHARGE, AND THEY WOULDN'T EVEN PRINT IT."

U.S. GOVERNMENT PRINTING OFFICE: 1977-248-483

18. AT THAT POINT BAZARGAN QUIETLY OBSERVED THAT THERE
WAS A TIME WHEN THE FOREIGN MEDIA HAD BEEN VERY SYMPA-
THETIC TO THE IRANIAN REVOLUTION. EVEN BEFORE THE CARTER
ADMINISTRATION HAD DECIDED TO STOP SUPPORTING THE SHAH,
HE SAID, THE FOREIGN PRESS WAS PORTRAYING THE SITUATION
IN IRAN AS IT REALLY WAS. AFTER THE REVOLUTION, TOO,
REPORTING WAS FAIR. I SUGGESTED THAT THE TIME ARTICLE
ON KHOMEINI, A COPY OF WHICH I HAD SENT TO YAZDI, SURELY
HAD BEEN REASONABLY BALANCED. I ALSO SUGGESTED THAT NBC,
A VERY RESPECTABLE NEWS ORGANIZATION, WOULD HAVE TRIED
TO BE BALANCED HAD IT BEEN GIVEN THE CHANCE.

19. YAZDI COUNTERED THAT THE NBC TEAM HAD BEEN EXPELLED
BECAUSE IT HAD VIOLATED IRANIAN REGULATIONS GOVERNING
FOREIGN CORRESPONDENTS. I SAID THAT CORRESPONDENTS
WISHED TO KNOW WHAT THE REGULATIONS WERE IF THEY WERE TO
ABIDE BY THEM. YAZDI CLAIMED THAT THE NBC TEAM LEADER
HAD BEEN BRIEFED BY DR. BEHZADNIA OF THE MINISTRY OF
NATIONAL GUIDANCE THE LAST TIME HE HAD BEEN TO IRAN,
BUT THAT HE CHOSE TO IGNORE THE RULES AND GO TO QOM
INSTEAD WHERE HE GOT A LETTER FROM THE LOCAL COMMITTEE
AUTHORIZING HIM TO GO TO TURDESTAN. I RESPONDED THAT THE
PGOI, HAVING MADE ITS POINT, SHOULD NOW INVITE NBC BACK.

20. YAZDI IGNORED THIS, ASKING INSTEAD IF I DID NOT
SEE A CLEAR PATTERN IN THE AMERICAN PRESS TREATMENT OF
IRAN. I SAID I DID NOT, ALTHOUGH I DID SEE A CLEAR
PATTERN OF ACCUSATION IN THE IRANIAN MEDIA THAT THE U.S.
WAS INTERFERING IN IRAN'S INTERNAL AFFAIRS. SUCH ACCUSA-
TIONS WERE WITHOUT BASIS. YAZDI CONCEDED THAT, BUT
QUICKLY ADDED THAT THERE IS A HISTORICAL BASIS FOR
IRANIAN JOURNALISTS' SUSPICIONS. TO MAKE HIS POINT HE
RECITED A PERSIAN SAYING: "ONE BITTEN BY A SNAKE IS
THEN AFRAID OF EVERY BLACK AND WHITE ROPE HE ENCOUNTERS
RETURNING TO THE OFFENSIVE, YAZDI SAID, "THE U.S. PRESS
IS AGAINST US."

21. TO PUT AN END TO THIS FRUITLESS LINE OF DISCUSSION,

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U.S. GOVERNMENT PRINTING OFFICE: 1977-248-148

I THANKED BAZARGAN FOR HIS GENEROSITY IN RECEIVING ME AND APPRECIATED MY OFFER TO CONVEY ANY MESSAGE HE MIGHT HAVE TO WASHINGTON WHEN I RETURNED FOR CONSULTATIONS. I APPEALED TO HIM AGAIN FOR HIS HELP IN GAINING ACCESS TO U.S. MILITARY RECORDS AND PROPERTY AT THE GULF DISTRICT AND EXTENDED MY BEST WISHES TO HIM PERSONALLY AND TO HIS GOVERNMENT. BAZARGAN SAID HE APPRECIATED MY VIEWS AND ASSURANCES. HE THEN TOLD A STORY ABOUT HOW IN THE PERIOD IMMEDIATELY AFTER WW II EVERYTHING THAT HAPPENED IN IRAN, EVEN A BABY'S CRYING, WAS BLAMED ON BRITISH AGITATION. LATER, DURING THE TIME OF MOSSADEGH, THE U.S. ENJOYED GREAT PRESTIGE AS A CONSEQUENCE OF THE GOOD WORKS AMERICANS HAD PREVIOUSLY DONE IN AND FOR IRAN, BUT WHEN MOSSADEGH WAS OVERTHROWN IRANIANS BEGAN TO BLAME EVERYTHING THAT HAPPENED IN THE COUNTRY ON THE U.S. JUST AS THEY HAD ONCE BLAMED THE BRITISH. THIS PERCEPTION MAY NOT BE ACCURATE, BAZARGAN SAID, BUT IT IS A REALITY TO BE DEALT WITH. ACCORDINGLY, THE U.S. MUST DO SOMETHING TO BACK UP ITS GOOD INTENTIONS, TO SHOW THAT IT IS NOT AGITATING AGAINST IRAN'S INTERESTS.

22. I SAID I THOUGHT WE WERE ALREADY SHOWING OUR SINCERITY IN THIS REGARD AND ASSURED HIM THAT WE WOULD CONTINUE TO DO WHAT WE COULD TO DEMONSTRATE OUR GOODWILL. AS FOR IRAN AND THE PCOI, I SUGGESTED THAT, WHILE WE HAD TO LIVE WITH THE PAST, WE SHOULD NOT DWELL ON IT. IT WAS IMPORTANT TO LOOK TO THE FUTURE, JUST AS IT WAS IMPORTANT FOR THE REVOLUTION TO STATE WHAT IT WAS FOR AS WELL AS WHAT IT WAS AGAINST.

23. COMMENT: IT WAS CLEAR FROM MY DISCUSSION WITH BAZARGAN THAT YAZDI HAD BRIEFED HIM THOROUGHLY JUST BEFORE MY ARRIVAL. BAZARGAN'S COURTLINESS DID NOT STOP HIM FROM SPEAKING FRANKLY, ALTHOUGH YAZDI'S TRANSLATION OF WHAT HE SAID OFTEN HAD A ROUGHER EDGE THAN BAZARGAN'S ACTUAL REMARKS. INDEED, THE DIFFERENCES IN THE IMPORTANCE EACH MAN ATTACHED TO THE SUBJECTS THAT WERE DISCUSSED AND THE APPROACHES THEY TOOK TO THEM WERE PERHAPS ALMOST AS SIGNIFICANT AS THE SUBJECTS THEMSELVES. BAZARGAN WAS CLEARLY PREOCCUPIED BY THE VISA QUESTION, PRESUMABLY BE-

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CAUSE OF ITS IMEDIACY AS A DOMESTIC POLITICAL ISSUE. SEVERAL TIMES HE CAME BACK TO THIS WITH QUESTIONS DIRECTED TO YAZDI WHICH THE LATTER EITHER ANSWERED PERFUNCTORILY OR IGNORED.

24. YAZDI, ON THE OTHER HAND, FOCUSED ON THE OVERALL BILATERAL RELATIONSHIP AND ON WHAT HE HAS PREVIOUSLY EMPHASIZED AS A NEED ON OUR PART TO PROVE THAT WE ARE WORTH IRAN'S FRIENDSHIP. HE AGAIN SHOWED THAT HE IS NOT ABOVE ENGAGING IN EXAGGERATION (HIS CONTENTION--STATED THROUGH BAZARGAN--THAT IRAN HAD NOT RECEIVED AN INVOICE SINCE 1966 FOR ITS MILITARY PURCHASES). OR EVEN CRUDE THREATS (THAT IRAN WILL SEND ITS STUDENTS TO RUSSIA IF WE DO NOT TAKE THEM) FOR THE PURPOSE OF GAINING NEGOTIATING ADVANTAGE. TO THE EXTENT THAT HE COOLY USES SUCH TACTICS IN A COORDINATED FASHION TOWARDS HIS ULTIMATE STRATEGIC GOAL, ONE MUST AT LEAST ADMIRE HIS CONCEPTUAL ABILITIES IF NOT HIS ACTUAL METHODS. ON THE ISSUE OF THE PRESS, HOWEVER, YAZDI DOES NOT SEEM CAPABLE OF REASON. THERE, IT WAS BAZARGAN WHO SHOWED AN ABILITY TO EXAMINE THE ISSUE MORE DISPASSIONATELY. LAINGEN

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TEHRAN 8970/5

* U.S. GOVERNMENT PRINTING OFFICE: 1977-248-483



S E C R E T 231342Z AUG 99 STAFF

CITE TEHRAN 43996

TO: PRIORITY DIRECTOR.

WNINTEL RYBAT SDPLD

REF: DIRECTOR

1. BIEDENKOPF BRIEFED, BAZARGAN, YAZDI, AND ENTEZAM ON AREA SITUATION FOR TWO HOURS ON 22 AUGUST. CHARGE AND POLITICAL COUNSELOR ALSO PRESENT. LENGTH OF SESSION, (WAS TO BE ONE HOUR) AND NUMEROUS QUESTIONS INDICATE WELL RECEIVED.

2. AFTER BRIEFING, BAZARGAN THROUGH ENTEZAM STATED HE HOPED SIMILAR BRIEFINGS COULD BE PROVIDED EVERY TWO MONTHS, OR MORE IF SPECIAL NEED AROSE. BAZARGAN WAS TOLD RESPONSE TO THIS WOULD BE WORKED OUT THROUGH CHARGE AFTER WASHINGTON CONSULTATIONS. ENTEZAM THEN SAID "WE HOPE YOUR ORGANIZATION WILL IMPROVE ITS TIES WITH US JUST AS OUR COUNTRIES ARE IMPROVING TIES THROUGH THE EFFORTS OF THE CHARGE AND DR YAZDI. ENTEZAM WAS RIGHT NEXT TO BAZARGAN AND WHEN HE SAID THIS (BAZARGAN UNDERSTANDS ENGLISH TO HAVE CAUGHT THE MEANING) BUT THERE WAS NO INDICATION THIS STATEMENT CAME FROM BAZARGAN. BIEDENKOPF DID NOT REVEAL REACTION CONNECTION OR RESPOND ADLESICK APOLOGY FOR HIS INABILITY TO COME AND ENTEZAM SAID HE UNDERSTOOD AND LOOKED FORWARD TO SEEING HIM IN STOCKHOLM. ENTEZAM SAID HE DEPARTING TEHRAN FOR STOCKHOLM ON 23 AUGUST AND WANTED TO SEE ADLESICK SHORTLY AFTER HIS RETURN. ENTEZAM HAD BEEN VISITING KHOMENI IN QOM EARLIER IN THE DAY SO IT IS POSSIBLE HE HAS SOME INT. OF VALUE.

3. NO FILE. RVW 22 AUG 99 DRV D9C1. ALL SECRET

DIRECTLY TO THIS COMMENT, GETTING ENTEZAM ASIDE, BIEDENKOPF EXPRESSED



BRIEFING MEMORANDUM

September 5, 1979

SECRET/SENSITIVE

TO: The Secretary
THROUGH: F - Mr. Newsom
FROM: NEA - Harold H. Saunders
SUBJECT: Policy Towards Iran

Assessment:

The Khomeini/Bazargan revolutionary leadership feels increasingly beleaguered by the Kurds and other ethnics, the Left, Center secularists, foreign powers (Israel, USSR, Iraq, U.S. "imperialists") and "pro-Shah forces" (ex-Savak and military officers). Khomeini's uncompromising reaction is to lash out violently; the Bazargan moderates share some of that harsh approach but also seek compromises, better relations abroad, and are working to re-start the economy. Although there is increasing disenchantment with Khomeini even within the clergy (Ayatollahs Shariatmadari and Taleghani), he continues to command a strong majority of the lower classes, and few politicians are willing to confront him directly.

The dual leadership places its hopes in the constitutional process leading to a new government to give Iran a unified, strong, central authority. Each side (i.e., Islamic and liberal nationalist) hopes to dominate. The constitution is now being reviewed by experts (mainly clerics). A referendum will ratify the draft and elections for a parliament and president should come this year. Bazargan is a fair bet for president. Clerical influences will be strong for at least the next several years and clerics will certainly be numerous in the new parliament, but we doubt the hard-line mullahs will be able to score a decisive and lasting

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victory over the secular elements. The clerics cannot themselves run a complex country and will be forced to seek help from Westernized officials and to compromise Islamic principles to meet popular needs. The main modernizing thrust of Iran's development will inevitably over time weaken Khomeini and the clerics. If Khomeini dies, clerical influence will be weakened somewhat but not eliminated. There will be less unity in their ranks and alliances will be formed with the secularists. As the Islamicists lose their hold, the question will be whether the Left or the Center inherits power.

In the short run we believe the government can manage its problems with the Kurds, although continuing sporadic violence will be a legacy of the harsh methods employed by the revolutionary guards. Iran's ability to cap the Kurdish revolt and avoid problems with the ethnic Arabs depends in large part on the attitude of Iraq. Superficially good relations exist at the moment, for Iraq is vulnerable with its Shia majority. For the same reason, however, Iraq will not want to see a strong, secure Shia government in Iran and may be motivated to help stir up troubles. In fact, Iraq may now be quietly helping the Kurds. The Soviets may share this attitude but will proceed cautiously, fearful of chaos on their borders and the implications for spreading instability in the region.

U.S. Policy:

In these confused and uncertain circumstances our posture has been to lie low, responding to opportunities to strengthen our credentials with the GPOI but not pushing ourselves forward. We began a more active role last spring, but were set back by Iranian reaction to the Senate Resolution in May.

Our objectives in Iran--access to oil, denial of Soviet influence, promotion of a friendly, non-aligned, moderate government--will have to be pursued during the months when the Iranians will not have sorted out with precision their policy orientation and when the clerical tendencies towards authoritarianism will be only weakly resisted--in the near term--by secularists. We will want to position ourselves so that we can maintain a working

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relationship with whatever group holds decisive power while maintaining ties to other significant political elements, including the opposition. We will want the Iranians to understand our firmness on our principles--e.g., human rights--and to build respect for those principles. We will also want equal and fair treatment for private U.S. interests in Iran. Our attitude towards Iran should be characterized by sympathetic understanding of the difficulties, patience in resolving them, but also regular, firm and clear reminders of our interest in an Iran that is friendly to the West and stable, respectful of individual rights and progressive in meeting the needs of its citizens.

We need to keep a clear perspective on the Kurdish and ethnic Arab problems. These are old problems and they will persist for a long time to come. To encourage their ambitions for autonomy could have destabilizing implications for the entire region.

In the short term (i.e., until a new government is formed) we want to clear away as many of the problems of the past as possible and avoid new issues of contention. During these months we are laying the basis for dealing with the new government that we hope will have more effective powers. During this period and beyond we will want to allay the suspicions of the religious leaders and, where possible, cultivate their friendship. Our handling of Arab-Israel issues will have a direct impact on Iranian attitudes. The Iranians are becoming increasingly suspicious of radical Palestinian influence especially in the oil fields, but there is still among the clerics and men like Yazdi a strong attachment to the PLO and the "Palestinian cause."

Over the longer term we will want to work for an Iran in which the moderate, secular nationalists are predominant in managing the country. But before we can exercise influence in Iran, we must develop a position of trust and respect.

believes we should begin now to move out range of bilateral problems and offer the following suggestions: (We will be developing at a September 7 interagency meeting detailed approaches on the issues marked by an asterisk.)

SECRET

1. Should we appoint an Ambassador?

-- Bazargan and associates hope we will do so promptly, naming a person sympathetic to their revolution.

-- There is no indication the PCOI plans soon to name an Ambassador in Washington and our and their appointments of an Ambassador have never been linked. We expect the Iranians to wait until a new government is elected before sending an envoy.

Recommendation: After consultations with key Congressmen, nominate an Ambassador to be in place in October. Possibly inform the Iranians of our plans in advance through a private intermediary.

*2. Should we send a message or emissary to Khomeini?

-- We have had no direct contact with the man who remains the strongest political leader in Iran. His hostility towards us is unlikely to abate significantly, although there have been fewer venomous statements against us recently. Clearly, a first meeting could be a bruising affair.

-- A meeting with acceptance of the revolution and his suspicions of us. Khomeini will signal our definite position and could ease somewhat our approach him more readily on issues once we have made the first call.

--- On the other hand, we would risk appearing to cave in to a man who hates us and who is strongly deprecated here and by Westernized Iranians. Thus, we would want to be careful not to appear to embrace Khomeini and the clerics at the expense of our regular friends. We should avoid direct linkage with any specific Iranian groups.

-- The symbolism of a call on Khomeini would not attach to visits to the other religious leaders, but they will not see us until we have seen him. We badly need contacts with Taleghani, Shariatmadari, and other moderate clerics. We want to reassure them of our acceptance of the revolution as their influence may rise in the months ahead.

SECRET

-3-

Recommendation: Have Bruce Laingen pass the word that he would like to see Khomeini after his return to Tehran when he could deliver a message from Washington. Laingen could then proceed with meetings with other religious leaders. Alternatively, make a call on Khomeini a priority for a new Ambassador.

***3. How do we strengthen the military relationship?**

-- The Iranians are suspicious of our handling of the FMS trust fund, need spares and technical support from us, but fear for political reasons to ask for the latter.

-- We want to be responsive on military issues in order to strengthen Bazaarchi's authority and to insure we have friends in the military who might be key to the future political orientation of the country.

Recommendation:

a. Increase our periodic exchanges of information on the trust fund to build Iranian confidence.

b. Examine the release of sensitive items on a case-by-case basis and be prepared to release low-level classified items when it serves our purposes. OK

c. Be prepared to meet Iranian requests for spares and support somewhat at the \$5 million level previously set. Permit aid and friendly third countries (e.g., Italy) to help with helicopters) to help meet military needs. Iranians want to diversify support. OK

***4. How do we head off disputes between Iran and private companies?**

-- Iran has begun in a limited way to pay bills and renew some contracts. Elum got \$50 million and is finishing the Isfahan refinery; AMEC got \$10 million to restart Jeep operations. Many disputes persist and the attachment of Iranian assets is a continuing threat. GTE and American Bell are negotiating disputes with our active assistance.

SECRET

Recommendation:

a. Encourage the private Iran-American Chamber of Commerce to assist us in working to resolve disputes. Perhaps a business mission to Tehran could be organized. OK

b. Increase our information efforts to make sure U.S. business knows of our readiness to assist them with the Iranians and our success stories to date.

5. What can we do to reactivate the Tacksman intelligence sites?

-- The Iranians have not foreclosed the possibility of reopening the sites in the indefinite future, but it will be a hard political decision. Iranian management and control and possibly Soviet acquiescence could be preconditions.

-- We are working with contractors to restart the IBEX intelligence monitoring project on a reduced scale with the idea that the Tacksman function might ultimately be included in that operation.

Recommendation: Continue to follow the IBEX approach and make discreet soundings with the (e.g., Secretary-Yazdi at UNGA) but make until a newly-elected government is in place.

6. How do we assure a continuing supply of Iranian oil?

-- There is no indication that the PCOI will discriminate against us when 1980 contracts are signed in December--but decisions could be affected by negative political developments. We are now getting almost as much crude as last year (750,000 now vs. 900,000 last year) although total Iranian exports are down one-third

Recommendation: That we maintain a regular dialogue with key Iranians during the fall on energy. Dick Cooper could visit at an early stage. OK

SECRET

-7-

7. Should we resume visa operations and permit the return of adult and pre-school dependents as recommended by the Embassy?

-- We have told the Iranians adequate security for the compound is a prerequisite for visas.

Recommendation: As soon as adequate protection at the Embassy is assured, we should move ahead on normal consular operations and return of dependents on a limited scale. OK

8. Should we expand our intelligence activities?

-- We know little about Iranian groups and few groups seem to have any real cohesion or strength. We need to know more.

-- A CIA briefing officer gave a well-received intelligence briefing to Bazargan, Yazdi, and Entezam on August 21. The Iranians were most interested in Iraq, Palestinians, Afghans, and Soviet dangers to the PGOI. They asked for a repeat briefing in two months.

Recommendation: Continue to develop an intelligence exchange with the Iranians. When feasible, seek to include Iranian military officers in an examination of the military threat.

9. Should we change our approach on human rights?

-- Although executions and harsh treatment of Kurds continue at a deplorable level, since the July amnesty some political offenders have been released from prison and there are some slight signs the Justice Ministry is reasserting its authority.

-- Critical newspapers have been closed and several foreign journalists expelled. We have raised all of these issues repeatedly with the PGOI.

Recommendation: Continue to work on human rights problems as they arise and involve prominent outsiders and third countries to use their influence as well. OK

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-2-

*10. How can we improve Iranian public perceptions of the U.S. and U.S. attitudes towards Iran?

-- Anti-Americanism continues a strong, inhibiting force in our relationship.

-- The Iranians are bitterly resentful of the perceived hostile attitude of the foreign press, seeing a "zionist-imperialist conspiracy."

-- Clearly, changed attitudes will depend on concrete actions on both sides--signs that they are improving on human rights and that we accept the revolution.

Recommendation:

a. ICA develop a plan of more assertive actions to enhance U.S.-Iranian ties, e.g., distinguished American visitors who can meet with religious and secular leaders, use of ICA to send political messages, increased English language teaching and magazine distribution. OK

b. Occasional public statements by senior U.S. officials on the importance of Iran and of good U.S.-Iranian relations. OK

c. More frequent press backrounders along the same lines. OK

d. Quiet work with the Iranians to relax the ban on foreign newsmen. OK

e. At an early date hold a meeting of private and academic U.S. and Iranian experts on Iran to discuss ways to bridge the communications gap. OK

Drafted: NEA/IRN:HPrecht:bdf
ext. 20113:9/5/79

Clearance: NEA/IRN:LBLaingen (draft)
NEA:PDConstable,
S/P:PKreisburg

SECRET

REPORT CLASS S E C R E T--WNINTEL--NOFORN--NOCONTRACT--ORCON

COUNTRY: IRAN

SUBJECT: MILITARY AND POLITICAL ORGANIZATIONAL ACTIVITY OF THE QASHQAI TRIBE (OOI: EARLY SEPTEMBER 1979)

SOURCE : A MEMBER OF THE QASHQAI TRIBE WHO IS A CONFIDANT OF A SENIOR QASHQAI TRIBAL LEADER WITH HIGH-LEVEL CONTACT IN THE GOVERNMENT OF IRAN. HIS REPORTING RELIABILITY HAS NOT BEEN ESTABLISHED.

1. ACCORDING TO QASHQAI TRIBAL LEADER KHOSROW Q A S H O A I THE TRIBE AND ITS ALLIES IN FARZ AND ADJACENT PROVINCES HAVE A TOTAL OF 20,000 LIGHT WEAPONS. THESE ARE ALMOST EXCLUSIVELY INDIVIDUAL ARMS, ALTHOUGH THERE ARE ALSO A FEW MORTARS AND LIGHT MACHINE GUNS. (FIELD COMMENT: IT SEEMS LIKELY THAT THE CLAIMED NUMBER OF LIGHT WEAPONS IS EXAGGERATED. SEE NIT-10,658, TDFIDR-315,12271-79, FOR EARLIER INFORMATION FROM THE SAME SOURCE ON QASHQAI ACTIVITY.) ORGANIZATIONAL ACTIVITY DESIGNED TO FACILITATE THE EMPLOYMENT OF THESE FORCES IS WELL ADVANCED, AND KHOSROW QASHQAI BELIEVES THAT HE COULD MOVE AS MANY AS 20,000 QASHQAI AND ALLIED TRIBESMEN TO TEHRAN WITHIN THREE DAYS. THE ORGANIZATION OF THE LOGISTICS AND TRANSPORTATION ASPECTS OF SUCH A MOVE IS BEING CONDUCTED UNDER THE PRETEXT THAT THE QASHQAI MIGHT HAVE TO REACT AGAINST A THREAT TO AYATOLLAH RUHOLLAH K H O M E I N I. IN FACT, QASHQAI WANTS TO BE PREPARED TO CONTRIBUTE MILITARY FORCE TO KHOMENI'S OVERTHROW WHEN THE TIME IS RIGHT.

2. THE POLITICAL PROGRAM OF THE QASHQAI FORCES LOYAL TO KHOSROW QASHQAI CALLS FOR CONSOLIDATION OF CONTACTS IN THE IRANIAN MILITARY; THEY SEEK ALSO TO ESTABLISH AN ALLIANCE WITH SECULAR POLITICIANS SUCH AS THE YOUNGER GENERATION IN THE NATIONAL FRONT. (SOURCE COMMENT: KHOSROW QASHQAI IS HIGHLY IMPRESSED BY SEYED J A V A D I, REGARDING HIS POLITICAL PHILOSOPHY AS COMPATIBLE WITH THE INTERESTS OF BOTH THE TRIBESMEN AND THE IRANIAN NATION. ENVISAGES A REGIME SIMILAR IN POLICY LINE TO THAT OF PRIME MINISTER M O S S A D E G.) FORMER PRIME MINISTER B A K H T I A R HAS RECENTLY INDICATED CONTACT WITH THE LATTER BELIEVES THAT IT WOULD BE IMPRUDENT TO

WHIT BAKUTAR

3. (FIELD COMMENT: SOURCE IS A PARTISAN OF KHOSROW QASHQAI. IT HAS NOT BEEN POSSIBLE TO CONFIRM THE ACCURACY OF HIS THAT SUBSTANTIALLY THE ENTIRE QASHQAI TRIBE IS LOYAL KHOSROW.)

4. ACQ: IRAN, TEHRAN (5 SEPTEMBER 1979) FIELD REPORT

5. FIELD DISSEM: EMBASSY AT TEHRAN (CHARGE ONLY) SENT TO AMMAN, BEIRUT, CAIRO, ISLAMABAD, JIDDA, KARACHI, KUWAIT, NEW DELHI, TEL AVIV. (CHIEFS OF MISSION ONLY)
REPORT CLASS SECRET--WARNING NOTICE--INTELLIGENCE SOURCES AND METHODS INVOLVED--NOT RELEASABLE TO FOREIGN NATIONALS--NOT RELEASABLE TO CONTRACTORS OR CONTRACTOR/CONSULTANTS. DISSEMINATION AND EXTRACTION OF INFORMATION CONTROLLED BY ORIGINATOR. RVN
....SEP 99 DRV 09C.1. CLASSIFIED BY RECORDED REPORTING OFFICER. ALL PORTIONS CARRY CLASSIFICATION AND CONTROLS OF OVERALL DOCUMENT.
S E C R E T



MEMORANDUM

NATIONAL SECURITY COUNCIL

September 24, 1979

SECRET/SENSITIVEZ3 HAS SEEN
11-26-79INFORMATION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI

FROM: THOMAS THORNTON 

SUBJECT: Regional Cooperation re Afghanistan (S)

Bob Gates said that you wanted a paper on this; one is attached. I have discussed it with Gary Sick and it generally reflects his views. (C)

The paper sets forth two strategies -- A is low-key and would be my preference between the two. B is much higher profile. They could also be characterized as Indian and Iranian strategies. (And that choice tells you something about the problem!) (C)


Beyond this, you are aware of my various efforts to stimulate greater discussion of regional security problems. This is, of course, very long range. In addition, Mike Oksenberg and I are working on ideas to bring the Chinese to a greater degree of cooperation. (S)

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Original Classif. by Thomas Thornton
Review on September 24, 1985

DECLASSIFIED

E.O. 12958, Sec. 3.6

FER 9/20/96 NSC/RE NK-95-82
BY  NARS DATE 12/4/96

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Preliminary Observations

First, what are our objectives? Assumedly they involve:

- Preventing a Soviet psychological victory and forcing the Soviets back at least to the status quo ante as regards Afghanistan.
- Second, bringing about a change in government in Afghanistan that will be no less favorable to us than was the Daoud regime.
- Third, developing a self-sustaining security system in South-west Asia that is compatible with US interests. (S)

The third of these needs further examination since it is not only an objective in itself but can also be the means of attaining the first two objectives. (S)

Ideally, we seek a regional approach which comprises an Indian leadership role in South Asia; broad acceptance of this role by strong and independent regional states (especially Pakistan); a substantial improvement in Chinese-Indian relations to the point that each accepts the bona fides of the other; the re-establishment of a strong Iran that has sympathetic relations with us and the other countries involved. The US would have no significant security involvement beyond limited arms sales to Iran, India and Pakistan, and a modest, offshore presence that was accepted as benign by all others. The USSR would play no greater role than we do except that it might be very heavily installed in Afghanistan. We are a long way from this situation and it may be unobtainable. It should, however, be our goal and we should try to avoid actions in conflict with it. (S)

Short-Term Approaches

The following suggestions fall into two groups. The first (Group A) constitutes steps that are consistent with the long term goals; the second (Group B), in varying degrees, less consistent and should be pursued only if it meets the criteria of urgency and probable effectiveness. (S)

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Original Classif. by Thomas Thornton
Review on September 24, 1985

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GROUP A

1. We seek to develop increasing awareness of the situation through a program of diplomatic and intelligence briefings. The main aim, from our point of view, is heightening the awareness of the regional states that Soviet involvement in Afghanistan presents a novel security problem for them. Most of them do recognize this; India, which is key to our strategy, is however reluctant to accept the idea. (S)
2. Through these discussions we are seeking to stimulate discussion of the problem among the regional states. We should do more -- e.g. urging Bangladesh, Nepal, Sri Lanka, etc. to put pressure on the Indians to take account of their regional concerns. [REDACTED]
[REDACTED] (S)
3. The China factor must be turned into a positive rather than a negative element -- i.e. Peking should take added initiatives to improve relations with India and reduce the Indian perception of a Sino-Pakistani (and perhaps US) alliance. (S)
4. Something has to be done about Iran. First, it seems incapable of purposeful action; second, our relations with it are poor; and third, its strident Islamic tone frightens the Indians. The third point might be amenable to improvement if we could convince the Iranians to initiate some discussion with the Indians about their concerns with the Soviet role in Afghanistan. (Similarly, we might encourage the Iranians to start thinking of the Chinese as a potentially useful connection in that regard.) The first and second might be amenable to some improvement if we and the Iranians could find ground for collaboration in approaching the Afghan problem. This subject has been broached discussions could be intensified. (S)
5. The Pakistani element is substantially frozen by the nuclear impasse, although there seems to be increasing Pakistani interest in assistance to the insurgents. The problem with that is ensuring that it not justify a Soviet intervention or otherwise evoke a more direct Soviet threat to Pakistan. We have consultations coming up with the Pakistanis next month and can sound them out better then. Before then, we should concentrate on intelligence exchange [REDACTED]
[REDACTED] (S)

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6. India is very difficult to deal with because of the absence of a functioning government. This problem will at the earliest be resolved early next year. In the interim, we should play an unobtrusive role, concentrating perhaps on briefings through intelligence liaison channels. We should not take the initiative in urging the Indians to consult with others. (S)

In sum -- We would be relying essentially on the regional states to take initiatives among themselves to heighten mutual awareness and perhaps lay the groundwork for cooperative action. Our role would be limited to behind the scenes efforts and the risks would be small. But the chances of an effective result are also not great unless there is a massive and unambiguous Soviet intervention in Afghanistan that so alarms the regional states that they can put lesser problems behind them. (S)

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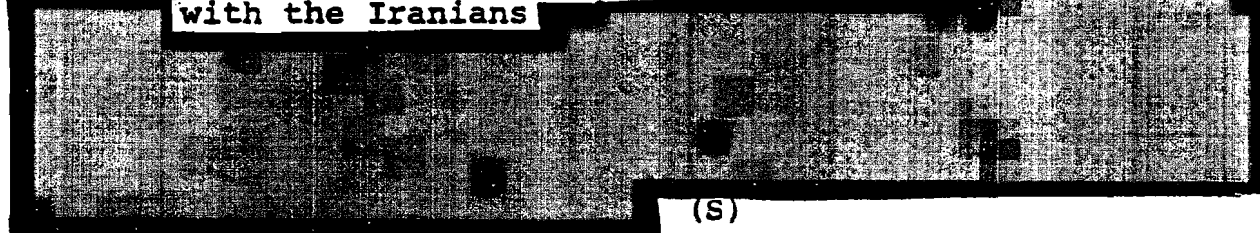
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GROUP B

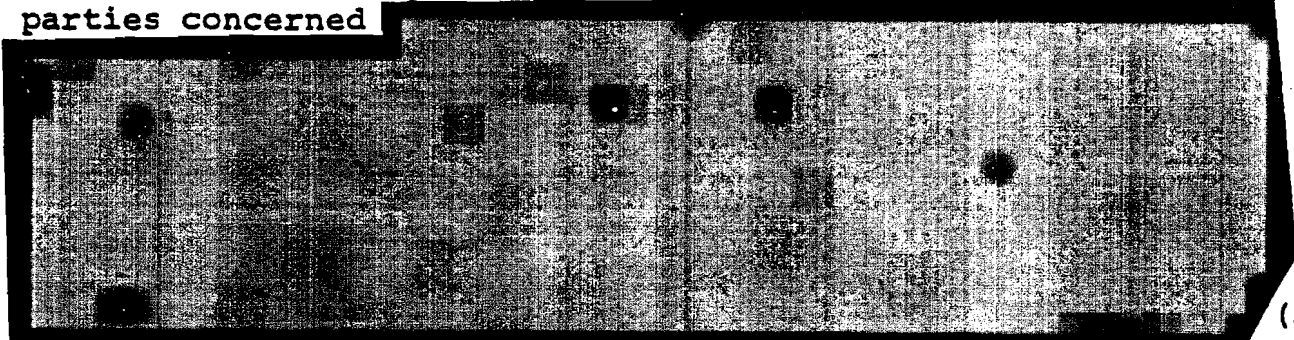
This set of actions would escalate Group A significantly in terms of US involvement. The strategy would focus on closer regional coordination, with the US playing as unobtrusive a role as possible, but nonetheless one that would be much higher profile than in the Group A scenario. (S)

1. In this strategy, the emphasis shifts from India to Iran. We would pick up on their offer to discuss the Afghan insurgency problem. If they show further interest, we would have to be prepared to offer Iran help in supporting the insurgency. We could provide arms, money and training; we would consult closely with Tehran and provide intensive intelligence briefings. It is by no means certain that the Iranians (especially Qom) want to play this role but it is one of our few shared interests and a major benefit of this strategy is that it gives us something to talk about with Iran.

