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PREM 19/275



PART 6 begins:-

To Linton 82 9.4.80

PART 5 ends:-

U.S. Embassy Aide Memoire 8.4.80



cc MODBA

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PRIME  
MINISTER

As delivered to  
the FCO.

*With the compliments of*

MIDDLE EAST DEPARTMENT

MS

9/4

A handwritten signature in dark ink, consisting of stylized initials and a long horizontal stroke below.

FOREIGN AND COMMONWEALTH OFFICE  
LONDON, SW1A 2AH

SECRET

EMBASSY OF THE  
UNITED STATES OF AMERICA

London, April 8, 1980

AIDE MEMOIRE

The hostages held in the American Embassy compound in Tehran are now in their 156th day of captivity. After more than two months of intensive discussions through the United Nations and other channels with the authorities in Iran, no progress whatsoever has been achieved to resolve the crisis or bring about the early release of the hostages. In spite of assurances from the Iranian authorities that the crisis could be resolved through a series of steps including an early transfer of the hostages to government control, their assurances have not been honored. The Iranian position is that decisions on the hostages can only be made by the elected Parliament. We have no assurances as to when the Parliament might meet or what the decision of the Parliament would be.

The situation has therefore become intolerable and we have now concluded that we have no alternative but to put into effect severe formal and political sanctions against Iran. The effect of these sanctions will be more pronounced if they are reinforced by our allies and other friendly nations. More forceful action will be required if the hostages are not released.

Shortly after the detention of the hostages the United States prohibited the import of Iranian oil and froze Iranian assets. In the hopes of encouraging the release of the hostages, however, we have avoided more intensive measures.

On several occasions we have asked your Government and others to restrain financial and trade relations with Iran. Your Government agreed

- ① to stop new official export credits to Iran. Your Government agreed to give informal advice to banks
- ② to issue no new credits to Iran, to refuse to open
- ③ new time or demand deposits for Iran and to allow
- ④ no substantive increase in existing non-dollar deposits for Iran. The Government agreed to request oil and trading companies to pay for Iranian oil
- ⑤ only in dollars and not to purchase Iranian oil on terms sharply different from that of other OPEC suppliers. Your Government agreed not to ship
- ⑥ military equipment and spare parts to Iran. We requested your Government not to replace the US in
- ⑦ supplying a large quantity of jeeps.

Assistance that we have received from our allies has been greatly appreciated and has been helpful in maintaining pressure on Iran, but we are now convinced that more must be done. The UN Resolution, vetoed by the Soviet Union on January 13 would have prohibited: (A) exports of all goods to

Iran except food, medicine, medical supplies;  
(B) shipment of embargoed items on national vessels;  
(C) new credit and certain other financial trans-  
actions with Iran; (D) shipment of embargoed goods  
on Iranian vessels; and (E) new service contracts  
in support of industrial projects in Iran.

At a previous stage we had considered invoking  
these sanctions formally and we suggested that  
others do the same as though the UN Resolution had  
not been vetoed. However, the negotiating situation  
changed and we withheld imposition, recognizing that  
others would also withhold, in order to take advan-  
tage of what seemed to be a favorable atmosphere  
for transfer of the hostages. That atmosphere has  
disappeared, and we have seen a number of other  
potentially favorable events also turn to dust.

We are driven to the conclusion that the  
Iranian Government is not able to carry out its  
commitments.

The President has now decided that the United  
States will formally put into effect the entire  
range of economic sanctions called for in the  
United Nations Resolution, through the International  
Emergency Economic Powers Act.

For economic sanctions to produce a stark  
realization among the governing circles in Iran  
that they must release the hostages, we count upon



the assistance of our allies and other friendly nations. The United States requests that your Government continue to maintain in effect those trade and financial restraints which you have already undertaken. We also request that you intensify these measures insofar as it is legally possible for you to do so and that you do all that you can to hinder commercial and financial relations with Iran. We believe it particularly important to prevent the signing of new economic agreements or contracts with Iran. It continues to be our view that your Government could best assist our efforts by instituting the full range of sanctions voted by 10 members of the UNSC and vetoed by the Soviet Union. We urge you strongly to look once again at instituting these sanctions. If your Government believes that its legal powers are insufficient to take compelling economic measures, we would hope, where possible, that you could seek such power, which in itself would convey our collective resolve to Tehran. We believe that the Iranian authorities will only become more serious about releasing the hostages if they see that the economic consequences for Iran of continued refusal will, in the long run, be calamitous.

On the political side we believe it is crucial that allied Governments reinforce the diplomatic isolation of Iran with specific steps. We urge

that all allies withdraw their Ambassadors from  
Tehran immediately to demonstrate their deep concern  
over the failure of the Iranian authorities to take  
control over the hostages from the militatn students  
as they had said they would do. We also strongly  
urge that allied Governments give serious considera-  
tion to a complete break in relations with Iran in  
the weeks ahead, if Iranian authorities continue to  
reject efforts to achieve a peaceful solution. While  
we understand the desire of our allies to exert a  
moderating influence in Tehran and to avoid enhance-  
ment of Soviet influence, we strongly believe that  
a stark demonstration to the Iranian leadership of  
the alternatives they face will have a more persuasive  
moderating influence than will a posture of normal  
diplomatic interchange.

PS/SIR I GILMOUR  
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 LORD N G LENNOX  
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FM TEHRAN 081215Z APR

TO IMMEDIATE FCO

TELEGRAM NUMBER 359 OF 8 APRIL 82

INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK

INFO SAVING EC POSTS AND UKDEL NATO.

ADVANCE COPY

IMMEDIATE

MIPT : US/IRAN - EC (TEHRAN ) DISCUSSION.

1. MY COLLEAGUES AND I CONSIDERED THIS MORNING WHAT OTHER MEASURES WERE OPEN TO THE US ON THE ONE HAND AND TO THEIR FRIENDS AND SUPPORTERS ON THE OTHER.

2. FOR THE US, IT SEEMED TO US THAT THERE WERE THE FOLLOWING COURSES, IN NO PARTICULAR ORDER :

- (A) THE BOYCOTT OF INTERNATIONAL MEETINGS ATTENDED BY IRAN .
- (B) THE EXPULSION OF IRANIAN STUDENTS AND RESIDENTS FROM THE US.
- (C) THE FORMAL INCLUSION OF FOOD AND MEDICINE IN THEIR SANCTIONS MEASURES.

SANCTIONS MEASURES.

- (D) A BLACK LIST OF SHIPPING CALLING AT IRANIAN PORTS.
- (E) A BLACK LIST OF AIRCRAFT CALLING IN IRAN.
- (F) A NAVAL BLOCKADE (WHETHER BY BOARDING OR MINING HARBOURS, BOTH OF WHICH WOULD TAKE THE US OVER THE LINE BETWEEN PEACEFUL MEASURES AND A STATE OF WAR).
- (G) A MILITARY RESCUE, THOUGH THIS WAS NOT DISCUSSED.

3. FOR THE REST OF US, THERE SEEMED TO BE THE FOLLOWING MEASURES, IF IT IS ACCEPTED THAT THE FORMAL IMPOSITION OF SANCTIONS IS TO BE RULED OUT IN THE ABSENCE OF A MANDATORY SECURITY COUNCIL RESOLUTION :

(A) THE DISCOURAGEMENT OF 'EXPERTS' FROM WORKING IN IRAN (TO SOME EXTENT WE ARE ALREADY DOING THIS, BUT WE COULD CERTAINLY STRENGTHEN OUR ADVICE)

(B) THE BOYCOTT OF INTERNATIONAL MEETINGS AT WHICH IRAN WAS PRESENT

(C) TIGHTENING THE APPLICATION OF OUR IMMIGRATION RULES (FRANCE IS ALREADY IN PRACTICE APPLYING MEASURES VERY SIMILAR TO OUR OWN IMMIGRATION RULES, WITH THE CONSEQUENT EXCLUSION OF A NUMBER OF IRANIANS)

(D) THE WITHDRAWAL OF AMBASSADORS

(E) THE CLOSURE OF EMBASSIES.

IN THE CASES OF (D) AND (E), IT WOULD BE VIRTUALLY ESSENTIAL THAT OTHER COUNTRIES, PREFERABLY FROM AMONG THE NON-ALIGNED, SHOULD BE PERSUADED TO TAKE SIMILAR ACTION.

4. THE DISCUSSION WAS INCONCLUSIVE AND NO JOINT RECOMMENDATION WAS REACHED, ALTHOUGH THE FRENCH COUNSELLOR, WHO WAS REPRESENTING HIS AMBASSADOR, MADE NO ISSUE OF THIS (YOUR TEL NO 215 NOT TO ALL). IF HOWEVER HIS THINKING REFLECTS THAT OF HIS GOVERNMENT, HE WOULD FAVOUR AT LEAST WAITING UNTIL THE ASSEMBLY HAS FAILED TO REACH THE RIGHT DECISION BEFORE TAKING ANY FURTHER ACTION, ALTHOUGH HE RECOGNISES THAT THERE IS LIKELY TO BE AMERICAN PRESSURE FOR EARLIER ACTION.

TO BE AMERICAN PRESSURE FOR EARLIER ACTION.

5. SINCE THIS DISCUSSION I HAVE SEEN THE UN SECRETARY GENERAL'S REPRESENTATIVE YAMIN. HE BELIEVES IT IS QUITE POSSIBLE THAT THE SECRETARY GENERAL MAY DECIDE TO RECONVENE THE SECURITY COUNCIL. HE ALSO SEES THE LAST SENTENCE OF THE IMAM'S OFFICE STATEMENT (MY TEL NO 352 NOT TO ALL - GRATEFUL IF MED COULD REPEAT TO UKMIS NEW YORK) AS A POSSIBLE OPENING FOR THE UN COMMISSION OF ENQUIRY TO RETURN, TO SEE ALL THE HOSTAGES AND THEN TO GET ON WITH THEIR REPORT, WHICH IN CONFORMITY WITH THEIR TERMS OF REFERENCE, HAS AS ITS OBJECT THE SOLUTION OF THE PROBLEM. MY OWN FEELING IS THAT THINGS MAY HAVE MOVED BEYOND THIS, ALTHOUGH ANYTHING IS WORTH A TRY.

FCO PASS SAVING TO EC POSTS AND UKDEL NATO.

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FM TEHRAN 201200Z APR  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 358 OF 9 APRIL 82  
INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK  
INFO SAVING EC POSTS AND UKDEL NATO.

WASHINGTON TEL NO 1361 : US/IRAN.

1. I DISCUSSED THE SITUATION AT THE REGULAR WEEKLY MEETING WITH MY EC COLLEAGUES THIS MORNING. BANI SADR HAS ONCE AGAIN FAILED TO DELIVER. THE POSITION SEEMS TO BE THAT HE IS AFRAID TO ACT ON THE BASIS OF A BARE MAJORITY IN THE REVOLUTIONARY COUNCIL (RC), FOR FEAR OF FATALLY DAMAGING HIS POSITION IN PUBLIC OPINION. HE HAS THEREFORE BEEN TRYING TO OBTAIN EITHER UNANIMITY IN THE RC OR THE SUPPORT OF KHOMEINI. THE LATTER, WHO IS NEVER VERY READY TO GO BACK ON A POSITION, HAS REFUSED TO MAKE A SHIFT IN THE FACE OF A DIVIDED RC, AND THIS HAS IN TURN ENCOURAGED THE OPPOSITION IN THE COUNCIL. THE RESULT IS A DEFEAT FOR BANI SADR WHICH, WITH THE APPARENT SUCCESS OF THE IRP IN THE FIRST ROUND OF THE ELECTIONS, PRESAGING A PROBABLE VICTORY FOR THEM IN THE SECOND ROUND AS WELL, MAKE IT INCREASINGLY UNLIKELY THAT HE WILL BE ABLE TO ESTABLISH HIMSELF AS AN EFFECTIVE EXECUTIVE PRESIDENT, SO THAT HE WILL HAVE TO CONTENT HIMSELF WITH THE ROLE OF FIGURE-HEAD, WHICH IS WHAT ON PAPER THE CONSTITUTION PROVIDES, WITH A GOVERNMENT OUT OF HIS CONTROL AND OUT OF SYMPATHY WITH MANY OF HIS AIMS. THERE ARE RUMOURS THAT HE MAY RESIGN.
2. IT IS TOO SOON TO JUDGE IRANIAN REACTION TO THE AMERICAN MEASURES, ALTHOUGH BEHESHTI IN A STATEMENT IN THE EARLY HOURS OF THE MORNING SPOKE OF THE NEED TO TIGHTEN BELTS AND TO FIGHT TO THE LAST DROP OF BLOOD. I SHOULD EXPECT ANTI-AMERICAN DEMONSTRATIONS DESIGNED TO RALLY OPINION TO THE HARD-LINERS. AT A DEEPER LEVEL, MANY, PARTICULARLY OF BANI SADR'S PERSUASION, MUST BE AWARE THAT THE US MEASURES WILL COST IRAN DEAR, WHATEVER THE OUTCOME FOR THE HOSTAGES. INDEED, ONE DISADVANTAGE OF THE THIRD ITEM IN THE US PROGRAMME (THE PROPOSAL TO PAY AMERICAN CLAIMS FROM BLOCKED FUNDS) IS THAT ONCE THESE PRIVATE CLAIMS HAVE BEEN LAUNCHED THROUGH THE AMERICAN COURTS, IT WILL BE DIFFICULT IF NOT IMPOSSIBLE, IN DOMESTIC US TERMS, TO HALT THE PROCESS, AND THERE WILL THEREFORE BE LITTLE INCENTIVE ON THIS FRONT AT LEAST FOR THE IRANIANS TO LET THE HOSTAGES GO.

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/3. EREN

3. EVEN WITHOUT THESE FURTHER US MEASURES, IT IS CLEAR THAT THE IRANIAN ECONOMY IS ON THE ROCKS. EVEN THE NIOC, WHICH FOR MANY MONTHS REMAINED EFFICIENT, IS NOW IN A PARLOUS STATE AND OIL PRODUCTION IS NOW CERTAINLY BELOW THE 2 MILLION BARRELS A DAY WHICH JUST ABOUT COVERED DOMESTIC CONSUMPTION AND CONTRACT EXPORTS UNDER, AND FALLING. PRICES, EVEN OF STAPLE COMMODITIES SUCH AS BREAD WHICH HAVE BEEN HELD HITHERTO, ARE RISING, AND THE BLAME WILL BE LAID AT BANI SADR'S DOOR. EVEN AN EARLY RESOLUTION OF THE HOSTAGE ISSUE WILL NOT REMEDY THIS. ALTHOUGH THERE IS A SCHOOL OF THOUGHT THAT MAINTAINS THAT ONCE BEHESHTI AND HIS FRIENDS HAVE ATTAINED THEIR ENDS, THEY WILL HAVE NO FURTHER NEED OF THE HOSTAGES, I CANNOT BE OPTIMISTIC THAT A NEWLY ELECTED ASSEMBLY IN WHICH THE ISLAMIC REPUBLICAN PARTY HAS A WORKING MAJORITY IS GOING TO TAKE A SATISFACTORY DECISION ON THE ISSUE, EVEN IF THE AMERICANS CAN WAIT SO LONG. I FORESEE THEREFORE A LONG-DRAWN-OUT CRISIS ON BOTH THE INTERNATIONAL AND DOMESTIC FRONTS, WITH A STRONG RISK OF A FURTHER ROUND ON THE REVOLUTION, BRINGING IN EITHER A GOVERNMENT OF THE EXTREME LEFT, BOOSTED BY THE RECRUITMENT BROUGHT IN BY THE GENERAL ECONOMIC CONDITIONS, OR OF THE EXTREME RIGHT BASED ON SOME STRONG MAN, AS YET UNIDENTIFIED (AT LEAST BY ME), WHO IS ABLE TO CREATE A RELIABLE AND ADEQUATE, BUT NOT NECESSARILY LARGE, MILITARY FORCE. SOME SEE THE PRESENT CHIEF OF THE JOINT STAFF, GENERAL SHADMEHR, AS A POSSIBLE CANDIDATE FOR THIS ROLE, BUT THE TURN-OVER IN THAT POST HAS BEEN HIGH.

4. IN ONE SENSE, OF COURSE, THE TRANSFER OF THE HOSTAGES TO THE CUSTODY OF THE GOVERNMENT WAS AN ARTIFICIAL ISSUE. WHEN IT WAS ORIGINALLY MOOTED, WHEN THE UN COMMISSION OF ENQUIRY WAS IN TEHRAN, IT WAS SEEN AS A FIRST STAGE, OF SHORT DURATION, IN A PROCESS LEADING TO THEIR RELEASE. SINCE THEN WE HAVE ALL BEEN SUCKED INTO REGARDING IT AS A CONSTRUCTIVE MOVE, EVEN THOUGH IT LOOKED AS THOUGH THE IRANIAN GOVERNMENT WOULD THEMSELVES HAVE BEEN HOLDING THE HOSTAGES FOR A PERIOD OF 6 TO 8 WEEKS AT LEAST. TO THIS EXTENT THE FAILURE TO ARRANGE THE TRANSFER DOES NOT FUNDAMENTALLY ALTER THE SITUATION AND, IF WE COULD EXPLOIT THE OPENING IN THE STATEMENT BY THE IMAM'S OFFICE TO HAVE REGULAR VISITS INSTITUTED, THE STATE OF THE HOSTAGES MAY BE NO WORSE IN PRACTICE AND POSSIBLY EVEN BETTER THAN UNDER THE TRANSFER PLAN. IN BOTH CASES, THE NEED REMAINS TO SECURE THEIR RELEASE, AND UNDOUBTEDLY BANI SADR'S FAILURE HAS MADE THAT MUCH MORE PROBLEMATICAL.

ECO PASS SAYING TO EC POSTS AND UKDEL NATO.  
GRAHAM

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FM TEHRAN 080400Z APR

TO IMMEDIATE FCO

TELEGRAM NUMBER 354 OF 8 APRIL 80

INFO IMMEDIATE WASHINGTON.

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RINE HINTEX

Mj

MY TELNO 352 : VISITS TO US HOSTAGES.

1. THE LAST SENTENCE OF THIS STATEMENT APPEARS TO OPEN THE DOOR TO VISITS TO THE HOSTAGES QUOTE UNDER THE SUPERVISION OF RESPONSIBLE AUTHORITIES UNQUOTE. THE SWISS AMBASSADOR, WHO SPENT YESTERDAY AFTERNOON WITH QOTBZADEH AND BANI SADR, TELLS ME THAT WHILE THESE TWO CLAIM THAT THIS HAS BEEN AGREED BY THE STUDENTS, HE THINKS THAT THE OPENING IS IN FACT A VERY SMALL ONE. NEVERTHELESS, UNLESS YOU SEE OBJECTION, I PROPOSE TO WRITE TO QOTBZADEH, WITH A COPY TO AHMED KHOMEINI, REFERRING TO THE OFFER AND SAYING THAT I WISH TO VISIT ALL THE HOSTAGES UNDER THE SUPERVISION OF THE RESPONSIBLE AUTHORITIES OF THE ISLAMIC REPUBLIC OF IRAN.

2. IF ACCESS IS GRANTED, THE PRECEDENTS SUGGEST THAT I SHALL BE ASKED NOT TO DISCUSS WITH THE HOSTAGES



2. IF ACCESS IS GRANTED, THE PRECEDENTS SUGGEST THAT I SHALL BE ASKED NOT TO DISCUSS WITH THE HOSTAGES CURRENT AFFAIRS AND TO AGREE TO BE BLIND-FOLDED. I SUPPOSE I SHOULD HAVE TO ACCEPT THE LATTER BUT I AM RELUCTANT TO ACCEPT THE FORMER. I MIGHT HAVE TO ACCEPT ALSO THAT THE RESPONSIBLE AUTHORITIES TURN OUT TO BE THE STUDENTS. HOWEVER, WHILE HALF A LOAF MIGHT BE BETTER THAN NO BREAD, I SHALL INSIST IN SEEING ALL, SINCE OTHERWISE THE VISIT IS OF LIMITED VALUE.

3. I SHALL BE URGING MY COMMUNITY AND OTHER COLLEAGUES TO TAKE SIMILAR ACTION.

4. GRATEFUL FOR CONFIRMATION THAT YOU SEE NO OBJECTION.

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FM WASHINGTON 090118Z APR 80

TO PRIORITY F C O

TELEGRAM NUMBER 1385 OF 8 APRIL 1980

INFO UKMIS NEW YORK ROME OTTAWA TOKYO MOSCOW TEHRAN BONN PARIS

INFO SAVING OTHER EEC POSTS UKDEL NATO

IRAN HOSTAGES - PUBLIC REACTION TO U S GOVERNMENT MEASURES

1. TODAY'S WASHINGTON POST CARRIES REPORTS OF OFFICIAL BRIEFINGS TO JOURNALISTS YESTERDAY IN WHICH THE U S MEASURES WERE DESCRIBED AS THE THIRD PHASE OF THE CRISIS, FOLLOWING PHASES OF ESCALATING PRESSURES ON, AND LATTERLY OF NEGOTIATIONS WITH, THE IRANIAN GOVERNMENT. THE LATEST STEPS ARE SEEN QUOTE AS MORE IMPORTANT AS A TURNING POINT THAN AS A PRESSURE POINT UNQUOTE AND AS QUOTE A RETURN TO PRESSURES AND THREATS BUT IN MORE COMPLEX INTERNATIONAL CIRCUMSTANCES THAN BEFORE AND IN THE DEEPENING DOMESTIC POLITICAL STRUGGLES OF IRAN AND THE UNITED STATES UNQUOTE.

2. THE POST ALSO QUOTES AN OFFICIAL BRIEFING TO THE EFFECT THAT U S RESTRAINT OVER IRAN WAS, IN PART, DUE TO DEFERENCE TO THE WISHES OF AMERICA'S ALLIES, NOTABLY IN WESTERN EUROPE AND JAPAN. THE OFFICIAL IS QUOTED AS SAYING THAT IT IS IN THE INTEREST OF AMERICA'S ALLIES QUOTE TO WORK WITH US TO RESOLVE THIS SITUATION NOW RATHER THAN FORCE THE UNITED STATES TO TAKE UNILATERAL ACTION THAT WOULD INVOLVE CONSIDERABLE RISK UNQUOTE. A SEPARATE ARTICLE IN THE POST BY TOM WICKER SUGGESTS THAT PRESSURE SHOULD NOW BE PUT ON AMERICA'S ALLIES TO BREAK RELATIONS WITH IRAN AND IMPOSE TRADE EMBARGOES BECAUSE THE LONG TERM CONSEQUENCES WOULD BE LESS DAMAGING AND FINAL THAN THOSE WHICH WOULD FOLLOW IF THE U S WERE COMPELLED TO USE FORCE AGAINST IRAN.

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3. PRESS ATTENTION ON THE ALLIES' RESPONSE TO THE U S MEASURES IS LIKELY TO BE FOCUSSED MORE SHARPLY FOLLOWING THIS MORNING'S STATE DEPARTMENT BRIEFING AT WHICH HODDING CARTER IS REPORTED TO HAVE SAID QUOTE WHAT OUGHT TO BE CLEAR TO EVERYONE IS THAT THE LONGER THIS SITUATION DRAGS ON, THE MORE DANGEROUS IT BECOMES.... YOUR QUESTION RESTS ON THE PREMISE THAT THE FLOW OF IRANIAN OIL IS ONLY GOING TO BE DISTURBED BY SOME ACTIONS THAT THE EUROPEANS OR OTHER FRIENDS DO OR DO NOT TAKE. I WOULD SUGGEST THAT THERE ARE OTHER POSSIBILITIES AS TO WHAT MIGHT DISTURB IT''. HODDING CARTER ADDED THAT WHAT HE HAD SAID WAS NOT A THREAT BUT A STATEMENT OF REALITY. IN GENERAL, THE PRESS APPEAR TO BE PICKING UP OFFICIAL BRIEFING TO THE EFFECT THAT THE US GOVERNMENT IS BECOMING IMPATIENT WITH ITS ALLIES AND THAT THE US MEASURES WILL CREATE BOTH THE CLIMATE, AND THE NECESSARY LEVERAGE, TO PERSUADE THE ALLIES TO FOLLOW SUIT.

FCO PASS SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE, UKREP BRUSSELS, UKDEL NATO.

HENDERSON

(REPEATED AS REQUESTED)

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DESKBY FCO 090800Z

DESKBY TEHRAN AND UKMIS NEW YORK FIRST CONTACT

FM WASHINGTON 090100Z APR 80

TO IMMEDIATE F C O

TELEGRAM NUMBER 1302 OF 8 APRIL 1980

INFO IMMEDIATE TEHRAN AND UKMIS NEW YORK

YOUR TELNO 668: EXPULSION OF IRANIAN DIPLOMATS

FOLLOWING CONFIRMS TELECON FORTESCUE/RESIDENT CLERK

1. THERE WILL AFTER ALL BE NO, REPEAT NO, IRANIAN DIPLOMATS NEEDING ADMISSION TO BRITAIN IN ORDER TO APPLY FOR ASYLUM IN THE U.S. OF THOSE WHO HAVE REQUESTED ASYLUM, ALL HAVE BEEN TURNED DOWN EXCEPT ONE, BIADANI (MY TELNO 1368), WHO IS BEING ALLOWED TO GO INTO HOSPITAL HERE FOR TREATMENT OF HIS NERVOUS BREAKDOWN. HIS CASE MAY ARISE AGAIN IF HE LEAVES VIA LONDON LATER THIS WEEK.

2. ABOUT FORTY IRANIAN DIPLOMATS FROM WASHINGTON AND CHICAGO ARE DUE TO ARRIVE IN LONDON ON 9 APRIL ON FLIGHT BA193. MUCH SMALLER

2. ABOUT FORTY IRANIAN DIPLOMATS FROM WASHINGTON AND CHICAGO ARE DUE TO ARRIVE IN LONDON ON 9 APRIL ON FLIGHT BA193. MUCH SMALLER GROUPS WILL ARRIVE FROM NEW YORK (FLIGHT PA104) AND HOUSTON (FLIGHT BR246 AT GATWICK). NONE OF THESE WILL HAVE GUARANTEED ASYLUM IN THE U S.

PLEASE PASS ADVANCE COPY TO M E D

HENDERSON

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fine



bc : CO  
Press Office

Iran

10 DOWNING STREET

From the Private Secretary

8 April 1980

Dear Stephen.

IRAN

As you know, the Prime Minister spoke with the Lord Privy Seal on the telephone this afternoon.

The Lord Privy told the Prime Minister that Ambassador Brewster had called on him and had handed over an aide-memoire asking us to intensify sanctions and break off diplomatic relations with the Iranians. He intended to consult colleagues on how we should respond to this aide-memoire. But Ambassador Brewster had also raised a question on which an urgent decision was needed - whether we would be prepared to give temporary sanctuary to fifteen Iranians whom, because they were out of sympathy with the Iranian regime or were married to Americans, the United States Administration did not wish to expel. Provided their number was limited to fifteen, and provided we were able to obtain an assurance from the Americans that they would be taken back within a few weeks at most, he was inclined to agree to the American proposal.

The Prime Minister said that she agreed, even though there was a slight risk of retaliation by the Iranians against our diplomats in Tehran. She hoped that the decision would be given as little publicity as possible, and to the extent that anything was said, it should be made clear that the Iranians concerned were being allowed to stop off in the U.K. only temporarily. She also asked that Sir John Graham should be warned. The Lord Privy said that he would ensure that this was done.

I am copying this letter to John Chilcot (Home Office).

*[Handwritten signature]*

*[Handwritten signature]*

S. J. Gomersall, Esq.,  
Lord Privy Seal's Office.

*[Handwritten initials]*

IRAN: ADVANCE COPIES

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PRIME MINISTER

*Handwritten initials*

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 PS/MR HURD  
 PS/PUS  
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 LORD N G LENNOX  
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 MR W N WENBAN SMITH )  
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 PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR D J S HANCOCK )  
 MR C W McMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND  
 MR R WILLIAMS CRES DOT  
 MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI  
 MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

GR 433  
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 DESKBY 071300Z  
 FM TEHRAN 071300Z APR 80  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 353 OF 7 APRIL  
 AND TO IMMEDIATE (DESKBY 071300Z) WASHINGTON

ADVANCE COPY

IMMEDIATE  
*DESKBY*

US/IRAN: EASTER VISIT TO THE AMERICAN EMBASSY

1. THE AMERICANS MAY BE RECEIVING FIRST-HAND ACCOUNTS FROM THE VARIOUS CLERGYMEN INVOLVED BUT, IN CASE THEY ARE NOT, THE FOLLOWING IS BASED ON WHAT I HAVE BEEN TOLD BY THE PRO-NUNCIATURE (PLEASE PROTECT).
2. IN ALL, PROBABLY ABOUT 40 HOSTAGES WERE SEEN IN ALL: ABOUT 23 BY A GROUP COMPOSED OF CAPUCCI, THE PRO-NUNCIATE AND AN AMERICAN PROTESTANT PASTOR OF THE IRAN CRISIS COMMITTEE, AND THE REST, SEPARATELY BY 2 PROTESTANT PASTORS FROM KANSAS CITY AND ONE CATHOLIC PRIEST. THE MEETINGS TOOK PLACE BETWEEN 4 P.M. AND 9 P.M. ON EASTER SUNDAY AND THE HOSTAGES WERE BROUGHT IN TWO BY TWO WITH AN INTERVAL OF 5 MINUTES BETWEEN EACH PAIR. THEY WERE SEATED ACROSS THE TABLE FROM THEIR VISITORS, FACING TV

9 P.M. ON EASTER SUNDAY AND THE HOSTAGES WERE BROUGHT IN TWO BY TWO WITH AN INTERVAL OF 5 MINUTES BETWEEN EACH PAIR. THEY WERE SEATED ACROSS THE TABLE FROM THEIR VISITORS, FACING TV CAMERAS. CAPUCCI APPARENTLY HAD MESSAGES FOR MOST OF THOSE HE SAW. AFTER THEY HAD READ THEIR LETTERS FROM THEIR FAMILIES, THEY WERE INVITED TO REPLY THERE AND THEN IN FRONT OF TELEVISION. CAPUCCI HAS SAID ON RECORD, AND THE PRO-NUNCIO HAS CONFIRMED IT PRIVATELY, THAT NEARLY ALL "ATTESTED TO THEIR BEING IN GOOD FORM AND TO BEING WELL LOOKED AFTER. THEIR APPEARANCE WAS REASSURING, THOUGH MOST WERE UNDERSTANDABLY EMOTIONAL IN SENDING MESSAGES HOME". ANN SWIFT AND KATE KOOB WERE IN THE GROUP SEEN BY CAPUCCI AND THE PRO-NUNCIO. THEY SAID THEY SHARED A ROOM AND WERE WELL TREATED. THEY ALSO ASKED THE PRO-NUNCIO TO THANK THOSE AMONG THE DIPLOMATIC CORPS WHO HAD COLLECTED CLOTHES ETC TO SEND THEM AT EASTER, WHICH THEY HAD RECEIVED THAT DAY.

3. AFTER THE EXCHANGES OVER THE TABLE, THE THREE CLERGYMEN AND THE TWO HOSTAGES, IN EACH CASE, GOT UP AND TOOK REFRESHMENTS AT A SIDE TABLE FROM THE FOOD ITEMS CONTRIBUTED BY THE CORPS, THE "STUDENTS" WHO WERE IN THE ROOM KEEPING THEIR DISTANCE BUT OFFERING EACH HOSTAGE A BAG TO TAKE BACK WHAT THEY WISHED FROM THE FOOD TO THEIR ROOMS. EACH MEETING LASTED ABOUT 15 MINUTES.
4. I AM INFORMED THAT THERE WAS PROBABLY NO RELIGIOUS CEREMONY FOR ANYBODY.
5. THE PRO-NUNCIO WAS BLIND-FOLDED ON ENTRY AND EXIT OF THE BUILDING IN QUESTION BUT FROM WHAT HE COULD SEE, NOTED NO CHANGE FROM HIS PREVIOUS VISITS. CAPUCCI, WHO WAS NOT OFFICIALLY DESIGNATED A 'VATICAN ENVOY', DESPITE WHAT THE PRESS SAYS, BUT WHO HAD THE NECESSARY PERMISSION TO PAY THE VISIT, SPENT MANY HOURS IN DISCUSSION WITH THE STUDENTS YESTERDAY. HE IS ALSO IN TOUCH WITH THE SWISS AMBASSADOR AND WITH BORGUET AND VILLALON, AS WELL AS THE PRO-NUNCIO, AND CONTRARY TO WHAT I THOUGHT EARLIER (MY TELNO 350), I THINK THAT THE FIVE MAY BE WORKING TOGETHER, AT LEAST INFORMALLY.

GRAHAM

NNNN



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PS/SIR I GILMOUR  
PS/MR HURD  
PS/PUS  
SIR B MAITLAND  
MR J C MOBERLY  
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MR W N WENBAN SMITH )  
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PS/CHANCELLOR )  
MR F R BARRATT ) TREASURY  
MR D J S HANCOCK )  
  
MR C W McMAHON ) BANK OF  
MR P B EDGLEY ) ENGLAND  
  
MR R WILLIAMS CRE5 DOT  
MR W KNIGHTON DEPT OF TRADE  
MR C BENJAMIN DOI  
MR D LE B JONES ) DEPT OF  
MR C LUCAS ) EMERGENCY

**IMMEDIATE**  
ADVANCE COPY

FM TEHRAN 073725Z APR 68

TO IMMEDIATE FCO

TELEGRAM NUMBER 350 OF 7 APRIL

INFO IMMEDIATE WASHINGTON, PRIORITY UKMIS NEW YORK.

MY TELNO 348: US/IRAN

1. I HAVE ALSO BROUGHT MYSELF UP TO DATE WITH THE SWISS AMBASSADOR (PLEASE PROTECT: IN PARTICULAR I SHOULD BE GRATEFUL IF HE IS NOT QUOTED TO THE AMERICANS). HE IS AS CLOSE TO THE AFFAIRS AS ANY NON-IRANIAN IN TEHRAN, ALTHOUGH HE WOULD BE THE FIRST TO ADMIT THAT HE DOES NOT HAVE THE WHOLE STORY BY ANY MEANS. THE AMERICANS, IT SEEMS, USE AS ALTERNATIVE CHANNELS THE FRENCH LAWYERS BOURQUET AND CHERON AND THE ARGENTINE LAWYER VILLALON, AND THOUGH LANG IS IN CONTACT WITH THEM, THEY DO NOT TELL HIM IN DETAIL WHAT THEY ARE DOING.
2. LANG DELIVERED THE SECOND US MESSAGE IN THE SWISS CHANNEL, WHICH CONTAINED NO TEXTS OF PROPOSED STATEMENTS, ON HIS RETURN FROM A SHORT LEAVE OVER THE WEEKEND 29/30 MARCH AND SAW BANI SADR LATE ON 31 MARCH AFTER A REVOLUTIONARY COUNCIL MEETING, TO BE GIVEN THE RESPONSE. HE DESCRIBED BANI SADR AS EXHAUSTED AND AT TIMES ALMOST INCOHERENT. SINCE THEN HE HAS BEEN IN TOUCH WITH BANI SADR AND HIS ENTOURAGE (ESPECIALLY SAID SANJABI, A YOUNG STUDENT (ABOUT 24) WHO IS BANI SADR'S ADVISER ON FOREIGN AFFAIRS) ON

... BANI SADR AND HIS ENTourage (ESPECIALLY SAID SANJABI, A YOUNG STUDENT (ABOUT 24) WHO IS BANI SADR'S ADVISER ON FOREIGN AFFAIRS) ON A NUMBER OF OCCASIONS. HE DEDUCES THAT THE STATEMENT BY PRESIDENT CARTER AFTER BANI SADR'S SPEECH OF 1 APRIL WAS NOT PRECISELY WHAT BANI SADR HAD BEEN EXPECTING. LANG HAS ALSO HEARD THE REPORT EMANATING FROM REUTERS, THAT BANI SADR'S REACTION TO CARTER'S STATEMENT MAY HAVE BEEN AFFECTED BY A REPORT OF A SPEECH THAT CARTER GAVE THE SAME DAY, 1 APRIL, TO A TRADE UNION AUDIENCE IN WHICH HE HAD TAKEN A MUCH MORE BELLICOSE LINE OVER IRAN. REUTERS TELL US THAT THEY TELEPHONED THIS TO BANI SADR AT MIDNIGHT (TEHRAN TIME) IN ORDER TO OBTAIN HIS REACTION AND HE BLEW UP.

3. BE THAT AS IT MAY, IT IS CLEAR FROM WHAT LANG HAS TOLD ME THAT AT NO STAGE DID THE TWO PARTIES ATTEMPT TO AGREE THROUGH HIM THE TEXTS OF STATEMENTS TO BE EXCHANGED, WHICH WOULD BE THE NORMAL (AND THE ONLY SAFE) PROCEDURE; AND SINCE THE AMERICAN STATEMENTS INEVITABLY FALL SHORT OF IRANIAN EXPECTATIONS, BANI SADR ALWAYS FINDS HIMSELF IN THE POSITION OF HAVING TO PERSUADE THE REVOLUTIONARY COUNCIL TO ACCEPT AS ADEQUATE WHAT HE HIMSELF FINDS LESS THAN SATISFACTORY.
4. NEVERTHELESS, THE REVOLUTIONARY COUNCIL MET ON 3 APRIL AND, SO LANG TELLS ME, AGREED TO THE TRANSFER BY 3 VOTES TO 3 WITH TWO ABSENTEES. SO WHAT WENT WRONG? LANG BELIEVES THAT BANI SADR IS WELL AWARE THAT THE WHOLE ISSUE, IF IT GOES WRONG, COULD DESTROY HIM AND SO IS DETERMINED TO GO WARILY, ACTING ONLY EITHER WITH UNANIMOUS RC BACKING OR A CLEAR STATEMENT BY KHOMEINI. MOREOVER HE FEARS, ACCORDING TO SANJABI, THAT ONCE THE GOVERNMENT HAS CUSTODY, IT WILL ITSELF COME UNDER CRITICISM FROM THE US AND OTHERS FOR CONTINUING TO HOLD THE HOSTAGES (HENCE HIS INSISTENCE IN PUBLIC STATEMENTS THAT THE US MUST REFRAIN FROM HOSTILE PROPAGANDA AND MUST NOT ONLY ACKNOWLEDGE THAT IT IS THE IRANIAN POSITION THAT THE RELEASE OF THE HOSTAGES IS A MATTER FOR THE MAJLES, BUT ALSO MUST ACCEPT THAT THE MAJLES HAS A RIGHT TO DO THIS. IT IS NOT ENOUGH TO EXPRESS "UNDERSTANDING" OF THE IRANIAN POSITION; BANI SADR FEARS THAT WITHOUT EXPLICIT ACCEPTANCE OF THAT POSITION BY THE US, HE WILL COME IN FOR SUBSEQUENT REPROACH). ACCORDINGLY, LANG SAYS, BANI SADR ASKED FOR A "FAMILY" MEETING WITH KHOMEINI ON 5 APRIL, TO BE ATTENDED BY THE RC, REPRESENTATIVES OF THE STUDENTS AND HIMSELF. LANG HAD NOT HEARD THE OUTCOME WHEN I SAW HIM, BUT FROM WHAT KOTZBADER SAID TO ME ON 6 APRIL (PARAGRAPH 3 OF MY TUR), KHOMEINI MUST ONCE AGAIN HAVE DECLINED TO GIVE A CLEAR RULING, PREFERRING TO LEAVE IT TO THE RC. (ACCORDING TO PARS NEWS AGENCY BOTH MFA AND THE STUDENTS HAVE DENIED THIS MEETING TOOK PLACE.) HENCE THE MEETING OF THE RC ON 5 APRIL.

AGENCY BOTH MFA AND THE STUDENTS HAVE DENIED THIS MEETING TOOK PLACE.) HENCE THE MEETING OF THE RC ON 6 APRIL TO WHICH QOTBZADEH REFERRED, WHICH IT APPEARS FROM PRESS REPORTS WAS ONCE AGAIN DIVIDED BUT MUST HAVE AGREED TO BANI SADR GOING AHEAD PROVIDED HE COULD OBTAIN KHOMEINI'S BLESSING (WHICH HE IS SEEKING TO-DAY). LANG BELIEVES INCIDENTALLY THAT KHOMEINI GENUINELY WANTS TO BOW OUT AND TO BUILD UP THE PRESIDENT AND THE ASSEMBLY, BELIEVING QUITE SINCERELY IN THE DEMOCRATIC PROCESS, BUT THAT HE HAS RESERVATIONS ABOUT BANI SADR AND IS IN FACT CLOSER TO QOTBZADEH HIS QUOTE FILS CHERI UNQUOTE.

5. ACCORDING TO LANG, THE FRENCH LAWYERS (PARA 1 ABOVE) ARE PLAYING AN ACTIVE AND HELPFUL ROLE. HE THINKS THAT THEY WERE FIRST RECRUITED BY QOTBZADEH, WHO KNEW THEM IN PARIS, SPECIFICALLY FOR THE EXTRADITION OF THE SHAH. THEIR ROLE, HOWEVER, HAS EXPANDED AND THEY APPEAR TO BE REGARDED AS ADVISERS ON THE ISSUE GENERALLY, CHERON BEING PARTICULARLY INVOLVED IN THE LAWSUITS OVER IRANIAN FUNDS. THEY ARE DRAWING UP A MEMORANDUM DESIGNED TO SHOW WHAT THE DISPUTE HAS ALREADY COST IRAN, IN HARD CASP: FOR EXAMPLE THEY ESTIMATE THAT THE FREEZING OF FUNDS, AS IT AFFECTS IRANIAN FUNDS IN FOREIGN BANKS, IS COSTING IRAN DOLLARS 100 M A DAY, AND THAT THE DAILY COST IN INTEREST FOREGONE ON FUNDS FROZEN IN THE US WORKS OUT AT DOLLARS 150M. LANG SPECULATES THAT IF THE PRESENT RC DEBATES PRODUCE NO SOLUTION, ONE IDEA IN BANI SADR'S MIND MAY BE TO PUT IN CAPUCCI, WHO IS IN TERRAN, TO BAT WITH KHOMEINI, WITH WHOM AS A MAN OF RELIGION, AN ARAB AND A PLO SUPPORTER HE HAS MUCH INFLUENCE, AND IF HE FAILS, FOR QOTBZADEH REALLY TO PUT HIS FUTURE ON THE LINE. THE PRESS SEEM TO HAVE GOT HOLD OF THE FIRST IDEA AND TO BE SPEAKING OF A FIVE MAN TEAM INCLUDING CAPUCCI, ONE OF THE FRENCH LAWYERS, VILALON, THE PRO-NUNCIO AND LANG HIMSELF: I THINK THIS IS NOT CORRECT ALTHOUGH ALL ARE WORKING SEPARATELY.

