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EMBASSY OF THE
UNITED STATES OF AMERICA
Tehran, Iran

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October 4, 1979

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OFFICIAL-INFORMAL

Mr. R. T. Curran
Director for North African, Near Eastern
and South Asian Affairs
United States International Communications Agency
Washington, D.C. 20547

Dear Ted:

At the end of my second month in Tehran, it should be useful for me, and perhaps for you also, to try to sort out where I think we are now and what we should do in the next six months to promote U.S. interests in Iran.

The Revolution: As I see it, the revolution which suddenly found itself victorious last February was essentially a revolt against privilege. The forces opposing the Shah were a disparate lot -- Shi'a traditionalists, Westernized democratic liberals, socialists, Marxists -- who coalesced for one purpose only, to oust the Shah. These disparate groups could never, however, have mustered the force to face down the Shah without the fanatical backing of the masses who were fired up by the charisma of Khomeini. In addition to opposing entrenched privilege, many who fought the Shah were profoundly upset by rapid change and Western (especially American) influences which permeated Iranian society and in the view of many were undermining traditional values and institutions.

In brief, the revolution was against privilege and rapid Westernization. I believe it is essential that we keep this firmly in view as we go about trying to promote U.S. interests by entering into ongoing communication processes with influential Iranians. There are, of course, specific communication tensions, but the deep-seated tensions stemming from revolt against privilege and Westernization underlie most of the other limited tensions we may address.

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Influence Structure: Iran is still a long way from lending itself to normal USICA program planning. The country has undergone a genuine revolution. Members of the pre-revolution establishment have, for the most part, been executed, gone into exile, or are living in the limbo of "taghout" (tainted ones). Prominent members of the old anti-Shah liberal and leftist groups are in exile (i.e., Bakhtiar), in hiding (i.e., Matin Daftari) or obliged for the moment to be unenthusiastic fellow travelers (i.e., Tudeh Party) on the road to fundamental Islam.

An analysis of the power structure of post-revolution Iran would place Khomeini and the other ayatollahs at the top, along with the Shi'a clergymen elected to the Council now conjuring over a constitution. Next would come the mullahs who have infiltrated the provisional government and the revolutionary courts, committees and para-military organizations. In third place, I would place the politicians (i.e., Bazargan) who have managed to adapt to the prevailing Islamic winds and maintain a precarious grip on the helms of provisional government or quasi-government organizations, including the oil industry (NIOC). In fourth place, are the buccaneers who lead the various para-military groups (pasdaran) and local revolutionary committees. Finally, come the unsophisticated mullahs and the masses they serve in the villages and teeming urban ghettos whose fanatical support is the chief source of the power which Khomeini and the ayatollahs wield.

Shadow Influence Structure: A good analysis of the influence structure of a society which has undergone a revolution and has not yet settled into anything like a stable pattern would also include the frustrated "outs" jockeying on the sidelines. None of the "outs," however, is likely to make a move to grab power so long as the Islamic fundamentalists continue to enjoy the overwhelming support of the masses. The silent opposition counts on the inability of the mullahs to manage a society in the 20th century world eventually to provide them with opportunity to take power or at least strongly influence decision making because they have the skills or organization to cope with pressing security or economic problems. Here I would place the leaders in the conventional armed forces, the Westernized managers and technicians, the liberal-democratic politicians, para-military romantics, and finally the hard-line leftists, including the communists.

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None of these groups can move overtly to take power without risking annihilation at the hands of the Islamic fundamentalists who at present enjoy the overwhelming support of the masses. The Islamic fundamentalists are nonetheless vulnerable. I see at least two scenarios which could result in chaos and their eventual downfall: the centrifugal forces generated by ethnic and regional disaffections, if they are badly enough handled, could shut down the oil fields, disrupt the traditional economy, or so frustrate nationalism that the masses would become disenchanted with their inept Islamic leaders; dissension in the schools among both the students and faculty could either shut down the schools over a long period and lead to mass dissatisfaction or degenerate into violence and set off the 40-day martyr cycle which contributed enormously to the downfall of the Shah. (Iranians have a pathological penchant for mourning and a typical third-world vulnerability to the demands of youth.)

Target Audiences: If the foregoing analysis is a reasonably accurate picture of the influence structure of post-revolution Iran, in theory USICA target audiences are: the clergy, the secular politicians who run government and quasi-government organizations, the leaders of para-military groups, the leaders of the conventional armed forces, the Westernized managers and technicians, the liberal politicians, the leaders of the hardline leftists, ethnic and regional leaders, students and teachers, the media people who influence all these groups, and finally the masses. Including the masses among our primary audience may appear heresy, but I believe it is justified in the case of post-revolution Iran where institutions are so weak that real power depends almost entirely on the thrust of mass sentiment. There are no institutions or procedures to cushion the thrust of aroused mass sentiment, capricious or unrealistic as it may be.

Inaccessibility of Target Audiences. Because America in particular and the West in general are blamed (scapegoats) for most of the problems which beset Iran and are seen as the enemy of both traditional Islam and revolutions, USICA does not have easy access to many of the influential audiences cited above. Nor can we take initiatives without running some risk of arousing active hostility. Many of the means which USICA normally uses to engage target audiences in an ongoing communication process focused on issues of mutual interest are not feasible in post-revolution Iran. There are few Iranian fora for most American participants; Western art and publications are often seen as anti-Islamic and corrupting; and our exchange programs are ill-adapted to the needs and

interests of most of the target audiences. (Mullahs and pasdars, along with Kurdish and oil-field guerrillas are hardly the types our program officers are used to dealing with!)

USICA Successes: The foregoing list of obstacles should not be interpreted as so formidable that USICA is hopelessly hamstrung. We are not "hunkered down" or dispirited. On the contrary, more opportunities for useful action present themselves than we can cope with comfortably with our reduced resources and only partly reorganized operation. In recent weeks, we have, for example:

- Placed Science Report and Vision on the national TV network.
- Gained access to IAS Shiraz's bank account and enlisted the Governor General of Shiraz in our effort to recover the occupied IAS building. The IAS board has been reconstituted and plans are far along to begin teaching English.
- Responded to a Foreign Ministry request for material on Cuba's relations with other Latin American countries -- presumably this was part of the Foreign Ministry's attempt to get ready for the Non-Aligned Conference in Havana.
- Produced copies of the U.S. Constitution in Farsi and English in response to a request from the Office of the Constitutional Assembly which has responsibility for acquiring documentation useful to the Council now in the process of producing a constitution for Iran.
- Placed several releases regarding our newly reopened consular operation with all the principal media outlets; created signs for the consular operation which helped reduce disorder; laid ugly rumors and misunderstandings to rest by engaging in long discussions with editors which resulted in helpful stories; installed a loud-speaker system outside the consular operation so we can talk directly with the crowds.
- Developed a plan which will in the next few weeks reinstitute programming at IAS Tehran: a film series, a concert, art exhibits, and a members' night. IAS Isphahan is planning a similar program.
- Organized a dinner at the PAO's house which featured a VTR showing an example of how American television reported the Iranian Revolution. Guests included prominent members of the working press, Foreign Ministry

officials, a writer, an artist, and an IAS Tehran board member who is also a distinguished professor of law at Tehran University.