2.  (S)

3. The Pakistanis would be asked to coordinate with the Iranians  (S)

4. The Chinese would be urged to add something to the pot for the insurgents, working through both Iran and Pakistan. (S)

5. The overall coordination of this kind of effort would be much more structured than in the Group A case. There would have to be a focal point for coordination of effort among the parties concerned  (S)

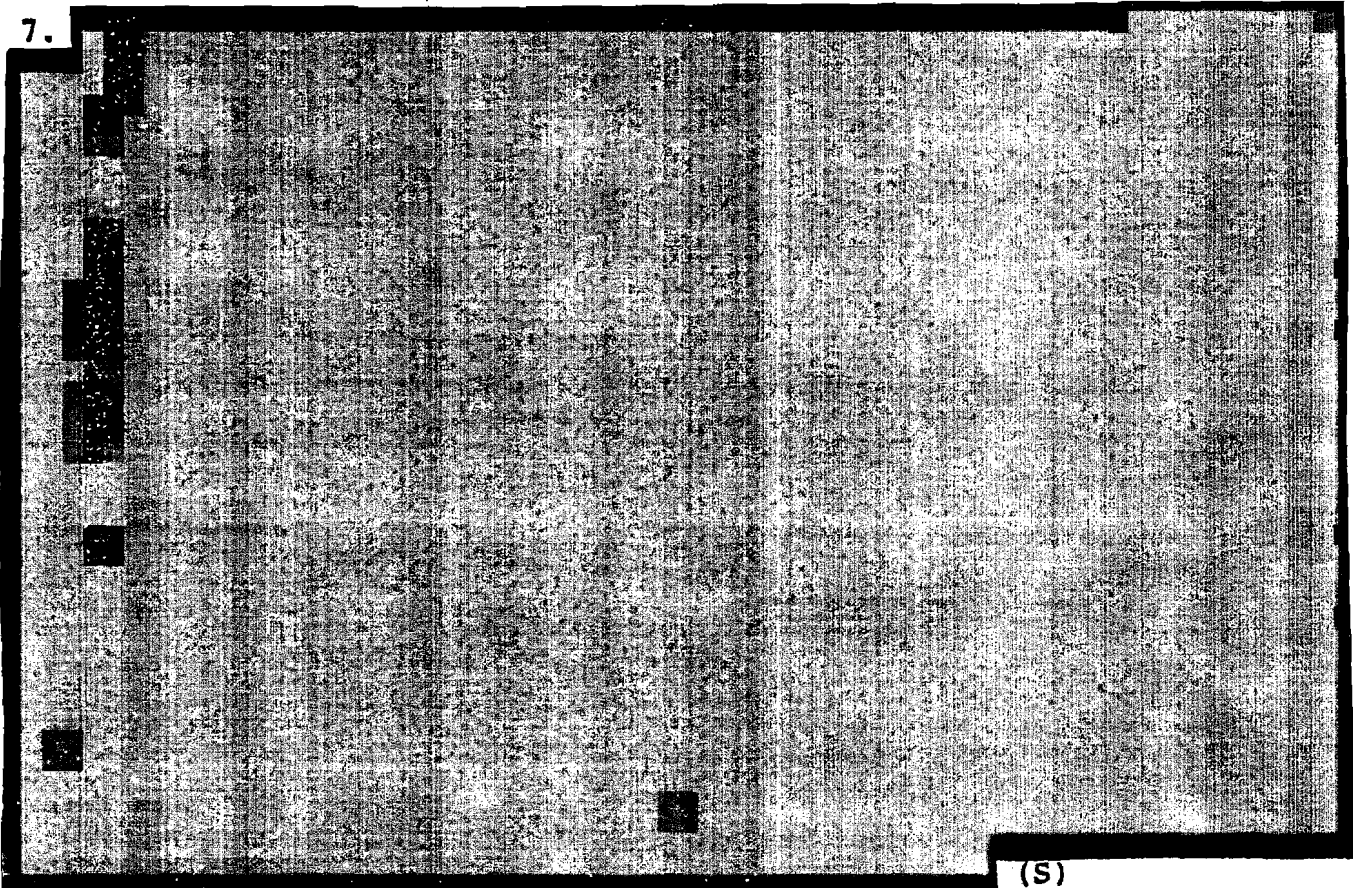
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6. Iraq is not likely to join in. We and other concerned nations should, however, urge Iraq to take a benevolently neutral stance, pointing out that the issue of the day is thwarting Soviet hegemonism, rather than exploiting old regional antagonisms. (S)

7.



(S)

8. A heightened US military presence would be appropriate, demonstrating support for Pakistan and in the Gulf area. (S)

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GROUP C (?)

Theoretically, there is a Group C -- actions that would provide a much more dramatic US profile. This would call for a public and leading US role in the coordination of Southwest Asian security, involving a reborn CENTO or, at least, open US membership in the coordinating body dealing with Afghanistan. (S)

The costs of such action -- polarization, raising of unrealistic expectations, damage to other US policies -- are too high to warrant consideration, given the meager increase in benefits to be expected. (S)

Critique

There are several serious problems involved in the Group B actions (and a fortiori in Group C) that must be kept in mind:

1. Outside involvement in the Afghan situation will serve as a trigger -- and for many a justification -- for Soviet intervention.
2. Aside from the political costs with India, etc., this will make it highly unlikely that whatever we and others may do will save the insurgents from defeat. We will in all likelihood have our bluff called and emerge from the confrontation weakened. Even the regional countries who welcomed our support will have to reconsider their options vis-a-vis the Soviets.
3. The strategy relies heavily on Iran which is one of the more uncertain trumpets around. We could reduce this danger somewhat by focussing mainly on Pakistan and China, but this would simply be the replay of 1971.
4. If we drive India definitively into the Soviet camp the political cost would far outweigh whatever gains we have any reasonable expectation of making elsewhere. Hope for any stable regional security system would be destroyed. (S)

The B Strategy thus shows little promise of meeting the objectives set at the beginning of this paper. In addition, it does

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not meet the test of urgency since nobody really expects us to do anything in Afghanistan. (S)

At the same time, it might be worth pursuing for domestic political reasons; as a means of showing our determination to become involved in Gulf security; or as a global signal to the Soviets. Certainly a successful thwarting of Soviet designs in this important region would be of immense benefit on all fronts. Also, this strategy could be of importance in building a new relationship with Iran and the greater the degree of foreign involvement, the greater the chances for coordination and effective action by the Afghan rebels. (S)

The cost-benefit equation will be more favorable if we can move rapidly, decisively and effectively, and if our role is appreciated. The chances of bringing this off depend partly on skill, but also heavily on our ability to manage the public information side effectively. That has not been our strong point recently. (S)

*Memo: TT to ZB 24 Sept. 1979
Vertical file, Afghanistan, JCL*

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FM USLFL SECRETARY IN NEW YORK

TO RUEHC/SECSTATE WASHDC, IMMEDIATE 5224

FROM P/AMEMBASSY TEHRAN, IMMEDIATE

CHARGE

CHRN

SECTION 1 OF 3 SECTG 090000

SECRET

T.S. 122055: RDS 10/74/29 (SAUNDERS, H.) OR-M

TACS: OVIP (VANCE, CI:US)

SUBJECT: SECRETARY'S MEETING WITH FOREIGN MINISTER YAZDI

1. (S. ENTIRE TEXT).

2. ON OCTOBER 3, SECRETARY MET FOR ONE HOUR WITH YAZDI WHO WAS ACCOMPANIED BY CHARGE AGA, MANSOUR FARPAJ AND ELKHODOR (NOTYTAKE). THE SECRETARY WAS ACCOMPANIED BY WENSON, SAUNDERS, SIC AND PRECET (NOTYTAKE).

3. YAZDI'S TONE WAS UNFRIENDLY, PROVOCATIVE AND DISTRUSTFUL THROUGHOUT, NOTWITHSTANDING OCCASIONAL REMARKS ABOUT IRAN'S DESIRE FOR FRIENDLY RELATIONS. HE BEGAN BY ASKING THE SECRETARY WHETHER THE U.S. ACCEPTED THE CHANGES IN IRAN. THE SECRETARY REPLIED THAT WE DID AND HAD TRIED TO MAKE THAT CLEAR IN A NUMBER OF PUBLIC STATEMENTS. WE WISHED IRAN'S LEADERS WELL AND HAD SET IN MOTION CERTAIN FORMS OF COOPERATION. WE WERE PREPARED TO GO FURTHER IF IRAN WISHED. WE WANTED TO JOIN WITH IRANIANS IN COMBATING THE MISTRUST THAT EXISTED AND IN PUTTING THE PAST BEHIND US. WE WISHED TO MOVE FORWARD TO A NEW RELATIONSHIP.

4. YAZDI SAID THESE VIEWS HAD BEEN CONVEYED TO HIM IN THE PAST BY OUR CHARGES. STILL HE FELT THAT WE DID NOT TRULY UNDERSTAND AND ACCEPT THE REALITY OF THE NEW IRAN. HE REFERRED TO CHARGE LAINGEN'S CONVERSATION WITH THE INTERIOR MINISTER AS AN UNWARRANTED INTERFERENCE IN IRAN'S INTERNAL AFFAIRS AND ASKED WHY THE U.S. DID SUCH THINGS. THE SECRETARY REPLIED THAT WE WISHED TO EXPRESS OUR CONCERNS. WE HOPED THAT WE COULD BE ABLE TO SAY WHAT WE FELT PRIVATELY; WE WOULD WELCOME THE SAME KIND OF APPROACH ON THE PART OF THE IRANIANS IF THEY HAD CONCERNS WITH THE U.S. NEITHER SIDE SHOULD FEEL OBLIGED TO GO TO THE PRESS. FREE, FAIR AND PRIVATE DISCUSSIONS WERE AN INGREDIENT OF TRUE

2
FRIENDSHIP.

5. YAZDI WENT ON TO CRITICIZE U.S. COMMENTS ON IRAN'S INTENTION TO SUPPORT THE NAM RESOLUTION ON ZIONISM AND FACILITATE THE DEPORT OF ISRAELI REFUGEES. THERE WERE OTHER SIMILAR UNFRIENDLY GESTURES BY THE U.S. AT THIS POINT. YAZDI BEGAN TO CITE THE PROBLEMS HE HAD WITH THE U.S.



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FM DEPT SECRETARY OF NEW YORK

TO RUEHC/SECSTATE WASHDC IMMEDIATE 5023

SECDEF/EMBASSY TEHRAN, IMMEDIATE

BT

SECRET SECTO 09005

SECRET

SEC. 12065: RDS 10/04/79 (SAUNDERS, IL) TEHRAN

TEXT: CIVIL (WAGE, CYRUS)

SUBJECT: ASSISTANT SECRETARY SAUNDERS' MEETING WITH
FOREIGN MINISTER YAZDI

1. (S ENTIRE TEXT).

2. IN THE EVENING OF OCTOBER 3, POLITICAL ASSISTANT'S
MEETING WITH YAZDI. SAUNDERS MET WITH HIM AND HIS
ASSOCIATES FOR OVER TWO-HOUR REVIEW OF STATE OF US/IRANIAN
RELATIONS. MUCH TIME WAS SPENT IN YAZDI'S FORMAL OF
OUR FACTS AND DESIRE TO UNDERSTAND THE NATURE
OF ISLAMIC REVOLUTION. SAUNDERS ATTEMPTED WITHOUT
EVIDENT SUCCESS TO LEAD YAZDI TOWARD THE PERSPECTIVE OF A
EVIDENT SUCCESS TO LEAD YAZDI TOWARD THE PERSPECTIVE OF A
NEW US/IRANIAN RELATIONSHIP BASED ON PRESENT REALITIES AND
A FUTURE WE COULD WORK OUT TOGETHER.

3. YAZDI MADE CLEAR THAT HE FELT THAT THE AMERICAN
WORLD-VIEW, WHICH HAD LED US TO SUPPORT THE SHAH, WOULD
MAKE IT VERY DIFFICULT FOR US TO ACCEPT THE ISLAMIC
REVOLUTION AND ESPECIALLY THE ECONOMIC LOSS THAT ENTAILS,
I.E. THE IMPORTANT MARKET FOR US ARMS. HE INSISTED THAT
IRAN MUST BE TREATED WITH "EQUALITY AND RESPECT" AND
BRIDLED AT ANY APPROACH THAT WE MIGHT MAKE ON HUMAN
RIGHTS OR OTHER ISSUES THAT SUGGESTED WE WERE DICATING
TO IRAN. HE AGAIN SHOWED SPECIAL SENSITIVITY TO THE
HANDLING OF MILITARY AND COMMERCIAL CONTRACTS, SUGGESTING
THAT THERE MIGHT BE A CONSPIRACY AGAINST IRAN. HE WAS
NOT WELL-BRIEFED ON THESE ISSUES AND THIS THE AMERICAN

HE ADVANCED WERE SIMPLISTIC. DESPITE THE HARD LINE TAKEN BY YAZDI, THE CONVERSATION WAS FAIRLY RELAXED, QUITE FRANK AND GENERALLY POSITIVE IN DIRECTION. IF YAZDI SHOWED NO SIGNS OF A CHANGED, ATTITUDE, PERHAPS FARHANG AND AGAH APPRECIATED THE US APPROACH AS SINCERE AND WELL INTENTIONED.

4. SAUNDERS RAISED THREE BILATERAL ISSUES AT THE CONCLUSION OF THE GENERAL DISCUSSION:

-) A NEED TO CLEAN UP THE U.S. MILITARY FACILITIES AND PROPERTY IN IRAN. YAZDI READILY AGREED THIS SHOULD BE DONE WITHOUT DELAY AND WHEN SAUNDERS SUGGESTED A JOINT US/IRAN COMMITTEE, YAZDI SAID HE THOUGHT ONE HAD RECENTLY BEEN ESTABLISHED. ON THE IRANIAN SIDE, IT WAS COMPOSED OF THE MFA, REVOLUTIONARY COUNCIL, PROSECUTOR'S OFFICE AND SEVERAL OTHER ENTITIES. SAUNDERS SUGGESTED IT COULD MOVE CASE-BY-CASE TO RESOLVE PROBLEMS. IF SUCH A COMMITTEE HAS NOT BEEN ESTABLISHED, THE EMBASSY SHOULD FOLLOW UP WITH THE MFA TO IMPLEMENT YAZDI'S AGREEMENT.

2) SHERRAH CASE: SAUNDERS MADE AN APPEAL FOR THE RELEASE OF SHERRAH, POINTING TO THE POSITIVE EFFECT IT WOULD HAVE ON THE BUSINESS CLIMATE. YAZDI SAID HE HAD SPOKEN TO THE PUBLIC PROSECUTOR ABOUT THE CASE, BUT THE PROSECUTOR DID NOT GIVE HEED TO HIS VIEWS. WE EXPRESSED APPRECIATION FOR WHAT YAZDI HAD DONE IN THE SHERRY CASE AND HOPED THAT HE WOULD BE EQUALLY HELPFUL IN THE SHERRAH CASE. NO COMMITMENT.

3) THE BAHAI'S: SAUNDERS DESCRIBED THE CONCERNS OF AMERICAN BAHAI'S AND ASKED YAZDI IF THERE WAS ANYTHING WE COULD SAY TO AMERICANS THAT WOULD EASE THEIR CONCERNS ABOUT THE AVERAGE BAHAI'S IN IRAN. WE FELT THAT THE SITUATION FOR OTHER MINORITIES WAS IMPROVED AND THAT WE HAD BEEN ABLE TO REASSURE AMERICANS THAT JEWS AND OTHERS WERE NOT BEING BADLY TREATED. WE WOULD LIKE TO DO THE SAME FOR THE BAHAI'S, YAZDI REHEARSED IRANIAN FEELINGS ABOUT THE BAHAI'S ALONG FAMILIAR LINES. CERTAIN INDIVIDUAL BAHAI'S HAD SERVED, THE SHAH AND WOULD BE PUNISHED FOR THEIR CRIMES. AS FOR THE AVERAGE BAHAI'S, THEY WOULD NOT BE PERSECUTED BUT WOULD BE FULLY PROTECTED UNDER IRANIAN LAW. VANCE

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PRIORITY DIRECTOR INFO PRIORITY TEHRAN.

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DIR CLOR 525321

1. PASSED IBEX MATERIAL WITH REF CAVEAT 3 OCTOBER. SDP L O D / I
LANS STAY TEHRAN THROUGH 17 OCT, THEN RETURN STOCKHOLM TO
PRESENT CREDENTIALS IN OSLO AND HELSINKI. THIRTY OF FORTY DAYS
AFTER THAT, HE WILL RETURN TO TEHRAN FOR ELECTIONS AND FORMATION
OF NEW GOVERNMENT. HE NOT SURE HOW LONG HE WILL BE ASSIGNED
STOCKHOLM AND ASSERTED HE INDIFFERENT TO ASSIGNMENT SINCE HE
"JUST A SOLDIER" IN SERVICE OF HIS GOVERNMENT.

2. SDP L O D / I TOOK OPPORTUNITY SPONTANEOUSLY TO RAISE GOE
DISSENT SFACTION WITH STATE OF U.S.-IRANIAN RELATIONS. NEW
REGIME HAD BEEN IN POWER 3-9 MONTHS AND U.S. HAD TAKEN NO
INITIATIVES TO SOLVE BILATERAL PROBLEMS ALTHOUGH, ACCORDING TO
SDP L O D / I, WE UNDERSTOOD THESE PROBLEMS AND HAD THE SOLUTIONS TO
THEM. THIS LEFT REGIME WITH IMPRESSION THAT U.S. PLAYING WAIT-
AND-SEE GAME WITH OBJECTIVE OF INTERFERING IN IRANIAN AFFAIRS
IN FUTURE. GIVEN THE PAST, IT WAS UP TO US TO MAKE PROPOSALS
AND MOST OF THE "SACRIFICES." SDP L O D / I SAID "THEY" DISLIKED THE
RUSSIANS, BUT SOVIET AMBASSADOR HAD BEEN TO SEE GOI 100 TIMES,
HAD BEEN KICKED OUT 100 TIMES, BUT PERSISTED IN OFFERING HELP
AND SOLUTIONS. ASKED WHAT "PROBLEMS" HE REFERRED TO, SDP L O D / I
MENTIONED ONLY "SPARE PARTS" AND "BLOCKED FUNDS".

SANDAGGER MADE NO COMMENT DURING THIS MONOLOGUE, WHICH
DELIVERED POLITELY BUT FIRMLY, EXCEPT TO DENY, OF COURSE, THAT
U.S. HAD ANY INTENTION OF INTERFERING IN IRANIAN AFFAIRS. SDP L O D
SAID THAT THIS MIGHT BE TRUE, BUT LACK OF AMERICAN INITIATIVES
LEFT GOI WITH BAD IMPRESSION FUELED BY PAST AND CURRENT
CRITICISM OF REGIME, INCLUDING RECENT REMARKS BY CHARGE IN TEHRAN
RE ARRESTS AND EXECUTIONS. SDP L O D / I SAID SEVERAL TIMES THAT HE
SPEAKING FRANKLY AND WANTED ME TO CONVEY HIS REMARKS TO USG.



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E.O. 12065: GDS - 12/05/85 (E. PRECET)

TAGS: MASS, IR, US

SUBJECT: MEETING WITH FOMIN YAZDI ON DEFENSE ISSUES

1. (S - ENTIRE TEXT)

2. ON OCTOBER 4 YAZDI, ACCOMPANIED BY MILITARY AND MFA OFFICERS, HELD A THREE-HOUR MEETING ON DEFENSE ISSUES WITH UNDERSECRETARY BENSON, ASSISTANT SECRETARY MCGIFFERT, AND GENERAL GRAVES. MEETING WAS CHARACTERIZED BY FRANK, SOMETIMES BLUNTLY-STATED IRANIAN QUESTIONS OR OBJECTIONS. WHILE THE AIR WAS THICK WITH SUSPICION, THERE WAS LITTLE ACRIMONY. US SIDE WAS EXTRAORDINARILY PATIENT AND UNDERSTANDING, REPEATEDLY INDICATING WILLINGNESS TO REVIEW ISSUES ON THEIR MERITS AND TO PROVIDE ADDITIONAL INFORMATION WHERE FEASIBLE. A DETAILED MEMCON WILL BE POUNCHED. SUMMARY FOLLOWS.

3. UNDERSECRETARY BENSON OPENED BY INDICATING OUR WILLINGNESS TO COOPERATE WITH AND ASSIST IRAN ON DEFENSE MATTERS WHERE THAT WAS DESIRED BY BOTH SIDES AND FEASIBLE. SHE REAFFIRMED US INTEREST IN IRAN'S INDEPENDENCE, TERRITORIAL INTEGRITY, AND SECURITY. SHE POINTED OUT THAT US, AS WELL AS IRAN, HAS DOMESTIC POLITICAL CONSIDERATIONS WHICH AFFECT OUR RELATIONS.

4. SECRETARY MCGIFFERT REVIEWED US POLICY TOWARDS THE PERSIAN GULF REGION IN GENERAL AND INDICATED OUR WILLINGNESS TO ESTABLISH A NEW DEFENSE RELATIONSHIP WITH IRAN AS POLITICAL CONDITIONS PERMIT. IT WAS CLEAR THAT NEITHER SIDE WISHED TO RETURN TO THE PREVIOUS RELATIONSHIP AND THAT THE DEVELOPMENT OF NEW FORMS OF COOPERATION WOULD

1. ~~Doyle~~
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HAVE TO BE RELATED TO IMPROVEMENT IN THE POLITICAL TIES. OVER THE NEXT YEAR, MCGIFFERT SAID, IT SEEMED WE SHOULD CONCENTRATE ON CLEANING UP THE DEFENSE FUND AND WORKING OUT RESTORED FLOW OF SPARE PARTS.

5. GENERAL GRAVES PRESENTED AN OVERVIEW OF TRUST FUND MANAGEMENT EXPLAINING THE BACKGROUND FOR THE FEBRUARY 3 MOT AND THE EFFORTS JOB WAS MADE TO PROTECT US AND IRANIAN INTERESTS. YAZDI, ASSISTED ACTIVELY BY BARAMI AND SAFARI, RAISED QUESTIONS PREVIOUSLY FLAGGED BY THE EMBASSY:

-- FINAL BILLINGS FOR CLOSED OUT FIVE CASES: GRAVES SAID WE WOULD PROVIDE A LIST AND OVERALL AMOUNTS OF SUCH CASES. MORE EXTENSIVE DETAIL COULD BE OBTAINED IF THE IRANIANS SENT PERSONNEL TO THE US TO HELP DIG IT OUT.

-- RELEASE OF CLASSIFIED SPACES: WE TOLD YAZDI WE WOULD BE WILLING TO REVIEW EACH CLASSIFIED RELEASE ON ITS MERITS. SOME REQUESTS SUCH AS TECHNICAL DATA NEEDED FOR AIRCRAFT OPERATIONS MIGHT BE PROVIDED WITHOUT SENSITIVITY. RELEASE OF MORE SENSITIVE ITEMS WOULD RAISE QUESTION OF IRAN'S REAFFIRMATION OF JUNE 1977 BILATERAL AGREEMENT ON SAFEGUARDING CLASSIFIED INFORMATION. IN THAT AGREEMENT,

BOTH SIDES AGREED TO PERMIT SECURITY TEAMS TO INSPECT STORAGE FACILITIES FOR CLASSIFIED DATA. YAZDI PROFESSED IGNORANCE OF AGREEMENT AND SAID THERE WOULD BE STRONG RESERVATIONS IN IRAN AGAINST ALLOWING AMERICAN INSPECTORS TO VISIT IRANIAN BASES. "WE MIGHT PREFER TO LOSE BILLIONS OF DOLLARS IN EQUIPMENT." HE ASKED FOR A COPY OF THE AGREEMENT, WHICH WE PROVIDED. WE SUGGESTED THAT HE STUDY THIS ISSUE AND HOLD FURTHER DISCUSSIONS WITH US BEFORE REACHING A DEFINITIVE POSITION. WE SAID IT MIGHT BE POSSIBLE TO SEND A SECURITY TEAM TO TEHRAN TO DISCUSS OUR CONCERNS WITH THE IRANIANS.

-- BELL 214 HELICOPTER ENGINES: GENERAL GRAVES SAID WE WOULD MEET WITH THE IRANIANS TO REVIEW POSSIBLE RESUMPTION OF WORK ON IMPROVING THE ENGINE.

-- F-15 SPARE PARTS: GENERAL GRAVES SAID WE WERE CONTINUING TO SEEK CUSTOMERS FOR DISPOSITION OF REMAINING QUANTITIES; BUT IN THE CASE OF SOME PARTS,

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THE QUANTITIES ORDERED ORIGINALLY EXCEEDED THE PROVISIONING DECIDED UPON BY THE OTHER F-16 USERS. IN THESE CASES, DIVERSION WAS MORE DIFFICULT. GRAVES EXPRESSED WILLINGNESS TO DISCUSS THE SUBJECT FURTHER.

-- IRANIAN SPARE PARTS IN THE PIPELINE: SAFARI ASKED FOR A LIST OF ITEMS WHICH WERE SCHEDULED FOR DELIVERY. GRAVES AGREED TO ATTEMPT TO PROVIDE THIS INFORMATION.

-- RE4ES: GRAVES EXPLAINED BACKGROUND OF CANCELLATION OF AIRCRAFT ORDER AND HIGH EXPENSE INVOLVED IN REESTABLISHING PRODUCTION LINE. WE WOULD
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PROVIDE IRANIANS WITH FULL INFORMATION.

- -- HARPOON MISSILES: RELEASE WAS LIMITED TO AGREEMENT ON SECURITY OF CLASSIFIED INFORMATION IN IRAN.

- -- PRICING OF DIVERTED IRANIAN EQUIPMENT, ESPECIALLY SPRUANCE SHIPS: HE EXPLAINED THAT IN ORDER TO OBTAIN PAYERS, IT WAS NECESSARY TO PRICE EQUIPMENT AT PCOI'S COST (I. E., EXCLUDING INFLATION AND PECULIAR IRANIAN COSTS) IN ORDER TO DIVERE ITEMS AND RECEIVE PAYMENT EXPEDITIOUSLY TO AVOID FURTHER DISRUPTION. THIS WAS ESPECIALLY TRUE IN THE CASE OF

PERSUADING US CONGRESS TO APPROPRIATE FUNDS FOR SPRUANCE SHIPS WHICH WERE IN ADDITION TO ESTABLISHED NAVY SHIPBUILDING PROGRAM. YAZDI MAINTAINED THAT IRAN SHOULD HAVE BEEN CONSULTED ON PRICE ESTABLISHED FOR DESTROYERS. HE SAID THIS REMAINED A MATTER FOR DISCUSSION.

- -- THIRD COUNTRY SUPPORT FOR IRANIAN MILITARY: YAZDI SAID IT WAS PCOI POLICY TO DIVERSIFY SUPPORT FOR MILITARY EQUIPMENT BY USING US-LICENSED EUROPEAN SUPPLIERS. MCGIFFERT SAID HE WOULD HAVE NO OBJECTION TO SUCH ARRANGEMENT. OUR RULE WAS IF WE OURSELVES WOULD SUPPLY THE ITEM WE WOULD HAVE NO OBJECTION TO IRAN'S OBTAINING IT THROUGH A EUROPEAN SOURCE. IF WE WOULD NOT SUPPLY, THERE WOULD BE NO APPROVAL OF A LICENSE TO A THIRD COUNTRY. WE ALSO RESTATED PRACTICAL PROBLEMS INVOLVED IN DIVERSIFIED SUPPORT ARRANGEMENTS.

5. IN RESPONSE TO MR. MCGIFFERT'S QUESTION REGARD-

ING WHAT KIND OF FUTURE RELATIONSHIP HE SAW, YAZDI SAID HE WOULD LIKE TO SEE THE CURRENT PMS ACCOUNT CLEANED UP, THE SECURITY OF CLASSIFIED EQUIPMENT ISSUE RESOLVED AND THEN GO BACK TO PAYING CASH ON AN INDIVIDUAL ITEM-BY-ITEM BASIS.

7. GENERALLY THE MEETING SEEMED TO HAVE HAD A POSITIVE EFFECT. ALTHOUGH WE WILL CONTINUE TO HAVE DIFFERENCES WITH THE IRANIANS ON MANY POINTS, ONLY THE SECURITY OF CLASSIFIED DATA SEEMS LIKELY TO BECOME A SERIOUS POLITICAL ISSUE IN THE NEAR TERM. IF THE EMBASSY IS APPROACHED ON THIS ISSUE, YOU SHOULD SAY THAT WE WOULD BE GLAD TO DISCUSS OUR SECURITY CONCERNS IN DETAIL WITH THE PGOI WHEN THAT CAN BE CONVENIENTLY ARRANGED. VANCE

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S E C R E T 100704Z OCT 79 STAFF

CITE TEHRAN 54438

TO: DIRECTOR.

WNINTEL SDPROBE

1. AT 6 OCTOBER STAFF MEETING, DURING DISCUSSION OF SD/UTTY/1 AFFAIR, CHARGE INSTRUCTED ACTING POLITICAL COUNSELOR TO CONTACT SDPROBE/3 AS LIKELY SOURCE ON ATMOSPHERICS OF THIS CASE. POLCOUNB RESPONDED IT PERHAPS BEST WAIT UNTIL DUST SETTLES. AS CHARGE HAS ON OTHER OCCASIONS EXPRESSED INTEREST IN P/1, WE CONCLUDED THAT THIS THE MOMENT TO SURFACE OUR CONTACT. CHARGE OBVIOUSLY CONTENT TO LEAVE THINGS AS THEY ARE, AND GIVEN POLCOUNB REACTION WE ANTICIPATE NO NEED FOR CEASE AND DESIST ORDER TO POLITICAL SECTION WHICH WOULD TEND TO REVEAL THE RELATIONSHIP.

2. UPSHOT WAS THAT CHARGE ASKED US TO EXPLORE WITH P/1 WHAT HE (AND WE) SEE AS INTENSIFIED IRANIAN PARANOIA. DISCUSSION OF THIS WITH P/1 LED TO SOME SPECULATION AS TO MEANS OF LIMITING THE ATTENDANT DAMAGE TO OUR BILATERAL RELATIONS. P/1 SUGGESTED, AS HAS SDURN/1, THAT THERE OUGHT TO BE CONTACT WITH KHOMEINI. HE SAID HE THINKS EVEN A PRO FORMA EXPRESSION OF ACCEPTANCE OF THE REVOLUTION, AND OF CONCERN OVER STATE OF OUR RELATIONS, WOULD DO SOME GOOD. (NOT MENTIONED BY P/1 WAS POSSIBILITY THAT SUCH A MEETING, IF IT WENT ACCEPTABLY WELL, MIGHT OPEN UP MISSION OR STATION ACCESS TO OTHERS OF THE ULEMA.)

3. P/1 FIRST SUGGESTED DICK COTTAM AS GOOD CHOICE TO SEE KHOMEINI, EXPLAINING THIS ON BASIS THAT COTTAM HAS ALREADY MET HIM, AND FACT OF PRIOR ACQUAINTANCE CONSTITUTES SOME ADVANTAGE. P/1 SAID HE REGARDS APPROACH BY CHARGE OR OTHER U.S. OFFICIAL AN EQUALLY VIABLE APPROACH, AND CONCLUDED BY SAYING HE THINKS THAT FOR US TO KEEP OUR DISTANCE FROM KHOMEINI SIMPLY LEAVES THE FIELD TO INFLUENCES HOSTILE TO US. IN THIS CONTEXT, HE VOLUNTEERED THAT HE HAS NO IDEA WHO IN FACT DOES INFLUENCE KHOMEINI'S THINKING.

4. SUBSTANCE PARAS TWO AND THREE ABOVE HAS BEEN CONVEYED TO THE CHARGE

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C O N F I D E N T I A L SECTION 01 OF TEHRAN 12891

EXCIS

E.O. 12865: RDS-3 10/12/99 (LAINGEN, L.B.) OR-M

TAGS: PINT, IR

SUBJECT: YAZDI IN NEW YORK: WHERE NOW?

REF: STATE 263952

1. C-ENTIRE TEXT.

2. SUMMARY. YAZDI'S NEW YORK PERFORMANCE WAS AN ABRASIVE AND PUBLIC REMINDER THAT WE HAVE YET TO ACT IN WAYS THAT DEMONSTRATE CONVINCINGLY THAT WE HAVE ACCEPTED THE REVOLUTION. SOME OF THIS IS REVOLUTIONARY RHETORIC BUT MORE OF IT IS GENUINE, REFLECTING AMONG OTHER THINGS A CONCERN FOR CONSOLIDATION OF POWER BY AN INNER PCOI CIRCLE. WE RECOMMEND ACTION IN SEVERAL AREAS THAT WE CAN AND SHOULD TAKE TO STRENGTHEN OUR POLICY HAND IN THIS ATMOSPHERE. END SUMMARY.

3. EMBASSY APPRECIATES EXCELLENT ANALYSIS IN REPTEL OF NEW YORK PERFORMANCE BY DR. YAZDI, A MAN INCREASINGLY INFLUENTIAL AS MEMBER OF A GROUP WITHIN THE PCOI CLOSE TO KHOMEINI AND LIKELY TO PLAY A MAJOR ROLE IN THE EVOLUTION OF POST-REVOLUTIONARY IRAN. (WE INCLUDE IN THAT INNER GROUP, IN ADDITION TO YAZDI, NEW DEFENSE MINISTER CHAMRAN, QOTBZADEH AT WRT, PCOI SPOKESMAN TABATABAI, AND MINISTER OF INTERIOR SAHAGHTIAN.)

4. WE SHARE DEPARTMENT'S ANALYSIS OF YAZDI'S PURPOSES -- TO CREATE, FOR HIS OWN PSYCHIC AND PERSONAL POLITICAL PURPOSES THE IMPRESSION OF THE ISLAMIC REVOLUTIONARY AS A NEW BREED OF MAN DEMANDING TO BE HEARD ON THE WORLD STAGE. YAZDI HAD THAT OPPORTUNITY, BOTH AT HAVANA AND AT NEW YORK, AND HE CLEARLY WAS DETERMINED TO USE IT TO MAXIMUM EFFECTIVENESS.

5. MORE SPECIFICALLY, AS FAR AS THE USG IS CONCERNED, HIS PURPOSE WAS TO TELL US, BOTH PRIVATELY AND PUBLICLY, THAT REVOLUTION. AND TO WARN US THAT UNTIL WE DO, THERE CAN BE NO PROGRESS IN BUILDING A NEW RELATIONSHIP. THE THEME WAS SOUNDED AGAIN, WITH SPECIFICS, IN A PRESS CONFERENCE ON HIS RETURN HERE FROM NEW YORK (SEPTEL). THE ICE, SAYS YAZDI, HAS NOT YET BEEN BROKEN.

6. THAT MAY SOUND A BIT EXTREME IN LIGHT OF USG ACTIONS TO DATE DESIGNED TO DEMONSTRATE THAT WE HAVE INDEED ACCEPTED THE REVOLUTION. BUT IT IS PERHAPS NOT ALL THAT SURPRISING, FOR A VARIETY OF REASONS -- NOT ALL OF WHICH WE NEED ACCEPT BUT WHICH WE NEED TO TAKE INTO ACCOUNT IN

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FINDING WAYS TO DEAL WITH THIS DIFFICULT SITUATION.

7. PARTLY, AS REFEEL POINTS OUT, IT IS THE REVOLUTIONARY POLITICIAN, THE AMBITIOUS POLITICIAN THAT YAZDI IS. THAT COMPUSSION REQUIRES HIM TO TALK AND LOOK LIKE A REVOLUTIONARY, ESPECIALLY IN THIS FIRST RETURN TO THE U.S. AFTER HIS 18 YEARS IN TEXAS AND OTHER WAYPOINTS -- A PART OF HIS PAST THAT HE NOW FINDS SOMEWHAT BURDENSOME POLITICALLY. CONSEQUENTLY IT WAS IMPORTANT FOR YAZDI THAT THE HEADLINES MAKE SOME SHOW HIM IN TRUEREVOLUTIONARY COLORS, PREPARED TO STAND UP TO THE U.S. AND NOT SOMEONE STRICKEN WITH THE "MENTAL SLAVERY" THAT HE DECRIED IN HIS HAVANA SPEECH AS "THE MOST DISTINCT CONSEQUENCE OF IMPERIALISM IN THE CONTEMPORARY WORLD...A CHEAP AND EFFECTIVE TOOL OF PERPETUATING IMPERIALIST DOMINATION".

8. BUT THERE IS MORE THAN THAT IN HIS TOUGH STANCE WITH US, BOTH IN HIS BILATERAL WITH THE SECRETARY AND HIS PUBLIC SPEECHES. YAZDI IS POLITICALLY AMBITIOUS BUT HE IS ALSO A BELIEVING REVOLUTIONARY. IT IS THEREFORE MORE THAN THE REVOLUTIONARY REFURBISHING HIS CREDENTIALS. HIS APPROACH SAYS THINGS THAT ARE FUNDAMENTAL ABOUT THE ENTIRE REVOLUTIONARY APPARATUS HERE -- ONE THING THAT IS PRACTICAL AND REASONABLY SHORT-RANGE; THE OTHER MORE FUNDAMENTAL AND LONG-RANGE.