6. FINALLY THE IDEA OF GRAND COMMISSION OF ENQUIRY INTO THE MISDEEDS OF THE SHAH AND THE US, ON THE LINES OF THE NUREMBERG TRIAL, WHICH WAS FIRST FLOATED BY SEAN MCBRIDE UNDER THE INFLUENCE OF THE FRENCH COMMUNIST LAWYER, ALBALA, HAS RE-SURFACE AND IS FINDING SOME FAVOUR WITH THE CLERICS OPPOSED TO BANI SADR (BEHESHTI, RAFSANJANI AND THE IRP) AND EVEN WITH SOME OF HIS SUPPORTERS. THIS TIME ANOTHER FRENCH COMMUNIST, A LAWYER GEORGES NORMAN, WHO HAS REGULARLY DEFENDED RUSSIAN AGENTS ON TRIAL IN FRANCE, AND THE AMERICAN COMMUNIST, NORMAN FORER, ARE INVOLVED. LANG (AND QOTBZADEH) HAVE NO DOUBT THAT THIS IS A SOVIET-INSPIRED PLOY. THE COMMISSION PROPOSED IS TO HAVE WIDE TERMS OF REFERENCE AND NO TIME LIMIT. IT COULD THUS ONLY SERVE TO PROLONG THE CRISIS, FROM WHICH THE SOVIET UNION

WIDE TERMS OF REFERENCE AND NO TIME LIMIT. IT COULD PROBABLY ONLY SERVE TO PROLONG THE CRISIS, FROM WHICH THE SOVIET UNION ALONE COULD PROFIT. LANG HIMSELF HAS ARGUED AGAINST IT ON LEGAL GROUNDS AND BECAUSE IT WOULD HAVE NO AUTHORITY AS ONLY THIRD-RATERS WOULD AGREE TO TAKE PART. THE FRENCH LAWYERS ALSO ARE ACTIVE IN OPPOSING IT, ARGUING, FIRST, THAT IT IS A SOVIET PLOT (AN ARGUMENT THAT BANI SADR, QOTBZADEN AND HABIBI SUCCESSFULLY USED IN FEBRUARY TO UNDERMINE BEHESHTI ET AL WHO WERE SUPPORTING IT), AND THAT IF IT WERE TO BE ESTABLISHED, IT WOULD HAVE TO LOOK AT AFGHANISTAN, ISRAEL, SOUTH AFRICA ETC OR IT WOULD LACK CREDIBILITY.

GRAHAM

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FM WASHINGTON 082350Z APR 80

TO IMMEDIATE F C O

TELEGRAM NUMBER 1379 OF 8 APRIL 1980

INFO TEHRAN BONN PARIS AND UKMIS NEW YORK

PRIME MINISTER

MS

*ms*

IRAN - U S MEASURES OF 7 APRIL.

THE FOLLOWING DESCRIBES THE SALIENT POINTS OF THE REGULATIONS RELATING TO THE MEASURES (COPY OF REGULATIONS BY BAG)

FINANCIAL AND TRADE RESTRICTIONS

2. EXCEPT AS AUTHORIZED, NO PERSON SUBJECT TO THE JURISDICTION OF THE U S A SHALL DIRECTLY OR INDIRECTLY, IN ANY TRANSACTION INVOLVING IRANIAN GOVERNMENT ENTITIES, OR ANY PERSON IN IRAN (1) MAKE AVAILABLE ANY NEW DEPOSIT FACILITIES OR ALLOW SUBSTANTIAL INCREASES (10 PERCENT GREATER THAN THE AVERAGE DAILY BALANCE IN THE SIX MONTH PERIOD PRIOR TO 7 APRIL 1980) IN EXISTING NON-DOLLAR DEPOSITS (2) ALLOW MORE FAVOURABLE TERMS OF PAYMENT THAN CUSTOMARILY USED IN INTERNATIONAL COMMERCIAL TRANSACTIONS (3) FAIL TO ACT IN A BUSINESS LIKE MANNER IN EXERCISING ANY RIGHTS WHEN PAYMENTS DUE ON EXISTING CREDIT OR LOANS ARE NOT MADE IN A TIMELY MANNER.

3. THE FOLLOWING ARE PROHIBITED (1) SALE, SUPPLY OR TRANSFER BY ANY PERSON SUBJECT TO THE JURISDICTION OF THE U S A OF ANY ITEMS, COMMODITIES OR PRODUCTS EXCEPT FOOD, MEDICINE FROM THE U S A OR FROM ANY FOREIGN COUNTRY, WHETHER OR NOT ORIGINATING IN THE U S A, EITHER TO OR DESTINED FOR IRAN, OR ANY OTHER PERSON OR BODY FOR THE PURPOSE OF ANY ENTERPRISE CARRIED ON IN IRAN (2) SHIPMENT BY VESSEL ETC OF U S REGULATION, OR OWNED OR UNDER CHARTER TO A PERSON SUBJECT TO U S JURISDICTION, OR THE CARRIAGE ACROSS THE U S A, OF ITEMS LISTED AS (1): (3) SHIPMENT FROM THE U S A OF THOSE ITEMS: (4) ENGAGING IN ANY SERVICE CONTRACT IN SUPPORT OF INDUSTRIAL PRODUCTS IN IRAN, EXCEPT SUCH CONTRACTS ENTERED INTO PRIOR TO 7 APRIL 1980, OR CONCERNED WITH MEDICAL SERVICES.

4. THE PROHIBITIONS IN PARAS 2 AND 3 DO NOT APPLY TO A PERSON SUBJECT TO THE JURISDICTION OF THE U S A WHICH IS A NON-BANK ASSOCIATION, CORPORATION OR OTHER ORGANISATION ORGANISED AND DOING BUSINESS UNDER THE LAWS OF ANY FOREIGN COUNTRY, BUT THE U S PARENT MUST REPORT TO THE TREASURY 10 DAYS BEFORE ANY SUBSIDIARY ENTERS INTO A TRANSACTION WITH IRAN. THE SUPPLEMENTARY INFORMATION TO THE REGULATIONS STATES QUOTE IT IS EXPECTED THAT OVERSEAS SUBSIDIARIES OF U S PERSONS WILL NOT MAKE EXPORTS PROHIBITED BY THE REGULATIONS UNQUOTE.

ASSETS AND CLAIMS

/s.

5. REPORTS WITH RESPECT TO BLOCKED IRANIAN ASSETS HELD BY ANY PERSON SUBJECT TO U S JURISDICTION BETWEEN 14 NOVEMBER 1979 AND 31 MARCH 1980 ARE TO BE FILED BY 15 MAY BY SUCH PERSONS, OR ANY BUSINESS OR NON BUSINESS IN THE U S IN WHICH IRAN HELD A FINANCIAL INTEREST. PROPERTY OF PRIVATE IRANIAN NATIONALS NOT TO BE REPORTED.

6. PERSONS SUBJECT TO THE JURISDICTION OF THE U S WHICH HAVE CLAIMS AGAINST THE GOVERNMENT OF IRAN, OR ITS AGENCIES OR INSTRUMENTALITIES MUST FILE CLAIMS BY 15 MAY IN RESPECT OF LOSSES DUE TO EXPROPRIATION NATIONALISATION OR OTHER TAKING OF PROPERTY OR BUSINESSES IN IRAN, INCLUDING SPECIAL IRANIAN EXCHANGE CONTROL MEASURES: CLAIMS FOR DEBT DEFAULTS, DAMAGES FOR BREACH OF CONTRACT OR SIMILAR DAMAGE, AND PERSONAL CLAIMS FOR SALARIES OR FOR INJURY TO PERSON OR PROPERTY.

7. REPORTING UNDER PARAS 5-6 ABOVE IS COMPULSORY. NO REPORT IS TO BE SUBMITTED BY (A) A U S BRANCH OF A FOREIGN FIRM NOT OWNED OR CONTROLLED BY A PERSON SUBJECT TO THE JURISDICTION OF THE U S, OR (B) BY A NON-RESIDENT ALIEN. RESPONSIBILITY FOR REPORTING IN RESPECT OF FOREIGN FIRMS OWNED BY A U S PARENT LIES WITH THE PARENT PERSON SUBJECT TO THE JURISDICTION OF THE U S A IS DEFINED AS (1) ANY PERSON WHERESOEVER LOCATED WHO IS A CITIZEN OR A RESIDENT OF THE U S A (2) ANY PERSON ACTUALLY WITHIN THE U S A (3) ANY CORPORATION ORGANISED UNDER THE LAWS OF THE U S A OR ANY STATE OF THE U S A (4) ANY CORPORATION OR OTHER ORGANISATION WHERESOEVER ORGANISED AND DOING BUSINESS WHICH IS OWNED OR CONTROLLED BY PERSONS SPECIFIED AT (1), (2) OR (3) ABOVE.

8. IN RELATION TO THE REPORTING OF ASSETS THE INSTRUCTIONS SAY THAT INTER ALIA THE FOLLOWING PERSONS SUBJECT TO U S JURISDICTION WHO HELD BETWEEN 14 NOVEMBER 1979 AND 31 MARCH 1980 RELEVANT ASSET WILL HAVE A REPORTING OBLIGATION (1) ALL BANKS WITHIN THE U S, INCL. U S SUBSIDIARIES, BRANCHES, AND AGENCIES OF FOREIGN BANKS (2) FOREIGN SUBSIDIARIES, BRANCHES AND AGENCIES OF U S BANKS, (3) FOREIGN BRANCHES AND AGENCIES OF U S SUBSIDIARIES FOREIGN BANKS (4) ALL BANKS, BROKERS, DEALERS OR OTHER CUSTODIANS (5) NON BANKING BUSINESSES INCL. FOREIGN BRANCHES AND SUBSIDIARIES.

9. SUBMISSION OF REPORTS UNDER PARA 6 DOES NOT CONSTITUTE THE FILING WITH THE U S GOVERNMENT OF A FORMAL CLAIM FOR COMPENSATION. NO DECISION HAS YET BEEN REACHED ON WHETHER A FORMAL CLAIMS ADJUDICATION PROGRAM WILL BE ESTABLISHED.

10. PLEASE ADVANCE TO LAVELLE (TREASURY), M D C JOHNSON, CRE2, DEPT OF TRADE, AND TO M E D AND F R D FCO.

HENDERSON

FCO WHITCHALL  
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FRD

TRAN: ADVANCE COPIES 33

PS  
 PS/SIR I GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C MOBERLY  
 LORD BRIDGES *Mr Bullard*  
 LORD N G LENNOX  
 MR EVANS  
 MISS BROWN  
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 MR LE CHERMANT ) OFFICE  
 MR W N WENBAN SMITH )  
 DIO )

~~PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR D J S HANCOCK )~~

~~MR C W McMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND~~

~~MR R WILLIAMS ) CRE5 DCI~~

~~MR W KNIGHTON ) DEPT OF TRADE~~

~~MR C BENJAMIN ) DCI~~

~~MR D LE B JONES ) DEPT OF~~

~~MR C LUCAS ) ENERGY~~

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GRS 440

CONFIDENTIAL

DESKBY FCO CABINET OFFICE AND BOX 500 080800Z  
 DESKBY TEHRAN AND UKMIS NEW YORK FIRST CONTACT  
 FM WASHINGTON 080135Z APR 80

TO IMMEDIATE FCO

TELEGRAM NO 1368 OF 7 APRIL

INFO IMMEDIATE CABINET OFFICE (FOR DIO) BOX 500 UKMIS NEW YORK  
 TEHRAN

MY TEL NO 1361

EXPULSION OF IRANIAN DIPLOMATS FROM US

1. WHEN I SAW NEWSOM ON OTHER BUSINESS THIS AFTERNOON HE RAISED ONE POINT RELATING TO THE IRANIAN DIPLOMATS WHO HAVE BEEN ORDERED TO LEAVE THE US. HE SAID THE IMMEDIATE US OBJECTIVE WAS TO ENSURE THAT ALL THE IRANIAN DIPLOMATS LEAVE. NEVERTHELESS THERE MIGHT BE SOME AMONGST THEM WHO WOULD HAVE A LEGITIMATE CLAIM FOR ASYLUM OR FOR TREATMENT AS IMMIGRATION CASES, FOR INSTANCE THOSE WHO HAVE AMERICAN HUSBANDS OR WIVES. IT WAS POSSIBLE THAT SOME OF THESE WOULD

AMERICAN HUSBANDS OR WIVES. IT WAS POSSIBLE THAT SOME OF THESE WOULD WISH TO STOP IN LONDON ON THEIR WAY THROUGH. IF SO THE STATE DEPARTMENT HOPED WE WOULD GIVE THEM AN OPPORTUNITY TO APPLY TO STAY IN THE UK. THE NUMBERS CONCERNED WOULD CERTAINLY BE FEW. THE US EMBASSY HAD ALREADY RAISED THIS ON INSTRUCTIONS WITH THE FCO BUT HAD ENCOUNTERED HESITANCY. NEWSOM SAID HE VERY MUCH HOPED WE COULD HELP.

2. I ASKED HOW THE INDIVIDUALS CONCERNED COULD BE IDENTIFIED. NEWSOM SAID THE STATE DEPARTMENT WILL ADVISE US OF ANY REQUESTS RECEIVED. ONE REQUEST FOR ASYLUM (PERMANENT RESIDENT ALIEN STATUS IN FACT), PRECHT TOLD US SEPARATELY, HAS BEEN MADE TODAY BY ABDUL-AZIM BIABANI, THE NUMBER TWO AT THE EMBASSY WHO WAS PREVIOUSLY ADMINISTRATION COUNSELLOR UNDER ZAHEDI. PRECHT EXPLAINED THAT IN THIS CASE AT LEAST THE HELP HMG COULD PROVIDE WOULD BE TO ALLOW BIABANI INTO THE UK, IF HE SO WISHED, LONG ENOUGH FOR HIM TO MAKE A RENEWED APPLICATION AT THE US EMBASSY IN LONDON, WHICH COULD THEN BE CONSIDERED ON ITS MERITS AND WITHOUT THE PRESSURE OF THE PRESIDENT'S DEADLINE OF MIDNIGHT 8/9 APRIL.

3. THE IRANIAN DIPLOMATS ARE BEING PERMITTED TO FOLLOW ONLY REGULARLY TRAVELLED ROUTES BETWEEN HOME AND OFFICE, AND BEING RESTRICTED OTHERWISE TO WITHIN TWO MILES RADIUS OF THEIR HOMES, AND THE FBI ARE ATTACHING AGENTS ON QUOTE OVERT SURVEILLANCE UNQUOTE TO EACH IRANIAN DIPLOMAT, PRIMARILY TO ENSURE PROMPT DEPARTURE. THE FBI HAVE BEEN INSTRUCTED TO PREVENT IRANIAN DIPLOMATS ACCREDITED TO THE US FROM GOING INTO THE IRANIAN MISSION TO THE UN IN NEW YORK.

4. THE STATE DEPARTMENT ARE PROPOSING TO ALLOW THE IRANIANS TO DESIGNATE ONE PERSON TO LOOK AFTER THEIR EMBASSY UNTIL A PROTECTING POWER HAS BEEN APPOINTED. THEY ENVISAGE THAT THE IRANIAN CONSULATES WILL BE SEALED.

5. STATE HAVE ENSURED THAT THERE ARE SEATS AVAILABLE ON PANAM FLIGHT 104 LEAVING WASHINGTON 1830 ON 8 APRIL VIA NEW YORK, ETA LONDON 1010 9 APRIL (THE FLIGHT CONTINUES TO HAMBURG AND BERLIN).

6. PRECHT WOULD BE GRATEFUL FOR AN IMMEDIATE REACTION TO HIS PROPOSITION IN PARA 2 ABOVE.

HENDERSON



IRAN: ADVANCE COPIES 14

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PRIME MINISTER

PS  
 PS/SIR I GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C MOBERLY  
~~LORD BRIDGES~~ & ~~BULLARD~~  
 LORD N G LENNOX  
 MR EVANS  
 MISS BROWN  
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 RESIDENT CLERK

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 DIO )  
 PS/CHANCELLOR )  
 MR P R BARRATT ) TREASURY  
 MR D J S HANCOCK )  
 Mr L WELLS )  
 MR C W McMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND  
 MR R WILLIAMS ORES DOT  
 MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI  
 MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

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UNCLASSIFIED

DESKBY FCO 080802Z

DESKBY TEHRAN FIRST CONTACT

FM WASHINGTON 072330Z APR 82

TO IMMEDIATE FCO

TELEGRAM NO 1361 OF 7 APRIL

INFO IMMEDIATE TEHRAN BONN PARIS

ROUTINE UKHIS NEW YORK ROME OTTAWA TOKYO MOSCOW

INFO SAVING OTHER EEC POSTS UKDEL NATO

YOUR TELNO 656: IRAN HOSTAGES - AMERICAN MEASURES

1. FOLLOWING IS THE TEXT OF PRESIDENT CARTER'S STATEMENT THIS AFTERNOON:

BEGINS

EVER SINCE IRANIAN TERRORISTS IMPRISONED AMERICAN EMBASSY PERSONNEL IN TEHRAN EARLY IN NOVEMBER THESE FIFTY MEN AND WOMEN, THEIR SAFETY, THEIR HEALTH AND THEIR FUTURE HAVE BEEN OUR CENTRAL CONCERN. WE HAVE MADE EVERY EFFORT TO OBTAIN THEIR RELEASE ON HONOURABLE, PEACEFUL AND HUMANITARIAN TERMS BUT THE IRANIANS HAVE REFUSED TO RELEASE THEM OR EVEN TO IMPROVE THE LIVING

HONOURABLE, PEACEFUL AND HUMANITARIAN TERMS BUT THE IRANIANS HAVE REFUSED TO RELEASE THEM OR EVEN TO IMPROVE THE INHUMAN CONDITIONS UNDER WHICH THESE AMERICANS ARE BEING HELD CAPTIVE.

THE EVENTS OF THE LAST FEW DAYS HAVE REVEALED A NEW AND SIGNIFICANT DIMENSION IN THIS MATTER. THE MILITANTS CONTROLLING THE EMBASSY HAVE STATED THEY ARE WILLING TO TURN THE HOSTAGES OVER TO THE GOVERNMENT OF IRAN, BUT THE GOVERNMENT HAS REFUSED TO TAKE CUSTODY OF THE AMERICAN HOSTAGES. THIS LAYS BARE THE FULL RESPONSIBILITY OF THE AYATOLLAH KHOMEINI AND THE REVOLUTIONARY COUNCIL FOR THE CONTINUED ILLEGAL AND OUTRAGEOUS HOLDING OF THE INNOCENT HOSTAGES. THE IRANIAN GOVERNMENT CAN NO LONGER ESCAPE FULL RESPONSIBILITY FOR HIDING BEHIND THE MILITANTS AT THE EMBASSY.

IT MUST BE MADE CLEAR THAT THE FAILURE TO RELEASE THE HOSTAGES WILL INVOLVE INCREASINGLY HEAVY COST TO IRAN AND TO ITS INTERESTS. I HAVE TODAY ORDERED THE FOLLOWING STEPS:

FIRST, THE UNITED STATES OF AMERICA IS BREAKING DIPLOMATIC RELATIONS WITH THE GOVERNMENT OF IRAN. THE SECRETARY OF STATE HAS INFORMED THE GOVERNMENT OF IRAN THAT ITS EMBASSY, AND CONSULATES IN THE UNITED STATES ARE TO BE CLOSED IMMEDIATELY. ALL IRANIAN DIPLOMATIC AND CONSULAR OFFICIALS HAVE BEEN DECLARED PERSONA NON GRATA AND MUST LEAVE THIS COUNTRY BY MIDNIGHT TOMORROW:

SECOND, THE SECRETARY OF THE TREASURY WILL PUT INTO EFFECT OFFICIAL SANCTIONS PROHIBITING EXPORTS FROM THE UNITED STATES TO IRAN IN ACCORDANCE WITH THE SANCTIONS APPROVED BY TEN MEMBERS OF THE UNITED NATIONS SECURITY COUNCIL ON JANUARY 13 IN THE RESOLUTION WHICH WAS VETOED BY THE SOVIET UNION. ALTHOUGH SHIPMENT OF FOOD AND MEDICINE WERE NOT INCLUDED IN THE UN SECURITY COUNCIL VOTE, IT IS EXPECTED THAT EXPORTS EVEN OF THESE ITEMS TO IRAN WILL BE MINIMAL OR NON-EXISTENT:

THIRD, THE SECRETARY OF THE TREASURY WILL MAKE A FORMAL INVENTORY OF THE ASSETS OF THE IRANIAN GOVERNMENT WHICH WERE FROZEN BY MY PREVIOUS ORDER, AND ALSO MAKE A CENSUS OR AN INVENTORY OF THE OUTSTANDING CLAIMS OF AMERICAN CITIZENS AND CORPORATIONS AGAINST THE GOVERNMENT OF IRAN. THIS ACCOUNTING OF CLAIMS WILL AID IN DESIGNING A PROGRAMME AGAINST IRAN FOR THE HOSTAGES, FOR THE HOSTAGE FAMILIES AND OTHER US CLAIMANTS. WE ARE NOW PREPARING LEGISLATION WHICH WILL BE INTRODUCED IN THE CONGRESS TO FACILITATE PROCESSING AND PAYING OF THESE CLAIMS:

FOURTH, THE SECRETARY OF THE TREASURY AND THE ATTORNEY GENERAL WILL INVALIDATE ALL VISAS ISSUED TO IRANIAN CITIZENS FOR

FOURTH, THE SECRETARY OF THE TREASURY AND THE ATTORNEY GENERAL WILL INVALIDATE ALL VISAS ISSUED TO IRANIAN CITIZENS FOR FUTURE ENTRY INTO THE UNITED STATES EFFECTIVE TODAY. WE WILL NOT REISSUE VISAS, NOR WILL WE ISSUE NEW VISAS EXCEPT FOR COMPELLING AND PROVEN HUMANITARIAN REASONS OR WHERE THE NATIONAL INTEREST OF OUR OWN COUNTRY REQUIRES IT. THIS DIRECTIVE WILL BE INTERPRETED VERY STRICTLY.

IN ORDER TO MINIMISE INJURY TO THE HOSTAGES THE UNITED STATES HAS ACTED AT ALL TIMES WITH EXCEPTIONAL PATIENCE AND RESTRAINT IN THIS CRISIS. WE HAVE SUPPORTED SECRETARY GENERAL WALDHEIM'S ACTIVITIES UNDER THE UNITED NATIONS SECURITY COUNCIL MANDATE TO WORK FOR A PEACEFUL SOLUTION. WE WILL CONTINUE TO CONSULT WITH OUR ALLIES AND OTHER FRIENDLY GOVERNMENTS ON THE STEPS WE ARE NOW TAKING AND ON ADDITIONAL MEASURES WHICH MAY BE REQUIRED. I AM COMMITTED TO RESOLVING THIS CRISIS. I AM COMMITTED TO THE SAFE RETURN OF THE AMERICAN HOSTAGES AND TO THE PRESERVATION OF OUR NATIONAL HONOUR. THE HOSTAGES AND THEIR FAMILIES, INDEED ALL OF US IN AMERICA, HAVE LIVED WITH THE REALITY AND THE ANGUISH OF THEIR CAPTIVITY FOR FIVE MONTHS. THE STEPS I HAVE ORDERED TODAY ARE THOSE THAT ARE NECESSARY NOW. OTHER ACTIONS MAY BECOME NECESSARY IF THESE STEPS DO NOT PRODUCE THE PROMPT RELEASE OF THE HOSTAGES.

ENDS

2. PLEASE PASS ADVANCE COPIES TO MED AND LAVELLE (TREASURY)

FCO PASS SAVING BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG THE HAGUE  
UKREP BRUSSELS.

HENDERSON

NNNN



EMBASSY OF THE  
UNITED STATES OF AMERICA

London, England

*Iran*

April 6, 1980

The Right Honorable Margaret Thatcher  
Prime Minister

Dear Prime Minister:

I enclose a message received early this morning  
from President Carter.

Yours Sincerely,

*Robert J. Morris*  
Robert J. Morris  
Acting Deputy Chief of Mission

*Prime Minister, — has seen.*

*I have also attached the President's  
earlier message to which he refers.*

*Duty Clerk  
6/4.*



T76/80

SUBJECT  
PRIME MINISTER'S

EMBASSY OF PERSONAL MESSAGE  
UNITED STATES OF AMERICA

SERIAL No. T76/80

London, England

April 6, 1980

Dear Margaret:

Despite our persistent efforts, the Iranian authorities have still not taken steps to transfer the hostages to the full custody and protection of the Revolutionary Council. I want you to know that if the issue of the transfer is not satisfactorily resolved on Monday, I intend promptly thereafter to impose the additional measures which I have described to you.

Sincerely,

/s/ Jimmy

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TO IMMEDIATE FCO

TELEGRAM NUMBER 342 OF 2 APRIL

INFO IMMEDIATE WASHINGTON PRIORITY EC POSTS, OTTAWA, TOKYO,  
UKDEL NATO, UKMIS GENEVA AND UKMIS NEW YORK.

WASHINGTON TELNO 1314: US/IRAN.

UNLESS THERE IS SOMETHING IN THE U.S.-IRANIAN EXCHANGES OF WHICH WE ARE UNAWARE, THE AUGURIES FOR AN EARLY TRANSFER OF THE HOSTAGES TO GOVERNMENT/REVOLUTIONARY COUNCIL CONTROL DO NOT LOOK GOOD. NEITHER KHOMEINI'S NOR BANI SADR'S SPEECH AT YESTERDAY'S REPUBLIC DAY CEREMONY SEEMS TO HAVE ADVANCED MATTERS SUBSTANTIALLY. KHOMEINI INDULGED IN ONE OF HIS VICIOUS ANTI-AMERICAN DIATRIBES. HOWEVER, WHEN HE SAID THAT THE SOLUTION OF THE HOSTAGE ISSUE WAS UP TO THE IRANIAN PEOPLE ONLY AND THE ASSEMBLY CHOSEN BY THEM, THIS DOES NOT PRESUMABLY PRECLUDE TRANSFER OF CONTROL IN THE INTERIM. IN THE CASE OF BANI SADR, PRESENT INDICATIONS ARE THAT HE WILL INSIST ON SOME KIND OF FORMAL STATEMENT FROM THE U.S. GOVERNMENT, WHICH, ON THE FACE OF IT, THEY WILL FIND DIFFICULT TO PROVIDE. FOR EXAMPLE, EVEN IF THE U.S. GOVERNMENT UNDERTOOK NOT TO INITIATE PROPAGANDA AGAINST IRAN, THE IRANIANS MIGHT WELL ARGUE SUBSEQUENTLY THAT THIS SHOULD EMBRACE THE CRITICISM OF IRAN IN THE AMERICAN PRESS THAT ONE MUST ASSUME WILL CONTINUE.

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 MR W N WENBAN SMITH )  
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 PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR D J S HANCOCK )  
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 MR P B EDGLEY ) ENGLAND  
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 MR C LUCAS ) ENERGY

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TO IMMEDIATE F C O

TELEGRAM NUMBER 1332 OF 2 APRIL

INFO IMMEDIATE TEHRAN, PRIORITY EC POSTS, OTTAWA, TOKYO, UKDEL NATO, UKMIS GENEVA, UKMIS NEW YORK.

US/IRAN: MYTEL NO 1305

1. ADMINISTRATION OFFICIALS INSIST THAT CARTER'S REMARKS WELCOMING BANI SADR'S PROPOSAL FOR THE HOSTAGES' TRANSFER CONSTITUTE THE AMERICAN RESPONSE TO IRANIAN DEMANDS FOR A FORMAL U.S. STATEMENT. FOLLOWING BANI SADR'S REPORTED COMMENT THAT THIS WAS NOT ENOUGH, JODY POWELL SAID TODAY THAT THE ADMINISTRATION WAS QUOTE TRYING TO DETERMINE WHAT THE POSITION OF THE IRANIAN LEADERS IS UNQUOTE. SICK (NSC) HAS TOLD US THAT THE PRESIDENT DELIBERATELY AVOIDED ADDRESSING BANI SADR'S DEMANDS THAT THE U.S. AVOID FURTHER PROPAGANDA AGAINST IRAN AND THAT IT WAS NOT YET CERTAIN THAT THE IRANIANS HAD FINALLY REJECTED CARTER'S RESPONSE. THERE WAS A LIMIT TO HOW FAR CARTER COULD GO, BUT IF IT PROVED NECESSARY, THE ADMINISTRATION WAS



HAD FINALLY REJECTED CARTER'S RESPONSE. THERE WAS A LIMIT TO HOW FAR CARTER COULD GO, BUT IF IT PROVED NECESSARY, THE ADMINISTRATION WAS PREPARED TO CONCOCT A NEW STATEMENT FROM OLD ONES CONFIRMING THE AMERICANS' WISH TO HAVE GOOD RELATIONS WITH IRAN ETC.

2. TODAY'S NEW YORK TIMES REPORTS THAT THE MEASURES POSTPONED YESTERDAY MIGHT BE INTRODUCED AS EARLY AS THE END OF THE WEEK IF THERE IS NO MOVEMENT OVER THE HOSTAGES. THE IRAN TASK FORCE (STATE DEPT) HAVE TOLD US IN CONFIDENCE THAT THIS COULD HAPPEN AFTER 48 HOURS, AND SICK (NSC) SAYS THAT A DECISION WILL NEED TO BE TAKEN WITHIN QUOTE A MATTER OF DAYS UNQUOTE. THE AMERICANS ARE TAKING THE LINE THAT THE NEXT MOVE IS UP TO BANI SADR.

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FM WASHINGTON 010050Z APR 80  
TO IMMEDIATE F C O  
TEL NO 1302 OF 01 APRIL 1980.  
INFO IMMEDIATE TEHRAN (FIRST CONTACT) PRIORITY EC POSTS, OTTAWA  
TOKYO, UKDEL NATO, UKMIS GENEVA.  
INFO SAVING TO BERNE.

IRAN.

WARREN CHRISTOPHER RANG ME THIS EVENING ( 31 MARCH) TO LET ME KNOW WHERE MATTERS STOOD. HE SAID THAT THE AMERICANS HAD HAD A NUMBER OF INDICATIONS THAT THE REVOLUTIONARY COUNCIL , AFTER LONG SESSIONS YESTERDAY AND TODAY, HAD TAKEN THE DECISION TO TRANSFER CONTROL OF THE HOSTAGES TO THE IRANIAN GOVERNMENT. THE COUNCIL HAD NOT, OF COURSE, FORMALLY ANNOUNCED THIS; BUT QUOTE OUR SOURCES UNQUOTE SAID THAT BOTH THE MILITANTS AND KHOMEINI HAD AGREED TO THE TRANSFER. AGAINST THIS, THE AMERICANS HAD HAD DISTURBING INDICATIONS LATE TODAY THAT THE IDEA WAS EMERGING IN TEHRAN OF THE GOVERNMENT SHARING CONTROL OF THE HOSTAGES WITH THE MILITANTS (I.E. GOVERNMENT FORCES MIGHT MOVE IN ALONGSIDE THE MILITANTS IN THE EMBASSY). THE AMERICANS WERE TELLING THE IRANIANS THAT THIS WOULD NOT DO.

2. CHRISTOPHER SAID THAT IT HAD JUST BEEN ANNOUNCED THAT THE PRESIDENT WOULD DEFER HIS PUBLIC STATEMENT, PROMISED FOR TODAY, UNTIL TOMORROW. THIS WAS OCCASIONED BY THE EXPECTATION THAT BANI SADR WOULD MAKE A STATEMENT AT NOON TOMORROW AND AMOUNTED TO AN EXTENSION OF THE ORIGINAL U S DEADLINE TO ALLOW THE AMERICANS TO DIGEST WHAT BANI SADR HAD TO SAY.

3. CHRISTOPHER SAID THAT THE ADMINISTRATION GREATLY APPRECIATED THE SUPPORT THAT WE AND OTHERS HAD GIVEN THEM OVER THE LAST FEW DAYS AND WERE IN NO DOUBT THAT THIS SUPPORT HAD BEEN A FACTOR IN INTRODUCING THE PRESENT MOVEMENT INTO THE SITUATION. THE FINAL QUESTION REMAINED WHETHER THE IRANIANS WOULD BE ABLE TO SUMMON UP THE NECESSARY COURAGE FINALLY AND PUBLICLY TO TAKE THE STEP OF TRANSFERRING THE HOSTAGES.

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4. ON THE CONFUSED QUESTION OF PRESIDENTIAL MESSAGES TO THE IRANIANS, CHRISTOPHER AFFIRMED THAT NEITHER THE PRESIDENT NOR ANYONE ELSE HAD SENT A MESSAGE RESEMBLING THAT PUBLISHED IN THE NEW YORK TIMES TO-DAY (COPY BY BAG). TWO MESSAGES HAD BEEN SENT (GOVERNMENT TO GOVERNMENT, NOT TO KHOMEINI). THE FIRST WENT EARLY LAST WEEK TO BANI SADR, STIPULATING THAT UNLESS SOMETHING HAD BEEN DONE BY TODAY THE AMERICANS WOULD HAVE TO TAKE FURTHER ACTION. THE SECOND HAD BEEN SENT ON SATURDAY. AFTER THE ALLEGED CARTER MESSAGE TO KHOMEINI, REITERATING AMERICAN CONCERN AND HOPE THAT BANI SADR WOULD BE ABLE TO TAKE SOME ACTION. CHRISTOPHER SAID THAT THE NEW YORK TIMES ARTICLE AND STATEMENTS BY BANI SADR AND THE SWISS HAD MUDDIED THE WATERS: BUT HE THOUGHT THAT THE PRESS WERE NOW GETTING THE PICTURE STRAIGHTENED OUT.

5. I THANKED CHRISTOPHER FOR THIS ACCOUNT WHICH DOES INDEED SEEM TO ME TO MAKE PROGRESS IN THE PILGRIMAGE TOWARDS CONSULTATION.

FCD PASS SAVING BERNE.

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PRIME MINISTER

Imm  
cc Defence June 79  
Defence constructs  
with Iran.

Review of the United Kingdom Response to Pressure for  
Voluntary Measures against Iran  
(OD(80) 33)

BACKGROUND

This paper by the official group on Iran is intended to meet OD's remit of 19th March (OD(80) 8th Meeting, Item 4) to consider what would be involved in meeting President Carter's request, in his message to you of 13th March, that we should continue to apply the voluntary economic measures against Iran which we first adopted in January.

2. President Carter's subsequent message of 25th March (to which you replied on 29th March) alarmed his allies, us included, by its talk of an ultimatum to the Iranians at what seems the wrong moment. But he has not asked us for additional economic measures. The measures discussed in the paper have not therefore been overtaken, though the circumstances make it politically much more difficult to contemplate discontinuing any of them.

3. In fact, the arguments for withdrawing any of the measures now are not strong. The informal financial measures can be maintained more or less indefinitely. We are not at present under any Iranian pressure for "sharply different" oil prices; and though our companies' market position could make them vulnerable to such pressure in the future, we are not committed to more than using our "best endeavours" to stiffen their resistance as an element in general international restraint. The main difficulty is likely to arise from the ban on the export of defence equipment, where the cost and risks of continuing to hold up deliveries could mount sharply.

4. The Secretaries of State for Industry and for Energy, and the Attorney General have been invited to attend for this item.

HANDLING

5. You will wish to inform the Committee of your own exchanges with President Carter and Chancellor Schmidt; and then invite Lord Carrington to assess the position in Iran, the latest American thinking, and the reactions

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of other recipients of President Carter's latest message. The Committee's assessment of these factors will provide the background for discussion of the review of voluntary economic measures.

6. You will wish to have the confirmation of the Chancellor of the Exchequer that the informal financial measures can be kept in place without damage to United Kingdom interests. Does Mr. Nott agree with that?

7. You could then invite Mr. Howell to say whether he anticipates Iranian demands for any disproportionate increase in prices and what plans he has for consultations with the United States in such an eventuality. Should the American companies be pressed to offer to help our companies if they run short of oil through resisting Iranian demands?

8. Finally, you could invite Mr. Pym to assess the problems and costs of continuing to hold up orders for defence equipment, in particular the Kharg. Sir Keith Joseph and Mr. Nott may wish to comment on the implications for British industry and for the United Kingdom's reputation as a reliable supplier of such equipment. In the Kharg case, who is going to pick up the bill for any losses incurred by British shipbuilders as a result of the Government's decision to help the Americans?

CONCLUSIONS

9. Subject to points made in discussion, you might lead the Committee to the following conclusions:-

- (i) That they approve the conclusions in paragraph 6 of OD(80) 33.
- (ii) That the Secretary of State for Energy should bring to his Ministerial colleagues' attention any signs of Iranian demands for sharp oil price increases and of British oil companies' readiness to meet them.
- (iii) That the problem of how to cover British Shipbuilders' potential losses on the Kharg be remitted to an ad hoc group of Ministers under Sir Keith Joseph, on which the Treasury, Department of Trade and Ministry of Defence should be represented.

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- (iv) That OD should review the ban on the export of defence equipment again at the end of April, if it has not in the meantime been lifted as a result of a settlement of the hostage crisis.

RA

(Robert Armstrong)

1st April 1980

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TO PRIORITY FCO

TELEGRAM NUMBER 288 OF 31 MARCH

INFO PRIORITY WASHINGTON, TEHRAN

*Handwritten initials: H. Schmidt*

YOUR TELS NO 621 TO WASHINGTON AND NO 213 TO TEHRAN : IRAN

1. THE AUSWAERTIGES AMT HAVE GIVEN US IN STRICT CONFIDENCE (PLEASE PROTECT) COPIES OF SCHMIDT'S MESSAGES TO PRESIDENT CARTER AND TO BANI SADR, DESPATCHED ON 29 MARCH.
2. THE MESSAGE TO BANI SADR FOLLOWS VERY CLOSELY THE TEXT OF YOUR TELEGRAM NO 213 TO TEHRAN, ADDING ONLY THE THOUGHT THAT FACILITATING ACCESS TO THE HOSTAGES BY INDEPENDENT PERSONS WOULD BE A HELPFUL GESTURE.
3. THE MESSAGE TO PRESIDENT CARTER STARTS BY EXPRESSING APPRECIATION FOR PRESIDENT CARTER'S THANKS FOR GERMAN SUPPORT AND ADVICE. SCHMIDT EMPHASISES GERMAN UNDERSTANDING OF THE SEVERE TEST TO AMERICAN PATIENCE AND AMERICAN CONCERN THAT RECENT DEVELOPMENTS MIGHT HAVE EXACERBATED THE SITUATION OF THE HOSTAGES AND MADE THINGS MORE DIFFICULT FOR THOSE IN TEHRAN WHO WERE ADVOCATING THEIR RELEASE. THE MESSAGE THEN FOLLOWS CLOSELY PARAGRAPHS 2 ET SEQ OF THE PRIME MINISTER'S MESSAGE IN YOUR TEL NO 621 TO WASHINGTON ADDING THE THOUGHT THAT QUOTE IF WE PROCEED WITH OVERSEVERE MEASURES WE RISK INCREASING THE DANGER TO THE HOSTAGES UNQUOTE.
4. THE FEDERAL GOVERNMENT SPOKESMAN SAID ON 30 MARCH THAT SCHMIDT HAD APPEALED TO BANI SADR TO EXPLOIT EVERY POSSIBLE AVENUE TO OBTAIN THE RELEASE OF THE HOSTAGES. IN ANSWER TO QUESTIONS TODAY THE SPOKESMAN CONFIRMED THAT SCHMIDT TOGETHER WITH OTHER EC HEADS OF GOVERNMENT HAD SENT MESSAGES. THE WORDING OF THESE MESSAGES DIFFERED BUT THE SUBSTANCE WAS THE SAME. THEY HAD BEEN AGREED IN THE COMMUNITY AND THE US GOVERNMENT HAD BEEN INFORMED. THE REQUEST FOR THE RELEASE OF THE HOSTAGES WAS NOT COUPLED WITH QUOTE PERSPECTIVES FOR THE FUTURE UNQUOTE OR THREATS.
5. ASKED ABOUT POSSIBLE TOUGHER US MEASURES AGAINST IRAN THE SPOKESMAN SAID HE HAD READ THE PRESS REPORTS BUT THERE HAD BEEN NO (NO) CONSULTATIONS WITH THE US ADMINISTRATION.
6. TRANSLATIONS OF SCHMIDT'S MESSAGES FOLLOW BY BAG.

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Foreign and Commonwealth Office

London SW1A 2AH

31 March 1980

Dear Michael,

IRAN NATIONAL DAY CELEBRATIONS

The Iranian Embassy in London is holding an official celebration to commemorate its National Day on 1 April.

The Foreign and Commonwealth Secretary still believes that it would be wrong for Ministers or senior officials to attend such a function while the US hostages are still detained and that the official advice should be that working level contacts only should attend; this would in practice mean that attendance would be limited to officers of the rank of principal and below in the public service.

I am copying this letter to the Private Secretaries to all Government Ministers.

Yours etc

Paul  
(P Lever)

M O'D B Alexander Esq  
10 Downing Street

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 MR R G LAYELLE )

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TO IMMEDIATE FCO

TELEGRAM NUMBER 336 OF 31 MARCH 80

INFO PRIORITY CABINET OFFICE (D10) MODUK (D14 AND DS 11)

CRE5, WASHINGTON, UKMIS NEW YORK

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DUBAI, KUWAIT, MOSCOW, MUSCAT

INFO SAVING JEDDA.

*Read in full*

NY TELNO 322 : SITUATION IN IRAN.

1. BANI SADR, QOTBZADEH AND AHMED KHOMEINI INSISTED ON 30 MARCH THAT DESPITE WHITE HOUSE DENIALS, IMAM KHOMEINI AND BANI SADR HAD RECEIVED LETTERS FROM PRESIDENT CARTER THROUGH THE SWISS CHARGE D'AFFAIRES.
2. QOTBZADEH'S REMARKS ON THE MESSAGES WERE RELATIVELY CONSTRUCTIVE. HE SAID THEY COULD HELP REDUCE TENSION BETWEEN THE US AND IRAN, AND ADMITTED THAT THE MESSAGE TO KHOMEINI SHOULD PERHAPS NOT HAVE BEEN PUBLISHED WITHOUT WARNING THE US GOVERNMENT. BOTH BANI SADR AND AHMED KHOMEINI HAVE SAID THE TEXT OF THE MESSAGE TO KHOMEINI WAS RELEASED BECAUSE THE IRANIAN NATION SHOULD BE AWARE THAT NOTHING WAS BEING KEPT BACK FROM THEM. BANI SADR ALSO SAID THE

WAS BEING KEPT BACK FROM THEM. BANI SADR ALSO SAID THE MESSAGES SHOWED PRESIDENT CARTER'S LACK OF UNDERSTANDING OF THE IRANIAN REVOLUTION; BANI SADR NEEDED NEITHER THREAT NOR ENCOURAGEMENT TO ACT AS HE BELIEVED RIGHT; THE PEOPLE OF IRAN SHOULD TAKE THE FINAL DECISION( ON THE HOSTAGES). HE PROMISED A MAJOR SPEECH AT THE CELEBRATIONS TOMORROW TO MARK ISLAMIC REPUBLIC DAY.