- Helped organize dinners at the Charge's residence which featured American films and in one case an American pianist. Guests included high ranking government officials, doctors, lawyers, and professors.
- Came up with books on state and local government requested by the Deputy Prime Minister for Cooperation.
- Talked with the Minister and the Spokesman at the Ministry of Guidance about recent expulsions of American journalists.

In addition to the items noted above, English courses at IAS Tehran and Isphahan are bringing in thousands of Iranians and enrollment figures may even approach pre-revolutionary figures by the second semester.

Reservations about the Regime: There is, of course, a good deal about the post-revolutionary Iran which is disconcerting to Americans: human rights violations, including summary executions; expulsion of American journalists; bans on much of the domestic press; mistreatment of minorities such as the Kurds and Bahais; frequent characterization of America as imperialist and Zionist dominated; and foreign policy postures inimical to U.S. interests. To make matters worse, we are not able to enter into meaningful dialogue about many of these issues with influential Iranians. It could therefore be argued that it is in the long-term U.S. interest to sharply limit our relations with Iran in order to avoid being identified with policies and actions which are opposed to our ideals and interests.

Recommendations: I believe that it is in the long-term U.S. interest to publicly express our concern over Iranian violations of human rights. We should also take firm issue with pronouncements by Iranian leaders which characterize us as imperialists and Zionist lackeys, or accuses us of intervention in Iranian internal affairs. Finally, we should strenuously object to the expulsion of American journalists.

On the other hand, I am convinced that Iran is today so fractured and disparate that it would be a mistake to assume that any disconcerting action or pronouncement represents Iran in toto. We should therefore avoid reacting on an across-the-board basis and treat each incident or pronouncement on an ad hoc, limited basis. Similarly, we should deal with each

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issue and each opportunity for dialogue on its merits without linking it to any other issue or rebuff. I recognize that such an attitude on our part makes planning and resource management difficult. But I nonetheless feel confident that we can operate on such a basis to excellent long-term effect. I therefore recommend that USICA Iran give top priority to acquiring the equipment, personnel, insights, structure, organization, and procedures which will give us the flexibility and resources to take full advantage of opportunity. (The revolution and its aftermath destroyed our physical plant, scattered our personnel, and made our old organization, program and procedures obsolete.)

More specifically, I am comfortable with the initiatives proposed in Ms. McAfee's "Communication on Environment Problems, Prospects, Ideas" and the subsequent proposals developed by USICA Washington for Assistant Secretary Saunders and the NSC. I am particularly pleased with the plan to expand VOA Farsi services and our recent success in placing Agency films on national television, as I noted earlier, at this juncture the mass audience is a prime audience. I am also convinced that we should make the effort and take the risks involved in trying to enter into a genuine dialogue with the Islamic clergy and the leftists. I recognize that we are ill-equipped to communicate effectively with these two groups and that the kind of Americans (i.e., Jesse Jackson, Andy Young) most acceptable to them may be less than representative of the views of our own establishment. But the mullahs or the leftists are likely to be dominant for a long time to come. If Iran is important to us, self-interest suggests that we accept a sizeable portion of discomfort and learn to communicate effectively with mujahedins mullahs, pasdars, and even Fedayeen Khalq -- being careful of course to avoid being identified with them or with any other faction for that matter.

With warmest regards,

John Graves
Public Affairs Officer

PAO:JFG:em
10/4/79

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AMEMBASSY TEHRAN
SECSTATE ABRIC 4471

CONFIDENTIAL SECTION 31 OF 21 TEHRAN 11312

03.12065: GDS 10/15/85 (FANNERY, M) OR-E
FROM: LCON, PINS, IR
SUBJECT: TABRIZ AFTER FIVE YEARS: IMPRESSIONS OF
REVOLUTIONARY IRAN

1. (CONTINUE TEXT)

2. SUMMARY: IN VISIT TO TABRIZ, OCTOBER 17 TO 21, THEY
COMMOFF HAD OPPORTUNITY TO RENEW OLD FRIENDSHIPS AND NOT
CONFLICTING EVEN CONTRADICTIONARY REACTIONS TO REVOLUTION.
COMMOFF HAD SERVED IN TABRIZ FROM 1972-74 AND HAD KEPT IN
TOUCH WITH TABRIZ THROUGH VISITS BY SELF OR WIFE IN 1975,
1976, AND 1977 WHILE STATIONED IN AMMAN. PHYSICALLY,
TABRIZ HAS CHANGED A GREAT DEAL: IT USED TO BE THE LARG-
EST VILLAGE IN IRAN, NOW ITS A CITY. ECONOMICALLY, THE
REVOLUTION HAS NOT FULFILLED THE EXPECTATIONS OF THE
MASSES AND HAS CERTAINLY DASHED THE INITIALLY HIGH HOPES
OF MANY IN THE MIDDLE CLASS. WHILE THERE IS AN INCREAS-
ING SENSE OF PERSONAL SECURITY, THERE IS STILL FEAR OF
UNBRIDLED ISLAMIC AND JONKHER POWER. PSYCHOLOGICALLY,
THE REMOVAL OF SAVAK HAS CREATED SENSATION OF EXPRESSIVE
AND DESIRE FOR MORE LIBERTIES THAT COULD PLACE A CHECK
ON REVOLUTIONARY EXCESSIVE. THE SUMMARY.

3. THE HIGHWAY THAT PASSES THROUGH TABRIZ FROM BAKHARAN
TO TEHRAN IS ONE OF THE BUSIEST IN IRAN. IN 1977, 500 TO
600 TIR TRANSPORTS A DAY CROSSED THE TURKISH-IRANIAN
BORDER WITH CARGO BOUND FOR TEHRAN. A PHYSICAL COUNT OF
THE PRIMARILY BULGARIAN, TURKISH AND ROMANIAN TRANSPORTS
MET ON THE HIGHWAY INDICATES THIS NUMBER HAS SHRUNK TO
ABOUT 200 A DAY AT PRESENT. STILL, THE BUSY HIGHWAY IS
WITH DOMESTIC TRUCKS CARRYING STEEL, COTTON, GRAIN, CE-
MENT, ETC. THE NEW 4,000 TON A DAY CEMENT PLANT NEAR
TABRIZ CAN PRODUCE 100 TRUCKS WOULD AWAIT CARGO AT
ONCE IN 1984, WHILE STILL BUILT, NOW HAS LINES OF
TRUCKS IN LINES.