9. IN THE SHORT-TERM YAZDI AND OTHERS OF HIS CLOSE ASSOCIATES IN THE PCOT REFLECT, WE THINK, AN INCREASING CONCERN FOR CONSOLIDATION OF THEIR POLITICAL POWER AT A TIME OF REAL OR IMAGINED THREAT TO IT. THUS THE SHARP REACTION TO THE NEW OUTBREAK OF DIFFICULTIES IN KURDISTAN AND KHUZESTAN, A REACTION MARKED BY A BARRAGE OF INTERNAL PROPAGANDA TO THE EFFECT THAT THE U.S., BEHIND THE FACADE ALLEGED THAT IRAQ IS ALSO INVOLVED IN SOME CONVULSIVE COLLUSION WITH AMERICAN AGENTS AND INFLUENCE. WHATEVER ITS RELATIONSHIP TO THE REAL SITUATION ON THE GROUND IN THESE TWO TROUBLED PROVINCES, THE SPATE OF PROPAGANDA SEEMS DESIGNED FURTHER TO STRENGTHEN CLERICAL AND REVOLUTIONARY CONTROL OVER THE SECURITY FORCES AND THE EVOLVING GOVERNMENT APPARATUS THAT IS TO BE PUT IN PLACE WHEN THE CONSTITUTION IS COMPLETE. THE EFFORT AT CONSOLIDATION OF POWER IS ALSO SEEN IN THE INCREASING EMPHASIS ON THE NEED TO "PURGE" FROM THE STRUCTURE OF GOVERNMENT BOTH THE REMNANTS OF THE ANCIENT REGIME AND THEIR POLITICAL OPPONENTS. YAZDI IS QUOTED FROM NEW YORK AS SAYING THAT THE

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PURGE OF THE FOREIGN MINISTRY HAS YET TO BE COMPLETED. CHAMRAN TALKS OF THE PURGE HE INTENDS TO PURSUE IN THE ARMED FORCES. THE NAZIR AFFAIR AT NIJC IS ACCOMPANIED BY TALK OF A NECESSARY PURGING PROCESS THAT NAZIR HAD IGNORED OR SET ASIDE. AND KHOMEINI TALKS OF THE PURGE NECESSARY FOR THE ENTIRE SOCIAL AND ECONOMIC STRUCTURE IF THE REVOLUTION IS TO BE CONSOLIDATED.

10. RELATED TO THIS BUT LONGER-TERM IN ITS NATURE IS AN EXPRESSED CONCERN OVER ANOTHER AND GREATER DANGER FOR THE REVOLUTION, ITS GOALS AND PURPOSES. THAT CONCERN RELATES TO THE NEED TO ELIMINATE FOREIGN AND PARTICULARLY WESTERN CULTURAL DOMINATION — AN ALLEGED LEGACY OF THE PREVIOUS REGIM THAT THE REVOLUTIONARIES SEE AS CORROSIVE FOR THE EFFECTIVENESS OF ISLAM AS THE DRIVING FORCE AND MOTIVATION FOR IRAN'S ENTIRE POLITICAL, SOCIAL AND ECONOMIC MAKE-UP: INDEED THEY SEE THIS CORROSION AS THREATENING EVERYWHERE IN THE ISLAMIC WORLD, AN IDEOLOGICAL COMPUSSION THAT COMBINES WITH LOOSE TALK OF IRREDENTISM IN SHIA MESSIANIC TERMS TO Muddy THE WATERS FOR THE ISLAMIC REPUBLIC'S RELATIONS WITH MOST OF ITS MUSLIM NEIGHBORS.

11. TAZDI DEVOTED A GOOD PART OF HIS REVEALING SPEECH AT SAVANA TO THIS PARTICULAR CONCERN OF THE IRANIAN REVOLUTIONARIES. AS HE PUT IT, "THE STANDARDIZATION OF VALUES, GOALS AND ASPIRATIONS AMONG THE RULING ELITE OF THE WORLD HAS ADDED A NEW DIMENSION OF CULTURAL DOMINATION TO THE EVOLVING CHARACTER OF IMPERIALISM IN THE CONTEMPORARY WORLD." TAZDI CALLED FOR A RECOGNITION OF "THE ALIENATING AND HABITUAL CULTURAL ALIGNMENT WITH THE SUPERPOWERS AND A SYSTEMATIC EFFORT TO FREE OURSELVES FROM THE MENTAL BONDAGE OF CULTURAL DOMINATION."

12. IT IS NOT AND IT WILL NOT BE EASY FOR US TO WORK WITH A LEADERSHIP THAT BELIEVES AND ACTS AS THIS ONE DOES; THAT KNOW THEY NEED US BUT YET FEAR FOR THEIR REVOLUTION IF THEY GET TOO CLOSE TO US. TIME AND THE COMPELLING CIRCUMSTANCES OF AN ALREADY BUILT-IN MOMENTUM IN THE SECULARIZATION AND MODERNIZATION OF IRAN'S ECONOMY AND ITS URBAN SOCIAL STRUCTURE WILL CHANGE SOME OF THIS. BUT THAT WILL BE A SLOW PROCESS, BARRING SOME DRAMATIC POLITICAL TURNAROUND THAT SEEMS UNLIKELY IN THE SHORT-TERM. WE WILL NEED TO ACT WITH A MAXIMUM OF PATIENCE AND SENSITIVITY AS WE PURSUE OUR INTERESTS IN THE ATMOSPHERE OF SUSPICION MANIFESTED BY TAZDI IN NEW YORK.

13. WITH THIS AS BACKGROUND, WE COMMENT BELOW ON THREE SPECIFIC AREAS OF POLICY: FIRST, MILITARY SUPPLY; SECOND, OUR PUBLIC POSTURE ON THE REVOLUTION; AND THIRD, THE SPECIAL SYMBOLISM OF CALLING ON KHOMEINI AND NOMINATING AN AMBASSADOR.

14. TAZDI DID NOT FAIL IN NEW YORK TO MAKE CLEAR THAT OUR PERFORMANCE IN THE MILITARY SUPPLY FIELD WILL CONTINUE TO BE AN ACID TEST OF OUR ATTITUDES TOWARD THE REVOLUTION. THE COURSE WILL BE ROUGH, NOT SIMPLY BECAUSE OF WHAT SEEMS DESTINED TO BE A PRICKLY RELATIONSHIP WITH CHAMRAN AS THE

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IS HEAD OF THE DEFENSE ESTABLISHMENT, BUT MORE FUNDAMENTALLY BECAUSE OF THE FEAR OF AMERICAN INFLUENCE IN AND VIA THE MILITARY IN IRAN SOCIETY. (AS YAZDI NOTED IN HAVANA, MORE THAN 1200 IRANIAN MILITARY PERSONNEL WERE TRAINED IN THE UNITED STATES -- A CONSERVATIVE FIGURE BY OUR ESTIMATE). THERE IS ALSO THE ABIDING SUSPICION ON THE PART OF YAZDI AND OTHERS THAT IRAN HAS BEEN FINANCIALLY LED BY MEANS OF THE TRUST FUND.

15. WE THUS FACE THE CHALLENGE OF SATISFYING BOTH THE POLITICIANS SUCH AS YAZDI AND CHAMRAN BUT ALSO THE MILITARY PROFESSIONALS, WHO ARE BEGINNING TO REFLECT A CONCERN THAT THEY WILL BE DENIED THE LOGISTICAL AND TECHNICAL SUPPORT THEY FEEL THEY NEED FROM THE U.S. NONETHELESS WE SEE OUR CURRENT POLICY STANCE ON MILITARY SUPPLY AS ESSENTIALLY SOUND -- AN OPEN AND STRAIGHTFORWARD POSTURE CONCERNING BILLINGS AND ACCOUNTS, FRANK AND FORCEFUL REMINDERS ABOUT OUR OWN LAWS AND REGULATIONS THAT APPLY. A DEMONSTRATED WILLINGNESS TO GO ALL OUT IN RESPONDING TO PQOT QUESTIONS ABOUT FINANCIAL DETAIL.

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

AND MAKING SPARE PARTS AVAILABLE AS RAPIDLY AS THE PCOI CAN GET ITS OWN HOUSE IN ORDER. WE BELIEVE WE SHOULD, HOWEVER, ALSO BE PREPARED TO TAKE SOME RISKS IN THE CASE BY CASE POLICY WE ENVISAGE AS AFFECTING CLASSIFIED AND SENSITIVE MATERIAL. AS A CASE IN POINT WE BELIEVE WE SHOULD MOVE AFFIRMATIVELY IN RESPONSE TO THE PCOI REQUEST CONCERNING THE RF4E'S. TO DELAY OR TO DENY THESE AIRCRAFT WILL AROUSE NEW SUSPICIONS OF AN INTENT TO PENALIZE THE PCOI ON BOTH FINANCIAL AND POLITICAL COUNTS; APPROVAL OF THIS SMALL NUMBER OF AIRCRAFT ALREADY LARGELY PAID FOR AND ADDITIONAL TO AN ALREADY EXISTING IIAF INVENTORY IS CERTAINLY DEFENSIBLE (IN WHAT WE ASSUME WILL BE REQUIRED CONGRESSIONAL CONSULTATIONS) IN TERMS OF OUR INTERESTS IN IRAN.

16. SECONDLY, AS THIS EMBASSY HAS RECOMMENDED EARLIER, WE BELIEVE WE CAN AND SHOULD FIND WAYS TO SPEAK PUBLICLY AND POSITIVELY MORE THAN WE HAVE TO DATE ABOUT HAVING ACCEPTED THE CHANGE IN IRAN. THERE ARE TWO REASONS FOR THIS: THE ONE OBVIOUSLY TO HELP REDUCE PCOI SUSPICIONS ABOUT OUR PURPOSES AND THE OTHER TO REMIND OUR OWN PUBLIC (ONLY SUPERFICIALLY INFORMED BY THE U.S. PRESS) ABOUT OUR LONG-TERM INTERESTS IN IRAN. THIS IS NOT TO SAY THAT WE NEED PUBLICLY TO EMBRACE AND ENDORSE KHOMEINI, OR TO APPLAUD SUCH FIGURES AS TAZDI AND CHAMRAN AND ALL THAT THEY SAY AND DO, OR TO COMMEND PCOI POLICY IN KURDESTAN. WHAT WE DO NEED TO SAY, IN WAYS THAT WE HAVE NOT YET DONE, IS THAT WE HAVE LONG-TERM INTERESTS IN IRAN THAT CONTINUE AND WHICH WE BELIEVE CAN BE PRESERVED IN AN ISLAMIC IRAN.

17. SPECIFICALLY, WE URGE THE DEPARTMENT TO FIND WAYS PUBLICLY TO SAY THAT WE WISH IRAN WELL IN PUTTING ITS REVOLUTIONARY OBJECTIVES INTO FORMS AND INSTITUTIONS THAT WILL COMMAND THE SUPPORT OF ALL ITS PEOPLE; THAT THE U.S. HAS NO INTEREST IN OR INTENTION OF IMPOSING ANY REGIME, MONARCHY OR OTHERWISE, ON IRAN; THAT WE HAVE AN ABIDING INTEREST IN IRAN'S INTEGRITY AND INDEPENDENCE; THAT AMERICAN INTERESTS IN ACCESS TO IRANIAN OIL ARE SYNONYMOUS WITH IRANIAN INTERESTS IN SUSTAINING AND FINANCING ITS FUTURE INDUSTRIAL AND AGRICULTURAL DEVELOPMENT. WE SHOULD FIND OPPORTUNITIES AS WELL TO WELCOME REVOLUTIONARY IRAN'S EMPHASIS ON ISLAM AND ITS SPIRITUAL CONTRIBUTION TO SOCIETY AS SOMETHING THAT AMERICANS UNDERSTAND AND RESPECT, GIVEN THE WAY IN WHICH AMERICANS ALSO SEE THINGS OF THE SPIRIT AS IMPORTANT TO HUMAN ENDEAVOR.

18. ASSISTANT SECRETARY SAUNDERS' TESTIMONY OF SOME MONTHS BACK BEFORE THE HIRC ON THE MIDDLE EAST AS A WHOLE HAS THE ESSENCE OF MUCH OF THIS AND IS THE KIND OF THING WE SHOULD BE HEARD SAYING MORE FREQUENTLY ABOUT IRAN.

19. THIRDLY, AND BRIEFLY, THERE IS THE VERY LARGE IMPORTANCE OF THE SYMBOLIC ACTS OF SERING KHOMEINI AND NAMING AN AMBASSADOR. THESE ACTIONS ARE LONG OVERDUE; THEY ARE CENTRAL TO THE WAY IN WHICH TAZDI AND INDEED MOST IRANISMS SEE OUR ATTITUDES TOWARD THE REVOLUTION. IF A NEW AMBASSADOR IS TO BE FURTHER DELAYED, WE RECOMMEND THAT

C O N F I D E N T I A L

TEHRAN 12951 3/3

WE SEEM A MEETING NOW WITH UHMEINI AT THE CHARGE LEVEL.
AS FOR DESIGNATING AN AMBASSADOR. THE TIMING WILL NEVER
BE TOTALLY RIGHT; THE ACTION SHOULD NO LONGER BE DELAYED.
LALSEN

BT
72-01

MMN

C O N F I D E N T I A L

TERMIN 12401 3/3

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

SECRET 16140Z OCT 79 STAFF

CITE TEHRAN 54501

TO: DIRECTOR.

WNINTEL SDVAL ID INTEL

REF: TEHRAN 54500

1. ON SUNDAY, 15 OCTOBER, DURING TRIP TO CASPIAN AREA, SDVAL ID/1 (S/1) TOOK PART IN POLITICAL DISCUSSION WITH PROMINENT MEMBERS OF TURKOMAN TRIBES FROM GONBAD AREA. THESE TRIBESMEN ARE STRONGLY OPPOSED TO PRESENT GOVERNMENT AND SAY THAT THEY WANT TO BEGIN ARMED OPPOSITION TO IT. THEY SAID, HOWEVER, THAT AYATOLLAH SHARIAT-MADARI HAS PASSED WORD TO THEM NOT TO START ARMED RESISTANCE YET. S/1 WAS VERY SURPRISED TO HEAR THESE DECLARATIONS THAT ONLY SHARIAT-MADARI'S RESTRAINT IS KEEPING THE TURKOMANS FROM FIGHTING AND WILL CHECK ON THIS WITH HASSAN SHARIAT-MADARI.

2. FILE: 201-959511. RVW 16 OCT 99 DRV D9C.1. ALL SECRET.
SECRET



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VZCZC 242
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DE RUCMHR #1133/01 2941120
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FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC FIASH 4355
BT
SECRET SECTION 01 OF 02 TEHRAN 11133

NODIS
CHEROKEE

FOR UNDER SECRETARY NEWSOM

E.O. 12065: RDS02 10/21/99 (LAINGEN, L.B.) OR-M
TAGS: PEPR, IR, US
SUBJECT: SHAH'S ILLNESS

REF: STATE 275001

1. (SECRET-ENTIRE TEXT.)

2. I TOOK OPPORTUNITY OF SCHEDULED APPOINTMENT WITH AMBASSADOR ENTEZAM THIS MORNING AT 10:00 O'CLOCK (INTRODUCING HENRY PRECHT) TO ADVISE HIM OF MY INSTRUCTIONS AND TO ASK HIM TO ARRANGE IMMEDIATE APPOINTMENT WITH PRIME MINISTER BAZARGAN (GEORGE CAVE LEFT TEHRAN OCTOBER 19). AFTER DISCUSSION WITH ENTEZAM, WE WALKED NEXT DOOR WITH HIM TO CALL ON BAZARGAN. FOREIGN MINISTER YAZDI JOINED US SHORTLY THEREAFTER.

3. IN CONVEYING TALKING POINTS CONCERNING OUR HAVING CONCURRED IN MEDICAL JUDGMENT THAT SHAH'S CONDITION REQUIRED ADMISSION SOONEST TO U.S. MEDICAL FACILITIES. I SAID THAT OUR DECISION WAS MADE ENTIRELY ON HUMANITARIAN GROUNDS. I EMPHASIZED THAT WE RECOGNIZED AND DEALT WITH THE PGOI AND THE PRIME MINISTER, THAT THIS REFLECTED OUR ACCEPTANCE OF THE CHANGE IN IRAN, AND THAT WE WERE ANXIOUS TO WORK TOGETHER IN EVERY WAY POSSIBLE TO BUILD A NEW RELATIONSHIP WITH IRAN.

4. I SAID THAT I HOPED THAT THE PGOI, WHICH WE ASSUMED ALSO GENUINELY SOUGHT TO BUILD A NEW RELATIONSHIP BETWEEN OUR TWO COUNTRIES, WOULD WORK WITH US TO ENSURE THAT THE POLITICAL FALLOUT FROM THE SHAH'S ENTRY INTO THE U.S. WOULD BE MANAGEABLE FOR BOTH COUNTRIES. I ALSO STRESSED OUR HOPE AND CONFIDENCE THAT THE PGOI WOULD TAKE WHATEVER STEPS WERE NECESSARY TO ASSURE THE SECURITY OF OUR COMMUNITY IN IRAN, SHOULD ADVERSE PUBLIC DEMONSTRATIONS OCCUR.

5. THE REACTION FROM OUR THREE INTERLOCUTORS WAS MIXED BUT GENERALLY SUBDUED. REACTION VARIED FROM ENTEZAM'S IMMEDIATE EXPRESSION OF CONCERN OVER THIS NEW OBSTACLE TO EFFORTS THAT HE SAID HE AND OTHER FRIENDS OF THE U.S. IN IRAN WERE CARRYING OUT TO TRY TO IMPROVE OUR RELATIONSHIP, TO BAZARGAN'S QUIET BUT CONCERNED ACCEPTANCE OF REALITY, TO YAZDI'S (WHO DOMINATED THE DISCUSSION) EMPHASIS ON THE PROBLEMS THAT THIS WOULD CREATE FOR THE U.S. IN IRAN.

VZCZC 242

6. A FAIRLY EXTENDED DISCUSSION CULMINATED IN YAZDI'S SUMMING UP WITH THE FOLLOWING POINTS:

- A. THE PGOI WOULD STRONGLY PREFER THAT THE SHAH, ASSUMING HIS CONDITION GENUINELY REQUIRED MEDICAL EXAMINATION OUTSIDE MEXICO, SEEK SUCH ASSISTANCE ELSEWHERE THAN IN THE U.S.. YAZDI CONCEDED READILY THAT SUCH FACILITIES WERE NOT AVAILABLE IN MEXICO BUT HE SAID THE PGOI COULD NOT UNDERSTAND WHY THE REQUIRED ASSISTANCE COULD NOT BE FOUND IN WESTERN EUROPE.

✓ - B. SHOULD THE U.S. NONETHELESS PROCEED TO ADMIT THE SHAH, YAZDI FELT THAT TREATMENT OUTSIDE OF NEW YORK CITY WOULD BE "MARGINALLY BETTER" IN TERMS OF PUBLIC OPINION HERE. AS HE DESCRIBED IT, NEW YORK CITY IS SEEN BY IRANIANS AS A CENTER OF ROCKEFELLER AND ZIONIST INFLUENCE, AND THIS WOULD COMPOUND THE PROBLEM. HE SUGGESTED THE M.D. ANDERSON INSTITUTE IN HOUSTON AS BEING FULLY CAPABLE OF PROVIDING THE KIND OF DIAGNOSIS THAT APPEARED TO BE NEEDED. (YAZDI SPEAKS FROM PERSONAL PROFESSIONAL EXPERIENCE WITH BOTH KETTERING AND ANDERSON INSTITUTES.)

- C. TO HELP THE PGOI TO REASSURE THE IRANIAN PUBLIC AND KHOMEINI THAT THIS WAS NOT SIMPLY A "RUSE" ON THE PART OF THE SHAH TO GAIN ADMISSION TO THE U.S., THE PGOI WOULD HOPE THAT AN IRANIAN DOCTOR WOULD BE ALLOWED TO CONFIRM THE VALIDITY OF THE MEDICAL FINDINGS. (IT WAS UNCLEAR WHETHER HE WOULD BE EXPECTED TO EXAMINE THE SHAH.) IN RESPONSE TO OUR QUESTION, YAZDI SAID THERE WERE A NUMBER OF CAPABLE IRANIAN DOCTORS RESIDENT IN THE U.S. WHO COULD BE SO TASKED RATHER THAN SENDING SOME ONE FROM IRAN. YAZDI ALSO PRESSED US AS TO WHETHER SHAH WOULD REMAIN IN THE U.S. IF DIAGNOSIS SUGGESTED EXTENDED CHEMOTHERAPY OR OTHER TREATMENT. I ANSWERED THAT WE COULD NOT PROVIDE ANY ASSURANCES ON THAT SCORE AT THIS POINT.

- D. FINALLY THE PGOI WOULD EXPECT THE USG TO OBTAIN FROM THE SHAH A PRIOR ASSURANCE THAT HE WOULD NOT

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TO SECSTATE WASHDC FLASH 4356

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S E C R E T SECTION 02 OF 02 TEHRAN 11133

PARTICIPATE IN POLITICAL ACTIVITY WHILE IN THE U.S. NOR WOULD HE ENGAGE IN PRESS INTERVIEWS TO FURTHER HIS POLITICAL INTERESTS. WE SAID THAT HIS ADMISSION INTO THE U.S. COULD NOT BE KEPT SECRET, THAT WE COULD NOT PROVIDE ANY ABSOLUTE GUARANTEES ABOUT CONTACT WITH THE PRESS, BUT THAT WE WOULD UNDOUBTEDLY EMPHASIZE TO THE SHAH OUR DESIRE THAT HE AVOID ANY POLITICAL ACTIVITY, EITHER WITH THE PRESS OR OTHERWISE.

7. THROUGHOUT THE DISCUSSION, PARTICULARLY FROM YAZDI, THERE PREVAILED A SUSPICION THAT THE SHAH'S CONDITION IS NOT REALLY SUCH AS TO REQUIRE THE MEDICAL FACILITIES NOW SOUGHT. I EMPHASIZED THAT I COULD NOT SPEAK TO HIS CONDITION BEYOND THE INSTRUCTIONS THAT I HAD BUT THAT I HAD NO REASON TO BELIEVE THAT HIS CONDITION WAS NOT OF IMMEDIATE CONCERN AND SERIOUS. I ASSURED THE PRIME MINISTER THAT WE WOULD KEEP THE PRIME MINISTER INFORMED ON A PRIVATE BASIS ON THE COURSE OF THIS MATTER. LAINGEN

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C O N F I D E N T I A L //STADIS// TEHRAN 11422

DE RUQMR #1422 302 **

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 453C

BT

C O N F I D E N T I A L TEHRAN 11422

CLASS: CONFIDENTIAL

CHRG: STAT 10/29/79

APPRV: CHARGE: LBLAINGEN

CRFID: CHARGE: LBLAINGEN:EM

CLEAR: NONE

DISTR: CHARGE

STADIS

FOR UNDER SECRETARY NEWSOM FROM CHARGE

E.O. 12065: FDS 10/29/85 (LAINGEN, L.B.) OR-M

SUBJECT: PGOI DELEGATION TO ALGERIA

1. (C-ENTIRE TEXT-)

2. BY SEPTEL WE ARE REPORTING THAT THE PGOI WILL BE REPRESENTED AT ALGERIAN CELEBRATIONS NOVEMBER 1 BY PRIME MINISTER BAZARGAN, FOREIGN MINISTER YAZDI AND APPARENTLY DEFENSE MINISTER CHAMRAN AS WELL.

3. WE HAVE SEEN FROM THE WIRELESS FILE THAT YOU AND BRZEZINSKI AND OTHERS WILL REPRESENT THE U.S. DURING THESE CELEBRATIONS. I THINK IT WOULD BE VERY USEFUL IF ONE OR MORE OF YOU COULD FIND AN OPPORTUNITY TO TALK WITH MEMBERS OF THE PGOI DELEGATION AND BAZARGAN IN PARTICULAR. I MENTIONED THIS CASUALLY TO BAZARGAN TODAY AT A SOCIAL FUNCTION AND HE SEEMED VERY OPEN TO THE IDEA. FROM MY VANTAGE POINT, THE MORE CONTACT WITH THIS GROUP THE BETTER. LAINGEN

BT

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C O N F I D E N T I A L //STADIS// TEHRAN 11422



29 October 1979

MEMORANDUM FOR: Edward J. Ganin

FROM : Donald C. Paquin
Chief of Station, Tehran

SUBJECT : LWSURF - Official Informal

Dear Edward,

It is four months since I met you as I prepared to leave for Tehran. The main impression of Iranian politics I have acquired in that period is that inconclusive elbowing and maneuvering for position are likely to continue for quite a while. The analysts tend to look at every development here as hastening (or postponing, as the case may be) an inevitable, decisive confrontation which will fairly soon either consolidate theocratic control or lead to its replacement by something else. I am more inclined to see the gradual erosion of Khomeini's personal authority as opening a period of disorderly -- sometimes violent -- competition, with no single contender possessing either enough guns or enough programmatic appeal to overcome the opposition. Things could be very different if the military chose sides, but they are still thoroughly intimidated. Discipline is poor, professional elan practically nonexistent, and no prospective leaders have yet emerged who look as if they can restore institutional pride.

Khomeini has stumbled badly in Kurdistan, and the summary executions of Kurdish dissidents will not be forgotten. The government is now -- belatedly -- negotiating with the Kurds, but the pattern of Qom's relations with the ethnic minorities has already been set.

For all the growing dissatisfaction with the local brand of Islamic government, the radical left seems not to be profiting much -- mutually reinforcing anti-Russian and anti-communist sentiments at all levels of society make it difficult for the Communists to develop mass appeal or to penetrate the Army. There is, nevertheless, substantial communist influence in the universities and in the oil fields. If oil-financed imports are not enough to prevent a disastrous winter, economic distress will probably lead to rapid growth in Communist strength.

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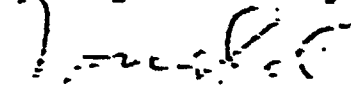
You asked me to comment at some point about our prospects for influencing the course of events. Only marginally, I would say, until the military recovers, and that is a process we can do almost nothing to affect. What we can do, and I am now working on, is to identify and prepare to support the potential leaders of a coalition of westernized political liberals, moderate religious figures, and (when they begin to emerge) western-oriented military leaders. The most likely catalyst for such a coalition is Ayatollah Shariat-Madari; I have compartmented contacts with several of his supporters.

Prospects are not bright for resuming operation of either of the TACKSMA sites in a way which will provide us telemetry on Soviet missile testing. The reason is that this would require a degree of American participation which the Iranians are not likely to find politically acceptable. Accordingly, we are proceeding with an operation designed to provide clandestine collection of telemetry; this is proceeding well, and with some luck could be functioning fairly early in 1980.

You wanted me to comment on both non-official and military cover in the context of Tehran's operational requirements. I could make good use of an NOC officer, partly for contingency handling of sensitive sources, and partly to expand the Station's access to protected information on financial and economic matters, especially in the petroleum sector. My minimum requirement for access to the military has been met, as the Charge d'Affaires has at my request placed a Station officer in the Embassy's political-military slot. The addition of a uniformed officer would nevertheless be most useful.

I will be exploring these cover questions and other matters when I arrive at Headquarters on leave and consultation in mid-November. I look forward to seeing you then.

Best personal regards,



Donald C. Paquin

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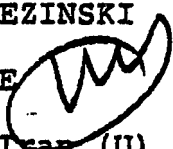
MEMORANDUM

6536 ¹³~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

November 9, 1979

INFORMATION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: PAUL B. HENZE 
SUBJECT: Thoughts on Iran (U)

I have no original thoughts to offer on how we get the hostages released and our Embassy back, but it is important to think beyond the current imbroglio and not let emotions generated during it undermine our longer-term interests in this part of the world. If there is leftist and/or Soviet input, directly or indirectly, into the Embassy takeover, the aim can only be to make it impossible for us to have any relations with Iran over an extended period of time. The fact that we were on the way to reestablishing a military relationship and American business was still able to function was inimical to leftist objectives. It is in the long-term interest of the left, much more than that of the religious fanatics, to have us out of Iran entirely; but it is very convenient for the left (whether they are manipulating or influencing the situation or not) to have the religious fanatics doing their work for them. (C)

The Espionage Theme


The charge that the American Embassy was a nest of espionage directed against the Iranian revolution is pervasive at present. It is a curious theme for religious fanatics to get stress, but not at all curious for leftists. Can it be entirely accidental that this theme has been prominent among a whole series of anti-U.S. themes in Soviet clandestine broadcasts to Iran over recent weeks? (See the attached summary with excerpts of NVOI monitoring--TAB A.) all these accusations are, of course, part of the current anti-U.S. rhetoric. (U)

Fragmentation?

Along with China, Ethiopia and Egypt, Iran is one of the oldest polities in the world. We hardly need any more demonstration than we have already had of the strength of Iranian nationalism.

~~CONFIDENTIAL~~

Review: 11/9/85

3/11/85
F. O. 12-11-85
PER 3/11/85
BY  4/17/85
3/11/85
4/17/85

~~CONFIDENTIAL~~

These facts alone argue against any espousal by us of fragmentation/separatism. So does U.S. experience and basic policy. We avoided supporting separatist movements in Congo/Zaire, Nigeria, Ethiopia and can be thankful in each instance that we did. The destabilization which support of separatism in Iran would cause in the whole region would be awesome. In the short- and medium-term such an approach could only serve Soviet interests. We do not need to support brutal Iranian oppression of Kurds, Arabs, Azeris, Beluches, etc. either-- but we should be completely clear about support for Iranian territorial integrity. Within that territorial integrity, there is plenty of room for minority rights. (U)

Intelligence:

It is supremely ironic that we should stand accused of so much espionage out of our Embassy in Tehran when we have done so little. What modest efforts there have been in recent months will no doubt be shattered by what has just happened. But we can't simply close up and forget Iran. We have had so little luck [redacted] with the intelligence problem here that a special task-force effort to gather intelligence on Iran through all possible channels outside of Iran and through friendly governments inside of Iran needs to be made. (C)

Retaliation?

If worse comes to worst in Tehran, agitation in the U.S. for revenge and retaliation will be intense. We are likely to hurt ourselves more than the Iranian fanatics by any violent actions, emotionally satisfying as they may be on a temporary basis. And the left will know how to exploit such actions to our discredit and loss. We must still have a lot of friends in Iran. Retaliation will only make it more difficult for them eventually to assert themselves. (U)

Break Off Relations?

Keep the Ethiopian example in mind: we came close to breaking off relations there and some leftist and pro-Soviet elements clearly wanted us out. We did not have to put up with anything approaching the level of destructive provocation we now have in Tehran, but it was worth holding on. We are better off having regular diplomatic relations with Ethiopia [redacted] than we would be if they had been severed. Sooner or later the same

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will be true of Iran. If we have to take everybody who is now there out, we should send at least one man over to maintain a link, or set up a small interests section in an allied embassy. We could even maintain relations but not have a resident embassy--as we do in many places in the world. (C)

Attachment
TAB A

cc: Sick/Hunter w/att
Bremont w/att
Ermarth w/att
Welch w/att
Griffith w/att

CONFIDENTIAL



THE WHITE HOUSE

WASHINGTON

November 9, 1979

~~PERSONAL AND CONFIDENTIAL~~

MEMORANDUM FOR: HAM JORDAN
FROM: STU EIZENSTAT *Stu*
SUBJECT: Actions Toward Iran

Once the fate of the hostages has been determined, I feel strongly that -- whatever their fate -- we must take some action against Iran. That is the clear message that I have received, as I am sure everyone in the White House has, from calls of people around the country and from my talks with a number of Members of Congress. I do not know exactly what is being planned, but I would like to make three specific recommendations for the post-crisis period:

1. We should get DOE to review the implications of a possible decision that the United States would no longer purchase oil from Iran. Such an action would be the most visible sign to the rest of the world that we will never tolerate blackmail and that we are prepared to sacrifice in this country, rather than deal with governments such as Iran's.

Such a commitment would not necessarily -- but could possibly -- reduce our ability to obtain needed foreign oil. Because oil is fungible, we might be able to purchase additional oil from other oil-producing nations, or from consuming nations, who would decrease their purchases from their normal suppliers and increase their purchases of Iranian oil. Even if such a balancing system could not be arranged, I still think the American people would strongly support a ban on Iranian oil in this country. That is the clearest message I have received over the past several days from those who have called me. Yesterday, Congressman Fowler urged that the President take such action. And as unlikely a person as the Chairman of the Board of Gulf Oil, Jerry McAfee, mentioned such a possibility at our meeting with oil company executives.

DECLASSIFIED

E.O. 12958, Sec. 3.6

PER 9/6/88 NSI LRE NLC-97-11
BY CJ NARS DATE 2/11/99

The details of how such a ban would be operated obviously need to be prepared. Further, all the economic and energy ramifications of such a ban need to be carefully thought through before a decision is made.

2. We should close down the Iranian Embassy in this country and require all of those attached to it to leave the country. This is, in some respects, a symbolic gesture, but it would speak eloquently to the American people and the rest of the world of the President's commitment to never again tolerate such action by a foreign country.
3. We should consider freezing the assets of the Iranian students illegally in this country. I understand from Lloyd Cutler that the legal authority to do this exists, and it is a far easier legal step to take than to order deportation. The effect of freezing assets would, in most cases, lead to a great many of the Iranian students leaving, for they would be unable to obtain the funds needed to continue living in this country.

4-11

December 4, 1979, 1:10 pm

DICTATED BY AMBASSADOR DOBRYNIN'S ASSISTANT:

*This is
b. 7.
J*

The Soviet Union holds a clear and unequivocal position in connection with the conflict existing between the United States and Iran. As the Soviet side has already stated, we consistently stand for a just settlement of the conflict to mutual satisfaction of both sides. The Soviet representative in the Security Council underscores the necessity to strictly observe the Vienna Convention on Diplomatic Relations by all the countries.

Moscow has also considered it advisable to inform President Carter and the US Government confidentially that we communicated to the Iranian leadership through the diplomatic channels our advice to avoid further aggravation of the situation and spoke out for the release of the US diplomatic personnel in Tehran and allowing them to leave for the United States. We drew attention of the Iranian leadership to the circumstances that the detention of foreign diplomats as hostages contradicts the obligations under the international convention, to which Iran is a party. We expressed the opinion that the release of the US Embassy personnel would be met

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favorably in the world and would not be detrimental to Iran.

These public broadcasts are the opposite of what one knows if they're telling the truth here.

We have not yet received Iranian reaction to our communication. We believe, however, in any case, it will contribute to a relaxation of tension and will work in the direction of resolving the conflict. We hope that [such] our position will be duly appreciated by the President and the Government of the United States.

Moscow expects that the US leadership on its part will show restraint and composure. One should take into consideration that the developments in Iran are of a very complicated nature. As is known, they represent entanglement of numerous political, economic, and religious factors. As a result, passions are raging high there.

The Soviet leadership and L. I. Brezhnev personally are convinced that under the circumstances it is especially important not to yield to emotions, to display restraint. We say this because various sorts of disquieting reports are appearing also with reference to US officials on a possibility of some actions on the part of the United States with regard to Iran which are far from a peaceful resolution of the conflict.

We hope that the US leadership and President Carter personally will understand rightly these considerations of ours prompted by realistic motivations. It is clear that a conflict in relations between any two countries carries an element of a dangerous tension, not only for both of them. And, in this case, such a risk is the more considerable since one of the parties to the existing dispute is a big power.

We would like to especially point out that we express these considerations as if from aside, but naturally for understandable reasons we cannot be indifferent to what is going on.



