The text on the image is not legible due to the distortion and overlap of text and images. It appears to be a combination of text and possibly other printed materials or images, making it difficult to extract any coherent information or content.
2. Situation with respect to strike at Abadan is still deteriorating. Despite continuing to improve, the situation in oil fields is still very serious. There is much less production than before. The Iranian oil minister said that the situation was improving, but the production was still very low. The recent report by local authorities indicates that production is now down to about 1.5 million b/d. Austerity continues to be necessary.

Subject: Iranian Oil Sector Strike

Action: Immediate

Confidential, Need-to-Know, Sensitive

C.O. 116211, GDS

Tehran, Iran

May 15, 1962

TO: Mr. E. G. Brown, US Embassy

FROM: M. R. Ahmadzadeh, Ministry of Oil

RE: Situation in Iranian Oil Fields

This morning, I had a meeting with the Iranian oil minister, M. R. Ahmadzadeh, at the Iranian Oil Ministry. He informed me that the situation in the oil fields was improving, but the production levels were still very low. He stated that the oil production is now down to about 1.5 million b/d. He also mentioned that the Iranian government is taking all necessary steps to increase production and stabilize the situation.

The Iranian government is aware of the situation and is working to improve the production levels. They have taken steps to increase the production of crude oil, and they are working on improving the infrastructure of the oil fields.

The Iranian government is committed to ensuring the stability and security of the oil fields. They are working with the international community to ensure that the oil fields are safe and secure.

I am confident that the Iranian government will be able to improve the situation in the oil fields. They are working hard to increase the production levels and stabilize the situation.

I will keep you informed of any developments in this matter.

Sincerely,

M. R. Ahmadzadeh
Ministry of Oil

Tehran, Iran
ISLAND, THE NEW TERMINAL IS EASILY ABLE TO HANDLE
THE PRESENT MUCH REDUCED VOLUME OF EXPORTS. WE HEAR
TOLD THIS MORNING BY OFFICIAL OF SHIPOWNERS VARIOUS
COMPANY WHICH TO PURCHASES OF KAJMIAH CRUDE THAT 37
TANKERS ARE AT ANCHORAGE AT KHARG WAITING AN
OPORTUNITY TO LOAD.

WE HAVE BEEN UNABLE TO CONTACT IPAC TODAY BUT WE
BELIEVE THAT THEY ARE STILL COMPLETELY SHUT DOWN. / 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 MILLS THAT HAVE BEEN SHUTDOWN WILL
NOT BEGIN FLOWING AGAIN WITHOUT FOUR TO SIX WEEKS. OUR
ESTIMATES THAT AFTER ESSENTIALLY RESTORES TO NORMAL PRODUCTION
OF 4.8 MILLION B/D CAN BE ACHIEVED IN 46 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
$300 MILLION, AS OF MIDNIGHT OCTOBER 31, AND IS INCREASING
AT ABOUT $30 MILLION PER DAY. HOWEVER, THE LOSSES THAT
WILL ACCUMULATE DURING THE 10 DAYS OF RETURN TO NORMAL
DOLLARS PRODUCTION LEVELS WILL TOTAL ABOUT $25 MILLION. CONSE-
QUENTLY, IRAN'S GROSS RECEIPTS OF FOREIGN EXCHANGE FROM
THE OIL SECTOR THIS YEAR WILL BE AT LEAST 3 PERCENT LESS
THAN WHAT THEY SHOULD HAVE BEEN ABOUT THIS TIME.

CONFIDENTIAL
SULLIVAN
11/22/80
ISLAND, THE EXISTING TERMINAL IS EASILY ABLE TO HANDLE
THE PRESENT MUCH REDUCED VOLUME OF EXPORTS. WE HEAR
TOLD THIS MORNING BY OFFICIAL OF OCCUPATION VARIOUS
COMPANY WHICH TO PURCHASES OF IRANIAN CRUDE THAT 37
TANKERS ARE AT ANCHORAGE AT KHARG AWAITING AN
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IF STRIKE IS RESOLVED (OR BROKEN) IMMEDIATELY, ECONOMIC
LOSSES WILL CONTINUE TO ACCUMULATE AS IT WILL BE SOME
10 DAYS BEFORE PRODUCTION CAN BE FULLY RESTORED. A
SIGNIFICANT NUMBER OF MILLS THAT HAVE BEEN SHUT DOWN
ARE NOT EXPECTED TO OPEN AGAIN WITHOUT SOME SEVERAL
MONTHS, ESTIMATES THAT AFTERSHOCKS REMAIN TO REDUCE PRODUCTION
OF 1.8 MILLION B/D CAN BE ACHIEVED IN 48 HOURS BUT THAT
IT WILL TAKE ANOTHER 8 TO REACH 3.6
MILLION B/D.

4. ACCORDING TO OUR VERY ROUGH ESTIMATES, THE LOSS OF
EXPORTS CAUSED BY THE STRIKE HAS COST IRAN APPROXIMATELY
$300 MILLION, AS OF MIDNIGHT OCTOBER 31, AND IS INCREASING
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SULLIVAN
CONFIDENTIAL
GOVT. JUDGES IN SANANDAJ RESISTED TO PROTEST SEVERAL KILLINGS THERE. BUT BY JUSTICE HOPES ALL POLITICAL PRISONERS WILL BE RELEASED BY DEC 10. IRANIAN GOV.-GEN.
DENIED STUDENTS EVER TOOK OVER ANOL; SAID PEOPLE WHO ARE PROTEST STOOGES WERE REPORTEDLY TWO GENDARMES AND A CRIMINAL SUSPECT. MANY DEMONSTRATIONS
SOME PROGOV, BUT NO DEATHS REPORTED. LARGE DEMONSTRATIONS
AT TEHRAN UNIVERSITY AND IN STREETS; ISLAMIC AND LEAFIST
STUDENTS HAVE APPARENTLY PATCHED UP DIFFERENCES. RELIABLE
SOURCE INDICATES GOVT NOT ALARMED BY UPRISNG, AS IT MAKES
ULIMATE COURTROOM MORE PALATABLE. SOURCE ALSO STATED
SAVAK PURGE CAME AFTER PRIMIN CLEARLY ORGANIZED WAS
BEHIND AT LEAST SOME OF RECENT PROGOV STREET BLOWERS.
ISPANIAN AYATOLLANS ISSUE CALL FOR RETURN OF KHOMEINI.
HOME REPORTS OF ANTIFOREIGN HOSTILITY. END SUMMARY.
1. AYATOLLAN SHARIATIADARI STRONGLY QUALIFIED PREVIOUS
STATEMENT THAT OPPOSITION MIGHT HAVE TO RESORT TO ARMED
INSURRECTION. HE INTERVIEW YESTERDAY BEHIND 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 AYATOLLAN KHOMENI
SPoke SEPARATELY TO JOURNALISTS BUT SAID VIRTUALLY NOTHING
REGARDING THEIR TALKS WITH EACH OTHER. SANJABI AGAIN
CONTRAINED VIOLENCE AND SUPPORT CONSTITUTION, HAVING
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 DAIRIOUSH FOROUMANSAID
FUTURE SHOULD BE DECIDED BY NATIONAL REFERENDUM.
2. MAJLES DEPUTY ABAS ARRAFRANDI'S CHARGE THAT EDUCATION
MINISTER GAJII AND FOREIGN MINISTER OF STATE AZMOON WERE
GUilty OF CORRUPTION BROUGHT STRONG COUNTERATTACK FROM
BOTH MEN. GAJII DEMANDED OFFICIAL INVESTIGATION INTO HIS
OWN ACTIVITIES. PRESS REPORTS SHOW OF SUPPORT FOR MINISTER
FROM TEACHERS THROUGHOUT IRAN. AZMOON ALSO CALLED FOR
PROSECUTOR GENERAL TO PROVE HIS SUPPOSED CORRUPTION. HE
IS SUING ARRAFANDI FOR FALSE ACCUSATION.
3. FORMER PRIMIN ALI ANINI MET WITH SHAH YESTERDAY.
AUDIENCE REVIVED PERSISTENT HOPES ANINI WILL BE NEXT
PRIMIN, BUT ANINI HIMSELF EXPRESSED SUPPORT FOR SHARIFF-
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 KHADAKH,
AND AN END TO FIXED REAL-DOLLAR EXCHANGE RATE. INTER-
ATIONAL FLIGHTS ARE PROCEEDING, BUT PARAN REPORTS HARASS-
MENT AND SOME DIFFICULTY IN MANAGING PASSENGER LOADS.
GOVT. JUDGES IN SANANDAJ RESIGNED TO PROTEST SEVERAL KILLINGS THREAT. HUNRY BY JUSTICE HOPES ALL POLITICAL PRISONERS WILL BE RELEASED BY END OF THIS WEEK. GOVERNMENT DENIED STUDENTS EVER TOOK OVER AMOL; SAID PEOPLE WHOSE PROTEST STOOGES WERE REPORTEDLY TWO GENDARMES AND A CRIMINAL SUSPECT. MANY DEMONSTRATIONS, SOME PROGOV'T, BUT NO DEATHS REPORTED. LARGE DEMONSTRATIONS AT TEHRAN UNIVERSITY AND IN STREET; ISLAMIC AND LEFIST STUDENTS HAVE APPARENTLY PATCHED UP DIFFERENCES. RELIABLE SOURCE INDICATES GOV'T NOT ALARRED BY UNREST, AS IT MAKES ULTIMATE CONCLUSION MORE PALATABLE. SOURCE ALSO STATED SAVAK PURGE CAME AFTER PRININ LEARNED ORGANIZATION WAS BEHIND AT LEAST SOME OF RECENT PROGOV'T STREET BULLDOZERS. ISFAHAN AYATOLLANS ISSUE CALL FOR RETURN OF KHOMENI.

