

**TOP SECRET**

Internal Situation.

IRAN.

Sanctions against Iran.  
Anglo-Iranian relations.

Possible move of the Iranian Embassy  
to NIOC House Victoria Street.

PART 1 : MAY 1979.

PART 8 : MAY 1980.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>2-6-80</del>		29.8.80		<del>8.2.81</del>			
<del>3-6-80</del>		<del>8.9.80</del>		<del>12.2.81</del>			
<del>6-6-80</del>		12-9-80.		16.2.81			
12.6.80		<del>12.9.80</del>		17.2.81			
<del>25-6-80</del>		<del>18-9-80</del>		- ends -			
30-6-80.		<del>30.9.80</del>					
9-7-80							
<del>23.7.80</del>		<del>29.10.80</del>					
<del>24.7.80</del>		<del>31.10.80</del>					
<del>30.7.80</del>		3.11.80					
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		<del>29-1-81</del>					

PREM 19/496

PART 8 ends:-

17 . 2 . 81

PART 9 begins:-

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FM WASHINGTON 180028Z FEB 81  
TO PRIORITY F C O  
TELEGRAM NUMBER 564 OF 17 FEBRUARY  
INFO TEHRAN

US/IRAN

1. STOESSEL (UNDER SECRETARY FOR POLITICAL AFFAIRS) TOLD US TODAY THAT THE ADMINISTRATION HAD COMPLETED THEIR REVIEW OF THE AGREEMENTS WITH IRAN WHICH SECURED THE RELEASE OF THE HOSTAGES AND WOULD ANNOUNCE TOMORROW THEIR DECISION TO ABIDE BY THEM. THIS WOULD NOT OF COURSE AVOID THE AGREEMENTS BEING CHALLENGED IN THE US COURTS.

2. CONSTABLE (DEPUTY ASSISTANT SECRETARY) SUBSEQUENTLY EXPLAINED THAT THE ADMINISTRATION WERE NOT MAKING A FINDING ON THE LEGALITY OR BINDING QUALITY OF THE AGREEMENTS: THEY HAD REACHED THEIR DECISION BECAUSE IT WAS IN US INTEREST TO DO SO. IN EFFECT THE AGREEMENTS PROVIDED FOR A RETURN TO THE STATUS QUO ANTE AND BROUGHT NO NEW ADVANTAGE FOR IRAN, WHILE THE CLAIMS PROCEDURES SHOULD OPERATE TO THE BENEFIT OF THE AMERICANS. THE AMERICANS WERE CONCERNED WITH THE STRATEGIC IMPORTANCE OF IRAN AND WANTED TO PROCEED TOWARDS NORMALISATION OF RELATIONS. FURTHERMORE THEY WISHED TO AVOID SNUBBING THE ALGERIANS.

3. THE ADMINISTRATION WOULD NOW MOVE AHEAD WITH IMPLEMENTATION OF THE AGREEMENTS. COURT ACTION WOULD BE REQUIRED TO LIFT THE ATTACHMENTS PLACED ON DOLLARS 2.2 BILLION OF IRANIAN ASSETS WHICH ARE TO BE PUT IN AN ESCROW ACCOUNT. US GOVERNMENT LAWYERS WERE PERSUADED THAT THE AGREEMENT WAS SOUND AND THAT THE COURTS WOULD UPHOLD IT. INDIVIDUAL CLAIMANTS COULD BE EXPECTED TO TAKE THEIR CASES TO THE SUPREME COURT BUT THE ADMINISTRATION HOPED THAT THE WHOLE PROCESS WOULD BE COMPLETED WITHIN SIX MONTHS. CONSTABLE WAS CONFIDENT THAT THE IRANIANS UNDERSTOOD THE AMERICAN NEED TO GO THROUGH THIS PROCEDURE.

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/ 4. CONSTABLE

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4. CONSTABLE FORECAST THAT THERE MIGHT, NEVERTHELESS, BE SOME DIFFERENCES OF INTERPRETATION OF PARTS OF THE AGREEMENTS, IN PARTICULAR THOSE RELATING TO THE SHAH'S ASSETS. THE AMERICANS DID NOT INTEND TO VOLUNTEER INFORMATION ON THIS TO THE IRANIANS AS THE LATTER PROBABLY EXPECTED, UNLESS LEGAL PROCEEDINGS TO RECOVER THE ASSETS WERE TAKEN.

FRETWELL

[REPETITION TO TEHRAN REFERRED FOR DEPARTMENTAL DECISION, REPEATED AS REQUESTED TO OTHER POSTS]

IRAN STANDARD

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FM STOCKHOLM 161435Z FEB 1981  
TO IMMEDIATE FCC (DESKBY 161530Z)  
TELEGRAM NUMBER 55 OF 16 FEBRUARY 1981  
INFO PRIORITY TEHRAN

TEHRAN TELNO 41: DETAINEES

BUNDY MADE A CAUTIOUS TELEPHONE CALL TO SWEDISH MFA THIS MORNING TO SAY THAT HE HAD ACTED AS IN PARA 2 OF TUR AND THAT SOMEONE (HE DID NOT REVEAL WHO) HAD ASSURED HIM THAT THE PROBLEM WAS CLEARED UP AND THE DETAINEES WOULD BE RELEASED QUOTE ANY TIME UNQUOTE. MFA ARE DUBIOUS AND AWAIT BUNDY'S TELEGRAPHIC REPORT.

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MR BULLARD  
MR ADAMS  
MR J C MOBERLY  
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71 HILLS

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OO FCO DESKBY 081930Z FEB

*Prime Minister has seen.  
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 FM DELHI 081746Z FEB 81  
 TO IMMEDIATE FCO  
 TELNO 87 OF 08 FEBRUARY

FOR RESIDENT CLERK

BRITISH SUBJECTS DETAINED IN IRAN

THE SWEDISH EMABSSY, NEW DELHI, TONIGHT PASSED US THE FOLLOWING MEMORANDUM AND TOLD US THAT LEIFLAND HAD PARTICULARLY ASKED THAT IT BE CONVEYED TO LONDON TODAY.

QUOTE

1. MEMORADUM OF CONVERSATION BETWEEN THE DEPUTY PRIME MINISTER OF IRAN MR RFASANJABI AND LEIF LEIFLAND, PERMANENT UNDER SECRETARY, MINISTRY FOR FOREIGN AFFAIRS, STOCKHOLM.

THE CONVERSATION TOOK PLACE ONBOARD THE SPECIAL AIRPLANE TAKING THE IRANIAN DELEGATION TO THE NON-ALIGNED CONFERENCE TO NEW DELHI ON SUNDAY, FEBRUARY 9, 1981.

THE CONVERSATION TOOK PLACE ONBOARD THE SPECIAL AIRPLANE CARRYING THE  
IRANIAN DELEGATION TO THE NON-ALIGNED CONFERENCE TO NEW DELHI ON  
SUNDAY, FEBRUARY 8, 1981.

MR RAFSANJABI, WHOM I HAD MET EARLIER IN TEHRAN ON FEBRUARY 7 FOR  
DISCUSSIONS CONCERNING THE FOUR BRITISH SUBJECTS DETAINED IN TEHRAN,  
RELATIONS BETWEEN IRAN AND SWEDEN ETC, ASKED IF I HAD HAD THE  
OPPORTUNITY TO SEE THE DETAINEES. I ANSWERED THAT I HAD MET BOTH  
THE FOUR BRITONS AND, RATHER UNEXPECTEDLY, THE US CITIZEN C DWYER.  
IN REPLY TO RAFSANJABI'S QUESTION, I SAID THAT I HAD FOUND THE FOUR  
BRITONS IN EXCELLENT SHAPE. THEY HAD TOLD ME THEY HAD NO COMPLAINTS  
AS TO THEIR TREATMENT. THEY WERE OF COURSE ANXIOUS TO BE RELEASED  
I ADDED. RAFSANJABI REPLIED THAT HE WAS "CONVINCED" THAT THEY  
WOULD BE RELEASED SOON. IRAN, HOWEVER, WAS GOING THROUGH A  
REVOLUTION. FOUR OR FIVE ATTEMPTS OF COUP D'ETATS HAD BEEN MADE.  
FOR THOSE REASONS THE AUTHORITIES HAD TO BE CAUTIOUS. " BUT I AM  
SURE THE QUESTION WILL BE SOLVED SOON, THOUGH A LOT OF SIGNATURES  
WILL BE NEEDED."

2. LEAVING TEHRAN AFTER FIVE HECTIC DAYS AND SOME MOST  
SURREALISTIC EXPERIENCES MY CONCLUSION IS IN SHORT: YES, THE FOUR  
BRITISH SUBJECTS WILL BE FREE TO LEAVE WITHIN A SHORT TIME,  
PERHAPS THE WEEK STARTING ON FEBRUARY 9. PROFESSIONAL PRUDENCE  
WOULD PERHAPS ADVISE ME TO ADD SOME CAVEATS, BUT MY IMPRESSION REM-  
AINS, THE IRANIAN DECISION MAKING PROCESS - SLOW AND UNCOORDINGATED -  
IS WORKING TOWARDS THE CONSENSUS DECISION OF RELEASING THE FOUR  
BRITISH SUBJECTS.

EN ROUTE TEHRAN - NEW DELHI, FEBRUARY 8, 1981.  
LEIF LEIFALND

UNQUOTE

THOMSON

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GRS 630

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FM STOCKHOLM 041320Z FEB 1981

TO PRIORITY FCO

TELEGRAM NUMBER 50 OF 4 FEBRUARY 1981

CONFIDENTIAL

*Sounds encouraging -  
Read it full. [Signature]*

FOLLOWING IS TEXT OF UNOFFICIAL TRANSLATION PREPARED IN EMBASSY OF TELEGRAM ( OF WHICH YOU ALREADY HAVE A COPY) RECEIVED BY MFA FROM SWEDEN'S AMBASSADOR BUNDY REPORTING ON HIS CONVERSATION WITH BEHESHTI ON 3 FEBRUARY IN TEHRAN.

BEGINS: 1. HAD THE EXPECTED MEETING WITH BEHESHTI TODAY. AS USUAL IT WAS SHORT. BEHESHTI, WHO HAD BEEN INFORMED IN ADVANCE OF THE PURPOSE OF MY VISIT, SAID IN REPLY TO MY QUESTION CONCERNING THE POSITION WITH REGARD TO THE FOUR, THAT THE JUDICIAL AUTHORITIES WERE NOW BUSY CONCLUDING THEIR INVESTIGATIONS IN ORDER TO BE ABLE TO ESTABLISH FINALLY WHETHER THERE WERE ANY QUOTE DOCUMENTS UNQUOTE WHICH MIGHT INDICATE THAT THE FOUR HAD BEEN GUILTY OF CRIMINAL ACTS. THEY HAD BEEN ACCUSED QUOTE ONLY ACCORDING TO THE REVOLUTIONARY LAW UNQUOTE AND IF THEY SHOULD PROVE TO BE INNOCENT OF ESPIONAGE OR ANY OTHER CRIME ACCORDING TO THAT LAW, THEY WOULD BE RELEASED. THE DOCUMENTS ON THE BASIS OF WHICH THEY WERE TO HAVE BEEN CHARGED WITH ESPIONAGE QUOTE WERE NOT ENOUGH UNQUOTE FOR THEM TO BE REGARDED AS GUILTY.

BEHESHTI SAID HE BELIEVED THAT QUOTE IN A FEW DAYS THE JUDGE WILL DECIDE UNQUOTE. IN REPLY TO MY QUESTION WHETHER QUOTE A FEW DAYS UNQUOTE MEANT TWO OR THREE DAYS, BEHESHTI REPLIED THAT HE COULD NOT GIVE ANY QUOTE EXACT TIME UNQUOTE. IT COULD TAKE QUOTE TWO DAYS OR SHORTER OR LONGER. BUT THIS IS NOT IMPORTANT. AT ANY RATE IN A FEW DAYS IT WILL BE FINISHED. UNQUOTE. DID QUOTE FINISHED UNQUOTE MEAN RELEASE? BEHESHTI REPLIED THAT BY THIS HE MEANT A DECISION ON THE QUESTION OF GUILT, AND ADDED THAT QUOTE THEY DID NOT FIND ANY DOCUMENTS IN THEIR CASE UNQUOTE. BEHESHTI ALSO REPLIED IN THE AFFIRMATIVE TO MY DIRECT AND EXPRESS QUESTION THAT THIS APPLIED TO ALL FOUR.

2. BEHESHTI THEN WENT ON TO SPEAK OF THE TWO IRANIANS CHARGED IN CONNECTION WITH THE BOMB EXPLOSION IN LONDON. HE EMPHASISED THAT THEY WERE EXPECTING THE BRITISH GOVERNMENT TO QUOTE TAKE CARE OF THEM AND TREAT THEM WELL UNQUOTE. OTHERWISE IT WOULD HAVE TO TAKE THE RESPONSIBILITY FOR QUOTE THE RAGE ACTIVITY OF THE IRANIAN REVOLUTIONARY PEOPLE UNQUOTE. FURTHERMORE, THE IRANIAN EMBASSY IN LONDON SHOULD BE ALLOWED TO VISIT THEM IN ORDER TO ASSURE THEMSELVES OF THEIR QUOTE WELLBEING UNQUOTE. THE PEOPLE OF IRAN COULD NOT ACCEPT QUOTE NON-HUMANITARIAN TREATMENT UNQUOTE OF ANY IRANIAN WHETHER IT WAS IN ENGLAND, THE SOVIET UNION OR ANY OTHER COUNTRY. THE IRANIAN GOVERNMENT WAS QUOTE VERY VERY SENSITIVE UNQUOTE ON THIS POINT, HE STRESSED.

I REPLIED THAT THE BODY OF THE IRANIAN KILLED IN THE EXPLOSION HAS BEEN REPATRIATED AND THAT THE INJURED MAN HAD RECEIVED

*/MEDICAL*

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MEDICAL ATTENTION AND HAD NOW RECOVERED. RELATIVES OF ONE OF THE IRANIANS HAD FURTHERMORE RECEIVED VISAS TO VISIT HIM IN PRISON. NOR WAS THERE ANYTHING TO PREVENT THE IRANIAN EMBASSY FROM VISITING THE TWO MEN. THIS OPPORTUNITY HAD NOT, HOWEVER, BEEN TAKEN UP, SO FAR AS I WAS AWARE. WE, FOR OUR PART, HAD RECEIVED NO CORRESPONDING PERMISSION TO VISIT THE BRITISH DETAINEES DESPITE REPEATED APPLICATIONS. BEHESHTI REPLIED WITH A REFERENCE TO THE INVESTIGATIONS CURRENTLY TAKING PLACE AND ADDED THAT QUOTE AT ANY RATE IT WILL FINISH UNQUOTE.

3. I INTERPRET THE CONVERSATION WITH BEHESHTI AS POSITIVE, AND REGARD HIS STATEMENT AS CONFIRMATION THAT THEY HAVE ALREADY DECIDED HERE TO RELEASE THE FOUR IN CONJUNCTION WITH THE CELEBRATION OF THE SECOND ANNIVERSARY OF THE REVOLUTION. IT SEEMS TO ME THAT THE CIRCUMSTANCES THAT BEHESHTI WAS UNWILLING TO BE MORE PRECISE ABOUT THE TIMING OF THE RELEASE SHOULD NOT BE TAKEN TOO SERIOUSLY. I AM INCLINED TO SEE IN THIS A FAIRLY NAIVE ATTEMPT ON HIS PART TO KEEP US ON TENDERHOOKS.

4. WITH REGARD TO THE BRITISH DESIRE FOR EARLY NORMALISATION OF RELATIONS WITH IRAN I BELIEVE IT WOULD BE OF GREAT VALUE IF THEY COULD BRING FORWARD THE DATE OF THE TRIAL OF THE TWO IRANIANS.  
ENDS

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NEWS	PS/PS
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NAO	PS/PS
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UND	MR J. C. MOERLY
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FM STOCKHOLM 031640Z FEB 1981  
TO PRIORITY FCG  
TELEGRAM NUMBER 46 OF 3 FEBRUARY 1981

MIPT: IRANIAN MILITARY PURCHASES IN BRITAIN.  
FOLLOWING IS TEXT TELEGRAM FROM THE SWEDISH EMBASSY IN TEHRAN:  
BEGINS:

1. WE HAVE RECEIVED THE FOLLOWING NOTE FROM THE MFA REGARDING FULFILMENT OF CONTRACTS RELATING TO IRANIAN MILITARY PURCHASES IN BRITAIN. BIS HAS RECEIVED A COPY OF THE NOTE.
2. QUOTE MINISTRY OF FOREIGN AFFAIRS OF THE ISLAMIC REPUBLIC OF IRAN PRESENTS ITS COMPLIMENTS TO THE ROYAL SWEDISH EMBASSY, BRITISH INTERESTS SECTION AND HAS THE HONOUR TO STATE THAT AS THE EMBASSY IS AWARE SOME OF THE MILITARY ITEMS AND FACILITIES WHICH HAVE BEEN PURCHASED BY MINISTRY OF DEFENCE AND RELEVANT ORGANISATIONS FROM THE BRITISH COMPANIES LONG TIME AGO, BECAUSE OF SOME PROBLEMS AND DISORDERS ARE STILL NOT DELIVERED TO THE IRANIAN RELEVANT AUTHORITIES.

MINISTRY OF FOREIGN AFFAIRS OF THE ISLAMIC REPUBLIC OF IRAN EXPECTS THE AUTHORITIES OF BRITISH GOVERNMENT TO HAVE THE NECESSARY COOPERATION IN ORDER TO SOLVE THE PROBLEMS AND LIMITATIONS, ESPECIALLY TO ARRANGE TO DELIVER ALL THE PURCHASED ITEMS AS SOON AS POSSIBLE.

MINISTRY OF FOREIGN AFFAIRS OF THE ISLAMIC REPUBLIC OF IRAN AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE ROYAL SWEDISH EMBASSY THE ASSURANCES OF ITS HIGHEST CONSIDERATION UNQUOTE.  
ENDS.

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MR J C MOBEELY

LORD BRIDGES

LORD N G LENNOX

MR EVANS

~~MISS BROWN~~ *McNeill/Scott*

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*Mr Bullard*

*Mr Ferguson*

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*Mr Ure*

*Head Planning Staff.*

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DESKBY 270900Z

FM WASHINGTON 270110Z JAN 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 263 OF 26 JANUARY

INFO STOCKHOLM AND TEHRAN

IMMEDIATE

ADVANCE COPY

MY TALK WITH HAIG: IRAN

1. AT THE END OF MY MEETING WITH HAIG TODAY, HE RAISED THE SUBJECT OF IRAN. HE SAID THAT HE RECOGNISED OUR PARTICULAR PROBLEM WITH OUR FOUR DETAINEES (HE REFERRED TO THE THREE REMAINING AMERICAN PRISONERS). HE WAS DOING WHATEVER HE COULD TO KEEP THE TEMPERATURE DOWN. HE WAS WELL AWARE OF THE RISK THAT, AS THE RETURNED HOSTAGES BEGAN GIVING INTERVIEWS TO THE MEDIA, THERE MIGHT BE AN EVEN MORE EMOTIONAL AMERICAN REACTION. HE WOULD TRY TO CONTAIN IT.

2. ON THE DEAL OVER THE HOSTAGES, HE SAID THAT HE AND THE STATE DEPARTMENT HAD WORKED OUT WITH THE WHITE HOUSE A VERY CAREFUL



IRAN

PS/SIR I GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR J GRAHAM  
 MR J C MOBERLY  
 LORD BRIDGES  
 LORD N G LENHOX  
 MR EVANS  
 MISS BROWN  
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MR R WILLIAMS CRE5 DOT  
 MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI  
 MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

*mt*

Read in full

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FM STOCKHOLM 230610Z JAN 1981  
 TO IMMEDIATE FCO (DESKBY 231000Z)  
 TELEGRAM NUMBER 32 OF 23 JANUARY 1981  
 MY TELNO 30: BRITISH DETAINEES IN IRAN

**IMMEDIATE**

**ADVANCE COPY**

1. FOLLOWING IS UNOFFICIAL TRANSLATION OF BUNDY'S TELEGRAPHIC REPORT ON HIS MEETING WITH RAFSANJANI.

BEGINS: REFERENCE THE FOUR

1. HAD THE EXPECTED MEETING TODAY WITH VICE PREMIER MOHAMMAD RAFSANJANI TO DISCUSS THE FOUR DETAINEES. AFTER A BRIEF PRESENTATION OF THEIR CASE, I REMINDED MY INTERLOCUTOR OF THE QUOTE SWAP UNQUOTE PROPOSAL PUT TO US A LITTLE OVER A WEEK AGO, WHICH IMPLIED THAT, DESPITE WHAT HAD BEEN TOLD TO ME AND TO MR WAITE TO THE EFFECT THAT THEY WERE ENTIRELY INNOCENT IT COULD NOT BE EXPECTED THAT THE FOUR BRITISH SUBJECTS WOULD BE RELEASED UNTIL AFTER THE REPATRIATION OF THE TWO IRANIANS, WHO EVIDENTLY WERE GUILTY OF A SERIOUS CRIME UNDER BRITISH LAW. AFTER HAVING POINTED OUT IN THIS CONTEST WHAT I HAD ALREADY TOLD TAGHAVI AND REPEATED THE POINTS MADE BY LONDON I PUT A DIRECT QUESTION TO RAFSANJANI TO AS TO WHETHER THE IRANIAN GOVERNMENT QUOTE OFFICIALLY UNQUOTE SUPPORTED THE COURT'S DEMAND FOR A QUOTE SWAP UNQUOTE.

TO AS TO WHETHER THE IRANIAN GOVERNMENT QUOTE OFFICIALLY UNQUOTE SUPPORTED THE COURT'S DEMAND FOR A QUOTE SWAP UNQUOTE.

I ALSO DREW RAFSANJANI'S ATTENTION PARTICULARLY TO THE CIRCUMSTANCE THAT WE STILL HAD NOT RECEIVED PERMISSION TO SEE THE FOUR BRITONS DESPITE REPEATED REQUESTS, THIS HAD ALSO UPSET ME AT A PURELY PERSONAL LEVEL. WE OF COURSE APPRECIATED THE FACT THAT MR WAITE HAD BEEN GIVEN PERMISSION TO VISIT THE DETAINEES. HOWEVER, THIS TIME IT WAS A QUESTION OF THE FOUR BRITISH SUBJECTS OFFICIAL REPRESENTATIVE IN IRAN FOR WHOM SUCH PERMISSION WAS A SELF-EVIDENT RIGHT UNDER THE VIENNA CONVENTION.

2. RAFSANJANI REPLIED THAT BEFORE ANSWERING MY QUESTIONS HE WOULD LIKE TO MAKE A COUPLE OF OBSERVATIONS.

(1) THE FIRST RELATED TO LORD CARRINGTON'S PRESS STATEMENT SOME TIME IN THE MIDDLE OF NOVEMBER IN WHICH, HE WHOLLY INADEQUATELY AND TENDENTIOUSLY, DESCRIBED THE FOUR BRITISH SUBJECTS AS HOSTAGES. WHAT RIGHT HAD THE BRITISH FOREIGN SECRETARY TO USE THIS WORD BEFORE THE IRANIAN COURT HAD PRONOUNCED?

DURING HIS CONVERSATION WITH LORD CARRINGTON ON 23 NOVEMBER, RAFSANJANI CLAIMED ALSO TO HAVE SAID THAT THIS STATEMENT WAS NOTHING OTHER THAN QUOTE PROVOCATION AGAINST IRAN UNQUOTE, BY NO MEANS CALCULATED TO QUOTE IMPROVE OUR RELATIONS UNQUOTE. THE BBC AND THE PRESS HAD UNFORTUNATELY ELECTED IN THE PAST FEW DAYS TO USE THE SAME GROUNDLESS TERMINOLOGY. THIS HAD BEEN RECEIVED HERE AS DEFAMATORY TO IRAN AND CALCULATED ONLY TO CREATE MORE PROBLEMS THAN IT SOLVED. IRAN WAS NOT A COUNTRY THAT WENT IN FOR TAKING HOSTAGES. THE OCCUPATION OF THE AMERICAN EMBASSY WAS A SPECIAL CASE, THE EXPLANATION FOR WHICH WAS NOW WELL KNOWN I.E. THE SPONTANEOUS REACTION OF THE PEOPLE OF IRAN TO 30 YEARS OF CRIMINAL HARASSMENT BY THE UNITED STATES IN IRAN. QUOTE WE DO NOT EXPECT OR ACCEPT PROVOCATIONS IN NEWS MEDIA UNQUOTE. IF THEY CONTINUED NO NORMALISATION OF RELATIONS COULD BE EXPECTED.

(II) WITH REGARD TO THE THREE IRANIANS, RAFSANJANI STRESSED THAT QUOTE AS HUMAN BEINGS WE ARE CONCERNED ABOUT THEM UNQUOTE. THEY HAD BEEN REMANDED ON SUSPICION OF CAUSING A BOMB EXPLOSION. STUDENTS IN LONDON TO WHOM HE HAD SPOKEN HAD SAID THE THREE WERE INNOCENT. SOMEONE HAD TELEPHONED QUOTE TO A MAN THERE UNQUOTE (QUOTE THERE UNQUOTE MAY REFER TO THE IRANIAN EMBASSY) AND ASKED (?) HIM TO GO TO A CERTAIN HOTEL ROOM TO COLLECT A QUOTE MESSAGE UNQUOTE. WHEN THE MAN ARRIVED AT THE HOTEL ROOM, HE FOUND THE DOOR OPEN AND THE ROOM EMPTY. ON THE BED LAY AN IRANIAN NEWSPAPER WHICH HE SAT DOWN TO READ, WHEREUPON AN EXPLOSION OCCURRED. I ASSUME IN THIS CONNECTION THAT ALL THREE WENT TO THE HOTEL ROOM, THAT ONLY ONE (THE DEAD MAN) WENT IN, AND THAT THE OTHER TWO REMAINED OUTSIDE AND THUS ESCAPED SHARING HIS FATE. RAFSANJANI SAID THAT WE WERE DEALING HERE WITH TWO VERSIONS OF

OTHER TWO REMAINED OUTSIDE AND THUS ESCAPED SHARING HIS FATE. RAFSANJANI SAID THAT WE WERE DEALING HERE WITH TWO VERSIONS OF WHAT HAPPENED, THE BRITISH VERSION AND THAT OF THE STUDENTS, AND THAT THE LATTER VERSION MUST NOT BE DISREGARDED. THIS DID NOT HOWEVER IMPLY ANY ALLEGATION AGAINST THE BRITISH POLICE, NOR DID HE WANT TO QUOTE PASS THE FINAL JUDGEMENT UNTIL THE BRITISH COURT HAS DECIDED THE TRUTH UNQUOTE. BUT HE COULD NOT EXCLUDE THE POSSIBILITY THAT THE THREE IRANIANS MIGHT HAVE BEEN THE VICTIMS OF AN ANTI- REVOLUTIONARY PLOT.

(III) PEOPLE HERE HAD BEEN UPSET OF THE FAILURE TO RETURN THE BODY OF THE DEAD MAN. FOR MUSLIMS, IT WAS AN IMPORTANT RELIGIOUS MATTER TO BURY THEIR DEAD WITHIN 24 HOURS.

(IV) MR WAITE'S STATEMENT TO THE BRITISH PRESS THAT THE FOUR WERE INNOCENT HAD COME AS A SURPRISE. SO FAR AS RAFSANJANI WAS AWARE THE COURT HAD NOT YET COME TO ANY CONCLUSION. DID WAITE BASE HIS STATEMENT ON AN ORAL OR WRITTEN MESSAGE FROM A PERSON IN AUTHORITY? IF NOT, RAFSANJANI ASKED, WHAT MOTIVE COULD HE HAVE HAD FOR MAKING THIS REGRETTABLE STATEMENT.

3. RAFSANJANI THEN WENT ON TO COMMENT ON MY REMARKS UNDER 1.

(3.1.) HE STRESSED THAT QUOTE IT IS NOT OUR OFFICIAL POSITION NOT TO RELEASE THE FOUR UNTIL THE THREE IRANIANS ARE REFATRIATED UNQUOTE. IF THE BRITISH CONSIDER THEY WERE IN A POSITION TO SHOW LENIENCY TOWARDS THE TWO SURVIVORS, QUOTE WE HOPE THEY WILL DO THAT AND LET THEM GO. I WILL NOT SAY THEY WILL DO IT UNQUOTE. ONE SHOULD AVOID QUOTE MAKING A MESS FOR EACH OTHER UNQUOTE. WHAT THEY COULD NOT ON THE OTHER HAND ACCEPT WAS HOLDING ON TO THE BODY OF THE DEAD MAN.

HE PROMISED TO ASCERTAIN FROM THE COURT WHETHER THE FOUR WERE INNOCENT OR NOT. IN THE EVENT OF THE FORMER, QUOTE WE WILL LET THEM GO AS SOON AS POSSIBLE. I MAKE YOU THAT ASSURANCE UNQUOTE.

(11) HE ALSO HELD OUT THE PROSPECT OF A RESPONSE TO OUR REPEATED REQUESTS FOR PERMISSION TO VISIT THE FOUR DETAINEES. WITHOUT WISHING TO ANTICIPATE THE RESULT, HE PROMISED TO DO HIS BEST.

4. IN MY REPLY, I BEGAN BY THANKING HIM FOR HIS REASSURING AND HOPEFUL REPLY(3).

(4.1.) WITH REGARD TO LORD CARRINGTON'S STATEMENT, I STRESSED THAT ONE SHOULD BE CAREFUL NOT TO EXAGGERATE ITS SIGNIFICANCE AND IMPLICATIONS. FOR MY PART, I HAD TAKEN IT TO BE QUOTE A SLIP OF THE TONGUE UNQUOTE, SOMETHING TO WHICH BUSY POLITICIANS WERE OCCASIONALLY SUBJECT, NOT LEAST IN AN EMOTIONALLY- CHARGED CONTEXT SUCH AS THIS. RAFSANJANI NODDED AGREEMENT.

WITH REGARD TO ANY COMMENTS BY THE BBC AND THE PRESS WHICH MIGHT HAVE BEEN DISTASTEFUL TO IRAN, I REFERRED TO THE FREEDOM OF EXPRESSION AND FREEDOM OF THE PRESS WHICH OBTAINED IN THE UNITED KINGDOM, SWEDEN AND, SO FAR AS I UNDERSTOOD, IRAN. ASKING



EXPRESSION AND FREEDOM OF THE PRESS WHICH OBTAINED IN THE UNITED KINGDOM, SWEDEN AND, SO FAR AS I UNDERSTOOD, IRAN. ASKING THE BRITISH GOVERNMENT TO MUZZLE THE MEDIA WAS ASKING THE IMPOSSIBLE, QUITE APART FROM THE FACT THAT THE VERY ATTEMPT WAS LIKELY TO RUN THE RISK OF BEING COUNTER-PRODUCTIVE, TO SAY THE LEAST.

4.2 I PROMISED TO PASS ON THE LONDON STUDENTS' VERSION OF THE POSSIBLE CAUSE OF THE EXPLOSION TO THE BRITISH AUTHORITIES.

4.3 SO FAR AS I UNDERSTOOD, THE BODY OF THE DEAD MAN PRESENTED NO PROBLEMS. I ASSURED MY INTERLOCUTOR THAT I FOR MY PART WOULD DO EVERY THING WITHIN MY POWER TO SPEED UP THE PROCESS OF IDENTIFICATION WHICH WAS UNFORTUNATELY A LEGAL PRE-CONDITION FOR EXTRADITION OF THE BODY.

4.4. I SAID I WAS UNABLE TO COMMENT ON WAITE'S STATEMENTS

4.5. FINALLY, I SAID THAT LEGAL ACTION AGAINST THE TWO COULD NOT BE PREVENTED, AND THAT THE BRITISH GOVERNMENT HAD NO POWER TO QUOTE INTERFERE WITH BRITISH LEGAL PRACTICES UNQUOTE. I RECALLED IN THIS CONTEXT THAT THE TWO IRANIANS WERE ENTITLED TO RECEIVE VISITS BUT THAT THE IRANIAN EMBASSY, FOR EXAMPLE, HAD SO FAR SHOWN NO SIGNS OF TAKING ANYTHING WHATSOEVER TO DO WITH THEM. A DEFENCE COUNSEL HAD BEEN APPOINTED, WHOSE PROFESSIONAL LOYALTY TOWARDS HIS TWO CLIENTS COULD NOT FOR ONE MOMENT BE QUESTIONED. BEFORE WE PARTED, RAFSANJANI ASSURED ME THAT HE WOULD REVERT TO THE MATTER AS SOON AS POSSIBLE.

5. IT IS OBVIOUS THAT THERE IS IRRITATION HERE BECAUSE THE QUESTION OF A QUOTE SWAP UNQUOTE HAS LEAKED OUT. THE ATTITUDE OF THE REVOLUTIONARY COURT IS REPORTED TO HAVE HARDENED STILL FURTHER THEREAFTER. IT IS NOT EASY TO SAY WHO WAS RESPONSIBLE FOR THE LEAK. THE IMPRESSION I HAVE IS THAT NOT ONLY THE REPRESENTATIVES OF THE COURT BUT ALSO THE CLERICS ARE OPPOSED TO RELEASE WITHOUT A QUOTE SWAP UNQUOTE. THEY WANT TO HAVE BOTH THE SURVIVORS BACK AS SOON AS POSSIBLE. BEHIND THIS SEEMS TO LIE A FEAR THAT THE TWO IRANIANS MAY EVENTUALLY LET SOMETHING SLIP WHICH THEY ARE ANXIOUS HERE TO KEEP SECRET AT ALL COSTS.

THE IMPRESSION I HAVE RECEIVED IS THAT RAJAI AND HIS QUOTE OFFICE UNQUOTE ARE QUOTE DEAD AGAINST LINKING THE TWO CASES AND IN FAVOUR OF THE RELEASE UNQUOTE-- AN ATTITUDE WHICH I ALSO FOUND TO BE SHARED BY RAFSANJANI, DESPITE THE FACT THAT IN MAKING HIS PROPOSAL ABOUT QUOTE LENIENCY UNQUOTE, HE WAS ANXIOUS AT THE SAME TIME TO PROTECT THE INTERESTS OF THE MULLAHS. ONE OF MY INTERLOCUTORS INCIDENTALLY DESCRIBED RAFSANJANI AS QUOTE A GOOD BOY UNQUOTE.

6. AS I SAID, I MEET BEHESHTI ON TUESDAY AT 0700 HOURS. THE CIRCUMSTANCE OF HIS SEEING ME AGAIN AFTER BARELY A WEEK SEEMS TO ME WITHOUT PREJUDGING THE OUTCOME, A GOOD OMEN. GRATEFUL FOR FURTHER

ME WITHOUT PREJUDGING THE OUTCOME, A GOOD OMEN. GRATEFUL FOR FURTHER INSTRUCTIONS BY MONDAY MORNING AT THE LATEST. PARTICULARLY ANXIOUS TO BE ABLE TO SAY SOMETHING, IF NECESSARY, ABOUT WHEN WE CAN EXPECT THE BODY TO BE REPATRIATED.

7. ACCORDING TO INFORMATION AT THE LAST MOMENT FROM THE FOREIGN MINISTRY, LONDON IS SUPPOSED TO HAVE ANNOUNCED VIA THE BBC THAT THE UNITED KINGDOM IS NOT PREPARED TO NORMALISE RELATIONS WITH IRAN, OR TO RELEASE THE MILITARY EQUIPMENT IRAN NEEDS, EVEN THOUGH SANCTIONS ARE BEING RAISED. MY INFORMANT SAID HE HAD INSTRUCTIONS TO SAY QUOTE THAT THIS IS NOT A REGULAR CHANNEL THAT WE WANT TO DEAL WITH THE UK UNQUOTE.

THE BRITISH SHOULD FURTHERMORE HAVE QUOTE KEPT IT QUIET UNQUOTE.  
ENDS

MURRAY

NNNN

SENT /RECDAT 23/1000Z LAN/JGV

CONFIDENTIAL

GPS 125

CONFIDENTIAL

FM WASHINGTON 230112Z JAN

TO IMMEDIATE F C O

TELNO. 225 OF 23 JANUARY 1981,

INFO STOCKHOLM.

*This resulted from your  
request to had amplify  
at Cabinet yesterday.*

RELEASE OF US HOSTAGES

1. ACTION TAKEN WITH SEITZ, MEMBER OF HAIG'S OFFICE, WHO UNDERTOOK TO CONVEY YOUR CONCERN TO HAIG IMMEDIATELY.
  2. SEITZ SAID THAT SPEAKING PERSONALLY HE FEARED THAT IT WOULD BE DIFFICULT TO CONTAIN THE SENSE OF POPULAR OUTRAGE AT THE TREATMENT OF THE HOSTAGES EVEN FOR THE SAKE OF THE FOUR BRITISH AND INDEED THREE AMERICAN DETAINEES (NOTHING TO DO WITH THE EMBASSY SEIZURE) STILL IN IRAN. SEITZ SAID THAT ALTHOUGH HE KNEW OF NO INSTANCE OF WORSE TREATMENT THAN THOSE ALREADY IN THE PRESS, IT WAS NOW CLEAR THAT ALMOST EVERY ONE OF THE HOSTAGES HAD BEEN BADLY TREATED, WITH MOCK EXECUTIONS A REGULAR FEATURE, AND THAT THIS HAD CONTINUED RIGHT UP TO THE TIME OF THEIR RELEASE. SOME OF THEM WERE IN A SERIOUS PSYCHOLOGICAL STATE.
- ~~\_\_\_\_\_~~

HENDERSON

IRAN STANDARD

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GRS 73  
CONFIDENTIAL  
DESKBY 221830Z  
FM FCO 221645Z JAN 81  
TO IMMEDIATE WASHINGTON  
TELEGRAM NUMBER 100 OF 22 JANUARY  
INFO STOCKHOLM

MY GUIDANCE TELNO: 8: RELEASE OF US HOSTAGES

1. PLEASE FIND SOME WAY OF GETTING ACROSS TO THE AMERICAN  
ADMINISTRATION MY CONCERN THAT PROSPECTS FOR THE RELEASE OF THE  
FOUR BRITISH DETAINEES COULD BE AFFECTED BY AMERICAN ACTIONS  
AND STATEMENTS ABOUT THE IRANIANS FOLLOWING THE RELEASE OF THE  
AMERICAN HOSTAGES.

CARRINGTON

IRAN STANDARD

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DEPARTMENT OF TRADE  
1 VICTORIA STREET  
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 5144  
SWITCHBOARD 01 215 7877

From the  
Minister for Trade's Office

S J Gomersall Esq  
Private Secretary to the  
Lord Privy Seal  
Foreign and Commonwealth Office  
Whitehall  
London SW1

21 January 1981

*Dear Stephen*

IRAN

Thank you for letting us have a copy of your letter of 20 January to Nick Sanders and the proposed statement. My Minister minuted the Prime Minister on 19 January to suggest that the decision on arms for Iran should mirror the actions of our Allies. If that is agreed, it should follow that the last two sentences of the draft statement are omitted.

The Notes for Supplementaries should explain that decisions on export licences for arms will take account, inter alia, of the policies adopted by other Western nations.

I am sending copies of this letter to Michael Alexander (No.10), Brian Norbury (Ministry of Defence), Ian Ellison (Department of Industry), Robin Birch (Duchy of Lancaster) and John Wiggins (Treasury).

*Yours ever*

KEITH LONG  
Private Secretary to the Minister  
for Trade (CECIL PARKINSON)

*Disputed*

*to. Phil - 21/1*

PS  
 PS/SIR I GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR J GRAHAM  
 MR J C KOBERLY  
 LORD BRIDGES  
 LORD N G LENNOX  
 MR EVANS  
~~MISS BROWN~~ MR BRAITHWAITE  
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PS NO 10 DOWNING ST  
 SIR R ARMSTRONG )  
 ASSESSMENTS STAFF ) CABINET  
 MR R WADE GERY ) OFFICE  
 MR LE CHEMINANT )  
 MR W N WENBAN SMITH )  
 DIO )

MR R WILLIAMS CRE5 DOT  
 MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI  
 MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

OO FCO ( DESKBY 211630Z )

GRS 340  
 CONFIDENTIAL

ADVANCE COPY

FM STOCKHOLM 211515Z JAN 1981  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 30 OF 21 JANUARY 1981  
 MY TELNO 24

BRITISH DETAINEES IN IRAN

- 1 MFA HAVE TOLD US THAT BUNDY HAS JUST TELEPHONED FROM TEHRAN TO REPORT MEETING WITH VICE-PREMIER REFSANJANI TODAY, 21 JANUARY WHICH HE CHARACTERISED AS BEING QUOTE NICE AND FRIENDLY UNQUOTE.
2. REGARDING OUR FOUR DETAINEES, RAFSANJANI HAD SAID THAT AFTER DISCUSSING THE ISSUE IN CABINET THE IRANIAN GOVERNMENT WERE ANNOYED BY THE FACT THAT SOME BRITISH NEWSPAPERS AND THE BBC HAD USED THE WORD QUOTE HOSTAGES UNQUOTE. HE HAD REFERRED TO THE NEGATIVE PUBLICITY IN THE UK ON THE SUBJECT AND TO THE COMPARISONS WHICH WERE BEING DRAWN BETWEEN THE 52 AMERICAN HOSTAGES AND OUR OWN FOUR PEOPLE.
3. RAFSANJANI HAD ADDED THAT HE WONDERED WHERE THE ARCHBISHOP OF CANTERBURY'S EMISSARY, MR WAITE, HAD GOT HIS INFORMATION THAT OUR FOUR DETAINEES WERE NOT GUILTY OF ANYTHING, AS HAD BEEN MENTIONED BY HMG AND THE BRITISH PRESS.
4. BUNDY HAD UNDERSTOOD FROM RAFSANJANI THAT INTERNALLY THE IRANIAN

NEGATIVE POLICIES IN THE UK ON THE SUBJECT AND TO THE COMPARTMENTS WHICH WERE BEING DRAWN BETWEEN THE 52 AMERICAN HOSTAGES AND OUR OWN FOUR PEOPLE.

3. RAFSANJANI HAD ADDED THAT HE WONDERED WHERE THE ARCHBISHOP OF CANTERBURY'S EMISSARY, MR WAITE, HAD GOT HIS INFORMATION THAT OUR FOUR DETAINEES WERE NOT GUILTY OF ANYTHING, AS HAD BEEN MENTIONED BY HMG AND THE BRITISH PRESS.

4. BUNDY HAD UNDERSTOOD FROM RAFSANJANI THAT INTERNALLY THE IRANIAN GOVERNMENT WANTED THE QUESTION SOLVED, BUT THAT APPARENTLY MORE RADICAL ELEMENTS ( PARTICULARLY THE IRP) WERE NOT ENTIRELY CONVINCED. IN THIS SENSE THERE WAS A PARALLEL TO BE MADE WITH THE US HOSTAGES.

5. REGARDING THE TWO IRANIANS FACING BOMB CHARGES IN THE UK ( YOUR TELNO 6) RAFSANJANI HAD EXPRESSED HOPES THAT THE BRITISH COURTS WOULD SHOW LENIENCY. BUNDY HAD MADE CLEAR TO HIM OUR ATTITUDE ON THIS POINT. RAFSANJANI HAD ALSO MENTIONED THE QUESTION OF THE REMAINS OF THE IRANIAN WHO DIED. BUNDY FEELS STRONGLY THAT THE SOONER THEY CAN BE SENT BACK THE BETTER.

6. BUNDY NOW HAS AN APPOINTMENT TO MEET BEHESHTI AT 0730 NEXT TUESDAY, 27 JANUARY, WHICH HE REGARDS AS BEING CRUCIAL FOR A POSSIBLE SOLUTION. HE HOPES THAT BY THEN HE WILL BE ABLE TO TELL BEHESHTI THAT THE REMAINS ARE ON THEIR WAY OR THAT THEY WILL AT LEAST BE SHIPPED ON A SPECIFIC DATE. BUNDY WOULD BE GRATEFUL FOR ANY FURTHER ADVICE OR INSTRUCTIONS WE CAN SEND HIM BEFORE THE MEETING.

7. FINAALLY, BUNDY REPORTED THAT HE HAD HEARD THAT WAITE WAS RETURNING TO TEHRAN. BUNDY THINKS THAT THIS WOULD NOT BE WISE AT THIS PARTICULAR TIME. MIGHT HE BE PERSUADED TO DELAY?

MURRAY

NNN

SENT/RECD AT 21/-1612Z TKO/////PWB

1st Sec.

4

Iran. - ~~3~~ Reneg.  
Algerians →  
Swedes. → Copied to

Ref: A04057

**SUBJECT**  
PRIME MINISTERDefence: Contracts  
with Iran: June '79.

## CABINET: FOREIGN AFFAIRS

At the Cabinet meeting on 22 January under Foreign Affairs (Item 2) the Foreign and Commonwealth Secretary is likely to refer to the new situation which has been created in regard to Anglo-Iranian relations by the release of the American hostages. As the Lord Privy Seal mentioned to you in his minute dated 16 January, there is now a need to take an early decision on the lifting of sanctions. You may wish to check that this is going ahead and if not, why not. The economic departments are also likely to be anxious for a review of our whole future relationship with Iran in political and economic terms. It may be premature for the Foreign and Commonwealth Secretary to embark on such an exercise until we get a clearer idea of the American attitude following the release of their hostages, but the task certainly needs to be undertaken soon.

2. There is also a difficulty about the possible resumption of supplies of military equipment to Iran, including the Kharg. There is the general neutrality problem because Iran and Iraq are at war and this is complicated by the position of the four British detainees in Iran. You will wish to establish whether the Foreign and Commonwealth Secretary made any progress in relation to this problem at the meeting which he attended in Brussels on 20 January with the Foreign Ministers of the Ten.

RIA

ROBERT ARMSTRONG

21 January 1981



do  
TELEPHONE  
01-601 4444

BANK OF ENGLAND  
LONDON EC2R 8AH

21 January 1981

Prime Minister

M/S

22/1

The Rt Hon Margaret Thatcher MP  
10 Downing Street  
London SW1

My dear Prime Minister

Your thanks and congratulations are most warmly appreciated by those who have been involved closely in the events of the last few days. And indeed all of us are deeply grateful for the generous terms in which you describe what the Bank has been able to do.

We regard it as a privilege to have been assigned such a role and thus allowed a part in the ending of this tragic episode.

I am much touched by your kindness in writing.

Yours sincerely

Gordon Richardson



MO 11/10/22  
MO 26/9/15

PRIME MINISTER

*msy*

RELEASE OF THE US HOSTAGES - EXPORTS TO IRAN

I understand that Ian Gilmour no longer proposes to make a statement this afternoon on the release of the US hostages. There are two points which concern me. The first is the Kharg. I do not believe that there are overwhelming political objections to releasing an export licence for the vessel while the British detainees remain in custody. The Attorney General's advice is an important factor in determining whether we should continue to hold on to the vessel. You should know that I am told it could be some time - quite possibly several months - before the Kharg could reach Iran, if an export licence were granted. This is because a new crew would have to be brought to the UK and some time spent in storing and refurbishing the ship after its recent period of neglect (and there may be some further legal wrangles relating to that, in any case). Moreover, we should wish to provide some additional training before we considered the ship was safe enough to make the passage home. In short, I believe we should be prepared to grant an export licence for the vessel and get it off our hands. (As you know, I have no money available to help with the cost of maintaining the vessel).

2. My second concern is that there are still substantial debts owed by Iran to the MOD and to IMS (totalling some £75 million) and there is a whole series of claims and counter-claims which will need to be settled. We are, however, still holding about £18 million worth of Iranian-owned tank and other spares.



I believe that these claims can and should be pursued separately from the issue of the Kharg.

3. I understand that Ian Gilmour was top for questions today, and I was pleased to hear that he had agreed to take a non-committal line on the question of any arms embargo. I quite understand the delicacy of the situation with British citizens held by Iran, but I wonder whether we will really help achieve their release by continuing with an arms embargo. I would much prefer to return immediately to a normal case-by-case licensing arrangement. If we are to compete around the world in arms sales with the French, we cannot allow our efforts to be constrained by undue caution (or unilateral moral gestures). This is a point I have made repeatedly in OD. If we do so, the Iranians will then acquire their arms from somewhere else - and neither we nor the international community, will have saved anything.

4. I am copying this minute to the other members of OD, to the Secretary of State for Industry and to Sir Robert Armstrong.

SW

Ministry of Defence

21st January 1981



10 DOWNING STREET

THE PRIME MINISTER

20 January 1981

My dear Governor,

My Private Secretary has already passed to your office President Carter's thanks for the help which members of the staff at the Bank have given to the American Government in the negotiations to secure the release of the hostages.

But now that the long drawn-out drama is finally over, I should like to add my own thanks and congratulations to those involved. Please tell them all and, in particular, Kit McMahon and David Somerset, how much I admire the skill and dedication they have displayed in recent days. They have made a real contribution both to securing the release of the hostages and, in the longer term, to Anglo-American relations.

Yours sincerely

Gordon Richardson

The Rt. Hon. Gordon Richardson, MBE.



*fu D*

10 DOWNING STREET

THE PRIME MINISTER

20 January 1981

Dear Ambassador,

Thank you so much for your letter of 18 January. I am overjoyed that the hostage issue has at last been resolved, and that the hostages are about to be rejoined with their families.

We were pleased to be asked to help.

All good wishes,

Yours sincerely,

Margaret Thatcher

His Excellency the Honourable Kingman Brewster

LPO

TELEPHONE  
01-601 4444

BANK OF ENGLAND  
LONDON EC2R 8AH

20 January 1981

M O'D B Alexander Esq  
Private Secretary  
to the Prime Minister  
10 Downing Street  
London SW1

*hs  
- 28/1*

*Jean Michael*

RELEASE OF THE AMERICAN HOSTAGES IN IRAN

Many thanks for your kind letter of yesterday. Those here - and in Algiers - who are concerned with the Bank's part in the negotiations are most appreciative of President Carter's message and of your conveying it on the Prime Minister's behalf.

I am copying this to the recipients of your letter - John Wiggins, Francis Richards and David Wright.

*Yours sincerely  
T E Allen*

T E Allen  
Private Secretary  
to the Governor



~~MODRA~~  
TOSA + PA

*VM*

DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB  
TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

PS/ Secretary of State for Industry

Stephen Gomersall Esq  
Private Secretary to the  
Lord Privy Seal  
Foreign Office  
Downing Street SW1

20 January 1981

*Dear Stephen*

RELEASE OF US HOSTAGES

I spoke to your office earlier today about the draft statement circulated under cover of your letter to Nick Sanders of 20 January. I understand that there is now to be no statement this afternoon. However, I would be grateful if you would note that my Secretary of State was unhappy with the final two sentences of the draft.

2 In view of this Department's interest in the industrial aspects of the supply of military and other equipment to Iran, I should be grateful if you would keep this Department in touch with your plans for a statement and copy to us the proposed text.

3 I am copying this letter to David Wright in the Cabinet Office, Nick Sanders (No 10) and to the private secretaries to the Chancellor of the Duchy of Lancaster, the Chancellor of the Exchequer and the Secretary of State for Trade.

*Yours ever*

RICHARD RILEY  
Private Secretary



Foreign and Commonwealth Office

London SW1A 2AH

20 January 1981

PA  
(CFA/k)  
MJ

Dear Nick,

*7 to  
fraser*  
I attach a copy of the statement on Iran with supplementaries\*  
(excluding those which you have already received from the  
Treasury), as approved by the Lord Privy Seal, which is to be  
made this afternoon if the American hostages have been  
released.

The text has been sent by telegram to Lord Carrington *and approved by  
him.*

On present information it seems unlikely that the hostages  
will have been released by 1 pm today, when I understand a  
decision on whether or not the FCO should make a statement  
has to be taken. If the situation remains unresolved we  
would recommend against a FCO statement, though we assume  
that the Prime Minister will wish to draw as necessary on the  
supplementaries at her own Question Time.

I am copying this letter to David Wright in the Cabinet Office,  
and to the Private Secretaries to the Chancellor of the Duchy  
of Lancaster and the Chancellor of the Exchequer.

*Yours ever  
S J Gomersall*

S J Gomersall

N Sanders Esq  
10 Downing Street



# OUT TELEGRAM

	↓	Classification and Caveats <b>CONFIDENTIAL</b>	Precedence/Deskby <b>FLASH</b>
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ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	CONFIDENTIAL
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO
PRE/ADD	7	TO FLASH UKREP BRUSSELS
TEL NO	8	TEL NO
	9	FOR PS FROM WALDEN
	10	IRAN
	11	1. MIFT contains text of statement <del>and main supplementaries</del>
	12	which, subject to the hostages being released, LPS will make in
	13	Commons today (repeated by Lord Trefgarne in the Lords).
	14	2. LPS's view, shared by PUS, is that since the decision on arms
	15	sales and the Kharg has already been comprehensively covered in
	16	the press, it would be wrong not to refer to them in the statement.
	17	He could not avoid the answer in supplementaries.
	18	3. Decision on whether or not to make the statement has to be
	19	taken at 1300Z. If the hostages are not out by then, Prime
	20	Minister will draw on supplementaries as necessary at PM's
	21	question time, with FCO statement tomorrow if appropriate.
///	22	4. Grateful for comments if any by 201400Z.
//	23	
/	24	CARRINGTON
	25	NNNN

NNNN ends telegram	BLANK	Catchword
File number	Dept	Distribution Limited PS PS/LPS PS/Mr Hurd PS/PUS Sir J Graham Mr J Moberly Hd MED
Drafted by (Block capitals)		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

# OUT TELEGRAM

Classification and Caveats  
**CONFIDENTIAL**

Precedence/Deskby  
**FLASH**

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**CONFIDENTIAL**  
 FM FCO  
 TO FLASH UKREP BRUSSELS  
 TEL NO  
 FOR PRIVATE SECRETARY FROM WALDEN  
**MIPT : IRAN : RELEASE OF THE US HOSTAGES**  
 1. Text of proposed Parliamentary Statement by the Lord  
 Privy Seal. Begins.  
 "The Government are delighted that the 52 American  
 hostages held in Iran since November 1979 have been set free.  
 The Government's views on their detention during this time have  
 been frequently expressed. We have deplored the violation that  
 has taken place of one of the most fundamental principles of  
 international law. All countries who share an interest in  
 maintaining this basic principle will be relieved at the outcome.  
 We admire the fortitude of the hostages and their families, the  
 skill and tenacity of President Carter and his Administration  
 who have resolved the intractable problem, and the patience of  
 the American people as a whole.  
 "The Government naturally hope that the release of the  
 US hostages will now pave the way to an overall improvement in

///  
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Classification and Caveats

CONFIDENTIAL

Page

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1 &lt;&lt;&lt;&lt;

2 the relations between Iran and other states. Britain wishes to  
 3 build a good relationship with Iran in the future. We shall be  
 4 lifting, in coordination with our Community Partners, the  
 5 commercial trade sanctions imposed in May. We hope that the  
 6 four British subjects currently detained in Iran will now be  
 7 released and shall continue to work to that end. Until this  
 8 happens it will naturally not be possible for fully normal  
 9 relations to be resumed. We have not supplied military equipment  
 10 to Iran since November 1979 and in present circumstances we do not  
 11 propose any change. This applies to the naval supply vessel Kharg.  
 12 Ends.

13

14 CARRINGTON

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NNNN

telegraph

BLANK \*

Catchword



CONFIDENTIAL

*PN has seen*

*NRPA yet.*

*Print 15/1*

From the Minister for Trade

PRIME MINISTER

RELEASE OF THE US HOSTAGES

In John Biffen's absence abroad, I have seen the Lord Privy Seal's minute of 16 January.

2 Clearly our trade sanctions against Iran must be lifted following release of the American hostages. The powers under the Iran (Temporary Powers) Act 1980 are specifically dependent on detention of those hostages, and assurances were given in Parliament that our trade sanctions would be lifted immediately on their release. We are ready to take action on whatever date is agreed within the Community.

3 I accept that the Foreign and Commonwealth Secretary should seek support from his EC colleagues on 20 January and from the Americans for the retention of the arms embargo against the release of the UK citizens still held in Iran. But if, as I expect, first the Americans and then our European partners resume arms deliveries to Iran, I would be concerned if Britain were the only country to withhold arms. The damage to our position as an exporter of arms as well as of other goods would be very considerable at a time when we are seeking to build up our reputation as an arms supplier, particularly in the Middle East. I suggest that the decision on arms should mirror the actions of the USA and our main Community partners.

4 I am copying this minute to the members of OD and to Sir Keith Joseph and Sir Robert Armstrong.

*I. S. P.*

19 January 1980

CONFIDENTIAL

19 January 1981

I enclose the text of a message which the Prime Minister has received within the last half hour from President Carter about the release of the American hostages. I will let you know if the Prime Minister thinks that her own message, the text of which you already have, needs amendment in the light of President Carter's message.

I am sending a copy of this letter and its enclosure to John Wiggins (HM Treasury).

MODBA

KRB

Francis Richards, Esq.,  
Foreign and Commonwealth Office.



10 DOWNING STREET

*From the Private Secretary*

19 January 1981

Messages to President Carter

I enclose the signed texts of two messages from the Prime Minister to President Carter. One of these - that about the hostages - you already have. The other is an amended version of the Prime Minister's earlier message to President Carter marking the end of his Presidency. I should be grateful if you could arrange for these to be telegraphed to Washington as soon as possible.

USA, May 79  
Internal Situation

M. A. PATTISON

Francis Richards, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL

2680 - 1

*T 7/81*  
*See Pm letter dated*  
*19.1.81*

OO WASHINGTON DESKBY 191100Z

GRS 138

CONFIDENTIAL  
DESKBY 191100Z  
FM FGO L90915Z JAN 81  
TO IMMEDIATE WASHINGTON  
TELEGRAM NUMBER 63 OF 19 JANUARY.

US HOSTAGES

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO PRESIDENT CARTER AS SOON AS IT IS ESTABLISHED THAT THE AMERICAN HOSTAGES ARE SAFELY OUT OF IRAN.  
BEGINS

I AM DELIGHTED TO LEARN THAT THE 52 MEMBERS OF YOUR EMBASSY HELD HOSTAGE IN TEHRAN FOR OVER A YEAR HAVE AT LAST BEEN SET FREE. THEIR SAFE RELEASE IS A TRIBUTE TO YOUR SKILL AND TENACITY IN HANDLING AN AGONISING PROBLEM.

WE CONGRATULATE YOU, AND REJOICE WITH YOU AND THE AMERICAN PEOPLE. OUR HEARTS GO OUT TO THE HOSTAGES AND THEIR FAMILIES, WHOSE LONG ORDEAL, SO COURAGEOUSLY BORNE, IS NOW OVER.

ENDS

2. PLEASE CONFIRM WHEN THE MESSAGE HAS BEEN DELIVERED, AS THE PRIME MINISTER HAS AGREED IT CAN THEN BE MADE PUBLIC

CARRINGTON

[COPIES SENT TO NO 10 DOWNING STREET]

DIST	
LIMITED	PS/LPS
MED	PS/MR HURD
NAD	PS/PUS
NEWS	SIR J GRAHAM
PS	MR J MOBERLY



T 7/81

SUBJECT

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 7/81

10 DOWNING STREET

THE PRIME MINISTER

19 January 1981

Dear Mr. President,

I am delighted to learn that the 52 members of your Embassy held hostage in Tehran for over a year have at last been set free. Their safe release is a tribute to your skill and tenacity in handling an agonising problem.

We congratulate you, and rejoice with you and the American people. Our hearts go out to the hostages and their families, whose long ordeal, so courageously borne, is now over.

Yours sincerely

Margaret Thatcher

The President of the United States of America



Text as affirmed.

I am delighted to learn that the 52 members of your Embassy held hostage in Tehran for over a year have at last been set free. Their safe release is a tribute to your skill and tenacity in handling an agonising problem.

We congratulate you, and rejoice with you, and the American people. Our hearts go out to the hostages and their families, whose long ordeal, so courageously borne, is now over.

Message for the Prime Minister to relay to President Carter

I am delighted ~~and relieved~~ to learn that the 52 members of your Embassy held hostage in Tehran for over a year have at last been set free. ~~[I should be grateful if you would convey to them and their families my good wishes.]~~ Their safe release ~~owes~~ <sup>is a tribute</sup> much to your ~~own~~ <sup>sponsor</sup> skill and ~~tact~~ <sup>wisdom</sup> in handling an appalling problem, and in dealing with an intransigent and disjointed government. ~~We~~ <sup>and rejoice</sup> congratulate you, ~~and rejoice~~

~~with you, with the families of the hostages, and the American people.~~ <sup>and the American people</sup>

I am glad that, in a small way, we have been able to facilitate some of the technical arrangements which proved necessary.

~~It is wonderful news for the families of the hostages and the American people. Don't forget to tell the~~

I have watched with great admiration the steadiness of the American people and particularly of the families of those detained during this difficult year; this has helped to create an atmosphere in which your Government's own efforts have been able to continue unimpeded. ~~[The eventual safe release of your people in Tehran has shown the world how important it is that governments should refuse to give in to acts of international terrorism.]~~

(Typed text with final sentence deleted approved by FCS.)

Message for the Prime Minister to relay to President Carter

I am delighted and relieved to learn that the 52 members of your Embassy held hostage in Tehran for over a year have at last been set free. I ~~should be grateful~~ if you would convey to them and their families my good wishes. Their safe release ~~owes much to your own skill and tact~~ <sup>as a result of your</sup> ~~in handling an appalling problem, and in dealing with an intransigent and disjointed government.~~ <sup>tenacity</sup> ~~I congratulate you and rejoice~~ <sup>with you, with the families of the hostages, and with the American people.</sup>

I am glad that, in a small way, we have been able to facilitate some of the technical arrangements which proved necessary.

*It is a wonderful day for the families*

I have watched with great admiration the steadiness of the American people and particularly of the families of those detained during this difficult year; this has helped to create an atmosphere in which your Government's own efforts have been able to continue unimpeded. [The eventual safe release of your people in Tehran has shown the world how important it is that governments should refuse to give in to acts of international terrorism.]

*It is wonderful news for the ~~families of~~ hostages, their families*

*Our thoughts are with the hostages and their families*

*For the hostages and their families, our hearts go out to the hostages and their families, whose long ordeal, so courageously borne, is now over.*

SECRET

T. 6 B/81



EMBASSY OF THE  
UNITED STATES OF AMERICA

LONDON

*Subject*

January 19, 1981

*P.A. Hassan*

*for Vint - 19/1*

Mr. Michael Alexander  
Private Secretary (Overseas)  
Prime Minister's Office  
10 Downing Street  
London SW1

Dear Mr. Alexander:

Further to our telephone conversation of this morning, there follows the text of today's message from President Carter to the Prime Minister concerning agreement to free the hostages in Iran.

BEGIN TEXT

We have concluded an agreement to free the hostages. We expect they will shortly leave Iran on their way home. I want you to be among the first whom we thank for your splendid cooperation during the past, difficult year. We Americans will always remember how the British Government and people stood so staunchly with us through the long ordeal. Your support and assistance eloquently expressed the closeness of our ties.

I am asking Ambassador Brewster to brief your Government in detail on the arrangements we have reached with Iran. We have achieved the two objectives we set for ourselves at the beginning of the crisis: the preservation of our national honor and interests and the safe release of our people.

I know that you and the British people will rejoice with me, the families of the hostages and the American people in this day that we have so long awaited. No threat to the structure of international relations, no dispute between nations in recent years has been so complex and difficult to resolve as the hostage crisis. You and your Government have our profound thanks for your support and assistance. Signed Jimmy Carter. END TEXT

Sincerely yours,

*Thomas W. Simons, Jr.*  
Thomas W. Simons, Jr.  
Counsellor for Political  
Affairs

SECRET

*Subject*

*fa. Am* ~~T6B~~ T4A/81

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES OF AMERICA

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 6 B/81

We have concluded an agreement to free the hostages. We expect they will shortly leave Iran on their way home. I want you to be among the first whom we thank for your splendid cooperation during the past, difficult year. We Americans will always remember how the British Government and people stood so staunchly with us through the long ordeal. Your support and assistance eloquently expressed the closeness of our ties.

I am asking Ambassador Brewster to brief your Government in detail on the arrangements we have reached with Iran. We have achieved the two objectives we set for ourselves at the beginning of the crisis: the preservation of our national honour and interests and the safe release of our people.