THE WHITE HOUSE
WASHINGTON

~~TOP SECRET~~

December 5, 1979

MEMORANDUM FOR

THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF TREASURY

As the result of the NSC meeting today, it was agreed that the following strategy should be pursued with respect to increasing economic pressure on Iran for the release of American hostages.

The U.S. will seek support from the Governments of Britain, West Germany, France, Switzerland and Japan to encourage their banks to declare cross defaults against Iranian deposits.

Teams of Treasury and State Department officials will be dispatched immediately to these countries to explain our approach.

At the same time the President will send messages directly to the leaders of these countries explaining our general strategy and informing them of the arrival of the U.S. teams. The Secretary of State will follow up with Prime Minister Thatcher, Chancellor Schmidt and President Giscard during his trip to Europe next week.

The Presidential letter and the Secretary of State's presentation will make clear that we are asking for this support in order to forestall the necessity of taking more drastic action. The Secretary in particular should make the following points:

-- The U.S. is prepared to call for Chapter 7 sanctions in the United Nations and accompany this with a request to our Allies and friends to voluntarily implement a trade embargo against Iran.

-- The President will decide when to take this step, but should the Iranians try any of the American hostages, the U.S. will immediately call for Chapter 7 sanctions.

~~TOP SECRET~~

Review on December 5, 2009

Extended by D. Aaron

Reason for Extension: NSC 1.13(f)

DECLASSIFIED
E.O. 12958, Sec. 3.6

PER 11/14/03 NSC RE NLC-00-163
NARS DATE 6/6/03

#43 de, but
prepare with Cy
more detailed
instructions for my
approval.
Let's send the
msg from me to
leaders immediately
Let me see text

J

Ask cut-
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etc.

~~TOP SECRET~~

-2-

-- To the extent that the debate on Chapter 7 sanctions is going forward in a positive way and we receive effective allied support for implementing voluntary economic sanctions on trade with Iran, we will not take direct unilateral measures to interrupt trade with Iran. However, the Secretary should make clear that should this not prove to be the case, the President reserves the right to act unilaterally to interdict commerce with Iran by other means. The Secretary should be explicit in spelling out what means might be employed.

U.S. Annex.

~~TOP SECRET~~

UNCLASSIFIED

SPECIAL COORDINATION COMMITTEE MEETING

December 17, 1979

249
J E
7482

Time and Place: 8:45-9:45 a.m., White House Situation Room

Subject: Iran

Participants:

The Vice President

State

Warren Christopher
Harold Saunders
Richard Cooper**

Defense

Secretary Harold Brown
W. Graham Claytor

JCS

General David Jones
General John Pustay

CIA

Admiral Stansfield Turner
Frank Carlucci
Robert Dean***

Energy

Secretary Charles Duncan**

Justice

Attorney General Benjamin Civiletti**
John Shenefield**

Treasury

Secretary William Miller**
Anthony Solomon**
Robert Mundheim**

White House

Hamilton Jordan**
Jody Powell**
Stuart Eizenstat**
Lloyd Cutler**
Zbigniew Brzezinski
David Aaron

NSC

Colonel William Odom
Gary Sick
Thomas Thornton***

**Domestic Issues Only

***Afghanistan Only

SUMMARY OF CONCLUSIONS

Domestic Issues:

1. Economic Steps. A message was sent out on Saturday clarifying our understanding of the various steps which the allies will implement on a voluntary basis. We should have reactions from the various capitals today. Once those reactions are in, a joint message from Secretaries Vance and Miller will be sent requesting immediate implementation. That message will be prepared for President review today, in anticipation of its being sent tomorrow. State has prepared a matrix showing our present understanding of what the allies are prepared to do. A copy is attached. (8)

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State also prepared a paper on the steps available to us in invoking Chapter VII sanctions through the UN. A copy is attached. The SCC was briefed on the President's interest in taking the necessary preparations to move on Chapter VII if and when a decision is made and the President's preference for seeking maximum sanctions. The SCC did not believe that seeking Chapter VII sanctions would provide an excuse for delay of action by the allies since they already seem prepared to proceed with limited voluntary steps but will be reluctant to go beyond those measures in any event without Chapter VII authorization. We will wish to consult in advance with the Soviets since a veto could have serious implications for SALT, as well as preventing sanctions. We should seek Soviet abstention, if support is not possible. Mr. Cutler suggested that we move immediately to get a finding by the SC on Article 39 that the Iranian situation constitutes a threat to the peace, since the Soviets may be willing to support that. State pointed out that a call for a finding under Article 39 is, in effect, a call for sanction and should not be undertaken until we are prepared to follow through with the entire program. (S)

Let's go ahead in my view

2. perfect 34 & 7 together in a separate

Thursday ok

Define narrowly

The SCC agreed that it would be useful to wait for several days before invoking Chapter VII in order to see the outcome of allied decisions on voluntary steps, effects of the ICJ ruling, reaction to the Shah's departure, and the results of consultations between the new Iranian Ambassador to the UN, Mansour Farhang, with the Secretary General. In order to sustain momentum, it would probably be useful to be prepared to proceed with Chapter VII on about Thursday or Friday. Once the decision is made, the SCC recommended seeking steps 1 and 2 of the State paper (denial of military sales and credits, interruption of normal air, rail, post and telecommunications links, and a selective embargo except for humanitarian items), but stopping short of a total trade embargo which would involve extended debate and possible failure in the UNSC. (S)

APPROVE ☒

DISAPPROVE ☐

11.9 guess: 3.4 for them 4/12 move in UN on some basis

In order to maintain the public appearance of momentum, it will be necessary to publicize in some form the types of actions which our allies have agreed to undertake. Some will not object; others will wish to keep their advice entirely private. The SCC recommended that State contact the countries involved and determine what they would be willing to announce publicly. Depending on their reaction, we will probably want to do a careful backgrounder to get out the whole story. This can be linked to intelligence information on the decline of shipping into the Persian Gulf, to increase the appearance of effective disruption of trade. We would expect to do the backgrounder by Wednesday. (S)

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DISAPPROVE ☐

2. Presidential Views. Dr. Brzezinski briefed the SCC on the President's comments on the notes of Friday's meeting. The President approved the proposed strategy on the White Paper (that the informati

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be collected and papers prepared, but not to publish a formal document) but asked that the internal documentation be complete for selective use. Approval was granted for leaking information about certain banks' circumvention of restrictions on Iranian assets. At this point, however, there appeared to be no flagrant cases to be exploited. (S)

3. Trials. The President noted that it is important that we do nothing which would lend legitimacy to any trials of the hostages by Iran. The question of the lawyers preparing legal support for the hostages will be raised at the meeting tomorrow. (C)

4. French. The Iranian case against U.S. branch banks in France has been refiled. The SCC agreed that Giscard should be reminded of his assurance to Vance that this case would be tied up in the courts and not be subject to an early court decision. (S)

Political-Military Issues:

1. Afghanistan. Admiral Turner briefed the latest developments. Soviet forces had remained stable from July until recently, but now there is evidence of movement. Two new command posts have been created just north of the Afghan border, there is a buildup of air assets, and two divisions may be on the move. There are about 5,300 Soviet military personnel in Afghanistan and approximately 2,000 civilians, some with families. CIA does not see this as a crash buildup but rather as a steady, planned buildup, perhaps related to Soviet perceptions of a deterioration of the Afghan military forces and the need to beef them up at some point. Most of the countryside is now in rebel hands, but no major cities are expected to fall unless there are significant defections from the Army. We believe the Soviets have made a political decision to keep a pro-Soviet regime in power and to use military force to that end if necessary. They either give this a higher priority than successful completion of SALT, or they may believe it is irrelevant to SALT. They may be ready to dump Amin, but they have not found a suitable replacement. (S)

The SCC, after some discussion, recommended a three part strategy. First, for the record, we will continue our diplomatic demarches to the Soviets on a private basis. There is no benefit in going public at this time. Second, we will explore with the Pakistanis and British the possibility of improving the financing, arming and communications of the rebel forces to make it as expensive as possible for the Soviets to continue their efforts. Third, we will attempt to increase propaganda pressure on the Soviets worldwide. We will recommend to our European allies that they encourage their press to pay more attention to the subject. We will also step up our efforts to cast the Soviets as opposing Moslem religious and nationalist expressions. (S)

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1.5(d)

[REDACTED]

We are hamstrung by the divisions within the tribes, and an effort to organize them would be a mammoth undertaking. However, we can put in enough to keep them active and perhaps prevent the Soviets from wearing them down. One additional option would be to circulate a letter at the Security Council drawing attention to the Soviet role in Afghanistan. The SCC felt that it would be better to wait until the hostage problem was resolved before such a move since we want to maintain maximum Soviet cooperation at that issue. (S)

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MEMORANDUM

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WASHINGTON

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December 26, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI 25.
SUBJECT: Reflections on Soviet Intervention
in Afghanistan

I will be sending you separately a proposed agenda for the NSC meeting on Friday, and it will focus on both Afghanistan and Iran. In the meantime, you are receiving today's SCC minutes on both subjects. This memorandum is meant merely to provide some stimulus to your thinking on this subject.

(b)(1)
As I mentioned to you a week or so ago, we are now facing a regional crisis. Both Iran and Afghanistan are in turmoil, and Pakistan is both unstable internally and extremely apprehensive externally. If the Soviets succeed in Afghanistan, and [REDACTED] the age-long dream of Moscow to have direct access to the Indian Ocean will have been fulfilled.

Historically, the British provided the barrier to that drive and Afghanistan was their buffer state. We assumed that role in 1945, but the Iranian crisis has led to the collapse of the balance of power in Southwest Asia, and it could produce Soviet presence right down on the edge of the Arabian and Oman Gulfs.

Accordingly, the Soviet intervention in Afghanistan poses for us an extremely grave challenge, both internationally and domestically. While it could become a Soviet Vietnam, the initial effects of the intervention are likely to be adverse for us for the following domestic and international reasons:

Domestic

A. The Soviet intervention is likely to stimulate calls for more immediate U.S. military action in Iran. Soviet "decisiveness" will be contrasted with our restraint, which will no longer be labeled as prudent but increasingly as timid;

B. At the same time, regional instability may make a resolution of the Iranian problem more difficult for us, and it could bring us into a head to head confrontation with the Soviets;

~~SECRET~~~~Review December 26, 1985~~

Declassify on: OADR

3-17-93
Partially Declassified/Revised on
under provisions of E.O. 12356
by S. Tiley, National Security Council

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C. SALT is likely to be damaged, perhaps irreparably, because Soviet military aggressiveness will have been so naked;

D. More generally, our handling of Soviet affairs will be attacked by both the Right and the Left.

International

A. Pakistan, unless we somehow manage to project both confidence and power into the region, [REDACTED]

B. With Iran destabilized, there will be no firm bulwark in Southwest Asia against the Soviet drive to the Indian Ocean;

C. The Chinese will certainly note that Soviet assertiveness in Afghanistan and in Cambodia is not effectively restrained by the United States.

Compensating Factors

There will be, to be sure, some compensating factors:

A. World public opinion may be outraged at the Soviet intervention. Certainly, Moslem countries will be concerned, and we might be in a position to exploit this.

B. There are already 300,000 refugees from Afghanistan in Pakistan, and we will be in a position to indict the Soviets for causing massive human suffering. That figure will certainly grow, and Soviet-sponsored actions in Cambodia have already taken their toll as well.

C. There will be greater awareness among our allies for the need to do more for their own defense.

A Soviet Vietnam?

However, we should not be too sanguine about Afghanistan becoming a Soviet Vietnam:

A. The guerrillas are badly organized and poorly led;

B. They have no sanctuary, no organized army, and no central government -- all of which North Vietnam had;

C. They have limited foreign support, in contrast to the enormous amount of arms that flowed to the Vietnamese from both the Soviet Union and China;

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D. The Soviets are likely to act decisively, unlike the U.S., which pursued in Vietnam a policy of "inoculating" the enemy.

As a consequence, the Soviets might be able to assert themselves effectively, and in world politics nothing succeeds like success, whatever the moral aspects.

What is to be Done?

What follows are some preliminary thoughts, which need to be discussed more fully:

A. It is essential that Afghanistani resistance continues. This means more money as well as arms shipments to the rebels, and some technical advice;

B. To make the above possible we must both reassure Pakistan and encourage it to help the rebels. This will require a review of our policy toward Pakistan, more guarantees to it, more arms aid, and, [REDACTED]

C. We should encourage the Chinese to help the rebels also;

D. We should concert with Islamic countries both in a propaganda campaign and in a covert action campaign to help the rebels;

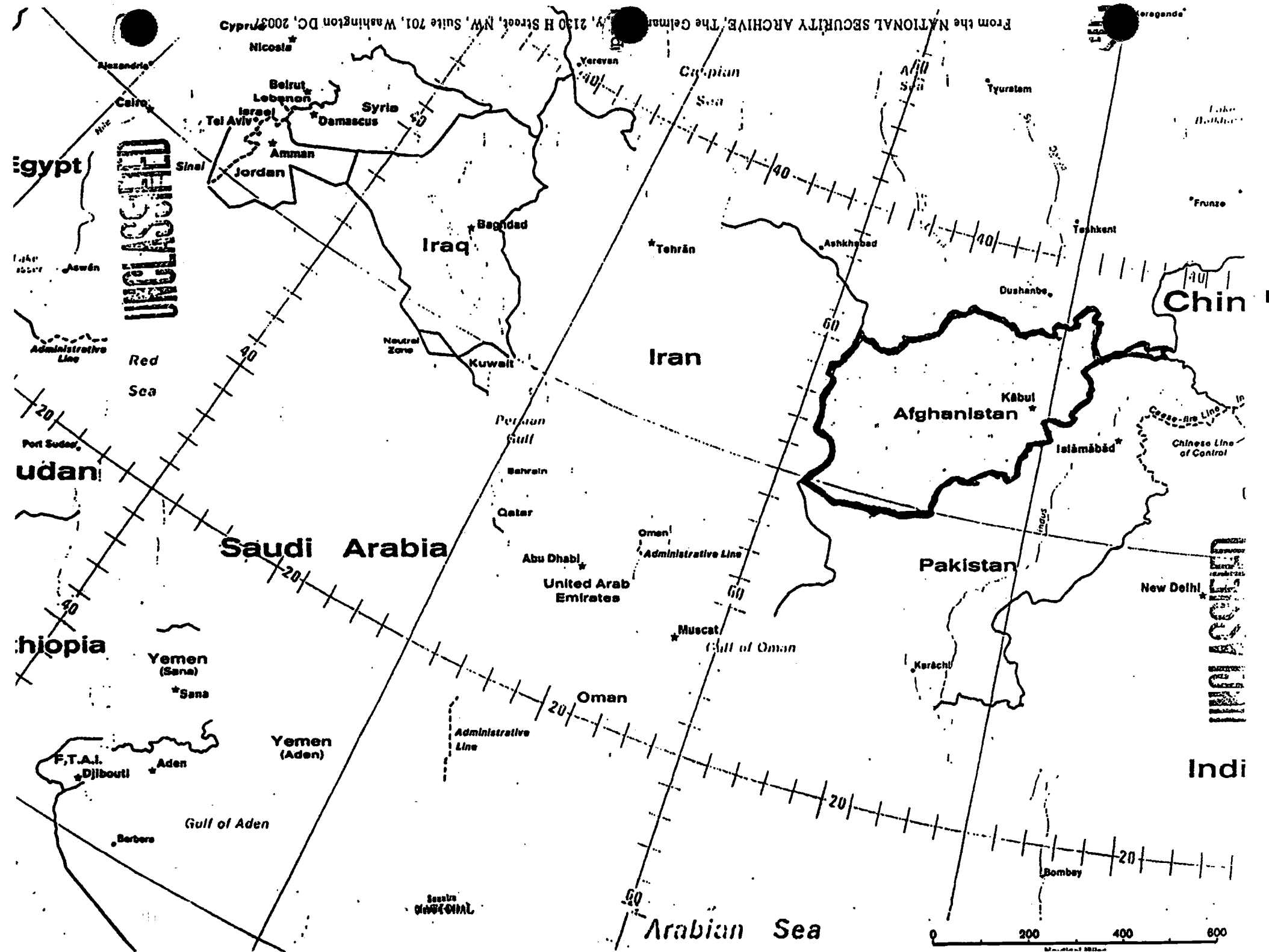
E. We should inform the Soviets that their actions are placing SALT in jeopardy and that will also influence the substance of the Brown visit to China, since the Chinese are doubtless going to be most concerned about implications for themselves of such Soviet assertiveness so close to their border. Unless we tell the Soviets directly and very clearly that our relations will suffer, I fear the Soviets will not take our "expressions of concern" very seriously, with the effect that our relations will suffer, without the Soviets ever having been confronted with the need to ask the question whether such local adventurism is worth the long-term damage to the U.S.-Soviet relationship;

F. Finally, we should consider taking Soviet actions in Afghanistan to the UN as a threat to peace.

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Keywords



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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January 14, 1980

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MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: JERRY SCHECTER 2-5.
SUBJECT: SCC Working Group on Iran and
Afghanistan: Public Posture (U)

We had our first meeting today and we discussed overall themes and dealt with immediate guidance on pressing issues. (U)

Looking at the immediate problems first: State, CIA, and Defense are looking into a report from Kabul by UPI correspondent William J Holstein that a Soviet division comprising at least 10,000 troops has taken up position along Afghanistan's border with Iran, within striking distance of Iran's oil fields. UPI sources said the 66th motorized rifle division, one of an estimated seven Soviet divisions that include about 85,000 troops in Afghanistan, had taken the position within the past "couple of days." (U)

This kind of report raises serious questions about Soviet intention and the possibility of movement or sweeps into Iran. First of all, we need confirmation of this report and a systematic description of the Soviet order of battle on the Iranian border. Then we need guidance on our best estimate of Soviet political and military intentions. (C)

We are also making an effort to single out intelligence items that can be declassified which point to the nature of the Soviet aggress against Afghanistan and efforts by Afghan freedom fighters to repel them. (C)

1.5(c) CIA will follow up on a report that the Afghan rebels were apparent opening floodgates and flooding rivers in eastern Afghanistan to disrupt Soviet convoys being sent into the area. [REDACTED] report of January 13 indicated the rebels were stopping the convoys of Soviet troops being sent to Jalalabad by raising the water level and were then firing on those troops. (25 [REDACTED])

In terms of broader public position efforts, some major themes emerge:

1. Iran.

A. The Hostages.

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we can identify the different groups, their leadership, and their political links. Such an effort would make credible our claims that Americans are being held by kidnappers and terrorists and that there is no government to negotiate with in Iran. By underscoring the nature of those holding the hostages, we would undercut their claims to be providing good care for the hostages. (C)

B. Iranian Sanctions

State will follow-up on a report that is being prepared on the impact of sanctions, particularly the political impact, since that appears to be more immediate than any long range economic impact. (C)

C. Iran's Isolation and Economic Desolation

State and CIA are looking into preparing a study on deteriorating economic conditions in Iran, emphasizing unemployment, lack of food and consumer goods, and amenities of life. They are also going to try and document the desertion of foreigners from Iran and the heavy cost that this will have on Iran's technology and economic development. All of this contributes to Iran's isolation and vulnerability. Hopefully, a piece like this would be played back in Iran and have an impact on moderate forces who seek to prevent the country from fragmenting further. (C)

2. Afghanistan: CIA is working on a three-part effort which would:

A. Provide a white paper with a chronology on the Soviet invasion.

(C) [REDACTED] (S)

B. Provide a paper on the geo-political rationale behind the Soviet invasion. (U)

C. Provide a paper which would relate Afghanistan to Iran to show Soviet efforts with the Tudeh party. The parallels are striking: Tudeh leadership maintained in East Berlin for years by the Russians; new Tudeh newspaper is published in Tehran. Who is the Iranian Babrak Karmal?; are the Soviets preparing an Iranian puppet? (C)

3. Soviet Exploitation and Persecution of Islam:

We need a documented study on this which I will try to follow-up on with Paul Henze [REDACTED] (C)

or James Critchlow.

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In sum, there are various themes which need to be documented and elaborated on in order to stress the basic policy points that the President has made. I suggest that the actual tasking be done not by me but by you or David at the formal SCC meetings. I sense a major gap between the theory propounded at the SCC and the practice of the White House, State, Defense and CIA. One of the things that has to be done is to make clear to the principals at the SCC that public perception of their goals can only be achieved when those goals are articulated with specific and meaningful examples. (Ø)

revised paragraph: "This would detail the visit of political commissar Yepishov to Afghanistan last spring, followed by the visit of Marshal Pavlovsky last summer with a full team of staff planners. This would be complemented with detail on how the invasion was planned and executed. (S)



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THE WHITE HOUSE

WASHINGTON

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SPECIAL COORDINATION COMMITTEE MEETING

Thursday, January 17, 1980

TIME AND PLACE:

9:00 a.m. - 10:45 a.m.
White House Situation Room

SUBJECT:

SCC Meeting on Southwest Asia and
the Persian Gulf

PARTICIPANTS

State

Secretary Cyrus Vance
Deputy Secretary Warren Christopher

Defense

Secretary Harold Brown
Ambassador Robert Komer

JCS

Chairman General David Jones
Lt. General John Pustay

CIA

Deputy Director Frank Carlucci
Robert Ames
Charles Cogan

OMB

Deputy Director John White

White House

Dr. Zbigniew Brzezinski
Hamilton Jordan
Jody Powell
Hedley Donovan
David Aaron

NSC

Colonel William E. Odom
Captain Gary Sick
Thomas Thornton
Fritz Ermarth

SUMMARY OF CONCLUSIONS

Dr. Brzezinski explained that the purpose today is to cover a number of points, not all of them for decision, but as information and recommendations to the President as a backdrop for the decision he will shortly be making about our policy toward Southwest Asia and the Persian Gulf region. He noted the agreement about the strategic dynamics of the Soviet military move into Afghanistan expressed at the previous SCC, the consequences for Pakistan and Iran, and also the importance of Soviet influence in Yemen and Ethiopia.

Dr. Brzezinski also added that the Soviet publication "New Times" has issued a call for all Communist states and parties to seize new revolutionary opportunities created by the present political conditions in the world, disturbing evidence of present Soviet policy directions

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Review on January 17, 2000
Extended by Z. Brzezinski
Reason for Extension: NSC 1.13(e)

SANITIZED

E.O. 12958, Sec. 3.6

PER SLICK NSC RE 96-217
11/21/98

Military Assistance to Pakistan

Dr. Brzezinski and Secretary Vance commented that the President's meeting with Agha Shahi went as well as could be expected. Secretary Brown asked how we will deal with the situation if the Pakistanis insist they want \$1 billion in aid while we only offered \$400 million. Secretary Vance predicted that they will take our \$400 million and complain, not reject our aid.

Dr. Brzezinski asked about the French willingness to sell the Mirage aircraft to Pakistan. Secretary Vance reported that the French will probably supply the Mirage. As a next step, it will be discussed at the Political Directors Meeting in London on January 24th. State will push France to make a decision by then.

Dr. Brzezinski raised the question of American A-7 aircraft for Pakistan. It was pointed out that the Pakistanis did not ask for them. Rather they asked that they be supplied with aircraft sufficient to protect themselves against the Soviet air threat, implying, of course, for the need for the US F-16 or the Mirage. The A-7, as Dr. Brzezinski pointed out, would be very useful in a ground support role along the Western frontier. Furthermore, because the U.S. has a large number, nearly 700, it can undoubtedly spare 30 or 40. Secretary Brown agreed the Pakistanis might be willing to buy some A-7s.

Military Consortium

Dr. Brzezinski asked for Defense's proposal for a division of labor among the members of the military consortium. Secretary Brown submitted a paper showing which countries can produce what categories of military equipment. The issue of who pays remains to be solved, he added. Secretary Vance noted that according to Agha Shahi, the Saudis promised Pakistan \$800 million for military purchases over a year ago but have not yet delivered. We should press the Saudis to make the promise good.

Concerning Japan, Vance has instructed Phil Habib to ask the Japanese for \$400 million for the consortium. They may give less, but Vance feels we should ask for that much. We will get little from Britain and France, he continued, but the French should be willing to sell them aircraft and the British will certainly be willing to sell tanks and tank guns. Secretary Brown added that the U.S., France, and Germany can provide anti-tank weapons, much needed for insurgency and defense. It was also pointed out that the Pakistanis want foreign assistance for building a communications infrastructure on their western front.

Dr. Brzezinski asked if we need a big consortium figure for public and political effect such as \$1 billion. Secretary Brown observed that one to one and a half billion dollars for equipment spread

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over three years could be absorbed effectively by the Pakistanis; therefore, Dr. Brzezinski's figure is about right. Dr. Brzezinski added that we must avoid a figure which is so high that we are open to criticism that we are "saturating" Pakistan with arms the same way we did Iran.

Dr. Brzezinski added that we need a military equipment package and a concept for a division of labor which we can propose to the allies. Secretary Vance suggested that this be done at the upcoming Political Directors Meeting on January 24. Dr. Brzezinski agreed; we must supplement our delegation with technical teams sufficiently competent to make concrete decisions on both funds and equipment.

Agreed action:

- State will press France on the Mirage aircraft.
- The Political Directors Meeting will be reinforced with sufficient staff to discuss military assistance and funding.
- The U.S. will give an exemplary package to the Political Directors as a proposal for a division of labor.
- To fund the consortium, we will press the Japanese for \$400 million and the Saudis for \$800 million which, combined with our \$400 million, should be above \$1 billion.
- Britain and France will be encouraged to supply specific military equipment.

U.S. Assurances to Pakistan

Secretary Vance reported that we are still working out contingency scenarios to define circumstances under which we would come to Pakistan's military assistance against foreign attack. Secretary Vance promised to have a paper by Friday or Saturday which spells these out in considerable detail for the President.

It was agreed, at Secretary Vance's suggestion, that this is the next big decision issue which should be discussed with the President.

Contingency of a Soviet Invasion of Iran

Dr. Brzezinski proposed that the President mention in his speech that the United States has been committed to the independence of Iran for the past 30 years and remains so committed today. Secretaries Vance and Brown wondered if this does not so clearly imply our previous ties to the Shah that it will provoke Khomeini's public rejection and fail to achieve the political effect in the

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region for which it is intended. Dr. Brzezinski observed that we must simply accept the cost of a possible Khomeini statement because our vital interests in the area are so great. Secretaries Vance and Brown suggested omitting reference to "30 years." They accepted Dr. Brzezinski's alternative language "as we have been" so that a sentence in the speech might read: "The U.S. remains committed to an independent Iran today as it has been in the past."

Agreed action: The record of the meeting should solicit the President's reaction to this proposal.

*Covered on what
the Press*

Approve _____ Disapprove _____

Military "Facilities in the Region"

Dr. Brzezinski expressed concern that while progress is being made on the technical level in acquiring military facilities, we are lagging on the political level. We need to expedite giving political assurances to the host countries. Until we do, these countries are vulnerable to Soviet pressure to reject our requests. They have already been exposed in the press as potential locations for U.S. facilities; some are undoubtedly already being pressed by the Soviets to reject the U.S. request.

Secretary Vance reported that State is now drafting messages to our ambassadors in these countries instructing them to discuss political assurances. Hal Saunders added that if the President mentions these countries in his speech, it might kill their willingness. Dr. Brzezinski reemphasized that they have already been fingered in the press. The danger for us is the gap between political progress and technical progress. He proposed a Presidential message, a very candid one to Oman and Somalia, giving political assurances in principle to be followed up by more specific details at the diplomatic level. Vance and Saunders argued that any assurances must be specific because we must also consult with the Congress before we are committed to them. Dr. Brzezinski conceded that while those points may be legally valid, they do not deal with the present political vulnerability of the states we want to assist. Secretary Vance proposed that we go to these states with messages which make the following points:

-- We agree in principle to political assurances and therefore want the technical teams to proceed as rapidly as possible.

-- Ask the head of state if he objects to the President mentioning publicly his country in connection with U.S. military facilities.

-- Promise to consult with the Congress as soon as the details on the assurances can be worked out.

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-- Reaffirm publicly that the United States considers its interests in the region vital.

Agreed Action: A draft of the message proposed by Vance is to be cleared later today with the NSC staff.

Harold Brown said we need more flights into Djibouti. They pointed out that we already have access to Pakistan, but more permanent "military facilities" would be desirable. It was argued that we should not raise this issue with the Pakistanis until the military assistance package to Pakistan is worked out in more detail.

Agreed actions:

-- Ask for more flights into Djibouti.

-- Postpone discussion of "military facilities" in Pakistan for a few weeks.

-- Vance, Brown, and Brzezinski will call about ten key Congressional leaders to give them a progress report on our efforts to acquire military facilities in the region. The NSC staff will provide talking points to ensure that the same message is given to all ten Congressmen.

Enroute Basing and Overflights

Secretary Brown said that Defense has been ready for some time and is waiting for State to go forward, asking Spain, Morocco, Portugal, Philippines, and others about contingency overflights and base use. Some argued that to ask now might ensure a turndown. Dr. Brzezinski argued that it is important to tell these countries now that we are serious, that we are making plans, and that we may be asking them in the future but we are not asking for a positive response at present. General Jones noted that we already have effective access to countries and need no commitment; furthermore, what we need in each country is different. In Morocco, for example, we would like to pre-position fuel. The two most urgent cases are Spain and Morocco. Secretary Vance insisted that he needed a chance to check once more on the Moroccan situation before taking a final position.

Agreed action: Pending Vance's check on the Moroccan situation, inform Spain and Morocco that we are planning for crises; vary the message to each according to what we want it to provide. State and Defense will prepare this message.

Military Exercises and Deployments in the Region


Secretary Brown raised Diego Garcia. There are two issues, present use, and longer term construction programs. Romer argued that

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because Diego Garcia is the only reliable base in the Indian Ocean, we need to undertake the expansion. General Jones said that it would cost about \$500 million spread over the next five years.



Agreed action: OMB will look into funding not for this year but for FY 1982 and later.

Next the discussion turned to military exercises. General Jones reported that a Marine amphibious unit, about 2,000 strong, and a group of four to six ships can exercise in any number of places in the region, Oman for example, and Egypt. Followup units, up to a Marine brigade, can also participate.

Dr. Brzezinski declared that an exercise is needed for its political effect as a demonstration of American determination to remain in the area. Secretary Vance replied that privately political leaders in the region will like it, but publicly they will have problems. He therefore recommended that an exercise be held in Diego Garcia. Secretary Brown insisted that such an exercise makes no sense, and therefore would have no desired political effect, perhaps even an undesired effect. Oman, Saudi Arabia, and Egypt were discussed as possible exercise sites. Dr. Brzezinski proposed that we ask Oman and Saudi Arabia, and if they turn us down, we should ask Egypt where a positive response is almost assured. Secretary Vance asked that this be delayed ten days until after the President's speech.

Dr. Brzezinski next raised the question of a U.S. airborne brigade projected into the region for an exercise, possibly a combined exercise with Jordan and Saudi Arabia. This could take place later in the spring or summer. Secretary Vance argued that the political problems are simply too great for us to attempt this. Dr. Brzezinski agreed that we should not overload ourselves with this undertaking but that Defense should look into the costs, planning, and other details.

Agreed actions:

-- State will go forward and seek political assurances on enroute basing and overflights.

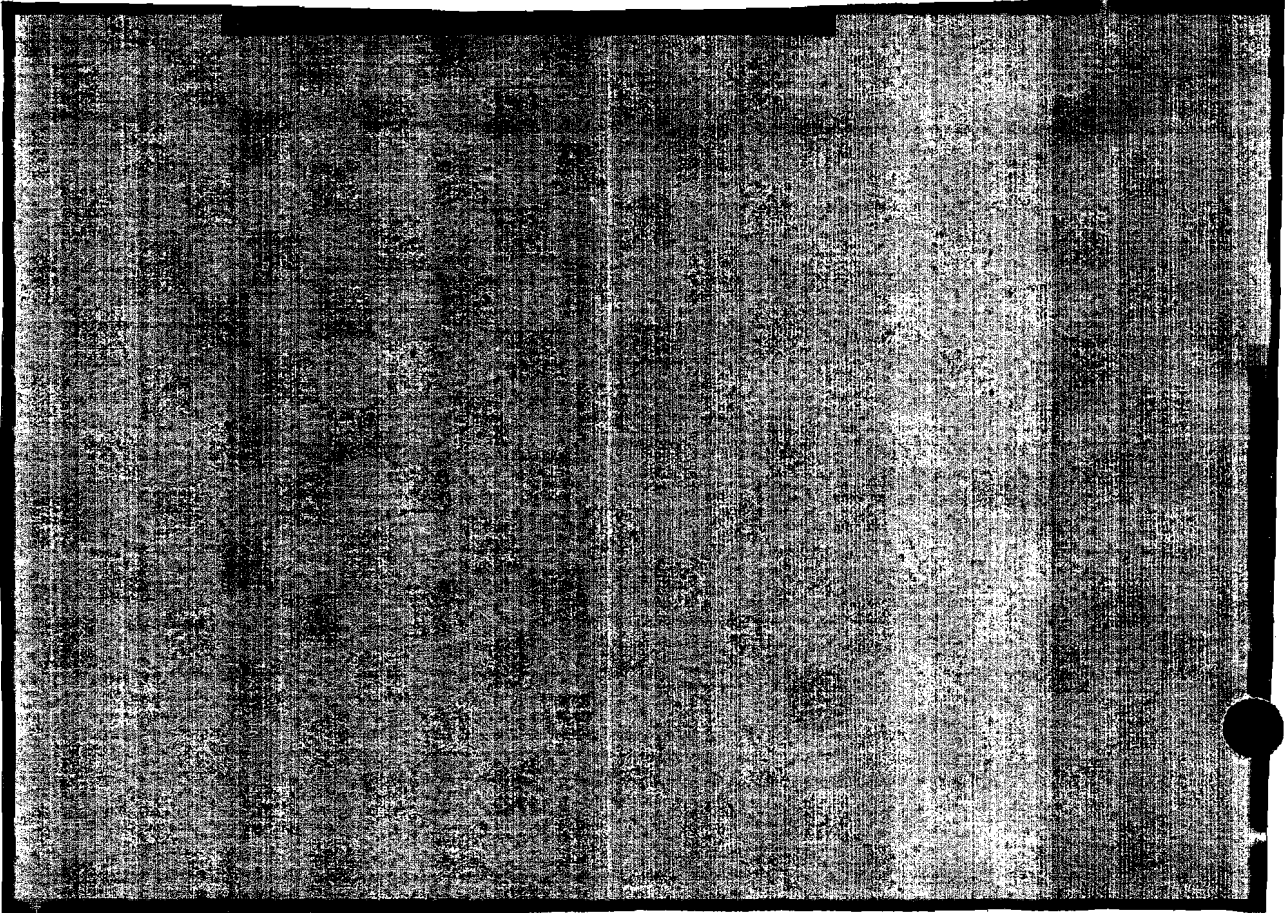
-- We will wait ten days and seek permission for a military exercise in Oman or Saudi Arabia, then Egypt if the first two are not forthcoming.

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— Gently probe Jordan on the possibilities of a combined US/
Jordan/Saudi Arabian exercise.

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Afghanistan Insurgency

Secretary Vance reported that Agha Shahi calls the insurgency in Afghanistan "a dangerous lightning rod" and, therefore, a very difficult decision for General Zia. Dr. Brzezinski commented that a massive insurgency at present is probably not in our best interest. Rather a low-level and enduring insurgency is essential to keep the Islamic states mobilized against the Soviets in Afghanistan.

Secretary Brown added that Agha Shahi's comments were probably not meant to indicate that Zia will be backing out, but rather to keep the option open for the future.

Afghanistan Refugees

State reported that it is possible for the United States to provide bilateral aid for refugees in Afghanistan as well as aid through the UNHCR.

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Agreed action: State was tasked to prepare a plan for providing at least a small part of their refugee aid through bilateral channels and present it at the next SCC on refugee support.

