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FM TEHRAN 081245Z DEC 79

TO IMMEDIATE FCO

TELEGRAM NUMBER 1308 OF 8 DECEMBER

INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK

YOUR TELNO 439 TO JEDDA: US-IRAN CONFRONTATION.

1. SINCE MY TELEGRAM NO 1293, THE SITUATION HAS MOVED ON IN THAT WHAT SEEMS TO BE A MAJOR MOVEMENT OF OPPOSITION TO KHOMEINI'S CONSTITUTION HAS DEVELOPED IN AZERBAIJAN, WITH THE MUSLIM PEOPLE'S REPUBLICAN PARTY (MPRP) NOW CLEARLY IN OPPOSITION TO THE ISLAMIC REPUBLICAN PARTY (IRP). I AM STILL INCLINED TO DOUBT WHETHER SHARIAT MADARI IS OF THE STUFF OF OPPOSITION LEADER, BUT HE APPEARS TO BE READY TO BE USED BY THE AZERBAIJANI OPPOSITION MOVEMENT, PRESUMABLY IN THE HOPE THAT BY SO DOING HE WILL EITHER INDUCE A CHANGE OF HEART IN KHOMEINI OR SO UNDERMINE HIM THAT HE IS REPLACED.
2. KHOMEINI FACES OTHER PROBLEMS. THE CEASE-FIRE WITH THE KURDS IS ABOUT TO END, AND HE SEEMS NO NEARER TO CONCEDEDING THE SUBSTANCE OF THE KURDISH DEMANDS, AN AUTONOMOUS KURDESTAN WITH A REGIONAL ASSEMBLY. UNEMPLOYMENT IS RAMPANT AND THE ECONOMY SHOWS NO SIGN OF PICKING UP. EFFORTS TO REVIVE IT WILL BE HINDERED BY THE ECONOMIC MEASURES ALREADY TAKEN BY THE US AND THE DISRUPTION OF HAVING TO SWITCH CURRENCIES AND SOURCES OF SUPPLY. IF, AS I BELIEVE, THE ANTI-AMERICAN MOVEMENT WHICH HE STARTED AT THE BEGINNING OF NOVEMBER WAS DESIGNED AS A DIVERSION FROM THESE OTHER TROUBLES AND TO CREATE AN ARTIFICIAL UNITY WHICH WOULD CARRY THE CONSTITUTION THROUGH, IT HAS ONLY BEEN PARTIALLY SUCCESSFUL. IN PARTICULAR, IN THE CONTEXT OF THE CONSTITUTION HE SEEMS TO HAVE MADE HIS EFFORT TOO SOON (OR THE UNDERLYING DIVISIONS WERE SO DEEP THAT EVEN IN IRAN A MERE FOREIGN DIVERSION WAS NOT ENOUGH). HE NOW THEREFORE HAS EITHER TO FIND ANOTHER DIVERSION, AND GIVEN THE DEPRECIATING EFFECTIVENESS OF SUCH TACTICS IT WOULD HAVE TO BE SOMETHING PRETTY STRIKING, OR HE WILL HAVE TO CHANGE HIS TACTICS ON THE MAIN ISSUES, UNLESS HE IS TO BE SWEEP AWAY.

SECRET

3. DESPITE WHAT I HAVE SAID ABOUT THE LACK OF FLEXIBILITY ON THE IRANIAN SIDE IN THE US/IRAN DISPUTE (E.G. IN PARAGRAPH 3 OF MY TELNO 1293), THERE ARE NOW SOME SIGNS THAT AT LEAST AT THE LEVEL BELOW KHOMEINI THERE IS A DESIRE FOR A PEACEFUL SOLUTION. QOTBZADEH AT HIS PRESS CONFERENCE YESTERDAY MORNING LEFT SEVERAL EXPERIENCED WESTERN JOURNALISTS WITH THE IMPRESSION THAT HE PERSONALLY WISHED TO FIND A WAY OUT AND TO SEE A SETTLEMENT. BANI SADR AND BAZARGAN WE KNOW TO BE OF THIS VIEW, AND WE HAVE HAD INFORMATION, ALTHOUGH IT IS IMPOSSIBLE TO BE SURE OF ITS RELIABILITY, THAT THE REVOLUTIONARY COUNCIL AS A WHOLE WOULD FAVOUR THE RELEASE OF THE HOSTAGES AND AN ENDING TO THE DISPUTE (MY TELNO 1303), SHARIAT MADARI HAD DESCRIBED THE HOLDING OF HOSTAGES AS UNISLAMIC.

