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U.S. INTERVENTIONS IN IRAN (4)

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TELEGRAM

FORM 1 (REV. 57)

INDICATE
CLASSIFICATION
BY
DATE

ORIGIN	CLASSIFICATION
EMBASSY TEHRAN	CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION:
FROM:

INFO:
DCM
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OR
DAO
RGR
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/16

ACTION: SECRETARY WASHINGTON IMMEDIATE

INFO: ANEMBASSY ABU DHABI
ANEMBASSY DOHA
ANEMBASSY JIDDA
ANEMBASSY KUALA
ANEMBASSY LONDON
ANEMBASSY RIYADH

CONFIDENTIAL TEHRAN 10000

E.O. 11652: GDS
TAGS: ENRG, ELAB, IR

SUBJECT: MORE ON IRANIAN OIL SECTOR STRIKE

1. AMBASSADOR MET WITH NIOC MANAGING DIRECTOR ANSARY LATE THIS MORNING WHO SAID THAT SITUATION IN OIL FIELDS IS CONTINUING TO IMPROVE, BUT MORE SLOWLY THAN HAD BEEN HOPED FOR. ANSARY'S REPORT WAS CONFIRMED BY LOCAL CONSORTIUM REPRESENTATIVE WHO TOLD US THAT OSCO PRODUCTION IS RUNNING ABOUT 1.5 MILLION B/D. ANSARY CONTINUES TO BE GUARDEDLY OPTIMISTIC.

2. SITUATION WITH REFINERIES HAS REMAINED STABLE--ALL ARE RUNNING BUT THROUGHPUT AT ABADAN IS DOWN. DESPITE CONTINUATION OF STRIKE BY LARGE NUMBERS OF PERSONNEL ON KHARG

DATE	DRAFTING DATE	TEL. NO.	CONTENTS OF CLASSIFICATION APPROVED BY
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E/C: [Signature]

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AIR

ISLAND, THE EXPORT TERMINAL IS EASILY ABLE TO HANDLE THE PRESENT MUCH REDUCED VOLUME OF EXPORTS. WE WERE TOLD THIS MORNING BY OFFICIAL OF JAPANESE TRADING COMPANY WHICH IS PURCHASER OF IRANIAN CRUDE THAT 37 TANKERS ARE AT ANCHORAGE AT KHARG AWAITING AN OPPORTUNITY TO LOAD.

WE HAVE BEEN UNABLE TO CONTACT IPAC TODAY BUT WE BELIEVE THAT THEY ARE STILL COMPLETELY SHUT DOWN. ^{3.} EVEN IF STRIKE IS RESOLVED (OR BROKEN) IMMEDIATELY, ECONOMIC LOSSES WILL CONTINUE TO ACCUMULATE BECAUSE IT WILL BE SOME 10 DAYS BEFORE PRODUCTION CAN BE FULLY RESTORED. A SIGNIFICANT NUMBER OF WELLS THAT HAVE BEEN SHUT-IN WILL NOT BEGIN FLOWING AGAIN WITHOUT SOME WORK-OVER. GROSS ESTIMATES THAT AFTER EVERYONE RETURNS TO WORK PRODUCTION OF 4.8 MILLION B/D CAN BE ACHIEVED IN 48 HOURS BUT THAT IT WILL TAKE ANOTHER 8 REPEAT 8 DAYS TO REACH 5.6 MILLION B/D.

4. ACCORDING TO OUR VERY ROUGH ESTIMATES, THE LOSS OF EXPORTS CAUSED BY THE STRIKE HAS COST IRAN APPROXIMATELY DOLLARS \$300 MILLION, AS OF MIDNIGHT OCTOBER 31, AND IS INCREASING AT ABOUT DOLLARS \$30 MILLION PER DAY. MOREOVER, THE LOSSES THAT WILL ACCUMULATE DURING THE 10 DAYS OF RETURN TO NORMAL DOLLARS PRODUCTION LEVELS WILL TOTAL ABOUT \$85 MILLION. CONSEQUENTLY, IRAN'S GROSS RECEIPTS OF FOREIGN EXCHANGE FROM THE OIL SECTOR THIS YEAR WILL BE AT LEAST 2 PERCENT LESS THAN WHAT THEY WOULD HAVE BEEN ABSENT THE STRIKE.

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OPTIONAL FORM NO. 10
MAY 1962 EDITION

11-2-78

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FROM AMEMBASSY TEHRAN CONFIDENTIAL

11552:
TAGS:
SUBJECT:
ACTION:

ACTION: SECSTATE WASHDC IMMEDIATE

INFO: USINT BAGHDAD
AMEMBASSY ABU DHABI

- " ANKARA
- " DOHA
- " ISLAMABAD
- " JIDDA
- " KABUL
- " LONDON
- " MANAMA
- " MUSCAT
- " NEW DELHI
- " PARIS

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E.O. 11652: GDS
TAGS: PINS, PORS, PGOV, PINT, IR, SHUM
SUBJECT: POLITICAL/SECURITY REPORT, NOV 2

SUMMARY: SHAHJATMADARI SOFTENED EARLIER COMMENT ABOUT RESORT TO ARMED INSURRECTION. IRF LEADER SAJJADI REITERATED CONDEMNATION OF VIOLENCE AND CALLED FOR SUPPORT OF CONSTITUTION. KROMBINE SAYS HE WILL ACCEPT "WHATEVER IRANIAN PEOPLE DECIDE." GAJJI AND AZMOU REACT BITTERLY TO ANHARI'S CHARGE OF CORRUPTION AND DEMAND INVESTIGATION. IRAN AIR DOMESTIC FLIGHTS GROUNDED BY POLITICAL STRIKE. INTERNATIONAL FLIGHTS CONTINUE. AHMEDI MET WITH SHAH. LATER EXPRESSED SUPPORT FOR SHAHJATMADARI

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GOVT. JUDGES IN SANANAJ RESIGNED TO PROTEST SEVERAL KILLINGS THERE. MIN OF JUSTICE HOPES ALL POLITICAL PRISONERS WILL BE RELEASED BY DEC 10. IRANIAN GOV-GEN DENIED STUDENTS EVER TOOK OVER AMOL; SAID PEOPLE WHOM THEY ARRESTED AS PROGOVT STOOGES WERE REPORTEDLY TWO GENDARMES AND A CRIMINAL SUSPECT. MANY DEMONSTRATIONS, SOME PROGOVT, BUT NO DEATHS REPORTED. LARGE DEMONSTRATIONS AT TEHRAN UNIVERSITY AND IN STREETS; ISLAMIC AND LEFTIST STUDENTS HAVE APPARENTLY PATCHED UP DIFFERENCES. RELIABLE SOURCE INDICATES GOVT NOT ALARMED BY UNREST, AS IT MAKES ULTIMATE CRACKDOWN MORE PALATABLE. SOURCE ALSO STATED SAVAK PURGE CAME AFTER PRIMIN LEARNED ORGANIZATION WAS BEHIND AT LEAST SOME OF RECENT PROGOVT STREET BRAWLERS. ISFAHAN AYATOLLAHS ISSUE CALL FOR RETURN OF KHOMEINI. MORE REPORTS OF ANTIFOREIGN HOSTILITY. END SUMMARY.

1. AYATOLLAH SHARIATMADARI STRONGLY QUALIFIED PREVIOUS STATEMENT THAT OPPOSITION MIGHT HAVE TO RESORT TO ARMED INSURRECTION. IN INTERVIEW YESTERDAY HE OPPOSED ANARCHY AND TERROR BUT AGAIN SAID "IF WE CANNOT GET WHAT WE WANT THROUGH REASONABLE MEANS WE WILL START FIGHTING." HE ATTACKED AFP FOR MISINTERPRETING HIM. MEANWHILE IN PARIS, NATIONAL FRONT LEADER KARIM SANJABI AND AYATOLLAH KHOMEINI SPOKE SEPARATELY TO JOURNALISTS BUT SAID VIRTUALLY NOTHING REGARDING THEIR TALKS WITH EACH OTHER. SANJABI AGAIN CONDEMNED VIOLENCE AND SUPPORTED CONSTITUTION, SAYING

FRONT DEMANDS ONLY THAT FUTURE GOVERNMENT HAVE THREE ELEMENTS- NATIONALISM, DEMOCRACY, AND SOCIALISM. KHOMEINI STATED HE WOULD SIMPLY COMPLY WITH THE WILL OF THE IRANIAN PEOPLE. HE PROPOSED A NATIONAL ASSEMBLY TO DIRECT ADMINISTRATIVE AFFAIRS. IN TEHRAN, INF SPOKESMAN DARIOUSH FOROUHAR SAID FUTURE SHOULD BE DECIDED BY NATIONAL REFERENDUM.

2. MAJLES DEPUTY ABBAS AKHBARI'S CHARGE THAT EDUCATION MINISTER GANJI AND FORMER MINISTER OF STATE AZMOUN WERE GUILTY OF CORRUPTION BROUGHT STRONG COUNTERATTACK FROM BOTH MEN. GANJI DEMANDED OFFICIAL INVESTIGATION INTO HIS OWN ACTIVITIES. PRESS REPORTS SHOW OF SUPPORT FOR MINISTER FROM TEACHERS THROUGHOUT IRAN. AZMOUN ALSO CALLED FOR PROSECUTOR GENERAL TO PROVE HIS SUPPOSED CORRUPTION. HE IS SUING AKHBARI FOR FALSE ACCUSATION.

3. FORMER PRIME MINISTER ALI AMINI MET WITH SHAH YESTERDAY. AUDIENCE REVIVED PERSISTENT RUMORS AMINI WILL BE NEXT PRIME MINISTER, BUT AMINI HIMSELF EXPRESSED SUPPORT FOR SHARIF-EMANI GOVT. HE DESCRIBED MEETING AS EXCHANGE OF VIEWS.

4. IRAN AIR DOMESTIC FLIGHTS ARE GROUNDED BY POLITICALLY-BASED STRIKE. EMPLOYEES DEMAND RELEASE OF POLITICAL PRISONERS, END OF MARTIAL LAW, DISMISSAL OF ALL FOREIGN IRAN AIR EMPLOYEES, PUNISHMENT OF FORMER DIRECTOR KHADEMI, AND AN END TO FIXED RIAL-DOLLAR EXCHANGE RATE. INTERNATIONAL FLIGHTS ARE PROCEEDING, BUT PANAMA REPORTS HARASSMENT AND SOME DIFFICULTY IN MANAGING PASSENGER LOADS.

5. ALL JUDGES OF SANANDAJ (CAPITAL OF KORDESTAN) HAVE RESIGNED IN PROTEST AGAINST RECENT DEATHS OF SEVERAL DEMONSTRATORS.
6. NEW MINISTER OF JUSTICE HOSSEIN NAJAFI STATED YESTERDAY HE EXPECTS ALL REMAINING POLITICAL PRISONERS TO BE RELEASED BY DEC 10 HUMAN RIGHTS DAY. REMARK WAS SHORT OF A DEFINITE ASSURANCE; HE SAID SINCE THESE PRISONERS HAD BEEN TRIED BY MILITARY COURTS, ONLY SHAH COULD RELEASE THEM. SAVAK HAD PREVIOUSLY STATED 600 POLITICAL PRISONERS REMAIN. FIGURE IS DISPUTED BY HEDAYATOLLAH MATIN-DANFARY OF COMMITTEE FOR THE DEFENSE OF POLITICAL PRISONERS, WHO SAID THERE ARE AT LEAST 900.
7. OCT 31 INCIDENT IN AMOL, WHEN STUDENTS REPORTEDLY TOOK OVER TOWN SQUARE, REMAINS FUZZY. MAZANDARAN GOV-GEN SAYED BAHADORI DENIED THESE REPORTS. HE SAID STUDENTS DID PATROL STREETS LOOKING FOR PROGOVT "HOOLIGANS," AND ARRESTED THREE SUSPECTS. THESE WERE, HOWEVER, ACCORDING TO GOVT, TWO GENDARMES AND A CRIMINAL SUSPECT WHO WAS BEING TAKEN TO AMOL FOR INDICTMENT. PRESS REPORTS ARMY TROOPS FREED GROUP NUMBERED FROM 3. TO 6.
8. MANY DEMONSTRATIONS AGAIN TOOK PLACE WITH SOME CLASHES BUT NO DEATHS REPORTED. PROGOVT DEMOS ALSO OCCURRED, ONE INVOLVING ALAM FAMILY CLAN IN BIRJAND. IN TEHRAN STUDENTS RALLIED ON CAMPUS AS USUAL. AMCIT EYEWITNESS REPORTED ISLAMIC AND LEFTIST GROUPS SEEM TO HAVE PATCHED UP DIFFER-

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ENCES. THEY ASSEMBLED TOGETHER INSTEAD OF SEPARATELY AS HAD BEEN THE CASE PREVIOUSLY. LARGE CROWD ALSO DEMONSTRATED IN STREETS. PRESS ESTIMATES CROWD AT 100,000 BUT RELIABLE EYEWITNESSES PUT IT IN 15,000 TO 20,000 RANGE. EMBASSY HAS LEARNED NATIONAL FRONT CALLED RALLY FOR NOV 2 BUT THAT BAZAAR LEADERSHIP (WHO USUALLY SUPPORT RELIGIOUS HIERARCHY) ARRANGED DEMONSTRATION A DAY EARLIER. (COMMENT: THIS COULD REPRESENT DELIBERATE ATTEMPT TO KEEP DISTANCE BETWEEN RELIGIOUS LEADERS AND NATIONAL FRONT). AMCIT EYEWITNESS REPORTS WHEN SOME DEMONSTRATORS BEGAN TO ROCK STATUE OF REZA SHAH, CROWD SHOUTED "NO, NO" AND STATUE WAS LEFT UNDAMAGED.

9. CONSULATE ISFAHAN REPORTS AYATOLLAHS OF THAT CITY HAVE JOINTLY DECLARED KHOMEINI MUST RETURN TO IRAN.

10. IRANIAN WHO IS EXPERIENCED IN HIGH GOVT CIRCLES INFORMED EMOFF EVENING NOV 1 THAT MINISTRY OF INTERIOR IS RELATIVELY UNWORRIED BY RASH OF STRIKES AND DEMONSTRATIONS. GOVT FEELS THIS WILL MAKE EVENTUAL CRACKDOWN MORE PALATABLE TO GENERAL PUBLIC. HE BELIEVES MODERATE RELIGIOUS LEADERS WILL ULTIMATELY ACCEPT A COMPROMISE. THE EXTREMISTS MAY HAVE TO BE QUELLED FORCIBLY, WHICH WOULD MEAN TEMPORARY MILITARY GOVT, PERHAPS ONE OR TWO MONTHS. (COMMENT: SOURCE REPRESENTS AN EXCELLENT AND PROBABLY ACCURATE MIDDLELEVEL BUREAUCRATIC VIEW WITHIN GOI. WE SENSE HE MAY BE UNDERESTIMATING DIFFICULTY WITH BOTH

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OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

RELIGIOUS ELEMENT AND EFFICACY OF CRACKDOWN).

11. SAME SOURCE REPORTS PURGE OF SAVAK CAME AFTER PRIMIN
LARNED ORGANIZATION ARRANGED RECENT VIOLENT PROGOVT
DEMONSTRATIONS. SAVAK MAY ALSO HAVE STAGED SOME OF THE
ANTI GOVT SHOWS. FURTHERMORE MAJLIS DEPUTY AKHBARI, WHO
BROUGHT CENSURE MOTION AGAINST SHARIF-EMAMI, IS LONGTIME
SAVAK AGENT. SHARIF-EMAMI'S ANGER AT THIS NEWS SCORLED
END FOR PARVIS SAAMI.

12. ANTI FOREIGN INCIDENTS CONTINUE, STILL WITHOUT ANY
SERIOUS INJURIES TO AMCITS BUT RESULTING IN INCREASED
APPREHENSION. CONSULATE ISFAHAN REPORTS ABORTIVE ATTEMPT
TO FIREBOMB ENTRANCE TO FLUOR THYSSEN. CONSULATE ALSO
REPORTS THREE AMCITS WHO HAD RECEIVED THE WIDELY-DISTRI-
BUTED "CURSED YONKY" NOTE RECEIVED A FOLLOWUP NOTE: QUOTE
YOU HAVE BEEN WARNED. GO HOME OR ^{WE} ~~THEY~~ WILL KILL YOU.
UNQUOTE. ALL THREE HAVE LEFT IRAN. EARLIER REPORTS THAT
IRANIANS IN AHWAZ AREA WERE THROWING STONES AND ~~OTHERS~~ OF
FOREIGNERS IS CONFIRMED. FLUOR IRAN HAS REMOVED ALL
PERSONNEL FROM OILFIELDS AFTER TWO DAYS OF SUCH INCIDENTS.
VIOLENCE WAS ANTI FOREIGN RATHER THAN ANTI AMERICAN; NON-
AMERICAN EXPATRIATES ALSO WERE ATTACKED. SOLAR TURBINE,
SUBSIDIARY OF INTERNATIONAL HARVESTER, HAS SENT HOME ALL
DEPENDENTS, INCLUDING 10 FAMILIES IN AHWAZ AND 15 FAMILIES
FROM TEHRAN. CONTROL DATA HAS SENT HOME ITS DEPENDENTS,
NUMBERING 26. EMB HAS SECONDHAND BUT RELIABLE REPORT THAT
HEM HAS ALSO SENT DEPENDENTS HOME.

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SULLIVAN



DEPARTMENT OF STATE,
BRIEFING MEMORANDUM

S/S

SECRET/NODIS

To : The Secretary
From: INR - David E. Mark, Acting

The Gathering Crisis in Iran

This paper outlines our perspective on the fast-breaking events in Iran and on the steps the Shah must take very soon. We conclude that only drastic measures by the Shah hold any promise for staving off a descent into chaos.

