

CO ANKARA

CO BAHRAIN

CO ABU DHABI

CO DUBAI

Iran

IRAN: ADVANCE COPIES

IMMEDIATE

(X-31)

PS
 PS/SIR I GILMOUR
 PS/MR HURD
 PS/PUS
~~SIR A DUFF~~ *SIR J Graham*
~~SIR A PARSONS~~ *Lord H. G. Lennox*
 MR J C MOBERLY
~~MR J BARRY~~ *HD N And*
 HD/MED
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 HD/UND (2)
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 SIR J HUNT)
 ASSESSMENTS STAFF) CABINET
 MR LE CHEMINANT) OFFICE
 DR J THOMPSON)
 CABINET OFFICE DIO
 MR F R BARRATT TREASURY

(File)

Prime Minister
mt

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FM TEHRAN 050515Z NOV 79

TO IMMEDIATE FCO

TELEGRAM NUMBER 1072 OF 5 NOVEMBER

INFO IMMEDIATE MODUK (DS11, DS14), CABINET OFFICE (CIO), WASHINGTON, KABUL, NEW DELHI, ANKARA, BAHRAIN, ABU DHABI, DUBAI, DOHA, KUWAIT, MUSCAT, JEDDA AND BAGHDAD.

MY TELNO 1063: SITUATION IN IRAN

1. THE US EMBASSY REMAINS OCCUPIED BY THE INTRUDERS (NAMED IN THIS MORNING'S PRESS AS "MOSLEM STUDENTS LOYAL TO THE IMAM") AND THE MAJORITY OF THE STAFF ARE HELD HOSTAGE. THE CHARGE D'AFFAIRES WAS HTAST NIGHT STILL AT THE MFA WITH YAZDI.

2. HOWEVER THE PUBLIC MOOD IS TO APPLAUD, NOT CONDEMN, THE STUDENTS' ACTION. ALTHOUGH KHOMEINI HIMSELF HAS NOT PRO-
NOUNCED PUBLICLY, A STATEMENT WAS YESTERDAY ISSUED FROM THE FANZIEH SCHOOL IN QOM (HIS HQ), WHICH HINTED CLEARLY AT HIS APPROVAL, AND AYATOLLAHS BEHESHTI, MONTAZERI AND LAHOUTI ARE ALSO REPORTED TO HAVE DESCRIBED THE ACTION AS UNDERSTANDABLE. THE MINISTRY OF FOREIGN AFFAIRS LAST NIGHT ISSUED A STATEMENT (TEXT BY BAG) TO THE EFFECT THAT THE ACTION WAS THE INEVITABLE CONSEQUENCE OF THE US' IGNORING IRANIAN OPPOSITION TO THE SHAH'S ADMISSION TO AMERICA AND OF FAILURE TO UNDERSTAND THE DEPTH OF IRANIAN REVOLUTIONARY SENTIMENT.

3. THE FALSE STORY PERSISTS THAT WE HAVE HARBOURED BAKHTIAR AND WE ARE LUMPED TOGETHER WITH THE US, MOST RECENTLY IN A STATEMENT BY KHOMEINI YESTERDAY TO STUDENTS IN QOM. IT IS RUMOURED THAT WE MAY BE ATTACKED TODAY.

4. ALTHOUGH THESE XENOPHOBIC TENDENCIES MAY REFLECT THE REGIME'S CONCERN AT CRITICISM FROM LIBERAL AND OTHERS, AND THE EVIDENT INABILITY OF THE GOVERNMENT TO COPE SUCCESSFULLY WITH PROBLEMS SUCH AS KURDESTAN AND THE ECONOMY, THERE IS NO DOUBT THAT KHOMEINI STILL ENJOYS MASS SUPPORT, AND THE RESPONSE TO THE ANTI-FOREIGN LEAD HE HAS GIVEN HAS BEEN ENTHUSIASTIC. (FOR EXAMPLE, BAZARGAN HAS BEEN HEAVILY CRITICISED FOR HAVING MET WITH BRZEZINSKI DURING HIS RECENT VISIT TO ALGERIA). THE REVOLUTION APPEARS TO BE TAKING ANOTHER LURCH TOWARDS EXTREMISM.

WYATT
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