4. TABRIZ ITSELF HAS GROWN FROM A PLAIN VILLAGE INTO A
CITY. THERE WERE NO BUILDINGS TALLER THAN 4 STOREYS IN
1977, NOW THERE ARE SEVERAL 12 TO 15 STORY STRUCTURES.
THE MAIN STREET OF THE CITY WHILE STILL TRAFFIC-CLOGG-
ING MUST COMPARE FOR TRAFFIC WITH THE BIRD ROADS AND DIV-
ERSAL OTHER MAJOR ARTERIES. WHILE LARGE CONSTRUCTION PRO-
JECTS IN TABRIZ AS IN TEHRAN ARE STILL IN THE TABRIZ
MISSING WITH REMAINS OF AMERICAN PROJECTS. PARLIAMEN-
TARY BUILDING AND BIRD ROADS CONSTRUCTION SEEMS TO HAVE BEEN THE
LAST YEARS AN INDICATION OF BEGINNING CONSTRUCTION OF
NEW HOUSES OF STEEL. WHILE PRODUCTION OF BRICKS,
CERAMIC TILES, WALL-PAPER, E. AND MACHINE TOOLS ARE DOWN

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REF ID: A66111

REPORT OF THE DEPARTMENT OF STATE, OFFICE OF THE ASSISTANT SECRETARY FOR PUBLIC AFFAIRS, WASHINGTON, D.C.

6. ONE OF THE REASONS TABRIZ WAS SO ILLEGALLY CONSIDERED A MILITARY AREA WAS THE AIMLESS WANDERINGS OF HUNDREDS OF HOMELESS MEN IN THE STREETS OF DOWNTOWN TABRIZ. THIS HAS INCREASED GREATLY SINCE 1974, REPORTEDLY MOSTLY SINCE THE REVOLUTION. THERE ARE HUNDREDS OF UNEMPLOYED OR UNDEREMPLOYED SELLING CIGARETTES, APPLES, KNICK-KNACKS, COMBS, ANYTHING THAT CAN BRING IN A FEW RIALS. AND THE AIMLESS WANDERERS HAVE GROWN TO THOUSANDS. A MERCHANT FRIEND WHO RECENTLY MOVED FROM THE BAZAAR TO A DOWNTOWN LOCATION STRESSED THAT THE ECONOMIC TRAGEDY OF THE FARHADI YEARS WAS THE DISLOCATION OF MERCHANTS WHO WERE ATTRACTED TO THE CITY BY HIGH CONSUMPTION WAGES. WITH IRASTIC CUT-RATES SINCE THE REVOLUTION, THIS DISPOSSESSED JOBLESS BADLY-EDUCATED PROLETARIAN COULD, HE FEARED, BE AS EASILY LED AFTER THE INHERENTLY DISILLUSIONMENT SETS IN BY COMMUNIST AGITATORS AS IT HAS BEEN BY THE RELIGIOUS LEADERSHIP.

7. DISCUSSIONS WITH MERCHANT FRIENDS INDICATED CONCERN WITH CHRONIC SLOWDOWN OF ECONOMY - IN THESE CASES CUTBACK IN CREDIT PURCHASES OF CONSUMER DURABLES. PRE-REVOLUTIONARY IRAN HAD THREE-PRONGED PROMOTION OF CONSUMER CREDIT: BANKS, BAZAARS AND THE MERCHANTS THEMSELVES. CONSUMER CREDIT NOW HAS VIRTUALLY CEASED AND PURCHASES ARE FOR CASH. AS A LAWYER FRIEND PUT IT, "ALL CONTRACTS ARE UNENFORCEABLE. THERE ARE NO COURTS, NO JUDGES, NO LAWYERS, NO QAZIS (RELIGIOUS JUDGES). WHILE PEOPLE PAY BY FORCE HAD TO TRUST THEIR LIVES OR PRISON SENTENCES TO QAZI JUSTICE, NO MERCHANT OR LAWYER DESIRES TO TRY TO ENFORCE CIVIL CONTRACTS IN A QAZI COURT. SO EVERYONE SELLS FOR CASH AND PRAYS THAT HIS CREDITORS WILL PAY LATER. A LAWYER FRIEND SAID HE WAS OWED OVER 300,000 DOLLARS IN FEES. WHETHER THROUGH QAZI JUSTICE HE WILL WAIT THIS ONE OUT."

8. BULL OF EMPLOY FRIENDS DURING TOUR IN TABRIZ HAD BEEN MIDDLE CLASS: DOCTORS, LAWYERS, UNIVERSITY PROFESSORS, PLANT MANAGERS, BUSINESSMEN, ENGINEERS, SOME BUREAUCRATS. MOST WERE STILL IN TABRIZ, BUT QUICK SURVEY OF DOCTOR FRIENDS INDICATED THAT HIGHLY-PUBLICIZED PHYSICIAN BRAIN DRAIN (APPROXIMATELY 4-5% OF 12,000 PHYSICIANS HAVE LEFT IRAN SINCE DATE 1978) IS ACCURATE, AS REPORTED IN PAST YEARS. FRIENDS FOR TABRIZ, MIDDLE CLASS FRIENDS SPENDING THEIR DISILLUSIONING PROBLEMS OF IRAN, TO A PERSON, HAD DISILLUSIONMENT WITH REVOLUTIONARY, ISLAMIC

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NOTES ON

"IRAN UPDATE" 1975, 1979I. Revolution

The causes of the revolution were:

1. Corruption:

- a. The personal corruption of the Shah
- b. The corruption of his family (including Pahlavi Foundation)
- c. The corruption of his ministers
- d. The corruption of his friends - the so-called "51 leading industrialists"
- e. The corruption of the military

2. Social/Economic Upheaval:

- a. "The billion dollar industrial syndrome"
 - b. Massive modern armament - from bow to bozuka in five years
 - c. Quadrupling oil price
 - d. Lack of trained managers, skilled technicians
 - e. Cultural shock
 - f. No agriculture improvement
 - g. U.S. Doctrine of "regional cooperation"
3. Shah being too remote, misread his people. Mistook quiescence for stability.

The revolution is political, not social, in nature. Note that only 1/3 of the population of Iran speak Farsi at home.

II. Factions Involved

1. Religious - Ayatollahs and mujhiliis. It has always been the function of the religious leaders to protect the common people from the government, i.e., oppression. There has never been a participant government in the long history of Persia. The hold the Ayatollahs have over the common people is far greater than that which the Popes had over Europe in the Middle Ages.
2. The Bazaar. Unlike the so-called "51 leading industrialists", these merchants are of the old school, shun Western ways, are deeply religious, are suspicious of modernization, and are angry at the government and private corruption.

* All of whom have either fled the country or have been shot.

The money for the revolution came from the Bazaar. So did the direction.