I know that you and the British people will rejoice with me, the families of the hostages and the American people in this day that we have so long awaited. No threat to the structure of international relations, no dispute between nations in recent years has been so complex and difficult to resolve as the hostage crisis. You and your Government have our profound thanks for your support and assistance.

JIMMY CARTER

*19.1.81.*



10 DOWNING STREET

*From the Private Secretary*

19 January, 1981.

Release of the American Hostages in Iran

President Carter rang the Prime Minister yesterday evening to brief her on the state of the negotiations on the release of the American hostages in Iran.

In the course of the conversation President Carter said:-

"We are deeply grateful to you and the people at the Bank of England for having been so generous in helping us to arrange all the transfer of funds and arrangement of documents in Algiers, and I hope that you will express to the appropriate people my personal thanks on behalf of a grateful nation here."

The Prime Minister would be grateful if this message could be conveyed to Kit McMahon and all those who participated in assisting the American negotiators.

I am sending copies of this letter to John Wiggins (HM Treasury), Francis Richards (Foreign and Commonwealth Office), and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

ARBY

T.E. Allen, Esq.,  
Bank of England.

RESTRICTED

h.g. - [Signature]

RECORD OF TELEPHONE CONVERSATION WITH PRESIDENT CARTER, SUNDAY, 18 JANUARY

President Carter I wanted to call and give you a brief up-date on the hostage situation.

PRIME MINISTER'S

PERSONAL MESSAGE

PM I would be very glad to hear it Jimmy.

SERIAL No. TS / 81

PC Within the next hour probably the Foreign Minister of Algeria will announce that an agreement has been reached between ourselves and Iran concerning the resolution of the hostage situation. As you probably know from experience of the last 14 months nothing is sure because we have been disappointed so often we are very cautious. But the Algerians are very eager to make the announcement themselves and I will follow up with a confirmation announcement from here presumably the Iranians will do the same.

The second point is that we are deeply grateful to you and the people at the Bank of England for having been so generous in helping us to arrange all the transfer of funds and arrangement of documents in Algiers and I hope that you will express to the appropriate people my personal thanks on behalf of a grateful nation here.

PM Well that is very kind of you. We just will wait anxiously for the next hour because if it comes off you really by your own efforts have answered your own prayers and I must say that I think the whole situation has been wonderfully handled by you Jimmy I think it has been masterly. We are very happy for you. And very happy for the American people and for the hostages. It really is absolutely wonderful. We were proud to be able to help.

PC It is one of the most trying things I have ever had to face. Its been with me every day and night for 14 months. But people like you have really made it easier for us and I am grateful to you and we will keep you informed as events unfold. We won't wake you in the middle of the night but if anything very significant should occur we will get word to you.

PM We would rather be woken with good news than not. Many, many congratulations.

PC Your arrangements, by the way, with the Bank of England and the 12 banks and with our Central Reserve Bank here to make a fairly quick transfer of the monies, if and when we get the necessary documentation from Iran and Algiers that is because of the good work

PM Yes, I know the arrangements that were due to be made and assumed that the hostages would be released very quickly after the agreement has been signed.

PC After the monies are in the Bank of England and certification is made to the Iranians by the Bank then the agreement calls for the hostages to be released using transportation provided by Algeria. The hostages would fly first to Algiers and from there to Wiesbaden, Germany where we have facilities there.

PM If the agreement is signed in about an hour you would expect the hostages to be on their way within an hour afterwards, would you?

PC No, it won't be that fast because the agreement has to precede the handing over of documents I have to authorise the release of the money. The money that has to be transferred to the bank, the bank then has to certify to the Iranians that it is there. Then the Iranians will release the hostages so it is a pretty long drawn out carefully prescribed procedure, it won't be that instant.

PM But it should be within a matter of hours?

It would be if we were dealing wholly with reasonable ....

PC If we were dealing with you it would be within the next hour or so. Within the next 12 hours.

PM All right , we will wait with very great anticipation and very great joy in our hearts. Thank you, many, many congratulations and bless you.

Goodbye



TELEPHONE:  
(01) 262 5594.

Sunday, Jan. 18, 1981

AMERICAN EMBASSY,

REGENT'S PARK,

LONDON, N.W.1.

Dear Prime Minister:

Before my President's change,  
and even before I knew the final  
outcome of the negotiations for the  
hostages' release, I want to thank  
you for seeing Mr. Munkheim, Mr. Lake,  
and myself on such short notice.  
I am even more grateful for your  
quick and positive response to the  
gold swap proposal.

Whatever the ultimate outcome, the  
arrangements made by your Treasury  
and ours was extremely important and  
most timely.

Please accept my appreciation  
- as an American citizen as well as  
in my official capacity. Most sincerely  
Rayman Brewster

D

There will be a further  
minute from the F.C.S.  
to - [unclear]



Prime Minister

Prime Minister

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

Prime Minister  
After the policy in paras 2+3  
below?  
Will discuss [unclear] 16/11  
tomorrow [unclear]

RELEASE OF THE US HOSTAGES

If the American hostages are soon released, we will need to make an early decision on the lifting of sanctions. This will be difficult because 3 British missionaries and a businessman continue to be held in Iran. We have made it clear in public that there can be no question of normal relations with Iran while they remain in detention. And there would be considerable public criticism if our actions following the release of the American hostages did not reflect this commitment.

2. The imposition of sanctions was related specifically to the detention of the American hostages. This is reflected in the terms of our own legislation. Moreover it was agreed in principle among the EC Foreign Ministers that these sanctions would be lifted when the hostages were released. There can be no question of the UK maintaining commercial sanctions in isolation, and I cannot see any of our partners imposing sanctions with us on behalf of our detainees. To maintain our own sanctions alone would not hurt the Iranians and would not influence their attitude to the release of the 4 detainees. I think therefore that all legal, political and economic considerations point to our lifting sanctions imposed on civil trade. The two sanctions Orders can in effect be suspended immediately by Ministerial action and then later repealed by Statutory Instrument. We would presumably need, nevertheless, to make a statement.

3. But I believe we should continue to refuse to supply military equipment to Iran. We would not normally apply an arms embargo against countries holding UK citizens in prison. But in the circumstances it would be wrong, in my view, to fail to take some action in support of our own nationals. We have considered carefully whether release of the American hostages would enable us to release the Kharg, while retaining tank spare parts and ammunition. Although

/there

CONFIDENTIAL

there are strong arguments in favour of this, not least the cost of maintaining the vessel and the risk of difficulties with Iran by our continuing to hold it, the public outcry that would ensue from handing over the vessel in present circumstances would be considerable. I think therefore that we should continue to withhold an export licence.

4. Foreign Ministers of the Ten are meeting in Brussels on 20 January. The Foreign and Commonwealth Secretary will, I expect, be asking his EC colleagues at that meeting for their maximum support, and for whatever help they can offer, over our 4 detainees in Iran.

5. Because of the possible need to take a decision very early next week I have circulated this today so you can consider it over the weekend if you wish. The Foreign and Commonwealth Secretary, who returns tomorrow, has not seen this. He may wish to comment.

6. I am copying this minute to colleagues on OD and to Sir Robert Armstrong.

*I.H.T.*

16 January 1981

CONFIDENTIAL

PS

SIR I GILMOUR

MR HURD

PUS

SIR J GRAHAM

MR J C MOBEELY

LORD BRIDGES

LORD N G LENNOX

MR EVANS

MISS BROWN

HD/KED

HD/ERD

HD/NENAD

HD/UND (2)

HD/DEF DEPT

HD/NAD

HD/ES & SD (2)

HD/PUSD (2)

HD/NEWS DEPT

HD/ECD (E)

HD/CONS DEPT

RESIDENT CLERK

PS NO 10 DOWNING ST

SIR R ARMSTRONG

ASSESSMENTS STAFF

MR R WADE GENY

MR LE CHEMINANT

MR W N WENBAN SMITH

DIO

) CABINET  
) OFFICE

~~MR R WILLIAMS CRE5 DOI~~

~~MR W KNIGHTON DEPT OF TRADE~~

~~MR C BENJAMIN DOI~~

~~MR D LE B JONES ) DEPT OF~~

~~MR C LUCAS ) ENERGY~~

00 F C O DESKBY 170900Z

GR 200

CONFIDENTIAL

DESKBY 170900Z

FM WASHINGTON 170244Z JAN 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 182 OF 16 JANUARY 1981

U.S. HOSTAGES IN IRAN

1. IT NOW SEEMS INCREASINGLY POSSIBLE THAT THE HOSTAGES MAY BE RELEASED BEFORE 20 JANUARY. STATE DEPARTMENT HAVE TOLD US THAT AGREEMENT IS NOW CLOSE. DESPITE EARLIER 16 JANUARY DEADLINE TO COMPLETE NEGOTIATIONS, WORK WILL CONTINUE INTO THE WEEKEND. TALKS IN WASHINGTON WITH U.S. BANKS HAVE GONE WELL TODAY. BARRING A FINAL SLIP IN TEHRAN THE WAY IS NOW THOUGHT TO BE CLEAR.

2. IF THEY ARE RELEASED, I RECOMMEND THAT YOU AND THE PRIME MINISTER SHOULD SEND SHORT MESSAGES OF CONGRATULATION TO THE SECRETARY OF STATE AND PRESIDENT RESPECTIVELY. ONCE DELIVERED THESE COULD BE RELEASED TO THE MEDIA, WHOSE COVERAGE OF THE EVENT WILL BE EXHAUSTIVE.

*over taken*

*8116*

... MESSAGES OF CONGRATULATION FROM THE PRIME MINISTER

SECRETARY OF STATE AND PRESIDENT RESPECTIVELY, ONCE DELIVERED THESE COULD BE RELEASED TO THE MEDIA, WHOSE COVERAGE OF THE EVENT WILL BE EXHAUSTIVE.

3. SUGGESTED DRAFT MESSAGES AS FOLLOWS, FROM THE PRIME MINISTER TO PRESIDENT CARTER, BEGINS.

WE IN BRITAIN SHARE YOUR JOY AND RELIEF AT THE END OF THE TERRIBLE ORDEAL OF THE AMERICAN HOSTAGES IN IRAN AND WARMLY CONGRATULATE YOU AND ALL THOSE WHO HAVE WORKED TO BRING ABOUT THIS SUCCESSFUL OUTCOME. ENDS

4. FROM YOURSELF TO MUSKIE, BEGINS

MY WARMEST CONGRATULATIONS TO YOU AND ALL YOUR COLLEAGUES IN THE STATE DEPT ON THE SAFE RELEASE OF THE HOSTAGES. ALL OF US IN BRITAIN WHO HAVE SHARED THE ANGUISH OF THE AMERICAN PEOPLE WILL NOW JOIN YOU IN REJOICING AT THE HOSTAGES RELEASE. ENDS.

HENDERSON

NNNN

PRIME MINISTER

*For  
Parks*

RELEASE OF THE U.S. HOSTAGES

You may have heard on the radio that two Bank of England officials have flown to Algiers to assist in the negotiations for the release of the US hostages. The background to this development, of which I only learned this evening, is as follows:-

Early today, Mr. Warren Christopher rang the American Embassy in Algiers. He told Mr. Brewster that in his view further progress would only be possible if the release of the hostages and the transfer of the Iranian assets took place simultaneously. Previously it had been envisaged that the movement of the hostages would precede, by an undefined period, the transfer of assets. Mr. Christopher said that it would therefore be helpful if representatives of the Bank of England could come to Algeria. The Governor of the Bank took the view that, against the background of the previous agreement that we should help the Americans, there was no option but to fall in with this latest request. He informed the Treasury (who, owing to an oversight seemed to have informed neither us nor the Foreign Office) and Mr. McMahon left for Algiers at 11.30 am.

Neither the Treasury, nor the Bank seemed to have formed any estimate from their contact with the Americans as to whether a successful end to the negotiations is any closer or not. I understand, however, that the sum which the Iranians are demanding has increased. This does not sound very hopeful.

MO'DBA

16 January 1981

COVERING CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

16 January 1981

*KG*

~~Prime Minister,~~  
Approve draft? I will  
pass on any comments  
given to me.

Dear Michael.

Duty Clerk. 16/1.

American Hostages

You asked for a draft message from the Prime Minister to President Carter, in case the American hostages are released over the weekend. This I enclose. I should, however, make it clear that this has not been seen by Ministers here, though copies will of course be included in their weekend boxes so that any comments they may have can be passed to the Duty Clerk without delay. The draft will, in any case, need to be reviewed in the light of the circumstances in which the hostages are actually released - if they are. Alternatively, the Prime Minister may prefer to telephone President Carter direct.

If the Prime Minister sends a message to President Carter (or telephones him) FCO News Department would propose to confirm, if asked, that the Prime Minister has sent a message, but say that the content of it was confidential.

Other implications flowing from the possible release of the hostages are being covered separately.

*Yours ever,*

*Francis*  
(F N Richards)  
Private Secretary

M O'D B Alexander Esq  
10 Downing St

COVERING CONFIDENTIAL

*Exc.* LPS approved 17/11

Message for the Prime Minister to  
relay to President Carter

I am delighted and relieved to learn that the 52 members of your Embassy held hostage in Tehran for over a year have at last been set free. I should be grateful if you would convey to them and their families my good wishes. Their safe release owes much to your <sup>own</sup> skill and tact in handling <sup>an appalling</sup> ~~this difficult and~~ <sup>or in dealing with an</sup> ~~probably unique~~ <sup>infringe on</sup> problem <sup>with so</sup> intransigent and disjointed a government. I am glad that, in a small way, we have been able to facilitate some of the technical arrangements which proved necessary. I have watched with great admiration the steadiness of the American people and particularly of the families of those detained during this difficult year; this ~~too~~ has helped to create an atmosphere in which your Government's own efforts have been able to continue unimpeded. <sup>So the</sup> The eventual safe release of your people in Tehran has shown the world ~~the~~ <sup>how important</sup> ~~importance of~~ <sup>it is that</sup> governments <sup>should</sup> refusing to give in to acts of ~~crude~~ international terrorism. I should like to think that it would ~~now~~ be possible to re-build relations with Iran, which is so important to us all, <sup>a major</sup> strategically, as a producer of oil and as a market, but we ~~at least~~ still have <sup>a major</sup> problems there, with four innocent British citizens detained now for nearly six months. I hope their release also will soon be achieved.





10 DOWNING STREET

Prime Minister.

For some extraordinary  
reason the two Stockholm  
telegrams were not sent  
over here when they were  
received. You will want to  
see them & the replies, also  
attached. The Germans appear  
to be thinking in terms of  
"swapping" our four hostages  
for the two surviving Germans  
involved in last May's bomb  
explosion at the Queen's Garden  
Hotel.

Amk 15/11

**CONFIDENTIAL**

CONFIDENTIAL

FM WASHINGTON 150025 JAN 81

TO PRIORITY F C O

TELEGRAM NUMBER 133 OF 14 JANUARY

INFO PRIORITY ALGIERS, CAIRO (FOR PRIVATE SECRETARY).

MY TEL 70: U.S./IRAN - HOSTAGES

1. STATE DEPARTMENT CAN ADD LITTLE TO WHAT IS BEING WIDELY REPORTED IN THE PRESS. THEY INCLINE TO THE VIEW THAT, ALTHOUGH THE IRANIAN GOVERNMENT WAS NOT ABLE TO GET MAJLIS APPROVAL FOR THE SECOND OF THEIR PROPOSED MEASURES, THE ONE CONCERNING ARBITRATION WAS THE MORE IMPORTANT.
2. THE PROCEDURAL POSITION IS THAT AN IRANIAN REPLY IS AWAITED TO A DOCUMENT PUT TO THEM BY THE ALGERIANS WHICH SETS OUT THE DEAL. APPARENTLY WELL-INFORMED PRESS COMMENT DESCRIBES THIS AS PROVIDING FOR THE RETURN OF ABOUT DOLLARS 7 POINT 3 BILLION IN IRANIAN GOVERNMENT FROZEN ASSETS IN RETURN FOR THE RELEASE OF THE HOSTAGES. ACCORDING TO THE PRESS, OF THIS DOLLARS 7 POINT 3 BILLION ABOUT DOLLARS 5 POINT 5 BILLION COULD BE MADE AVAILABLE IMMEDIATELY THE HOSTAGES ARE FREED, AND THE REMAINING DOLLARS 1 POINT 8 BILLION COULD BE TRANSFERRED FAIRLY RAPIDLY ONCE IRAN ESTABLISHES NORMAL RELATIONS WITH THE OVERSEAS SUBSIDIARIES OF AMERICAN BANKS THAT HAVE FORECLOSED ON IRANIAN LOANS. A FURTHER DOLLARS 2 POINT 2 BILLION WOULD BE PUT INTO ESCROW TO BE ARBITRATED BY AN INTERNATIONAL CLAIMS COMMISSION.
3. THE AMERICAN MEDIA ARE MAKING MUCH OF THE COUNT-DOWN ASPECTS OF THE LAST 48 HOURS BEFORE THIS ADMINISTRATION CEASES TO HAVE POWER TO STRIKE A DEAL. GOVERNMENT SPOKESMEN, INCLUDING WARREN CHRISTOPHER IN ALGIERS, ARE STILL CAUTIONING AGAINST TOO MUCH OPTIMISM.
4. NEWSOM TOLD ME AT LUNCH TODAY THAT HE WAS NOT PERSONALLY SANGUINE THAT THE PROBLEM WOULD BE RESOLVED BEFORE THE INAUGURATION. HE SAID THAT IT WOULD BE A MIRACLE IF THE IRANIANS GOT THEIR ACT TOGETHER SO AS TO ENABLE A SOLUTION TO BE REACHED BY THEN. IN RESPONSE TO A QUESTION ABOUT LIKELY REPUBLICAN POLICIES, NEWSOM SAID THAT, SO FAR AS HE KNEW, THEY HAD COME TO NO CONCLUSIONS NOR ENTERED INTO ANY COMMITMENTS.

THIS TELEGRAM  
WAS NOT  
ADVANCEDHENDERSON  
IRAQ (IRAN STANDARD)  
MEI  
NENAD  
NAI  
UNDEESD  
ECS  
WEI

CABINET OFFICE

ADDITIONAL DISTN  
IRAQ/IRAN**CONFIDENTIAL**

CONFIDENTIAL

2162 - 1

OO CAIRO  
PP HOLY SEE  
GRS 373  
CONFIDENTIAL

FM FCO 141800Z JAN 81  
TO IMMEDIATE STOCKHOLM  
TELEGRAM NUMBER 6 OF 14 JAN 81

INFO IMMEDIATE CAIRO (FOR SECRETARY OF STATE), PRIORITY HOLY SEE  
MIPT: BRITISH DETAINEES IN IRAN

1. BUNDY MAY LIKE TO BE AWARE, FOR HIS INFORMATION ONLY, OF THE FOLLOWING BACKGROUND TO THE BOMB INCIDENT INVOLVING THE TWO IRANIANS. BARRETT IS AWARE OF MOST OF THE DETAILS.
2. THREE IRANIANS WERE INVOLVED IN A BOMB EXPLOSION IN THE QUEEN'S GARDEN HOTEL IN BAYSWATER ON 18 MAY 1980. MOSTAQIMI-TEHRANI WAS KILLED IN THE EXPLOSION. TWO IRANIANS, NOURIPOUR AND TABARI-ABKU, WERE SUBSEQUENTLY ARRESTED. TABARI-ABKU WAS INJURED DURING THE INCIDENT AND SUBSEQUENTLY RECEIVED HOSPITAL TREATMENT WHILE DETAINED IN CUSTODY. IN THE COURSE OF THIS TREATMENT HE HAS VISITED THE WESTMINSTER OPHTHALMIC HOSPITAL AND THE MOORFIELDS EYE HOSPITAL ON A NUMBER OF OCCASIONS. THE PRISON AUTHORITIES HAVE REPORTED THEM TO BE NOW IN GOOD HEALTH.
3. BOTH IRANIANS WERE SEEN AT AN EARLY STAGE BY THEIR SOLICITORS AND HAVE ENJOYED ALL THE USUAL ACCESS TO LEGAL ADVICE GRANTED ANY PERSON ARRESTED BY THE POLICE. WE ARE NOT AWARE OF ANY CONSULAR VISITS BY THE MBASSY IF THERE HAD BEEN ANY REQUEST, IT WOULD HAVE BEEN MET IN ACCORDANCE WITH NORMAL RULES). THE TWO ARE ELIGIBLE FOR NORMAL PRISON VISITS AND, FOLLOWING AN APPROACH IN DECEMBER BY THE MFA IN TEHRAN, WE HAVE AGREED, AND SO INFORMED THE MFA, THAT NOURIPOUR'S FATHER, BROTHER AND SISTER WILL BE ABLE TO SEE HIM IF THEY COME TO THE UK: THEY ARE IN TOUCH WITH BARRETT OVER VISAS.
4. THE TWO IRANIANS ARE CHARGED WITH SERIOUS OFFENCES UNDER THE 1883 EXPLOSIVE SUBSTANCES ACT. IF FOUND GUILTY THEY COULD BE LIABLE TO A SENTENCE OF LIFE IMPRISONMENT. NO FIRM DATE HAS YET

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2162 - 1

BEEN FIXED FOR THE TRIAL, WHICH IS UNLIKELY BEFORE APRIL/MAY.  
 5. THERE ARE SUSPICIOUS CIRCUMSTANCES SURROUNDING THE CASE.  
 THE THREE APPEAR TO HAVE COME TO THE UK WITH THE INTENTION OF  
 PURSUING A PRO-SHAH GROUP OR INDIVIDUAL. THERE IS LIKELY,  
 THEREFORE, TO HAVE BEEN INVOLVEMENT BY EXTREMIST IRANIAN  
 AUTHORITIES. TABARI-ABKU WAS, AT THE TIME OF THE EXPLOSION, A  
 LOCALLY-ENGAGED CLERK IN THE VISA SECTION OF THE IRANIAN EMBASSY  
 HERE, THOUGH THE EMBASSY HAVE DISCLAIMED ANY RESPONSIBILITY FOR  
 HIM AND DISSOCIATED THEMSELVES FROM HIM.

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FM FCO 141730Z JAN 81  
TO IMMEDIATE STOCKHOLM

TELEGRAM NUMBER 5 OF 14 JAN 81

INFO IMMEDIATE CAIRO (FOR SECRETARY OF STATE), PRIORITY HOLY SEE  
YOUR TELNO 18 (TO FCO ONLY): BRITISH DETAINEES IN IRAN

1. WE ARE GRATEFUL FOR THE ROBUST WAY IN WHICH BUNDY HAS DEPLORED THIS PROPOSAL TO LINK THE RELEASE OF THE FOUR DETAINEES WITH THE TWO IRANIANS NOW IN CUSTODY IN THE UK (SEE MIFT).
2. WE WISH TO AVOID THE IRANIAN POSITION HARDENING ROUND THIS NEW PROPOSITION, WHICH COULD PREVENT US RESUMING NORMAL RELATIONS WITH IRAN AT A TIME WHEN OTHER COUNTRIES WERE UNDER NO SUCH IMPEDIMENT FOLLOWING RELEASE OF THE AMERICAN HOSTAGES. WE SHALL DO OUR UTMOST TO PREVENT PUBLICITY FOR THE TIME BEING. BUT WE PROPOSE TO TELL WAITE (THE ARCHBISHOP OF CANTERBURY'S EMISSARY) IN CONFIDENCE OF THIS DEVELOPMENT AND URGE HIM IN HIS CONTINUING CONVERSATIONS WITH TEHRAN TO EMPHASISE THE IMPOSSIBILITY OF A DEAL, AND THE FOLLY OF THE IRANIANS GETTING THEMSELVES COMMITTED TO TRYING FOR ONE.
3. FOLLOWING BUNDY'S CONVERSATIONS, WE SEE LITTLE BENEFIT AT PRESENT IN GOING BACK TO THE MFA. BUT CONTRARY TO TAGHAVI'S VIEW (PARA 4 OF YOUR TELNO 17), WE THINK IT COULD BE HELPFUL FOR BUNDY TO SEE BEHESHTI AGAIN AND WOULD WELCOME THIS IF BUNDY AGREES. WE ALSO SUGGEST, SUBJECT TO BUNDY'S VIEWS, THAT HE CONTACT ALI AFROUZ (FORMERLY IRANIAN CHARGE HERE UNTIL AFTER THE EMBASSY SIEGE) WHO WE UNDERSTAND IS NOW WORKING IN BANI SADR'S OFFICE. AFROUZ IS NOT BADLY DISPOSED, HAS FIRST-HAND KNOWLEDGE OF LEGAL AND GOVERNMENTAL MACHINERY IN THE UK, AND MAY BE PREPARED EITHER TO HELP DIRECTLY OR TO ADVISE ON TACTICS. BUNDY MIGHT ALSO APPROACH MOHAMMAD KHATAMI, THE LEADER OF THE THREE IRANIANS WHO CALLED ON THE SECRETARY OF STATE ON 28 NOVEMBER (SEE PARA 4(I)

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BELOW) AND WHO SHOWED A REALISTIC AND NOT UNHELPFUL ATTITUDE. (INDEED DURING THIS CALL THEY CORRECTED OUR USE OF THE WORD 'HOSTAGE' FOR THESE FOUR BRITISH SUBJECTS AND DENIED THAT THERE WAS ANY CONDITION SET FOR THEIR RELEASE OTHER THAN NORMAL LEGAL PROCESSES.) KHATAMI IS A MEMBER OF THE MAJLIS AND ITS FOREIGN AFFAIRS COMMISSION.

4. IN THESE CONTACTS, BUNDY COULD DRAW ON THE FOLLOWING POINTS (AMPLIFYING THOSE HE HAS ALREADY MADE):

- I) WE WERE HEARTENED BY THE ASSURANCES GIVEN TO THE SECRETARY OF STATE ON 28 NOVEMBER WHEN THE IRANIAN DELEGATION VISITING THE UK SAID IT WOULD DO WHAT IT COULD TO ENSURE A SPEEDY OUTCOME TO THE PROBLEM OF THE DETAINEES. THEIR DETENTION, WITHOUT TRIAL AND IN CIRCUMSTANCES IN WHICH IT IS CLEAR THAT THEY HAVE COMMITTED NO OFFENCE, WILL CONTINUE TO PRESENT A SERIOUS IMPEDIMENT TO THE SENSIBLE AND CONSTRUCTIVE RELATIONS WHICH WE WANT WITH IRAN.
- II) LINKING THE FOUR DETAINEES TO THE TWO IRANIANS NOW BEING HELD IN THE UK WOULD NOT ONLY BE A CYNICAL AND IMMORAL EXPLOITATION OF INNOCENT HUMAN BEINGS BUT ALSO, IN PRACTICAL TERMS, A GRAVE MISTAKE. HMG COULD NOT SEEK TO INTERFERE WITH BRITISH LEGAL PROCESSES. THE TWO IRANIANS HAVE BEEN ARRESTED ON THE SERIOUS CHARGE OF CAUSING AN EXPLOSION AND MUST STAND TRIAL IN THE SAME WAY AS ANYONE ACCUSED OF A SIMILAR CHARGE. IF THEY ARE FOUND GUILTY, THEY WILL BE EXPECTED TO SERVE THEIR SENTENCES IN ACCORDANCE WITH OUR NORMAL RULES (EG OF REMISSION).
- III) IT IS, THEREFORE, NOT EASY TO SEE HOW THE PROBLEM COULD BE RESOLVED IF THE IRANIANS COMMIT THEMSELVES TO SUCH A LINK. IT COULD DRAG ON FOR A LONG PERIOD, TO THE DISADVANTAGE OF BOTH COUNTRIES.
- IV) WE ARE HOPING THAT THE PROBLEM OF THE AMERICAN HOSTAGES WILL SOON BE RESOLVED. THIS WOULD PAVE THE WAY FOR BETTER RELATIONS BETWEEN IRAN AND MANY COUNTRIES. IT WOULD CONSTITUTE A MISSED OPPORTUNITY, AND COULD GRAVELY IMPAIR THE IMPROVEMENT OF UK/IRAN RELATIONS, IF OUR OWN PEOPLE CONTINUED TO BE HELD AFTER THE SOLUTION OF THE US HOSTAGE

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PROBLEM.

5. (FOR HOLY SEE) YOU SHOULD BE AWARE OF THE ABOVE SINCE WE MAY DECIDE TO ASK CAPUCCI AGAIN FOR HIS HELP. BUT WE DO NOT WANT HIM TO TAKE ACTION AT PRESENT SINCE THIS COULD RISK CUTTING ACROSS THE ARCHBISHOP OF CANTERBURY'S EFFORTS. YOU WILL BE AWARE OF THE RECENT DEVELOPMENTS OVER THE IRANIAN STUDENTS IN THE UK (MY TELNO 199 TO STOCKHOLM, REPEATED TO YOU). ONE STUDENT ONLY, HOSSEIN MARANAKI, AWAITS DEPORTATION, AND HE WAS SCHEDULED TO RETURN TO IRAN YESTERDAY (13 JANUARY). OTHERWISE, THERE ARE NONE HELD IN DETENTION FOLLOWING LAST AUGUST'S DEMONSTRATION.

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TO IMMEDIATE FCO  
TELEGRAM NUMBER 018 OF 13 JANUARY 1981

PS

MIPT: BRITISH DETAINEES IN IRAN

1. WHEN PASSING THE TEXT ELIASSON (MFA, WHO WILL BE TRAVELLING WITH PALME TO IRAQ AND IRAN THIS WEEK) PICKED UP BUNDY'S REMARKS ABOUT CONFIDENTIALITY, SAYING THAT IN HIS VIEW, KNOWLEDGE OF THIS APPARENT SET BACK SHOULD BE KEPT STRICTLY TO OURSELVES. IF IT BECAME GENERALLY KNOWN AND PUBLIC, EG IN LONDON, IRANIAN AUTHORITIES WOULD GET LOCKED INTO AN EXCHANGE OF PRISONERS SITUATION WHICH HE SUSPECTED THEY WERE NOT WHOLLY AT PRESENT. I SAID THIS MADE SENSE. BUNDY HAD COMMENTED ON THE TELEPHONE THAT WAITE HAD MISUNDERSTOOD WHAT WAS SAID TO HIM, BUT IT LOOKED MORE AS THOUGH WAITE AND BUNDY WERE TALKING TO DIFFERENT SETS OF PEOPLE. ELIASSON AGREED : WE SHOULD ALL TRY TO PREVENT THE SITUATION SOLIDIFYING.

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FM STOCKHOLM 190700Z JAN 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 017 OF 13 JANUARY 1981

MY TEL NO. 13. BRITISH DETAINEES IN IRAN

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*ms*

1. FOLLOWING IS UNOFFICIAL TRANSLATION OF BUNDY'S TELEGRAM DATED 12 JANUARY.

*(He is the Swedish Amb. in Tehran)*

2. BEGINS: AS I MENTIONED DURING THE CONVERSATION UNDER REFERENCE, I DISCUSSED ONCE MORE THE QUESTION OF THE FOUR BRITISH DETAINEES ON 7 JANUARY WITH THE HEAD OF THE FOREIGN MINISTRY'S WESTERN EUROPEAN DEPARTMENT, MR TAGAVI. HE SAID THEN THAT REPRESENTATIVES OF THE REVOLUTIONARY COURT WERE MAKING A CONNECTION BETWEEN THE BRITISH SUBJECTS AND THE IRANIANS WHO ARE ALLEGED TO HAVE PREPARED A BOMB IN A LONDON HOTEL-ROOM WHICH THEY INTENDED TO PLANT IN THE IRAQ EMBASSY IN LONDON. THE BOMB HOWEVER EXPLODED, KILLING ONE OF THE THREE IRANIANS AND INJURING ANOTHER SEVERELY, WHILE THE THIRD ESCAPED WITHOUT SERIOUS INJURY. WHAT THEY WANTED NOW WAS IN THE FIRST PLACE TO GET THE BODY BUT ALSO THE TWO OTHER IRANIANS RETURNED HOME AS SOON AS POSSIBLE.

I SAID THAT I PERSONALLY COULD SEE NO PROBLEM WITH REGARD TO THE BODY, ONCE IT HAD BEEN IDENTIFIED. THE IDENTIFICATION DOCUMENTS ASSEMBLED BY THE FOREIGN MINISTRY WERE ALREADY ON THEIR WAY TO LONDON VIA STOCKHOLM WHERE THEY WERE EXPECTED ON 14 JANUARY FOR ONWARD TRANSMISSION.

WITH REGARD TO THE OTHER TWO, WE EXPECTED THERE TO BE A TRIAL FOLLOWED BY CONVICTION. WHAT THE SENTENCES WERE LIKELY TO BE I SAID I COULD NOT EVEN VENTURE AN OPINION.

ON THE BASIS OF HIS CONVERSATIONS WITH THE REPRESENTATIVES OF THE REVOLUTIONARY COURT, TAGAVI ASKED ABOUT THE PROSPECTS OF HAVING THE TWO SURVIVORS DEPORTED AFTER A FEW MONTHS' IMPRISONMENT, IN VIEW OF THE FACT THAT THEY HAD ALREADY BEEN IN CUSTODY FOR 8 MONTHS.

IF THIS COULD BE GUARANTEED, HE THOUGHT THE EARLY RELEASE OF THE FOUR BRITISH SUBJECTS COULD BE CONSIDERABLY FACILITATED.

IN REPLY TO MY DIRECT QUESTION WHETHER HE HAD IN MIND SOME FORM OF " SWAP " , TAGAVI RESPONDED IN THE NEGATIVE. WHAT HE PRIMARILY HAD IN MIND WAS " A SORT OF GENTLEMEN'S AGREEMENT UNQUOTE ON THE BASIS OF WHICH THE FOREIGN MINISTRY WOULD BE ABLE TO ACT AS GUARANTOR VIS-A -VIS THE REVOLUTIONARY COURT IN RESPECT OF THE BRITISH UNDERTAKINGS.

2. DESPITE THE EARLIER ASSURANCES TO THE CONTRARY, MY FEARS OF A STRAIGHTFORWARD QUOTE SWAP UNQUOTE HAVE NOW UNFORTUNATELY BEEN CONFIRMED. AT TAGAVI'S REQUEST, I CALLED ON HIM YESTERDAY, THIS TIME ACCOMPANIED BY ERIK ESSEEN. HE WANTED TO DISCUSS THE QUESTION OF THE DETAINEES IN THE LIGHT OF QUOTE A NEW DEVELOPMENT UNQUOTE. BRIEFLY, THIS WAS THAT THEY WERE PREPARED HERE TO RELEASE THE FOUR BRITISH SUBJECTS ONLY ON CONDITION THAT THE TWO IRANIAN QUOTE WERE REPRIEVED UNQUOTE AND DEPORTED AFTER CONVICTION AND POSSIBLY SOME MONTHS IMPRISONMENT. ONLY WHEN THEY HAD RETURNED

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TO IRAN DID THEY PROPOSE HERE TO QUOTE DROP ALL CHARGES UNQUOTE AGAINST THE FOUR AND RELEASE THEM. AS FAR AS TAGAVI UNDERSTOOD MR WAITE HAD TOUCHED ON THE QUESTION OF A BRITISH QUOTE INTERVENTION UNQUOTE FOR THE QUOTE RELEASE UNQUOTE OF THE TWO IRANIAN CITIZENS WITH JOHN GRAHAM, BUT GRAHAM HAD SAID THAT THERE WAS ONLY ONE STUDENT IN PRISON, WHO WOULD PROBABLY BE RELEASED IN A MONTH OR TWO. I SAID THAT THE IRANIAN PROPOSAL APPEARED ENTIRELY UNREASONABLE. BOTH WAITE AND I MYSELF HAD AFTER ALL RECEIVED EXPRESS ASSURANCES THAT THE FOUR BRITISH DETAINEES WERE INNOCENT, THAT IT HAD NOT BEEN POSSIBLE TO FIND A SINGLE CHARGE AGAINST THEM, IN REALITY, THIS MEANT, IN OTHER WORDS, THAT THE CONDITION FOR RESTORING THEIR FREEDOM TO THESE FOUR DEMONSTRABLY INNOCENT PERSONS WAS THAT TWO QUOTE DEMONSTRABLY UNQUOTE CRIMINAL PERSONS BE REPRIEVED. TAGAVI AGREED. HE EVEN SAID HE WAS UNCERTAIN AS TO WHETHER THE COLEMANS WOULD BE RELEASED DESPITE THE FACT THAT THEY WANTED TO STAY IN THE COUNTRY AND GO ON WITH THEIR WORK IN YAZD. THE REPRESENTATIVES OF THE REVOLUTIONARY COURT HAD SAID THEY WOULD TAKE THE QUESTION UP WITH THE AUTHORITIES THERE IN ORDER TO ESTABLISH QUOTE HOW HELPFUL THE COLEMANS ARE UNQUOTE.

THE CONSEQUENCES OF CONTINUING TO HOLD THE FOUR BRITISH SUBJECTS DID NOT APPEAR TO WORRY THE REPRESENTATIVES OF THE REVOLUTIONARY COURT. THEY TOOK THE VIEW THAT THEY HAD HELD 52 AMERICAN HOSTAGES WITHOUT ANYTHING HAPPENING. THEY THEREFORE HAD NOTHING TO FEAR IF THE FOUR BRITISH SUBJECTS WERE HELD PRISONERS UNTIL AN AGREEMENT HAD BEEN CONCLUDED ABOUT REPATRIATION. I REPLIED THAT AS A RESULT OF THEIR UNWARRANTED AND EXTREMELY OFFENSIVE SUGGESTION THEY HAD IN ACTUAL FACT PROVED LORD CARRINGTON RIGHT WHEN HE SAID IN A STATEMENT TO THE PRESS THAT HE QUOTE THOUGHT OF THEM AS HOSTAGES UNQUOTE A STATEMENT WHICH ACCORDING TO ACTING FOREIGN MINISTER KHODAPANAH QUOTE HURT THE FEELINGS OF THE IRANIANS UNQUOTE. TAGAVI NODDED AGREEMENT. I ADDED THAT, IF THE IRANIAN PROPOSAL WERE TO BECOME PUBLIC, IT WOULD UNDOUBTEDLY GIVE RISE TO THE MOST PROFOUND INDIGNATION AND DO IRAN GREAT DAMAGE. THE TAKING OF THE AMERICAN HOSTAGES ITSELF HAD CONSTITUTED

A SERIOUS CHALLENGE TO, NOT TO SAY OFFENCE AGAINST, ALL DECENCY IN INTERNATIONAL RELATIONS. AT THE SAME TIME, I STRESSED TO TAGAVI THAT I WOULD NOT OF COURSE ANTICIPATE THE BRITISH REACTION OR THE CHANCES OF LONDON ACCEPTING A QUOTE SWAP DEAL UNQUOTE OF THE KIND APPARENTLY ENVISAGED BY THE REPRESENTATIVES OF THE REVOLUTIONARY COURT.

3. TO WHAT EXTENT THE IRANIAN PROPOSAL MIGHT CONSTITUTE A BLUFF OR AN EMPTY THREAT IS OF COURSE DIFFICULT TO SAY. BUT AS FAR AS I COULD UNDERSTAND FROM MY INTERLOCUTOR, THE THREE IRANIANS HAD QUOTE STRONG CONNECTIONS WITH SOME INFLUENTIAL QUARTERS UNQUOTE WHO FOR SOME REASON WANTED TO GET THE BODY AND THE TWO SURVIVORS BACK. ACCORDING TO WHAT TAGAVI TOLD ME ON A PREVIOUS OCCASION, A SISTER OF THE DEAD MAN WAS SUPPOSED TO HAVE APPROACHED KHOMEINY AMONG OTHERS. SHE IS EVIDENTLY ALSO A COUSIN OF THE IRANIAN WHO IS ONLY SLIGHTLY INJURED. ONE OF THE TWO SURVIVORS IS REPORTED TO HAVE BEEN A LOCALLY, -ENGAGED EMPLOYEE OF THE IRANIAN EMBASSY.

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4. DEPENDING ON LONDON'S REACTION, I PROPOSE TO PAY ANOTHER CALL ON BEHESHTI IN ORDER TO DISCUSS WITH HIM THE CONCRETE CONDITIONS FOR RELEASE OF THE BRITISH SUBJECTS. BECAUSE OF THE TWO IRANIANS' CONTACTS AT THE HIGHEST LEVEL, TAGAVI THOUGHT HOWEVER THAT A RENEWED APPROACH TO BEHESHTI WOULD BE OF NO AVAIL.

5. I UNDERSTOOD FROM MY INTERLOCUTOR THAT HE WANTED THE ABOVE TO BE TREATED AS STRICTLY CONFIDENTIAL. SHOULD LONDON NEVERTHELESS FIND IT TACTICALLY ADVISABLE TO BRING THE MATTER TO THE PUBLIC NOTICE MUST BE A MATTER OF PURELY BRITISH JUDGEMENT.

(MANUSCRIPT NOTE BY ELIASSON: SUGGEST NO PUBLICITY AT ALL).

6. GRATEFUL FOR LONDON'S REACTION TO THE ABOVE, DATE OF TRIAL ETC. ENDS

7. SEE MIFT.

MURRAY

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MR L.C. MOBERLY

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*R76/18*

THE PRIME MINISTER 10 DOWNING ST  
LONDONSW1

**LFZ 917**

DEAR MRS THATCHER

WE ARE URGENTLY APPEALING TO YOU ON BEHALF OF THE WOMEN OF IRAN WHO SUDDENLY AFTER 50 YEARS OF PROGRESS FIND THEMSELVES THRUST INTO THE OPPRESSIVE CONFINES OF AN ANACHRONISTIC SOCIAL SYSTEM BROUGHT BACK WITH EXTREME VENGEANCE

COL 50

PAGE 2/50

BY AN OBSCURANTIST GERONTOCRATIC THEOCRACY WE ARE CERTAIN THAT AS A WOMAN YOU WILL APPRECIATE THE EXTREME SENSE OF OPPRESSION WHICH IRANIAN WOMEN MUST FEEL LIVING UNDER A REGIME WHICH HAS DETERMINEDLY TURNED THE CLOCK BACK ON THEM AND ON PAIN OF EXTREME SANCTIONS DENIES THEM THOSE ELEMENTARY RIGHTS WICH

PAGE3/50

THEY HAD COME TO SEE AS THEIRS OVER THE PAST HALF A CENTURY  
ON THE 7TH JANUARY EXACTLY 45 YEARS AGO THE WOMEN OF IRAN DISCARDED  
THEIR MOST OBVIOUS SYMBOL OF DEGRADATION THE VEIL FOR THEM THIS  
WAS THE BEGINNING OF A PROCES WHICH WAS TO LEAD EVENTUALLY  
TO FULL

COL 7TH 45

PAGE4/50

CITIZEN STATUS IN THE CONTECT OF A PROGRESSIVE MODERNIZING AND  
ENLIGHTENED SOCIETY IN THESE YEARS WOMEN WERE ABLE TO ENJOY THE  
BENEFITS OF ACCESS TO HIGHER EDUCATION THE PROTECTION OF FAMILY  
COURTS GUARANTEEING THEIR RIGHTS AT  
THE LEVEL OF DAILY LIFE AND COULD ASPIRE TO AND OFTEN ACHIEVE  
THE HIGHEST

PAGE5/50

POLITICAL DIPLOMATIC AND JUDIXIAL POSITIONS IN THE LAND  
TRAGICALLY THEY FIND ALL THIS BEING SWEEP AWAY BEFORE THE TIDAL  
WAVE OF REACTIONARY OBSCURANTISM EXECUTION PUBLIC FLOGGING AND  
STONING TO DEATH ARE AS YOU WILL NO DOUBT BE AWARE THE DAILY DIET  
OF THOSE WHO PUT A TOE OUTSIDE THE CONFINES

PAGE 6/50

OF THEIR OPPRESSIVE EXISTENCE  
AS A GROUP OF IRANIANS ORGANIZED AND DETERMINED TO ENSURE AN  
EARLY END TO THIS TERRIBLE NIGHTMARE WE FEEL CERTAIN THAT AS  
THE LIFELONG COMPANION OF A MAN WHO HAS CHAMPIONED THE CAUSE OF  
FREEDOM AND HUMAN DECENCY EVERYWHERE FOR ALL HIS LIFE YOU WILL NOT

COL

PAGE 7/49

REMAIN INDIFFERENT TO THE OUTCOME OF OUR STRUGGLE WE EARNESTLY  
HOPE THAT YOU WILL EXTEND TO US YOUR FULL BLESSING AND THAT CRI-  
TICAL AND INDISPENSIBLE DEGREE OF SUPPORT WHICH WILL ASSURE THE  
SUCCESS OF THIS NOBLE CAUSE

NATIONAL MOVEMENT FOR THE FREEDOM OF IRAN WOMEN'S SECTION  
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COL PB 217

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RH



10 DOWNING STREET

From the Private Secretary

13 January, 1981

Dear Jim,

Ambassador Brewster called on the Prime Minister at 1635 hrs today along with Messrs Munheim and Lake of the United States Treasury. The Chancellor of the Exchequer and Mr Lavelle were also present.

Ambassador Brewster said that the US Treasury and the Bank of England were close to reaching agreement on certain arrangements to facilitate the release of US hostages. These would involve the Bank opening an account in the name of the Federal Reserve Bank into which blocked Iranian deposits would be paid. These funds would then be transferred to an escrow account, and released to the Bank Mharkazi when the Algerians had certified that the hostages had been released.

Their purpose in coming to see the Prime Minister was to ask for HMG's assistance in respect of approximately \$1 billion of gold currently held by the New York Federal Reserve in the name of the Bank Mharkazi, which the US Government also wanted to release as part of the hostages deal. Unlike other Iranian assets in the US, this gold was relatively unencumbered and should be free to move within days. But in order to avoid any delay, it would be very helpful if HMG would agree to a swap arrangement with the US authorities, so that the gold could be available to the Iranians immediately.

Mr Munheim explained that a two-stage approach would be necessary. First, the US Treasury would agree a swap arrangement with the UK authorities whereby approximately \$1 billion of gold held at Fort Knox would be credited to the account of HMG, and the same amount at the Bank of England would be credited to the account of the US Treasury. Next, the US Treasury would agree to swap the gold on their account at the Bank against the Bank Mharkazi's gold at the New York Federal Reserve. By this approach, HMG would avoid any risk of the Bank Mharkazi's gold at the Federal Reserve turning out to be encumbered, and therefore not being available.

/As soon as

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As soon as the hostages had safely departed, the Bank of England would release the gold along with the other Iranian deposits under the escrow agreement. The only disadvantage of the arrangement for HMG would be that part of its gold reserves would be held at Fort Knox; but if desired, the US Treasury would pay for its shipment to London.

The Prime Minister said that HMG would like to do all it could to help. On the face of it, the proposed gold swap arrangement would be acceptable, though the Treasury and the Bank would need to consider the legal and other implications. But she was concerned about the trigger arrangement in the proposed escrow agreement. Both she and the Chancellor were concerned that the instruction to pay over the gold and other funds should be absolutely without ambiguity. If, as was proposed, the agreement were to be triggered by the Algerians informing the Bank that the hostages had departed, HMG would then have to make a judgement on its authenticity. They would prefer a simple instruction to pay. Moreover, they hoped that the arrangements for handing over the hostages were absolutely watertight. This was of course a problem for the US authorities; but whatever the legalities of the UK position, it would look bad if the money were handed over and the hostages failed to arrive safely.

Mr. Munheim said that the Bank of England's role would be purely mechanical. The judgement as to whether the hostages had departed would be made by the escrow agent, the Algerian Central Bank; and the Bank would be under no obligation to look behind the instruction to pay. Moreover, to eliminate any risk of confusion, the Algerian designated to have authority to sign the instruction would hand it to the Bank personally. Also, the US authorities proposed to publish the escrow agreement as soon as possible after the hostages' departure to make it clear that they, and not the UK, were responsible for the trigger arrangement.

Finally, Mr. Lake said that the US would like all the financial arrangements to be finalised by tomorrow Washington time. This would permit various funds to be brought together in London so as to allow the hostages to be released by Friday. The Prime Minister said that the Bank and the Treasury would do everything possible to meet this timetable.

I am sending a copy of this letter to George Walden (Foreign and Commonwealth Office) and to the Deputy Governor of the Bank of England, and also to Sir Robert Armstrong (Cabinet Office).

A. J. Wiggins, Esq.,  
H.M. Treasury.

*[Handwritten signature]*  
Tim Lankish



CHANCELLOR

cc Sir D Wass  
Sir K Couzens

IRAN

The US Ambassador has asked if he may call upon the Prime Minister and the Chancellor of the Exchequer at 4.30 p.m. this afternoon. The Ambassador will be accompanied by US Treasury Counsel (Mr Mundheim).

2. It is not clear what the purpose of Ambassador Brewster's call may be. The background is the negotiations over the US hostages. We have, however, been told that the points to be made do not directly involve the Bank of England but are rather at the level of financial relations between Governments.

3. It may be that Ambassador Brewster wishes to give to UK Ministers an account of the general state of negotiations with the Iranians, as he understands it. Such an account would be helpful at this stage. The technical discussions with the Bank of England have necessarily lacked this dimension: it would be useful to take such an opportunity to establish that there is nothing in the agreements now being negotiated as a whole which might cause any concern to this country.

4. As reported yesterday, an indication was given on Friday that the 'other party' might wish the Bundesbank to act as intermediary in the arrangements for release of frozen US assets. This possibility was explored in Frankfurt over the weekend. The position remains that it is almost certain that the Bank of England is to be preferred after all.

5. The London talks, which began on Friday, have been concerned primarily with the arrangements for marshalling of the assets and drafting of the escrow agreement.

6. . On marshalling, the intention is that the funds in question, notably the frozen funds in US banks in London and Paris, should be marshalled by the Federal Reserve Bank, who would redeposit them initially with the US banks. This process has, we understand, not been without difficulty. At the time of transfer to the escrow account, the assets would be redeposited with British banks: the necessary contacts are to be made very shortly.
7. There have been successive drafts of the escrow agreement. The Bank have been using Freshfields but the Treasury Solicitor has also now been consulted.
8. In general the draft agreement looks to be shaping up in a workmanlike way and already takes account of a number of points we have needed to make. Others, e.g. the desirability of including a clause providing for limited duration of the agreement, if it is not activated, were fed in at a meeting this morning.
9. There is one point in the present draft of the agreement which we would draw to attention. The trigger arrangements for payment to the Iranians by the Bank are expressed in terms of notification by the Algerian Government of the safe departure of the hostages. The Bank would prefer a simple instruction to pay. Our concern goes rather deeper. It is that until the hostages arrive safely at the agreed destination the Bank and HMG are at risk, not in a legal but in some political sense, if something goes wrong. It may be that this arrangement is the best the Americans can negotiate. But if this is so, it would seem highly desirable for it to be made public as soon as practicable that this is the basis of the agreement negotiated by the Americans, and that the Bank's role is a purely mechanical one.
10. We suggest, accordingly, that Ambassador Brewster be asked how in general it is proposed that the agreements as a whole should be made public. In the light of his response, we recommend it be said that we think it would be in everyone's interests for the responsibility for the position on this timing point be made quite clear: lest if, against expectation, there were some mishap a misunderstanding of the point cast a shadow over relations between the two countries after a change of Government. Our

expectation is that the Americans will in fact wish to publicise the agreements as soon as may be feasible.

11. For completeness, it may be worth mentioning, though we do not recommend this be put to Ambassador Brewster, a more secondary point where some improvement has been secured but the position remains a little unsatisfactory.

12. The point is this. The Americans originally asked the Bank to carry out a similar intermediary role in relation to the future settlement arrangements for the claims relating to the assets in the US subject to legal action. The Bank were unhappy, rightly in our view, about the prospect of a protracted role. They are still hoping that this can be avoided. In its original manifestation, this proposed role appeared to involve them in holding very large sums and in such a situation it seemed quite possible that some of the controversy likely to arise over these settlements, might stick to the Bank. In its revised form the Bank's role would be reduced to a post-box for sums as they were paid out in settlement - much more akin to a normal banking role. There is still a reference back, which we do not like, to the background to such an arrangement in the present escrow account. It may be possible to make some further improvement. In the last analysis, however, we doubt if this could be made a sticking point if the Americans regard it as essential to have something positive to say about the handling of settlement of these other assets.

*R*  
R G LAVELLE  
13 January 1981



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

8 January 1981

C. Whitmore, Esq.,  
Principal Private Secretary  
No.10, Downing Street

*Dear Sir,*

IRAN

The Prime Minister will wish to know that the Bank of England were approached this afternoon by the US Treasury to participate in arrangements to facilitate the release of the US hostages.

Under these arrangements the Bank would be asked to open an account in the name of the Federal Reserve Bank into which sums of the order of \$7 billion would be paid. Shortly before the planned release of the hostages these sums would be transferred to an escrow account held by the Bank of England. There would be an escrow agreement determining how the money would be transferred via the Algerians to Iranian control once the hostages were released.

The strong advice of the Foreign and Commonwealth Office is that we should not stand aside from this request. It will however be necessary to ensure that the terms of the escrow account are tightly drafted to minimise both the financial risks to the Bank and the moral and political risks to the UK as a whole if the exchange should go wrong. Work is proceeding urgently on this basis and a further meeting is planned with the Americans tomorrow. A major condition which we have identified is that the blocked Iranian funds at present held in US banks which would back part of the \$7 billion account with the Bank of England should be transferred to British banks. The possibility of renewed freezing action by the US if these funds stayed in US banks would be a major risk for the Bank of England.

/It should be

TOP SECRET



It should be said that the likelihood of these arrangements coming into operation is fairly small. The sums involved are less than those named by the Iranians, partly because they cannot include assets held in the US and subject to court orders. The whole operation would need to be completed before the Carter Administration comes to an end on 20 January and could well founder on this account.

We will keep the Prime Minister closely in touch with developments as necessary over the coming days.

I am copying this letter to the Private Secretary to the Foreign and Commonwealth Secretary and to the Deputy Governor of the Bank of England.

*Yours ever,*

*Richard Tolkien.*

R.I. TOLKIEN

IRAN/IRAQ

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*Sr. A. Adams*

*HC WPK*

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FM WASHINGTON 291825Z JAN 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 70 OF 9 JANUARY

INFO IMMEDIATE RABAT (FOR PRIVATE SECRETARY), PRIORITY ALGIERS.

MY TEL 31 U.S./IRAN - HOSTAGES

1. CAUTIOUS OPTIMISM STILL PREVAILS HERE. THE FACT THAT THE PROCESS OF NEGOTIATION IS CONTINUING WITH SOME INTENSITY IS ITSELF ENCOURAGING TO THE ADMINISTRATION.
2. THE ALGERIANS CONTINUE TO WIN THE HIGHEST PRAISE FOR THEIR EFFORTS. THE PRESS HAS REPORTED THAT THEY DELAYED TRANSMITTING THE LATEST AMERICAN COMMUNICATION, BUT SICK (NSC) HAS CONFIRMED THAT THEY HAD HELPFUL NOT OBSTRUCTIVE REASONS FOR DOING SO. THEY WANTED BOTH TO BE SURE THEY UNDERSTOOD SOME OF THE MORE ABSTRUSE TECHNICAL POINTS (HENCE CHRISTOPHER'S FLIGHT TO AND CONTINUED PRESENCE IN ALGIERS); AND TO SUGGEST SOME CHANGES TO THE AMERICAN MESSAGE WHICH THEY BELIEVED - AND THE AMERICANS ACCEPT - WOULD IMPROVE ITS CHANCES OF BEING ACCEPTABLE IN TEHRAN.
3. REAGAN PRONOUNCED AGAIN YESTERDAY, GIVING WHAT HAS BEEN INTERPRETED AS A QUALIFIED COMMITMENT TO BE BOUND BY ANY AGREEMENT CARTER REACHES. QUOTE I'M QUITE SURE THAT ANY AGREEMENT WOULD BE

1. CAUTIOUS OPTIMISM STILL PREVAILS HERE. THE FACT THAT THE PROCESS OF NEGOTIATION IS CONTINUING WITH SOME INTENSITY IS ITSELF ENCOURAGING TO THE ADMINISTRATION.

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3. REAGAN PRONOUNCED AGAIN YESTERDAY, GIVING WHAT HAS BEEN INTERPRETED AS A QUALIFIED COMMITMENT TO BE BOUND BY ANY AGREEMENT CARTER REACHES. QUOTE I'M QUITE SURE THAT ANY AGREEMENT WOULD BE ONE THAT, YES, I COULD CARRY OUT.... ON THE OTHER HAND, I DON'T THINK ANYONE SHOULD BE ASKED TO SIGN A BLANK CHEQUE, AND SO I CAN'T GIVE YOU AN UNEQUIVOCAL YES UNQUOTE. THE ADMINISTRATION ARE NOT CONVINCED THAT THIS WAS NECESSARILY HELPFULLY PUT, IF IT SOWS A DOUBT IN IRANIAN MINDS ABOUT THE RELIABILITY OF ANY AGREEMENT REACHED WITH CARTER. BUT EQUALLY IT COULD ADD TO ANY SENSE OF URGENCY THE IRANIANNS MAY FEEL. THEY EXPRESS NO CONFIDENCE THAT THE HOSTAGES WILL BE ACTUALLY RELEASED BY 20 JANUARY, BUT DO NOT RULE OUT THE POSSIBILITY OF AGREEMENT BEING REACHED WITH THE IRANIANS BY THEN. THE GAP BETWEEN THE TWO SIDES ON THE MAIN ISSUE (THE IRANIAN GOVERNMENT ASSETS) APPEARS TO BE NARROWING: AND SOME SENSE OF REALITY SEEMS TO BE CREEPING INTO IRANIAN THINKING ABOUT THE SHAH'S ASSETS WHICH ARE HARDLY BEING REFERRED TO IN THE CURRENT NEGOTIATIONS.

HENDERSON

NNNN

TOP SECRET

NO 10 TO CHEQUERS

FOLLOWING FOR PRIME MINISTER FROM DUTY CLERK

LETTER TO CLIVE WHITMORE FROM HM TREASURY

BEGINS

IRAN

THE PRIME MINISTER WILL WISH TO KNOW THAT THE BANK OF ENGLAND WERE APPROACHED THIS AFTERNOON BY THE US TREASURY TO PARTICIPATE IN ARRANGEMENTS TO FACILITATE THE RELEASE OF THE US HOSTAGES.

UNDER THESE ARRANGEMENTS THE BANK WOULD BE ASKED TO OPEN AN ACCOUNT IN THE NAME OF THE FEDERAL RESERVE BANK INTO WHICH SUMS OF THE ORDER OF 7 BILLION DOLLARS WOULD BE PAID. SHORTLY BEFORE THE PLANNED RELEASE OF THE HOSTAGES THESE SUMS WOULD BE TRANSFERRED TO AN ESCROW ACCOUNT HELD BY THE BANK OF ENGLAND. THERE WOULD BE AN ESCROW AGREEMENT DETERMINING HOW THE MONEY WOULD BE TRANSFERRED VIA THE ALGERIANS TO IRANIAN CONTROL ONCE THE HOSTAGES WERE RELEASED.

THE STRONG ADVICE OF THE FOREIGN AND COMMONWEALTH OFFICE IS THAT WE SHOULD NOT STAND ASIDE FROM THIS REQUEST. IT WILL HOWEVER BE NECESSARY TO ENSURE THAT THE TERMS OF THE ESCROW ACCOUNT ARE TIGHTLY DRAFTED TO MINIMISE BOTH THE FINANCIAL RISKS TO THE UK AS A WHOLE IF THE EXCHANGE SHOULD GO WRONG. WORK IS PROCEEDING URGENTLY ON THIS BASIS AND A FURTHER MEETING IS PLANNED WITH THE AMERICANS TOMORROW. A MAJOR CONDITION WHICH WE HAVE IDENTIFIED IS THAT THE BLOCKED IRANIAN FUNDS AT PRESENT HELD IN US BANKS WHICH WOULD BACK PART OF THE 7 BILLION DOLLARS ACCOUNT WITH THE BANK OF ENGLAND SHOULD BE TRANSFERRED TO BRITISH BANKS. THE POSSIBILITY OF RENEWED FREEZING ACTION BY THE US IF THESE FUNDS STAYED IN US BANKS WOULD BE A MAJOR RISK FOR THE BANK OF ENGLAND.

IT SHOULD BE SAID THAT THE LIKELIHOOD OF THESE ARRANGEMENTS COMING INTO OPERATION IS FAIRLY SMALL. THE SUMS INVOLVED ARE LESS THAN THOSE NAMED BY THE IRANIANS, PARTLY BECAUSE THEY CANNOT INCLUDE ASSETS HELD IN THE US AND SUBJECT TO COURT ORDERS. THE WHOLE OPERATION WOULD NEED TO BE COMPLETED BEFORE THE CARTER ADMINISTRATION COMES TO AN END ON 20 JANUARY AND COULD WELL FOUNDER ON THIS ACCOUNT.

WE WILL KEEP THE PRIME MINISTER CLOSELY IN TOUCH WITH DEVELOPMENTS AS NECESSARY OVER THE COMING DAYS.

I AM COPYING THIS LETTER TO THE PRIVATE SECRETARY TO THE FOREIGN AND COMMONWEALTH SECRETARY AND TO THE DEPUTY GOVERNOR OF THE BANK OF ENGLAND

ENDS

8 JANUARY 1981



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TO IMMEDIATE FCO

TELEGRAM NUMBER 31 OF 7 JANUARY 1981

INFO IMMEDIATE RABAT (FOR PRIVATE SECRETARY) ROUTINE ALGIERS

MY TELEGRAM NO 23 (NOT TO RABAT) AND TELECON GRAHAM/FORTESCUE:

US HOSTAGES IN IRAN

1. STATE DEPARTMENT REGARD LATEST DEVELOPMENTS AS HOPEFUL BUT ARE NOT CERTAIN WHETHER A DEAL CAN BE CLINCHED BEFORE 20 JANUARY.
2. ACCORDING TO SAUNDERS THE STATE DEPARTMENT LAST NIGHT RECEIVED THE FIRST TELEGRAM FROM THE ALGERIANS SINCE THE LATEST DETAILED PAPER SETTING OUT THE US POSITION WAS TAKEN TO TEHRAN (MY TELNO 6). THE ALGERIAN TELEGRAM ASKED A NUMBER OF QUESTIONS ABOUT THE US POSITION AND SET OUT THE IRANIAN PERSPECTIVE. SAUNDERS SAID THAT THE BALL WAS NOW IN THE US COURT TO SAY WHETHER THEY COULD ACCEPT WHAT THE IRANIANS WERE OFFERING. THE ARRANGEMENTS PROPOSED BY THE IRANIANS WERE COMPREHENSIVE, COVERING ALL ASPECTS OF THE PROBLEM. THE REMAINING DIFFICULTIES FOR THE AMERICANS WERE MATTERS

PROBLEM. THE REMAINING DIFFICULTIES FOR THE AMERICANS WERE MATTERS OF MANAGEMENT, NOT OF SUBSTANCE. THEY AROSE FROM THE FORTHCOMING CHANGE OF ADMINISTRATION: A DECISION WOULD BE NECESSARY ON HOW FAR THE PRESENT ADMINISTRATION COULD UNDERTAKE COMMITMENTS WHICH WOULD BE EFFECTIVE BEYOND 20 JANUARY. SOME ASPECTS COULD BE COVERED BEFORE THAT DATE BUT OTHERS WOULD EXTEND BEYOND IT.

3. ONE OTHER OUTSTANDING DIFFICULTY WAS THAT THE IRANIANS HAD NOT YET RESPONDED ON THE DRAFT CLAIMS SETTLEMENT AGREEMENT WHICH THE US HAD PROPOSED. CONCLUSION OF THIS AGREEMENT WAS ESSENTIAL BEFORE THE US GOVERNMENT COULD ASK THE COURTS TO VOID CLAIMS AGAINST IRANIANS ASSETS.

4. SAUNDERS SAID THAT IN SUMMARY THE SUBSTANTIVE EXCHANGE WITH THE IRANIANS WAS MOVING FORWARD.

5. WE SENSE THAT THE STATE DEPARTMENT BELIEVE THAT AGREEMENT IS NOW NEARER THAN AT ANY PREVIOUS STAGE IN THE LONG-DRAWN-OUT NEGOTIATIONS, BUT THERE ARE STILL SOME FINAL DETAILS TO BE PUT INTO PLACE AND THE RISK OF A FURTHER VOLTE-FACE BY THE IRANIANS CANNOT YET BE EXCLUDED.