The Shah's attempts to appease his opponents have failed. The opposition is coalescing and gaining momentum, while he loses the initiative. The Shah himself has admitted in conversation with Ambassador Sullivan that immediate action is needed to quell the turmoil, but he seems unable to make up his mind what to do. Indeed, the process of consultations with Ambassadors Sullivan and Parsons betrays his inability to come to grips with the problems that face him. So far, the Shah cannot see beyond half-measures designed to defer hard decisions. If he has convinced himself that his ideas to date represent bold gestures or sweeping changes, then he is seriously out of touch with the current scene. His reversion to the moods of depression and vacillation he displayed in the early 1950's makes it doubtful that he can move to salvage what remains of national unity, unless others intervene on his behalf.

In our judgment, the Shah has only two choices:

- He can stay on as a constitutional monarch with severely limited powers. This would mean allowing a coalition of moderate politicians to govern the country with the backing of moderate religious leaders; or

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--He can abdicate, probably triggering a military takeover. No matter what he does, the Shah's powers will be reduced. If he does nothing to channel the course of events, he is likely to be ousted.

Regardless of how the transition process unfolds, short-term repression will probably be necessary to end the disorders. This crackdown, however, is no answer to the basic problem, since repression inevitably will lead to even greater violence and risks the total collapse of authority and the radicalization of Iranian politics.

To remain on his throne, without resorting to military rule, the Shah must reach an accord with his leading middle-of-the-road opponents. And, he must do this very soon. To make his approach credible, this accord would have to be followed by free elections much earlier than the scheduled June 1979 date. So far, the Shah has exhibited no willingness to accept such extreme measures.

Intelligence reports indicate that moderate opposition politicians and religious leaders are trying to reach agreement among themselves on the formation of a government with greatly increased powers, but with the Shah remaining as a constitutional monarch. The fly in this ointment is the attitude of exiled Ayatollah Khomeini in Paris. The elderly religious leader, a veteran of decades of struggle with the Palace, is determined that the Shah must go (Khomeini has not been in Iran for 15 years, and has little idea of changes that have taken place.) He wants a weak government bound to the religious hierarchy. Perceiving that the Shah is on the ropes, Khomeini is likely to continue to ignore entreaties from lesser religious leaders and moderate politicians that steps be taken to prevent disintegration of the Iranian polity. With Khomeini's almost mystical sway over current Iranian protestors, the others are highly reluctant to make a move they know he will oppose. (For example, Ayatollah Shariat-Madari, who is the leading religious figure in Iran, threatened on November 1 to form an armed movement unless the Shah submitted peacefully to demands from the religious leaders.)

In these circumstances, the Shah will have to offer the moderates a deal they cannot refuse that would leave Khomeini out in the cold. The Shah might pull this off but only at the cost of his personal power.

If the Shah does not make a dramatic move before the beginning of the month of Moharram on December 2, far more serious violence is a certainty. The 10th of Moharram (December 11) is especially significant to Iranian Muslims, and Shariat-Madari and a former prime minister have predicted that the Shah would be finished by that date. (The government, apparently reacting to this theme, has announced that all political prisoners would be freed on December 10, ironically the 30th anniversary of the signing in Tehran of the Declaration of Human Rights.)

Unless the Shah acts very soon, the chances of military intervention are high. Order imposed by the Army probably would not last more than six months. The economy already has been damaged, and the ordinary Iranian has learned that, even without guns, he can exercise strong political power. There is no way that the military can force the millions of newly sensitized Iranians to return to work willingly for the glory of the badly tarnished Pahlavi regime.

Drafted: INR/RNA/SOA; GBGriffin: x22757: 11/2/78

TELEGRAM

1978 NOV -2 AM 7:00

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	FROM AMEMBASSY TEHRAN	CLASSIFICATION SECRET
E.O. 11652:	ACTION: SECSTATE WASHDC IMMEDIATE	
TAGS:	INFO: USINT BAGHDAD	
SUBJECT:	AMEMBASSY ANKARA DOHA <i>ABU DHABI</i>	
ACTION:	ISLAMABAD	
	JIDDA	
	KABUL	
<u>DCM:2</u>	KUWAIT	
	LONDON	
AMB	MANAMA	
POZ	MOSCOW	
CRU	MUSCAT	
	NEW DELHI	
	PARIS	
	ROME	
	USCINCEUR VAHINGEN GE	
	USCINCPAC	
	SECRET TEHRAN 10000	
	<u>EXDIS</u>	
E.O. 11652:	GDS	
TAGS:	PINS, PGOV, IR	
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	

DRAFTED BY:	DCM:CNhaas/ <i>Ch</i>	DRAFTING DATE:	1110	TEL. EXT.:	11/2/78	CONTENT AND CLASSIFICATION APPROVED BY:	AMB:W. Sullivan
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CLEARANCES:

OR: *H. Felder* A/DCM:JMills

DAO:Col. TESchaefer *sch*

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THESE DAYS THAT THE COUNTRY IS HEADING EVER CLOSER TO SOME SORT OF MILITARY TAKEOVER AS THE ONLY EFFECTIVE WAY OF STOPPING STREET DISORDERS AND VIOLENCE. THE MAIN DIFFERENCE OF OPINION IS BETWEEN THOSE WHO BELIEVE THAT THE POLARIZATION OF OPPOSING FORCES BETWEEN THE KHOMENI 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 REGIME 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 RABII HAS BEEN THE MOST BLUNT AND OUTSPOKEN, AND HE IS CHAMPING AT THE BIT TO IMPOSE ORDER. ADMIRAL BABIBOLLAHI, GENERAL OVEISI, AND OTHERS, WHILE NOT AS EXTREME AS RABII, BELIEVE A HALT MUST BE CALLED TO THE VAST PUBLIC DISORDERS. GENERAL AZHARI, PERHAPS THE MOST REFLECTIVE AND SOBER OF

THE MILITARY ESTABLISHMENT, APPEARS TO BE WOBBLING: HE RECENTLY 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 VACILLATION OF THE SHAH CURRENTLY, AND IN DUE COURSE MAY ATTEMPT TO FORCE HIS HAND -- JOIN US OR LEAVE.

3. SUPPORTING THE IDEA OF 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 READILY ADMIT IT WOULD INFLICT DEEP WOUNDS ON NATIONAL COHESIVENESS IN THE LONG RUN.

1. 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 FEREDUN 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.

3. ANY TAKEOVER WOULD HAVE TO INVOLVE A VERY HARD CRACK-DOWN ON DEMONSTRATORS IN THE STREETS, STUDENTS AND PROFESSORS DEMONSTRATING IN THE UNIVERSITIES, SCHOOL CHILDREN 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 THAT 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 LARGE AREAS OF THE COUNTRYSIDE (MANY OF THEM INHABITED BY

SUNNI MOSLEM TRIBES WHO WERE PACIFIED BY REZA SHAH AND THE PRESENT SHAH NOT SO LONG AGO), 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 INTO THE TIGHTLY CONTROLLED STATE IT WAS BEFORE LIBERALIZATION BEGAN IN MID-1976.

6. WE ARE QUIET 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'S 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,

ANY RESIDUAL CREDIBILITY RETAINED BY THE SHAH -- AND HIS PROMISES OF LIBERALIZATION -- WOULD BE LOST. POLARIZATION BETWEEN SUPPORTERS AND OPPONENTS OF THE NEW REGIME WOULD OCCUR VERY RAPIDLY, ERODING ANY CONSENSUS OF THE MODERATES IN THE CENTER. TERRORISTS, AND THOSE MOST EXPERIENCED IN GUIDING THEM, WOULD RAPIDLY GAIN INFLUENCE AND PRESTIGE AS LEADERS OF THE OPPOSITION. THE MILITARY, WHO HAVE SO FAR MADE AN EFFORT TO PRESENT THEMSELVES AS ABOVE THE POLITICAL SQUABBLE, WOULD BE IDENTIFIED FOR THE FUTURE ON THE SIDE OF REPRESSION. THE INTERNATIONAL OUTCRY IN THE U.S. AND ELSEWHERE WOULD REACH NEW DECIBEL LEVELS. THE SITUATION WOULD IN THIS SENSE BE LESS COMPARABLE TO LEBANON TODAY THAN TO THE REGIME OF THE COLONELS IN GREECE OR TO LATIN AMERICAN JUSTAS OVER THE YEARS. BLOOD-SHED WOULD INCREASE AND AFFECT LARGER NUMBERS OF THE POPULATION THAN EVER BEFORE IN PERSIAN HISTORY. THE PSYCHOLOGICAL WOUNDS OF THIS PROCESS WOULD LINGER ON A LONG TIME AFTER THE MILITARY TAKEOVER ENDED.

8. THE TECHNICAL PROBLEMS ARE ALSO WORTH CONSIDERING. IT IS HIGHLY DOUBTFUL THAT THE MILITARY HAVE EXPERTS AND TECHNICAL KNOW-HOW SUFFICIENT TO RUN THE OIL FIELDS AND REFINERIES, RUN A NATIONAL BUDGET, AND OTHERWISE KEEP THE ECONOMIC LIFE OF THE NATION ON AN EVEN KEEL. WITH BAZAARI LEADERSHIP BOUND TO BE AGAINST THEM, MANY MODERATE TECHNOCRATS RELUCTANT TO BE ASSOCIATED WITH A MILITARY REGIME, AND

SECRET

Classification

Page 6 of 10

OIL WORKERS AND OTHERS UNHAPPY AND JUMPY, THE MILITARY REGIME WOULD HAVE ITS HANDS FULL. THREATS OF PRISON AND WORSE WOULD WORK ONLY UP TO A POINT. THIS COULD BECOME A CONSIDERABLE FACTOR SLOWING DOWN ECONOMIC LIFE IN THE COUNTRY AND DOING LITTLE TO INCREASE THE POPULARITY OF THE MILITARY AMONG THE POPULATION AT LARGE.

9. TIMING OF THE TAKEOVER IS ALSO IMPORTANT. THE ABOVE COSTS WOULD BE LESS HIGH IF THE TAKEOVER CAME LATER RATHER THAN SOONER. DELAY BY THE SHAH AND THE MILITARY IN IMPOSING THIS OPTION WILL HELP CONVINCE MANY CONSERVATIVES WHO ARE WAIVERING THAT THE TAKEOVER WAS INDEED JUSTIFIED. A CLEVER PUBLIC RELATIONS CAMPAIGN (FOR WHICH, HOWEVER, THE GOI HAS SO FAR SHOWN LITTLE TALENT

SECRET

Classification

OPTIONAL FORM NO. 10 (Form 10)

SECRET

Classification

WOULD ALSO HELP SNAY PEOPLE TO THE PROPOSITION THAT THE TAKEOVER WAS FORCED ON THE GOVERNMENT BY THE OBSTINACY OF THE OPPOSITION. WHETHER ENOUGH MODERATES WOULD BE SWAYED BY SUCH ARGUMENTS TO HOLD OUT HOPES FOR AN EVENTUAL FORTUNE FAVORING THIS REGIME IT IS DIFFICULT AT THIS TIME TO SAY. MOST INDICATIONS ARE THAT THE GOVERNMENT DEFORTS WOULD BE WHITTLED AWAY OVER THE LIFE OF SUCH A GOVERNMENT AS THE INTERNATIONAL PRESS PLAYED UP EXCESSES WHICH WOULD BE BOUND TO OCCUR IN THE PROCESS OF LAW ENFORCEMENT.

10. A FURTHER FACTOR TO BE CONSIDERED WOULD BE THE EFFECT ON USG IMAGE AND POLICY -- AS WELL AS THE INCREASED URBAN TERRORISM AGAINST AMERICAN CITIZENS HERE. THE OPPOSITIONERS CLAIM, WITH CONSIDERABLE JUSTIFICATION, THAT A MILITARY TAKEOVER WOULD STRENGTHEN THE HANDS OF THE LEFT-WINGERS AND THE SOVIETS. OUR LONG ASSOCIATION WITH THE SHAH'S REGIME AND HIS ARMY WOULD MAKE US A TARGET FOR THE ACCUSATION THAT WE WERE BEHIND THE TAKEOVER AND CONTINUING TO SUPPORT IT AGAINST THE WILL OF THE IRANIAN PEOPLE. PERHAPS THIS WILL PROVE TO BE AN UNAVOIDABLE PENALTY WE WILL HAVE TO PAY, BUT WE SHOULD BE UNDER NO ILLUSIONS THAT A PENALTY IT WILL BE, COUNTING AGAINST US IN WORLD PUBLIC OPINION AND PROBABLY RETURNING TO HAUNT US IN IRAN ONCE THE MILITARY REGIME HAS RUN ITS COURSE. MEANWHILE, WE WOULD HAVE TO EXPECT RENEWED ATTACKS ON AMERICAN CITIZENS HERE

SECRET

Classification

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-108

SECRET

Page 9 of 176

Classification

BY THE ORGANIZED URBAN TERRORIST ORGANIZATIONS, WHICH
HAVE FOR THE MOST PART CEASED THEIR ACTIVITIES AGAINST
US OVER THE PAST TWO YEARS.


SULLIVAN

SECRET

Classification

-20-

50152-201

OPTIONAL FORM
NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

TELEGRAM

RECEIVED
INDICATE
CLASSIFICATION
CHANGE TO
10000

FROM AMEMBASSY TEHRAN CLASSIFICATION SECRET/EXDIS

ACTION: SECSTATE WASHDC IMMEDIATE

11652:
TAGS:
SUBJECT:

SECRET TEHRAN 10000
EXDIS

EXDIS

ACTION:

E.O. 11652: GDS

TAGS: PINT, IR

SUBJECT: GOI TACTICS

REF: STATE 278290

MM-2

AMB
PMA

CMU

1. ZAHEDI TELEPHONED SHAH WHILE I WAS AT PALACE NOV 1 AND SUGGESTED TACTICS CONTAINED REFTTEL. SHAH CUT HIM OFF SHORT WITH STATEMENT THAT THIS WAS NOT RPT NOT 1953 AND WAS NOT EVEN SAME SITUATION THAT EXISTED TWO WEEKS AGO WHEN ZAHEDI WAS HERE.
2. THERE HAVE BEEN SOME SUGGESTIONS THAT ZAHEDI WAS BEHIND EVENTS IN KERMAN ABOUT TWO WEEKS AGO WHERE MOSQUE WAS ATTACKED AND NUMBER OF PEOPLE KILLED. WHOLE INCIDENT BADLY BACKFIRED. NEVERTHELESS, A KURDISH TRIBAL LEADER (WHO IS A MEMBER OF THE PARLIAMENT) IS ACCUSED OF INSTIGATING A BLOODY ATTACK BY TRUCKLOADS OF HIS PEOPLE ON THE LITTLE KURDISH TOWN OF PAVEH A FEW DAYS AGO LEAVING 11 DEAD BY OFFICIAL ADMISSION. THE SAME GOVERNMENT SUPPORTERS THREATENED TO ATTACK THE PROVINCIAL CENTER OF KERMANSHAH THE NEXT DAY UNTIL PREVENTED BY ARMY

11-2-78

W. Sullivan/POL:GBLambakis 11-2-78

DRAFTING DATE TEL. EXT. CONTENT AND CLASSIFICATION APPROVED BY: AMBASSADOR

SECRET/EXDIS

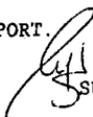
CLASSIFICATION

-21-

OPTIONAL FORM 107 (REV)
(Formerly FS-413) (10)
JANUARY 1975
DEPT. OF STATE

PROMISES OF PROTECTION FOR THE CITIZENS. REZAIYEH AND OTHER TOWNS HAVE SEEN PRO-GOVERNMENT DEMONSTRATIONS BALUCHI TRIBESMEN PARADED IN ZAHEDAN MONDAY AND ALAM FAMILY SUPPORTERS CAME OUT IN BIRJAND YESTERDAY. POPULAR "ARREST" OF 2-6 (VERSIONS VARY) POLICE OR SECURITY OFFICIALS IN AMOL NIGHT BEFORE LAST/^{IS}BEING INTERPRETED BY MANY AS EVIDENCE THAT SECURITY FORCES ARE BEHIND MANY OF THE TROUBLESOME INCIDENTS--ESPECIALLY AS THE ARRESTEES WERE WHISKED OFF YESTERDAY IN A COMMANDO-LIKE RAID BY THE MILITARY, WHEN THEY WERE BEING HELD FOR TRIAL BY CIVILIAN COURT OFFICIALS. OBVIOUSLY THE 1953 MENTALITY HAS ITS SUPPORTERS HERE WHETHER THEY ARE UNDER ZAHEDI'S LEADERSHIP OR NOT.

3. IN 1953, THE BAZAARIS AND MULLAHS LED MOBS IN SUPPORT OF THE MONARCHY. IN 1978, THEY ARE LEADING MOBS AGAINST THE MONARCHY. ZAHEDI CANNOT SWITCH THE BAZAARIS AND MULLAHS OF TODAY. RECOURSE TO MOB VIOLENCE UNDER PRESENT CONDITIONS WOULD ONLY ASSIST THE POLARIZATION BETWEEN SHAH AND KHOMEINI SUPPORTERS WHICH WE ALL HOPE TO AVERT. ONLY A POLITICAL SOLUTION WHICH CAPITALIZES ON THE MODERATES OF THE CENTER, WITH "GIVE" BY BOTH THE SHAH AND THE RELIGIOUS OPPOSITION, CAN PRESERVE IRAN'S BASIC STABILITY WHILE PROMOTING THE ORDERLY DEVELOPMENT OF DEMOCRATIC PRACTICES THAT WE SUPPORT.


