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RELEASED IN PART

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B1, 1.4(D)

Channel: n/a

Case Number: 199602442

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A-01	CEA-01	CIAE-00	CIP-01	COME-00	CTME-00	OASY-00
DODE-00	DOEE-00	ANHR-01	EAP-01	EUR-01	EXIM-01	E-00
FRB-01	FSI-00	H-01	TEDE-00	INR-00	IO-10	ITC-01
L-01	ADS-00	MMP-00	M-00	NEA-01	NSAE-00	NSCE-00
OIG-04	OMB-01	OPIC-01	PA-01	PM-00	PRS-01	P-01
DTSP-00	SP-00	SSO-00	SS-00	STR-01	TRSE-00	T-00
USIE-00	SA-01	SNIS-00	NISC-01	PMB-00	SSAH-00	DRL-09
G-00	/051R					

DRAFTED BY: EB/ESP:RSDEUTSCH/NEA/NGA: MPHEE  
APPROVED BY: P:PTARNOFF

NEA:RPELLETREAU	AF:EBRYNN
EB/ESC:SDONNELLY/E:HLEVINE	ARA:TGREENTREE
SA:TCARNEY EAP/RNP:DBROWN	S/NIS:JHERBST EUR/ERA:GWHITE
EUR:JCKORNBLUM NSCS:ADSENS	S/S:MRLINO S/S-OBBJSTEPHENSON

-----C1FCDO 040353Z /38

O 040354Z MAY 95  
FM SECSTATE WASHDC  
TO ALL DIPLOMATIC AND CONSULAR POSTS IMMEDIATE

C O N F I D E N T I A L STATE 109265

E.O. 12356: DECL: OADR  
TAGS: IR, PREL, ETTC, EFIN, ETRD  
SUBJECT:STATE 105557

SUBJECT: IRAN SANCTIONS DECISION -- DEMARCHES  
CONFIDENTIAL

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1. CONFIDENTIAL -- ENTIRE TEXT.
2. ON APRIL 30, THE PRESIDENT ANNOUNCED HIS DECISION TO IMPOSE ADDITIONAL SANCTIONS AGAINST IRAN. USING HIS AUTHORITY UNDER THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT, THE PRESIDENT WILL PROHIBIT U.S. FIRMS FROM TRADING WITH OR INVESTING IN IRAN. THESE NEW SANCTIONS, IN CONJUNCTION WITH EXISTING RESTRICTIONS, WILL CREATE AN EMBARGO AGAINST IRAN -- INCLUDING U.S. OIL PURCHASES ABROAD. THIS CABLE TRANSMITS TALKING POINTS FOR USE AT THE HIGHEST AVAILABLE LEVEL. WE SEEK SUPPORT FOR OUR EFFORTS AND COMMITMENTS FOR SIMILAR ACTION. WE ALSO WANT TO PREVENT FOREIGN FIRMS FROM FILLING IN THE VOID THAT WILL RESULT WHEN U.S. FIRMS LEAVE IRAN. REFTEL PROVIDES

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UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: ARCHIE M BOLSTER  
DATE/CASE ID: 07 MAY 2004 199602442

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RELEVANT TEXT OF THE PRESIDENT'S SPEECH, A WHITE HOUSE  
FACT SHEET, AND Q/AS ON THE SANCTIONS.

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3. BEGIN TALKING POINTS:

-- DURING THE LAST TWO YEARS, WE HAVE SOUGHT TO ACHIEVE  
GREATER INTERNATIONAL CONSENSUS ON DEALING WITH IRAN.

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-- WE FOCUSED OUR DISCUSSIONS ON IRAN'S SUPPORT FOR  
TERRORISM, ITS PURSUIT OF WEAPONS OF MASS DESTRUCTION, ITS  
SUPPORT FOR VIOLENT OPPOSITION TO THE MIDDLE EAST PEACE  
PROCESS, ITS EFFORTS TO DESTABILIZE OTHER GOVERNMENTS,  
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-- DURING THIS TIME PERIOD, IRAN'S BEHAVIOR HAS WORSENERD.

-- IRAN HAS EMERGED AS THE MAJOR SUPPORTER OF EXTREMIST  
GROUPS SEEKING TO DISRUPT THE MIDDLE EAST PEACE PROCESS  
THROUGH VIOLENCE.

-- IRAN HAS INTENSIFIED ITS EFFORTS TO ACQUIRE WEAPONS OF  
MASS DESTRUCTION, INCLUDING NUCLEAR WEAPONS, AND THE MEANS  
TO DELIVER THEM WELL BEYOND ITS BORDERS.

-- IRAN CONTINUES A MILITARY BUILD-UP WHICH IS ENHANCING  
ITS ABILITY TO THREATEN ITS NEIGHBORS AND FREEDOM OF  
NAVIGATION IN THE PERSIAN GULF.

-- WE BELIEVE THAT THE THREAT IRAN POSES TO OUR COMMON  
REGIONAL AND GLOBAL INTERESTS REQUIRES THAT WE DO MORE TO  
CONVINCE ITS GOVERNMENT TO ALTER THOSE POLICIES.

-- WE BELIEVE WE MUST CUT IRAN'S ACCESS TO ADDITIONAL  
FINANCIAL AND ECONOMIC RESOURCES SO IT WILL NOT HAVE THE  
MEANS TO PURSUE THESE POLICIES.