3. THE GENERAL TONE OF PRESS AND MEDIA REACTION HAS BEEN HOSTILE, DESCRIBING THE MESSAGES AS EVIDENCE OF AMERICAN IMPOTENCE. ISLAMIC REPUBLIC NEWSPAPER SUGGESTED THE ONLY PATH OPEN TO THE US WAS TO RETURN THE SHAH - ALIVE - AND HIS ASSETS. THE MOJAHEDDINE KHALQ DEMANDED A COMPLETE BREAK IN DIPLOMATIC RELATIONS WITH THE US. CONTRARY TO THEIR USUAL PRACTICE, THE STUDENTS OCCUPYING THE US EMBASSY HAVE SO FAR REMAINED SILENT.
4. MESSAGES TO BANI SADR FROM WESTERN AND JAPANESE LEADERS, INCLUDING THE BRITISH PRIME MINISTER, HAVE BEEN LARGELY OVERSHADOWED BY THIS FURORE BUT HAVE BEEN MENTIONED, WITHOUT TEXT OR COMMENT, ON THE LOCAL NEWS AND IN THE PRESS.
5. THE MINISTRY OF THE INTERIOR TODAY BANNED A RALLY OUTSIDE TEHRAN UNIVERSITY CALLED FOR THIS AFTERNOON BY THE (COMMUNIST) PARTY OF WORKERS AND PEASANTS BECAUSE THE ORGANISERS HAD NOT OBTAINED OFFICIAL PERMISSION. THE RALLY WAS INTENDED TO DEMAND THE RETURN OF THE SHAH AND TO PROTEST AT THE CONDUCT OF THE MAJLES ELECTIONS.
6. AN IRANIAN HAS SURRENDERED TO THE POLICE AFTER MURDERING HIS SISTER, BECAUSE, HE CLAIMED, SHE WAS FIVE AND A HALF MONTHS PREGNANT FOLLOWING RAPE BY A US MARINE NOW HELD HOSTAGE. BOTH THE GIRL BEFORE HER MURDER, AND NOW HER BROTHER, HAVE FILED SUITS AGAINST THE MARINE, NAMED IN YESTERDAY'S PAPERS AS MICHAEL MULLER AND DESCRIBED AS CHIEF OF THE MARINE DETACHMENT. A TEHRAN JUSTICE OFFICE SPOKESMAN HAS SAID THAT AFTER BLOOD TESTS THE MARINE SHOULD BE QUESTIONED. THE LOCAL PRESS IS TREATING THE MATTER IN UGLY AND EMOTIVE TERMS.
7. A NUMBER OF "INTERMEDIARIES", INCLUDING SEAN MACBRIDE, ABOUREZCK AND SOME FRENCH LAWYERS, ARE REPORTED TO BE OR TO HAVE BEEN IN TEHRAN IN CONNEXION WITH THE HOSTAGES. OF THESE, MACBRIDE, CLAIMING TO HAVE BEEN INVITED BY BANI SADR, HAS RECEIVED THE MOST PUBLICITY. THERE ARE FURTHER RUMOURS THAT A REPRESENTATIVE OF THE INTERNATIONAL RED CROSS (IRC) HAS BEEN HERE ON A MISSION. ONE VERSION IS THAT HE CAME TO

THAT A REPRESENTATIVE OF THE INTERNATIONAL RED CROSS (IRC) HAS BEEN HERE ON A MISSION. ONE VERSION IS THAT HE CAME TO SEE THE HOSTAGES BUT WAS DENIED ACCESS TO ALL OF THEM BY THE "STUDENTS" AND LEFT TEHRAN TODAY WITHOUT SEEING ANY. HOWEVER BANI SADR IS SAID TO HAVE TOLD THE IRC PERMANENT REPRESENTATIVE HERE TO BE READY TO VISIT THE EMBASSY. IT IS IMPOSSIBLE TO BE SURE BUT THERE IS A VAGUE FEELING IN THE AIR THAT SOME NEW DEVELOPMENT MAY BE AFOOT.

PROVINCES.

3. BANI SADR ON 30 MARCH UNDERTOOK TO COMMENT IN HIS SPEECH TOMORROW ON STATEMENTS BY THE KURDISH RELIGIOUS LEADER, HOSSEINI, ABOUT THE UNSTABLE SITUATION IN KURDISTAN. THERE HAVE BEEN REPORTS OF NUMEROUS CLASHES THERE, AND ALSO RAIDS BY IRAQIS FROM ACROSS THE BORDER. KHOMEINI ON 30 MARCH SENT A SPECIAL EMISSARY, HOJATOLESLAM HAJ SHEIKH HOSSEIN KEMANI, TO OROUMIEH, WHERE HE DEMANDED A CEASEFIRE AND TALKS BETWEEN GOVERNMENT FORCES AND KURDS. QASSEMLOU OF THE KDP HAS APPARENTLY INVITED HIM TO MAHABAD, WEST AZERBAIJAN IS NOW REPORTED QUIET (SEE TUR).

9. LOCAL NEWSPAPERS HAVE PUBLISHED RUMOURS THAT YAHPOUR BAKHTIAR IS IN IRAQ TO PLOT AGAINST IRAN, AND THAT GENERAL OVEISSI, MARTIAL LAW COMMANDER OF TEHRAN UNDER THE SHAH, IS DUE TO SLIP INTO KURDISTAN SHORTLY. THEY LINK THESE RUMOURS TO THE ARRIVAL OF THE SHAH IN EGYPT.

10. THE GOVERNOR OF KHORASSAN ON 29 MARCH ORDERED THE ARREST OF A GROUP OF REVOLUTIONARY GUARDS IN MASHHAD FOR KILLING AT LEAST ONE PERSON AND CAUSING TENSION IN THE CITY.

11. A BOMB EXPLODED IN THE MAIN BAZAAR OF KHORRAMSHAHR ON 29 MARCH INJURING 15 PEOPLE.

FCO PASS SAVING JEDDA

WYATT

NNNN

Top Copy filed Germany (Schmidt Visit) #2

File 13



10 DOWNING STREET

From the Private Secretary

31 March 1980

VISIT BY CHANCELLOR SCHMIDT

I enclose records of:-

- (a) the Foreign and Commonwealth Secretary's telephone call with the French Foreign Minister about Iran late in the evening of Thursday, 27 March;
  - (b) the Prime Minister's telephone conversation with President Carter early on the morning of Friday, 28 March;
- and
- (c) the discussion between the Prime Minister and Chancellor Schmidt late in the morning of Friday, 28 March.

Unfortunately, owing to the quality of the line, no one was able to listen in to the Foreign and Commonwealth Secretary's second telephone conversation with M. Francois Poncet on Friday, 28 March in the mid-morning. This is referred to in the first paragraph of the record of the discussion between the Prime Minister and Chancellor Schmidt.

I have classified the main record "SECRET" because of the outspoken comments made by Chancellor Schmidt about the American Government. I should be grateful if the record could be given a very limited distribution.

I am sending copies of this letter, together with the record of the discussion between the Prime Minister and Herr Schmidt to Brian Norbury (Ministry of Defence) and to David Wright (Cabinet Office).

G. G. H. Walden, Esq.,  
Foreign and Commonwealth Office.

SECRET

N

CONFIDENTIAL

GR 75  
CONFIDENTIAL  
FM TEHRAN 300530Z MAR  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 327 OF 30 MARCH 82  
INFO IMMEDIATE WASHINGTON  
INFO ROUTINE TOKYO, OTTAWA AND EEC POSTS.

YOUR TELNO 212 : US/IRAN

1. I DELIVERED THE PRIME MINISTER'S MESSAGE PERSONALLY TO TAGHAVI, BANI SADR'S CHEF DE CABINET, AT 2000 HOURS LOCAL TIME ON 29 MARCH.
2. I RAN OVER THE GIST OF THE MESSAGE ORALLY WITH TAGHAVI AND EMPHASISED THE URGENCY. HE UNDERTOOK TO CONVEY THE MESSAGE IMMEDIATELY TO THE PRESIDENT, WHO WAS JUST ON THE POINT OF LEAVING HIS OFFICE.

WYATT [COPIES SENT TO NO 10 DOWNING ST]

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CONFIDENTIAL SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T70/80

GRS 40  
CONFIDENTIAL  
DESKBY 291300Z  
FM FCO 291110Z MAR 80  
TO IMMEDIATE TEHRAN  
TELEGRAM NUMBER 212 OF 29 MARCH  
INFO IMMEDIATE WASHINGTON, TOKYO, OTTAWA AND EC POSTS.

*cc. Hatter  
of*

MY TELNO 587 TO WASHINGTON : US/IRAN.

PRIME MINISTER HAS NOW DECIDED TO SEND THE MESSAGE IN MY IFT TO  
BANI SADR. YOU SHOULD ARRANGE FOR ITS DELIVERY AS SOON AS  
POSSIBLE BEFORE THE AMERICAN DEADLINE IN MY TELNO 586 TO WASHINGTON.

CARRINGTON

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TO IMMEDIATE TEHRAN

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SUBJECT  
PRIME MINISTER'S  
PERSONAL MESSAGE

TELEGRAM NUMBER 213 OF 29 MARCH 1980

SERIAL No. T70/80

INFO IMMEDIATE WASHINGTON TOKYO OTTAWA AND EEC POSTS

MIPT : US/IRAN

I HAVE BEEN WATCHING WITH GREAT INTEREST RECENT EVENTS IN YOUR COUNTRY, AND SHOULD LIKE TO EXPRESS MY ADMIRATION FOR THE WAY IN WHICH YOU HAVE ASSUMED THE OFFICE OF PRESIDENT AND BEGUN THE DIFFICULT TASK OF GOVERNMENT.

THERE IS ONE PROBLEM, AS YOU YOURSELF HAVE SAID, WHICH IS IMPEDING YOU IN THESE EFFORTS. THIS IS THE CONTINUED DETENTION OF THE UNITED STATES DIPLOMATS IN TEHRAN. THIS SITUATION IS CAUSING GRAVE DAMAGE TO THE STANDING OF IRAN IN THE WORLD. IT IS ALSO OF VERY SERIOUS CONCERN TO THE BRITISH GOVERNMENT AND TO MANY OTHER GOVERNMENTS THROUGHOUT THE WORLD. I VERY MUCH HOPE THAT YOU AND YOUR COLLEAGUES WILL CONTINUE UNTIRINGLY WITH YOUR EFFORTS TO SECURE THE EARLY RELEASE OF THE HOSTAGES. UNTIL THIS IS ACHIEVED I SEE NO WAY IN WHICH THE MANY PROBLEMS CONFRONTING YOU CAN BE TACKLED. THE PATIENCE OF THE AMERICAN PEOPLE OVER AN ACT WHICH NO GOVERNMENT CAN CONDONE HAS SO FAR, IN MY VIEW, PROVED REMARKABLE. BUT I MUST STRESS TO YOU THAT THIS PATIENCE IS NOT INEXHAUSTIBLE. I AM MOST PROFOUNDLY CONCERNED THAT, IF THE PRESENT STALEMATE OVER THE RELEASE OF THE HOSTAGES IS FURTHER PROLONGED, THE MOST DAMAGING CONSEQUENCES COULD ENSUE.

I FEEL SURE THAT, IF SOME INDEPENDENT AND RESPECTED AUTHORITY, PERHAPS EVEN THE REVOLUTIONARY GOVERNMENT OF IRAN ITSELF (THOUGH I UNDERSTAND THE PROBLEMS OVER THIS), WERE ABLE TO TAKE OVER THE CUSTODY OF THE HOSTAGES FROM THOSE STILL HOLDING THEM IN THE AMERICAN EMBASSY, THIS WOULD PROVIDE CONSIDERABLE REASSURANCE TO THE AMERICAN GOVERNMENT, AND ENABLE FURTHER CONSTRUCTIVE MOVES TOWARDS THE SETTLEMENT OF DIFFERENCES AND THE RELAXATION OF TENSION TO TAKE PLACE.

THE SITUATION WE ARE FACING NOW IS OF SUCH GRAVITY THAT I ENTREAT YOU TO USE YOUR BEST ENDEAVOURS TO PROVIDE FOR ITS EARLY RESOLUTION.

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SUBJECT.

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FM F C O 291120Z MAR 80

TO IMMEDIATE WASHINGTON  
TELNO.621 OF 29 MARCH,  
INFO IMMEDIATE: TEHRAN TOKYO OTTAWA AND E.C. POSTS.

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 71/80

MY TELNO.160 TO PARIS AND WASHINGTON TELNO.1281:  
REPLY TO PRESIDENT CARTER'S MESSAGE OF 25 MARCH.

cc. [unclear] [unclear]

1. FOLLOWING IS TEXT OF LETTER FROM PRIME MINISTER TO PRESIDENT CARTER. PLEASE ARRANGE DELIVERY AS SOON AS POSSIBLE. BEGINS:

I HAVE STUDIED WITH CARE YOUR LETTER OF 25 MARCH AND ITS REQUEST FOR OUR ACTIVE SUPPORT AND ASSISTANCE IN THE EFFORT TO SECURE THE RELEASE OF THE U.S HOSTAGES IN TEHRAN. THE BRITISH GOVERNMENT AND PEOPLE HAVE THE DEEPEST SYMPATHY WITH YOU OVER THE TRAGIC PREDICAMENT OF THE HOSTAGES. WE WANT TO DO EVERYTHING WE CAN TO HELP.

I SHALL SHORTLY BE COMMUNICATING WITH PRESIDENT BANI SADR IN ORDER TO CONVEY TO HIM THE SERIOUSNESS WITH WHICH I VIEW THE PRESENT GRAVE SITUATION. I SHALL BE POINTING OUT TO HIM THAT MY GOVERNMENT EXPECT HIM TO CONTINUE WITH HIS EFFORTS TO SECURE THE EARLY RELEASE OF THE AMERICAN HOSTAGES. I WILL STRESS THAT THE PATIENCE OF THE AMERICAN PEOPLE HAS BEEN REMARKABLE, BUT THAT IT IS NOT INEXHAUSTIBLE AND WILL SAY THAT ANY SIGNIFICANT PROLONGATION OF THE PRESENT STALEMATE MAY WELL HAVE THE MOST DAMAGING CONSEQUENCES.

AS PART OF OUR EFFORT TO GIVE YOU THE SUPPORT FOR WHICH YOU ASK, I WILL ENCOURAGE THE HEADS OF OTHER GOVERNMENTS TO WRITE O PRESIDENT BANI SADR IN SIMILAR TERMS.

I SHARE YOUR HOPE THAT AN APPROACH OF THIS KIND, MADE BY A CONSIDERABLE NUMBER OF GOVERNMENTS, MAY HAVE A REAL IMPACT IN TEHRAN. BUT IT MUST BE GIVEN TIME TO WORK. PRECIPITATE ACTION AT THE PRESENT JUNCTURE COULD WELL HAVE EFFECTS CONTRARY TO THOSE WHICH WE ARE ALL SEEKING. IN PARTICULAR, THE LOSS OF COMMUNICATIONS WHICH WOULD FOLLOW THE BREAKING OFF OF RELATIONS WOULD REDUCE OUR SCOPE FOR ACTION AIMED AT THE RELEASE OF THE HOSTAGES. MOREOVER, THE IRANIANS HAVE NOT YET HAD TIME TO DIGEST THE SIGNIFICANCE OF THE SHAH'S MOVE TO EGYPT. IT WOULD ALSO, IN MY VIEW, BE WRONG TO HAVE THE LAST PHASE OF THE ELECTION CAMPAIGN IN IRAN TAKE PLACE IN CIRCUMSTANCES WHERE THE CANDIDATES WERE COMPETING WITH EACH OTHER IN THEIR CONDEMNATION OF THE UNITED STATES. TO DO SO WOULD BE TO ENSURE THAT THE NEW ASSEMBLY MET IN AN ATMOSPHERE OF TOTAL HOSTILITY TO YOUR COUNTRY.

CONFIDENTIAL

/1 know

## CONFIDENTIAL

I KNOW THAT YOU ARE FULLY ALIVE TO THE POTENTIAL DANGERS OF THE PRESENT SITUATION. IN MY VIEW THERE IS AN APPRECIABLE RISK OF A RAPID AND SERIOUS GROWTH OF TENSION IN THE AREA. GREATER INVOLVEMENT ON YOUR PART COULD BRING IN ITS TRAIN A SOVIET REACTION WITH ALL THE THAT WOULD IMPLY. WE MUST SURELY BE CONCERNED TO AVOID THIS. I HOPE THEREFORE THAT DESPITE THE PRESSURES THAT YOU ARE UNDER, YOU WILL BE ABLE TO PERSEVERE FOR A LITTLE LONGER WITH THE POLICY THAT CAME SO CLOSE TO SUCCESS A FEW WEEKS AGO.

IF HOWEVER OUR JOINT EFFORTS FAIL, IF THE CONVENING OF THE NEW IRANIAN PARLIAMENT DOES NOT BRING A SOLUTION AND IF YOU CONSIDER THAT FURTHER ACTION IS NEEDED, THEN MY GOVERNMENT WILL OF COURSE GIVE YOU ITS SUPPORT. IN THESE CIRCUMSTANCES THE STEPS TO BE TAKEN BY BOTH OUR GOVERNMENTS WOULD NEED TO BE THE SUBJECT OF THE CLOSEST CONSULTATION. IT IS IMPERATIVE THAT WE CO-ORDINATE OUR ACTIONS ON THESE VITAL ISSUES AS EFFECTIVELY AS POSSIBLE.

I LOOK FORWARD TO REMAINING IN THE CLOSEST TOUCH WITH YOU IN THE DAYS AND WEEKS AHEAD.

ENDS

CARRINGTON

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10 DOWNING STREET

PRIME MINISTER

Iran: two messages

*h.s. ✓ [Signature] 31/3*

1. Reply to President Carter's message (25 March)
2. Message to President Bani Sadr.

Are you content with these drafts?

*Agree both drafts  
art*

DUTY CLERK

29 March 1980

ELEMENTS FOR REPLIES BY EUROPEAN HEADS OF GOVERNMENT TO PRESIDENT  
CARTER'S MESSAGE OF 25 MARCH 1980

I have studied with care your letter of 25 March and its request for our active support and assistance in the effort to secure the release of the US hostages in Tehran. The British Government and people have the deepest sympathy with you over the tragic predicament of the hostages. We want to do everything we can to help.

I shall shortly be communicating with President Bani Sadr in order to convey to him the seriousness with which I view the present grave situation. I shall be pointing out to him that my Government expect him to continue with his efforts to secure the early release of the American hostages. I will stress that the patience of the American people has been remarkable, but that it is not inexhaustible and will say that any significant prolongation of the present stalemate may well have the most damaging consequences.

As part of our effort to give you the support for which you ask, I will encourage the Heads of other Governments to write to President Bani Sadr in similar terms.

I share your hope that an approach of this kind, made by a considerable number of Governments, may have a real impact in Tehran, but it must be given time to work. Precipitate action at the present juncture could well have effects contrary to those which we are all seeking. In particular, the loss of communications which would follow the breaking off of relations would reduce our

scope for action aimed at the release of the hostages. Moreover, the Iranians have not yet had time to digest the significance of the Shah's move to Egypt. It would also, in my view, be wrong to have the last phase of the election campaign in Iran take place in circumstances where the candidates were competing with each other in their condemnation of the United States, to do so would be to ensure that the new Assembly met in an atmosphere of total hostility to your country.

I know that you are fully alive to the potential dangers of the present situation. In my view there is an appreciable risk of a rapid and serious growth of tension in the area. Greater involvement on your part could bring in its train a Soviet reaction with all that that would imply. We must surely be concerned to avoid this. I hope therefore that despite the pressures that you are under, you will be able to persevere for a little longer with the policy that came so close to success a few weeks ago.

If however our joint efforts fail, if the convening of the new Iranian Parliament does not bring a solution and if you consider that further action is needed, then my Government will of course give you its support. In these circumstances the steps to be taken by both our Governments would need to be the subject of the closest consultation. It is imperative that we co-ordinate our actions on these vital issues as effectively as possible. I look forward to remaining in the closest touch with you in the days and weeks ahead.

ENDS

MESSAGE FROM THE PRIME MINISTER TO HE ABOLHASSAN RANI SADR,  
PRESIDENT OF THE ISLAMIC REPUBLIC OF IRAN

I have been watching with great interest recent events in your country, and should like to express my admiration for the way in which you have assumed the office of President and begun the difficult task of government.

As you yourself have said, there is one problem which is impeding you in these efforts. This problem, which is also of very serious concern to the British Government and many governments throughout the world, is the continued detention of the United States diplomats in Tehran. This situation is causing grave damage to the standing of Iran in the world. I very much hope that you and your colleagues will continue untiringly with your efforts to secure the early release of the hostages. Until this is achieved I see no way in which the many problems confronting you both domestically and internationally can be tackled. The patience of the American people over an act which no government can condone has so far, in my view, proved remarkable. But I must stress to you that this patience is not inexhaustible. I am most profoundly concerned that, if the present stalemate over the release of the hostages is further prolonged, the most damaging consequences could ensue.

I feel sure that, if some independent and respected authority, perhaps even the Revolutionary Government of Iran itself (though I understand the problems over this), were able to assume the custody of the hostages from those still holding them in the American Embassy, this would provide considerable reassurance to the American Government, and enable further constructive moves towards the settlement of differences and the relaxation of tension to take place. Even improved conditions for access to the hostages by independent persons would be seen as a helpful gesture.

The situation which we are now facing is of such gravity that I entreat you to use your best endeavours to provide for its early resolution.

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

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GRS 227  
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FM FCO 281235Z MAR 80  
TO FLASH ROME  
TELEGRAM NUMBER 178 OF 28 MARCH  
INFO TO PRIORITY WASHINGTON, DUBLIN, PARIS,  
LUXEMBOURG, THE HAGUE, BRUSSELS, BONN, COPENHAGEN

*K.S. Hunt*

MY TEL NO 175: IRAN

1. THE FRENCH FOREIGN MINISTER HAS NOW TELEPHONED TO SAY THAT PRESIDENT GISCARD BROADLY AGREES WITH THE LINE IN THE DRAFT (MY TEL NO 160 TO PARIS) BUT WILL DRAFT HIS OWN REPLY TO PRESIDENT CARTER IN TERMS CONVEYING A SLIGHTLY MORE SYMPATHETIC UNDERSTANDING OF THE AMERICAN PREDICAMENT.
2. YOU MAY NOW HAND THE DRAFT OVER TO THE ITALIANS BEFORE THIS AFTERNOON'S MEETING. YOU SHOULD SAY THAT IT REPRESENTS A TEXT AGREED DURING THE PRIME MINISTER'S CURRENT TALKS WITH THE GERMAN CHANCELLOR, WHICH WE HOPE THE FRENCH AND ITALIANS WILL FIND BROADLY AGREEABLE. YOU SHOULD SEEK AT THE MEETING TO SECURE AGREEMENT THAT THE NINE ALL SEND INDIVIDUAL MESSAGES TO BANI SADR ALONG THE LINES PROPOSED.
3. YOU SHOULD ALSO WORK FOR AGREEMENT ON A LOBBYING EXERCISE BY THE NINE TO STIMULATE SIMILAR MESSAGES FROM AS MANY OTHER GOVERNMENTS AS POSSIBLE. WE CAN, FOR EXAMPLE TAKE ON APPROPRIATE COMMONWEALTH COUNTRIES AND POSSIBLY SOME OF THE GULF STATES, BUT COULD AGREE TO ANY REASONABLE DIVISION OF EFFORT, THOUGH WE WOULD NOT EXPECT ANY SUCH DIVISION TO BE TOO PRECISE OR EXCLUSIVE AT THIS STAGE: THE EFFORT SHOULD BE CO-ORDINATED BY THE REPRESENTATIVES OF THE NINE ON THE SPOT.

CARRINGTON

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Centre for Policy Studies

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La. *Paul*  
March 28, 1980

Dear Michael,

I thought you might be interested in another conversation I had recently with Baskier in Paris. pl. send a copy to the Foreign office if you think it interesting enough. x

Yours ever

Hugh

x Copy enclosed.

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30 MAR 1960



PRIVATE AND CONFIDENTIAL

I went to see Mr. Bashkir to-day in his large, barely-furnished flat in Paris, 52 Boulevard Inkerman. This third-floor residence is heavily guarded by police on both the street and the third-floor level. A large map of Iran was the only decoration.

Bashkir looked tired but was lively. A survivor of Paris in the 30s, he had organised propoganda and arms for the Spanish Republicans in the civil war as a student. He had fought in the French Resistance. Our conversation was in French, which he speaks fluently. In many ways, he seemed typical of the moderately progressive French intellectual who once was further to the Left than he now is. He still retained some rather fixed ideas about the thirties (the "tragedy of the 1930s was that the British government was on the Right and the French on the Left"), and he seemed still under the impression that the US had "pushed" Castro and Cuba into the arms of the Soviet Union - an untenable view. He went out of his way to say that he is now working full time for Iranian freedom.

His analysis of Iran was that the Shah had destroyed the national political life and had been encouraged to do so by the Americans. Nixon had been particularly responsible. So it had been impossible even to organise a Right-wing political party: even a reactionary one. It was not oil but authoritarian monarchism which ruined Iran. The money gained from oil was disgracefully mis-spent and the country was disgracefully mis-

managed: brothels had benefited, not the people.

When the Shah destroyed the political life of Iran, two forces only were left: the mullahs and the communists. The communists went underground. People turned to Khomeini because his was the only voice which challenged the Shah - not because they were religious. They are not. Iran's religion is a fraud (trucage). He went on (more or less): "when I had my opportunity, it was too late. I tried to make an arrangement with Khomeini but I could not. He had only one idea, at that time, to restore the Middle Ages. It is an impossible idea. There is no responsible force in Iran. Only Khomeini. But he and the mullahs are incapable of running a 20th century country. To run the country you need cadres. Banks, industry, trade unions also need cadres. But they do not exist. 2000 doctors have left Iran since the Shah fell."

"The Americans think highly of Beni Sadr. But they will get nowhere with him. He is not a responsible President. Without Khomeini he would be nothing. If Khomeini dies, he will be less than nothing."

"So, everything is being run down. Nothing works."

"When Khomeini falls, the only party capable of taking over will be the communists. They are working hard. They will be ready to take over. They have organised many supporters throughout the country, particularly among the Arabs in the oil zone. But also in Azerbaijan. I do not know about Baluchistan."

"The Americans, particularly Brzezinski, think that Muslims will never choose communism. They are wrong. Anyway, the Iranians won't be able to choose anything. And, anyway, Iranians are not so religious as all that." (See above)

"Once Iran becomes communist, it will become so forever. Iraq, the Gulf, Turkey will follow."

"It is because I see this that I am fighting, organising, and preparing in every way I can."

"The BBC is not being helpful. It could be. People listen to it. It could have great moral influence."

"I do not want the Americans to land troops, tanks, artillery. But I would like assistance - money, technical and logistical support. The people of Iran must overthrow Khomeini before he dies. Otherwise, the communist will win. I have told the Americans. They always say 'yes, next week we will help'. They do not. I have told France. I have told this to Julian Amery and Colonel Maclean (Billy Maclean) who came to see me recently."

"The Americans should forget the hostages. If they cease making so much fuss, they will get them released. Carter should cease thinking that it is more important to save 50 people - who are only prisoners - than lose the whole of the Middle East. In Vietnam, they lost 50,000 men, not counting those they killed. They should not determine their entire foreign policy on the basis of the future of the hostages. Khomeini cannot release them because he would lose face if he did."

"The regions of Iran ought to have autonomy. They do not, anyway, want independence. Autonomy would suit them, really. Not every region wants to be autonomous."

NOTE

The above is the gist of Mr. Bashkir's remarks as written down by me from memory afterwards. I have a good memory for conversations of this nature but I do not guarantee that he put his thoughts (anyway expressed in French) exactly as above. I was in Paris to give a lecture.

*Hugh Thomas*  
*March 26, 1980*

HT/26.3.80.

PRIVATE AND CONFIDENTIAL

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"The BBC is not being helpful. It could be. People listen to it. It could have great moral influence."

"I do not want the Americans to land troops, tanks, artillery. But I would like assistance - money, technical and logistical support. The people of Iran must overthrow Khomeini before he dies. Otherwise, the communist will win. I have told the Americans. They always say 'yes, next week we will help'. They do not. I have told France. I have told this to Julian Amery and Colonel Maclean (Billy Maclean) who came to see me recently."

"The Americans should forget the hostages. If they cease making so much fuss, they will get them released. Carter should cease thinking that it is more important to save 50 people - who are only prisoners - than lose the whole of the Middle East. In Vietnam, they lost 50,000 men, not counting those they killed. They should not determine their entire foreign policy on the basis of the future of the hostages. Khomeini cannot release them because he would lose face if he did."

"The regions of Iran ought to have autonomy. They do not, anyway, want independence. Autonomy would suit them, really. Not every region wants to be autonomous."

NOTE

The above is the gist of Mr. Bashkir's remarks as written down by me from memory afterwards. I have a good memory for conversations of this nature but I do not guarantee that he put his thoughts (anyway expressed in French) exactly as above. I was in Paris to give a lecture.

HT/26.3.80.

CONFIDENTIAL

*f.a.*  
*Reid*

GRS 130

CONFIDENTIAL  
FM F C O 280505Z MAR 80  
TO FLASH ROME  
TELEGRAM NO 175 OF 28 MARCH  
INFO IMMEDIATE BONN, ROUTINE OTHER EC POSTS

IRAN

I CONSULTED M. FRANCOIS PONCET ON THE TELEPHONE YESTERDAY EVENING, AFTER HAVING DISCUSSED THE MATTER WITH HERR GENSCHER, ABOUT THE TIMING OF THE PRESIDENCY'S MEETING LATER TODAY TO DISCUSS PRESIDENT CARTER'S MESSAGE. WE ARE AGREED THAT YOU, TOGETHER WITH YOUR FRENCH AND GERMAN COLLEAGUES, SHOULD SEEK TO HAVE THE MEETING POSTPONED UNTIL LATER THIS AFTERNOON. OUR OBJECTIVE WILL BE TO LET YOU HAVE CO-ORDINATED INSTRUCTIONS BEFORE THE MEETING.

MY TELNO 160 TO PARIS (COPIED FLASH TO YOU) SETS OUT THE POINTS WHICH I AND HERR GENSCHER WOULD LIKE TO SEE COVERED IN DRAFT REPLIES FROM THE EUROPEAN RECIPIENTS OF PRESIDENT CARTER'S MESSAGE. WE ENVISAGE THAT SEPARATE MESSAGES WILL BE SENT. THE VIEWS OF THE FRENCH FOREIGN MINISTER ARE BEING SOUGHT.

CARRINGTON

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GRS 200  
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FM F C O 280507Z MAR 80  
TO F L A S H PARIS  
TELEGRAM NUMBER 160 OF 28 MARCH  
AND TO F L A S H ROME  
INFO ROUTINE EC POSTS

*fs*  
*Rant*

M.I.P.T.

IRAN

FOLLOWING IS TEXT.

BEGINS

ELEMENTS FOR REPLIES BY EUROPEAN HEADS OF GOVERNMENT TO PRESIDENT  
CARTER'S MESSAGE OF 25 MARCH 1980

I HAVE STUDIED WITH CARE YOUR LETTER OF 25 MARCH AND ITS  
REQUEST FOR OUR ACTIVE SUPPORT AND ASSISTANCE IN THE EFFORT  
TO SECURE THE RELEASE OF THE US HOSTAGES IN TEHRAN.

I SHALL SHORTLY BE COMMUNICATING WITH PRESIDENT BANI SADR  
IN ORDER TO CONVEY TO HIM THE SERIOUSNESS WITH WHICH I VIEW  
THE PRESENT GRAVE SITUATION. I SHALL BE POINTING OUT TO HIM  
THAT MY GOVERNMENT EXPECT HIM TO CONTINUE WITH HIS EFFORTS TO  
SECURE THE EARLY RELEASE OF THE AMERICAN HOSTAGES. I WILL  
STRESS THAT THE PATIENCE OF THE AMERICAN PEOPLE HAS BEEN  
REMARKABLE, BUT THAT IT IS NOT INEXHAUSTIBLE AND WILL SAY THAT  
ANY SIGNIFICANT PROLONGATION OF THE PRESENT STALEMATE MAY  
WELL HAVE THE MOST DAMAGING CONSEQUENCES.

AS PART OF OUR EFFORT TO GIVE YOU THE SUPPORT FOR WHICH  
YOU ASK, I WILL ENCOURAGE THE HEADS OF OTHER GOVERNMENTS TO  
WRITE TO PRESIDENT BANI SADR IN SIMILAR TERMS.

I SHARE YOUR HOPE THAT AN APPROACH OF THIS KIND, MADE BY  
A CONSIDERABLE NUMBER OF GOVERNMENTS, MAY HAVE A REAL IMPACT  
IN TEHRAN. BUT IT MUST BE GIVEN TIME TO WORK. PRECIPITATE  
ACTION AT THE PRESENT JUNCTURE COULD WELL HAVE EFFECTS CONTRARY  
TO THOSE WHICH WE ARE ALL SEEKING. IN PARTICULAR, THE LOSS  
OF COMMUNICATIONS WHICH WOULD FOLLOW THE BREAKING OFF OF  
RELATIONS WOULD REDUCE OUR SCOPE FOR ACTION AIMED AT THE RELEASE  
OF THE HOSTAGES. MOREOVER, THE IRANIANS HAVE NOT YET HAD TIME  
TO DIGEST THE SIGNIFICANCE OF THE SHAH'S MOVE TO EGYPT. IT  
WOULD ALSO, IN MY VIEW, BE WRONG TO HAVE THE LAST PHASE OF THE  
ELECTION CAMPAIGN IN IRAN TAKE PLACE IN CIRCUMSTANCES WHERE THE  
CANDIDATES WERE COMPETING WITH EACH OTHER IN THEIR CONDEMNATION  
OF THE UNITED STATES. TO DO SO WOULD BE TO ENSURE THAT THE NEW  
ASSEMBLY MET IN AN ATMOSPHERE OF TOTAL HOSTILITY TO YOUR COUNTRY. /I.

CONFIDENTIAL

CONFIDENTIAL

I KNOW THAT YOU ARE FULLY ALIVE TO THE POTENTIAL DANGERS OF THE PRESENT SITUATION. IN MY VIEW THERE IS AN APPRECIABLE RISK OF A RAPID AND SERIOUS GROWTH OF TENSION IN THE AREA. GREATER INVOLVEMENT ON YOUR PART COULD BRING IN ITS TRAIN A SOVIET REACTION WITH ALL THAT THAT WOULD IMPLY. WE MUST SURELY BE CONCERNED TO AVOID THIS. I HOPE THEREFORE THAT DESPITE THE PRESSURES THAT YOU ARE UNDER, YOU WILL BE ABLE TO PERSEVERE FOR A LITTLE LONGER WITH THE POLICY THAT CAME SO CLOSE TO SUCCESS A FEW WEEKS AGO.

IF HOWEVER OUR JOINT EFFORTS FAIL, IF THE CONVENING OF THE NEW IRANIAN PARLIAMENT DOES NOT BRING A SOLUTION AND IF YOU CONSIDER THAT FURTHER ACTION IS NEEDED, THEN MY GOVERNMENT WILL OF COURSE GIVE YOU ITS SUPPORT. IN THESE CIRCUMSTANCES THE STEPS TO BE TAKEN BY BOTH OUR GOVERNMENTS WOULD NEED TO BE THE SUBJECT OF THE CLOSEST CONSULTATION. IT IS IMPERATIVE THAT WE CO-ORDINATE OUR ACTIONS ON THESE VITAL ISSUES AS EFFECTIVELY AS POSSIBLE. I LOOK FORWARD TO REMAINING IN THE CLOSEST TOUCH WITH YOU IN THE DAYS AND WEEKS AHEAD.

ENDS

CARRINGTON

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FM FCO 280506Z MAR 80

TO FLASH PARIS

TELEGRAM NUMBER 159 OF 28 MARCH

INFO EC POSTS

*h.c. Rusk*

IRAN

PLEASE PASS TEXT IN MIFT TO M. FRANCOIS PONCET AS SOON AS POSSIBLE AND IN ANY CASE NO LATER THAN 0900 TODAY. M. FRANCOIS PONCET, WITH WHOM I SPOKE LAST NIGHT IS EXPECTING THE TEXT.

IN CONVEYING THE TEXT PLEASE STRESS THAT IT IS NOT INTENDED TO BE A FORMAL DRAFT. IT IS ESSENTIALLY A STATEMENT OF THE POINTS WHICH I AND HERR GENSCHER THINK SHOULD BE COVERED IN THE REPLIES TO PRESIDENT CARTER'S MESSAGE. (THE TEXT HAS BEEN APPROVED BY THE PRIME MINISTER AND CHANCELLOR SCHMIDT.)

YOU SHOULD ALSO TELL M. FRANCOIS PONCET THAT SINCE I SPOKE WITH HIM, THE PRIME MINISTER HAS SPOKEN TO PRESIDENT CARTER. THE PURPOSE OF THE CALL WAS TO ASCERTAIN WHETHER THE ULTIMATUM IN PRESIDENT CARTER'S MESSAGE HAD BEEN CONVEYED TO PRESIDENT BANI SADR AND, IF SO, IN WHAT TERMS. PRESIDENT CARTER SAID THAT THE MAIN POINTS OF HIS MESSAGE VIZ THE ACTION THE AMERICANS WILL TAKE ON MONDAY IN THE ABSENCE OF MOVEMENT ON THE IRANIAN SIDE, HAD BEEN CONVEYED TO PRESIDENT BANI SADR IN DETAIL. PRESIDENT CARTER ADDED THAT THE AMERICAN GOVERNMENT DID NOT REGARD THIS COMMUNICATION AS AN ULTIMATUM TO THE IRANIAN GOVERNMENT. HE HOPED THAT KNOWLEDGE OF THE ECONOMIC AND DIPLOMATIC CONSEQUENCES OF THE IMPRISONMENT OF THE HOSTAGES WOULD LEAD THE IRANIAN PEOPLE TO BRING PRESSURE TO BEAR ON THEIR GOVERNMENT. THE AMERICANS HAVE NOT YET HAD ANY RESPONSE.

THE PRIME MINISTER TOLD PRESIDENT CARTER THAT SHE AND HERR SCHMIDT INTENDED TO WRITE TO PRESIDENT BANI SADR. SHE ASKED WHETHER THERE WERE ANY SPECIFIC POINTS PRESIDENT CARTER WOULD LIKE INCLUDED IN SUCH A LETTER. PRESIDENT CARTER SAID THAT HE HOPED THE LETTER WOULD MAKE IT CLEAR THAT THE TRANSFER OF CUSTODY OF THE HOSTAGES FROM THE STUDENTS TO THE GOVERNMENT WOULD BE VERY HELPFUL. IT WOULD PRECIPITATE THE RETURN OF THE UNITED NATIONS COMMISSION AND WOULD LEAD THE AMERICAN GOVERNMENT TO HOLD IN ABEYANCE THE ACTION IT WAS CONTEMPLATING.

FINALLY, THE PRIME MINISTER ASKED WHETHER ANY SPECIFIC INCIDENT HAD PRECIPITATED PRESIDENT CARTER'S MESSAGE TO PRESIDENT BANI SADR. PRESIDENT CARTER SAID THAT THE ACTION OF THE REVOLUTIONARY COUNCIL IN POSTPONING THE SECOND ROUND OF THE NATIONAL ELECTIONS IN IRAN HAD BEEN A DECISIVE FACTOR.

PLEASE TELL M. FRANCOIS PONCET THAT I LOOK FORWARD TO HEARING FROM HIM ON THE TELEPHONE LATER THIS MORNING AFTER HIS MEETING WITH THE PRESIDENT.  
CARRINGTON

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MR. ALEXANDER

cc Mr. Walden  
Sir Michael Palliser

IRAN

Sir D. Maitland telephoned at 3.30 this afternoon with the following amendment which Departments would like to have made to the draft message to President Carter, to be inserted after the sentence ending " . . . in Tehran":

"The British Government and people have the deepest sympathy with you over the tragic predicament of the hostages. We want to do everything we can to help."

The draft would then continue with the paragraph beginning "I shall shortly . . .".

*J. L. Bullard*

J. L. Bullard

28 March 1980

CONFIDENTIAL

MR. ALEXANDER

cc Mr. Walden  
Sir Michael Palliser

has agreed to this change.

JM 28/3

IRAN

Sir D. Maitland telephoned at 3.30 this afternoon with the following amendment which Departments would like to have made to the draft message to President Carter, to be inserted after the sentence ending ". . . in Tehran":

A / "The British Government and people have the deepest sympathy with you over the tragic predicament of the hostages. We want to do everything we can to help." / R

The draft would then continue with the paragraph beginning "I shall shortly . . .".

JM Maitland

J.L. Bullard

28 March 1980



SUBJECT.

CONFIDENTIAL PRIME MINISTER'S  
PERSONAL MESSAGE

SERIAL No. T 69A/80

RECORD OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER,  
SPEAKING FROM CHEQUERS, AND PRESIDENT CARTER AT 0100 ON FRIDAY  
28 MARCH

cc. memorandum  
EJS

The Prime Minister said that she was telephoning about President Carter's message to her of 25 March in which he had requested support for further US action to secure the release of the hostages in Tehran. She had been discussing the matter with Chancellor Schmidt. It would be helpful to them in deciding the terms of any letter they sent to President Bani Sadr to know more precisely what the Americans had already said in Tehran. Did President Bani Sadr know in detail the action the Americans proposed to take on Monday in the absence of any movement on the hostage issue?

President Carter said that President Bani Sadr had been told in detail what the United States proposed to do. The message had been passed "early this morning". It had been stressed that the message did not constitute an ultimatum to his Government or to him personally. The Prime Minister asked whom it was directed against. The President said that he hoped it would be effective in letting the Iranian people know how serious the situation had become. He believed that once the Iranians became aware of the diplomatic and economic consequences of continuing to torture fifty innocent people and if they knew that it was going to result in the loss of the friendship of many nations, they would bring pressure to bear on those concerned. The Prime Minister said that she could see how this related to the position of President Bani Sadr and Mr. Qotbzadeh. But how did it affect the students? President Carter said that the students were part of a struggle for power. If they could continue to successfully defy the Revolutionary Council, they would retain their present influence. The issue of the return of the hostages was now a factor in a power struggle between Mr. Beheshti and President Bani Sadr. The Prime Minister said that she and Chancellor Schmidt were agreed on writing to President Bani Sadr. Was there any particular point the President would wish them to make? President Carter said they should tell President Bani Sadr that the transfer of the hostages to Government control would be very helpful. A

CONFIDENTIAL

/ transfer

CONFIDENTIAL

- 2 -

transfer would lead to the return of the United Nations Commission. It would also enable the United States to hold its proposed action in abeyance.

The Prime Minister asked what had precipitated the American decision to write to President Bani Sadr. President Carter said that it had been the position of the Iranian Government that the new Iranian Parliament would resolve the hostage issue. However the Revolutionary Council had now postponed the second round of the elections. This had been the decisive factor.