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1. THE AMERICAN AMBASSADOR SULLIVAN AND BRITISH AMBASSADOR HANSONS LATE TODAY THAT THE CURRENT GOVERNMENT WILL BE DISSOLVED AND REPLACED BY A MILITARY GOVERNMENT WITH GENERAL AZHARI, CURRENTLY CHIEF OF THE SUPREME COMMANDER'S STAFF, AS THE NEW PRIME MINISTER. TROOPS ARE BEING PREPOSITIONED IN LARGE NUMBERS THROUGHOUT TEHRAN TO RESTORE LAW AND ORDER.

2. CLASHES BETWEEN DEMONSTRATORS AND SECURITY FORCES CONTINUED TODAY AS TEHRAN'S WORST RIOTS IN OVER TEN YEARS TYPED INTO THE SECOND DAY. LARGE CROWDS ASSEMBLED IN VARIOUS PARTS OF THE CITY. MOBS HAVE BEEN ROAMING THROUGH THE STREETS, BURNING CARS, BUSES, AIRLINE OFFICES, BANKS, CINEMAS AND OTHER BUILDINGS. CROWDS ENTERED THE COMPOUND OF THE BRITISH EMBASSY BUT NO INJURIES WERE REPORTED. THE AMERICAN EMBASSY IS CORDONED OFF AND NO INCIDENTS HAVE BEEN REPORTED AFFECTING AMERICANS. AS OF 2300 TEHRAN TIME, THE CITY REMAINED FAIRLY QUIET BUT SOME ISOLATED CLASHES WERE OCCURRING.

3. A TRAVEL ADVISORY RECOMMENDING POSTPONEMENT OF ALL NON-ESSENTIAL TRAVEL TO IRAN HAS BEEN ISSUED. THE EMBASSY HAS ADVISED AMERICAN CITIZENS TO REMAIN AT HOME.

4. THE STRIKE AGAINST OIL FACILITIES CONTINUES. TOTAL PRODUCTION ON NOVEMBER 4 WAS 1.85 MILLION B/D, A DECREASE FROM THE PREVIOUS DAY. WORKERS IN THE NATIONAL IRANIAN OIL COMPANY CENTRAL OFFICE IN TEHRAN HAVE ALSO JOINED THE STRIKE. THE GOI IMPOSED A RESTRICTION ON CURRENCY OUTFLOW. VANCE

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ACTION:
POLR 1

INFO:

AMB

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OR

ADM

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SHIR

TMR

SCRO

CRU

R7



CONSULATE OF THE
UNITED STATES OF AMERICA
Isfahan, Iran

11/6/78

MEMORANDUM FOR THE FILES
CONFIDENTIAL

From: DCMcGaffey, AmConsul Isfahan
To : Distribution
Subject: Pro-Shah, Pro-Government Demonstrations

While it appears that in some places and at some times, public demonstrations in favor of the Shah are government engendered and government controlled, there have recently occurred in Isfahan at least two apparently spontaneous pro-government demonstrations.

On Oct. 26, a large protest demonstration by teachers and students was scheduled in the area of a religious school near the bazaar. The demonstrators appeared, carrying anti-shah banners, pictures of Khomeini, and placards bearing the hammer-and-sytle. The authorities had decided to allow the demonstration, and had troops nearby, but not in the immediate area. Almost immediately after it began, however, the crowd was pelted with stones from the bazaar area, and another crowd moved in with sticks, attacking the bearers of the hammer-and-sytle placards and the anti-Shah placards. They carefully avoided those carrying pictures of Khomeini. Troops moved in quickly, and broke up the melee with night-sticks. Observers who appear to be good sources state that the anti-protest group was headed by a small group of religious students who objected to the linking of Khomeini to "red" slogans and banners, but got the bulk of its members from bazaaris who objected to demonstrations in the bazaar area. These observers report that members of both groups were hit and arrested indiscriminately. A bazaari friend of mine, who states that he did not participate but knows those who did, states that the bazaaris are growing desperate, and are in some quarters remembering the good-old-days of high profits before protests began, and that there will continue to be bazaar protests opposing any outsiders who wish to demonstrate in the bazaar. A similar incident occurred on Nov. 2, with the anti-protest group carrying banners promoting a "Shah and People Government" and objecting to leftists, communists, and destructive elements. They attacked a larger group with anti-Shah banners, but after initial rock-throwing, troops formed a line between the two groups and dispersed both. Martial Law authorities told me that they opposed such anti-protest actions, as an incitement to violence, and again bazaari sources agreed it was a spontaneous action. The day after the military government was announced, however, the Martial Law Administration attempted to set up a pro-government march in the bazaar, capitalizing on this feeling, but dissolved it when marchers appeared with signs stating, "Shah-People yes, Martial Law No" and calling for the replacement of the military government by national referendum. National Front sources in Isfahan say that they provided these signs, and that the bazaaris are opposed to continued disruptions, and even favor the Shah, but oppose Martial Law.

CONFIDENTIAL

CONFIDENTIAL

-2-

Comment: Such demonstrations are not entirely surprising to me. I have recently been hearing in numerous conversations, primarily with bazaaris, merchants, and factory-owners, comments blaming the economic disruption on the demonstrators, who know only how to destroy and have no program to build. Others comments that the Shah has many faults, and a large family with worse faults, but that under the Shah there was progress and stability. "If only... (constitutional monarch, Shah finding a way to control his family, Shah instituting a purge of corrupt officials, Shah reaching an accomodation with opposition, etc.)", then they would like to see the Shah on his throne and stability restored. These comments are often made in a tone of despair, as if none of the speakers has any real hope of it occurring, but increasingly the Shah is seen as a symbol of stability, and there are second- and third- thoughts, especially by those with something to lose, about the advisability of protests. Not long after these events, the bazaar closed down in protest to the military government, so these are not evidence of a strong pro-government sentiment, but in Isfahan there is an undercurrent of support for the Shah as an individual (stripped of his family, officials, military aides) which could be used as the basis of reconciliation if the people believed the Shah was taking real action to separate himself from the corruption seen as surrounding him. Such reconciliation would be bitterly opposed by students and ideologues, but would have support from the middle-class and propertied people.

DIST: Embassy Tehran: AMB/DCM

POL

ECON

CONS

AmConsul Shiraz

AmConsul Tabriz

Dept. of State: NEA/IRN

INR/RNA

November 7, 1978

POL - George B. Lambrakis

POLITICAL SECTION TO E & E PLAN

BY - Robert Bannerman

A. Political Factors

a. Iran is in internal turmoil, undergoing a government crisis of proportions unprecedented for 25 years. The Shah remains for the moment in apparently firm control of the armed and security forces. A military government has just been installed. If it masters the situation and brings law and order back to Iran, a temporary period of quiet can be expected. If a political solution is then worked out, chances are good no emergency and evacuation measures for Americans will be needed. If the military government refuses to move to a political solution, stepped-up terrorism is likely, with Americans probably targeted more frequently and widely than in the past.

On the other hand, if the military government fails to master the security situation, the Shah's departure, and that of his family, is probable. A period of considerable internal unrest would follow. This could entail threats to the American community of a greater magnitude than ever before since World War II. It would almost certainly result in massive voluntary departures of non-essential personnel and dependents.

Externally, there appears to be no likely threat to Iran. The Soviet Union is adopting a cautious attitude.

b. Widespread strikes and demonstrations in many of Iran's cities, including Tehran, have caused anxiety among the American community but only relatively few departures of dependents. Should there be prolonged political uncertainty resulting in less attention to business, hoarding and thus, shortages of foodstuffs, insecurity in supply of auto gasoline, more airport

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SECRET

2.

strikes interfering with international flights, and perhaps exchange controls and other emergency business measures by the authorities, massive departures of Americans could result.

c. Sociological Factors. Iranian xenophobia is present under the surface among large portions of the population, but this is balanced -- and normally controlled -- by strong sentiments of hospitality for strangers. Islam officially reinforces tolerance, but in practice it could result in more taking out of frustrations on foreigner targets -- particularly women. On the basis of experience to date such actions are likely to stop short of the shedding of blood, but intimidation could sow panic among large segments of the American community here, resulting in more voluntary evacuations.

POL:GBLambrakis:hg
x 1110

SECRET

TELEGRAM

1978 NOV -8 *11/8/78*

INDICATE
 COLLECT
 CHARGE TO

10928

FROM: AMEMBASSY TEHRAN CLASSIFICATION: CONFIDENTIAL

ACTION: SECSTATE WASHDC PRIORITY

7

INFO: CONGEN DHAHRAN
USINT BAGHDAD
AMEMBASSY ABU DHABI
AMEMBASSY ANKARA
AMEMBASSY DOHA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY NEW DELHI
AMEMBASSY PARIS
USCINCEUR VAHINGEN GE
USCINCAPC

CONFIDENTIAL TEHRAN 10928

E.O. 11652: GDS
TAGS: PINS, SHUM, IR
SUBJ: BAZAARI VIEWS ON CURRENT SITUATION

SUMMARY: THREE PROMINENT BAZAARIS TAKE REASONABLE APPROACH TOWARD SITUATION, ASSERTING THEY WOULD BE WILLING TO PRESS KHOMEINI TO PERMIT RESOLUTION OF CURRENT CRISIS IF SHAH WOULD (A) RELEASE ALL POLITICAL PRISONERS IMMEDIATELY, (B) PUNISH ABOUT TEN OF THE MOST PROMINENT MALEFACTORS OF PAST YEARS, AND (C) MOVE TO COALITION GOVT. THEY

POL:GBLambrakis *GBL* DEPARTING DATE: 11/8/78 TEL. EXT.: 1110 CONTENTS AND CLASSIFICATION APPROVED BY: MIN:CMW:as *as*

POL:JDSt *JDSt*

~~CONFIDENTIAL~~
CLASSIFICATION

-29-

OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

SUGGEST A COUNCIL OF REPRESENTATIVES FROM BAZAAR, UNIVERSITIES, AND OTHER INTERESTS TO COUNSEL NEW GOVT AND CALM THE STREET DEMONSTRATORS. THIS CONVERSATION PREDATED MILITARY GOVT, BUT COULD STILL HAVE RELEVANCE IN THE FUTURE. END SUMMARY

1. EVENING NOVEMBER 5 VISITING DEPUTY ASSISTANT SECY (HA) CHOEN, NEA/IRN'S CLEMENT, POLITICAL COUNSELOR LAMBRAKIS AND POLOFF STEMPER MET WITH THREE LEADING BAZAARIS IN HOME OF AN INTERMEDIARY. BAZAARIS WERE HAJ KARIM HOSSEINI, WHO WAS DESCRIBED AS CLOSE SUPPORTER OF AYATOLLAH SHARIAT-MADARI AND AYATOLLAH KHONSARI, HAJ MOHAMMED TAGHIE ETTEFAH, DESCRIBED AS CLOSE SUPPORTER OF AYATOLLAH KHOMEINI, AND HAJ ALI AGHA AZHTARI. BAZAARIS LED OFF WITH PASSIONATE REHEARSAL OF SHAH'S SINS OVER PAST 5-6 YEARS AND THAT OF PEOPLE WHO HAVE SURROUNDED HIM SUCH AS SAVAK'S NASSIRI. ALMOST EVERY FAMILY HAS SOMEONE WHO HAS BEEN KILLED OR GONE TO PRISON.
2. THEY DETAILED SPECIFIC CASES OF POLITICAL PRISONERS
ONE
SUCH AS FARHAD MENUKADE AND HIS BROTHER WHO WERE ARRESTED FOR POSSESSION OF RELIGIOUS BOOK BY AYATOLLAH KHOMEINI AND HAVE BEEN IN QSAR PRISON FOR FOUR YEARS. THEIR AGED MOTHER WAS TOLD THEY WOULD BE RELEASED ON SHAH'S BIRTHDAY, AND SHE WENT TO THE PRISON BUT THEY WERE NOT RELEASED. THERE ARE OTHER EXAMPLES OF SOME 3 TO 4 THOUSAND POLITICAL PRISONERS THEY BELIEVE ARE STILL BEING KEPT

IN JAIL. ONLY BETTER KNOWN CASES HAVE BEEN RELEASED. VISITORS TO THESE PRISONS ARE BADLY TREATED BY OFFICIALS.

3. IN THE OLD DAYS (50s and 60s) UNDER AYATOLLAH BORUJERDI, RELIGIOUS PEOPLE GOT DUE CONSIDERATION FROM THE SHAH AND THE PEOPLE AROUND HIM. SIMILARLY, BAZAARIS WERE REPRESENTED BEFORE THE GOVT BY AN ORGANIZATION WITH SPOKESMAN. BUT ALL OF THIS HAS CHANGED. THE GOVT HAS BURNED MOSQUES, ~~AND EVEN TEHRAN UNIVERSITY AIRWAY~~ THEY HAVE IMPOSED CONTROLS ON THE BAZAAR -- BREAKING THE NETWORK WHICH ASSURED THEM DUE REPRESENTATION IN THE GOVT.

4. BAZAARIS SAID THEIR ESSENTIAL DEMANDS ARE FEW. THEY WANT IMMEDIATE RELEASE OF ALL POLITICAL PRISONERS -- WHY WAIT UNTIL ASHURA DEC 11 WHEN GOVT HAS SAID IT WILL RELEASE THEM? THEY ALSO WANT EXEMPLARY PUNISHMENT FOR ABOUT 10 PEOPLE WHO ARE NOTED FOR CORRUPTION AND BAD ACTIONS SUCH AS GENERAL NASSIRI. THIRD, A NEW GOVT SHOULD BE FORMED UNDER SOMEONE ACCEPTABLE TO ALL SIDES OF THE POLITICAL SPECTRUM SUCH AS ALI AMINI. HE SHOULD CHOOSE HIS OWN CABINET, BUT SHOULD BE CONSULTING A COUNCIL OF REPRESENTATIVES FROM VARIOUS INTEREST GROUPS SUCH AS THE BAZAAR, THE UNIVERSITIES, ETC. THEY ASSERTED REPRESENTATIVES TO THIS COUNCIL COULD BE SELECTED OR ELECTED WITHIN 48 HOURS. IF COUNCIL MEMBERS WERE ASSURED THAT THE GOVT WAS WORKING IN FAVOR OF THE PEOPLE,

THE COUNCIL WOULD TELL THE DEMONSTRATORS TO BE QUIET. THE FEW DEMONSTRATORS WHO WOULD NOT LISTEN WOULD IN TIME BE ISOLATED AND THEIR ACTIVITIES WOULD PETER OUT.

5. BAZAARIS SAID THEY ARE WORRIED ABOUT TUDEH (COMMUNIST) PARTY. ITS MEMBERS HAVE ALREADY TAKEN OVER THE TELEVISION, KAYHAN NEWSPAPER AND OTHER SUCH STRATEGIC ORGANS. ITS PEOPLE, AND "OTHERS" (I.E. PRO-GOVT FORCES) HAVE BEEN RESPONSIBLE FOR THE VIOLENCE THAT ACCOMPANIES DEMONSTRATIONS SUCH AS SETTING FIRES, HURTING PEOPLE, ETC. RELIGIOUS PEOPLE ARE NOT INVOLVED IN THESE ACTS.

6. THE BAZAARIS ARE TIRED OF CURRENT UNREST. THEY ARE RUNNING LOW ON MONEY. ONE OF THEM SAID HIS OUTSTANDING DEBTS ALREADY TOTAL 60 MILLION RIALS (CLOSE TO \$1 MILLION). THEY ARE WILLING TO CALM THINGS DOWN IF THEIR IMMEDIATE THREE DEMANDS ARE MET. THEY REALIZE AYATOLLAH KHOMEINI IN PARIS IS HOLDING OUT FOR DEPARTURE OF THE MONARCH, AND INDEED OF THE MONARCHY, IN FAVOR OF AN ISLAMIC REPUBLIC. IF SATISFIED ON THEIR ESSENTIAL DEMANDS, THEY WOULD GO TO PARIS AND PRESS KHOMEINI TO PERMIT A RESOLUTION OF THE SITUATION ALONG THESE LINES, SINCE THEY WILL HAVE GOTTEN 80 PERCENT OF WHAT THEY WANTED.

7. BEYOND THAT, BAZAARIS EXPRESSED OPINION MARTIAL LAW MAKES THINGS WORSE. SAVAK HAS BEEN ORGANIZING PROVOCATIVE ACTS. THEY CITED AS EVIDENCE THE AMOL INCIDENT IN WHICH SECURITY FORCES, CARRYING BOMBS AND ANTI-SHAH

ACCIDENTALLY
LITERATURE, WERE ~~ACCIDENTALLY~~ DISCOVERED BY LOCAL MILITIA.

THE SHAH CAN REMAIN, BUT HE SHOULD CUT THE TIES OF MEMBERS OF THE ROYAL FAMILY TO BUSINESS, IN WHICH THEY CONTINUE TO HAVE VAST STOCK HOLDINGS. WELL KNOWN PEOPLE WHO HAVE NOT BEEN INVOLVED IN GOVT OVER PAST 20 YEARS SHOULD BE BROUGHT INTO NEW GOVT. IN RESPONSE TO A SPECIFIC QUESTION FROM COHEN, THEY EXPRESSED DISBELIEF THAT TORTURE HAS CEASED IN IRANIAN PRISONS JUST BECAUSE SHAH SAID IT WOULD. IT HAS SIMPLY BEEN REDUCED.

COMMENT:

8. /THOUGH PREDATING THE INSTALLATION OF MILITARY GOVT NOV 6, THIS CONVERSATION WOULD HAVE RELEVANCE IF COALITION NEGOTIATIONS RESUME AFTER THE MILITARY GOVT HAS ESTABLISHED ORDER IN THE STREETS -- INSHALLAH.