The religious Muslim always tithed. This puts vast sums of money at the disposal of the religious, who dispense it to the poor. Unlike the government, the religious are honest - no rials stick to their fingers.

3. Technocrats. About 12% of the Iran people are educated in Western ways. They are the middle-managers, the scientists, and the professionals. Most are young and liberal. They saw the Shah's clique grow wealthy while inflation took away any monetary gains they may have made. This group is essential to run the country.
4. The Universities. Perhaps the most prominent group before the revolution were students and young instructors. Liberal to radical in belief, led or used, by underground political leaders, they were visual and vocal adherents of the revolution in Teheran.
5. Unrecognized political parties including minority ethnic groups (Arabs, Kurds) and communists.

This uneasy coalition of right, center, and left joined together in a common cause - hatred of the Shah.

III. Intelligence

The U.S. State Department has never understood Iran, culturally, religiously, or economically. It had only reager clues to the depth of the Iranian dissatisfaction. The few reports, hinting at severe problems, were suppressed. Rather:

1. CIA mid-1978 "all is well" report
2. House of Representatives Staff Report
3. Carter's statement on December 8 asserting that the Shah would retain power. This was the day that Iranian troops shot hundreds of demonstrators in the streets of Teheran.

The U.S. press has been unfair in its reporting. It demonstrates:

1. Bias
2. Little or no knowledge of the culture and traditions of the country. Example: The press reported the executions in detail. Yet a summary of those executed (about 300) reveal:

83% were secret police, security personnel, torturers
9% criminals, mostly murders and rapists
7% politically elite under the Shah
1% prominent industrialists

IV. Present Situation

Iran is living on borrowed time. The Mullahs have always been protectors of the people against the government. They have never governed; they cannot govern. But they are the only force that can hold the country together at this time.

Future situation: Each speaker had a different conclusion.

All agreed that:

1. The economy must be re-started
2. The military must be strengthened
3. The people must continue to receive food.

V. Future Government

1. The liberal religious leaders are the bridge between the common people, the new military, the Bazaar merchants, and the western educated. A government far more liberal than the present one, but still adhering to Islamic beliefs, will be formed incorporating these four elements - Jim Bill.
2. The present government will not remain in power. As in so many cases, the highly disciplined communist minority will simply insert itself into what had been a power vacuum. Saudi Arabia is most fearful of this action - Frank Menaker.
3. If the communists time their move correctly and all elements of the coup fall into line, then Iran will continue to be one nation, albeit communistic. The odds against this happening are huge. In all probability, Iran will be partitioned along racial lines - Arabic, Persian, Kurd. This would most likely cause armed conflict since the oil fields are in the Arab ethnic territory - uncertain.

VI. Business Climate

Despite rhetoric against the U.S., we are liked and our technology is admired.

Business opportunities are good. Motto now is think small.

Germans and Japanese are back in force, sending their best men.

Priorities have changed. Food, raw materials for basic industry, low cost housing, construction, and communications are now high priority.

Comeback - Comeback in force - Iran will remember those who helped her in her hour of need.

Light note in relation to U.S. and U.S. not clear if it can be for U.S. in future for best

At this point I asked a question:

Q: JR. "What would you consider to be the probability is for Iran to join the Israeli boycott?"

A: Don Weldon. "Relations between Iran and Israel have been severed and will remain so for a long time. But I doubt if, with all Iran's pressing problems, they will try to set up a boycott list and boycott office."

Q: JR. "No, I simply mean the Israel Boycott as now constituted with offices in Damascus."

A: DW. "Oh; very, very likely."

Q: JR. "Gentlemen, you have just finished telling us to rush back into Iran, even though re-establishing our presence will be very expensive, even though near-term profits are very iffy. Now suppose we fought the corner office, won, re-entered Iran, and then got slapped with the boycott."

A: DW. "Don't you believe in corporate courage."

Q: JR. "At what age."

VII. U.S. Government

Business can expect no help from our government. As pointed out from the floor, the Japanese government is guaranteeing every yen invested by its companies in Iran. The current Iranian government is, naturally, much opposed to our government. Current government policy is "very low profile." Worst move since January 1 was Javits Resolution. No ambassador in sight.

VIII. Legal

1. The U.S. has recognized the new government of Iran.
2. The Iranian courts are still working but in a political context. This is no time to sue.
3. Of the U.S. State Department list of about 22 Iranian lawyers, only seven are still practicing and they are very busy.
4. The Teheran Bar Association is evaluating all its members. Religious affiliation will be a problem.

All hand-outs pertinent to legal, and there were several, have been sent to Dave McCalmont.

IX. Competition

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The DuPont Polyacryl plant in Isfahan is not operating. It had been at start-up stage before the revolution. It was extruding, but only to the waste stage. Capacity was about 20000 lbs./year of polyfil, polystaple, and acrylic staple. POY was to be drawn textured at Iran Knitting in Gohvin. DuPont entered this project with a 40% holding and four board members out of an 11 man board. A 75% vote was necessary for any approvals; 50% interest was held by 5 of the 51 leading Iranian industrialists; the remaining 10% by the Iranian government.

The five DuPont partners have either fled the country or have been shot. DuPont has a new partner, the Islamic government, represented by the workers committee.

Somehow, DuPont can get back its 40% holding by paying \$100,000? This I believe is to pay the workers for not working.

The purpose of this commercial intelligence is not to gloat over the misfortunes of a competitor, especially one as honorable and capable as DuPont, but simply to emphasize the uncertainties of making capital investments in developing countries.

In 1973 when it was rumored that DuPont was going to build in Iran, we had the distinct feeling that DuPont had outmaneuvered us. Since they had firm contacts with the industrial leaders, our strategy (if you can call a vague feeling in the pit of the stomach strategy) was to work with the smaller mills, all of whom were Bazaar merchants.

By good luck, not good management, our approach seems successful. We have a large and ready market for our products until the Polyacryl situation is resolved. Our customers are alive, well, and most vocal in demand for product, as the last month has amply demonstrated. Opportunistic business perhaps, but business nevertheless.

We have formed a vague hypothesis over the last several years in doing business with developing countries of "Never align yourself with the government, members of the government, or entrepreneurs close to the government." The DuPont/Iran impasse brings a vague hypothesis close to being axiomatic.

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CONFIDENTIAL SECTION 01 OF TEHRAN 10528

CLASS: CONFIDENTIAL
CHRG: STAT 10/1/79
APPR: CHARGE: LBLAINGEN
D'PTD: CHARGE: LBLAINGEN:LM
CLEAR: NONE
DISTR: CHARGE CHRON
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EXDIS

FOR THE SECRETARY FROM CHARGE

R.O. 12065: GDS 10/1/79 (LAINGEN, L.B.) OR-M
TAGS: PEPR, UNGA, PINR, IR
SUBJECT: BILATERAL WITH IRANIAN FOREIGN MINISTER,
OCTOBER 3

1. (CONFIDENTIAL-ENTIRE TEXT.)