HENDERSON

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PP DAMASCUS

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*mf*

*to mla*

FM FCO 061030Z JANUARY 1980

TO IMMEDIATE BAGHDAD  
TELEGRAM NUMBER 5 OF 6 JANUARY.

AND TO IMMEDIATE STOCKHOLM (FOR BRITISH INTERESTS SECTION, TEHRAN)  
INFO PRIORITY DAMASCUS, ROUTINE WASHINGTON

DAMASCUS TELNO 185 (NOT TO OTHERS) : IRANIAN EMBASSY SIEGE

1. YOU SHOULD BE AWARE THAT THE TRIAL OF NEJAD, THE ONE  
SURVIVING TERRORIST FROM THE SIEGE OF THE IRANIAN EMBASSY IN  
LONDON LAST MAY, WILL BEGIN AT THE OLD BAILEY ON 13 JANUARY. IT  
COULD LAST TWO AND A HALF TO THREE WEEKS.

2. ALTHOUGH THE MAJOR PART OF THE PROSECUTION'S CASE WILL BE  
BASED ON EVIDENCE DERIVED FROM EVENTS DURING THE SIEGE, IT IS  
LIKELY THAT OTHER ASPECTS (FOR EXAMPLE IRAQI INVOLVEMENT) MAY  
ALSO COME UP. WE SHALL KEEP YOU INFORMED OF DEVELOPMENTS AS THE  
TRIAL PROGRESSES.

3. (FOR DAMASCUS)  
GRATEFUL TO KNOW WHETHER YOU REMAIN INTERESTED IN THE TRIAL AND  
ITS CONTENTS (YOUR TUR).

CARRINGTON

IRAN STANDARD

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TO PRIORITY BRITISH INTERESTS SECTION TEHRAN  
TELEGRAM NUMBER 3 OF 5 JANUARY

MY TELNO 2 : ANGLICAN DETAINEES

1. WAITE TELEPHONED THIS MORNING. HE HAS BEEN IN TOUCH TWICE WITH HIS CONTACT IN TEHRAN WHO HAS TOLD HIM THAT THE PAPERS HAVE NOW BEEN CLEARED BY THE ISFAHAN AUTHORITIES AND ARE BEING PUT TO QODDOUSI. THE CONTACT EXPECTS THE ANGLICANS TO BE RELEASED IN THE COURSE OF THIS WEEK. WAITE, WHILE CAUTIOUSLY OPTIMISTIC, IS AWARE THAT HE CANNOT COUNT ON ANYTHING UNTIL THE ANGLICANS ARE ACTUALLY OUT OF PRISON AND OUT OF THE COUNTRY. LAMBETH WILL BE SAYING NOTHING ABOUT THESE FURTHER CONTACTS TO THE PRESS, AND IT IS IMPORTANT THAT WE ALSO SHOULD REFRAIN.
2. WAITE BELIEVES THAT THE IRANIAN AUTHORITIES WILL PROBABLY WISH TO ARRANGE FOR THE COLEMANS AND MISS WADDELL TO MEET THE PRESS IN TEHRAN. THE COLEMANS WISH TO VISIT YAZD, BEFORE RETURNING TO THE UK FOR A HOLIDAY, IN ORDER TO PRESENT THEMSELVES THERE AND GIVE LOCAL PUBLICITY TO THEIR CLEARANCE. IF THE IRANIAN AUTHORITIES PERMIT THIS, THEREFORE, IT SEEMS LIKELY THAT THEY WILL TRAVEL SEPARATELY FROM MISS WADDELL. WAITE INTENDS TO DO WHAT HE CAN TO PROTECT HER FROM THE PRESS AT THIS END, AT LEAST UNTIL HE HAS BEEN ABLE TO MAKE DIRECT CONTACT WITH HER TO OFFER ADVICE. IF YOU HAVE AN OPPORTUNITY TO SEE HER, YOU MIGHT TELL HER OF THIS, AND SUGGEST THAT SHE WOULD BE WELL ADVISED TO RESTRICT ANY COMMENTS SHE MAY MAKE TO THE MINIMUM, UNTIL SHE HAS SEEN WAITE.

CARRINGTON

IRAN STANDARD

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TO ROUTINE F C O  
TELEGRAM NUMBER 5028 OF 31 DECEMBER

*Prime Minister*

*To see all*

*MAJ mb*

MY TELS 5012 AND 5013: US/IRAN - HOSTAGES

1. WARREN CHRISTOPHER TOLD ME TODAY THAT HE DOUBTED THAT A SETTLEMENT COULD BE REACHED BEFORE 20 JANUARY ALTHOUGH NEGOTIATIONS WERE PROCEEDING. THE ADMINISTRATION HAS GIVEN THE ALGERIANS ITS LATEST COUNTER-PROPOSALS, INCLUDING SOME DETAILED SUGGESTIONS FOR A SYSTEM OF ARBITRATION AND FOR SETTING UP AN ESCROW ACCOUNT PENDING THE RELEASE OF THE HOSTAGES. THESE HAD NOT BEEN DISCUSSED WITH THE REAGAN TEAM WHO HAD DELIBERATELY AVOIDED INVOLVEMENT IN OR COMMITMENT TO THE NEGOTIATIONS.

2. ON THE QUESTION OF WHAT THE INCOMING REAGAN ADMINISTRATION MIGHT DO IF IT INHERITED THE PROBLEM, CHRISTOPHER BELIEVED THAT THEY WOULD WISH TO ADOPT A NEW APPROACH ON THE GROUNDS THAT PROCEDURES TRIED SO FAR HAD FAILED. HE THOUGHT THEY HAD TWO OPTIONS: THEY COULD DECIDE TO BREAK OFF ALL NEGOTIATIONS ON THE GROUNDS THAT THE HOLDING OF HOSTAGES WAS TOTALLY UNACCEPTABLE, THAT THE HOSTAGES THEMSELVES WERE PRISONERS OF WAR, AND LEAVE IT TO THE IRANIANS TO MAKE THE NEXT MOVE; OR THEY COULD GO FOR SOME USE OF FORCE. CHRISTOPHER DID NOT KNOW WHAT FORCEFUL ACTION WOULD BE FEASIBLE: ACCORDING TO THE ALGERIAN REPRESENTATIVE WHO HAD SEEN THE HOSTAGES IN TEHRAN, THEY WERE NOT BEING HELD IN ONE PLACE, WHICH WOULD SEEM TO INDICATE THAT THE IRANIANS FEARED THAT THE AMERICANS MIGHT MOUNT ANOTHER RESCUE ATTEMPT.

HENDERSON

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TO ROUTINE F C O

TELEGRAM NUMBER 4985 OF 22 DECEMBER 1980,

INFO ROUTINE ALGIERS

MY TEL 4936: U S/IRAN - HOSTAGES

1. TODAY'S NEW YORK TIMES PUBLISHES THE FULL TEXT OF THE LATEST IRANIAN COMMUNICATION, AS RELEASED BY THE PARS NEWS AGENCY (COPY BY BAY TO MIERS, M E D).
2. INTERVIEWED ON N B C TELEVISION'S "MEET THE PRESS" PROGRAMME ON 21 DECEMBER, MUSKIE DESCRIBED THE IRANIAN RESPONSE AS "UNREASONABLE AND REQUIRING OF US ACTION BEYOND THE POWER OF THE PRESIDENT TO TAKE". HE DENIED THAT THIS SHOULD BE INTERPRETED AS THE CARTER ADMINISTRATION SUSPENDING NEGOTIATIONS AND LEAVING THE PROBLEM FOR REAGAN. NEGOTIATING THE RELEASE OF THE HOSTAGES REMAINED A HIGH PRIORITY GOAL AND THE IRANIAN RESPONSE WAS STILL UNDER STUDY. "AT THIS POINT IN OUR NEGOTIATIONS WITH IRAN, WE ARE WITHIN REACH, IF THEY COULD BUT SEE IT, OF A SOLUTION TO THE PROBLEM WHICH WOULD MAKE POSSIBLE THE RETURN OF THE HOSTAGES AND THE BEGINNINGS OF A MEANINGFUL PROCESS OF BRINGING IRAN BACK INTO THE COMMUNITY OF NATIONS IN A DIGNIFIED, RESPONSIBLE WAY."
3. DESPITE THIS ATTEMPT TO KEEP ALIVE THE IMPRESSION OF A CONTINUING DIALOGUE, OFFICIALS ARE NOT DISGUIISING THEIR GLOOM. THIS IS WIDELY REFLECTED IN MEDIA COMMENT, WHICH HAD PREVIOUSLY SPECULATED ON THE POSSIBILITY OF RELEASE BY CHRISTMAS BUT NOW SPEAKS OF IMPASSE, DEADLOCK AND DASHED HOPES.
4. SICK (N S C) HAS TOLD US THAT THE NEXT MOVE WILL BE TO SEEK THROUGH THE U S EMBASSY IN ALGIERS (THERE ARE NO PLANS FOR EMISSARIES IN EITHER DIRECTION) THE IMPRESSIONS WHICH THE ALGERIAN INTERMEDIARIES BROUGHT BACK FROM TEHRAN AND TO EXPLORE WITH THEM SOME IDEAS FOR "REPACKAGING" THE LAST AMERICAN PROPOSALS - THOUGH NOTHING CAN BE OFFERED WHICH GOES ANY SIGNIFICANT DISTANCE TO MEET THE IRANIAN DEMANDS. THE AMERICANS DO NOT EXPECT THE ALGERIANS TO GIVE ANY JOY: INDEED THEIR EVIDENCE SUGGESTS THAT THE ALGERIANS WERE NO LESS SHOCKED AND DISHEARTENED THAN THEMSELVES BY THE MESSAGE THEY WERE ASKED TO CONVEY. THE IRANIANS HAVE APPARENTLY DECLINED TO TAKE UP WHAT THE AMERICANS SINCERELY BELIEVED TO OFFER AN HONOURABLE AND RELIABLE WAY TO RESOLVE THE ISSUE, AND ONE WHICH UNTIL ABOUT 48 HOURS BEFORE THE IRANIAN REPLY WAS RECEIVED SEEMED TO HAVE SOME ATTRACTION IN TEHRAN.
5. SPECULATING ON WHAT MIGHT HAVE GONE WRONG THIS TIME, SICK THOUGHT THAT ONCE AGAIN DOMESTIC IRANIAN POLITICS COULD BE BLAMED. BY ACCEPTING THE AMERICAN APPROACH (I E THE INSTITUTING OF A SETTLEMENT CLAIM PROCEDURE WITH PROVISION FOR ARBITRATION) RATHER THAN DEMANDING

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AN IMMEDIATE CHEQUE FOR FROZEN IRANIAN ASSETS, THE IRANIAN NEGOTIATOR -S MAY HAVE FEARED THAT THEY HAD GONE AGAINST THE MAJLIS INSTRUCTIONS AND FELT A NEED TO COMPENSATE BY OVERBIDDING ON THE DETAILED FINANCIAL COMPONENTS OF THE DEAL. THE FACT THAT THE IRANIANS HAD MADE THEIR RESPONSE PUBLIC SO QUICKLY MIGHT SUPPORT THE THESIS THAT THEY WERE ANXIOUS TO COVER THEMSELVES AT HOME. WHATEVER THE EXPLANATION, THE BEST THAT COULD BE SAID OF THE POSITION NOW REACHED WAS THAT THE IRANIANS HAD AT LEAST ACCEPTED THE AMERICAN APPROACH AND IT WOULD NOT BE COMPLETELY OUT OF CHARACTER FOR THEIR UNACCEPTABLE GUARANTEE DEMANDS (WHICH AMOUNTED TO REQUIRING THE U S GOVERNMENT TO GUARANTEE THE OUTCOME OF COURT PROCEDURES) TO BE INTERPRETED AS AN OPENING BID IN A BAZAAR HAGGLE. BUT, QUITE APART FROM THE DISTASTEFUL ASPECT OF A FINANCIAL BARGAIN OVER HOSTAGES AND THE DIFFICULTY FOR THE ADMINISTRATION TO BE KNOWN TO BE INVOLVED IN ANYTHING OF THE KIND, THE TIME FACTOR ALONE MUST MAKE IT UNLIKELY THAT THE ISSUE COULD BE SOLVED BEFORE 20 JANUARY.

6. SICK ADDED THAT, WHILE THE IRANIANS HAD GONE TOO FAR IN THEIR PROPOSALS FOR DEALING WITH FROZEN IRANIAN ASSETS, THEIR REQUIREMENTS FOR DEALING WITH THE SHAH'S WEALTH WERE TOTALLY DIVORCED FROM REALITY. THE IRANIANS KNOW THAT THE AMERICANS CANNOT OFFER MORE THAN THEIR BEST ENDEAVOURS TO HELP TRACE THE SHAH'S FAMILY ASSETS, AND TO THROW IN A BID FOR DOLLARS 10 BILLION TO COVER THAT ASPECT CANNOT BE TAKEN SERIOUSLY.

7. SICK CONCLUDED WITH A RATHER GRIM REMINDER THAT IF THERE WERE TO BE ANY FOLLOW-UP TO THE VEILED SUGGESTION BY THE IRANIANS THAT AN AMERICAN REFUSAL OF THEIR TERMS WOULD LEAD TO HOSTAGE TRIALS "THINGS WILL REALLY HOT UP AND THE IRANIANS KNOW IT. THERE ARE A NUMBER OF THINGS THE U S CAN DO AND WE CAN DO THEM FAST AND EFFICIENTLY." HE SAID THAT H M G KNEW WHAT THEY WERE.

HENDERSON.

IRAN STANDARD

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TO ROUTINE F C O  
TEL NO 4936 OF 16 DECEMBER 1980  
INFO ALGIERS, UKMIS NEW YORK  
SAVING INFO BAGHDAD  
US/IRAN: HOSTAGES.

*mt*

1. TODAY'S STATEMENT BY RAJAI AFTER HIS MEETING WITH KHOMEINI HAS GIVEN THE ADMINISTRATION CAUSE FOR CAUTIOUS OPTIMISM, PARTICULARLY IF IT MEANS THAT KHOMEINI HAS NOW ENDORSED WHAT THE AMERICANS BELIEVE TO BE THE VIEW OF MANY IRANIANS, THAT THE CONTINUED HOLDING OF THE HOSTAGES INVOLVES TOO HIGH A PRICE FOR IRAN. IT SHOULD MAKE IT THE MORE DIFFICULT FOR OPPONENTS OF THE HOSTAGES' RELEASE TO MOUNT A SUCCESSFUL LAST-MINUTE CAMPAIGN, AS THEY DID IN MARCH, TO BLOCK ANY AGREEMENT THE AMERICANS MAY BE ABLE TO REACH WITH RAJAI. THE AMERICANS BELIEVE THE HOSTAGE ISSUE TO BE LESS CONTROVERSIAL IN IRANIAN INTERNAL POLITICAL TERMS THAN IT WAS THEN. FURTHERMORE, ANY AGREEMENT WITH RAJAI SHOULD HAVE A LESS FLIMSY BASE THAN BANI SADR'S AND QOTBZADEH'S EARLIER ATTEMPT TO CONSTRUCT A SCENARIO, IN THAT IT WILL HAVE BEEN ARRIVED AT THROUGH A MORE ORTHODOX (BY IRANIAN STANDARDS) PROCEDURE INVOLVING THE MAJLIS, ITS COMMITTEE AND THE PRIME MINISTER ACTING WITH PROPERLY DELEGATED AUTHORITY. THE HOPE IS THAT RAJAI HAS NOT MADE QOTBZADEH'S MISTAKE OF PUBLICLY ATTRIBUTING A VIEW TO KHOMEINI WHICH CAN SUBSEQUENTLY BE DISAVOWED BY THE IMAM'S OFFICE.

2. HAVING SAID THAT, SICK (NSC) STRESSED THAT THE ADMINISTRATION STILL AWAITED WORD FROM THE ALGERIAN INTERMEDIARIES. ON PAST FORM THIS WOULD TAKE AT LEAST THREE DAYS FROM THE MOMENT THEY LEAVE TEHRAN (WHICH, SO FAR AS SICK KNEW, THEY HAD NOT YET DONE) SINCE THEY COULD BE EXPECTED TO STOP OFF IN ALGIERS BEFORE COMING TO WASHINGTON. THEY HAD NOT IN THE PAST BEEN PREPARED TO COMMUNICATE BY TELEGRAM AND IT WOULD BE SURPRISING IF THE IRANIAN RESPONSE THIS TIME ON EG FINANCIAL ARRANGEMENTS WAS SO CUT-AND-DRIED THAT IT COULD BE COMMITTED TO A TELEGRAM. NOR COULD IT BE RULED OUT THAT THE DETAILED IRANIAN RESPONSE WOULD CONTINUE TO CAUSE THE AMERICANS PROBLEMS. ON BALANCE HOWEVER SICK IS MORE OPTIMISTIC THAN YESTERDAY ABOUT THE CHANCES OF THE PROBLEM BEING RESOLVED FAIRLY SOON.

F C O PASS SAVING BAGHDAD.

HENDERSON

[REPEATED AS REQUESTED]

IRAN STANDARD

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NO 10 DOWNING STREET  
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SIR A. Adams

OO FCO (DESKBY 11100Z)

GRS 400  
CONFIDENTIAL

FM STOCKHOLM 110910Z DECEMBER 1980  
TO IMMEDIATE FCO (DESKBY 11100Z)  
TELEGRAM NUMBER 270 OF 11 DECEMBER 1980

BRITISH DETAINEES IN IRAN

1. FOLLOWING IS UNOFFICIAL TRANSLATION OF TELEGRAM FROM SWEDISH AMBASSADOR, TEHRAN DATED 10 DECEMBER
2. BEGINS I SAW THE HEAD OF THE WEST EUROPEAN SECTION OF THE MINISTRY OF FOREIGN AFFAIRS, TAGAVI, TO OBTAIN INFORMATION ABOUT DEVELOPMENTS CONCERNING THE FOUR BRITISH PRISONERS. HE SAID THAT THE MINISTER OF JUSTICE HAD ADDRESSED A QUOTE VERY STRONG UNQUOTE LETTER TO THE REVOLUTIONARY COURT, REQUESTING INFORMATION ON WHAT THE FOUR ARE ACCUSED OF AND THE REASON WHY A REPRESENTATIVE OF THE EMBASSY HAS NOT BEEN PERMITTED TO SEE THEM.

TO MY QUESTION TAGAVI SAID THAT NO TRIAL IS EXPECTED- MOST LIKELY BECAUSE OF THE LACK OF EVIDENCE- AND THAT THE FOUR PEOPLE WOULD BE RELEASED, IT WAS HOPED BEFORE CHRISTMAS. FOR MY PERSONAL INFORMATION HE SAID THAT NO CHARGES HAD BEEN MADE AGAINST THE FOUR. THE JUDICIAL AUTHORITIES HAD FELT OBLIGED TO ARREST THEM FOR QUOTE INTERROGATIONS UNQUOTE AS A RESULT OF ACCUSATIONS OF

Encouraging

FOR QUOTE INTERROGATIONS UNQUOTE AS A RESULT OF ACCUSATIONS OF  
ESPIONAGE LEVELLED AGAINST THE COLEMANS AND WADDELL IN THE PRESS  
AND ELSEWHERE BY VARIOUS LOCAL MULLAHS AND PASDARS. THESE INVESTIG-  
ATIONS WERE NOW TERMINATED AND THE MINISTRY OF FOREIGN AFFAIRS  
BELIEVED THAT THE COLEMANS WERE NOW IN THE EVIN PRISON, ALTHOUGH THIS  
HAD BEEN DENIED BY THE PRISON ADMINISTRATION. THIS WOULD MEAN THAT  
ALL FOUR ARE THERE. TAGAVI ADDED THAT HE HAD HEARD THAT THE COLEMANS  
QUOTE ARE VERY WELL LOOKED AFTER AND ARE IN A VERY GOOD SHAPE  
UNQUOTE.

I WAS ADVISED NOT TO TRY TO PUSH THE MATTER WITH THE PRIME MINISTER.  
THE MINISTER OF JUSTICE HAD TAKEN UP THE QUESTION WITH HIM FOR  
THE PURPOSE OF REACHING A DECISION, AND IT WOULD BE BETTER TO LET  
THE MINISTER OF FOREIGN AFFAIRS PURSUE THE CONTINUATION OF THE AFFAIR  
TAGAVI ASKED US TO HAVE PATIENCE YET FOR A WHILE AND RECOMMENDED  
THE LEAST POSSIBLE PUBLICITY ABOUT THE PRISONERS IN ORDER TO AVOID  
QUOTE ANTAGONIZING UNQUOTE ANYONE.

I ALSO BROUGHT UP THE QUESTION ABOUT THE POSSIBILITY OF THE TWO  
SONS OF THE COLEMANS BEING PERMITTED TO VISIT THEIR PARENTS.  
TAGAVI SAID THAT CANNINGHAM HAD RECEIVED A QUERY FROM HIS EMBASSY  
IN LONDON. VISAS WERE OBTAINABLE AND THE ACTING FOREIGN MINISTER  
HAD ALREADY FILED A REQUEST TO THE REVOLUTIONARY COURT FOR  
PERMISSION TO VISIT. TAGAVI THOUGHT IT WOULD HARDLY BE OF ANY  
USE FOR THE SONS TO COME HERE SHOULD PERMISSION NOT BE AVAILABLE.  
AS REGARDS PERMISSION TO VISIT THERE WAS NO DIFFERENCE BETWEEN  
THEM AND EMBASSY STAFF.

I BEG THAT THE MESSAGE ABOVE BE TREATED AS STRICTLY CONFIDENTIAL  
RIDS

MURRAY

NNNN

SENT/RECD AT 11/09530+ )-./ PP

Iran.

file

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ll



10 DOWNING STREET

*From the Private Secretary*

18 November 1980

Arms Supplies to Iran

The Prime Minister has seen and taken note of your letter to me of 14 November on this subject.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade), John Halliday (Home Office) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

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5



Foreign and Commonwealth Office

London SW1A 2AH

*Prime Minister*  
*A comment on your*  
*query at Flag B.*

(2)

*M*

14 November 1980

*Print 15/XI*

*Dear Michael,*

Possible Release of the US Hostages in Iran:  
Implications for Arms Supplies

In your letter of 10 November you said that the Prime Minister would like an early comment on the long-term consequences of refusing to hand over to the Iranians defence equipment which has been paid for.

The problems arise in connexion with two main items: the Kharg, and spares for tanks worth £18 million for Chieftains and Scorpions.

In the case of the Kharg, a key question is whether release would infringe the 1907 Hague Convention on neutrality which specifically covers the obligations of neutrals in respect of the release of warships to belligerents. There is also the question of whether HMG should take interim steps to prevent the vessel deteriorating now that the Iranians have withdrawn the crew. Officials under Cabinet Office chairmanship are preparing a paper which will cover the legal and technical aspects of this.

A.

Whether the tank spares are legally owned by the Iranians is a technical question dependent upon the terms of contract, on which it would be for the Secretary of State for Defence to advise. But whether or not ownership of these items have legally passed to Iran, HMG has a general obligation to observe the rules of neutrality and to treat both sides with reasonable impartiality. Lord Carrington believes that no decision to deliver tank spares to either side should be taken until the implications have been examined as suggested in his minute of 13 November to the Defence Secretary.

There are of course implications for our reliability as a supplier if we block delivery of consignments of which ownership has already passed. But these are political rather than legal considerations; and the virtues of

/reliability

Michael Alexander Esq  
10 Downing Street

SECRET

SECRET



B. reliability may be illusory if we antagonise one customer by supplying another. The Foreign and Commonwealth Secretary set out his view on this in his minute of 7 November, to the effect that the potential damage to our relations with Iraq and other Arab countries if these arms are supplied to Iran is greater than any harm which might be caused to our relations with Iran under its present leadership if they are not.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade), John Halliday (Home Office) and David Wright (Cabinet Office).

*Yours etc*

*Paul*

(P Lever)  
Private Secretary

SECRET

MO 11/10/22



FOREIGN AND COMMONWEALTH SECRETARY

POSSIBLE RELEASE OF THE US HOSTAGES IN IRAN

I agree with your approach outlined in your minute to the Prime Minister of 7th November. The prospects for defence sales to Iraq were beginning to look very promising before the outbreak of hostilities and we are most anxious to preserve our access to this new market.

2. I agree that we should be in no hurry to release to Iran the military equipment for which they have already paid, once the hostages are released. In addition to the reasons which you have advanced, there is a further point of particular concern to me. This is that the Iranians still owe some £15M to the Ministry of Defence for stores and services provided to the previous régime, as well as a further £57M to International Military Services for contracts terminated at the time of the revolution. There is a whole series of claims and counter-claims between us and the Iranians which will need to be settled in negotiations. The legal and contractual issues are extremely complex and will need to be examined in detail by officials. There may for example be some advantage - both in political and legal terms - in releasing the Kharg at an early stage, whilst retaining the tank spares as a bargaining counter. There is, however, an additional complication in that we also hold ammunition worth about £11M which the Iranians ordered but have not paid for and for which there is no alternative outlet.

3. In the longer term, however, we must not lose sight of the vital strategic position of Iran - which borders Turkey, the Soviet Union and Afghanistan, and also controls half of the Gulf littoral. Although the prospect of restoring anything approaching normal relations looks extremely remote at present we must not, in pursuing a policy of "tending to favour" Iraq, delay restoration any further than is necessary.

4. I shall be replying separately to your minute to me on arms sales to Iraq.

5. I am copying this minute to the Prime Minister, the Home Secretary, the Secretary of State for Trade and Sir Robert Armstrong.

Ministry of Defence

14th November 1980



FCS/80/160

SECRETARY OF STATE FOR DEFENCE

Arms Supplies to Iraq

1. My officials have been in touch with yours about a number of items of defence equipment for possible supply to Iraq. The details are attached.

2. I have minuted separately about our general policy towards Iraq and Iran if and when the US hostages are released. In respect of supplies to Iraq I think that we should honour existing commitments - ie supply items for which orders were placed before the war. Otherwise we should agree to supply non-lethal equipment but not weapons and ammunition. As for long term contracts which are unlikely to involve the supply of equipment during the time we can reasonably expect hostilities to continue, I see no reason why negotiations should not proceed as normal. I have particularly in mind the indication we have had via King Hussein of Jordan of Iraqi interest in acquiring Chieftain tanks.

3. I believe that this is a position we as a non-belligerent can defend politically in diplomatic discussions with the parties involved and if necessary in public. But I foresee serious difficulties if we agree to allow even small

/quantities



quantities of arms and ammunition to go to Iraq. I know that you are concerned about the effect a refusal by us to licence would have on Britain's credibility as a supplier but the reasons for our not doing so are in my view overriding. First, impartiality. As a neutral state we are not obliged to prevent the export of arms or ammunition, but if we choose to restrict the supply we are obliged to apply these restrictions impartially to both belligerents. At present we are barred from supplying Iran by sanctions. But if the hostages are released and sanctions are lifted in principle we could reasonably be expected to supply to Iran what we have agreed to supply to Iraq. In practice we should keep for ourselves the maximum liberty of action since much may depend on other factors eg the treatment of British citizens held in the two countries. Secondly the Iranians are likely to ask us to supply arms and ammunition in quantities which could affect the balance of strength of the two sides. We are already holding £18 million pounds' worth of spares for Chieftain tanks which the Iranians own and have paid for. The Iraqi President has let it be known to us (through an intermediary - Lord George Brown - which is his way of doing things) that a decision to supply Iran with defence equipment would seriously jeopardize our relations with Iraq and indeed with the rest of the Arab world. I think this warning needs to be taken seriously. Undoubtedly our relations with Iraq, including our position as a supplier of defence equipment after the war, would be jeopardized and I am sure that Saddam Hussein would use what influence he has with other Arab countries against us.

4       Against this background I agree that we should in

/principle



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principle sanction the supply of Scammell recovery vehicles. The Iraqi evaluation team for Hawk should be received at the level it would have been if hostilities were not in train and IMS's negotiations with the Iraqi Navy about a possible naval base should proceed as normal. However, I hope you can agree that we should not supply the ammunition for the Iraqi Airforce Hunters. A decision on the automotive spares for Russian tanks should be deferred until officials have examined the implications in more detail (for instance, should ~~such~~ *Such* spares count as 'arms and ammunition': would we incur an objection to let the Iranians have their Chieftain spares?)

5 I am sending copies of this minute to the Prime Minister, the Secretary of State for Trade, the Home Secretary and to Sir R Armstrong.

*C*  
*/*

(CARRINGTON)

13.11.80.

Foreign and Commonwealth Office

CONFIDENTIAL

ANNEX

ITEMS OF DEFENCE EQUIPMENT FOR IRAQ AND OTHER POSSIBLE DEFENCE RELATED CONTRACTS

1. SCAMMELL RECOVERY VEHICLES: 10 ton wheeled vehicles for recovery/transporting tanks heavy lorries etc. Quantity: 200; value: £30m (approx). Delivery of first vehicles scheduled for 4 months from date of contract. (Some models available for immediate delivery).
2. SPARES FOR SOVIET BUILT TANKS: wide range of automotive spares which Lucas have been producing for Egypt's T54 and T55 tanks. Value: approx £3m but would represent the first order outside the Egyptian market and thus offering potential for further business. Delivery of some items 'off the shelf'. Any that required adaptation for the particular Iraqi range of tanks would require 3-4 months' delivery.
3. AMMUNITION FOR ADEN 30MM MACHINE GUN  
Guns are fitted to Iraqi Air Force's four remaining Hawker Hunters supplied before 1967. Approx 45,000 rounds required. Value £1.5m. The guns are antiquated and ammunition is available from other suppliers eg France.
4. HAWK: VISIT BY IRAQI EVALUATION TEAM  
General Janab, Assistant CGS and Chief of military procurement wishes to lead a mission starting 6 November to evaluate Hawk and look at other arms supply issues. British Aerospace would act as host but the visitors would expect to call on Head of MOD Defence Sales and perhaps the Vice Chief of the General Staff.
5. NAVAL BASE  
IMS Limited have good prospects of obtaining the initial consultancy for this new project. It might be worth £500m.

THE FRONT FOR NATIONAL UNITY

مجلس الوحدة الوطنية  
جبهه وحدت ملى  
على الأسياف الأذو الفقتان  
في الأنا

BCM BOX 6450 LONDON WC1V 6XX

THE IRAN COMMITTEE FOR  
THE DEFENCE OF THE REALM



*Iran*  
*kg*  
*Amir*

THE CRY OF A NATION

Nearly two years after the Iranian Revolution, who today can claim a single positive outcome from the collapse of the Persian Monarchy. Which soul would dare claim that more democratic freedom exists in the Iran of the Mullahs as against the Shah's Persia. Who consoles the tens of thousands bereaved through official genocide and fratricide. Where can a single honest man stand up and credit the Khomeini regime with any lasting effort for the country and its poor. Who will answer to the millions of unemployed where once there were over a million expatriates hired to help run a boisterous and ever expanding economy. Who cannot fail to see the extent of the devastation of the Mullahs' misrule on the Iranian economy, once credited with being the sixteenth most powerful in terms of gross national product. What are the costs to the nation. How are these stupendous losses to be made good. How many millions of Iranians will have to suffer just to replace what has been destroyed. How many years have Iran's ambitions and its development been set back because of the buffoonery and bloody mindedness of the stupid Mullahs and their fickle and illiterate mobs - ten years, fifteen, twenty. Who but a handful of bloodthirsty and obscurantist tyrants and their gunstrapping sidekicks have benefited from this wasted revolution. What have those ideals dissipated into. Poverty, fratricide, torture and arbitrary death, hysterical lunacy and international terrorism. Poverty and national destitution. War and international isolation. The desecration of a magnificent culture and heritage. The destruction of the nation's human and natural resources. The collapse of its frontiers due to foreign invasion. Are these the outcome of that grand spectacle the world seemingly came to cheer as the Khomeini Revolution. Which one of those jubilant pundits dare hold his head up today.

But this is not balm for the numerous wounds of a nation crying out against injustice and the real fear of national collapse and disintegration. The world must know that the vast majority of Iranians reject this cruel and crude regime. But they dare not speak, for brothers and sisters are daily executed, fathers and mothers imprisoned and even children consigned to prisons or placed before firing squads. They shed silent tears before the devil's onslaught. They cry in their souls and dream in their hearts for the future.

And what of the future. What alien philosophies will be cooked up for the 'well being' of the Iranian peoples! Another Islamic

republic. A 'people's' republic or just a plain old-fashioned Marxist takeover. Hasn't the world understood by now the inadequacy of these half baked theories in the context of the Iranian nation. Do they recognise the fallacy of the claims for Islam made by these decrepit Mullas. Their brand of Islam is as alien to the true faith as Communism is to Islamic beliefs. So what of the future.

For twenty-five centuries, a diverse peoples prospered on the foundations of history's first empire encompassing the known world 2,500 years ago. For two thousand five hundred years, Persian Kings and their subjects inspired many of the tenets that underlie world culture and civilisation today. They were brilliant rulers. There were also despots who led the country to ruin. Today the Monarchy has collapsed only in name, for Khomeini presents a truer representation of a despotic Shah. Earlier in the riots that led to the Shah's fall, the mobs used to chant "We have but one Shah and that is the Shah in Najaf", a reference to Khomeini in his place of exile.

The concept of the Monarchy is quite irreversible in Persia's traditions because of its history, culture, and most important, its shiite brand of Islam. Central to the theme of shiite Islam is its rejection of all temporal authority and its belief that the shiite hierarchy are the only true interpreters of Allah's Will and its imposition on the Government and people. Thus this inherent contradiction in the exercise of moral authority as against the temporal powers belies the premise of an 'Islamic' republic. If for no other reasons, and God knows there are enough, their collapse is imminent.

The Iranian psyche craves strong and just leadership. It is even inclined to respect ruthlessness, but it demands an even hand. The Shah's weakness and vacillation before his collapse and Khomeini's dogged and uni-dimensional resistance replaced the one with the other. Other issues were important but peripheral.

We have thrice seen the inadequacy and anarchy that a semblance of democratic government brings upon Iran. The periods 1906-21, 1941-53 and 1976-79 attest to this historical experience. Nationalism is misinterpreted through demagoguery. Religious fever exploited for the power of the Mullas. Commonsense and a sense of realpolitic and worldly realism come a poor third. Thus any advocacy of change through due process falls on unreceptive ears. Accentuation of anarchy for political gain or the imposition of harsh realities through authoritarian government has been the lot of the Iranians in contemporary times. It is up to the reader's judgment to see which has benefited Iran the most.

Because of its diverse peoples, ethnic and religious minorities and authoritarian, political and religious traditions, the Persian Monarchy has been successful throughout the ages to reconcile the diverse pressures inbuilt into the physical mass of the nation. The tendencies for disruption and disintegration are

overpowering. History has proven that only the Monarchy can sustain the 'Empire' and still manage to impose progress and prosperity.

Thus it is to the Monarchy that the opposing mass look to for their future. The world should thus recognise that Iran's options are minimal: a constitutional Monarchy, a Marxist dictatorship or the physical disintegration of Iran leading to the greatest threat to the future of world peace.

But let it be known that today's Monarchists will not tolerate past mistakes and blatant injustice. They will not allow their Monarch to become a tool of a handful of courtiers out to grab what they can. They will not accept excesses. The rule of law must be all embracing and true Islamic ideals paramount. May the young Monarch now residing in exile know of these beliefs.



PM/80/77

PRIME MINISTER

This paper is, perhaps, clearer about the difficulties than the policies. But ~~now~~ it would be difficult to go much further at present. Paras 9 + 13 are what matter.

After the conclusions?

Am worried about the long-term ~~and~~ effects of refusing delivery of arms which have been paid for. They are not our property. 7/11

Possible Release of the US Hostages in Iran

1. Now that Iran's conditions have been confirmed and the hostages are to be handed over to the Iranian Government, they may be released before very long. We have made clear to the US Administration at senior levels our expectation of being informed before any agreement becomes public, and they have promised to do this.

2. The release of the hostages would of course be welcome on humanitarian grounds. It would also restore a degree of communication between the United States and Iran. It would make it possible to bring to an end the economic sanctions on civilian trade imposed against Iran by Britain and the other members of the Community, as well as by the United States. It would also open up new diplomatic options for the UK, for the Nine and for the US. But all these things need to be seen in the context of British and Western interests in the Middle East as a whole as well as in the immediate context of the Iraq/Iran war.

3. The matters which would require decision by HMG would include (a) the policy to adopt on the supply of arms and military equipment to Iran. The Iranians would no doubt increase their pressure on us to release urgently, for use in the current war, defence equipment which Iran has already paid for and thus owns, but for which we have not so far

/issued



issued export licenses. This comprises spares for Chieftain tanks worth £18 million and the naval supply vessel, 'Kharg' worth £39 million. The release of the tank spares would add, but not decisively, to Iran's ability to continue the war against Iraq; (b) what to do about the three British missionaries and one businessman held without trial in Iran; (c) whether to move quickly to resume an active relationship outside the defence field with Iran; in particular whether to increase our diplomatic representation in Tehran (d) how to respond to Iraq's wish to develop relations with the UK, notably in the field of defence sales and perhaps defence production; (e) whether to continue to require Iranians visiting Britain to have visas.

#### Some International Implications

4. Before making suggestions about these matters, I should note some of the wider international implications of a release of the US hostages. The Americans, on present form, do not intend to respond to the release of the hostages by going further in the field of military supplies than delivering spares and less advanced types of equipment already bought by Iran. This would by no means be enough to enable Iran to win the Gulf war. Nor would it improve the prospects for peace-making. Rather, it would probably encourage the Iranians to fight on, without persuading the Iraqis to modify their own stand. US military supplies on this scale would no doubt cause some Arab resentment. But they would be unlikely to inflict major permanent damage on US relations with the moderate Arabs or with Egypt (the extreme Arabs are of course already pro-Iran). There might be some retaliatory cuts in Arab oil production; I would not expect these to be large, but, depending on the state of the oil market at the time, they could have a disproportionate impact. Arab resentment at US actions might destroy any lingering American hopes of involving the moderate Arabs in Camp David.

/This





This would very possibly add to the pressure for further moves by the Nine on Arab/Israel; but the Gulf war, by creating new divisions among the Arabs, has strengthened Israel diplomatically and has probably made it even less inclined to compromise in negotiations.

#### Policy Towards Iran and Iraq

5. A major aim of Western policy towards Iran and Iraq is to limit the opportunities for Soviet penetration. At present the Russians are not very well placed in either country. Their parsimony over defence supplies to Iraq during the Gulf war appears to have alienated Saddam Hussein. A Soviet attempt to gain favour with Iran by offering arms appears to have been rebuffed. And the resumption of some Iranian links with the US, including limited military supplies, would be a further setback to Soviet hopes in Iran.

6. The present US intention is to maintain close relations with Israel on the one hand and with Egypt and Saudi Arabia on the other, without again becoming the protector of Iran. There is no reason so far to suppose that the change of Administration will mean a major shift in this respect. France gives clear priority to relations with Iraq, rather than Iran, mainly for economic reasons, especially oil supply. The Americans appear to accept the French relationship with Iraq as an additional arm of Western diplomacy, rather than viewing it as undercutting US strategy in the region.

7. I believe that the UK should not come down clearly in support of either belligerent in the Gulf war. We should pursue a general policy of neutrality and balance in our relations with Iran and Iraq. But, subject to this general consideration, we should take any opportunity that may open up for us to play a particular part, together with or separately

/from



from the French, in encouraging Iraq's move away from the Soviet Union, provided this can be done in such a way as not to permit the Soviet Union to gain new influence in Iran.

8. Economic considerations point in this direction. Iraq exports more oil than Iran (at present) and has much greater reserves. Total EC (and UK) trade with Iraq is higher than with Iran. When the (pro-Iraq) countries of the Arabian Peninsula are added to Iraq, Iran is dwarfed as a partner in economic relations, as the following figures show:

	Oil Exports Million bpd <u>July 1980</u>	UK Exports £ million <u>1979</u>	UK Imports £ million <u>1979</u>
Arabian Peninsula	13.5	1966	1185
Iraq	3.4	201	395
	—	—	—
Total	16.9	2167	1579
	—	—	—
Iran	1.5	232	244

So long as Iranian revolutionary fervour persists, the recovery of the Iranian economy will be hindered or prevented, and suspicion of Britain and the West will persist, with obvious consequences for our trade. By contrast, trade with Iraq increased by 40% in the first eight months of this year, after the Iraqis lifted their embargo.

#### Defence Supplies

9. These considerations suggest that, in the short term at least, the UK should not antagonise the moderate Arabs by adopting a strongly favourable attitude towards Iran. On defence sales to Iraq, our policy is not to supply arms or

/ammunition



ammunition (ie: lethal equipment) during the present conflict but to consider other applications case by case. We have recently supplied military radios. Our policy would allow us to supply some of the other defence equipment which Iraq is seeking from us, notably heavy recovery vehicles. If the US hostages were released and our sanctions were lifted, we would need to consider our policy on arms sales to Iran. Iran will undoubtedly press for the release of the equipment in Britain which it already owns, and would expect to be treated on a par with Iraq for the supply of additional non-lethal equipment. On the other hand, Saddam Hussein has hinted that he would expect us to refuse to release military spare parts to Iran in return for the release of British citizens imprisoned in Iraq. Although it is too early to assess how seriously to take this, Iraq has in the past demonstrated displeasure by discrimination in trade and by detention of British subjects and we would not want immediately to prejudice an improving relationship. Any decision in this field, however neutral in our eyes, could appear highly partial to one party or the other. These arguments suggest that we should preserve the maximum freedom of action in the matter of arms supplies to Iran after the hostages are released; the course of the war might later reduce the arguments against such supplies. For similar reasons we should in general continue to refuse to supply Iraq with lethal equipment and examine requests for non-lethal equipment case by case. We should allow sales negotiations to go ahead without commitment for products where delivery cannot take place for some time. The supply of defence equipment to one belligerent but not the other could in theory cause the latter under international law to treat the UK as a co-belligerent. But France and other Western countries have been supplying arms to Iraq without Iran taking this position. It is, moreover, extremely unlikely that Iran would, for instance, single out British merchant vessels for attack in the Gulf. If we were later accused by Iran of departing from neutrality we could consider restoring the balance by limited defence supplies to Iran.

/British



#### British Detainees In Iran

10. I consider that in any case we should refrain from any decision to resume military supplies to Iran (even from the stocks which it already owns) while the Iranians continue to hold the four British subjects without trial. Their plight is coming under increasing public scrutiny, and we are using all possible channels to get them out. But we should probably not attempt to negotiate a specific deal exchanging military equipment for our detainees.

#### British Representation in Tehran

11. The decision to withdraw our Embassy in September 1980 was dictated not by the plight of the US hostages but by the increasing Iranian hostility towards the UK and our Embassy. Nevertheless, the release of the US hostages would provide an opportunity to strengthen the British Interests Section in the Swedish Embassy. Later, if we were convinced that the danger to our staff and premises was acceptably reduced, and if the new situation looked reasonably permanent, we could restore our own representation under a Charge d'Affaires, and eventually an Ambassador.

#### Visas

12. Our decision that Iranians visiting Britain must have visas stemmed from a decision of the EC Foreign Ministers on 27 April 1980. Iran is likely to remain an unstable country with which relations will not be easy. There are strong arguments supported by the Home Office, for retaining the visa requirement after the release of the US hostages, despite the serious difficulties in finding the resources to administer the visa system properly. (Iraqis, of course, have long been subject to a visa requirement.) The Germans, we understand, may decide in the same sense, chiefly because they do not wish to treat Iranians more favourably than Turks, who now require visas to

/enter



enter the FRG.

### Conclusions

13. We should continue to be neutral in the Iran/Iraq conflict but, where we have to choose, we should tend to favour Iraq, provided the danger of Soviet inroads in Iran can be held off. In particular:

- (a) We should deny arms and ammunition to both parties.
- (b) We should consider applications for other military supplies case by case, in order to retain maximum freedom of manoeuvre and defer difficult decisions so far as possible (I am writing separately to the Defence Secretary on details in respect of Iraq).
- (c) But in the case of Iran we should not agree to an early resumption of military supplies, even when already paid for, until we can assess the risk to our relations with Iraq more clearly and until there is progress over the British subjects detained in Iran.
- (d) Our public line, if and when we need one, should be that we are supplying arms and ammunition to neither belligerent; and that requests for other equipment are being considered case by case, bearing in mind the current hostilities and the state of our relations with Iraq and Iran.
- (e) We should gradually build up our diplomatic staff in Tehran as the danger to our representation diminishes, and look for an early opportunity of re-establishing our Embassy.
- (f) We should maintain the visa requirement for Iranians (as for Iraqis) visiting Britain.

14. I am sending copies of this minute to the Secretary of State for Defence, the Secretary of State for Trade, and the

/Home

SECRET



Home Secretary and to Sir R Armstrong.

A handwritten signature in blue ink, appearing to be 'C' with a flourish.

(CARRINGTON)

Foreign and Commonwealth Office

7 November 1980

SECRET

SECRET

cc MOD  
DIT  
HO  
CO

3 H8



Iran

10 DOWNING STREET

From the Private Secretary

10 November 1980

~~BF 13.11.80~~

Possible release of the US hostages in Iran

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute to her of 7 November on this subject. She is broadly content with the line taken in the minute but has expressed concern about the long-term consequences of a refusal to deliver arms which have been paid for. She has said that, as she understands it, these arms are not HMG's property any longer. I should be grateful if you could let me have an early comment on this point.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade), John Halliday (Home Office) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office

SECRET

9.B

*Iran*

CONFIDENTIAL

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PP STOCKHOLM

GRS 276

CONFIDENTIAL

FM FCO 041300Z NOVEMBER 80

TO PRIORITY STOCKHOLM

TELEGRAM NUMBER 181 OF 4 NOVEMBER.

MY TELNO 180: DETAINED BRITISH SUBJECTS IN IRAN

1. FURTHER TO MY TUR, WE HAVE BEEN CONSIDERING WHETHER THERE MIGHT BE WAYS IN WHICH WE COULD USE TO OUR ADVANTAGE THE PRESENT ATMOSPHERE IN TEHRAN NOW APPARENTLY CONDUCIVE TO THE RELEASE OF THE US HOSTAGES. THERE IS A DANGER THAT, ONCE THE US HOSTAGES ARE RELEASED, THIS HELPFUL MOOD COULD CHANGE AND OPINION IN TEHRAN HARDEN.

2. WE HAVE IN MIND, FOR EXAMPLE, THE POSSIBILITY OF APPROACHING THE ALGERIANS AS POSSIBLE MEDIATORS ON HUMANITARIAN GROUNDS. THERE MAY ALSO BE INDIVIDUALS WITHIN THE IRANIAN GOVERNMENT WHO HAVE TAKEN A LEAD IN STEERING PUBLIC OPINION IN FAVOUR OF RELEASING THE AMERICANS, TO WHOM SO FAR NEITHER WE NOR THE SWEDES HAVE TALKED, AND WHO MIGHT PROVE RECEPTIVE TO AN APPROACH ON BEHALF OF OUR DETAINEES. BUT WE ARE ANXIOUS AT THE SAME TIME NOT TO CUT ACROSS THE EFFORTS ALREADY BEING MADE BY THE SWEDISH EMBASSY IN TEHRAN ON OUR BEHALF. (FOR EXAMPLE, WE UNDERSTAND THAT THE SWEDISH AMBASSADOR IS TRYING TO ARRANGE A MEETING WITH THE TEHRAN PROSECUTOR.

3. GRATEFUL, THEREFORE, IF YOU WOULD ASK THE SWEDES TO CONSULT THEIR AMBASSADOR IN TEHRAN AND SSEEK HIS VIEWS. THE AMBASSADOR SHOULD ALSO BE AWARE, GIVEN THE LINK MADE TO HIM BY THE MFA BETWEEN THE FOUR BRITISH SUBJECTS AND IRANIAN STUDENTS STILL IN PRISON IN THE UK, THAT THE GIRL (WHO SUFFERS FROM EPILEPSY) WAS RETURNED TO TEHRAN ON AN IRANAIR FLIGHT WHICH DEPARTED ON 2 NOVEMBER. THIS LEAVES ONE (ONE) IRANIAN STUDENT IN PRISON AS A RESULT OF THE AUGUST DEMONSTRATION, WITH THREE, AT PRESENT ON BAIL, DUE TO APPEAR BEFORE THE COURTS ON MINOR CHARGES ON 10 NOVEMBER.

CARRINGTON

IRAN STANDARD

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# CONFIDENTIAL

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TO PRIORITY F C O

TELEGRAM NO 4486 OF 4 NOVEMBER

INFO PRIORITY BAGHDAD ROUTINE PARIS, BONN, MOSCOW, UKDEL NATO,  
UKMIS NEW YORK

US/IRAN: ARMS SUPPLIES

*mf*

MIPT

1. AN NSC SOURCE HAS CONFIRMED THAT THE WASHINGTON POST ARTICLE IS BASICALLY ACCURATE. THE WHOLE QUESTION OF THE STATUS OF US MILITARY EQUIPMENT ORDERED AND PAID FOR BY THE IRANIANS WAS ALREADY A BONE OF CONTENTION BETWEEN THE US AND IRAN EVEN BEFORE THE HOSTAGE SEIZURE. IT BECAME SOMETHING OF A CAMPAIGN ISSUE SINCE BOTH THE REPUBLICANS AND JOHN ANDERSON SOUGHT TO SUGGEST THAT THE PRESIDENT MIGHT BE PREPARED TO PAY TOO HIGH A PRICE FOR THE RELEASE OF THE HOSTAGES.

2. THE SOURCE CONFIRMED THAT AMONGST THE REMAINING EQUIPMENT BEING HELD IN THE US, WHICH THE IRANIANS WERE PREPARING TO COLLECT BEFORE THE EMBASSY TAKE-OVER, WERE ITEMS WHICH THE ADMINISTRATION WOULD NOT RELEASE E.G. SOME PHOENIX MISSILES AND CLUSTER BOMBS. BUT THE QUANTITIES WERE MINISCULE COMPARED WITH WHAT THE IRANIANS ALREADY HAD AND HAD CHOSEN SO FAR NOT TO USE. EVEN IF RELEASED, THEREFORE, IT SEEMED UNLIKELY THAT THEY COULD SERIOUSLY INFLUENCE THE OUTCOME OF THE IRAQ/IRAN WAR. BUT THE ADMINISTRATION CLEARLY HAD TO TAKE A RESTRICTIVE LINE ON RELEASE GIVEN BOTH THE POLITICAL CONTROVERSY HERE AND THE PROBLEMS IT WOULD CAUSE WITH IRAQ AND HER ARAB SUPPORTERS.

THIS TELEGRAM  
WAS NOT  
ADVANCED

HENDERSON

## IRAN STANDARD

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TO PRIORITY F C O

TELEGRAM NO 4485 OF 4 NOVEMBER

INFO PRIORITY BAGHDAD, ROUTINE PARIS, BONN, MOSCOW, UKDEL NATO,  
UKMIS NEW YORK

US/IRAN: ARMS SUPPLIES

1. TODAY'S WASHINGTON POST GIVES A BREAK-DOWN, REPORTEDLY BASED ON OFFICIAL BRIEFING, OF THE STATUS OF IRANIAN ORDERS FOR US MILITARY EQUIPMENT.

2. ACCORDING TO THE ARTICLE, WHEN THE SHAH LEFT IRAN THE INTERIM GOVERNMENT QUICKLY CANCELLED ORDERS FOR DOLLARS 8 BILLION T OF DOLLARS 12 BILLION WORTH OF US MILITARY EQUIPMENT. THE REMAINING DOLLARS 4 BILLION WAS REDUCED TO ABOUT DOLLARS 550 MILLION BY THE REDIRECTION OF CERTAIN "BIG-TICKET" ITEMS TO OTHER BUYERS E. G. 55 F16 AIRCRAFT TO ISRAEL, FOUR SPRUANCE DESTROYERS AND A NUMBER OF PHOENIX MISSILES TO THE US NAVY.

3. THE ARTICLE ALSO REPORTS US OFFICIALS AS HAVING STRESSED THAT ONLY "NON-LETHAL" ITEMS IN THE REMAINING DOLLARS 550 MILLION WORTH WILL BE RELEASED IF THE IRANIANS DO TURN OUT TO MAKE THE PROVISION OF US MILITARY EQUIPMENT A CONDITION OF ANY DEAL OVER THE HOSTAGES.

4. SEE MIFT.

HENDERSON

THIS TELEGRAM  
WAS NOT  
ADVANCED

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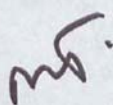
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TO IMMEDIATE F C O

TELEGRAM NO 4484 OF 4 NOVEMBER

INFO PRIORITY BONN, PARIS, MOSCOW, BAGHDAD, ALGIERS, UKDEL NATO,  
UKMIS NEW YORK

MY TEL 4468 (NOT TO ALGIERS): IRAN HOSTAGES 

1. SICK (NSC) HAS GIVEN US A SOBERING ASSESSMENT OF THE PROSPECTS FOR AN EARLY RELEASE OF THE HOSTAGES. IN BRIEF HE CONSIDERS THAT IF, AS SEEMS LIKELY, THE IRANIANS HOPED TO TAKE ADVANTAGE OF US ELECTION PRESSURES TO EXTRACT THE BEST POSSIBLE TERMS FROM THE AMERICANS, THEY HAVE BLOWN IT. THERE MIGHT HAVE BEEN SOME CHANCE OF THE TACTIC WORKING IF THE MAJLIS HAD STUCK TO ITS ORIGINAL PLAN TO SET TERMS AT THE DEBATE ORIGINALLY SCHEDULED FOR 28 OCTOBER: THE POSTPONEMENT UNTIL 2 NOVEMBER REMOVED ANY SUCH CHANCE.

2. TODAY'S MESSAGE FROM RAJAI CALLING FOR AN IMMEDIATE AND PUBLIC AMERICAN ACCEPTANCE OF IRAN'S CONDITIONS IS MOST UNLIKELY TO PRODUCE AN EARLY RESPONSE FROM WASHINGTON. THE CONDITIONS INVOLVE SUFFICIENT LEGAL AND OTHER COMPLICATIONS FOR THE AMERICANS FOR THEM TO BE LIKELY TO MAINTAIN THEIR PREFERENCE FOR SOME MORE ORDERLY EXPLORATION OF WHAT THE IRANIANS REALLY WANT THROUGH DIPLOMATIC CONTACTS UNDER ALGERIAN AUSPICES. HOW TO CONVEY THIS TO THE IRANIANS (PUBLICLY OR PRIVATELY) WILL BE THE NEXT QUESTION FOR THE ADMINISTRATION.

3. SICK CONCLUDED THAT THE WHOLE ISSUE COULD THEREFORE DRAG ON FOR SOME CONSIDERABLE TIME. AGAINST THE CLEARLY POSITIVE DEVELOPMENT OF THE HOSTAGES BEING HANDED OVER TO GOVERNMENT CONTROL NEEDED TO BE BALANCED THE DANGEROUS SUGGESTION IN THE IRANIAN MESSAGE THAT A REFUSAL BY THE US TO MEET IRANIAN CONDITIONS COULD LEAD TO HOSTAGE TRIALS - AN EVENTUALITY WHICH HAS LONG BEEN CONSIDERED THE MOST LIKELY TO PROVOKE AN UGLY REACTION HERE. MORE DISAPPOINTING, HOWEVER, WAS THAT THE CHANCE TO TURN TO FULL ADVANTAGE THE DEADLINE OF THE US ELECTION, WHICH (ON THE ASSUMPTION THAT THE IRANIANS WHO MATTER DO NOW WANT TO SOLVE THE PROBLEM) WAS POTENTIALLY USEFUL TO BOTH SIDES, MIGHT HAVE BEEN MISSED DUE TO MISCALCULATION AND MUDDLE IN TEHRAN.

HENDERSON

IRAN STANDARD

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*From the Secretary of State*

M O'D B Alexander Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

3 November 1980

*Dear Michael,*

RELEASE OF US HOSTAGES IN TEHRAN

Paul Lever copied to me his letter of 27 October to you on the action which will be necessary if the US hostages in Tehran are released.

My Secretary of State agrees with Lord Carrington's proposals on lifting the trade sanctions. Assurances were given to Parliament that the Sanctions Orders made under both the 1980 and 1939 Acts would be lifted simultaneously, following release of the hostages. On a matter of detail, the Export of Goods (Control)(Iran Sanctions) Order 1980 will be revoked by order of the Department of Trade and not by an Order in Council.

I am copying this letter to the recipients of Paul Lever's.

*Yours sincerely,*

*Stuart Hampson*

S HAMPSON  
Private Secretary



10 DOWNING STREET

THE PRIME MINISTER

31 October 1980

CF.  
IRAN  
St Raf  
ce: LPSO Iran  
FCO  
JS

Dear Mr. Coleman,

Thank you for your letter of 15 October and the enclosures.

I am very distressed about the continued detention of your parents in Iran, as indeed I am about the detention of Miss Jean Waddell and Mr. Andrew Pyke. I know that the Foreign and Commonwealth Office are in close touch with the Anglican Church and the Church Missionary Society, and are doing all they can for your parents: and I understand that Sir Ian Gilmour has recently written to you to keep you in the picture.

We shall, of course, continue to do all we can to secure your parents' release.

Yours sincerely  
Margaret Thatcher

Nigel Coleman, Esq.

---

SSS

CONFIDENTIAL



10 DOWNING STREET

*From the Private Secretary*

29 October 1980

RELEASE OF US HOSTAGES IN TEHRAN

The Prime Minister has seen Paul Lever's letter to me of 27 October on this subject. She has approved the proposals on economic sanctions set out in paragraphs 2-4 of Lever's letter. She looks forward to receiving detailed proposals on the more difficult points summarised in paragraph 6 of the letter.

I am sending copies of this letter to Brian Norbury (MOD), Stuart Hampson (Department of Trade), John Halliday (Home Office) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Roderic Lyne, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

28 October 1980

*Copy for P.M.'s signature*

*Dear Michael,*

DETENTION OF DR AND MRS COLEMAN

I attach the draft reply from the Prime Minister requested in your letter of 21 October.

The Colemans' sons have written an identical letter to the Foreign Office, and I attach a copy of the Lord Privy Seal's reply.

*Yours ever,*

*Myles/*

M A Wickstead  
Assistant Private Secretary  
to the Lord Privy Seal

M O'D B Alexander Esq  
10 Downing Street

**DRAFT:** minute/letter/teleletter/despatch/note

**TYPE:** Draft/Final 1+

**FROM:**  
Prime Minister

Reference

**DEPARTMENT:**

**TEL. NO:**

**SECURITY CLASSIFICATION**

**TO:**

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Nigel Coleman Esq

**Copies to:**

**PRIVACY MARKING**

**SUBJECT:**

.....In Confidence

**CAVEAT**.....

Thank you for your letter of 15 October and the enclosures.

I am very distressed about the continued detention of your parents in Iran, as indeed I am about the detention of Miss Jean Waddell and Mr Andrew Pyke. I know that the Foreign and Commonwealth Office are in close touch with the Anglican Church and the Church Missionary Society, and are doing all they can for your parents : and I understand that Sir Ian Gilmour has recently written to you to keep you in the picture.

We shall of course continue to do all we can to secure your parents' release.

Enclosures—flag(s).....





MED  
29  
10

Foreign and Commonwealth Office  
London SW1

28 October 1980

Thank you for your letter of 15 October to Lord Carrington (who is abroad) about your petition to the Iranian Chargé d'Affaires concerning the continued detention of your parents in Iran.

I assure you that we are doing all that we can both here and in Tehran to gain access to your parents and to assure ourselves of their health and of the conditions under which they are being held. We have also made it clear that we think it intolerable that, despite their detention, as far as we know no proper legal advice has been granted to them. As you know, we have made many representations on behalf of your parents and the other British detainees, Miss Jean Waddell and Mr Andrew Pyke, both to the authorities in Tehran and to the Iranian Chargé d'Affaires in London. These have unfortunately been fruitless but our own efforts and those on our behalf by the Swedish Embassy in Tehran will continue.

One recent offer of help in this respect has come from Archbishop Capucci, who has suggested that he might mediate with the Iranian authorities over your parents and the two other British detainees. Douglas Hurd has met the Archbishop in the Foreign Office twice, and they have discussed all aspects of the problem. We welcome Archbishop Capucci's offer of help and we hope he will be able to do something to persuade the Iranians to fulfil their obligations under  
/international

Nigel Coleman Esq  
Bethnal Green Medical Mission  
305 Cambridge Heath Road  
London E2 9LG

international law and release our detained nationals. But we must not raise our hopes too much.

We shall, of course, keep in the closest touch with the Church Missionary Society and the Anglican Church over your parents. I understand that you are in close touch with the Middle East Department of the Foreign Office. I hope that this close link between us will continue.

cc. Cabinet office (D.W.)

①



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Apex line is paras 2-4? Yes mt  
There will be a further minute on  
the more difficult issues in para 6. Speed to write mt.

27 October 1980

Am  
- 29/x

Dear Michael,

Release of US Hostages in Tehran

1. Lord Carrington has been giving some thought to the action which will be necessary if the US hostages in Tehran are released.
2. In common with our European Community partners we imposed sanctions specifically because of the holding of the US hostages and, in Lord Carrington's view, it would be logical to revoke the sanctions legislation once the hostages have been released. At the Informal Meeting of Community Foreign Ministers in Luxembourg this weekend, it was clear that all other Community countries intended to lift sanctions as well. It was generally felt that it would be appropriate for all the members of the Nine to announce their decision to do so together. But it was also recognised that decisions on other aspects of the problem such as the supply of military spare parts were for decision by individual national governments.
3. Trade Sanctions  
The sanctions legislation introduced in May could be lifted very quickly. Two main steps will need to be taken. First an Order in Council must be made under section 2(3) of the Iran (Temporary Powers) Act 1980. This will cause section 1 of the Act to expire, and will at the same time bring to an end the Iran (Trading Sanctions) Order 1980. Second, the Export of Goods (Control) (Iran Sanctions) Order 1980 will need to be revoked by another Order in Council. In each case the Order could be made at the first available Privy Council, be announced in Parliament the same day, and come into force the following day.
4. There might of course be a short delay while we either waited for the next ordinary Privy Council or arranged a special one. But even for this interim period the Secretary of State for Trade could give open general licences under

/each



each of the two Orders currently in force. By this means sanctions could be lifted on the same day as the decision to lift them is taken.

5. Contingency planning is already under way in the Department of Trade to prepare the necessary draft Statutory Instruments.

6. There will in addition be a number of other decisions to be taken, for example:-

(a) Arms Supplies

The Secretary of State and the Prime Minister decided that we should not supply arms or ammunitions to Iraq during the present conflict but that we should supply military radios and consider other applications on a case by case basis. They also agreed that we should refuse to release certain spares for Chieftain Tanks as requested by the Iranians on the grounds that the embargo on arms sales to Iran remained in force. Once the US hostages are released there is a case for bringing our policy on arms sales to Iran broadly in line with that to Iraq in order to show neutrality. This might mean, for example, refusing to licence the export of arms and ammunition. But it raises the question whether we should honour those existing defence equipment contracts with Iran for which the Iranians have already paid and where ownership has passed to them. These comprise spares for Chieftain Tanks worth £80 million as well as the Kharg. A decision on this will need to be taken in the light both of wider political considerations, such as our wish not to adopt an anti-Arab posture in the region, as well as the fact that there are four British subjects in detention in Iran and two in Iraq.

(b) The Kharg

The Kharg, for which the Iranians have paid but for which we have not issued an export licence, presents its own particular legal problems.

(c) British Representation in Iran

Our Embassy in Tehran was withdrawn in September and placed under the protection of the Swedes because of the unacceptable risk to the safety of our staff. The decision was

/not



not directly connected with the continuing detention of the US hostages. But once the hostages are released there would be a case for increasing the strength of the British interests section. Any expansion will however need to be carefully considered against the background of the continued detention of the four British subjects in Tehran and the possibility of a resumed campaign of hostility against us there.

7. Lord Carrington will be putting proposals on the issues in paragraph 6 above to the Prime Minister in due course. In the meantime, he assumes that the Prime Minister and other Ministers to whose Private Secretaries a copy of this letter is being sent, would be content with the proposals about economic sanctions in paragraphs 2-4 above.

*Yours etc*

*Paul*

(P Lever)  
Private Secretary

M O'D B Alexander Esq  
No 10 Downing Street

cc: PS/Secretary of State for Defence  
PS/Secretary of State for Trade  
PS/Secretary of State for Home Affairs

BFore week = 5/11

COLEMANS  
in Iran

Overdue

21 October 1980

No need.