President Carter said that he had sent the Prime Minister a message about a possible Summit Meeting of NATO Heads of Government. He had sent the message only to the Prime Minister and Chancellor Schmidt. He wanted to have their views before taking the matter any further. The Prime Minister said that she would study the message with care.

*Am*

28 March 1980

CONFIDENTIAL

Original  
~~Secret~~ filed in Germany,  
Visits by Schmidt, Pt 2

SECRET

12

Extract

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY, HERR HELMUT SCHMIDT, AT CHEQUERS ON FRIDAY 28 MARCH AT 1145 HOURS

PRESENT

Prime Minister  
Foreign and Commonwealth Secretary  
Sir Michael Palliser (for part of the discussion)  
Mr. J. L. Bullard (for part of the discussion)  
Mr. M. O'D. B. Alexander (for part of the discussion)  
Mr. G. G. H. Walden (for part of the discussion)

Herr Helmut Schmidt  
Herr Genschler  
Herr Blech (for part of the discussion)  
Herr Von Der Gablentz (for part of the discussion)

Iran

The Foreign and Commonwealth Secretary said that he had just spoken to the French Foreign Minister on the telephone. M. François Poncet had seen President Giscard and had discussed with him the joint UK/German document, setting out the elements of a reply to President Carter's message about Iran, which had been sent to him overnight. M. François Poncet said that the French Government would go along with the proposed line. However, they thought that it was a little weak and contained too much criticism of what the United States had done so far. The French reply therefore would be rather vaguer and cast in more general terms. They agreed with the final paragraph. They did not think that the American policy was likely to be effective but considered that the European response should, nonetheless, avoid appearing too reluctant. In the ensuing discussion one or two minor changes to the Anglo/German text were suggested. But it was agreed that the text should remain broadly as drafted pending the outcome of the discussion in Rome, later in the day.

Chancellor Schmidt commented that President Giscard's attitude probably reflected two considerations:-

- (a) he considered that since American lives were in danger, the American Government had the responsibility of determining the policy it wished to pursue; and
- (b) President Giscard was conscious of the potential gravity of the present situation. He did not wish to strengthen suspicions that existed in Washington about the attitude of France.

SECRET

/Afghanistan

# OUT TELEGRAM

Classification and Caveats <b>CONFIDENTIAL</b>	Precedence/Deskby <b>IMMEDIATE</b>
---------------------------------------------------	---------------------------------------

1 ZCZC  
 2 GRS  
 3 CONFIDENTIAL  
 4  
 5  
 6 FM FCO 281630 Z MARCH 80  
 7 TO IMMEDIATE TOKYO  
 8 TELEGRAM NUMBER  
 9 REPEATED TO FOR INFO PRIORITY WASHINGTON, ROME, TEHRAN, BONN  
 10  
 11 MY TEL NO 116: IRAN  
 12 1. The Japanese Ambassador called on Sir D Maitland this  
 13 afternoon to report the action that his government has now  
 14 decided to take in response to President Carter's message.  
 15 2. The Japanese Prime Minister is today sending a personal  
 16 message to Bani Sadr, making the following points:  
 17 (i) The Japanese Prime Minister cannot accept the occupation  
 18 of the American Embassy and the detention of the American  
 19 hostages since this is against the quote fundamental order of  
 20 international society unquote.  
 21 (ii) A solution to this problem cannot be indefinitely delayed  
 22 semicolon there is a limit to the patience of the American  
 23 people.  
 24 (iii) It is important to see concrete and early developments  
 25

m

NHN ends telegram	BLANK	Catchword towards
File number	Dept MED	Distribution DEPARTMENTAL, MED, FED, FRD, TRED ADDITIONAL DISTRIBUTION TEHRAN SPECIAL
Drafted by (Block capitals) S N J LAMPORT		
Telephone number 3982		
Approved for dispatch <i>[Signature]</i>		
Comcon reference	Time of despatch	

OUT TELEGRAM (CONT)

Classification and Caveats

Page 1

CONFIDENTIAL

2

1 <<<<

2 towards the release of the hostages.

3 (iv) The message urges that these concrete steps should now  
4 be taken.

5 3. The Japanese Ambassador said, under instructions, that his  
6 Government hoped that we would make a similar approach to the  
7 Iranians. He stressed the need for close consultation <sup>between</sup>  
8 the US and its allies to decide on effective measures for the  
9 future. The Japanese Prime Minister was replying to President  
10 Carter's message by informing him of the message to Bani Sadr  
11 and, in addition, urging that Bani Sadr be allowed time to see  
12 how he reacted to these appeals before the US took further  
13 steps.

14 4. Maitland told the Ambassador that we had reached <sup>similar</sup> ~~the same~~  
15 conclusions. He explained that the Nine were at present  
16 discussing in Rome the elements of individual messages to Bani  
17 Sadr, the content of which was ~~very~~ similar to that in the  
18 Japanese message. We hoped that we should be able to send our  
19 own message later today. <sup>The Prime Minister</sup> ~~He~~ would be replying to President  
20 Carter telling him what we had done in response to his message.  
21 We had already <sup>TOLD</sup> ~~made the point to~~ the Americans that we did not  
22 consider the issuing of ultimatums to be fruitful. He informed  
23 the Japanese Ambassador that the Nine, following their dis-  
24 cussions in Rome, would <sup>probably</sup> agree to encourage other Governments  
25 to send similar messages to Bani Sadr. Meanwhile, we ourselves  
26 were taking no decisions about further steps. We should wish  
27 to keep in close touch with the Japanese.

28 CARRINGTON

29 NNNN

30

31

32

33

34

NNNN ends  
telegram

BLANK

Catchword

covering CONFIDENTIAL

Duty Clerk.

10 Downing Street.

IRAN: TWO MESSAGES.

1. I attach (as explained to you by David Miles), the draft message to PRESIDENT CARTER [A] which you will be checking with Mr. Alexander to ascertain that, with the agreed addition, it can be sent to Washington. If you wish this to be done



by yourselves rather than  
 the Secy. Resident Clerk,  
 please let him know. Otherwise  
 he will expect a message  
 from you to say that  
 the draft (and agreed  
 insertion) may be sent to  
 Washington.

2. I also attach [B]  
 the draft message to  
 Resident RANI SARKAR,  
 which is to go in the  
 Prime Minister's oversight  
 box. Please inform the

FEO Resident Clerk when  
she has seen and approved  
it, so that he may telegraph  
the message to Tehran  
with appropriate  
instructions.

Staffan Lampson  
Middle East Dept.  
FEO

28/iii/1980



A

GRS 200  
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CONFIDENTIAL

FM F C O 280507Z MAR 80  
TO F L A S H PARIS  
TELEGRAM NUMBER 160 OF 23 MARCH  
AND TO F L A S H ROME  
INFO ROUTINE EC POSTS

M.I.P.T.

IRAN

FOLLOWING IS TEXT.

BEGINS

ELEMENTS FOR REPLIES BY EUROPEAN HEADS OF GOVERNMENT TO PRESIDENT  
CARTER'S MESSAGE OF 25 MARCH 1980

I HAVE STUDIED WITH CARE YOUR LETTER OF 25 MARCH AND ITS  
REQUEST FOR OUR ACTIVE SUPPORT AND ASSISTANCE IN THE EFFORT  
TO SECURE THE RELEASE OF THE US HOSTAGES IN TEHRAN.

*see flag 'c'*  
*1*  
*[INSERT A-B ATTACHED]*

I SHALL SHORTLY BE COMMUNICATING WITH PRESIDENT BANI SADR  
IN ORDER TO CONVEY TO HIM THE SERIOUSNESS WITH WHICH I VIEW  
THE PRESENT GRAVE SITUATION. I SHALL BE POINTING OUT TO HIM  
THAT MY GOVERNMENT EXPECT HIM TO CONTINUE WITH HIS EFFORTS TO  
SECURE THE EARLY RELEASE OF THE AMERICAN HOSTAGES. I WILL  
STRESS THAT THE PATIENCE OF THE AMERICAN PEOPLE HAS BEEN  
REMARKABLE, BUT THAT IT IS NOT INEXHAUSTIBLE AND WILL SAY THAT  
ANY SIGNIFICANT PROLONGATION OF THE PRESENT STALEMATE MAY  
WELL HAVE THE MOST DAMAGING CONSEQUENCES.

AS PART OF OUR EFFORT TO GIVE YOU THE SUPPORT FOR WHICH  
YOU ASK, I WILL ENCOURAGE THE HEADS OF OTHER GOVERNMENTS TO  
WRITE TO PRESIDENT BANI SADR IN SIMILAR TERMS.

I SHARE YOUR HOPE THAT AN APPROACH OF THIS KIND, MADE BY  
A CONSIDERABLE NUMBER OF GOVERNMENTS, MAY HAVE A REAL IMPACT  
IN TEHRAN. BUT IT MUST BE GIVEN TIME TO WORK. PRECIPITATE  
ACTION AT THE PRESENT JUNCTURE COULD WELL HAVE EFFECTS CONTRARY  
TO THOSE WHICH WE ARE ALL SEEKING. IN PARTICULAR, THE LOSS  
OF COMMUNICATIONS WHICH WOULD FOLLOW THE BREAKING OFF OF  
RELATIONS WOULD REDUCE OUR SCOPE FOR ACTION AIMED AT THE RELEASE  
OF THE HOSTAGES. MOREOVER, THE IRANIANS HAVE NOT YET HAD TIME  
TO DIGEST THE SIGNIFICANCE OF THE SHAH'S MOVE TO EGYPT. IT  
WOULD ALSO, IN MY VIEW, BE WRONG TO HAVE THE LAST PHASE OF THE  
ELECTION CAMPAIGN IN IRAN TAKE PLACE IN CIRCUMSTANCES WHERE THE  
CANDIDATES WERE COMPETING WITH EACH OTHER IN THEIR CONDEMNATION  
OF THE UNITED STATES. TO DO SO WOULD BE TO ENSURE THAT THE NEW  
ASSEMBLY MET IN AN ATMOSPHERE OF TOTAL HOSTILITY TO YOUR COUNTRY. /I.

CONFIDENTIAL

CONFIDENTIAL

I KNOW THAT YOU ARE FULLY ALIVE TO THE POTENTIAL DANGERS OF THE PRESENT SITUATION. IN MY VIEW THERE IS AN APPRECIABLE RISK OF A RAPID AND SERIOUS GROWTH OF TENSION IN THE AREA. GREATER INVOLVEMENT ON YOUR PART COULD BRING IN ITS TRAIN A SOVIET REACTION WITH ALL THAT THAT WOULD IMPLY. WE MUST SURELY BE CONCERNED TO AVOID THIS. I HOPE THEREFORE THAT DESPITE THE PRESSURES THAT YOU ARE UNDER, YOU WILL BE ABLE TO PERSEVERE FOR A LITTLE LONGER WITH THE POLICY THAT CAME SO CLOSE TO SUCCESS A FEW WEEKS AGO.

IF HOWEVER OUR JOINT EFFORTS FAIL, IF THE CONVENING OF THE NEW IRANIAN PARLIAMENT DOES NOT BRING A SOLUTION AND IF YOU CONSIDER THAT FURTHER ACTION IS NEEDED, THEN MY GOVERNMENT WILL OF COURSE GIVE YOU ITS SUPPORT. IN THESE CIRCUMSTANCES THE STEPS TO BE TAKEN BY BOTH OUR GOVERNMENTS WOULD NEED TO BE THE SUBJECT OF THE CLOSEST CONSULTATION. IT IS IMPERATIVE THAT WE CO-ORDINATE OUR ACTIONS ON THESE VITAL ISSUES AS EFFECTIVELY AS POSSIBLE. I LOOK FORWARD TO REMAINING IN THE CLOSEST TOUCH WITH YOU IN THE DAYS AND WEEKS AHEAD.

ENDS

CARRINGTON

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B.



MESSAGE FROM THE PRIME MINISTER TO HE ABOLHASSAN BANI SADR,  
PRESIDENT OF THE ISLAMIC REPUBLIC OF IRAN.

I have been watching with great interest recent events in your country, and should like to express my admiration for the way in which you have assumed the office of President and begun the difficult task of government .

There is one problem, as you yourself have said, which is impeding you in these efforts. This is the continued detention of the United States diplomats in Tehran. This situation is causing grave damage to the standing of Iran in the world. It is also of very serious concern to the British Government and to many other governments throughout the world. I very much hope that you and your colleagues will continue untiringly with your efforts to secure the early release of the hostages . Until this is achieved I see no way in which the many problems confronting you can be tackled. The patience of the American people over an act which no government can condone has so far , in my view, proved remarkable. But I must stress to you that this patience is not inexhaustible. I am most profoundly concerned that, if the present stalemate over the release of the hostages is further prolonged, the most damaging consequences could ensue.

I feel sure that, if some independent and respected authority , perhaps even the Revolutionary Government of Iran itself(though I understand the problems over this), were able to take over the custody of the hostages from those still holding them in the American Embassy, this would provide considerable reassurance to the American Government , and enable further constructive moves towards the settlement of differences and the relaxation of tension to take place.

The situation we are facing now is of such gravity that I entreat you to use your best endeavours to provide for its early resolution.

CONFIDENTIAL

FLASH

TO ROME

IRAN

I consulted M. Francois Poncet on the telephone yesterday evening, after having discussed the matter with Herr Genscher, about the timing of the Presidency's meeting later today to discuss President Carter's message. We are agreed that you, together with your French and German colleagues, should seek to have the meeting postponed until later this afternoon. Our objective will be to let you have co-ordinated instructions before the meeting.

MIFT sets out the points which I and Herr Genscher would like to see covered in draft replies from the European recipients of President Carter's message. We envisage that separate messages will be sent. The views of the French Foreign Minister are being sought.

CONFIDENTIAL TO PARIS

FLASH

IRAN

Please pass text in MIFT to M. Francois Poncet as soon as possible and in any case no later than 0900 today. M. Francois Poncet, with whom I spoke last night, is expecting the text.

In conveying the text please stress that it is not intended to be a formal draft. It is essentially a statement of the points which I and Herr Genscher think should be covered in the replies to President Carter's message. (The text has been approved by the Prime Minister and Chancellor Schmidt).

You should also tell M. Francois Poncet that since I spoke with him, the Prime Minister has spoken to President Carter. The purpose of the call was to ascertain whether the ultimatum in President Carter's message had been conveyed to President Bani Sadr and, if so, in what terms. President Carter said that the main points of his message viz the action the Americans will take on Monday in the absence of movement on the Iranian side, had been conveyed to President Bani Sadr in detail. President Carter added that the American Government did not regard this communication as an ultimatum to the Iranian Government. He hoped that knowledge of the economic and diplomatic consequences of the imprisonment of the hostages would lead the Iranian people to bring pressure to bear on their Government. The Americans have not yet had any response.

The Prime Minister told President Carter that she and Herr Schmidt intended to write to President Bani Sadr. She asked whether there were any specific points President Carter would like included in such a letter. President Carter said that he hoped the letter would make it clear that the transfer of custody of the hostages from the students to the Government would be very helpful. It would precipitate the return of the United Nations Commission and would lead the American Government to hold in abeyance the action it was contemplating.

/ Finally,

Finally, the Prime Minister asked whether any specific incident had precipitated President Carter's message to President Bani Sadr. President Carter said that the action of the Revolutionary Council in postponing the second round of the national elections in Iran had been a decisive factor.

Please tell M. Francois Poncet that I look forward to hearing from him on the telephone later this morning after his meeting with the President.

ELEMENTS FOR REPLIES BY EUROPEAN HEADS OF GOVERNMENT TO PRESIDENT  
CARTER'S MESSAGE OF 25 MARCH 1980

I have studied with care your letter of 25 March and its request for our active support and assistance in the effort to secure the release of the US hostages in Tehran.

I shall shortly be communicating with President Bani Sadr in order to convey to him the seriousness with which I view the present grave situation. I shall be pointing out to him that my Government expect him to continue with his efforts to secure the early release of the American hostages. I will stress that the patience of the American people has been remarkable, but that it is not inexhaustible and will say that any significant prolongation of the present stalemate may well have the most damaging consequences.

As part of our effort to give you the support for which you ask, I ~~and my colleagues in the European Community~~ will ~~also be taking steps to~~ encourage the Heads of other Governments to write to President Bani Sadr in similar terms.

I share your hope that an approach of this kind, made by a considerable number of Governments, may have a real impact in Tehran. But it must be given time to work. Precipitate action at the present juncture could well have effects contrary to those which we are all seeking. In particular, the loss of communications which would follow the breaking off of relations would reduce our scope for action aimed at the release of the hostages. Moreover, the Iranians have not yet had time to digest the significance of the Shah's move to Egypt. It would also, in my view, be wrong to have the last phase of the election campaign in Iran take place in circumstances where the candidates were <sup>confronted</sup> ~~working~~ with each other in their condemnation of the United States. To do so would be to ensure that the new Assembly met in an atmosphere of total hostility to your country.

I know that you are fully alive to the potential dangers of the present situation. In my view there is an appreciable risk of a rapid and serious growth of tension in the area. Greater involvement on your part could bring in its train a Soviet reaction with all that that would imply. We must surely be concerned to avoid this. I hope therefore that despite the pressures that you are under, you will be able to persevere for a little longer with the policy that came so close to success a few weeks ago.



If however our joint efforts fail, if the convening of the new Iranian Parliament does not bring a solution and if you consider that further action is needed, then my Government will of course give you its support. The steps to be taken by both our Governments In these circumstances would need to be the subject of the closest consultation. ~~As you say,~~ it is imperative that we co-ordinate our actions on these vital issues as effectively as possible. I look forward to remaining in the closest touch with you in the days and weeks ahead.

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NOTE FOR THE RECORD

Telephone conversation between the Foreign and Commonwealth Secretary and the French Foreign Minister at midnight on Thursday 27 March 1980

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The Foreign and Commonwealth Secretary said that he had rung Monsieur Francois Poncet to discuss with him the reaction of European Heads of Government to President Carter's message of 25 March about the American hostages in Iran.

The Prime Minister and Chancellor Schmidt had been discussing the matter earlier in the evening. They had agreed that any reply should cover the following points:

- (a) As requested by President Carter, they would be prepared to send a message to President Bani Sadr;
- (b) they were doubtful about the wisdom of the American action in giving what appeared to be an ultimatum to President Bani Sadr. This seemed likely to be counter-productive;
- (c) they hoped that the Americans would therefore be prepared to reconsider the course of action on which they had embarked; and
- (d) in the last resort and because of the possible consequences of American action, their Governments would offer support to the Americans. Such an offer of support would be in general terms but would cover the withdrawal of our representatives from Tehran.

The Foreign and Commonwealth Secretary said that the Prime Minister and the Chancellor did not wish to take any action until they had discussed the matter with the French Government. Monsieur Francois Poncet asked whether it was Lord Carrington's intention to seek to agree a position of the Nine. He also asked whether Lord Carrington envisaged a joint answer on behalf of the Nine or a concertation of their positions. The Foreign and Commonwealth Secretary said that he knew the Presidency were summoning

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/ a meeting

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- 2 -

a meeting in Rome the following morning. Clearly this would be a suitable moment to discuss the next steps. He thought that if France, the Federal Republic and the UK agreed, it should be possible to persuade the others to go along. He envisaged separate answers going from each Head of Government.

Monsieur Francois Poncet said that he had not yet discussed the matter with President Giscard but would be doing so at 10.00 am. In general he agreed with the line Lord Carrington had sketched out although he thought that the Americans had already taken action with the Iranians and that it would therefore be too late to dissuade them. The Foreign and Commonwealth Secretary agreed that this part of the proposed message would probably have no effect. It was nonetheless important to go on record with our views. Monsieur Francois Poncet said that Lord Carrington's proposal of support seemed to be very specific. Any message would certainly leak to the press sooner rather than later. Words along the lines of "We have the greatest understanding for the United States' difficulties and will do what we can to help" might therefore be more appropriate. Nonetheless, he repeated that he agreed with the general line proposed by the Foreign and Commonwealth Secretary. The action taken by the United States Government might be inappropriate but the Americans could not be left alone in their present predicament.

Herr Genscher then spoke briefly to Monsieur Francois Poncet (in German). He said that the British, French and German Ambassadors in Rome should get together early today and suggest to the Presidency a postponement of the proposed meeting until later in the afternoon. Monsieur Francois Poncet repeated that he thought that any expression of support/would have to be very general. He agreed that the Ambassadors should be briefed to seek a postponement of the coordination meeting. Herr Genscher said that the text of the elements to be incorporated in separate replies to President Carter would be sent to Monsieur Francois Poncet overnight.

The conversation ended at ten minutes past midnight.

28 March 1980

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*Handwritten initials*

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FM WASHINGTON 270400Z MAR 80  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 1257 OF 27 MARCH  
INFO PRIORITY PARIS AND BONN

4-POWER CONSULTATION IN WASHINGTON : IRAN

1. WHEN THE FRENCH AND FRG AMBASSADORS AND WARREN CHRISTOPHER MET TODAY FOR THE FIRST OF OUR CONFIDENTIAL 4-POWER MEETINGS DESIGNED TO PUT CONSULTATION ON TO AN EFFECTIVE AND SECURE FOOTING, I BEGAN BY REFERRING TO THE PRESIDENT'S MESSAGE OF 25 MARCH ON IRAN (YOUR TELNO. 586). NEITHER THE FRENCH NOR FRG AMBASSADORS KNEW ANYTHING ABOUT IT. I DID NOT REFER TO YOUR TELEPHONE TALKS WITH VANCE AND GENSCHER. I SAID THAT I HAD NO INSTRUCTIONS BUT THE FIRST THING THAT STRUCK ME ABOUT THIS MESSAGE AND THE REQUEST TO US TO TELL BANI SADR THAT WE WERE GOING TO BREAK DIPLOMATIC RELATIONS WAS THAT THIS WAS PRECISELY THE SORT OF THING THAT SHOULD HAVE BEEN DISCUSSED IN OUR 4-POWER GROUP BEFORE RESORTING TO MESSAGES OF THIS KIND THAT WERE TANTAMOUNT TO AN ULTIMATUM.
2. I SAID THAT IN FACT OUR GOVERNMENTS HAD CONSIDERED THIS IDEA OF BREAKING RELATIONS BECAUSE IT HAD BEEN PUT FORWARD BY THE E.C. AMBASSADORS IN TEHRAN, BUT THEY DID NOT FAVOUR IT. IF THEREFORE WE HAD HAD THE CHANCE TO EXPRESS SOME INFORMAL VIEW WE COULD HAVE TOLD THE U.S. AUTHORITIES THAT THERE WAS NO POINT IN PRESENTING US WITH THIS SUGGESTION. THE DANGER OF DOING IT IN THIS WAY WAS THAT IT WOULD EXACERBATE THE DIFFERENCES BETWEEN THE EUROPEANS ON THE ONE HAND AND THE USA ON THE OTHER. EVEN IF IT WAS COMPLIED WITH WE DID NOT THINK THAT IT WOULD NECESSARILY HELP WITH THE HOSTAGE SITUATION AND IT WOULD AMOUNT TO A REDUCTION OF WESTERN INFLUENCE IN TEHRAN. THERE WAS A DANGER THAT THE PRESIDENT'S ULTIMATUM WOULD BECOME PUBLIC WHICH WOULD WORSEN RELATIONS ACROSS THE ATLANTIC AND COULD GIVE A FILLIP TO THE HOSTAGE-HOLDERS AND TO ALL WHO WERE HELPING THEM.
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3. THE FRG AND FRENCH AMBASSADORS WHO WERE DISCOURAGED AT HAVING BEEN KEPT IN IGNORANCE EVEN OF THE EXISTENCE OF THE MESSAGE, SPOKE IN THE SAME SENSE. IN FACT, THE GERMAN WAS EVEN MORE EMPHATIC THAT THIS WAS NOT ONLY A BAD IDEA IN ITSELF BUT THAT IT WAS A ROTTEN WAY OF GOING ABOUT PUTTING IT FORWARD. HE EMPHASISED THE IMPORTANCE OF AVOIDING ALIENATING MOSLEM OPINION IN DEALING WITH THE HOSTAGE PROBLEM. THE PALESTINIAN QUESTION WAS CRUCIAL TO THIS. THE SAME LINE WAS TAKEN BY THE FRENCH AMBASSADOR.

4. CHRISTOPHER EXPLAINED THAT THE U.S. HAD TO DO SOMETHING. THEY HAD ALREADY EXPLAINED THAT, WHEN THE WALDHEIM COMMISSION RETURNED TO NEW YORK, IF THIS DID NOT LEAD TO ANY PROGRESS ON THE HOSTAGES, THE U.S. WOULD HAVE TO TAKE FURTHER MEASURES. MUCH THOUGH THE U.S. GOVERNMENT HOPED THAT OTHER MOSLEM COUNTRIES WOULD HELP, THE U.S.'S EFFORTS IN THIS DIRECTION HAD BEEN MET SO FAR BY FOUR MONTHS OF FRUSTRATION. IF OUR THREE GOVERNMENTS HAD ALTERNATIVE IDEAS OF EXERTING PRESSURE IN IRAN, THE U.S. GOVERNMENT WOULD BE VERY WILLING TO LISTEN.

5. IN RESPONSE TO A QUESTION ABOUT WHAT QUOTE FURTHER AND MORE SEVERE UNILATERAL ACTIONS UNQUOTE THE U.S. MIGHT RESORT TO IF THEIR ALLIES FAILED TO GIVE THEM THE NECESSARY SUPPORT, PARTICULARLY THE BREAKING OFF OF DIPLOMATIC RELATIONS, CHRISTOPHER WAS EXTREMELY CAUTIOUS. HE SAID THAT NO DECISIONS HAD YET BEEN TAKEN. BUT THE OPTIONS WERE THOSE WE HAD READ ABOUT.

6. THE GERMAN AMBASSADOR UNDERLINED THE IMPORTANCE OF THE U.S. GOVERNMENT EXPLAINING ITS POLICIES AND INTENTIONS TO THE MOSLEM AND NON-ALIGNED WORLD. THE ISLAMIC CONFERENCE IN MID APRIL WAS AN IMPORTANT DATE. HE WAS EXTREMELY WORRIED ABOUT WHAT THE CONSEQUENCES WOULD BE IF THE NEWS LEAKED OF CARTER'S ULTIMATUM TO HIS ALLIES AND OF THE LATTERS' REJECTION OF IT.

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7. CHRISTOPHER SAID THAT WHEN THE PROPOSAL FOR SANCTIONS HAD BEEN VETOED IN THE U.N., THE U.S. GOVERNMENT HAD ASKED THEIR ALLIES TO IMPOSE SANCTIONS AS THOUGH THE RESOLUTION HAD BEEN PASSED. BUT THE ALLIES HAD SAID THAT THEY COULD NOT DO THIS. SOME SUPPORT FROM THE ALLIES WAS NECESSARY AND IT SEEMED TO THE UNITED STATES THAT THE BEST COURSE WAS FOR THEM TO ACT IN THE FIELD OF DIPLOMATIC RELATIONS BY THREATENING TO BREAK THEM OFF.

8. WE ALL AGREED THAT, DIFFICULT THOUGH IT MIGHT PROVE TO BE, WE SHOULD ALL TRY TO AVOID GIVING PUBLICITY TO THE PRESIDENT'S MESSAGE. THE FRENCH AMBASSADOR SAID THAT THERE WERE ALTERNATIVE STEPS THAT THE ALLIES COULD TAKE AND HE WAS IN FAVOUR OF AN APPROACH TO MOSLEM COUNTRIES TO SEE WHETHER THEY WOULD NOT ASSIST.

9. WE DISCUSSED WHETHER THERE WAS NOT A DANGER THAT THE ACTION PROPOSED BY THE AMERICANS COULD HAVE THE EFFECT OF INCREASING ANTI-WESTERN INFLUENCE IN TEHRAN. CHRISTOPHER SAID THAT HE DID NOT THINK THAT BANI SADR WOULD TURN TO THE SOVIETS. BUT IF THE U.S. WERE FORCED TO TAKE QUOTE ADDITIONAL UNQUOTE STEPS THIS COULD LEAD TO AN INCREASED SOVIET INFLUENCE.

10. AS THE SORT OF WAY THE ALLIES MIGHT BE ABLE TO ACT I REFERRED TO THE IDEA, WHILST EMPHASISING THAT IT WAS AN ENTIRELY PERSONAL SUGGESTION, CONTAINED IN SIR A. PARSONS' TELNO. 506 THAT COUNTRIES SHOULD ABSENT THEMSELVES FROM INTERNATIONAL MEETINGS AT WHICH IRAN WAS REPRESENTED.

11. FOR OTHER TOPICS SEE MY 3 IMMEDIATELY FOLLOWING TELEGRAMS.

HENDERSON

~~F I L E D~~

HD/MED	PS/LPS
HD/WED	PS/MR HURD
HD/NAD	PS/PUS
HD/UND	SIR D MAITLAND
HD/FRD	MR BULLARD
HD/ECD(I)	LORD BRIDGES
PS	MR J C MOBERLY

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FM TEHRAN 271115Z MAR  
 TO PRIORITY FCO  
 TELEGRAM NUMBER 322 OF 27 MARCH 80  
 INFO PRIORITY CABINET OFFICE (DIO) MODUK (D14 AND DS11)  
 GRES, WASHINGTON UKMIS NEW YORK  
 INFO ROUTINE ABU DHABI, ANKARA, BAGHDAD, BAHRAIN, DOHA,  
 DUBAI, KUWAIT, MOSCOW, MUSCAT,  
 INFO SAVING TO JEDDA AND CAIRO.

MY TEL NO 297 : SITUATION IN IRAN.

1. OVER THE PROLONGED HOLIDAY TO CELEBRATE THE PERSIAN NEW YEAR, THERE HAVE BEEN NO NEWSPAPERS, AND THE RADIO HAS REPORTED LITTLE OF NOTE.
2. IN THEIR NEW YEAR SPEECHES, KHOMEINI AND BANI SADR FOCUSED ON TWO MAIN TOPICS : FIRST, THE THREAT TO IRAN POSED BY INTERNATIONAL COMMUNISM AND THE COMMUNIST POWERS. KHOMEINI DESCRIBED THE THREAT AS NO LESS THAN THAT OF AMERICA AND CLAIMED THAT BOTH SUPER POWERS WERE BENT ON DESTROYING THE OPPRESSED NATIONS. THIS IS A NEW TACK FOR KHOMEINI, WHOSE CUSTOMARY PRACTICE IS TO CONCENTRATE HIS VENOM ON THE UNITED STATES ALONE. THE SECOND MAIN THEME IN BOTH MEN'S SPEECHES WAS THE NEED FOR A RETURN TO LAW-FULNESS AND DISCIPLINE, BOTH IN THE ARMED FORCES AND IN THE ECONOMY.
3. NO NEW RESULTS HAVE BEEN ANNOUNCED IN THE ELECTION. COUNTING HAS CONTINUED THROUGHOUT THE HOLIDAY PERIOD IN TEHRAN, BUT IT WILL BE SOME TIME BEFORE IT IS COMPLETE. THE REVOLUTIONARY COUNCIL HAS DECIDED THAT THE DATE FOR THE SECOND ROUND WILL ONLY BE FIXED AFTER A COMMISSION SET UP TO INVESTIGATE COMPLAINTS HAS GIVEN ITS REPORT. THIS IS TO BE AFTER ONE MONTH. THE WHOLE ELECTION PROCESS HAS THUS BEEN CONSIDERABLY EXTENDED BEYOND THE ORIGINAL EXPECTATION AND THE NEW MAJLES CAN HARDLY BE CONSTITUTED BEFORE MAY AT THE EARLIEST. THERE ARE RUMOURS THAT BANI SADR MAY IN ANY CASE FORM A NEW GOVERNMENT DURING THE NEXT TWO WEEKS. HE IS REPORTED AS HAVING SAID THAT HE WOULD NOT "SURRENDER TO A FORGED PARLIAMENT".

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4. THE DEPARTURE OF THE SHAH FROM PANAMA INDICATED, ACCORDING TO QOTBZADEH, THAT IRAN COULD NOT TRUST INTERNATIONAL LAW IN ITS CAMPAIGN TO SECURE HIS RETURN. HE SAID THAT EGYPT WOULD NOT BE A SAFE HAVEN. THE MUJADEHINE KHALQ HAVE ANNOUNCED IN A LETTER TO KHOMEINI THAT THE SHAH'S MOVE FROM PANAMA TO EGYPT WAS BY ARRANGEMENT WITH THE UNITED STATES AND DESIGNED TO FACILITATE BETTER DIRECTION OF SUBVERSIVE ACTS AGAINST THE GOVERNMENT OF IRAN.
5. DEMONSTRATIONS TO PROTEST AGAINST THE SHAH'S MOVE TO EGYPT WERE CALLED FOR BY THE CLERGY, AND TOOK PLACE IN A NUMBER OF TOWNS THROUGHOUT IRAN. IN TEHRAN THEY WERE ON A FAIRLY MODEST SCALE.
6. ARMY MANOEUVRES IN ORUMIEH ON 25 MARCH ARE REPORTED TO HAVE LED TO A CLASH WITH UNSPECIFIED ARMED GROUPS RESULTING IN THREE DEATHS. ON 23 MARCH, AFTER TWO DAYS FIGHTING AT THREE GENDARMERIE POSTS IN AZERBAIJAN, TWO OF THEM WERE REPORTED CAPTURED BY KURDISH TRIBESMEN, WHO TOOK A NUMBER OF PRISONERS INCLUDING THE DISTRICT GOVERNOR.

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 TO PRIORITY FCO  
 TELEGRAM NUMBER 318 OF 27 MARCH 80  
 INFO PRIORITY WASHINGTON.

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US/IRAN.

1. AT A PRESS CONFERENCE ON 26 MARCH, QOTBZADEH WAS ASKED ABOUT THE REPORT THAT EUROPEAN COMMUNITY COUNTRIES WERE CONSIDERING DEPLOYING THEIR REPRESENTATIVES HERE TO BRING PRESSURE AGAINST IRAN ON THE HOSTAGES.
2. QOTBZADEH REPLIED, QUOTE, I THINK THE EUROPEAN COUNTRIES HAVE DONE WHATEVER THEY COULD AGAINST US. ONE THING MORE OR LESS DOESN'T MAKE ANY DIFFERENCE. THAT DOESN'T AFFECT THE PROCEDURES AND OUR DECISIONS. THEY CAN DO WHATEVER THEY WANT. UNQUOTE.

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FM FCO 261751Z MAR 80

TO FLASH ROME

TELEGRAM NUMBER 170 OF 26 MARCH

AND TO FLASH PARIS BONN

INFO IMMEDIATE WASHINGTON TOKYO OTTAWA PRIORITY UKMIS NEW YORK

UKREP BRUSSELS UKDEL NATO.

MIPT: IRAN.

1. THE NINE UNDERSTAND THE PRESSURES TO WHICH THE US HAS BEEN SUBJECTED, AND SYMPATHISE WITH THE US ADMINISTRATION IN THE DIFFICULT SITUATION NOW REACHED.
2. WE BELIEVE THAT THE AIM OF ANY ACTION NOW TAKEN SHOULD BE TO STRENGTHEN THE ABILITY OF THE MODERATES IN TEHRAN TO ISOLATE THE STUDENTS, AND NOT TO DO ANYTHING THAT WOULD RALLY IRANIANS TO THE CAUSE OF EXTREMISM.
3. THE US WILL BE AWARE OF THE RECOMMENDATIONS OF THE AMBASSADORS OF THE NINE IN TEHRAN WHICH WERE LEAKED RECENTLY. THIS PUBLICITY MAKES IT EVEN MORE IMPORTANT TO ACT WITH CARE.
4. IN RESPONSE TO THE US REQUEST, THE NINE PROPOSE TO SEND MESSAGES FROM THEIR HEADS OF GOVERNMENT OR STATE TO BANI SADR, POINTING OUT THE DANGERS OF THE PRESENT SITUATION AND URGING ACTION TO RELEASE THE HOSTAGES. THEY PROPOSE TO MOUNT A EUROPEAN COMMUNITY EFFORT TO GET AS MANY OTHER STATES AS POSSIBLE TO DO THE SAME.
5. THEY DO NOT PROPOSE AT PRESENT TO TELL THE IRANIANS THAT THEY WILL BREAK OFF ALL RELATIONS IF THE HOSTAGES HAVE NOT BEEN RELEASED BY MID MAY. IT WOULD BE PREFERABLE IN ANY CASE TO WITHDRAW STAFF RATHER THAN BREAK OFF RELATIONS (EVENTUAL RESUMPTION OF WHICH WOULD NEED IRANIAN PERMISSION). THE NINE DO NOT EXCLUDE THIS EVENTUALLY BUT IN TALKING TO THE IRANIANS NOW IT WOULD BE TACTICALLY BETTER TO LEAVE ANY EVENTUAL ACTION BY THE EC COUNTRIES UNSPECIFIED.

CARRINGTON

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FM FCO 261751Z MAR 80

T) FLASH ROME

TELEGRAM NO 169 OF 26 MARCH

AND TO FLASH PARIS, BONN,

INFO IMMEDIATE WASHINGTON, TOKYO, OTTAWA, PRIORITY UKMIS NEW YORK,  
UKREP BRUSSELS, UKDEL NATO.

MY TELS NOS 586 AND 587 TO WASHINGTON: IRAN

1. PLEASE TELL THE GOVERNMENT TO WHICH YOU ARE ACCREDITED AT A SUITABLE LEVEL (E.G., POLITICAL DIRECTOR), THAT I BELIEVE THAT A EUROPEAN REPLY SHOULD BE CO-ORDINATED IN RESPONSE TO THIS LATEST AMERICAN MESSAGE. I FEAR THAT THE VIRTUAL ULTIMATUM WHICH THE AMERICANS HAVE DELIVERED TO THE IRANIANS, EVEN IF THEY HAVE NOT MENTIONED THE SPECIFIC MEASURES WHICH THEY WILL TAKE, WILL HAVE THE EFFECT OF DRIVING THE MODERATES INTO THE ARMS OF THE EXTREMISTS IN IRAN INSTEAD OF STRENGTHENING BANI SADR AND HIS COLLEAGUES IN THEIR ATTEMPT TO ISOLATE THE STUDENTS. I THEREFORE SUGGEST THAT THE JOINT RESPONSE TO THE AMERICANS MIGHT TAKE THE FORM OF THE COMMUNITY AGREEING TO TRY TO ORGANISE MESSAGES TO BANI SADR FROM AS MANY HEADS OF GOVERNMENT/STATE AS POSSIBLE (AS RECOMMENDED BY THE AMBASSADORS OF THE NINE) DRAWING ATTENTION TO THE SERIOUS SITUATION NOW REACHED AND TO THE UNPREDICTABLE CONSEQUENCES OF THE HOSTAGES PROBLEM NOT BEING RESOLVED. BUT THE COMMUNITY COUNTRIES WOULD NOT (NOT) THREATEN TO BREAK OFF RELATIONS IN MID-MAY IF THERE WERE NO PROGRESS. WE WOULD NOT IN ANY CASE WISH TO TAKE THE FORMAL STEP OF BREAKING OFF RELATIONS RATHER THAN WITHDRAWING STAFF UNILATERALLY (WHICH WAS WHAT THE AMBASSADORS OF THE NINE RECOMMENDED) . BUT AT THIS STAGE WE THINK IT PREFERABLE NOT TO SPECIFY AT ALL WHAT ACTION THE COMMUNITY COUNTRIES INTEND TO TAKE IF THE HOSTAGES ARE NOT FREED BY MID-MAY.

2. ROME SHOULD SUGGEST THAT THE PRESIDENCY SHOULD INFORM THE REST OF THE NINE ABOUT THE PRESIDENT'S MESSAGE ADDRESSED TO THE FOUR AND SET UP ARRANGEMENTS FOR CO-ORDINATING THE RESPONSE. WE, FOR OUR PART, WOULD BE GLAD TO ATTEND A MEETING AT POLITICAL DIRECTOR OR EXPERT LEVEL - OR INDEED TO FALL IN WITH WHATEVER PROCEDURAL ARRANGEMENTS THE PRESIDENCY DECIDED UPON. PARIS AND BONN SHOULD INFORM THE FRENCH AND GERMANS OF OUR VIEW.

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3. ACTION ADDRESSEES SHOULD ALSO HAND OVER THE TEXT IN MY IMMEDIATELY FOLLOWING TELEGRAM WHICH CONTAINS A DRAFT ON WHICH WE SUGGEST THE NINE'S REPLY TO THE AMERICANS MIGHT BE BASED.

4. FOR BONN: GENSCHER TELEPHONED ME EARLIER THIS AFTERNOON. I TOLD HIM THAT THE AMERICANS HAD ALREADY TAKEN ACTION WITH THE IRANIANS. HE TOLD ME THAT SCHMIDT INTENDED TO SEND A MESSAGE TO CARTER THIS EVENING. BUT WE ARE ASKING RUHFUS TO SUGGEST THAT HE SHOULD HOLD HIS HAND.

CARRINGTON

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FM ROME 261930Z MAR

TO FLASH FCO

TELEGRAM NR 236 OF 26TH MARCH

IMMEDIATE INFO WASHINGTON.

YOURTEL NO 169 : IRAN.

TUR ARRIVED AT 2000 HRS LOCAL TIME. IN MY ABSENCE IN BOLOGNA, MINISTER SPOKE TO DIPLOMATIC ADVISER TO ITALIAN PRIME MINISTER BY TELEPHONE. THE ITALIANS' REACTION IS SIMILAR TO YOURS. ON THE AUTHORITY OF COSSIGA THE AMERICANS HERE HAVE BEEN TOLD TODAY THAT THE ITALIANS QUITE UNDERSTAND THEIR DIFFICULTIES, THAT IT IS IMPOSSIBLE FOR THE ITALIAN GOVERNMENT, GIVEN THAT IT HAS RESIGNED, TO TAKE SUBSTANTIVE ACTION AT PRESENT, AND THAT THE PRESIDENCY WILL CONSULT ITS PARTNERS. MEANWHILE, THE ITALIAN AMBASSADOR TO IRAN IS RETURNING TO TEHRAN ON 27 MARCH WITH A MESSAGE TO BANI SADR, WHICH, GOODISON INFERED, WAS ON THE LINES YOU PROPOSE.

2. WE SHALL REPORT FURTHER AFTER GOODISON HAS SEEN BERLINGUER AT 270900Z

3. FCO PLEASE REPEAT AS NECESSARY.

ARCULUS

[PASSED BY COD TO BONNY PARIS  
AT RESIDENT CLERK'S REQUEST]

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ZZ WASHINGTON  
PP UKMIS NEW YORK  
PP OTTAWA  
GRS 311  
CONFIDENTIAL

FM FCO 261600Z MARCH 1980  
TO FLASH WASHINGTON

TELEGRAM NUMBER 587 OF 26 MARCH 1980.