NO RAPORTS OF ANTIFOREIGN HOSPITILTY. END SUMMARY.

1. AYATOLLAN SHARIATIMADARI STRONGLY QUALIFIED PREVIOUS STATEMENT THAT OPPOSITION MIGHT HAVE TO RESCUE 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 AYATOLLAN KHOMENI SPOKE SEPARATELY TO JOURNALISTS BUT SAID VIRTUALLY NOTHING REGARDING THEIR TALKS WITH EACH OTHER. SANJABI AGAIN CONDEMNED VIOLENCE AND SUPPORTS CONSTITUTION, MAKING...

FRONT DEMANDS ONLY THAT FUTURE GOVERNMENT HAVE THREE ELEMENTS—NATIONALISM, DEMOCRACY, AND SOCIALISM. KHOMENI 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 DARIJOUSH FOROUHAR SAID FUTURE SHOULD BE DECIDED BY NATIONAL REFERENDUM.

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3. FORMER PRININ ALL AMINI MET WITH SHAH YESTERDAY. AUDIENCE REVIVED PERSISTENT HUNT IN AMINI WILL BE NEXT PRININ, 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 KHADENI, AND AN END TO FIXED REAL-DOLLAR EXCHANGE RATE. INTERNATIONAL FLIGHTS ARE PROCEEDING, BUT PARAN REPORTS HASSLEMENT AND SOME DIFFICULTY IN MANAGING PASSENGER LOADS...
5. All judges of Sanandaj (capital of Khorasan) have resigned in protest against recent deaths of several demonstrators.

6. Tan Minister of Justice Hossein Hajfifi stated yesterday he expects all remaining political prisoners to be released by Dec 10. Human Rights day. He said there is 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 Heyatollah Matin-Daytary of Committee for the Defense of Political Prisoners, who said there are at least 900.

7. Oct 31 incident in Amol, where students reportedly took over town en masse, remains fuzzy. Kavasenar Gov-Cen Seyed Mahdadi denied these reports. He said students did patrol streets looking for progovt "hooligans" and arrested three suspects. These were, however, according to govt, two bandits 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 Mirjan. In Tehran students rallied on campus as usual. Amcilt eyewitness reported Islamic and leftist groups seem to have patched up differ-

Enes. 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). Amcilt eyewitness reports when some demonstrators began to rock statue of Reza Shah, crowd shouted "no, no" and statue was left undamaged.

9. Consulate Iranah reports Ayatollah of that city have jointly declared khomeini must return to Iran.

10. Iranian who is experienced in high govt circles informed emboss evening Nov 1 that Ministry of Interior is relatively uncorrupted 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 as months. (Comment: Source represents an excellent and probably accurate midlevel bureaucratic view within govt. We sense he may be understating difficulty with both-
5. All judges of Sanganaj (capital of Kongestan) have resigned in protest against recent deaths of several demonstrators.

6. The 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 Heydayollah Matin-Dastary 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 EXCUSES, REMAINS FUZZY. NAZANDARAN GOV-GEN SAYED BAHADORI DENIED THESE REPORTS. HE SAID STUDENTS DID PATROL STREETS LOOKING FOR PROGOV "HOOLIGANS," AND ARRESTED THREE SUSPECTS. THESE WERE, HOWEVER, ACCORDING TO GOV'T, TWO GENIARIES AND A CRIMINAL SUSPECT WHO WAS BEING TAKEN TO AMOL FOR INDICTMENT. PRESS REPORTS ARMY TROOPS FREED GROUP NUMBERED FROM 3 TO 6.

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9. CONSULATE ISFAN REPORTS AYATOLLAH OF THAT CITY HAVE JOINTLY DECLARED KHOMEINI MUST RETURN TO IRAN.

10. IRANIAN WHO IS EXPERIENCED IN HIGH GOVT CIRCLES INFORMED CHIEF OF EMBASSY EVENING NOV 1 THAT MINISTRY OF INTERIOR IS RELATIVELY INFORMED BY EACH OF STRIKES AND DEMONSTRA-

TIONS. 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 QUIETED FORCIBLY, WHICH ONE OR TWO WOULD MEAN TEMPORARY MILITARY GOVT, PERHAPS A MONTHS.

(CONTENT: SOURCE REPRESENTS AN EXCELLENT AND PROBABLY ACCURATE MIDLEVEL BUREAUCRATIC VIEW WITHIN GOV.)
11. SAME SOURCE REPORTS PURGE OF SAVAK CAGE AFTER FRIDAY LARGO ORGANIZATION ARRANGED RECENT VIOLENT PROCESSIONS. SAVAK MAY ALSO HAVE STAGED SOME OF THE ANTI-SOVIET SHOWS. FURTHERMORE MAJLIS DEPUTY AKHBAZI, WHO BROUGHT CENSURE MOTION AGAINST SHARIF-ESMEE, IS LOCATED SAVAK AGENT. SHARIF-ESMEE'S ANGER AT THIS NEWS IS SHOWN AND END FOR PARVIZ SAVAK.

12. ANTIFOEDERATION INCIDENTS CONTINUE, STILL WITHOUT ANY SERIOUS INJURIES TO AMERICANS BUT RESULTING IN INCREASED APPREHENSION. CONSULATE ISFAHAN REPORTS ABORTIVE ATTEMPT TO FIREBOMB ENTRANCE TO FLOOR THYSSEN. CONSULATE ALSO REPORTS THREE AMERICANS WHO HAD RECEIVED THE WIDELY-DISTRIBUTED "CURSED ZIONIST" NOTE RECEIVED A FOLLOWUP NOTE: QUOTE ME YOU HAVE BEEN WarnED. GO HOME OR I WILL KILL YOU. UNQUOTE. ALL THREE HAVE LEFT IRAN. EARLIER REPORTS THAT IRANIANS IN AHVAZ AREA WERE TARGETING AMERICANS AND THREE AMERICANS WERE KILLED PERSONNEL FROM OILFIELDS AFTER TWO DAYS OF SUCH INCIDENTS. VIOLENCE WAS ANTI-FOREIGN RATHER THAN ANTI-AMERICAN; NON-AMERICANS EXPATRIATES ALSO WERE ATTACKED. SOLAR TURBINE, SUBSIDIARY OF INTERNATIONAL HARVESTER, HAS SENT HOME ALL DEPENDENTS, INCLUDING 10 FAMILIES IN AHVAZ AND 15 FAMILIES FROM TEHRAN. CONTROL DATA HAS SENT HOME ITS DEPENDENTS, NUMBERING 25. END HAS SECONDHAND BUT RELIABLE REPORT THAT IRAN HAS ALSO SENT DEPENDENTS HOME. 

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 moors 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
11. Same source reports purge of Savak came after Frimkin warned organization arranged recent violent pro-Savak demonstrations. Savak may also have staged some of the anti-Savak shows. Furthermore, Majlis deputy Akbari, who brought censure motion against Sharif-Emami, is defending Savak agent. Sharif-Emami's anger at this news spread end for Parvis Savak.

12. Anti-Savak incidents continue, still without any serious injuries to agents but resulting in increased apprehension. Consulate Isfahan reports abortive attempt to firebombs entrance to floor Thyssen. Consulate also reports three agents who had received the widely-distributed "Cursed by God" note received a followup note: Quote me you have been warned. Go home or/and will kill you. Unquote. All three have left Iran. Earlier reports that Iranians in Ahvaz area were targeting agents and 15 of all foreigners is confirmed. Floor Iran has rejected to notify anyone of personnel from oilfields after two days of such incidents.

Violence was antiforeign rather than anti-American; non-American expatriates also were attacked. Solar Turbines, subsidiary of International Harvester, has sent home all dependents, including 10 families in Ahvaz and 15 families from Teheran. Control data has sent home its dependents, numbering 26. Emb has secondhand but reliable report that VM has also sent dependents home.