Andy

I enclose a copy of a letter which the Prime Minister has received from Mr. Nigel Coleman and others about the detention of Dr. and Mrs. John Coleman in Iran. I have acknowledged Mr. Coleman's letter and I would be grateful for advice as to whether or not it would be appropriate for the Prime Minister to send a substantive reply. If you think the Prime Minister should write, perhaps you would let me have a draft for her use by close of play on Tuesday, 28 October.

M. O'D. B. ALEXANDER

R.M.J. Lyae, Esq.,  
Foreign and Commonwealth Office.

21

21 October 1980

I am replying on the Prime Minister's behalf to your letter of 15 October enclosing a copy of the petition which you have presented to the Iranian Embassy here. Your letter has been placed before the Prime Minister.

M. O'D. B. ALEXANDER

Nigel Coleman, Esq.

R1810

BETHNAL GREEN MEDICAL MISSION,  
305 Cambridge Heath Road,  
LONDON E2 9LG.

15th October 1980

Right Honourable Margaret Thatcher,  
Prime Minister,  
10 Downing Street,  
LONDON SW 1.

Dear Prime Minister,

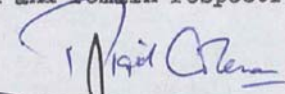
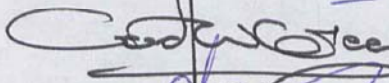
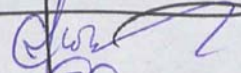

We have today presented to the Iranian Embassy, a petition concerning the continued detention of our parents, Dr and Mrs John Coleman, in Iran.

We enclose a copy of this petition and also the covering letter addressed to Dr. Ehdai, the Iranian Charges D'Affaires.

The petition has purposely been kept local and personal and every effort has been made to ensure that the signatories personally know our parents. As such, then, the total signatures represent a substantial strength of feeling amongst the people of this country.

We would respectfully urge you to bring pressure to bear upon the Iranian Government as soon as possible with a view to speeding their release.

We thank you and remain respectfully yours,

	Mr Nigel Coleman
	Mr Gordon Coleman
	Mr Chris Coleman
	Mr Andrew Coleman



BETHNAL GREEN MEDICAL MISSION,  
305 Cambridge Heath Road,  
LONDON E2 9LG.

President Abdhassan Bani-Sadr,  
Tehran,  
IRAN.

Esteemed President,

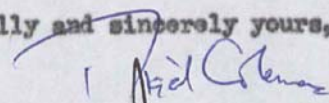
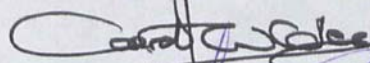
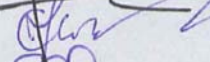

We have the honour of addressing you on behalf of Dr. John Coleman  
and his wife Audrey.

It is with regret that we understand Dr. and Mrs Coleman are still  
being held by an agency of your Government.

We all have heard of Dr Coleman, and mainly are his patients and  
friends, who came to know and respect him very deeply during the  
time he worked in East London, before returning to Iran. We believe  
it is inconceivable he could be involved in anything remotely  
connected with espionage.

We would urge you to reconsider the position at your earliest  
convenience, with a view to releasing Dr. and Mrs Coleman.

Respectfully and sincerely yours,

 Mr Nigel Coleman  
 Dr Gordon Coleman  
 Mr Chris Coleman  
 Mr Andrew Coleman

being the four sons of Dr. and Mrs John Coleman together with  
the 4583 signatures attached.

BETHNAL GREEN MEDICAL MISSION,  
305 Cambridge Heath Road,  
LONDON E2 9LG.

15th October 1980

Dr. Ehdai,  
Charges D'Affaires,  
Embassy of Islamic Republic of Iran,  
27 Princes Gate,  
LONDON SW 7.

Dear Sir,

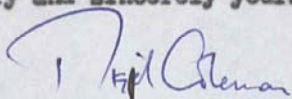
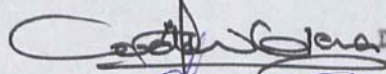
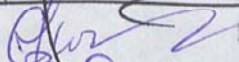

We enclose a petition addressed to your esteemed President concerning the continued detention of our parents, Dr and Mrs John Coleman, by an agency of your Government in Iran.

As you can see, it represents a great strength of feeling amongst the people of this country.

We would respectfully ask you to convey this to your President in person and urge him to take urgent steps to speed their release.

We have sent a copy of this petition to our Prime Minister, Mrs Thatcher, and to the Foreign Secretary, Lord Carrington.

Respectfully and sincerely yours,

 Mr Nigel Coleman  
 Dr Gordon Coleman  
 Mr Chris Coleman  
 Mr Andrew Coleman



DIRECTOR GENERAL OF INTELLIGENCE  
MINISTRY OF DEFENCE

Main Building, Whitehall, London SW1A 2HB

Telephone (Direct Dialling) 01-218 2407

(Switchboard) 01-218 9000

M Alexander Esq  
Private Secretary to the Prime Minister

DIS(CS) 7/1

30 September 1980

*Dear Michael,*

*PA has seen. I have thanked  
Sir J. Aiken on the telephone.*

*h.c. Pahlavi*

IRANIAN POWER SUPPLIES

1. I gave an inadequate answer at the Iran/Iraq meeting yesterday to the Prime Minister's question - how do the Iranians obtain their electricity? We hold limited knowledge of this subject in the Defence Intelligence Staff but, following further research today, I can now provide a fuller answer.

2. The main sources of electric power are from Thermal power stations (80 per cent of total) and Hydro-electric (20 per cent). Thermal stations use oil, natural gas and coal. The Shah had planned to construct 20 nuclear power reactors but this programme was abandoned.

Thermal

3. There are 94 thermal power plants in Iran and the major ones are shown on the attached map in black, underlined in red. (Your copy only). Broad details are:

<u>Type of Fuel</u>	<u>No of Plants</u>	<u>%age of Total Thermal Output</u>
Gas/oil	13	47
Gas	19	32
Coal	19	18
Oil	43	3

Hydro-electric

4. There are 14 hydro-electric power plants, but by far the most important are two large installations in Khuzistan which supply about 80 per cent of the total hydro-electric power. These are shown in red, underlined in black, on the map. The Reza Shah Pahlavi dam is 26 kms north of Dezful and we have no reports of damage to the installation in the fighting so far. The Iraqis may attempt to destroy transmission lines but are unlikely to interfere with the dam because of the consequences of flooding in areas where their own ground forces are operating. The Kabir dam is 120 kms NNE of Ahwaz and, as far as we know has not been damaged. It supplies power to the industrial areas of Tehran, Ahwaz and Isfahan.

*map  
in  
underlined  
attached to  
file.*

Distribution

5. There are 24 principal transformer stations but an integrated grid system has probably not yet been completed. A group of five transformer stations including one of high capacity is in the Ahwaz area, and a group of six is in the Tehran area. Today's 'Financial Times' reports frequent power black-outs in Tehran. This may indicate that one or both of the hydro-electric plants in Khuzistan is not operating, but it is more likely that oil and gas distribution to the thermal plants is being seriously affected. We believe that plans under the Shah to import electric power from the USSR have never been implemented.
6. ; In the wider context, we have today set in train an examination of the effects of damage to energy installations in both Iran and Iraq as better evidence begins to come in. As this develops we shall keep FCO, Department of Energy and the JIC Assessment Staff informed.
7. I append below copy addressees to whom I am sending this letter.

*Yours Sincerely,  
John C. [Signature]*

PS to Secretary of State for Foreign and Commonwealth Affairs.  
PS to Secretary of State for Defence.  
PS to Secretary of State for Energy.  
PS to Sir Robert Armstrong.  
PSO to Chief of the Defence Staff.  
PS to PUS Foreign and Commonwealth Office.  
PS to PUS Ministry of Defence.  
PS to PUS Department of Energy.  
DUSP Ministry of Defence.  
Chairman JIC.

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TO PRIORITY FCO  
TELEGRAM NUMBER 4040 OF 18 SEPTEMBER 1980  
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*Prime Minister*

*MP 19/18*

*mt*

US/IRAN: HOSTAGES

1. TODAY'S US PRESS GIVES FRONT PAGE TREATMENT TO BANI SADR'S 17 SEPTEMBER INTERVIEW WITH AGENCE FRANCE PRESSE IN WHICH BANI SADR IS REPORTED TO HAVE CLAIMED THAT THE SWISS AMBASSADOR HAD ON 16 SEPTEMBER TRANSMITTED TO HIM A NOTE FROM THE AMERICANS IN WHICH THEY ACCEPTED THE PRINCIPLE OF A COMMISSION OF INQUIRY TO LOOK INTO THE PAST US RELATIONSHIP WITH THE SHAH - AN INQUIRY WHICH BANI SADR IS REPORTED TO HAVE SAID WOULD, IN HIS OPINION, SATISFY THE IRANIAN DEMAND FOR AN AMERICAN APOLOGY.

2. IN A FIRST COMMENT ON 17 SEPTEMBER ON BANI SADR'S REMARKS A STATE DEPARTMENT SPOESMAN CONFIRMED THAT THE ADMINISTRATION WOULD AGREE TO THE REVIVAL OF AN INQUIRY PROVIDED IT WAS IN THE CONTEXT OF THE RELEASE OF THE HOSTAGES.

3. ASKED ABOUT IRAN AT HIS 18 SEPTEMBER PRESS CONFERENCE, PRESIDENT CARTER SAID THAT HE HAD NO REASON TO PREDICT THE EARLY RELEASE OF THE HOSTAGES BUT MENTIONED AS POTENTIALLY POSITIVE DEVELOPMENTS KHOMEINI'S 12 SEPTEMBER STATEMENT AND THE FACT THAT THERE WAS NOW A GOVERNMENT AND PARLIAMENT IN PLACE IN TEHRAN. CARTER REPEATED THAT HIS TWO GOALS REMAINED TO PRESERVE THE HONOUR, INTEGRITY AND INTERESTS OF THE US; AND TO DO NOTHING WHICH WOULD ENDANGER THE LIVES AND SAFETY OF THE HOSTAGES OR INTERFERE WITH THEIR CHANCES OF BEING RELEASED. THERE WOULD BE NO US APOLOGY, BUT THE US HAD LONG MADE IT CLEAR THAT THEY DID NOT OBJECT TO THE IRANIANS PRESENTING THEIR CASE IN A LEGITIMATE FORUM. THE US HAD ENCOURAGED THE UN MISSION SET UP FOR THIS PURPOSE; AND HAD ALSO INVITED THE IRANIANS TO PARTICIPATE, NOT IN A CONFRONTATIONAL WAY, IN THE PROCEEDINGS OF THE INTERNATIONAL COURT OF JUSTICE. WHERE THEIR CASE COULD HAVE BEEN HEARD. THE CONTINUATION OF THE HOSTAGE PROBLEM DAMAGED THE US AND, HE BELIEVED, IRAN.

HENDERSON

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TO IMMEDIATE F C O

TELEGRAM NO 3995 OF 12 SEPTEMBER

*ms*

M I P T

1 DESPITE THIS DELIBERATELY CAUTIOUS REACTION (WHICH WE CAN EXPECT TO CONTINUE TO SET THE TONE OF OFFICIAL COMMENT FROM HERE), SICK (NSC) HAS TOLD US THAT THE ADMINISTRATION CONSIDER KHOMEINI'S STATEMENT A MAJOR NEW DEVELOPMENT WHICH AT LEAST PROVIDES A VALUABLE FOCUS FOR THE FORTHCOMING MAJLIS DEBATE ON THE HOSTAGES. THE IMMEDIATE AMERICAN CONCERN IS TO DO AND SAY NOTHING WHICH COULD UPSET ANY POSITIVE PROCESS NOW IN TRAIN, TO EXPLORE THE REAL MEANING OF KHOMEINI'S CONDITIONS AND WORK OUT HOW TO RESPOND TO THEM.

2. SICK OFFERED THE PERSONAL OBSERVATION THAT IT WAS STRIKING HOW MUCH EMPHASIS THERE WAS ON FINANCIAL CONSIDERATIONS IN THE KHOMEINI CONDITIONS AND DREW COMFORT FROM THE THOUGHT THAT THE HARD-LINERS IN TEHRAN, NOW THAT THEY HAD WON THE INTERNAL BATTLE FOR POWER, MIGHT BE FINDING IT NECESSARY TO DO SOMETHING ABOUT THE SERIOUS ECONOMIC PROBLEMS FACING THE COUNTRY FOR WHICH HITHERTO THEY HAD BEEN CONTENT TO ALLOW BANI SADR TO TAKE THE BLAME.

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*Iran:*

*RR is aware of the outcome.*

Foreign and Commonwealth Office  
London SW1

*NBRD*

12 September 1980

*Ph...*

*The Hon.*

Thank you for your letter of 29 August in which you expressed your concern at the proposed move of the Iranian Embassy to NIOC House, Victoria Street.

I entirely share your view that it is unacceptable to run the risk of sophisticated surveillance equipment being installed in this area by a foreign government. The legal position is, however, difficult, since apart from controls under planning legislation, we have no powers to prevent a foreign government establishing an Embassy in a particular area of London. Nevertheless, I have concluded that we could not afford to agree to the Iranian proposal. You will be glad to hear that the Iranian Chargé d'Affaires was summoned to the Foreign and Commonwealth Office on 9 September and informed that the British Government were not prepared to allow the establishment of an Embassy in the area where our Government offices are situated. Dr Ehdaié was disappointed but accepted the decision without demur. I consulted Michael Heseltine in advance, on account of possible reprisals against our compounds in Tehran.

We ought to look at our legal position in case a similar request is made by another Embassy and I shall probably be making proposals.

I am copying this letter to the recipients of yours.

*your*  
*lan*

The Rt Hon John Nott MP  
Secretary of State for Trade  
1 Victoria Street  
London SW1H 0ET

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TO PRIORITY FCO

TELEGRAM NUMBER 810 OF 8 SEPTEMBER 87

INFO PRIORITY CABINET OFFICE (DIO) MODUK (DI4 AND DS11)

GRES, WASHINGTON,

INFO SAVING UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
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ROME, PARIS, BRUSSELS, BONN, JEDDA, STOCKHOLM, CAIRO.

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*Iran*  
*Read in full*

*MS*

MY TELNO 792 : SITUATION IN IRAN.

1. FOR THE MOMENT AT LEAST, PRESIDENT BANI SADR SEEMS TO HAVE OUT-MANOEUVRED THE PRIME MINISTER, RAJAIE, IN THEIR LONG-RUNNING DEADLOCK OVER THE FORMATION OF THE NEW CABINET. IN A LETTER OF 7 SEPTEMBER TO THE MAJLES, THE PRESIDENT INTRODUCED 14 MINISTERS ONLY (TO WHOM 'I AM NOT OPPOSED'). NOTABLE OMISSIONS FROM RAJAIE'S FIRST LIST OF APPOINTMENTS ARE THE FOREIGN MINISTER, HOSSEIN MUSAVI KHAMENEI, THE OIL MINISTER, ASGHAR IBRAHIMI, AND THE MINISTER FOR ECONOMY AND COMMERCE, ASADOLLAH LAJEVARDI. A DEFENCE MINISTER, COLONEL JARAD FAKURI, HAS NOW BEEN NAMED (RAJAIE'S ORIGINAL LIST LEFT THIS POST VACANT). BARGAINING WILL PRESUMABLY NOW CONTINUE OVER THE REMAINING VACANT POSTS. THE PROCEDURE ADOPTED WAS AT KHOMEINI'S SUGGESTION (MADE TO BANI SADR DURING A MEETING ON 5 SEPTEMBER).
2. IRP HARDLINERS HAVE SHOWN SOME SENSIBILITY TO THE GENERALLY CRITICAL VIEW EXPRESSED BY FOREIGN OPINION ABOUT RAJAI'S CAPABILITY AS PRIME MINISTER. THERE HAVE BEEN A NUMBER OF ALLEGATIONS THAT THIS IS ALL A CONCERTED CAMPAIGN OF DENIGRATION BY IMPERIALISTS, ZIONISTS, ETC.
3. THE ISLAMIC HARDLINERS ALSO CONTINUE TO DIG IN THEIR HEELS AGAINST SUGGESTIONS THAT THE AMERICAN HOSTAGE ISSUE SHOULD BE RESOLVED QUICKLY BY DIPLOMATIC NEGOTIATION. KHOINI, THE MENTOR OF THE MILITANT STUDENTS OCCUPYING THE US EMBASSY, HAS BEEN IN THE FOREFRONT IN THIS CONNEXION, PROMISING MORE REVELATIONS ABOUT US MISDEEDS IN THE SHAPE OF PUBLICATION SHORTLY OF A BOOK CONTAINING ALL THE INCRIMINATING DOCUMENTS FOUND IN THE EMBASSY. SILILAR UNHELPFUL REMARKS WERE MADE AT FRIDAY PRAYERS IN TEHRAN BY MUSAVI KHAMENEI (SEE PARA 1 ABOVE).

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4. ANGLO-IRANIAN RELATIONS CONTINUE TO OCCUPY THE LIMELIGHT. THE FULL TEXT OF RAFSANJANI'S REMARKS IN THE MAJLES (PARA 7 OF TUR) CONFIRMED THE FIRST REPORTS OF A VITRIOLIC AND THREATENING ANTI-BRITISH ATTACK. SIMILAR DISOBLIGING SENTIMENTS AND MENACES WERE CONTAINED IN THE REPORTED TEXT OF RAJAIE'S REPLY TO HMG'S CONGRATULATORY MESSAGE ON HIS APPOINTMENT AS PRIME MINISTER. SO FAR, FOUR DAYS AFTER LOCAL PUBLICATION, HIS OFFICIAL REPLY HAS NOT REACHED THIS EMBASSY (PAR FOR THE COURSE). THE FOREIGN MINISTER ALSO TOUCHED ON RELATIONS WITH BRITAIN IN AN INTERVIEW WITH AFP PUBLISHED ON 7 SEPTEMBER. BASING HIS REMARKS, AS DID RAFSANJANI AND RAJAIE, ON THE ALLEGED INHUMANE TREATMENT METED OUT BY THE BRITISH AUTHORITIES TO THE IRANIAN STUDENTS DETAINED IN LONDON, QOTBZADEH ACCUSED US OF BEING BARBARIANS AND SAID IT WAS NOT AN ISOLATED CASE. AS REGARDS POSSIBLE IRANIAN REPRISALS, HE SAID THAT BRITAIN HAD ALREADY REDUCED ITS DIPLOMATIC REPRESENTATION IN TEHRAN, AND THE ONLY POSSIBLE REMAINING MEASURE WOULD, LOGICALLY, BE TO BREAK RELATIONS. 'I DO NOT KNOW WHETHER THIS WILL BE DONE BUT, IF IT MUST, IT MUST'.
5. THE FOREIGN MINISTRY HAVE APPARENTLY ASKED (ON 5 SEPT) THE SOVIET EMBASSY TO CLOSE THE SOVIET CONSULATE IN RASHT (SEE EARLIER SITREPS).
6. AND SO TO BED. HMG ARE TEMPORARILY WITHDRAWING THEIR DIPLOMATIC REPRESENTATION IN TEHRAN WITH EFFECT FROM 9 SEPTEMBER AND THIS THEREFORE IS THE LAST SITREP IN THE PRESENT SERIES.

FCO PLEASE PASS SAVING ADDRESSEES.

WYATT

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TO IMMEDIATE FCO  
TELEGRAM NUMBER 801 OF 7 SEPTEMBER 80  
INFO IMMEDIATE STOCKHOLM.

MY TELNO 799.

1. THE SWEDISH AMBASSADOR SAW THE FOREIGN MINISTER AS PLANNED. THE MEETING WENT WELL AND, AFTER READING THE SWEDISH NOTE, QOTBZADEH'S FIRST CONCERN WAS TO ESTABLISH THAT WHAT WAS PROPOSED WAS NOT A SEVERANCE OF RELATIONS. WHEN REASSURED ON THIS POINT, HE SAID THAT, IF IT HAD BEEN A CASE OF A BREAK, IRAN WOULD NATURALLY HAVE HAD TO RESPOND SIMILARLY. HE SAID THERE WAS NO OBJECTION TO SWEDEN'S - A FRIENDLY, RESPECTED COUNTRY - ASSUMING THE ROLE OF PROTECTING POWER. HE ADDED, SPONTANEOUSLY, THAT HE WOULD ASK MFA PROTOCOL TO "FACILITATE THINGS FOR YOU". THE SWEDISH AMBASSADOR MADE THE POINT ABOUT HMG'S DESIRE TO AVOID PUBLICITY UNTIL AFTER OUR DEPARTURE, ADDING THAT HMG WOULD TRY TO PLAY THE THING DOWN AND WERE NOT LOOKING FOR A PROPAGANDA BATTLE. QOTBZADEH LISTENED CAREFULLY AND DID NOT DEMUR.
2. THE SWEDISH AMBASSADOR SAID THE MINISTER GAVE THE IMPRESSION THAT HE WAS SADDENED BY THIS DEVELOPMENT. THERE WERE NO SIGNS OF ANIMOSITY OR BITTERNESS ON HIS PART.
3. SO FAR, SO GOOD. IT ALL SOUNDS TOO GOOD TO BE TRUE AND, THIS BEING IRAN, WE SHALL CONTINUE TO KEEP OUR FINGERS CROSSED THAT OUR GOOD LUCK HOLDS.

/4.

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4. THE SWEDE, WHO HAS BEEN WONDERFULLY HELPFUL AND CO-OPERATIVE THROUGHOUT, ASKED ABOUT INFORMING THE MFA OF OUR DEPARTURE. HE WILL CONSULT STOCKHOLM ON THIS. I SAID I THOUGHT IT WOULD BE IN ORDER FOR HIS EMBASSY TO SEND A NOTE IN APPROPRIATE TERMS ONCE OUR DEPARTURE HAD TAKEN PLACE.
5. THERE WILL, I ASSUME, NOW BE NO NEED TO NOMINATE BARRETT AS CHARGE'

WYATT

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TO IMMEDIATE FCO  
TELEGRAM NUMBER 776 OF 1 SEPTEMBER 80.  
INFO PRIORITY WASHINGTON, STOCKHOLM AND EC POSTS.

YOUR TELNO 453 : UK/IRAN.

1. I AGREE THAT IN THE PRESENT SITUATION COMPLETE WITHDRAWAL WOULD NOT BE JUSTIFIED BUT THAT REDDAWAY'S RETURN TO UK WOULD BE A PRUDENT PRECAUTION. AS AGREED IN MY TELECON OF 31 AUGUST WITH SIR J. GRAHAM, REDDAWAY WILL TRAVEL BY THE BA FLIGHT ON 5 SEPTEMBER. I HOPE THAT SMITH CAN COME OUT ON THE SAME AIRCRAFT, IE LEAVING HEATHROW ON THE EVENING OF 4 SEPTEMBER.
2. WE SHALL TRY TO AVOID PUBLICITY ABOUT REDDAWAY'S DEPARTURE ALTHOUGH THE NEWS IS BOUND TO BREAK ONCE HE HAS GONE. WE SHALL THEN TAKE THE PROPOSED LINE, IE THAT, AT A TIME OF DIFFICULTY AND STRAIN FOR EMBASSY STAFF, WE ARE, WHERE POSSIBLE, ROTATING STAFF IN ORDER TO ALLOW A PERIOD OF R AND R IN UK. IF ASKED WHETHER REDDAWAY WILL BE RETURNING, WE SHALL SAY THAT, ON PRESENT PLANS, THAT IS OUR EXPECTATION.
3. I AM SEEING THE BRITISH COMMUNITY TODAY AT 1800 HOURS LOCAL. (YOUR TEL NO 450 REFERS).

WYATT

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TO IMMEDIATE TEHRAN

TELEGRAM NUMBER 453 OF 29 AUGUST

INFO PRIORITY WASHINGTON, STOCKHOLM AND EC POSTS

UK/IRAN

1. I AM WORRIED BY THE INCREASINGLY VITRIOLIC CAMPAIGN IN THE PRESS AND IN PUBLIC STATEMENTS LIKE THOSE RECENTLY MADE BY THE DEPUTY MINISTER OF INFORMATION IMPLICATING HMG AND, IN PARTICULAR, SIR J GRAHAM, IN THE PREPOSTEROUS ALLEGATIONS OF WESTERN/ANGLICAN PLOTS AGAINST THE REGIME. IT IS ONLY A SMALL STEP FROM ALLEGATIONS AGAINST PREVIOUS MEMBERS OF THE EMBASSY TO ALLEGATIONS AGAINST THOSE WHO ARE STILL SERVING IN TEHRAN, OR TO HOLDING YOU RESPONSIBLE FOR THE SUPPOSED ACTIVITIES OF YOUR PREDECESSORS. THIS INEVITABLY INCREASES THE POSSIBLE RISKS TO YOU.

2. I DO NOT, HOWEVER, CONSIDER THAT AT PRESENT THE RISK IS SUCH AS TO MERIT A COMPLETE WITHDRAWAL (LEAVING PERHAPS ONE UK-BASED MEMBER OF STAFF IN THE EMBASSY OF A PROTECTING POWER). BUT THE PERSONAL RISK TO REDDAWAY IS PROBABLY GREATER THAN FOR THE REST OF YOU. HE IS A PERSIAN SPEAKER WHO HAS BEEN PARTICULARLY ACTIVE IN MOVING AROUND IRAN, TALKING TO PEOPLE OF WHOM SOME ARE INEVITABLY OUT OF FAVOUR WITH THE PRESENT REGIME, AND WHOSE NAME MUST BE INCREASINGLY WIDELY KNOWN. ALTHOUGH HIS PERSIAN HAS BEEN INVALUABLE IN OUR EFFORTS OVER JEAN WADDELL AND THE OTHER DETAINEES, I DO NOT THINK WE CAN AFFORD TO RISK HIM FURTHER. I SHOULD THEREFORE LIKE HIM TO RETURN AS SOON AS HE CAN. SO AS NOT TO INCREASE THE BURDEN ON YOU TOO GREATLY, SMITH WILL BE RETURNING WITH A BAG IN ORDER TO PROVIDE ASSISTANCE ON THE ADMINISTRATIVE SIDE.

CARRINGTON

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From the Secretary of State

The Rt Hon The Lord Carrington KCMG MC  
 Secretary of State for Foreign &  
 Commonwealth Affairs  
 Downing Street  
 Whitehall  
 SW1

Prime Minister

In present circumstances,  
 an Iranian Embassy  
 in Victoria Street is  
 not an attractive  
 proposition.

29 August 1980

MAD 29/8

Dear Peter

I am very concerned indeed to learn that the Iranian Embassy is likely to move to NIOC House in Victoria Street. It seems to me that there are the strongest objections to this. Not only is it immediately opposite the Headquarters of my Department at No 1 Victoria Street, but it also overlooks the Abbey and the proposed International Conference Centre, and it is within a stone's throw of Parliament itself.

It really is quite unacceptable to run the risk of sophisticated surveillance equipment being installed by a foreign government, in an area like this. Neither can we countenance the possibility of disruptions from demonstrations which an Embassy of this kind inevitably attracts. This could have the most serious effects on the work of my department and could well inhibit important visitors and trade delegations from even attending meetings at 1 Victoria Street.

I am aware that your officials are trying to discourage the Iranians from the move but the matter is so important that we must consider what further action to take if these efforts fail. I do not know what powers are available to us, but a solution must be found.

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2 -



*From the Secretary of State*

I am copying this letter to the Prime Minister, William Whitelaw, Francis Pym, and to Michael Heseltine because of their interests in the matter.

Yours ever  
John.

The site would, of course, be ideal for my Department which is scattered in buildings all around London. It would be an ideal site for Export House (now near St Pauls) which we must leave in a year or two anyhow. The problem is the high rent - but rents will be higher still in a year or two.

2  
hca

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h.s.  
RMS

HOME OFFICE  
QUEEN ANNE'S GATE LONDON SW1H 9AT

MS

29 August 1980

Dear Sir,

Prime Minister  
You asked to see the  
Home Secretary's response  
to the message of doubt  
telegraphed from

IRANIANS IN CUSTODY

attached

We spoke and you asked for a report on the present position with Iranians in custody. I attach a situation report which takes account of today's hearings.

Jeddah by  
had Livingston.

The Home Secretary has seen the message from the Foreign and Commonwealth Secretary of 26 August together with Sir John Graham's minute of 22 August. As I mentioned on the telephone, the position was examined again at a meeting held under Mr. Brittan's chairmanship on 26 August at which the FCO were represented. The conclusion of the meeting was that circumstances had not changed in such a way as to recommend the Home Secretary to change the decision he had reached on 19 August and had agreed that day with the Prime Minister and the Foreign and Commonwealth Secretary. The Home Secretary accepted this advice. It was also agreed that the FCO representative would report the outcome to his Secretary of State. This he did and it was left with him and with the Private Secretary that the Foreign and Commonwealth Secretary would take the next step if he wished to press the matter with the Home Secretary. As I think you know, we have not heard more.

MP 29/8

I am sending copies of this letter and its enclosure to Jebbs (FCO), Wickstead (FCO) and Wright (Cabinet Office).

Cam.  
Styler

S. W. BOYS SMITH

NB. The first deportations should take effect in week beginning 8 Sept, unless any students accept supervised departure next week.

not

M. J. Pattison, Esq.

MP

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IRANIAN STUDENTS:

SITUATION REPORT AS AT END OF 29 AUGUST, 1980

Court hearings

1. Of the 72 Iranians charged following the demonstration on 4 August, 48 are still in custody, 42 of them following recommendations for deportation. Five are still awaiting substantive hearings in the magistrates' courts (Table A). A total of 55 cases have been completed so far (Table C). The pattern of further hearings is set out in Table B. All the Iranians in custody are now eating.

2. A total of 73 charges have been dealt with so far with the following results:

a. Obstructing the police

1 months' imprisonment	2	) all recommended for deportation
14 days	3	
14 days suspended for 2 years	8	
7 days	7	
£50 or 7 days	1	
14 days suspended for 2 years	1	) no recommendation
7 days	4	
£100 fine or 7 days	2	
£50 fine or 7 days	1	
£25 fine or 7 days	1	
Absolute discharge	1	
Withdrawn	1	
Dismissed	6	
No finding	<u>3</u>	
Total Charges	41	
	==	

b. Assault on police

3 months' imprisonment	1	) all recommended for deportation
2 months'	3	
1 month	5	
21 days	1	
14 days	6	
6 months	1	) no recommendation
Withdrawn	2	
Dismissed	<u>1</u>	
Total Charges	20	
	==	

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c. Threatening behaviour

14 days imprisonment	2 )
7 days	1 ) recommended for deportation
£100 for 7 days	1 )
£200 or 1 day	2 no recommendation
Dismissed	<u>1</u>
Total Charges	7
	<u>      </u>

d. Actual bodily harm

4 months imprisonment	1 recommended for deportation
2 months	1 )
1 month	<u>1</u> ) no recommendation
Total Charges	3
	<u>      </u>

e. Theft of a policeman's helmet

Dismissed	1
-----------	---

f. Criminal damage

£50 or 7 days	1
---------------	---

Supervised departure

3. Supervised departure (i.e. voluntary departure under police escort instead of formal deportation) has been offered to the Iranian prisoners recommended for deportation. Four have said that they would be prepared to go. However, the solicitor acting on behalf of the Iranians has indicated that the Iranian Embassy may be prepared to persuade more prisoners to go voluntarily. This is being pursued.

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DISPOSITION OF IRANIANS AS AT END OF 29 AUGUST, 1980Total charged: 72

	<u>Sentenced and recommended for deportation</u>	<u>Sentenced - no recommendation</u>	<u>Absolute discharge</u>	<u>Case dismissed</u>	<u>Awaiting hearing</u>	<u>TOTAL</u>
In custody	42	1	-	-	5	48
Not in custody	-	6	1	5	12	24
	—	—	—	—	—	—
	42	7	1	5	17	72
	==	==	==	==	==	==

PROGRESS OF CASES

I: Cases completed by end of 29 August, 1980 55

II: Cases to be heard by week ending 5 September

1.9	4
4.9	1
5.9	<u>1</u> (bailed)
	<u>Total</u> 61
	==

III: Remainder

12.9	1 )
15.9	2 )
19.9	1 ) (all
24.9	1 ) bailed)
26.9	1 )
10.11	3 )

On bail, failed to appear warrants issued	<u>2</u>
	<u>Total</u> 72
	==

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C.

ANALYSIS OF CASES COMPLETED AS AT END OF 29 AUGUST, 1980

<u>Date</u>	<u>Sentenced and recommended for deportation</u>	<u>Sentenced - no recommendation</u>	<u>Absolute discharge</u>	<u>Dismissed</u>	<u>TOTAL</u>
18.8	3	2	-	1	6
19.8	9	-	-	1	10
20.8	5	1	-	1	7
21.8	7	3	-	-	10
22.8	8	1	-	-	9
23.8	6	-	1	-	7
26.8	1	-	-	2	3
29.8	3	-	-	-	<u>3</u>
					<u>55</u>
					<u>    </u>

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TO PRIORITY FCO

TELEGRAM NUMBER 773 OF 28 AUGUST 80

INFO PRIORITY CABINET OFFICE (DIO) MODUK (DI4 AND DS11)  
CRES, WASHINGTON,

INFO SAVING UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
BAHRAIN, DOHA, DUBAI, KUWAIT, MOSCOW, MUSCAT, NEW DELHI,  
ROME, PARIS, BRUSSELS, BONN, JEDDA, STOCKHOLM, CAIRO.

*Prime Minister*

*M.P. 29/8*

MY TELNO 754 : SITUATION IN IRAN.

1. THE DEADLOCK BETWEEN THE PRIME MINISTER AND THE PRESIDENT OVER THE FORMATION OF THE CABINET CONTINUES AND THE RESPECTIVE ATTITUDES OF THE TWO MEN SEEM TO BE HARDENING IF ANYTHING. THE PRESIDENT IS OBVIOUSLY UNDER SOME STRAIN (HE WAS "EXHAUSTED AND IN BED" ON 27 AUGUST AND UNABLE TO RECEIVE VISITORS). RAJAIE SAW KHOMEINI ON 27 AUGUST BUT, IF HIS OBJECT WAS TO ENLIST THE LATTER'S AID, HE FAILED. KHOMEINI'S PUBLIC LINE REMAINS - AT LEAST FOR THE MOMENT - THAT IT IS FOR THE PROTAGONISTS TO SORT OUT THE MATTER AND THAT HE WILL NOT INTERFERE. MEANWHILE, BANI SADR HAS ASKED THE EXISTING MINISTERS TO REMAIN AT THEIR POSTS.

2. KHOMEINI ATTACKED THE FOREIGN MEDIA FOR SPREADING RUMOURS ABOUT HIS HEALTH, WHEN HE RECEIVED A DELEGATION ON 26 AUGUST. HE SAID HE HAD BEEN ADVISED BY HIS DOCTORS TO SPEAK LESS FREQUENTLY AND THAT THIS HAD BEEN BLOWN UP BY FOREIGN RADIO STATIONS SPECULATING ABOUT THE EFFECT OF HIS DISAPPEARANCE FROM THE SCENE. IN ANY CASE, THE IRANIAN NATION WOULD CONTINUE ON ITS ISLAMIC AND REVOLUTIONARY PATH WHETHER HE WAS HERE OR NOT.

3. THERE HAS BEEN LESS PUBLICITY ABOUT THE IRANIAN STUDENTS DETAINED IN LONDON AND THE LATEST STICK WITH WHICH TO BEAT THE BRITISH IS THE LUDICROUS AND TOTALLY FABRICATED ALLEGATION THAT THE ANGLICAN CHURCH IN IRAN WAS AN ESPIONAGE CENTRE ENGAGED IN ANTI-REGIME PLOTTING IN CONJUNCTION WITH THE U.S. BRITISH AND ISRAELI INTELLIGENCE SERVICES. IN THE SAME CONNEXION RIDICULOUS ACCUSATIONS HAVE BEEN MADE AGAINST SIR J. GRAHAM, THE FORMER BRITISH AMBASSADOR, E.G. THAT HE DISTRIBUTED LARGE QUANTITIES OF TNT AND FUSES TO THE PLOTTERS. DESPITE PERSISTENT APPROACHES IN ALL CONCEIVABLE QUARTERS, WE ARE STILL DENIED ACCESS TO THE FOUR BRITISH DETAINEES, OF WHOM AT LEAST THREE ARE LINKED TO THE ANGLICAN CHURCH AFFAIR.

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4. THE FOREIGN MINISTER, MR QOTBZADEH, GAVE A COURAGEOUS, HARD-HITTING PERFORMANCE ON LOCAL TV ON 24 AUGUST, WHEN HE SAID THAT THE HOLDING OF THE AMERICAN HOSTAGES WAS AGAINST IRAN'S INTEREST AND STRONGLY ATTACKED THE TUDEH PARTY. HE IS ALSO REPORTED TO HAVE WRITTEN TO THE MAJLES, ARGUING STRONGLY AGAINST ANY SUGGESTION OF A TRIAL OF THE HOSTAGES.
5. AN MFA SPOKESMAN SAID ON 25 AUGUST THAT IRAN HAD OFFICIALLY ASKED THE SOVIET UNION TO CLOSE ITS CONSULAR POST IN RASHT RATHER THAN THE ONE IN ISFAHAN (SEE PARA 4 OF TUR).
6. DAILY TRIALS AND EXECUTIONS OF DRUG PEDDLERS, SEXUAL OFFENDERS, SO CALLED PLOTTERS, ETC., CONTINUE ON THEIR DISGUSTING COURSE WITH NO SIGN OF ANY LET-UP IN THE BLOOD LETTING.
7. SKIRMISHES ON THE BORDER WITH IRAQ CONTINUE UNABATED, AS DOES FIGHTING WITH THE KURDS. THERE NOW SEEMS TO BE AN ESTABLISHED PATTERN OF WHAT ARE UNDOUBTEDLY EXAGGERATED GOVERNMENT CLAIMS OF CASUALTIES AND LOSSES INFLICTED ON THE ANTI-GOVERNMENT FORCES.

FCO PLEASE PASS SAVING ADDRESSEES.

REPEATED AS REQUESTED

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THIS TELEGRAM  
WAS NOT  
ADVANCED

## IRAN STANDARD

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*Prime Minister*

*MA 29/8*

GR 180  
CONFIDENTIAL  
FM FCO 281730Z AUG 80  
TO IMMEDIATE TEHRAN  
TELEGRAM NUMBER 450 OF 28 AUGUST  
INFO PRIORITY WASHINGTON ROUTINE STOCKHOLM

BRITISH COMMUNITY

1. THE ARREST OF PYKE UNDERLINES THE INCREASING INSECURITY TO WHICH THE COMMUNITY IS BECOMING EXPOSED. IT IS POSSIBLE THAT, AS WITH MISS WADDELL AND THE OTHERS, THERE MAY BE DIFFICULTY IN GETTING ACCESS TO HIM AS WELL AS PROBLEMS OVER THE CHARGES AND OVER THE POSSIBILITY OF A TRIAL.
2. SUBJECT TO YOUR VIEWS, THEREFORE, WE THINK THAT YOU SHOULD SPEAK TO THE COMMUNITY AGAIN AND STRONGLY REINFORCE YOUR RECENT WARNING TO THEM OF THE UNCERTAINTIES OF THEIR POSITIONS. YOU SHOULD STRESS THAT IN PRESENT CIRCUMSTANCES (WITH THE EMBASSY INCREASINGLY LINKED TO THE WILD ALLEGATIONS OF ESPIONAGE AND SUBVERSION) YOUR ABILITY TO PROTECT ANY WHO MAY FIND THEMSELVES IN DIFFICULTIES WITH THE AUTHORITIES IS VIRTUALLY NIL; AND THAT UNLESS THEY HAVE AN OVER-RIDING REASON TO STAY, THEY SHOULD CONSIDER LEAVING
3. IT WILL BE PARTICULARLY IMPORTANT TO HAVE PUT THE COMMUNITY ON NOTICE SHOULD WE HAVE TO GO OVER AT SHORT NOTICE TO A PROTECTING POWER.

CARRINGTON

IRAN STANDARD

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*mb*

*Prime Minister*

*We will be letting you  
have a further report from  
the Home Secretary  
tomorrow.*

GRS 234  
CONFIDENTIAL  
FM FCO 271700Z AUG 80  
TO IMMEDIATE TEHRAN  
TELEGRAM NUMBER 448 OF 27 AUGUST

MY TELNO 447 : IRANIAN STUDENTS

1. THE HOME OFFICE HAVE ASKED BRITISH AIRWAYS WHETHER, IN THE EVENT, THEY WOULD BE PREPARED TO TAKE DEPORTED IRANIAN STUDENTS IN SMALL NUMBERS BACK TO TEHRAN. BRITISH AIRWAYS' INITIAL REACTION HAS NOT BEEN FAVOURABLE. THEY HAVE SAID THAT THEY HAVE ALREADY CONSULTED THEIR MANAGER IN TEHRAN (PRESUMABLY LLOYD PAXTON). HIS ASSESSMENT IS THAT, ALTHOUGH BA ARE AT PRESENT NOT EXPERIENCING PARTICULAR DIFFICULTIES IN MAINTAINING A SERVICE IN AND OUT OF TEHRAN, FLYING BACK DEPORTED IRANIAN STUDENTS COULD PROVIDE AN IRRITANT TO THEIR FUTURE OPERATIONS IN IRAN.

*MAF 28/2*

2. WE SHOULD BE GRATEFUL FOR YOUR OWN URGENT ASSESSMENT OF THE LIKELY REACTION AND ITS EFFECT ON BA IN TEHRAN. WE WOULD NOT (NOT) ENVISAGE LARGE NUMBERS OF IRANIAN STUDENTS BEING SENT HOME TOGETHER (SEMICOLON) IT IS MORE LIKELY THAT THEY WILL BE FLOWN OUT INTERMITTENTLY IN SMALL GROUPS. IN OUR VIEW THIS WOULD GREATLY LESSEN THE LIKELY IMPACT OF THE STUDENTS' RETURN.

*mb*

3. THE HOME OFFICE IS PURSUING ITS OFFERS OF SUPERVISED DEPARTURE. THREE STUDENTS IN PENTONVILLE HAVE EXPRESSED INTEREST, THOUGH THEY ARE KEEN TO BE ACCOMPANIED BY THEIR WIVES (SEMICOLON) ONE GIRL IN HOLLOWAY MAY ALSO ACCEPT. IF THE ARRANGEMENTS COULD BE MADE, THE HOME OFFICE WOULD WISH TO ORGANISE THEIR DEPARTURE BEFORE THE END OF THIS WEEK.

4. IF BA WILL NOT HELP, WE WOULD NEED TO APPROACH IRANAIR.

CARRINGTON

IRAN STANDARD

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GR 80  
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FM TEHRAN 270730Z AUG  
TO ROUTINE FCO  
TELEGRAM NUMBER 767 OF 27 AUGUST 80  
INFO WASHINGTON

INFO SAVING EC POSTS.

YOUR TELS NOS 437 AND 444. : MESSAGE TO IRANIAN PRIME MINISTER.

I SENT THE MESSAGE VIA MFA PROTOCOL DEPT. ON 26 AUGUST, HAVING CHECKED WITH THE GERMANS THAT THEY WOULD SEND THEIR MESSAGE ON THE SAME DAY. ALL THE OTHER EC MISSIONS (WITH THE POSSIBLE EXCEPTION OF THE BELGIANS, WHOM I COULD NOT CONTACT) HAD SENT THEIR RESPECTIVE MESSAGES EARLIER.

FCO PLEASE PASS SAVING EC POSTS

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[REPEATED AS REQUESTED]

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GR 335  
UNCLASSIFIED  
FM TEHRAN 270615Z AUG  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 765 OF 27 AUGUST 80  
INFO IMMEDIATE JEDDA (FOR SIR J. GRAHAM).

*Prime Minister*  
*The tragedy is that this*  
*kind of nonsense seems*  
*to be carried up in*  
*Iran.*

YOUR TELNO 460 TO JEDDA : SPYING ALLEGATIONS.

FULL TEXT OF PARS ITEM PUBLISHED ON 26 AUGUST IS AS FOLLOWS :-

*MAF 27/8-*

THE DEPUTY MINISTER OF NATIONAL GUIDANCE IN AN INTERVIEW WITH PARS REVEALED DOCUMENTS RECENTLY DISCOVERED IN ONE OF THE ANGLICAN CHURCHES OF IRAN. IN A "SECRET" LETTER DATED APRIL 15, 1980, AN ENGLISH PRIEST, PAUL HUNT, WHO FOR YEARS WAS ACTING AS A SPY, WROTE TO MCCONNELL, A PENTAGON OFFICER, ACKNOWLEDGING THE RECEIPT OF 500 MILLION DOLLARS IN CASH FROM THE CIA, AND EXPRESSING GRATITUDE FOR BEING ABLE TO DISTRIBUTE THIS AMOUNT AMONG THE OFFICERS OF THE ARMY, THE AIR FORCE, BAHA'I LEADERS AND COUNTER-REVOLUTIONARIES, AND TO TAKE PRELIMINARY MEASURES FOR A COUP D'ETAT THAT INCLUDED BOMBING THE IMAM'S RESIDENCE AND STRATEGIC AREAS, IN QOM AND TEHRAN. IN THIS LETTER HUNT MENTIONED HIS VISIT TO THE BRITISH AMBASSADOR TO IRAN, JOHN GRAHAM, SIX AIR FORCE OFFICERS, A GROUP OF ARMY MEN AND THE CIA COUP PLANNERS. HE SAID THESE PERSONS HAD RECEIVED 300 KILOS OF TNT, EXPLOSIVES AND FUSES FROM JOHN GRAHAM. HE STRESSED THE DIFFICULTIES OF THEIR TASK, BUT GRAHAM ENCOURAGED HIM. HUNT ALSO INTRODUCED A GROUP OF INTERNATIONAL SPIES AFFILIATED WITH THE CIA, MOSAD OF ISRAEL AND THEIR IRANIAN FOLLOWERS WHO WOULD COOPERATE IN THE PROJECT. IT SHOULD BE MENTIONED THAT A NUMBER OF THESE PERSONS HAVE ALREADY BEEN ARRESTED, OTHERS HAVE FLED AND THE BRITISH AMBASSADOR HAS ALSO LEFT IRAN. ANNOUNCING THIS, THE DEPUTY MINISTER OF NATIONAL GUIDANCE SAID THAT THE CASE WAS UNDER INVESTIGATION.

*Must have been a big mistake.*  
*MAF*

THE DEPUTY MINISTER ADDED THAT ELSEWHERE IN THE LETTER MENTION WAS MADE OF THE INTERFERENCE OF PLO LEADERS AND JOHN GRAHAM, SAID IN REPLY THAT THE LEADERS OF THE PLO WERE NOTHING BUT A BATCH OF MURDERERS AND CRIMINALS AND "WE WILL KILL ALL OF THEM SHORTLY".

AT THE END OF THE LETTER HUNT SAID HE WOULD SEND IT BY A CIA AGENT TO THE PENTAGON OFFICER, WHOM HE INVITED TO COME TO IRAN TO GIVE SPECIAL GUIDELINES. HE ALSO MENTIONED THAT THE BAHA'I LEADERS HAD REGULAR WEEKLY MEETINGS AND RECEIVED NEW INSTRUCTIONS FROM MOSAD, THE ISRAELI ESPIONAGE NETWORK.

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FM TEHRAN 260945Z AUG  
TO PRIORITY FCO  
TELEGRAM NUMBER 762 OF 26 AUGUST 80.

MIPT : DETAINEES.

1. THIS MORNING'S ISLAMIC REPUBLIC NEWSPAPER HAD AS ITS HEADLINE "SHOCKING AND IMPORTANT SECRETS OF THE BRITISH AND AMERICAN SPY NETWORKS". THE ARTICLE, CARRIED ALSO IN SOBHE AZADEGAN, CONSISTED OF A LONG STATEMENT BY AN OFFICIAL OF THE ISFAHAN REVOLUTIONARY GUARDS. IT INCLUDED THE FOLLOWING PASSAGES :-

" EXTENSIVE INVESTIGATIONS CARRIED OUT BY THE ISFAHAN PASDARAN CORPS DURING THE PAST ONE YEAR AND A HALF SHOWED THAT THE ESPIONAGE ORGANIZATIONS, "ESPECIALLY BRITAIN'S INTELLIGENCE SERVICE", HAD BEEN PERFORMING THEIR ACTIVITIES, "IN THE GUISE OF THE DIOCESAN DIVISION", IN DIFFERENT CITIES INCLUDING ISFAHAN, YAZD, KERMAN, SHIRAZ AND AHWAZ".

"SO FAR, THE FOREIGN MEMBERS OF THE NETWORK AND THEIR IRANIAN COLLEAGUES HAVE BEEN ARRESTED. A NUMBER OF THE FOREIGN MEMBERS OF THE NETWORK SUCH AS PRIEST PAUL (HENDI) AND BARBARA MITCHEL ARE STILL ON THE RUN. SOME OF THE IRANIANS SUCH AS BISHOP DEGHANI AND KHALIL RAZMARA ARE ALSO ON THE THE RUN".

"IRAJ MOTTAHEDEH, OF JEWISH ORIGIN, RECEIVED COURSES IN SPYING IN ISRAEL, BRITAIN AND PAKISTAN UNDER THE GUISE OF STUDYING THEOLOGY LAST YEAR, HE WENT TO ISRAEL TOGETHER WITH PRIESTS AKSEL (?) AND PAUL HENDI (HUNT?). DURING HIS MEETING WITH MOSHE DAYAN'S SON, INFORMATION WAS EXCHANGED. IT IS TO BE NOTED THAT THE MEETINGS TOOK PLACE INSIDE A SECURITY BUILDING IN TEL AVIV".

"TO THE QUESTION "THE RUMOUR HAS IT THAT THE BRITISH EMBASSY HAS ALSO HAD A HAND IN THIS NETWORK", THE OFFICIAL ANSWERED: "NEW DOCUMENTS DISCOVERED SHOW THAT THIS NETWORK HAS HAD DIRECT CONNECTIONS WITH THE BRITISH AMBASSADOR TO IRAN JOHN GRAHAM".

"ONE OF THE AREST PEOPLE, MRS MARGARET JEAN WADDELL HAS STATED THAT SHE ATTENDED A CONFERENCE HELD IN JERUSALEM (QODS) IN ABAN 1358 (NOVEMBER 1979) THAT SHE THEN TRAVELLED TO ISRAEL SECRETLY AND THAT SHE WORKED IN ISRAEL FOR ELEVEN AND HALF MONTHS".

THE

*Prime Minister*

*Prospects for the detainees do not look good, given this type of Iranian media coverage*

*MP 27/8*

"THE DOUCMENT SHOWS THAT MRS BARBARA MITCHEL MADE A TRIP TO OMAN ON THE ORDER OF THE BRITISH AMBASSADOR TO FORM AN ESPIONAGE BRANCH IN THAT COUNTRY.

WYATT

IRAN STANDARD

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*Please let me know  
H-S feelings - decision  
my.*

*Prime Minister*

GR 200  
CONFIDENTIAL  
FM JEDDA 260130Z AUG 80  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 614 OF 26 AUGUST

*Repeat coming  
29/8  
ra 28/8 MP.*

*This message from  
had Cawington  
shows that he is still  
uneasy about the  
Home Secretary's  
timescale.*

PLEASE PASS FOLLOWING TO HOME SECRETARY, WITH A COPY TO NO10.

*MP 26/8.*

**IRANIAN STUDENTS**

1. YOU MAY HAVE SEEN A COPY OF GRAHAM'S MINUTE TO ME OF 22 AUGUST. I SHARE HIS CONCERN THAT, WITH FOUR BRITISH SUBJECTS DETAINED IN IRAN APPARENTLY ON CHARGES OF ESPIONAGE, WE SHOULD BE RUNNING THE RISK, BY HOLDING A LARGE NUMBER OF IRANIANS IN PRISON, THAT FALSE AND MALICIOUS REPORTS OF MALTREATMENT IN LONDON, WILL WHIP UP FEELINGS IN IRAN AND DESTROY WHATEVER CHANCE THERE MAY BE OF OUR UNFORTUNATE CITIZENS RECEIVING A FAIR TRIAL. IN ADDITION, OF COURSE, THERE IS THE RISK TO OUR OWN EMBASSY OF MOB ACTION, WHICH CAN ONLY BE REMOVED - AT LEAST THIS TIME ROUND - WHEN THE LAST IRANIAN IS OUT. I TAKE YOUR POINT THAT THE ADMINISTRATIVE PROCEDURES CAN ALSO BE SPUN OUT BY A DETERMINED AND INGENIOUS DEPORTEE, BUT SURELY TO DO SO, HE WOULD HAVE TO CO-OPERATE WITH OUR PROCESSES AT LEAST TO THE EXTENT OF GIVING HIS NAME. SIMILARLY, AN APPLICATION TO THE HIGH COURT REQUIRES A MEASURE OF CO-OPERATION IN OUR PROCEDURES. AGAINST THAT, THE THREE MAN ADVISORY BOARD CAN, I BELIEVE, DEAL VERY QUICKLY WITH THE NECESSARY REVIEW UNDER SECTION 15(3). WOULD YOU PLEASE LOOK AT IT AGAIN? I SHOULD FEEL VERY UNEASY IF THE MISSIONARIES AND THE TIMES MAN ARE CONDEMNED AND WE HAD NOT DONE ALL WE COULD TO CLEAR AWAY ANY PRETEXT ARISING OUT OF THE DETENTION OF THESE IRANIANS.

CRAIG

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GR 395

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*Prime Minister*

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FM TEHRAN 251000Z AUG

TO PRIORITY FCO

TELEGRAM NUMBER 756 OF 25 AUGUST 80

INFO WASHINGTON AND JEDDA (FOR PRIVATE SECRETARY).

*M. 24/8*

MIPT.

1. THE SUDDEN AND UNEXPECTED DEPARTURE OF THE DEMONSTRATORS IS A WELCOME MOVE AS FAR AS WE HERE ARE CONCERNED. THEIR PHYSICAL PRESENCE, WITH THEIR BANNERS, POSTERS AND OTHER PARAPHERNALIA, WAS AN ALL TO CONVENIENT RALLYING POINT AND MAGNET FOR THE MORE HOSTILE AND VOCIFEROUS MOBS WHO TURNED UP FROM TIME TO TIME. TO THAT EXTENT, THEREFORE, THEIR DISAPPEARANCE HAS BROUGHT A MARKED LESSENING OF THE TENSION.
2. IT IS MORE DIFFICULT TO KNOW EXACTLY WHY THEY CALLED IT A DAY. AFTER TWO WEEKS, THE FERDOWSI PAVEMENT NO DOUBT MADE AN INCREASINGLY HARD BED. FOLLOWING OUR EVACUATION AND THE CLOSURE OF THE VISA SECTION, AN OUT-OF-HOURS EMPTY COMPOUND -AND A MUCH LESS ACTIVE ONE EVEN WHEN THE OFFICE IS OPEN- MUST HAVE MADE US A LESS ATTRACTIVE TARGET AND MAY HAVE HELPED TO CONVINCE THE DEMONSTRATORS OF THE FUTILITY OF CONTINUING THE OPERATION. AYATOLLAH MONTAZORI'S CALL ON 22 AUGUST TO THE IRANIAN STUDENTS IN LONDON TO END THEIR HUNGER STRIKE MAY ALSO HAVE BEEN TAKEN AS A SIGNAL BY THE DEMONSTRATORS HERE. FINALLY, THE WORD FROM THE MAJLES SEEMS TO HAVE BEEN IN FAVOUR OF ENDING THE SIT-IN.
3. DESPITE THIS TURN FOR THE BETTER, THE ARGUMENTS FOR RESOLVING QUICKLY THE STUDENT BUSINESS IN LONDON (MY TELNO 746) ARE, IN MY VIEW, AS STRONG AS EVER. LOCAL FEELING ON THE WAY THE STUDENTS ARE ALLEGEDLY BEING TREATED CONTINUES TO RUN HIGH. THE IMAM JOMEH STRONGLY CRITICISED BRITAIN ON THIS ISSUE IN HIS SERMON AT THE FRIDAY PRAYERS ON 22 AUGUST. PARVAESH, THE DEPUTY SPEAKER OF THE MAJLES, HAS ALREADY TOLD A LOCAL NEWSPAPER REPORTER THAT A BREAK IN DIPLOMATIC RELATIONS WITH BRITAIN IS "VERY POSSIBLE", BECAUSE OF HMG'S POLICY TOWARDS THE IRANIAN STUDENTS. THIS MAY WELL BE NO MORE THAN AN INDIVIDUAL VIEW BUT IT IS NOT WITHOUT SIGNIFICANCE AS AN INDICATION OF THE DIRECTION IN WHICH SOME MINDS ARE TURNING.

WYATT

IRAN STANDARD

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Prime Minister

FM TEHRAN 250915Z AUG 80

TO PRIORITY FCO

TELEGRAM NUMBER 754 OF 25 AUGUST 80

INFO PRIORITY CABINET OFFICE (DIO) MODUK (DI4 AND DS11)

CRE5, WASHINGTON

INFO SAVING UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
BAHRAIN, DOHA, DUBAI, KUWAIT, MOSCOW, MUSCAT, NEW DELHI,  
ROME, PARIS, BRUSSELS, BONN, JEDDA, STOCKHOLM, CAIRO.

MAJ 26/8

mb

MY TELNO 733 : SITUATION IN IRAN.

1. RAJAIE, THE NEW PRIME MINISTER, IS STILL UNABLE TO ANNOUNCE THE MEMBERS OF HIS CABINET. BANI SADR HAS REJECTED RAJAIE'S NOMINEE FOR THE MINISTRY OF THE INTERIOR ON THE GROUNDS THAT HE WAS "INSUFFICIENTLY UNBIASED". BANI SADR IS APPARENTLY INSISTING THAT THE POST SHOULD NOT GO TO A MEMBER OF THE ISLAMIC REPUBLICAN PARTY. EVEN WHEN BANI SADR APPROVES RAJAIE'S LIST, THERE IS LIKELY TO BE FURTHER DELAY, WHILE THE MAJLES EXAMINES MINISTERS CREDENTIALS, BEFORE THE NEW CABINET STARTS WORK.
2. THE MAJLES ON 24 AUGUST APPROVED THE CREDENTIALS AS A MAJLE DEPUTY OF MOINFAR, THE OIL MINISTER. HE HAD COME UNDER ATTACK FOR ALLEGED LINKS WITH SAVAK. HE WAS UNABLE TO REFUTE THE ALLEGATIONS, BUT IT SEEMS LIKELY THAT HIS MARRIAGE TO THE DAUGHTER OF ESHRAGHI, KHOMEINI'S SON-IN-LAW, CARRIED HIM THROUGH WHERE SOMEONE WITH LESS INFLUENTIAL BACKING WOULD HAVE FALLEN.
3. WE HAVE STILL BEEN UNABLE TO OBTAIN ACCESS TO THE FOUR DETAINED BRITONS BUT CONTINUE TO PRESS. THE PUBLIC RELATIONS DEPT. OF THE ISFAHAN REVOLUTIONARY GUARDS HAS CLAIMED THERE IS EVIDENCE THAT THE ANGLICAN CHURCH WAS INVOLVED WITH BRITISH AND ISRAELI INTELLIGENCE, WITH THE RECENT COUP D'ETAT ATTEMPT (HAVING RECEIVED U.S. DOLLARS 500 MILLION FROM THE CIA), AND WITH BAHA'IS "AND OTHER COUNTER REVOLUTIONARIES" GENERALLY.
4. THE SOVIET UNION HAS CLOSED ITS CONSULATE IN ISFAHAN FOLLOWING AN IRANIAN ULTIMATUM (SEE TUR). THE NEWSPAPER ISLAMIC REVOLUTION HAS SAID THAT THE DECISION TO CLOSE THE CONSULATE IN ISFAHAN RATHER THAN THE ONE IN RASHT IS BECAUSE THE LATTER, MUCH NEARER TO SOVIET TERRITORY, IS A SPY BASE. ALTHOUGH THE IRANIAN GOVERNMENT GAVE THE SOVIET UNION A CHOICE, THE NEWSPAPER (OWNED BY THE PRESIDENT) SUGGESTS THAT ISFAHAN SHOULD REMAIN OPEN AND RASHT CLOSE.
5. WE HAVE BEEN TOLD THAT THE PRESIDENT'S OFFICE HAS APPOINTED ABOUT 25 IRANIAN AMBASSADORS-DESIGNATE, MOSTLY DRAWN FROM THE PRESIDENT'S IMMEDIATE CIRCLE OF FRIENDS AND ADVISERS. NO DETAILS HAVE BEEN MADE PUBLIC, BUT SALAMI IS DUE TO GO TO ROME AND SEYED ZANJANI, SON OF THE AYATOLLAH, TO MOSCOW.

CONFIDENTIAL



6. THERE ARE DAILY REPORTS OF INCIDENTS IN WESTERN IRAN INVOLVING BOTH THE IRAQIS AND THE KURDS. THE NEWSPAPERS TODAY CLAIM THAT THE ARMY IS PREPARING TO MOVE INTO MAHABAD, THE KURDISH STRONGHOLD. IT IS CLEAR FROM OTHER SOURCES, HOWEVER, THAT THE AUTHORITY OF THE REVOLUTIONARY GUARDS AND ARMY IN OTHER KURDISH TOWNS HOLDS GOOD ONLY DURING DAYLIGHT : EVEN IN SANANDAJ ARMED KURDS STILL HAVE FREEDOM OF MOVEMENT AFTER DARK. THE GENERAL FEELING IS THAT THE KURDS ARE WAITING FOR THE CHANGE IN THE WEATHER -EXPECTED IN ABOUT SEPTEMBER- WHICH WILL PREVENT HELICOPTERS FROM MONITORING THEIR MOVEMENTS, BEFORE STARTING TO MOP UP THE MDREO

SOLATED GOVERNMENT OUTPOSTS.

7. ACCORDING TO THE LOCAL PRESS, THE GOVERNOR OF HAMEDAN IN WEST IRAN IS BEING HELD HOSTAGE, WITH A MEMBER OF HIS STAFF, BY YOUTHS DISSATISFIED WITH THE PRESENT GOVERNMENT'S POLICIES, PARTICULARLY ON RURAL DEVELOPMENT.

8. 30 ALLEGED MEMBERS OF THE LEFT-WING FEDAYAANE-KHALGH WERE REPORTED ARRESTED ON 24 AUGUST IN KAVAR, IN FARS PROVINCE, FOR INSCRIBING FEDAYAANE SLOGANS IN THE MOUNTAINS AND CARRYING SUBVERSIVE LITERATURE.

9. SPECULATION CONTINUES ABOUT KHOMEINI'S HEALTH. MANTAZERI ON 23 AUGUST ASKED PEOPLE TO LIMIT THEIR CALLS ON THE IMAM TO AVOID TIRING HIM, AND IN THE LAST FEW DAYS SPEECHES HAVE BEEN READ ON HIS BEHALF. THERE HAVE BEEN RUMOURS, BUT NO CONFIRMATION, OF A FURTHER HEART ATTACK, AND KHOMEINI HIMSELF HAS ONCE AGAIN REFERRED TO "THESE LAST MOMENTS OF MY LIFE" IN A SPEECH (HIS FIRST SUCH REFERENCE FOR TWO TO THREE MONTHS).

10. CONSIDERABLE PUBLICITY CONTINUES TO BE GIVEN TO THE IRANIAN STUDENTS DETAINED IN LONDON AND THE ESTABLISHED MYTH OF POLICE BRUTALITY IS NOW BEING JOINED BY ANOTHER TO THE EFFECT THAT THE BRITISH COURTS DO NOT ALLOW THEM PROPER DEFENCE FACILITIES. THE DEPUTY SPEAKER OF THE MAJLES HAS REFERRED, IN A STATEMENT TO A LOCAL NEWSPAPER, TO A POSSIBLE BREAK IN RELATIONS WITH THE UK. THE POLITICAL SIT-IN AT THIS EMBASSY ENDED QUICKLY AND UNEXPECTEDLY ON 22 AUGUST.

FCO PLEASE PASS SAVING ADDRESSEES.

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IRAN STANDARD

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*Prime Minister  
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managing*

GR 540  
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FM TEHRAN 250530Z AUG  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 752 OF 25 AUGUST 80.

*MA 26/8*

YOUR TELNO 441 : DETAINED BRITISH SUBJECTS.