-- IN PAST DISCUSSIONS, WE HAVE OFTEN BEEN TOLD THAT THE  
U.S. IS SEEKING SACRIFICES FROM OUR PARTNERS THAT WE ARE

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NOT WILLING TO UNDERTAKE OURSELVES.

-- THE PRESIDENT DEMONSTRATED THAT THIS IS NOT SO. ON  
APRIL 30, HE ANNOUNCED THAT THE U.S. WILL SEVER ITS  
REMAINING TRADE TIES WITH IRAN. WE WILL PROHIBIT ALL  
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EXPORTS FROM THE U.S. TO IRAN, PURCHASES OF IRANIAN OIL BY  
U.S. COMPANIES ABROAD, AND U.S. INVESTMENT, INCLUDING EVEN  
PRIVATE LENDING, IN IRAN. THESE STEPS WILL REQUIRE A  
SACRIFICE FROM U.S. WORKERS AND COMPANIES.

-- THESE MEASURES WILL AUGMENT OUR EXISTING PROHIBITIONS  
ON IMPORTS FROM, EXPORTS OF SENSITIVE GOODS TO, AND  
FINANCING OR OVERALL MANAGEMENT OF THE DEVELOPMENT OF  
PETROLEUM RESOURCES IN IRAN.

-- WE ASK THAT YOU ADOPT PARALLEL OR SIMILAR ACTION TO  
HELP CONVINCE IRAN THAT IT WILL PAY A PRICE FOR CONTINUING  
ITS UNACCEPTABLE POLICIES. AT THE VERY LEAST, WE URGE YOU  
TO END ALL CONCESSIONARY CREDITS TO IRAN. THESE CREDITS  
ALLOW IRAN TO DIVERT SCARCE RESOURCES TO MILITARY PROGRAMS  
AND TO SPONSOR TERRORISM.

-- IN ADDITION, WE SEEK A COMMITMENT THAT YOUR FIRMS WILL  
NOT STEP IN TO BUY OIL WHICH U.S. COMPANIES NO LONGER  
PURCHASE, OR TO COMPLETE TRADE OR INVESTMENT DEALS THEY  
ARE FORCED TO FOREGO.

-- THESE SANCTIONS WILL NOT APPLY DIRECTLY TO  
FOREIGN-INCORPORATED SUBSIDIARIES OF U.S. FIRMS, ALTHOUGH  
U.S. PARENT COMPANIES WILL BE PRECLUDED FROM APPROVING OR  
FACILITATING PROHIBITED ACTIVITIES OF THEIR OVERSEAS  
SUBSIDIARIES.



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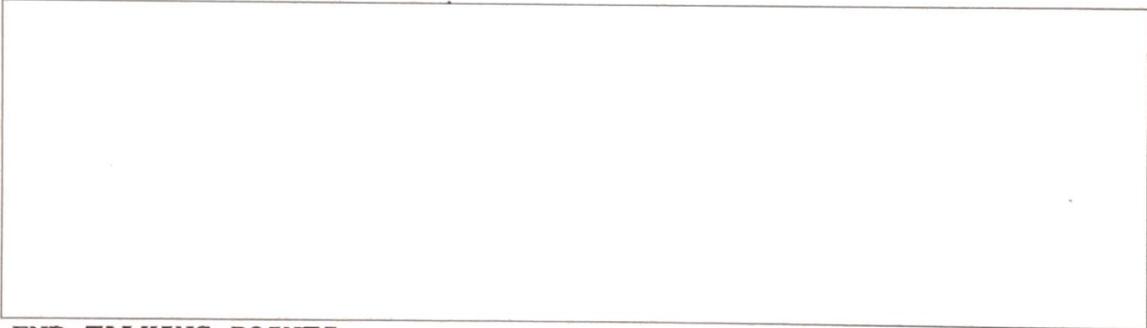
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-- THE U.S. CONGRESS IS OUTRAGED BY OBJECTIONABLE IRANIAN BEHAVIOR AND CONCERNED ABOUT THE DIFFICULTIES OF RALLYING THE SUPPORT OF OUR DIPLOMATIC PARTNERS. THERE ARE CONGRESSIONAL PROPOSALS WHICH ENJOY SIGNIFICANT SUPPORT THAT WOULD HAVE US IMPOSE A COMPREHENSIVE EMBARGO WHICH WOULD, INTER ALIA, EXTEND THE APPLICATION OF U.S. LAW TO FOREIGN SUBSIDIARIES OF U.S. FIRMS AND REQUIRE THE IMPOSITION OF U.S. SANCTIONS AGAINST FOREIGN FIRMS THAT TRADE WITH IRAN.

-- THE PRESIDENT HAS REJECTED THESE PRESSURES. NONETHELESS, WE SEEK CLEAR EVIDENCE THAT OUR PARTNERS SHARE OUR CONCERNS OVER THE THREAT IRAN'S ACTIONS POSE TO INTERNATIONAL ORDER AND SECURITY, AND THAT THEY ARE PREPARED TO JOIN US IN DOING SOMETHING ABOUT IT.



END TALKING POINTS.  
CHRISTOPHER

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