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SECRET/NODIS

NODE-2
--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 dis-integration 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.
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Drafted: INR/RNA/SAJ, J.S. Griffin: x22757:11/2/78
THE TWO 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 SHAR'I'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 SHAR'I 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 HABIBOLLAHI, GENERAL OVEISI, AND OTHERS, WHILE NOT AS EXTREME AS RABII, BELIEVE A HALT MUST BE CALLED TO THE VAST PUBLIC DISORDERS. GENERAL AHARI, PERHAPS THE MOST REFLECTIVE AND COERDER
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 Khomeini 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 championing at the bit to impose order. Admiral Nabibollahi, general Oveis, and others, while not as extreme as Rabii, believe a halt must be called to the vast public disorders.

General Ahari, perhaps the most reflective and sober of
THE MILITARY ESTABLISHMENT, APPEARS TO BE WOBBLING. HE
RECENTLY TOLD GENERAL GAST, CHIEF OF ARMISAN-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
WILL 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 WITH THE BUSINESS AND GOVERNMENT ESTABLISHMENT
HERE, INCLUDING SOME TECHNOCRATS. THEY FREQUENTLY PHRASE
THEIR 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 MODERATORS 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
THAT 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 FOROUDEN JAM, A FORMER CHIEF OF STAFF
AND PRESENT AMBASSADOR TO SPAIN, HAS OFTEN BEEN MENTIONED
BY CIRCLES BEST DESCRIBED AS NEITHER WHOLE-HEARTEDLY
PRO-SHAH NOR OPPOSITIONIST.

5. ANY TAKEOVER WOULD HAVE TO INVOLVE A VERY HARD CRACK-
DOWN ON DEMONSTRATORS IN THE STREETS, STUDENTS AND PRO-
FESSIONALS DEMONSTRATING IN THE UNIVERSITIES, SCHOOL CHILDREN
AND TEACHERS DEMONSTRATING IN THE SCHOOLS, RELIGIOUS
LEADERS AND THEIR BAZAAR 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 OPPosi-
TION HAS MADE IT CLEAR IT IS PREPARING GUERRILLA-STYLE
RESISTANCE, THE ARMY WOULD HAVE TO FACE EXTENSIVE URBAN
VIGILANCE AND A DEGREE OF HIT-AND-RUN TERRORISM OUTSIDE
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AREAS OF THE COUNTRYSIDE (MANY OF THEM INHABITED BY
THE MILITARY ESTABLISHMENT, APPEARS TO BE WOBBLING: HE RECENTLY TOLD GENERAL GAST, CHIEF OF ARMS-MAG, 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 MODERATORS WHO EAGERLY WISH FOR A POLITICAL SOLUTION RATHER THAN A MILITARY TAKEOVER.

EVEN THE STRONGER PARTISANS OF A TAKEOVER READILY ADMIT IT WOULD INFLECT 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 FERZIDUN 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.

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-1978.

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 INFRUSTRAT 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.


THE SITUATION WOULD IN THIS SENSE BE LESS COMPATIBLE TO LEBANON TODAY THAN TO THE REGIME OF THE COLONELS IN GREECE OR TO LATIN AMERICAN JUSTOSS OVER THE YEARS. BLOODSHED WOULD INCREASE AND AFFECT LARGER NUMBERS OF THE POPULATION THAN EVER BEFORE IN PAKISTANI 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 EXPERIENCE AND TECHNICAL KNOW-HOW 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 HAZARA LEADERSHIP BOUNDED TO BE AGAINST THEM, MANY MODERATE TECHNOCRATS RELUCTANT TO BE ASSOCIATED WITH A MILITARY REGIME, AND...
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, robbing 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 record 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 junta's over the years. Bloodshed would increase and affect larger numbers of the population than ever before in Pahlavi history. The psychological wounds of this process would linger for a long time after the military takeover ended.

8. The technical problems are also worthy 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 Bazaar leadership bound to be against them, many moderate technocrats reluctant to be associated with a military regime and

Sunni Muslim 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 infirmity 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,
ALL 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
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MILITARY IN IMPOSING THIS OPTION WILL HELP CONVINCE MANY
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I WOULD ALSO HELP SWAY PEOPLE TO THE PROPOSITION THAT THE
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ENFORCEMENT.

10. A FURTHER FACTOR TO BE CONSIDERED WOULD BE THE EFFECT
ON OUR IMAGE AND POLICY -- AS WELL AS THE INCREASED URBAN
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CLAIM, WITH CONSIDERABLE JUSTIFICATION, THAT A MILITARY
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IT AGAINST THE WILL OF THE IRANIAN PEOPLE. PERHAPS THIS
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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 CITIZEN HERE. THE OPPOSITION'S 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 OF THIS NATURE WILL COST, COUNTING AGAINST US IN WORLD PUBLIC OPINION AND PROBABLY RETURNING TO H AUNT US IN 1980 ONCE THE MILITARY REGIME HAS RUN ITS COURSE. MEANWHILE, WE WOULD HAVE TO EXPECT REPETE ATTACKS ON AMERICAN CITIZENS HERE.
BY THE ORGANIZED URBAN TERRORIST ORGANIZATIONS, WHICH HAVE FOR THE MOST PART CEASED THEIR ACTIVITIES AGAINST US OVER THE PAST TWO YEARS.

C. SULLIVAN

TELEGRAM

FROM: AMBASSADOR TERRAN
TO: SECRETARY OF STATE
ACTION: SGM STANDING IN
SECRET TERRAN 16166
EXDIS

E.O. 11652: CDS
TAGS: PINT, IR
SUBJECT: GOI TACTICS
REF: STATE 278290

1. ZAHEDI TELEPHONED SHAH WHILE I WAS AT PALACE NOV 1 AND SUGGESTED TACTICS CONTAINED REFTEL. SHAH CUT HIM OFF SHORT WITH STATEMENT THAT THIS WAS NOT RPT NOT 1953 AND WAS NOT EVEN THE 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 INSTITUTING 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

16166 DRAFTING DATE: 11-2-78
AMBASSADOR
TELEGRAM

FROM: AMBASSADOR TEHRAN
TO: SECRET/EXDIS
ACTION: SECSTATE HASHDC IMMEDIATE
SECRET TEHRAN

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SULLIVAN/POL/GBR/AMB/His 11-2-78
AMBASSADOR
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SULLIVAN

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3. IN 1953, THE BAZAARIS AND MULLAH'S LED MOBS IN SUPPORT OF THE MONARCHY. IN 1978, THEY ARE LEADING MOBS AGAINST THE MONARCHY. ZAHEDI CANNOT SWITCH THE BAZAARIS AND MULLAH'S OF TODAY. RECOURSE TO MOB VIOLENCE UNDER PRESENT CONDITIONS WOULD ONLY ASSIST THE POLARIZATION BETWEEN SHAH AND KHOMEINI SUPPORTERS WHICH WE ALL HOPE TO AVOID. 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.

SULLIVAN

SECRET
CONSULATE OF THE
UNITED STATES OF AMERICA
Isfahan, Iran
11/6/78

MEMORANDUM FOR THE FILES
CONFIDENTIAL

From: DMC Gaffey, 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-sickle. 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 bazaar area, and another crowd moved in with sticks, attacking the bazaar area. The demonstrations were then stopped by the hammer-and-sickle placards and the anti-Shah placards. Carefully avoided those carrying pictures of Khomeini. Troops moved in quickly, and broke up the melee with nightsticks. 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 the "red" slogans and banners, but got the bulk of its members from bazaarers who objected to demonstrations in the bazaar area. These observers report that members of both groups were hit and arrested indiscriminately. A bazaar friend of mine, who states that he did not participate but knows those who did, states that the bazaarers 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 leftist, communists, and aggressive 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 bazaar 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 "map" in the bazaar, capitalizing on this feeling, but dissuaded it when marchers appeared with signs stating, "Shah People yes, Martial Law On" 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 bazaarers are opposed to continued disruptions, and even favor the Shah, but oppose Martial Law.
ACTION

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-25-
CONFIDENTIAL

Comment: Such demonstrations are not entirely surprising to me. I have recently been hearing in numerous conversations, primarily with bazaar 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 accommodation 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
SY - 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

SECRET
CONFIDENTIAL

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SECRET
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 foreign 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.

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| ACTION: SECSTATE WASHDC PRIORITY |

INFO: CONGEN DHAHAN
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AMBASSY ABU DHABI
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AMBASSY ISSIBAD
AMBASSY JINDA
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AMBASSY KHAROUN
AMBASSY KUWAIT
AMBASSY LONDON
AMBASSY MANAMA
AMBASSY MUSCAT
AMBASSY NEW DELHI
AMBASSY PARIS
UBECINCEUN VAHNINGE
UBECINACPC

CONFIDENTIAL TEHRAN 10928

R.O. 11652: GDS
TAGS: PINIS, SHUM, IR
SUBJ: BAZAAI VIEWS ON CURRENT SITUATION

SUMMARY: THREE PROMINENT BAZAARIS TAKE REASONABLE APPROACH TOWARD SITUATION, ASSERTING THEY WOULD BE WILLING TO PRESS KHOMEI NI 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 GOV'T. THEY

POL: GHLambakis: bg x 1110

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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) CHEN, NEA/IRN'S CLEMENT, POLITICAL COUNSELOR LAMBRAKIS AND POLOFF STEMPFEL 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 KHOMSI, 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.