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4. IF THEREFORE THERE IS A MOVEMENT DEVELOPING IN FAVOUR OF A PEACEFUL SOLUTION AND THE RELEASE OF THE HOSTAGES, IT WOULD BE SLOWED DOWN, IF NOT REVERSED, BY FURTHER ECONOMIC MEASURES AND A FORTIORI BY MILITARY MEASURES AGAINST IRAN: AND IF THE WEST AS A WHOLE WERE TO BE INVOLVED, IT SEEMS TO ME INEVITABLE THAT THE MAIN EFFECT IN THE SHORT TERM WOULD BE TO RALLY OPINION TO KHOMEINI AND TO CAUSE THE VARIOUS REGIONAL AND POLITICAL GROUPINGS OPPOSED TO HIM TO SINK THEIR DIFFERENCES IN FACE OF THE COMMON WESTERN (IMPERIALIST) ENEMY. IN FACT IT WOULD ENSURE THAT IN TRYING TO FIND A WAY OUT OF HIS DIFFICULTIES, KHOMEINI WOULD OPT FOR HEIGHTENED TENSION ABROAD RATHER THAN TACKLING HIS INTERNAL PROBLEMS. THE TRIAL OF THE HOSTAGES WITH MAXIMUM PUBLICITY IS AN OBVIOUS OPTION IN THIS CASE, WHEREAS, DESPITE THE RHETORIC, I AM NOT SURE THAT THIS IS YET FIRMLY DECIDED UPON. MILITARY ACTION WOULD, I FEEL SURE, PRECIPITATE ACTION AGAINST THE HOSTAGES.

5. IN A SITUATION IN WHICH THE GOVERNMENT'S WRIT IS AT BEST SOMEWHAT UNCERTAIN, IT IS EXTREMELY DIFFICULT TO FORECAST WHAT THE PRECISE REACTION LOCALLY IN ANY GIVEN CIRCUMSTANCE WOULD BE. TO THE EXTENT HOWEVER TO WHICH OUR VARIOUS GOVERNMENTS WERE THOUGHT TO BE ACTING TO BRING PRESSURE ON IRAN IN CONCERT WITH THE US, TO THAT EXTENT I HAVE LITTLE DOUBT THAT BRITISH AND OTHER WESTERN INTERESTS (INCLUDING OUR CITIZENS AND PERHAPS AT THE TOP OF THE LIST, ALTHOUGH I DO NOT WISH TO BE ALARMIST, EMBASSIES) WOULD RUN A GRAVE RISK OF MOB ACTION, INCLUDING, NOW THAT THE PATTERN HAS BEEN SET, THE TAKING OF HOSTAGES.

SECRET

6. IN ALL THE CIRCUMSTANCES, AND WITH A PROPER AWARENESS OF THE RESPONSIBILITY, I SERIOUSLY BELIEVE THAT IN TERMS OF THE SAFETY OF THE HOSTAGES AND OF THE WEST'S INTERESTS IN THIS AREA, IT WOULD BE WORTH EXERCISING PATIENCE A BIT LONGER TO SEE WHETHER THE INTERNAL PRESSURES I HAVE OUTLINED IN PARAS 1 AND 2 WILL NOT WORK THE TRICK. IF, AS QOTBZADEH HAS ANNOUNCED, ACCESS BY DIPLOMATS TO ALL THE HOSTAGES HAS BEEN AGREED (ALTHOUGH THE AGENCY REPORTS MAY NOT REFLECT IT, THIS IS WHAT HE SAID YESTERDAY), THIS MIGHT HELP THE US ADMINISTRATION TO HOLD OFF (ALTHOUGH IF SUCH ACCESS CONFIRMS THE WORST FEARS ABOUT THE CONDITIONS IN WHICH THE HOSTAGES ARE HELD, I RECOGNISE THAT PRESSURES FOR ACTION MAY INDEED INCREASE).

7. TWO FINAL THOUGHTS: IF A CHAPTER VII RESOLUTION IS TO BE RULED OUT, AS SIR A. PARSONS ADVISES, UNDER WHAT LEGAL POWERS WOULD IT BE INTENDED THAT WE SHOULD ACT? AS A LAYMAN IT WOULD SEEM THAT IN THE ABSENCE OF SUCH A RESOLUTION, WE COULD ONLY PROCEED TO MEASURES OF THE KIND THE AMERICANS APPEAR TO HAVE IN MIND IF WE WERE TO DECLARE A STATE OF WAR. THE AMERICANS ARE IN EFFECT THERE ALREADY, BUT WOULD WESTERN INTERESTS AS A WHOLE BE SERVED IF WE WERE TO FOLLOW THEM? SECONDLY, WE DO NEED AS MUCH NOTICE AS POSSIBLE OF ANY ACTIVE MEASURES, IN ANY CASE NOT LESS THAN 3 CLEAR DAYS IN WHICH TO THIN OUT EVEN FURTHER, OR PERHAPS PULL OUT ALTOGETHER.

GRAHAM

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