1. WE CONTINUE TO PRESS FOR ACCESS BUT HAVE SO FAR BEEN UNABLE TO ACHIEVE ANY REAL PROGRESS. THE ACCUSATIONS AIRED ON LOCAL TV LAST NIGHT (24 AUGUST) WILL NOT HELP. WE DID NOT SEE THE PROGRAMME, BUT HAVE BEEN TOLD THAT DR BEHZADNIA OF THE MINISTRY OF NATIONAL GUIDANCE BRANDISHED SUPPOSEDLY INCRIMINATING DOCUMENTS, AMONG THEM LETTERS FROM SIR J. GRAHAM AND FORMER U.S. AMBASSADOR SULLIVAN. IT IS CLEAR THAT SOME FORM OF "EVIDENCE" HAS BEEN FABRICATED. TRIALS FOR SOME OF, IF NOT ALL THE BRITISH DETAINEES SEEM PROBABLE.

2. I WENT WITH REDDAWAY ON 24 AUGUST TO SEE MEHDI CHAMRAN AT THE PRIME MINISTRY TO REQUEST ACCESS TO THE COLEMANS (THE MFA HAD TOLD US THEY WERE IN THE HANDS OF HIS DEPARTMENT). HE WAS COURTEOUS BUT CLAIMED TO KNOW LITTLE OF THE CASE. ACCORDING TO HIM, THE SEPAH PASDARAN WERE HOLDING THE COLEMANS IN A HOTEL IN TEHRAN : HE WOULD BE SEEING THEIR COMMANDER TODAY, 25 AUGUST, AND WOULD ASK ON OUR BEHALF ABOUT ACCESS. HE ADMITTED THAT HE WAS NOT HOPEFUL ON THIS POINT UNTIL ALL THOSE IMPLICATED IN THE "PLOT" HAD UNDERGONE PRELIMINARY INVESTIGATION. WE SAID WE COULD NOT ACCEPT THIS AND MADE THE SAME POINTS AS SIR J. GRAHAM TO EHDAIE, REMINDING HIM IN PARTICULAR OF IRAN'S OBLIGATIONS UNDER THE VIENNA CONVENTION ON CONSULAR RELATIONS AND THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS. CHAMRAN REFERRED TO THE IRANIAN STUDENTS IN LONDON, BASICALLY TO MAKE THE POINT THAT THEIR TREATMENT WOULD NOT AFFECT IN ANY WAY THAT GIVEN HERE TO THE BRITISH DETAINEES. WE REMINDED HIM THAT THE IRANIAN EMBASSY HAD ENJOYED FULL ACCESS TO THE STUDENTS THROUGHOUT.

3. TAGAVI (MFA; MAHMOUDI IS ON LEAVE) TOLD US TODAY 25 AUGUST THAT HE HAD BEEN IN TOUCH WITH ISFAHAN ABOUT JEAN WADDELL. THE AUTHORITIES THERE HAD TOLD HIM THAT WE COULD SEND FURTHER WRITTEN QUESTIONS FOR MISS WADDELL TO ANSWER, BUT ACCESS WOULD NOT BE POSSIBLE UNTIL HER CASE HAD BEEN SENT TO THE COURT. THIS SHOULD HAPPEN SHORTLY (THOUGH THE REVOLUTIONARY PROSECUTOR'S ASSISTANT IN ISFAHAN TOLD REDDAWAY DURING HIS LAST VISIT THAT THIS HAD ALREADY HAPPENED). TAGAVI THOUGHT, BUT WAS NOT SURE, THAT A DEFENCE LAWYER COULD BE APPOINTED AT ANY TIME. THERE WILL BE OBVIOUS PROBLEMS IN FINDING ANYONE TO TAKE THE CASE. WE SHALL MAKE ENQUIRIES, AND SHALL ALSO PRESENT THE MFA WITH A LIST OF WRITTEN QUESTIONS TO FORWARD TO ISFAHAN.

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4. I WROTE TO AYATOLLAH QODDUSI, PROSECUTOR GENERAL IN TEHRAN ON 24 AUGUST, ASKING FOR ACCESS TO ALLAWAY, AND WE ARE PRESSING FOR AN ANSWER. ALLAWAY'S WIFE HAS STILL NOT BEEN ALLOWED TO VISIT HIM.

5. WE ARE TODAY SENDING A STRONGLY WORDED NOTE TO THE MFA, STATING THAT THIS DENIAL OF ACCESS TO BRITONS IN DETENTION IS CONTRARY TO THE VIENNA CONVENTION ETC (SEE TUR) AND THAT THE FAILURE TO ISSUE SPECIFIC CHARGES WHILE LEVELLING ACCUSATIONS AT DETAINEES IS CONTRARY TO THE IRANIAN CONSTITUTION. WHEN WE MENTIONED THIS LAST POINT TO CHAMRAN, HE SAID THERE WERE "EXCEPTIONAL CASES". WE POINTED OUT THAT THE CONSTITUTION MAKES NO MENTION OF THESE.

WYATT

## IRAN STANDARD

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From: THE PRIVATE SECRETARY

Iran 2



HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

22 August 1980

Dear Sir,  
M

Prime Minister

A sit rep, following  
your telephone  
discussion with  
Mr Whitelaw  
on Tuesday.

IRANIAN STUDENTS

I enclose a situation report on the  
Iranians as asked for in your letter of  
21 August.

I am copying this letter and its  
enclosure to Paul Lever (FCO) and David  
Wright (Cabinet Office).

MFD  
22/8

Yours,  
S. W. Boys Smith

S. W. BOYS SMITH

M. J. Pattison, Esq.

IRANIAN STUDENTS: SITUATION REPORT AS AT END OF 21 AUGUST 1980

Court Hearings

1. A total of 72 Iranians were charged following the demonstration outside the US Embassy in Grosvenor Square on 4 August. Fifty-two are at present in custody, 26 of whom are still awaiting substantive hearings in the magistrates' courts (Table A). A total of 33 cases have been completed so far (Table C) and by the end of next week only 7 people still in custody will be awaiting substantive hearings (Table B). These cases are to be heard as soon as the police witnesses concerned return from leave. (The Home Secretary concluded on 19 August that he would not wish to press the Commissioner to bring these officers back (and not all of them could easily be contacted)).

2. A total of 40 charges have been dealt with so far with the following results:

(a) Obstructing the police

1 months' imprisonment	2 )	
14 days suspended for 2 years	8 )	all recommended for deportation
7 days	4 )	
14 days suspended for 2 years	1 )	
7 days	3 )	no recommendation
£25 fine or 7 days	1 )	
Withdrawn	1	
Dismissed	4	
TOTAL CHARGES	<u>24</u>	

(b) Assault on police

2 months' imprisonment	1 )	
1 month	3 )	all recommended for deportation
14 days	3 )	
Withdrawn	1	
Dismissed	1	
TOTAL CHARGES	<u>9</u>	

(c) Threatening behaviour

14 days imprisonment	1 )	
7 days	1 )	recommended for deportation
£100 or 7 days	1 )	
£200 or 1 day	1	no recommendation
	—	
TOTAL CHARGES	4	
	==	

(d) Actual bodily harm

2 months' imprisonment	1 )	
1 month	1 )	no recommendation
	—	
TOTAL CHARGES	2	
	==	

(e) Theft of a policeman's helmet

Dismissed	1
-----------	---

Prisons

3. Table D indicates where the Iranians in custody are being held. In Holloway the epileptic Iranian woman is being held separately from the other Iranian prisoners and is eating and drinking milk. The others are drinking only water. At Brixton none of the Iranians is eating but all are drinking. At Ashford 7 are eating and 6 are not but they are drinking tea. At Wormwood Scrubs the one Iranian prisoner is eating. At Pentonville all are eating.

DISPOSITION OF IRANIANS AS AT END OF 21 AUGUST 1980

Total Charged: 72

	Sentenced and recommended for deporta- tion	Sentenced - no recommendation	Case dismissed	Awaiting hearing	<u>TOTAL</u>
In custody	24	2	-	26	52
Not in custody	-	4	3	13	20
	<u>24</u>	<u>6</u>	<u>3</u>	<u>39</u>	<u>72</u>

B

PROGRESS OF CASES

		<u>Nos</u>
I	Cases completed by end of 21 August 1980	33
II	Cases to be heard by week ending 23 August 1980	
	22.8	11 (1 bailed)
	23.8	7
	TOTAL	— 51
III	Cases to be heard by week ending 30 August	
	26.8	3 (1 bailed)
	27.8	1
	29.8	2 (bailed)
	TOTAL	— 57
IV	Cases to be heard by week ending 5 September	
	1.9	3
	2.9	1
	4.9	1
	5.9	1 (bailed)
	TOTAL	— 63
V	Remainder	
	8.9	1
	12.9	1 (bailed)
	15.9	2 (bailed)
	24.9	1 (bailed)
	10.11	3 (bailed)
VI	On bail, failed to appear, warrant issued 21.8	1
	TOTAL	— 72 —



ANALYSIS OF CASES COMPLETED AS AT END OF 21 AUGUST 1980

Date	Sentenced and recommended for deportation	Sentenced - no recommendation	Dismissed	TOTAL
18.8	3	2	1	6
19.8	9	-	1	10
20.8	5	1	1	7
21.8	7	3	-	10
	<u>24</u>	<u>6</u>	<u>3</u>	<u>33</u>
	<u><u>24</u></u>	<u><u>6</u></u>	<u><u>3</u></u>	<u><u>33</u></u>

LOCATION OF THOSE IN CUSTODY AS AT END OF 21 AUGUST 1980

Prison	Sentenced and recommended for deportation	Awaiting hearing	Serving sentence	TOTAL
Holloway	4	3	-	7
Brixton	-	19	-	19
Ashford	9	4	-	13
Wormwood Scrubs	1	-	-	1
Pentonville	10	-	2	12
	<u>24</u>	<u>26</u>	<u>2</u>	<u>52</u>

PRIME MINISTER

In your telephone conversation with the Home Secretary on Tuesday night, you accepted his advice that the normal court procedure should be followed over the Iranian students. Elsewhere in your weekend boxes there is a report from the Home Office on the progress of court hearings.

As background to any conversations you may have on this topic over the weekend, you should perhaps be aware of Foreign Office concern about the impact of this approach to the problem. I attach a copy of an internal submission from Sir John Graham to the Secretary of State, with a copy of the latest telegram from Tehran on the subject. I understand that Mr. Hurd endorses Sir John Graham's views.

We may hear more on this disagreement on tactics next week. For the moment, I do not think that you need intervene.

| understood from the H-S  
(i) that the F.S were agreed  
(ii) that the Iranians could  
voluntarily go any time they wished.  
They do not have to wait for the  
legal process.  
not

22 August 1980

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for CF



Foreign and Commonwealth Office

London SW1A 2AH

22 August 1980

M Pattison Esq  
Private Secretary  
No 10 Downing St

*Dear Mike,*

IRANIAN STUDENTS

1. As requested in your letter of 21 August, I attach a copy of a minute to the Foreign and Commonwealth Secretary by Sir John Graham, written without sight of the Home Office note, which you have asked for. In Lord Carrington's absence, Sir John Graham discussed the situation with Mr Hurd by telephone, and the latter is in general agreement with the views expressed in the enclosed minute.

*your ever*

*D J Neilands*  
D J Neilands  
Asst Private Secretary  
to Secretary of State

cc

J Chilcot Esq  
PS/Home Secretary  
David Wright Esq  
Cabinet Office

*Enc. attached to  
MAP minute -  
in PM's box*

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Secretary of State

cc PS/MR Hurd  
Sir E Youde  
Mr Adams  
Mr Fifoot  
Miss Wilmshurst  
MVD  
PCD  
Miss Beckett, MED

THE IRANIAN STUDENTS AND THE BRITISH SUBJECTS DETAINED IN IRAN

1. I am extremely worried by the way things are going. We find ourselves in what I regard as the worst of all situations, as I said at the meeting I attended in the Home Secretary's office on 19 August. We have a growing number of Iranian students in prison in London solely because they have been recommended for deportation (since the offences of many of them, and the sentences handed down, are so minor that the majority would have been released had it not been for this recommendation). If the statutory course is followed, they will be there until the middle of September at the earliest. This delay is hard enough to explain to British opinion but will be quite incomprehensible in Iran, where stories of maltreatment at the hands of the police and in prison continue to be put out in the press and radio.

A 2. Mr Wyatt, in his telegram No 746, believes that this situation increases the risk of action, either official or unofficial, against the Embassy in Tehran. More particularly he believes that the Iranians may accuse him of misrepresentation since he told them, on the basis of the agreement we had reached last week with the Home Office that, if the Magistrates recommended deportation, the Home Secretary would be advised to use his powers of summary deportation under Section 15 (3) of the Immigration Act 1971, that all the cases would have been dealt with by the end of the month. Admittedly, neither we nor the Home Office had anticipated then that the Magistrates would recommend deportation in the case of such minor charges as obstruction, but the principle remains the same. Moreover, while of course it is true that the procedures under even the summary powers can be drawn out by a wily deportee, to exploit the processes of our courts surely requires a measure of cooperation with them, and in the present case of the Iranian students, they are refusing even to give their names or to plead, so that it seems unlikely that the courts would lend themselves to delaying tactics.

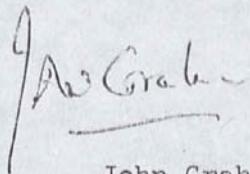
3. The difficulty we confront is to convince the Home Office that the risks to British subjects and the British Embassy in Tehran from prolonging the detention of Iranian students are greater than the embarrassment that might be suffered if deportation orders were to be contested. By the nature of the case, it is impossible to say categorically that there will be trouble for the Embassy in Tehran, but I think it is safe to say that the only way of being sure is to bring that detention to an early end and, since deportation is the only way of doing it, we should use deportation.

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4. I have linked the Iranian students and the British subjects detained in Iran. I am reasonably sure, and the evidence confirms, that there is no causal link between them, but our handling of the students will undoubtedly have the most serious implications for the way in which the British subjects are handled in Iran, the point Mr Wyatt also makes in his telegram. We continue to be refused access to any of them and none of them, so far as we know, has received any legal advice. The Revolutionary Prosecutor in Isfahan has told Mr Reddaway of our Embassy that the charges against Miss Waddell are as stated by the Revolutionary Court Spokesman a week ago, namely espionage, including contact and the provision of money to those involved in the recent alleged coup d'état. We shall have to consider our responses to the possible trial, conviction and sentence of Miss Waddell and the others, and we shall be submitting on this separately. But I believe that we must as a matter of urgency go back to the Home Secretary to urge him to use his powers under Section 15(3), as soon as it is clear, which should be in the course of the next day or two, that the attempt to persuade the Iranian students to go voluntarily has failed. At the least we should aim to have the students out of this country before the missionaries are brought to trial.



John Graham

22 August 1980

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*Prime Minister*

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TO IMMEDIATE TEHRAN  
TELEGRAM NUMBER 441 OF 22 AUGUST.

*MA 26/8*

YOUR TEL NO 746: DETAINED BRITISH SUBJECTS

1. ACTING ON THE MINISTER OF STATE'S INSTRUCTIONS, GRAHAM SAW THE IRANIAN CHARGE D'AFFAIRES AGAIN THIS AFTERNOON. HE RECALLED THAT DR EHDAIE HAD AGREED ON 19 AUGUST THAT CONSULAR ACCESS SHOULD BE GRANTED AS WELL AS ACCESS TO LEGAL ADVICE AND HAD SAID THAT HE WOULD TAKE THIS UP WITH QOTBZADEH. HAD THERE BEEN AN ANSWER? WHEN REDDAWAY HAD SEEN THE REVOLUTIONARY PROSECUTOR AT ISFAHAN ON 21 AUGUST, UNDER ARRANGEMENTS SPONSORED BY THE IRANIAN MFA, ESHRAQI HAD ONCE AGAIN DENIED ACCESS, HAD INFORMED REDDAWAY THAT THE REVOLUTIONARY GUARDS' SPOKESMAN'S STATEMENT OF LAST WEEK CONSTITUTED A FORMAL STATEMENT OF CHARGES AGAINST MISS WADDELL AND HAD WAIVED ASIDE THE PROVISIONS OF THE IRANIAN CONSTITUTION PROVIDING FOR LEGAL ADVICE FOR THE ACCUSED ON THE GROUNDS THAT THESE, IF THEY EXISTED, DID NOT APPLY TO SPIES. GRAHAM EMPHASISED THE VERY SERIOUS CONCERN FELT BY MINISTERS OVER THE TREATMENT BY THE IRANIAN AUTHORITIES OF THESE CASES. HE DREW ATTENTION TO THE PROVISIONS OF THE VIENNA CONVENTION ON CONSULAR RELATIONS (ARTICLE 36 (1C) PROVIDES THAT CONSULAR OFFICERS SHALL HAVE THE RIGHT TO VISIT A NATIONAL OF THE SENDING STATE IN PRISON OR DETENTION AND TO ARRANGE FOR HIS LEGAL REPRESENTATION) AND OF THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS (ARTICLE 14 PROVIDES INTER ALIA THAT EVERYONE SHALL BE ENTITLED TO A FAIR AND PUBLIC HEARING BY A COMPETENT, INDEPENDENT AND IMPARTIAL TRIBUNAL, THAT EVERYONE IS PRESUMED INNOCENT UNTIL PROVED GUILTY, THAT EVERYONE IS ENTITLED TO BE INFORMED IN DETAIL OF THE CHARGE AGAINST HIM, TO HAVE ADEQUATE TIME AND FACILITIES FOR THE PREPARATION OF HIS DEFENCE AND TO COMMUNICATE WITH COUNSEL OF HIS OWN CHOOSING, TO BE TRIED IN HIS PRESENCE AND TO DEFEND HIMSELF IN PERSON OR THROUGH HIS OWN LEGAL ADVISER, TO EXAMINE OR HAVE EXAMINED THE WITNESSES AGAINST HIM AND TO OBTAIN THE ATTENDANCE AND EXAMINATION OF WITNESSES ON HIS BEHALF, AND TO HIS CONVICTION AND SENTENCE BEING REVIEWED BY A HIGHER TRIBUNAL ACCORDING TO LAW). IRAN WAS A PARTY TO THESE INSTRUMENTS, AS WAS BRITAIN, AND BRITISH MINISTERS TOOK A VERY SERIOUS VIEW OF THE FAILURE SO FAR TO CARRY THEM OUT, WHICH IF CONTINUED COULD HAVE A MOST GRAVE EFFECT ON THE RELATIONS BETWEEN OUR TWO COUNTRIES. GRAHAM ADDED THAT ON THE BASIS OF HIS EXPERIENCE IN IRAN, A TRIAL OF THE KIND THAT WE HAVE SEEN SO MANY OF IN RECENT MONTHS, WOULD NOT SEEM TO MEET THE OBLIGATIONS SET OUT IN THE INSTRUMENTS.

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2. DR EHDAIE SAID THAT HE WOULD SEND AN IMMEDIATE TELEX AND TRY TO GET IN TOUCH WITH MR QOTBZADEH.

3. GRAHAM ALSO ASKED FOR THE SPEEDY PROVISION OF A COMPLETE LIST OF THE STAFF OF THE IRANIAN EMBASSY IN LONDON, INCLUDING LOCALLY-ENGAGED STAFF. THIS WAS FIRST REQUESTED IN MAY AND, ALTHOUGH LISTS OF DIPLOMATIC AND ADMINISTRATIVE AND TECHNICAL STAFF HAD BEEN PROVIDED, WE NEEDED A LIST OF THE REST. A SIMILAR REQUEST, WE UNDERSTOOD, HAD BEEN MADE TO THE BRITISH EMBASSY IN TEHRAN AND A LIST WOULD BE SENT.

4. SPEAKING ABOUT THE IRANIAN STUDENTS DETAINED IN LONDON, GRAHAM DESCRIBED BRIEFLY THE PROVISIONS OF THE LAW RELATING TO DEPORTATION UNDER WHICH THOSE RECOMMENDED FOR IT WERE NOW BEING HELD AND TOLD EHDAIE THAT OUR AUTHORITIES WERE PROPOSING TO APPROACH SOME OF THOSE HELD, OR PERHAPS HAD ALREADY DONE SO, TO SUGGEST THAT THEY MIGHT DECIDE TO CUT SHORT THEIR DETENTION BY AGREEING TO LEAVE THIS COUNTRY VOLUNTARILY. AS FAR AS WE WERE CONCERNED THE SOONER THEY WERE ALL OUT, THE BETTER. DR EHDAIE ASKED IF GRAHAM WAS ASKING HIM TO SUGGEST THIS TO THE STUDENTS. GRAHAM SAID THAT THAT WAS UP TO DR EHDAIE, BUT IF HE WISHED TO COMMEND THIS COURSE TO THE STUDENTS, WE SHOULD WELCOME IT.

CARRINGTON

IRAN STANDARD

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TO IMMEDIATE FCO

TELEGRAM NUMBER 746 OF 22 AUGUST 80

INFO PRIORITY WASHINGTON.

YOUR TELNO 435 : IRANIAN STUDENTS.

1. THE TIMETABLE NOW ENVISAGED IS DISAPPOINTLY LONG. IT IS OBVIOUS THAT WE FACE THE PROSPECT OF AT LEAST SEVERAL MORE WEEKS OF THE PRESENT TENSION AND THE HOME OFFICE INABILITY TO BE PRECISE ABOUT THE LENGTH OF TIME THE VARIOUS PROCEDURES WILL TAKE IS NO HELP TO THIS EMBASSY OR, MORE IMPORTANTLY, TO SUCH BRITISH INTERESTS AS REMAIN IN IRAN. THE PICTURE THAT HAS NOW EMERGED IS ALSO AT VARIANCE WITH THE LINE I WAS INSTRUCTED TO TAKE WITH THE FOREIGN MINISTER (PARA 3 OF YOUR TEL 423), PARTICULARLY THE BELIEF THAT THE MAJORITY OF DETAINEES WHO HAD COMMITTED ONLY MONOR OFFENCES WOULD BE RELEASED DURING THE COURSE OF THIS WEEK. QOTBZADEH WAS IN MY VIEW GENUINELY TRYING TO BE HELPFUL AND COULD WELL NOW FEEL THAT WE MISLED HIM. ON A MORE MONOR ASPECT, IT IS EVEN MORE IRRITATING TO LEARN THAT PART OF THE DELAY IS DUE TO THE ABSENCE ON LEAVE OF SOME OF THE POLICE OFFICERS INVOLVED.
2. THE FAILURE TO RESOLVE THE AFFAIR QUICKLY MUST INCREASE THE RISK OF ACTION HERE -EITHER OFFICIAL OR UNOFFICIAL - AGAINST THE EMBASSY. AT THE VERY LEAST, I THINK THE MFA WILL FIND IT NECESSARY TO DO SOMETHING. THEY MIGHT KICK OUT THE FOUR OF US WHO REMAIN OR REFUSE TO ALLOW BACK THOSE WHO WERE EVACUATED LAST WEEK-END. UNOFFICIAL ACTION IS, BY DEFINITION, EVEN MORE DIFFICULT TO PREDICT & WE HAVE, HOWEVER, REDUCED THE TARGET TO A MINIMUM AND CAN DO NO MORE IF WE ARE TO RETAIN ANY EFFECTIVE OPERATING CAPABILITY. ONE OTHER RESULT OF THE DELAY IN SETTling THIS MATTER WILL UNDOUBTEDLY BE TO REDUCE EVEN FURTHER THE ALREADY SLIM HOPE THAT OUR REPRESENTATIONS ABOUT MISS WADDELL AND THE OTHER BRITISH DETAINEES MIGHT ACHIEVE SOME POSITIVE EFFECT. (ON THIS, INCIDENTALLY, ALL THE SIGNS POINT TO THE LIKELIHOOD OF A MAJOR SPY TRIAL, INVOLVING THE ANGLICAN CHURCH IN IRAN).
3. AS REGARDS THE POSSIBLE RETURN TO IRAN OF DEPORTEES, I THINK IT WOULD MINIMISE THE RISK OF THEIR WHIPPING UP EMOTIONS HERE IF IT COULD BE ARRANGED THAT THEY COME BACK IN ONES AND TWOS. THE WORST CASE FROM OUR POINT OF VIEW WOULD BE IF A GROUP OF, SAY, TEN CAME BACK TOGETHER. ALSO, THE LESS ADVANCE NOTIFICATION AT THE LONDON END OF THE DEPARTURE DETAILS OF DEPORTEES, THE BETTER. THE IDEAL WOULD BE THAT THEY ARRIVE UNANNOUNCED AND UNEXPECTED AT MEHRABAD AIRPORT. I HOPE THESE SUGGESTIONS CAN BE PRESSED STRONGLY ON THE HOME OFFICE AND THAT THEY WILL BE PREPARED TO COOPERATE.

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/4. YOU

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4. YOU SHOULD ALSO BE AWARE THAT EHDAIE CONTINUES TO PURVEY CONSISTENTLY UNHELPFUL STATEMENTS FOR LOCAL CONSUMPTION. HIS LATEST OFFERING TO PARS, THE OFFICIAL NEWS AGENCY (PUBLISHED ON 21 AUGUST), WAS THAT THE STUDENTS HAD BEEN DENIED THE RIGHT OF DEFENCE AND THAT THIS RIGHT HAD BEEN RESERVED FOR BRITISH OFFICIALS ONLY.

WYATT

IRAN STANDARD

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TO PRIORITY TEHRAN

TELEGRAM NUMBER 437 OF 21 AUGUST

REPEATED INFO PRIORITY EC CAPITALS, WASHINGTON, HELSINKI

YOUR TEL NO 712: MESSAGE TO IRANIAN PRIME MINISTER

1. EC COUNTRIES HAVE BEEN EXCHANGING COREU TELEGRAMS ON THIS. THE CONSENSUS EMERGING IS THAT A MESSAGE SHOULD BE PASSED TO MR RAJAIE WHEN HIS APPOINTMENT HAS BEEN CONFIRMED AND THE NEW CABINET FORMED. THIS NOW APPEARS IMMINENT AND YOU SHOULD THEREFORE LIAISE WITH YOUR COLLEAGUES TO ENSURE THAT MESSAGES ARE PASSED MORE OR LESS SIMULTANEOUSLY.

2. EC MEMBERS INTEND TO MENTION THE QUESTION OF THE US HOSTAGES. WE HAVE SAID THAT WE SHALL REFER ADDITIONALLY TO THE FOUR UK DETAINEES IN IRAN, AND THAT OUR MESSAGE WILL BE IN THE NAME OF HMG, RATHER THAN A PERSONAL ONE.

3. THE UK MESSAGE SHOULD BE IN THE FOLLOWING TERMS: 'I HAVE BEEN INSTRUCTED, ON THE OCCASION OF YOUR ASSUMPTION OF OFFICE AS PRIME MINISTER OF THE ISLAMIC REPUBLIC OF IRAN, TO CONVEY TO YOU THE CONGRATULATIONS OF THE BRITISH GOVERNMENT ON YOUR APPOINTMENT. THEY WISH YOU AND THE GOVERNMENT YOU WILL LEAD EVERY SUCCESS IN THE IMPORTANT TASKS BEFORE YOU IN BUILDING A JUST AND PEACEFUL SOCIETY IN IRAN. THEY SINCERELY HOPE THAT YOUR ASSUMPTION OF OFFICE WILL LEAD TO THE DEVELOPMENT OF CLOSE AND FRIENDLY RELATIONS BETWEEN OUR TWO COUNTRIES.

'THE BRITISH GOVERNMENT WOULD LIKE TO TAKE THIS OPPORTUNITY OF DRAWING ATTENTION TO THE CONTINUED DETENTION OF THE AMERICAN DIPLOMATS AND TO EXPRESS THE HOPE THAT THIS WILL BE BROUGHT TO A SPEEDY CONCLUSION IN ACCORDANCE WITH THE UNIVERSALLY ACCEPTED NORMS OF INTERNATIONAL LAW. THIS WOULD REMOVE A MAJOR OBSTACLE TO THE ESTABLISHMENT OF THE CLOSE AND FRIENDLY RELATIONS WHICH THE BRITISH GOVERNMENT DESIRE.

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*Dep kind. This  
to have come  
before us  
U.S. has been?*

'THE BRITISH GOVERNMENT ALSO HOPE THAT A SPEEDY AND SATIS-  
FACTORY OUTCOME WILL BE REACHED OVER THE MATTER OF THE FOUR  
BRITISH SUBJECTS AT PRESENT IN CUSTODY IN IRAN, FOR WHOM BOTH  
CONSULAR AND LEGAL ACCESS HAS SO FAR BEEN REFUSED.'

CARRINGTON

IRAN STANDARD

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10 DOWNING STREET

From the Private Secretary

21 August 1980

Bf 22.8.80

Iranian Students

As you know, the Home Secretary and the Prime Minister had a further telephone discussion about the Iranian students on Tuesday evening, 19 August.

The Home Secretary explained to the Prime Minister that he had decided to recommend following the normal legal procedures in preference to taking administrative action. These procedures would mean that deportation would be effected rather more slowly than through administrative action, but that the deportation orders would not be subject to further court action. He had consulted the Foreign and Commonwealth Secretary, who had accepted the case for this approach. This would mean that those recommended for deportation were likely to depart three weeks after the court made its recommendation. He was, however, proposing to offer voluntary deportation immediately after court proceedings, although it was unlikely that there would be any take-up of this offer. He would instruct the Home Office Press Office to explain, in response to enquiries, that he would be supporting the magistrates in the normal court procedure.

As I said to you yesterday, I think that the Prime Minister will be content to leave matters now on the basis that this action is in hand, unless there are new developments - perhaps at the Tehran end - which make it necessary to reconsider any aspects of the policy. But it would nevertheless be helpful to have a sit rep on the numbers of students that have now been through the courts, and the range of sentences passed, to reach us by 1500 hours tomorrow, so that the Prime Minister can have up-to-date information on her return. If the Foreign Office are aware of any more threatening noises from Tehran in relation to the procedures now being followed, it would also be helpful to be advised of this by mid afternoon tomorrow.

I am sending copies of this letter to Paul Lever (Foreign and Commonwealth Office) and David Wright (Cabinet Office).

M. A. PATTISON

John Halliday, Esq.,  
Home Office.

CONFIDENTIAL



HOME OFFICE  
QUEEN ANNE'S GATE LONDON SW1H 9AT

20 August 1980

Dear Paul,

IRANIANS IN CUSTODY

As you know, the Home Secretary spoke by telephone to the Foreign and Commonwealth Secretary in Sweden at about 6.15 p.m. yesterday. He said that he had been discussing throughout the afternoon with his officials the various ways in which the Iranians now in custody, some of whom had by then been recommended for deportation, might be dealt with. He had also had the benefit of Sir John Graham's advice.

The Home Secretary reported his conclusion that none of the available ways of proceeding would guarantee the speedy departure of all the Iranians. Allowing the cases to proceed through the courts in the normal way would mean that no deportation orders could be signed in respect of people recommended for deportation for at least 21 days after the recommendation, and possibly longer if within that time the person recommended for deportation appealed against it to the Crown Court. The court hearings had been expedited, however, 18 by then having been dealt with, and 38 more being expected to have been heard by the end of the week. That would leave 16 cases, in five of which the Iranians had been granted bail, the remainder being delayed because of difficulties in obtaining police witnesses, some of whom were out of the country. At the time of speaking, 12 Iranians had been recommended for deportation. In some of these cases the Home Secretary proposed to offer the opportunity of leaving the country voluntarily.

The Home Secretary explained that switching to the exceptional administrative powers to deport on political grounds would not guarantee a speedy outcome. Those concerned might apply to the High Court, and there were a number of other possible pitfalls. Sir John Graham had indicated that he would prefer the administrative course to be taken.

The Home Secretary reported his conclusion that since neither course offered a guarantee of a speedy end, and the administrative course included a number of pitfalls which could result in failure, it would be safer to allow the cases to proceed through the courts. The Foreign and Commonwealth Secretary agreed that in all the circumstances it would be better to proceed as the Home Secretary had indicated, and that in reporting to the Prime Minister the Home Secretary should say that he was content. Subsequently the Home Secretary spoke to the Prime Minister in Switzerland and she, too, agreed.

I am sending a copy of this letter to Nick Sanders at No. 10.

*John Hall*

*John Hall*  
J. F. HALLIDAY

*Prime Minister*

*MA 2/8*

*ms*

GR 135

UNCLASSIFIED  
FM WASHINGTON 202243Z AUG 80  
TO PRIORITY F C O  
TELEGRAM NUMBER 3803 OF 20 AUGUST  
INFO MODUK

MY TELNO 3782: ALLEGED US PLAN TO INVADE IRAN.

1. THE THIRD IN THE SERIES OF ARTICLES BY JACK ANDERSON, ALLEGING A QUOTE TOP SECRET CONTINGENCY PLAN UNQUOTE TO INVADE IRAN (COPIES SENT BY TODAY'S BAG TO MED), CONTAINS THE FOLLOWING PASSAGE:

QUOTE

A SPECIAL LOGISTICS FORCE HAS BEEN DEPLOYED AT DIEGO GARCIA, THE ONLY US BASE IN THE INDIAN OCEAN. AT LEAST SIX CONTAINER SHIPS WERE SECRETLY LOADED AT WILMINGTON NC WITH EQUIPMENT FOR GROUND FORCES.

QUOTE THIS LOGISTICAL FORCE COULD SAIL TO A DESIGNATED PERSIAN GULF AREA PORT IN ABOUT FIVE DAYS, UNQUOTE STATES A SECRET MEMORANDUM TO THE PRESIDENT. QUOTE THERE IT WOULD BE MET BY THE COMBAT TROOPS WHO HAVE ARRIVED BY AIRLIFT. FROM THIS RENDEZVOUS POINT, THEY WOULD DRAW THEIR EQUIPMENT AND PROCEED TO THE OBJECTIVE AREA. UNQUOTE UNQUOTE

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TO ROUTINE FCO  
TELEGRAM NUMBER 463 OF 20 AUGUST  
INFO ROUTINE TEHRAN

TEHRAN TELNO 725 TO FCO: IRANIAN STUDENTS

1. MONSIGNOR CAPUCCI ARRIVED ON 19 AUGUST AND AFTER TALKS WITH THE VATICAN AND MFA OFFICIALS SECURED THE RELEASE OF THE 12 STUDENTS STILL IN CUSTODY. HE IS SAID TO HAVE BROUGHT A MESSAGE FROM RAFSANJANI TO THE STUDENTS ADVISING THEM NOT TO CONTINUE THEIR PROTEST. THE STUDENTS AGREED TO IDENTIFY THEMSELVES TO THE ITALIAN POLICE AND ALL PROCEEDINGS HAVE BEEN DROPPED. IN RETURN CAPUCCI UNDERTOOK TO DELIVER A LETTER FROM THEM TO THE POPE ASKING HIM TO DECLARE AGAINST THE TRANSFER OF THE ISRAELI CAPITAL TO JERUSALEM. THE LETTER WILL ALSO EXPLAIN THAT THE STUDENTS HAD NO INTENTION OF OFFENDING MEMBERS OF THE CHRISTIAN FAITH, AND COMPLAIN THAT THEY WERE MALTREATED BY THE VATICAN GUARD.

2. THE PROBLEM BEGAN ON 8 AUGUST WHEN 22 IRANIAN STUDENTS FROM ITALIAN UNIVERSITIES WERE ARRESTED AT ST PETERS AFTER PROTESTING AT BEGIN'S DECISION ON JERUSALEM. THE VATICAN GUARD HANDED THEM OVER TO THE ITALIAN AUTHORITIES; THE STUDENTS THEN REFUSED TO GIVE THEIR NAMES AND BEGAN A HUNGER STRIKE, ASKING TO BE RETURNED TO VATICAN CUSTODY SINCE THEIR QUARREL WAS NOT WITH THE ITALIAN GOVERNMENT. CAPUCCI BROKE THE DEADLOCK BY PERSUADING THE MFA THAT A 'PAINLESS' SOLUTION WOULD BE BEST FOR IRANIAN/ITALIAN RELATIONS (THE IRANIANS WERE KNOWN TO BE ANXIOUS ABOUT THE POSSIBILITY OF THE STUDENTS BEING DEPORTED). FOR THE VATICAN THIS TIMELY SOLUTION REMOVED A POSSIBLE OBSTACLE TO THE TRICKY NEGOTIATIONS NOW IN PROGRESS OVER CATHOLIC SCHOOLS IN IRAN. AND TO THE STUDENTS CAPUCCI OFFERED A FACE-SAVING FORMULA ENABLING THEM TO CLAIM THAT THEIR POINT HAD BEEN MADE. THE PREDOMINANT FEELING ON ALL SIDES IS THEREFORE ONE OF RELIEF.

3. LOCAL PRESS REPORTS OF THE AFFAIR HAVE BEEN FACTUAL AND CLEARLY REFLECT OFFICIAL BRIEFING.

GOODISON [THIS TELEGRAM WAS NOT ADVANCED]  
[REPETITION TO TEHRAN REFERRED FOR DEPARTMENTAL DECISION]

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FM TEHRAN 200900Z AUG  
TO ROUTINE FCO  
TELEGRAM NUMBER 740 OF 20 AUGUST 80  
INFO WASHINGTON

*ms.*

MY TELNO 732 : IRANIAN STUDENTS.

1. THE FULL TEXT OF THE MFA NOTE HAS NOW BEEN PUBLISHED LOCALLY. IT IS A NAUSIATING AND UNHELPFUL DOCUMENT. LEAVING THE REVOLUTIONARY VERBIAGE ASIDE, IT CALLS FOR THE IMMEDIATE RELEASE OF THE STUDENTS, "SINCE THE LEGITIMACY OF THE IRANIAN STUDENTS' ACTION IN ENGLAND HAS BEEN PROVEN TO THE IRANIAN NATION, WHICH ALSO DEMANDS THE STUDENTS' RELEASE".

*ms.*

2. THE ITALIANS MEANWHILE SEEM TO HAVE CAVED IN COMPLETELY AND , ACCORDING TO TODAY'S PRESS, TO HAVE CALLED OFF THE TRIAL OF THE IRANIAN STUDENTS IN ROME, NO DOUBT AS A RESULT OF CAPUCCI'S MEDIATION (PARA 4 OF MY TELNO 725).

*- details below*  
*MA*

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MR BULLARD  
MR ADAMS  
MR J.C. MOBERKY  
MR FERUSSON

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FM TEHRAN 200900Z AUG

TO PRIORITY FCO

TELEGRAM NUMBER 732 OF 20 AUGUST 80  
INFO WASHINGTON AND EC POSTS.

*MS*

IRAN : RAFSANJANI INTERVIEW.

1. AT A PRESS CONFERENCE ON 18 AUGUST RAFSANJANI, PRESIDENT OF THE MAJLES, DESCRIBED THE EC AMBASSADORS' (SIC) CALL ON HIM THE PREVIOUS DAY AS A PROPAGANDA EXERCISE BROUGHT ABOUT BY AMERICAN PRESSURE. IT WOULD HAVE NO EFFECT ON THE RELEASE OF THE HOSTAGES, ON WHICH THE MAJLES WOULD TAKE A DECISION.
2. NOR DID RAFSANJANI OFFER ANY PARTICULAR HOPE THAT THE MAJLES WOULD GIVE THE HOSTAGE QUESTION PRIORITY. HE DID NOT MENTION IT IN AN INITIAL REPLY TO A QUESTION ABOUT THE MAJLES' IMMEDIATE PROGRAMME. WHEN ASKED WHETHER KHOMEINI HAD NOT ORDERED ITS INVESTIGATION BY THE MAJLES, HE STATED MERELY THAT THE IMAM HAD NOT SAID THE ISSUE WAS ONE OF THE MOST IMPORTANT TO DISCUSS : "WE HAVE MORE IMPORTANT ISSUES LIKE HIGH PRICES, HOUSING AND LAND, UNEMPLOYMENT, EVERYDAY ISSUES AND THE CABINET. IT IS NOT KNOWN WHEN THE HOSTAGE ISSUE WILL BE DISCUSSED, AND I CANNOT COMMENT ON IT UNTIL IT IS".
3. RAFSANJANI ALSO POINTED OUT (CORRECTLY) THAT REJA'I HAD STILL NOT RECEIVED THE OFFICIAL PRESIDENTIAL ORDER APPOINTING HIM PRIME MINISTER. REJA'I COULD NOT NOMINATE MINISTERS WITHOUT THIS.
4. BANI SADR'S PUBLICLY EXPRESSED RESERVATIONS ABOUT REJA'I'S COMPETENCE WERE ECHOED ON 19 AUGUST BY, SURPRISINGLY, JALLALEDDIN FARSI OF THE IRP. FARSI EXPRESSED CONCERN THAT, IN SELECTING HIS CABINET, REJA'I WOULD PLACE TOO MUCH EMPHASIS ON ISLAMIC IDEALS AT THE EXPENSE OF COMPETENCE IN POLITICAL AND ECONOMIC AFFAIRS. FARSI ALSO SAID THAT, DESPITE RUMOURS, REJA'I HAD NOT OFFERED HIM A CABINET POST. NOR WOULD HE ACCEPT ONE.

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CONVERSATION BETWEEN THE PRIME MINISTER AND THE HOME SECRETARY  
ON 19 AUGUST 1980 AT 1850 PM

PM: Helly Willy.

HS: Hello. I've been down in London all day dealing with this Courts and the Iranians and everything else. Because I thought that I ought to get myself absolutely clear on everything on the spot with all the people concerned. And exactly what was happening. What has happened so far is as follows. They have dealt today and yesterday with 18 cases. They're dealing with 38 more this week, which is more than we'd hoped for. Which will mean 56 by the end of this week. Of the remaining 16 to 72, 5 of those have given their names, have been bailed and they are out of prison. And the others are those who have not, in this week's lot, the others are in the main, where police witnesses are abroad, and have not been got back. But I'm getting them forward as soon as I possibly can. Now I've been in to the various alternatives now open to us. So far the magistrates have recommended deportation in 12 cases. They have given one person a sentence without a deportation recommendation, so as soon as he's served it he will go free and they have dismissed, I think I'm right in saying, about 2 others. Of the ones to be deported, the 12, we have 2 alternatives. Either we go through the normal legal procedures or we take administrative action. I've been into the case of administrative action, in very great detail, and what has worried me deeply about it, immediately, is that it is open to an injunction against me from the High Court and of course to habeas corpus. The procedures that we are following through the Courts are not open to any of these. But of course there is delay with them, there is delay in any case. Even with the procedure with the three wise men, it's open to delay because of course they can appeal to the High Court against that. So I conclude and I've talked to Peter and he accepts reluctantly, I conclude that our safest course is to proceed through the Courts. This means that we should get them out in three weeks. Deported. One after another as you might say, 2 this day, 3 the next day. This will mean that we will get it done but of course it does mean a delay, but it's safe. The other way I must advise you, having been in to it, could mean we could make a dramatic gesture and then fail. To make a dramatic gesture and fail would I think in this case be disastrous for us.

/ PM:

PM: I'm not quite sure why it means that. When a Court has ordered deportation, recommended deportation, it seems to me highly unlikely that another Court would give an injunction against it.

HS: That, I'm sorry, the injunction would be on the administrative procedure which would be going down the route away from the Courts of the procedure.

PM: What's the effect of the magistrates' order to deport.

HS: The effect of that is that there has to be three weeks at the end of which time I sign a deportation order.

PM: It's automatic.

HS: Automatic. No, I have the right not to but I would of course do so.

PM: But they can't appeal against it.

HS: They could appeal against it but are most unlikely to. They could appeal to the Crown Court.

PM: I see. Would we get that expedited?

HS: We would get that expedited

PM: It's virtually automatic, bearing in mind that you'll do it .. They can't escape and disappear in the meantime.

HS: No they can't, cos they're kept in custody.

PM: Oh good.

HS: But another thing I'm going to do, in order to try and expedite it, I've decided to offer to those who've been given deportation orders, to go voluntarily, to have a voluntarily deportation straight-way so that they could, they will be offered it tomorrow some of them. And if they will take it, then they can go. Johnny Graham, who's been over to see me, doesn't think they will. But on the

/ other hand,

HS (cont): other hand, they are so odd that all those who have been recommended, or at least some of those who have been recommended for deportation yesterday, have started to eat again fully today. Now ask me to explain why they should do that and I can't. But they have. And the situation is defused to the extent that the Iranian Charge d'Affairs did not raise it when Johnny Graham saw him this morning at all. But that doesn't mean to say that they won't raise it up again.

PM: No. The Prime Minister's going to announce his government soon, isn't he, the new one ...

HS: And they may raise it again. But our press situation at this end is very calm, they're just simply imagining that people are going to be deported by the Courts procedure.

PM: Yes. Willy, who pays for them to go? Do they pay or what?

HS: I'll have to check that. I think I'm right in saying the police are responsible for getting them on to an aircraft. And on the whole our view here, though not necessarily shared by the Foreign Office, our view here is that we're better to get them away in threes and fours ..

PM: Oh, much better.

HS: ... than trying to get a whole bunch.

PM: Oh much better because the harm that could be done on the aircraft ...

HS: Well, this is. Apparently I have a power of direction on deportation to British Airways, but I would hate to advise you that I should use it. For if something went wrong, God help us all.

PM: I would have got them on Iranian Airways if possible.

HS: That's what we will do. So I think I can report to you that the thing is going underway as far as we can, not as fast as I would like. But I think we at least, though we are in danger from delay, we're not in danger of appearing to do something which may backfire on us.

/ PM:

PM: Yes. So long as they're kept in custody, I think it's allright.

HS: They are indeed. And I will make it clear, through my press people, to the press that if anybody asks - they haven't so far - what is the Home Secretary doing: the answer is that you can take it for granted that as soon as he's in a position to do so he'll support the magistrates.

PM: As soon as the Courts processes permit. It certainly has gone off, not only the front pages but the overseas news ...

HS: Well, it has. But I'm apprehensive about it, but having been through it all I can only advise you, that what I'm doing I'm convinced is the safest course for us.

PM: Good. All right Willy. I'm sure it is, having considered it.

HS: I know it's right. I know I was right to come down to do it.

PM: I'm sure you're right. Because you cannot do it over the telephone with all your advisers, you've got to be there.

HS: It's what I felt.

PM: All right, Willy. Well, that's one worry off. And you're going back north again. Thank you very much for coming down. Goodbye.

HS: Not a bit. Goodbye.

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*Prime Minister*

GRS 630

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FM TEHRAN 190800Z AUG

TO PRIORITY FCO

TELEGRAM NUMBER 733 OF 19 AUGUST 80

INFO PRIORITY CABINET OFFICE (DIO) MODUK (D14 AND DS11)  
CRES, WASHINGTON,

INFO SAVING UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
BAHRAIN, DOHA, DUBAI, KUWAIT, MOSCOW, MUSCAT, NEW DELHI,  
ROME, PARIS, BRUSSELS, BONN, JEDDA, STOCKHOLM, CAIRO.

*M.A.*

*mt*

MY TELNO 713 : SITUATION IN IRAN.

1. THE NEW PRIME MINISTER, REJA'I, ANNOUNCED ON 18 AUGUST THAT HE WOULD NAME THE MEMBERS OF HIS CABINET BY 21 AUGUST. HE SAID SEVERAL MEMBERS HAD ALREADY RECEIVED BANI SADR'S APPROVAL.
2. REJA'I CONTINUES TO PRODUCE CLICH'ED QUOTATIONS FROM KHOMEINI RATHER THAN DETAILS OF FUTURE PROGRAMMES (SEE TUR). HIS FOREIGN POLICY WOULD BE "NEITHER EASTERN NOR WESTERN". IRAN WOULD SUPPORT MOSLEM AND NON-MOSLEM LIBERATION MOVEMENTS.
3. THE MAJLES ON 17 AUGUST VOTED AGAINST ACCEPTING THE CREDENTIALS OF ITS ONLY JEWISH MEMBER, FARAHMANDPOUR, BECAUSE OF HIS ALLEGED LINKS WITH THE ROYAL FAMILY (TEACHER OF THE SHAH'S COUSIN), CONNECTION WITH AN ORGANISATION DIRECTLY SUPPORTED BY ISRAEL, AND "HIS STAND" (UNSPECIFIED) ON THE US HOSTAGES. THE LEADER OF THE JEWISH COMMUNITY SAID ON 17 AUGUST THAT THEY WOULD CHOOSE A NEW REPRESENTATIVE "BECAUSE THERE IS NOTHING ELSE WE CAN DO".
4. MODEST DEMONSTRATIONS, AS WELL AS THE PERMANENT SIT-IN, CONTINUE OUTSIDE THIS EMBASSY (SEE TUR). THE LOCAL RADIO HAS GIVEN EXTENSIVE COVERAGE TO AN MFA STATEMENT THAT QOTBZADEH HAD SUMMONED ME AND HAD DEMANDED THAT THE CASE OF THE DETAINEES IN LONDON BE SPEEDILY RESOLVED. THE LOCAL MEDIA CONTINUE TO REPORT THE AFFAIR IN DISTORTED AND TENDENTIOUS TERMS.
5. WE ARE CONTINUING TO PRESS FOR ACCESS TO THE FOUR DETAINED BRITONS, HAVING ONLY WITH GREAT DIFFICULTY ESTABLISHED WHERE AND BY WHOM THEY ARE HELD.
6. IRAN BROKE OFF DIPLOMATIC RELATIONS WITH CHILE ON 18 AUGUST. THE MFA CLAIM THAT IRAN TOOK THIS DECISION BECAUSE OF CHILE'S VIOLATION OF HUMAN RIGHTS. IT SEEMS EQUALLY POSSIBLE HOWEVER THAT A RECENT INCURSION INTO THE CHILEAN AMBASSADOR'S

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RESIDENCE BY AN "OFFICIAL" ARMED GROUP MAY HAVE LED CHILE, NOT IRAN, TO MAKE THE BREAK.

7. THE LOCAL NEWSPAPERS HAVE REPORTED 41 EXECUTIONS OVER THE PAST THREE DAYS, INCLUDING THE FORMER GOVERNOR OF THE CENTRAL BANK, KHOSHKISH, WHO HAD PREVIOUSLY BEEN SENTENCED TO LIFE IMPRISONMENT.

8. THE MFA ANNOUNCED YESTERDAY, 18 AUGUST, THAT QOTBZADEH HAD TOLD THE SOVIET CHARGE D'AFFAIRES THAT THE SOVIET CONSULATE IN EITHER RASHT OR ISFAHAN MUST CLOSE, AND THAT THE NUMBER OF POLITICAL STAFF AT THE EMBASSY IN TEHRAN SHOULD BE REDUCED AS SOON AS POSSIBLE. THE IRANIANS MEANWHILE WOULD BE CLOSING THEIR CONSULATE IN LENINGRAD. EARLIER THIS WEEK QOTBZADEH PUBLISHED A LETTER TO THE SOVIET FOREIGN MINISTER IN WHICH HE CASTIGATED SOVIET POLICY AND INTER ALIA ATTACKED SOVIET AGGRESSION AGAINST AFGHANISTAN AND THE SUPPLY OF SOVIET ARMS TO THE IRAQIS.

9. A SENIOR REVOLUTIONARY GUARD IN FIRUZABAD, SOUTH OF SHIRAZ, WARNED ON 18 AUGUST THAT THE QASHQA'I TRIBES WERE OBTAINING WEAPONS AND WERE READY FOR REVOLT. HE ACCUSED MADARI, WHO HAS NOT ANSWERED A DEMAND THAT HE PRESENT HIMSELF TO A REVOLUTIONARY COURT FOR INVESTIGATION, OF MOBILISING THE TRIBES. THERE HAVE BEEN RUMOURS FOR SOME TIME THAT THE QASHQA'I AND OTHER TRIBES WERE READY TO CONFRONT THE AUTHORITIES ONCE THE HARVEST HAD BEEN GATHERED (AS MOST OF IT NOW HAD). EIGHT BAKHTIARI KHANS HAVE BEEN ARRESTED, PRESUMABLY TO HEAD OFF POSSIBLE ACTION BY THE BAKHTIARIS.

10. 80 PEOPLE ARE REPORTED KILLED THIS MORNING IN AN EXPLOSION AT A STOREHOUSE OF A ROAD CONSTRUCTION PROJECT IN KHUDESTAN. THE CAUSE OF THE EXPLOSION IS STILL UNCLEAR.

11. KHOMEINI WAS OBVIOUSLY STUNG BY RECENT CHARGES FROM VARIOUS LEADING SUNNI MUFTIS THAT HE HAD BELITTLED THE PROPHET MUHAMMAD BY CLAIMING THAT A MAHDI WOULD COME TO COMPLETE WHAT THE FORMER (AND OTHER PROPHETS) HAD BEEN UNABLE TO ACHIEVE. THE IRANIAN LEADER HAS COMPLAINED BITTERLY OF HAVING BEEN MISINTERPRETED AND ACCUSED HIS DETRACTORS AND CRITICS OF BEING IMPBLALIST STOOGES, ETC.

FCO PLEASE PASS SAVING ADDRESSEES.

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[REPEATED AS REQUESTED]  
[THIS TELEGRAM WAS NOT ADVANCED]

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FM TEHRAN 190800Z AUG

TO IMMEDIATE FCO

TELEGRAM NUMBER 732 OF 19 AUGUST 80.

INFO WASHINGTON.

MY TELNO 725 : IRANIAN STUDENTS.

1. ALI AGAH, IRANIAN CHARGE IN WASHINGTON AT THE TIME OF THE CLOSURE OF THE IRANIAN EMBASSY AND NOW DIRECTOR GENERAL FOR INTERNATIONAL AND ECONOMIC AFFAIRS AT THE MFA, ASKED ME TO CALL TODAY, 19 AUGUST. HE SAID HE WISHED TO RAISE THE QUESTION OF THE STUDENTS AND HANDED OVER A NOTE (TEXT BEING TRANSLATED BUT IT APPEARS TO BE A REHASH OF REVOLUTIONARY CLAPTRAP AND A REBUTTAL OF THE POINTS I MADE WHEN I CALLED ON LAVASANI ON 10 AUGUST -MY TELNO 695).

2. AGAH SPOKE ON FAMILIAR LINES - ALL THE BLAME WAS LAID AT THE DOOR OF THE BRITISH POLICE AND AUTHORITIES- AND PRESSED FOR EARLY SETTLEMENT OF THE AFFAIR, IMPLYING THAT THIS COULD BEST BE ACHIEVED BY RELEASING ALL THE STUDENTS INVOLVED. I MADE THE OBVIOUS REPLY THAT THE MATTER WAS NOW BEFORE THE COURTS AND HAD TO FOLLOW THE DUE PROCESS OF LAW. HMG'S POSITION REMAINED, AS IT HAD BEEN FROM THE START, IN FAVOUR OF EARLY RESOLUTION OF THE MATTER; THE BIGGEST OBSTACLE TO ACHIEVING THIS HAD BEEN THE STUDENTS' DECISION NOT TO COOPERATE WITH THE UK LEGAL AUTHORITIES, EG. BY REFUSING TO GIVE THEIR NAMES. AGAH SAID AT ONE STAGE THAT WE HAD TO REALISE THAT IRANIAN STUDENTS WERE THE MOST "RADICALISED AND POLITICALLY FERVENT IN THE WORLD". I SAID THAT MIGHT BE SO BUT IT COULD NOT PUT THEM ABOVE THE LAW IN BRITAIN.

3. OUR DISCUSSION WAS AMICABLE THROUGHOUT (AGAH IS A POLITE SOFT-SPOKEN MAN) BUT IT IS ALL A DIALOGUE OF THE DEAF: WE AND THE IRANIANS ARE ON TOTALLY DIFFERENT WAVELENGTHS AND WE ARE EXPECTED TO ACCEPT THE MOST OUTRAGEOUS BEHAVIOUR SIMPLY BECAUSE IT IS "REVOLUTIONARY".

4. AGAH REFERRED AT ONE STAGE TO THE STRONG ANTI-IRANIAN FEELING HE HAD DETECTED DURING A RECENT VISIT TO BRITAIN. I SAID THIS WAS UNFORTUNATELY THE CASE AND QUOTED THE TREATMENT

/OF JEAN

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OF JEAN WADDELL AND THE COLEMANS, WHICH I SAID HAD JUSTIFIABLY INCENSED BRITISH PUBLIC OPINION, AS THE SORT OF BEHAVIOUS THAT GAVE IRAN A BAD NAME. I POINTED TO THE WAY THE BRITISH AUTHORITIES HAD BENT OVER BACKWARDS TO ALLOW ACCESS TO THE IRANIAN STUDENTS BY EHDAIE AND SOLICITORS, AND CONTRASTED THIS WITH THE MEAGRE RESULT - INDEED, TOTAL FAILURE WHERE ACCESS WAS CONCERNED- OF OUR DAILY REPRESENTATIONS OVER MISS WADDELL AND THE COLEMANS. FOR WHAT IT IS WORTH, AGAH UNDERTOOK TO LOOK INTO THE MATTER.

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Item

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10 DOWNING STREET

From the Private Secretary

18 August 1980

Dear John

IRANIAN STUDENTS

I am writing to put on record the Home Secretary's conversation with the Prime Minister at 1900 on Friday 15 August.

The Home Secretary said that he had had a number of conversations with the Foreign Secretary during the day and that they had concluded that the best course was not to take immediate action and announce the Government's intention to deport some of the students in custody in Britain. Instead, they had concluded that the court hearings should be hastened; this had been done and he hoped that it would be possible to have seven of the cases heard on Monday 18 August and thirty two on Tuesday 19 August. If the magistrates at those hearings recommended deportation, he would be able to act immediately. He proposed to give the notice of deportation at once. There was the possibility of appeal to the High Court against destination, but it was by no means certain that it would be used.

The Prime Minister said that she was not clear why it had taken so long to get the cases into court. The Home Secretary said that no-one had suggested that the magistrates should be coerced until now.

The Prime Minister asked that arrangements should be made for the Iranians to be told the likely timetable of court hearings, and this has of course since been done.

The Prime Minister agreed that in all these circumstances, the course of action proposed by the Home Secretary was the best one.

I am sending copies of this letter to Paul Lever (Foreign and Commonwealth Office) and David Wright (Cabinet Office).

Yours ever

Nick Siden

John Halliday, Esq.,  
Home Office.

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FM WASHINGTON 182100Z AUG 80  
TO PRIORITY F C O  
TEL NO 3782 OF 18 AUGUST 1980.  
INFO PRIORITY TEHRAN

US/IRAN: ANOTHER RESCUE ATTEMPT?

1. THE WASHINGTON POST ON 16 AUGUST CARRIED A UPI REPORT, QUOTING CAPITOL HILL SOURCES, THAT THE U S ADMINISTRATION HAD DRAWN UP A NEW PLAN TO RESCUE THE AMERICAN HOSTAGES IN IRAN. UPI ALSO REPORTED A DEPARTMENT OF DEFENSE DISMISSAL OF THE STORY AS QUOTE ABSOLUTELY INCORRECT UNQUOTE, BUT MENTIONED ADMINISTRATION OFFICIALS AS SAYING THAT THE WHITE HOUSE WAS EXPECTING COLUMNIST JACK ANDERSON TO PUBLISH A SIMILAR REPORT IN HIS SYNDICATED COLUMN (TO WHICH THE WASHINGTON POST SUBSCRIBES) ON 18 AUGUST.

2. ON 17 AUGUST THE WASHINGTON POST CARRIED A FURTHER ARTICLE STATING THAT, BECAUSE THEY COULD FIND NO SUBSTANTIATION FOR THE ASSERTIONS IN JACK ANDERSON'S STORY, THEY WOULD NOT BE PUBLISHING HIS COLUMN IN THE USUAL WAY ON 18 AUGUST. THE ARTICLE DOES, HOWEVER, GIVE THE GIST OF ANDERSON'S STORY. THIS IS THAT CARTER IS PLANNING AN QUOTE INVASION UNQUOTE OF IRAN AND THAT THE DATE FOR THIS HAS BEEN SET FOR MID-OCTOBER FOR PRESIDENTIAL ELECTORAL REASONS. ANDERSON JUSTIFIES HIS DECISION TO QUOTE EXPOSE THE PRESIDENT'S SECRET SCHEME UNQUOTE BY REFERRING TO THE NEW YORK TIMES HAVING SAT NERVOUSLY ON ITS INFORMATION ABOUT THE BAY OF PIGS WHEN EXPOSURE MIGHT HAVE AVERTED THE DISASTER. THE ANDERSON COLUMN, AS ORIGINALLY SENT TO SUBSCRIBING NEWSPAPERS, CONTAINED NO REFERENCE TO ANY RESPONSE BY THE ADMINISTRATION. HE LATER ADDED A FOOTNOTE GIVING THE WHITE HOUSE COMMENT ON HIS STORY, THAT QUOTE ABSOLUTELY FALSE, ERRONEOUS AND TOTALLY IRRESPONSIBLE REPORTS SUCH AS THE ANDERSON COLUMN INCREASE THE DANGER TO THE AMERICAN HOSTAGES IN IRAN, IMPEDE EFFORTS TO OBTAIN THEIR RELEASE PEACEFULLY AND JEOPARDISE AMERICAN INTEREST IN THE AREA GENERALLY UNQUOTE. ANDERSON, IN A SEPARATE STATEMENT, SAID HE WAS NOT IMPRESSED BY THE WHITE HOUSE DENIAL.

3. SECRETARY OF DEFENSE BROWN WAS ASKED ABOUT THIS IN A TELEVISION INTERVIEW ON ABC'S QUOTE ISSUES AND ANSWERS UNQUOTE ON 17-AUGUST. HE FLATLY DENIED ANY ADMINISTRATION INTENTION TO INVADE IRAN AND REFUSED TO COMMENT ON THE POSSIBILITY THAT A FURTHER RESCUE MISSION WAS BEING PLANNED

4. COPY OF ANDERSON ARTICLE FOLLOWS BY BAG.  
FRETWELL

[NOT ADVANCED]

IRAN STANDARD

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(REPETITION TO TEHRAN REFERRED FOR DEPARTMENTAL DECISION REPEATED AS REQUESTED TO OTHER POSTS)

Nick Sanders Esq



*With the compliments of*

**THE PRIVATE SECRETARY**

Paul Lever

**FOREIGN AND COMMONWEALTH OFFICE  
SW1A 2AH**

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TO IMMEDIATE FCO

TELEGRAM NUMBER 714 OF 15 AUGUST 80

INFO PRIORITY WASHINGTON.

0750/15

MY TELNO 711 : IRANIAN STUDENTS.

1. THE FOREIGN MINISTER SUMMONED ME AT 0930 HOURS LOCAL TIME TODAY, 15 AUGUST. HE SAID THE AFFAIR OF THE IRANIAN STUDENTS IN LONDON HAD NOW REACHED A CRITICAL AND DELICATE STAGE IN IRAN AND HE WISHED ME TO LET YOU KNOW THAT, IN HIS JUDGEMENT, IT WAS ESSENTIAL THAT THE MATTER SHOULD BE RESOLVED QUICKLY. HE HAD BEEN UNDER TREMENDOUS LOCAL PRESSURE FROM THOSE WHO WISHED TO TAKE ACTION INVOLVING OUR EMBASSY BUT HE HAD FIRMLY RESISTED THIS AND HAD SO FAR MANAGED TO KEEP THE LID ON WHAT WAS AN EXPLOSIVE SITUATION. HE HAD DONE HIS BEST, FOR EXAMPLE, TO CALM DOWN THE MAJLES AND ALSO TO CURB INFLAMMATORY BROADCASTS ON THE LOCAL RADIO AND TV. HE SAID THAT I HAD PERHAPS NOTICED THAT THERE HAD BEEN NO ATTACKS ON BRITAIN OR ATTEMPTS TO INCITE THE LOCAL POPULATION ON THE PART OF ANY PROMINENT FIGURES IN THE REGIME. THERE HAD BEEN A STRONG MOVE TO ORGANISE A DEMONSTRATION AT THE EMBASSY FOLLOWING TODAY'S FRIDAY PRAYERS BUT, AGAIN, HE HAD MANAGED TO DISSUADE THOSE CONCERNED FROM TAKING ACTION. HE EXPECTED MORE CALLS FOR ACTION , EG A LARGE-SCALE DEMONSTRATION WHEN THE MAJLES MEETS TOMORROW, AND IT WAS NO LONGER IN HIS POWER TO CONTINUE TO CALM DOWN THE

the

EXTREMISTS. HIS CONCLUSION WAS THAT THE SITUATION COULD NOT BE CONTAINED BEYOND SATURDAY, 16 AUGUST, AND HE REITERATED, THEREFORE, THAT HMG SHOULD BE STRONGLY ADVISED TO DO WHATEVER WAS NECESSARY TO RESOLVE THE ISSUE BEFORE THEN.