1. IN THE OLD DAYS (50s and 60s) UNDER AYATOLLAH BOJUERDI, RELIGIOUS PEOPLE GOT DUE CONSIDERATION FROM THE SHAH AND THE PEOPLE AROUND HIM. SIMILARLY, BAZAARIS WERE REPRESENTED BEFORE THE GOVT BY AN ORGANIZATION WITH A SPOKESMAN. BUT ALL OF THIS HAS CHANGED. THE GOVT HAS BURNED MOSQUES.

1. 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,
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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 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. SAVAÄ HAS BEEN ORGANIZING PROVOCATIVE ACTS. THEY CITED AS EVIDENCE THE AMOL INCIDENT IN WHICH SECURITY FORCES, CARRYING BOMBS AND ANTI-SHAH
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 welfare 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 that martial law makes things worse. Savaq has been organizing provocative acts. They cited as evidence the Amol incident in which security forces, carrying bombs and anti-Shah 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. Although 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 -- insallah.
TELEGRAM

FROM: EMBASSY TEHRAN
ACTION: SECRET
INFO: EMBASSY LONDON IMMEDIATE
SUBJECT: IRAN SITUATION

SECRET TEHRAN
EXDIS
DCM-2
NMEHK

TAGS: Pins, IR

EXDIS

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 BELGIAN AMBASSADOR

THAT HOVSEYDAH NOT RPT NOT BE ARRESTED. HOWEVER,

EVENING NOVEMBER 9, MINISTRY ANNOUNCED THAT ARREST HAD
TAKEN PLACE. WE WILL VERIFY BY DIRECT CALL TO
HOVSEYDAH 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.

NURSES, 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.

AT 1730 TODAY

I HAVE AN EMERGENCY MEETING WITH NEW PRIME MINISTER
TO ATTEMPT CLARIFY COURSE OF MILITARY GOVT.

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

SULLIVAN
1. Dutch Embassy Counselor Guveniren called on KSJ Deputy Assistant Secretary Crawford yesterday for update on Iranian situation.

2. Crawford told 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 meeting had been set to Ankara previous evening for 7 p.m. at high level. Crawford intended to brief Guveniren yesterday. Guveniren expressed gratification to learn of our interest and said Turkey, too, desired closest continuing coordination with U.S.

3. Guveniren had some specific questions of which the weightiest was whether, if war started, to what extent U.S. would protect Turkish government, U.S. would consider its forces as NATO forces. Guveniren's implication was that we would be measuring U.S. resolve in terms of its own relationship with U.S. (indeed, Guveniren later in conversation expressed great concern about Turkey's ability to maintain law and order in Turkey in the face of what he described as mounting communist-inspired agitation.) Crawford said that, provided in the hypothetical situation posed by Guveniren, he would obviously have to include a calculation as to whether, using the terms of the 1959 letter, a situation 4.5 miles away that Iran threatened by communist insurrection, present reading in

SCHREYER

-36-
SECRET

ACTION

SECURITY

NNNYY  ZSR17P084110
BR ROOMS
DE BUREG #313 314-999
INT 55555 Z76
R 305222 NOV 78
PM SECSTATE WASHDC
TO ROHMOR/AMBASSAD AKABA 665A
EYRE/CHAB/AMBASSAD ISLAMABAD 2377
CHAB/AMBASSAD LONDON 3497
CHAB/AMBASSAD TEHRAN 7849

MEMO STATE 266513

E.O. 11652: GCS

TAGS: SINS, SINS, IN, IN

SUBJECT: THE CURRENT SITUATION IN IRAN

REF: STATE 266513

1. TURKISH EMBASSY COUNCIL CIVILIAN CALLED ON KSA
DEPUTY ASSISTANT SECRETARY CRAWFORD NOTE-RESPONDING TO
SPEAK OF IRANIAN SITUATION.

2. CRAWFORD SAID THAT IN LIGHT OF THE UNSTABLE SITUATION
IN IRAN WE WANT TO STAY PARTICULARLY CLOSE TO OUR
ALLIES ON ITS BORDERS. TO THIS PURPOSE, A TURKEY HAS
BEEN TRIP TO AKABA PENDING EVENING THE NEXT DAY AT HIGH
LEVEL. CRAWFORD briefly TO COWDREN DEEDED SITUATION.

COWDREN DESPERATE TO LEARN IF THE TURKISH AND
SAID TURKEY, TOO, DESIRED CLOSEST COORDINATION ON SITUATION

3. COWDREN HAD SOME SPECIFIC QUESTIONS OF CRAWFORD
WHICH THE TURKISH YES TURKEY, IF SHE CLEAR TO DO RELATIONSHIP
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MEMBER MEMBERS. COWDREN'S IMPLICATION WAS THAT TURKEY
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CONVERSATION EXPRESS CONCERN ABOUT TURKEY'S
ABILITY TO MAINTAIN LAW AND ORDER IN TURKEY IN THE FACE
OF WHAT WE DESCRIBE AS 'HOT' COMMUNIST-INSPIRED
ACTIVATION.) CRAWFORD SAID TURKEY, FACTORY IN THE HYPOTHETICAL
SITUATION POSED BY COWDREN WOULD OBVIOUSLY HAVE TO
INCLUDE A CALCULATION AS TO WHETHER, USING THE TERMS OF
THE 1969 LETTER, A COMMUNIST INSPIRED MUTINY THAT TURKEY
THREATENED BY COMMUNITARY INSPIRED, PRESENT READING IT

SERC4

-36-
CONSULATE
OF THE
UNITED STATES OF AMERICA
Isfahan, Iran
11/12/78

CONFIDENTIAL
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 govern-
ment is pulling them together in opposition, and recent meetings between
leaders of the two groups have at least defused the spirit of confronta-
tion. 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 mili-
tante 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-
CONFIDENTIAL

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These two men, known to be outspoken, were invited to meet INR/IRNA 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 guerrilla 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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MEMORANDUM OF CONVERSATION

Participants: Gen. Mostafa Mostafa, Chief of Police, Isfahan
Gen. Abolfazl Taghavi, Chief of SAVAK, Isfahan
Col. FNU Darabi, Chief-of-Staff, Martial Law Admin., Isf.

Date & Place: 11/15/78; Gen. Mostafa's residence; Col. Darabi's office

Subject: Threat to Americans from "underground" dissidents

Gen. Mostafa 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. Mostafa, who has been out of touch, asked him what 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 Mostafa 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. Haghban, 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.
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MEMORANDUM OF CONVERSATION

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

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15 Nov 81

SUBJECT: MILITARY GOVERNMENT

1. FEW WOULD APPRECIATE BY END OF 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. THOUGH REPORTING CABLES INDICATE THAT SECURITY CONDITIONS IN TEHRAN HAVE SUBSTANTIALLY IMPROVED, VIOLENCE OUTSIDE CAPITAL REMAINS ROUGHLY EQUAL. HOW TO MAINTAIN CONTROL IN TEHRAN WILL REQUIRE MAINTENANCE OF CONCENTRATION OF SECURITY FORCES TO MINIMIZE URBAN PROTESTS. IS VR EMBASSY ASSESS ABILITY OF TROOPS TO CONTINUE TO MAINTAIN CONTROL IN TEHRAN? WHAT IS VR EMBASSY VIEW OF SUFFICIENCY NUMBER OF TROOPS FOR VARIOUS AREAS?

(b) ECONOMY. WHAT IS VR EMBASSY ASSESS OF ECONOMIC FORMATION OF A CIVILIAN GOVERNMENT WITH ECONOMIC STRENGTH.