2. YOU MEET WITH YAZDI AT A TIME THAT MAY MARK A SIGNIFICANT WATERSHED IN IRANIAN INTERNAL AFFAIRS. WHILE IT IS IMPORTANT FOR ANY OBSERVER TO AVOID HASTY JUDGMENTS ABOUT THIS PLACE, IT IS HARD TO AVOID THE CONCLUSION THAT THE CLERICS ARE NOW IN THE MOOD TO STEAMROLLER VIRTUALLY ANY AND ALL OPPOSITION TO THEIR DESIGNS FOR AN ESSENTIALLY THEOCRATIC STATE, WITH ISLAM AS THE IDEOLOGY AND THE ISLAMIC REPUBLICAN PARTY POSSIBLY PROVIDING CONTROLLING PARTY APPARATUS. ITEMS:

- A. THE KURDISH "REBELLION" HAS BEEN PUT DOWN IN A WAY INTENDED TO SERVE AN OBJECT LESSON FOR OTHER MINORITIES.
- B. THE NATIONAL DEMOCRATIC FRONT AND ITS LEADERSHIP HAVE BEEN BRANDED COUNTER-REVOLUTIONARIES AND OTHER OPPOSITION ELEMENTS SIMILARLY WARNED.
- C. A CLERIC-DOMINATED COUNCIL IS RAMRODDING THROUGH A CONSTITUTIONAL REVIEW PROCESS THAT WOULD SEEM TO INSTITUTIONALIZE AN IRON-CLAD SHIA ISLAMIC CONTROL OF THE GOVERNMENTAL APPARATUS.
- D. EXECUTIONS ARE CONTINUING, EVEN OF COMMON CRIMINALS, DESPITE TALK OF AMNESTY. QJM SEEMS DETERMINED TO AVOID ANY SHOW OF JUDICIAL MERCY OR COMPASSION.
- E. THE HEAD OF THE REVOLUTION-BORN PASDARANS ("GUARDIANS OF THE REVOLUTION") HAS JUST TAKEN OVER AS MINISTER OF DEFENSE.
- F. NAZEH'S OUSTER AT NIOC IS A FORCEFUL AND VERY PUBLIC REMINDER TO THE SECULARISTS OF QJM'S DETERMINATION TO PREVENT ANY LESSENING OF ITS CONTROL OVER WHAT MATTERS, INCLUDING THE OIL SECTOR.

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- G. A KIND OF PARANOIA PERSISTS OVER AN ALLEGED
- CONSPIRACY BY THE WESTERN PRESS AGAINST THE
- IRANIAN REVOLUTION. (THERE ARE NO AMERICAN
- JOURNALISTS NOW RESIDENT HERE.)

- H. THE U.S. CONTINUES TO BE DENOUNCED BY KHOMEINI
- AS MASSIVELY INVOLVED WITH INTERNATIONAL ZIONISM
- IN FRUSTRATING THE HOPES OF THE PALESTINIANS;
- INDEED KHOMEINI SEEMS TO SEE HIMSELF AND THE
- REVOLUTION AS BECOMING THE REAL UNIFYING FORCE
- THROUGHOUT THE AREA IN THE STRUGGLE FOR PALESTINIAN
- RIGHTS.

3. THERE IS MORE, BUT THIS IS ENOUGH TO UNDERSCORE THE POINT THAT FOR THE MOMENT THE CLERICS ARE IN A FLOOD TIDE OF ASCENDANCY. THERE WOULD SEEM TO BE NOTHING THAT WILL PREVENT THEIR SOLIDIFYING THEIR POLITICAL CONTROL IN THE EVOLVING CONSTITUTIONAL STRUCTURE -- NOT THE MILITARY, NOT BAKHTIAR FROM PARIS, NOT POPULAR DISILLUSIONMENT OVER THE LACK OF MUCH BREAD AND BUTTER RETURNS FROM THE REVOLUTION, NOT BAZARGAN AND OTHER MODERATES IN THE PGOI. (BAZARGAN IS QUOTED IN AN INTERVIEW IN TODAY'S PRESS WITH ORIANA FALLACI AS SAYING "... FROM AN OFFICIAL POINT OF VIEW THE GOVERNMENT RUNS THE COUNTRY BUT IN AN IDEOLOGICAL AND REVOLUTIONARY SENSE KHOMEINI AND HIS COUNCILS CONTROL." TRUE INDEED.)

4. WHAT COULD ARREST THE TREND PERHAPS, BUT ONLY WITH TIME, WOULD BE A GREATER APPRECIATION THAN NOW EXISTS OF THE PROBLEMS OF GOVERNING A PLURALISTIC BODY POLITIC AND A PARTIALLY MODERNIZED ECONOMY SUCH AS IRAN'S WITH RELIGIOUS PRECEPTS THAT SEEM TO PROVIDE SO LITTLE ROOM FOR PARTICIPATION BY THE SECULAR ELEMENTS OF THIS COUNTRY.

5. THE QUESTION IS WHETHER KHOMEINI APPRECIATES THIS AT ALL, AND THERE THE RETURNS ARE NOT ENCOURAGING. EVEN IF HE DOES THERE IS A REAL QUESTION WHETHER EVEN HE COULD PREVAIL AGAINST A SUBSTANTIAL TIDE NOW RUNNING AND AN ENTOURAGE IN QUM THAT BY ALL ACCOUNTS IS EVEN MORE OBDURATE THAN KHOMEINI.

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C O N F I D E N T I A L SECTION 02 OF 02 TEHRAN 10528

6. THE EASY ANSWER IS THAT AN INEXORABLE PROCESS IS UNDERWAY THAT WILL SWEEP ASIDE THE MODERATE FORCES AND THAT WILL EVENTUALLY ALSO SEE BAZARGAN OUSTED, IN THE MANNER OF NAZEH AT NIOC.

7. I AM NOT SO SURE. I FIND MUCH LESS GROUND FOR OPTIMISM THAN A MONTH AGO, BUT KHOMEINI IS NO FOOL POLITICALLY AND MAY YET APPRECIATE THE NEED FOR SOME ACCOMMODATION TO THE MODERATES (WHICH BAZARGAN WEAKLY BUT STILL GAMELY REPRESENTS) TO ASSURE CONTINUED POLITICAL STABILITY AS HE SEEKS TO ASSURE WHAT MATTERS TO HIM, AND THAT IS PRIMACY OF ISLAM IN THE SOCIAL AND POLITICAL FABRIC OF FUTURE IRAN.