REPEATED FOR INFORMATION PRIORITY TO: BONN, PARIS, TOKYO,  
OTTAWA, ROME, TEHRAN, UKMIS NEW YORK, UKREP EC, UKDEL NATO  
MIPT:IRAN

1. I SPOKE TO VANCE BY TELEPHONE THIS AFTERNOON ABOUT  
PRESIDENT CARTER'S MESSAGE. I ASKED WHETHER THE AMERICANS HAD  
ALREADY TAKEN ACTION WITH THE IRANIANS WARNING THEM OF THE US  
GOVERNMENT'S INTENTION TO IMPLEMENT AFTER MONDAY THE THREE  
MEASURES. IT SEEMED TO ME, WHILE I RECOGNISED THE DOMESTIC  
POLITICAL CONSTRAINTS, THAT THE PRESENT TIME, TWO DAYS AFTER  
THE SHAH'S MOVE TO EGYPT, WAS PERHAPS NOT THE MOST PROPITIOUS  
TO BE ISSUING THIS KIND OF ULTIMATUM. VANCE REPLIED THAT THE  
AMERICANS HAD ALREADY TAKEN ACTION, THOUGH IN GENERAL TERMS  
WITHOUT MENTIONING THE DETAILS OF THE THREE MEASURES. THEY  
HAD CONSIDERED CAREFULLY THE TIMING POINT BUT HAD CONCLUDED THAT  
IT WOULD MAKE LITTLE PRACTICAL DIFFERENCE. IN ANY EVENT, IT WAS  
NOT POSSIBLE TO LET THINGS RUN ON ANY LONGER. I ASKED HOW CLEAR  
AN IDEA THE IRANIANS WOULD HAVE OF WHAT THE AMERICANS INTENDED.  
THE SECOND OF THE AMERICAN MEASURES WOULD PRESUMABLY BE THE  
MOST SERIOUS. VANCE SAID THAT THE IRANIANS WOULD REALISE THAT  
SANCTIONS WERE INVOLVED. HE EMPHASISED THAT THE SECOND MEASURE  
INVOLVED SIMPLY THE CATALOGUING OF CLAIMS. IT DID NOT (NOT)  
AMOUNT TO SEIZURE.

2. I ALSO ASKED VANCE TO WHOM THE PRESIDENT HAD SENT SIMILAR  
MESSAGES. HE SAID THAT THEY HAD GONE TO THE HEADS OF  
GOVERNMENT IN BONN, PARIS, ROME, TOKYO AND OTTAWA. THE  
AMERICANS ACKNOWLEDGED THAT THE MORE COUNTRIES WHO COULD  
PARTICIPATE IN ACTION IN SUPPORT OF THE UNITED STATES, THE

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BETTER, BUT HAD PREFERRED TO CONTACT THESE SIX OTHER GOVERNMENTS  
IN THE FIRST INSTANCE. WARREN CHRISTOPHER WOULD SHORTLY BE  
HOLDING A MEETING WITH THE SIX AMBASSADORS IN WASHINGTON. VANCE  
HIMSELF WOULD BE FACED WITH A MAJOR HEARING ON IRAN ON 27 MARCH.

CARRINGTON

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Prime Minister.

Ans

The first of the telegrams below gives an account of the Foreign Secretary's talk with Mr Vance.

(He subsequently had a word with Herr Genscher & intends to ring M. François Poinet in the morning).

The second two telegrams are an attempt to ensure that on this occasion there is a reasonably co-ordinated European response to the Americans - whose action is certain, I would think, to break soon. Lord Carrington was v. anxious to get the telegrams off promptly in order that action could be taken this evening. I prefer that you would be content with the line proposed & agreed that they should wire.

Ans 26.3.



OUT TELEGRAM

Classification and Caveats  
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CZC 1 ZCZC  
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 M FCO 6 FM FCO 261600Z MARCH 1980  
 PRE/ADD 7 TO FLASH WASHINGTON  
 TEL NO 8 TELEGRAM NUMBER

9 REPEATED FOR INFORMATION PRIORITY TO: BONN, PARIS, TOKYO,  
 10 OTTAWA, ROME, TEHRAN, UKMIS NEW YORK, UKREP EC, UKDEL NATO  
 11 MIPT:IRAN

12 1. I spoke to Vance by telephone this afternoon about  
 13 President Carter's message. I asked whether the Americans had  
 14 already taken action with the Iranians warning them of the US  
 15 Government's intention to implement after Monday the three  
 16 measures. It seemed to me, while I recognised the domestic  
 17 political constraints, that the present time, two days after  
 18 the Shah's move to Egypt, was perhaps not the most propitious  
 19 to be issuing this kind of ultimatum. Vance replied that the  
 20 Americans had already taken action, though in general terms  
 21 without mentioning the details of the three measures. They  
 22 had considered carefully the time in point but had concluded that  
 23 it would make little practical difference. In any event, it was  
 24 not possible to let things run on any longer. I asked how clear  
 25 an idea the Iranians would have of what the Americans intended.

NNN ends telegram	SECRET	Catchword /The second
File number	Dept Private Office	Distribution
Drafted by (Block capitals) P Lever		Departmenta, PCD, MED, CONSULAR D, CONSULAR EM UNIT, EESD, ESSD, ECD(E) NENAD, SAD, NAD, SEC D, TRED UND, PSD, CAD, CRD, MVD SED MAED FR
Telephone number 233 4831		
Authorised for despatch		
Comcen reference	Time of despatch	

## OUT TELEGRAM (CONT)

Classification and Caveats

Page

CONFIDENTIAL

2

7

1 &lt;&lt;&lt;&lt;

2 The second of the American measures would presumably be the  
 3 most serious. Vance said that the Iranians would realise that  
 4 sanctions were involved. He emphasised that the second measure  
 5 involved simply the cataloguing of <sup>claims</sup> schemes. It did not (not)  
 6 amount to seizure.

7 2. I also asked Vance to whom the President had sent similar  
 8 messages. He said that they had gone to the Heads of  
 9 Government in Bonn, Paris, Rome, Tokyo and Ottawa. The  
 10 Americans acknowledged that the more countries who could  
 11 participate in action in support of the United States, the  
 12 better, but had preferred to contact these six other Governments  
 13 in the first instance. Warren Christopher would shortly be  
 14 holding a meeting with the six Ambassadors in Washington. Vance  
 15 himself would be faced with a major hearing on Iran on 27 March.

17 CARRINGTON

18 NNNN

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/ 33

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NNNN ends  
telegram

BLANK

Catchword

File No. ....  
 Department .....  
 Drafted by HDAC MIERS  
 (Block Capitals) .....  
 Tel. Extn. 5182 .....

OUTWARD

TELEGRAM

Security Classification	
SECRET	
Precedence	
F L A S H	
DESKBY .....	Z

FOR  
COMMS. DEPT.  
USE

Despatched

(Date) .....

(Time) ..... Z

POSTBY ..... Z

## PREAMBLE

(Time of Origin) ..... Z (G.M.T.) (Restrictive Prefix) .....

(Security Class.) SECRET (Caveat) .....

(Codeword) ..... (Privacy marking) .....

(Deskby) ..... Z

TO FLASH ROME (precedence) (post) Tel. No. .... of .....

AND TO (precedence/post) FLASH PARIS: BONN

AND SAVING TO

REPEATED TO (for info) Immediate WASHINGTON, TOKYO, OTTAWA, UKMIS NEW YORK,  
 UKREP BRUSSELS, UKDEL NATO

SAVING TO (for info) .....

Distribution:

Departmental  
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 Consul  
 Consul EM Unit  
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Security Dept  
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 SED  
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 RD Pod

[TEXT]

(to WASHINGTON:

My Tels Nos 586 + 587 / Iran

1. Please tell the Government to which you are accredited at a suitable level (e.g., Political Director), that I believe that a European reply should be co-ordinated in response to this latest American message. I fear that the virtual ultimatum which the Americans have delivered to the Iranians, even if they have not mentioned the specific measures which they ~~have~~ <sup>will</sup> take, will have the effect of driving the moderates into the arms of the extremists in Iran instead of strengthening Bani Sadr's and his colleagues in their attempt to isolate the students. I therefore suggest that the joint response

to the Americans might take the form of the Community agreeing to try to organize messages to Bani Sadr from as many Heads of Government/State as possible drawing attention to the serious situation now reached and to the unpredictable consequences of the hostages problem not being resolved. But the Community countries would not (not) threaten to break off relations in mid-May if there were no progress. We would not in any case wish to take the <sup>final</sup> irrevocable step of breaking off relations rather than withdrawing staff unilaterally. But at this stage we think it preferable not to specify at all what action the Community countries intend to take if the hostages are not freed by mid-May.

(as recommended by the Ambassadors of the Nine)

(which was what the Ambassadors of the nine recommended ~~action~~ ~~paper~~)

2. Rome should suggest that the Presidency should inform the rest of the Nine about the President's message addressed to the Four and set up arrangements for co-ordinating the response. We, for our part, <sup>would</sup> will be glad to attend a meeting at the ~~level of~~ Political Director or Expert <sup>level</sup> group - or indeed to fall in with whatever procedural arrangements the Presidency decided upon. Paris and Bonn should inform the French and Germans <sup>of</sup> that ~~this is~~ our view.

3. Action addressees should also hand over the text in my immediately following telegram which contains a draft on ~~the lines of~~ which we <sup>might</sup> think the <sup>Nine's</sup> Community's reply to the Americans <sup>should</sup> be based.

4. FOR BONN: GENSCHER TELEPHONED ME EARLIER THIS AFTERNOON. I TOLD HIM THAT THE AMERICANS HAD ALREADY TAKEN ACTION WITH THE ~~IRANIAN~~ IRANIANS. HE TOLD ME THAT SCHMIDT INTENDED TO SEND A MESSAGE TO CARTER THIS EVENING. BUT WE ARE ASKING RUMFUS TO SUGGEST THAT HE SHOULD HOLD HIS HAND.

NOTHING TO BE WRITTEN IN THIS MARGIN

File No. ....

MED

OUTWARD

Department .....

Drafted by .....

(Block Capitals) H D A C Miers .....

TELEGRAM

Tel. Extn. 5182 .....

Security Classification

SECRET

Precedence

FLASH

DESKBY .....Z

FOR  
COMMS. DEPT.  
USE

Despatched

(Date) .....

(Time) .....Z

POSTBY .....Z

## PREAMBLE

(Time of Origin) ..... Z (G.M.T.) (Restrictive Prefix) .....

(Security Class.) SECRET (Caveat/ Privacy marking) .....

(Codeword) ..... (Deskby) ..... Z

TO FLASH ROME (precedence) (post) Tel. No. .... of .....

AND TO (precedence/post) PARIS BONN

AND SAVING TO WASHINGTON TOKYO OTTAWA UKMis New York UKRep Brussels

REPEATED TO (for info) UKDel NATO

SAVING TO (for info) .....

Distribution:-

As in NPT.

[TEXT]

MIPT : Iran

1. The Nine understand the pressures to which the US has been subjected, and sympathise with the US Administration in the difficult situation now reached.
2. We believe that the aim of any action now taken should be to strengthen the ability of the moderates in Tehran to isolate the students, and not to do anything that would rally Iranians to the cause of extremism.
3. The US will be aware of the recommendations of the Ambassadors of the Nine in Tehran which were leaked recently. This publicity makes it even more important to act with care.
4. In response to the US request, the Nine propose to send /messages

Copies to:-

SECRET

SECRET

messages from their Heads of Government or State to Bani Sadr, pointing out the dangers of the present situation and urging action to release the hostages. They propose to mount a European Community effort to get as many other states as possible to do the same.

5. They do not propose at present to <sup>TELL THE IRANIANS</sup> say that they will break off all relations if the hostages have not been released by mid May. It would be preferable in any case to withdraw staff rather than break off relations (eventual resumption of which would need Iranian permission). ~~But~~ it would be tactically better now to leave any eventual action by the EC countries unspecified.

THE NINE DO  
NOT EXCLUDE  
THIS EVENTUALLY  
BUT IN  
TALKING TO  
THE IRANIANS  
NOW

NOTHING TO BE WRITTEN IN THIS MARGIN

SECRET

SUBJECT.

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T64/50

FLASH  
Secret  
T64/50  
7  
R. 26004 JZ

Am 27/3

DE WTE 02389 0851856  
Z 2523452 MAR 80  
FM THE WHITE HOUSE  
TO THE CABINET OFFICE, LONDON  
ZEM  
SECRET VIA CABINET OFFICE CHANNELS WH80366  
PLEASE DELIVER THE FOLLOWING MESSAGE TO PRIME MINISTER THATCHER  
UPON OPENING OF BUSINESS.

MARCH 25, 1980

DEAR MADAME PRIME MINISTER:

DURING THE PAST 150 DAYS THAT OUR DIPLOMATS HAVE BEEN HELD HOSTAGE IN IRAN, I HAVE VALUED YOUR SUPPORT AND ADVICE. THE ACTIONS THAT YOUR COUNTRY HAS IMPLEMENTED HAVE HELPED TO ISOLATE IRAN POLITICALLY AND TO BRING HOME TO THE IRANIAN LEADERSHIP THE HIGH COSTS OF THEIR CONTINUED VIOLATION OF INTERNATIONAL LAW. NOTWITHSTANDING THE EFFORTS THAT ALL OF US HAVE MADE, IRAN CONTINUES TO AFFRONT WORLD OPINION AND HAS MADE NO MOVE TOWARDS RELEASE OF OUR PEOPLE OR OF IMPROVEMENT IN THEIR CONDITION. BECAUSE OF IRANIAN INTRANSIGENCE AND THE SUFFERING OF THE CAPTIVES, I HAVE COME TO THE CONCLUSION THAT THE TIME HAS COME FOR STRONGER MEASURES. UNLESS IRAN MOVES BEFORE MONDAY TO SHOW ITS GOODWILL AND WILLINGNESS TO RESOLVE THE CRISIS BY TRANSFERRING THE HOSTAGES TO GOVERNMENT CONTROL AND IMPROVING THEIR CONDITION OF DETENTION, I WILL ORDER THE FOLLOWING ADDITIONAL MEASURES:

-- IMPLEMENTATION OF FORMAL ECONOMIC SANCTIONS AGAINST IRAN AS PROVIDED FOR IN THE UN RESOLUTION=

-- A COMPILATION BY THE TREASURY DEPARTMENT OF ALL CLAIMS AGAINST IRAN, WITH THE SUGGESTION THAT WE MAY MOVE UNILATERALLY TO SETTLE THOSE CLAIMS OUT OF BLOCKED ASSETS=

-- THE EXPULSION OF ALL IRANIAN DIPLOMATIC AND CONSULAR OFFICERS FROM THE U.S.

WE CONTINUE TO NEED YOUR ACTIVE SUPPORT AND ASSISTANCE. AS A FIRST STEP, IT WOULD BE VALUABLE IF YOU WOULD COMMUNICATE NOW WITH PRESIDENT BANI-SADR SO THAT HE MIGHT CLEARLY UNDERSTAND THE SERIOUSNESS OF THE PRESENT MOMENT AND THE CONSEQUENCES THAT WILL FLOW FROM CONTINUED IRANIAN INTRANSIGENCE.

THE U.S. STRONGLY HOPES THAT YOU AND OUR OTHER CLOSE FRIENDS WILL LET THE IRANIAN OFFICIALS KNOW THAT IN THE EVENT THE ABOVE STEPS DO NOT RESULT IN FREEDING THE HOSTAGES BY NO LATER THAN TWO WEEKS AFTER THE MAJLIS CONVENES, AND IN ANY CASE NO LATER THAN

END OF PAGE 01

~~MID-WAY~~ YOU WILL JOIN WITH US AT THAT TIME IN COMPLETE AND FORMAL SEVERANCE OF ALL DIPLOMATIC RELATIONS WITH IRAN. WITHOUT THIS KIND OF SUPPORT FROM OUR CLOSE FRIENDS, THE U.S. WILL HAVE LITTLE CHOICE BUT TO UNDERTAKE FURTHER AND MORE SEVERE UNILATERAL ACTIONS.

IT IS IMPORTANT TO KEEP THE ATTENTION OF THE IRANIANS ON THE ISSUE OF RELEASING THE HOSTAGES. WHILE THE DEPARTURE OF THE SHAH FROM PANAMA WAS DICTATED BY MEDICAL CONSIDERATIONS, HIS PRESENCE IN EGYPT HAS THE EFFECT OF AGAIN RENOVING THE EXTRADITION OF THE SHAH AS A POSSIBLE ELEMENT IN THE ARRANGEMENTS FOR RELEASE OF THE HOSTAGES. WE HAD SOUGHT TO ENABLE THE SHAH TO HAVE NECESSARY SURGERY IN PANAMA, BUT THAT PROVED IMPOSSIBLE GIVEN HIS ASSESSMENT OF THE MEDICAL CIRCUMSTANCES THERE.

WE WILL WANT TO BE IN CLOSE TOUCH WITH YOUR GOVERNMENT DURING THE DAYS AHEAD SO AS TO SHARE ASSESSMENTS OF CHANGING CIRCUMSTANCES AND TO COORDINATE OUR ACTIONS IN THE MOST EFFECTIVE WAY POSSIBLE. NO ONE CAN DISPUTE THE FACT THAT THE PATIENCE OF THE AMERICAN PEOPLE DURING THIS CRISIS HAS BEEN EXTRAORDINARY. THAT PATIENCE WILL NOT ENDURE IN THE FACE OF FURTHER IRANIAN INACTION. I TRUST YOU WILL AGREE THAT IT IS NOW TIME TO BRING HOME FORCIBLY TO IRANIANS THE CONSEQUENCES OF THEIR ILLEGAL ACTION.

THANK YOU AGAIN FOR YOUR HELP DURING THIS DIFFICULT TIME.

SINCERELY,  
JIMMY CARTER

SUBJECT

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 64/80

FLASH  
Secret  
T 64/80  
7  
R. 2600457

Am  
27/3

DE WTE #2389 0851856  
Z 252345Z MAR 80  
FM THE WHITE HOUSE  
TO THE CABINET OFFICE, LONDON  
ZEN  
SECRET VIA CABINET OFFICE CHANNELS WHB0366  
PLEASE DELIVER THE FOLLOWING MESSAGE TO PRIME MINISTER THATCHER  
UPON OPENING OF BUSINESS

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- THE EXPULSION OF ALL IRANIAN DIPLOMATIC AND CONSULAR OFFICERS FROM THE U.S.

WE CONTINUE TO NEED YOUR ACTIVE SUPPORT AND ASSISTANCE. AS A FIRST STEP, IT WOULD BE VALUABLE IF YOU WOULD COMMUNICATE NOW WITH PRESIDENT HANI-SADR SO THAT HE MIGHT CLEARLY UNDERSTAND THE SERIOUSNESS OF THE PRESENT MOMENT AND THE CONSEQUENCES THAT WILL FLOW FROM CONTINUED IRANIAN INTRANSIGENCE.

THE U.S. STRONGLY HOPES THAT YOU AND OUR OTHER CLOSE FRIENDS WILL LET THE IRANIAN OFFICIALS KNOW THAT IN THE EVENT THE ABOVE STEPS DO NOT RESULT IN FREING THE HOSTAGES BY NO LATER THAN TWO WEEKS AFTER THE MAJLIS CONVENES, AND IN ANY CASE NO LATER THAN

END OF PAGE 01

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THANK YOU AGAIN FOR YOUR HELP DURING THIS DIFFICULT TIME.

SINCERELY,  
JIMMY CARTER





Foreign and Commonwealth Office

London SW1A 2AH

25 March 1980

*I have told Mr Lever that the  
argument at A is no longer  
tenable. P. Paul - 25/3*

Dear Michael,

IRAN

Following agreement in OD on 18 March that a holding reply should be sent to President Carter's message of 13 March to the Prime Minister, there is now an opportunity to consider the implications of the present situation and to hear the views of Sir John Graham while he is back in London this week.

A | However, the Americans may return to the charge after they have received the Prime Minister's reply, and President Carter may decide to send a further message or even to ring the Prime Minister personally. In the circumstances the Foreign and Commonwealth Secretary thinks it important that we should first agree with our partners in the Nine on an appropriate response to a possible American call for sanctions, or other measures against Iran, before we give too firm a commitment to President Carter himself. If, therefore, the President does contact the Prime Minister on this question, she may wish to point out to him that she will be seeing Mr Schmidt and Mr Giscard d'Estaing at the forthcoming European Summit and will wish to discuss this issue with them there; that we continue to have every sympathy for the problems he now faces over Iran; and that we shall, of course, ensure that his suggestions are looked at constructively.

Yours etc

*Paul*  
(P Lever)

M O'D B Alexander Esq  
10 Downing Street

25 APR 1980

0 11 12 1  
9 8 7 6  
5 4 3 2

670

No Brey required. 26: Merel  
Ep. 2/13. 1230  
Foreign and Commonwealth Office



London SW1A 2AH

Prime Minister

21 March 1980

I think this would be useful  
- + interesting. Agree?

Yes please  
mb.

Phms 2/13

Dear Michael

Sir John Graham will be in the Foreign Office for consultations between 24 and 31 March.

The Prime Minister has taken a personal interest in the Embassy in Tehran. Since President Carter is prone to consult her personally on the problem of the USE hostages, she may find it useful to have a personal talk with Sir John Graham.

*Handwritten signature*

(G G H Walden)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street

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MAR 11 1960

21 MAR 1960

File

RH

**SECRET**

6

20 March 1980

Message to President Carter:

Iran

I enclose the signed text of a message from the Prime Minister to President Carter about the Iranian situation. As you know, the text of this message was agreed by OD on 19 March. I should be grateful if you could arrange for this to be delivered by our Embassy in Washington.

M. O'D. B. ALEXANDER

R M J Lyne Esq  
Foreign and Commonwealth Office

**SECRET**

RML

SUBJECT.

FILE  
SECRET



5  
VB

cc:- FCO

10 DOWNING STREET

THE PRIME MINISTER

cc Foster  
-gs

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 61 / 80

Thank you for your message about the Iranian situation which was delivered by Kingman Brewster on 13 March.

I am sorry that the UN Commission of Enquiry has failed, this time round, to secure the release of the hostages. I know that this must be a great disappointment to you and all those who have been working so hard recently on this subject. I fully understand your point about the Commission possibly having a future role to play and the need, accordingly, not to comment in public about the failure of the procedure which it was hoped would bring about the release of the hostages.

I have every sympathy with your concern that the Iranians should not be given the impression that business as usual can resume while the hostages are still detained. I can assure you that the measures which we instituted are still in place, and we shall be keeping them under review to ensure that they are being maintained.

It was good of you to send me your message setting out your thinking at this early stage about the seriousness of the new situation. My colleagues in the Government and I have much admired the restraint, firmness and skill with which you have been handling this difficult problem. We look forward to remaining in close touch over future developments.

The President of the United States of America

SECRET

RH

GR 180  
UNCLASSIFIED  
FM TEHRAN 000935Z MAR 80  
TO PRIORITY FCO  
TELEGRAM NUMBER 296 OF 19 MARCH  
INFO PRIORITY WASHINGTON

*ms*

US/IRAN

1. ACCORDING TO PARS NEWS AGENCY, THE PASDARAN HAVE ARRESTED MRS VICTORIA BASSIRI, AN OFFICIAL OF THE MFA, AS AN AMERICAN SPY. JUST AFTER THE REVOLUTION SHE IS REPORTED TO HAVE BEEN CULTURAL AND ECONOMIC ADVISER, AND MORE RECENTLY DEPUTY IN THE PASSPORT BUREAU, AT A SALARY OF RS 100,000 A MONTH.
2. SHE IS REPORTED TO HAVE CONFESSED TO PASSING INFORMATION TO WILLIAM B DOHERTY OF THE US EMBASSY, ON THE FOLLOWING POINTS:
  - A. INFORMATION FROM THE CULTURAL AND ECONOMICS DEPUTY
  - B. THE NON-ALIGNED CONFERENCE
  - C. IRANIAN STUDENTS IN SOCIALIST COUNTRIES
  - D. GENERAL POLICY OF THE MFA.
3. DOHERTY IS DESCRIBED AS ONE OF THE HOSTAGES. HE IS SAID TO HAVE CONFIRMED MRS BASSIRI'S CONFESSIONS AND TO HAVE SAID THAT SHE USED TO BE PAID 300 DOLLARS PER MONTH FOR THE INFORMATION.
4. THE NEWSPAPER ISLAMIC REPUBLIC HAS COMMENTED THAT THE PRESENCE OF AN AMERICAN SPY IN THE MFA SHOWS THE LACK OF PERCEPTION OF THE FOREIGN MINISTER AND HIS DEPUTIES, AND INDECISIVENESS IN CARRYING OUT PURGES.

GRAHAM

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CONS EM UNIT UND  
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ADDITIONAL DISTRIBUTION  
TEHRAN SPECIAL

IRAN: ADVANCE COPIES *cc 31 +*

*Read in full.* **4A.**

PS  
 PS/SIR I GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C MOBERLY  
 LORD BRIDGES  
~~LORD W G LENNOX~~  
 MR EVANS  
 MISS BROWN  
 HD/MED  
 HD/FRD  
 HD/NENAD  
 HD/UND (2)  
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 HD/ES & SD (2)  
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 HD/NEWS DEPT  
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 HD/CONS DEPT  
~~RESIDENT CLERK~~

PS NO 10 DOWNING ST  
 SIR R ARMSTRONG )  
 ASSESSMENTS STAFF )  
 MR R WADE GERY ) CABINET  
 MR LE CHEMINANT ) OFFICE  
 MR W N WENBAN SMITH )  
 DIO )

~~PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR R G LAVELLE )~~

MR C W McMAHON ) BANK OF  
 MR P H EDGLEY ) ENGLAND

MR R WILLIAMS CRE5 DOT  
 MR W WINGTON DEPT OF TRADE  
 MR C BENJAMIN DOI  
 MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

*Mj.*

GR 530  
 SECRET  
 FM TEHRAN 191320Z MAR 80  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 294 OF 19 MARCH  
 INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK

**IMMEDIATE**

**ADVANCE COPY**

WASHINGTON TELN 1077 (PARA 2): **US/IRAN.**

1. OBVIOUSLY SEVERAL OF US HERE HAVE CONSIDERED THE POSSIBILITY OF A RESCUE. THERE WOULD SEEM TO BE TWO WAYS OF MOUNTING ONE: AN OVERT BUT SURPRISE MILITARY OPERATION AT NIGHT TO CAPTURE MEHRBAD OR DOSHAN TEPPEH AIRPORT AND TO MOVE FROM THERE BY HELICOPTER (FLOWN IN) OR VEHICLE TO THE US EMBASSY PICKING UP LAINGEN AND CO ON THE WAY THERE OR BACK; AND A COVERT OPERATION BY AN INFILTRATED AND DISGUISED STRIKE GROUP, COMBINED WITH A TAKE-OVER OF MEHRBAD TIMED TO COLLECT THE GROUP FOR EVACUATION. IT IS NOT FOR ME TO ASSESS THE ODDS ON SUCCESS. THE FIRST COURSE COULD DEVELOP INTO QUITE A STREET BATTLE, BUT THE SECOND I SHOULD JUDGE, MIGHT BE FEASIBLE ALBEIT AT CONSIDERABLE RISK TO THE HOSTAGES, SOME OF WHOM WOULD ALMOST



AT CONSIDERABLE RISK TO THE HOSTAGES, SOME OF WHOM WOULD ALMOST CERTAINLY BE KILLED. THE AMERICANS MAY HAVE REACHED THE POINT WHEN THEY ARE PREPARED TO FACE THAT.

2. ANY RESCUE OPERATION WOULD ENSURE THAT RELATIONS WITH IRAN WOULD NOT RECOVER FOR A VERY LONG TIME. IT WOULD ENTER INTO THE MYTHOLOGY. SINCE I BELIEVE US RELATIONS WITH IRAN WILL BE BAD OR NON-EXISTENT IN ANY CASE FOR SOME CONSIDERABLE TIME, THIS MAY NOT MATTER. IN THE REGION, THE OPERATION WOULD NO DOUBT BE CRITICISED PUBLICLY, BUT IF IT WAS SUCCESSFUL, EVEN AT SOME COST IN LIVES, I BELIEVE THERE WOULD BE PRIVATE UNDERSTANDING AND SOME RELIEF THAT THE US HAD SHOWN ITSELF A PROPER SUPER-POWER AFTER ALL. NO DOUBT THE SOVIET UNION WOULD MAKE A PUBLIC FUSS AND PRIVATELY BE RELIEVED AT THE DISTRACTION FROM AFGHANISTAN. FAILURE OF COURSE WOULD BE <sup>DIS</sup>TRUSTOUS BOTH POLITICALLY AND FOR THE HOSTAGES.

3. THE ISSUE TURNS ON THE JUDGEMENT OF WHETHER BANI SADR MEANS WHAT HE SAYS AND WILL BE ABLE TO MAKE IT GOOD. THE LATTER IN TURN DEPENDS ON THE NATURE AND CLARITY OF THE ENDORSEMENT WHICH KHOMEINI IS EXPECTED TO GIVE HIM AT NOW RUZ, AS FORECAST IN SPEECHES BY BANI SADR HIMSELF AND ALSO PRIVATELY BY ZUHAIR YAMIN. THE LATTER REMAINS OPTIMISTIC AND IS CONFIDENT THAT SOMEHOW NOW RUZ MAY PRODUCE A CHANGE IN THE STATUS OF THE AMERICANS (E.G. A TRANSFER TO DIRECT GOVERNMENT CONTROL) AND THAT BANI SADR WILL THEN EFFECT THEIR RELEASE BEFORE THE ASSEMBLY CONVENES (WHICH ON PRESENT FORM AND TO JUDGE BY STATEMENTS FROM E.G. QOTBZADEH, MAHDAVI-KANI AND OTHERS MAY WELL NOW NOT BE BEFORE MAY, WITH VOTING IN THE SECOND ROUND OF THE ELECTIONS POSTPONED TILL 11 APRIL). FOR MY PART, WHILE I ACCEPT BANI SADR'S SINCERITY, I AM COMING INCREASINGLY TO THE VIEW THAT HE WILL NOT BE ABLE TO EFFECT THE RELEASE OF THE HOSTAGES IN ANY ACCEPTABLE TIME-SCALE, UNLESS KHOMEINI'S EXPECTED NOW RUZ MESSAGE CONTAINS AN UNEQUIVOCAL DELEGATION OF AUTHORITY TO HIM.

4. MY EC COLLEAGUES AND I HAVE AGREED A JOINT PAPER (MY TELNO 267), PUTTING FORWARD THE ALTERNATIVE IDEA OF MESSAGES FROM A NUMBER OF HEADS OF STATE OR GOVERNMENTS, TO BE FOLLOWED BY THE CLOSURE OF EMBASSIES. I BELIEVE SUCH A GESTURE WOULD HAVE AN IMPACT HERE, AND MIGHT STRENGTHEN BANI SADR'S HAND. BUT IT WOULD WORK SLOWLY AT BEST AND WE SHOULD HAVE LOST ANY POSSIBILITY OF INFLUENCING EVENTS HERE, HOWEVER SMALL THAT IS AT THE MOMENT. IT IS A BAFFLING AND APPALLING DILEMMA.

GRAHAM

CONFIDENTIAL

PRIME MINISTER

Iran

BACKGROUND

The Foreign and Commonwealth Secretary circulated a minute to members of OD on 18th March proposing a reply to President Carter's message to you of 13th March. He suggested that if necessary the matter could be discussed at OD. It has therefore been put on the agenda for 19th March.

2. You will recall that OD had a general discussion on the problem of the United States hostages in Iran on 22nd January, and on 29th January and 12th February on the particular difficulty over the Kharg. The Secretary of State for Defence will be sending OD colleagues a minute on the latter issue shortly.

HANDLING

3. You may care to invite the Foreign and Commonwealth Secretary to introduce his minute and report if he had had any reactions to it. It seems likely that OD will agree to the proposed anodyne reply to President Carter. His message to you was almost certainly one that was being sent to a number of allies, and it was not intended to invite a substantive debate. But you may care to take up the point in the Foreign and Commonwealth Secretary's minute about a further paper for OD on 2nd April.

CONCLUSION

4. Officials produced a report for consideration on 22nd January on the United Kingdom response to pressure for voluntary measures against Iran. You may now care to guide the Committee to agree that the Secretary of the Cabinet should be instructed to up-date this report for the consideration of OD on 2nd April, covering the various implications for the United Kingdom of the continued detention of the hostages.

RA

(Robert Armstrong)

18th March 1980

CONFIDENTIAL



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MEMBERS OF OD

Iran

1. President Carter's message to the Prime Minister of 13 March points out that the failure of the UN Commission of Inquiry to secure the release of the US hostages creates a serious new situation. For the time being the Americans have not abandoned hope that the Commission may be able to resume its work. But the United States' allies are asked in the meantime to review the voluntary measures which were instituted during the winter to bring pressure on the Iranians, in order to avoid giving the Iranians any indication that there can be business as usual while the hostages are detained.

2. Our measures remain in place, and have been reviewed recently in response to a US request at official level. However, their continuance may pose certain problems, particularly in respect of arms sales. The question of the deadline for the delivery of the Kharg is due to come up shortly for instance. I therefore suggest that officials should prepare a paper covering the various implications of the continued detention of the hostages for consideration by OD at its meeting on 2 April. In the meantime I suggest that a reply should be sent to President Carter's message in the terms of the attached draft. If necessary, we can discuss this at OD on 19 March.

3. I am copying this minute to Sir R Armstrong.

C  
(CARRINGTON)

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Foreign and Commonwealth Office

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SECRET

DRAFT LETTER FROM THE PRIME MINISTER TO PRESIDENT CARTER

Thank you for your message about the Iranian situation which was delivered by Kingman Brewster on 13 March.

I am sorry that the UN Commission of Enquiry has failed, this time round, to secure the release of the hostages. I know that this must be a great disappointment to you and all those who have been working so hard recently on this subject. I fully understand your point about the Commission possibly having a future role to play and the need, accordingly, not to comment in public about the failure of the procedure which it was hoped would bring about the release of the hostages.

I have every sympathy with your concern that the Iranians should not be given the impression that business as usual can resume while the hostages are still detained. I can assure you that the measures which we instituted are still in place, and we shall be keeping them under review to ensure that they are being maintained.

It was good of you to send me your message setting out your thinking at this early stage about the seriousness of the new situation. My colleagues in the Government and I have much admired the restraint, firmness and skill with which you have been handling this difficult problem. We look forward to remaining in close touch over future developments.

SECRET



IRAN: ADVANCE COPIES 43

Iran

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MR C LUCAS ) ENERGY

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FM TEHRAN 181045Z MAR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 288 OF 18 MARCH

INFO IMMEDIATE WASHINGTON, DUBLIN, PRIORITY UKMS NEW YORK, PARIS, THE HAGUE, BONN, COPENHAGEN, ATHENS, ROME AND BRUSSELS.

MIPT: US/IRAN.

1. FOLLOWING IS PAPER AGREED BY EC HEADS OF MISSION IN TEHRAN ON 18 MARCH 1980.

BEGINS. THE HEADS OF MISSION OF THE EUROPEAN COMMUNITY IN TEHRAN, WITH THE PARTICIPATION OF THE CHARGE D'AFFAIRES OF GREECE, HAVE CONSIDERED THE SITUATION IN IRAN IN RELATION TO THE DETENTION OF THE AMERICANS IN THE U.S. EMBASSY, TEHRAN. THEY AGREED ON THE FOLLOWING POINTS FOR THE CONSIDERATION OF THEIR GOVERNMENTS:

- 1) THE U.N. COMMISSION OF ENQUIRY CAME NEAR TO SUCCESS IN ACHIEVING THE HANDING OVER OF THE AMERICANS TO THE IRANIAN GOVERNMENT ITSELF, AS A STEP TOWARDS THEIR RELEASE, BUT IN THE

IMMEDIATE

ACHIEVING THE HANDING OVER OF THE AMERICANS TO THE IRANIAN GOVERNMENT ITSELF, AS A STEP TOWARDS THEIR RELEASE, BUT IN THE LAST RESORT BANI SADR AND QOTBZADEH WERE NOT ABLE TO CARRY THE MATTER THROUGH

2) WHILE CREDITING BANI SADR AND QOTBZADEH WITH RECOGNISING THE DAMAGE DONE TO IRANIAN INTERESTS BY THE CONTINUED DETENTION OF THE AMERICAN AND WITH THE INTENTION TO BRING THE PROBLEM TO A CONCLUSION BY RELEASING THEM, THE HEADS OF MISSION ARE DOUBTFUL WHETHER ANY EARLY SOLUTION IS LIKELY, GIVEN THE RULING BY KHOMEINI THAT THE RELEASE OF THE AMERICANS IS A MATTER FOR THE ASSEMBLY, AND THE DOUBTS THAT MUST EXIST OVER THE COMPOSITION AND DATE OF INSTALLATION OF THE ASSEMBLY. ONLY IF THE IMAM WERE TO ISSUE A CLEAR AUTHORITY TO BANI SADR (PERHAPS AT NOW RUZ) AND IF THE LATTER WERE TO BE ABLE TO MUSTER AN ADEQUATE FORCE TO EJECT THE STUDENTS, COULD THE SITUATION CHANGE FOR THE BETTER, BUT WE BELIEVE THIS TO BE UNLIKELY.

3) IN THESE CIRCUMSTANCES, IT IS NECESSARY TO CONSIDER FUTURE ACTION. THE IMPOSITION OF ECONOMIC SANCTIONS WHETHER BY THE U.S. ALONE OR IN CONJUNCTION WITH OTHERS (BUT ON THE ASSUMPTION THAT THERE WOULD BE LARGE LOOPHOLES) IS UNLIKELY TO CHANGE IRANIAN POLICY. THE ECONOMY IS ALREADY IN RUINS AS A RESULT OF THE REVOLUTION, WITH LITTLE CONTRIBUTION FROM THE ECONOMIC MEASURES ALREADY TAKEN BY THE U.S. POLITICALLY, FURTHER ECONOMIC MEASURES AGAINST IRAN WOULD TEND TO RALLY IRANIAN OPINION TO THE MILITANTS AND, ESPECIALLY IF THEY WERE TO EXTEND TO FOOD AND TRANSPORT, WOULD LAY THOSE TAKING THEM OPEN TO THE CHARGE THAT THEY WERE DELIBERATELY TRYING TO DAMAGE OR STARVE THE IRANIAN PEOPLE.

4) THE IRANIAN ACTION AGAINST THE U.S. EMBASSY IS POLITICAL (MOTIVATED TO A LARGE EXTENT BY INTERNAL CONSIDERATIONS). A POLITICAL RESPONSE IS LIKELY TO BE MORE EFFECTIVE.

5) WITHOUT ENTERING INTO THE MERITS OF THE IRANIAN COMPLAINTS AGAINST THE U.S., IT IS OF GENERAL INTERNATIONAL CONCERN TO UPHOLD THE PRINCIPLES OF THE IMMUNITY OF DIPLOMATIC PREMISES AND OF THE INADMISSABILITY OF THE TAKING OF HOSTAGES. THAT THERE IS CONSIDERABLE SUPPORT FOR THIS POSITION IS INDICATED BY THE NUMBER OF SIGNATURES (ABOUT 35) AMONG THE DIPLOMATIC CORPS TO A LETTER SENT TO AHMAD KHOMEINI ASKING FOR REGULAR VISITS TO THE AMERICANS.

6) THE HEADS OF MISSION BELIEVE THEREFORE THAT IT WOULD BE DESIRABLE TO CONSIDER ACTION ON THE FOLLOWING LINES, IN TWO PHASES

A) THE ORGANISATION, THROUGH DEMARCHES IN CAPITALS, OF MESSAGES FROM HEADS OF GOVERNMENT OR STATE TO PRESIDENT BANI SADR, MAKING THE FOLLOWING POINTS:

1. IRAN'S CONTINUED VIOLATION OF INTERNATIONAL LAW CREATES A GRAVE CRISIS WHICH IMPEDES COOPERATION BETWEEN IRAN AND

THE INTERNATIONAL COMMUNITY.

MESSAGES FROM HEADS OF GOVERNMENT OR STATE TO PRESIDENT  
BANI SADR, MAKING THE FOLLOWING POINTS:

1. IRAN'S CONTINUED VIOLATION OF INTERNATIONAL LAW CREATES  
A GRAVE CRISIS WHICH IMPEDES COOPERATION BETWEEN IRAN AND  
THE INTERNATIONAL COMMUNITY:

2. IT HAD BEEN THE HOPE THAT A SOLUTION COULD BE ACHIEVED  
THROUGH THE U.N. COMMISSION OF ENQUIRY, BUT THIS HOPE  
WAS DASHED:

3. IRAN'S RELATIONS WITH THE U.S. ARE A MATTER FOR THE TWO  
COUNTRIES. HOWEVER THE VIOLATION OF INTERNATIONAL LAW  
CONCERNS US ALL:

4. THE SOLUTION LIES IN THE HANDS OF IRAN. THE RELEASE  
OF THE AMERICANS SAFE AND SOUND, WOULD IMMEDIATELY OPEN  
THE GATES TO FULL AND SYMPATHETIC COOPERATION:

5. THE CONTINUED DETENTION OF THE AMERICAN DIPLOMATS IN  
BREACH OF INTERNATIONAL LAW COULD SERIOUSLY AFFECT RELATIONS  
BETWEEN AZAN AND THE COUNTRY SENDING THE MESSAGE.

B) THE COUNTRIES APPROACHED SHOULD AGREE, AS A FOLLOW-UP  
TO THESE MESSAGES, AND AFTER A SHORT INTERVAL TO ALLOW  
ANY IRANIAN RESPONSE TO DEVELOP, TO CLOSE THEIR EMBASSIES. IT  
WOULD BE NECESSARY TO ORGANIZE SUCH ACTION ON A WIDE SCALE (SAY  
AT LEAST 20 MISSIONS) AND TO INCLUDE A GOOD PROPORTION OF THIRD  
WORLD COUNTRIES.

7) IN MAKING THIS PROPOSAL, THE HEADS OF MISSION WERE WELL  
AWARE OF THE POSSIBLE DIFFICULTIES THAT MIGHT BE CAUSED  
FOR THEIR COMMUNITIES, TRADE, ETC. HOWEVER, THE IMPOSITION OF  
ECONOMIC OR OTHER SANCTIONS WOULD CREATE SIMILAR OR WORSE PROBLEMS.

B) AS A SUPPLEMENT, THE COUNTRIES OF THE EC, AND THE U.S.,  
MIGHT AGREE TO BOYCOTT INTERNATIONAL MEETINGS AT WHICH  
IRAN IS REPRESENTED, UNTIL THE AMERICAN HOSTAGES ARE RELEASED.

9) THE HEADS OF MISSION OF THE EUROPEAN COMMUNITY PUT FORWARD  
THESE IDEAS IN THE KNOWLEDGE THAT IN CONSIDERING THEM,  
THEIR GOVERNMENTS WILL WISH TO TAKE INTO ACCOUNT, IN THE FIRST  
INSTANCE, AMERICAN INTENTIONS AND POLICY. ENDS.