(c) CIVIL SERVICE. WHAT IS VR EMBASSY ASSESS OF ABILITY OF CIVILIAN APPOINTEES TO PERFORM.
RESTORED COMPLETELY. GOVT HAS ACHIEVED A MEASURE OF SUCCESS IN GETTING KEY STRIKERS BACK TO WORK, THOUGH THAT TASK IS NOT COMPLETE AND MANY SERIOUS WEAKNESSES REMAIN IN THE GOVT SECTOR, PARTICULARLY IN THE KEY ECONOMIC MINISTRIES. IT HAS JUST BEGUN TO TACKLE THE PROBLEM OF REOPENING SCHOOLS, AND DONE NOTHING TO REOPEN UNIVERSITIES. IT IS NOT PERTURBED BY -- PROBABLY WELCOMES -- CONTINUING PRESS STRIKES WHICH HAVE REMOVED ALL IMPORTANT NEWSPAPERS FROM THE NEWSSTANDS, THUS FACILITATING GOI CENSORSHIP. IT HAS FIELDDED A STRONG TEAM -- 18 CIVILIANS AND 6 MILITARY -- WHO ARE FOR THE MOST PART TECHNICALLY COMPETENT AND GENERALLY DO NOT BEAR STIGMA OF ASSOCIATION WITH SHAH'S PERSONAL REGIME OF PAST 15 YEARS. WE EXPECT GOVT TO STAY IN POWER AT LEAST THROUGH MOHAMMAD (DECEMBER) WHEN THE CRITICAL TEST OF STRENGTH WITH THE OPPOSITION IS EXPECTED. THE SHAH INTENDS TO INTENSIFY HIS SEARCH FOR A SUCCESSOR CIVILIAN GOVT, PERHAPS OF A COALITION NATURE WITH ELEMENTS OF THE OPPOSITION. SUCH A GOVT WOULD PRESUMABLY SEEK TO LIFT MARTIAL LAW ONCE THE LEVEL OF VIOLENCE SUBSIDED (PERHAPS NOT UNTIL AFTER THE RELIGIOUS MONTH OF SAFAR -- JANUARY -- OR LATER), AND PROBABLY MOVE TO ELECTIONS.
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2. Law and order. Since installation of Ayatollah Khomeini's government, security conditions have generally improved both in Tehran and in the provinces. It should be recalled that violence in provinces had reached level of 42 or more cities on a single day just prior to Nov. 5, it has now been reduced to only a handful of provincial cities on any given day. This is a relative improvement, all the more so as inflation and shortages are still a problem.

3. In order to keep the peaceful atmosphere that prevails in Tehran, it is necessary that troops are not too close to the scenes of demonstrations. This is also a matter of tact and diplomatic action.

4. In order to avoid being overwhelmed by the demonstrators, troops are being limited and riot control equipment is lacking. Police and Gendarmerie have not the power to disperse the demonstrators. There are many reports of deaths and injuries.

5. Another problem is the lack of orders from the government. Some officers are不清楚 the situation and are not responding to the orders of the government. This is causing confusion and difficulties.

6. It is essential that the government provides clear orders to the troops. They must be given the authority to take action to maintain order.

7. The situation of the provinces is also critical. There are reports of violence and looting in some areas. It is necessary to provide reinforcements to the police and Gendarmerie in these areas.

8. The government must also ensure that the basic needs of the people are met. This includes food, water, and fuel. The shortage of these necessities is causing public unrest.

9. The government must also address the issue of unemployment. Many people are jobless and are frustrated by the lack of opportunities.

10. In conclusion, the situation in Iran is critical. The government must take prompt action to address the problems and maintain order. It is essential that the troops are given the necessary orders and support to carry out their duties.
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 SHIFTERS 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-
ORITIES AND DEMONSTRATORS REALIZE THIS IS WHERE SECURITY SITUATION HAS MOST EFFECT ON CENTRAL GOVERNMENT AND FOREIGN OBSERVERS.

3. STRIKES. GOI SEEMS TO REALIZE THAT GETTING STRIKERS BACK TO WORK IS A GRADUAL PROCESS IN WHICH STICK AND CARROT ARE BOTH NEEDED. OF MAJOR STRIKES EXISTING WHEN IT TOOK OVER, GOI HAS PRETTY WELL SOLVED IRAN AIR WALK-OUT AND MANY OF THE STRIKES AMONG CIVIL SERVANTS (THE CUSTOMS SERVICE AND TAX ADMINISTRATION BEING EXCEPTIONS). WHILE SITUATION IN OIL SECTOR IS SHOWING ENCOURAGING PROGRESS, SIGNIFICANT NUMBERS OF HARD CORE STRIKERS (PERHAPS 15 PERCENT) STILL HAVE NOT RETURNED TO WORK, AND WE RECEIVE CONTINUING REPORTS THAT OTHERS HAVE OFFICIALLY ENDED THEIR STRIKE BUT ARE NOT WORKING VERY HARD. HOWEVER, THE HARD CORE ARE STILL TRYING TO INTimidate THEIR WORKING COLLEAGUES, AND THERE COULD BE SOME SLIPPAGE. THE SHAH HAS TOLD THE AMBASSADOR HE IS NOT PRESSING OIL WORKERS TOO HARD, SO AS NOT TO EXACERBATE TENSIONS OR INTERFERE WITH RETURNING DEGREE OF NORMALCY BEFORE MONTH OF MOHARRAM, TWO WEEKS HENCE.

4. CIVIL SERVANTS. MILITARY GOV'T HAS BEEN CONCEIVED FROM FIRST AS A TEMPORARY EXPEDIENT. ITS SINGLE PURPOSE 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 TO FORM SUCH A GOVT. UNDER THE CIRCUMSTANCES, IT WOULD NOT BE REALISTIC 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 WHERE REPUTATION STANDS HIM IN GOOD STEAD. FOR HONESTY AND EFFICIENCY, THE ECONOMIC TEAM SHIFTED A LITTLE, PRIMARILY DUE TO THE DEPARTURE OF YEGANESH FROM THE MINISTRY OF ECONOMY AND FINANCE (HE HAD HEALTH PROBLEMS IN ANY CASE). THUS, MEHRAN TOOK OVER YEGANESH'S PORTFOLIO AND, WITH EXPERIENCE AS ANNARY'S SENIOR DEPUTY IN MEAP, 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.
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The Shah has told the Ambassador he is not pressing oil workers too hard, so as not to exacerbate tensions or interfere with returning degree of normalcy before month of Moharram, two weeks hence. With production rising, we judge GOI performance in oil strike not too bad.

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SECRETARY OF MEAF AND TWO YEARS AS DEPUTY CB1 GOVERNOR. HE 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" SHAH 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 victorious 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. Perception.

6. Public perception. 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 Azeri govt refers almost all issues for decision to him. As long as the Shah maintains his 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. However, little things had come to a crossroads on Nov 5 which required measures to restore law and order, or assassination by the Shah or his security forces. The opposition led by Ayatollah Khomeini had been moving from victory to victory and which still expects to topple the Shah during Moharram. If the military are able to blunt that expectation of victory...
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GOVERNMENT, WHICH HAS NOT BEEN ASSOCIATED WITH THE SHI'AH OR THE
NATIONAL FRONT OPPOSITION, WOULD HAVE TO OPERATE WITH AT LEAST BENEFICIAL NEUTRALITY.

1. SHIRAZ ESTABLISHMENT WITHIN IRAQ (KHOMEINI ASTED),

2. NO BELIEVE WE HAVE ANSWERED THE QUESTION ASKED IN THE
MILITARY GOVERNMENT. THE SHI'AH HAS TOLD THE AMBASSADOR THAT
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THIS WOULD PROBABLY CONTRIBUTE TO AN EVENTUAL WILLINGNESS BY THE OPPOSITION TO SETTLE FOR SOMETHING LESS. IF THE INEVITABILITY OF KHOMEINI'S VICTORY BEGINS TO RECEDE IN PEOPLES' MINDS AND THE BANDWAGON EFFECT IS REVERSED, A POSSIBLY NEW GOVT COULD BE INSTALLED AND BENEFIT BY A CONTRAST IN ITS OWN IDENTITY FROM THAT OF THE MILITARY. THIS GOVT WOULD HAVE TO BE COMPOSED ENTIRELY OF PEOPLE WHO HAVE NOT BEEN ASSOCIATED WITH THE SHAH'S GOVT OVER THE PAST 15 OR 20 YEARS. IT MIGHT OR MIGHT NOT INCLUDE PROMINENT MEMBERS OF THE NATIONAL FRONT OPPOSITION. IT WOULD HAVE TO OPERATE WITH AT LEAST BENEVOLENT NEUTRALITY FROM THE SHIA ESTABLISHMENT WITHIN IRAN (KHOMEINI ASIDE). IMPULSIONS FOR THE U.S.

IT IS CLEAR THAT THE OPPOSITION AND THE GOVT PERCEIVE US AS A VERY IMPORTANT FACTOR IN THE DOMESTIC STRUGGLE GOING ON HERE. KHOMEINI IS MAKING THREATS AGAINST US IN IRAN IN PARIS AND HIS COHORTS KEEP UP A DRUMBEAT OF THREATS AND HARASSMENT OF THE AMERICAN COMMUNITY. ON THE OTHER HAND, MODERATE OPPOSITION LEADERS HERE TELL US HOW MUCH THEY LIKE US AND NEED US IN THE LONG RUN. MANY OPPOSITIONISTS BELIEVE THE SHAH WOULD COLLAPSE WITHOUT USG SUPPORT. SOME OF THEM SEEK OUR HELP IN FACILITATING AN ORDERLY DE fetching POWER FROM THE SHAH TO THEMSELVES. THIS LAST ATTITUDE CAN BE EXPECTED TO CONTINUE AS LONG AS THERE ARE REALISTIC EXPECTATIONS OF A MOVE TO A COALITION GOVT AND ELECTIONS IN THE NEAR FUTURE. IF MILITARY GOVT WERE TO CONTINUE FOR SIX MONTHS OR MORE, HOWEVER, WE WOULD SEE A GOOD POSSIBILITY OF GREATER DESPERATION ON THE PART OF THE OPPOSITION, LEADING TO A NASTIER ATTITUDE TOWARD THE U.S.

