CONFIDENTIAL GX26-

FM BRITISH INTERESTS SECTION TEHRAN 148453Z TO ROUTINE FCO

TELEGRAM NO 413 OF 14 SEPTEMBER 81. INFO ROUTINE MIDDLE EAST DISTRIBUTION. INFO SAVING TO PARIS AND WASHINGTON.

IRAN AND THE PLO.

- 1. IRAN'S RELATIONS WITH THE PLO HAVE TAKEN A TURN FOR THE WORSE RECENTLY. REPORTS OF THE MEETING BETWEEN MASOUD RAJAVI, THE EXILED LEADER OF THE MOJAHEDIN-E KHALQ, AND HANI AL-HASSAN OF THE PLO, WHOSE BROTHER WAS AT ONE TIME PLO AMBASSADOR IN TEHRAN, WERE AT FIRST PRESENTED HERE AS MALICIOUS RUMOUR. BUT THEY ARE NO LONGER DENIED AND AL-HASSAN HAS BEEN CIRTICISED IN THE PRESS FOR DAMAGING THE CREDIBILITY OF THE PLO. THE PLO AMBASSADOR HAS RECENTLY LEFT TEHRAN: I GATHER THAT HE AND HIS STAFF HAVE BEEN SAYING IN PRIVATE THAT THEY HAVE LITTLE SYMPATHY FOR THE PRESENT IRANIAN REGIME AND FIND THEMSELVES MORE IN TUNE WITH THE PHILOSOPHY OF THE MOJAHEDIN.
- I HAVE HEARD THAT PALESTINIANS TRAINING IRANIAN REVOLUTIONARY GUARDS IN NORTH TEHRAN (FOR WHICH THERE HAS BEEN PREVIOUS EVIDENCE) AND POSSIBLY ALSO PROTECTING KHOMEINI ARE NO LONGER TO BE SEEN.
- 3. IF IRAN'S RELATIONS WITH THE PLO ARE AS BAD AS IT APPEARS ONE OF THE MAJOR PLANKS OF HER FOREIGN POLICY IS BEING CUT FROM UNDER HER FEET. IT IS POSSIBLE THAT THE PROPOSAL BY THE IRANIAN FOREIGN MINISTER. MOUSSAVI. LAST MONTH FOR THE FORMATION OF A UNITED ISLAMIC FRONT TO LIBERATE PALESTINE. WHILE OFFICIALLY WELCOMED BY THE PLO AMBASSADOR HERE A FEW WEEKS AGO, ACTUALLY CAUSED MORE RESENTMENT THAN ENTHUSIASM AMONG THE PALESTINIAN LEADER SHIP.

FCO PLEASE PASS SAVING PARIS AND WASHINGTON. INKRINGTON

(REFEATED AS REQUESTED)

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