GRAHAM

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FM TEHRAN 191015Z MAR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 287 OF 18 MARCH

INFO IMMEDIATE WASHINGTON, DUBLIN, PRIORITY UKMIS NEW YORK, PARIS, THE HAGUE, BONN, COPENHAGEN, ATHENS, ROME AND BRUSSELS.

WASHINGTON TELNO 1100 TO YOU (NOT TO ALL): US/IRAN.

1. MY IMMEDIATELY FOLLOWING TELEGRAM CONTAINS THE TEXT OF A JOINT PAPER BY THE COMMUNITY HEADS OF MISSION IN IRAN, AND THE GREEK CHARGE D'AFFAIRES.
2. THE MAIN PROPOSAL IN THE PAPER, THE CLOSURE OF EMBASSIES, WAS FIRST MOOTED BY THE FRENCH AMBASSADOR LAST WEEK AND PUT FORWARD AGAIN TODAY. HE MADE CLEAR THAT HE SPOKE ON A PERSONAL BASIS, WITHOUT THE AUTHORITY OF HIS GOVERNMENT, WHO INDEED WOULD REGARD THE CONTINUANCE OF AN EMBASSY IN TEHRAN AS A SORT OF "LIGHTHOUSE" TO BE MAINTAINED TO THE LAST. DELAYE SAID THAT HE HAD INCREASINGLY COME TO THE VIEW THAT ONLY A POLITICAL RESPONSE CALCULATED TO BRING HOME TO THE IRANIANS THE OSTRACISM THEY WERE HEADING FOR, WOULD BE LIKELY TO HAVE ANY EFFECT. THE

*nr*  
2 ltr: a new approach.  
Read in full.

AMERICANS WERE NO DOUBT THINKING OF IMPOSING MORE ECONOMIC SANCTIONS AND PRESSING US TO DO THE SAME. THESE WOULD BE INEFFECTIVE AND DAMAGING TO THE WEST, AT LEAST AS DAMAGING, IF NOT MORE, AS THE TEMPORARY CLOSURE OF EMBASSIES. THE LATTER GESTURE WOULD ATTACK IRANIAN PRIDE AND WOULD BRING HOME DRAMATICALLY TO THE IRANIANS IN THE STREET THE COST THEIR COUNTRY WAS PAYING.

3. IN DISCUSSION THE OBVIOUS POINTS WERE MADE THAT THE CLOSURE OF EMBASSIES WOULD AFFECT THE POSITION OF OUR COMMUNITIES (1700 ITALIANS, 1200 GERMANS, 400 FRENCH, 300 GREEKS, 125 DANES, 100 BELGIANS, 75 DUTCH, 15 IRISH AND ABOUT 350 BRITISH), AND THAT THERE WOULD BE A RELUCTANCE TO LEAVE THE FIELD TO THE EAST EUROPEANS. THE POINT WAS ALSO MADE THAT TO BE EFFECTIVE THE CLOSURE WOULD HAVE TO INVOLVE A NUMBER OF EMBASSIES AND NOT MERELY WESTERN ONES. IT WAS ALSO SUGGESTED THAT IT MIGHT SEEM ODD THAT WE SHOULD FOLLOW THE FORMAL GREETING OF THE PRESIDENT ON 21 MARCH (NOW RUZ) WITH A GESTURE OF THIS KIND, THOUGH IT WAS AGREED AGAINST THAT, THAT WE COULD EXPLAIN THAT THE CLOSURE FOLLOWS ON THE CONSIDERATION BY OUR GOVERNMENTS OF THE FAILURE OF THE UN COMMISSION, WHICH WAS BECOMING INCREASINGLY OBVIOUS.
4. THIS LAST POINT LED ON TO A REVIVAL OF THE IDEA PUT FORWARD BY THE FRG AMBASSADOR TWO OR THREE WEEKS AGO, IN REPOSE TO AN AMERICAN APPROACH IN BONN, THAT HEADS OF GOVERNMENT OR STATE SHOULD SEND MESSAGES TO PRESIDENT BANI SADR URGING THE RELEASE OF THE HOSTAGES. IN THE AGREED PAPER WE HAVE INCORPORATED THIS IDEA, LINKING IT TO THE CLOSURE, WHICH WOULD BECOME A SECOND STEP.
5. THE CLOSURE OF EMBASSIES DOES INDEED SEEM DRASTIC. FOR THE PROTECTION OF OUR PROPERTIES IT WOULD BE NECESSARY TO LEAVE A CARETAKER AND PERHAPS TO HAVE A PROTECTING POWER. IT WOULD BE POSSIBLE OF COURSE TO MAKE LESSER GESTURES, E.G. THE WITHDRAWAL OF AMBASSADORS OR THE CLOSURE OF VISA SECTIONS. THESE WOULD HAVE MUCH LESS IMPACT AND IF WE WERE TO BASE THE GESTURE ON THE CONTINUED VIOLATION BY IRAN OF THE PRINCIPLE OF DIPLOMATIC IMMUNITY, IT WOULD BE LOGICAL TO THE WHOLE HOG AND NOT TO MAINTAIN ACTIVE MISSIONS AT ALL. IT IS DIFFICULT TO DETERMINE WHETHER THE GESTURE WOULD TEND TO STRENGTHEN OR WEAKEN BANI SADR, WHO, I AM CONVINCED, STILL WANTS THE RELEASE OF THE AMERICANS. ON BALANCE I THINK IT WOULD STRENGTHEN HIM IN THE ARGUMENT HE HAS BEEN USING THAT THE DETENTION IS NOW OPERATING AGAINST IRAN'S INTERESTS.
6. AS THE PAPER POINTS OUT, IT WOULD BE NECESSARY TO DISCUSS THESE IDEAS WITH THE AMERICANS AND ANY ACTION TAKEN WOULD

6. AS THE PAPER POINTS OUT, IT WOULD BE NECESSARY TO DISCUSS THESE IDEAS WITH THE AMERICANS, AND ANY ACTION TAKEN WOULD HAVE TO DOVETAIL WITH THEIR INTENTIONS AND PLANS. I SUGGEST THAT IT COULD BE DISCUSSED WHEN I AM IN LONDON NEXT WEEK.

7. (FOR DUBLIN). THE IRISH CHARGE D'AFFAIRES WOULD BE GRATEFUL IF DUBLIN COULD PASS A COPY OF THE PAPER IN MIFT TO HIS MINISTRY.

GRAHAM

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TO PRIORITY FCO

TELEGRAM NO 1121 OF 17 MARCH

INFO PRIORITY TEHRAN

INFO SAVING UKMIS NEW YORK

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US/IRAN

1. TODAY'S WASHINGTON POST PRINTS THE RESULT OF THE LATEST ABC NEWS/HARRIS POLL IN WHICH, FOR THE FIRST TIME, A MAJORITY OF THOSE ASKED (47 PERCENT AGAINST 31 PERCENT) FELT THAT PRESIDENT CARTER'S HANDLING OF THE IRANIAN HOSTAGE SITUATION HAD BEEN A QUOTE FAILURE UNQUOTE. IN ANSWER TO A SIMILAR QUESTION IN EARLY FEBRUARY A 51 PERCENT - 32 PERCENT MAJORITY CONSIDERED IT A QUOTE SUCCESS UNQUOTE; IN MID-DECEMBER 1979 A 66 PERCENT - 22 PERCENT MAJORITY SUPPORTED HIS HANDLING OF THE CRISIS.

2. DESPITE THIS, THE LATEST POLL SHOWS THAT A 60 PERCENT - 37 PERCENT MAJORITY STILL FEEL THAT QUOTE AS LONG AS HOSTAGES ARE KEPT CAPTIVE, IT IS WRONG FOR OTHER CANDIDATES FOR PRESIDENT TO CRITICISE PRESIDENT CARTER'S POLICIES ON IRAN UNQUOTE.

3. A 77 PERCENT - 16 PERCENT MAJORITY FAVOUR A QUOTE TIGHTENING OF TRADE RESTRICTIONS ON IRAN TO FORCE THEM TO GIVE UP THE HOSTAGES UNQUOTE. A 51 PERCENT - 39 PERCENT MAJORITY IS SCEPTICAL ABOUT THE VALUE OF CONTINUING TO WORK THROUGH THE UN QUOTE BECAUSE THE UN IS SUCH A WEAK AND INEFFECTIVE ORGANISATION UNQUOTE.

4. BY 71 PERCENT - 24 PERCENT, THOSE POLLED FELT THAT QUOTE UP TO NOW THE UNITED STATES HAS BEEN ON THE MERCY OF THE AYOTOLLAH WHO HAS MADE US LOOK WEAK AND HELPLESS UNQUOTE. A 53 PERCENT - 34 PERCENT MAJORITY REJECT THE PRESIDENT ISSUING AN APOLOGY FOR PAST US SUPPORT OF THE SHAH AS THE PRICE FOR SECURING THE RELEASE OF THE HOSTAGES UNHARMED.

5. BY 60 PERCENT TO 31 PERCENT, A MAJORITY IS CONVINCED THAT QUOTE IT WAS A BIG MISTAKE NOT TO GIVE IRAN AN ULTIMATUM IN THE FIRST 72 HOURS AFTER THE HOSTAGES WERE SEIZED UNQUOTE.

6. THE POLL IS BASED ON QUESTIONS PUT TO A CROSS SECTION OF 1322 PEOPLE.

HENDERSON

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TO ROUTINE FOREIGN AND COMMONWEALTH OFFICE

TELEGRAM NO. 1090 OF 14 MARCH 1980

INFO TEHRAN

INFO SAVING UKMIS NEW YORK

U.S./IRAN.

1. WRITING IN TODAY'S WASHINGTON POST, JONATHAN RANDAL DESCRIBES AN INTERVIEW WITH BANI SADR IN WHICH THE IRANIAN PRESIDENT MADE THE FOLLOWING POINTS:

I) U.S. CONGRESSIONAL HEARINGS INTO ALLEGED AMERICAN INTERFERENCE IN IRANIAN DOMESTIC AFFAIRS COULD ACCELERATE THE PROCESS OF FREEING THE AMERICAN HOSTAGES. THE KIND OF CONGRESSIONAL HEARINGS ENVISAGED WOULD QUOTE STUDY THE STATE DEPARTMENT AND PENTAGON ROLES UNQUOTE IN IRAN SINCE 1953. DOCUMENTS SHOULD BE PROVIDED BY THE U.S. AND IRANIAN GOVERNMENTS, BUT WOULD NOT INCLUDE THOSE SEIZED AT THE U.S. EMBASSY,

II) HE PERSONALLY FAVOURED AN IRANIAN GOVERNMENT COMMITMENT TO SPARE THE SHAH'S LIFE IF THAT WERE THE PRICE FOR HIS EXTRADITION. QUOTE THE ESSENTIAL PURPOSE OF EXTRADITION IS NOT TO EXECUTE THE SHAH. IT IS TO GIVE OUR PEOPLE CONFIDENCE AND TO ALLOW CONFIDENCE THAT IN THE FUTURE NO-ONE WILL PLAY THE ROLE OF SERVANT TO FOREIGN POWERS WHO WANT TO DOMINATE THE COUNTRY UNQUOTE,

III) HIS MOTIVATION IN WISHING TO RESOLVE THE HOSTAGE PROBLEM WAS NOT TO PLEASE QUOTE PRESIDENT CARTER, THE AMERICAN GOVERNMENT OR ANYONE ELSE UNQUOTE, BUT SETTLING THE PROBLEM COULD HAVE A BENEFICIAL EFFECT QUOTE FOR A POLICY OF INDEPENDENCE FOR IRAN UNQUOTE,

IV) THE SIMPLEST WAY OF RESOLVING THE CRISIS REMAINED THE SHAH'S EXTRADITION FROM PANAMA. ANOTHER AND MORE DIFFICULT METHOD, WHICH WOULD BE A LONGER PROCESS, WOULD INVOLVE ASSURING THE IRANIANS THAT QUOTE THE AMERICAN PEOPLE UNDERSTOOD THAT IN THE PAST THE AMERICAN ADMINISTRATION HAD GOVERNED IRAN THROUGH THE SHAH'S REGIME UNQUOTE

V) HE INDICATED THAT LITTLE PROGRESS ON THE HOSTAGES COULD BE EXPECTED BEFORE THE END OF APRIL WHEN THE PARLIAMENT IS EXPECTED TO CONSIDER THE ISSUE,

VI) HE REITERATED THE NEED FOR AMERICAN QUOTE SELF-CRITICISM UNQUOTE,

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VII) HE BLAMED A CHANGING MAJORITY WITHIN THE REVOLUTIONARY COUNCIL FOR GOING BACK ON ITS UNANIMOUS DECISION TO ALLOW THE U.N. COMMISSION TO VISIT THE HOSTAGES. HE ALSO CONSIDERED THE CONTINUING OCCUPATION OF THE EMBASSY BY THE QUOTE STUDENTS UNQUOTE AS A QUOTE POINT OF WEAKNESS...I SHALL CONTINUE MY EFFORTS TO RESOLVE ALL OTHER CENTRES OF DECISION-MAKING INCLUDING THAT ONE UNQUOTE,

VIII) REFERRING TO COMMUNISTS AND LEFTISTS, QUOTE EACH OF THESE IS WORKING FOR ITS OWN GOALS....ALL THIS MAKES THE SITUATION MORE CONFUSED. UNQUOTE BUT HE DENIED THAT IT WAS THEIR INFLUENCE THAT DICTATED THE QUOTE STUDENTS UNQUOTE REFUSAL TO ALLOW THE U.N. COMMISSION TO VISIT THE HOSTAGES OR ALLOW THEIR TRANSFER TO GOVERNMENT AUTHORITY. QUOTE ON THE CONTRARY, SO FEW PEOPLE SHOWED UP (IN DEMONSTRATIONS OUTSIDE THE EMBASSY LAST WEEKEND), JUST TUDEH AND FEDAYEEN. WE COULD SEE THEM BECAUSE THEY WERE SO FEW UNQUOTE. THE VERY FACT THAT COMMUNIST DEMONSTRATORS WERE UNABLE TO STAGE THEIR PROTEST AMOUNTED TO A QUOTE REVOLUTION IN PUBLIC OPINION UNQUOTE.

2. ASKED ABOUT THE CONGRESSIONAL HEARINGS IDEA AT TODAY'S NOON PRESS BRIEFING, STATE DEPARTMENT SPOKESMAN TOOK THE LINE THAT ANYTHING LIKE THAT COULD ONLY FOLLOW THE RELEASE OF THE HOSTAGES.

HENDERSON

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FM WASHINGTON 140050Z MAR 80  
 TO PRIORITY F.C.O.  
 TELEGRAM NUMBER 1077 OF 13 MARCH.  
 INFO PRIORITY TEHRAN, UKMIS NEW YORK.

MY TELNO 1035 : US/IRAN

1. NBC TELEVISION LAST NIGHT SHOWED A 17 MINUTE TELEVISION FILM (ORIGINALLY SHOWN ON GREEK TELEVISION) OF A VISIT TO THE HOSTAGES LAST WEEK BY AN IRANIAN RED CROSS DOCTOR. ALTHOUGH SOME OF THE HOSTAGES SHOWN ON THE FILM APPEARED IN GOOD PHYSICAL CONDITION AND REASONABLE SPIRITS, SOME, IN PARTICULAR PRESS OFFICER BARRY ROSEN, WERE CLEARLY NOT IN GOOD SHAPE.

2. WE HAVE BEEN SHOWN BY ONE OF THE AUTHORS, A SECRET MEMORANDUM ADDRESSED TO VANCE BY FOUR MIDDLE RANKING STATE DEPARTMENT PERSIAN SPEAKERS (ESCUADERO, PATTERSON, STEMPEL AND NUEMANN - ALL HAVE SERVED IN TEHRAN, INCLUDING IN THE CASE OF THE FIRST THREE SINCE THE REVOLUTION). THEIR MEMORANDUM OPENS WITH A LONG ANALYSIS, BASED ON THEIR OWN EXPERIENCE OF IRAN, ARGUING THAT THE ADMINISTRATION'S POLICY ON THE HOSTAGES MUST NOW BE CONSIDERED A FAILURE,



RATION'S POLICY ON THE HOSTAGES MUST NOW BE CONSIDERED A FAILURE, THE IRANIANS HAVING DEMONSTRATED THAT IN THE FINAL ANALYSIS THEY WILL SIMPLY POCKET ANY CONCESSIONS OFFERED BY THE U.S. OR THE U.N. WITHOUT OFFERING ANY REAL PROSPECT OF THE HOSTAGES BEING RELEASED. HAVING ARGUED AGAINST A CONTINUATION OF THE PRESENT POLICY, THE MEMORANDUM STATES THAT THE U.S. HAS TWO OTHER OPTIONS: EITHER A RESCUE MISSION OR A DECLARATION OF WAR INVOLVING THE INTERNMENT OF IRANIAN DIPLOMATS ETC. IT IS CLEAR THAT THEIR PREFERRED COURSE WOULD BE A RESCUE MISSION AND THEY CLAIM TO HAVE DISCUSSED THIS IN DETAIL WITH EXPERTS WHO HAVE CONVINCED THEM THAT IT COULD BE SUCCESSFUL.

3. SIR J GRAHAM'S ASSESSMENT OF THE PROSPECTS FOR THE ELECTION (TEHRAN TELNO 279) WAS GRATEFULLY RECEIVED HERE. THE IRAN WORKING GROUP COMMENTED THAT IT WAS AS WELL TO HAVE THIS SOBER COMMENT SO THAT NO-ONE EXPECTED TOO MUCH OF TOMORROW'S VOTE.

4. IRAN WORKING GROUP BELIEVE THAT THE IRANIAN RED CROSS DOCTOR'S VISIT, WHICH TOOK PLACE WHILE THE U.N. COMMISSION WAS IN TEHRAN, WAS CONCEIVED BY THE "STUDENTS" AS A SPRUCING UP EXERCISE FOR THE BENEFIT OF THE COMMISSION - A TANTALISING INDICATION OF HOW CLOSE THEY CAME TO SUCCESS LAST WEEK. THE DOCTOR, WHO TOOK NOTES ONLY TO HAVE THEM CONFISCATED BY THE "STUDENTS", THINKS HE SAW 44 HOSTAGES - CERTAINLY AT LEAST 40. HIS DESCRIPTION APPEARS TO THE WORKING GROUP TO PROVIDE COLLATERAL EVIDENCE THAT METRINKO IS BACK IN THE COMPOUND. STATE DEPARTMENT ARE NOW TELLING REPORTERS THEY ARE CONFIDENT THERE ARE 50 HOSTAGES IN THE COMPOUND.

HENDERSON

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Iran

13 March 1980

IRAN

I enclose a copy of a message to the Prime Minister from President Carter which has just been delivered here.

The Foreign and Commonwealth Secretary will no doubt wish to advise the Prime Minister, in the light of the developing situation, how she should reply to President Carter. Clearly, Ministerial discussion, e.g. in OD, may be necessary before any reply is sent.

I am sending a copy of this letter and its enclosure to David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Roderic Lyne, Esq.,  
Foreign and Commonwealth Office.

SECRET



EMBASSY OF THE UNITED STATES OF AMERICA  
LONDON

March 13, 1980

*Prime Minister has seen.*

*f. - 1 hnt - 13/3*

Dear Prime Minister:

I have been asked to deliver the enclosed message to you from President Carter, which was received at the Embassy this morning.

Sincerely,

*Kingman Brewster*  
Kingman Brewster  
Ambassador

Enclosure  
(SECRET)

The Rt. Hon. Margaret Thatcher, M.P.,  
Prime Minister,  
London.

SUBJECT

Pres. Carter to PM

SECRET

PM seen

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 54 / 80

cc: Carter

~~copy~~

As you know, the UN Commission of Inquiry commenced its work in Tehran on February 23. By agreement between the United States, Iran, and Secretary General Waldheim, the Commission proceeded to Iran with two purposes: to hear the grievances of the Iranians and to allow a resolution of the crisis. As part of the arrangements for the Commission's work, the U.S. agreed to the Iranian Government's request that the Commission visit all of the 50 American hostages, subject to the understanding that the hostages would not be interrogated.

After more than two weeks of intensive discussion in Tehran, it became apparent that the Commission would not be permitted to visit the hostages, as Iran had agreed. Because of this development, the Commission in consultation with Secretary General Waldheim decided to suspend its work in Tehran at least until the sensitive period before the first stage of Iran's parliamentary election on March 14 is over. Although there is hope that the Commission may resume its work at an appropriate time, the inability of the Iranian Government to follow the plan which was agreed creates a serious situation.

For your personal background only, the steps which were agreed among all the parties at the outset included the transfer of the hostages to the control of the Iranian Government, the submission of the Commission's report to the Secretary General on the Commission's return to New York, and the release of the hostages in connection with the completion of the work of the Commission. Because the Commission may have a future role to play, I will appreciate your

SECRET

keeping this in confidence. The mere fact that the Iranian authorities had agreed to such a plan could harm them politically in Iran and jeopardize those most committed to resolving the problem.

The United States has taken every reasonable step to assure the success of the Commission in resolving the hostage crisis. In order to create an atmosphere for a solution, we twice postponed imposition of economic sanctions, as envisaged in the Soviet-vetoed Security Council Resolution of January 13, first in deference to the wishes of a number of our friends who urged that we not impose the sanctions during the meeting of the Islamic Conference, and subsequently while the activity leading up to the formation of the Commission and its subsequent work in Tehran was underway. We also signalled in a variety of public and private channels our desire for a quick resolution of the hostage crisis in a way which would permit a subsequent dialogue for a restoration of some reasonable relationship between Iran and the United States. Although there were those in Iran who supported efforts to achieve an early and mutually acceptable outcome to the hostage crisis, their efforts have for the moment been overridden.

I am writing you in some detail about the seriousness of the new situation. If the work of the Commission comes to an end without a resolution of the crisis, it will be a severe setback for any early progress through negotiations. As I have said, our first effort will be to contribute what we can to helping the Commission to resume its work as soon as its chances of success have improved. However, if that is not possible, we will inevitably be forced back to the economic sanctions which were envisioned two months ago and perhaps to other measures as well that will have repercussions beyond the U.S.-Iranian relationship. Because of the importance of keeping in close touch on these issues, I wanted to share my thinking with you at the earliest possible time. ||

In the meantime, it would be a serious error if misleading signals were sent to the Iranians through

bilateral measures that might indicate business as usual. I would appreciate it very much if you could review those measures which you instituted during the winter, such as the informal financial measures, the restraint on buying Iranian oil at prices sharply different from other OPEC producers, and the ban on supply of military equipment, to assure that they are being enforced. I need your help in impressing on Iranian authorities the gravity of their continuing disregard of international law and human rights. If channels are available to you, it would be most helpful if you could find ways to convey to the Iranian leadership that it is essential to create conditions in which the work of the Commission can be resumed and the crisis between the U.S. and Iran resolved as soon as possible so that Iran may resume its normal relationships.

I have appreciated your support and am confident that we will continue to stand together.

13 March 80

GR 520

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FM TEHRAN 130445Z MAR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 273 OF 12 MARCH

INFO PRIORITY WASHINGTON AND UKMIS NEW YORK

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MT

MY TELNO 269: US/IRAN

01. THE EC HEADS OF MISSION IN TEHRAN MET THIS MORNING. THE FRENCH AMBASSADOR, WHO HAD SPOKEN BRIEFLY WITH PETTITI BY TELEPHONE, CONFIRMED THAT THE COMMISSION HAD REFUSED TO ACCEPT ANY DOCUMENTS ORIGINATING FROM THE US EMBASSY PRESSED UPON THEM BY THE "STUDENTS", AND THAT QOTBZADEH AND BEDJAOUI HAD BECOME INVOLVED IN WHAT WAS VIRTUALLY A BOUT OF FISTICUFFS WITH SOME OF THE STUDENTS AT THE AIRPORT. HE ADDED THAT BEDJAOUI IN PARTICULAR WAS EXTREMELY INCENSED BY THE TREATMENT ACCORDED THE MISSION, IN WHICH ALGERIA HAD BEEN PERSUADED TO TAKE PART BECAUSE OF THEIR (MISTAKEN) BELIEF THAT THE IRANIAN AND ALGERIAN REVOLUTIONS HAD MUCH IN COMMON. IN THE FINAL DISCUSSIONS WITH THE COMMISSION, QOTBZADEH HAD ARGUED THAT THE COMMISSION SHOULD STAY IN TEHRAN AND SHOULD AGREE TO SEE SOME OF THE HOSTAGES, BUT WITHOUT ACCEPTING THE CONDITIONS LAID DOWN, WHICH THEY NEED NOT REGARD AS BINDING. HE HAD BEEN TOLD THAT THIS WAS IMPOSSIBLE.

2. IT IS PERHAPS NOTEWORTHY THAT THE COMMISSION'S STATEMENT ISSUED ON THEIR DEPARTURE HAS NOT BEEN REPRODUCED TEXTUALLY HERE, ALL PUBLISHED VERSIONS OMITTING THE PASSAGE ABOUT THE MANDATE OF THE COMMISSION BEING INDIVISIBLE

3. THERE WAS GENERAL AGREEMENT AMONGST THE EC HEADS OF MISSION THAT THE PROBLEM IS NOW NOT SO MUCH A CONFLICT BETWEEN IRAN AND THE US, AS AN INTERNAL STRUGGLE BETWEEN BANI SADR AND KHOMEINI, OR POSSIBLY BETWEEN BANI SADR AND WHATEVER OTHER FORCES ARE SUPPORTING THE STUDENTS. THAT BEING SO, IT SEEMED UNLIKELY THAT, SHORT OF MILITARY INTERVENTION TO RELEASE THE HOSTAGES, WITH ALL THE OBJECTIONS TO THAT, ANY ACTION BY THE US WOULD BE EFFECTIVE TO BRING THE HOSTAGE ISSUE TO AN END. BANI SADR MIGHT ATTEMPT TO RALLY OPINION THROUGH THE MASS DEMONSTRATION WHICH HE HAS WRITTEN ABOUT, ALTHOUGH IN THE LIGHT OF KHOMEINI'S STATEMENT OF 10 MARCH, SUCH AN INITIATIVE WOULD APPEAR AS A DIRECT CHALLENGE TO THE IMAM'S AUTHORITY. IT SEEMS MORE LIKELY THAT HE

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WILL RELY ON OBTAINING A MAJORITY IN THE ASSEMBLY. WE RECOGNISED THAT SUCH A WAIT IS NOT LIKELY TO BE PALATABLE TO THE AMERICANS (ALTHOUGH I NOTE FROM WASHINGTON TELNO 1035 TO YOU THAT SAUNDERS SEEMS RESIGNED TO IT) BUT WE HAD NO OTHER GOOD IDEAS. I AGREE THAT THE IDEA IN PARA 3 OF UKMIS NEW YORK TELNO 446 MIGHT SUCCEED IN BRINGING THIRD WORLD PRESSURE TO BEAR ON IRAN. I ALSO AGREE THAT AT THIS STAGE THE IDEA OF FORMALLY DECLARING WAR (PARA 4 OF UKMIS TUR) WOULD NOT BE EFFECTIVE: IT SHOULD HAVE BEEN DONE, IF AT ALL, LAST NOVEMBER. IT MAY BE THAT THE UN SECRETARY GENERAL WITH THE MUCH CLEARER INSIGHT WHICH HE WILL HAVE OBTAINED THROUGH THE MEMBERS OF THE COMMISSION, WILL HAVE SOME FRESH IDEAS. AT LEAST IT IS CLEAR THAT QOTBZADEH AND BANI SADR DO NOT REGARD THE COMMISSION AS HAVING FINISHED. THEY HAVE INVESTED A LOT IN ITS SUCCESS.

4. FINALLY, AT THE END OF THE EC MEETING, WE DISCUSSED THE REVIVAL OF THE IDEA OF A LETTER ABOUT VISITS TO THE HOSTAGES (MY MINUTE OF 21 FEBRUARY COPIED MED AND CHANCERY WASHINGTON), AND IT WAS AGREED THAT WE SHOULD GO AHEAD. IN VIEW OF DEVELOPMENTS, IT WAS AGREED THAT THE ADDRESSEE SHOULD BE AHMED KHOMEINI.

GRAHAM

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FM TEHRAN 111037Z MAR

TO IMMEDIATE FCO

TELEGRAM NUMBER 269 OF 11 MARCH 80

INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK.

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MY TEL NO 262 : US/IRAN.

1. KHOMEINI'S STATEMENT WAS THE FRUIT OF A MEETING ON THE MORNING OF 10 MARCH ATTENDED BY TEN MEMBERS OF THE REVOLUTIONARY COUNCIL (RC), NOT INCLUDING BANI SADR, AND AHMED KHOMEINI, WHO HAD ALSO ATTENDED THE RC'S MEETING THE NIGHT BEFORE. I HAVE BEEN TOLD BY AN IRANIAN SOURCE THAT AHMED KHOMEINI BEGGED HIS FATHER TO COME OUT WITH AN UNAMBIGUOUS STATEMENT. THIS HE HAS DONE, BUT UNFORTUNATELY IT REFLECTS PRECISELY THE LINE THAT THE "STUDENTS" WERE TAKING LAST WEEK AND, WHILE CALLING FOR OBEDIENCE TO THE RC, OVERRULES THEM ON THE MAIN ISSUE OF THE DAY.

2. THE UN COMMISSION'S DEPARTURE WAS THE PREDICTABLE RESULT. YOU WILL HAVE SEEN THEIR STATEMENT ON THE TAPES. I HAVE NOT YET SEEN YAMIN TO OBTAIN HIS ACCOUNT. THEIR ONLY ALTERNATIVE

2. THE UN COMMISSION'S DEPARTURE WAS THE PREDICTABLE RESULT. YOU WILL HAVE SEEN THEIR STATEMENT ON THE TAPES. I HAVE NOT YET SEEN YAMIN TO OBTAIN HIS ACCOUNT. THEIR ONLY ALTERNATIVE COURSE WOULD HAVE BEEN TO COUNTER BY PUTTING OUT A STATEMENT WHICH MIGHT HAVE SAID THAT THEY COULD NOT ACCEPT THE JUDGEMENT OF OTHERS ON WHICH OF THE AMERICANS DETAINED WERE ALLEGEDLY INVOLVED IN THE CRIMES OF THE SHAH WHICH THEY WERE HERE TO INVESTIGATE. BUT I DOUBT IF THEY WOULD HAVE GAINED MUCH.

3. THE OUTCOME MUST BE A MAJOR SET-BACK TO BANI SADR AND MAY WELL AFFECT THE FORTUNES OF HIS CANDIDATES IN THE ELECTIONS. AS I SEE IT HE HAS PLAYED FOR THE SECOND OPTION IN PARA 3 OF MY TEL NO 250 (DECISIVE ACTION AGAINST THE STUDENTS) AND LOST. HE IS LEFT WITH THE CHOICE BETWEEN RESIGNING OR SOLDIERING ON IN THE HOPE THAT HIS SUPPORT IN THE ASSEMBLY WILL TURN OUT TO BE SUFFICIENT TO CARRY THROUGH HIS VIEW. I ASSUME HE WILL DO THE LATTER. HE IS A FIGHTER AND MAY ACHIEVE A MIRACLE BUT I AM NOT HOPEFUL.

GRAHAM

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FM WASHINGTON 120025Z MAR 80

TO PRIORITY FCO

TELNO 1035 OF 11 MARCH 80

INFO PRIORITY TEHRAN UKMIS NEW YORK

US/IRAN

1. FRETWELL ASKED ASSISTANT SECRETARY SAUNDERS THIS MORNING HOW THE ADMINISTRATION SAW THE NEXT MOVES.
2. SAUNDERS SAID THAT IN BACKGROUND BRIEFING OF THE PRESS (REFLECTED IN TODAY'S PAPERS) THE ADMINISTRATION, WHILE STOPPING SHORT OF ACCUSING THE IRANIANS OF HAVING BROKEN THEIR WORD OVER THE UN COMMISSION, WERE NOT CONCEALING THAT IN THEIR VIEW THE IRANIAN AUTHORITIES HAD SHOWN THEMSELVES INCAPABLE OF FULFILLING THEIR COMMITMENTS OVER THE HOSTAGES. THIS WAS A DELIBERATELY WOUNDING LINE WHICH THEY HAD NOTICED HAD STUNG THE IRANIAN GOVERNMENT INTO MORE EFFECTIVE ACTION WHEN IT HAD BEEN USED BEFORE.
3. THE OTHER THEME THE AMERICANS WERE PLUGGING WAS THAT THE DOOR SHOULD NOT BE CONSIDERED CLOSED ON THE UN COMMISSION. THE COMMISSION ITSELF HAD DECIDED, AND THE AMERICANS COULD NOT DISAGREE, THAT THERE WAS NO POINT IN THEIR REMAINING IN TEHRAN IN THE DAYS LEADING UP TO THE FIRST ROUND OF PARLIAMENTARY ELECTIONS. BUT THERE WAS NO POINT IN DECLARING THEIR MISSION A FAILURE SINCE IT MIGHT BE POSSIBLE TO BRING THEM INTO PLAY AGAIN AT A LATER STAGE IF THE IRANIANS GOT THEIR ACT TOGETHER. SAUNDERS REVEALED IN CONFIDENCE THAT THE IRANIANS HAD OFFERED MANY BLANDISHMENTS TO THE COMMISSION TO REMAIN IN TEHRAN, NONE OF WHICH LOOKED SUBSTANTIVE ENOUGH TO JUSTIFY THEIR STAYING, THOUGH SOME OF THE IDEAS MIGHT BE FOLLOWED UP ON ANY RETURN VISIT THE COMMISSION MIGHT MAKE.
4. SAUNDERS SAID THAT HE HAD A TELEGRAM IN DRAFT ON HIS DESK INSTRUCTING US AMBASSADORS IN ALLIED AND FRIENDLY COUNTRIES TO EXPLAIN THE ABOVE THINKING TO HOST GOVERNMENTS AND TO SAY THAT THE AMERICANS PLAN TO GIVE THE IRANIANS "A FEW MORE DAYS" TO SORT THEMSELVES OUT. THEY WANTED GOVERNMENTS TO KNOW THAT THEY WERE CONSIDERING REVERTING TO THE SANCTIONS IDEA THEREAFTER AND THAT IN THE MEANTIME THEY HOPED THAT THOSE COUNTRIES WHICH HAD VOLUNTARY MEASURES IN FORCE WOULD MAINTAIN THEM, IN PARTICULAR OF COURSE ON THE ARMS SUPPLY SIDE. SAUNDERS CONFIRMED THAT THE REFERENCE TO "A FEW DAYS" WAS LINKED TO THE FIRST ROUND OF THE PARLIAMENTARY ELECTIONS, BUT REVEALED THAT HE HAD ONLY WITH SOME DIFFICULTY PERSUADED HIS MORE IMPATIENT COLLEAGUES NOT TO SET A DEADLINE THEREAFTER BUT TO ALLOW TIME TO SEE HOW THE SITUATION EVOLVED.

/s.

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5. SAUNDERS ASSUMED THAT THERE WOULD HAVE TO BE A SECOND ROUND OF ELECTIONS BUT DID NOT THINK THAT NEED RULE OUT ACTION OVER THE HOSTAGES BETWEEN ROUNDS. THE STATE DEPARTMENT WOULD BE PARTICULARLY INTERESTED IN ANY ASSESSMENT SIR J GRAHAM CAN OFFER ON THE PROSPECTS FOR THE ELECTIONS. WE HAVE ALREADY TOLD THEM OF THE GLOOMY FORECAST IN PARAGRAPH 3 OF TEHRAN TELNO 269.

6. COMMENT. GIVEN WHAT WE KNOW OF THE MOOD PREVAILING IN THE ADMINISTRATION LAST WEEK (WASHINGTON TELNO 972) AND SAUNDERS' REFERENCE TO HIS IMPATIENT COLLEAGUES, THIS RESTRAINED REACTION MUST REPRESENT SOMETHING OF A VICTORY FOR VANCE AND THE STATE DEPARTMENT. BUT EXASPERATION CANNOT BE FAR BELOW THE SURFACE AND WILL BE HARD TO CONTROL IF A LONG DELAY AFTER ANY SECOND ROUND OF ELECTIONS (AS EARLIER FORESHADOWED BY BEHESHTI) BEGINS TO APPEAR INEVITABLE.

7. PLEASE ADVANCE TO HEAD MED.

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FROM UKMIS NEW YORK 112230Z MAR 80

TO PRIORITY F C O

TELEGRAM NUMBER 446 OF 11 MARCH

INFO PRIORITY WASHINGTON , TEHRAN

MY TEL NO 425: US/IRAN

1. VANDEN HEUVEL, THE AMERICAN DEPUTY PERMANENT REPRESENTATIVE, TACKLED ME YESTERDAY EVENING. HE SAID THAT THE DEBATE WAS STARTING IN WASHINGTON ON WHAT TO DO NEXT. DID I HAVE ANY IDEAS?

2. I SAID THAT, SPEAKING PERSONALLY, I WAS OPPOSED TO FURTHER RECOURSE TO THE PUBLIC DIPLOMACY OF THE UNITED NATIONS IE THE SECURITY COUNCIL OR THE GENERAL ASSEMBLY. VANDEN HEUVEL INTERJECTED THAT THEY COULD PROBABLY GET ANOTHER CONDEMNATION OF IRAN OUT OF THE SECURITY COUNCIL. I SAID THAT SUCH AN EXERCISE WOULD ONLY PRODUCE AN EQUAL AND OPPOSITE REACTION FROM THE IRANIANS AND MAKE LIFE MORE DIFFICULT FOR BANI SADR. SURELY THE BEST WAY OF HELPING THE RELEASE OF THE HOSTAGES WOULD BE TO GIVE BANI SADR A CHANCE WITHOUT PUBLIC PRESSURE FROM HERE TO SORT OUT HIS DOMESTIC DIFFICULTIES.

3. VANDEN HEUVEL SAID THAT HE AGREED. HOWEVER, THE PRESIDENT MIGHT WELL FEEL THAT HE WOULD HAVE TO DO SOMETHING. VANDEN HEUVEL WAS THINKING OF SUGGESTING THAT THE UNITED STATES MIGHT ABSENT THEMSELVES FROM ANY INTERNATIONAL MEETING AT WHICH IRAN WAS PRESENT. THIS WOULD BOTH GIVE THE AMERICAN PUBLIC SOME REASSURANCE THAT THE US WAS NOT TAKING THE LATEST IRANIAN ACTION LYING DOWN, AND MOBILISE STRONG THIRD WORLD PRESSURE ON KHOMEINI. ONCE THE THIRD WORLD REALISED THAT FORTHCOMING NEGOTIATIONS OF GREAT IMPORTANCE TO THEM, SUCH AS THE GLOBAL ROUND ON NORTH/SOUTH ECONOMIC RELATIONS, WOULD TAKE PLACE WITHOUT THE UNITED STATES UNLESS THE HOSTAGES WERE RELEASED, THEY MIGHT GET SERIOUSLY ALARMED. I SAID THAT I SAW THE ATTRACTIONS OF THIS PROPOSITION.

4. VANDEN HEUVEL ALSO EXPRESSED INTEREST IN GEORGE KENNAN'S PROPOSITION THAT THE UNITED STATES SHOULD FORMALLY DECLARE WAR ON IRAN, THUS CHANGING THE STATUS OF THE HOSTAGES AND MAKING POSSIBLE SOME KIND OF EXCHANGE WITH IRANIAN DIPLOMATS AND OTHERS IN THE UNITED STATES. I HAVE ALWAYS FELT THAT THIS IDEA IS FAR TOO ESOTERIC TO APPEAL TO THE LIKES OF KHOMEINI AND THE MILITANTS. PARSONS

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 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 253 OF 7 MARCH 80  
 INFO IMMEDIATE WASHINGTON AND URMIS NEW YORK.

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NY TEL NO 250 : US/IRAN.

THE "STUDENTS" STATEMENT YESTERDAY AFTERNOON (6MARCH) SEEMS TO BE THE BREAK FOR WHICH WE HAVE BEEN WAITING.  
 IT WAS TOTALLY UNEXPECTED HERE (FIRST SENTENCE OF TUR).  
 I CAN ONLY SPECULATE THAT BANI SADR, WHO SAW THE IMAM IN THE MORNING, MUST HAVE TOLD KHOMEINI THAT HE MUST CHOOSE BETWEEN HIMSELF AND THE STUDENTS AND THAT AHMED KHOMEINI WHO ATTENDED THE MEETING, CONVEYED THE IMAM'S ORDER TO THE STUDENTS.  
 IT IS INDICATIVE OF BANI SADR'S POSITION THAT HE TOLD AN AUDIENCE IN SAR CHESHMEH ON 5 MARCH THAT IT WAS UNACCEPTABLE FOR GROUPS TO TAKE THE LAW INTO THEIR OWN HANDS AND THAT THOSE WHO DISOBEYED THE GOVERNMENT ELECTED BY THE PEOPLE WERE NOT FOLLOWING THE LINE OF THE IMAM.

HOWEVER WE ARE NOT WHOLLY OUT OF THE WOOD : WE HAVE HAD  
MANY FALSE DAWNS. IT IS TYPICAL OF IRAN THAT THE REVOLUTION-  
ARY COUNCIL HAD TO MEET TO CONSIDER HOW TO REACT TO THE STUDENT'S  
SURRENDER OF RESPONSIBILITY FOR THE HOSTAGES ; AND YESTERDAY  
EVENING YAMIN TOLD ME THAT THERE WAS STILL NO TIMETABLE FOR  
THE COMMISSION, WHO HAVE DELAYED THEIR DEPARTURE (FOR TWO OR  
THREE DAYS, ACCORDING TO PRESS SOURCES), TO SEE THE HOSTAGES.  
THERE WAS MORE ACTIVITY ROUND THE AMERICAN EMBASSY LAST NIGHT  
THAN I HAVE SEEN FOR SOME TIME. MARCHES HAVE BEEN CALLED FOR  
TODAY, WITH A VARIETY OF AIMS (THANKSGIVING FOR KHOMEINI'S  
HEALTH, SUPPORT FOR THE TWO STAGE ELECTION, SUPPORT FOR THE  
STUDENTS ETC) AND THE "STUDENTS" STATEMENT SEEMS TO CONTAIN  
AN APPEAL TO THE PEOPLE AGAINST THE GOVERNMENT. SO FAR HOWEVER  
THE RESPONSE TO BOTH DOES NOT SEEM SIGNIFICANT.

3. THE SURRENDER, IF IT IS CARRIED THROUGH, SURMOUNTS ONE  
MAJOR HURDLE FOR BANI SADR, HOW TO OBTAIN PHYSICAL CONTROL  
OF THE HOSTAGES WITHOUT BLOODSHED. I DID HIM AN INJUSTICE IN MY  
TUR AND AM ENCOURAGED NOW TO THINK THAT THE ASSESSMENT IN  
MY TEL NO 221 WILL BE BORNE OUT. AS I AM SURE THEY ARE AWARE,  
IT WILL BE IMPORTANT FOR THE AMERICANS TO CONTINUE TO RESTRAIN  
PUBLIC EXPRESSION OF THEIR NATURAL HOPES. FROM THE IRANIAN  
POINT OF VIEW, THE POSITIVE ASPECT TO BE PICKED OUT, I SUGGEST,  
IS THE ESTABLISHMENT OF THE AUTHORITY OF THE GOVERNMENT WHICH,  
AS THE ELECTION OF BANI SADR SHOWED, CARRIES THE SUPPORT  
OF THE OVERWHELMING MAJORITY OF IRANIAN VOTERS.