8. YOU MAY WISH TO PROBE WITH YAZDI HOW HE SEES FUTURE TRENDS IN THIS AREA. HE IS A DEEP BELIEVER, A REVOLUTIONARY WHO IS AS CLOSE AS ANY IN THE PGOI TO KHOMEINI BUT WHO MAY APPRECIATE THE NEED TO BALANCE HIS IDEALISM WITH REALISM. - HE HAS SAID AS MUCH TO ME, AND I AM PREPARED TO BELIEVE HIM. YOUR CONVERSATION WITH HIM, THE FIRST HIGH LEVEL CONTACT WE HAVE HAD WITH THE REVOLUTIONARY LEADERSHIP, IS CRUCIAL TO OUR PURPOSES HERE. IN AFFIRMING TO HIM THAT WE ACCEPT THE NEW REALITIES IN IRAN, AND INDEED THAT WE WISH IRAN WELL IN DEVELOPING ITS NEW INSTITUTIONS OF GOVERNMENT, YAZDI SHOULD ALSO KNOW THAT WE ARE TROUBLED BY A RIGIDITY AND AN ABSENCE OF A HUMAN FACE IN THE REVOLUTION THAT SEEMS TO LEAVE SO LITTLE SCOPE FOR THE RIGHTS OR INTERESTS OF MORE MODERATE ELEMENTS IN TODAY'S IRAN. KHOMEINI CARES LITTLE ABOUT IRAN'S IMAGE IN THE UNITED STATES BUT THERE ARE OTHERS, LIKE YAZDI, WHO DO.

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(TTA)

IRN/MP
~~Pat~~
Henry
Jensen
Jensen

October 4, 1979

~~Henry~~ Shall I keep?
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MEMORANDUM TO:

STATE/NEA - Mr. Harold Saunders

FROM:

NEA - R. T. Curran
T.C.

SUBJECT:

USICA Iran

The recent impressions of ICA Country Affairs Officer McAfee's visit to Iran (Tehran and Shiraz) and subsequent events there tend to confirm the Embassy judgment that the current religious-dominated pattern of government will continue in Iran for the foreseeable future. At the same time the civil government, be it Bazargan's or a successor, seems likely to become even further weakened as competent professionals decline to serve in the government. McAfee's conversations and contacts further document that Khomeini is firmly backed, indeed venerated, by the majority of Iran's poor, Persian-speaking population. Life goes on. The bazaars are bustling. There are no bread lines.

It was particularly interesting for me to hear at first hand the impressions that actions and rhetoric emanating from the religious leadership which are jarring to us and to the Western-oriented in Iran are perceived through a different prism and weighed against a different value system by Khomeini supporters. The Ayatollah rejects Western values and priorities as decadent and unislamic. According to impressions from McAfee's conversations, Khomeini is dedicated to pan-Islam and sees himself in a world role (a vision notably not shared by other Islamic countries in the area who drew the line, if they had not before, with the executions of Kurdish Sunnis).

Assuming that the short term will not bring a more flexible government to Iran, relations between the U.S. and Iran are likely to continue to be difficult. In these circumstances, it seems all the more important for ICA to focus its public diplomacy efforts on our long term relationship. While present circumstances require circumspection, we believe we should continue to look for opportunities to open communication channels. Amending my paper in this regard, submitted September 24, 1979, and based on recommendations from field officers ICA/NEA will concentrate on the following:

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- Iran-America Societies: Tehran, Isfahan, Shiraz

- The U.S. has been associated with the Iran America Society since its founding in Tehran over fifty years ago. Its institutional respectability, its widely-desired English language teaching capability, and, acknowledged U.S. affiliation provides us an important (and one of the few remaining) windows to Iranian audiences. We propose to lend it whatever support needed and, as opportunities permit, promote its use of programming pursuant to our interests. This will include continued emphasis on our USICA library in the Tehran IAS and renewed support to the Isfahan IAS library. We have initiated "behind-the-scene" efforts to revive the IAS in Shiraz.
- Explore possibilities of assigning a Regional Islamic Specialist to the NEA Area who would assist in building bridges to the Islamic leadership both directly and through sensitizing our ICA and State officers in the field.
 - Consider the assignment of an "R" cultural officer or grantee to Iran with a background in Persian language and culture to improve our contact with the emerging leadership and academia.
 - Use of the celebration of the 1400 anniversary of the Hegira as a vehicle to include Iranians in a U.S. hosted international seminar on Islam. Travel around the U.S. after the seminar would be included to broaden their exposure to the U.S. We would hope that these communication links, once established, might be broadened.
 - Include, as possible, Iranian participants in multiregional International Visitor programs.
 - Work with VOA to expand the non-news content of its Persian broadcasts, emphasizing such areas as American Islamic studies and interviews with American Iranologists and appropriate public figures.
 - Explore possibilities for American Participant visits to Iran, particularly in the area of American Islamic studies, foreign policy, economics and agriculture.
 - Exploration of some institutional affiliations (not necessarily bilateral) involving Iranians and Iranian institutions.

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Tehran, Iran
Nov 1, 1979

Dear folks, *Renne*

Well this has been another one of these special sort of days in Iran... a day that had us worried but that turned out not so bad after all.

It was Eid-e-Gosha, an Islamic holiday celebrating the feast of sacrifice. And being such there was a large sermon and prayer meeting scheduled here and in most of the cities of Iran. Well enough, but the day also coincided with a growing surge of government and clerical stimulated criticism of the US for our admission of the Shah for medical treatment in New York. And so the ~~xxxxxx~~ Eid celebrations also became a day to mount a strong public agitation against us. Here in Tehran it had been announced that after the big rally in the ~~xxxxx~~ south of the city the crowd would move in procession to the US Embassy where speeches against us ~~xxxx~~ would be delivered and where slogans would be shouted. So we were prepared for up to a million demonstrators in the streets around the Embassy. That meant getting all non-essential personnel off the compound, the marines concentrated inside the Chancery to protect it, and those of us who were needed inside the Chancery - among other reasons to destroy records and communication equipment if we were again invaded and to keep in touch with Washington by phone and cable ... and also to keep in touch with the local government authorities to be sure that we had some kind of protection from them. The marines of course were in battle dress and eager to defend the place....

