

IRAN: ADVANCE COPIES

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 PS/SIR I GILMOUR  
 PS/MR HURD  
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~~SIR A DUFF~~  
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 MR J C MOBERLY  
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 MR F R BARRATT TREASURY

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FROM TEHRAN 121555Z NOV 79

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TO PRIORITY FCO

TELEGRAM NUMBER 1135 OF 12 NOVEBER

TO MODUK DS11, MODUK D14, CABINET OFFICE ( DIO) MODUK SIC UZG  
 PRIORITY WASHINGTON, EEC POSTS, BAGHDAD, KUWAIT, BAHRAIN,  
 JEDDA, ABU DHABI, MUSCAT, CAIRO, DUBAI, DOHA, DAMASCUS,  
 ANKARA, KABUL, ISLAMABAD, NEW DELHI, UKMIS NEW YORK

MYTELNO 1122: THE SITUATION IN IRAN.

1. IT IS CLEAR THAT IRAN HAS MADE A LURCH IN THE THREE WEEKS SINCE I LEFT AND ONE THAT I CONFESS I DID NOT PREDICT AT THAT TIME. THE MOST OBVIOUS EVIDENCE, OF COURSE, IS THE ATTACK ON THE AMERICAN EMBASSY AND ITS OCCUPATION, AS WELL AS THE INCURSION INTO THIS EMBASSY . THE OTHER OUTWARD SIGN IS THE ASSUMPTION OF FULL EXECUTIVE AUTHORITY BY THE REVOLUTIONARY COUNCIL FOLLOWING THE RESIGNATION OF BAZARGAN AND HIS MINISTERS . THESE DRAMATIC EVENTS, WHICH HAVE CERTAINLY CAPTURED THE HEADLINES, HAVE TO AN ASTONISHING EXTENT LEFT UNAFFECTED ORDINARY DAY-TO-DAY LIFE IN TEHRAN AND IN THE COUNTRYSIDE, AND EVEN ROUTINE BUSINESS IN THE MINISTRIES AND BANKS SEEMS TO BE PROCEEDING NORMALLY AND IF ANYTHING MORE SMOOTHLY THAN IN THE EARLIER DAYS OF THE REVOLUTION. NEVERTHELESS THERE IS CLEARLY AN UNDERLYING TENSION, REFLECTED IN THE FRENETIC QUALITY

... AND OTHER WORKS. MOST PEOPLE I HAVE TALKED

IN THE EARLIER DAYS OF THE REVOLUTION. NEVERTHELESS THERE IS CLEARLY AN UNDERLYING TENSION, REFLECTED IN THE FRENETIC QUALITY OF OFFICIAL AND OTHER PRONOUNCEMENTS. MOST PEOPLE I HAVE TALKED TO ARE AGREED THAT THE SITUATION IS DELICATE AND UNPREDICTABLE AND THAT FURTHER TROUBLE COULD BE SET OFF BY SOME EVENT OR STATEMENT OR EVEN BY A RUMOUR.

2. THERE ARE VARIOUS THEORIES TO ACCOUNT FOR THESE POLITICAL DEVELOPMENTS. THE MILITANTS OCCUPYING THE AMERICAN EMBASSY ( WHO DESCRIBE THEMSELVES AS MUSLIM STUDENTS FOLLOWING THE LINE OF KHOMEINI, THOUGH WE HAVE BEEN TOLD THAT BY NO MEANS ALL ARE IN FACT STUDENTS) APPEAR TO BE RELIGIOUS FANATICS. THEY COMBINE FUNDAMENTALISM WITH RADICAL POLITICAL AND ECONOMIC IDEAS, FOR THE MOST PART NOT CLEARLY FORMULATED OR WORKED OUT. ALTHOUGH THEY ARE NOT COMMUNISTS IN THE FORMAL SENSE, THEY HAVE MANY IDEAS IN COMMON WITH THE COMMUNISTS AND IN GENERAL THEIR ACTIVITIES ARE NO DOUBT WELCOME TO THE RUSSIANS. THE GENERAL BELIEF SEEMS TO BE THAT, WHAT EVER KHOMEINI OR THEY MAY SAY, THEY ARE RESPONSIVE TO HIS WISHES AND WERE INCITED TO THEIR ACTION AGAINST THE AMERICAN EMBASSY BY HIS STATEMENTS AND KNOWN VIEWS EVEN IF HE DID NOT ACTUALLY PUT THEM UP TO IT. THE GROUP MAY VERY WELL HAVE BEEN FORMED SPECIFICALLY FOR THIS ATTACK., NO ONE HERE HAD HEARD OF THEM BEFOREHAND. THE RESIGNATION OF THE BAZARGAN GOVERNMENT, HOWEVER, ALTHOUGH IT APPEARED TO HAVE TAKEN PLACE AS A RESULT OF THE OCCUPATION OF THE AMERICAN EMBASSY, WAS IN FACT, I HAVE BEEN TOLD, RELATED MORE TO THE CRITICISM THAT BAZARGAN AND YAZDI CAME IN FOR FOLLOWING THE FORMER'S MEETING WITH BRZEZINSKI IN ALGIERS, A MEETING WHICH IT IS CLAIMED NEITHER HE NOR YAZDI CLEARED WITH KHOMEINI IN ADVANCE.