IN PRINCIPLE (Once the candidates are found) he has agreed to formation of a consultative council of civilian political leaders to mediate with the opposition and presumably prepare the way for a new civilian govt. If the major test of strength occurs in Moharram, as and if the government prevails, we expect, it seems likely there would be active efforts to create a civilian govt soon thereafter. Should law and order still be a problem, it is possible military govt would be extended through the religious month of Safar, which follows Moharram (i.e., January). After that, we would expect the Shah (if he has prevailed in the December test of strength) to rely on a combination of civilian govt and some martial law authority, which that civilian govt would end as soon as it got is feet on the ground. As far as we can tell, the attitude of military officers toward elections next year is irrelevant, since they do not take it upon themselves to make such political judgments.

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
IN PRINCIPLE (ONCE THE CANDIDATES ARE FOUND) HE HAS AGREED TO FORMATION OF A CONSULTATIVE COUNCIL OF CIVILIAN POLITICAL LEADERS TO MEDIATE WITH THE OPPOSITION AND PRESUMABLY PREPARE THE WAY FOR A NEW CIVILIAN GOVT.

IF THE MAJOR TEST OF STRENGTH OCCURS IN MOHARRAM, AS AND IF THE GOVERNMENT PREVAILS, WE EXPECT IT SEEMS LIKELY THERE WOULD BE ACTIVE EFFORTS TO CREATE A CIVILIAN GOVT SOON THEREAFTER. SHOULD LAW AND ORDER STILL BE A PROBLEM, IT IS POSSIBLE MILITARY GOVT WOULD BE EXTENDED THROUGH THE RELIGIOUS MONTH OF SAFAR, WHICH FOLLOWS MOHARRAM (I.E., JANUARY). AFTER THAT WE WOULD EXPECT THE SHAH (IF HE HAS REIFIED IN THE DECEMBER TEST OF STRENGTH) TO RELY ON A COMBINATION OF CIVILIAN GOVT AND SOME MARTIAL LAW AUTHORITY, WHICH THAT CIVILIAN GOVT WOULD END AS SOON AS IT GOT IS FEET ON THE GROUND. AS FAR AS WE CAN TELL, THE ATTITUDE OF MILITARY OFFICERS TOWARD ELECTIONS NEXT YEAR IS IRRELEVANT, SINCE THEY DO NOT TAKE IT UPON THEMSELVES TO MAKE SUCH POLITICAL JUDGMENTS.

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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 bazaar vendors who have been squeezed by the emergence of a modern market economy and inflationary pressures on members of the modernist intelligentsia long at odds with an undemocratic regime in an odd lot of Iranian little people whose resentment in large measure stems 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 compatriots 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 authoritarian 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 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 egotism 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 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 one 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 (but without basis) that industries such as petrochemicals, steel and copper mining, that are on the horizon, 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 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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Tehran, Iran

November 27, 1978

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

Dear Mr. Najdouman:

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

E/C:CDTaylor:nbt

Clearances: E/C:JMWills

DCM:CWHass

SECRET

ACTION: SECSTATE WASHDC IMMEDIATE

TAGS: EXDIS PINS, PINS, IR

SUBJECT: POLICY OF IRANIAN GOVT DURING MOHARRAM

1. DURING MEETING WITH SENATOR BYRD MORNING NOVEMBER 27, PRIME MINISTER AGHARI 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 MULLANS GAVE ORAL ASSURANCES SUCH ACTIVITIES WOULD 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

CRAFTING DATE: 11/22/78
TOLL EXP: CONTENTS AND CLASSIFICATION APPROVED BY: DPR

CONFIDENTIAL
CLASSIFICATION

-60-
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TELEGRAM

FROM
AMBASSADORE TEHRAN
CLASSIFICATION
CONFIDENTIAL

ACTION: SECSTATE washdc IMMEDIATE

CONFIDENTIAL TEHRAN 11652
EXDIS

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SULLIVAN]

Tehran, Iran
November 29, 1978

The Honorable
T. L. Elliott, 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 Goels and assume that he can be helpful to your Afghan friend. I add, 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 start the proper processing to carry her onward.

Speaking of Afghans, we recently saw Ambassador Malikar and one of his daughters. As you may know, the one who had been married to Daud'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
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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
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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

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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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Your Excellency:

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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
Cholamzeza Ashari
Prime Minister of Iran
Tehran
Iran
IN THE EXPECTATION THAT EVENTS WILL EVENTUALLY CONFIRM ITS LOGIC.

THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 1 1978

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W. Michael Blumenthal

His Excellency
Cholamzeza Asahi
Prime Minister of Iran
Tehran
Iran
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

---

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

---

His Imperial Majesty

Mohammad Reza Shah Pahlavi
Shahanshah of Iran
Tehran
Iran
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

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 confidant 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
December 1, 1978

Dear Mr. Ambassador:

The support of your Embassy for my visit was excellent. The last minute changes were not of concern. The 24 hours in the Middle East was the additional effort required of the Embassy. I felt the visit fully achieved our objectives. I appreciated the visit and the support and goodwill. The President has taken steps to strengthen the U.S.-Israel relations. I feel the visit was more successful than anticipated.

I left the Gulf region more confident than I arrived. The support of the region is of great value to the U.S.

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

Sincerely,

W. Michael Blumenthal

[Signature]
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. H. Blumenthal

The Honorable
William H. Sullivan
Ambassador
American Embassy
Teheran
Iran

-72-
CONTACT BY THE OPPONENT'S DRIVE AGAINST THE SHAH.

Such activities have been kept into public discussion
have generally been limited to statements against U.S. or
British "colonialist" as well as occasional anti-Soviet
or anti-Soviet slants. Israel has been castigated prob-
ably even more than the U.S. due to latent anti-Semitism
in opposition mass, despite reassurances of tolerance from
the opposition to religious leaders. As we try to disentangle
the nature of any successor regime to the Shah's,
therefore, we must attempt to estimate probable direc-
tions of foreign policy even in the absence of firm evidence.

One complication is the nature of any such regime itself.
Military dictatorships 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 on -- a slight possibility only -- a
Communist-dominated government. In estimating possible
changes, therefore, we assume as most likely some consol-
dation of military rule with the support of top religious
leaders and national front politicians. The common
denominators of such a regime would be nationalistic
and a desire to differentiate from the Shah's regime in
tone and appearance even when this might not be possible
in substance.

The U.S. is frequently accused by the opposition as having
instigated 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 those moderate opposition
leaders have assured embassy officers in private that they
have no basic quarrel with the U.S. and only request that
the U.S. 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 bor-
ders. Indeed, some of these moderate leaders feel that
their drive to aid 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 U.S. 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
about that possibility, however, and 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 for-
egn policy changes more and more often in his public
interviews. These are generally critical remarks to be
intertwined with his attacks on the large American presence
at

[Page Three] SECRET

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LXIS

IN IRAN AND HIS EMBASSY OR INDEPENDENT IRANIAN NATIONAL-
ISM STRUGGLING AGAINST THE ATTEMPTS OF POWERS SUCH 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 EXCTION -- SUCH AS HIS
ACCUSATION THAT "PAHLAVI" HAS BEEN "GIVING AWAY" IRAN'S
OIL TO WESTERN EXPLOITERS (A THREAT TO PEACE) AS SOON AS
20 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 REPETITIVE WITH HIGHLY EMOTIONAL,
WAVY-VAIKEH LIKE ATTACKS ON THE WEST. IN A RECENT INTERVIEW
WITH THE FRENCH LEFTIST PAPER "L'AGITATION" KHOMEINI HAS
JACOBS EVEN MORE SPECIFIC, SAYING "ANOTHER CONTRACTS AND
AGREEMENTS SHOULD NOT ALLOW AGREEMENTS MADE WITH FOREIGNERS AGAINST THE INTERESTS OF
THE NATION WILL BE CANCELLED.

THIS 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 CUTOFF IN THE MILI-
TARY BUDGET FOR NEW ARMS 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.

-- PUBLIC ANNOUNCEMENTS OF THE NATION'S NEW ORDER, NON-ALIGNED
CHARACTER OF THE REV-IRAN. THIS WOULD BE REFLECTED IN
LESS FRIENDLY RATIONS TOWARD THE U.S. AND THE WEST AND
PERHAPS MORE FRIENDLY TOWARD THE SOVIET UNION
DEPENDING ON THE STRENGTH OF LEFTIST INFLUENCES IN THE
GOVERNMENT.