But all of that proved unnecessary in the end, happily. Late last evening it was announced on the radio* that the procession would not go all the way to the Embassy, but that instead it would go to a square about a mile or so south of here where the speeches against us would be heard and the slogans adopted. ~~xxxxx~~ The reason being that the distance was far, it was Eid holiday, and time was needed for prayers and visits with families. Nonetheless we stuck to our contingency plans, and by ~~xxxxxx~~ 0900 we had our demonstrators, but much fewer in numbers. The group, possibly organized by the Communist party here, started at about 50 and eventually grew to about 4000.... their tactics seemed to be to keep us off balance and worried all day, since they stuck with us until about four in the afternoon, marching back and forth around our compound, chanting slogans and shaking their fists against us all the while. (We've decided that for the next week anyone who shows up at the consulate and asks for a visa with a sore throat will be rejected on the spot!). The crowd included a lot of women in Chadors and even some children in strollers. At no time did they try to come over the walls but they did manage to spray paint a lot more graffiti on our walls... we had enough as it was from previous demonstrations! We kept in touch with worried Washington by telephone and stuck it out. The only real trouble developed late in the afternoon as the thing was winding up... one of our security officers decided to take down a large cloth banner that had been put up on the large iron grill gates at the Embassy's ceremonial entrance... the banner said something derogatory about Carter and praised Komeini... well, some of the last of the crowd saw what was happening and didn't like it at all.... in fact the crowd got very angry and got the Iranian police (about 45-50 were guarding the Embassy today, unarmed, and had been pretty good about keeping the crowd moving...)... got the police to join them(!) in deciding that the banner be put back on the gate... we said OK, provided it was hung elsewhere. Nothing doing, said they, and if we didn't cooperate they were coming over the walls. Well by that time we decided we would not stand on our pride if it meant turning the police against us. So the banner went back up (much to the disgust of our marines) and there was another hour of angry slogans against us... but no violence....

That was it, except for a brief flurry this evening when large crowds leaving a sports stadium nearby paraded past us, yelling more angry slogans. Again we retreated to the chancery, but it proved brief, over in about 15 minutes.

You probably wonder what triggered all of this, though I suspect you know. Guess I mentioned it above... the Shah. There is mounting irritation over this, and we are in for some trouble if the Shah stays on for further treatment on an ad-hoc partient basis. We have emphasized, at the highest levels here short of the Ayatollah, that our admission of the Shah was entirely on a humanitarian basis, we regard him without any political authority in Iran, we deal with the present government, we respect and support Iran's independence and territorial integrity, we have reminded the Shah's party that he cannot engage in political activity while in the US, etc., etc. But that has not satisfied either the government or the press, which sees some other purpose on our part in what we have done, regards the Shah as the best of criminals and wants him back here for trial.

where this will all end is unclear at the moment but we are ~~going~~ going to have some heavy weather for a while I fear, especially if he remains in the US for extended treatment. Pity, because up to now we had been making some progress, however slowly, in gaining confidence here, in what is a real uphill struggle.

But not everything has been trouble... we've tried to continue reasonably normal lives when we can. The Community has organized a volleyball league ("Laing's Invitational volleyball series"), we've had tennis matches to both the Italian and the British Embassies, and we've had a splendid Halloween dance, the latter organized by the young people in the Defense Attache Office. The weather cooperated, so we could put tables out on the terraces and so we were able to have something more than 250 people for a magnificent dinner prepared by our amazing Italian cook and dancing again until three in the morning. They organized dance contests... disco, waltz, polka, and slow... and a great time was had by all. In fact we are becoming celebrated in the diplomatic community for the parties at this embassy. Never fear, we are discreet too. The Residence is far enough from the street so that we do not disturb the Islamic fundamentalists... a few Iranians come, but mainly it is the diplomatic and private community... all of which are frankly starved for such "taghesti" (corrupt) entertainment, because none of it is available in the city... although there is a rumour going around that there is dancing occasionally at the roof restaurant of the Sheraton Hotel... there are a good number of fine hotels here but ~~many~~ most of them have about 10-20% occupancy, given the total absence of tourists. And some of the hotels have been taken over by students this past week, grumbling about the absence of dormitory space... this poor government! It has no easy problems on its hands and it is very reluctant to offend the students who after all had so much to do with the overthrow of the Shah.

Nothing further has developed on the question of the assignment of an ambassador here... again the time is a bit inappropriate, given the ruckus over the Shah... so I don't know where things stand at the moment.... I was asked recently to take an assignment as Consul General in Jerusalem, but I have asked to be removed from consideration for that job... it seems very peripheral to the main activity in the Middle East, what with our Embassies in Tel Aviv, Cairo, and Amman very much in the act; not to mention all the other players like Straus and all the other cast of characters... it would have been a comfortable place to live, perhaps, but not all that good for school for Jim, a prime consideration affecting wherever we go next in this transient life that is the Foreign Service of the United States...

Love Bruce

P.S. We called on a leading Mullah at the Senate building last week - an interesting conversation with a man deeply suspicious of us but apparently prepared to listen, recognizing that Iran has problems not dealing with us. But perhaps the most interesting part of the call was the 12-14 year old girl who saw our black Chrysler limousine waiting outside and who asked my security officer: "Who's car is this?" When told it was the American chargé he said, "... but I thought all the Americans had left... we're going to chase them out!" She is not representative, but what she said says something about the impact of some of the propaganda heard in much of the press - propaganda that some of its proponents genuinely mean and which others express for effect.

(TAF)

Consul of the U.S.
I.V. Section
American Embassy
P.O. Box 50
Teheran, Iran

Ali M. Izadi
Agricultural re-
search Center
Fahavi University
Shiraz, Iran
June 9, 1978

Dear Sir;

During my stay in America (Sept. 1968--Aug. 1974) I was very impressed by Americans especially their attitude toward each other and toward foreigners.

I studied years in the U.S. before coming back to Iran. Since coming back, however, I now feel after careful reflection that I would like to go back and attempt to become a useful citizen of the U.S. if it is not very difficult to get in.

I have a Ph.D. and M.S. degree in Agricultural Economics, a B.S. degree in Agricultural Education in addition to a B.A. degree in General Agriculture. My capital assets are \$500,000.00. I have had twenty years associate experience managing a large farm along with teaching and research in agriculture. I feel by immigrating to the U.S. I could become an asset and certainly in the worst case not a liability to the country of my choice.

I inquired about the proper forms at the Shiraz American Consulate and was told to complete the Optional Form 177 Biographic Data for Visa purposes and send it to the I.V. Section, American Embassy, P.O. Box 50, Teheran Iran. I did this and sent the form on Sept. 1977. I was also told that there was no assurance that a visa would be issued. I was also told that the process takes between 9 to 12 months and would receive a reply about this time.

At the present time I have not received any word concerning its progress and am becoming a little worried since it is of great importance to me. I attempted to find out what progress had been made by calling the Immigration section in Teheran but found that they had no record of it. I then went personally to Teheran Immigration Visa Section and spent two days waiting my turn only to find they also had no record of my application. Finally, yesterday, June 8, 1978, I did make contact with someone in the Teheran Immigration office who then told me it would take not 9 to 12 months but 2 to 3 years.

Could you help me by investigating into this matter and letting me know 1) the status of my application and 2) the approximate time period I will have to wait? I would really appreciate if you would do this for me.