SULZMAN

TELEGRAM

1978 NOV -9 AM
INDICATE
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 CHANGE
10973

FROM AMEMBASSY TEHRAN CLASSIFICATION SECRET

E.O. 11652: ACTION: SECSTATE WASHDC IMMEDIATE
TAGS: INFO: AMEMBASSY LONDON IMMEDIATE
SUBJECT: SECRET TEHRAN 10973
ACTION:

DCM-2
RSENK

AMB
DOZ

CRU-DWARY
5

E.O. 11652: GDS
TAGS: PINS, IR
SUBJECT: **EXDIS**
IRAN SITUATION

1. BRITISH AMBASSADOR, WHO HAD EXPERIENCED DIFFICULTY OBTAINING CONSISTENT MILITARY PROTECTION FOR HIS EMBASSY, HAD AN AUDIENCE WITH SHAH EVENING NOVEMBER 7. DURING HIS VISIT, HE ENGAGED IN SOME FAIRLY FRANK CONVERSATION, PARTICULARLY ABOUT THE ROYAL FAMILY.
2. APPARENTLY AS A DIRECT RESULT OF THIS CONVERSATION, SHAH ANNOUNCED NOVEMBER 8 AN INVESTIGATION INTO AFFAIRS OF HIS FAMILY AND A REVIEW OF THE PAHLAVI FOUNDATION. THIS SUGGESTS A SENSITIVITY BORDERING ON PANIC IN HIS EFFORT TO PLACATE CRITICS.
3. AT SAME AUDIENCE, HE ASSURED BRITISH AMBASSADOR

DRAWN BY: AMB:WHSullivan:ram
DATE: 11/9/78
CLASSIFICATION AND APPROVAL: [Signature]

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

THAT HOVEYDA WOULD NOT RPT NOT BE ARRESTED. HOWEVER, EVENING NOVEMBER 8, NIRT ANNOUNCED THAT ARREST HAD TAKEN PLACE. WE WILL ATTEMPT VERIFY BY DIRECT CALL TO HOVEYDA LATER TODAY.

4. IN MY LAST AUDIENCE WITH HIM NOVEMBER 5, HE ASSURED ME THAT NATIONAL FRONT POLITICIANS WOULD NOT BE ARRESTED SINCE HE WANTED TO PRESERVE THEM FOR A COALITION GOVT. RUMORS, WHICH WE ARE ATTEMPTING TO VERIFY, NOW INDICATE THAT SOME OF THEM MAY BE UNDER ARREST. IF THIS IS TRUE, IT WOULD NOT ONLY SUGGEST THAT MILITARY IS OPERATING ON ITS OWN, BUT THAT IT IS PREPARED TO UNDERMINE SHAH'S PLAN FOR NATIONAL GOVT LEADING TO ELECTIONS.

5. I HAVE ~~ARRANGED~~ MEETING WITH NEW PRIME MINISTER TO ATTEMPT CLARIFY COURSE OF MILITARY GOVT.

AT 1730 TODAY
 SULLIVAN

SECRET

ACTION

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NNNNVV 35R13OPRA160
 RR ROOMER
 DE RUEHC #0213 314#054
 ZNY SSSSS ZZR
 R 100624Z NOV 78
 FM SECSTATE WASHDC
 TO RUQMGU/AMBASSY ANKARA 6654
 RUQMGU/AMBASSY ISLAMABAD 2277
 RUQMGU/AMBASSY LONDON 3407
 RUQMGU/AMBASSY TEHRAN 7949

ACT
 POL
 INFO
 AFB
 ECON
 ECON
 FM
 CR
 ICA
 ALM
 CRU

DE RUEHC #0213 314#054

E.O. 11652: GDS

TAGS: PINS, PINT, IR, US

SUBJECT: USG VIEW OF SITUATION IN IRAN

REF: STATE 284684

1. TURKISH EMBASSY COUNSELOR GUVENDIREN CALLED ON NSCA DEPUTY ASSISTANT SECRETARY CRAWFORD NOVEMBER 28 FOR REVIEW OF IRANIAN SITUATION.

2. CRAWFORD SAID THAT IN LIGHT OF THE DETERIORATING SITUATION IN IRAN WE WANT TO STAY PARTICULARLY CLOSE TO OUR ALLIES ON ITS BORDERS. TO THIS PURPOSE, A MESSAGE HAD BEEN SENT TO ANKARA PREVIOUS EVENING FOR REVIEW AT HIGH LEVEL. CRAWFORD READ TO GUVENDIREN FROM THE MESSAGE. GUVENDIREN SEEMED GRATIFIED TO LEARN OF THE MESSAGE AND SAID TURKEY, TOO, DESIRED CLOSEST CONTINUING COOPERATION WITH U.S.

3. GUVENDIREN HAD SOME SPECIFIC QUESTIONS OF WHICH THE WEIGHTIEST WAS WHETHER, IF SHAH STARTED TO SLIP DESPITE HIS RECOURSE TO MILITARY GOVERNMENT, USG WOULD INTERVENE IF REQUESTED UNDER THE TERMS OF USG'S 1969 LETTERS TO CENTO MEMBERS. GUVENDIREN'S IMPLICATION WAS THAT THIS WOULD BE MEASURING U.S. RESOLVE IN TERMS OF ITS OWN RELATIONSHIP WITH USG. (INDEED, GUVENDIREN LATER IN CONVERSATION EXPRESSED GRAVE CONCERN ABOUT RECEVIT'S ABILITY TO MAINTAIN LAW AND ORDER IN TURKEY IN THE FACE OF WHAT HE DESCRIBED AS MOUNTING COMMUNIST-INSPIRED AGITATION.) CRAWFORD SAID U.S. POSTURE IN THE HYPOTHETICAL SITUATION POSED BY GUVENDIREN WOULD OBVIOUSLY HAVE TO INCLUDE A CALCULATION AS TO WHETHER, USING THE TERMS OF THE 1969 LETTER, A DETERMINATION WAS MADE THAT IRAN THREATENED BY COMMUNIST AGITATION. PRESENT READING IS

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SECRET PAGE TWO 16428

THAT COMMUNIST SUBVERSION IS NOT THE CAUSE OF THE PROBLEMS
BEGETTING THE SHAH. VANCE
BY
*P*13

SECRET



CONSULATE
OF THE
UNITED STATES OF AMERICA
Isfahan, Iran

11/12/78

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MEMORANDUM OF CONVERSATION

Participants: Dr. Farhang Jahanpour, University of Isfahan
Mr. Kazem Kazarouni, Landowner, farmer, Isfahan
David C. McGaffey, Consul, Isfahan
Date & Place: 11/8/78; Consul's Residence
Subject: Student and landowner reactions to the Military Gov't.

These two men, known to be outspoken, were invited to meet INR/RNA George Griffin, who did not appear because of transport problems. This led to general discussion of the new government's chances of returning the economy of Iran to normal. Both, however, stated that they had been having numerous discussions with others and reached unhappy conclusions about the viability of this government.

Dr. Jahanpour, who is himself leaving the University under pressure due to accusations of Baha'i connections, says that due to this pressure, he has gotten much sympathy from students. He states there is a growing possibility of violent confrontation on campus between Marxists and Islamic radical groups, each of whom has their own bookstore, and holds separate rallies. However, the military government is pulling them together in opposition, and recent meetings between leaders of the two groups have at least defused the spirit of confrontation. He states that the students are sharing instructions on bomb-making, sabotage, and urban guerilla warfare (He was asked to translate one pamphlet in English, and declined). They are bitterly opposed to military rule, but have no intention of an open opposition, which they know would be crushed. Instead, they are planning to go underground, and to fight the government by covert sabotage and targeted attacks. Dr. Jahanpour has little confidence in the ability of those talking the most to accomplish anything, but states that this is a prevailing mood on the University campus, and that there are others, who don't talk, who might take this action. Further, he believes that the students have sufficient knowledge of explosives and of key points in the system (water, power, transport, oil pipelines) from parents and other contacts to be effective if they do follow this course. He is glad he is leaving.

Mr. Kazarouni says that his friends and relatives are not opposed to the new government (in fact, many would have wished to see it earlier) but have no confidence in its ability to survive at this point. They have "bought" many registry officials, and are busy subdividing their lands through false purchases, for two purposes. First, they are using land sales as a device for sending money abroad (he did not explain how this was achieved) and have success-

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fully transferred sufficient of their funds to Europe to be able to move quickly if necessary. Second, they expect to be exploited by the new government, as wealthy landowners, either through a program to "return" land to the religious as a sop, or through an expropriative tax system aimed at them to substitute for failing revenues from other sources. Thus, they are, on paper, becoming smallholders, and planning for a departure from Iran. Few have actually left, and if the government appears to be maintaining control, they will hang on, but there is little optimism expressed.

DIST. Emb Tehran: Amb/DCM

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AmConsul Shiraz

AmConsul Tabriz

Dep't of State: NEA/IRN

INR/RNA

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CONSULATE
OF THE
UNITED STATES OF AMERICA
Isfahan, Iran

11/16/78

CONFIDENTIAL
MEMORANDUM OF CONVERSATION

Participants: BGen. Mostafa Mostafai, Chief of Police, Isfahan
BGen. Abolfazl Taghavi, Chief of SAVAK, Isfahan

Col. FNU Darabi, Chief-of-Staff, Martial Law Admin., Isf.

David C. McGaffey, Consul Isfahan

Date & Place: 11/15/78: Gen. Mostafai's residence; Col. Darabi's office
Subject: Threat to Americans from "underground" dissidents

Gen. Mostafai has been seriously ill, and I visited his home with flowers to wish him well, and found Gen. Taghavi there. During the conversation, Gen. Taghavi asked me about the extent and success of my program to expose all USC employees here to a briefing on personal security. I informed him that it had been partially successful, and would continue. Gen. Mostafai, who has been out of touch, asked him why he was particularly concerned now. Gen. Taghavi looked embarrassed, then said he was saying this unofficially, between friends, and would not want it repeated to Martial Law authorities. Both Mostafai and I assured him it would remain confidential. Gen. Taghavi then said that the success of Martial Law in minimizing public demonstrations may be driving individuals and small groups underground. After a long lecture on the "communist menace", especially involving the known terrorist groups, he admitted he had no evidence to show links between those groups and the people he was concerned with now, but he feared their tactics would be similar, and that they would quickly combine forces, sharing expertise, weapons, and training. He explained that, deprived of the release of public demonstrations, some extremists had been heard talking of assassination. He complained of his inability to get the Governor-General, Mr. Haghdan, to take precautions, and stated that he and other senior officials were taking extra security precautions. (This explained his previous calls to me about my security). He was now somewhat fearful that the extremists, not finding Iranian targets, could target Americans, who, he complained, still ignore routine precautions. He has nothing to indicate any threat, except his own fears, and his colleagues on the Isfahan Security Committee disagree with his threat assessment, but his fears remain. I promised I would do what I could, without revealing him as a source, to remind Americans of the necessity of personal security precautions, but shared with him some pessimism about the effectiveness of my warnings.

Note: Gen. Taghavi has never before shared his thoughts with me, holding himself to a discussion of firmly established facts. In

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In this instance, his statements were drawn from him by Gen. Mostafai, while I ignored hints to leave. As Gen. Mostafai is soon to resume work, and his place on the Security Committee, Gen. Taghavi clearly felt that the need to persuade Mostafai overrode the need for reticence in front of me.

Also note: I have passed warnings discreetly to numerous U.S. Company officials, and will be observing if they have any effect.

That same afternoon, I met with Col. Darabi. I asked him for a threat assessment for Americans in Isfahan. He stated that he knew of no increase in threat, but asked me to be sure Americans were keeping a low profile, and asked that any suspicious incidents be relayed to him at once. This is not different from what he has said before, but he seemed somewhat more emphatic.

NOT; Embassy Tehran: AMB/DCM

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Dept. of State: NEA/IRN

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F.O. 11652: GDS.

TAGS: PGOV, IR

SUBJECT: MILITARY GOVERNMENT

1. WE WOULD APPRECIATE BY END OF THIS-WEEK EMBASSY'S PRELIMINARY ASSESSMENT OF PERFORMANCE AND PROSPECTS OF MILITARY GOVERNMENT. WE WOULD LIKE EMBASSY'S VIEWS ON FOLLOWING ASPECTS:

(A) LAW AND ORDER. ALTHOUGH REPORTING CABLES INDICATE THAT SECURITY CONDITIONS IN TEHRAN HAVE SUBSTANTIALLY IMPROVED, LEVEL OF VIOLENCE OUTSIDE THE CAPITAL SEEMS ROUGHLY EQUAL TO THAT PRIOR TO APPOINTMENT OF MILITARY GOVERNMENT. HOW DOES EMBASSY ASSESS ABILITY OF TROOPS TO CONTINUE TO MAINTAIN CONTROL IN TEHRAN? WHAT IS EXPLANATION FOR INABILITY OF SECURITY FORCES TO CONTAIN UNREST IN PROVINCIAL CENTERS? DOES GOV LACK SUFFICIENT NUMBER OF RELIABLE TROOPS FOR DEPLOYMENT IN SMALLER CITIES, E.G. KERMANSHAH AND CASPIAN TOWNS, OR ARE TROOPS INEFFECTIVE IN COPING WITH PROBLEMS? IS MILITARY MOVING IN STAGES TO PACIFY TEHRAN FIRST AND OTHER CENTERS LATER?

(B) STRIKES. HOW DOES EMBASSY EVALUATE PERFORMANCE OF MILITARY OFFICIALS IN PERSUADING WORKERS TO RETURN TO THEIR JOBS. WE WOULD APPRECIATE A BRIEF SURVEY OF GOVERNMENT'S SUCCESSSES AND FAILURES WHERE AUTHORITIES HAVE APPLIED THEMSELVES IN A SERIOUS EFFORT TO END STRIKES. ARE SOME SECTORS BEING IGNORED WHILE GOVERNMENT CONCENTRATES ON OIL, IRAN AIR, AND OTHER KEY AGENCIES OR INDUSTRIES?

(C) CIVIL SERVICE. WE HAVE NOTED APPARENT RELUCTANCE OF QUALIFIED IRANIANS OF HIGH REPUTE TO SUPPORT MILITARY GOVERNMENT BY TAKING MINISTERIAL POSITIONS. TEHRAN APPEARS A BARRIAGE TO PROMOTION OF COLORLESS CIVILIAN APPOINTEES. IS THIS OBSERVATION ACCURATE? WHAT INDI-

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CATIONS DOES EMBASSY HAVE OF WILLINGNESS OF KEY CIVIL SERVANTS TO COOPERATE WITH MILITARY MINISTERS? HAS FUNCTIONING OF MINISTRIES IMPROVED?

(D) PUBLIC PERCEPTIONS. WHAT HAS BEEN REACTION OF INDEPENDENT-MINDED PERSONS OF INFLUENCE TO INSTALLATION OF A MILITARY GOVERNMENT? IN TERMS OF MODERATE OPPOSITION REACTION, DOES EMBASSY BELIEVE THAT MILITARY REGIME WILL FACILITATE OR MAKE MORE DIFFICULT EVENTUAL FORMATION OF A CIVILIAN GOVERNMENT WITH BROAD POPULAR APPEAL?

(E) IMPLICATIONS FOR THE U.S. HOW HAS INSTALLATION OF A MILITARY GOVERNMENT AFFECTED THE U.S. POSITION IN IRAN?

F. ISRAELIS HAVE QUESTIONED WHETHER SHAH IS GIVING DIRECTIONS TO MILITARY GOVERNMENT OR WHETHER CONTRARY IS TRUE, I.E. MILITARY AUTHORITIES ARE CALLING THE TUNE AND THE SHAH IS OBLIGED TO GO ALONG. WHAT IS EMBASSY'S READING OF DEGREE OF INDEPENDENT AUTHORITY AVAILABLE TO AND EXERCISED BY MILITARY LEADERSHIP?