-- PUBLIC ANNOUNCEMENTS OF NON-INTERVENTION IN THE AFFAIRS
OF OTHERS, EXPLICITLY OR TACITLY INCLUDING THE AREAS OF
THE PERSIAN GULF, INDIAN SUBCONTINENT, AND HORN OF AFRICA.
IF THE INTRUSION OF THE SHAH WOULD BE CALLED "COLONIALIST" ATTITUDE DECREASED TOWARD ALL NEIGHBORS. THIS
ATTITUDE WOULD BE PERHAPS DILUTED IN A GOVERNMENT DOMIN-
ATED BY RELIGIOUS AND MILITARY INFLUENCE AS REGARDS
RELATIONS WITH THE WEST. THE FOLLOWING SUPPORT FOR ISLAMIC OPPO-
SESSION CHANCES MIGHT BE HARMONIZED.
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 ATATULLAH KHOMENI AND TOP RELIGIOUS LEADERS COULD SOMewhat DIFFERENT CHANGES THAN A REGIME DOMINATED BY LEFT-LEADING LEADERS OF THE OPPORTUNITY NATIONAL FRONT OR -- A SLIGHT POSSIBILITY ONLY -- A COMMUNIST DOMINATED GOVERNMENT. IN ESTIMATING POSSIBLE CHANGES, THEREFORE, WE ASSUME AS MOST LIKELY SOME CONSOLI-
ATION OF MILITARY RULE WITH THE SUPPORT OF IRAN RELIGIOUS LEADERS AND NATIONAL FAUD 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 USA IS FREQUENTLY ACCUSED BY THE OPPORTUNITY AS HAVING INSTIGATED THE SHAH AND KEEPING HIM IN POWER. ISRAEL IS SOMETIMES DEPICTED AS A JUNIOR PARTNER OF THE USA SOMETIMES AS AN AGENT OF ISLAMIC AND PART OF A WORLD-WIDE ZIONIST CONSPIRACY. MANY OF THE MORE MODERATE OPPORTUNITY LEADERS HAVE ASSURED EMBASSY OFFICERS IN PROVINS THAT THEY HAVE NO BASIC QUARREL WITH THE USA AND ONLY REQUEST THAT THE USA 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 MODERATE LEADERS PREDICATE THEIR DRIVE TO AID 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 NEGIGIBLE. THE CONCERN THEY EXPRESS TO THE EMBASSY IS THAT THE USA MIGHT SUPPORT THE SHAH'S "BANKRUPT REGIME" IN FAVOR WITH THE ASSISTANCE OF A REPRESSIVE MILITARY FOR A LONG PERIOD OF TIME, onResponse PEOPLE INTO THE COMMUNIST CAMP OUT OF DESPERATION. VERY FEW OF THESE LEADERS REALLY WORRY HARD ABOUT THIS POSSIBILITY, HOWEVER, AND THEY ARE CONFIDENT AT PRESENT THAT THE SHAH CANNOT LAST MUCH LONGER.

A RELATIVELY NEW PHENOMENON SINCE ATATULLAH KHOMENI'S ARRIVAL IN PARIS HAS BEEN HIS PROPENSITY TO MINT AT FOREIGN POLICY CHANGES MORE AND MORE OFTEN IN HIS PUBLIC INTERVIEWS. THESE ARE GENERALLY CRYPTO-RELIGIOUS TO BE INTERPRETED FROM HIS ATTACKS ON THE LARGE ABADATION OF IRAN

SECRET

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S E C R E T S E C T I O N 62 OF J3 STATE 334339/22

LAXIS

IN IRAN AND HIS EMBASSY OR INDEPENDENT IRANIAN NATIONAL-ISM 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 KHOMENI'S STATEMENTS ARE WEAK BUT HIGHLY EMOTIONAL -- SUCH AS HIS ACCUSATION THAT "PAHLAVI" HAS BEEN "GIVING AWAY" IRAN'S OIL TO WESTERN EXPLOITERS (A THREAT REMINISCENT OF MASSAQ 25 YEARS AGO -- WHEN IT WAS PERHAPS MORE JUSTIFIED). KHOMENI'S UTTERANCES OF THE PAST TWO YEARS, MANY OF WHICH WERE HEARD IN PUBLIC ARE, ARE REPEATED WITH HIGHLY EMOTIONAL, WAKJIN-LIKE ATTACKS ON THE WEST. IN A RECENT INTERVIEW WITH THE FRENCH LEFTIST PAPER "Liberation" KHOMENI HAS JACOUNCED 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 A BAN ON FOREIGN MISSIONS AS WELL AS A ZERO-BASED BUDGET FOR THE MILITARY AND A REDUCTION OF DIRECT AID TO THE 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.

-- A CONTINUATION OF THE NATIONALIST, NON-ALIGNMENT POLICY OF THE NEW IRAN. THIS WOULD BE REFLECTED IN A MORE FRIENDLY ATTITUDE TOWARD THE U.S. AND A MORE MODERATE AND PROSTATE 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.

-- PUBLIC ANNOUNCEMENT OF THE DETERRENCE OF TROOPS IN IRAQ COULD BE RECALLED AND A "MORE MODERATE" ATTITUDE DECREED TOWARD ALL NEIGHBORS. THIS POLICY WOULD BE PERHAPS MINUS NETWORK IN A GOVERNMENT DOMINATED BY RELIGIOUS AND MILITARY INFLUENCES AS REGARDS THE MAJOR ISLAMIC OPPORTUNITY MOVEMENTS AND SUPPORT FOR ISLAMIC OPPORTUNITY MOVEMENTS.

-75-

53C

SEC:

PAKASSY 334339/22
-- 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 INSIDE AS AREAS ARE NOT GREAT FAVORITES IN IRAQ DESPITE THE GENERAL AURA OF PRO-ARAB SENTIMENT BEING EXpressed BY KINGDOM 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 PREDOMINATE IN THE GOVERNMENT WE MIGHT SEE THE SOVIET UNION MAKE A STRONG EFFORT TO APPLY GREATER "NEUTRALITY" TO IRAQ'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 ARMS PURCHASES.

-- DOMESTIC CONSIDERATIONS WOULD PROBABLY 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. AND EASTERN EUROPEAN COUNTRIES WOULD PROBABLY EXERT A CONSIDERABLE INFLUENCE IN THESE CHANGES. REORGANIZATION OF DOMESTIC SPEECHES 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 IRAQ.

-- READINESS TO PROTECT OIL RESOURCES AGAINST ALL COMERS, TO INCLUDE SOME PROTECTION OF THE SEA LINES 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

SECRET
-- 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 AREAS ARE NOT GREAT FAVORITES IN IRAN DESPITE THE GENERAL AURA OF PRO-ARAB SENTIMENT BEING EXPRESSED BY KNOWLEDGE 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 PREDOMINATE 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 O BVIOUSLY BE DICTIONATING 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. AND EASTERN EUROPEAN COUNTRIES WOULD UNDOUBTEDLY EXERT A CONSIDERABLE INFLUENCE IN THESE CHANGES. REHYBRIDIZATION OF DOMESTIC SPEECHES 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 WOULD 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 LAMEN 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 BRING UP AN ECONOMY WHICH WILL HAVE RECEIVED MANY BLOWS AND WILL IN ALL PROBABILITIES

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TELEGRAM

CONFIDENTIAL

From:
AMBASSADORE TEHRAN

Classification:
CONFIDENTIAL

ACTION:
SECRETARY WASHDC
AMBASSADOR JIDDA
USLIO RIYADH

INFO:
AMCONSUL DHAHR
AMBASSADORE MOSCON
AMBASSADORE SAN
AMBASSADORE TEL AVIV

POL:3

AMB
MIN
ECON-2
PM
ICA
CRU

E.O. 11652:
TAGS:
AMERICAN
SUBJ:
SITUATION IN IRAN
REF:
RIYADH 1023

WE APPLAUD EMBASSY 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
OFFICE NOTAL) WOULD LIKE TO CALL ADDRESSES' ATTENTION
However, that comment (in para 5 REPTEL) 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:

MIN: CNN

CONFIDENTIAL

OCT: 1978

Ambassador

1131

CONFIDENTIAL

Classification

-78-

-79-
[TELEGRAM]

FROM: AMBASSADY TEHRAN
TO: AMBASSADY WASHDC, JIDDA, MOSCON, SANA, TEL AVIV

ACTION: SECSTATE WASHDC IMMEDIATE
INFO: ANCONSUL DHAHRAN IMMEDIATE
AMBASSADY MOSCON IMMEDIATE
AMBASSADY SANA IMMEDIATE
AMBASSADY TEL AVIV IMMEDIATE

POL: 3
AMBI
MIN: ECON-2, PM
ICA: OR
CRU: 3

GAS
E.O. 12065: 12/3/84 (SULLIVAN, W.H.) OR-M
TAGS: PINT, PEPR, IR, SA
SUBJ: 11803: SITUATION IN IRAN
REF: RIYADH 1023

WE APPLAUD EMBOFF 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 DIPLOMATIC TO SEPTEL NOTAL) WOULD LIKE TO CALL ADDRESSEES' ATTENTION HOWEVER, THAT COMMENT (IN PARA 5 SEPTEL) 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-

SULLIVAN
CONFIDENTIAL

-2-

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 Bourtamand, 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 last settling a major strike, states that the employees will do with theエネル report that the other workers now distrust him - for having close ties with the owners. Mr. Bourtamand 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 now how the government is termed, despite the presence of civil authorities including Ministers and the appearance of a normal council 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 impotence on the part of the military. Faced with civil disorder, 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...
ACTION: 1SF-2
INFO: ANB
CLASSIFICATION: CONFIDENTIAL
MESSAGE REFERENCE NO. A-14

TO: Department of State, Wash., D.C.
FROM: AmConsul Isfahan
DATE: 12/6/78
SUBJECT: Lost Chances: The Mood of Despair Grows

Summary: Local leaders of groups ranging from the militiamen 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 political and religious leaders, and that the disturbances are now unpredictable and uncontrollable - providing little hope for the future. Older opposition figures in particular are giving up, reducing the hopes for compromise, restraint, and solutions short of violence.