Dr. Brzezinski observed that the large degree of consensus on all agenda issues today may negate the need for an NSC meeting with the President on the same topics. All agreed and Secretary Vance added that the next issue we need to discuss directly with the President concerns the contingency scenarios for Pakistan and the assurances we give that government.

Secretary Vance then added two additional items to the agenda.

U.S. Boxing Group to the Soviet Union

Secretary Vance reported that a boxing team is to depart for a competition in the Soviet Union in five days. All agreed that we should discourage them from going.

Agreed action: Secretary Vance and the Vice President, and possibly Lloyd Cutler, will discuss the matter directly with them to discourage their participation.

Backgrounder on Christopher Trip to Europe

All agreed with Secretary Vance's proposal that Warren Christopher give a press backgrounder on his recent trip to Europe in order to prevent speculation and misleading reports. Christopher will emphasize the Afghanistan side of his mission because the allies were more forthcoming on that issue. He will deemphasize the Iranian side because the results were less encouraging.

Agreed action: Christopher will give a backgrounder.

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MEMORANDUM OF CONVERSATION
(IRAN WORKING GROUP)

DATE: January 18, 1980

TIME: 1330 hours, EST

PARTICIPANTS: [REDACTED]

Foreign Minister Ghotbzadeh

[REDACTED] found him extremely agitated. The conversation opened with an angry Ghotbzadeh complaining about the ABC report that Khomeini had approved Waldheim as a mediator. Ghotbzadeh said the report had hurt him seriously. He was angry that his denial had not been printed in the U.S. [REDACTED] assured him that it had. Ghotbzadeh said he would issue a second denial anyway.

Ghotbzadeh sounded increasingly desperate in the discussion that followed concerning the extradition trial of the Shah in Panama. It was essential to move quickly on a trial. The trial should be started before the elections. He accused the U.S. of blocking Panama. Ghotbzadeh was angry that the Panamanians wanted to negotiate with him. They wanted the hostages released first. He said, "Don't they understand my situation?" The hostages could only be released after the beginning of the trial -- "Only after it had started."

Ghotbzadeh said if he didn't succeed, the U.S. would have to deal with a Foreign Minister from the extreme right who would be willing to hold the hostages for six months.

[REDACTED] asked him about the investigating commission. Ghotbzadeh said it was something else they had to work on, but obviously the situation in Panama was consuming him. [REDACTED] asked him how could U.S. be sure that the hostages would be released after a trial started. Ghotbzadeh said "My word is enough."

[REDACTED] said he believed Ghotbzadeh's desperation reflected his awareness that he would be cast aside if Bani-Sadr or anyone else were elected President. Thus, Ghotbzadeh's very survival depended on a success in the confrontation with the U.S.

Dist: S, D, P, NEA, NSC (Capt Sick), CIA, (Mr. Cogan)

Drafted: NEA/IWG:HPrecht/dr
1/18/80

SANITIZED

E.O. 12958, Sec. 3.6

PER [REDACTED] RE [REDACTED]
BY [REDACTED] NARS DATE 8/27/97



January 22, 1980

EYES ONLY

TO: PRESIDENT CARTER


FROM: HAMILTON JORDAN 70

In the next several months, you will shape, define and execute a new American foreign policy that will not only set the tone for U.S.-Soviet relations for the next twenty years, but will, largely determine whether or not our country will play an effective role as the leader of the Free World and, in that way, diminish the possibility of nuclear confrontation. We live in a more dangerous world today than it seems we have lived in since the Cuban missile crisis.

For you to pursue this new policy and to execute the decisions that you must make, it seems to me that you have to be relatively unrestrained both politically and substantively. For that reason, it seems that we must have two very high priorities over the next 30-45 days.

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BY Q NARS. DATE 1/23/80

First, we need to eliminate Kennedy from the political race so that you will not be preoccupied with the campaign nor restrained politically from doing whatever is necessary to meet the Soviet challenge. You will need to have the time to focus on this problem and the flexibility to make decisions that will be unpopular with some of the elements of the Democratic Party - the registration decision is a good case in point. Also, if we wrap up the nomination, it will give us more time to prepare for the general election and pull the party together for a tough general election campaign.


This means that we need to make an all-out effort to beat Kennedy in both Maine and New Hampshire. I will be working with Kraft and Strauss on this. It will not be easy but can be done.

Secondly, and a much more difficult goal is to find some way to resolve the hostage situation in the next 30-45 days so that we can begin to build a relationship - however tenuous - with the Iranian government that undermines

Soviet influence in the country and discourages Soviet military intervention.

I would not want to imply in any way that you, Cy, Zbig or the excellent team that has been working on this matter have not done everything humanly possible to obtain the safe release of the hostages. Our position which was developed at the Camp David meeting was correct both substantively and politically. Based on my own recent involvement in this matter and discussions with both the French contacts and with Professor Cottam, I have concluded that the situation does not exist now nor will it exist in the near future whereby the hostages are released simultaneously with the other steps we are willing to take. For that reason, it seems to me that we have to at least consider taking some risks in obtaining their release that were neither feasible or advisable before the Soviet invasion of Afghanistan. This is not to suggest that we have to abandon any of our basic principles, but that we are going to have to consider modifying our tactics.

The substantive gap between the Iranians and ourselves is significant. The internal political situation is so fragile and fluid that no present or future leader of the civilian government will be able to agree in advance to the simultaneous release of the hostages. Rightly or wrongly, they will argue that to create the proper political atmosphere for obtaining Khomeini's blessing for the release of the hostages, there must be some actions taken that can be used with Khomeini and by Khomeini as evidence that he has won the battle with "the U.S. imperialists."

If this analysis is correct, it would mean that we would need to develop a scenario that included the early release of the hostages after some steps that tested each other's seriousness of purpose. I doubt very much if Ghotbzadeh or the future leadership of the government would be able to agree in advance to a scenario that had Khomeini's blessing. Professor Cottam says that Khomeini does not think or operate in that way.

This would mean that through ^{direct} indirect channels we would have to develop a joint scenario with the risk that it would not be successful and presumed on the front end

~~that the steps~~ ^{that} that the steps we took would create the proper atmosphere for Ghotbzadeh, or Bani Sadr or Behesti to go to the Ayatollah and say that, "we have won, and it is time to let the hostages go". The great risk would be that Khomeini would reject their plea and we would be back at square one having used up most of our bargaining chips.

Such a scenario would only be useful if we had good reason to believe that Khomeini himself is looking for a way out. If he is not, then the risks would not be worth taking.

If this was done, it would have to be done in a way that did not appear to Khomeini or to the others in the ^{US} Revolutionary Council as a sign of weakness that ~~would~~ could then only invite a possibly harder line.

If you are interested in pursuing this possible course of action, it would require you, Cy, Zbig, the Vice-President and others addressing several questions.

1. What would be the best scenario we could develop that did not undermine our nation's principles, but at the same time send a positive signal to the moderates in the Revolutionary Council that could be used effectively with the Ayatollah for the release of the hostages?

Let me give you an example of the kind of scenario that might be developed:

Step 1. Statement by President Carter that "beyond the resolution of the hostage crisis, the United States desires to have a friendly relationship with the people and government of Iran".

Step 2. Iran responds with a statement by either the Foreign Minister or new President that "the early release of the hostages is a goal of the Revolutionary Council".

Step 3. UN resolution is introduced with U.S. support establishing a commission of inquiry.

Step 4. Statement from Iranian official that at the time that the commission completes its report, it will release the hostages.

Step 5. If step 4 takes place, U.S. supports UN resolution. If it does not, U.S. vetoes resolution in the Security Council.

Step 6. Commission of Inquiry is set up with a ten day limit on its activities. Travels to Iran to receive testimony.

Step 7. Commission completes report and on agreed upon date, issues report simultaneous with announcement from Iran that the hostages will be released within twenty-four hours.

Step 8. At the time the hostages are put on plane, the Panamanian government announces that it has received formal request of extradition and that it

will be referred to their Attorney General in accordance with Panamanian law.

As I wrote this, I was just thinking out loud. It would probably be better to use the Panamanian "card" earlier and also to build in additional steps and gestures to safeguard this process. But, it is my opinion that some scenario like this will have to be worked out before our people are freed. I believe that U.S. public opinion would support our taking such a chance although it would look bad if we failed.

2. If such a scenario is developed, what is the best way to present it - through Waldheim, the PLO, direct contact or other means? Since there are several parties involved - the Panamanians, the United Nations, etc., it seems that we would have to make a decision as to how to present this.

3. Thirdly, and of critical importance, when would we present this?

A basic decision would have to be made as to whether or not it would be best to pursue this during the run-off or after the election of a new President.

Assuming that Ghotbzadeh does not make the run-off - and you can see from the attached "Memcon" that he no longer thinks that he will - a critical question would be whether or not the contacts that we have had with him could be transferred to the new leadership. We should do what we can to encourage Ghotbzadeh to transfer these contacts to the new leadership. This could also be a way that he could keep himself involved and possibly ingratiate himself with the new leadership.

Another thought is that if Ghotbzadeh is a lame duck, possibly he and/or Khomeini would be willing for him to take the heat for resolving the hostage situation.

I am just thinking out loud, but it seems after your State of the Union Address, you should spend some time with Zbig, Cy and his excellent team talking these things through. I strongly believe that we do need a new approach that is inherently risky for both our country and for you politically.

Also, you should review the attached "memcon". Our trip was taken seriously. I hope that we are not undercutting

Waldheim's credibility with Ghotbzadeh, but Hal Saunders and Cottam report that he has been down on Waldheim for the past several days for some reason.

P.S. I remain willing to go to Iran if that is ever necessary. Also, shouldn't we inform Waldheim of this?

THE SECRETARY OF STATE
WASHINGTON

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EYES ONLY
SENSITIVE

TO: The President
FROM: Cyrus R. Vance
SUBJECT: Iran--Alternative Negotiating
Strategies

Over the next month a new political situation will evolve in Iran. The purpose of this memo is to take a look at a fresh approach to negotiating the release of our hostages in that period.

The Time Frame

The time frame is set by the series of elections which began with the first round of the Presidential elections on January 25. Bani Sadr appears to be the winner. The Assembly elections are scheduled for February 15 but may be delayed until later in the month. The next step will be appointment of a Prime Minister by the President and the selection of a Cabinet by the Prime Minister, but none of them will have authority until approved by the newly elected Assembly.

During this transitional period, a major religious celebration is scheduled the week of February 10 to commemorate the 15th centennial of Islam and the anniversary of the Revolution. These dates could provide an occasion for releasing the hostages if the way is paved.

The new government will take office only when the Assembly sits and gives it a vote of confidence, presumably around the end of February.

Analysis of the Present Negotiating Situation

We have been frustrated until now by the absence in Iran of a firm decision to resolve the crisis and negotiating partners who could with authority negotiate with us directly or designate a particular intermediary to negotiate for them.

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E.O. 12958, Sec. 3.6

PER 6/18/84 RE NLC-97-15

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If the word brought by [REDACTED] is correct, Ghotbzadeh and the President-elect may now be receptive negotiating partners. We are told by [REDACTED] that, before the election, Khomeini and the Revolutionary Council placed the hostage problem in the hands of Foreign Minister Ghotbzadeh, who was to keep the President-elect and Khomeini informed. (A summary of the January 25 talk with [REDACTED] is Attachment 1.) That may have changed with Bani Sadr's landslide victory. He may well decide to take full charge of the hostage crisis and impose his own views which may differ from the ideas of Ghotbzadeh. Therefore, our first task is to check with him any ideas on procedures and on a scenario.

In addition to [REDACTED] other potential intermediaries are waiting in the wings.

Alternative Approaches

There are two views of how the release of the hostages might be negotiated:

Approach 1: The first is reflected in our approach to date and in the position given to the Iranians by Waldheim on January 12 (Attachment 2). Until now we have concentrated on ending the crisis by seeking to arrange a package in which (1) all elements of the package would be firmly agreed in advance and (2) release of all hostages would take place simultaneous with initial gestures toward the Iranians.

Approach 2: More and more, we are hearing from the Iranians that Khomeini's way of operating makes it impossible to agree in advance on all elements of a scenario. They say it will be necessary to take several steps to begin changing the climate in Iran and then to go to Khomeini for agreement to release the hostages. They admit that he may reject that step; there is no way of assuring a positive decision in advance, so this approach would involve risks on our side. The Iranians would like the maximum in gestures toward them before beginning release of the hostages--for instance, completion of an international inquiry and the acceptance of its report. [REDACTED] feel we should begin with the early

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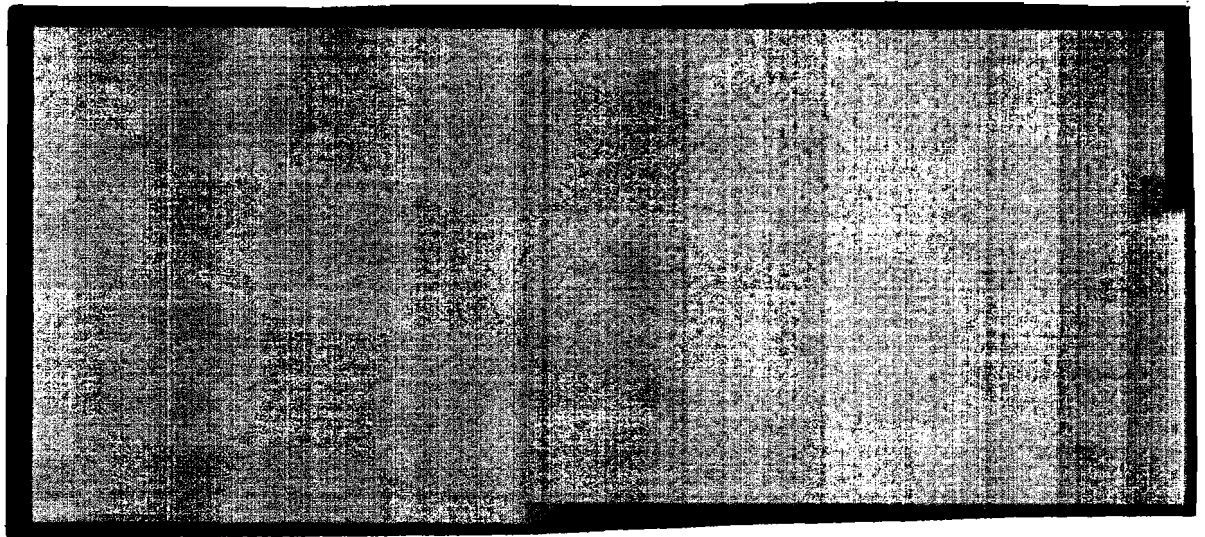
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steps in a scenario fully agreed but leave the later steps to be worked out in detail as we proceed. At the outset, we would aim only at a general understanding of the later steps.

If we are to consider seriously moving to an approach like the second above, the issues for us are: (1) how far we can proceed before insisting on release of the hostages; (2) what means we can build into a scenario for testing at each stage the Iranians' ability to respond to our moves so we don't give away too much without a response; and (3) how we can justify each step to the American public since this approach would alter some of the strong positions we have taken previously.

Channels for Communicating

Our French contacts have suggested agreeing on an international figure, for example [REDACTED], to play the dual role as head of a commission of inquiry and as intermediary. They recognize that [REDACTED] may not be acceptable to us and are prepared to try out other suggestions on the Iranians. In my view, [REDACTED] is not the right person because he is too committed to his own ideas and is not likely to listen well to our concerns. I will be talking to Waldheim about other possibilities. The French contacts would be willing to assist in implementing the scenario.



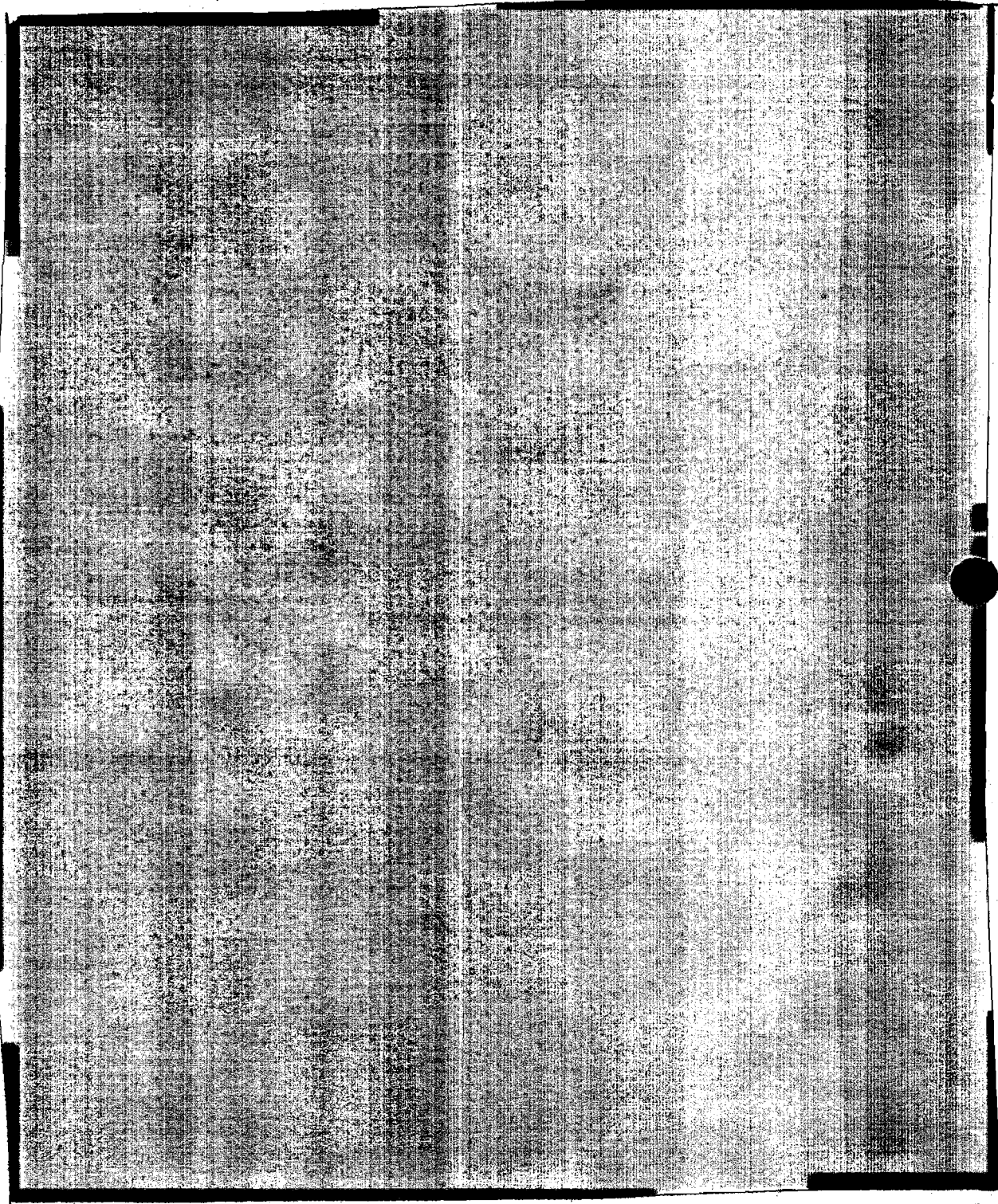
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A Possible Scenario

The substance of our negotiating position remains as you approved it to be given to Waldheim January 13 (Attachment 3). The issue is how to construct a series of steps which can lead to the release of the hostages and to a resolution of those U.S.-Iranian issues which must be resolved.

We would operate on the assumption that it continues to be desirable to have a variety of approaches to the Iranians, especially Khomeini if he is well enough. A number of contacts tell us that no one can ask Khomeini to do something; it is necessary to create a situation which he analyzes as ripe for a certain step. Several prominent figures are already planning visits to Tehran. As part of this process, various visitors to Iran would concentrate on two points: (1) the need for a decision to release the hostages or at least to remove them to more humane conditions in custody of responsible authorities; (2) the need to help publicly in Iran to change the climate of opinion. These people would not have a mandate to negotiate on our behalf. Most of them are already in the process of trying to go to Tehran. They would include:

- Any representatives of the Islamic Conference who decide to approach the Iranians.
- [REDACTED] can meet with Khomeini if he is well enough and the captors in our compound as well as with Bani Sadr.
- [REDACTED] could also presumably see both.
- [REDACTED] would go with significant Islamic credentials and can see Khomeini.

The following steps are an elaboration of Approach 2 above, taking into account suggestions made by our French contacts. They are developed as a controlled set of steps so each step contains a move by each side and the process can be stopped before the next step begins if Iran does not do its part.

- Step 1 would be a combination of moves designed to confirm with President-elect Bani Sadr as well as with Ghotbzadeh that an agreed channel for managing a scenario exists and that a decision

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has been made on both sides to make a series of reciprocal moves that could lead to a resolution of the current problem:

- Ghotbzadeh has responded to the Jordan/Saunders trip to London by sending the French lawyers to Washington with tangible evidence of good faith. The Iranians also regard your written message to Congress as a positive step on our side.
- To establish the channel, at least in the next stage, we could send a message via [REDACTED] to Ghotbzadeh from Hamilton that we have taken the Washington talks with the Frenchmen seriously and are sending a message to Tehran with them. They could also carry a letter from Hamilton.
- To establish the procedure we could send a message via the Frenchmen to both Bani Sadr and Ghotbzadeh that we are prepared to begin a series of reciprocal moves. We would start by removing our objection to Waldheim's appointment of a commission of inquiry provided Ghotbzadeh (a) will ask Waldheim for a commission "to hear Iran's grievances and to help achieve an early end to the crisis between the U.S. and Iran" and (b) will assure Waldheim in writing that the commission will, in the course of its investigation, meet with each of the hostages.
- Since we would be changing our position to allow the commission to go to Tehran and begin work before release of the hostages, we would need to be able to say publicly that the commission is going on a fact-finding mission to Tehran to hear Iran's concerns, to meet with each of the hostages, and to report on the present situation to the Secretary General. We would object publicly to any contact with the hostages for interrogation in connection with the inquiry. We would say it remains important for us to determine the well-being of each of the hostages. The Iranians, of course, would play the appointment as a victory and the visit to the hostages as part of the inquiry into Iran's grievances.

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- We would need to assure ourselves that Waldheim is prepared to cooperate with us on this basis. I would send Hal Saunders to see [REDACTED] and perhaps go to talk with Waldheim myself. We would need to assure that Waldheim puts a responsible person in charge of the commission and that Waldheim has some agreed control over the limits within which the commission will operate. We would want to work with him on its terms of reference. Because the Iranians have stressed that U.S. objections on technical grounds to the creation of the commission would enhance its credibility in Iran, we would have to work this out with Waldheim.
- Step 2 would bring the commission of inquiry into being only when the Iranians had made their formal request to Waldheim under Step 1:
 - Waldheim would announce appointment of the commission. He would act using his good offices authority and referring to his talks in Tehran and to the Iranian request. Before making his announcement, he would have to select a chairperson and agree on the timing of the commission's report and its terms of reference. The mandate would insure that the commission would remain a fact-finding mission as contrasted to a judicial tribunal.
 - Iranian authorities would announce in the name of the Imam (with assurance that the captors in the compound will acquiesce) that the commission will have Iran's cooperation in seeking a resolution of the crisis and will meet with all the hostages individually.
 - The commission would not leave New York until the Iranian announcement had been made.
- Step 3 could involve consolidating and restraining Panama's position on the extradition proceedings. This is already underway. Since this was Ghotbzadeh's ploy, Bani Sadr may not be interested. We have no interest in it. But if some movement is necessary, the following moves may serve Iranian needs and limit the risks:

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- Iranian authorities would state that they will seek extradition within the framework of Panamanian law.
- Iran would appoint a Panamanian attorney to participate in the extradition proceedings.
- The Government of Panama would ask the Shah to "place himself at the disposal of the Panamanian government." The Shah would not be arrested.
- The legal proceedings would then drag out without result.
- Step 4 would focus on the commission's work in Tehran:
 - While the commission's movements will be public, the commission would hold discussions privately in Tehran. It would go to the compound as early as possible to review evidence with the captors and to meet with each of the hostages privately, ostensibly as part of the inquiry but primarily to determine the condition of their confinement and their health.
 - The commission (1) would announce that it is ready to return to New York with its report to the Secretary General on Iran's grievances and (2) would report to the Revolutionary Council, which would pass the report to Khomeini privately, that the conditions of the hostages' confinement are inhumane and that no report to the Secretary General will have credibility if these conditions are not changed.
 - Khomeini would have the hostages transferred to a hospital under the shared custody of Iranian authorities and representatives of the commission.
 - The commission would not take its report to New York until the hostages had been transferred from the compound.

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-- Step 5: report and release.

- The Commission would report to the Secretary General two days before Iran's religious celebration, which is scheduled the week of February 10.
- The commission could recommend that the U.S. and Iran form a joint U.S.-Iranian Commission to resolve outstanding issues between the U.S. and Iran, including lifting the freeze on Iran's assets and resolving claims. The recommendation could stipulate a period within which work should be completed.
- Khomeini would "pardon" and expel the hostages in connection with Iran's religious celebration.
- The U.S.-Iranian talks would not start until the hostages are released.

While key Iranians would know the entire proposed scenario, we would have to start not knowing that they could deliver in the end. But each step has built into it a step that the Iranians would have to take before that step is completed or the next step taken.

One other factor could figure into the above scenario. If it seemed useful at some point, we could delay implementation of economic sanctions.

Monitoring and Negotiating the Detailed Scenario

Implementing this scenario would require someone on the ground in Tehran to reach an understanding on the scenario as an objective, to keep it on the tracks, and to make necessary adjustments as it evolves.

The Chairperson of the Commission would have to be involved, but someone else would also have to be involved. We would also need rapid communication.

To begin with, I think we should send our French contacts back to Tehran with the above scenario refined to reflect your views. If Bani Sadr agrees to proceed, when the commission goes to Tehran we would have to set up quick communication with the Frenchmen or, more likely, station

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one of our own people--with Bani Sadr's agreement--in the Swiss Embassy in Tehran or in a place like Paris or Kuwait with quick access to the Frenchmen.

Recommendation: That you approve our exploring the possibility of reaching an understanding with the Iranian authorities on a scenario along the lines of the above.

Attachments:

1. Memorandum of Conversation
2. Waldheim Position Paper
3. U.S. Negotiating Position Paper

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DEPARTMENT OF STATE

Washington, D.C. 20520

January 27, 1980

MEMORANDUM

TO: IWG - Mr. Precht

FROM: John L. Washburn

SUBJECT: Conversation with [REDACTED]

I talked to [REDACTED] for over an hour. Following is the gist of our conversation:

-- [REDACTED] was just back from Washington after talking to "someone close to the President, someone in the closest 10-11, not the closest 4-5." (Hedley Donovan)

-- [REDACTED] outline of a proposal:

a) Khomeini has been maneuvering to get control over the students in the Embassy. In the past 4-5 weeks he has achieved it.

b) It is essential to get to Khomeini with Americans who know Iran, speak Farsi, have contacts, etc., etc. [REDACTED] would like to be part of such a group, headed by a person of stature close to Carter, but not so closely identified with him as to share the hate Khomeini feels for Carter. After a long consideration of alternatives with me, [REDACTED] tentatively thought this might be McGovern. Had previously considered Andy Young, but [REDACTED] now thinks he is too impulsive and impatient.

c) [REDACTED] would want to go with his friend, Bill Royce, a long-time Iranologist.

d) Their approach to Khomeini would be through Ayatollah Borga'i whose disciple Bahonar is a member of the Revolutionary Council.

~~CONFIDENTIAL~~

SANITIZED

E.O.12958, Sec.3.6

PER [REDACTED] 4/21/81 RE NLC-97-15
BY [REDACTED] NARS. DATE 8/21/81

-- [] believes core group of Embassy students were very religious who use Marxist vocabulary. "Ringed" by Mujahedeen group, core group is becoming increasingly radical in sense of internalizing Marxist outlook. Result is estrangement from strictly Islamic ideal of state or government. Khomeini's movements have been to counter this. One such move was to prevent Mujahedeen Presidential candidate Rajavi from running.

-- [] returned repeatedly to theme that it is necessary for U.S. to talk directly to Khomeini, give him assurances U.S. recognizes nature of Shah's regime, acknowledges mistake in nature of our support for Shah. [] kept emphasizing that Khomeini must feel directly in touch with us.

-- [] is positive on Bani-Sadr. Sees him as initially too theoretical, but quickly becoming practical and effective under the pressures of responsibility. Finds him moderate and courageous. [] emphasized that if Bani-Sadr is to be able to work effectively with Khomeini on the hostages or anything else, the U.S. must not embrace Bani-Sadr too openly.

-- [] thinks the Waldheim package approach is a promising one - perhaps the best around. However, it will have to be sold to Khomeini by the kind of direct approaches [] is suggesting - Waldheim cannot do it himself.

Conclusion

[] is still the cocky Texan, abrasive for all the reasons you mentioned. He thinks we're doing it all wrong. I think, however, that his current contacts with Iran are better than you thought and that it's worth keeping regularly in touch with him. In particular, he seems to have put a lot of hard work and thought into sorting out the students.



DEPARTMENT OF STATE

Washington, D.C. 20520

January 28, 1980

~~SECRET/SENSITIVE~~

TO: The Secretary
FROM: NEA - Harold H. Saunders^{WBS}
SUBJECT: Iran Update: January 28, 1980

Today's Objectives

- To develop a public posture on Bani-Sadr's election. (Draft guidance attached).
- To consider possible new approaches to the crisis.
- To consider strategy for UN Human Rights Meeting in Geneva.
- To prepare our position on sanctions for a decision later in the week.

Status of Initiatives

-- For the third time since their conversations began two months ago Ghotbzadeh telephoned [REDACTED] yesterday. The conversation was upbeat in mood. Ghotbzadeh said he had one month in which to resolve the crisis. He acknowledged that he and Bani-Sadr were not on good terms at all ("to put it mildly"), but Ghotbzadeh said he had an absolute majority of the members of the Revolutionary Council. The Council would remain in control until the new Government was installed and Ghotbzadeh would thus be able to override Bani-Sadr. Ghotbzadeh strongly implied also he had a better position with Khomeini than Bani-Sadr.

-- Ghotbzadeh told [REDACTED] progress could be quite fast now and there should be movement on many fronts including New York and Panama. He hoped we would not resist if the Europeans planned a statement urging us to go slow on sanctions. Ghotbzadeh also suggested that we unfreeze some Iranian assets. There was a hint at the end of the conversation that Ghotbzadeh might be ready for more direct contact with us.

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E.O. 12958, Sec. 3.6

PER 6/18/94 H. V. R. NLC
BY J NARS. DATE 8/2/97

I'll be seeing you soon

-- We spoke over the weekend to James Bill, a noted Iranologist, who has also been in touch with Hedley Donovan. Bill's ideas are summarized in the attached memorandum.

-- Our contact with Khomeini's doctor on Saturday indicated his condition was not then as serious as reported. We are attempting to get up to date information. We have been unable yet to confirm Sunday's reports that his condition had worsened again.

-- Bruce Laingen informs us that Iranians will hold a week of celebrations beginning February 10 to mark the anniversary of the Revolution and the 15th centenary of Islam. A Ministry of Interior official suggested on TV that the parliamentary elections might be delayed beyond their scheduled date of February 15.

-- Planning is going forward for a meeting here with the dependents on February 4 and 5.

-- It appears likely that the Islamic Foreign Ministers meeting in Islamabad will adopt a resolution opposing imposition of sanctions against Iran. With Bani-Sadr's relatively moderate statements on the hostage question and towards Europe and Japan, it is also likely that we will find it even more difficult to enlist the cooperation of our allies for the imposition of sanctions. In these circumstances we believe serious consideration should be given to our taking the initiative at an appropriate time to announce that we are indefinitely suspending further action on sanctions in view of the new situation created in Iran by the Presidential elections and while we assess the prospects for settling the hostage issue in these new circumstances. We would emphasize publicly that we have not dropped sanctions, but simply postponed the implementation. At the same time that we announce this step, we could inform Ghotbzadeh and Bani-Sadr through private channels that we are suspending action on sanctions as a unilateral gesture to improve the atmosphere for a settlement and that we look forward to a reciprocal step from the Iranian side. As to timing, there might be an advantage to moving quickly if there are indications that the Islamic Conference is prepared to support Iran on this issue.