GRAHAM

GRS 388

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 MR R WILLIAMS ) GRES DOT  
 MR W KNIGHTON ) DEPT OF TRADE  
 MR C BENJAMIN ) DOI  
 MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY~~

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CONFIDENTIAL

FM TEHRAN 060240Z MAR

TO IMMEDIATE FCO

TELEGRAM NUMBER 257 OF 6 MARCH 60

INFO IMMEDIATE WASHINGTON AND UKHIS NEW YORK.

WASHINGTON TEL NO 972 : US/IRAN.

*This predates the reports on the tapes. I hope the latter are confirmed. It is evidently a very tight situation*

*mt* *Phut*

1. I LEARN PRIVATELY THAT BARRING AN UNFORESEEN LAST MINUTE DEVELOPMENT, THE COMMISSION OF ENQUIRY WILL BE LEAVING THIS AFTERNOON AT 1500 HOURS LOCAL FOR NEW YORK, WITHOUT HAVING SEEN THE AMERICANS DETAINED IN THE US EMBASSY. NO ANNOUNCEMENT HAS BEEN MADE OF THIS TO THE PRESS, ALTHOUGH THERE ARE A LOT OF RUMOURS. IT IS NOT CLEAR, AND THE COMMISSION STAFF ARE SAYING NOTHING, WHETHER THE COMMISSION WILL MAKE A REPORT. THIS DECISION PRESUMABLY WILL BE TAKEN IN CONSULTATION WITH WALDHEIM.
2. THIS OUTCOME TO THE COMMISSION'S WORK HERE CANNOT BUT BE A MAJOR SETBACK TO BANI SADR, ALTHOUGH ON THE SURFACE AT LEAST HE WILL HAVE LESS DIFFICULTY IN FUDGING THE ISSUE WITH DOMESTIC PUBLIC OPINION, IF HE WISHES TO PLAY IT THAT WAY, THAN WOULD BE THE CASE IN A WESTERN COUNTRY. THE TEXT OF WALDHEIM'S STATEMENT SETTLING UP THE COMMISSION HAS NEVER BEEN PUBLISHED HERE.



THAN WOULD BE THE CASE IN A WESTERN COUNTRY. THE TEXT OF WALDREIN'S STATEMENT SETTING UP THE COMMISSION HAS NEVER BEEN PUBLISHED HERE SO FAR AS I KNOW, AND THE MINISTRY OF FOREIGN AFFAIRS HAVE DENIED IN A FORMAL STATEMENT THAT IRAN EVER AGREED "IN WRITING" THAT THE COMMISSION SHOULD SEE THE HOSTAGES. IT IS NOTABLE THAT BANI SADR'S OWN STATEMENTS RECENTLY ON THE ISSUE HAVE BEEN LESS CATEGORIC THAN QOTBZADEH'S. UNDERNEATH HOWEVER, BANI SADR'S POSITION MUST HAVE BEEN WEAKENED, SINCE IT IS CLEAR TO ALL WHO THINK THAT WHILE HE HAS BEEN ABLE TO CARRY THE REVOLUTIONARY COUNCIL, HE HAS NOT BEEN ABLE TO PERSUADE KHOMEINI HIMSELF TO GO BEYOND THE AMBIGUOUS STATEMENT HE MADE ON 23 FEBRUARY (MY TEL NO 201).

3. IT WOULD SEEM THAT BANI SADR NOW HAS THREE OPTIONS. HE COULD EITHER RESIGN, TAKING WITH HIM AT LEAST HIS MAIN SUPPORTERS IN THE REVOLUTIONARY COUNCIL. OR HE COULD GRASP THE NETTLE EITHER BY TAKING SOME DECISIVE ACTION AGAINST THE STUDENTS, THOUGH IT IS DIFFICULT TO SEE WHAT FORM THIS COULD TAKE GIVEN THE UNRELIABILITY IN A CONFRONTATION OF THIS OF THE PASDARAN AND THE ARMY AND THE RISK THAT THE HOSTAGES MIGHT BE HARMED, OR BY PERSUADING KHOMEINI TO COME OUT UNAMBIGUOUSLY ON HIS SIDE, IN WHICH AS I HAVE SAID ABOVE HE APPEARS SO FAR TO HAVE FAILED. OR FINALLY, HE COULD PUT A GOOD FACE ON THINGS, FALL BACK ON KHOMEINI'S STATEMENT OF 20 FEBRUARY AND TRY TO ORGANISE AN EVERWHELMING MAJORITY FOR HIMSELF IN THE ASSEMBLY WHEN IT FINALLY MEETS (EVEN HERE HE APPEARS TO HAVE BEEN OVERRULED BY THE REVOLUTIONARY COUNCIL IN HIS KNOWN PREFERENCE FOR A SINGLE-STAGE ELECTION). I THINK HE WILL CHOOSE THE LAST COURSE WHICH FOR THE REASONS GIVEN IN THE PREVIOUS PARAGRAPH WILL NOT BE TOO DIFFICULT IN THE SHORT TERM.

4. I AM MEETING MY EC COLLEAGUES ON THE AFTERNOON OF 8 MARCH. WE SHALL CONSIDER FURTHER THE IDEA OF MESSAGES FROM HEADS OF STATE OR GOVERNMENTS (YOUR TEL NO 157). I SHALL ALSO SUGGEST THAT WE SHOULD TRY TO SEE BANI SADR, PROBABLY ACTING THROUGH THE PRESIDENCY ALONE (PARA 2 OF TUR). I SHALL ALSO SUGGEST THAT THE FRG AMBASSADOR SHOULD USE HIS GOOD RELATIONSHIP WITH TABATABAI TO PUT THE SAME MESSAGE OVER, THAT AMERICAN PATIENCE IS WEARING VERY THIN. THE TROUBLE IS THAT FOR THE REASON GIVEN IN PARA 3 OF MY TEL NO 244, IRANIANS DO NOT BELIEVE THAT THERE IS ANYTHING THE AMERICANS CAN DO.

IMMEDIATE

han

/SIR I GILMOUR  
 PS/MR HURD  
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 SIR D MAITLAND  
 MR J C MOBERLY  
 LORD BRIDGES  
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 MR W N WENBAN SMITH )  
 DIO )

PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR D J S HANCOCK )

MR C W McMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND

MR R WILLIAMS CRE5 DOT

MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI

MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

DESKBY 051500Z

FM TEHRAN 051400Z MAR 80  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 245 OF 5 MARCH  
 AND TO IMMEDIATE WASHINGTON

M I P T

- REDDAWAY TELEPHONED HADIPOUR THIS MORNING TO ASK WHETHER SUBIC HAD ANY REPLY TO HIS PREVIOUS MESSAGE (TEHRAN TELNO 214). HADIPOUR SAID SUBIC HAD MERELY COMMENTED "OK", WHICH SEEMS IMPROBABLE.
- REDDAWAY SAID HE HAD TWO LETTERS FOR SUBIC. HADIPOUR SUGGESTED HE POST THEM, BUT WHEN REDDAWAY EXPRESSED LACK OF CONFIDENCE IN THE IRANIAN POSTAL SERVICES AND OFFERED TO DELIVER THEM, AGREED TO MEET HIM AT THE BACK GATE OF THE US COMPOUND IN KUCHE BIJAN. THIS ENTRANCE IS CLEARLY THE ONE USED BY THE "STUDENTS" THEMSELVES, AND WITH THE EXCEPTION OF A FEW PASDARS THE KUCHE WAS DESERTED.
- HADIPOUR'S GREETING WAS FRIENDLY AND THE CONVERSATION GOODHUMoured, BUT HIS ATTITUDE TOWARDS THE HOSTAGES HAD NOT SOFTENED. HE AGREED HOWEVER TO PASS ON THE TWO LETTERS AND SAID HE WOULD GET SUBIC TO SIGN THE RECEIPT FOR THEM THAT

AND SAID HE WOULD GET SUBIC TO SIGN THE RECEIPT FOR THEM THAT REDDAWAY HAD BROUGHT WITH HIM. REDDAWAY IS TO RETURN FOR IT AT 3 P.M. ON 9 MARCH. HE DID NOT EXPLAIN THE NEED FOR THE DEL

4. IN A CONVERSATION ABOUT THE EXCELLENT WEATHER, HADIPOUR SAID THE HOSTAGES HAD BEEN SWIMMING. WHEN REDDAWAY SAID THIS WAS TORTURE, SINCE THE WATER WOULD BE ICY, HADIPOUR SAID HE AND OTHER STUDENTS HAD ALSO BEEN IN. REDDAWAY OFFERED TO BRING ANY INNOCENT ITEMS SUCH AS FRUIT OR CLOTHES THE HOSTAGES MIGHT NEED, BUT HADIPOUR ASSURED HIM THAT THEY HAD ALL THE NECESSITIES ISLAM PRESCRIBED FOR PRISONERS. REDDAWAY POINTED OUT THAT NONE OF THEM HAD SEEN METRINKO. HADIPOUR REFERRED TO ONE OF THE "REVELATIONS" WRITTEN BY METRINKO WHO HE SAID HAD HAD CONTACT WITH GENERAL PALIZBAN. HE HAD BEEN IN IRAN FOR 8 YEARS AND, ACCORDING TO SOME OF THE "STUDENTS", SPOKE TURKISH AND KURDISH AS WELL AS PERSIAN.

*ie, the hostage mentioned by R Vance.*

5. REDDAWAY REFERRED TO A RECENT NEWSWEEK ARTICLE SUGGESTING METRINKO MIGHT BE DEAD. HADIPOUR SAID, "POSSIBLY". REDDAWAY SAID THIS WAS NOT GOOD ENOUGH; FRIENDS WERE ANXIOUS. HADIPOUR WOULD NEITHER CONFIRM NOR DENY THE REPORT BUT SAID THAT IF METRINKO WAS AMONG THE HOSTAGES, HE WAS WELL, BUT WHEN REDDAWAY ATTEMPTED TO GET CONFIRMATION OF HIS PRESENCE BY REFERRING TO THE PETITION METRINKO HAD ALLEGEDLY SIGNED IN NOVEMBER, HADIPOUR SAID, "YOU SHOULD NOT DEPEND ON THIS TOO MUCH". HE SAID THE VARIOUS VISITORS TO THE EMBASSY HAD SEEN THE HOSTAGES AND KNEW THEY WERE WELL; THEY HAD HAD NO COMPLAINTS ABOUT THEIR TREATMENT. THROUGHOUT THE 15 MINUTES THIS CONVERSATION LASTED, "STUDENTS" WERE ENTERING AND LEAVING THE COMPOUND, ALL APPARENTLY UNARMED AND CARRYING FILES AND TEXT BOOKS. HADIPOUR CONFIRMED THAT THEY WERE GOING TO CLASSES AND WOULD BE TAKING THEIR EXAMS, AS WOULD HE.

GRAHAM

1508

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IMMEDIATE

PLAN: ADVANCE COPIES 1/5

IMMEDIATE

PS  
PS/SIR I GILMOUR  
PS/MR HURD  
PS/PUS  
SIR D MATTLAND  
MR J C ROBERLY  
LORD BRIDGES  
LORD N G LENNOX  
MR EVANS  
MISS BROWN  
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MR D J S HANCOCK )

MR C W McMAHON ) BANK OF  
MR P B EDGLEY ) ENGLAND

MR R WILLIAMS CRES DOT

MR W KNIGHTON DEPT OF TRADE  
MR C BENJAMIN DOI

MR D LE B JONES ) DEPT OF  
MR C LUCAS ) ENERGY

LLC 534/05

OO FCO DESKBY 051500Z

OO WASHINGTON DESKBY 051500Z

OO UKMIS NEW YORK DESKBY 051500Z

IMMEDIATE

GR 210

CONFIDENTIAL

DESKBY 051500Z

FM TEHRAN 051345Z MAR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 244 OF 5 MARCH

AND TO IMMEDIATE WASHINGTON AND UKMIS NEW YORK.

MY TELNO 213 (NOT TO NEW YORK): HOSTAGES

- 1. REDDAWAY CONTRIVED TO MEET HADIPOUR, ONE OF THE "STUDENTS", AT THE US EMBASSY TODAY.

2. REDDAWAY ASKED ABOUT A VISIT TO THE HOSTAGES BY THE UN COMMISSION. HADIPOUR SAID THE IMAM HAD MADE IT CLEAR THAT THE COMMISSION'S WORK CONCERNED THE RETURN OF THE SHAH AND NOT THE RELEASE OF THE HOSTAGES. THERE WAS NO QUESTION OF A VISIT. WHEN ASKED WHETHER THE STUDENTS WOULD OBEY A DIRECT ORDER FROM KHOMENI, HADIPOUR SAID IT WAS INCONCEIVABLE THAT KHOMENI WOULD GIVE SUCH INSTRUCTIONS. HE DISMISSED QOTBZADEH'S STATEMENT THAT KHOMENI HAD ENDORSED THE REVOLUTIONARY COUNCIL'S DECISION ON 4 MARCH THAT THE COMMISSION SHOULD SEE THE HOSTAGES. WE HAVE PASSED THIS ON TO YAMIN.

3. REDDAWAY SAID HE HOPED THE WHOLE PROBLEM WOULD SOON BE RESOLVED. HADIPOUR LAUNCHED INTO A LECTURE ON THE NEED FOR THE SUPERPOWERS TO LEARN THAT THEY COULD NOT INTERFERE IN OTHER COUNTRIES, AND THEIR INABILITY TO RESOLVE THIS PROBLEM DESPITE THEIR MILITARY MIGHT. IT DID NOT MATTER THAT THE "STUDENTS" WERE OUT-GUNNED. THEY DID NOT FEAR DEATH. AMERICA HAD THE KITTYPHAWK, THE MARINES ETC. ALL WERE USELESS.

GRAHAM

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FM TEHRAN 041050Z MAR 80

P S T P M NO10 DOWNING ST

TO PRIORITY FCO

TELEGRAM NUMBER 238 OF 4 MARCH

INFO WASHINGTON, UKMIS NEW YORK, BONN AND ROME.

US/IRAN

1. THE ITALIANS HAVE TWICE COME IN FOR ADVERSE COMMENT BY BANI SADR OVER THEIR FAILURE TO RESPOND TO A HUMANITARIAN APPEAL FOR SPARE PARTS FOR CHINOOK HELICOPTERS, FOR USE IN THE KHUZESTAN FLOODS. THE ITALIANS ARE IN A DILEMMA, SINCE THE HELICOPTERS AND THE SPARES ARE MANUFACTURED UNDER LICENCE FROM BELL HELICOPTERS AND AGUSTA BELL HAVE BEEN TOLD, IN TERMS, THAT IF THEY SUPPLY THEY WILL LOSE THEIR WORLD-WIDE LICENCE.

2. IN ANOTHER DEVELOPMENT, I LEARN THAT ONE OF THE PRESIDENTS OF THE DEUTSCHE BANK HAS BEEN IN TEHRAN TO DISCUSS A COURT ORDER IN FRANKFURT ATTACHING MONIES PAID BY THE TWO GERMAN OIL COMPANIES VEBA AND UKA WESSELING TO NIOC IN RESPECT OF CONTRACTED OIL LIFTINGS, AT THE SUIT OF THREE AMERICAN AND ONE BRITISH COMPANIES WHO ARE OWED MONEY BY OSCO, THE WHOLLY-OWNED SUBSIDIARY OF NIOC. NIOC IT SEEMS SEE DANGER THAT THEIR EARNINGS MAY BE PURSUED WHEREVER THEIR CLIENTS MAKE PAYMENT, AND MEANWHILE, ALTHOUGH THE QUANTITIES ARE SMALL, I.E. 15,000 B/D EACH, ARE SUSPENDING SHIPMENTS TO THE TWO GERMAN OIL COMPANIES.

3. PLASTOW, A SENIOR OFFICIAL IN THE NATIONAL WESTMINSTER'S EXTERNAL BRANCH, HAS BEEN IN TEHRAN. HE TOLD ME ON 13 MARCH THAT NATWEST HAVE BEEN APPROACHED BY BOEING TO HANDLE ON BOEING'S BEHALF THE RECEIPT OF SOME 42 MILLION DOLLARS IN PAYMENT FOR A SPECIAL BOEING 747 ORDERED BY IRAN. NATWEST HAVE BEEN IN TOUCH WITH THE BANK OF ENGLAND, WHO APPARENTLY RAISED NO OBJECTION. TO MY MIND, HOWEVER, EVEN THOUGH THIS PROPOSAL COMES FROM BOEING, FOR NATWEST TO ACT AS THE AGENT COULD PUT THEM EFFECTIVELY IN BREACH OF US REGULATIONS. I SAID THIS TO PLASTOW, WHO CONFIRMED THAT NATWEST ARE TAKING LEGAL ADVICE.

Graham

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 PS/PUS  
 SIR D MAITLAND  
 LORD BRIDGES  
 MR BULLARD  
 MR FIGG  
 MR J C MOBERLY  
 MR FERGUSSON

ADDITIONAL DISTRIBUTION  
TEHRAN SPECIAL

CONFIDENTIAL

IMMEDIATE

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PS  
PS/SIR I GILMOUR  
PS/MR HURD  
PS/PUS  
SIR D MAITLAND  
MR J C MOBERLY  
LORD BRIDGES  
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~~MR D J S HANCOCK~~  
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~~MR D LE B JONES~~  
~~MR C LUCAS~~

PS/CHANCELLOR )  
MR F R BARRATT ) TREASURY  
MR D J S HANCOCK )  
MR C W McMAHON ) BANK OF  
MR P B EDGLEY ) ENGLAND  
MR R WILLIAMS CRE5 DOT  
MR W KNIGHTON DEPT OF TRADE  
MR C BENJAMIN DOI  
MR D LE B JONES ) DEPT OF  
MR C LUCAS ) ENERGY

PP UKMIS NEW YORK

IMMEDIATE

GR 500

CONFIDENTIAL

FM TEHRAN 041020Z MAR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 237 OF 4 MARCH

INFO IMMEDIATE WASHINGTON PRIORITY UKMIS NEW YORK

WASHINGTON TELNO 322 AND MY TELNO 232 (PARA): US/IRAN

1. AT A MEETING OF EC HEADS OF MISSION THIS MORNING, THE FRENCH CHARGE, WHO IS SEEING PETTITI REGULARLY, SAID THAT DESPITE THE PUBLIC STATEMENTS THAT THE REVOLUTIONARY COUNCIL HAD AGREED TO THE COMMISSION SEEING THE HOSTAGES, THE MATTER WAS "COMPLETELY BLOCKED", THE "STUDENTS" TAKING THE LINE THAT THEY WOULD ONLY OBEY KHOMEINI, WHO REMAINS SO FAR SILENT. THE COMMISSION HAVE ANNOUNCED A DEADLINE OF THIS EVENING FOR THE RECEIPT OF ANY FURTHER DOCUMENTS ABOUT IRAN'S GRIEVANCES AGAINST THE SHAH, AND ACCORDING TO THE FRENCH CHARGE HAVE MADE QUITE CLEAR TO THE IRANIANS WITH WHOM THEY ARE DEALING THAT FAILURE TO ARRANGE FOR THEM TO MEET THE HOSTAGES WILL HAVE A

QUITE CLEAR TO THE IRANIANS WITH WHOM THEY ARE DEALING THAT FAILURE TO ARRANGE FOR THEM TO MEET THE HOSTAGES WILL HAVE A VERY ADVERSE EFFECT ON WORLD PUBLIC OPINION. INDEED IT IS A QUESTION WHETHER IN THOSE CIRCUMSTANCES THEY WOULD BE WILLING TO PRODUCE A REPORT ON IRAN'S GRIEVANCES.

2. THE FRENCH CHARGE PUT FORWARD TWO HYPOTHESES. THE MORE OPTIMISTIC, HE SAID, WAS THAT THIS HITCH WAS PART OF AN INTERNAL IRANIAN POWER STRUGGLE BETWEEN BANI SADR AND THE STUDENTS; THE MORE PESSIMISTIC, THAT THE STUDENTS, AND PERHAPS KHOMEINI HIMSELF (HENCE HIS RELUCTANCE TO COMMIT HIMSELXA OOIINMVKMMVISIT) KNEW THAT ONE OR MORE OF THE HOSTAGES WAS EITHER IN A VERY BAD WAY OR DEAD. IT IS A FACT THAT AT NO TIME SINCE THE TAKING OF THE AMERICAN EMBASSY HAS ANY VISITOR SEEN THE WHOLE COMPLEMENT OF AMERICANS DETAINED, AND IN RELATION TO ONE OF THEM IN PARTICULAR (METRINKO), THERE HAS BEEN NO EVIDENCE OF HIS EXISTENCE SINCE A ROUND ROBIN LETTER SIGNED BY A NUMBER INCLUDING HIM, IN NOVEMBER.
3. IN A GENERAL DISCUSSION OF WHAT TO DO NEXT THE FRG AMBASSADOR PROPOSED THAT WE SHOULD SUGGEST TO OUR GOVERNMENTS A LOBBYING EXERCISE THROUGHOUT THE WORLD TO PERSUADE HEADS OF STATE TO SEND INDIVIDUAL MESSAGES TO KHOMEINI URGING HIM TO RELEASE THE AMERICANS DETAINED HERE. HE BELIEVED THAT SUCH MESSAGES WOULD HAVE A GREATER IMPACT ON KHOMEINI THAN A RESOLUTION, FOR EXAMPLE, THE UN GENERAL ASSEMBLY, SINCE TO KHOMEINI THE UN IS MERELY AN EMANATION OF THE US. HE ALSO SUGGESTED THAT IT WOULD BE BETTER IF THIS LOBBYING CAME FROM THE EC RATHER THAN FROM THE AMERICANS. (SUBSEQUENTLY RITZEL TOLD THE ITALIAN AND DANISH AMBASSADORS AND MYSELF THAT THE IDEA HAD BEEN FLOATED BY MR VANCE WHEN HE WAS LAST IN BONN).
4. IT WAS THE GENERAL FEELING OF MY COLLEAGUES THAT AT THE LEAST WE SHOULD WAIT BEFORE EMBARKING ON ANY INITIATIVE OF THIS KIND UNTIL THE COMMISSION OF ENQUIRY HAD REACHED A CONCLUSION ONE WAY OR THE OTHER. TO SET IT IN HAND NOW WOULD IN A SENSE BE PRE-JUDGING THE OUTCOME OF THE COMMISSION'S EFFORTS. THE FRENCH CHARGE ARGUED STRONGLY THAT ANY FURTHER INITIATIVE WAS IN THE HANDS OF THE AMERICANS AND THAT THE EC HEADS OF MISSION IN TEHRAN SHOULD NOT INVOLVE THEMSELVES.
5. MY OWN VIEW IS THAT WE MIGHT HAVE DIFFICULTY IN DRUMMING UP A REALLY LARGE NUMBER OF "SPONTANEOUS" INDIVIDUAL MESSAGES. WHEREAS MOST IF NOT ALL GOVERNMENTS WOULD BE WILLING TO VOTE FOR A RESOLUTION CALLING FOR THE RELEASE OF THE HOSTAGES, IN THE UN OR SOME PUBLIC BODY, THERE BEING SAFETY IN NUMBERS, MANY MIGHT BE RELUCTANT TO EXPOSE THEMSELVES TO POSSIBLE RETALIATION THROUGH AN INDIVIDUAL MESSAGE. NEVERTHELESS I AGREE WITH MY GERMAN COLLEAGUE



RELUCTANT TO EXPOSE THEMSELVES TO POSSIBLE RETALIATION THROUGH AN  
INDIVIDUAL MESSAGE. NEVERTHELESS I AGREE WITH MY GERMAN COLLEAGUE  
THAT THE UN RESOLUTIONS HAVE VIRTUALLY NO IMPACT ON KHOMEINI;  
AND I NOT (PARA 5 OF THE RECORD OF MR HURD'S MEETING WITH HIM  
IN ABU DHABI ON 23 JAN) THAT MUHAMMAD BIN RASHID BELIEVED THAT  
THE AMERICANS SHOULD LET OTHER MUSLIMS SPEAK TO THE IRANIANS  
AND SHAME THEM INTO A SETTLEMENT.

GRAHAM

NNNM

File

RH

Iran

3 March 1980

I am replying on the Prime Minister's behalf to thank you for your letter to her of 3 March, enclosing a message from President Bani Sadr. President Bani Sadr's message has, of course, been brought to Mrs Thatcher's immediate attention.

M. O'D. B. ALEXANDER

Dr G A Afrooz

KRB

file

RH

3 March 1980

The Prime Minister has received a reply from President Bani Sadr to her message of congratulations on his election. I enclose the text.

M. O'D. B. ALEXANDER

R M J Lyne Esq  
Foreign and Commonwealth Office

KRB

SUBJECT

بسمه تعالی

Handwritten: 100  
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PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 45/80

سفارت جمهوری اسلامی ایران  
لندن

Embassy of the  
Islamic Republic of Iran

No:

London, March 3rd, 1980.

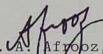
I have the honour to transmit to Your Excellency the following message from the President of the Islamic Republic of Iran:

" HER EXCELLENCY MRS. MARGARET THATCHER M.P.,  
PRIME MINISTER OF GREAT BRITAIN,

I WOULD LIKE TO EXPRESS MY APPRECIATION  
FOR YOUR KIND MESSAGE OF CONGRATULATIONS ON  
MY ELECTION AS THE PRESIDENT OF THE ISLAMIC  
REPUBLIC OF IRAN. I TAKE THIS OPPORTUNITY TO  
CONVEY MY BEST WISHES FOR YOUR GOOD HEALTH  
AND FOR THE WELFARE AND PROSPERITY OF THE  
PEOPLE OF GREAT BRITAIN. - P 4

ABOLHASSAN BANI SADR  
PRESIDENT OF THE ISLAMIC REPUBLIC OF IRAN "

With assurances of my high esteem.

  
Dr. G.A. Afroz,  
Charge d'Affaires a.i.

The Right Honourable Margaret Thatcher M.P.,  
Prime Minister,  
10, Downing Street,  
London, S.W.1

IRAN

PS  
 PS/SIR I GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C MOBERLY  
 LORD BRIDGES  
 LORD N C LENNOX  
 MR EVANS  
 MISS BROWN  
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IMMEDIATE

ADVANCE COPY

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 PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR D J S HANCOCK )  
 MR C W McMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND  
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 MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI  
 MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

GRS 210  
 CONFIDENTIAL

FM WASHINGTON 262340Z FEB 88  
 TO IMMEDIATE F C O  
 TELEGRAM NUMBER 861 OF 26 FEBRUARY  
 INFO IMMEDIATE TEHRAN UKMIS NEW YORK.

*ms*

US/IRAN: TEHRAN TELNO 212 TO F C O.

1. A PIECE DULY APPEARED IN TODAY'S WASHINGTON POST ON THE LINES FORESHADOWED BY RANDALL (PARAGRAPH 2 OF TELEGRAM UNDER REFERENCE) - EXTRACT IN M I F T.
2. AARON, BRZEZINSKI'S DEPUTY IN THE NSC TOLD FRETWELL THIS MORNING THAT THE LATEST DEVELOPMENTS, ESPECIALLY THE KHOMEINI STATEMENT, CONSTITUTED A SET-BACK BUT DID NOT INVALIDATE THE PROCESS OF NEGOTIATION IN WHICH THE AMERICANS WERE ENGAGED. THE UN COMMISSION OF ENQUIRY HAD NOT BEEN INTENDED TO PLAY A DIRECT ROLE IN SECURING THE RELEASE OF THE HOSTAGES: IT WAS SUPPOSED TO ESTABLISH THE FACTS CONCERNING IRANIAN COMPLAINTS ABOUT THE SHAH ETC. THIS WOULD GO AHEAD AND THE COMMISSION WOULD REPORT TO WALDHEIM. THE US WOULD REFRAIN FROM COMMENTING UNTIL THE APPROPRIATE TIME. HE WAS CONSCIOUS OF THE DELICACY OF BANI SADR'S POSITION AND HENCE OF THE UNCERTAINTIES IN RELATION TO THE HOSTAGES. BUT HE DID NOT CONSIDER THAT THE WHOLE OPERATION HAD GONE WRONG.

POSITION AND REVERE OF THE GOVERNMENT...  
BUT HE DID NOT CONSIDER THAT THE WHOLE OPERATION HAD GONE WRONG.  
HE MENTIONED IN PASSING THE FEAR THAT SOME OF THE CANDIDATES FOR  
THE NEW IRANIAN PARLIAMENT WOULD CAMPAIGN ON THE ISSUE OF GETTING  
THE SHAH BACK, BUT DID NOT DWELL ON THIS POINT.

HENDERSON

NNNN

IRAN: ADVANCE COPIES 42

IRAN

PS  
 PS/SIR I GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C KOBERLY  
 LORD BRIDGES  
 LORD N G LENNOX  
 MR EVANS  
 MISS BROWN  
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PS NO 10 DOWNING ST ✓  
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 MR LE CHEMINANT ) OFFICE  
 MR W N WENBAN SMITH )  
 DIO )

PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR D J S HANCOCK )

MR C W McMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND

MR R WILLIAMS CRE5 DOT  
 MR W KNIGHTON DEPT OF TRADE  
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FM TEHRAN 261335Z FEB  
 TO PRIORITY FCO  
 TELEGRAM NUMBER 213 OF 26 FEBRUARY 80  
 INFO PRIORITY WASHINGTON .

**HOSTAGES** : TEHRAN TEL NO 71. *One of the leaders of the "students".*

1. REDDAWAY CONTACTED HADIPOUR (SEE TUR) AT THE US EMBASSY BY TELEPHONE ON 26 FEB. IN THE COURSE OF THEIR CONVERSATION HADIPOUR, WHOM REDDAWAY CONSIDERED SURPRISINGLY AFFABLE GIVEN THEIR PREVIOUS MEETING, AGREED TO PASS A PERSONAL MESSAGE TO ONE OF THE HOSTAGES (FCO TELNO 82, NOT TO WASHINGTON).

2. HADIPOUR SOUNDED RESOLUTE AND IN GOOD SPIRITS. ASKED WHEN HE THOUGHT THE OCCUPATION WOULD END, BECAUSE THE MAJLES WAS NOT AFTER ALL DUE TO MEET FOR A LONG TIME AND THE WHOLE BUSINESS MUST BE GETTING PRETTY TEDIOUS, HADIPOUR SAID THE STUDENTS HAD PLENTY OF TIME AND "COULD GO ON FOR YEARS". ASKED HOW THEY WERE FEEDING THE HOSTAGES, WHICH MUST BE EXPENSIVE, HADIPOUR SAID THEY WERE USING STOCKS FROM THE EMBASSY STORES AND FORESAW NO PROBLEMS ON THAT SCORE.

SAID THEY WERE USING STOCKS FROM THE EMBASSY STORES AND FORESAW  
NO PROBLEMS ON THAT SCORE.

3. REDDAWAY ASKED WHETHER THERE WAS ANY CHANCE OF HIS TALKING  
TO ANY OF THE HOSTAGES, UNDER ANY CONDITIONS IMPOSED BY THE  
"STUDENTS", FOR HUMANITARIAN REASONS. HADIPOUR WAS ABSOLUTELY  
EMPHATIC : "NO WAY" WAS THIS POSSIBLE: THE STUDENTS HAD TAKEN  
A FIRM LINE ON VISITORS AND REDDAWAY COULD NOT BE AN EXCEPTION.

GRAHAM

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FM TEHRAN 250855Z FEB 80

TO PRIORITY FCO

TELEGRAM NUMBER 208 OF 25 FEBRUARY

INFO PRIORITY WASHINGTON AND UKMIS NEW YORK

MY TELNO 201: US/IRAN

1. ZUHAIR YAMIN TOLD ME LAST NIGHT, EMPHASISING THAT HE WAS SPEAKING IN CONFIDENCE AND THAT HE HOPED I WOULD NOT SPREAD IT TO DIPLOMATIC COLLEAGUES OR THE PRESS, THAT HE WAS CONFIDENT AFTER KHOMEINI'S STATEMENT OF 23 FEBRUARY (MY TUR) THAT THE UN PARTY WOULD LEAVE IRAN EITHER WITH THE DETAINED AMERICANS IN THEIR CARE OR WITH A FIRM UNDERTAKING THAT THE AMERICANS WOULD BE RELEASED A FEW DAYS LATER. HE INTERPRETS KHOMEINI'S STATEMENT AS A CLEAR MESSAGE TO THE STUDENTS THAT WHATEVER THE MERITS OF WHAT THEY HAVE DONE HITHERTO, DECISIONS ON WHAT HAPPENS NEXT ARE NOT FOR THEM; THAT IT IS THE PEOPLE NOW WHO WILL DECIDE, THROUGH THEIR ELECTED REPRESENTATIVES, THE MAJLES AND THE PRESIDENT. HE DREW MY ATTENTION TO A STATEMENT BY THE STUDENTS PUBLISHED ON 24 FEBRUARY IN WHICH THEY DECLARED THAT THEY WOULD "ALWAYS YIELD TO THE WILL... OF THE PEOPLE". HE SEES KHOMEINI'S STATEMENT AS AN "HONOURABLE" BOWING OUT AND BELIEVES THAT BANI SADR, AS ELECTED PRESIDENT, IS SUFFICIENTLY CONFIDENT OF HIS OWN POSITION TO GRASP THE NETTLE, WELL BEFORE THE MAJLES

ELECTIONS, WITH KHOMEINI GIVING SILENT REPEAT SILENT, APPROVAL FROM HIS SICK BED. YAMIN ARGUED, THAT A PUBLIC ASSEMBLY WAS THE WORST BODY YOU COULD IMAGINE TO TAKE A DECISION TO RELEASE THE HOSTAGES, SINCE EACH MEMBER WOULD TRY TO OUTBID THE OTHER; BANI SADR COULD NOT RISK THAT.

2. YAMIN SAID THAT PRESIDENT CARTER WOULD SHORTLY BE MAKING A STATEMENT EXPRESSING SATISFACTION WITH THE WAY THINGS WERE GOING (THIS FORECAST AT LEAST HAS BEEN FULFILLED). HE ALSO SAID THAT, DESPITE STATEMENTS ATTRIBUTED TO THE STUDENTS AND OTHERS, THE COMMISSION WOULD BE SEEING THE HOSTAGES, POBABLY SOON. FINALLY, HE SAID THAT HE BELIEVED THAT THE COMMISSION'S REPORT ON THE SHAH'S AND THE AMERICANS' MISDEEDS WOULD TURN OUT TO BE PRETTY THIN, SO THAT THERE WOULD BE NO PROBLEM FOR THE AMERICANS (THOUGH I TAKE IT THAT THE COMMISSION WILL HAVE TO BE CAREFUL TO SAY ENOUGH TO PRESERVE BANI SADR'S POSITION).

3. I AGREE WITH YAMIN THAT KHOMEINI'S STATEMENT DOES EFFECTIVELY CUT OUT THE STUDENTS FROM FUTURE DECISION-MAKING. I SEE DIFFICULTY HOWEVER INF FOLLOWING HIM IN READING IT AS GIVING BANI SADR A FREE HAND. NEVERTHELESS, IT MAY BE THAT BANI SADR FEELS SUFFICIENTLY CONFIDENT OF HIS POSITION TO GO BEYOND KHOMEINI'S WORDS IN THAT WAY AND TO SEEK POST FACTO (UNDERLINED) ENDORSEMENT FROM THE ASSEMBLY, WHEN IT IS ELECTED. THERE IS TO BE A RALLY THIS AFTERNOON (WEATHER PERMITTING - IT IS SNOWING), THE VARIOUS SEGMENTS OF WHICH ARE TO CONVERGE ON THE AMERICAN EMBASSY, WHERE BANI SADR WILL ADDRESS THE CROWN. IF YAMIN'S SCENARIO IS CORRECT, THIS COULD SYMBOLIZE HIS TAKING OVER THE HELM. WHEN I SAW TAGHAVI WHO DOUBLES THE ROLE OF A DIRECTOR GENERAL IN THE MFA AND CHEF DE CABINET TO BANI SADR, THIS MORNING ON OTHER BUSINESS, HE SAID THAT BANI SADR REGARDED THE SOLUTION OF THE AMERICAN HOSTAGE ISSUE AS HIS FIRST PRIORITY, SINCE IT WAS AN IMPEDIMENT TO ALL THE OTHER THINGS THAT NEEDED TO BE DONE.

4. THE WHOLE OPERATION, WHATEVER READING IS COGZBEIKA, DEMANDS CAREFUL HANDLING OF THE PRESS. STATEMENTS THAT ARE TOO AMBIGUOUS AND ORIENTAL WILL TEND TO BE UNSATISFACTORY FOR AMERICAN AND WORLD OPINION; BUT ANGRY REACTION TO IRANIAN STATEMENTS ON THE ONE HAND, OR EXCESSIVE OPTIMISM ON THE OTHER COULD FORCE BANI SADR'S HAND AND CAUSE HIM TO DENY WHAT IS IMPUTED TO HIM. NEVERTHELESS THE UN HERE ARE GIVING MINIMUM GUIDANCE TO THE PRESS. I ASSUME FROM THE LOW-KEY AMERICAN PRESS REACTION SO FAR THAT THE STATE DEPARTMENT ARE GIVING THE NECESSARY GUIDANCE AT THEIR END.

ORANAM

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DESKBY 260930Z

FM WASHINGTON 252358Z FEBRUARY 1980

TO IMMEDIATE F C O

TEL NO 857 OF 25 FEB.

INFO IMMEDIATE TEHRAN, UKMIS NEW YORK, CABINET OFFICE (FOR CHIEF ASSESSMENTS STAFF).

IMMEDIATE

*mf*

TEHRAN TELNO 201: US/IRAN.

IN REACTION TO KHOMEINI'S MESSAGE TO THE NATION, PRESIDENT CARTER HAS CAUTIONED THE PRESS AGAINST MOVING FROM QUOTE EXTREME OPTIMISM TO EXTREME PESSIMISM UNQUOTE AT EVERY EVENT IN IRAN. SOME PROGRESS WAS BEING MADE AND THERE WERE QUOTE VERY SENSITIVE AND VERY DIFFICULT EFFORTS UNQUOTE THE DETAILS OF WHICH HE COULD NOT DISCUSS.

2. DESPITE THESE BRAVE WORDS, AND THE SICK LINE (MY TELNO 817) ABOUT EXPECTING SOME NEGATIVE STATEMENTS, THE IRAN WORKING GROUP AT THE STATE DEPARTMENT AND THEIR COLLEAGUES AT CIA ARE GLOOMY IN THEIR ASSESSMENTS TODAY. STATE DEPARTMENT TELL US THAT THEY WERE NOT EXPECTING THE KHOMEINI STATEMENT, AND ARE TRYING TO RE-ASSESS THE PROSPECTS, THOUGH THEY HAVE NOT GIVEN UP HOPE OF THE UN COMMISSION BEING BOTH ABLE TO HEAR IRANIAN GRIEVANCES AND MAKE REAL PROGRESS IN BRINGING ABOUT THE HOSTAGES' EARLY RELEASE. THEY WOULD BE MOST GRATEFUL FOR ANY FURTHER ASSESSMENTS SIR J GRAHAM CAN OFFER.

3. THE CIA (HEAD OF THEIR IRAN TASK FORCE) QUESTION WHETHER KHOMEINI HAS EVER BEEN WILLING TO REACH AN AGREEMENT, THEY SEE PARALLELS WITH THE POSITION A YEAR AGO WHEN A DEAL BETWEEN BAKHTIAR AND KHOMEINI WAS THOUGHT TO HAVE BEEN DONE. CIA HAVE HAD NUMEROUS REPORTS OVER THE LAST FORTNIGHT THAT KHOMEINI'S HEALTH IS DETERIORATING. CIA DOCTORS DO NOT THINK HIS LIFE IS IMMEDIATELY THREATENED, BUT ARE IMPRESSED BY THE GRAVE NATURE OF THE REPORTS, AND BY THE FACT THAT KHOMEINI IS FORBIDDEN TO SEE VISITORS. ONE SENIOR ANALYST (NOT A DOCTOR) HAS TOLD US HE IS BEGINNING TO THINK IT MIGHT BE A MATTER OF WEEKS.

4. CIA ANALYSTS FEEL BANI SADR IS ALMOST A CARBON COPY OF BAZARGAN IN THAT HE SEEKS CONCESSIONS FROM THE US AND SIMPLY POCKETS THEM. CIA WOULD BE GRATEFUL FOR ANY COMMENT ON THE VIEW THAT BANI SADR AND AHMAD KHOMEINI ARE CLOSE, IN THE LIGHT OF INDICATIONS THAT AHMAD KHOMEINI MAY BE SETTING UP HIS OWN POWER BASE BY DEVELOPING CONTACTS WITH THE MILITANTS AND WITH KHOMEINI.

5. CIA ANALYSTS THINK THE ONLY POSITIVE NEW ELEMENT IS THAT KHOMEINI HAS SET SOMETHING OF A TIME-LIMIT IN HIS REFERENCE TO THE MAJLIS, THOUGH THEY POINT OUT THAT HE HAS ALSO SAID IN EFFECT THAT THE MAJLIS WOULD SECURE CONCESSIONS FROM THE US. THEY BELIEVE THE MAJLIS WILL NOT QUOTE GET OUT IN FRONT UNQUOTE OF KHOMEINI!

HENDERSON

MNNH

SECRET

Subject as USA: May 1979  
Visit to UK by Mr Vance

PARTIAL RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE  
US SECRETARY OF STATE, MR. CYRUS VANCE, AT 10 DOWNING STREET ON  
THURSDAY 21 FEBRUARY AT 2000 HOURS

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IRAN

The Prime Minister asked Mr. Vance about the stage which had been reached in the negotiations for the release of the US hostages. Mr. Vance said that an understanding had been reached with the Iranian Government. The membership of a Commission which would investigate the Shah's period in office had been agreed. It would work in private. It would go to Tehran almost at once. Whilst there it would listen to evidence produced by the Iranian Government. It would meet the hostages to establish that they were alive and in good health. These preliminary activities would last about a week following which it would draft a preliminary document.

When the document was complete, the Commission would meet the Revolutionary Council in Tehran and tell them that before the document could be taken back to New York, the hostages would have to be handed over to the custody of the Iranian Government and lodged either in a hospital or in the foreign ministry with Mr. Laingen. The Commission would not return to New York until the hostages had been handed over.

Once the hostages had been handed over, the Commission would return to New York and communicate the preliminary document to the Secretary General. It would be published within two days. The hostages would be released by the Iranian Government on the day that the document was published. The American Government were therefore hoping that the hostages might be released within about two weeks. Of course there was a risk of slippage but in any case the hostages should be free long before the end of March.