G. WHAT IS EMBASSY'S EXPECTATION WITH REGARD TO TENURE OF MILITARY GOVERNMENT? IS IT PROBABLE THAT MILITARY WILL REMAIN IN CONTROL THROUGH MONTH OF MOHARRAM? IS THE SHAH CONTINUING CONTACTS WITH CIVILIAN POLITICAL LEADERS WITH A VIEW TO EVENTUAL FORMATION OF A COALITION GOVERNMENT OR HAS HE SUSPENDED SUCH DISCUSSIONS FOR THE TIME BEING? WHAT IS ATTITUDE OF SENIOR MILITARY OFFICERS TOWARDS ELECTIONS, INCLUDING POSSIBILITY OF ELECTIONS EARLY NEXT YEAR? VANCE

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TELEGRAM

1978 NOV 21 PM 12:29

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	FROM AMEMBASSY TEHRAN	CLASSIFICATION CONFIDENTIAL
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	LIMDIS	LIMDIS
	E.O. 11652: GDS TAGS: PGOV, IR SUBJ: EVALUATION OF MILITARY GOVERNMENT REF: STATE 289280 (NOTAL)	
	SUMMARY: AFTER LITTLE MORE THAN TWO WEEKS ON THE JOB, THE AZHARI GOVT HAS RESTORED A SURPRISING DEGREE OF SECURITY IN TEHRAN AND KEY IRANIAN CITIES ALTHOUGH MUCH REMAINS TO BE DONE BEFORE LAW AND ORDER CAN BE SAID TO BE	
DRAFTED BY:	<i>gal</i> POL:GBLambrakis	DRAFTING DATE TEL. EXT. CONTENTS AND CLASSIFICATION APPROV 11/20/78 1110 MIN. <i>MB</i>
CLEARANCES:	OR:HFieldman (draft) ECON:CTaylor/RBash (draft) <i>(contributors)</i> DAO:COL SCHAEFER	

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INDICATIONS ARE TROOPS CONTINUE TO OPERATE UNDER INSTRUCTIONS NOT TO GET TOO TOUGH, AND IN PARTICULAR TO MINIMIZE SHOOTING AT DEMONSTRATORS. THIS ATTITUDE IS AFFECTED BY FACT THAT IN TEHRAN AND SOME OTHER LARGE CITIES WOMEN AND CHILDREN HAVE BEEN IN FOREFRONT OF DEMONSTRATING CROWDS, AND THERE IS RELUCTANCE ON THE PART OF THE GOVT AND THE AUTHORITIES TO CAUSE TOO MANY CASUALTIES AMONG THEM. CASUALTIES APPEAR TO BE HIGHER IN PROVINCIAL SITUATIONS WHERE NUMBERS OF TROOPS ARE LIMITED AND RIOT CONTROL EQUIPMENT LACKING. POLICE AND TROOPS ARE LIKELY TO RESORT TO SHOOTING SOONER IN THOSE SITUATIONS TO AVOID BEING OVERWHELMED BY THE DEMONSTRATORS. WE BELIEVE DEPT IS CORRECT IN SUGGESTING TROOPS ARE SPREAD THINLY, BUT WE DO NOT HAVE SUFFICIENT INFORMATION ON WHICH TO DRAW CONCLUSIONS AS TO WHY THIS IS SO. THERE HAVE BEEN NO CONFIRMED CASES OF UNRELIABILITY AMONG TROOPS BEYOND SOME EXAMPLES OF A FEW SOLDIERS WHO HAVE APPARENTLY ACTED AS INDEPENDENT SNIPERS AGAINST THE AUTHORITIES. IT THEREFORE SEEMS PROBABLE THAT SHORTAGE OF TROOPS IN CERTAIN SITUATIONS IS RESULT OF LOGISTICAL DIFFICULTIES AS WELL AS, PERHAPS, GOI DESIRE THAT OFFICERS WHO UNDERSTAND CROWD CONTROL PROBLEM BE IN CHARGE OF TROOPS IN ALL CASES. WE NOTE MILITARY CONTINUE THEIR NORMAL PRESENCE ON IRAN'S BORDERS AND THE TRIBAL AREAS. TEHRAN HAS PRIORITY OF COURSE SINCE BOTH AUTH-

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OPTIONAL FORM 152a(H)
(Formerly FS-413(H)a)
January 1975
Dept. of State

IS TO RESTORE LAW AND ORDER AND A DEGREE OF NORMALCY,
AFTER WHICH IT WILL TURN GOVT BACK TO COALITION OF
CIVILIANS -- IF SHAH IS ~~ABLE TO FORM SUCH~~
ABLE
A GOVT. UNDER THE CIRCUMSTANCES, IT WOULD NOT BE REALIS-
TOP
TIC TO EXPECT/IRANIAN POLITICIANS TO ENTER MILITARY GOVT.
IN FACT, AZHARI HAS NOT PARTICULARLY SOUGHT SUCH PEOPLE.
HE HAS TAKEN A NUMBER OF SHARIF-EMAMI'S APPOINTEES AND
ADDED TOP CIVIL SERVANTS WITH TECHNICAL QUALIFICATIONS
IN THEIR PARTICULAR MINISTRIES. MANY OF THEM ARE OF HIGH
REPUTE IN THEIR FIELDS, EVEN THOUGH NOT IN THE GOVERNMENTAL
SPOTLIGHT IN RECENT YEARS (A FACTOR IN THEIR FAVOR).
FOR EXAMPLE, MINISTER OF JUSTICE NAJAFI, FORMER PUBLIC
PROSECUTOR OF TEHRAN, IS REGARDED AS STRONG APPOINTMENT
OF EXCELLENT REPUTE IN A ~~JOB~~ JOB WHERE ~~REPUTATION~~
STANDS HIM IN GOOD STEAD.
FOR HONESTY AND EFFICIENCY ~~XXXXXXXXXX~~ THE ECONOMIC TEAM
SHIFTED A LITTLE, PRIMARILY DUE TO THE DEPARTURE OF
YEGANEH FROM THE MINISTRY OF ECONOMY AND FINANCE (HE HAD
HEALTH PROBLEMS IN ANY CASE). THUS, MEHRAN TOOK OVER
YEGANEH'S PORTFOLIO AND, WITH EXPERIENCE AS ANSARY'S
SENIOR DEPUTY IN MEAF, CENTRAL BANK GOVERNOR, NUMBER TWO
AT NIOC AND MOST RECENTLY PLAN AND BUDGET MINISTER,
BRINGS ALSO CONSIDERABLE CONTINUITY IN ECONOMIC POLICY.
PLAN AND BUDGET MINISTER SALEHI IS ANOTHER YOUNG,
DYNAMIC AND BRIGHT TECHNICIAN PRESERVED IN THE CABINET.
COMMERCE MINISTER MEMARZADEH, WITH EXPERIENCE AS UNDER-

SECRETARY OF MEAF AND TWO YEARS AS DEPUTY CBI GOVERNOR, LY IS REPORTED/A HARD WORKING, DYNAMIC TECHNICIAN. THESE THREE ECONOMIC PORTFOLIOS, ALONG WITH THE CONTINUITY OF WELL-REGARDED REZA AMIN AT INDUSTRY AND MINES, COMPRISE A SURPRISINGLY STRONG COMMITMENT BY ABLE TECHNICIANS TO A ~~TEMPORARY~~ "TEMPORARY" ~~TEMPORARY~~ GOVERNMENT. AS IMPORTANT IS THE STAYING FACTOR OF THE SECOND LEVEL IN MOST MINISTRIES, ESPECIALLY IN THE ECONOMIC AREA.

5. NEVERTHELESS, WITH MANY MINISTRIES OPERATING AT HALF SPEED, IF AT ALL, IT IS HARD TO SAY THEIR FUNCTIONING HAS IMPROVED. THIS IS AN AREA WHERE A GREAT DEAL MORE CAN BE DONE. THE GOVERNMENT'S PRIMARY FOCUS ON RESTORING ORDER IN THE STREETS, GETTING STRIKERS IN KEY INDUSTRIES BACK TO WORK, AND REOPENING THE SCHOOLS APPEARS TO HAVE RELEGATED OTHER IMPORTANT ASPECTS OF ECONOMIC LIFE TO SECOND PLACE. WHILE GOVERNMENT WORKERS HAVE BEEN PAID AND VALIANT EFFORTS ARE UNDERWAY TO GET BANKS BACK INTO OPERATION AND MINISTRIES WORKING MORE NORMALLY, DEFINITE WEAK POINTS CONTINUE IN AREAS SUCH AS INFORMATION, TELECOMMUNICATIONS, EDUCATION, BUDGET, CUSTOMS, AND FINANCE. PERCEPTIONS.

6. PUBLIC ~~PERCEPTIONS~~ ~~PERCEPTIONS~~ MILITARY GOVERNMENT IS NOT A POPULAR INSTITUTION IN IRAN AND FEW PEOPLE ARE PREPARED TO DEFEND IT AS A REMEDY FOR IRAN'S ILLS -- INCLUDING THE SHAH HIMSELF. THERE ARE MANY, HOWEVER, WHO WELCOMED ITS INSTALLATION AT A TIME WHEN IT LOOKED LIKE THE ONLY

ALTERNATIVE WAS LAWLESSNESS AND CHAOS. PEOPLE BELIEVE OR DISBELIEVE THE SHAH'S ASSERTIONS THAT THIS IS ONLY A TEMPORARY EXPEDIENT, DEPENDING ON WHERE THEIR POLITICAL SYMPATHIES LIE. AS OUR PROJECTION OF PROBLEMS MILITARY GOVT WOULD BRING INDICATED (TEHRAN 10706) THERE IS A PRICE TO BE PAID WHICH WILL INCREASE THE LONGER THIS MILITARY GOVT REMAINS IN POWER. THIS IS TRUE EVEN THOUGH THREE QUARTERS OF THE MINISTERS ARE CIVILIANS. THERE IS LITTLE DOUBT THAT THE GOVT IS CARRYING OUT A HOLDING OPERATION WITH A VIEW TO A REAL SHOWDOWN DURING THE MONTH OF MOHARRAM. THE SHAH HAS MADE IT CLEAR TO THE AMBASSADOR THAT THE AZHARI GOVT REFERS ALMOST ALL ISSUES FOR DECISION TO HIM. AS LONG AS THE SHAH MAINTAINS ^{THE} ~~THE~~ INTENTION OF MOVING TO A COALITION GOVT AND FREE ELECTIONS, THE MILITARY GOVT SHOULD NOT IMPEDE AN EVENTUAL POLITICAL SOLUTION.

7. IT IS TRUE THAT THE OPPOSITION RESENTS THE PRESENT GOVT, AND SERIOUS BLOODSHED DURING THE MONTH OF MOHARRAM MIGHT FURTHER REDUCE THE OPPOSITION'S READINESS TO ENTER A COALITION. ~~AS THERE IS LITTLE CHANCE~~ ^{HOWEVER,} THINGS HAD COME TO A CROSSROADS ON NOV 5 WHICH REQUIRED MEASURES TO RESTORE LAW AND ORDER, ^{SUBMISSION TO THE} ~~OR ACCEPTANCE BY THE SHAH OF~~ ^{DEMANDS OF} ~~WHICH~~. THE OPPOSITION LED BY AYATOLLAH KHOMEINI ^{WHICH} HAD BEEN MOVING FROM VICTORY TO VICTORY AND ~~WNCIT~~ STILL EXPECTS TO TOPPLE THE SHAH DURING MOHARRAM. IF THE MILITARY ARE ABLE TO BLUNT THAT EXPECTATION OF VICTORY

DEPARTMENT OF STATE AIRGRAM

HANDLING	CLASSIFICATION CONFIDENTIAL	MESSAGE NO. 4-31
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TO: DEPARTMENT OF STATE

INFO: AMCONSULS ISFAHAN AND TABRIZ (VIA INTERNAL POUCH)

FROM: AMCONSUL SHIRAZ DATE: 11/21/78

O. 11652: GDS

TAGS: PINS, PINT, IR

SUBJECT: OPPOSITION TO THE SHAH

REF:

DEPT. DISTRIBUTION
INITIAL ACTION

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SUMMARY AND INTRODUCTION: Recent contacts with a variety of individuals in southern Iran have tended to reinforce the impression that the Consulate has had for some time now, i.e., that the Shah has little popular support and that opposition to him may be so profound that nothing short of his departure will eliminate it. The Shah's unpopularity among his own people in the face of his remarkable achievements may perplex foreigners, but at least a partial answer can be found in the nature of the Persian personality which has shaped the Shah's behavior as much as it has his subjects'. Despite a lowered level of violence following the installation of a military government on November 6, it would not appear that opposition to the Shah will go away. The movement against the regime has its inspiration in highly moralistic principles. Further, nowhere is anti-Shah sentiment greater than among the youthful majority of the Iranian population which does not appear amenable to compromise. END SUMMARY AND INTRODUCTION

There are seemingly few Iranians who have a positive commitment to the regime and/or the Shah. Those that do are limited almost exclusively to individuals old enough to remember really bad political and economic times and who

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credit the Shah for having pulled Iran back from the brink of national disaster. Some of these people argue quite eloquently that there is simply no one else around who has the vision and determination necessary to guide the fractious Iranian people away from self-destruction and down the road of modernization and social development. This group appears to have been reinforced in recent weeks by other Iranians who also are generally older but whose past enthusiasm for the Shah was not great. These individuals have reluctantly concluded in the face of protracted civil unrest that the alternative to the Pahlavi dynasty is chaos.

There are, however, many other older Iranians who are determined that the Shah must go. These people range from the religious leaders who view themselves as having been purposely denigrated by the regime and are equally alarmed by its blatant secularism to bazaaris who have often been squeezed by the emergence of a modern market economy and inflationary pressures to members of the modernist intelligentsia long at odds with an undemocratic regime to an odd lot of Iranian little people whose resentments in large measure stem from their points of view having been totally scorned for 15 years. Moreover, Iran has its own version of the generation gap. It would appear that virtually no one under 35 is in favor of the Shah remaining in power or even in Iran. Unlike many of their older countrymen who oppose the regime but might be willing to let the Shah keep his throne, young Iranians seem implacable in their determination to see him go. Given the Iranian demographic profile, this leaves the Shah with only a small portion of the population he can count on to back him in his current crisis and only a slightly larger number of his subjects who might be mollified by concessions he would be prepared to make short of stepping down.

The extent of the Shah's unpopularity among his own people perplexes many non-Iranians. For Westerners in particular his goals often seem both rational and laudatory. His achievements, too, are impressive by almost anyone's standards--an unprecedented degree of national independence, influence in international councils, land reform, the emancipation of women, a rapidly rising level of literacy. Even his harshest critics will usually concede that during his reign Iran has moved from the ranks of the world's poorest nations to relative material prosperity. His autocratic methods, toleration of police state brutality, and imperial airs are relatively easy for many foreigners to ignore in such circumstances. Why, then, have his own subjects turned against him in such large

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numbers?

The answer cannot be divorced from the Iranian personality. History, Iran's physical geography and a variety of other factors have fostered the tendency among Persians to look inward. The result has been development of an egoism that pervades Iranian culture and is manifested in a thousand ways from the seeming obliviousness to danger with which a pedestrian steps into traffic to the apparent absolute conviction of every Iranian driver that he is the only person on the road. This quality is not an entirely negative one (the virtuosity of Sufi philosophical thought, for example, is a direct function of Persian introspectiveness), but it does account, at least in part, for the readiness with which so many Persians have turned on their monarch. The sense of self-esteem that is such a dominant feature of the Iranian personality makes it easy, almost compelling, to find fault in others. Despite an elaborate system of formalized courtesies (ta'arof), backbiting is a common feature of social conversation in Iran. There is little psychological or sociological incentive to give credit to another for a particular accomplishment, but perceived weaknesses and presumed mistakes seem to cry out for negative comment.

A Persian himself, the Shah has often been his own worst enemy in this regard. He has allowed, perhaps welcomed, even encouraged, the development of the myth of his own omniscience and omnipotence in directing the affairs of his country. He has, as once remarked an American comedian whose own history of mental illness and delusions of grandeur prompted the comment, been guilty of believing his own stuff. Thereby, he has rendered himself particularly vulnerable to the kind of attacks that have been made upon him in recent months. While national wealth, for example, has unquestionably increased, many of the Shah's critics contend that it has been poorly spent. Why, it is asked, does Iran need F-14s when villagers less than five kilometers from Shiraz's Tadayon Air Force Base (where some of the planes are stationed) still live without running water or electricity? Even Iran's ambitious industrial projects, ostensibly intended to sustain Iran's development momentum, are viewed critically. It is argued (not without basis) that industries such as petrochemicals, steel and copper mining, far from expanding the country's economic horizons, have so far constituted a drain on national resources that might have been put to more profitable use. The Shah, with considerable justice, is held personally accountable for the decisions to go forward with all these

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projects which with the advantage of the perfect 20-20 vision of hindsight now appear to have been overly ambitious.

It is highly doubtful that opposition to the Shah will soon disappear. The installation of a military government on November 6 has produced a significantly lowered level of overall violence, but demonstrations, strikes and shop closures have continued. The opposition clearly is attempting to measure the determination of military authorities to enforce martial law and otherwise maintain civil order while at the same time demonstrating its own popular strength and power to disrupt the economy. Undoubtedly, if it were to detect the slightest hesitancy on the part of the government to back up what it says regarding law and order (as was the case before November 6), there would be a prompt return to violent confrontation. Even if the government's resolve remains firm however, the possibility of such confrontation cannot be ruled out. The Islamic month of Moharram which begins December 2 and traditionally is a period of high emotion and religious fervor may bring with it this year an outpouring of anti-regime sentiment that opposition leaders, Ayatollah Khomeini included, will be hard-put to constrain, even if they should be inclined to do so.

The intractability of anti-regime sentiment relates to its extent and the profundity with which it is felt among members of the Iranian population at large. Opposition has assumed a highly moral basis, whether it be in terms of reaction to the secularization of the state and the gross materialism of the nouveau riche or the perception that the Shah, his family and his coterie represent evil incarnate. The righteous outrage of those who are convinced that the Shah's sister is a whore (one placard at a recent anti-regime demonstration depicted Princess Ashraf in an inviting position with the caption, "Gateway to the Great Civilization") is no less than of those who reject him for his perceived disregard of traditional religious tenets. Corruption, too, must be viewed in these terms. Its degree of pervasiveness is less important than its symbolic value in the popular mind for the inherent evil of the Pahlavi dynasty. This issue, along with degeneracy in high places and institutionalized torture has taken on a political reality of its own in recent weeks a reality which may or may not have anything to do with fact.

Finally, many are extremely suspicious of the Shah's ultimate intentions. They simply do not trust him when he says that what he wants is what his people want. They view with

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great cynicism National Front leader Karim Sanjabi's recent arrest, ignoring that his news conference would have violated martial law provisions and citing instead assurances given (before the change of governments on November 5-6) that he had nothing to fear if he returned to Iran. The more radical oppositionists are inclined to conclude that they have gone too far in their fight to oust the Shah to turn back now. To do so, they believe, would run the risk of imprisonment, torture and even death. Nowhere is this sentiment more pronounced than among Iranians under 35 who make up the vast majority of anti-regime forces. They simply are not amenable to compromise.

