PS PS/SIR I GILMOUR PS/MR HURD PS/PUS MR J C MOBERLY HD/MED HD/FRD HD/NENAD (2)HD/UND (2)HD/OID HD/DEF DEPT HD/MAED (2)HD/ES & SD HD/CONS D MISS BROWN PUSD (2)NEWS D CONFIDENTIAL

IMMEDIATE

PS NO 10 DOWNING ST SIR R ARMSTRONG ASSESSMENTS STAFF MR LE CHEMINANT

CABINET OFFICE

CABINET OFFICE MR F R BARRATT TREASURY

DIO

FM TEHRAN 2310202 NOV 79 TO IMMEDIATE FCO TELEGRAM NUMBER 1216 OF 23 NOVEMBER INFO IMMEDIATE WASHINGTON

Prime amole

WASHINGTON TELNO 3872: IRAN: HOSTAGES

PARA 4 POSES THE QUESTION WHETHER THE DEPARTURE OF THE 1. SHAH FROM THE US WOULD BE LIKELY TO DEFUSE OR INFLAME THE SITUATION.

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MY JUDGEMENT IS THAT AT THE STAGE NOW REACHED, THE 2. IMMEDIATE REACTION HERE TO THE SHAH'S DEPARTURE IS LIKELY TO BE ONE OF ANGER, WITH THE RISK, BUT NOT I THINK A HIGH ONE, THAT THE TREATMENT OF THE HOSTAGES WOULD BECOME HARSHER AND/OR RATHER MORE PROBABLE. THAT SOME MIGHT BE PUT ON TRIAL. AS TUR NOTE, 29/30 NOV ARE TASSU'A AND ASHURA. WHEN EMOTIONS ARE AT THEIR HEIGHT.

ON THE OTHER HAND AS LONG AS THE SHAH REMAINS IN THE US, 3. WITHOUT A GENERAL SETTLEMENT IN THE LINES BEING DISCUSSED IN NEW YORK, THE RISK OF IRAN TRYING TO INCREASE PRESSURE ON THE US THROUGH THE HOSTAGES, INCLUDING THROUGH TRIAL, EXISTS.

4. IDEALLY THEREFORE THE DEPARTURE OF THE SHAH OUGHT TO FORM PART OF OR COINCIDE WITH ANY PACKAGE WORKED OUT IN NEW YORK.