

**SECRET** 4

MEMORANDUM

## THE WHITE HOUSE

SECRET

WASHINGTON

December 3, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Daily Report

Information

Iranian Import Patterns: According to CIA, the Iranian import picture has changed dramatically since the revolution. Imports this year of perhaps \$8 billion are roughly half the 1978 level, with the decline affecting all categories of commodities except foodstuffs. Exports to Iran by major Western trade partners appear to be down by 60 to 80 percent; Japanese sales, largely industrial supplies and capital goods, have fallen proportionally the most. (C)

A handful of developed countries, led by the U.S., will continue to supply more than one-half of Iran's total import needs this year. As Iran's major source of imported food and other goods in 1978, the U.S. provided nearly \$3.7 billion, or more than one-fifth of the total. In the first nine months of 1979, U.S. exports to Iran totaled only \$883 million, compared with \$2.8 billion in the same period last year. Foodstuffs, grain, and cooking oil composed more than 40 percent of these exports. The trend in U.S. sales was generally upward from January (\$84 million) through July (\$137 million). Sales dipped to \$120 million in August and tumbled to \$69 million in September. (C)

Thatcher Government-Middle East Views: Embassy London reports that, except for the Iranian crisis, the chief Middle East concern of the Thatcher government is the Arab-Israeli problem. It believes that the Camp David accords are in the interest of all the parties and can be made to work. Mrs. Thatcher, herself, believes that Israeli obduracy is the main obstacle to the success of the Camp David process. The British are resisting pressure from the FRG and France to move the EC away from endorsement of Camp David. (S)

SECRET

Review on December 1, 1999  
Classified by Multiple Sources

State Department review completed**SECRET**

SECRET

SECRET

-2-

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South Korean Political Assessment: The only thing Ambassador Gleysteen feels safe in saying one month after the assassination of President Park is that the ROK is in much better shape than many Koreans and outsiders would have assumed. He adds that although warning signs are beginning to appear, the current atmosphere is relaxed for a country under martial law and so accustomed to political tensions. Few, if any, people argue against some degree of political liberalization and the general public have accommodated themselves to current plans with something between positive support and tolerance. (S)

The outcome of this complex process is impossible to predict, except that it is unlikely that the country will be either ripped apart by chaotic disorder or blessed with an easy transition to representative government. Gleysteen concludes that if Choi can be stiffened to move with sufficient speed and to preserve a relatively fair atmosphere between the government and opposition parties, he may be able to pull Korea through a very difficult process. Should he fail, however, the situation could deteriorate to the point where elements within the military would take power through a coup in the name of national self-preservation -- a danger which thus far appears under containment. (S)

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