Sincerely,

Ali M. Izadi

Ali M. Izadi



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CLASS: CONFIDENTIAL
CHRG: STAT 10/17/79
APPRV: RSO:ABGOLACINSKI
TRPTD: ARSO:MHOWLAND
CLEAR: NONE
ICTR: RSO-2 CHRON
3/WEB

SI CHANNEL

FOR RSO PLEASE PASS USSS

R.C. 12065: GLS 10/17/95 (GOLACINSKI, ALAN B.) OR-A
TAGS: ASEC
SUBJECT: ALLEGED COUNTERFEITING RING

REF: (A) TEHRAN 10367
(B) PARIS 32L35

1. AS REQUESTED IN REF B, KAZEMIAN WAS QUERIED ON OCTOBER 15, 1979 REGARDING HIS WILLINGNESS TO MEET WITH USSS OUTSIDE OF IRAN, PREFERABLY IN TURKEY. KAZEMIAN HAS AGREED TO SUCH A MEETING, BUT IS HESITANT ABOUT THE MEETING TAKING PLACE IN TURKEY. IT IS KAZEMIAN'S BELIEF THAT THE COUNTERFEITING ORGANIZATION HAS GOOD CONTACTS IN TURKISH NATIONAL POLICE AND THAT HIS COOPERATION WITH THE USG MIGHT BECOME KNOWN. KAZEMIAN STATES THAT HE WILL MEET YOUR AGENT IN ANY OTHER LOCATION, AT USSS EXPENSE.
(COMMENT: KAZEMIAN'S NATIVE LANGUAGE IS FARSI, HIS ENGLISH IS LIMITED, BUT HE CLAIMS HE SPEAKS TURKISH.)

2. KAZEMIAN WAS BRIEFED ON REF B, PARA 10 AND BELIEVES THAT HE CAN PROVIDE THE ASSISTANCE MENTIONED. IN REGARD TO A DATE FOR THE PROPOSED MEETING, KAZEMIAN HAS INDICATED THAT HE WOULD LIKE TO HAVE THE MEETING OCCUR AFTER THE NEXT SHIPMENT OF DOLLARS ARRIVES IN TEHRAN. SOURCE HAS BEEN INFORMED THAT THE QUALITY OF THIS SHIPMENT IS TO BE MUCH BETTER THAN RECENT ONES. SOURCE STATED THAT HE WOULD LIKE TO BE ABLE TO BRING SAMPLES OF THESE NEW BILLS WITH HIM WHEN HE MEETS WITH YOUR AGENT.

3. KAZEMIAN WAS ONCE AGAIN STRONGLY DISCOURAGED FROM BECOMING ACTIVELY INVOLVED IN ANY UNLAWFUL ACTIVITY.
(COMMENT: RSO BELIEVES THAT KAZEMIAN'S INVOLVEMENT IN THE COUNTERFEITING OPERATION GOES BEYOND HIS CLAIMED CASUAL RELATIONSHIP WITH PRINCIPALS. SOURCE IS IN ALL PROBABILITY WORKING AS A FENCE/PASSER OF THE COUNTERFEIT CURRENCY.)

4. DURING RECENT MEETINGS, KAZEMIAN HAS PROVIDED THE FOLLOWING INFORMATION:

(A) ONE COUNTERFEIT 10,000 RIAL NOTE (APPROXIMATELY 100 DOLLARS AT THE CURRENT EXCHANGE RATE) AND ONE 100 MARK NOTE, BEARING SERIAL NUMBER L12096360. USSS MAY BE INTERESTED IN PASSING 100 MARK NOTE TO GERMAN LIAISON. IF SO, HE WILL POUCH DIRECTLY TO USSS PARIS. (CAVEAT: WE DO NOT WISH THAT IDENTITY OF INFORMANT BE MADE KNOWN TO GERMANS)

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THAT THEY MAY CHOOSE TO PURSUE OWN INVESTIGATION IN TEHRAN WHICH COULD BURN SOURCE.

(B) COUNTERFEIT CURRENCY IS BEING SMUGGLED INTO TEHRAN VIA PASSENGER BUS OPERATING BETWEEN TEHRAN AND ISTANBUL AND OWNED BY THE DERYA TOURIST COMPANY, ISTANBUL, TURKEY.

(C) SUBJECT IDENTIFIED AS HOLLIS WAS ALLEGEDLY BORN AT MARAS, TURKEY ON AN UNKNOWN DATE.

(D) SUBJECT IDENTIFIED AS SHAFKI, PRESENTLY IN TURKEY AWAITING WORD TO SHIP THE NEXT SHIPMENT OF DOLLARS TO TEHRAN.

(E) ON OCTOBER 3, APPROXIMATELY 500,000 DOLLARS IN COUNTERFEIT DOLLARS ARRIVED IN TEHRAN AS WELL AS APPROXIMATELY ONE MILLION DOLLARS WORTH OF OTHER CURRENCY INCLUDING WEST GERMAN MARKS, RIALS AND SAUDI ARABIAN CURRENCY. THE SAMPLE RIAL AND MARK NOTES CAME FROM THIS SHIPMENT. SOURCE STATES THAT HE WAS UNABLE TO PROVIDE SAMPLES OF THE DOLLARS BECAUSE THEY WERE SOLD THAT DAY TO INDIVIDUALS DEPARTING IRAN.

5. FYI: ON OCTOBER 14, TEHRAN PRESS CARRIED STORY ALERTING PUBLIC TO PRESENCE OF COUNTERFEIT 10,000 RIAL NOTES IN TEHRAN. ON OCTOBER 17, TEHRAN PRESS CARRIED ARTICLE THAT THREE BULGARIAN NATIONALS WERE ARRESTED ON OCTOBER 15, 1979 IN TEHRAN FOR PURCHASING JEWELS WITH COUNTERFEIT 10,000 RIAL NOTES. DESCRIPTION OF THE RIALS GIVEN IN THE PRESS THE SAME AS THAT GIVEN RSO BY SOURCE.

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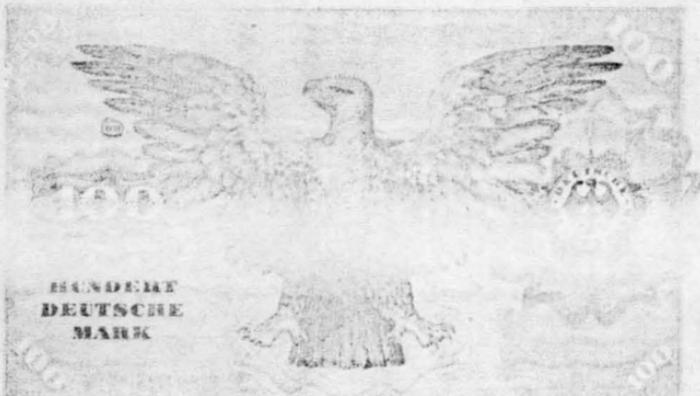
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دماند (۱۵ اکتبر) . جزئیات این اسکناسهای تقلبی دقیقا همان بود که منع اداره
نیت منطقه‌ای گزارش داده بود .

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نمونه پول تقلبی ۱۰۰ مارکی



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نمونه پول تقلبی ده هزار ریالی