Distribution: S, S Staff, D, P, M, S/P, S/S (2), NEA, IWG (2)

NEA/IWG:HPrecht:al

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

80-04304

National Intelligence Officers

NFAC #1227-80
19 February 1980

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA : Bruce C. Clarke, Jr.
Deputy Director, National Foreign Assessment



5X1A FROM : [Redacted]
Assistant National Intelligence Officer for USSR-EE

COPY

SUBJECT : A Soviet "Best Case" for Military Intervention in Iran (S)

1. This memorandum responds to your request for a straw-man paper making what from the Soviet point of view might be the "best case" for military intervention in Iran. It speculates on Soviet motives and calculations which, taken together, might conceivably lead the Kremlin to cross what it would surely regard as a substantially higher risk threshold than in Afghanistan. Because this is deliberately designed to represent a "best case" for intervention, it resolves a number of very large uncertainties favorably from the Soviet point of view. In the real world, we doubt that the Politburo could be persuaded readily that such optimistic assumptions were warranted, particularly if Soviet leaders perceived that lower-risk options were available to them for influencing the course of events in Iran. (S)

DECLASSIFIED
2005/3/30

2. The Case for Military Intervention: The Soviet Union cannot tolerate the risks which would inhere in a progressive deterioration of internal order in Iran. Such a trend could be set in motion or be accelerated by Khomeini's death. Protracted civil conflict in, and the possible dismemberment of, such a strategically important state on the Soviet border would create opportunities and incentives for the political, and even military, intervention of other regional powers (for example, Iraq) and of the USA. (S)

3. The greater the development of fissiparous trends, the more difficult, even problematic, would be the restoration of order in the country. The Soviet Union cannot acquiesce in the actual fragmentation of the state; this would irreparably damage our ability in future to control and influence the development and policies of the country. Because an integral Iran is more desirable from the standpoint of Soviet interests, we must act to preserve it. (S)

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19 February 1980

SUBJECT: A Soviet "Best Case" for Military Intervention in Iran

4. The Soviet Union should intervene to help an embattled Tehran regime which turned to us for help. Should a besieged central government initiate a policy of closer relations with the US, particularly to acquire security assistance, the USSR would have to intervene to forestall such a shift, and to install a pro-Soviet government. (S)

5. The establishment of a new security relationship with the USA is not an improbable development. The deterioration of internal order, the impotence of the central regime, and heightened anxieties about Soviet intentions subsequent to our intervention in Afghanistan not only make it less likely that the Iranians will adopt a policy of genuine neutrality and equidistance between the USSR and the USA, but raise the probability that Iran will be persuaded of the need to repair relations with the USA. This would propitiate the conditions for the reestablishment of a US political and military presence in the country. Given the longer-term opportunities in the region created for us by our position in Afghanistan, a restored US presence in Iran would not just be turning back the clock. It would represent a qualitative strategic gain for the US, that would impede, and even prevent, implementation over time of regional policies designed to extend Soviet interests and influence. (S)

6. A priority of Soviet policy is to consolidate the USSR's political and military position in Afghanistan; the immediate objective is to eliminate the insurgency. Iranian military and political support to the rebels and the prospect of its significant increase cannot be permitted. (S)

7. The Soviet Union must ensure that oil imports will be available to it and to its East European allies by the middle of this decade. A pro-Soviet government in Iran over which the USSR exerted a dominant influence could assure us those essential supplies at preferential prices. (S)

8. The Iranian military, its capabilities enormously weakened by political divisions and purges, the shortage of spare parts, and its preoccupation with internal security problems in Kurdistan and elsewhere, can offer no meaningful or sustained resistance to a Soviet intervention. To encourage at least a degree of acquiescence by national minorities in Iran Soviet intervention would be accompanied by advocacy of greater autonomy for such groups. (S)

9. The US capability to respond militarily in the region is now limited. Soviet intervention would be rapid and decisive. Even in those areas of Iran which are less accessible (such as Khuzestan and the Iranian littoral), and where the quick insertion of a larger force is less feasible, we will establish an immediate and credible, if limited, military presence. This will present the US with the fait accompli of a Soviet military presence in such areas as Khuzestan and on the Iranian

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Approved For Release 2003/03/28 : CIA-RDP81B00401R000500130018-7

NFAC #1227-80

19 February 1980

SUBJECT: A Soviet "Best Case" for Military Intervention in Iran

littoral, and force Washington to consider a military response in terms of a high-risk confrontation with Soviet forces. The US will have been deprived of a lower-risk intervention option designed to secure the oil fields, while avoiding a direct confrontation with Soviet forces. Raising the potential cost of intervention to the US will lower the probability that the US would actually decide to intervene. Taken together with Soviet strategic interests, which include the oil fields and access to naval facilities on the Iranian coast, such reasoning argues for a more extensive, rather than a limited, military intervention. At the same time, the reaction of the US will be dictated largely by the prevailing anti-Soviet attitudes both within the government and public opinion. The US president will be under enormous pressure in the midst of an election campaign to confront the USSR with military force. On balance, however, shortcomings in US military capabilities and the preemptive nature of the Soviet intervention will dictate prudence. (S)

10. In view of the demonstrated reluctance of the West European nations to follow the US down the path of confrontation with the USSR over the Afghanistan issue, Washington would probably be faced with a decision to undertake military action unilaterally. The USSR could expect threats, vigorous protests, and even the severing of relations by some West European states. But it is of critical importance that, failing the West European will to join with the US in a military confrontation of the USSR, the US would be unlikely to initiate military action against Warsaw Pact forces in Central Europe. Thus, the chances would be good that the conflict in Iran could be contained. To make joint western military action even less likely, the USSR would a) stress that the intervention was of a limited and temporary nature, and initiated solely to stabilize the country and to protect legitimate Soviet security interests, and b) assure the West that the flow of oil would continue. (S)

11. Soviet intervention would undercut the US policy of increasing its political and military presence in other countries of the region, particularly Pakistan. Such a determined act by the USSR would persuade many within the Pak elite that the security of Pakistan depended on coming to terms with the USSR; and that US security guarantees were not an alternative. The USSR would insist upon, and the Paks certainly agree to, immediate termination of Pakistani support for the Afghan insurgency. (S)

12. In India, it is a desideratum of the Ghandi government to maintain favorable, non-antagonistic relations with the USSR. This is a policy evident in Indian acquiescence in Soviet intervention in Afghanistan, and one we could expect to continue following intervention in Iran. Indeed, the necessity to adapt to an altered situation in which the USSR is the established arbiter of regional security, to avoid political isolation, and the desire to prevent development of a close

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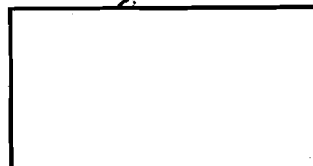
19 February 1980

SUBJECT: A Soviet "Best Case" for Military Intervention in Iran

US-Pakistani tie which could considerably strengthen Pakistan's military capabilities -- all would probably cause India to adapt to Soviet intervention without major alterations in its policies. (S)

13. These considerations, in combination, argue strongly for military intervention in Iran, particularly if Soviet ability to exert a formative influence on the longer-term political development of the country is threatened by domestic crises or the reestablishment of US influence in cooperation with the Iranian government. (S)

NOTE: Because of its brevity and its lack of attention to the complexities of a Soviet decision to intervene in Iran, this "best case" only highlights those considerations which could contribute to such a decision. A more refined Soviet risk assessment of US will and military capability to respond would be of critical, if not determining, importance. Similarly, Soviet assessments of their ability to eliminate Iranian military resistance promptly, and to fashion a central government with a reasonable chance of eventually consolidating political control would be important. The "best case" also begs the question of whether or not the requisite support for such a grave decision could be found in the Politburo; the issue would certainly be more politicized than the decision to invade Afghanistan. On balance, the case for intervention as outlined here is not wholly implausible, but it is unlikely in view of the enormous uncertainties the Soviets would face and the probability that lower-risk options would be open to them to influence Iranian developments and behavior. (S)



cc: Chairman, NIC

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SUBJECT: A Soviet "Best Case" for Military Intervention in Iran (S)

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NATIONAL SECURITY COUNCIL

March 5, 1980

MEMO FOR DR. BRZEZINSKI

FROM: GARY SICK

SUBJECT: Iran

I talked at some length today with two of my Iranian contacts. The following information was provided:

-- There was a "very bad conflict" today between Ghotbzadeh and the militants at the Embassy. Gh. went to the embassy and demanded that they permit the Commission to visit the hostages. They refused and "kicked him out" of the embassy. Talking to my contact later, Gh. suggested that he was concerned about his physical (not to speak of political) safety, and he referred to the militants as "those idiot communists."

--According to Gh., Khomeini is 100% behind the idea of the Commission visit, but it is no longer clear whether the militants would obey even a direct order. If they did not, my contact fears "a tragedy."

-- Reportedly, Gh. went to Khomeini to resign after the embassy incident, but Khomeini would not let him. (This sounds like Gh. posturing, and I take it with a large grain of salt.)

-- A different source told me, as a matter of interest, that the Iranian Ministry of Finance is providing very generous sums of money to finance the militant operation at the embassy. He commented that the very generous subsidy may provide an additional incentive for the militants to stay put.

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E.O. 12958, Sec. 3.6

PER 2/14/98 MK/HRE NLC-97-26
BY J NARS. DATE 2/11/99



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SPECIAL COORDINATION COMMITTEE MEETING

March 6, 1980

6231

~~1564~~

Time and Place: 9:00-9:40 a.m., White House Situation Room

Subject: Iran/Afghanistan

Participants:

State
Secretary Cyrus Vance
Warren Christopher
David Newsom
Peter Constable
Nelson Ledsky

White House
Henry Owen (Chairman)
Jody Powell
Lloyd Cutler
Hedley Donovan

OSD
W. Graham Claytor

NSC
Gary Sick
William Odom
Jerrold Schecter

JCS
General David Jones
Lt. Gen. John Pustay

Justice
John Shenefield

Treasury
Robert Carswell

Energy
John Sawhill

SUMMARY OF CONCLUSIONS

1. Iran Developments. Secretary Vance informed the group that the U.S. public reaction to the reports that the hostages were to be turned over to the Revolutionary Council would be: "We have noted what has been said in Tehran and we are waiting to see what happens." No one should go beyond that statement. All agreed. (C)

2. Iran Sanctions. The SCC reviewed the status of sanctions on Iran as follows:

Military Spares. State and Defense reported that the embargo on sale of military spare parts was holding. Iran was putting pressure on Italy for helicopter spares, but Secretary Vance has told Cossiga to tell the Iranians that he had talked to Vance and Vance told him that the U.S. would not approve the

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Review March 6, 2000

Classified and Extended by Zbigniew Brzezinski

Reason: NSC 1.13(f)

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license for sale of the parts. In general, the anxiety on the part of the Iranians to find spares is evidence that the embargo is working. We are staying alert for efforts to circumvent the restrictions. (S)

Assets Freeze. Treasury reported that the freeze is holding. The Iranians are considering a counter-attachment of U.S. assets in Swiss banks, and we have retained counsel to attempt to block them. The situation will have to be played day by day. In France, a hearing on our freeze of assets in French banks is scheduled for March 17, but we are seeking a month delay. If and when the hearing is held, it is likely to go against us.

[REDACTED]

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Treasury found it enormously frustrating not to be able to tell Schmidt what U.S. companies were doing in his own home town despite the fact that another part of the U.S. Government had the information. Another similar case involves a large U.S. company which is evidently involved in procuring spare parts for the National Iranian Oil Company.

[REDACTED]

Justice observed that a change to these legal restrictions is under consideration. Otherwise, Treasury noted that there are a number of tactical situations around the world which are being watched, and we are holding fast. Iran is putting pressure on Finland to repay \$38 million oil payment which was caught in the freeze. The World Bank is asking us to license payment of an Iranian loan which is coming due. In the UK, seven Iranian counter suits have been consolidated but will probably not be heard before summer or fall. There are 160 suits pending in the U.S., but consolidation proceedings insure that they will not be held for at least a month or longer. (TS)

Oil. Iranian production has been holding at just above 2 mbd. There has been a slight decline in exports in the early part of 1980, but that is probably due more to difficulties in contracting than to the floods, sabotage, breakdowns, and labor problems NIOC has been experiencing. Over time, these problems, including the lack of new drilling, will cause a decline in oil production, but it is not likely to be steep. The gas pipeline with the USSR is totally closed down, which may be an Iranian ploy in forthcoming price negotiations with the Soviets. (S)

Immigration. A total of 56,000 Iranian students were registered; 8,000 failed to register and are being pursued. Overall, since the restrictions were imposed, about 12,000 Iranians have left the U.S., including about 3,000 students. Approximately the same number of Iranians have entered the country during the same period since we decided not to prevent immigration.

Overall Effect. Admiral Turner said that the sanctions have had only a marginal effect on the Iranian economic disarray, and keeping the sanctions in effect would continue to have a marginal effect. Secretary Vance said he was more optimistic. Although the economic effects of the sanctions had not been great, the psychological effect had been real, as demonstrated by the lengths Iran went to prevent sanctions being voted in the UN. Mr. Claytor agreed that knowledgeable people were worried about the effect of the sanctions in the long run. The short term effect was minimal, but over the period of a year there would be a significant impact in terms of spare parts and production capacity. Energy agreed. Mr. Cutler noted that Iran had gone from an excellent credit rating to one of the lowest, although that was due in large part to their own actions and economic disarray. (C)

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3. Olympics. Mr. Cutler briefed the group on the status of current efforts to arrange alternative games. On the U.S. Olympic Committee, there had been some favorable developments, at least among the leadership. They will be meeting on March 15, prior to a meeting of NATO committees in Brussels on March 22, and present indications are that they will probably support and perhaps even take charge of organizing alternative games, which they call "Post-Olympic" games. However, we should keep this quiet until after they have had their meeting. An ad hoc meeting of representatives of friendly governments will take place on March 17. Overall, we are making progress, and we should know by the end of March whether the alternative games are a realistic prospect. There is some evidence that the alternative games could be a profitable enterprise, but approximately \$50 million in underwriting may be required from the participating nations to get them organized. (C)

With regard to the public statement concerning U.S. companies providing products for the Moscow games, Secretary Klutznick has not been available to make the necessary preliminary calls to the companies. However, he will be back in town at the end of this week, and Commerce should make the announcement shortly thereafter. (U)

In order to respond to the legal requirements of some of the companies -- Levi Strauss in particular -- and to block further payments by NBC to the Moscow organizing committee, it may be necessary to declare a national emergency and apply restrictions under the International Emergency Economic Act. Mr. Cutler has prepared a paper on this issue which is to be circulated soon. (C)

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Mr. Cutler added that we should take a positive view toward the German position. Although they have not formally committed themselves, Schmidt had been quite good in his appearance on CBS this morning, and we should not take a negative attitude. The Soviets are reportedly planning to send two high officials of

their Olympic movement to the States to argue in favor of holding the Olympic games in Moscow. We are looking at this and may need to take a decision later, but it may not in fact take place. (C)

4. Chemical Warfare. Admiral Turner said there is growing evidence that the Soviets have used chemical warfare in Afghanistan, but as yet it is not possible to confirm adequately that this has gone beyond the use of riot control agents. The Soviets have decontamination equipment in Afghanistan, but we believe that is part of their normal equipment. General Jones said the JCS would like to send a team of experts to Pakistan to debrief refugees who have experienced or witnessed the use of chemical agents. Admiral Turner said the Pakistanis will not permit direct contact of U.S. personnel with the refugees in order to prevent refugees from being tortured and stating that such direct contacts had occurred while they were in Pakistan. However, indirect contacts were possible. It was agreed that CIA and JCS would cooperate on a high priority basis to accumulate the best available information on use of chemical warfare and report back to the SCC next week. We do not want to make any charges which could be disproved and thereby cast doubt on the credibility of future evidence. Mr. Christopher noted that we also have a large body of evidence of use of chemical agents in Southeast Asia, although the Afghanistan situation is the first directly relating the Soviets to use of these agents. (S)

With regard to public revelation, it was agreed that State would contact the Red Cross in Geneva and Pakistan, as well as the UN High Commissioner on Refugees, to draw their attention to possible violations and urge them to follow up on reports in the field. In the meantime, a strategy paper by State is being considered on an interagency basis. (S)

MEMORANDUM OF CONVERSATION
(IRAN WORKING GROUP)

DATE: March 11, 1980
TIME: Early Morning
PARTICIPANTS: Sadegh GHOTBZADEH, Iranian Foreign Minister
Richard Cottam

On March 10 I asked Cottam to telephone Ghotbzadeh to make the following points:

-- The most recent Khomeini statement had been viewed with great seriousness in Washington. On the morning of March 10 there had been a meeting of the senior levels of Government to consider whether we should continue to pursue the negotiating track utilizing the UN Commission. The mood was very pessimistic.

-- In the afternoon there had been a meeting with the senior leadership of the Congress and further discussions in the Executive Branch.

-- At the end of the day the decision was reached to continue to pursue negotiations and to attempt to keep the UN Commission in being. There was general recognition of the serious political problem the Iranians face prior to the March 14 elections.

-- We were attempting to persuade the UN to handle its press statement in a way that would preserve options for the Commission. This would be our posture with the press as well. We hoped that the Iranians would not make any statements that would complicate efforts to keep the Commission going.

Ghotbzadeh was pleased with this message and said he shared that point of view. He said he would follow the same line in Iran.

Ghotbzadeh said Khomeini had "blundered" with his most recent statement. He tried to please both the religious hardliners and the Revolutionary Council. Khomeini's statement had not been an attack on Ghotbzadeh. In fact Ghotbzadeh was receiving widespread praise for his critical statement against the militants.

Cottam asked Ghotbzadeh whether Bani-Sadr was playing an active role on the hostage issue. Cottam said our impression was that he was not meeting his responsibilities. Ghotbzadeh replied, "He doesn't have the guts for it." Cottam tried unsuccessfully to extract from Ghotbzadeh the names of the religious figures who were backing the students.

Drafted: NEA/IWG:HP:echt:sw
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PER 915/97 Sat 11 RE NLG-97-24
BY [signature] NARS. DATE 1/26/98



MEMORANDUM

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#13

THE WHITE HOUSE

WASHINGTON

March 14, 1980

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MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: NSC Weekly Report #133

1. Opinion

Iran

Regarding the new scenario, it is doubtful that we can side-step what Khomeini has said twice. The scenario has an unrealistic quality in not factoring in student resistance, the Ayatollahs, the Parliament, etc.

Without a somewhat broader understanding of their expected role, we will be setting ourselves up for another fall which will leave the hostages still in Tehran and could damage you seriously politically. For example, the key event in the transfer of the hostages -- on what basis do we think this could possibly happen?

Without doubting Bani Sadr's seriousness about resolving this issue, I think he is nonetheless stringing us along in hopes of finding an opening. For the scenario to be taken seriously by us, additional assurances must be included and they should be asked for explicitly.

Foreign Service

As you look to the second term, I believe it would be useful for you to consider the question of the responsiveness of mid-level State Department officers to Presidential direction. At the moment, most of the Assistant Secretaries, plus the Under Secretary for Political Affairs, are career Foreign Service Officers. State is, in fact, the only agency where people at this level of Presidential appointment are career as opposed to political -- and consider that to be a matter of right. In many cases, therefore, there arises a potential conflict of loyalties: between the President of the moment, and the demands of a long-term Foreign Service career. This observation -- which has been made in the last few Administrations by many people -- does not reflect upon the quality of individual people. Rather it reflects acceptance of human nature, and the particular outlook that comes from spending a career as a civil servant.

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Review March 14, 2000
Classified and Extended by Zbigniew Brzezinski
Reason: NSC 1.13(f)

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E.O. 12958, Sec. 3.6

PER 6/14/97 NCL/RE NCL-96-136
BY G NARS. DATE 11/27/98

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President Truman, referring to his difficulties in 1948 of getting State Department acceptance of his decision to recognize Israel, wrote the following in his Memoirs:

"The difficulty with many career officials in the government is that they regard themselves as the men who really make policy and run the government. They look upon the elected officials as just temporary occupants. Every President in our history has been faced with this problem: how to prevent career men from circumventing Presidential policy. Too often career men seek to impose their own views instead of carrying out the established policy of the administration."

One former non-career Ambassador wrote in Foreign Affairs that there would be value for all in (a) making all appointees from Assistant Secretary and above truly Presidential, thus bringing in fresh ideas and undivided loyalty to the particular Administration; (b) compensating for this by upgrading the responsibilities of the (career) Deputy Assistant Secretaries; and (c) appointing career FSO's to almost all Ambassadorships, except for a handful where particular circumstances call for someone who is seen as reflecting a direct relationship with the President (Dick Gardner in Rome has been a successful example).

2. Fact

Summary of Decisions on Export Controls for China

In keeping with your earlier decisions, Cy, Harold and I will now implement the following:

-- China will be moved from the country group Y to separate category with its own letter designation, thus differentiating China from the USSR.

-- The Munitions Control Newsletter will outline exports which are now eligible for approval.

-- We will implement the Belgian formula on technology transfer and handle all sales through the existing COCOM framework.

3. Implementing Your Instructions

February 25

o State and Justice have met several times this past week on the problem of maritime hijackings by Cubans seeking asylum in the U.S. State is urging Justice to prosecute a case currently under review. Before moving forward to prosecute, Justice wants to be sure that they have an adequate

~~TOP SECRET~~

SPECIAL COORDINATION COMMITTEE MEETING

March 20, 1980

Time and Place: 9:00-10:40 a.m., White House Situation Room

Subject: Iran/Afghanistan

Participants:

State

David Newsom

Dean Hinton

Harold Saunders***

OSD

Secretary Harold Brown*

W. Graham Claytor, Jr.

JCS

General David Jones*

Lt. Gen. John Pustay

CIA

Admiral Stansfield Turner

Justice

Attorney General Benjamin Civiletti*

Treasury

C. Fred Bergsten*

Commerce

Homer Moyer*

Agriculture

Dale Hathaway*

White House

David Aaron

Hedley Donovan*

Lloyd Cutler*

Joseph Onek*

Henry Owen

NSC

Gary Sick

Marshall Brement

Edward Fried**

Alfred Friendly, Jr.*

*Present only for discussion of items 1 and
**Present only for discussion of items 2 and
***Present only for first ten minutes

SUMMARY OF CONCLUSIONS

1. Possible Diversion of Grain via Hungary to USSR. Hungary has informed us of their intent to sell about 800,000 tons of grain to the USSR this year. It is very difficult to establish a norm of past practice since it has varied enormously, but a strict average would be in the neighborhood of 500,000 tons per year in the past. The Hungarians do not intend to buy grain from us to replace that sold to the Soviets. Rather, they evidently intend to use their anticipated large harvest to sell grain for hard currency and buy barley at lower prices from the European market to meet their own needs. They will buy only about 250,000 tons of soybean meal from the United States, and that is easily replaceable. If we ask them not to sell at the 800,000 ton rate to the USSR or to forego barley purchases from the Europeans, we will

~~TOP SECRET~~

Classified and Extended by David Aaron

Reason: NSC 1.13(f)

Review March 20, 2000

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E.O. 12958, Sec. 3.6

PER 1/30/82 NLC RE NLC-76-61
CY 9/11/00 NARS DATE 9/11/00

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specific alternatives by close of business today. In the meantime, a memo by Lloyd Cutler on the issue would be circulated for comment. We will need to reach a decision and act in the very near future.

3. Possible Blockade of Iran: The SCC was then reduced to the small political-military group. Mr. Aaron asked whether it was the judgment of the group that to be effective, Iranian exports of oil would have to be blocked, or would it be enough to block imports into Iran? Secondly, if oil exports should be terminated either by blockade or Iranian retaliation, what would be the effect? Admiral Turner replied to the first question that, if all imports, including food, were blocked, it would have a significant impact on Iran's economy within two weeks. Blocking oil exports, however, would take nearly a year to have a major impact since Iran has sufficient monetary reserves to do without the revenue. It would be reasonable to expect Iran to cut off oil exports as retaliation for any U.S. blockade. About 80% of Iran's exports come in by sea, and the land and rail routes through Turkey and the USSR could not make up the difference. It would not be necessary to block ground and air traffic to have the desired impact. There were no real alternatives to seaborne trade. Mr. Aaron noted that there could be a political problem if Turkey and Pakistan actively helped Iran evade a boycott at the same time we are trying to get large sums of assistance for them. Mr. Sick suggested that we should make it clear from the outset that this was a unilateral U.S. action limited to maritime commerce, that it was not intended to interfere with other commerce, and that we believed that the naval interruption was sufficient to make the political point and to significantly affect Iran's economy. Henry Owen commented that Iran would probably cut off oil, which would raise the level of hostility in the U.S. and elsewhere; that in turn would draw criticism on those nations which were helping Iran avoid the full effects of a blockade. (TS)

Mr. Fried said that, in many respects, this is the best possible time for a possible cutoff of Iranian oil. Iranian exports are down to only 1.5 mbd, world stocks are high, there is slack in the market, and demand is historically low at this time of year. Because of these factors, Kuwait and some other nations are planning to cut back production. Nevertheless, we are not likely to get out of it without a market reaction, and specifically a price increase. The market is very nervous, and the reaction to an Iranian cutoff would be to compete for remaining supplies in order to protect stocks as a hedge against future contingencies. He anticipated a possible price increase of \$5-10 per barrel, i.e., a 15-30% increase, which would represent an increase in the inflation rate of .75-1.5%. Admittedly, these were only rough estimates. It could be half that much. Since there is a good chance of a price increase late in the year, it might simply make that happen

sooner than anticipated. The Saudis would certainly not increase their production. If they should decide to reduce production as a gesture against blockade of an Islamic state, that could be quite serious. More dangerous would be the reaction of Kuwait, Libya and perhaps others who might go ahead with planned cuts or even cut deliberately as a form of counter-embargo. Most of the effects would fall on Japan which relies on Iran for 10% or more of its total consumption. They would be entitled to trigger the IEA sharing mechanism. The actual amount of oil involved would be very small, but the IEA reaction would probably be internal acrimony. The Japanese would scramble to secure alternate supplies, again tending to drive up the price. (S)

Mr. Claytor said it would create hell in the Islamic world. Mr. Newsom said that, if the action was taken suddenly and without advance indication, it would have an adverse effect on the moderates in Iran. It would create a strong public reaction and inspire a new round of anti-Americanism which the hardliners would use to their advantage. However, if this could be relayed in secret in advance to the moderates, it might give them leverage to use in the in-fighting. If handled very carefully, a case could be made that this would improve the chances of getting the hostages out. We would have to be prepared to follow through, however. (S)

Mr. Aaron wondered what the effects would be if the threat had to be carried out. Mr. Newsom said that there would be a very strong reaction in Iran which, in the worse case, could lead the militants to start killing hostages. There would be massive demonstrations and a hellish month or so for us to get through. In the end, however, it could go either way. It could succeed, although it was a high risk. Admiral Turner said it was his judgment that the militants would be very angry but would not kill the hostages. Khomeini would use it as an opportunity to rouse the masses behind him. It could also strengthen the position of Bani-Sadr and the moderates. However, it is not clear that the moderates would succeed in the resulting power play. We might be pressuring the weakest political element: (S)

Admiral Turner wondered if it would be possible for the U.S. to absorb the oil drawdown and make up the Japanese loss. Mr. Fried said that we would have to draw down stocks, and the price increases which would have to be imposed to reduce our own consumption by that amount would have to be very high, with substantial effects on inflation and growth. (S)

At that point, the meeting had to adjourn, with the understanding that this subject would probably be discussed further by principals over the weekend. (C)



MESSAGE TO BE DELIVERED AS SOON AS POSSIBLE TO BANI-SADR

(VIA FRENCH LAWYERS OR THE SWISS EMBASSY)

Please deliver the following message from the U.S. Government to President Bani-Sadr:

Quote: Over the past four months, we have followed with great interest your statements to the Iranian people and in particular your principled position on the fundamental wrong involved in the holding of hostages. We noted your private personal assurance on March 10 that the hostages would be transferred to the control of the Iranian Government within fifteen days. We hope that the transfer can be accomplished within the next few days. It is essential to give a tangible sign to their families and to the American people of the improvement of the condition of the hostages and that there is real movement towards a prompt resolution of the crisis.

In order to avoid misunderstanding, we want you to know now that, in the absence of such transfer by Monday, we shall be taking additional non-belligerent measures that we have withheld until now.

Our quarrel is not with the Iranian people, but some will unavoidably suffer hardship if your Government is not able to take the requisite steps to release the hostages.

We remain ready to discuss a resolution of the crisis through any channel you choose. We must have tangible evidence, however, that Iran is prepared to move towards a resolution of the problem in order for us to explain to the American people why we are not taking additional measures.

Unquote.

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E.O. 12958, Sec. 3.6

PER 815/97-96 BY RE ALL-97-24

BY J NARS. DATE 11/26/98



MEMORANDUM

~~SECRET~~ #14THE WHITE HOUSE
WASHINGTON

March 28, 1980

~~SECRET~~

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: NSC Weekly Report #134

1. OpinionAfghanistan: An Aberration or a Symptom?

While there is genuinely solid unanimity in your Administration regarding the measures that you have adopted, and this unanimity has been strengthened by regular SCC meetings, you should be aware that in the background there still lurks a fundamental disagreement, which has potential policy implications. I can best summarize it in terms of two conflicting interpretations of what is basically involved in the Soviet invasion of Afghanistan: some see it as an aberration from, and others as symptomatic of, Soviet behavior.

Aberration

Those who see it as an aberration tend to feel that the primary motive for the Soviet action was defensive, that the Soviets do not have longer-term regional ambitions beyond Afghanistan, and that they are likely to consider seriously some mutually acceptable formula for a solution to the problem generated by their invasion of Afghanistan. Proponents of this school of thought do not deny that the Soviet Union occasionally acts aggressively, but see that largely as an expedient reaction to opportunities rather than as a manifestation of a more sustained trend. Because of that, one is entitled to nurture hopes of a relatively early return to more normal East-West relations, including genuine progress on some of the more important bilateral U.S.-Soviet issues.

Symptom

Those who argue otherwise feel that the Soviet Union is currently in an assertive phase of its history, with the acquisition of military power giving its foreign policy both greater scope and more frequent temptations to use its power to advance policy goals. Soviet behavior is still prudent, but it does involve a gradual shift from political encouragement of often geographically remote

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Review March 28, 1986

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E.O. 12958, Sec. 3.6

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ideological sympathizers, to more direct support of them through the use of Cuban proxies in the mid-'70s, to even more direct projection of Soviet military power itself currently. In other words, Soviet behavior is symptomatic of a long-term historical drive, with military power supplanting Marxist ideology as its basic dynamic source.

As you can probably anticipate, I lean to the second school of thought. I would also argue additionally that there are certain constants in Soviet foreign policy, and the drive toward the Persian Gulf is one of them. I am struck by the fact that the draft agreement between the Soviet Union and Nazi Germany, which was being negotiated secretly between Molotov and Ribbentrop in 1940, including the following passage: "The Soviet Union declares that its territorial aspirations center south of the national territory of the Soviet Union in the direction of the Indian Ocean." Moreover, the German Ambassador reported on November 25, 1940, that Molotov told him that the Soviet Union would associate itself with the Axis powers, "provided that the area south of Batum and Baku in the general direction of the Persian Gulf is recognized as the center of the aspirations of the Soviet Union."

The argument between those who think that Afghanistan is an aberration and those who think it is a symptom is not merely an intellectual exercise. Though we are all in agreement with what needed to be done, I suspect that there are potential differences among us about the future (and these differences could complicate planning for the NATO Summit); how long should the present policy be maintained; to what extent should the Allies be pressed to recognize the wider and strategic character of the Soviet challenge; how energetically should we try to reinforce the Western presence in the Persian Gulf/Indian Ocean area; how important is it to beef up Pakistan; what is the strategic urgency of moving more rapidly on the Palestinian problem; and, finally, how fruitful are likely to be any early efforts to improve relations with the Soviet Union?

On that last point, my view is that in a quiet but persistent way we need to replicate in this new third central strategic zone (southwest Asia) what we have done earlier in Western Europe and the Far East; create a sense of security, and halt Soviet expansionism. Once our efforts are credible, I think we have a very good chance to return to detente and to seek the humane and morally imperative goals with which I hope history will identify you.

2. Vance-Brown-Brzezinski Meeting

The following decisions were reached at my meeting with Cy and Harold this week:

-- Saudi Arabian Military Relations: A mini-PRC will be scheduled so that John West can attend when he returns from vacation. Then Cy, Harold and I, along with Stan Turner, Charles

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Duncan and Bill Miller will meet with John to review the relationship and address specific issues.

-- Military Contacts with Argentina: Following up on General Goodpaster's talks with the Argentines, we will begin by inviting Major General Vacero to visit the U.S. Later, if appropriate, a U.S. military officer may accept an invitation to visit Argentina.

-- Logistics Support: In our discussions to find ways to respond rapidly to political crises in the Persian Gulf region, [REDACTED]

[REDACTED] Harold will prepare a paper for Cy and ^{me} I to review.

3. Implementing Your Instructions

March 19

-- In response to reports from Mexico as well as Cy's evening notes, you have made several comments over the past week to the effect that we should retain a tough negotiating position with Mexico on trade negotiations.

o Ambassador Kruegar will visit Mexico next week. When he returns, he will meet with Governor Askew to develop an issues paper for you on these negotiations.

4. National Security Affairs Calendar (attached)

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NATIONAL SECURITY COUNCIL

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April 11, 1980

30
/INFORMATION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: PAUL B. HENZE
SUBJECT: Iran and the Soviets (U)

I am concerned about the evidence we continue to get of steady, quiet build-up in the Transcaucasus for a Soviet military move into Iran. While I do not question current intelligence assessments that there is no indication that the Soviets are actually preparing to move, I am fearful that we are in danger of wishfully turning this rational assumption into a conviction that they will not move. I worry about the kind of mind-sets that afflict intelligence estimators and comfort policymakers and which led to conclusions, e.g., that the Soviets were not putting nuclear weaponry into Cuba in 1962 or that the dynasty was secure in Iran in 1978. (S)

I am worried also about the impact of increased pressure by us on Iran or punitive measures if the hostages are harmed. Given the utterly irrational state of mind that dominates elements in Tehran, and the intense hatred of Khomeini for America, a seemingly rational action such as a naval blockade could conceivably provoke an Iranian invitation to the Soviets to come in to protect them. Khomeini could give such intervention his blessing with a doctrine of "the lesser Satan." The Iranian left, certainly capitalizing on current tensions to improve its position, could abet such a move. (C)

None of these worries leads me to conclude that we should not declare a naval blockade or that we should not even invade Iran--but if we do we must be prepared to go all the way and occupy a sizable part of the country. If we do not, we will merely open the way for a Soviet takeover and Soviet utilization of its resources. (S)

Do the Soviets want to invade? In the final analysis, I find it impossible to believe that the Soviets could resist temptation to take over most or all of Iran if the opportunity presented itself to them in a form where they could get themselves invited in as a protecting power. For more than 150 years, the Russians have aspired to advance in this area. Afghanistan has whetted their appetite; but Afghanistan will continue to cost with little prospect of return. Iran could be a paying proposition with its vast oil and gas reserves--the first really profitable territorial acquisition for the Soviets. It could help pay for Cuba and Ethiopia and help surround and subdue Afghanistan. If the Soviets were invited in to help frenzied Iranians defend themselves against America, they could anticipate almost no internal resistance, such as they have had to face in Afghanistan. (C)

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Classified by: Paul Henze
Review: April 11, 1986

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What does this mean for us? If we are going to take action the Iranians are going to regard as provocative, we must be prepared not only to face but to capitalize on the consequences. This means occupying a significant portion of the country--certainly the oil producing regions, preferably the entire, thinly populated SE coastal area and, if at all possible, and at least temporarily, Tehran itself. I am convinced that the Soviets would not want to fight us head-on in Iran. What we would have then, would be a division of the country between them and us, with their getting the rebellious Azeris, Kurds and Turkmen and a good proportion of Persians in the north and our taking the south with its oil and ports. A strip through the middle could be left unoccupied and we could eventually withdraw from Tehran and add that to the unoccupied area. Eventually in this unoccupied area we could hope some sort of rational all-Iranian government might be established and perhaps then, with the good luck and good sense we had in Austria in 1955, both sides would withdraw. That might occur around the turn of the century...(S)

Unless we think in broad strategic and operationally bold terms, we are likely to stumble into a mess in Iran which will result in the takeover of the whole country by the Soviets. (C)

Speaking of operationally bold actions--is it utterly futile to think in terms of a large-scale, airborne commando raid on Tehran to free the hostages--coordinated with occupation of the oilfields and the southern ports? Such an action could be combined with infiltrating a party of third-country mercenaries into Tehran who would at the crucial time capture and take over the American Embassy and hold it until the airborne force arrived and the hostages were rescued. Dangerous? Yes. Preposterous? I am not so sure. We have become so accustomed in the 1970's to think small and conventionally that we hesitate to think boldly. But have we really exhausted our potential for ingenuity and resourcefulness? (S)

In contemplating possibilities for unusual, far-reaching actions against Iran, we should at least think about the potential for more effective action we might have if we were able to utilize bases in Turkey for this purpose. The state of our relations with Turkey during the 1970's has, in spite of the recently concluded DCA, left us sadly limited in our capacity to utilize that country's facilities. But how much is release of the hostages and settlement of our festering crisis in Iran worth to us? How much have we already expended on it? A half-billion dollars in military aid firmly committed to Turkey for the next three or four years would go a long way toward satisfying their needs for force modernization, would tie them in more firmly to NATO and would enormously strengthen the alliance in its southeastern sector. It does not seem to me that this would be too high a price to pay for utilization of Turkish bases for mounting a strike against Tehran. (S)

In terms of the kind of thinking we conventionally do these days, the "strategic thoughts" I have just outlined above might be considered justification for my incarceration in a psychiatric institution, an inverse American version of the fate of General Grigorenko... But I sense that we may be whipping ourselves up into a emotional frenzy

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over the hostages in Tehran which could inadvertently have far worse consequences which would do more harm both to us and to the world than some of the actions I have suggested thinking about...(C)

cc: Sick
Odom
Ermarth
Welch
Bremont
Griffith

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MEMORANDUM

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#3

THE WHITE HOUSE

WASHINGTON

April 25, 1980

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MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *25*
SUBJECT: NSC Weekly Report #138

1. OpinionSome Implications of the Rescue Mission

The tendency will be to focus wholly on the failure of the rescue effort. Two other extraordinary aspects will be overlooked. First, a thousand or more officers and troops have worked almost continuously on an operational footing for four months without a "leak" or security failure. The total surprise with which the world learned about the operation is an extraordinary feat. Many people in the U.S. and abroad have come to believe that we are unable to maintain such operational security. The second aspect concerns what has been learned and developed for C.I. Innovations in communications have been numerous. The placing of satellite ground stations in unusual vehicles and locations is an example. Many of these developments would take years through the regular R&D process, and some would never be employed. Breaking the bureaucratic rigidities and standard allocation systems created opportunities which the Defense Department can now follow up and exploit on a broader basis.