2. I THANKED THE MINISTER FOR HIS FRANK WARNING AND SAID THE PITY WAS THAT THIS AFFAIR NEED NOT HAVE PRESENTED ANY PROBLEM IF ONLY THE IRANIAN STUDENTS HAD BEEN PREPARED TO GIVE THEIR NAMES. MOST OF THEM WOULD THEN HAVE BEEN EITHER BOUND OVER OR RELEASED ON BAIL. MR QOTBZADEH SAID HE WAS NOT CONCERNED WITH THE LEGAL ASPECTS AND THERE WAS LITTLE POINT IN DISCUSSING THESE AT THIS STAGE. THE FACT WAS THAT THE INTERNAL SITUATION IN IRAN WAS, AS I NO DOUBT KNEW, EXTREMELY DELICATE AND THERE WERE UNFORTUNATELY MANY ILL-INTENTIONED PEOPLE WHO WERE ONLY TOO READY

TO EXPLOIT A SITUATION OF THIS KIND IN ORDER TO HARM IRAN'S RELATIONS WITH THE WEST AND, IN THIS PARTICULAR CASE, WITH THE UK. I THEN RAISED THE POSSIBILITY OF DEPORTATION, WHICH I SAID HAD ALREADY BEEN UNDER CONSIDERATION BY THE BRITISH AUTHORITIES. THERE COULD BE PROBLEMS CONNECTED WITH THE LEGAL PROCEDURES INVOLVED BUT DID THE MINISTER THINK THAT IMMEDIATE DEPORTATION, IF IT COULD BE ARRANGED, WOULD PROVIDE AN ANSWER? MR QOTBZADEH SAID HE COULD NOT REALLY ADVISE ON THIS; HIS ONLY ADVICE, THEREFORE, REMAINED THAT HMG SHOULD RESOLVE THE MATTER SPEEDILY WITHIN THE TIME SCALE HE HAD SUGGESTED.

3. I THANKED THE MINISTER ONCE AGAIN FOR SPEAKING SO FRANKLY AND SAID I SHOULD NATURALLY REPORT HIS REMARKS IMMEDIATELY. HE WAS INCIDENTALLY EXTREMELY FRIENDLY THROUGHOUT AND GAVE EVERY IMPRESSION THAT HIS SOLE CONCERN WAS TO SEE THE MATTER SOLVED WITHOUT UNFORTUNATE INCIDENTS AFFECTING THE EMBASSY.

4. PLEASE SEE MY TWO IFT'S FOR MR QOTBZADEH'S COMMENTS ON OTHER MATTERS.

WYATT

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~~SUBJECT~~

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PRIME MINISTER'S CONVERSATION WITH THE HOME SECRETARY: 15 AUGUST, 1980

HS I've had several conversations with Peter, and just finished one a moment ago, and I've had my officials examining all the different options this afternoon, and I think I'd better report to you what Peter and I finally discussed at the end. Really of course we're faced with a balance of risks. If we were to take immediate action at this end and announce the intention to deport, as Peter says, there is no evidence from the Tehran end that they are prepared to say that this would defuse the situation at their end. At this end, the risks of course are quite the other way. If we were to do this, and there is every possibility that the students - other students would hear of this, and of course if they started to riot against this, we could compound our own problems. If I did it, I could do it, and of course there would be no problem with public opinion - it's quite the reverse - without giving the right of appeal to the wise men, but if I did, they have the right to demand it. I think I could override it, but obviously if the Charge d'Affaires and others and lawyers got onto it, there are all sorts of legal intricacies. But I think these could be overcome. But of course we should also have to get the criminal charges dropped. That would mean distorting our own court procedures; again, perfectly possible, but not to be done unless one must. And the end of this risky business would be of course that we could probably get them out by Monday, but very difficult before. Alternatively, we can, and I've made sure we can, hasten the court hearings up very quickly. And we can have certainly 7 of the cases on Monday and 32 on Tuesday which is much better than we had previously thought. We've got to coerce the magistrates, but we reckon we can. I've now sent instructions to see whether I can be sure that all the worst cases come up on Monday and Tuesday if that is the way we proceeded. If the magistrates - and I'm sure some of them will - recommend deportation, then indeed I can act immediately. Again, if there is an appeal to the High Court against destination, and of course once it's been in the court it's thought that the right of appeal could be used and couldn't be contradicted. But by no means certain it would be used. And I would certainly of course give the notice of deportation at that moment, at once. On balance, Peter and I feel, now that the Embassy is closed down at the other end, that probably the

/ balance

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balance of disadvantage lies on the whole in going for the courts on Monday, and hastening up the courts procedures as fast as we can. Because we've no guarantee that any other action would help in Tehran, and there can be little doubt - and Peter agrees with me about this - that it would cause us considerable risks and dangers at home. So that's the position we've reached.

PM           What I'm not quite sure is why it's taken us so long to get them to be heard by the magistrate. And why he can act on Monday when he couldn't act last week.

HS           The answer to that is that only by coercing - he wasn't coerced before to do so - he was asked to hurry up, but he wasn't actually told you must. But nobody had suggested that we had to tell them they must at that stage.

PM           Last week he said - am I not right in saying - you must give your names and addresses or you will risk being deported.

HS           That's right.

PM           But then nothing happened.

HS           Because they were remanded on bail for a week. Remanded in custody. He said, give your names, I shall remand you in custody till next week. And if you don't give your names, you risk deportation, that's what he said.

PM           He'll have to stand by that, won't he.

HS           Basically <sup>unless</sup> yes/I step in and overrule the whole court proceedings, which is the other alternative I've told you. Which on the whole I would much prefer not to do.

PM           I can understand that because first, we just don't know how many more there are coming in, but I hope we're not letting any more students in.

HS           No, we're doing everything we can to stop them.

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/ PM

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PM Is Peter letting - Wyatt is still there, isn't he?

HS I understood from Peter that the Embassy was closed, that the others were what he described as going to ground, and 4 people would be staying, I gather not in the Embassy.

PM Wyatt presumably still makes contact with Qotbzadeh.

HS I imagine so, and I will check that with Peter.

PM And to let them know what is happening, that the cases will be coming up on Monday and Tuesday.

HS This is what Peter's message to Wyatt earlier this afternoon, after his first conversation with me was, that we would do everything we could to expedite the cases.

PM We've no idea from what they're saying among themselves whether they want to go back or not, and is their object to cause maximum trouble?

HS We know of one whom we believe to be British. Of course, that creates major complications. But of course he doesn't matter. But we suspect without knowing for certain that quite a lot of the others do not wish to go.

PM In that case it would be rather nice to send them, wouldn't it.

HS Very, provided they don't try to get hold of a good lawyer to stop it.

PM Alright. As you've talked it through with Peter let's leave it like that, but I'm just a little bit worried what can happen to our people at the other end.

HS I agree with you. And of course, Peter and I have discussed / it

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it on the basis that we've both understood the other's position. His position I fully understand the risk at that end, and he fully understands the risks at this end. If our efforts - everything went wrong and ran into trouble.

PM Obviously it doesn't make much sense to deport some 60 only to have some 360 rioting the next day.

HS I'm not putting that up as a bar to doing it. I'm putting it up as a risk.

PM What I think we've got to watch in future is that we've got to move much more quickly when we get this situation, haven't we.

HS I think this is right. One was trying to get it on as fast as possible and not create a great sense of drama, but I think myself probably one's just got to push it much harder.

PM I think so, because I think what we've got now is a great sense of drama, and it looks as if we're powerless.

HS We've got a great sense of drama at that end, in Tehran, but we've got no sense of drama at this end at the moment.

PM I think we've got a sense of, as you said, public opinion would like them to be deported. I think we've got a sense of helplessness at this end, but if it's coming <sup>definitely</sup> on Monday or Tuesday, we'd better leave it like that, provided we get a message to the other end to say they will be on.

HS That will be done.

PM Leave it as you say.

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FM TEHRAN 131030Z AUG

TO PRIORITY FCO

TELEGRAM NUMBER 707 OF 13 AUGUST 80

INFO PRIORITY TOKYO AND WASHINGTON.

YOUR TELNOS 409 AND 410 : US/IRAN.

1. THE DUTCH AMBASSADOR IS NOW BACK AND EC REPRESENTATIVES MET TODAY 13 AUGUST, UNDER HIS CHAIRMANSHIP TO DISCUSS COREU 2899 (YOUR SECOND REF TEL REFERS). IT WAS AGREED THAT, SUBJECT TO APPROVAL BY CAPITALS (I REPORTED UK AGREEMENT CONTAINED IN YOUR FIRST REF TEL), THE DUTCH AMBASSADOR SHOULD SEEK AN EARLY MEETING WITH RAFSANJANI. IT IS PROPOSED THAT THE TROIKA SHOULD OPERATE AND HE WILL, THEREFORE, BE ACCOMPANIED BY THE ITALIAN AND BELGIAN REPRESENTATIVES. THE AMBASSADOR WILL HAND OVER THE MESSAGE FROM M. THORN, (COREU CPE/MUL/ETR 2830 REFERS), AND WILL FOLLOW THIS UP BY MAKING THE POINTS CONTAINED IN PARA 3 OF COREU 2899. MY COLLEAGUES AGREED WITH YOUR SUGGESTION THAT IT WOULD BE BETTER TACTICALLY TO PREFACE THE POINTS OF SUBSTANCE BY OFFERING RAFSANJANI CONGRATULATIONS. THE AMBASSADOR PROPOSES TO LEAVE WITH RAFSANJANI A COPY OF HIS SPEAKING NOTES AND WE ARE TO MEET AGAIN TOMORROW, 14 AUGUST, TO DISCUSS A DUTCH DRAFT OF THESE.
2. ONCE THE DUTCH AMBASSADOR HAS A FIRM APPOINTMENT WITH RAFSANJANI, HE WILL ASK FOR A MEETING WITH THE PRESIDENT IN ORDER TO INFORM THE LATTER OF THE EC DEMARCHE. THE DUTCH AMBASSADOR IS ALSO IN TOUCH WITH THE JAPANESE AMBASSADOR ABOUT LINKING EC ACTION WITH THAT OF JAPAN.
3. THERE WAS A BRIEF DISCUSSION OF THE PROPOSAL THAT INDIVIDUAL EC HEADS OF GOVERNMENT SHOULD SEND MESSAGES TO THE NEW IRANIAN PRIME MINISTER. THE CONSENSUS WAS THAT, GIVEN THE CONTINUING UNCERTAINTY ABOUT WHETHER RAJAIE WILL BE ABLE TO FORM A GOVERNMENT (MY TELNO 702) , IT WOULD BE PRUDENT TO HOLD ANY MESSAGE UNTIL HE HAS ACTUALLY SUCCEEDED IN THIS TASK. I HAD ALREADY SPOKEN ON THESE LINES IN MY TELECON WITH LAMPORT, MED, ON 11 AUGUST AND THINK THAT A DELAY ON THE LINES SUGGESTED WOULD BE ADVISABLE.
4. THE WESTERN GROUP OF TEN (MY TELNO 688) ARE DUE TO MEET ON 14 AUGUST TO FINALISE THEIR MESSAGE TO RAFSANJANI. ACTION BY THEM IS, HOWEVER, STILL SUBJECT TO THE AGREEMENT OF THEIR RESPECTIVE GOVERNMENTS.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 696 OF 10 AUGUST 80.

*Prime Minister*

*MR 11/8* *MS*

YOUR TELNO 407 : IRANIAN STUDENTS.

1. I TOO HAD BEEN CONSIDERING THE POSSIBILITY OF A SITUATION IN WHICH WE MIGHT NEED TO EVACUATE STAFF AND / OR DEPENDANTS AT SHORT NOTICE. THE REMOVAL OF ALL VISA STAFF IS THE OBVIOUS FIRST STEP THAT COMES TO MIND. IN THAT WAY, WE SHOULD ALMOST HALVE THE EXISTING UK-BASED STAFF AT A STROKE AND WOULD THEN BE ABLE TO OPERATE ON A RESIDUAL BASIS OF, SAY, SIX UK-BASED STAFF (PROBABLY MYSELF, REDDAWAY, BARRETT, 1X PA, 1 X SO AND 1 X CBO). I ASSUME THAT OUR LINE WITH THE IRANIAN AUTHORITIES WOULD BE THAT WE SHOULD ONLY BE ABLE TO DEAL WITH VISA APPLICANTS WITH DIPLOMATIC PASSPORTS AND THAT ALL OTHER APPLICATIONS WOULD HAVE TO BE MADE BY POST TO THE UK. IT IS JUST CONCEIVABLE THAT ACTION OF THIS KIND MIGHT INDUCE THE IRANIAN GOVERNMENT TO SAY THAT IF THE EMBASSY WERE UNABLE TO MAINTAIN THE ONE USEFUL (TO THEM) SERVICE WE CURRENTLY PROVIDE, THE EMBASSY MIGHT AS WELL BE CLOSED DOWN ALTOGETHER. ON BALANCE, I THINK THEY ARE UNLIKELY TO TAKE THIS ATTITUDE BUT, GIVEN THE PRESENT UNPREDICTABLE AND UNCERTAIN SITUATION HERE, THE POSSIBILITY CANNOT BE RULED OUT ENTIRELY.

2. WE SHALL BE OPERATING NORMALLY TOMORROW, 11 AUGUST, DESPITE THE PLANNED DEMONSTRATION (MY TELNO 695 REFERS). WE HAVE, OF COURSE, TAKEN SUCH PRECAUTIONARY MEASURES AS ARE OPEN TO US TO MINIMISE THE RISK OF ANY UNTOWARD INCIDENTS.

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TO IMMEDIATE TEHRAN  
TELEGRAM NUMBER 407 OF 8 AUGUST

*Prime Minister*

*and our contingency  
planning*

YOUR TEL NO 689: IRANIAN STUDENTS

1. WE HAVE GIVEN THOUGHT TO THE SCENARIOS THAT COULD DEVELOP IF THE IMPASSE CONTINUES.
2. IN THE UK, IF THE HUNGER STRIKE CONTINUES PRESS INTEREST IS LIKELY TO GROW, IRANIAN STUDENTS NOT IN PRISON MAY MOUNT FURTHER AND MORE TROUBLESOME DEMONSTRATIONS (THE EDUCATIONAL SECTION OF THE IRANIAN EMBASSY APPEARS ALREADY TO BE ORGANISING PROTESTS), AND PUBLIC DISTASTE FOR THE IRANIAN REVOLUTION ACCOMPANIED BY DEMANDS FOR DRAMATIC ACTION BY HMG IS LIKELY TO INTENSIFY.
3. IN IRAN, ALTHOUGH FROM YOUR ACCOUNT THE THREATS TO THE EMBASSY DO NOT YET APPEAR TOO SERIOUS, WE ARE CONSCIOUS THAT A SERIOUS SITUATION COULD ARISE AT ANY TIME ESPECIALLY IF A STUDENT DIED OR KHOMEINI ATTACKED US. IF THE IRANIAN AUTHORITIES ENCOURAGE THE HUNGER STRIKERS TO CONTINUE TO REJECT OUR LEGAL PROCEDURES, WE MAY HAVE TO CONTEMPLATE COUNTER ACTION BY CLOSING THE VISA SECTION IN TEHRAN AND/OR ENFORCING A REDUCTION IN IRANIAN STAFF HERE. IN THE LAST RESORT WE MAY HAVE TO CONSIDER WITHDRAWING ALL BUT A SKELETON STAFF FROM TEHRAN, AND PERHAPS EVEN PLACING THAT UNDER THE AEGIS OF A FRIENDLY MISSION. WE SHALL PROBABLY HOWEVER CONTINUE TO TRY TO AVOID A SUSPENSION OF RELATIONS THAT WOULD JEOPARDISE THE RETURN OF STAFF WHEN NORMALITY RETURNS.
4. YOU SHOULD ACCORDINGLY ONCE AGAIN REVIEW YOUR CONTINGENCY PLANS FOR EVACUATION OF STAFF AND/OR DEPENDANTS AT SHORT NOTICE, AND FOR OPERATING ON A RESIDUAL BASIS OUTSIDE THE COMPOUNDS (AS HAPPENED BRIEFLY IN THE SPRING).

*MAP 8*

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IRAN STANDARD

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TO IMMEDIATE TEHRAN

TELNO 405 OF 8 AUG

INFO PRIORITY WASHINGTON

*Prime Minister*

*mb*

*MAF 11/8*

M I P T: IRANIAN STUDENTS

1. THERE WOULD BE SERIOUS POLITICAL DIFFICULTIES IN ASKING THE POLICE TO DROP THEIR CHARGES AGAINST THE STUDENTS. THIS IS NOT (NOT) AN OPTION WE ARE LIKELY TO TAKE. BUT IS IS OF THE UTMOST IMPORTANCE TO FIND A QUICK SOLUTION BOTH TO AVOID THE POSSIBILITY OF THE CONTINUING ESCALATION OF EXCITEMENT IN TEHRAN, AND THE RISK (WITH ALL ITS IMPLICATIONS) OF SERIOUS ILLNESS OR DEATH ON THE PART OF THOSE ON HUNGER STRIKE. IF THEY CONTINUE TO REFUSE WATER DEATHS COULD OCCUR AFTER ABOUT 7 DAYS. IF THEY REFUSE ONLY FOOD, AFTER ABOUT 3 WEEKS. THE STUDENTS AT PRESENT SEEM DETERMINED TO STICK IT OUT. IF THEY CONTINUE TO PLEAD NOT GUILTY, THEIR CASES MIGHT NOT COME UP FOR CONSIDERATION BEFORE SEPTEMBER OR EVEN NOVEMBER. WE ARE THEREFORE SERIOUSLY CONSIDERING WHETHER WE CAN DEPORT THEM. EVEN IF THIS CANNOT BE DONE QUICKLY, THE THREAT OF DEPORTATION, MAY HELP THE STUDENTS TO CHANGE THEIR MINDS AND TO CO-OPERATE, AS APPEARS TO HAVE HAPPENED IN THE US.

2. FOR YOUR OWN BACKGROUND YOU SHOULD BE AWARE THAT DEPORTATION PROCEDURES DO NOT NECESSARILY PROVIDE A SIMPLE AND SPEEDY SOLUTION. THERE ARE THREE WAYS IN WHICH DEPORTATION CAN BE EFFECTED:

(A) IT CAN BE RECOMMENDED BY THE COURT AS A RESULT OF ITS NORMAL CONSIDERATION OF THE CASES OF THE STUDENTS WHO HAVE BEEN CHARGED. BUT THE COURTS MAY LEAVE THE QUESTION OF POSSIBLE DEPORTATION TO THE HOME SECRETARY FOR A DECISION. THE TIME INVOLVED COULD IN ANY CASE BE LENGTHY (SEE PARAGRAPH ONE ABOVE) AND THERE IS A RIGHT OF APPEAL AGAINST THE DECISION OF THE COURT.

(B) THE HOME SECRETARY CAN ORDER THE DEPORTATION OF ILLEGAL IMMIGRANTS OR IMMIGRANTS WHO HAVE OVERSTAYED THEIR DUE TIME. PROCEEDINGS ARE EASIEST AND QUICKEST AGAINST THOSE WHO HAVE ENTERED ILLEGALLY SINCE, TECHNICALLY, SUCH IMMIGRANTS HAVE NEVER BEEN ADMITTED TO THE UK AND THERE ARE FEW FORMALITIES CONNECTED WITH THEIR EXPULSION. THERE IS NO RIGHT OF APPEAL. BUT IT HAS NOT YET BEEN ESTABLISHED THAT ANY OF THE STUDENTS ENTERED THE UK LEGALLY. IT CANNOT BE ARGUED THAT BECAUSE AN IMMIGRANT HAS FAILED TO PRODUCE EVIDENCE OF HIS PROPER STATUS, HE CAN THEREBY BE DEPORTED. THE PROCEDURE FOR THOSE WHO HAVE STAYED BEYOND THEIR DUE TIME IS LENGTHIER AND PROVIDES FOR THE RIGHT OF APPEAL.

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(C) THE HOME SECRETARY HAS POWERS UNDER SECTION 15(3) OF THE 1971 IMMIGRATION ACT WHEREBY "A PERSON SHALL NOT BE ENTITLED TO APPEAL AGAINST A DECISION TO MAKE A DEPORTATION ORDER AGAINST HIM IF THE GROUNDS OF THE DECISION WAS THAT HIS DEPORTATION IS CONDUCTIVE TO THE PUBLIC GOOD AS BEING IN THE INTERESTS OF NATIONAL SECURITY, OR OF THE RELATIONS BETWEEN THE UK AND ANY OTHER COUNTRY, OR FOR OTHER REASONS OF A POLITICAL NATURE." THERE ARE GOOD PRIMA FACIE GROUNDS FOR BELIEVING THAT THIS WOULD FIT PRESENT CIRCUMSTANCES. HOWEVER, THERE IS LAID DOWN IN THE IMMIGRATION RULES A NON-STATUTORY ADVISORY PROCEDURE WHEREBY ANY SUCH DECISIONS CAN BE RE-EXAMINED. HOME OFFICE LEGAL ADVISERS ARE NOW CONSIDERING URGENTLY THE POSSIBILITIES OF ACTION UNDER THIS SECTION OF THE 1971 ACT.

3. WE PLAN TO PUT PRESSURE ON THE STUDENTS BY INFORMING EHDAIE THAT DEPORTATION IS BEING CONSIDERED, ON THE ASSUMPTION THAT THE MESSAGE WILL GET BACK TO THE STUDENTS. WE ARE ALSO ADDING TO THE PRESSURE BY ENSURING (PARAGRAH 2 OF MY TEL NO 402) THAT FORMAL NOTICE ON BEHALF OF THE COURTS OF THE LIABILITY TO DEPORTATION OF FOREIGN IMMIGRANTS FACING CHARGES UNLESS THEY CAN PROVE WITHIN SEVEN DAYS THEIR PATRIAL STATUS IS NOW SERVED TO THEM. HOWEVER, THEIR REFUSAL TO PROVIDE DETAILS OF THEIR STATUS DOES NOT CONSTITUTE IN ITSELF GROUNDS FOR DEPORTATION, THOUGH IT WOULD NO DOUBT BE TAKEN INTO CONSIDERATION BY THE COURTS WHEN FINALLY DECIDING UPON THEIR CASE.

CARRINGTON

## IRAN STANDARD

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TO IMMEDIATE TEHRAN

TELEGRAM NUMBER 402 OF 7 AUGUST

INFO PRIORITY WASHINGTON MEXICO CITY

MY TELNO 400: IRANIAN STUDENTS

1  
*Prime Minister*  
*This saga is not going well.*  
*The hunger strike is more serious than Mr Whitelan implied at cabinet yesterday.*  
*MAF 27/8*  
*mb*

1. EHDAIE VISITED THE 5 REMAINING STUDENTS AT THE ASHFORD REMAND CENTRE THIS MORNING. THE VISIT DID NOT GO WELL. THE STUDENTS ARE REMAINING ON HUNGER STRIKE AND HAVE ACCUSED THE REMAND CENTRE AUTHORITIES OF MALTREATMENT. EHDAIE SAID THAT HE WOULD REPORT THEIR COMPLAINTS TO TEHRAN AND ADDED, IN FRONT OF THE STUDENTS, THAT THERE WAS CLEAR EVIDENCE THAT IRANIANS IN THE UK WERE BADLY DISCRIMINATED AGAINST BY THE POLICE. ONE OF THE STUDENTS AT ASHFORD IS IN THE REMAND CENTRE HOSPITAL BECAUSE HE IS WEAK FROM REFUSING TO TAKE FOOD AND HAS A MEDICAL HISTORY OF A STOMACH ULCER. SOME OF THE STUDENTS THERE HAVE TAKEN SMALL QUANTITIES OF WATER. EHDAIE'S LINE DURING THIS MEETING WAS MUCH TOUGHER AND MORE UNCOMPROMISING THAN ON PREVIOUS OCCASIONS.
2. GRAHAM SUMMONED EHDAIE TO THE FCO AT 5 PM TODAY. HE EXPLAINED THAT THE PROBLEM OVER THE IRANIAN STUDENTS WAS POTENTIALLY VERY SERIOUS. HE INFORMED EHDAIE THAT UNLESS THE STUDENTS COOPERATED WITH THE LEGAL AUTHORITIES THEIR DETENTION WOULD CONTINUE. IF THEY CONTINUE TO REFUSE FOOD THEIR LIVES WOULD BE IN SERIOUS DANGER SINCE IT WAS NOT THE POLICY OF HMG TO TRY TO FORCE-FEED PRISONERS ON HUNGER STRIKE. UNTIL NOW, BECAUSE OF THE STUDENTS' REFUSAL TO GIVE THEIR NAMES AND PERSONAL DETAILS, THE STATUTORY NOTICE WARNING THEM OF THE RISK OF DEPORTATION (WHICH IS A NORMAL PART OF THE PROCEEDINGS AGAINST FOREIGNERS CHARGED BEFORE THE COURTS) HAD NOT YET BEEN SERVED: BUT THIS WOULD NOW BE DONE. HE REMINDED EHDAIE OF THE GOOD CONDITIONS UNDER WHICH THE STUDENTS WERE BEING HELD, THAT THEY WERE ALLOWED FREE ACCESS TO VISITORS, AND THAT THE STUDENTS THEMSELVES AT BRIXTON HAD EXPRESSED THEIR THANKS. HE HOPED THAT EHDAIE WOULD ENCOURAGE THE STUDENTS TO COOPERATE WITH THE AUTHORITIES, AND TO RESPECT THE LAW OF THEIR HOST COUNTRY SO THAT THE PROBLEM COULD BE ENDED AS QUICKLY AS POSSIBLE.
3. EHDAIE SAID THAT HE, TOO, WISHED TO SOLVE THE PROBLEM. HE HAD TRIED TO PERSUADE THE STUDENTS TO COOPERATE AND HAD FAILED: HE COULD NOT FORCE THEM TO OBEY AGAINST THEIR WILL. THE STUDENTS HAVE NOW FLATLY REFUSED TO COOPERATE. MOREOVER THEY WERE, JUSTIFIABLY IN HIS VIEW, AFRAID THAT IF THEY GAVE THEIR NAMES THEY WOULD BE DISCRIMINATED AGAINST SUBSEQUENTLY. THERE WAS NOTHING MORE THAT HE COULD DO. THE ONLY SOLUTION WAS THE ONE SUGGESTED BY THE STUDENTS THEMSELVES, THAT THEY SHOULD BE UNCONDITIONALLY DISCHARGED AND THAT THEIR GRIEVANCES AGAINST THE BRITISH POLICE SHOULD BE INVESTIGATED BY THE IRANIAN EMBASSY ON THEIR BEHALF. HE REPEATED AT LENGTH HIS ACCUSATIONS AGAINST THE POLICE WHICH HE MADE DURING HIS CALL ON MIERS (MY TELNO 397) AND HIS FIRM BELIEF THAT ONLY THE ACCOUNTS FROM THE GROSVENOR SQUARE DEMONSTRATIONS WHICH HE HAD FROM THE STUDENTS THEMSELVES WERE THE CORRECT ONES. EHDAIE SAID THAT HE HAD REPORTED TO TEHRAN THE VIEW THAT THE POLICE HAD CAUSED THE INCIDENT AND WERE THE GUILTY PARTY.

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4. GRAHAM SAID THAT IT WAS NOT IN THE GOVERNMENT'S POWER TO INFLUENCE OR DICTATE THE ADMINISTRATION OF LAW. THE SOLUTION THAT EHDAIE HAD PROPOSED AMOUNTED TO A REQUEST THAT THE STUDENTS BE PUT ABOVE BRITISH LAW. EHDAIE REJECTED THIS INTERPRETATION (SIC) AND REPEATED THAT HIS PROPOSAL SEEMED THE ONLY POSSIBLE SOLUTION. NOTHING COULD HIDE THE FACT THAT THE STUDENTS DID NOT TRUST THE BRITISH POLICE AND WOULD THEREFORE REFUSE TO COOPERATE WITH A SYSTEM OF JUSTICE OF WHICH THE POLICE FORMED A PART.
5. GRAHAM ASKED EHDAIE TO REPORT THEIR CONVERSATION TO TEHRAN AND TO STRESS THAT IT WAS NOT WITHIN THE POWER OF HMG TO CHANGE THE COURSE OF THE LAW. HE ALSO ASKED THAT EHDAIE SHOULD TRY TO PERSUADE THE STUDENTS TO ACCEPT FOOD AND DRINK, THOUGH THE MEETING ENDED WITH NO INDICATION THAT EHDAIE WAS PREPARED TO SEE THE STUDENTS AGAIN IN THE NEAR FUTURE. GRAHAM SAID THAT IT WAS QUOTE VIRTUALLY CERTAIN UNQUOTE THAT IF THE STUDENTS COOPERATED BY GIVING THEIR PERSONAL DETAILS THE POLICE WOULD NOT OPPOSE BAIL AND THEY WOULD THEREFORE BE RELEASED. EHDAIE SHOULD ALSO REPORT THAT HMG WAS ANXIOUS TO SOLVE THIS PROBLEM AND THAT IT WAS KEEN THAT THE IRANIAN AUTHORITIES DID ALL WITHIN THEIR POWER TO PLAY DOWN THE PROBLEM. HMG CONTINUED TO HOLD THE IRANIAN GOVERNMENT RESPONSIBLE FOR THE PROTECTION AND SAFETY OF THE BRITISH PEOPLE AND EMBASSY IN IRAN. EHDAIE SAID THAT HE WOULD REPORT THIS AND ASSURED GRAHAM THAT HE HAD REPORTED IMMEDIATELY TO TEHRAN ON 5 AUGUST OUR EARLIER REQUEST FOR ASSURANCES OF THE SAFETY OF OUR EMBASSY, (MY TELNO 397).
6. NEWS DEPARTMENT ARE TELLING THE PRESS ATTRIBUTABLY THAT EHDAIE CALLED AT THE FCO AT GRAHAM'S REQUEST THIS AFTERNOON, THAT HE WAS ASKED TO OBTAIN THE COOPERATION OF THE STUDENTS WITH THE BRITISH AUTHORITIES SO THAT THE NORMAL PROCEDURES THAT GENERALLY LEAD TO THE RELEASE OF INDIVIDUALS ON BAIL MIGHT BE FOLLOWED, AND THAT HE WAS REMINDED OF THE RESPONSIBILITY OF THE IRANIAN GOVERNMENT FOR THE PROTECTION OF THE BRITISH PEOPLE AND EMBASSY IN IRAN. NEWS DEPARTMENT ARE DENYING UNATTRIBUTABLY THAT ANY FORMAL IRANIAN PROTEST HAS BEEN MADE (SEE PARA 7).
7. NEWS OF EHDAIE'S CALL HAD ALREADY REACHED THE BRITISH PRESS EARLY THIS AFTERNOON. QUOTE THE TIMES UNQUOTE TOLD NEWS DEPARTMENT BEFORE THE MEETING TOOK PLACE THAT EHDAIE HAD SPOKEN TO THEM SAYING THAT HE WAS COMING TO THE FCO TO PROTEST ABOUT THE IRANIAN STUDENTS BEING HELD AND TO POINT OUT THAT THEIR TREATMENT WAS ALREADY AROUSING POPULAR HOSTILITY WITHIN IRAN. EHDAIE DENIED TO GRAHAM, HOWEVER, THAT HE HAD MADE ANY STATEMENTS TO THE PRESS (THOUGH THERE ARE DOUBTLESS MANY OTHERS WITHIN THE IRANIAN EMBASSY WHO ARE KEEN TO STIR THINGS UP).

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Prime Minister

FM WASHINGTON 072245Z AUG 80  
TO PRIORITY FCO  
TELEGRAM NO 3720 OF 7 AUGUST  
INFO PRIORITY TEHRAN

MP 8/8

YOUR TEL 400 TO TEHRAN: IRANIAN STUDENTS

1. ASKED TODAY FOR HIS VIEWS ON WHAT HAD ENABLED THE AMERICANS TO RESOLVE THE FIRST ROUND OF THEIR PROBLEM WITH THE IRANIAN STUDENT DEMONSTRATORS, PRECHT SINGLED OUT THE FOLLOWING FACTORS (THROUGHOUT WHAT HE SAID THERE WAS A CLEAR ELEMENT OF SURPRISED RELIEF THAT THINGS HAD WORKED OUT AS RELATIVELY PAINLESSLY AS THEY HAD, THOUGH HE WAS CLEARLY CONCERNED THAT TODAY'S DEMONSTRATION OUTSIDE THE WHITE HOUSE BY A NEW GROUP OF IRANIANS, UNEXHAUSTED BY HUNGER STRIKE AND COMING IN FROM AROUND THE COUNTRY, COULD LEAD TO RENEWED PROBLEMS):

(I) THE WILLINGNESS OF THE WASHINGTON DC POLICE TO DROP CHARGES AND PASS THE IRANIANS OVER TO DETENTION CENTRES IN NEW YORK FOR INVESTIGATION BY THE IMMIGRATION AND NATURALISATION SERVICE (INS) APPEARED TO HAVE BEEN A TURNING POINT. THE IRANIANS' BAD EXPERIENCE HAD BEEN WITH THE POLICE AT THE TIME OF THE DEMONSTRATION AND THEIR ATTITUDE TO THE NEW YORK STATE AUTHORITIES HAD BEEN DIFFERENT:

(II) DIALOGUE WITH THE IMPRISONED DEMONSTRATORS, WHICH HAD BEEN IMPOSSIBLE THOUGH THE IRANIAN INTERESTS SECTION OF THE ALGERIAN EMBASSY HERE, HAD BECOME EASIER WHEN TWO PRO-KHOMEINI IRANIAN STUDENTS (NOT AMONG THOSE ARRESTED) HAD COME FORWARD TO ACT AS INTERMEDIARIES. THESE TWO WORKED CLOSELY WITH THE MAVERICK ATTORNEY MARK LANE (WHO HAS UNSAVOURY JONESTOWN CONNECTIONS, A GENERAL ANTI-ESTABLISHMENT REPUTATION AND HAS ACTED FOR IRANIANS HERE BEFORE):

(III) THE PROSPECT OF BEING SENT BACK TO IRAN WAS CLEARLY NOT ONE THE DEMONSTRATORS RELISHED (CF MY TEL 3698). (STATE DEPARTMENT LAWYER CONCERNED HAS NOTED TO US THAT THE PAPERS OF ALL THOSE DETAINED TURNED OUT TO BE IN ORDER).

2. THE AMERICANS ARE NOT OUT OF THE WOOD. THE SAN DIEGO (NOT SAN FRANCISCO, AS IN MY TEL 3698) DEMONSTRATION COULD HERALD MORE TO COME. PRESS REPORTS OF A GREATER DEGREE OF CENTRAL ORGANISATION AND FINANCING OF THE DEMONSTRATIONS HERE, THOUGH NOT SO FAR BACKED WITH HARD EVIDENCE AS FAR AS WE CAN TELL, ARE WORRYING. AND THE MOOD OF THE AMERICAN PUBLIC IS TURNING UGLY.

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STATE DEPARTMENT SPOKESMAN TODAY FACED HOSTILE QUESTIONS ABOUT WHY THE DEMONSTRATORS APPARENTLY GOT OFF SCOT-FREE, AFTER UNOFFICIAL SPOKESMEN FOR THE INS AND THE DC POLICE BOTH ANGRILY IMPLIED THAT IT WAS STATE DEPARTMENT PRESSURE THAT CAUSED THE OTHER DEPARTMENTS TO RELAX THEIR PROCEDURES.

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TO PRIORITY FCO

TELEGRAM NUMBER 691 OF 7 AUGUST 80

INFO PRIORITY CABINET OFFICE (DIO) MODUK (DI4 AND DS11)

CRE5, WASHINGTON

INFO SAVING UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
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ROME, PARIS, BRUSSELS, BONN.

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MY TELNO 680 : SITUATION IN IRAN.

1. THE NEWSPAPERS AND RADIO, WHILE CLAIMING THE RELEASE OF THE IRANIANS DETAINED IN THE US AS A TRIUMPHANT VICTORY, HAVE STRONGLY CRITICISED THE "BRUTAL BEHAVIOUR" OF THE BRITISH POLICE TOWARDS THE DEMONSTRATORS ARRESTED IN LONDON. WE HAVE TODAY RECEIVED A BOMB HOAX AND A NUMBER OF TELEPHONE CALLS THREATENING THAT THE EMBASSY WILL BE ATTACKED IF THE STUDENTS ARE NOT RELEASED. THERE HAS SO FAR BEEN NO SIGN OF ANY ORGANISED DEMONSTRATION.
2. IN A DISCURSIVE ADDRESS ON 6 AUGUST TO MARK JERUSALEM DAY, KHOMEINI CALLED ON THE PEOPLE TO PARTICIPATE IN MARCHES ON 8 AUGUST. HE MADE ONLY PASSING REFERENCE TO THE STUDENT ARRESTS IN THE US AND UK. HE CALLED ON MUSLIM NATIONS (RATHER THAN GOVERNMENTS, IN WHICH HE HAD NO CONFIDENCE) TO UNITE AGAINST ISRAEL. IN THE SAME ADDRESS, HE CRITICISED THE MAJLES AND PRESIDENT FOR FAILING TO CO-OPERATE AND DESCRIBED THEIR DISPUTE AS A BETRAYAL OF THE BLOOD SHED IN THE REVOLUTION. BOTH BEHESHTI AND BANI SADR ON 6 AUGUST EXPRESSED THE HOPE THAT A PRIME MINISTER WOULD BE NOMINATED FOR THE APPROVAL OF THE MAJLES WITHIN THE NEXT COUPLE OF DAYS, ALTHOUGH AYAT (IRP) HAS SAID A SOLUTION TO THE PROBLEM WOULD PROBABLY REQUIRE LONGER THAN THIS.
3. WHEN COMMENTING AT HIS WEEKLY PRESS CONFERENCE ON THE NOMINATION OF CANDIDATES FOR THE PREMIERSHIP, BEHESHTI CLAIMED THAT THERE WERE 70 FORMAL MEMBERS OF THE IRP IN THE MAJLES, AS WELL AS 130 DEPUTIES WHO SHARED THE IRP'S POLITICAL VIEWS.
4. THIRTEEN MEN ACCUSED OF INVOLVEMENT IN THE RECENT ALLEGED COUP WERE EXECUTED ON 7 AUGUST. ALL BUT ONE WERE SOLDIERS. A RELIGIOUS JUDGE HAS SAID THAT SOME OF THOSE ARRESTED IN CONNECTION WITH THE ABORTIVE COUP HAD CONFESSED THAT THE MOJAHEDDIN-E KHALGH AND FEDAYA-E KHALQ HAD HAD PRIOR KNOWLEDGE OF IT, AND

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THAT VARIOUS SENIOR MULLAHS, "NOT OF COURSE FROM AMONG THE COUNTRY'S RESPONSIBLE AUTHORITIES", HAD ACTED AS CO-ORDINATORS. A NUMBER OF OTHERS HAVE BEEN EXECUTED FOR A VARIETY OF OFFENCES, INCLUDING GENERAL SHAHMAM, WHO AS A YOUNG OFFICER ARRESTED THE LEADER OF THE FEDAYEEN ESLAM, NAVAB SAFEVI, 30 YEARS AGO.

5. THERE ARE RUMOURS THAT ONE OF THE SHOOTING INCIDENTS WE REPORTED EARLIER THIS WEEK (SEE TUR) WAS AN ATTEMPT BY THE FEDAYEEN KHALGH TO SEIZE WEAPONS FROM THE ARMY BARRACKS ON PASDARAN AVE (FORMERLY SALTANABAD) IN TEHRAN. THE ATTACK WAS APPARENTLY SUCCESSFULLY REPULSED AFTER HEAVY SHOOTING.

6. MOINFAR, THE OIL MINISTER, IS NOW UNDER FIRE. A CLERICALLY-CONTROLLED PAPER HAS PUBLISHED DOCUMENTS, ALLEGEDLY PROVING THAT HE WAS A SAVAK LIAISON MAN IN THE 1960'S.

7. SEVERAL REPORTS THIS WEEK SPEAK OF ARMED CLASHES IN KURDESTAN INVOLVING RELATIVELY HEAVY LOSSES ON BOTH SIDES. GOVERNMENT ACCOUNTS, FOR EXAMPLE, CLAIMED THAT 35 INSURGENTS HAD BEEN KILLED IN ONE INCIDENT AND 40 IN ANOTHER

FCO PLEASE PASS SAVING ADDRESSEES.

**THIS TELEGRAM  
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(REPEATED AS REQUESTED)

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FM TEHRAN 071200Z AUG  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 689 OF 7 AUGUST 80  
INFO PRIORITY WASHINGTON AND MEXICO CITY.

YOUR TELNO 400 : IRANIAN STUDENTS.

1. THE CONTINUED DETENTION OF THE STUDENTS AND THE ALLEGED TREATMENT THEY RECEIVED AT THE HANDS OF THE POLICE CONTINUE TO ATTRACT A GOOD DEAL OF PUBLICITY IN THE PRESS AND ON THE RADIO. IF ANYTHING, IT HAS BECOME MORE STRIDENT SINCE THE ACCOUNT IN MY TELNO 687. THE "STUDENTS DEPARTMENT" OF THE ISLAMIC REPUBLICAN PARTY HAVE NOW JOINED IN THE ACT AND THE IRP NEWSPAPER, ISLAMIC REPUBLIC, PUBLISHES A COMMUNIQUE FROM THEM TODAY. THIS CONTAINS, SUCH LURID TERMS AS "THE BLOOD-SUCKING US AND ITS BLACK-FACED ACCOMPLICE, BRITAIN". THE MUSLEM STUDENTS ASSOCIATION IN THE UNITED STATES AND CANADA ARE ALSO STILL DOING THEIR UTMOST TO KEEP THE ISSUE ALIVE. PARS NEWS AGENCY TODAY PUBLISHES A MESSAGE FROM THE ASSOCIATION, AGAIN IN EMOTIVE AND STRIDENT LANGUAGE, STATING THAT THEY INTEND TO

CONTINUE THEIR STRUGGLE WITH SIT-INS AT THE WHITE HOUSE AND THE UNITED NATIONS BUILDING IN NEW YORK. THE ASSOCIATION'S STATEMENT ALSO REFERS TO THE HUNGER STRIKE BY IRANIAN STUDENTS IN BRITAIN, WHO ARE SAID TO HAVE BEEN TAKEN TO DUNGEONS IN LONDON BY THE CRIMINAL POLICE OF ENGLAND.

2. IN A LONG MESSAGE DELIVERED ON 6 AUGUST IN CONNECTION WITH JERUSALEM DAY (THERE ARE TO BE BIG CELEBRATIONS MARKING THE OCCASION IN TEHRAN ON 8 AUGUST), KHOMEINI REFERRED IN PASSING TO "THE CRIMES THAT THE BRITISH POLICE HAVE RECENTLY COMMITTED AGAINST OUR BRAVE YOUTH".

3. WE ARE ALREADY RECEIVING BOMB THREATS AT THE EMBASSY BUT SO FAR THESE SEEM TO BE THE USUAL HOAXES THAT WE HAVE COME TO EXPECT ON SUCH OCCASIONS. THERE HAS BEEN NO FURTHER DEMONSTRATION OUTSIDE THE EMBASSY SINCE THE SMALL ONE IN THE EARLY HOURS OF 5 AUGUST, NOR ARE THERE ANY INDICATIONS THAT ONE IS PLANNED. IT CANNOT BE EXCLUDED, OF COURSE, THAT THE JERUSALEM DAY MARCH TOMORROW MAY SEND OFF AN OFFSHOOT IN OUR DIRECTION.

4. AS FAR AS THE LONDON END IS CONCERNED AND IN THE LIGHT OF THE LATEST SITUATION REPORTED IN YOUR TUR, I MUST SLIGHTLY REVISE MY FORECAST (PARA 3 OF MY TELNO 687) THAT FURTHER PUBLICITY HERE AND ANY UNDESIRABLE CONSEQUENCES THAT MIGHT FLOW FROM IT - WOULD DEPEND ON THE COURT PROCEEDINGS IN LONDON. THERE MUST NOW BE A RISK THAT AS LONG AS THE HUNGER STRIKE CONTINUES, THIS TOO COULD GIVE RISE TO UNPLEASANT PUBLICITY. INCIDENTALLY, IT MIGHT BE WORTH BEARING IN MIND, IF THERE IS TO BE ANY FORCE-FEEDING, THAT THE STUDENTS ARE PRESUMABLY OBSERVING RAMAZAN AND THAT ANY SUCH FEEDING SHOULD TAKE PLACE OUTSIDE FASTING HOURS.

5. I HAVE BEEN SUMMONED AT 0430Z ON 9 AUGUST TO SEE THE NEW DIRECTOR-GENERAL FOR POLITICAL AFFAIRS AT THE MFA. HE MAY WELL RAISE THE QUESTION OF THE STUDENTS AND I SHOULD BE GRATEFUL TO BE KEPT INFORMED OF DEVELOPMENTS.

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FM FCO 061809Z AUG 80

TO IMMEDIATE MEXICO CITY

TELEGRAM NUMBER 268 OF 6 AUGUST

INFO IMMEDIATE TEHRAN, WASHINGTON, EC POSTS, TOKYO.

MIPT: US/IRAN

1. FOLLOWING IS PROPOSED TEXT OF DRAFT COREU TELEGRAM.  
TEXT BEGINS: US HOSTAGES.

1. FURTHER TO THE PRESIDENCY COREU NO 2748 OF 31 JULY, REPORTING THE TEXT OF THE RECENT AMERICAN NOTE ON THE UNITED STATES HOSTAGES, THE UK AGREES WITH GERMANY'S SUGGESTION AND REASONING (IN COREU CPE BIL ETR 316) THAT THE MOST SUITABLE EC RESPONSE WOULD TAKE THE FORM OF A JOINT MESSAGE FROM THE HEAD OF GOVERNMENT OF THE PRESIDENCY TO PRESIDENT BANI SADR. THE UK AGREES THAT THIS MESSAGE SHOULD MAKE FULL USE OF THE ELEMENTS SUGGESTED BY THE AMERICANS. THE UK ALSO PROPOSES THAT THE MESSAGE SHOULD REFER TO THE EC'S CONCERN FOR THE MAINTENANCE OF THE PRINCIPLES OF INTERNATIONAL LAW, ITS CONSEQUENT CONCERN FOR THE HARMFUL EFFECT ON THESE PRINCIPLES OF THE TRIAL OF ANY OF THE HOSTAGES, AND ITS HUMANITARIAN INTEREST IN URGING A SPEEDY SOLUTION OF THE HOSTAGES PROBLEM.

2. THE UK THEREFORE PROPOSES THAT EC AMBASSADORS IN TEHRAN SHOULD BE ASKED URGENTLY TO MEET AND RECOMMEND A SUITABLE TEXT FOR SUCH A MESSAGE FOR ENDORSEMENT BY THEIR GOVERNMENTS.

3. THE UK HAVE ALREADY EXPRESSED RESERVATIONS ABOUT A PRESIDENCY MESSAGE AT THIS MOMENT TO THE PRESIDENT OF THE NEW IRANIAN PARLIAMENT (PRESIDENCY COREUS 2747 AND 2786). BECAUSE OF THE IRANIAN PARLIAMENT'S RECENT REACTION TO A SIMILAR MESSAGE FROM THE UNITED STATES CONGRESS, IT SEEMS LIKELY THAT AN APPROACH OF THIS KIND WOULD NOT CONTRIBUTE TO A MORE HELPFUL ATTITUDE WITHIN THE PARLIAMENT, BUT COULD ON THE CONTRARY HARDEN OPPOSITION FURTHER. (MOREOVER, IF JOINT MESSAGES ARE TO BE ADDRESSED TO THE IRANIAN PARLIAMENT, THESE SHOULD MORE APPROPRIATELY BE SENT BY THE EUROPEAN PARLIAMENT.) THE UK THEREFORE SUGGESTS THAT THE REPRESENTATIVES OF THE NINE IN TEHRAN SHOULD BE INVITED TO CONSIDER THIS QUESTION ALSO, AND TO SUBMIT RECOMMENDATIONS.

4. THE UK AGREES THAT, IF AND WHEN AN IRANIAN PRIME MINISTER IS APPOINTED, THE INDIVIDUAL COUNTRIES OF THE NINE SHOULD SEND BILATERAL MESSAGES.

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FM FCO 061808Z AUGUST 80

TO IMMEDIATE MEXICO CITY

TELEGRAM NUMBER 267 OF 6 AUGUST

INFO IMMEDIATE TEHRAN, WASHINGTON, EC POSTS, TOKYO

FOLLOWING FOR PRIVATE SECRETARY  
US/IRAN

*Prime Minister*  
*To see this advice to*  
*led Lawington about*  
*further EC pressure*  
*on Iran over the*  
*hostages*

1. EC MEMBER STATES HAVE BEEN CONSIDERING THE QUESTION OF A JOINT RESPONSE TO THE US NOTE OF 31 JULY ON WHICH THE SECRETARY OF STATE COMMENTED: TEXT IN LUXEMBOURG COREU 2748 REQUESTING CONSIDERATION OF FURTHER PRESSURE ON IRAN TO RELEASE THE HOSTAGES. (A SIMILAR NOTE HAS BEEN HANDED OVER BY THE AMERICANS IN SOME 40 CAPITALS.) A NUMBER OF COREU TELEGRAMS FROM EC MEMBER STATES HAVE NOW CIRCULATED, EXPRESSING A PRELIMINARY VIEW.

2. WE ARE NOT CONVINCED BY THE ARGUMENT IN THE FOUR ELEMENTS OF THE US NOTE. IN PARTICULAR, THE RELEASE OF ONE HOSTAGE LAST MONTH IS UNLIKELY TO REPRESENT ANY RENEWED IRANIAN PREDISPOSITION TOWARDS A MORE GENERAL RELEASE; THE DEATH OF THE SHAH HAS RATHER REFOCUSSED ATTENTION IN IRAN ON THE ISSUE, AND LED ONLY TO THE RENEWAL OF IRANIAN DEMANDS FOR THE RETURN OF HIS WEALTH, AND THE SELECTION OF A NEW PRIME MINISTER AND CABINET HAS NOW BEEN FURTHER DELAYED, WITH NO INDICATION THAT THE PRESENT IMPASSE WILL BE QUICKLY RESOLVED. THIS LEADS US TO BELIEVE THAT THE FESTIVAL MARKING THE END OF RAMADAN ON 12 AUGUST (EID-EL-FITR) CANNOT REASONABLY BE LOOKED UPON AS A LIKELY OCCASION FOR THE HOSTAGES' RELEASE. THE RECENT HEAVILY ORCHESTRATED HOSTILE REACTION IN TEHRAN TO THE HOLDING OF IRANIAN DEMONSTRATORS IN WASHINGTON REINFORCES THIS VIEW, WHICH IS ALSO ENDORSED BY MR WYATT IN TEHRAN (TEHRAN TELS NOS 679 AND 683 NOW REPEATED TO MEXICO CITY ALONG WITH WASHINGTON TEL NO 3686).

3. HOWEVER, IT IS IMPORTANT THAT WE TRY TO BE AS HELPFUL AS POSSIBLE TO THE AMERICANS. DOMESTIC POLITICAL PRESSURE FOR FURTHER ACTION OVER THE HOSTAGES MAY INCREASE AS THE NOVEMBER ELECTION APPROACHES. THE AMERICANS MAY BE ABLE TO DEFLECT SOME OF THIS PRESSURE IF THEY CAN SHOW THAT THEIR ALLIES ARE CONTINUING TO DEMONSTRATE THEIR SUPPORT. THERE ARE THEREFORE GOOD REASONS IN AGREEING TO A JOINT RESPONSE WITH THE NINE. MIFT CONTAINS THE TEXT OF A DRAFT COREU SETTING OUT OUR VIEWS, (WHICH FOLLOWS CLOSELY GERMAN VIEWS EXPRESSED IN A RECENT COREU TELEGRAM, ALSO BEING REPEATED TO YOU). WE ARE UNDER NO ILLUSION THAT ANY MESSAGES WILL STIMULATE FURTHER MOVEMENT BY THE IRANIANS, BUT IT WILL REMIND THE IRANIAN AUTHORITIES THAT THE WEST REMAINS DETERMINED TO SUPPORT THE US

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AND TO WORK FOR A SPEEDY SOLUTION. IN OUR VIEW, BANI SADR REMAINS THE MOST SUITABLE RECIPIENT AT PRESENT FOR A JOINT MESSAGE: ALTHOUGH HIS AUTHORITY HAS PROBABLY BEEN ERODED IN RECENT WEEKS, AND THAT OF THE HARDLINE OPPOSITION GROUPS (LIKE THE ISLAMIC REPUBLICAN PARTY) STRENGTHENED, HE IS STILL THE MOST INFLUENTIAL GOVERNMENT FIGURE BEST DISPOSED TO FIND A SOLUTION. FINALLY, ALTHOUGH THE JAPANESE ARE CONCERNED ABOUT THE TIMING OF ANY MOVE, THE AUSTRALIANS HAVE TOLD US THAT A GROUP OF OTHER NON EC WESTERN REPRESENTATIVES INTEND TO MAKE REPRESENTATIONS IN TEHRAN: IT COULD HARM THE EC'S STANDING WITH THE AMERICANS TO APPEAR LESS READY THAN THESE COUNTRIES TO HELP.

4. THE EC RESPONSE TO THE US NOTE HAS BECOME ENTANGLED WITH A SEPARATE PROPOSAL BY THE PRESIDENCY, TAKEN UP BY THE FRENCH IN THE CONTEXT OF THE HOSTAGES, THAT THE NINE SEND A JOINT MESSAGE TO THE NEW PRESIDENT OF THE IRANIAN PARLIAMENT, HASHEMI-RAFSANJANI. WE EXPRESSED OUR RESERVATION ABOUT THIS PROPOSAL IN OUR VIEW, SUCH A MESSAGE NOW MIGHT NOT ONLY CONFUSE THE ISSUE, BUT COULD EVEN STIMULATE THE EXTREMISTS IN THE PARLIAMENT TO REACT AS THEY HAVE DONE OVER THE RECENT MESSAGE SENT BY THE US CONGRESS. HOWEVER, THE PRESIDENCY HAVE TODAY DECIDED TO GO AHEAD WITH THIS PROPOSED MESSAGE ANYWAY. THERE MAY NEVERTHELESS STILL BE POINTS IN REITERATING OUR DOUBTS TO OUR COMMUNITY PARTNERS AS IN THE DRAFT COREU SINCE THE TIMING OF THE PROPOSED MESSAGE TO RAFSANJANI HAS BEEN LEFT TO THE DISCRETION OF THE NINE'S REPRESENTATIVES IN TEHRAN.

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TO IMMEDIATE TERHAN

TELEGRAM NUMBER 400 OF 6 AUGUST

INFO PRIORITY WASHINGTON, MEXICO CITY.

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MY TELS NOS 396 AND 397: IRANIAN STUDENTS

1. THE POLICE HAVE NOW CONFIRMED THAT 72 (SEVENTY-TWO) IRANIAN STUDENTS WERE ARRESTED ON 4 AUGUST. THE 67 WHO HAVE BEEN REMANDED IN CUSTODY HAVE BEEN DIVIDED BETWEEN THE ASHFORD REMAND CENTRE IN MIDDLESEX (FIVE STUDENTS), HOLLOWAY PRISON (NINE WOMEN) AND BRIXTON PRISON (FIFTY-THREE STUDENTS). NONE OF THE STUDENTS ARE ACCEPTING FOOD, THOSE AT BRIXTON ARE ALSO REFUSING WATER. THE PRISONERS IN ALL THREE PRISONS HAVE SO FAR GIVEN THE PRISON AUTHORITIES NO TROUBLE. ONE OF THE 53 HELD IN BRIXTON IS AT PRESENT IN THE PRISON HOSPITAL BECAUSE HE CLAIMS HE HAS RECENTLY HAD A KYDNEY TRANSPLANT (SEE PARAGRAPH 2 OF MY TEL NO 397).

2. LAST NIGHT EHDAIE VISITED BRIXTON AND HOLLOWAY PRISONS. THE GIRLS AT HOLLOWAY SAID THAT THEY WOULD TAKE NO DECISION ON WHETHER THEY WOULD PROVIDE THEIR PERSONAL DETAILS TO THE AUTHORITIES UNTIL THEY KNEW WHAT DECISION THE MALE STUDENTS HAD COME TO. EHDAIE WAS UNABLE TO SEE THOSE HELD IN BRIXTON AND THEREFORE RETURNED THERE THIS AFTERNOON.

3. EHDAIE MADE NO PROGRESS. THE STUDENTS SAID THAT THEY HAD EMBARKED ON THEIR HUNGER STRIKE IN SYMPATHY WITH THE STUDENTS DETAINED UNTIL TODAY IN THE US. HOWEVER, THEY HAD NOW DECIDED TO CONTINUE TO REFUSE TO PROVIDE THEIR PERSONAL DETAILS AND TO ACCEPT FOOD UNTIL THEY ARE UNCONDITIONALLY DISCHARGED AND THE IRANIAN EMBASSY HAS AGREED TO FOLLOW UP THEIR ALLEGATIONS OF BRUTALITY AGAINST THE BRITISH POLICE. THE STUDENTS INSISTED THAT THEY HAD REAL GRIEVANCES AGAINST THE POLICE, AND THAT THEY HAD BEEN APPALLED BY THE BRUTAL BEHAVIOUR SHOWN TOWARDS THEM WHICH THEY HAD NOT EXPECTED IN THE UK AND WHICH WAS WORSE THAN TREATMENT GIVEN TO DISSIDENTS IN IRAN UNDER THE SHAH. THE IRANIAN EMBASSY SOLICITOR ATTEMPTED TO ELICIT SPECIFIC CHARGES BY THE STUDENTS AGAINST THE POLICE. APART FROM ONE OR TWO ALLEGED SPECIFIC ACTS OF BRUTALITY AGAINST THEM, THE STUDENTS WERE NO MORE SPECIFIC THAN TO COMPLAIN ABOUT INSULTS AND JEERING BY THE POLICE BECAUSE OF THE STUDENTS NATIONALITY, RELIGION AND POLITICAL BELIEFS. AT PRESENT, THEREFORE, THE STUDENTS SEEM DETERMINED NOT TO CO-OPERATE. A NUMBER OF THOSE AT BRIXTON SAID THIS AFTERNOON THAT THEY WERE PREPARED TO BE MARTYRS FOR THEIR CAUSE. THEY ASKED HOWEVER, FOR A VOTE OF THANKS TO BE PASSED ON TO THE PRISON AUTHORITIES FOR THE GOOD TREATMENT THEY HAVE SO FAR RECEIVED IN BRIXTON.

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4. EHDAIE TOLD MATHERS (FCO) WHO ACCOMPANIED HIM TO BRIXTON THAT HE WOULD BE REPORTING TO TEHRAN TONIGHT THE FIRM LINE BEING TAKEN BY THE STUDENTS. HE WOULD ALSO EXPRESS THE VIEW THAT THE FCO WAS NOT (NOT) DOING ALL THAT LAY IN ITS POWER TO RESOLVE THE PROBLEM IN THAT, IF IT SO WISHED, IT COULD ARRANGE FOR THE STUDENTS DEMANDS TO BE MET IN THE WAY THAT, HE UNDERSTOOD, HAD HAPPENED IN THE US. EHDAIE WILL SEE THE REMAINING FIVE STUDENTS HELD AT ASHFORD TOMORROW. WE SHALL REPORT ANY FURTHER DEVELOPMENTS.
5. TODAY'S LONDON EVENING NEWSPAPERS HAVE REPORTED THAT THE IRANIAN STUDENTS ARE ON HUNGER STRIKE AND, AS THE IMPASSE CONTINUES, IT IS LIKELY THAT MEDIA INTEREST WILL INCREASE CORRESPONDINGLY.

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IRAN STANDARD

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 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 687 OF 6 AUGUST 80  
 INFO PRIORITY WASHINGTON.

*Prime Minister**MAF 7/8**mb*

YOUR TELNO 397 : IRANIAN STUDENTS.

1. THERE ARE NO SIGNS AT THE MOMENT THAT THE INCIDENTS INVOLVING THE STUDENTS HAVE HEIGHTENED THE RISKS FOR US AND / OR THE BRITISH COMMUNITY. TODAY'S FARSI MORNING PAPERS GIVE THE AFFAIR A FAIR AMOUNT OF PUBLICITY BUT THEY HAVE NOT GONE OVERBOARD. ISLAMIC REPUBLIC CARRIES A FAIRLY INNOCUOUS AFP REPORT ON ITS FRONT PAGE AND, SURPRISINGLY, IT IS BANI SADR'S PAPER, ISLAMIC REVOLUTION WHICH PRINTS - ON PAGE 2 - THE MONSTROUS PARS REPORT, WITH ITS REFERENCE TO "BLOOD-SUCKING BRITISH POLICE", 150 ARRESTS, ETC.
2. FOLLOWING MY TELECONS WITH THE DEPARTMENT, I SPOKE SEVERAL TIMES TO PARS NEWS AGENCY YESTERDAY TO TRY TO STEER THEM ONTO LESS SENSATIONAL LINES. I WAS ASSURED THAT MY COMMENTS HAD GONE OUT ON THE TV AND RADIO NEWS BULLETINS AT 10 P.M. LOCAL TIME BUT HAVE BEEN UNABLE TO VERIFY THIS.
3. NOW THAT THE STUDENTS IN THE US HAVE BEEN RELEASED, THERE SEEMS A REASONABLE CHANCE THAT INTEREST WILL DIE DOWN. THIS ASSUMES, OF COURSE, THAT THE COURT PROCEEDINGS IN LONDON DO NOT RUN INTO SNAGS LEADING TO FURTHER PUBLICITY, WHICH COULD ALL TOO EASILY BE WHIPPED UP HERE IN SENSATIONAL FASHION.

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TO IMMEDIATE TEHRAN  
TELEGRAM NUMBER 397 OF 5 AUGUST  
INFO WASHINGTON

*Prime Minister*

*To glance at Iranian  
Embassy response to  
the Crosvenor by arrests.*

TELECON WYATT/LAMPORT: IRANIAN STUDENTS IN THE UK

1. IT HAS NOW EMERGED THAT THERE ARE 71 STUDENTS ARRESTED. SINCE ALL REFUSED TO GIVE THEIR NAMES AND PERSONAL DETAILS TO EITHER THE POLICE OR THE MAGISTRATES, ALL EXCEPT FIVE (WHO HAVE BEEN RELEASED ON BAIL) HAVE BEEN REMANDED IN CUSTODY UNTIL THE CASES ARE HEARD AGAIN ON 13 OR 14 AUGUST.

2. MED (MIERS) SUMMONED EHDAIE, THE IRANIAN CHARGE D'AFFAIRES, THIS AFTERNOON. EHDAIE COMPLAINED BITTERLY ABOUT THE BEHAVIOUR OF THE BRITISH POLICE AND ALLEGED THAT THEY HAD DELIBERATELY ATTACKED THE PRO-KHOMEINI IRANIAN STUDENTS YESTERDAY EVENING. THE BRITISH POLICE HAD SHOWN CONSISTENTLY IN RECENT MONTHS A PREJUDICE AGAINST PRO-KHOMEINI IRANIANS WISHING TO DEMONSTRATE PEACEFULLY THEIR POLITICAL VIEWS. THERE HAD BEEN NO PROVOCATION SHOWN TO THE POLICE FOR THEIR ACTIONS YESTERDAY EVENING. EHDAIE ALSO CLAIMED THAT THE POLICE REFUSED THE DEMONSTRATORS ACCESS TO FOOD AND OTHER ESSENTIALS AND HAD, IN ONE PARTICULAR INCIDENT, REFUSED TO ALLOW PILLS TO BE PASSED ON TO ONE IRANIAN STUDENT WHO SUFFERED FROM A KIDNEY COMPLAINT. (BUT EHDAIE ADMITTED THAT HE HAD REFUSED TO DIVULGE THE NAME OF THE PATIENT TO THE POLICE). EHDAIE ALLEGED THAT NEWS OF THE GENERAL BEHAVIOUR AND ATTITUDE OF THE BRITISH POLICE WOULD BE RECEIVED BADLY IN IRAN. EHDAIE'S OWN ACCOUNT OF THE INCIDENT HAS BEEN REFLECTED IN PARS AGENCY REPORTING (WHICH HAS BEEN CARRIED BOTH BY REUTERS AND TODAY'S LONDON EVENING PRESS).