TOMSETH *et*

CONFIDENTIAL

Tehran, Iran

November 27, 1978

Mr. Alexander Constantine Mejloumian
Undersecretary for Planning
Plan and Budget Organization
Tehran, Iran

Dear Mr. Mejloumian:

I wish to express my deep appreciation for your willingness, on short notice, to receive and provide an overview of Iran's economy to the Senator and three congressmen who accompanied Secretary of the Treasury Blumenthal on his November 20 and 21 visit to Tehran. We apologize that these visitors were unable to keep their appointment with you since, on even shorter notice, they were advised that they could join Secretary Blumenthal's audience with His Imperial Majesty, at a time which conflicted with their appointment with you.

Again, I regret any inconvenience to you and reiterate my gratitude for your cooperation in helping make this visit successful.

Sincerely,

William H. Sullivan
Ambassador

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Clearances: E/C:JLMills _____
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1978 NOV 27 PM 1:05

TELEGRAM

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FROM AMEMBASSY TEHRAN CLASSIFICATION CONFIDENTIAL

ACTION: SECSTATE WASHDC IMMEDIATE

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11652:
TAGS:
SUBJECT:

CONFIDENTIAL TEHRAN 11627

ACTION:

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EXDIS

E.O. 11652: GDS

CH-2

TAGS: PINR, PINS, IR

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SUBJECT: POLICY OF IRANIAN GOVT DURING MOHARRAM

✓
CH-1-D

1. DURING MEETING WITH SENATOR BYRD MORNING NOVEMBER 27, PRIME MINISTER AZHARI SAID HIS GOVERNMENT'S POLICY TOWARDS RELIGIOUS ACTIVITIES DURING PERIOD OF MOHARRAM WOULD BE SOMEWHAT MORE FLEXIBLE THAN SHAH HAD EARLIER INDICATED TO AMBASSADOR. HE INDICATED THAT MOSQUES AND THEIR CONGREGATIONS WOULD BE PERMITTED TO HOLD PUBLIC OBSERVANCES PROVIDED THAT MULLAHS GAVE ORAL ASSURANCES SUCH ACTIVITIES WOULD NOT RPT NOT BE TURNED INTO POLITICAL DEMONSTRATIONS.
2. PRIME MINISTER SAID HE WOULD ANNOUNCE POLICY OVER NATIONAL RADIO AND TELEVISION SHORTLY BEFORE BEGINNING OF MOHARRAM AND WOULD BE CERTAIN THAT ALL MARTIAL LAW AUTHORITIES UNDERSTOOD IT. HE SEEMED CONFIDENT THAT, BY PLACING RELIGIOUS AUTHORITIES ON THEIR HONOR TO

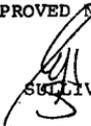
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CLASSIFICATION

OPTIONAL FORM 185
(Formerly FS-413)
January 1978
Dept. of State

MONITOR THE ACTIVITIES OF THEIR CONGREGATIONS, VIOLENT CONFRONTATIONS WOULD BE AVERTED. HE SAID, HOWEVER, THAT SUFFICIENT FORCE WOULD BE AVAILABLE, IN PLACE, TO ENFORCE LAW AND ORDER IF THAT ~~WAS~~ PROVED NECESSARY.


SULLIVAN

Tehran, Iran
November 29, 1978

The Honorable
T. L. Eliot, Jr.
6601 Virginia View Ct.
Washington, D.C. 20016

Dear Ted:

Thanks for your letter of November 20. I have referred the consular business to Lou Goelz and assume that he can be helpful to your Afghan friend. I gather, however, that all these Afghan displaced persons have to be handled through the INS office in Athens. Therefore, she will probably be referred to Athens in order to ~~give~~ the proper processing to carry her onward.

Speaking of Afghans, we recently saw Ambassador Malikiar and one of his daughters. As you may know, the one who had been married to Daoud's son has arrived in Tehran and will have to undergo additional surgery because she apparently still has at least two bullets lodged in her body. It seems to have been a minor miracle that she survived the machine-gunning which killed all the rest of her family. Unfortunately, Leila is still in Kabul and it is questionable whether she will be permitted to leave in order to join the rest of the family.

I am sure, at this stage, that you are busy in your preparations to move to Medford and take over Fletcher. As I have told you before, I consider Fletcher very fortunate in having you as the new boss. At the same time, I am more than a little dismayed to learn about the casual manner in which the Foreign Service let you go. I am glad that at least Henry had the good sense to share my sense of loss at your departure.

We are currently facing the test of strength which we expect to emerge from Moharram. I personally have confidence in the good sense of the Persian people and don't

believe they will permit Khomeini to eqq them on to mass martyrdom. If the government passes that period in relative calm, as I hope, I believe a compromise political solution may begin gradually to emerge.

Marie joins me in all best wishes to you, Pat and the youngsters as you approach the Christmas season. We also send our best to your parents and to Pat's mother out in that equally crazy city of San Francisco.

With all best wishes,

Sincerely,

William H. Sullivan
Ambassador

TELEGRAM

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FROM AMEMBASSY TEHRAN	CLASSIFICATION CONFIDENTIAL
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ACTION: SECSTATE WASHDC IMMEDIATE

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CONFIDENTIAL TEHRAN 11758

LIMDIS

E.O. 11652: GDS

TAGS: PGOV, ~~XXXX~~ PINT, IR

SUBJECT: POSITION OF MISSION IN POLITICAL DISCUSSIONS

1. FOR THE RECORD, FOLLOWING PARAGRAPHS SUMMARIZE POSITION WHICH ALL ELEMENTS OF THIS MISSION ARE TAKING IN CONTACTS WITH IRANIANS WHO DISCUSS INTERNAL POLITICAL SITUATION. THIS HAS RELEVANCE PARTICULARLY IN OUR MEETINGS WITH MEMBERS OF, OR INTERMEDIARIES FOR, THE POLITICAL OPPOSITION.

2. BEGIN TEXT: WE START FROM OUR CONVICTION THAT SHAH IS SINCERE IN HIS DESIRE TO RETURN THE MONARCHY TO CONSTITUTIONAL PROPORTIONS. BY THIS, WE MEAN THAT HE WOULD, IN EFFECT, "REIGN BUT NOT RULE." HOWEVER, IN ACCORDANCE WITH AMENDMENTS TO THE CONSTITUTION, HE WOULD REMAIN COMMANDER-IN-CHIEF OF IRANIAN ARMED FORCES.

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OPTIONAL FORM 165
(Formerly FS-413)
January 1978
Dept. of State

3. WHILE WE REALIZE THIS LAST POINT IS VERY SENSITIVE TO THOSE CONSTITUTIONALISTS WHO WISH TO ESTABLISH DEMOCRATIC CONTROLS, WE BELIEVE THE ARMED FORCES WILL TAKE ORDERS ONLY FROM THE SHAH. WE DO NOT RPT NOT BELIEVE THEY WILL OBEY THE EMPRESS, A REGENCY COUNCIL, OR A CIVILIAN PRIME MINISTER. WITHOUT THE SHAH TO LEAD THEM, WE BELIEVE ARMED FORCES WOULD BECOME A "LOOSE CANNONBALL" WHICH WOULD EVENTUALLY SEEK POLITICAL POWER AND WOULD PRODUCE SUCCESSIVE MILITARY COUPS AND COUNTER-COUPS AS HAS BEEN THE CASE IN NEIGHBORING COUNTRIES.

4. WHILE WE REALIZE DISTRUST WHICH ^{MOST} ~~MANY~~ OPPOSITION LEADERS HAVE IN SHAH'S PROMISES, WE BELIEVE IT IS UNREALISTIC FOR THEM TO INSIST ON SHAH'S ABDICATION. WE BELIEVE THAT THEY SHOULD UNDERTAKE ~~IT~~ TO NEGOTIATE WITH THE SHAH, EITHER DIRECTLY OR INDIRECTLY, FOR THE FORMATION OF A NATIONAL COALITION GOVT WHICH WOULD ORGANIZE FREE ELECTIONS IN ORDER TO GET FRESH START ON ~~OR~~ DEMOCRATIC PROCESS.

5. WE DOUBT AYATOLLAH KHOMEINI WOULD EVEN ENDORSE THIS "COMPROMISE" BECAUSE WE BELIEVE HE HAS IMPLACABLE HATRED FOR SHAH AND FOR THE PAHLAVI DYNASTY. HIS ONLY PROGRAM SEEMS TO BE A NEGATIVE ONE, DESIGNED TO SERVE HIS PERSONAL REVENGE. HIS CONCEPT OF AN "ISLAMIC REPUBLIC" IS NEBULOUS, AND IN THE FACE OF THE POWER CONTROLLED BY THE ARMED FORCES, IS UNREALISTIC. THEREFORE, WE BELIEVE

POLITICIANS MUST MAKE THEIR CHOICE BASED ON PROSPECTS FOR RETAINING THE INTEGRITY OF THE COUNTRY AND WITHOUT REFERENCE TO THE PROBABILITY THAT KHOMEINI WOULD RENOUNCE IT.

6. IN ANY EVENT, WE DOUBT KHOMEINI PERSONALLY COMMANDS ALL THE POWER THAT IS OFTEN ATTRIBUTED TO HIM. WE FEEL MANY GROUPS, WHICH ARE FAR FROM RELIGIOUS MOSLEMS, ACCEPT KHOMEINI AS A SYMBOL AND USE HIS RHETORIC BECAUSE IT SERVES THEIR OWN PURPOSES AND COINCIDES WITH THEIR OWN AIMS. WE DOUBT HE WOULD HAVE MUCH CONCEPT OF HOW TO ORGANIZE THE GOVT OF A NATION.

7. WE CONSIDER TIME FOR BEGINNING OF REALISTIC NEGOTIATIONS WITH SHAH IS NOW. CONTACTS SHOULD BEGIN BEFORE MOHARRAM IN ORDER MITIGATE PASSIONS WHICH COULD BE EXPLOITED IF CURRENT STALEMATE CONTINUES. WHILE IT MAY NOT BE POSSIBLE TO FORM GOVT IN IMMEDIATE FUTURE, THE PROCESS OF NEGOTIATION HAS ITS OWN IMPORTANCE. END TEXT.

8. OUR USUAL EXPERIENCE WITH THIS PRESENTATION IS THAT OUR INTERLOCUTORS LISTEN CAREFULLY, AGREE WITH EVERY POINT, AND SAY IT IS AN OBVIOUSLY LOGICAL POSITION. THEN, TO OUR CONTINUING FRUSTRATION, THEY CONCLUDE, "NEVERTHELESS, HE HAS TO GO."

9. DESPITE THIS FRUSTRATION AND DESPITE LACK OF ANY TANGIBLE PROGRESS IN THE POLITICAL PROCESS, WE WILL CONTINUE TO PRESENT THIS POSITION TO OUR INTERLOCUTORS

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IN THE EXPECTATION THAT EVENTS WILL EVENTUALLY CONFIRM
ITS LOGIC.


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(Formerly FS-4)
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THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 1 1978

Your Excellency:

This is to thank you for the hospitality extended to me and my party by you and your government last week. The discussions with you gave us a better understanding of the problems facing you.

I have reported to the President on our discussions and he has asked that I reaffirm to you the importance of extreme moderation in the forthcoming OPEC meeting. Such moderation in the setting of petroleum prices is crucial for the health of the world economy and for the President's efforts to combat inflation and to correct the unwarranted decline in the dollar.

I look forward to the opportunity for seeing you again.

With sincere best wishes,

Sincerely,

(signed) W. M. Blumenthal
W. Michael Blumenthal

His Excellency
Gholamreza Ashari
Prime Minister of Iran
Tehran
Iran



THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 1 1978

Your Imperial Majesty:

I have reported to President Carter on our conversation and he has asked me to repeat to you his firm intention to support your efforts to restore civil order and to move toward a broadly-based civilian government as soon as circumstances permit.

You were most gracious to receive me and the Members of Congress. You gave us a better, sober understanding of the problems which you confront.

In the light of these problems, I particularly appreciate the role you expect Iran to play at the forthcoming OPEC Conference. Moderation in setting petroleum prices will be vitally important for the success of the President's efforts to combat inflation and to correct the unwarranted decline of the dollar.

I hope to call on you again under less trying circumstances.

With sincere best wishes,

Sincerely,

(signed) W. M. Blumenthal

W. Michael Blumenthal

His Imperial Majesty
Mohammad Reza Shah Pahlavi
Shahanshah of Iran
Tehran
Iran



THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 1 1978

Your Excellency:

This is to thank you for receiving me while I was in Tehran. I feel that our exchange of views gave a valuable insight into the problems facing you.

I will not repeat here my views on the need for extreme moderation at the forthcoming OPEC meeting. I remain confident that Iran and other OPEC leaders will continue to play a responsible role in the world economy.

I look forward to the opportunity for seeing you again.

With all best wishes,

Sincerely,

(signed) W. M. Blumenthal

W. Michael Blumenthal

His Excellency
Hassan Ali Mehran
Minister of Economic Affairs and Finance
Tehran
Iran



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

December 1, 1978

Dear Mr. Ambassador:

The support of your Embassy for my visit was excellent -- under very trying circumstances. The last minute changes were necessary, but I regret the additional effort required of the Embassy. I very much appreciate the fine work you did.

I feel the visit fully achieved our objectives. I left the Gulf region more confident than I arrived that the results of the Abu Dhabi Conference will be responsible and moderate. I was reassured that the Governments in the region appreciate and value the steps the President has taken to strengthen the U.S. economy and the dollar.

Finally, I want to thank you and Mrs. Sullivan for your gracious hospitality.

Sincerely,

W. M. Blumenthal

W. Michael Blumenthal

The Honorable
William H. Sullivan
Ambassador
American Embassy
Tehran
Iran

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E.O. 11652: RDS-1, 3, & 4 12/1/98 (MIKLOS, JACK)

TAGS: PINS, PINT, IR

SUBJECT: IRAN'S OPPOSITION AND FOREIGN POLICY

1. EMBASSY TEHRAN HAS POUCHED TO THE DEPARTMENT THE FOLLOWING DESCRIPTION AND ANALYSIS OF THE FOREIGN POLICY ORIENTATION OF OPPOSITION ELEMENTS IN IRAN. THIS IS A SUBJECT OF POTENTIALLY HIGH IMPORTANCE AND WE WOULD APPRECIATE YOUR SHARING THE GIST OF THIS MESSAGE WITH KNOWLEDGEABLE OFFICIALS INHMG, BEARING IN MIND SENSITIVITY OF THIS MATERIAL. PLEASE REPORT ASAP.

2. BEGIN TEXT:

SUMMARY: EXTRAPOLATING FROM AN ADMITTEDLY THIN DATA BASE OF KARGHINI SPEECHES, OPPOSITION TRACTS, AND PRIVATE OPPOSITION COMMENTS, WE BELIEVE A NUMBER OF CHANGES WOULD TAKE PLACE IN SHORT-TERM IRANIAN FOREIGN POLICY IF THE OPPOSITION SUCCEEDED IN OUSTING THE SHAH. THESE WOULD PROJECT MILITANT NATIONALISM, ISLAM AND (PROBABLY) SOCIALISM, WITH ORIENTATIONS OF NON-ALIGNMENT, NON-INTERVENTIONISM, AND ANTI-IMPERIAL RHECTORIC. TIES WITH ISRAEL AND SOUTH AFRICA WOULD WANE. U.S. CONTRACTS AND PRESENCE WOULD BE REDUCED. INTELLIGENCE COOPERATION WOULD SUFFER. A DEGREE OF ADVENTURISM IN SUPPORT OF MUSLEM OPPOSITION IN AFGHANISTAN MIGHT

BE SANCTIONED. GREATER OIL PRICE HIKES WOULD BE PURSUED. HOWEVER, IN THE ABSENCE OF A COMMUNIST SEIZURE OF POWER (WHICH WE CONSIDER UNLIKELY) THE DOMINANCE OF THE MILITARY AND NATIONALIST CONSERVATIVE ELEMENTS WOULD IN ALL LIKELIHOOD ENSURE AN EVENTUAL RETURN TO THE ESSENTIALS OF IRANIAN NATIONAL SURVIVAL -- A DENIAL OF TERRITORY AND ALLEGIANCE TO THE SOVIETS, PROTECTION OF OIL RESOURCES AGAINST ALL COMERS, AND DESIRE FOR ECONOMIC DEVELOPMENT AND FOREIGN ASSISTANCE. NEVERTHELESS, THE DEGREE TO WHICH NEAR-TERM CONFUSION MIGHT AFFECT THE LONG-TERM LOGIC OF IRANIAN POLICY IS HARD TO PREDICT WITH ACCURACY AT PRESENT. END SUMMARY.

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CONTROVERSY IN THE OPPOSITION'S DRIVE AGAINST THE SHAH. SUCH ASPECTS WHICH HAVE CREPT INTO PUBLIC DISCUSSION HAVE GENERALLY BEEN LIMITED TO STATEMENTS AGAINST U.S. OR BRITISH "COLONIALISM" AS WELL AS OCCASIONAL ANTI-COMMUNIST OR ANTI-SOVIET BLASTS. ISRAEL HAS BEEN CASTIGATED PROBABLY EVEN MORE THAN THE U.S. DUE TO LATENT ANTI-SEMITISM IN OPPOSITION MOBS, DESPITE REASSURANCES OF TOLERANCE FROM TOP OPPOSITION RELIGIOUS LEADERS. AS WE HYPOTHETICALLY ASSESS THE NATURE OF ANY SUCCESSOR REGIME TO THE SHAH'S, THEREFORE, WE MUST ATTEMPT TO ESTIMATE PROBABLE DIRECTIONS OF FOREIGN POLICY EVEN IN THE ABSENCE OF FIRM EVIDENCE.