2. FactYesterday's Message to Begin

*believe
had
approved a
miser msg
several days
ago*

You approved the message to Begin at almost the same time that your senior advisors reached a consensus on the Lebanon resolution -- to abstain with a strong statement. We decided to hold the message briefly to make sure that it was consistent with the position we planned to take, including the language of the statement. Also, it was already too late to deliver the message to Begin that day. Later, after you approved the revised statement, the message was sent for delivery first thing today.

3. National Security Affairs Calendar (attached)~~SECRET~~

Review April 25, 1986

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E.O. 12958, Sec. 3.6

36-42 NSC H-RE NLC-96-139
DATE 12/1/98



I. IRAN: IMPACT OF THE TABAS RAID

The failure of the US rescue effort will strengthen enormously the Iranian resolve to resist "imperialism." It virtually guarantees that no Iranian politician can support a negotiated settlement when (and if) the hostage issue is debated in the legislature. Although the hostages probably will not be harmed because of our actions, at least some will probably now be held in dispersed locations.

* * *

In gloating over the aborted mission, Tehran radio has stressed two themes:

- the mission failed because God directly intervened; and
- the Revolution has a divine guardian and cannot be destroyed by an earthly force.

In a brief statement, Ayatollah Khomeini claimed that the US still failed to understand the Revolution and that the people would resist US pressure "with their blood."

The militants will not be inclined to kill the hostages in retaliation for the raid. They would lose their leverage on the domestic political scene and their ability to continue to humiliate the US. We have tentative indications, however, that the hostages are being removed from the Embassy. We believe that they may be dispersed throughout Tehran or the country. We expect the government to continue to resist any call to hand over Charge Laingen and his associates to the militants.

The raid will have several domestic results, including:

- temporarily unifying the nation, while encouraging the idea that the Revolution is truly invincible;
- further strengthening the Islamic hardliners, who always said the US could not be trusted and need not be feared;
- reinforcing the awareness that the military must be revitalized (privately, the deep US penetration into Iran must be a source of concern and embarrassment); and
- providing the left with additional propaganda material.

While the raid may provide further impetus for cementing Iranian-Soviet commercial ties, the Iranian leadership will still be very reluctant to rush into a security relationship with Moscow.

It is unlikely under these circumstances that any Iranian leader will be willing to enter into negotiations with the US for some time to come. Instead, the Iranians will sit tight with what they have and await the next move from the US, at least until the parliament considers the hostage issue.



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DIPLOMATIC STRATEGY FOR IRAN -- THE PERIOD AHEAD

This paper lays out for discussion, revision, and decision certain possible propositions from which our strategy for the period until the new Iranian Parliament is formed might be built. It goes on to describe the elements from which our strategy will be fashioned and suggests for consideration a specific course of action over the next few weeks.

After six months of frustrating dealings with the Iranians, it is clear that we are dealing with an outlook that differs fundamentally from our own, and a chaotic internal situation. Our character, our society are based on optimism--a long history of strength and success, the possibility of equality, the protection of institutions enshrined in a constitution, the belief in our ability to control our own destiny. Iran, on the other hand, has a long and painful history of foreign invasions, occupation and domination. Their outlook is a function of this history and the solace most Iranians have found in Shi'a Islam. They place a premium on survival. They are manipulative, fatalistic, suspicious and xenophobic.

With such fundamental cultural and historical differences, it is easier to understand why most Iranians have remained unmoved by our various actions throughout this crisis. We are not in a classic bargaining position.

If we are to help create a break in the situation--recognizing the hard fact that the odds are against such a break so long as the internal situation in Iran remains inchoate and the clerics dominant--we need to proceed in a way which takes account of both the complexities of Iranian politics and the complexities of the Iranian outlook. We should combine elements of reasonableness with regard to the future without making the concessions now that Iranians take as weakness. We must convey a strong element of threat without implying retribution when the hostages are released. The elements of threat must be both credible and conveyed in a way which does not so challenge their pride that they simply posture, blunder, and recall their history of martyrdom.

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BY [Signature] NARS. DATE 9/2/97

Some Basic Propositions

1. We can start by eliminating two extreme options:

-- We have long since embarked on a policy of imposing costs on Iran for prolonging the hostage crisis, so no one is proposing a policy of negotiation without some form of pressure.

-- A policy of pressure alone cannot force a solution. For one thing Khomeini and the clerics are not susceptible to Western-style pressures, so we have to find a different approach to them. Even then, someone will have to work out a political strategy for engineering the release. We will have to play a role whether we want to or not.

2. Within Iran, different leadership groups have different aspirations, vulnerabilities and objectives in this crisis. We must play on these varying hopes and fears. We should mix punitive measures and diplomatic initiatives, to try to help construct a solution which would be politically acceptable both to key groups of the Iranians and to us. The issues are (a) the mix of pressures and diplomatic steps and (b) timing.

3. Our first opportunity for a breakthrough could come, as the Iranians have said, with the convening of a new parliament. We should keep in mind, however, that the Majlis will be fractionated and unruly and perhaps without effective leadership. No date has even been set for its opening session. The major purpose of the Majlis may be as a device toward furthering a solution--or rubberstamping a consensus among lay and religious leaders that it is time to end the crisis. The Majlis is likely to hesitate to assume a leading role in forging a solution. But the period between now, the May 9 elections, and the date the parliament is convened will be a time of political flux in Iran. It seems sensible to focus our immediate efforts on this period. There will be relative calm in the political process. Delegates will have been elected, and they will be unsure how to use the new institutions. For a short time after the convening of Parliament, there will not be clear lines between parties, personal alliances, or political

strategies. At that moment, a determined and effective leadership might be able to push through a well-planned solution to the crisis. It is thus important that we seek to engage Iranian authorities in a productive dialogue on how the release of the hostages might be presented so as to win positive support in the new parliament.

4. This time we will want to broaden our approach to work with three separate but related leadership elements: Bani Sadr, who will be responsible for putting before the Majlis a program to end the crisis with the U.S. as part of his overall program; with Ghotbzadeh, who is our most helpful collaborator; and, more than we have before, with the clerics, who must be prepared to follow Bani Sadr's lead or at least not to resist it and make a solution impossible. The failure of our last effort to achieve a negotiated settlement resulted from rivalries between the lay leadership and the clerics. We need to find a way, through a combination of carrots and sticks, to persuade the clerics to accept the outlines of a settlement that the government could push through the Majlis when it meets.

5. In designing our approach, there may be advantage, in some of our communications, in broadening it to reach beyond the hostage issue. With Bani Sadr and Ghotbzadeh, as well as in seeking help from our allies, we could focus on the consequences of widening the crisis for the future of Iran and for the future of Europe. We could concentrate on the kind of U.S.-Iranian relationship we might aim for. However, with the clerics, who believe that a reasonable U.S.-Iranian relationship is impossible or undesirable, it will be necessary to paint more specifically the consequences for their own leadership if the crisis continues.

6. The U.S. position on the elements of a settlement--which might be useful in dealing with the allies and with Bani Sadr--remains that described in the six points passed to Waldheim in January (Tab 1). It may be desirable to elaborate on these points in our conversations with intermediaries to make clear that we would forego retaliation against Iran if the hostages are released safely under honorable circumstances.

Near-Term Objectives

If these propositions are accepted, three specific objectives should be discussed:

-- To encourage progressive improvements in the conditions of the hostages--beginning with regular visits and messages for families--with the purpose of working toward a more active official Iranian involvement in the management of the hostages' welfare and in accounting for them.

-- To increase steadily tangible pressure by the OECD states and, where possible, to encourage other states to take more limited measures against Iran; in this context by portraying Iran's holding of hostages as offensive to the world community, to broaden the confrontation to Iran vs. the non-communist world.

-- To engage key Iranians in discussions that could lead to an understanding on (1) a scenario for hostage release when the Majlis is convened; (2) the role of key leaders during the Majlis consideration; and (3) actions by the U.S. or third countries that would facilitate a release decision by the Majlis.

The issues to be decided are the degree and timing of new pressures, if any, and the nature of a broader diplomatic effort.

Maintaining Pressure

We have the following range of choice in maintaining or expanding pressures on Iran:

-- We can maintain the sanctions the U.S. now has in place and press the Europeans to proceed on their present course by following through on the decisions made at Luxembourg. This would seem an essential minimum.

-- We could take some additional steps to expand our own sanctions (see Tab 2 for a list of possible steps). In deciding whether we should impose additional sanctions, we face the possibility that a new cycle of growing expectations and then deeper frustration could be stimulated within the U.S. and new divisions with the Allies created, conveying weakness to Iran at a time we should be emphasizing the strength of the Allies' stand. Another issue is whether such steps would best complement a diplomatic effort now, or should be held in reserve as a threat during the Majlis' meetings. Once implemented, we would have little left with which to threaten.

-- Additional pressures may be possible through covert action. A great deal of disruptive activity is already under way in Iran which has no U.S. involvement but which most Iranians assume is American-inspired. These disruptions and the assumption of American involvement heighten fears in Iran that we have important assets that could undermine the revolution. In an Iranian context, the advantage of covert options is that although the Iranians will assume we are playing a subversive role--because of their beliefs in foreign devils and conspiracy theories--we will not have admitted such a role and reactions would be correspondingly muted. Consideration of actions stimulated by the U.S. should include whether risks of detection and the attendant setbacks to any negotiations or harm to the hostages are outweighed by the advantages to be gained.

-- The options for such military acts as mining or blockade can be kept open. Indeed, the threat of such action might well be more effective during a Majlis debate than the action itself. See Tab 4.

Diplomatic Approaches

It was one of the propositions set out for discussion at the beginning of this paper that we would not stand back on the diplomatic front altogether simply to allow time to pass and pressures to work but rather use the diplomatic resources at our disposal at least to explore the political situation in Tehran and to determine whether a scenario can be found which might pave the way for release of the hostages when the Majlis is formed.

It was also proposed that we broaden our diplomatic approach to concentrate through a special channel on Bani Sadr and to make an effort to reach the clerics.

In pursuing these approaches, we can start by stimulating a broader range of diplomatic channels whom we would request to explore the situation in Tehran and report back to us so that we can begin to determine whether and how to shape a scenario for coupling Bani Sadr's presentation of his program to the new Majlis with the release of the hostages. We would encourage all those whom we request to participate in this effort (see below) also to make appropriate arguments for the release of the hostages. We would make no proposal at this time but would make clear that the elements of our position are those approved in

January (Tab 1) with the possible addition of a statement that we have no intention of taking punitive military action against Iran once the hostages are released. We would make these approaches immediately in an effort to begin opening a broad range of channels as quickly as possible.

The Substance of Diplomatic Approaches

More specifically, the separate approaches to the secular and religious principals in Tehran might go as below.

-- With Bani Sadr (and Ghotbzadeh) we would take the following line:

-- We recognize the importance to the Iranians of their convening parliament in completion of the task of putting into effect the Islamic constitution. We accept Iran's constitutional process.

-- We expect that Iran-U.S. relations will be reviewed by parliament in the context of setting the course for Iran's foreign relations.

-- We regret difficulties in relations between U.S. and Iran and believe it is in the interest of both countries to find an early resolution to our problems.

-- We believe it would be helpful for the President and Revolutionary Council to be able to present to parliament a basis for future U.S.-Iranian relations. We are prepared to discuss this with him on the basis of the position we have conveyed to him (Tab 1). But the Iranians should not expect any American concessions, or a relaxation of pressures until all the hostages are freed. We have no interest in talking on any other basis.

At the same time, through different intermediaries and others who will not be acting in our name, we should try to develop an understanding by Beheshti and the clerics that the continued holding of the hostages will not be in their interest. The principal motivations of the clerics appear to be (1) desire for power and the construction of an Islamic-dominated regime; (2) fear of the power of the U.S. to prevent them from achieving power; and (3) fear of a Soviet-dominated left. We would use themes that play on their fears and aspirations.

Much of the work on the fear side is already well in train. The rescue mission itself signals U.S. ability to mount significant military operations against Iran. Hostilities with Iraq, the Kurds, the activities of Bakhtiar and Oveissi, and continuing sabotage and disruption within Iran are all assumed to have an American connection and play to the fears of the revolutionaries that we are out to over-

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The line we would suggest intermediaries might take with Beheshti and the clerics could include these points:

-- Continued confrontation with the U.S. creates additional prospects for Soviet influence, contrary to the interests of the Iranian revolution. The left is gaining every day in Iran.

-- The Europeans and Japanese wish to have good relations with Iran; they can be helpful to Iran in many ways. But this is impossible so long as the hostages are held. They are approaching the Iranians not out of altruism, but because their interests are involved, and they are worried about the future course of events.

-- The U.S. is dangerous, unpredictable, and is prepared to give full support to the opponents of the revolution unless the crisis is resolved. The anger toward Iran within the U.S. is widespread and deep.

-- The intermediaries would be in a position to guarantee that the U.S. would support the following points once the hostages are released:

- It is for Iranians themselves to decide on the policies of their new government.
- Iran must maintain its integrity.
- Iran must maintain its independence from the Soviet Union.
- Iran must acquire political stability to prevent subversion from within.
- The U.S. would forego retaliation against Iran after all the hostages are released safely under honorable conditions.
- The release of the hostages is a necessary step in the removal of obstacles to such an agreement.

The Channels

1. Ambassador Lang: Now that Switzerland is our protecting power, we might if the Swiss are willing put more emphasis on Lang as our chief negotiator and representative to present official U.S. views, particularly with Bani Sadr.

2. Bourquet and Villalon could continue their concentration on Ghotbzadeh and other secular members of the Revolutionary Council. Despite their contacts with Bani Sadr, they tend to see the situation through Ghotbzadeh's eyes, [REDACTED]

3. Key Islamic states [REDACTED] could explore the possibility, especially with the clerics but also with the lay leaders, that the Islamic Conference could act as an intermediary in resolving the hostage crisis. The Islamic Conference's role would be particularly important in providing the Iranians with credible assurances that the U.S. would not take retaliatory action against Iran or act against the Revolution once the hostages are released. [REDACTED]

4. Richard Cottam is prepared to go to Iran for intensive discussions with Ghotbzadeh, Beheshti, and other contacts.

5. Archbishop Capucci is possibly the single most influential foreigner with the militants, Khomeini, and the Revolutionary Council. He can be especially helpful with the religious leadership and with the militants.

There are other channels that could be developed, but these are the ones that we might start with. These approaches are laid out in the table at Tab 3.

In engaging our allies, the best approach might be to share it at high level the outlines of our strategy for the next two months on a bilateral basis, asking each government to designate one senior official in its capitals with whom we can discuss our plans in detail on a highly restricted basis.

An important element in enlisting overall allied support and specific cooperation of some close allies will be our position on the use of military options. Understandably, we will not wish to tie our hands completely, but we can assure the allies that (1) we have no present plan to use force;

(2) we are prepared to wait for a reasonable period after the Majlis is convened to determine if a peaceful resolution is possible and if our joint diplomatic/political/economic efforts can bring this about; (3) we will consult closely with our allies if we subsequently conclude that the use of force is necessary; and (4) for tactical reasons, we will continue publicly to leave the option of using force open in this interim period, and expect the allies not to criticize us publicly on this point.

Public Affairs Strategy

Because the crisis is likely to continue for some time it will be important to reduce the level of public expectations and to attempt to calm public frustration. Thus, we should avoid the public expectation that there will be new or dramatic initiatives every week or so.

A reduced level of rhetoric is important for three reasons:

-- The greater are the public expectations that pressures will lead to a solution in the near future, the greater the frustration and impression of U.S. weakness when they don't. Rather than continuing the cycle by meeting a new wave of frustration with new measures, it is better to begin to prepare the public for a lingering problem. The less the public frustration, the wider are our options and the less likely we will be driven to action which does not serve our interests.

-- The more we play up the hostages as a public issue, the more the militants are likely to conclude that we will make new concessions and the more the militants will want to keep the limelight by keeping the hostages.

-- With regard to our Allies' actions, our public position should underscore the serious hardships and isolation of Iran implied in the sanctions; it is more valuable in Iran and here to play up what the Allies do, rather than down play their actions. This is not to imply that we should take a soft line on Iran. Indeed, a less public line should be shaped to convey menace rather than compromise. But we should avoid promising our public more than we can deliver, thus also building up the militants in Iran.

Our public theme should emphasize the following points:

-- Sanctions have been applied and it is necessary to allow time for full effects to be felt in Iran.

-- The effects on Iran will increase as the European sanctions are implemented.

-- Iran is in conflict with the entire civilized world, not just the United States.

-- We are consulting with our allies and friends about further steps they might take.

-- Iran has an obligation to the world to improve the condition of the hostages and to report regularly to the families. (We should consider family visits as a means of increasing this form of pressure on Iran.)

Where there are diplomatic developments reported in the press, we should not build these up but portray them as part of our ongoing efforts. We should avoid threats or discussion of military force, except perhaps on background.

Initiatives During the Next Two Weeks

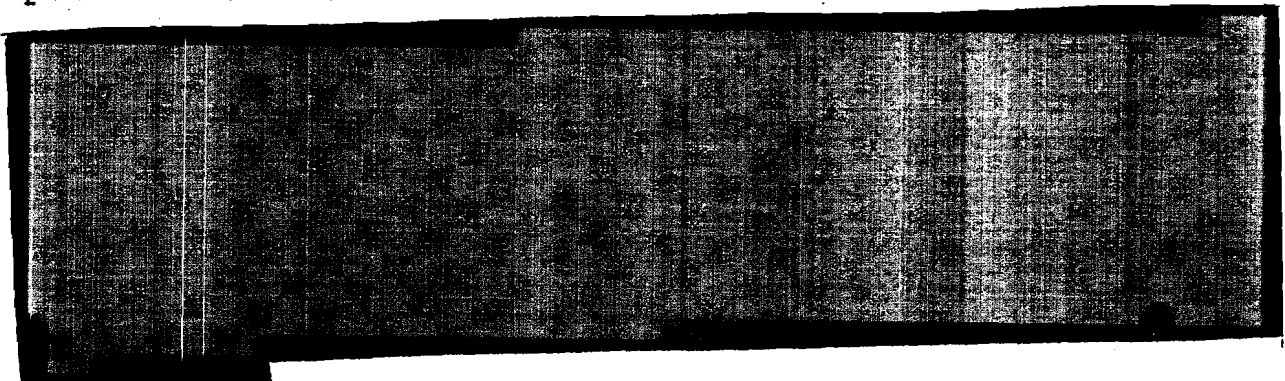
Through May 10

During this period we should attempt to lay out a general scheme for concerted activities by our key collaborators and get their agreement to this plan of action. This would mean:

-- A Saunders meeting with Ambassadors Brunner and/or Lang in Switzerland for their assessment and our presentation of strategy.

-- A meeting with Capucci, Bourguet and Villalon, and, if possible, Nobari on the same trip.

-- Messages to our allies or meetings with them outlining special roles for them:



[REDACTED]

-- A trip by Richard Cottam for talks with as many leaders as he can arrange, especially Beheshti, whom Cottam has known for seven years. We would encourage Cottam to stay at least one week and perhaps return to Iran after consultations with us.

May 11-18

-- Continue foregoing actions as appropriate.

-- Messages to the Algerians and Syrians or Bedjaoui and Daoudi to explore the mediation effort by those countries, possibly supplemented by a role for the Swiss and French or possibly a Non-Aligned Movement initiative. The Algerians and Swiss, for example, could suggest, as protecting powers, that they constitute a contact group to hold talks with us for the Iranians in an effort to resolve specific problems in the dispute between us.

-- Capucci and Bourguet or Villalon return to Tehran.

-- Messages or possible visits to EC-9 capitals to assure there is no wavering on the May 17 sanctions.

After May 18 we would try to put ourselves in a position, through the appropriate intermediaries, to work out a scenario that would reflect the political dynamics in Tehran and steps that are politically feasible for us which might contribute to the decision in Tehran to release the hostages.

Summary of Decisions

If this general diplomatic strategy is approved, we would be moving into a phase of exploring through a number of channels the political situation in Tehran to develop the insights necessary to fashion a more precise course of action. At this stage, the following are the decisions that need to be taken:

-- Shall we now reopen diplomatic contact with Bani Sadr and Ghotbzadeh to begin exploring what steps might make it possible for Bani Sadr to present a program to the new parliament that would subsume release of the hostages?

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-13-

-- Shall we undertake a full-scale effort to get at Beheshti and the other clerics through new intermediaries?

-- Should we specifically attempt to involve key European nations as intermediaries in a more precise way than we have in the past?

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON*good. I would like
brief state, DoD & OMB
Comments - #6*~~SECRET~~~~SECRET~~May 16, 1980 *J*

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *ZB.*
SUBJECT: NSC Weekly Report #141

1. Status Report on the Security Framework for the Persian Gulf.

I have chaired eleven SCC meetings on security framework issues for the Persian Gulf. Getting results is like pulling teeth. The complicated interests and issues make progress difficult; bureaucratic resistance makes it more so. State is fearful of military power projected into the region. Defense is unable to act expeditiously, lacks funds, especially for operations and exercises, and cannot break through service rivalries to build a command structure for the region. Nonetheless, progress has been made. You should get more political and international credit for it. This memorandum, therefore, is a status report. (S)

The Strategic and Political Context

In your State of the Union Address, you declared the Persian Gulf and Southwest Asia to be the third strategic zone for western security, interrelated to Europe and Asia because our allies have vital interests there. At the same time, you set three goals for us for the year:

1. To make the Soviets pay a price for invading Afghanistan.
2. To get the allies to help us make the Soviets pay a price.
3. To build a security framework to protect our vital interests in the Persian Gulf region. (S)

It is frequently asserted that we have no concept or strategy for the Persian Gulf security framework. Although we have not publicly spelled it out, I have been developing one in the course of the SCCs. It is truly cross-cutting in its implications, but its four basic components and their sub-categories make a solid analytical structure and also tend to fit the division of bureaucratic responsibilities in the interagency arena. They are:

I. Military Issues -- Defense Leading: This includes U.S. force capabilities; local defense capabilities, interrelation between U.S. force projection and local defense; and NATO force implications. (S)

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Review May 16, 2000
Classified & Extended by Z. Brzezinski
Reason: NSC 1.13(f)

SAVED
E.O. 12958, CLASS. 3
PER 3151/21/80 BY RE NK-96-139
EY 0 NARS DATE 12/1/87

II. Foreign Policy Issues -- State Leading: This includes the Middle East peace process; the northern Tier -- Pakistan and Turkey; the Arabian Peninsula; the Horn of Africa. (S)

III. Economic Issues -- State, Energy, and Treasury sharing: This includes oil; Western economic assistance; Saudi financing; Western energy policy; international monetary policy. (S)

IV. Intelligence Issues -- [REDACTED]

Status Report

To provide you with as succinct a summary of progress as possible, I have arrayed the SCC results for each of the security framework components in chart form at Tab A. You will find things very compact there. If you desire more detail, you can review the tabular forms at Tab B. For a dynamic sense of where we would like to go, you should review the charts at Tab C. They show timing for various issues, both past and future. The future projections are for planning guidance. Meeting the schedule for each, of course, is highly problematical. (S)

Further Goals

In order to provide concrete and compelling answers to the questions about a security framework for the Persian Gulf which flow from your State of the Union Address, I have set the following to be attained by fall. Some of them will not be easy, but I want to put them before you to help give you a sense of direction related to possible concrete actions:

I. Military Issues.

- A unified command structure for the region.
- Ground forces exercises in the region, demonstrating the viability of the RDF.
- More basing access (rear basing in Egypt, forward basing in the Persian Gulf).
- Institutionalized military and internal stability ties with Saudi Arabia. (S)

II. Foreign Policy Issues.

- Progress in the autonomy talks.
- Improved relations with Pakistan [REDACTED]

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- Firmer relations with Oman and Somalia.
- Diffusion or elimination of the hostage problem. (S)

III. Economic Issues.

- A larger economic and security assistance commitment by both the U.S. and our allies to key states in the region. Pakistan is most critical.

-- [REDACTED]

- Progress on the energy conservation front and stability in the oil market. (S)

IV. Intelligence Issues.

[REDACTED]

Possible Next Steps

There are a number of ways which might gain you more credit for these security framework activities. First, you might let Defense and State know that you are following their performance. Second, you could issue a Presidential Directive based on the concept. It could give a sense of direction and policy perseverance to our allies in Europe, to friendly states in the Persian Gulf region, and to foreign policy pundits in the U.S. (S)

2. National Security Affairs Calendar (attached at Tab D)





National
Foreign
Assessment
Center

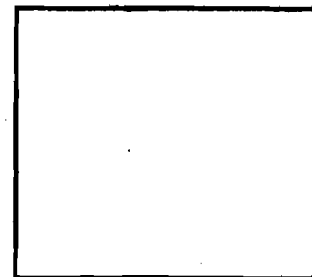
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Afghanistan: Iran's Role in the Crisis

An Intelligence Memorandum

~~Top Secret~~

P. 1 80-10,200

July 1980

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~~Top Secret~~**Afghanistan: Iran's Role
in the Crisis****Summary**

Iran has become increasingly involved in the Afghanistan crisis in the last few months. Tehran has provided important diplomatic support to the insurgents fighting the Soviets. The central government has apparently not lived up to its promises to provide material aid, but Tehran continues to assert its willingness to do so if the Soviets do not withdraw from Afghanistan. The Afghan insurgents have received material aid, however, from the Iranian clergy, elements of the Revolutionary Guard, and local officials—aid that reflects the general consensus in Iran in support of the rebel cause.

The Afghans have established a significant presence in Iran. The insurgents train fighters in camps along the border that house more than 100,000 refugees and have offices in Tehran, Qom, and Mashhad. Some Revolutionary Guard units apparently are providing support for cross-border operations.

Iranian involvement with the insurgents seems certain to increase. Domestic pressures will incline the government toward more active support of the rebels. For their part, the insurgents will probably continue to find Iran an attractive base of operations, especially given the small number of Soviet forces located in the border area.

Since early June the Soviets have become increasingly alarmed by Iran's role in Afghanistan. They have taken a tougher line toward Iranians who have taken outspoken public positions favoring the insurgents. Foreign Minister Ghotbzadeh has, for example, been characterized as an agent of the United States and China, and local authorities in Mashhad have been accused of cooperating with the CIA. But Moscow has avoided direct criticism of the Khomeini government.

The tougher Soviet posture is not likely to dissuade Tehran, and the Soviets may be forced to step up their pressure. They could do so—but only at the cost of a significant deterioration in ties with Tehran.

The author of this memorandum is [] Office of Political Analysis. It was coordinated with the National Intelligence Officer for Near East/South Asia. Research for this memorandum was completed on 27 June 1980. Comments and queries are welcome and should be directed to the Chief, Southeast Asia Analytic Center, Near East-South Asia Division, OPA, telephone [].

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*Foreign Minister Ghotbzadeh
at the Islamic Conference
in May.*



Unclassified ©

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Afghanistan: Iran's Role in the Crisis



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Negotiating Posture

Iran has become the most vocal Third World supporter of the Afghan insurgency. Iranian leaders—especially Foreign Minister Sadegh Ghotbzadeh—have repeatedly taken a tough approach to President Babrak Karmal's government. Ghotbzadeh played a major role at the recent Islamic Conference in obtaining support for the Afghan insurgents' demands for a total Soviet withdrawal from Afghanistan. He also has played a key role in the three-man commission on Afghanistan set up by the conference.



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Ghotbzadeh has outlined Iran's position on Afghanistan in simple terms:

- All Soviet troops must leave Afghanistan.
- The insurgents should be brought into a new government.
- The Babrak regime cannot be recognized as Kabul's legitimate government, but it can participate in negotiations on the country's future as an "interested party."



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Tehran has rejected offers from Kabul to improve relations. Babrak reversed his predecessors' tough anti-Khomeini line and has suggested that "the most reverend leader, Imam Khomeini," join him in improving ties between the two countries. Tehran, however, summarily rejected Kabul's 14 May peace proposal addressed to Iran and Pakistan, and Ghotbzadeh labeled the 23 June Soviet troop withdrawal a "maneuver" aimed at influencing Western and Islamic opinion.



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National Consensus

Ghotbzadeh's hard line reflects a consensus in Iran in favor of the insurgents, as well as the Islamic revolution's anti-Communist and anti-Soviet ideology. President Bani-Sadr and Ayatollah Khomeini have made strong public statements attacking the Soviets as have most Iranian clerical leaders. Only the pro-Soviet Tudeh Party has defended the Soviet intervention in Afghanistan. Other leftist groups like the Mujahedin have criticized the Soviets or taken a low posture.



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The Iranian consensus on Afghanistan indicates that Tehran's concern about the situation on its eastern frontier will be lasting. Even if Ghotbzadeh were to leave office, other Iranian leaders would probably continue to back the insurgents as a means of keeping the Soviets off balance and demonstrating Iran's independence.



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Khomeini has longstanding ties with at least one Afghan rebel leader. Assef Mohsini, who was a student of Khomeini's during the Ayatollah's years in exile in Iraq, currently heads an Afghan group in Qom. Khomeini's ties are strongest with the Shia Muslim Hazara minority in central Afghanistan, a group that has been particularly active in the insurgency against the Babrak regime. Shias comprise only about 12 percent of the Afghan population and have long been discriminated against by the majority Sunnis. Many Hazaras like Mohsini look to Khomeini for leadership. [REDACTED]

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Iranian leaders appear to have little fear of the Soviet reaction to their tough line on Afghanistan. Although Tehran is concerned that Afghanistan may be used by the Soviets as a base for subverting Iran's dissident Baluchi minority, the Iranians are confident they can resist any overt Soviet move into the country through the same kind of massive civil disobedience that brought down the Shah. [REDACTED]

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[REDACTED]

Tehran, however, has tried to keep its relations with Moscow on other issues from deteriorating. The Iranians value Soviet economic assistance or at least its propaganda value in circumventing US and West European sanctions. Moreover, Tehran is determined to keep some balance in its relations with the superpowers. [REDACTED]

Aid to the Insurgency

Since January Bani-Sadr and Ghotbzadeh have promised on several occasions to provide the insurgents with material support including money, arms, and volunteers. [REDACTED] the insurgents have yet to receive aid from the Iranian central government. [REDACTED]

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[REDACTED]

[REDACTED] some aid is going to the insurgents from other Iranian sources. [REDACTED]

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[redacted] Given
the confusion in the Tehran government, it is not surprising that individual Iranian clerical leaders, businessmen, local officials, and elements of the Revolutionary Guards have provided assistance to the insurgents without the explicit approval and perhaps even without the knowledge of the central government. [redacted]

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The insurgents, moreover, have established a significant presence inside Iran. Estimates of the number of Afghan refugees in Iran range from 100,000 to 300,000. [redacted]

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[redacted] suggest that Iranian volunteers are already working with the insurgents inside Afghanistan. [redacted]

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Tehran provides the insurgents with propaganda support and allows them to have offices in Tehran. Moreover, Ghotbzadeh has taken the lead in bringing insurgent leaders to diplomatic conclaves such as the Islamabad conference. [redacted]

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Potential Iranian Aid

Iranian involvement with the insurgents seems certain to increase, partly because it will come under increasing domestic pressure to take a more active part in aiding the insurgents. Ghotbzadeh and other Iranian officials have already said that if negotiations fail to persuade the Soviets to withdraw from Afghanistan, the government will support the insurgents with arms and financial backing. Even if it wanted to, the Tehran regime lacks the ability to curb activity along the border. [REDACTED]

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The insurgents are likely to look to Iran as an increasingly attractive base of operations. The Iranian-Afghan border area has both disadvantages and advantages as a base for insurgent activity:

- The terrain is less suited to guerrilla operations than the mountainous Pakistani-Afghan border region. In the Zabol area the ground is marshy and subject to seasonal flooding from the Helmand River. North of Zabol to the Soviet border the terrain is very barren and primarily desert. Although it is mountainous, there is very little vegetation and guerrilla activity could be easily countered from the air.
- The area is thinly populated. Aside from some agricultural activity along the Helmand, most residents are nomads. The largest city in the area is Mashhad (780,000)—most are much smaller (in Iran, Tayyebat has less than 15,000 residents, Zabol perhaps 30,000; in Afghanistan, Herat has around 75,000, Zaranj less than 10,000).
- There are few Soviet troops in the area. Only one understrength Soviet motorized rifle division is in the Shindand-Herat region, although another is at Kushka just north of the Soviet-Afghan frontier.

The 400-mile long frontier is impossible to close without a major increase in Soviet forces. Even before the insurgency and the decline in Iranian border security, smuggling was widespread. [REDACTED]

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Soviet Reaction

Until mid-June the Soviets generally refrained from commenting on Iran's support for the insurgents. To improve their ties with the Khomeini regime, Moscow chose to ignore Tehran's stand on the Afghan issue on most occasions. Ghotbzadeh's highly visible role in the Islamic Conference in Islamabad in May and with the conference's Afghan committee apparently led to some reevaluation in Moscow that has been reflected in several press commentaries. The Soviets were probably particularly disturbed by a meeting between Ghotbzadeh and Chinese Foreign Minister Huang Hua in Oslo, Norway, on 12 June during which the Afghan issue was almost certainly discussed. [REDACTED]

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On 16 June a TASS dispatch filed from Kabul claimed that Ghotbzadeh had discussed aiding "counterrevolutionary forces" with Hua during the visit to Norway. TASS suggested that Ghotbzadeh was acting as an agent of the United States and China—a line consistent with Soviet policies aimed at courting Khomeini and the Islamic clergy while suggesting that secular Iranian leaders are insufficiently revolutionary. [REDACTED]

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Several subsequent articles have accused Ghotbzadeh of "echoing American propaganda" and of cooperating with other "circles in Iran" who want to emulate Pakistan's example by setting up bases on Iranian territory for the insurgents. [REDACTED]

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A 25 June *Pravda* commentary by A. Petrov—a pseudonym used to convey authoritative endorsement by the Soviet leadership—accused "local authorities" in Mashhad of conniving with CIA agents in setting up a "center of armed struggle" against the Karmal regime similar to the "rebel training bases" in Pakistan. The article carefully avoided blaming the Khomeini government for complicity in the "Mashhad center." [REDACTED]

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The increase in Soviet public concern about Iran's role in Afghanistan probably reflects the unease in Moscow over the potential for increased Iranian aid to the insurgency as well as the embarrassment caused by Ghotbzadeh's polemics. [REDACTED]

Moscow faces a fundamental dilemma in developing its policy toward Iran's role in Afghanistan—it must try to balance its desire to maintain fairly good relations with Khomeini while preserving its equities in Afghanistan. The Soviets are clearly trying to avoid an open split with the clerical wing of the Islamic revolution by focusing their attacks on Ghotbzadeh. [REDACTED]

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This tactic is not likely to succeed, given the backing Ghotbzadeh enjoys on the issue. The Soviets will probably adhere to this line as long as possible, however, especially if the central government's direct involvement with the insurgents remains unclear. [REDACTED]

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The Soviets may choose to ignore an escalation in Iranian involvement with the insurgents for some time. Nonetheless, Moscow has several options in dealing with increased Iranian involvement. [REDACTED]

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The Soviets could choose to increase their forces in Afghanistan's western region to prevent cross-border activity, but this is unlikely in the near term. Unless the Soviets increase their troop strength significantly in Afghanistan, they would have to transfer forces from other regions where the insurgency has been more active. [REDACTED]

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(1 [] Moscow might try to signal its unease by adopting a more aggressive policy toward Iran. The Soviets could exert pressure on Iran more directly by using their economic relationship or increasing their aid to leftist groups in Iran such as the Tudeh. Moscow could also take a more direct role in supporting Iran's dissident minority groups like the Kurds and the Baluchis. These options probably would seriously strain relations with Tehran. [] 25)

(1 [] The most dangerous Soviet option would be an aggressive policy of pursuing insurgents across the border and disrupting their activity in the refugee camps. The Iranians have charged that Afghan Air Force helicopters entered Iranian territory on at least two occasions (23 February and 20 May), apparently in pursuit of insurgents. A Soviet decision to move aggressively against rebel activity in Iran would risk a fundamental deterioration in Iranian-Soviet relations and would probably be chosen only as a last resort. []

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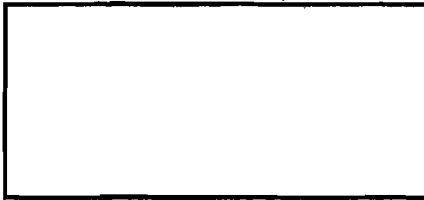
The Director of Central Intelligence

Washington, D.C. 20505

Executive Registry


80-7408

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7 July 1980

MEMORANDUM FOR: The Honorable Zbigniew Brzezinski
Assistant to the President for
National Security Affairs

SUBJECT: Current Status of Hostage Crisis
and the Implications of U.S.
Policy Options 

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Attached is a brief paper that attempts to
summarize:

- current situation in Iran;
- impact on Iran and other key nations
of several courses of action we might take
over next six months or so. 