End Summary.

The Mood of Despair

In numerous conversations since Nov. 15, there has been a clear shift in the level of optimism expressed by contacts at all levels: a feeling that the best chance to end the disturbances is past, and that the best hope remaining is to minimize the damage. A few examples will suffice: the Iranian Crete commanding the Kermanshah Police, who speaks freely with US counterparts, has in the past week shifted from a theme of “we can end this by negotiation” 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 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 building - all this in contrast to their previous boast that the Consulate is safe because everyone is afraid to attack it.

The worried men of Isfahan see Gen. Amini's government as a gesture of impotence on the part of the military. Podup with the "civilian incompetence" they pressured the Shah to let them take over, planning a short-term operation and retirement with honors. They anticipated the Iranian traditional respect for power, combined with civic 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
the Shah and failed makes the Shah also seem weak - too weak to resist the importunities 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 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 one-depotent 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's overpopulation 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 younger dependence on corruption, susceptibility, and participation in the "evil" past.

However, even if their projections are excessively gloomy, it remains 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 University 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 an inexperienced, impassioned youth a self-fulfilling prophecy. Thus there is a real basis for gloom.

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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 temper and 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, a self-seeking, 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 Bazaar 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 attempts 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 he 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 chosing, 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 discontinued Ayatollah Haj Agha Jall Ali Faghghi Imami, son-in-law, who stated he has 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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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.
SECRET

ISRAELI AND A QUEB CITY TOWN BUT CLASSES ARD SHOOTING WERE NOTED DURING THE NIGHT. A CAR WAS CONTAINING THE CORROBYMENT OF A CARACIAN ARMS ATTACK ON A POLICE STATION.

THERE WERE NO REPORTED CASUALTIES. THERE WERE NO INJURIES.

EON FROM THE TERRORISM BOMBING ON DECEMBER 9. TERRORISM BOMBING ON DECEMBER 9.

CURFEW TONIGHT. CURFEW TONIGHT. CURFEW TONIGHT.

3. MOST OF THE RELIGIOUS LEADER SHEIKH-MADARI AND HIS FOLLOWERS WERE JOINED THE ATTACK IN MEXICO. THEY ISSUED A STATEMENT CALLING ON SOLDIERS NOT TO SHOOT AT THE DEMONSTRATORS AND URGING DEMONSTRATORS TO BE CAUTIOUS AND ORDERLY.

4. OIL WORKERS ARE ON STRIKE. EACH SAGAN FIELD HAS NOW JOINED THE STRIKE. PRODUCTION IS AGAIN FALLING. TOTAL PRODUCTION TODAY IS ESTIMATED TO BE 2.1 - 2.8 MILLION BARRELS. 2.1 - 2.8 MILLION BARRELS WILL BE PRODUCED TOMORROW. LESS THAN ONE MILLION AVAILABLE FOR EXPORT.

5. CARD TO THE EMBASSY, ABOUT 1300 (1800 DOD, 2000)

STRENDED AND OFFICIAL AGENDA OF VISITING DEFENDANTS WILL BE HANDLED BY MSC. THIS OFFICER OVER ALL VISITING DEFENDANTS AND HIS DEPARTURE. PRIVATE OF DEFENDANTS BUT DEPART ON COMMERCE AND GIVE THEM INSTRUCTIONS FOR SURVEY OF U.S. COMPANIES WITH OFFICES IN IRAN. IT INDICATES THAT ABOUT 40 PERCENT OF THEIR DEFENDANTS HAVE TEMPORARILY DEPARTED, BUT MOST EMPLOYEES REMAIN IN IRAN.

6. PAN AMERICAN: IRAN AIRWAY OPERATIONAL THROUGH DECEMBER 12. PAN AMERICAN REOPENED SERVICE ON ITS DECEMBER 9 OUTGOING FLIGHTS. MIDDLE EAST AIRLINES HAS ANNOUNCED DECEMBER 9 ENCLOSURE OF TAHAN'S INTERNATIONAL AIRPORT FROM 1030Z DECEMBER 10 TO 0629Z 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. EXPEDITED EXIT PERMITS HAVE BEEN GRANTED TO NON-AMERICAN EMPLOYEES WHO ARE IN THIS CATEGORY. BUT THESE SPECIAL BULLETIN AMENDMENTS ARE NOT AVAILABLE TO OTHER EMPLOYEES. IRAN HAS UPDATED MOST IRANIAN GOVERNMENT OFFICES WILL BE CLOSED DECEMBER 8-15. EMBASSY TAHAN WILL NOT BE FOR A NEW EXIT PERMIT EXPEDITiously DURING THAT PERIOD, BUT EXPECTS TO RESUME THIS OPERATING AFTER DECEMBER 15.

Classified

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SECRET

1. IN THE EYE OF ASHURA, A TENSE CALM PREVAILS IN MUSCAT. A LAST-MONTH EFFORT TO HEAD-OFF A BLOODY CONFLICT FRONTAYS, THE GOV ANNOUNCED THAT RELIGIOUS PROCESSIONS WOULD BE PERMITTED-DURING THE NEXT 48 HOURS. TAHIRAN'S CURB ON HAS BEEN LIFTED FROM 9 P.M. TO 11 P.M. FOR DECEMBER 10 AND 11 TO FACILITATE RELIGIOUS SERVICES. PRIME MINISTER AHERI ASSURED AMBASSADOR SULLIVAN TODAY THAT ADEQUATE MEASURES WOULD BE IN PLACE SUNDAY TO CONTAIN DEMONSTRATIONS IN THE BECOME VIOLENT.

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

SECRET

3. MUSCAT'S RELIGIOUS LEADER SHARIAT-MADARI AND HIS FOLLOWERS APPLY IN-CON/SARKA 100 MILLION DOLLARS FOR THE DESTRUCTION AND URGING DEMONSTRATORS TO BE CAUTIOUS AND ORDERLY.

4. OIL WORKERS AT AND MABATSA EACH SABAH FEEDING BASKETS ARE NOW JOINED IN THE STRIKE AS PRODUCTION IS AGAIN FALLING. TOTAL DEMANDS TODAY IS ESTIMATED TO BE 21 - 22 MILLION DOLLARS. 70,000 - 77 MILLION DOLLARS WILL BE PRODUCED TOTAL, WITH LESS THAN ONE MILLION AVAILABLE FOR EXPORT.

5. CALL TO THE EMBASSY, ABOUT 1200 (1100 DOD, 2000 IST) 

6. PAN AMERICAN, IRAN AIR AND OTHER INTERNATIONAL CARRIERS CONTINUED NORMAL OPERATIONS THROUGH DECEMBER 9. PAN AMERICAN REPORTED ITS VACANT SEATS ON ITS DECEMBER 10 AND 11 OUTGOING FLIGHTS. MORTAL LAY ACCORDING TO AN ANNOUNCED DECEMBER 10, THROUGH ON TAHIRAN'S TRAFFIC, AIRPORT FROM 0650Z DECEMBER 10 TO 0657Z AND LEAVING TAHIRAN. 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. EXCEPT FOR THOSE WHO HAVE BEEN ABLE TO OBTAIN EXIT PERMITS FOR 08-09 AMERICANS PER DAY, WHO ARE IN THIS CATEGORY, BUT THESE SPECIAL CASES ARE NOT AVAILABLE TO OTHER AMERICANS. AT THE MOST IRIANIAN GOVERNMENT OFFICES WILL BE OPENED DECEMBER 9-13. EMBASSY TAHIRAN WILL NOT BE ABLE TO OBTAIN EXIT PERMITS EXPEDITIOUSLY DURING THIS PERIOD, BUT EXPECTS TO RESUME THIS OPERATION AFTER DECEMBER 13.