ONE COMPLICATION IS THE NATURE OF ANY SUCH REGIME ITSELF. MILITARY DICTATORS OF THE RIGHT ARE LIKELY TO MAKE THE LEAST NUMBER OF CHANGES IN IRAN'S FOREIGN POLICY. A REGIME DOMINATED BY AYATOLLAH KHOMEINI AND TOP RELIGIOUS LEADERS WOULD MAKE SOMEWHAT DIFFERENT CHANGES THAN A REGIME DOMINATED BY LEFT-LEANING LEADERS OF THE OPPOSITION NATIONAL FRONT OR -- A SLIGHT POSSIBILITY ONLY -- A COMMUNIST DOMINATED GOVERNMENT. IN ESTIMATING POSSIBLE CHANGES, THEREFORE, WE ASSUME AS MOST LIKELY SOME COMBINATION OF MILITARY RULE WITH THE SUPPORT OF TOP RELIGIOUS LEADERS AND NATIONAL FRONT POLITICIANS. THE COMMON DENOMINATORS OF SUCH A REGIME WOULD BE PROUD NATIONALISM AND AN EFFORT TO DIFFERENTIATE FROM THE SHAH'S REGIME IN TONE AND APPEARANCE EVEN WHEN THIS MIGHT NOT BE POSSIBLE IN SUBSTANCE.

THE USG IS FREQUENTLY ACCUSED BY THE OPPOSITION AS HAVING INSTALLED THE SHAH AND KEEPING HIM IN POWER. ISRAEL IS SOMETIMES DEPICTED AS A JUNIOR PARTNER OF THE U.S., SOMETIMES AS AN ENEMY OF ISLAM AND PART OF A WORLD-WIDE ZIONIST CONSPIRACY. MANY OF THE MORE MODERATE OPPOSITION LEADERS HAVE ASSURED EMBASSY OFFICERS IN PRIVATE THAT THEY HAVE NO BASIC QUARREL WITH THE USG AND ONLY REQUEST THAT THE USG STOP SUPPORTING THE SHAH. MANY HAVE EMPHASIZED THE ESSENTIAL NEED IRAN HAS FOR A LARGE PROTECTOR SUCH AS

THE U.S. AGAINST THE PERENNIAL SOVIET ENEMY ON ITS BORDERS. INDEED, SOME OF THESE MODERATES PREDICATE THEIR DRIVE TO RID IRAN OF THE SHAH AT THIS TIME IN TERMS OF THIS BEING A RELATIVELY SAFE TIME BECAUSE THEY SEE COMMUNIST INFLUENCE IN IRAN AS MINOR OR NEGLIGIBLE. THE CONCERN THEY EXPRESS TO THE EMBASSY IS THAT THE USG MIGHT SUPPORT THE SHAH'S "BANKRUPT REGIME" IN POWER WITH THE ASSISTANCE OF A REPRESSIVE MILITARY FOR A LONG PERIOD OF TIME, THUS DRIVING MORE PEOPLE INTO THE COMMUNIST CAMP OUT OF DESPERATION. VERY FEW OF THESE LEADERS REALLY WORRY HARD ABOUT THAT POSSIBILITY, HOWEVER, AS THEY ARE CONFIDENT AT PRESENT THAT THE SHAH CANNOT LAST MUCH LONGER.

A RELATIVELY NEW PHENOMENON SINCE AYATOLLAH KHOMEINI'S ARRIVAL IN PARIS HAS BEEN HIS PROPENSITY TO HINT AT FOREIGN POLICY CHANGES MORE AND MORE OFTEN IN HIS PUBLIC INTERVIEWS. THESE ARE GENERALLY CRYPTIC REFERENCES TO BE INFERRED FROM HIS ATTACKS ON THE LARGE AMERICAN PRESENCE

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IN IRAN AND HIS EMPHASIS ON INDEPENDENT IRANIAN NATIONALISM STRUGGLING AGAINST THE ATTEMPTS OF POWERS SUCH AS THE U.S., THE SOVIET UNION, BRITAIN, AND EVEN MAINLAND CHINA TO CONTROL IRAN'S AFFAIRS. MANY OF KHOMEINI'S STATEMENTS ARE WEAK IN LOGIC BUT STRONG IN EMOTION -- SUCH AS HIS ACCUSATION THAT "PAHLAVI" HAS BEEN "GIVING AWAY" IRAN'S OIL TO WESTERN EXPLOITERS (A THEME REMINISCENT OF MOSSADEQ 25 YEARS AGO -- WHEN IT WAS PERHAPS MORE JUSTIFIED). KHOMEINI'S UTTERANCES OF THE PAST TWO YEARS, MANY OF WHICH WERE HEARD HERE ON TAPE, ARE REplete WITH HIGHLY EMOTIONAL, WADDAFI-LIKE ATTACKS ON THE WEST. IN A RECENT INTERVIEW WITH THE FRENCH LEFTIST PAPER "LIBERATION" KHOMEINI HAS BECOME EVEN MORE SPECIFIC, SAYING "ALL THE CONTRACTS AND AGREEMENTS MADE WITH FOREIGNERS AGAINST THE INTERESTS OF THE NATION WILL BE CANCELLED."

THUS LIKELY CHANGES WE SEE IF SUCH A SITUATION AROSE WOULD INCLUDE THE FOLLOWING:

-- A DEMAND FOR DEPARTURE OF MOST FOREIGN RESIDENT WORKERS, PARTICULARLY THE AMERICANS. THIS MAY OR MAY NOT INCLUDE EQUAL EMPHASIS ON THE SOVIETS, DEPENDING ON THE NATURE OF THE NEW GOVERNMENT.

--ASSOCIATED WITH THIS DEMAND WOULD BE A CUT IN THE MILITARY BUDGET FOR NEW ARMAMENTS AND CONSEQUENTLY IN THE NUMBER OF (MAINLY AMERICAN) ADVISERS AND TECHNICIANS. THIS DEMAND MIGHT BE MITIGATED SOMEWHAT IF THE MILITARY MAINTAINED AN IMPORTANT VOICE IN THE SUCCESSOR GOVERNMENT.

A-LOUD ANNOUNCEMENTS OF THE NATIONALIST, NON-ALIGNED CHARACTER OF THE NEW IRAN. THIS WOULD BE REFLECTED IN LESS FRIENDLY RHETORIC TOWARD THE U.S. AND THE WEST AND PERHAPS MORE FRIENDLY RHETORIC TOWARD THE SOVIET UNION (DEPENDING ON THE STRENGTH OF LEFTIST INFLUENCES IN THE GOVERNMENT).

-- PUBLIC ANNOUNCEMENT OF NON-INTERVENTION IN THE AFFAIRS OF OTHERS, EXPLICITLY OR TACITLY INCLUDING THE AREAS OF THE PERSIAN GULF, INDIAN SUBCONTINENT, AND HORN OF AFRICA. IRANIAN TROOPS IN OMAN WOULD BE RECALLED AND A "MORE CORRECT" ATTITUDE DECREED TOWARD ALL NEIGHBORS. THIS FACTOR WOULD BE PERHAPS DIMINISHED IN A GOVERNMENT DOMINATED BY RELIGIOUS AND MILITARY INFLUENCES AS REGARDS ISRAELIANS, WHERE CLANDESTINE SUPPORT FOR ISLAMIC OPPOSITION MOVEMENTS MIGHT BE SANCTIONED.

SEC:

-- A REVERSAL OF POLICY TOWARD ISRAEL WHICH WOULD PROBABLY INCLUDE STOPPING OF OIL SHIPMENTS AND CANCELLATION OF ALMOST ALL JOINT COOPERATION PROJECTS IN AGRICULTURE AND ELSEWHERE. THE EFFECTS OF THIS POLICY WOULD PROBABLY BE LIMITED INsofar AS ARABS ARE NOT GREAT FAVORITES IN IRAN DESPITE THE GENERAL AURA OF PRO-ARAB SENTIMENT BEING EXUDED BY KHOMEINI IN PARIS. RUPTURE OF TIES WITH ISRAEL WOULD PROBABLY BRING SIMILAR RUPTURE OF LESSER TIES WITH

SOUTH AFRICA, MAINLY THE SUPPLY OF OIL.

-- A PUSH TO INCREASE OIL PRICES TO THE MAXIMUM.

-- SIGNIFICANT DECLINE IN INTELLIGENCE COOPERATION WITH THE U.S. AND OTHER WESTERN NATIONS. IF LEFTISTS PREDOMINATED IN THE GOVERNMENT WE MIGHT SEE THE SOVIET UNION MAKE A STRONG EFFORT TO APPLY GREATER "NEUTRALITY" TO IRAN'S POLICY.

-- MORE EMPHASIS ON SOLIDARITY WITH THE WORLD'S SOCIALIST MOVEMENT (PARTICULARLY IF LEFTISTS WERE PROMINENT IN GOVERNMENT) AND A GREATER EFFORT TO FAVOR WESTERN EUROPEAN COUNTRIES SUCH AS FRANCE OVER THE U.S. OR BRITAIN IN TRADE AND ARMAMENT PURCHASES.

-- DOMESTIC CONSIDERATIONS WOULD OBVIOUSLY BE DICTATING FOREIGN POLICY ALMOST ENTIRELY, AND THERE WOULD BE LITTLE LEFT OF THE BROAD APPROACH TO IRANIAN NATIONAL SECURITY TAKEN BY THE SHAH IN RECENT YEARS. STUDENTS AND OTHER MILITANTS RETURNING IN LARGE NUMBERS FROM THE U.S., WESTERN AND EASTERN EUROPEAN COUNTRIES WOULD UNDOUBTEDLY EXERT A CONSIDERABLE INFLUENCE IN THESE CHANGES. REORIENTATION OF DOMESTIC SPENDING TOWARD AGRICULTURE, HOUSING, MOSQUES, ETC. WOULD GREATLY CUT DOWN THE NEED FOR FOREIGN TECHNICIANS AND SUSPEND OR END MOST FOREIGN TECHNICAL COOPERATION.

NEVERTHELESS, WE BELIEVE NO SUCCESSOR GOVERNMENT COULD LONG DENY OBVIOUS REALITIES. THUS CONTINUITY IN IRANIAN FOREIGN POLICY WOULD BE EXPRESSED IN SEVERAL IMPORTANT RESPECTS:

-- DENIAL OF IRANIAN TERRITORY TO THE SOVIETS AND AN EFFORT TO LIMIT SOVIET INFLUENCE IN IRAN,

-- READINESS TO PROTECT OIL RESOURCES AGAINST ALL COMERS, TO INCLUDE SOME PROTECTION OF THE SEA LANES IMMEDIATELY ADJOINING IRANIAN TERRITORY, THOUGH IN A LESS AGGRESSIVE FASHION THAN INDICATED BY THE PUBLIC PRONOUNCEMENTS OF THE SHAH.

-- A DESIRE FOR FOREIGN HELP TO BUCK UP AN ECONOMY WHICH WILL HAVE RECEIVED MANY BLOWS AND WILL IN ALL PROBABILITY BE

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INTERVIEWS, THESE ARE CONSIDERED THE LARGE AMERICAN PRESENCE
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EXDIS

BE FOUNDERING IN THE ABSENCE OF INVESTOR CONFIDENCE AND WITH LARGE SCALE FLIGHT OF CAPITAL. SUCH HELP WOULD UNDOUBTEDLY BE SLOW IN COMING GIVEN THE EMPHASIS ANY SUCCESSOR GOVERNMENT WOULD PUT ON "NO STRINGS ATTACHED."

THESE FACTORS OF CONTINUITY WOULD IN THE LONG RUN LIKELY ENSURE THE PRESERVATION OF WHAT THE U.S. AND THE WEST CONSIDER THEIR MINIMAL ESSENTIAL INTERESTS IN IRAN, NAMELY ITS TERRITORIAL INTEGRITY, NON-COMMUNIST GOVERNMENT, AND CONTINUING EXPORT OF OIL TO THE WEST. THE CHANGES PROBABLE IN THE NEAR TERM, HOWEVER, COULD WORK A CONSIDERABLE DEGREE OF TEMPORARY DISRUPTION WHICH WOULD CONFUSE AND WEAKEN NOT ONLY THE NEW IRANIAN GOVERNMENT BUT ALSO ITS ERSTWHILE SUPPORTERS IN THE WEST. WE ASSUME THE SOVIET UNION WOULD NOT TAKE AGGRESSIVE ACTIONS. HOWEVER, THE EXACT EFFECTS OF NEAR TERM CHANGES ON THE LONG TERM PROSPECTS CANNOT BE PREDICTED IN GREATER DETAIL AT THIS TIME. VANCE

BT

4889

SECRET

11806

1979 DEC -3 PM 12:07

TELEGRAM

INDICATE
 COLLECT
 CHARGE TO

	FROM AMEMBASSY TEHRAN	CLASSIFICATION CONFIDENTIAL	
E.O. 11652:	ACTION: SECSTATE WASHDC	IMMEDIATE	
TAGS:	AMEMBASSY JIDDA	IMMEDIATE	
SUBJECT:	USLO RIYADH	IMMEDIATE	
ACTION:	INFO: AMCONSUL DHAHRAN AMEMBASSY MOSCOW AMEMBASSY SANA AMEMBASSY TEL AVIV		
POL:3			
AMB MIN ECON-2 PM ICA OR CRU	CONFIDENTIAL TEHRAN	11806	
	E.O. 12065: ^{GDS} NSC-12/3/84 (SULLIVAN, W.H.) OR-M		
	TAGS: PINT, PEPR, IR, SA		
	SUBJ: SITUATION IN IRAN		
	REF: RIYADH 1023		
	WE APPLAUD EMOFF JIDDA'S CONTINUING GOOD UNDERSTANDING OF SITUATION IN IRAN AND HIS FULL REPORT ON CONVERSATION NOV 22 WITH SAUDI FOREIGN MINISTER PRINCE SA'UD (AS WELL AS CONVERSATION NOV 20 WITH SENIOR IRANIAN DIPLOMAT, TO SEPTEL NOTAL) WOULD LIKE TO CALL ADDRESSEES' ATTENTION HOWEVER, THAT COMMENT (IN PARA 5 REPTTEL) TO THE EFFECT SHAH MIGHT BACKTRACK ON REFORMS AND ON GIVING UP REAL POWER RUNS CONTRARY TO U.S. POLICY POSITION THAT WE BELIEVE SHAH IS SINCERE IN BEING PREPARED TO MAKE SUCH REFORMS AND GRADUALLY GIVE UP MOST OF HIS POWER, EXCEPT CONTROL OVER THE MILITARY. WE THINK IT WOULD BE UNFOR-		
DRAFTED BY:	<i>6-112</i> POL:GBLambrakis	DRAFTING DATE 12/3/78	TEL. EXT. 1110
CLEARANCE:		CONTENTS AND CLASSIFICATION APPROV AMB:WHSullivan	
	MIN:CWNdas		

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CLASSIFICATION

OPTIONAL
(Form 1)

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Page 2 of

11806

MRN

Classification

[TUNATE IF SAUDI FOREIGN MINISTER -- OR ANY ONE ELSE --]
GAINED THE IMPRESSION USG IS CARRYING OUT A CYNICAL,
DUPLICITOUS POLICY IN SUPPORTING THE SHAH AND SHAH'S
CONTINUING LIBERALIZATION WHILE PRIVATELY BELIEVING
SHAH WILL BACKTRACK AWAY FROM LIBERALIZATION IF HE
MANAGES TO CLAMP LID BACK ON PRESENT CRITICAL SITUATION.

SULLIVAN

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Classification

OPTIONAL FORM NO. 10
(Formerly Form 10)
MAY 1962 EDITION
GSA GEN. REG. NO. 27

ACTION:
ISF-2
INFO:
AMB
DCM
POL-2 ✓
EC-2
PM
OR
ADM
ICA
TABR
SHIR
CHRON
15/GMH

AIRGRAM

HANDLING	CLASSIFICATION CONFIDENTIAL	MESSAGE REFERENCE NO. A-14
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TO: Department of State, Wash, D.C.
Info: AmEmbassy TEHRAN - (via pouch)
AmConsul Tabriz "
AmConsul Shiraz "
E.O. 12065: GDS

FROM: AmConsul Isfahan

DATE: 12/6/78

11652: 12065: GDS

TAGS: PINT, IR

SUBJECT: Lost Chances: The Mood of Despair Grows

REF:

Summary: Local leaders of groups ranging from the milit to the opposition have recently moved from expressions of optimism to expressions of despair. The thrust is that opposition crowds, largely young, no longer trust and follow experienced leaders, and that the disturbances are there unpredictable and uncontrollable - providing little hope for the future. Older opposition figures in particular are giving up, reducing the hopes for compromise, restraint, solutions short of violence.
End Summary.

The Mood of Despair

In numerous conversations since Nov. 15, there has been a clear, strong shift in the level of optimism expressed in contacts at all levels: a feeling that the best chances have passed by, and that the best hope remaining is to minimize the damage. A few examples will suffice: the Iranian Colonel commanding the Kerman Army Aviation Helicopter Detachment, a gregarious man who speaks freely with US counterparts, has in the past week shifted from a theme of "when this is over..." to a theme of "If we can get through this without serious damage..."; the Isfahan police authorities have ordered Consulate guards to wear civilian overcoats and their hats inside, explaining that their uniforms make them targets, have refused to place a sentry-box shelter in the front of the Consulate, explaining that it would be targeted and are refusing to man the post in the back of the Consulate explaining they do not want policemen to be alone in a dark kitchen - all this in contrast to their previous boasts that the Consulate is safe because everyone is afraid to attack.