3. AFTER A PROLONGED EXCHANGE, DURING WHICH MIERS POINTED OUT THAT THE STUDENTS HAD NOT SOUGHT POLICE AGREEMENT FOR THEIR DEMONSTRATION, NOR HAD EHDAIE HELPED MATTERS BY NOT BEING AVAILABLE TO THE POLICE WHEN THEY HAD SOUGHT HIS HELP OVER GETTING

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THE STUDENTS TO CO-OPERATE BEFORE THEIR APPEARANCE IN COURT THIS MORNING, EHDAIE AGREED THAT IT WAS IN THE INTERESTS OF NEITHER OF OUR COUNTRIES THAT THE INCIDENT BE ALLOWED TO EXACERBATE FURTHER OUR RELATIONS. HE AGREED THAT HE WOULD SEEK ACCESS TO THE STUDENTS BEING DETAINED. HE WISHED TO SATISFY HIMSELF AS TO THE CONDITIONS IN WHICH THEY WERE BEING HELD, BUT HE ALSO AGREED THAT HE WOULD TALK TO THE STUDENTS AND TRY TO PERSUADE THEM TO CO-OPERATE WITH THE POLICE AND THE COURT AUTHORITIES IN ORDER THAT THEIR CASES MIGHT BE DISPOSED OF QUICKLY. HE COULD NOT KNOW HOW THEY WOULD REACT TO HIS ADVICE. WE ARE TRYING TO ARRANGE SPEEDY ACCESS FOR EHDAIE TO THE STUDENTS (HELD IN THREE DIFFERENT PRISONS. WE UNDERSTAND THAT THOSE STUDENTS IN BRIXTON PRISON ARE ALREADY REFUSING TO ACCEPT FOOD.) EHDAIE SAID, SPEAKING 'PERSONALLY', THAT THE BEST SOLUTION WOULD BE TO GIVE THE STUDENTS AN UNCONDITIONAL DISCHARGE.

4. MIERS TOLD EHDAIE OF OUR CONCERN FOR THE SAFETY OF OUR EMBASSY AND THE STAFF IN TEHRAN, PARTICULARLY IN THE LIGHT OF YESTERDAY'S SMALL DEMONSTRATION OUTSIDE OUR EMBASSY, AND ASKED FOR AN ASSURANCE THAT THEY WOULD BE PROTECTED. EHDAIE UNDERTOOK TO CONVEY THIS TO TEHRAN. YOU WILL DOUBTLESS BE TAKING APPROPRIATE PRECAUTIONS. GRATEFUL FOR YOUR ASSESSMENT OF THE DANGERS, TO YOURSELVES AND/OR THE BRITISH COMMUNITY.

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INFO PRIORITY TEHRAN

*Prime Minister*

*MAD 6/8*

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MY TEL 3661: US/IRAN-27 JULY DEMONSTRATIONS IN WASHINGTON

1. THIS PROBLEM MAY HAVE RESOLVED ITSELF. ALL THE DEMONSTRATORS HAVE NOW BEEN PERSUADED BY THEIR LAWYERS TO IDENTIFY THEMSELVES TO THE AUTHORITIES AND ARE EXPECTED TO BE RELEASED TONIGHT. THEIR MINDS SEEM TO HAVE BEEN CONCENTRATED WONDERFULLY WHEN IT WAS PUT TO THEM THAT THE ALTERNATIVE TO CONTINUED IMPRISONMENT OR COOPERATION WAS TO BE PUT ON AN AEROPLANE TO TEHRAN (AT U.S. GOVERNMENT EXPENSE).

2. THEY HAD BEEN MOVED ON 2 AUGUST FROM WASHINGTON TO TWO SEPARATE FEDERAL PRISONS (THE WOMEN TO MANHATTAN AND THE MEN TO OTISVILLE, NEW YORK STATE). THE DISTRICT OF COLUMBIA AUTHORITIES HAD BY THEN DROPPED THEIR CHARGES AGAINST THE DEMONSTRATORS, LEAVING ONLY THE DEPORTATION INTEREST BEING PURSUED BY THE IMMIGRATION AND NATURALISATION SERVICE. A FEW OF THE DEMONSTRATORS MAY TURN OUT NOT TO HAVE COMPLIED WITH LAST NOVEMBER'S DIRECTIVE REQUIRING ALL IRANIAN STUDENTS IN THE U.S. TO REGISTER WITH FEDERAL AUTHORITIES FOR A RULING ON THEIR LEGAL STATUS. THESE WILL FACE DEPORTATION PROCEEDINGS WHICH, WITH THE TIME ALLOWED FOR APPEALS, WOULD TAKE SOME MONTHS.

3. FIVE OF THE DETAINEES PASSED OUT IN THE COURSE OF TODAY BUT ARE EXPECTED TO BE QUICKLY REVIVED AND RELEASED.

4. THERE ARE REPORTS OF DEMONSTRATIONS BY IRANIANS IN SAN FRANCISCO TODAY LEADING TO 20 FURTHER ARRESTS.

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[THIS TELEGRAM WAS NOT ADVANCED]

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TELNO 683 OF 5 AUGUST 80

INFO IMMEDIATE WASHINGTON AND ALL EC POSTS.

*Prime Minister*

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*MPD*  
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MY TELNO 679 : US/IRAN

1. THE DISCUSSION AT THE EC HEADS OF MISSION MEETING ON 5 AUGUST TOOK PLACE AGAINST THE BACKGROUND THAT ONLY THE DANE AND I HAD RECEIVED ANY DETAILS OF THE AMERICAN INITIATIVE. A FURTHER MEETING WILL BE SUMMONED ONCE THE DUTCH PRESIDENCY HAVE THEIR INSTRUCTIONS.
2. ALL MY EC COLLEAGUES FULLY AGREED WITH THE PRELIMINARY REACTION IN MY TUR, NAMELY THAT RELEASE OF THE HOSTAGES ON 12 AUGUST WAS NEVER A STARTER AND THAT, IN THE PRESENT EMBITTERED ATMOSPHERE IN US/IRAN RELATIONS, ANY FORM OF DIPLOMATIC INITIATIVE OR DEMARCHE BY THE NINE WOULD BE A MATTER OF FORM ONLY, SINCE THE IRANIAN RESPONSE WAS BOUND TO BE NEGATIVE AND/OR POLEMICAL, EG BY SUGGESTING THAT AS ALLIES OF THE UNITED STATES OUR FIRST TASK SHOULD BE TO PERSUADE HER TO MEET IRAN'S "JUSTIFIED" DEMANDS, ETC. IT IS RELEVANT THAT A TENDENTIOUS CAMPAIGN IS NOW UNDER WAY HERE TO EXPLOIT IN A BLATANTLY EXAGGERATED AND SENSATIONAL FASHION THE DETENTION OF THE IRANIAN DEMONSTRATORS IN WASHINGTON. EVEN BY IRANIAN STANDARDS, THIS HAS REACHED NEW HEIGHTS OF BAD FAITH; FOR EXAMPLE, WHILE LEVELLING BASELESS ALLEGATIONS AGAINST THE US, IT TOTALLY IGNORES THE ILLEGAL DETENTION OF THE HOSTAGES.
3. IN THE LIGHT OF PARA 3 OF WASHINGTON TELNO 3686 (WHICH I HAD NOT SEEN WHEN WE HELD OUR DISCUSSION), I AM CONFIDENT THAT A HOLDING RESPONSE ON THE LINES SUGGESTED WOULD BE IN LINE WITH THE VIEWS OF MY EC COLLEAGUES. IT WOULD ALSO, IN MY VIEW, REFLECT PRESENT POLITICAL REALITIES IN IRAN. IT SEEMS VERY UNLIKELY THAT A PRIME MINISTER AND GOVERNMENT WILL BE IN PLACE BY 12 AUGUST. I SUGGEST THAT, SINCE THE MAJLES HAVE BEEN FORMALLY CHARGED BY KHOMEINI WITH RESPONSIBILITY FOR THE HOSTAGE ISSUE, ANY EVENTUAL MESSAGE TO THE NEW PRIME MINISTER SHOULD, IF POSSIBLE, BE ACCOMPANIED BY A PARRALLEL ONE TO THE PRESIDENT OF THE MAJLES. I RECOMMEND THAT THE EMPHASIS IN THE MESSAGES SHOULD BE ON AN EARLY SETTLEMENT OF THE HOSTAGE ISSUE RATHER THAN A SIMPLE APPEAL FOR THEIR ACTUAL RELEASE. UNLESS THERE IS A RADICAL CHANGE IN THE PRESENT IRANIAN POSITION, IT IS INCONCEIVABLE THAT THE HOSTAGES WILL BE RELEASED WITHOUT SOME FORM OF US/IRANIAN NEGOTIATION,

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WHICH WILL INEVITABLY NEED TO TAKE ACCOUNT OF THE IRANIAN DEMAND FOR THE RETURN OF THE SHAH'S ASSETS. YOU MAY THINK IT APPROPRIATE TO INJECT THIS THOUGHT IN THE RESPONSE TO THE U.S. NOTE ; IT WOULD BE USEFUL TO KNOW WHETHER THE AMERICANS ARE THEMSELVES CONSIDERING THE POSSIBILITY.

4. THERE IS ONE ASPECT ON WHICH EARLIER AND SEPARATE ACTION BY THE EC MAY BECOME APPROPRIATE. RAFSANJANI STATED IN THE MAJLES ON 4 AUGUST THAT SUGGESTIONS HAD BEEN MADE BY VARIOUS MEMBERS THAT THE SUPREME JUDICIAL COUNCIL SHOULD BEGING PREPARATIONS "FOR THE TRIAL OF THE SPIES". ASSUMING THIS IS PURSUED - AS I THINK WILL CERTAINLY BE THE CASE - IT WOULD BE AN OBVIOUS PEG ON WHICH TO HANG A JOINT DEMARCHE - ARGUING AGAINST THE IDEA OF A BIAL - BY EC AMBASSADORS IN TEHRAN.

IN THIS CONNECTION INCIDENTALLY, THE DUTCH, GERMAN AND DANISH AMBASSADORS ARE ALL EXPECTED BACK IN TEHRAN BY THE END OF AUGUST. THE BELGIAN IS STILL HERE BUT HOPES TO GO ON LEAVE SOON AND, ACCORDING TO THE FRENCH CHARGE, IT IS NOT CERTAIN THAT THE FRENCH AMBASSADOR WILL RETURN AT ALL.

5. THE SCANDINAVIANS AND OTHER WESTERN MISSIONS HERE WHOSE GOVERNMENTS HAVE RECEIVED THE AMERICAN NOTE WERE TO MEET TODAY TO DISCUSS THE SITUATION. I SHALL TRY TO DISCOVER WHAT CONCLUSIONS WERE REACHED AND REPORT ACCORDINGLY.

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INFO PRIORITY TEHRAN  
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YOUR TELS 393 AND 394 TO TEHRAN : US/IRAN.

1. THE U.S. NOTE ORIGINATED IN THE STATE DEPARTMENT IN THE SENSE THAT THEY CONSTRUCTED THE CASE THAT THE FOUR ELEMENTS LISTED IN THE NOTE (QUEEN'S RELEASE, THE SHAH'S DEATH, THE "APPARENT IMPENDING SELECTION OF A PRIME MINISTER AND CABINET" AND THE IMMINENCE OF ID AL-FITR), EVEN IF INDIVIDUALLY THEY DO NOT SIGNIFICANTLY CHANGE THE SCENE, TOGETHER COULD OPEN UP NEW POSSIBILITIES. IT WAS THEREFORE ARGUABLE THAT THE TIME FOR AMERICA'S FRIENDS TO TAKE DIPLOMATIC ACTION TO HELP MIGHT BE RIPER NOW THAN WHEN THE U.S. LAST ASKED FOR HELP OF THIS KIND. THAT SAID, EVERYTHING TO DO WITH IRAN IN THE STATE DEPARTMENT HAPPENS AGAINST THE BACKGROUND OF CONSTANT PRESSURE FROM THE WHITE HOUSE TO DO SOMETHING . (LAST WORD UNDERLINED).

2. THE STATE DEPARTMENT WERE NOT WHOLLY CONVINCED THAT THE TIMING OF THIS APPROACH WAS RIGHT. WHAT APPEARS TO HAVE DECIDED IT WAS THE ID AL-FITR ARGUMENT, NOT ONE IN WHICH STATE DEPARTMENT HAVE MUCH FAITH EXCEPT IN SO FAR AS THE ID COULD PROVIDE AN OCCASION FOR MOVEMENT, IF THE IRANIANS ARE LOOKING FOR ONE, AND THAT IT IS PERHAPS THE LAST OBVIOUS OCCASION BEFORE THE U.S. ELECTIONS. STATE DEPARTMENT WOULD ADMIT THAT THE DELAY IN ESTABLISHING AN IRANIAN GOVERNMENT, *TAKEN WITH THE DAMAGE* TO THE ATMOSPHERE FLOWING FROM THE ARREST OF THE IRANIAN DEMONSTRATORS HERE, HAS WEAKENED THE CASE SINCE THE NOTE WAS WRITTEN. BUT THEY ALSO BELIEVE THAT, IF THINGS WERE TO MOVE UNEXPECTEDLY QUICKLY ON THE IRANIAN GOVERNMENT FRONT, IT WOULD BE WRONG NOT TO BE POISED TO TAKE ADVANTAGE OF THE ID AL-FITR AND OTHER COINCIDENCES.

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3. IF THE NINE'S RESPONSE TO THIS APPROACH IS AGAIN DISCOURAGING, I HOPE IT CAN BE CONVEYED IN A CONSTRUCTIVE WAY. NOT TOO MUCH EMPHASIS NEEDS TO BE ATTACHED TO THE 12 AUGUST TARGET, ESPECIALLY IF IT BECOMES CLEAR BETWEEN NOW AND THEN THAT THERE WILL BE NO PRIME MINISTER OR GOVERNMENT IN PLACE. A REPLY ARGUING THAT THE TIME IS STILL NOT RIPE COULD PERHAPS INCLUDE AN ASSURANCE THAT THE NINE ARE KEEPING THEIR EYES OPEN FOR THE RIGHT MOMENT AND BY NO MEANS RULE OUT MAKING AN EARLY APPROACH TO THE NEW IRANIAN PRIME MINISTER WHEN HE IS APPOINTED.

4. THE AMERICANS HAVE, INCIDENTALLY, MADE THIS APPROACH IN SOME FORTY CAPITALS, MAINLY WESTERN AND FRIENDLY THIRD WORLD, PARTICULARLY ISLAMIC, COUNTRIES - BUT ALSO IN MOSCOW. THERE SEEMS LITTLE CHANCE OF CONCEALING THE AMERICAN PARENTAGE OF ANY CONSEQUENTIAL ACTION.

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TELEGRAM NUMBER 680 OF 4 AUGUST 80

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OUR TELNO 674 : SITUATION IN IRAN.

1. THE LOCAL MEDIA IS DOMINATED BY COVERAGE OF THE DETENTION AND ALLEGED TORTURE OF IRANIAN DEMONSTRATORS IN THE US (SEE TUR). THE TONE IS STRONGLY HOSTILE TO THE US. BANI SADR, KHAMENE'I (IMAM JOMEH OF TEHRAN), THE ARMY GENERAL STAFF, THE "STUDENTS" AND OTHER POLITICAL FIGURES AND GROUPS HAVE EXPRESSED SOLIDARITY WITH THE DEMONSTRATORS AND CALLED ON THEM TO CONTINUE TO RESIST. QOTBZADEH IS REPORTED TO HAVE ASKED WALDHEIM TO VISIT THE DETAINEES. A NOISY DEMONSTRATION WAS HELD THIS MORNING OUTSIDE THE US EMBASSY AND THERE ARE RUMOURS OF ANOTHER TOMORROW.

HELD THIS MORNING OUTSIDE THE US EMBASSY AND THERE ARE RUMOURS OF ANOTHER TOMORROW.

2. IN HIS ADDRESS AT THE FRIDAY PRAYERS ON 1 AUGUST, KHAMENE'I ECHOED RAFSANJANI'S REACTION TO THE US CONGRESSMEN'S LETTER ABOUT THE HOSTAGES (SEE TUR). KHAMENE'I SAID THE LETTER "DID NOT CARRY THE RING OF TRUTH".
3. BANI SADR IN A SPEECH IN MASHAD ON 1 AUGUST SAID THAT THE MAJLES HAD BECOME "A BASTION OF OPPOSITION" TO ANYTHING HE TRIED TO DO. HE CONFIRMED THAT THE POSTPONEMENT OF THE APPROVAL OF MIR-SALIM AS PRIME MINISTER WAS BECAUSE OF MAJLES OPPOSITION. HE INSISTED THAT HE WOULD CONTINUE IN OFFICE AND "BE TRUE TO" HIS PRINCIPLES. HE ALSO BLAMED THE US FOR PROLONGING THE HOSTAGE CRISIS "BY CREATING MORE (UNSPECIFIED) PROBLEMS".
4. IN ANSWER TO CRITICISM FROM KHOMEINI IN A SPEECH ON 28 JULY, BAZARGAN HAS STOUTLY DEFENDED HIS OWN ROLE AND THAT OF HIS GOVERNMENT IN AN OPEN LETTER TO THE IMAM. HE SAID HE HAD FAVOURED A GENERAL AMNESTY BECAUSE SUCH "SOFTNESS" (CONDEMNED BY KHOMEINI) WAS IN THE SPIRIT AND TRADITION OF ISLAM. HE POINTED OUT THAT REVOLUTIONARY ACTION WAS DIFFERENT FROM THE EXTREMISM, VIOLENCE AND DESTRUCTION WHICH WERE SO COMMON IN POST-REVOLUTIONARY IRAN.
5. IN RESPONSE TO A MESSAGE FROM THE POPE EXPRESSING CONCERN ABOUT THE PROBLEM OF CHRISTIAN MISSIONARY SCHOOLS IN IRAN, KHOMEINI ON 3 AUGUST STATED THAT THESE SCHOOLS COULD REMAIN OPEN, PROVIDED THEY WERE NOT USED FOR ANYTHING EXCEPT EDUCATIONAL PURPOSES; THE ISLAMIC GOVERNMENT WOULD INVESTIGATE THEIR ACTIVITIES AND DECIDE WHETHER OR NOT THEY MET THIS CONDITION.
6. IN THE SAME ADDRESS, KHOMEINI STRESSED THAT IRAN WOULD CONTINUE TO RESIST OPPRESSION : "IRAN HAD LOST EVERYTHING IT HAD UNDER THE DOMINATION OF THE BRITISH AND AMERICANS. REZA KHAN WAS FORCED UPON US BY THE BRITISH AND MOHAMMED REZA BY THE BRITISH, AMERICANS AND RUSSIANS."
7. THE SPATE OF EXECUTIONS (SEE TUR) CONTINUES. THIRTY-TWO ARE REPORTED TO HAVE BEEN EXECUTED SINCE 31 JULY, INCLUDING 3 KURDISH "REBELS" AND A NUMBER OF ALLEGED DRUG TRAFFICKERS, SEXUAL OFFENDERS AND MURDERERS. THE KERMAN REVOLUTIONARY COURT CARRIED OUT ANOTHER EXECUTION BY STONING ON 1 AUGUST - THIS TIME OF A SELF-CONFESSED ADULTERER.
8. THERE HAVE BEEN A NUMBER OF SHOOTING INCIDENTS AT NIGHT

6. THERE HAVE BEEN A NUMBER OF SHOOTING INCIDENTS AT NIGHT IN TEHRAN OVER THE LAST FEW DAYS, MANY OF WHICH GO UNEXPLAINED IN THE PRESS. THERE HAVE ALSO BEEN EXPLOSIONS IN KERMANSHAH, THE MINISTRY OF NATIONAL GUIDANCE OFFICES AND IN AHWAZ. THE SITUATION IN AHWAZ IS APPARENTLY STILL TENSE AS REPRESSION AFTER THE ALLEGED COUP ATTEMPT CONTINUES, AND THERE ARE ALREADY RUMOURS OF ANOTHER COUP IN THE MAKING.

FCO PLEASE PASS SAVING ADDRESSEES.

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FM TEHRAN 041000Z AUG  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 679 OF 4 AUGUST 80  
INFO IMMEDIATE WASHINGTON  
INFO PRIORITY EC POSTS.

*Rome Minister*  
*MP*

YOUR TELNOS 393 AND 394 : US/IRAN

*mt*

1. THE DUTCH EMBASSY HAVE SO FAR RECEIVED NOTHING FROM THE PRESIDENCY ON THIS LATEST AMERICAN INITIATIVE. I HAVE, HOWEVER, BRIEFED THE DUTCH CHARGE AND WE SHALL DISCUSS THE MATTER AT THE REGULAR EC HEADS OF MISSION MEETING ON 5 AUGUST. I SHALL REPORT IMMEDIATELY THEREAFTER.
2. MY INITIAL REACTION IS THAT ON PRESENT EVIDENCE THE POSSIBILITY OF RELEASE OF THE HOSTAGES ON 12 AUGUST SEEMS TOTALLY UNREALISTIC. THE GENERAL POLITICAL SITUATION HERE REMAINS UNFAVOURABLE AND A CONSIDERABLE AMOUNT OF ADDITIONAL BITTERNESS HAS BEEN INJECTED INTO US/IRANIAN RELATIONS BY THE RECENT IRANIAN DEMONSTRATION IN WASHINGTON AND ITS AFTERMATH. FURTHERMORE, THE US NOTE (FIRST REF TEL) HAS ONE VERY SIGNIFICANT OMISSION, NAMELY THE QUESTION OF THE RETURN TO IRAN OF THE SHAH'S ASSETS. PRACTICALLY ALL IRANIAN COMMENT SINCE THE SHAH'S DEATH HAS EMPHASISED THAT THE RETURN OF THE ASSETS IS ESSENTIAL IF ANY PROGRESS IS TO BE ACHIEVED ON THE HOSTAGE ISSUE. THIS THEME WILL CERTAINLY BE GIVEN EMPHASIS BY THE MAJLES WHEN IT TAKES THE ISSUE.

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TELEGRAM NUMBER 678 OF 4 AUGUST 80.

*Prime Minister*

*MAR 48*

*mt*

INFO PRIORITY WASHINGTON.

MY TELNO 670 : IRANIAN PROTEST.

1. AN IRANIAN PROTEST NOTE, DATED 2 AUGUST AND MARKED "MOST URGENT", ARRIVED TODAY, 4 AUGUST. TEXT IS AS FOLLOWS :

"THE MINISTRY OF FOREIGN AFFAIRS OF THE ISLAMIC REPUBLIC OF IRAN PRESENT THEIR COMPLIMENTS TO HBM EMBASSY, TEHRAN, AND HAVE THE HONOUR TO DRAW THE ATTENTION OF THE EMBASSY TO THE COMMUNIQUE ISSUED BY HBM GOVERNMENT ABOUT THE DEATH OF THE DEPOSED SHAH OF IRAN AND TO EXPRESS THEIR STRONG PROTEST AT THE ISSUE OF SUCH A COMMUNIQUE. IT IS SURPRISING THAT HBM GOVERNMENT HAVE ISSUED SUCH A COMMUNIQUE IN THE PRESENT SENSITIVE CONDITIONS OF RELATIONS BETWEEN THE TWO COUNTRIES, WITHOUT GIVING THOUGHT TO THE IRANIAN NATION'S FEELING OF HATRED TOWARDS A PERSON WHO HAD RULED IT OPPRESSIVELY FOR YEARS. IT WAS EXPECTED THAT HBM GOVERNMENT, BY BEING REALISTIC AND BY TAKING INTO CONSIDERATION THE PURE FEELINGS OF THE OPPRESSED IRANIAN NATION, WOULD NOT HAVE MADE SUCH A STATEMENT ON THE DEATH OF THE DEPOSED SHAH OF IRAN, WHO HAD TREATED HIS NATION TYRANNICALLY DURING HIS REIGN."

2. THE TEXT HAS NOT YET BEEN MADE PUBLIC BUT IT SEEMS LIKELY THAT IT WILL BE.

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TO IMMEDIATE TEHRAN  
TELEGRAM NUMBER 393 OF 31 JULY  
AND TO IMMEDIATE WASHINGTON  
INFO PRIORITY EC POSTS.  
US/IRAN

*Read in full* 

1. FOLLOWING NOTE ON THE AMERICAN HOSTAGES WAS LEFT WITH MOBERLY THIS AFTERNOON BY THE US EMBASSY. FURTHER BACKGROUND AND OUR INITIAL VIEWS WILL FOLLOW:

A CRITICAL MOMENT HAS BEEN REACHED IN THE HOSTAGE CRISIS WITH THE JOINING OF FOUR EVENTS THAT COULD PROVIDE THE BEST OCCASION IN MONTHS FOR RELEASE OF THE HOSTAGES:

THE HUMANITARIAN RELEASE OF RICHARD QUEEN WHICH WAS ACCOMPLISHED QUICKLY AND WITHOUT DEBATE BY THE IRANIANS AND GREETED IN POSITIVE TERMS BY THE U.S. AND WORLD PUBLIC.

THE DEATH OF THE FORMER SHAH SIGNIFYING IN A DEFINITE SENSE THE END OF AN ERA AND REMOVING THE OSTENSIBLE CAUSE FOR THE SEIZURE OF THE U.S. EMBASSY AND THE HOLDING OF THE HOSTAGES.

THE APPARENTLY IMPENDING SELECTION OF A PRIME MINISTER AND CABINET WHICH, WHEN APPROVED BY THE IRANIAN PARLIAMENT, WILL PUT IN PLACE THE FINAL INSTITUTIONS OF THE REVOLUTION. THE PARLIAMENT, WHICH HAS BEEN VESTED WITH THE RESPONSIBILITY FOR DEALING WITH THE HOSTAGE CRISIS, MAY TURN TO THE BUSINESS ON ITS AGENDA THIS WEEK OR NEXT.

THE EID AL-FITR AT THE END OF RAMADAN ON AUGUST 12, A RELIGIOUS HOLIDAY ON WHICH IT WOULD BE APPROPRIATE TO RELEASE THE HOSTAGES. IT IS HIGHLY IMPORTANT THAT THIS MOMENT NOT SLIP AWAY, AND THAT THE MOST EFFECTIVE AND SUBTLE MEANS OF PERSUASION BE USED WITH THE IRANIANS TO INDUCE THEM TO REACH A QUICK AND HONORABLE SOLUTION TO THE CRISIS.

IT IS IMPORTANT THAT A TRIAL BE AVOIDED AS A WAY OUT OF THE CRISIS. PUTTING SOME OR ALL OF THE HOSTAGES ON TRIAL COULD CREATE A DANGEROUS SITUATION FOR THE HOSTAGES AND IRAN. THEREFORE, WE ASK THAT YOU CONSIDER URGENTLY THE BEST WAY THAT YOUR GOVERNMENT CAN INFLUENCE IRAN IN A POSITIVE DIRECTION. FOR EXAMPLE, A MESSAGE CONVEYING VIEWS ON THE HOSTAGES TO THE NEW PRIME MINISTER ON HIS TAKING OF OFFICE, A SIMILAR MESSAGE TO THE NEW FOREIGN MINISTER: A MESSAGE TO THE NEW PRESIDENT OF THE PARLIAMENT (HASHEMI RAFSANJANI), OR MESSAGES TO PRESIDENT BANI-SADR OR TO AYATOLLAH KHOMEINI.

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SOME COUNTRIES MAY WISH TO SEND A DELEGATION OR TO URGE LOCAL ISLAMIC LEADERS TO VISIT TEHRAN DURING THIS PERIOD. SOME COUNTRIES WILL FIND PUBLIC STATEMENTS USEFUL WHILE OTHERS WILL PREFER PRIVATE CONTACTS. THE IMPORTANT THING IS THAT THE IRANIANS UNDERSTAND THE STRONG VIEWS OF THEIR FRIENDS ABROAD. IN ALL OF THE INITIATIVES TAKEN BY OUR FRIENDS, IT WILL BE IMPORTANT THAT THEY DO SO IN THEIR OWN NAMES AND NOT ASSOCIATE US WITH THOSE INITIATIVES. A U.S. LABEL CAN BE DESTRUCTIVE.

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TO PRIORITY F C O

TELEGRAM NUMBER 2661 OF 31 JULY

INFO PRIORITY TEHRAN.

WASHINGTON TEL 2616: US/IRAN-27 JULY DEMONSTRATIONS IN WASHINGTON.

1. THIS IS TAKING A POTENTIALLY NASTY TURN. THE WASHINGTON DC POLICE ON 27 JULY ROUNDED UP AND ARE STILL HOLDING 170 MEN AND 20 WOMEN FROM AMONG THE PRO-KHOMEINI DEMONSTRATORS. ALL ARE REFUSING TO COOPERATE IN ANY WAY; THEY WILL NOT SPEAK ENGLISH, ACCEPT FOOD (THOUGH SOME ARE ACCEPTING WATER), GIVE THEIR NAMES OR ALLOW THEMSELVES TO BE MOVED INTO INDIVIDUAL CELLS. THEY ARE BEING HELD, AT THEIR OWN INSISTENCE, IN TWO ROOMS, ONE FOR MEN AND ONE FOR WOMEN, WHERE CONDITIONS ARE BECOMING INCREASINGLY UNCOMFORTABLE. ONE WOMAN HAS ALREADY BEEN TAKEN TO HOSPITAL FOR INTRAVENOUS FEEDING. NEITHER THE ALGERIAN EMBASSY, WHO LOOK AFTER IRANIAN INTERESTS HERE, NOR LAWYERS WHO HAVE ACTED FOR IRANIANS IN THE PAST, CAN INDUCE ANY COOPERATION FROM THEM. THEY ARE REMARKABLY UNITED AND SHOWING NO SIGNS EITHER OF PRODUCING A SPOKESMAN OR OF FRAGMENTING.

2. QUITE APART FROM THE IMMEDIATE PROBLEMS FACED BY THE DC POLICE AND THE JUSTICE DEPARTMENT ON 27 JULY, BY 28 JULY THE IMMIGRATION AND NATURALISATION SERVICE HAD GOT IN ON THE ACT, LOOKING FOR LAW BREAKERS WHO COULD BE EXPELLED FROM THE COUNTRY UNDER THE NEW REGULATIONS. BUT THE IRANIANS' REFUSAL TO GIVE THEIR NAMES IS PROVING EQUALLY FRUSTRATING TO THE INS. A WHOLESALVE ATTEMPT TO EXPEL THE LOT WOULD IMMEDIATELY RUN INTO US LEGAL PROBLEMS E.G. FROM THE AMERICAN CIVIL LIBERTIES UNION.

3. STATE DEPARTMENT ARE INCREASINGLY CONCERNED THAT THIS IRANIAN SEARCH FOR MARTYRDOM HERE COULD AFFECT THE POSITION OF THE US HOSTAGES IN IRAN. A HIGH LEVEL ADMINISTRATION MEETING IS SCHEDULED FOR 1 AUGUST AT WHICH STATE DEPT HOPE THAT CONSIDERATION FOR THE HOSTAGES WILL BE ALLOWED TO OUTWEIGH THE BUREAUCRATIC REQUIREMENTS OF THE DEPARTMENT OF JUSTICE AND THE INS. IDEALLY THOSE HELD WILL AGREE TO A MINIMAL LEVEL OF COOPERATION, EG GIVING THEIR NAMES, WHICH WILL ENABLE THE POLICE TO RELEASE THEM, PERHAPS WITH A SMALL FINE; BUT, FAILING THAT, STATE DEPARTMENT WOULD EVEN FAVOUR RELEASING THEM UNCONDITIONALLY.

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TELEGRAM NUMBER 674 OF 31 JULY 80  
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ROME, PARIS, BRUSSELS, BONN.

MY TELNO 667 : SITUATION IN IRAN.

1. THE STALEMATE ABOUT THE APPOINTMENT OF A PRIME MINISTER CONTINUES AND NO NEW DEVELOPMENTS HAVE BEEN REPORTED IN THE PAST 24 HOURS.
2. THERE HAS BEEN RENEWED PUBLICITY ABOUT THE US HOSTAGES. MAJLES DEPUTY DR HASSAN AYAT (IRP) SAID IN A NEWSPAPER INTERVIEW THAT IF THE SHAH'S WEALTH IS RETURNED TO IRAN, THE FATE OF THE HOSTAGES MAY CHANGE AND IT IS POSSIBLE THAT THEY WILL BE RELEASED. HE ADDED THAT THEY SHOULD DEFINITELY BE TRIED IF THE MONEY WAS NOT RETURNED. CENTRAL BANK CHAIRMAN NOWBARI ANNOUNCED THAT SOME DOLLARS 32 MILLION WORTH OF THE SHAH'S ASSETS HAD BEEN TRACED. (OTHER FIGURES HAVE ALSO BEEN QUOTED.) THE HOSTAGES' FUTURE HAS ALSO BEEN LINKED TO THE REPORTED "ATTACK" BY US POLICE ON THE IRANIAN STUDENTS WHO DEMONSTRATED IN WASHINGTON FOLLOWING THE DEATH OF THE SHAH. THE LOCAL PRESS HAVE REPORTED THEIR SUBSEQUENT HUNGER-STRIKE IN PRISON AND THE ALLEGED POOR CONDITIONS IN WHICH THEY ARE BEING HELD. THE MATTER IS BEING HANDLED IN EMOTIVE AND STRONGLY ANTI-AMERICAN TERMS. // 11
3. THE LETTER ADDRESSED TO RAFSANJANI, PRESIDENT OF THE MAJLES, BY 180 US CONGRESSMEN, REQUESTING THAT PRIORITY BE GIVEN TO THE HOSTAGE ISSUE, HAS BEEN GIVEN WIDE PUBLICITY. RAFSANJANI'S REPLY, GIVEN IN A SPEECH TO THE MAJLES ON 30 JULY, WAS WHOLLY NEGATIVE; HE ACCUSED THE US OF TELLING LIES AND LISTED IRAN'S CONTINUED GRIEVANCES AGAINST AMERICA. THESE LARGELY CONCERNED US ACTION (FREEZING OF ASSETS ETC) TAKEN IN RESPONSE TO THE HOSTAGE TAKING. RAFSANJANI ADDED THAT "THE PROBLEM COULD NOT BE SOLVED PEACEFULLY". THE CONCLUSION MUST BE THAT THE CONGRESSMEN'S LETTER WILL HAVE LITTLE IF ANY POSITIVE EFFECT.
4. EIGHT WERE REPORTED KILLED AND SOME 40 INJURED WHEN A BOMB EXPLODED OUTSIDE AN HOTEL IN AHWAZ ON 30 JULY. IRAQI AGENTS AND ANTI-REVOLUTIONARIES ARE SAID TO HAVE BEEN RESPONSIBLE. THERE HAVE BEEN REPORTS OF SIMILAR, THOUGH LESS SERIOUS INCIDENTS IN OTHER PROVINCIAL CENTRES AND BOMB ATTACKS GENERALLY (MOSTLY OF AN INDISCRIMINATE NATURE) SEEM TO BE ON THE INCREASE. IT IS

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NOT CLEAR WHETHER THEY ARE ALL BEING REPORTED: A LOUD EXPLOSION WAS HEARD NEAR THE EMBASSY ON THE EVENING OF 29 JULY BUT THERE HAS BEEN NO MENTION OF IT IN THE PRESS.

5. THE FAIRLY LOW-KEY PUBLICITY GIVEN TO WORLD LEADERS' MESSAGES OF CONDOLENCE FOLLOWING THE DEATH OF THE SHAH AND TO ATTENDANCE AT THE FUNERAL NOW SEEMS TO HAVE DIED DOWN COMPLETELY. THERE IS NO SIGN THAT THE SHAH'S PASSING WILL MARK ANY REAL CHANGE IN THE SITUATION HERE. FOR EXAMPLE, AT HIS WEEKLY PRESS CONFERENCE ON 30 JULY, BEHESHTI DESCRIBED THE EVENT AS UNIMPORTANT AND SAID, POLITICALLY, THE SHAH HAD DIED LONG AGO. A SMALL ANTI-AMERICAN DEMONSTRATION, WHICH INCLUDED THE BURNING OF THE US FLAG, TOOK PLACE WITHOUT INCIDENT OUTSIDE OUR EMBASSY ON 30 JULY.

6. ACCORDING TO FIGURES ANNOUNCED ON 30 JULY BY THE GRAIN ORGANISATION, AN ESTIMATED 2.3 MILLION TONNES OF WHEAT WILL BE REQUIRED BY IRAN DURING THE NEXT YEAR. OF THIS, 1.2 MILLION TONNES WILL HAVE TO BE IMPORTED. ARRANGEMENTS HAVE ALREADY BEEN MADE TO IMPORT 800,000 TONNES FROM ARGENTINA. CLAIMING THAT THERE WAS NO CAUSE FOR ANXIETY ABOUT WHEAT SHORTAGES, THE ORGANISATION STATED THAT THERE WERE POTENTIAL DIFFICULTIES OVER INTERNAL DISTRIBUTION OF ESSENTIAL COMMODITIES BUT THAT PLANS WERE IN HAND TO OVERCOME THESE.

7. EXECUTIONS FOR DRUG ETC OFFENCES CONTINUE UNABATED AND ELEVEN MORE ALLEGED COUP PLOTTERS WERE EXECUTED IN TEHRAN ON 31 JULY. KHALKHALI HAS CALLED OMINOUSLY FOR STRICTER ADHERENCE IN PUBLIC TO RAMADAN FASTING RULES: ANYONE FOUND EATING IN PUBLIC "WILL FACE THE MOST SERIOUS PUNISHMENT".

8. THE DESIGN OF THE NEW FLAG OF THE ISLAMIC REPUBLIC OF IRAN, AS APPROVED BY THE REVOLUTIONARY COUNCIL ON 6 JULY, HAS JUST BEEN ANNOUNCED. IT WILL CONSIST OF GREEN, WHITE AND RED STRIPES AS BEFORE BUT WITH THE EMBLEM OF THE ISLAMIC REPUBLIC IN THE CENTRE. THE SLOGAN ALLAH-O-AKBAR IS TO BE PRINTED 22 TIMES (RECALLING THE REVOLUTIONARY DATE OF 22 BAHMAN) AT THE JUNCTIONS OF THE COLOURS.

FCO PLEASE PASS SAVING ADDRESSEES.

(REPEATED AS REQUESTED)

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FM TEHRAN 300515Z JUL

TO PRIORITY FCO

TELEGRAM NUMBER 671 OF 30 JULY 80

INFO WASHINGTON.

IRANIAN PRIME MINISTER.

1. AS YOU WILL HAVE SEEN FROM PRESS REPORTS, THERE HAS BEEN A HICCUP IN THE MOVES TO APPOINT A PRIME MINISTER. THE MAJLES MET IN CLOSED SESSION ON 28 JULY AND, ALTHOUGH THERE DOES NOT SEEM TO HAVE BEEN A FORMAL VOTE, SUFFICIENT OPPOSITION TO BANI SADR'S NOMINEE, MIRSALIM, WAS EXPRESSED TO BRING INTO QUESTION HIS APPROVAL BY THE MAJLES. BANI SADR HIMSELF THEN SUGGESTED THAT A DECISION BE POSTPONED AND A COMMITTEE ESTABLISHED, CONSISTING OF REPRESENTATIVES OF KHOMEINI, THE PRESIDENCY AND THE MAJLES, TO DISCUSS POSSIBLE CANDIDATES FOR

La.

(PA not yet consulted about message).

Paul



LISHED, CONSISTING OF REPRESENTATIVES OF KHOMEINI, THE PRESIDENCY AND THE MAJLES, TO DISCUSS POSSIBLE CANDIDATES FOR THE POST AS WELL AS FOR MINISTERIAL JOBS. THIS PROPOSAL IN TURN HAS RUN INTO DIFFICULTIES, SINCE KHOMEINI HAS REFUSED TO APPOINT A REPRESENTATIVE TO THE COMMITTEE.

2. ALTHOUGH MIRSALEM IS A MEMBER OF THE CENTRAL COMMITTEE OF THE IRP, HE HAS SO FAR OBVIOUSLY BEEN UNABLE TO WIN SUFFICIENT SUPPORT IN THE MAJLES. MANY OF THE HARD-LINE DEPUTIES SEEM TO BE PERSISTING IN CALLING FOR THE APPOINTMENT OF JALALADIN FARSI, WHO WAS DISBARRED BY KHOMEINI AS THE IRP CANDIDATE FOR THE PRESIDENCY ON ACCOUNT OF HIS AFGHAN ANCESTRY. THE NAMES OF OTHER POSSIBLE CANDIDATES ARE ALSO BEING PUT ABOUT.

3. IT IS IMPOSSIBLE TO PREDICT THE OUTCOME OF THIS TYPICAL IRANIAN IMBROGLIO. SO FAR, WE HAVE ASSUMED THAT KHOMEINI WOULD NOT FAVOUR AN OUT-AND-OUT CONFRONTATION BETWEEN THE IRP AND BANI SADR AND WOULD BE OPPOSED TO EITHER THE LATTER'S RESIGNATION OR HIS BEING OUSTED FROM THE PRESIDENCY. I THINK THAT THIS INTERPRETATION STILL HOLDS GOOD, ALTHOUGH IN THE PRESENT SITUATION HERE, WITH THE ISLAMIC WILD MEN IN RAMPANT MOOD, ANYTHING CAN HAPPEN.

4. ON THE ASSUMPTION THAT THE THREATENED IRANIAN PROTEST ABOUT HMG'S CONDOLENCES ON THE SHAH'S DEATH DOES NOT GET BLOWN UP OUT OF PROPORTION (MY TELNO 670 REFERS), I HOPE THAT FAVOURABLE CONSIDERATION WILL BE GIVEN TO A SUITABLE MESSAGE FROM THE PRIME MINISTER TO WHICHEVER CANDIDATE IS FINALLY CONFIRMED IN OFFICE. I PROPOSE SOMETHING ON THE FOLLOWING LINES :

"I SHOULD LIKE TO OFFER YOU MY CONGRATULATIONS ON YOUR APPOINTMENT AS PRIME MINISTER OF THE ISLAMIC REPUBLIC OF IRAN, WHILE REITERATING HER MAJESTY'S GOVERNMENT'S DESIRE TO MAINTAIN FRIENDLY RELATIONS WITH YOUR GOVERNMENT, I WISH YOU SUCCESS IN CARRYING OUT THE IMPORTANT RESPONSIBILITIES YOU HAVE UNDERTAKEN".

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 FM WASHINGTON 282130Z JUL 80  
 TO PRIORITY FCO  
 TELEGRAM NUMBER 2616 OF 28 JULY  
 INFO PRIORITY TEHRAN

*Unhelpful**mb*

US/IRAN

1. THERE WERE BOTH PRO AND ANTI-KHOMEINI DEMONSTRATIONS BY IRANIANS IN WASHINGTON YESTERDAY. BOTH HAD BEEN ORGANISED BEFORE THE SHAH'S DEATH. THE SMALLER (ABOUT 500) AND MORE GENTEEL ANTI-KHOMEINI DEMONSTRATION WAS ADDRESSED BY THE NORMALLY SELF EFFACING TWIN BROTHER OF ALI AKBAR TABATABAI THE FORMER PRESS COUNSELLOR AT THE IRANIAN EMBASSY WHO WAS ASSASSINATED HERE ON 22 JULY.

2. DESPITE THE DEPLOYMENT OF 500 POLICE THE TWO SIDES CLASHED AND THE LARGER (ABOUT 1200) PRO-KHOMEINI CROWD RAN INTO FURTHER TROUBLE WITH MEMBERS OF THE WASHINGTON PUBLIC AND WITH THE POLICE WHEN THEY LEFT THE ROUTE DESIGNATED FOR THE DEMONSTRATION. AS A RESULT THERE WERE ABOUT 150 ARRESTS (NEARLY ALL OF PRO-KHOMEINI DEMONSTRATORS) AND BOTH TV AND NEWSPAPERS CARRY SOME UGLY PICTURES OF CLUB WIELDING POLICE AND BROKEN IRANIAN HEADS. TODAY MANY OF THOSE ARRESTED ARE REFUSING TO COOPERATE WITH THE LAW ENFORCEMENT AUTHORITIES AND THERE IS TALK OF A HUNGER STRIKE

HENDERSON

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TO PRIORITY FCO

TELEGRAM NUMBER 667 OF 28 JULY 80

INFO PRIORITY CABINER OFFICE (DIO) MODUK (DI4 AND DS11)

CRE5, WASHINGTON,

INFO SAVING UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
 BAHRAIN, DOHA, DUBAI, KUWAIT, MOSCOW, MUSCAT, NEW DELHI, ROME  
 PARIS, BRUSSELS, BONN, JEDDA,.

MY TELNO 663 : SITUATION IN IRAN.

1. REACTION HERE TO THE SHAH'S DEATH HAS SO FAR BEEN SURPRISINGLY  
LOW-KEY. TEHRAN RADIONON 27 JULY ANNOUNCED THAT THE "BLOODSUCKER  
 OF THE CENTURY" HAD DIED, BUT HIS DEATH HAS NOT BEEN MENTIONED  
 SO FAR IN TODAY'S BROADCASTS. AFTER THE INITIAL ANNOUNCEMENT,  
 PEOPLE BRANDISHED THE EVENING PAPER WITH THE HEADLINE "SHAH  
 DEAD", MOTORISTS SWITCHED ON THEIR CAR LIGHTS AND SOUNDED THEIR  
 HORNS, BUT THE EXCITEMENT WAS FAR LESS THAN AT THE TIME OF THE  
 SHAH'S DEPARTURE FROM IRAN. NOWBARI, GOVERNOR OF THE CENTRAL BANK,  
 WELCOMED THE NEWS OF THE SHAH'S DEATH, SAYING THAT IRAN WOULD  
 CONTINUE TO SEEK THE RETURN OF HIS ASSETS. KHOEINI, THE MULLAH

CONTINUE TO SEEK THE RETURN OF HIS ASSETS. KHOEINI, THE MULLAH ASSOCIATED WITH THE "STUDENTS" AT THE UNITED STATES EMBASSY, TOOK THE SAME LINE AND SAID THE POSITION OF THE HOSTAGES WAS UN- AFFECTED.

2. THE IRP NEWSPAPER JOMHOURI ESLAMI COMMENTED ACIDLY THIS MORNING ON MESSAGES OF CONDOLENCE FROM WORLD LEADERS. REFERRING TO THOSE FROM HM THE QUEEN AND THE PRIME MINISTER, THE NEWSPAPER NOTED THAT JUST AS BRITAIN HAD NOT FORGOTTEN THE SHAH'S FRIENDSHIP, NOR WOULD THE IRANIAN PEOPLE EVER FORGET BRITAIN'S FRIENDSHIP WITH ITS ENEMY, THE CRIMINAL SHAH.

3. BANI SADR ON 26 JULY NOMINATED MOSTAFA MIRSALIM, THE 33 YEAR-OLD DEPUTY MINISTER OF THE INTERIOR AND HEAD OF THE POLICE, FOR THE OFFICE OF PRIME MINISTER. MIRSALIM IS A MEMBER OF THE IRP, AND HIS SELECTION IS FURTHER EVIDENCE OF THE DETERIORATION OF BANI SADR'S POSITION, ALTHOUGH, TO THE PRESIDENT, HE IS PROBABLY THE BEST OF THE BUNCH OF THOSE IRP MEMBERS WHO WERE CONTENDERS. BANI SADR HAS ANNOUNCED THAT HE WILL NOT BE RESPONSIBLE FOR THE ACTIONS OF THE MINISTERS MIRSALIM APPOINTS IF THEY ARE ALL FROM ONE PARTY. MIRSALIM SAID ON 27 JULY THAT THE APPOINTMENT OF MINISTERS WOULD TAKE SOME TIME.

4. MIRSALIM NOW NEEDS THE APPROVAL OF THE MAJLES, WHICH HE IS EXPECTED TO OBTAIN WITHOUT DIFFICULTY. A CLOSED SESSION OF THE MAJLES WAS SCHEDULED FOR THE AFTERNOON OF 27 JULY TO CONSIDER HIS APPOINTMENT. IN THE EVENT THIS COINCIDED WITH THE ANNOUNCEMENT OF THE SHAH'S DEATH AND THERE WAS NO DISCUSSION OF MIRSALIM'S APPOINTMENT.

5. HOJATOLESLAM ANVARI HAS RESIGNED FROM THE MAJLES BECAUSE OF "THE ATMOSPHERE OF FEAR AND INTIMIDATION AGAINST THOSE DEPUTIES WHO WISH TO SPEAK THEIR MINDS". HE SAID THIS ATMOSPHERE WAS UNISLAMIC AND CONTRARY TO THE VIEWS OF THE IMAM, WHO FAVOURED FREE SPEECH. THE CREDENTIALS OF AYAT, THE PERPETRATOR OF THE "TAPES" PLOT AGAINST BANI SADR, WERE APPROVED ON 24 JULY BY 114 VOTES OUT OF 178.

6. BEHESHTI ANNOUNCED ON 23 JULY THAT BAKHTIAR WOULD BE TRIED "IN ABSENTIA" BY A REVOLUTIONARY COURT AFTER THE COMPLETION OF THE TRIALS OF THOSE INVOLVED IN THE ALLEGED COUP (SEE TUR). FRANCE CONTINUES TO BE ATTACKED IN THE PRESS FOR HARBOURING BAKHTIAR.

7. THIRTY-SEVEN EXECUTIONS WERE CARRIED OUT ON 24/25 JULY. IN-

7. THIRTY-SEVEN EXECUTIONS WERE CARRIED OUT ON 24/25 JULY, INCLUDING THE 21 AIR FORCE PERSONNEL (SEE MY TUR) CONVICTED OF COMPLICITY IN THE COUP. ALSO EXECUTED WERE TAGHI SHAHRAM (FOUNDER OF THE SO-CALLED MARXIST LENINIST PAYKAR) AND SEVERAL ALLEGED SAVAK COLLABORATORS. THE GROUNDS FOR EXECUTION ACCEPTED BY SOME OF THE PROVINCIAL REVOLUTIONARY COURTS SEEM TO BE BECOMING FLIMSIER.

8. THERE WERE REPORTS OF IRAQI ATTACKS ON 23 JULY AT THREE POINTS ON THE BORDER, INCLUDING THE OIL INSTALLATIONS AT NAFTSHAHR, INVOLVING TANKS, MORTARS AND HEAVY ARTILLERY, SUPPORTED BY FIGHTER AIRCRAFT. ONE REPORT ADDED THAT FRENCH MILITARY ADVISERS HAVE ARRIVED IN BAGHDAD. THE GOVERNOR-GENERAL OF WEST AZERBARJAN, HAGGHOU, WHO HAS BEEN PROMINENT IN THE KURDISH QUESTION, HAS BEEN REPLACED. HE IS GENERALLY REGARDED AS A BANI SADR MAN.

9. A LENGTHY ARTICLE (TRANSLATION BY BAG TO MED AND WASHINGTON) HAS APPEARED IN THE IRP NEWSPAPER JOMHOURI-ESLAMI ABOUT THE ALLEGED SPYING ACTIVITIES OF THE FREELANCE AMERICAN JOURNALIST, MRS CYNTHIA BROWN DWYER, WHICH LED TO HER ARREST ON 5 MAY. THE SWISS EMBASSY HAVE REPORTED THAT THEY STILL HAVE NO DETAILS OF THE CHARGES BROUGHT AGAINST HER OR OF WHERE SHE IS BEING HELD.

10. THE TWO REMAINING AMERICAN JOURNALISTS LEFT IRAN ON 25 JULY. THE ONLY BRITISH JOURNALISTS STILL HERE ARE BRODIE OF THE BBC, COCKBURN OF THE FINANCIAL TIMES, POVEY OF MIDDLE EAST INTERNATIONAL, FOUR STAFF WORKING FOR REUTER, AND ALLAWAY OF THE TIMES.

FCO PLEASE PASS SAVING ADDRESSEES.

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FM FCO 250940Z JULY 1980

TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 1293 OF 25 JULY

INFO PRIORITY TEHRAN

YOUR TELNO 2561: IRAN SANCTIONS

1. WE AGREE WITH THE POINTS THOMAS MADE IN REPLY TO THE US REQUEST. YOU SHOULD CONFIRM TO HINTON AS SOON AS POSSIBLE THAT IT IS NOT, REPEAT NOT, POSSIBLE FOR US TO COMPLY.
2. WE CONSIDER THAT HINTON'S REASONING IN JUSTIFYING HIS APPROACH IS MISCONCEIVED. THE DIFFERENCES BETWEEN US SANCTIONS AND THE VARIOUS SCHEMES OF THE ALLIES ARE IRRELEVANT WHEN CONSIDERING WHETHER WE COULD SUGGEST TO COMPANIES IN THE UK WHETHER THEY SHOULD TAKE LEGAL ACTION AGAINST THEIR US SUPPLIERS OR THEIR SUBSIDIARIES. NOR COULD WE AGREE TO TAKE ACTION TO MAKE ''THE SANCTIONS AS EFFECTIVE AS POSSIBLE'' (AS HINTON ARGUED IN YOUR PARA 4) IF THIS CONFLICTED WITH THE DECISIONS OF PARLIAMENT ON THE SCOPE OF UK SANCTIONS. THE CRUCIAL POINT IS THAT, IF THE UK FIRMS THREATENING ACTION HAVE, AS PRESUMABLY THEY DO, LEGALLY ENFORCEABLE CONTRACTS WITH US SUPPLIERS, AND CAN EXPORT THE GOODS IN QUESTION TO IRAN WITHOUT BREACHING UK SANCTIONS, WE COULD NOT ASK THE UK FIRMS TO FOREGO THEIR LEGAL RIGHTS.
3. WE WOULD ALSO BE CONCERNED IF THE REQUEST HAD BEEN PUT TO US BUT, NOT TO OTHER EUROPEAN COUNTRIES. THE SAME PROBLEM WOULD ARISE UNDER THEIR SANCTIONS IN RESPECT OF ANY CONTRACT WITH IRAN THAT WAS EXEMPT UNDER THEIR REGULATIONS (VIZ. CONTRACTS SIGNED BEFORE 4 NOVEMBER 10 1979 OR THOSE SIGNED SINCE WHICH HAVE, EVEN SO, RECEIVED EXPORT LICENCES). WE SEE NO NEED TO GET OUT OF STEP WITH OTHER COMMUNITY COUNTRIES.
4. ALTHOUGH THE ADVICE IN YOUR PARA 5 IS WELL TAKEN, OUR CONCLUSION IS THE OPPOSITE. IN ANY EVENT ALTERNATIVE SUPPLIES IF AVAILABLE COULD BE INTRODUCED BY ARRANGEMENT BETWEEN THE PARTIES TO THE CONTRACTS: HMG'S INVOLVEMENT IS UNNECESSARY

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TO SUCH A SOLUTION. WE ARE ANXIOUS TO AVOID TAKING ANY STEPS DOWN THE ROAD OF EXTRA-TERRITORIALITY WHICH IS A SENSITIVE ISSUE FOR US. TO ACCEPT THE US ARGUMENTS IN THIS CASE WOULD BE A DANGEROUS PRECEDENT FOR THE FUTURE.

5. AS REGARDS THE SPECIFIC CASES IN YOUR PARA 3:

I) IRAN OIL SERVICES' CURRENT OWNERSHIP BY A CONSORTIUM OF INTERNATIONAL OIL COMPANIES EMBARRASSES THE IRAN REGIME (SEE FINANCIAL TIMES 17 JULY). TEHRAN HAS ISSUED INSTRUCTIONS TO THE NATIONAL IRANIAN OIL COMPANY TO SET UP A NEW COMPANY TO TAKE OVER IROS'S PROCUREMENT ROLE, SO THAT IRAN CAN DEMONSTRATE THAT IT IS THROWING OFF WESTERN INFLUENCE. NIOC'S NEW SUBSIDIARY WOULD IN PRACTICE EXIST SIDE BY SIDE WITH IROS FOR A PERIOD, GRADUALLY TAKING OVER FUNCTIONS AND PROBABLY MOST OF THE STAFF. THERE ARE LIKELY TO BE DIFFICULT NEGOTIATIONS OVER TERMS BETWEEN NIOC AND THE CONSORTIUM. IN THESE CIRCUMSTANCES AN APPROACH TO IROS WOULD BE COUNTER-PRODUCTIVE.

II) TALBOT'S EXPORTS OF CAR KITS TO IRAN ARE, AS THOMAS MADE CLEAR, THE MOST IMPORTANT EXISTING CONTRACT WHICH PARLIAMENT WAS CONCERNED TO PROTECT. WE DO NOT WANT TO INTERFERE IN ANY WAY WITH TALBOT'S ABILITY TO CONTINUE TO SUPPLY THE KITS TO IRAN, AND TO TAKE LEGAL ACTION AGAINST THEIR SUPPLIERS IF THAT IS THEIR COMMERCIAL JUDGMENT.

6. ALTHOUGH IT IS NOT ENTIRELY CLEAR FROM YOUR TELEGRAM UNDER REFERENCE, WE ASSUME THAT IN EACH CASE THE U S - OWNED SUPPLIER BEING THREATENED WITH LEGAL ACTION IS A COMPANY REGISTERED IN THE U.K.

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FM WASHINGTON 252225Z JULY 1980

TO IMMEDIATE F C O

TEL NO 2599 OF 25 JULY

INFO PRIORITY TEHRAN.

YOUR TELEGRAM 1293: IRAN SANCTIONS. *(attached)*

1. MINISTER (COMMERCIAL) SPOKE ACCORDINGLY TO AMBASSADOR HINTON (ASSISTANT SECRETARY, ECONOMIC AND BUSINESS AFFAIRS) THIS AFTERNOON, CONCERNING THE POINTS IN PARAGRAPH 2 OF YOUR TUR.

2. HINTON WAS OUTSPOKENLY DISAPPOINTED. THE US GOVERNMENT HAD NOT ASKED FOR FORMAL ACTION BUT FOR INFORMAL HELP. HE COULD NOT SEE WHY AN INFORMAL EFFORT OF PERSUASION WITH UK FIRMS NEED CONFLICT WITH PARLIAMENT'S DECISION ON SANCTIONS, IF NO ELEMENT OF COMPELSION WERE INVOLVED. THOMAS EXPANDED ON PARAGRAPH 2 OF YOUR TELEGRAM UNDER REFERENCE TO GET IT ACROSS THAT SUCH ACTION WAS NOT OPEN TO US. THE DEBATE IN PARLIAMENT HAD COVERED IN DETAIL THE SCOPE OF UK SANCTIONS. IF HMG, EVEN INFORMALLY, ACTED TO DETER UK FIRMS FROM EXERCISING THEIR LEGAL RIGHTS IN FULFILMENT OF A CONTRACT WHICH WAS PERMISSIBLE UNDER THE SANCTIONS ORDERS, MINISTERS WOULD HAVE NO DEFENCE IF THE MATTER WERE RAISED IN PARLIAMENT. HINTON REPLIED THAT HE THOUGHT THE IMPORTANCE OF RELATIONS WITH A FRIENDLY GOVERNMENT WOULD BE AN ADEQUATE DEFENCE. HE TOOK NOTE OF OUR RESPONSE BUT SAID THAT HIS AUTHORITIES WOULD BE BOUND TO FIND IT UNHELPFUL.

3. IN THE COURSE OF DISCUSSION, THOMAS ELICITED THAT ALTHOUGH THE STATE DEPARTMENT HAVE NOT APPROACHED OTHER EUROPEAN EMBASSIES ON THE SAME SPECIFIC POINT (SEE PARA 4), A NUMBER OF GOVERNMENTS HAD BEEN APPROACHED OVER A NUMBER OF CASES, MOST OF WHICH INVOLVED WHAT THE US BELIEVED TO BE BREACHES OF SANCTIONS ORDERS. THE US GOVERNMENT WERE ALSO MOVING VIGOROUSLY ON US COMPANIES WHICH WERE SUSPECTED OF VIOLATING US SANCTIONS ORDERS.

4. YOUR PARAGRAPH 6 IN ALL CASES OF WHICH THE STATE DEPARTMENT ARE AWARE, THE US OWNED SUPPLIER BEING THREATENED WITH LEGAL ACTION IS A COMPANY REGISTERED IN THE UK. THE STATE DEPARTMENT ARE NOT AWARE THAT ANY SIMILAR CASES HAVE YET ARISEN IN OTHER COMMUNITY COUNTRIES.

ADVANCE TO MIERS (MED) AND KEMMIS (CRE5, DOT)

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TELEGRAM NUMBER 663 OF 24 JULY 80

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MY TELNO 656 : SITUATION IN IRAN.

Read 2 full. 11 sounds  
awful.

1. RESPONSIBILITY FOR THE BOMBS THAT EXPLODED ON THE MORNING OF 23 JULY IN A CROWDED TEHRAN SHOPPING AREA CLOSE TO THE TURKISH, GERMAN AND BRITISH EMBASSIES HAS BEEN CLAIMED BY THE INSURGENT GROUP KNOWN AS FORGHAN. EXTENSIVE DAMAGE WAS CAUSED AND REPORTS ARE OF 6 DEAD AND OVER A HUNDRED INJURED. THE MOTIVE FOR THE ATTACK IS UNCLEAR BUT THERE IS NO INDICATION THAT IT DIRECTED AGAINST ANY OF THE EMBASSIES. THE MOST LIKELY EXPLANATION IS THAT IT IS A CASE OF INDISCRIMINATE TERRORISM. THE FRENCH EMBASSY HAS RECEIVED A NUMBER OF BOMB THREATS RECENTLY BUT SUCH THREATS ARE COMMON WHEN THE COUNTRY IN QUESTION IS UNDER LOCAL PRESS ATTACK. FRANCE IS CURRENTLY IN THE FIRING LINE FOLLOWING THE UNSUCCESSFUL ASSASSINATION ATTEMPT ON BAKHTIAR. THE US IS CLAIMED TO BE USING FRANCE TO FURTHER AMERICAN POLICY BY SUPPORTING IRAN'S ENEMIES, IRAQ, PAKISTAN AND EGYPT.

2. THE MAJLES (WHOSE FULL NAME IS HENCEFORTH TO BE "MAJLESE-SHOURAYE-ISLAMI" - ISLAMIC CONSULTATIVE ASSEMBLY OR ISLAMIC MAJLES) HAS SWORN IN BANI SADR AS PRESIDENT UNDER ARTICLE 121 OF THE CONSTITUTION. HIS ANNOUNCEMENT OF HIS CHOICE OF PRIME MINISTER IS STILL AWAITED. HIS ATTEMPT TO SECURE THE APPOINTMENT OF KHOMEINI'S SON, AHMAD, WAS REJECTED BY KHOMEINI HIMSELF, WHO SAID THAT AHMAD WOULD BE BETTER ABLE TO SERVE IRAN WITHOUT THE ENCUMBRANCE OF THAT OFFICE. THE NAME OF JALALEDDIN FARSI, WHO WAS EARLIER A CANDIDATE FOR THE PRESIDENCY BUT WAS REJECTED BECAUSE OF HIS AFGHAN ORIGINS, HAS NOW APPEARED AS A NEW CONTENDER AND BEHESHTI HAS DESCRIBED HIM AS THE IRP'S LIKELY CANDIDATE, ALTHOUGH MAKING CLEAR THAT THE RIGHT OF NOMINATION RESTS WITH THE PRESIDENT AND THAT OTHER CANDIDATES COULD ENTER THE RECKONING. ANOTHER NAME ADDED TO THE LIST OF POSSIBLES (MY TELNO 656) IS THAT OF KHUZESTAN GOVERNOR-GENERAL, GHAZALI.

3. THERE HAVE BEEN FURTHER EXECUTIONS OF THOSE CONVICTED OF INVOLVEMENT IN THE ALLEGED COUP, THE LATEST GROUP BEING 21 AIR FORCE OFFICERS AND NCO'S IN TEHRAN ON 24 JULY. KHOMEINI IS REPORTED TO HAVE ORDERED ALL IRAN'S COURTS TO CONCENTRATE ON DEALING WITH THOSE ACCUSED OF PLOTTING AGAINST THE REPUBLIC. THREE EXTRA COURTS ARE BEING ESTABLISHED TO HASTEN THE TRIALS

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OF THE DETAINED PLOTTERS. MEANWHILE, THE DAILY EXECUTION OF DRUG AND OTHER OFFENDERS CONTINUES AND, ACCORDING TO BANI SADR'S NEWSPAPER, THE PRESIDENT HAS LEARNED OF ANOTHER PLOT IN THE OFFING, WHOSE NATURE CANNOT YET BE REVEALED.