/Mr. Vance said

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- 2 -

Mr. Vance said that he had two worries about the arrangements that he had described:-

a) He was still not sure that the Iranian Government had the authority to secure the release of the hostages from the students. He had repeatedly tried to secure from the Iranians a detailed account of how they would deal with the students but had so far failed to get any satisfaction; and

b) One member of the US Embassy staff seemed to be unaccounted for. No letters or other communication had been received from him. Since he was a particularly active man and was known to have resented his imprisonment particularly strongly, there was concern lest he had tried to escape and had been killed in doing so. If it turned out that he was dead, the American Government would be placed in a position of acute difficulty. (Mr. Vance laid great stress on his wish that knowledge of this problem should be limited to the Prime Minister and the Foreign and Commonwealth Secretary).

*And*

22 February 1980

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IRAN: ADVANCE COPIES (45)

Iran

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 LORD N G LENNOX  
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CONFIDENTIAL

FM WASHINGTON 132043Z FEBRUARY 80

TO PRIORITY FCO

TELEGRAM NUMBER 700 OF 13 FEBRUARY

INFO PRIORITY TEHRAN, UKMIS NEW YORK, EEC POSTS.

MY TELNO 689: US/IRAN - HOSTAGES.

1. WHEN I CALLED ON ASSISTANT SECRETARY SAUNDERS THIS MORNING, I ASKED HIM ABOUT THE PRESS CONFERENCE THAT PRESIDENT CARTER IS SCHEDULED TO GIVE THIS EVENING (WHICH IS WIDELY EXPECTED TO BE ABOUT IRAN). HE SAID THAT, QUOTE UNLESS THINGS GO WRONG IN THE NEXT HOURS UNQUOTE, THE PRESIDENT WOULD PROBABLY ANNOUNCE SOME ADVANCE ON THE WALDHEIM UN COMMISSION IDEA.

2. SAUNDERS SAID THAT WITH BANI SADR'S ELECTION THERE WAS AT LAST QUOTE SOMEONE AT THE OTHER END OF THE LINE UNQUOTE OF THE VARIOUS CHANNELS THE US HAD TO IRAN. FOR THE MOMENT BANI SADR'S INTERESTS AND THOSE OF THE US APPEARED TO COINCIDE AT LEAST AS FAR AS THE HOSTAGES WERE CONCERNED. BOTH NEEDED THEIR RELEASE, IF FOR DIFFERENT REASONS. THE QUOTE STUDENTS UNQUOTE AND THE LEVER-

FAR AS THE HOSTAGES WERE CONCERNED. BOTH NEEDED THEIR RELEASE, IF FOR DIFFERENT REASONS. THE QUOTE STUDENTS UNQUOTE AND THE LEVERAGE THEY EXERCISED THROUGH THE HOLDING OF THE HOSTAGES THREATENED BANI SADR'S TASK OF ESTABLISHING HIS AUTHORITY. BUT BEHESHTI'S STATEMENT THIS MORNING AND THE QUOTE STUDENTS UNQUOTE OWN ANNOUNCEMENT THAT THEY WOULD HAND OVER THE HOSTAGES IF KHOMEINI TOLD THEM TO WERE BOTH ENCOURAGING ADDITIONAL SIGNS THAT BANI SADR WAS SUCCEEDING.

3. SAUNDERS CONCLUDED BY STRESSING THAT HE HAD BEEN INVOLVED IN ENOUGH NEGOTIATIONS OF THIS DELICACY NOT TO COUNT ON ANYTHING UNTIL IT HAPPENED. HE ALSO REVEALED THAT HIS ABSENCE FROM WASHINGTON HAD BEEN IN NEW YORK AND HIS REFERENCES TO THE WALDHEIM UN COMMISSION IDEA SUGGEST THAT THIS REMAINS THE MOST PROMISING FORMULA IN AMERICAN EYES.

HENDERRSON

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FM TEHRAN 130805Z FEB

TO PRIORITY FCO

TELEGRAM NUKBER 161 OF 13 FEB 80

INFO PRIORITY WASHINGTON AND UKMIS NEW YORK.

MY TELS NOS 156 AND 157 : US/IRAN.

1. THE SWISS AMBASSADOR, WHOM I MET LAST NIGHT, IS THE SOUL OF DISCRETION, BUT PUTTING TOGETHER ONE OR TWO THINGS THAT HE SAID, I HAVE COME TO THE CONCLUSION THAT CONTACTS BETWEEN THE AMERICANS AND BANI SADR ARE MORE ADVANCED THAN I HAD BEEN INCLINED TO BELIEVE (PARA 3 OF MY TELNO 132).

2. PUTTING THE BITS TOGETHER, IT SEEMS THAT BANI SADR, WITH THE ACTIVE SUPPORT OF QOTBZADEH, FOR WHICH THE LATTER IS LIKELY TO RECEIVE HIS REWARD BY BEING RETAINED AS FOREIGN MINISTER, HAS OBTAINED THE UNANIMOUS SUPPORT OF THE REVOLUTIONARY COUNCIL FOR A SCENARIO TO BE SUBMITTED TO KHOMEINI WHICH WOULD INVOLVE THE ESTABLISHMENT OF SOME FORM OF COMMISSION OF ENQUIRY, THE HANDING OVER OF THE HOSTAGES TO SOME MORE ACCEPTABLE AND CONTROLLABLE BODY, AND, PRESUMABLY THEIR RELEASE WHEN THE ENQUIRY REPORTS. I FORMED THE IMPRESSION THAT THE UN IS NOT INVOLVED DIRECTLY IN THESE CONTACTS BUT THAT THE SWISS AMBASSADOR IS HIMSELF THE INTERMEDIARY. GIVEN THE DIFFICULTIES OF ANY GOVERNMENT OR INTERNATIONAL BODY EITHER PARTICIPATING

AMBASSADOR IS HIMSELF THE INTERMEDIARY, GIVEN THE DIFFICULTIES

OF ANY GOVERNMENT OR INTERNATIONAL BODY EITHER PARTICIPATING IN AN ENQUIRY WHILE THE HOSTAGES ARE STILL HELD OR ACCEPTING AND HOLDING THE HOSTAGES THEMSELVES, AS IN EFFECT TRUSTEES FOR THE IRANIANS, I BELIEVE THAT THE SCENARIO FAVOURED MUST INVOLVE AN ENQUIRY COMPOSED OF INDEPENDENT INTERNATIONAL FIGURES AND THE TRUSTEE FOR THE HOSTAGES MUST BE THE IRANIAN ARMED FORCES OR SOME SIMILAR ORGANISATION (PERHAPS THE SEPAH PASDARAN, THE REVOLUTIONARY GUARDS).

3. THE PROPOSALS PUT FORWARD IN THE NAME OF SEAN MCBRIDE BY ALBALA (PARAGRAPH 4 OF MY TEL NO 132) APPARENTLY INVOLVED AN OPEN-ENDED AND WIDE-RANGING COMMISSION, WITH NO TIME LIMIT, AND NO AGREED PROGRAMME FOR A RELEASE. THEY ARE REGARDED HERE AS A SOVIET PLOY FED IN THROUGH ALBALA, WHO I AM TOLD IS IN FACT A MEMBER OF THE FRENCH COMMUNIST PARTY. THE SWISS AMBASSADOR SAYS THAT THEY HAVE BEEN SEEN THROUGH AND SCOTCHED, LARGELY THROUGH THE AGENCY OF QOTBZADEH (ONE OF THE DEBTS BANI SADR OWES HIM).

4. IF THE ABOVE IS ON THE RIGHT LINES, THERE IS A GOOD DEAL OF PUBLIC COMMENT WHICH PERHAPS FALLS INTO PLACE. FOR EXAMPLE BEHESHTI WAS REPORTED YESTERDAY TO HAVE TOLD THE PRESS THAT KHOMEINI WAS THE FINAL ARBITER OF THE FATE OF THE HOSTAGES, THAT THE STUDENTS' ACTION AGAINST THE AMERICAN EMBASSY WAS NOT "ON BEHALF OF THE GOVERNMENT OR THE REVOLUTIONARY COUNCIL OR THE IMAM", THAT IN A SENSITIVE ISSUE SUCH AS THIS NO ONE IS EXPECTED TO MAKE A DECISION WITHOUT REFERRING IT TO THE IMAM, AND THAT THE STUDENTS WOULD FOLLOW THE IMAM'S PATH "OR WILL BE MADE TO DO SO". QOTBZADEH IN AN INTERVIEW WITH ITN MADE A SOMEWHAT SIMILAR POINT ABOUT COMPELLING THE STUDENTS IF IT BECAME NECESSARY. BANI SADR, IN THE INTERVIEW WITH LE MONDE (MY TEL NO 157), SAID THAT AN AGREED PROPOSAL HAD BEEN FORWARDED TO KHOMEINI, WHOSE DECISION HE EXPECTED IN TWO DAYS, AND THAT "WE WOULD NEVER RESORT TO VIOLENCE AGAINST YOUNG PATRIOTS, BUT IN THE EVENT OF DISAGREEMENT WOULD TRY TO PERSUADE THEM".

5. FINALLY IN A PRESS CONFERENCE YESTERDAY, THE "STUDENTS", WHO APPEAR VERY MUCH ON THE DEFENSIVE, REJECTED ANY INTERNATIONAL COMMISSION OR ENQUIRY BUT SAID THAT THEY WOULD NEVER DO ANYTHING AGAINST KHOMEINI'S WISHES, AND ADDED AT ANOTHER POINT, "THE IMAM HAS NOT CHANGED HIS POSITION (NEXT WORD UNDERLINED) YET (MY UNDERLINING) ON THE RELEASE OF THE HOSTAGES. IF THE PRESIDENT HAS A DIFFERENT OPINION, THEN LET HIM TAKE IT UP WITH THE IMAM".

HAS A DIFFERENT OPINION, THEN LET HIM TAKE IT UP WITH THE IMAM''.

6. I HAVE IDSCUSSED THESE IDEAS IN CONFIDENCE ONLY WITH THE DANISH AMBASSADOR AND IN AGREEMENT WITH HIM DO NOT PROPOSE TO AIR THEM, STILL LESS ATTRIBUTE ANY EVIDENCE FOR THEM TO THE SWISS AMBASSADOR, WITH MY COMMUNITY COLLEAGUES. EQUALLY I THINK IT WOULD BE WRONG FOR US TO INDICATE TO THE AMERICANS THAT WE HAVE HAD ANY HINT FROM THE SWISS AMBASSADOR ALONG THESE LINES. IF I AM RIGHT, THEY HAVE CHOSEN DELIBERATELY NOT TO TAKE US INTO THEIR CONFIDENCE AND I SHOULD NOT WISH TO GET HIM INTO TROUBLE.

GRAHAM

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Prime Minister

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OR 180

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FM TEHRAN 170835Z FEB 80

TO ROUTINE FCO

TELEGRAM NUMBER 148 OF 10 FEBRUARY

INFO WASHINGTON

MAA 11/2

MY TELEGRAM NO 93: KHOMEINI

1. A MAN CLAIMING TO BE THE BROTHER OF KHOMEINI'S HEAD NURSE AT THE REZA'I HOSPITAL TOLD A MEMBER OF MY STAFF ON THE SKI SLOPES YESTERDAY THAT KHOMEINI'S HEART IS NOT HIS MOST SERIOUS MEDICAL PROBLEM, BUT THAT IT PREVENTS DOCTORS FROM OPERATING ON A KIDNEY AILMENT AND PROSTATE CONDIDITION. HE HAS AFEVER AND THERE WAS LITTLE LIKELIHOOD THAT HE WOULD EVER AGAIN BE ANYTHING BUT A SEMI-INVALID.

2. CERTAINLY KHOMEINI HAS LOOKED VERY FEEBLE IN HIS RECENT BRIEF TELEVISION APPEARANCES, AND HIS DELIVERY OF SHORT PUBLIC STATEMENTS HAS BEEN WEAK AND TIRED. THE CONTRAST WITH HIS APPARENT VIGOUR THIS TIME LAST YEAR IS STRIKING. HIS DOCTORS SAID ON 8 FEBRUARY THAT HIS CONDITION WAS STABLE AND HE WAS FIT ENOUGH TO WALK AROUND, BUT HAVE ADVISED HIM TO STAY IN HOSPITAL.

GRAHAM

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Foreign and Commonwealth Office

London SW1A 2AH

8 February 1980

*checked that  
Press Office not  
attending.*

*ra  
M.P.*

*Dear Michael,*

Iranian Anniversary Celebrations

The Iranian Embassy in London will be holding a reception on 11 February. The Foreign and Commonwealth Secretary believes that it would not be appropriate for Ministers or senior officials to be seen attending such a celebration on Iranian Embassy premises while the American Embassy hostages are still being held.

At the same time, however, we do not wish to prejudice our chances for improving relations with Iran once the hostages are released. Lord Carrington has decided therefore that the right response would be to limit official attendance at the Iranian reception to those who deal with the Embassy at working level. As far as the FCO is concerned, this will in practice mean attendance is only by officers of First Secretary rank and below. The Foreign and Commonwealth Secretary attaches importance to the public service as a whole observing a common line and therefore suggests that attendance by officials in other Government Departments should be limited to the rank of Principal and below, and to the equivalent rank in the case of officers in HM Forces.

Our posts overseas are being similarly advised. We are also trying to secure agreement by the other members of the European community that this should be a common line.

I should be grateful if the recipients of this letter would ensure that everyone in their Department who needs to know is made aware of this policy.

I am sending copies of this letter to the Private Secretaries to the members of the Cabinet and to David Wright (Cabinet Office).

*Yours etc*

*Paul*  
(P Lever)

Private Secretary

M O'D B Alexander Esq  
10 Downing Street

RESTRICTED

*Open marked*  
IRAN: ADVANCE COPIES 43

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PS/MR HURD  
PS/PUS  
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FM TEHRAN 060800Z FEB 80  
TO PRIORITY FCO  
TELEGRAM NUMBER 131 OF 6 FEBRUARY  
INFO PRIORITY WASHINGTON, NEW DELHI, MOSCOW, PEKING, URMIS NEW  
YORK, CAIRO, TEL AVIV AND ISLAMABAD  
INFO SAVING KABUL

NEW DELHI TELNO 165 TO YOU: US FOREIGN POLICY

1. I TOO HAVE NOT YET SEEN WASHINGTON TELNO 435 TO YOU BUT  
ON THE BASIS OF THE TWO PRECEDING TELEGRAMS, I VERY MUCH  
AGREE WITH SIR J. THOMSON'S GENERAL POINT IN PARA 8 OF TUR.  
AS FAR AS IRAN IS CONCERNED, IT IS GOING TO BE A LONG TIME,  
EVEN AFTER THE RELEASE OF THE AMERICAN EMBASSY STAFF, BEFORE  
AMERICAN OFFERS OF SUPPORT, AID AND FRIENDSHIP, IMPLICIT IN  
A FRAMEWORK OF COOPERATION FOR SECURITY, CAN BE ENTERTAINED  
BY ANY IRANIAN POLITICIAN. THIS WILL NOT PRECLUDE A COMMERCIAL  
RELATIONSHIP AND IF THE IRANIANS REQUIRE FURTHER MILITARY  
EQUIPMENT AND SPARES FROM THE AMERICANS, THEY WILL REPRESENT  
THIS AS A PRACTICAL NECESSITY TO MAINTAIN THEIR AMERICAN EQUIPMENT,  
AND AS A PURELY COMMERCIAL TRANSACTION WITH NO IDEOLOGICAL TIES.  
THE US WILL HAVE TO BE READY TO ENGAGE IN PATIENT, FOREBEARING

RELATIONSHIP AND IF THE IRANIANS REQUIRE FURTHER MILITARY EQUIPMENT AND SPARES FROM THE AMERICANS, THEY WILL REPRESENT THIS AS A PRACTICAL NECESSITY TO MAINTAIN THEIR AMERICAN EQUIPMENT, AND AS A PURELY COMMERCIAL TRANSACTION WITH NO IDEOLOGICAL TIES. THE US WILL HAVE TO BE READY TO ENGAGE IN PATIENT, FOREBEARING AND SUBTLE DIPLOMACY FOR MANY MONTHS, PERHAPS YEARS, KEEPING THEIR IDEAS FOR COOPERATION, ESPECIALLY IN THE SECURITY FIELD, VERY MUCH TO THEMSELVES, AT LEAST AS THEY INVOLVE IRAN. AT HEART THE IRANIANS ARE NO LESS ALARMED BY THE SOVIET THREAT THAN PAKISTAN OR SAUDI ARABIA APPEAR TO BE, BUT FOR THEM TO ASK FOR AMERICAN HELP IS OUT OF THE QUESTION.

2. OTHER WEST EUROPEAN POWERS, INCLUDING ESPECIALLY THE FRG AND FRANCE, BUT ALSO OURSELVES, WILL BE BETTER PLACED TO MAKE THE RUNNING HERE IN THE IMMEDIATE FUTURE (ONCE THE HOSTAGE ISSUE IS OUT OF THE WAY), BUT THEY TOO WILL HAVE TO PURSUE THE PROCESS OF REESTABLISHING POLITICAL LINKS BETWEEN IRAN AND THE WEST CAUTIOUSLY AND, AT ALL COSTS, WITHOUT PUBLICITY, LEAVING THE IRANIANS TO MAKE THE RUNNING.

FCO PLEASE PASS SAVING TO KABUL.

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Iran

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FM WASHINGTON 050130Z FEB 80  
 TO IMMEDIATE F C O  
 TELNO 574 OF 4 FEBRUARY 1980  
 INFO PRIORITY TEHRAN ROUTINE UKREP BRUSSELS UKMIS NEW YORK OTHER  
 EEC POSTS OTTAWA AND CANBERRA.

MY TELNO 597: US/IRAN - ECONOMIC SANCTIONS

1. COOPER (UNDER-SECRETARY, ECONOMIC AFFAIRS) TOLD DEREK THOMAS  
 TODAY THAT VANCE HAD DECIDED NOT TO ISSUE THE NECESSARY REGULATIONS  
TO IMPOSE SANCTIONS ON 4 FEBRUARY. AS OF THIS MORNING NO DATE HAD  
BEEEN SET FOR THEIR ISSUE.

HENDERSON



Original a Australia Jan 80  
Visit by Fraser.

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Iran Situation.

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
PRIME MINISTER OF AUSTRALIA, MR. MALCOLM FRASER, AT NO.10  
DOWNING STREET ON 4 FEBRUARY, 1980, AT 12 NOON

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Present:

Prime Minister	The Rt. Hon. Malcolm Fraser
Foreign and Commonwealth Secretary	The Hon. Michael MacKellar
Sir Robert Armstrong	Sir G. Yeend
Sir Michael Palliser	Mr. P. Henderson
Sir Frank Cooper	Mr. W. Pritchett
Mr. Hugh Cortazzi	Mr. R. Fernandez
Mr. Michael Alexander	

Post-Afghanistan Situation

In reply to a question from the Prime Minister, Mr. Fraser said that he had detected in the United States a new sense of determination and unity. A number of senior American politicians (Mr. Fraser mentioned Messrs. Muskie and Javits) had told him that the sense of cohesiveness in the country and the determination not to be pushed around was greater than at any time since the war. Nonetheless the position of the United States remained a lonely one. They felt the need for friends and for support. Failing this, there was a risk that they would once more become introspective and self-questioning, and that the leadership they were now giving would falter. The Administration intended to build up the country's defensive capability. They were talking of making additional deployments in the Indian Ocean. At the same time there was a sharp realisation of the limits of their conventional power in that part of the world. A start had been made with the commitments given in President Carter's State of the Union Message, but much work would be needed to make those commitments credible. There would be a role here for a number of countries.

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- 2 -

The Australian Foreign Minister, Mr. Peacock, on his recent trip to South East Asia, had found the Governments there prepared to take a robust attitude - at least in private. However, they were conscious of the weakening of the American commitment to the area which had occurred in the latter stages of the Vietnam war, and which they associated with President Nixon's statement on Guam. They were doubtful about the United States' determination to face up to the Soviet Union. Once they had brought themselves to believe in this, they would be prepared to be more robust in public. Mr. Peacock had also seen Mrs. Gandhi. She had taken a less helpful line with him than she had done in her press conference after her meeting with the Foreign and Commonwealth Secretary. She had delivered a tirade against the United States whose role in Vietnam she had said was no different from that of the Soviet Union in Afghanistan. Mr. Fraser said that he expected continuing difficulties with India and Pakistan. The Foreign and Commonwealth Secretary said that Mrs. Gandhi was anti-American but not necessarily pro-Soviet. She was afraid of the Chinese. She had told President Giscard that she intended to play a leading role in the non-aligned movement. The Foreign and Commonwealth Secretary said that in his view there would be a considerable role for Western Europe and Australia in keeping India in play. The Americans had so far played the hand clumsily. The latest evidence of this was the imbalance in the delegations they had sent to Delhi and Islamabad. Mr. Clifford was a considerably less significant figure than Mr. Brzezinski.

The Prime Minister said that she agreed with what Mr. Fraser had said about the United States. It was essential that the West stick together in the face of recent events. The Soviet Union's action in Afghanistan did not represent a change of policy. But it had served to reveal that policy to the world at large. What was now required was continuing condemnation and continuing watchfulness. It was no use expecting that the Soviet Union would change its policy. But resistance to the Soviet Union demanded that the West should stand together. We should highlight the threat to the right of the non-aligned to determine their own destiny.

CONFIDENTIAL Mr. Fraser

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- 3 -

Mr. Fraser repeated that he saw the critical element in the situation as being the need to bring home to the Russians the reality of President Carter's State of the Union Message. He did not himself see how the United States could in the present circumstances defend the Persian Gulf. There would be attractions for the Russians in a move against the Gulf now. The Foreign and Commonwealth Secretary said that he did not think the immediate danger was the military one. The Soviet presence in Afghanistan gave them greatly enhanced possibilities for subversion, e.g. in Iran or South Yemen. The Prime Minister commented that the West had been very slow to focus on the need to develop techniques of counter-subversion. There was a considerable difference in the susceptibility of democratic and totalitarian states to subversion. Successful resistance by the countries of the Middle East to subversion would require an effort on their own part. Mr. Fraser said that whether the immediate challenge was subversive or military, he was concerned that the West's failure to respond would lead the states in the Middle East to regard the West as a spent force. Once they had reached that conclusion they would look for an accommodation with the Soviet Union. Moreover, the judgement of the Soviet Union as to how far they could force matters in the Middle East was not to be relied upon. It looked as though they had miscalculated the effects of the invasion of Afghanistan. They could easily make another miscalculation about the ability and will of the Americans to resist a move, for example, into Iran. The Foreign and Commonwealth Secretary said that Messrs. Kissinger and Bush did not agree that the Soviet invasion had been the result of a miscalculation. They argued that the Russians knew they at present enjoyed superior military strength, and that the next two or three years would offer them a unique opportunity to exploit that superiority. Mr. Fraser repeated that whichever analysis was correct, the vital thing now was to ensure that President Carter's position was credible.

/ Mr. Fraser

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Mr. Fraser asked about the attitudes of the Europeans. He argued that the threat in Europe was now less pressing than that elsewhere. In Europe the demarcation lines were clearly drawn. Elsewhere the situation was less well defined, and the options for Soviet action and mischief-making were much greater. Moreover, whereas action in Europe would certainly meet a united response by the Allies, this was much less likely in other parts of the world. The Foreign and Commonwealth Secretary said that he had spent some time in the previous two days discussing the situation with the French Foreign Minister. M. Francois Poncet. The French analysis was exactly the same as his own. The only difficulty was that they did not wish to be seen to be following the lead of the Americans. In retrospect, it had perhaps been a mistake not to have summoned a meeting of the Foreign Ministers very shortly after the invasion of Afghanistan and to have attempted to elaborate a joint reaction before individual Western Governments had taken up their positions. As regards the Germans, their position was different in certain important respects to the other Western Allies: the Germans had to deal with the problem of the GDR, of Berlin, of Ostpolitik and of the impending elections. They agreed with our analysis, but might not respond in the same way. Both France and Germany clearly recognised the Soviet threat to the Middle East oil fields, to the Straits of Hormuz and to access to the Red Sea.

In response to a question from the Prime Minister about the next steps, Mr. Fraser said that Australia intended to play its part. They would be participating in extended patrolling and surveillance of the Indian Ocean from Tangeh and Butterworth. (The Australians had been planning to withdraw from Butterworth next year following the acquisition of new fighter aircraft, but were now reconsidering the situation.) They would probably be expanding their armed forces generally. A decision in principle had been taken. They would be building up their own naval bases, and might be offering the Americans the use of one in Western Austral

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- 5 -

They would be offering additional exercise facilities for the Americans in Australia. (Mr. Fraser specifically mentioned facilities for the B52 bomber.) They would be offering additional training for members of ASEAN. Australian civil aid to the small nations of the South Pacific would be stepped up, and opportunities for the Russians to interfere there reduced. Permission for Soviet cruise ships to operate in the area had been withdrawn. The Australian Government would also like to discuss with the American and British Governments the possibility of drawing up an embargo on the export of certain strategic raw materials similar to that operated under the COCOM rules in the sphere of high technology.

Mr. Fraser asked whether something could be done to breathe life into the 5 power defence arrangements. He had not spoken to the other signatories, but he thought that they would welcome the resuscitation of the agreement. There might be an increase in the number of visits by British naval vessels or a ship might be based in the area. Annual consultations might take place. The steps might not in themselves amount to much, but they would help to convince the ASEAN nations that the West meant what it said. Sir Frank Cooper recalled <sup>that</sup> the communique signed by the 5 powers in 1971 provided for a consultation among them in the event of a threat in the area. British military involvement in the region was at present very small. We carried out some training, and had participated in two exercises in the previous year. We intended to increase our naval presence somewhat this year. The options for the immediate future were either to increase the amount of training we carried out, which was a matter of priorities; or to increase the level of consultation, which was only meaningful if it led to something concrete. The Prime Minister said that the matter should be looked at. It could be of importance in what was at present essentially a psychological war. Mr. Fraser agreed that it was in this context that even modest action could be useful at present. No one was talking of re-establishing the joint task force. But more exercises, more visits and more consultation could be valuable. He noted

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in this connection that the forthcoming meeting of ANZUS had been brought forward and transferred from New Zealand to Washington.

The Prime Minister asked about the role of Japan. Despite that country's great wealth, Japan was not at present contributing to the defence of the free world.

Mr. Fraser said that even today visits by Japanese military vessels to ASEAN or Australian ports would cause difficulties. But there was no reason why they should not be active in the North West Pacific, and thereby free American ships for action elsewhere. Mr. Brown had argued strongly for this during his recent visit to Tokyo. A growing body of opinion in Japan was inclined to agree. The Japanese would be participating in exercises with the Canadians and Australians later in the year. Anything the British Government could do to encourage the Japanese in this direction, as well as in the direction of increasing their civil aid to the smaller Pacific States, would be welcome. It would of course be important to consult the ASEAN countries at every step.

Reverting to the Middle East, the Foreign and Commonwealth Secretary commented on the ambivalence of attitudes in the Middle East to United States military involvement there. On the one hand, Middle East Governments wanted the backing of the United States Government; on the other hand, they were reluctant to provide bases. Saudi Arabia would offer nothing; Oman might offer facilities, but would not be prepared to have any "white faces" there; Somali and Kenya might be prepared to do something; Diego Garcia was too far away. When one was considering the question of European re-involvement in South East Asia, it should be borne in mind that the Americans might wish to re-involve the Europeans in the Middle East as well. Sir Frank Cooper noted that the American attitude was very ambivalent at present. For many years they had been arguing that the Europeans should concentrate on Europe. Now, recognising how little they knew about the regions where the threat was increasing, they were seeking to interest the

CONFIDENTIAL

- 7 -

Europeans in problems outside Europe. Sir Michael Palliser said that the Arab/Israel dispute inevitably complicated the situation in the Middle East. The Foreign and Commonwealth Secretary said that the Americans had completely misunderstood the Arab reactions to the Camp David process. Mr. Linowitz was still hoping that pressure on the Israelis would make an autonomy agreement possible. But in fact such an agreement would have no effect on the Arabs. They wanted the Palestinian problem solved, and did not believe that this could be done on the Camp David basis. The Americans were blamed by the Arabs for the Israeli occupation of Arab lands, and as a result were equated with the Russians. Mr. Fraser wondered whether the Americans could not be persuaded to move towards the Arab position. Mr. Vance had accepted in discussion with him during his visit to Washington the need to be firmer than ever with Israel. The Foreign and Commonwealth Secretary said that he had been pressing the Americans for some time on this.

#### Iran

Mr. Fraser said that the Americans were approaching the hostage issue much more coolly now than previously. They were placing their hopes on the new President, Mr. Bani Sadr. They were not looking for further action before the forthcoming elections in Iran. The Foreign and Commonwealth Secretary noted that Mr. Cutler had, earlier in the day, been optimistic about the chances of progress.

The discussion ended at 1310, and the participants adjourned for lunch. The discussion there is recorded separately.

*And*  
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4 February 1980

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TEHRAN 040530Z FEB

TO IMMEDIATE FCO

TELEGRAM NUMBER 116 OF 3 FEBRUARY 80

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DUBAI, ISLAMABAD, JEDDA, KABUL, KUWAIT, MOSCOW, TOKYO

MUSCAT, NEW DELHI AND EEC POSTS.

MY TEL NO 112 : SITUATION IN IRAN.

1. PROVINCES. THE LOCAL PRESS HAS REPORTED HEAVY FIGHTING IN SEVERAL KURDISH TOWNS. KURDISH FORCES HAVE APPARENTLY RAZED TO THE GROUND THE PASDARAN HEADQUARTERS IN KAMYARAN (SEE TUR), AND IN RETALIATION PASDARAN BACKED BY THE ARMY HAVE SHELLED THE TOWN. HELICOPTER GUNSHIPS AND PHANTOMS ARE CLAIMED TO HAVE FIRED ON OTHER VILLAGES IN THE AREA, AND TANKS REPORTEDLY COMMANDED BY PASDARAN (WHO HAVE HITHERTO HAD ONLY LIGHT WEAPONS) HAVE SHELLED BIJAR. AT LEAST FOUR PASDARAN ( POSSIBLY AS MANY AS 20) HAVE DIED IN CLASHES IN PAVEH.
2. THE KURDISH RELIGIOUS LEADER, HOSSEINI, AND QASSEMLOU, KDP, HAVE CALLED ON KHOMEINI TO INTERVENE AND RESTORE ORDER. QASSEMLOU BLAMED THE PASDARAN FOR THE FIGHTING. FORUHAR, A MEMBER OF THE GOVERNMENT GOODWILL DELEGATION, SAID ON 1 FEBRUARY THAT THE PASDARAN AND ARMY HAD TAKEN ADVANTAGE OF KHOMEINI'S ILLNESS AND THE REVOLUTIONARY COUNCIL'S CONSEQUENT FAILURE TO ACT, AND HAD BLOCKED ANY PROGRESS TOWARDS A QUICK SETTLEMENT. FORUHAR HAD PREVIOUSLY BEEN THE MOST CONSISTENTLY OPTIMISTIC MEMBER OF THE DELEGATION, WHICH HAS BEEN FURTHER WEAKENED BY THE TEMPORARY LOSS OF KHOMEINI'S SON-IN-LAW, ESHRAGHI, WHO IS IN HOSPITAL AFTER A HEART ATTACK. A CLUE TO THE TROUBLE MAY HOWEVER LIE IN A STATEMENT BY ANOTHER MEMBER OF THE DELEGATION SAHABI, WHO SAID AFTER A MEETING OF THE REVOLUTIONARY COUNCIL ON 30 JAN THAT THE DELEGATION'S "PLAN" DIFFERED FROM THE KURDISH REPRESENTATIVE DELEGATION'S PROPOSALS, AND WAS BASED ON THE VIEWS OF "INDIVIDUALS AND PERSONALITIES". THIS TENDS TO CONFIRM MY BELIEF THAT THE GOVERNMENT HAVE BEEN TRYING TO GO BEHIND HOSSEINI AND THE KDP IN AN ATTEMPT TO MUSTER A RIVAL GROUP.

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3. MOINFAR YESTERDAY SAID THAT TWO EXPLOSIONS ON 2 FEBRUARY HAD SET FIRE TO PIPELINES BETWEEN AHWAZ AND ABADAN. HE ADMITTED THAT THE EXPLOSIONS WERE THE WORK OF SABOTEURS BUT CLAIMED THAT THEY HAD NOT AFFECTED PRODUCTION.
4. THE ISFAHAN REFINERY IS REPORTED TO HAVE COME ON STREAM, AT A RATE OF 70,000 BARRELS A DAY (PLANNED CAPACITY IS 200,000 BPD).
5. TEHRAN. IN AN INTERVIEW ON 1 FEBRUARY, BANI SADR SAID THAT VOTING IN THE PRESIDENTIAL ELECTION REFLECTED POPULAR DISSATISFACTION WITH THE RECORD OF THE REVOLUTIONARY COUNCIL, WHOSE METHODS AND COMPOSITION BOTH NEEDED CHANGING. SINCE THE ELECTIONS THERE HAS BEEN A CONTINUOUS POWER STRUGGLE BETWEEN BANI SADR (WHO HAS BEEN IN BED WITH FLU) AND THE BEHESHTI FACTION, WHICH HAS CENTRED ON BANI SADR'S SWEARING-IN AS PRESIDENT (SEE TUR). BANI SADR INTENDS TO TAKE THE PRESIDENTIAL OATH BEFORE KHOMEINI TOMORROW. KHAMENE'I HAS SAID HE SHOULD STICK TO THE LETTER OF THE CONSTITUTION AND AWAIT THE FORMATION OF THE MAJLES. BANI SADR ALSO INTENDS TO ADDRESS THE RALLY TOMORROW AT BEHESHT ZAHRA CEMETERY MARKING THE OPENING OF THE WEEK OF CELEBRATIONS OF THE HEJIRA AND THE ANNIVERSARY OF THE REVOLUTION (MY TEL NO 39). DESPITE A CALL FROM KHOMEINI YESTERDAY THAT THE CLERGY WORK FOR CONTINUED NATIONAL UNITY AND DISCIPLINE, HIS ELDER BROTHER, AYATOLLAH PASANDIDEH, LAHOUTI, AND ALAMEH NOURI, HAVE COME OUT FIRMLY FOR BANI SADR AGAINST BEHESHTI.
6. BANI SADR HAS SAID HE WILL NOT ENDORSE ANY CANDIDATES IN THE ELECTION FOR THE MAJLES, SINCE THE PEOPLE SHOULD MAKE THEIR OWN CHOICE.
7. DEMONSTRATIONS. THE MARCH ON 1 FEBRUARY (SEE PARA 8 OF TUR) DREW AN ESTIMATED 100,000 PEOPLE, ALTHOUGH THE PRESS SPEAKS OF ONE MILLION. A DEMONSTRATION WAS CALLED FOR 9.00 A.M. TODAY OUTSIDE THE CANADIAN EMBASSY. IT IS NOT CLEAR WHO WAS ORGANISING IT, AND IT SEEMS TO HAVE BEEN A FIASCO. THE "STUDENTS" HAVE CANCELLED AN ANTI-AMERICAN MARCH THEY HAD CALLED FOR TOMORROW (A PUBLIC HOLIDAY), ALLEGEDLY TO AVOID A CLASH OF TIMING WITH THOSE CELEBRATING THE HEJIRA.

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8. RAFSANJANI ANNOUNCED ON 31 JANUARY LZHAT TO THWART COUNTER-REVOLUTIONARIES, ESTABLISH SECURITY FOR EMBASSIES AND CONSULATES, AND PREVENT DISRUPTION OF TRAFFIC, WOULD-BE DEMONSTRATORS SHOULD INFORM THE MINISTRY OF THE INTERIOR (OR LOCAL GOVERNMENT OFFICE IF OUTSIDE TEHRAN) OF THEIR INTENTIONS 48 HOURS IN ADVANCE, AND OBTAIN WRITTEN PERMISSION.

9. HOSTAGES. THE PARS NEWS AGENCY YESTERDAY ANNOUNCED THE ARRIVAL NEXT WEEK OF A "SPECIAL DELEGATION FROM THE US" AT THE INVITATION OF THE "STUDENTS". THIS IS PRESUMABLY A REFERENCE TO ADAMS AND THOMAS, OF THE AMERICAN INDIAN MOVEMENT. IN A QUERULOUS OPEN LETTER TO KHOMEINI THE "STUDENTS" COMPLAIN THAT ILL-INTENTIONED PEOPLE HAVE SEIZED THE OPPORTUNITY OF HIS ILLNESS TO TRY TO UNDERMINE THEM, AND REASSERT THAT "FOLLOWING YOUR ORDERS", THE US MUST HAND OVER THE SHAH AND HIS PROPERTY. THERE IS NO REFERENCE TO THE 6 AMERICANS SPIRITED OUT BY THE CANADIANS AND APART FROM GHOTBZADEH'S EXCHANGES BY PRESS CONFERENCE WITH THE CANADIAN GOVERNMENT, THAT EPISODE HAS EXCITED REMARKABLY LITTLE ATTENTION AMONG IRANIANS.

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TO IMMEDIATE FCO

TELNO 537 OF 1 FEBRUARY 80

INFO ROUTINE UKRER BRUSSELS UKMIS NEW YORK OTHER EEC POSTS  
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US/IRAN: ECONOMIC SANCTIONS

1. COOPER (UNDER SECRETARY, ECONOMIC AFFAIRS) TOLD BRIDGES TODAY THAT THE US REGULATIONS ON ECONOMIC SANCTIONS AGAINST IRAN WERE NOW COMPLETE AND READY TO BE ISSUED. A DECISION HAD BEEN TAKEN YESTERDAY TO ISSUE THEM TODAY. BUT THIS MORNING HAMILTON JORDAN HAD INSTRUCTED THAT ACTION SHOULD BE SUSPENDED. NO REASON HAD BEEN GIVEN. THE PRESENT INTENTION WAS TO ISSUE THE REGULATIONS ON 4 OR 5 FEBRUARY, UNLESS SOMETHING FURTHER HAPPENED TO DELAY THEM.

2. COOPER SAID IN CONFIDENCE (PLEASE PROTECT) THAT HE HIMSELF WAS DOUBTFUL ABOUT THE DESIRABILITY OF IMPOSING SANCTIONS AT THIS JUNCTURE AND HAD ARGUED FOR DELAY, AT LEAST UNTIL BRZEZINSKI AND CHRISTOPHER HAD RETURNED FROM THE MIDDLE EAST. HE HAD ORIGINALLY BEEN OVERRULED, BUT HAMILTON JORDAN'S INSTRUCTION THIS MORNING WOULD EFFECTIVELY PRODUCE THE SAME RESULT. COOPER HAD ALSO TRIED TO GET IT ACROSS TO VANCE THAT IT WAS NOT GOING TO BE A STARTER TO GET THE ALLIES TO IMPLEMENT THE WHOLE RANGE OF SANCTIONS, AS IF THE UN SECURITY COUNCIL RESOLUTION HAD BEEN ADOPTED. THE PRESENT

GET THE ALLIES TO IMPLEMENT THE WHOLE RANGE OF SANCTIONS, AS IF THE UN SECURITY COUNCIL RESOLUTION HAD BEEN ADOPTED. THE PRESENT INTENTION WAS TO ASK THE ALLIES TO IMPLEMENT THEM AS FAR AS THEIR DOMESTIC LEGAL CONSTRAINTS WOULD ALLOW. THOSE WHO HAD AGREED TO VOLUNTARY FINANCIAL MEASURES WOULD IN ADDITION BE ASKED TO RE-INFORCE THESE TO THE MAXIMUM EXTENT POSSIBLE. THIS TO SOME EXTENT REFLECTED COOPER'S VIEW THAT THE RIGHT COURSE WOULD HAVE BEEN TO CONCENTRATE ON THE SELECTIVE TRADE EMBARGO AND THE FINANCIAL CONSTRAINTS (PARAS 2(A) AND (C) OF THE SECURITY COUNCIL RESOLUTION).

3. BRIDGES WAS ASKED WHETHER OUR POSITION ON ECONOMIC SANCTIONS HAD DEVELOPED SINCE CHRISTOPHER'S VISIT TO LONDON. HE EXPLAINED THAT WHEN MINISTERS HAD LAST CONSIDERED THIS THEY HAD DECIDED THAT NO FURTHER WORK SHOULD BE DONE ON SANCTIONS, GIVEN THE FORTHCOMING PRESIDENTIAL ELECTIONS IN IRAN AND THE ISLAMIC CONFERENCE. THE QUESTION WOULD NO DOUBT NEED TO BE LOOKED AT AGAIN IN THE LIGHT OF ANY NEW AMERICAN REQUEST. HE ASKED WHETHER ACCOUNT HAD BEEN TAKEN IN THE U S REGULATIONS OF THE POSITION OF U S SUBSIDIARIES OVERSEAS. COOPER SAID THAT THIS PROBLEM HAD BEEN FULLY RECOGNISED AND THE ARGUMENT FOR AND AGAINST THERE INCLUSION HAD GONE TO AND FRO. WHEN HE HAD LAST SEEN THE DRAFT REGULATIONS, U S SUBSIDIARIES OVERSEAS WERE NOT COVERED. BUT HE COULD NOT BE CERTAIN THAT THEY HAD NOT SINCE THEN BEEN ADDED BACK IN.

4. COOPER'S ACCOUNT GAVE AN IMPRESSION OF SOME CONFUSION AND DISARRAY IN WASHINGTON OVER THIS ISSUE. VEST, WHO WAS ALSO PRESENT, COMMENTED THAT HE THOUGHT THE ADMINISTRATION WERE NOW AT THE TURNING POINT BETWEEN INSTANT REACTIONS AND MORE MATURE AND CAREFULLY THOUGHT OUT POLICIES. HE ADDED THAT HE HAD BEEN PRESENT AT A DISCUSSION YESTERDAY BETWEEN VANCE AND THE AUSTRALIAN PRIME MINISTER. VANCE HAD MADE IT CLEAR THAT THE EMPHASIS IN US THINKING WAS NOW PRIMARILY ON THE IMPLICATIONS OF THE SOVIET INVASION OF AFGHANISTAN. IT WAS ON THIS THAT THE US WOULD LOOK TO ITS ALLIES FOR STRONG SUPPORT. HE HAD PLACED LESS EMPHASIS ON IRAN AND TOLD MR FRASER SIMPLY THAT THE US WOULD RESORT TO SANCTIONS "IN DUE COURSE". THIS SEEMS DIFFICULT TO RECONCILE WITH THE ACCOUNT GIVEN IN PARA 1 BUT IT SERVES TO ILLUSTRATE THE HOUR TO HOUR UNCERTAINTY IN HANDLING THESE IMPORTANT ISSUES HERE.

HENDERSON

PART

4

ends:-

Tehran 107

30.1.80

PART

5

begins:-

Washington 537

1.2.80