DEPT. DISTRIBUTION			
ORIGIN/ACTION			
AF	ARA	CU	EA
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ARMY	AMD	AIR	ARMY
DOT	CIA	COM	DDO
LAB	FRD	HEW	INT
OPIC	NAVY	NSA	NSC
USIA	STR	TAR	TRSY
	X-9		

SUGGESTED DISTRIBUTION:

CLASSIFICATION: CLASSIFIED
 DRAFTING DATE: Dec. 6, 78
 DCMcGaffey / PAX
 CONSUL: DCMcGaffey /

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Isfahan A-14

the police; Ayatollah Khademi, once considered the leading opposition religious figure in Isfahan, now states that he believes only the Communists can benefit from all this disruption; and Raschid Bouromand, a leading National Front supporter here, states that the party has surrendered its authority to Khomeini, and will go down with him when people realize how petty his aims are.

The common base to these complaints is the perception that "the young people" - be they students, preachers, workers, or others - have taken control of the opposition movement. The Ayatollah complained that when he tries to preach restraint, the people leave, and find a preacher who will tell them what they want to hear. A large textile factory manager, facing a wildcat strike after just settling a major strike, states that the employees he dealt with earlier report that the other workers now distrust him - for having close ties with the owners. Mr. Bouromand says the National Front leaders are afraid of the crowd, and will do anything to appease it. Military officers are refraining from giving orders to their troops, not wishing to test their loyalty. All complain that the people are running wild, and that the mobs have no plans, no leadership, and no discipline. They are swayed by the latest rumor or demagogue, and will create a demagogue to their image if necessary.

Lost Opportunity

There appears to be a general agreement that the best, and perhaps last opportunity for a non-disruptive shift of power came in the two weeks before the imposition of military rule (which is how the present government is seen, despite the influx of civilian Ministers and the appearance of a normal change of government.) At this point, people perceive that period as a time when an imaginative leader and program could have saved the situation. At that time, the Shah was weary, ready to bargain and compromise, the smaller political parties were aware of their lack of influence and were ready to back a leader who would step forward to bargain with the Shah, and the military was divided in its perception of what should have been done. At that point, someone like Sanjabi of the National Front, had he been willing to take the chance could have reached a compromise with the Shah, and painted any objectors (including Khomeini if necessary) as more interested in disruption than in the welfare of Iran. It might not have worked, but it had a chance, and that chance, most people say, is gone.

The worried men of Isfahan see Gen. Azhari's government as a gesture of impatience on the part of the military. Fed up with "civilian incompetence", they pressured the Shah to let them take over, planning a short term operation and retirement with honours. They anticipated the Iranian traditional respect for power, combined with unhappiness with civil disorder, would cause a sudden relaxation of tension under the military, and they could ease out - turning power over to technocrats on a gradual basis, and look good. Instead, they found continued disorder, a complex of government operations they did not understand and so bungled or did nothing, and still had to call in the technocrats to bail them out. They are increasingly seen as failures, thus causing a loss of respect for military capability in general. Moreover, the impression that they pressured

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the Shah and failed makes the Shah also seem weak - too weak to resist the importunings of incompetents. Thus the Shah and the military have lost face, Khomeini's influence (given the lack of civilian politicians willing to take a stand) has grown, and chances of a compromise solution seem dim. A take-over by force is feared - by the young officers, by the communists, by Khomeini's phantom million man army, or by anyone at all. It is feared because no-one expects the other groups to accept such a take-over. Force breeds force. A coup would cause a counter coup. Personal violence will escalate as each man is prepared to use force to defend his personal position. Sabotage will destroy the nation's capacity to produce wealth. All Iran would lack to make it a banana republic is bananas, according to a major food merchant in Isfahan. He adds to his worries that, in a showdown, Iran is terribly vulnerable to sabotage. Dams, power plants, mining equipment, pipelines, oil fields, and ports already suffer from a critical shortage of competent maintenance. If the workers at these sites desire, it would be simple for them to destroy their equipment, and Iran does not have the capacity to replace or repair any extensive damage. Each down facility would have an exponential effect on the economy, making it increasingly difficult or impossible to repair damage. If that happens, Iran's credit would be destroyed, and Iran currently does not have the capability of even feeding itself. The result would be, in his opinion, either the sale of its resources (and its sovereignty) to outsiders, or reduction to a poverty-stricken nonentity dependent on charity.

COMMENT:

Most of the people now voicing despair are themselves older, and members of various elites. What they are observing is a function of youth preponderance in Iran's population, and the fact that young Iranians are largely distrustful of the older generation whom they blame for Iran's difficulties, without giving them credit for Iran's progress. In Mosques in Isfahan, the congregations tend to be segregated by age. In demonstrations, the older participants tend to find themselves led by the young. University professors, accustomed to the respect of the less educated, find to their confusion that no-one is asking them for advice. The older generation tends to retain the traditional Iranian respect for age and experience, and find themselves isolated from the younger crowds who value commitment and energy more than experience, and look on age as evidence of corruption, compacency, and participation in the "evil" past.

However, even if their projections are excessively gloomy, it remains a fact that this is an increasingly prevalent attitude. Moreover, it appears to be accompanied, in most cases, by a willingness to give up, to stop attempting to influence events. Ayatollah Khademi has stopped attending services. Mr. Boroumand has stopped attending meetings of National Front supporters. The Universities professors are avoiding the students. Businessmen are sending families out of Iran, and are preparing to follow them. The old elites, in Isfahan at least, are beginning to "opt out" making their predictions of a take-over by inexperienced, impassioned youth a self-fulfilling prophecy. Thus there is a real basis for gloom.

ACTION:
 ISF-2
 INFO:
 AMB
 DCM
 POL-2 ✓
 IC-2
 PM
 OR
 ADM
 ICA
 TABR
 SHIR
 CHRON
 15/GMH

AIRGRAM

HANDLING	CLASSIFICATION CONFIDENTIAL	MESSAGE REFERENCE NO. A-15
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TO: Department of State, Wash, DC
 INFO: AmEmbassy TEHRAN via pouch
 AmConsul Shiraz "
 AmConsul Tabriz "
 E.O. 12065: GDS

FROM: AmConsul Isfahan

DATE: December 6, 1978

11652: 12065: GDS

TAGS: PINT, IR

SUBJECT: Influence of Khomeini; Views of the Religious

REF:

ALTERNATE DISTRIBUTION
 ACTION

60	RA	CU	EA
60	FOR	INR	IO
60	NEA	PER	PM
60	CI	SS	SY
60	AID	AIR	ARMY
60	COM	DOD	DOT
60	OSW	INT	LAB
60	NSA	NSC	OPIC
60	TAR	TRAV	URIA

SUMMARY: According to a group of Ayatollahs, mullahs and religious students in Isfahan, the actual influence of Khomeini is waning in Iran, but still has tremendous emotional power, and when he is listened to, he is the only person remaining who can coordinate action all over Iran. The power of Ayatollah Shariat-Modari, never very high in Isfahan, is now negligible, but Ayatollah Shirazi, in Mashad, is gaining influence.
 End Summary.

Religious Authority in Isfahan

Since the murder, three years ago, of Ayatollah Shamsahadi, there has been no single senior religious figure in Isfahan, but rather individuals who have considerable influence over certain groups, who have been jockeying for position without any resolution to date. They have tended to stay on the outskirts of political activity, fearing that a mistake or failure would be seized on by one of their own number to increase his authority. One, Ayatollah Khademi, attempted to take an active part in restrained opposition, but found himself embroiled in violence by his followers, and has recently even stopped preaching. The religious opposition has tended to fall into the hands of younger religious students, itinerant preachers, and lay figures who temporarily assume a preacher's role. I was allowed to be present, but not participate in discussion, at a meeting of religious figures at the home of Ayatollah Haj Mirza Said Ali Fani, the eldest of the principle leaders. Most

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PREPARED BY: DCMcGaffey
 DRAFTING DATE: Dec. 6, '78
 CONTENTS AND CLASSIFICATION: CONSUL: DCMcGaffey

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of the discussion was taken up with complaints about the "outsiders" invited to preach in the mosques, about the dangers to religion if this continues, and fruitless discussion about what they should do to lead their people down the correct path. Each man left saying what he came in with, a great deal of temperment was displayed, and few points of agreement were found.

Role of Ayatollah Shariat-Modari

Shariat-Modari of Qom was widely attacked, with accusations that he is nothing but a political opportunist, alleges of vast wealth secreted abroad, long quotes (which I did not follow) from his writings and those of Khomeini, allegedly proving that they are in basic disagreement, accusations of his being in the pay of either the Shah or the Bazaaris or the Communists, and personal attacks. However, after discussion, they generally agreed that he could be disregarded as no longer having any influence, at least in Isfahan, but also allegedly in Qom and Tabriz. (My observations in other forums tend to confirm this, for Isfahan. Shariat Modari is seen as having attempted to sell out to the Shah and P.M. Sharif-Imami during that government's short tenure.)

Role of Ayatollah Khomeini

The dismissal of Shariat Modari was followed by a discussion of who did have influence (i.e. who should they follow and support). The talk focussed on Khomeini. Many of those attending were personally uncomfortable with Khomeini; they complained of leftist influence on him; they complained of his single-minded pursuit of the Shah to the exclusion of other needs; they complained of his isolation from Iran and the lack of understanding of current events. They concluded however that he has great emotional power over the crowds and that his is the only voice (since people now distrust Shariat Modari & the National Front is quiet) who can call for action successfully all over Iran. On further discussion, though, they commented that several of Khomeini's recent announcements have only partly been publicized in Iran. More restrained portions were left out of pamphlets, tapes and sermons to disseminate his words - only those who listened to him had the full text. It appears that the dissidents are increasingly choosing, even for Khomeini, what words they will listen to. They concluded from this that his influence is waning, though currently still strong.

Other Religious Leaders

There was little general agreement as to other religious leaders with influence. They noted that Ayatollah Shirazi, because of his connection to the Shrine in Mashad and his house arrest is becoming increasingly influential among the people, but noted that he does not have the connections so that his words are heard. He depends on word of mouth primarily, and until he gets a network to spread his word, he cannot have much immediate impact. They also discussed Ayatollah Kho'i now in exile in Iraq. They agreed that he has a good reputation but that he had little influence. (This last to the disappointment of Ayatollah Haj Agha Jalil Faghih Imami, son-in-law, who stated he had failed in his attempts to urge Kho'i to make more political statements. At no point did anyone suggest that one of them had any national influence.)

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Isfahan A-15

fluence.

Comment Clearly, these men are at a loss. They recognize their own lack of influence over the protest movement, see its nominal religious nature, and are searching for the religious influence which could control the movement. They did not, at this meeting, find it, and left bemoaning their lack of leadership. Their mood was gloomy, if only because they feared the movement would (or has) lose any religious character, and see "Communists" as benefitting. Individually, they will work on their own followers, but were not willing to adopt any common program (surrendering personal status) to gain any control even over the local movement. Their actions will make their fears reasonable.
End Comment.


MCGAFFEY

CONFIDENTIAL

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S E C R E T

ACTION

NNNNV ESB007BPA549
OO RUQMER
DE RUEHC #1415 3440049
ZNY SSSSS ZZH
O 002258Z DEC 78 ZFFA
FM SECSTATE WASHDC

TO ALL EUROPEAN DIPLOMATIC POSTS IMMEDIATE
ALL NEAR EASTERN AND SOUTH ASIAN DIPLOMATIC POSTS

ACTION
POL3
INFO
AMB
DCM
ADM
OR
ICA
PM
EC2
CRUZ
9/6MH

RUDTC/USDEL SECRETARY IMMEDIATE 9289
RUFHGV/USMISSION GENEVA IMMEDIATE 0599
RUESRS/AMEMBASSY CARACAS IMMEDIATE 3932
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0441
RUQMKM/AMEMBASSY KHARTOUM IMMEDIATE 2262
RUEHSA/AMEMBASSY PRETORIA IMMEDIATE 3818
RUEHME/AMEMBASSY MEXICO IMMEDIATE 7716
RUTALS/AMEMBASSY LAGOS IMMEDIATE 3702
RUEHDT/USMISSION USUN NEW YORK IMMEDIATE 4615
RUEBKR/AMCONSUL KARACHI IMMEDIATE 5694
RUFHOLD/AMCONSUL STUTTGART IMMEDIATE 4267
RUQMPM/AMCONSUL ISTANBUL IMMEDIATE 9314
RUEHQA/AMCONSUL HONOLULU HAWAII IMMEDIATE 1916
RUSNAA/AMCONSUL VAIHINGEN GE IMMEDIATE

BT
S E C R E T STATE 361415 TOSEC 14016

SECRETARY'S PARTY FOR SAUNDERS, REPA FOR SECT ONLY.

STUTTGART FOR ELG, GENEVA FOR WILNER FOR UNDER SECRETARY NEWSOM
LONDON ALSO FOR DAS CRAWFORD WITH CODEL BYRD

E.O. 120655: GDS 12/9/78 (PRECHT, H.)

TAGS: PINS, IR

SUBJECT: IRAN SITREP NO.36, 12/9/78

1. THE EYE OF ASHURA, A TENSE CALM PREVAILS IN MUCH OF
IRAN. IN A LAST-MOMENT EFFORT TO HEAD-OFF A BLOODY CON-
FRONTATION, THE GOI ANNOUNCED THAT RELIGIOUS PROCESSIONS
WOULD BE PERMITTED DURING THE NEXT 48 HOURS. TEHRAN'S
CURFEW HAS BEEN LIFTED FROM 9 P.M. TO 11 P.M. FOR DECEMBER
10 AND 11 TO FACILITATE RELIGIOUS SERVICES. PRIME MINISTER
AZHARI ASSURED AMBASSADOR SULLIVAN TODAY THAT ADEQUATE
MEASURES WOULD BE IN PLACE SUNDAY TO CONTAIN DEMONSTRATIONS
IF THEY BECAME VIOLNT.

2. TEHRAN IS REPORTED QUIET THROUGH MID-DAY DECEMBER 9.
SCATTERED INCIDENTS OCCURRED WITH THE MILITARY MAKING SPOT
CHECKS OF VEHICLES SEARCHING FOR ARMS, LEAFLETS, ETC.

S E C R E T

ISFAHAN HAD A QUIET MORNING BUT CLASHES AND SHOOTING WERE NOTED THE PREVIOUS EVENING. A CONVOY CONTAINING THE CONSUL GENERAL SAHAMI IN A BUS STOPPED ON A POLICE STATION AND LATER IN THE EVENING THERE WERE NO INJURIES. TABRIZ REPORTS THAT THE BAZAAR WERE WEAR THE BAZAAR ON DECEMBER 8 AND GENERAL QUIET TODAY. CURFEW THERE HAS BEEN LOWERED FROM 11 P.M. TO 9 P.M. EFFECTIVE YESTERDAY. NO AMERICANS WERE REPORTED INJURED DURING THE PAST 24 HOURS.

3. MODERATE RELIGIOUS LEADER SHARIAT-MADARI AND HIS FELLOW AYATOLLAHES IN QOM ISSUED A STATEMENT CALLING ON SOLDIERS NOT TO SHOOT AT THE DEMONSTRATORS AND URGING DEMONSTRATORS TO BE CAUTIOUS AND ORDERLY.
4. OIL WORKERS AT THE MAJAN QACH SARAN FIELD HAVE NOW JOINED THE STRIKE AND PRODUCTION IS AGAIN FALLING. TOTAL PRODUCTION TODAY IS ESTIMATED TO BE 2.1 - 2.2 MILLION BARRELS, ONLY 1.7 MILLION BARRELS WILL BE PRODUCED TOMORROW WITH LESS THAN ONE MILLION AVAILABLE FOR EXPORT.
5. ARRIVAL TO THE EMBASSY, ABOUT 1300 (1100 DOD, 200 STATE AND OTHER AGENCIES). GOVERNMENT DEPENDENTS WILL HAVE TO LEAVE BY 1200. THIS FIGURE COVERS ALL OFFICIAL DEPENDENTS WHO HAVE REQUESTED DEPARTURE. PRIVATE DEPENDENTS WILL BE ALLOWED TO DEPART ON COMMERCIAL AND MILITARY AIRCRAFT. A SPOT SURVEY OF U.S. COMPANIES WITH OFFICES IN IRAN INDICATES THAT ABOUT 40 PERCENT OF THEIR DEPENDENTS HAVE TEMPORARILY DEPARTED, BUT MOST EMPLOYEES REMAIN IN IRAN.
6. PAN AMERICAN, IRAN AIR AND OTHER INTERNATIONAL CARRIERS CONTINUED NORMAL OPERATIONS THROUGH DECEMBER 9. PAN AMERICAN REPORTER'S HAD VACANT SEATS ON ITS DECEMBER 9 AND 9 OUTGOING FLIGHTS. MARTIAL LAW ANNOUNCED DECEMBER 9 THE CLOSURE OF TEHRAN'S INTERNATIONAL AIRPORT FROM 0630Z DECEMBER 10 TO 0630Z DECEMBER 11. PAN AMERICAN IS CURRENTLY PLANNING TO RESUME SERVICE ON DECEMBER 13.

7. AMERICANS AND OTHER FOREIGNERS WITH EXPIRED RESIDENCE PERMITS OR DOCUMENTS NOT OTHERWISE IN ORDER ARE HAVING DIFFICULTIES OBTAINING EXIT PERMITS TO LEAVE IRAN. EMBASSY TEHRAN HAS BEEN ABLE TO ARRANGE EXIT PERMITS FOR 50-60 AMERICANS PER DAY WHO ARE IN THIS CATEGORY, BUT THESE SPECIAL BILLIETTES ARRANGEMENTS ARE NOT AVAILABLE TO OTHER EMBASSIES SINCE MOST IRANIAN GOVERNMENT OFFICES WILL BE CLOSED DECEMBER 8-13, EMBASSY TEHRAN WILL NOT BE ABLE TO OBTAIN EXIT PERMITS EXPEDITIOUSLY DURING THAT PERIOD, BUT EXPECTS TO RESUME THIS OPERATION AFTER DECEMBER 13.

CHRISTOPHER
BT
#2415