3. ONE CURIOSITY ABOUT THE SITUATION IS THE FACT THAT THE INITIAL REACTION TO THE ARRIVAL OF THE SHAH IN NEW YORK FOR MEDICAL TREATMENT WAS VERY MILD AND THAT ANTI-AMERICAN FEELING HAS BUILT UP ONLY OVER A PERIOD OF 2 WEEKS. ONE THEORY TO ACCOUNT FOR THIS IS THAT THE RELIGIOUS AUTHORITIES AT THE TOP CAME TO THE CONCLUSION THAT WITH THE ELECTIONS ON THE HORIZON; FURTHER STUDENT UNREST WHICH RISKED A STUDENTS/REVOLUTIONARY GUARD CONFRONTATION, AND THE GOVERNMENT'S LACK OF SUCCESS OVER HOUSING, UNEMPLOYMENT, KURDESTAN ETC, THERE WAS A NEED TO STIR UP POPULAR FEELING IN A CAUSE IN WHICH VIRTUALLY ALL IRANIANS WOULD BE ABLE TO UNITE, SO AS TO ENSURE BOTH A BIG TURN-OUT AND A LARGE VOTE FOR THE ISLAMIC REPUBLICAN PARTY. THE PRESENCE OF THE SHAH IN THE U S PROVIDED SUCH A CAUSE AND THE MILITANTS' ACTION FOLLOWED. IT CLEARLY SURPRISED THE GOVERNMENT ( YAZDI AND OTHERS) AND PERHAPS EVEN SOME OF THE REVOLUTIONARY LEADERS.

OF THE SHAH IN THE U S PROVIDED SUCH A CAUSE AND THE MILITANTS' ACTION FOLLOWED. IT CLEARLY SURPRISED THE GOVERNMENT ( YAZDI AND OTHERS) AND PERHAPS EVEN SOME OF THE RELIGIOUS AUTHORITIES THEMSELVES, BUT THEY QUICKLY ADOPTED IT AND ARE NOW, AS BANI SADR'S VARIOUS STATEMENTS SHOW, RATIONALISING WHAT WAS EVENIDENTLY AN INSTINCTIVE AND ILL-CONSIDERED ACTION. IN THE PROCESS THEY ARE STIRRING UP A GENERAL SPY MANIA AND THERE IS AN OBVIOUS RISK THAT THIS COULD GET OUT OF HAND ( THE CHRISTIAN HOSPITAL IN ISFAHAN IS THE LATEST " NEST OF SPIES" TO BE " IDENTIFIED" ), A RISK OF WHICH PERHAPS THEY ARE AWARE IF THEIR PROTESTATIONS AND APPEALS ABOUT THE SECURITY OF OTHER EMBASSIES CAN BE TAKEN AS EVIDENCE.

4. I HAVE DESCRIBED THE SITUATION AS UNPREDICTABLE. SIMILARLY I CANNOT FORECAST HOW LONG THIS PHASE WILL LAST. IT SEEMS CLEAR HOWEVER THAT THE RELIGIOUS FUNDAMENTALISTS WILL BE CONFIRMED IN POWER BY THE ELECTIONS, IF WE GET THAT FAR, AND ARE LIKELY TO BE WITH US FOR SOME TIME. AS THEIR OWN POPULARITY AND THE PEOPLE'S ENTHUSIASM FOR THE REVOLUTION FOR WHICH THEY STAND WANE, AND PARTICULARLY IF THERE ARE FURTHER CHALLENGES IN THE STREETS TO THEIR AUTHORITY WHICH THEY LACK THE SECURITY APPARATUS TO CONTROL, THEY MAY BE INCREASINGLY DRIVEN TO ATTEMPTING TO RALLY SUPPORT BY ACTIONS AIMED AGAINST FOREIGNERS AND FOREIGN COUNTRIES. THIS IS GOING TO MAKE THEM EXTREMELY DIFFICULT TO HANDLE IN ANY DIFFERENCE OF OPINION, SUCH AS FOR EXAMPLE THE LARGE CLAIMS WE HAVE AGAINST THEM OVER DEFENCE SALEZBM NONETHELESS WE HAVE MAJOR INTERESTS HERE, BOTH IN THE SHORT AND LONG TERM, AND I SEE NO ALTERNATIVE TO CONTINUING TO TRY TO DEAL WITH THEM PRUDENTLY AND COOLY, GIVING AS FEW HOSTAGES FORTUNE AS WE CAN ( WE ARE NOW OPERATING WITH VIRTUALLY NO RECORDS AT ALL AND THE FEW THAT WE HAVE CAN BE SPEEDILY DESTROYED: I SHOULD BE GRATEFUL IF THIS COULD BE TAKEN INTO ACCOUNT IN ANY COMMUNICATIONS TO US). THIS SITUATION HAS IMPLICATIONS FOR STAFFING, AND I AM TELEGRAPHING SEPARATELY ON THIS

GRAHAM  
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