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/s/ Stansfield Turner

STANSFIELD TURNER


Attachment

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DISTR (Per PB/NSC)

- 1 - DDCI
- 1 - DDO
- 1 - C/NE/DDO
- 1 - DD/NFA
- 1 - NIO/NESA
- 1 - PB/NSC
- 1 - BR File


Rvw on 7 Jul 1986

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7 July 1980

MEMORANDUM

CURRENT STATUS OF THE HOSTAGE CRISIS AND
THE IMPLICATIONS OF US POLICY OPTIONS

The continuing lack of movement on the hostage issue reflects both the political cost to any Iranian leader of favoring a resolution of the crisis and Ayatollah Khomeini's personal refusal to reverse his position. [REDACTED]

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--Bani-Sadr and other moderates on the hostage issue have apparently halted their efforts to have the captives released. The moderates clearly calculate that if they sponsor any new effort to resolve the crisis they will be damaged politically. [REDACTED]

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--Movement toward releasing the hostages might begin if Beheshti or another leader could achieve a clearly predominant political position. A resolution of factional conflict seems unlikely, however, any time soon. Khomeini has actively reentered politics, preventing any one leader or faction from making significant gains. [REDACTED]

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--Khomeini's policy that the National Assembly must decide the issue--which shifts the moral and political costs of any decision to others--will delay any movement for weeks or possibly months until the Assembly takes up the hostage question. There is no indication that the Assembly will soon complete its initial tasks of establishing procedures and considering the nomination of a prime minister and cabinet. [REDACTED]

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SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

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DECLASSIFIED ON 7 Jul 86
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--Even when the Assembly does turn to the issue, members are likely to try to avoid reaching a decision. Hardliners will prolong the delay by establishing their revolutionary credentials in lengthy condemnations of the US.

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--One possible outcome is a release of some of the hostages.

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Khomeini's deep antipathy to the US and Western values, and his belief that he can affect domestic US politics as well as US policy toward Iran by holding the hostages, make it likely that he will support continued detention of some of the hostages.

Implications of a US Low Profile Policy

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The current US low profile on the hostage issue has contributed to waning Iranian public interest in the crisis. It has coincided with developments in Iran which have reduced public attention to the hostages. Khomeini's criticism of the government and calls for a "cultural revolution," infighting and compromise between Beheshti and Bani-Sadr, and the renewed crackdown on the left have directed attention toward other issues. The militants holding the hostages have made few public statements.

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Continuing the current US policy could reinforce the low level of Iranian public interest in the hostages and reduce the ability of the militants to capitalize on anti-US themes.

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--US public emphasis on sanctions or discussion of a military option provide Khomeini the opportunities to call for unity against US "imperialism" and might provoke renewed calls for hostage trials.

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--The US low profile allows Bani-Sadr and other moderates to disassociate themselves from the hostage question while they attempt to strengthen their political position against competing groups including both clerical hardliners and leftists. [REDACTED]

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--A continuing low level of public interest in the hostages could contribute to a decline in the political utility of trying or holding them. This might eventually allow moderates to gather more support for resolving the crisis. [REDACTED]

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This approach relies on internal Iranian mechanisms to solve the crisis and recognizes the limitations of any US initiative. It has the flaw that once National Assembly debate on the hostages begins, Iranian public attention will be redirected to the hostages regardless of US policy. Clerical hardliners and the militants probably will renew their calls for trials once the Assembly begins debate. [REDACTED]

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Policy Initiatives Without Renewing Threats

--The US could take more active steps but not renew threats to Iran. We could make new expressions of concern for the physical condition of the hostages, continue efforts to orchestrate further diplomatic initiatives by third parties, [REDACTED]

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--Iranian leaders including Khomeini have been sensitive to any charges concerning the welfare of the hostages. Expressions of humanitarian concern have produced movement in the past--including visits by outside observers and some accounting of the hostages' condition. An approach by an international agency or third party might at least yield information on the location of the hostages. Iranian public opinion could be reminded of the moral costs of continuing to hold the hostages. A flaw in this approach is that it could be rebuffed on grounds of the need for security following the rescue effort. It also revives Iranian interest in the hostages and could present new political problems for Bani-Sadr. [REDACTED]

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[REDACTED]

--Renewed indirect diplomatic initiatives could be targeted on clerical leaders rather than the secular moderates on the hostage issue.

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[REDACTED] Rep-
representatives of Islamic states or religious organizations could be asked to present a case for the hostages based on Islamic law to Ghodussi, senior ayatollahs such as Shariat-Madari, and other clerics. The Islamic month of Ramadan, which begins in July, presents a timely opportunity for such demarches.

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--Focus on the immediate hostage issue should not distract us from longer term US interests in Iran.

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[REDACTED] The Soviet-supported Tudeh party continues to gain politically from its current policy of publicly supporting Khomeini. Following Khomeini's death, the Tudeh party's recruitment efforts among the military, students, and workers could leave it in a strong position relative to the less organized clerical and moderate groups. [REDACTED]

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Policy Options Renewing Threats

The advantages of the low public attention to the hostages in Iran will be reduced when the National Assembly begins debate on the issue. Moreover, the low profile US approach may reinforce an Iranian public perception that there are few costs to continuing to hold the hostages. A renewed high profile US approach to the Iranian crisis, on the other hand, risks heightening pressure for trials of the hostages. New initiatives might also weaken Bani-Sadr by forcing him to respond, making him the target of attacks by clerical hard-liners.

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An opportunity for a shift in US policy may be provided if the National Assembly calls for hostage trials or if the crisis continues after a significant anniversary such as the one year point this November 4th. At that time the US could initiate further major diplomatic efforts to isolate Iran or undertake military moves such as a naval blockade, mining, or violating Iranian airspace. [REDACTED]

Military action would do little to influence Iranian moderates who are already aware of the costs of holding the hostages. Military moves would also play into the hands of clerical hardliners who have been able to deflect public criticism to the US in the past when we have taken a tough position. The justifications for further military moves would be to punish Iran; to indicate to world opinion the importance we attach to the hostage crisis and the inviolability of diplomatic missions generally; and to demonstrate that although we are capable of being patient, there is a limit to which this superpower can be pushed; and to ward off danger that continued stalemate between the US and Iran will enhance the probability of a takeover in Iran by forces of the left, if not the Soviet Union. Military action would risk the US being charged with overreaction, adding to tensions in the area and setting in motion developments that could have more far-reaching adverse consequences. [REDACTED]

The dilemma for the US remains that we lack direct leverage to influence decision-makers or public opinion in Iran. [REDACTED]

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Handwritten initials and signature

22 September 1980

MEMORANDUM

IRAN: THE REVOLUTION AT A CROSSROADS []

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Clerical leaders of the Islamic Republic Party now that they have control of the government seem to be shifting towards a more moderate path. They may be prepared to work towards a resolution of the hostage question, but they could quickly shift again if they detect any danger of losing popular support and Khomeini's essential backing. []

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Another Phase of the Revolution

The formation of the clerical-controlled government earlier this month marked the beginning of a new and critical phase of the revolution. Beheshti and the IRP have achieved clear predominance. Bani-Sadr has the presidency, but without a national organization the secular moderates have no real chance of regaining the upper hand. []

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IRP leaders must now move to deal with Iran's serious problems. While no outward manifestations of dissent have occurred recently []

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[] a growing unhappiness even among Khomeini's staunch supporters because of several irritating problems.

--Prices for basic commodities have increased to the highest level ever.

--At times it is necessary to stand in line to buy goods plentiful before the revolution.

--The government has been unable to deal with increasing petty crime.

This memorandum was prepared by [] of the Southwest Asia Analytic Center, Near East South Asia Division, Office of Political Analysis. Questions and comments may be addressed to Deputy Chief, Southwest Asia Analytic Center on []

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--Some clerics and their secular henchmen have been heavy-handed in efforts to regulate local life.

--Government agencies at all levels are increasingly inefficient and inept at providing services. []

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Anti-clericalism has been on the rise since late last Spring and is likely to increase more unless some progress is made soon on these problems. Nineteen months after the overthrow of the monarchy, revolutionary ardor is wearing thin and Bani-Sadr can no longer be blamed for the government's inability to meet popular expectations. []

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Clerical Concerns

The clerics are clearly worried that the opposition will benefit. Khomeini has devoted numerous speeches since he emerged from seclusion in May warning of the threat from the Islamic leftist Majahedin which though underground still has broad popular support. []

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[] the clerics are afraid of the Tudeh Party but are wary of moving strongly against it for fear of offending their powerful Russian neighbor. []

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At the same time, regime spokesmen have been publicly warning of exile plotting supported by unholy alliances of foreign powers including the US, Iraq and Israel. These diatribes are meant in part to stoke Iranian xenophobia, but they reflect real concern. The success of the US in April in secretly moving troops deep inside Iran, the mid-summer coup plot, which the regime believes was supported from abroad, and Iraq's impudent seizure of disputed territory are but the more obvious reminders of the threat from other states. []

Abrupt Change of Direction

Presumably with these dangers in mind, at least some IRP leaders appear to have decided to set out in a new direction in both domestic political policies and in their attitude towards the West.

--At home they have begun cooperating with Bani-Sadr and have lowered the level of invective aimed against the secular moderates.

--In their policy towards the US, IRP leaders have sent signals of a willingness to reopen the hostage issue and have ceased to castigate President Carter. (The lack of comment on Governor Reagan suggests this latter shift has more to do with their own domestic concerns than with perceptions of the likely attitudes of a Republican administration.)

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--The IRP leaders may also have at least acquiesced to the statement of 12 September which was signed by Khomeini but probably was written by members of the moderate faction. []

Weighing the Risks

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IRP leaders such as Beheshti have remained well in the background and not openly associated with the recent abrupt change of direction. IRP Speaker of the Assembly Rafsanjani has merely presided over the hostage debate while such relative moderates as Bazargan and Yazdi spoke of solutions and various Islamic zealots launched ferocious verbal barrages against the US. []

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Beheshti may calculate that once the most extreme members get through venting their rage, more realistic legislators will begin to build constructively on the basis of Khomeini's landmark statement. Beheshti himself is pragmatic--before the seizure of the Embassy he seemed prepared to move towards normal relations with the US. []

Beheshti cannot now quickly negotiate a settlement of the hostage problem. He has little personal prestige and his party seems little more than a loose conglomeration of Mullahs and their secular collaborators. He is a superb political tactician, however, and it is possible that he will find a way to prevail on the hostage issue. []

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Beheshti and the IRP leaders, on the other hand, are determined to retain political power. Because they have committed none of their prestige to a resolution of the hostage problem, they can easily change course again towards extremism if they calculate their moderation is allowing more extremist politicians to hurt them politically. They could also change direction if the negotiations with the US seem to be resuscitating the fortunes of the secular moderates. They will be particularly sensitive to any signs that the US wants to hurt them through the negotiations. []

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~~CONFIDENTIAL~~

Any negotiations will almost certainly be tortuous for the US. The revolutionaries cannot "compromise" with the enemy--the US--and they must carefully build public opinion to accept a hostage release. They are concerned about their problems, but are likely to toughen if the US attempts to push too hard for a quick solution.

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~~CONFIDENTIAL~~

~~SECRET~~ #5

THE WHITE HOUSE

WASHINGTON

September 26, 1980

~~SECRET~~

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: NSC Weekly Report #155

1. OpinionIran-Iraq

One short thought I want to share with you regarding the current crisis -- and it may be helpful to you in any public statements that you make on the subject:

It is important to differentiate between the short-run danger to oil supplies -- which we are right in minimizing; and the longer-range strategic threat to the region, which we should not underplay.

With respect to the first, you have a good story to tell, namely that because of your policies, the situation is in hand and there is no need to panic. Moreover, you have stated quite firmly that we will do what is necessary to keep the oil flowing, and that is a good message to get across both internationally and politically.

At the same time, the longer range threat involves the extension of the collapse of Iran and of the invasion of Afghanistan into a broader strategic challenge affecting the Persian Gulf more directly now. The Iraqi-Iranian crisis in some fashion will continue to percolate even after any cease-fire. It will give the Soviets new openings, both politically and militarily. Our task in protecting the security of the region will become both more urgent and more difficult.

When you said earlier that the Soviet invasion of Afghanistan was the most serious crisis that we faced since World War II, some commentators ridiculed you. You have been proven right, and the country has to understand that it will take a long-term effort, much fortitude, and much sacrifice to accomplish in this region what President Truman accomplished in Europe in the late forties and early fifties: the creation of a security system that genuinely protects our vital interests.

(The progress we have made already in shaping a regional security framework is something to take credit for in this connection, but the point to stress is that there is a longer term strategic threat to which the country as a whole has to respond.)

2. NSC Activities~~SECRET~~

Classified and Extended by Zbigniew Brzezinski BY
Reason: NSC 1.13(a)
Review September 25, 2010

~~SECRET~~

SANITIZED

E.O. 12958, Sec. 3.6

PER 61877 NLC II / RE NLC-96-146
NARS. DATE 12/10/91



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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~~SECRET WITH~~
~~TOP SECRET/KEYWORD~~
~~ATTACHMENT~~

October 3, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *ZS*
SUBJECT: NSC Weekly Report #156

1. Opinion

Long-Term Implications of the Iran-Iraq War. The war is likely to be one of attrition. Iraq has bitten off more than it can chew, not to speak of digesting. Iran will not acquiesce to this. Accordingly, the conflict will be destructive not only to the two protagonists but potentially to the region as a whole. Protracted warfare could generate more tensions and at some point it could involve the other Gulf states. That prospect gives rise to a number of questions:

- Can Iran live without Khuzistan?
- Which way will Iran go politically?
- How will the Soviets exploit the likely feelers from Iran for military help, as well as Iraq's appeals for the replenishment of its military stock?
- When will the Soviet Union step forward as the peacemaker and how can we prevent it from becoming the "guarantor" of the region's stability?
- Will Saudi Arabia and the other Gulf states gravitate toward Iraq?
- Will Shia passions promote increasing unrest in Kuwait, Bahrain, and Saudi Arabia?
- What will be the effect on all of that on Israel's willingness to compromise?
- Finally, what will all this do to our position in the region?

~~SECRET WITH~~
~~TOP SECRET/KEYWORD~~
~~ATTACHMENT~~

Review October 3, 2000
Extended by Z. Brzezinski
Reason: NSC 1.13(a) (f)

DECLASSIFIED
E.O. 12958, Sec. 3.6
PER *8/16/97 NCB* RE *NSC-46-141*
BY *g* NARS DATE *12/11/97*

In this short memo I do not propose to address all of these questions, but I list them to highlight the scope and the gravity of the problem that we now confront. So far, we have responded well, and I think you are entitled to claim greater public credit for this than so far has been given. We have openly committed ourselves to keep the Strait of Hormuz open; we have protected our position in Saudi Arabia; and we have not tilted to either of the protagonists. We have thus avoided a break with the Arabs, while keeping our options open with the Iranians.

The threat to the security of the Gulf gives us also a unique opportunity to consolidate our security position in a manner which even a few weeks ago would have been not possible. The Saudis and the other Gulf states are much more inclined to seek U.S. military presence since they have become very anxious about their longer-term security. While we should not appear over-eager in proffering our military assistance, we would miss a major strategic opportunity if we fail to exploit this. Accordingly, I am very much in favor of expanding our present military role, especially in terms of air defense systems and major presence, along the lines of Harold's recommendations.

Looking beyond these immediate steps regarding the Persian Gulf, we need to initiate both more subtle and more covert initiatives regarding Iran. While reinforcing our position in Saudi Arabia, and while not clashing with Arab aspirations (and thus while not openly opposing Iraq), we should actively seek new contacts with Iran to explore the possibility of helping it just enough to put sufficient pressure on Iraq to pull back from most, if not all, of its current acquisitions. Only by attempting to do this can we make the needed effort to safeguard Iran from Soviet penetration or internal disintegration.

To accomplish this task will not be easy, especially in the current circumstances. The Iranian leadership at the very top is irrational and fanatical. The radicals, moreover, have also a stake in keeping tensions high with the United States. Nonetheless, there must be a great many Iranians, including in the present leadership, who must realize that the present fate of Iran is the by-product of its isolation from the United States. If encouraged, they might either be able to put enough pressure on Khomeini to alter his position or to take action to alter the existing power arrangements in Tehran.

Our present contacts with the Iranians are primarily through the Swiss and the Germans. That may be good enough insofar as the hostage issue is concerned, but I suspect that it will not suffice insofar as the longer-term strategic issue is concerned. I think there are four governments which could be enlisted for the kind of dialogue I feel we need to initiate: Algeria, Turkey, Pakistan, and China. Each, in its own way, has some influence in Tehran, and each has a reason to be sympathetic to our efforts. Certainly

me, Ed
Harold
like me
- how
to pursue this

the last three should favor efforts to preserve the strategic line south of the Soviet Union, running from the northern Turkish frontier through the Caspian Sea to Pakistan. Even the Algerians have a stake in an outcome which avoids the fragmentation of Iran (I attach at Tab A an extremely interesting and revealing discussion of this problem by the Algerian Foreign Minister, whom I had gotten to know in the course of my visit to Algiers, and whose judgment I respect).

I do not believe efforts to use these governments can be initiated through traditional diplomatic channels. Some genuinely private and secret initiatives are needed, exploiting whatever ties of personal confidence we have at the top levels of these governments. These initiatives need to be orchestrated carefully, and they should be focused on Iran's survival and not directly on the hostage issue, though if successful they could have the effect of being helpful not only on the longer-term strategic matter but on the more immediate problem of the hostages as well. Only you can get this process underway.

2. National Security Affairs Calendar (Tab B)



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Defense Revision

Presidential Directive/NSC

TO: The Vice President
 The Secretary of State
 The Secretary of The Treasury
 The Secretary of Defense
 The Secretary of Commerce
 The Secretary of Energy
 The Director, Office of Management & Budget
 The Chairman, Joint Chiefs of Staff
 The Director of Central Intelligence

SUBJECT: Persian Gulf Security Framework (U)

In my State of the Union Address to the Congress in January, 1980, I called special attention to our interests in the Southwest Asia and Persian Gulf region. Furthermore, in light of the Soviet invasion of Afghanistan, I declared that:

"An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States. It will be repelled by the use of any means necessary, including military force." (U)

Subsequently, I have directed action to protect the Strait of Hormuz and strengthen our key friends in the region in the face of risks stemming from the Iran/Iraq war. It is U.S. strategy to meet these commitments and to defend our vital interests in the region as a whole by:

-- building up our own capabilities to project force into the region while maintaining a credible presence there.

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Review on December _____, 2000
Reason for Extension: NSC 1.13(e)

DECLASSIFIED
E.O. 12958, Sec. 3.6
PLA 10/16/99 NSC 1.13(e) NLC-97-120
BY *[Signature]* MARS DATE 11/14/99

- developing a broad range of military and related response options in and outside the region against the Soviet Union, including U.S. force projection into the region, to compensate for the current Soviet regional advantage in conventional forces;
expanded Soviet
- making the Soviet Union aware that it will also face a wide range of economic and diplomatic sanctions on a worldwide basis (if it intervenes ^{add'l} in the region.)
- assisting countries in the region: to deter and diminish internal and external threats to stability; and to contribute to deterring and resisting Soviet penetration -- political, economic, or military;
slightly expanded
- diminishing radical influences in the region by working for progress toward a comprehensive Arab-Israeli peace settlement;
- improving access to facilities in the region while remaining sensitive to the special historical experience of the region and not placing in jeopardy our relationships or the internal stability of the countries concerned by insisting on formal basing arrangements where they are not desired;
- taking a regional approach to securing our economic and political interests rather than basing their defense wholly on drawing a line to protect specific countries in the region. (S)

There has been considerable progress in improving our security posture in the region and in shaping an effective security framework. In order to ensure that this trend continues, I direct that the Persian Gulf Security Framework be pursued in terms as follows:

I. The Military Component

The Department of Defense has principal responsibility for initiatives in this area consistent with the responsibility of the Department of State. This component will include greater effort in the following areas:

- A. U.S. Force Capabilities, including forces, lift, facilities access, overbuilding and prepositioning of supplies, exercises, and presence in the region.
- B. Local Defense Capabilities, improved through security assistance, advisory programs, and enhancement of local facilities and military capabilities in order to support U.S. force projection and local defense developed by joint planning, combined exercises, consultations, and other appropriate means. *Added* In particular we must strengthen Turkey's capabilities to serve as a "threat-in-being" on the flank of any Soviet intervention in the Gulf region.
- C. *style change* Getting our Allies to Carry more of the Burden of coalition deterrence/defense in Europe and Northeast Asia, as part of a rational division of labor, in order to permit greater allocation of U.S. resources to the security of the Persian Gulf in the event of a simultaneous crisis there. (S)

II. The Foreign Policy Component

The Department of State has principal responsibility for this component, which will be carried out in terms of:

- A. The Peace Process in which progress must be achieved as rapidly as feasible.

- FIGURE 1
omitted
- B. The Northern Tier, including Turkey, Pakistan, and Iran, in which improved security relations are the objective.
- C. The Arabian Peninsula in which we will assist the countries concerned to enhance their internal stability and counter Soviet influence.
- D. The Allies, in Europe and Asia, from whom we seek diplomatic, military, economic, and political assistance in meeting our mutual security objectives in the Persian Gulf region. [An early focus of effort with these allies and with regional powers will be establishing procedures to assure quick processing of overflight, refueling and staging clearances required for the US to project and sustain forces in Southwest Asia.] (S)
- Added

III. Economic Issues

The Department of the Treasury, State, and Energy will share responsibility in this area. Economic subcomponents are:

- A. Oil Policy, to ensure availability of oil at reasonable prices and to reduce Western dependence on Gulf oil.
- B. Western Economic Assistance, in which our goal will be to help address economic problems in the region through multilateral and unilateral efforts.
- C. Saudi and Other Gulf State Financing of Regional Security Needs, in which we seek a more comprehensive, region-wide use of Saudi and other peninsular wealth to meet regional security needs.
- D. Economic Stability which is crucial to both the internal and external security and to the political stability of states in the region. It should be an integral component of the security review process and taken into account in any U.S. decisions concerning military and/or economic assistance. (S)

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IV. Intelligence Issues

The Director of Central Intelligence has the principal responsibility for developing an effective regionally integrated intelligence program which is fully supportive of the tasks and objectives in the military, diplomatic, and economic components. (S)

Resources Considerations

Each agency will be responsible for and will identify the programs in its area which are required for implementing this directive. In addition, each agency will propose appropriate priorities for these programs. (C)

The Office of Management and Budget will monitor agency programs in support of this directive, will insure that such programs are identifiable, and will insure that they are receiving an appropriately high priority in all agencies. (C)

Coordination

Interagency coordination for the security framework shall continue to be accomplished by the SCC. (C)

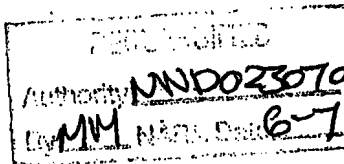
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Executive Registry

80-5416



31 October 1980

COPY

Department of the National Archives

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Secretary Muskie,
30 October 1980

1. We talked for a long time about the Iranian hostage situation. The Secretary thought it possible either that Khomeini would make a statement that would get the Majlis members to attend and constitute a quorum or that some of the members who were off at the battle front would come home in order to make a quorum. On the other hand, he doubted that we were going to see the release of the hostages before the U.S. elections.

I made a point to the Secretary that we needed to look soon at what our policy on Iran was going to be after the hostage release. We went through the possibilities of Khomeini's losing control or dying, and I suggested the need to be positioning ourselves with some alternative individuals/groups whom we could help take power instead of the left. I specifically recommended a PRC on this before too long. (S/NF)

2. We discussed the Iraq-Iran war and whether there was going to be a greater strain on Iraq than Iran. He wanted to know whether we had any evidence that the Russians were delivering weapons or parts to Iraq, or whether they really were diverting ships and in other ways making sure they did not. I'd appreciate a status report on this. (S/NF)

3. Secretary Muskie was concerned about what the Russian reaction might be if the United States provided spare parts to Iran. I told him I thought they would have to swallow it because they were taking a pro-Iran tilt at this time. It would be difficult for them to react by supplying Iraq, for instance. (S/NF)

4. We had a long talk about Poland. He indicates the Poles came in, I believe yesterday, with a request for \$3 billion worth of aid over the next three years. (S/NF) 25X1C

5. We talked about Nicaragua.



CI by 169947
Review on 31 Oct 86

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6. We didn't get to the narcotics item. I'd like to review the bidding on this one. The President asked for something on this. The report we have made indicates there is really nothing we can do at this time. I suppose when I got that report I marked on it to hold for the next Muskie meeting. Ask our narcotics people, though, whether I should send a copy of this directly to Bensinger or anyone else with a note saying the President was interested and whether we could do anything but that this was our view. We can probably take care of it with a note to Muskie since the President wouldn't be likely to read it himself anyway. (S/NF)

7. He did not raise the Foreign Service Act and neither did I. Let's hold this for a few weeks; boil down what my position really should be in talking with him and raising it positively if it looks like he is going to be Secretary of State in the future. (S/NF)

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STANSFIELD TURNER
Director

~~SECRET NOFORN~~

Washington, D.C. 20505

14 November 1980

ALERT MEMORANDUM

MEMORANDUM FOR: National Security Council

SUBJECT: Iran-Iraq and Danger of a Wider War

Recent attacks by Iranian aircraft on Kuwaiti border installations raise the possibility that Tehran is now prepared to widen the war in order to stop Arab aid to Iraq. I believe the greatest danger--should Iran continue this course of action--is the possibility that Kuwaiti or other Arab oil facilities will become targets for Iranian attacks.

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STANSFIELD TURNER

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Authority: NND0023070
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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

14 November 1980

ALERT MEMORANDUM*

IRAN-IRAQ: Danger of a Wider War

The Iranian airstrikes near Kuwaiti border installations on 12 November and possibly 5 November have increased the danger of a wider war in the Persian Gulf. While it is not certain that these strikes were intended actually to hit targets within Kuwait, their purpose was clearly to intimidate the Kuwaitis. Tehran may now be willing to use selective military action against Kuwait and possibly other gulf states to discourage them from aiding Baghdad.

[REDACTED]

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The airstrikes apparently were intended to discourage Kuwait from continuing its current transshipment of Iraqi goods. Tehran has frequently warned the Arabs that support for Iraq will lead to Iranian reprisals. The Iranian Ambassador in Kuwait has regularly informed his government of the flow of supplies to Iraq and has repeatedly called for airstrikes against highways and bridges in Kuwait to halt it. On 11 November he characterized such strikes as "a necessary action from the political standpoint" that would have "an effect on the whole region." Recently, moreover, Iraqi intelligence has been spreading rumors that Kuwaiti aircraft have attacked Khark Island--in an apparent effort to enhance at least the appearance of Arab support for Baghdad. Once it became clear that Iraq would not achieve a quick victory, the Kuwaitis and other gulf countries began trying to play down their support for Iraq, but both Iraqi pressure and Arab nationalist sentiment compel them to continue providing substantial aid to Baghdad.

[REDACTED]

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**The Alert Memorandum is an interagency publication issued by the Director of Central Intelligence on behalf of the Intelligence Community. Its purpose is to ensure that senior policymakers are aware of impending potential developments that may have serious implications for US interests. It is not a prediction that these developments will occur. This memorandum has been coordinated at the working level with CIA, DIA, NSA, State/INR, and Army.*

[REDACTED]

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If Tehran decides to widen the war by escalating its attacks on Kuwait or striking other gulf states, the United States could become more directly involved in the conflict. US allies in the region, including Saudi Arabia, would very likely request additional security assistance from the United States. [redacted]

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There is also a danger that US forces in the area could be attacked--either deliberately or in error--by the Iranians. Tehran has already accused the United States of supplying intelligence collected by the AWACS aircraft to Iraq. Additionally, Iranian officials in the gulf have reported that the US naval facility in Bahrain is aiding Baghdad. Tehran also believes that the United States has concluded a secret agreement with the United Arab Emirates requiring American assistance in the event of an Iranian attack. [redacted]

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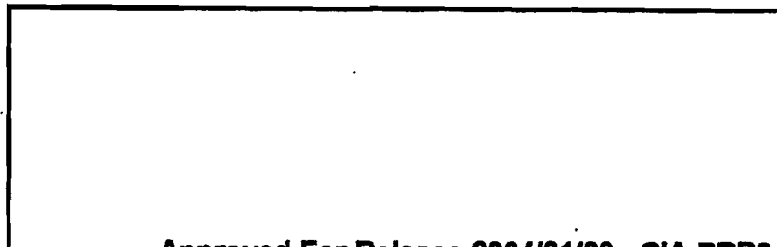
If the gulf Arabs ignore Tehran's warnings, Iran could launch further strikes, perhaps against oil installations. The Iranian Air Force retains a capability to do this all along the gulf littoral. Iran's more aggressive military attacks on Iraqi oil installations during the past week have already made the risk of another explosion in world oil prices much greater. Given the indefinite suspension of exports from both Iran and Iraq, the market has no further room to absorb even small additional interruption of supplies from the other gulf countries. [redacted]

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The Soviets are concerned that a wider war would lead to closer US cooperation with the area's conservative Arab states and an expanded US military presence. The Soviets probably would therefore give additional support to efforts already under way to end the conflict. Moscow would also likely renew its proposal for joint discussions on the security of international maritime and oil traffic. [redacted]

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Director of
Central
Intelligence

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42.

EO/NIC

42. Soviet Interests, Policies, and Prospects With Respect to the Iran-Iraq War

Special National Intelligence Estimate

ACCOUNTABLE DOCUMENT
RETURN TO O/OBI REGISTRY,
Room 7E-47 Hqs.

~~Secret~~

SNIE 11-34/36.2-80
24 December 1980

Copy 319

UNCLASSIFIED
Authority 54254
By CIA Date 6/1/88

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KEY JUDGMENTS

The Soviets see Iran as a greater geopolitical prize than Iraq, a factor which has influenced their behavior during the Iran-Iraq conflict. While hoping to prevent an Iranian turn toward the West and to improve their own relations with Tehran, the Soviets nonetheless continue to value their ties to Baghdad.

Even before the Iraqi attack the Soviets foresaw that a war between Iraq and Iran might jeopardize their stakes in both countries and their broader Middle East objectives. At the outbreak of the war they adopted a public position of neutrality and noninterference in the war in order to buy time to preserve room for maneuver. But by early October the Soviets began to move to a position that inclined somewhat toward Iran.

The Soviets perceive that the war to date has resulted in a number of developments detrimental to their interests, including increased conservative Arab acceptance of an augmented Western presence in the region and a weakening of the anti-Camp David Arab front. Despite these developments, some believe that the Iraqi encroachment in Iran serves Soviet objectives, above all by heightening instability in Iran and thereby facilitating eventual establishment of partial or complete Soviet control of that country. Others, while recognizing that the war could offer increased opportunities for Soviet penetration of Iran, nevertheless believe that the paramount Soviet concern is that a protracted war may redirect Iran toward rapprochement with the West, extend formal NATO military cooperation to the Persian Gulf, and lead to a break with Iraq with no compensatory gain in Iran. The holders of this view believe that the Soviets perceive that an early termination of the war would best serve their long-term interests in the region.

As long as present conditions persist, Soviet policy will continue to incline toward Iran while seeking to avoid an intolerable alienation of Iraq.

To avoid alienating Tehran, the Soviets have refused to satisfy Iraqi requests for large-scale military deliveries, and their failure to do so has embittered the Iraqis from Saddam Hussein down. Moscow is presumably relying on Iraq's continued dependence on Soviet arms to prevent a rupture of relations. The Soviets probably believe that Iraq could hold its present position against any Iranian attacks for many months without incurring a critical need for direct Soviet resupply.

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By CIA/NSA Date 6/1/98

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If the Soviets were confronted by Iraqi demands for major arms resupply together with Iraqi threats to sever relations if these demands were not met, they would probably attempt to mollify the Iraqis with promises of a modest increase in deliveries of at least some types of war materiel. But they would not agree to a major resupply while hostilities continued unless they judged that Iran was on the brink of fragmentation. In that case, their decision would be decisively influenced by how resupply might affect the outcome of political struggles in Iran.

Available evidence strongly suggests that the Soviets do not believe that a termination of hostilities is likely in the near term. The Soviets will continue their support of Cuban and PLO mediation efforts. Should they see a realistic possibility of a cease-fire, they might attempt to play a direct mediating role. They probably recognize, however, that the suspicion of both combatants concerning Soviet intentions could preclude their playing such a role. Nevertheless, they could believe that their supply relations with Iraq and their status as a possibly critical economic benefactor of Iran could give them unique leverage with both countries.

The Soviets would probably not permit release of the hostages to affect their own inclination toward Iran unless they were convinced that it signaled a fundamental Iranian choice in favor of the West. Should continuation of the war jeopardize the Khomeini regime, the Soviets would continue to support the embattled regime so long as they continued to believe that it was more likely to be replaced by a Western-oriented than by a pro-Soviet successor.

The Soviets are not sanguine about the very near-term prospects for a leftist seizure of power in Iran. They could reasonably hope, however, that in the difficult days that lie ahead for Iran over the next year, at least some of the preconditions for such an outcome might begin to jell.

If Iran were to fragment, the Soviets would work for the establishment of pro-Soviet regional regimes.

During 1981 the chances are extremely good that the Soviets will:

- Increase their efforts to compete with the West for influence in Iran through offers of military assistance, development aid, and expanded trade relations.
- Continue covert action aimed at building the strength of the Tudeh (Communist) party in Iran while undermining moderate elements, and at expanding Soviet influence within the national minority regions.
- Attempt unobtrusively to postpone release of the hostages by reinforcing hardline opinion, and to separate the release issue from the questions of arms supply and political rapprochement.

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By CIA Date 6/10/85

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- Try to have cease-fire and settlement talks arranged in a manner that would minimize the Western role in the process and maximize that of the USSR.
- Use the war as the occasion to resist a further buildup of US military force in the Persian Gulf, to attempt to split the Atlantic alliance, and to gain recognition of the USSR as a security guarantor of the Persian Gulf by bringing forth once again the proposal to limit military activity in key world sea lanes.
- Try to increase West European and Japanese investment in Soviet energy development projects and dependence upon Soviet energy supply (especially natural gas), by exploiting fears of interruption of oil deliveries from the Persian Gulf.

If conditions were right the Soviets might engage in a second class of actions which would be of paramount interest from the US standpoint. Because it could generate uncertainty and contention both inside the United States and within the Western alliance, the most difficult case for US policymakers to cope with would be Soviet acceptance of an "invitation" to intervene militarily, extended either by a leftist government in Tehran, or by a breakaway Iranian province. Such Soviet military moves would have a reasonable likelihood of occurring if Moscow believed these moves would not lead to direct confrontation between military forces of the Soviet Union and the United States.

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By CIA/IRA Date 6/1/05