4. QOTBZADEH CONTINUES UNDER ATTACK IN THE PRESS. HE HAS COME IN FOR MUCH CRITICISM, ESPECIALLY FROM IRP GROUPS, AS A RESULT OF HIS ALLEGED MODERATE ATTITUDE TOWARDS FOREIGN AND UN-ISLAMIC ELEMENTS WITHIN IRAN AND MOST RECENTLY FOR HIS STATEMENT IN PARIS LAST WEEK THAT THE ATTACK ON BAKHTIAR WAS THE WORK OF SUPPORTERS OF THE SHAH'S REGIME. DESCRIBING THIS VIEW AS "POLITICAL IGNORANCE", FARSI (SEE ABOVE) ANNOUNCED THAT HE KNEW THE ATTACKERS, KNOWN AS THE "GUARDS OF ISLAM", AND THAT THEY WERE IN FACT AN INTERNATIONAL GROUP WHO WOULD CONTINUE TO DESTROY ALL THE ENEMIES OF THE ISLAMIC REPUBLIC. ANOTHER ISLAMIC GROUP WARNED QOTBZADEH TO "REMAIN SILENT IN HIS LAST DAYS IN OFFICE". ON 23 JULY QOTBZADEH DENIED RUMOURS OF HIS RESIGNATION BUT CONCEDED THAT HE WOULD NOT BE IN THE NEW CABINET. OTHER SENIOR MEMBERS OF THE MFA HAVE EXPRESSED PRIVATELY THE BELIEF THAT THEY WILL NOT BE ABLE TO RETAIN THEIR POSTS FOR LONG; MANY HAVE SOUGHT EARLY RETIREMENT. THERE IS A RUMOUR THAT, ASSUMING IMPLEMENTATION OF KHOMEINI'S LATEST LINE ON "100% ISLAMICISATION", THE MFA MAY CEASE TO EXIST IN ITS PRESENT FORM. KHOMEINI'S SON-IN-LAW, ESHRAQI, HAS REFERRED TO THE POSSIBILITY OF THE TEMPORARY CLOSURE OF MINISTRIES TO ALLOW THEM TO BE RE-ESTABLISHED IN ACCORDANCE WITH ISLAMIC CRITERIA.

5. FIVE FOREIGN TELEVISION REPORTERS WERE ARRESTED ON 21 JULY. THEY WERE ACCUSED OF WORKING INDIRECTLY FOR US COMPANIES (WHICH IS LARGELY ACCURATE) AND THEREFORE OF BEING US SPIES. ONE BRITON, JOHN CONNOR OF UPITN, AND TWO NEW ZEALANDERS, WERE RELEASED AFTER 24 HOURS WITH AN APOLOGY. A DANE AND A TURK REMAIN IN CUSTODY. TWO AMERICAN JOURNALISTS ARE STILL IN TEHRAN WORKING OPENLY. THEY BELIEVE, HOWEVER, THAT THEIR VISAS WILL NOT BE RENEWED AND THAT THEY WILL SHORTLY HAVE TO LEAVE IRAN, THUS REDUCING FURTHER THE SMALL NUMBER OF FOREIGN JOURNALISTS STILL HERE.

6. NEW REGULATIONS CONCERNING SCHOOLS HAVE BEEN ANNOUNCED, INCLUDING THE STIPULATION THAT IN SECONDARY SCHOOLS MALE TEACHERS MAY TEACH BOYS ONLY AND FEMALE TEACHERS ONLY GIRLS. THE ADMINISTRATIVE PROBLEMS WILL BE OBVIOUS. (THE NEW UNIFORM FOR SCHOOLGIRLS AND FEMALE TEACHERS, ANNOUNCED BY THE TEHRAN EDUCATION DEPARTMENT, WILL BE "A LONG DRESS, BAGGY TROUSERS AND A HEADSCARF. THE COLOUR HAS NOT YET BEEN DECIDED".) THE FUTURE OF INTERNATIONAL AND RELIGIOUS MINORITY SCHOOLS REMAINS UNCLEAR BUT UNPROMISING.

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7. IT WAS ANNOUNCED ON 23 JULY THAT THE PERSIAN LANGUAGE NEWSPAPER BAMDAD WOULD CEASE PUBLICATION ON 31 JULY. THE EDITORIAL STAFF HAVE STATED THAT THE PAPER HAS FINANCIAL DIFFICULTIES BUT REFERRED ALSO TO THE BOMB WHICH EXPLODED IN THE NEWSPAPER'S OFFICES ON 14 MARCH AND OTHER THREATS WHICH THEY HAD RECEIVED. THE OFFICES WERE OCCUPIED BY A GROUP CALLING THEMSELVES "YOUTH FOLLOWING THE IMAM'S LINE" JUST BEFORE THE CLOSURE ANNOUNCEMENT WAS MADE.

8. A MAJLES DEPUTY HAS CALLED FOR THE ESTABLISHMENT OF A "DO'S AND DON'T'S MINISTRY" AS THE NEW PRIME MINISTER'S FIRST PRIORITY.

FCO PLEASE PASS SAVING ADDRESSEES.

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TELEGRAM NUMBER 659 OF 23 AUGUST 1979  
INFO PRIORITY WASHINGTON

*in sec*

*Read i' full*

IRAN INTERNAL SITUATION.

MY TELNO 656 = PARAGRAPH 8.

1. IT IS CLEAR FROM A READING OF THE FULL TEXT OF KHOMEINI'S SPEECH (TEXT TO MED BY BAG) THAT IT MARKS A SIGNIFICANT NEW REVOLUTIONARY MILESTONE ALONG IRAN'S POLITICAL PATH. IT IS AN OPEN ADMISSION THAT THE REVOLUTION TOOK THE WRONG (KHOMEINI'S INTERPRETATION IS THAT WRONG IS SYNONYMOUS WITH MODERATE) COURSE. THE CONCLUSION DRAWN IS THAT THE RESULTING FAILURE MUST NOW BE RECTIFIED BY TOTAL ADHERENCE AND DEDICATION TO ISLAM AND ISLAMIC LAWS IN ALL SPHERES OF ACTIVITY. THE SPEECH IS A BRUTAL CALL FOR COMPLETE INTOLERANCE TOWARDS ANY SIGN OF OPPOSITION OR THE SLIGHTEST DEVIATION - AS KHOMEINI SEES IT - IN THE DIRECTION OF MODERATION, NATIONALISM OR DEMOCRACY. IT IS NOT A QUESTION OF A CLERGY-DOMINATED MAJLES AND A LAY GOVERNMENT (WASHINGTON TELNO 26): THE PROSPECT (AND THERE SHOULD BE NO DOUBT OF KHOMEINI'S SINGLE-MINDED DETERMINATION TO ACHIEVE THE AIMS HE HAS DEFINED) IS NOW ONE OF ABSOLUTE

DOMINATION ACROSS THE BOARD BY THE CLERGY AND THEIR HANGERS-ON, WITH ONLY BANI SADR AND HIS GROUP REMAINING AS A SMALL SECULAR SEGMENT IN THE BODY POLITIC. THE QUESTION MUST POSE ITSELF OF HOW LONG THE PRESIDENT WILL CONTINUE: THE GROUND IS BEING CUT BENEATH HIS FEET DAILY.

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2. WE DISCUSSED THE SITUATION AT THE EC HEADS OF MISSION MEETING ON 22 JULY AND ALL MY COLLEAGUES SEE THE SITUATION IN SIMILAR LIGHT TO THAT OUTLINED ABOVE. AT THE RISK OF STATING THE OBVIOUS, THE PROSPECT AHEAD IS GRIM OVERALL: ALL THE IRANIANS I HAVE TALKED TO IN THE PAST FEW DAYS ARE DESPERATELY WORRIED AT THE RECENT TURN EVENTS HAVE TAKEN. ALL THE EVIDENCE POINTS IN THE SHORT TERM TO A TIGHTENING OF THE GRIP OF THE MULLAHS, CONTINUING TURNS OF THE REVOLUTIONARY/ ISLAMIC SCREW AND FURTHER SERIOUS DETERIORATION IN THE ECONOMY AND THE ADMINISTRATION OF THE COUNTRY. WHETHER - AND, IF SO, WHEN - THINGS WILL COME TO A HEAD REMAINS ANYONE'S GUESS. THERE ARE STILL NO SIGNS OF CONCERTED, COLLECTIVE OPPOSITION.

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TO ROUTINE FCO

TELEGRAM NUMBER 634 OF 23 JULY 1980

INFO ROUTINE DAMASCUS BAGHDAD AND BEIRUT

INFO SAVING TO TEHRAN AMMAN WASHINGTON AND BONN

*Read in full -*

*mt*

MIDDLE EASTERN TERRORIST ACTIVITY IN FRANCE

1. THE ATTEMPTED ASSASSINATION OF THE FORMER IRANIAN PRIME MINISTER CHAPOUR BAKHTIAR IN PARIS ON 18 JULY AND THE MURDER THREE DAYS LATER OF A FORMER SYRIAN PRIME MINISTER, SALHUDDIN BITAR, HAVE CAUSED SOMETHING OF AN OUTCRY IN FRANCE. PUBLIC ANGER HAS BEEN FUELLED BY THE DEATH OF TWO FRENCH CITIZENS, INCLUDING A POLICEMAN, IN THE ATTACK ON BAKHTIAR.

2. FRENCH COMMENTATORS GENERALLY ASSUME THAT THE ATTACK ON BAKHTIAR WAS CARRIED OUT ON THE ORDERS OF THE IRANIAN AUTHORITIES. THE HAPLESS IRANIAN FOREIGN MINISTER, QOTBZADEH, WHO WAS IN TRANSIT THROUGH PARIS ON THE DAY OF THE MURDER, CLAIMED ON FRENCH TELEVISION THAT AGENTS OF THE SHAH, OUT TO DISCREDIT THE REGIME IN TEHRAN, WERE RESPONSIBLE. THIS CLAIM HAS BEEN RECEIVED WITH GENERAL SCEPTICISM. PUBLIC DISBELIEF HAS BEEN DEEPENED BY A BROADCAST ON RADIO TEHRAN CLAIMING RESPONSIBILITY FOR THE ATTACK ON BEHALF OF A GROUP CALLING ITSELF THE "DEFENDERS OF ISLAM" AND BY THE REPORTED CONFESSION OF THE FIVE ARRESTED TERRORISTS THAT THEY BELONGED TO THE PLO AND WERE WORKING ON BEHALF OF THE IRANIAN AUTHORITIES. NO ORGANISATION HAS CLAIMED RESPONSIBILITY FOR THE MURDER OF BITAR NOR HAVE ANY ARRESTS BEEN MADE. BUT DESPITE THE DENIAL OF THE SYRIAN AMBASSADOR, THE PRESS HAS CONCLUDED THAT THE KILLER WAS UNDER INSTRUCTIONS FROM DAMASCUS. THE RELEVANT FRENCH AUTHORITIES HAVE CONFIRMED TO US THAT THERE IS GOOD EVIDENCE TO SUSPECT THE INVOLVEMENT OF THE SYRIAN MILITARY ATTACHE'S OFFICE.

3. FRANCE HAS A LONG TRADITION AS A HAVEN FOR POLITICAL REFUGEES. EVENTS OF THE LAST FEW DAYS HAVE SO FAR LED FEW TO QUESTION THE BASIC PRINCIPLES OF THIS POLICY. BUT THE FEAR HAS BEEN WIDELY EXPRESSED THAT AS A RESULT OF TERRORIST ACTIVITY PARIS HAS NOW BECOME THE MAIN BATTLEGROUND FOR THE SETTLEMENT OF ACCOUNTS BY DIFFERENT MIDDLE EASTERN FACTIONS. IN AN EFFORT TO DETER SUCH ACTIVITY, POLITICIANS, PARTICULARLY FROM THE MAJORITY PARTIES, THE MEDIA AND THE POLICE FEDERATIONS HAVE CALLED UPON THE GOVERNMENT TO ENSURE THAT THOSE RESPONSIBLE WILL BE TRIED, SENTENCED AND IMPRISONED IN FRANCE.

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/BEHIND

BEHIND THESE APPEALS LIES THE UNSTATED (AND LEGITIMATE) APPREHENSION THAT IN ORDER TO AVOID A DETERIORATION IN FRANCE'S RELATIONS WITH THE ARAB WORLD, THE FRENCH GOVERNMENT WILL FIND SOME WAY OF DEPORTING THOSE ARRESTED AS THEY DID IN THE CASE OF THE IRAQI EMBASSY ATTACK LAST YEAR RATHER THAN BRINGING THEM TO TRIAL. IT MAY BE MORE DIFFICULT ON THIS OCCASION TO AVOID A PUBLIC TRIAL, HOWEVER, SINCE NONE OF THOSE ARRESTED SEEMS TO HAVE CLAIMED DIPLOMATIC IMMUNITY.

4. THE ATTACK ON BAKHTIAR MARKS A NEW STEP IN THE WORSENING OF FRANCO-IRANIAN RELATIONS. THE FRENCH ARE RUEFULLY AWARE THAT ANY ADVANTAGES THAT THEY MAY HAVE DERIVED FROM HAVING HARBOURED THE AYATOLLAH HAVE NOW DISAPPEARED. THEY DO NOT SAVOUR THEIR ROLE AS IRAN'S "NEW ENEMY" NOR QOTBZADEH'S CONDEMNATION OF FRANCE FOR HAVING BECOME "A LAND OF SUBVERSIVE PLOTS AGAINST IRAN". THE CALL BY THE "DEFENDERS OF ISLAM" FOR "ATTACKS ON FRENCH INTERESTS IF FRANCE DOES NOT RELEASE THEIR BROTHERS IN DETENTION NOR EXPEL BAKHTIAR" REPORTED BY RADIO TEHRAN INDICATES HOW FAR RELATIONS HAVE DETERIORATED.

5. EQUALLY EMBARRASSING FOR THE FRENCH GOVERNMENT IS THE EVIDENCE, CONFIRMED TO US BY THE FRENCH AUTHORITIES, THAT THE PLO WERE INVOLVED ON THE ATTACK ON BAKHTIAR. PLO SOURCES IN BEIRUT ARE REPORTED TO HAVE DENIED THIS AND TO HAVE EMPHASISED THAT RELATIONS WITH FRANCE WERE CLOSER THAN WITH ANY OTHER EUROPEAN COUNTRY. BUT THE GAULLIST RPR IS NOT ALONE IN QUESTIONING THE BENEFITS OF FRANCE'S ATTEMPT TO FORGE A SPECIAL RELATIONSHIP WITH THE PLO. IF THERE IS PUBLIC CONFIRMATION OF PLO COMPLICITY IT MAY BECOME MORE DIFFICULT FOR THE FRENCH GOVERNMENT TO PURSUE SUCH A POLICY WITH VIGOUR IN THE FACE OF MOUNTING PUBLIC CRITICISM OF MIDDLE EASTERN TERRORIST ACTIVITIES IN FRANCE.

FCO PLEASE PASS TO ALL SAVING ADDRESSEES.  
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(REPEATED AS REQUESTED)

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FM WASHINGTON 212228Z JUL 88  
TO IMMEDIATE FCC  
TELEGRAM NO 2561 OF 21 JULY  
INFO PRIORITY TEHRAN

IRAN SANCTIONS

*Mr Kemmis*  
*RA DOT*  
This would give me to more  
trouble in future. Lead is full.

1. HINTON (ASSISTANT SECRETARY, ECONOMIC AND BUSINESS AFFAIRS, STATE DEPT) ASKED MINISTER (COMMERCIAL) TO CALL THIS MORNING TO SEEK HMG'S HELP WITH A GROWING PROBLEM OVER THE APPLICATION OF IRANIAN SANCTIONS. WHEN THE US SANCTIONS ORDERS HAD BEEN DRAFTED THE STATE DEPARTMENT HAD SUCCEEDED, AFTER MUCH EFFORT, IN ENSURING THAT THEY DID NOT APPLY EXTRATERRITORIALLY TO US FIRMS (OR THEIR SUBSIDIARIES) IN OTHER COUNTRIES. THEIR MOTIVATION HAD BEEN TO AVOID ACTION WHICH MIGHT BE SEEN, PARTICULARLY IN THE UK, AS PROVOCATIVE. OTHER DEPARTMENTS IN THE ADMINISTRATION HAD BEEN PERSUADED TO ACCEPT THIS ON THE ASSUMPTION THAT SANCTIONS ORDERS IN ALL MAJOR INDUSTRIALISED COUNTRIES WOULD BE BROADLY SIMILAR IN COVERAGE AND THAT EXTRATERRITORIAL ASSERTION OF JURISDICTION WOULD THEREFORE BE UNNECESSARY TO ENSURE THAT US FIRMS ABROAD RESPECTED US POLICY OBJECTIVES.

2. HINTON CONTINUED THAT IN THE EVENT THE UK SANCTIONS ORDERS HAD COME OUT RATHER DIFFERENTLY. THE POLITICAL REASONS FOR THIS WERE WELL UNDERSTOOD. BUT THE RESULT HAD BEEN SUBSTANTIAL DISTINCTIONS BETWEEN THE EFFECTS OF SANCTIONS



WERE WELL UNDERSTOOD. BUT THE RESULT HAD BEEN SUBSTANTIAL DISTINCTIONS BETWEEN THE EFFECTS OF SANCTIONS ORDERS IN THE TWO COUNTRIES.

3. THE PROBLEM WHICH HAD NOW ARISEN WAS THAT IN A NUMBER OF CASES, US FIRMS OR THEIR SUBSIDIARIES IN THE UK WERE THREATENED WITH LAW SUITS IF THEY FAILED TO SUPPLY GOODS FOR SHIPMENT TO IRAN. THE FIRMS CONCERNED WERE COMING TO THE STATE DEPARTMENT TO SEEK HELP. HINTON MENTIONED TWO CASES BY WAY OF ILLUSTRATION:

1) MACAVOY OIL-FIELD SERVICES, A SUBSIDIARY OF ROCKWELL, WAS THREATENED WITH LEGAL ACTION BY IRAN OIL SERVICES IF THEY FAILED TO SUPPLY SPARE PARTS FOR THE IRAN OIL FIELDS. APART FROM ARMS, SPARE PARTS FOR THE IRAN OIL INDUSTRY WAS THE MOST POLITICALLY SENSITIVE AREA FOR THE US GOVERNMENT. BP AND A 40 PERCENT SHARE IN IROS. THE US GOVERNMENT HOPED THAT THIS MIGHT ENABLE THE UK GOVERNMENT TO INFLUENCE IROS TO EASE UP ON THE PRESSURE IT WAS BRINGING AGAINST MACAVOY OIL-FIELD SERVICES.

11) TRW CLIFFORD LTD AND CAM GEARS LTD, TWO SUBSIDIARIES OF TRW INC, WERE THREATENED WITH LEGAL ACTION IF THEY FAILED TO SUPPLY PARTS FOR THE TALBOT CONTRACT IN IRAN. THOUGH POLITICALLY LESS SENSITIVE THAN THE OIL INDUSTRY, THIS WAS ANOTHER CASE WHERE THE US FIRM WAS ANXIOUS TO SUPPORT US POLICY BUT FOUND ITSELF IN A VERY DIFFICULT LEGAL POSITION. HINTON SAID THERE WERE MANY CASES OF THIS KIND. HE HAD BEEN CHARGED AT AN INTER-AGENCY MEETING LAST WEEK TO APPEAL TO US TO TRY TO FIND A DISCREET WAY OF HELPING THE COMPANIES CONCERNED. WOULD IT NOT BE POSSIBLE, WITHOUT THE GOVERNMENT'S HAND BEING VISIBLE, TO USE THE QUOTE OLD BOY NET UNQUOTE TO DISCOURAGE FIRMS FROM SUING U.S. SUBSIDIARIES?

4. THOMAS SAID THAT HE FEARED HINTON'S REQUEST WOULD GIVE US CONSIDERABLE DIFFICULTIES. IN THE FIRST PLACE, THE FACT WAS THAT THE POLICIES OF THE TWO GOVERNMENTS ON SANCTIONS WERE SOMEWHAT DIFFERENT. WHAT HINTON WAS ASKING WAS TANTAMOUNT TO SEEKING OUR HELP TO APPLY US JURISDICTION EXTRATERRITORIALLY, ALBEIT INFORMALLY. (HINTON OBJECTED TO THIS FORMULATION; HE WAS ASKING FOR OUR HELP IN MAKING THE SANCTIONS AS EFFECTIVE AS POSSIBLE.) SECONDLY, IT SEEMED POSSIBLE THAT THE US COMPANIES WERE PLEADING LEGAL PRESSURES TO DO WHAT THEY WANTED TO DO ANYWAY (A PROPOSITION WHICH HINTON ACCEPTED WAS POSSIBLE). THIRD, THOMAS THOUGHT THERE COULD BE A REAL CONFLICT OF INTEREST IN THE TALBOT CASE. THIS CONTRACT HAD BEEN AN IMPORTANT ISSUE WHEN THE IRAN SANCTIONS ORDERS WERE DEBATED IN PARLIAMENT. IF THE PARTS SUPPLIED BY THE SUBSIDIARIES OF TRW INC WERE NOT OBTAINABLE ELSEWHERE ON THE SAME TERMS, IT WOULD NOT BE POSSIBLE FOR THE CONTRACT TO BE FULFILLED. IN THAT CASE IT WAS DIFFICULT TO SEE HOW HMG COULD

SAME TERMS, IT WOULD NOT BE POSSIBLE FOR THE CONTRACT TO BE FULFILLED. IN THAT CASE IT WAS DIFFICULT TO SEE HOW HMG COULD INTERVENE. AS REGARDS IROS, THOMAS SAID HE DID NOT THINK BP'S 40 PERCENT SHARE NECESSARILY PUT THE BRITISH IN THE LEADING ROLE. HE UNDERSTOOD THAT THE US OIL MAJORS HAD ABOUT A 35 PERCENT SHARE AND THE REST WAS HELD BETWEEN SHELL AND CFP. HE DOUBTED WHETHER IT WAS AS EASY FOR HMG TO INFLUENCE DECISIONS OF THIS KIND AS HINTON HAD IMPLIED. BUT HE UNDERTOOK TO REPORT WHAT HINTON HAD SAID.

5 THIS REQUEST PUTS US IN AN AWKWARD POSITION. IT IS TRUE THAT THE STATE DEPARTMENT TOOK OUR EXTRATERRITORIAL CONCERNS SERIOUSLY INTO ACCOUNT WHEN THE US SANCTIONS ORDERS (AS DISTINCT FROM THE VOLUNTARY FINANCIAL MEASURES) WERE BEING DRAFTED. IF WE WANT TO KEEP THEIR SUPPORT IN FUTURE, WE HAVE AN INTEREST IN CO-OPERATING NOW, PROVIDED THIS CAN BE DONE WITHOUT UNACCEPTABLE DAMAGE TO OTHER UK INTERESTS. ON THE FACE OF IT, IT WOULD SEEM WORTH TAKING SOUNDINGS WITH IROS TO SEE WHETHER THE EQUIPMENT THEY NORMALLY OBTAIN FROM MACAVOY OIL FIELD SERVICES COULD BE OBTAINED ELSEWHERE. IF IROS GAVE US A DUSTY ANSWER, WE COULD AT LEAST TELL THE AMERICANS WE HAD TRIED. IF, ON THE OTHER HAND, IROS WERE PERSUADED NOT TO SUE MACAVOY, WE WOULD HAVE MET THE AMERICAN REQUEST IN THE MOST SENSITIVE AREA FOR THEM AND THIS COULD SERVE AS A PROTECTION AGAINST UNREASONABLE PRESSURES ON FUTURE CASES.

6. GRATEFUL FOR INSTRUCTIONS AS SOON AS POSSIBLE. IF IT WILL BE DIFFICULT FOR US TO COMPLY WITH HINTON'S REQUEST, THE SOONER WE SAY SO THE BETTER.

7. PLEASE ADVANCE TO MIERS, MED, FCO AND KEMMIS, CRE 5, DOT.

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TO ROUTINE FCO  
TELEGRAM NUMBER 643 OF 9 JULY 88  
INFO WASHINGTON.

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MIPT.

1. ZANFARD WAS VERY DOWNCAST ABOUT THE PRESENT SITUATION HERE AND APART FROM REFERRING TO HIS OWN POSSIBLE DISMISSAL, SPOKE FRANKLY (PLEASE PROTECT) ABOUT QOTBZADEH'S POSITION. HE DESCRIBED THIS AS SHAKY AND SAID HE TOO MIGHT NOT LAST BEYOND THE COMING WEEKEND, ALTHOUGH HE THOUGHT THAT THE THREAT TO HIS MINISTER MIGHT HAVE DIMINISHED SLIGHTLY IN THE LAST DAY OR TWO. (IT IS TRUE THAT QOTBZADEH HAS RECENTLY COME UNDER CONCERTED AND HEAVY FIRE FROM THE ISLAMIC FUNDAMENTALIST GROUP HERE. ZANFARD THOUGHT THAT AN ELEMENT IN THIS HAD BEEN HIS MINISTER'S VERY STRONG CRITICISM OF THE SOVIET UNION OVER THE LATTER'S AFGHANISTAN POLICY. THE TUDEH PARTY HAVE CERTAINLY TRIED TO ATTACH THEMSELVES TO THE COAT-TAILS OF THE CLERICAL FACTION GUNNING FOR THE FOREIGN MINISTER).
2. QOTBZADEH IS, OF COURSE, A FIGHTER ABOVE ALL AND A MAN OF COURAGE. THIS, AND HIS LINK WITH KHOMEINI, MAY SAVE HIM.

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FM TEHRAN 301100Z JUNE

TO PRIORITY FCO

TELEGRAM NUMBER 616 OF 30 JUNE 80

INFO PRIORITY WASHINGTON.

YOUR TELNO 358 : US HOSTAGES.

1. THE ESTIMATES AND FORECASTS OF PEOPLE LIKE BEHESHTI MUST BE ASSUMED TO BE OF SOME SIGNIFICANCE, ALTHOUGH EXPERIENCE SUGGESTS THAT THEY ALSO NEED TO BE REGARDED WITH DUE SCEPTICISM AND CAUTION. THE REFERENCE TO 4 WEEKS AS THE PERIOD AFTER WHICH THE MAJLES MIGHT BEGIN TO CONSIDER THE HOSTAGE ISSUE WOULD AT LEAST SEEM TO BE A REALISTIC CALCULATION OF THE TIME THAT IT WILL TAKE FOR THE MAJLES TO BE FULLY CONSTITUTED AND TO SETTLE ITS INTERNAL REGULATIONS. THE SWISS AMBASSADOR IS AS CLOSE AS ANYONE TO THE CENTRE OF THINGS: HE IS IN FREQUENT TOUCH WITH THE PRESIDENT'S OFFICE AND WITH QOTBZADEH. HIS ESTIMATE THAT THERE ARE UNLIKELY TO BE DEVELOPMENTS ("MATERIAL PROGRESS" MIGHT HAVE BEEN MORE ACCURATE) BEFORE SEPTEMBER IS CONSISTENT WITH THE GENERAL FEELING HERE OF A LACK OF URGENCY (WHICH WAS REFLECTED IN PARA 5 OF MY TELNO 611) AND WITH THE EXPECTATION THAT THE MAJLES' CONSIDERATION OF THE QUESTION -ASSUMING IT BEGINS IN ABOUT A MONTH- IS LIKELY TO BE A LONG, DRAWN-OUT PROCESS. SEPTEMBER WAS MERELY HIS BEST GUESS OF THE EARLIEST WE COULD EXPECT ANY REAL PROGRESS. IT WAS MADE ABOUT A SUBJECT WHICH IS SINGULARLY UNCLEAR AND CONFUSING AND ON WHICH, TO BE FRANK, EVERYONE - INCLUDING, I SUSPECT, THE IRANIANS THEMSELVES- IS GUESSING.

2. THE LATEST STATEMENTS BY BOTH BEHESHTI AND BANI SADR WOULD SEEM TO BEAR THIS OUT. BEHESHTI SAID ON 25 JUNE THAT EVERY DAY THERE MIGHT APPEAR SOMETHING NEW MORE IMPORTANT THAN THE PROBLEM OF THE HOSTAGES. ON 28 JUNE BANI SADR SAID: "FIRST WE THOUGHT THIS COULD BE RESOLVED IN A SHORT TIME. LATER, HOWEVER, WE GOT TO A POINT THAT WE DID NOT WANT TO EXHAUST ALL OUR TIME AND ENERGY ON THE HOSTAGE ISSUE." HE WENT ON TO SAY THAT THERE WERE SEVERAL OTHER IMPORTANT ISSUES OF NATIONAL URGENCY WHICH HIS GOVERNMENT HAD TO SETTLE; THUS, THEY WERE RECONCILED TO LETTING THE HOSTAGE PROBLEM TAKE ITS COURSE. KHOMEINI HIMSELF IS SILENT ON THE ISSUE, BUT HIS UNCOMPROMISING ATTITUDE ON OTHER ISSUES IN HIS LATEST SPEECHES GIVES NO GROUND FOR OPTIMISM AND THE MAJLES WILL NEED A CLEAR LINE FROM HIM IF IT IS TO GRASP THE NETTLE AND RELEASE THE HOSTAGES WITHOUT TRIAL. THERE WAS AN INDICATION OF THE ATTITUDE WHICH THE HARD-LINE CLERGY MAY OTHERWISE TAKE TO THE MAJLES IN A RECENT ARTICLE IN ISLAMIC REPUBLIC NEWSPAPER: THE MAJLES SHOULD BE LEFT FREE TO DECIDE AND WOULD HAVE TO TAKE INTO ACCOUNT THE BASIC WISHES OF THE PEOPLE, NAMELY THAT THE SHAH AND HIS STOLEN WEALTH SHOULD BE RETURNED TO IRAN. EVEN IF THE SHAH WERE TO DIE IN THE MEANTIME, THE HARDLINERS MIGHT WELL CONTINUE TO DEMAND THE RETURN OF HIS WEALTH.

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3. ALL THE SIGNS ARE STILL (MY TELNO 613) THAT, LACKING KHOMEINI'S GUIDANCE, NEITHER THE ISLAMIC REPUBLICAN PARTY NOR OTHER GROUPINGS OF MAJLES DEPUTIES (SUCH AS THEY ARE) HAVE YET FORMULATED DETAILED PROPOSALS FOR THE SETTLEMENT OF THE HOSTAGE ISSUE. THERE ARE VARIOUS WAYS IN WHICH THE MAJLES MAY PLAY THIS, EG REFERENCE TO A COMMITTEE, ORGANISATION OF A REFERENDUM, ETC, POSSIBLY PRIOR TO SOME KIND OF NEGOTIATING PROCESS WITH THE US AUTHORITIES. IN THE ABSENCE OF ANY HARD EVIDENCE, IT WOULD BE PREMATURE TO SPECULATE FURTHER AT THIS STAGE.

4. THE CONJUNCTION OF THE ANNIVERSARY OF THE SEIZING OF THE EMBASSY AND THE US PRESIDENTIAL ELECTION MAY WELL, AS YOU SUGGEST, MAKE NOVEMBER A SIGNIFICANT DATE. THE EXTREMISTS HERE WOULD LIKE NOTHING BETTER THAN TO EMBARRASS PRESIDENT CARTER AND TO FEEL THEY HAD A HAND IN INFLUENCING THE ELECTION RESULT. I DO NOT THEREFORE RULE OUT THE POSSIBILITY THAT THE AFFAIR WILL DRAG ON UNTIL THEN BEFORE COMING TO A HEAD.

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GR 310  
CONFIDENTIAL  
FM TEHRAN 260330Z JUN  
TO ROUTINE FCO  
TELEGRAM NUMBER 610 OF 25 JUNE 80  
INFO WASHINGTON

MY TELNO 591

US/IRAN : EMBASSY HOSTAGES.

1. WE DISCUSSED THE HOSTAGES ISSUE AT THE EC HEADS OF MISSION MEETING ON 24 JUNE. THE ONLY NEW DEVELOPMENTS SINCE MY TUR HAVE BEEN, FIRST, AN ATTEMPT BY THE GERMAN AMBASSADOR DURING A VISIT TO MAQSHAE TO ENLIST THE PUBLIC SUPPORT OF AYATOLLAH QOMI. THE LATTER APPARENTLY AGREED TO CONSIDER ISSUING A HELPFUL STATEMENT, ALTHOUGH, GIVEN HIS PRESENCE IN MASHAD RATHER THAN TEHRAN AND THE RIFT BETWEEN HIM AND KHOMEINI, IT MUST BE QUESTIONABLE WHETHER A STATEMENT BY HIM WILL HAVE MUCH PRACTICAL EFFECT. SECONDLY, THE ITALIAN AMBASSADOR HAS SEEN BEHESHTI, QOTBZADEH AND MOINFAR FOR FAREWELL CALLS. ALL THREE TOOK THE LINE THAT THE MAJLES WOULD TAKE UP THE MATTER OF THE HOSTAGES IN ABOUT A MONTH'S TIME.
2. I SPOKE TO THE SWISS AMBASSADOR ON 24 JUNE. HE IS PESSIMISTIC ABOUT THE PROSPECT OF EARLY PROGRESS AND DETECTS NO GREAT SENSE OF URGENCY ON THE IRANIAN SIDE, ALTHOUGH, PRESUMABLY REFLECTING VIEWS FROM THE BANI SADR CAMP AS WELL AS THOSE OF QOTBZADEH, HIS IMPRESSION IS THAT THE IRANIANS ARE SATISFIED WITH THE RECENT LOW-KEY POSITION ADOPTED BY THE AMERICANS. HIS PRESENT ESTIMATE IS THAT THERE ARE UNLIKELY TO BE ANY DEVELOPMENTS BEFORE SEPTEMBER. IT IS HARD TO DISAGREE WITH THIS ASSESSMENT.
3. I AM TELEGRAPHING SEPARATELY IN AN ATTEMPT TO ANSWER THE QUESTIONS PUT IN WASHINGTON TELNO 2342. MEANWHILE, I ASSUME YOU WILL HAVE SEEN A REPORT OF QOTBZADEH'S REFERENCE TO THE HOSTAGE ISSUE IN A RECENT TELEVISION INTERVIEW IN PARIS, WHICH WAS CARRIED BY REUTERS.

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*Prime Minister Iran*  
*M.A. 13/6/80*

GR 585  
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FM TEHRAN 120645Z JUN 80  
TO PRIORITY FCO  
TELEGRAM NUMBER 579 OF 12 JUNE 80  
INFO PRIORITY CABINET OFFICE (D10), MODUK (D14 AND DS11),  
CRES, WASHINGTON, UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
BAHRAIN, DOHA, DUBAI, KUWAIT, MOSCOW, MUSCAT, NEW DELHI,  
ROME, PARIS, BRUSSELS AND BONN  
INFO SAVING JEDDA.

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MY TELNO 567 : SITUATION IN IRAN.

1. THE WAR OF WORDS BETWEEN BANI SADR AND THE ISLAMIC REPUBLICAN PARTY (IRP) CONTINUES WITH THE TONE HOTTING UP. BANI SADR HAS DENOUNCED "OPPORTUNISTS" FOR NOT ALLOWING HIM TO IMPLEMENT HIS PROGRAMMES SPEEDILY AND HAS WRITTEN AN EDITORIAL IN HIS PAPER ISLAMIC REVOLUTION SAYING THAT THE PRIME MINISTER SHOULD NOT REPRESENT ONE SPECIAL GROUP BUT BE A SYMBOL OF COOPERATION BETWEEN THE PRESIDENT AND THE MAJLES. THE IRP PAPER ISLAMIC REPUBLIC HAS CARRIED A FRONT PAGE ARTICLE SAYING THAT THE NEW PRIME MINISTER SHOULD NOT BE SOMEONE WHO HAS STUDIED IN THE WEST (WHICH WOULD RULE OUT BANI SADR'S PRESUMED CANDIDATE, HABIBI). THERE ARE FURTHER INDICATIONS THAT KHOMEINI MAY WISH TO BOLSTER BANI SADR (SEE MY TELS NOS 575 AND 576 - NOT TO ALL).

2. ACCORDING TO THE PRESS, 180 MEMBERS OF THE MAJLES HAVE HAD THEIR CREDENTIALS APPROVED AND IT WILL NOW HAVE LEGAL STATUS ONCE THE REMAINING 6 MEMBERS OF THE GUARDIAN COUNCIL HAVE BEEN SELECTED. THE PROCESS OF APPROVING CREDENTIALS HAS PRODUCED FURTHER DRAMA. SALAMATIAN, A BANI SADR MAN, WHO HAD OBJECTED TO AYAT, OF THE IRP, HAS HIMSELF BEEN THE SUBJECT OF A COMPLAINT. AZAM TALEGANI, DAUGHTER OF THE LATE AYATOLLAH, ATTEMPTED TO CRITICISE HER OWN CREDENTIALS BUT WAS RULED OUT OF ORDER.

3. BANI SADR HAS WARNED AGAINST THE CONSEQUENCES OF A POSSIBLE TRIAL OF THE AMERICAN HOSTAGES, SAYING THAT "IT IS NOT KNOWN WHAT IT WOULD LEAD TO". FEROUHR, IRAN NATION PARTY AND A FORMER MINISTER, ON THE OTHER HAND, HAS CALLED FOR THEIR IMMEDIATE TRIAL. SADEQ TABATABAI HAS COME OUT IN FAVOUR OF THEIR RELEASE AND HAS SAID (FOR WHAT IT IS WORTH) THAT THE ISSUE WILL BE GIVEN PRIORITY BY THE MAJLES AFTER THE PRIME MINISTER AND CABINET HAVE BEEN APPROVED. AN MFA SPOKESMAN HAS DENIED A RUMOUR THAT THE THREE HOSTAGES HELD AT THE MFA MIGHT SOON BE RELEASED.

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4. THE OIL MINISTER IS QUOTED AS TELLING REPORTERS IN ALGIERS THAT IRAN HAS REDUCED HER OIL OUTPUT AND SALES PARTLY BECAUSE SANCTIONS HINDERED HER FROM SPENDING REVENUES TO BUY GOODS ABROAD. HE REPEATED THAT IRAN WAS CURRENTLY EXPORTING SOME 800,000 BARRELS A DAY AND PRODUCING RATHER LESS THAN 2 MILLION. HE ADDED THAT IRAN INTENDED TO RAISE EXPORTS TO BETWEEN 1 MILLION AND 1.5 MILLION BARRELS A DAY IN JULY. THE OPEC CONFERENCE HAS BEEN REPORTED HERE MAINLY THROUGH FOREIGN NEWS AGENCIES, BUT TEHRAN RADIO ON 11 JUNE BROADCAST A SCATHING ATTACK ON SAUDI ARABIA'S ROLE, ACCUSING HER OF TAKING THE PART OF THE UNITED STATES.

5. THERE HAVE BEEN REPORTS OF FURTHER ISOLATED INCIDENTS IN KURDESTAN AND ON THE IRAQI BORDER.

6. 16 PEOPLE WERE EXECUTED IN TEHRAN ON 10 JUNE, MAINLY FOR DRUG OFFENCES. THE CHARGES AGAINST ONE OF THEM, YUSUF SOBHANI, DIRECTOR OF THE ZAMZAM COMPANY, INCLUDED AIDING ZIONISM.

7. SOME PARTS OF NORTH TEHRAN ARE EXPERIENCING SEVERE WATER SHORTAGES. APPEALING TO THE POPULATION TO ECONOMISE, THE WATER BOARD HAS PUT THE BLAME PARTLY ON THE INCREASE IN THE CITY'S POPULATION BY 1 MILLION OVER THE LAST YEAR (INCIDENTALLY, A TACIT ADMISSION OF THE FAILURE OF THE REGIME'S "BACK TO THE LAND" POLICY).

FCO PLEASE PASS SAVING TO JEDDA.

[REPEATED AS REQUESTED]

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10 DOWNING STREET

THE PRIME MINISTER

12 June 1980

Thank you for your letter of 21 May enclosing a letter from your constituent Ms Sally Beattie of 7 Blinkbonny Terrace, Edinburgh.

Ms Beattie says that the United States rescue bid was prejudicial to world peace. I cannot agree. We must keep things in perspective. The rescue bid was a humanitarian mission carried out to secure the release of innocent diplomats who have now been held for more than seven months. It was not a military invasion directed against the Iranian Government or people. Nor can I agree that we should dissociate ourselves from US policies and reject outright the installation of nuclear missile bases in Britain. The United States is our strongest partner in the NATO Alliance and on its support depends, to a great extent, the maintenance of our security. We must stand by our closest ally. Of course, our support cannot be unconditional. Ms Beattie should be aware that we have made clear to the United States Government, particularly for example during Lord Carrington's recent visit of 3-6 May to Washington, that the use of force to solve the present crisis in US/Iran relations would have extremely grave consequences. We are satisfied that the United States is well aware of the concern of its allies about the

/ need for

need for consultation over any future military action, and are confident that proper account will be taken of this.

I would also like to reassure Ms Beattie that, together with our European partners, we are determined to pursue a peaceful diplomatic solution to the problem of the US hostages, and shall lend our earnest support to any such moves which could secure progress towards their release.

(SGD) MARGARET THATCHER

Dennis Skinner, Esq., M.P.

*cf. to original  
L.R.*



*File  
c. Geo.  
Const.*

10 DOWNING STREET

THE PRIME MINISTER

12 June 1980

Thank you for your letter of 1 May enclosing a letter from Mr. C.V.J. Simpson, Managing Director of Duke & Ockenden Limited of Wharf Road, Littlehampton, West Sussex, about the possible effects of trade sanctions on Iran. I am sorry not to have replied earlier, but our policy on this has been evolving and I wanted to give you as helpful a reply as possible.

As you will know both from the various debates in the House and from the contents of the two sanctions Orders, sanctions are not being applied retrospectively. If, as Mr. Simpson says in his letter, his firm has been supplying water well-digging rigs to Iran for more than two years, his business might well fall within the exempted category of contracts in existence before 30 May, or of contracts negotiated as part of an established course of business dealing between the same partners, relating to goods of the same or similar class, and which existed immediately before 30 May. In those cases his orders would fall outside the scope of legislation. If your constituent is in any doubt about his position in relation to the sanctions orders, I strongly urge him to take legal advice. You may also wish to pass to him the enclosed copy of an explanatory note on the sanctions Orders which has been produced by the Department of Trade.

/ Mr. Simpson

*15*

Mr. Simpson also wrote that his firm would have to look for alternative markets in Uganda if they had to make up any loss of trade in Iran. In the light of the sanctions that we have adopted, I do not think that this should now be necessary. But if in time the firm is considering other markets in Africa, he might bear in mind that, although most markets in Africa are constrained through lack of finance, some, including Nigeria, Niger, Cameroon, Angola and Kenya, have substantial foreign exchange available. In addition, many other countries in Tropical Africa benefit from assistance from bilateral and multilateral aid donors, most notably EDF where a large part of the aid money goes towards agricultural requirements and irrigation.

(SGD) MARGARET THATCHER

David Mudd, Esq., M.P.

# CONFIDENTIAL

GR 205  
CONFIDENTIAL  
FM TEHRAN 111016Z JUN  
TO PRIORITY FCO  
TELEGRAM NUMBER 576 OF 11 JUNE.  
INFO WASHINGTON.

MIPT : IRAN INTERNAL.

1. THIS ADDRESS BY KHOMEINI SOUNDS A STRONGER WARNING NOTE THAN PREVIOUSLY AND CONTAINS A GENUINE NOT OF CONCERN WHICH HAS NOT PREVIOUSLY BEEN A FEATURE OF HIS PRONOUNCEMENTS. IT IS NOTWEORTHY FOR ITS INSISTENCE THAT ISLAMIC DUTY CONSISTS IN GETTING ON WITH ONE'S JOB AND FOR ITS APPEAL TO INDIVIDUALS AND ORGANISATIONS TO SINK THEIR DIFFERENCES NOW THAT THE MAJLES IS BEING FORMED.
2. IN CONTRAST TO HIS SPEECH OF 4 JUNE (MY TELNO 559), IN WHICH HE STRONGLY DEFENDED THE ROLE OF THE CLERGY, THIS TIME KHOMEINI WARNED OF THE DANGER OF THE CLERGY ITSELF DAMAGING THE ISLAMIC REPUBLIC. COUPLED WITH OTHER INDICATIONS THAT KHOMEINI MAY BE USING HIS INFLUENCE TO HELP BANI SADR AT THIS JUNCTURE, THE ADDRESS INDICATES THAT KHOMEINI IS FOCUSING ON THE IMPORTANCE OF ESTABLISHING A GOVERNMENT WHICH IS NOT DIVIDED AMONG ITSELF. HE MAY BE GENUINELY CONCERNED THAT THE COUNTRY IS HEADING TOWARDS ANARCHY BUT OF COURSE DOUBTS REMAIN AS TO WHETHER HE WILL, OR INDEED CAN, INTERVENE EFFECTIVELY.

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Prime Minister  
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FM TEHRAN 111015Z JUN  
TO PRIORITY FCO  
TELEGRAM NUMBER 575 OF 11 JUNE 80  
INFO WASHINGTON.

P S TO P M NO 10 DOWNING ST

IRAN : INTERNAL.

1. IN AN ADDRESS TO PROVINCIAL GOVERNORS ON 10 JUNE (FULL TEXT TO MED BY BAG) KHOMEINI WARNED OF THE DANGER OF ANARCHY, ADMITTING THAT HE WAS WORRIED AT THE WAY THINGS WERE DEVELOPING.

2. POINTING TO DIFFERENCES BETWEEN GOVERNORS AND OTHERS, REVOLUTIONARY GUARDS AND OTHERS, THE ARMY AND OTHERS, ETC., HE SAID THAT ALL INSTITUTIONS HAD DIFFERENCES WITH EACH OTHER AND THAT IF IRAN REMAINED IN THIS SITUATION THE STATE COULD NOT BE ADMINISTERED. IT WAS UP TO INDIVIDUALS EVERYWHERE TO RESOLVE THEIR DIFFERENCES, AND UP TO GOVERNORS AND MINISTERS TO PUT THEIR HOUSES IN ORDER.

3. MAINTAINING THAT THERE WAS NO DIFFERENCE BETWEEN CLERGY ALL OVER THE COUNTRY HE SAID THAT THE CLERGY AND THE ISLAMIC COURTS SHOULD NOT DO THINGS WHICH HARMED THE ISLAMIC REPUBLIC: "IF IT BECOMES LIKE THIS WE WILL HARM ISLAM BY OUR OWN HANDS".

4. HE WENT ON TO SAY: "NOW THAT ALL THE ORGANS OF THE ISLAMIC REPUBLIC ARE REALISED WE SHOULD NOT ACT SO AS TO BE UNABLE TO MAKE ITS CONTENT ISLAMIC, AND IN ADDITION STIR THINGS UP EVERY TIME.... THIS WILL RESULT IN THE COUNTRY BEING DISTURBED." THERE WAS A DANGER OF ANARCHY, AND OF THE US OR THE USSR STEPPING IN AS IRAN'S GUARDIAN.

5. HE ENDED BY SAYING THAT IF ANYONE DID NOT DO THE WORK ENTRUSTED TO HIM IN A CORRECT MANNER, HE WAS NOT ISLAMIC AND

BY EXPRESSING HOPE THAT, WHEN THE MAJLES STARTED WORK, ISSUES WOULD BE DISCUSSED IN SUCH A WAY THAT ALL PROBLEMS WOULD BE SOLVED.

**THIS TELEGRAM  
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ADVANCED**

6. PLEASE SEE MIFT.  
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Chancellor of the Duchy of Lancaster

*NJS to see MS  
re MP 12/6*

PRIVY COUNCIL OFFICE

WHITEHALL, LONDON SW1A 2AJ

10 June 1980

*Dr. Pitt*

FOREIGN AFFAIRS COMMITTEE

*will request  
if re.*

Thank you for your letter of 4 June and for letting me know of the interest the Foreign Affairs Select Committee is taking in the consultation between departments and the advice given by officials to Ministers on the subject of sanctions against Iran. We must of course do all we reasonably can to implement our promises of full compensation, but, as you say, there is no doubt also that we must maintain the accepted convention that these matters are confidential, as confirmed most recently in the revised Memorandum of Guidance for Officials.

I understand that officials in Mark Carlisle's department are now preparing a draft response to the relevant report of the Education, Science and Arts Committee. The sooner we can collectively consider and approve such a draft the better.

I am sending copies of this letter to members of the Cabinet, Sir Robert Armstrong and Sir Ian Bancroft.

*W. J. A.C.*

Peter Blaker Esq MP  
Minister of State for Foreign  
& Commonwealth Affairs  
Foreign & Commonwealth Office  
London  
SW1

GR 220

# CONFIDENTIAL

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FM TEHRAN 050700Z JUN

TO PRIORITY FCO

TELEGRAM NUMBER 556 OF 5 JUNE 80

INFO PRIORITY WASHINGTON AND UKMIS NEW YORK

INFO SAVING E C POSTS.

*mt*

MY TELNO 554 : US/IRAN.

1. I SAW THE PRESIDENT THIS MORNING BRIEFLY TO TAKE LEAVE. HE WAS RELAXED AND ON THE ISSUE OF THE HOSTAGES SEEMED REASONABLY CONFIDENT. HE SPOKE PHILOSOPHICALLY OF THE DIFFICULTIES HE CONFRONTS, A COUNTRY FREED FROM A DICTATORSHIP BUT NOT YET ACCUSTOMED TO SELF-GOVERNMENT, WITH A FERMENT OF IDEAS, RANGING FROM THOSE WHO SEEM SET, WITTINGLY OR UNWITTINGLY, ON INTRODUCING A NEW DICTATORSHIP LEADING TO FACISM, TO THE MORE EXTREME IDEAS OF POPULIST DEMOCRACY. OF THE MANY PROBLEMS, HE PUT THE HOSTAGES FIRST AND REPEATED THE VIEW THAT IT WOULD BE NECESSARY FOR THE IMAM HIMSELF TO TAKE THE DECISION - "AND HE WILL DO IT". IN THAT CONTEXT THE CONFERENCE ON US INTERVENTION WAS USEFUL IN THAT IT HELPED TO REDUCE IRAN'S FEELING OF ISOLATION AND LACK OF SYMPATHY. THE HOSTAGE ISSUE WAS NO LONGER AT THE FOREFRONT OF PUBLIC OPINION WHICH ALSO CONTRIBUTED TO THE ACHIEVEMENT OF A SOLUTION BUT HE ADDED THAT FURTHER ACTIONS AGAINST IRAN COULD ALTER THAT AND SET THE PROCESS BACK - THIS IS THE COMMON VIEW NOT SURPRISINGLY. I MENTIONED THAT I HAD HEARD THAT SOME PEOPLE WERE THINKING OF RELEASE IN 3 STAGES. HE DID NOT COMMENT SUBSTANTIVELY BUT DISMISSED THE IDEA.

FCO PLEASE PASS SAVING TO EC POSTS.

**THIS TELEGRAM  
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(REPEATED AS REQUESTED)

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*Dealwith me.*

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FM WASHINGTON 042228Z JUN 80  
TO PRIORITY F C O  
TELEGRAM NUMBER 2112 OF 4 JUNE 1980  
INFO BIS NEW YORK

*Michael Cant be  
point out that our  
action on oil is*

YOUR TELEGRAM NO 1049: IRAN SANCTIONS

1. KINGMAN BREWSTER'S FRIENDLY DISPOSITION SHOULD NOT OBSCURE THE WAY OUR SANCTIONS HAVE GENERALLY BEEN PERCEIVED HERE. THE IMPRESSION IN THE ADMINISTRATION IS THAT WHILE WE ARE GOING THROUGH THE MOTIONS FOR THE SAKE OF SOLIDARITY, OUR SANCTIONS ARE DESIGNED TO INTERFERE VERY LITTLE WITH OUR TRADE WITH IRAN. IT IS WIDELY ASSUMED THAT OUR MEASURES WILL HAVE LESS BITE THAN THOSE OF OUR EUROPEAN PARTNERS.

*of fair  
more  
significance*

2. PRESS COVERAGE HAS CONSISTED MAINLY OF REPORTS FILED FROM LONDON, WHICH HAVE FOCUSED ON THE ALLEGED LOOPHOLES. BUT THIS HAS NOT DEVELOPED INTO A FULL-SCALE CAMPAIGN AND SOME OF OUR EC COLLEAGUES THINK WE ARE BEING LET OFF LIGHTLY.

*than any  
of the*

*Sanctions.  
me.*

HENDERSON

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MR BULLARD  
MR ADAMS  
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*Mr.*  
*A demarche on these lines  
was, perhaps, to be expected.*

FM FCO 031745Z JUNE 80  
TO PRIORITY WASHINGTON  
TELEGRAM NUMBER 1049 OF 3 JUNE

**IRAN SANCTIONS.**

1. YOU SHOULD BE AWARE THAT AMBASSADOR BREWSTER CALLED ON THE LORD PRIVY SEAL (BRIDGES, MIERS AND PS ALSO PRESENT) THIS AFTERNOON ON INSTRUCTIONS. HE WISHED TO REGISTER CONCERN ON TWO POINTS. FIRST, ON WATERING DOWN OF SANCTIONS AND QUOTE CONTAGION UNQUOTE CAUSED WITH OUR EUROPEAN PARTNERS: SECOND, OPENLY INEFFECTUAL SANCTIONS WOULD ENCOURAGE IRANIAN IDEAS THAT THIS WAS A BILATERAL MATTER BETWEEN THEMSELVES AND USA. HE ALSO FEARED THAT EVEN LIMITED MEASURES PROPOSED BY UK WOULD PROVE INEFFECTIVE, WHETHER BY DESIGN OR DIFFICULTY IN ENFORCEMENT.
2. LORD PRIVY SEAL SAID THERE WAS NO QUESTION OF OUR WANTING TO LEAVE LOOPHOLES: OTHERWISE WE WOULD NOT HAVE USED 1939 ACT. BUT HE REALISED THEY WOULD NOT BE WATERTIGHT, ANY MORE THAN US SANCTIONS HAD BEEN IN RHODESIA. BUT IN FACT MEASURES WERE REPEAT WERE FAIRLY STRINGENT. SOME UK CONCERNS WOULD UNDOUBTEDLY BE BADLY HIT: WE WERE MAKING REAL SACRIFICES TO SUPPORT US.
3. COMMENT. MEETING WAS CONDUCTED IN USUAL FRIENDLY FASHION. BREWSTER WAS CLEARLY WORRIED THAT UK SANCTIONS WOULD BE INEFFECTIVE AND NOT ENFORCED: BY THE END OF THE MEETING HE SEEMED CONSIDERABLY REASSURED ON THE LATTER, SOMEWHAT ON THE FORMER. HE CLEARLY HAD CONSIDERABLE SYMPATHY WITH OUR RELUCTANCE TO GO FURTHER THAN OTHER EC COUNTRIES: OUR FEELING THAT OUR SANCTIONS MEASURES SHOULD NOT BE CRITICISED UNTIL IT WAS SEEN HOW THEY OPERATED IN PRACTICE: AND OUR ANNOYANCE AT BEING INFORMED OF US DISPLEASURE AT MEASURES WHICH WOULD HARM US AND WHOSE PRIMARY

*/PURPOSE*

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PURPOSE WAS TO SHOW SOLIDARITY WITH OUR US ALLIES.

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10 DOWNING STREET

From the Private Secretary

*Subject file*  
*Algeria - May 80 - Benyahia visit*

2 June 1980

*Dear Paul,*

MEETING WITH THE ALGERIAN MINISTER OF FOREIGN AFFAIRS

The Algerian Minister of Foreign Affairs, M. Mohammed Benyahia, called on the Prime Minister this afternoon. He was accompanied by the Algerian Ambassador, Mr. Abdelkrim Benmahmoud and Mr. Saadeddine Benouniche H.M. Ambassador at Algiers and Mr. Moberley were also present.

After an exchange of courtesies, in which both the Prime Minister and M. Benyahia said that they would like to see relations between the United Kingdom and Algeria deepened and extended, on the political as well as the economic level, the Prime Minister raised the question of the American hostages in Iran. She said that it was regrettable that because of the hostage problem Britain's relations with Iran were not as close as she would have wished. Traditionally relations between the two countries had been good. Moreover the general uncertainty in the region gave added importance to those relations. The Iranian people's choice of Government was no concern of ours. But we could not ignore the taking of hostages. M. Benyahia said that Algeria had excellent relations with Iran. There was a relationship of mutual trust. Nonetheless, he understood what the Prime Minister had said about the hostages. The Algerian Government felt the same way. They were trying to develop ideas for solving the problem.

The Algerian Government started from the belief that the maintenance of stability in Iran and of the unity of the country was essential. Both were essential if the advance of the Soviet Union was to be barred. If the country split into a number of minor and insignificant states, these would inevitably, over a period of years, fall under Soviet influence. If the Soviet Union penetrated into Iran in this way, the balance of power in the world as a whole would be upset. For this reason the maintenance of stability in Iran was central to the future of the world.

The revolution in Iran was anti-American and anti-Russian, but not anti-Western. However, European solidarity with the United States risked making the revolution anti-Western. This would be bad. Against this background, the Algerian Government was trying to keep a clear head. The hostage problem was, of course, complicated by the fact that we were now in the middle of a U.S.

/ election

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- 2 -

election campaign. However, M. Benyahia was confident that it would be solved before the end of the year. Once the Majles had organised itself and a Prime Minister had been appointed, it would tackle the problem. During the two months which it would take for the Majles to sort itself out, there was no chance of progress. This was the more so since the hostage problem had become mixed up with the internal political problems of the country. In the meantime, it would be an error for the West to pile on the pressure. The less said about the hostages, the better the chances of their being released.

Turning to Afghanistan, M. Benyahia said that his Government were concerned both because of the precedent which the Soviet invasion of a small neighbouring country represented and because of the aggravation of international tension which had resulted. They wanted to see the Soviet troops withdrawn. The structure proposed by the recent Islamic Conference could not lead to a solution. The Pakistan and Iranian Governments were too deeply involved to act as intermediaries. The Algerians were working with the Yugoslavs with a view to setting up a meeting of non-aligned countries at Foreign Minister level. They hoped that it would be possible to work out a procedure which would be accepted by representatives of all the major "tendencies". A structure approved by the non-aligned movement as a whole might prove acceptable to the super powers. This did not mean that other approaches need be discarded. The Prime Minister said that what mattered was that the end result should be a Soviet withdrawal from Afghanistan. Failing this, no-one was safe. M. Benyahia said that he agreed with the Prime Minister.

The Prime Minister said that she was concerned about the lack of progress towards a solution of the Arab/Israel dispute. European Governments were anxious to help and were conscious that there might be a vacuum between now and the time of the U.S. Presidential elections in November. She was concerned about the lack of precision in much of the thinking about the problem, e.g. in the references to the desirability of "self determination". No-one had worked out what this phrase meant. She wondered, therefore, whether there was a possibility of talking with the various parties involved in order to be clearer about where the future of the region lay. The rights of both the Israelis and Palestinians had to be recognised by each. The problem was to ensure that the reciprocal acts of recognition happened simultaneously. It might help towards this if the phrase "self determination" could be filled out.

M. Benyahia said he was very happy to hear the Prime Minister's words. He agreed that the concept of self determination needed to be defined. He thought it very desirable that the Europeans should attempt to discover what the Arabs wanted before formulating a definite proposal. The Algerian Government had been concerned lest Europe should come out with a proposal which would be seen as contrary to the interests of the Palestinians. This would only

/ precipitate

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- 3 -

precipitate a crisis between Europe and the Arabs. M. Benyahia made it clear that the view of the Palestinians would be decisive in determining the reaction of the Arab states generally.

M. Benyahia asked the Prime Minister whether it would be possible to pursue the search for a solution without talking to the Palestinian Liberation Organisation. The Algerian Government did not think so. The Prime Minister said that the British Government would not recognise the P.L.O. as the sole representative of the Palestinian people. Nonetheless, they did recognise the natural political ambitions of the Palestinians. Continued trouble in the area was against the interests of the Palestinians, of Israel, of the adjacent Arab states, of the oil states, and of the West. Therefore HM Government would keep pressing for a solution to the problem. No progress would be made until the Palestinian people and Israeli people recognised each other's rights, and until it had been established more clearly what exactly the Palestinians wanted. Great practical problems, e.g. about the status of the West Bank, remained to be solved. M. Benyahia repeated that if these problems were to be resolved and their solution achieved, the P.L.O. would have to be dealt with. No-one else could speak for them. The Prime Minister repeated that she would not be prepared to see the P.L.O. recognised as the sole representative of the Palestinians. Given the P.L.O.'s terrorist connections, past and present, there would be serious political difficulties in doing so. She wanted to work towards a position where legitimate political arguments rather than violence were listened to. M. Benyahia said that the Prime Minister was speaking to a former terrorist. He did not dissent the principle the Prime Minister was advancing. But on occasions force was the only way to make progress.

The Prime Minister ended the discussion saying that she would like to have continued it, but that she had to go into the Chamber of the House of Commons to hear a Statement by the Lord Privy Seal.

*Yours ever*

*Michael Alexander*

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

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P S TO P M NO10 DOWNING ST

FM TEHRAN 020615Z JUN

TO PRIORITY FCO

TELEGRAM NUMBER 545 OF 2 JUNE 80

INFO PRIORITY WASHINGTON AND UKMIS NEW YORK

INFO SAVING EC POSTS.

*Useful survey: Read in full.*

MY TELNO 535 : US/IRAN.

1. I PAID FAREWELL CALLS ON MOINFAR, THE MINISTER OF OIL, AND NOWBARI, GOVERNOR OF THE CENTRAL BANK, ON 1 JUNE. THE FORMER, WHO IS A MEMBER OF THE REVOLUTIONARY COUNCIL, SAID THAT HE BELIEVED THE ASSEMBLY WOULD NOT GET DOWN TO THE HOSTAGE QUESTION FOR ABOUT 5 OR 6 WEEKS; IT WOULD TAKE THEM 3 WEEKS, AT THE OUTSIDE, TO SORT OUT THE CREDENTIALS AND RULES OF PROCEDURE AND PERHAPS ANOTHER 3 WEEKS TO SETTLE THE NEW GOVERNMENT. HE "HOPED" THEREFORE THAT THE HOSTAGE ISSUE WOULD BE RESOLVED IN 2 MONTHS, PROVIDED THAT THE AMERICANS AND THEIR ALLIES DID NOT STIR UP IRANIAN POPULAR FEELING BY FURTHER PROVOCATIVE ACTIONS.

2. WE ARGUED ROUND THIS FOR QUITE A TIME WITH ME MAKING THE POINTS THAT IT WAS IRAN THAT WAS GUILTY OF THE FIRST PROVOCATION, THAT BRITAIN AND THE REST OF EUROPE DID NOT DESIRE A QUARREL WITH IRAN BUT, FACED WITH THE CONTINUED ILLEGAL DETENTION OF THE AMERICAN HOSTAGES AND REQUESTS FOR SUPPORT FROM THE US, WE WERE BOUND TO GO WITH THE LATTER, AND THAT HER POINT HAVING BEEN AMPLY MADE THAT SHE DID NOT LIKE THE US, IT MUST SURELY BE IN IRAN'S INTEREST, WITH THE ECONOMY IN SUCH POOR SHAPE, TO BRING THE MATTER TO AN END. MOINFAR MERELY REPEATED THAT FRESH ACTIONS DESIGNED TO PUT PRESSURE ON IRAN WOULD NOT BE SUCCESSFUL AND WOULD MERELY SET BACK THE POSSIBILITIES OF RELEASING THE HOSTAGES AND CLAIMED THAT IN ANY CASE THE IRANIAN PEOPLE "WELCOMED THE OPPORTUNITY TO PRACTICE SELF-DENIAL", PRESENTED BY ECONOMIC SANCTIONS AND FINANCIAL STRINGENCY. IN CONCLUSION I URGED THE NEED FOR THE IMAM TO GIVE A CLEAR LEAD TO THE ASSEMBLY WHEN THE TIME CAME.

3. THE DISCUSSION WITH NOWBARI WAS NO MORE CONCLUSIVE BUT SOMEWHAT MORE ENCOURAGING. HE IS OF COURSE VERY CLOSE TO BANI SADR. HE PROFESSED CONFIDENCE THAT THE IMAM'S MESSAGE WHEN IT COMES WOULD BE CLEAR AND WOULD LEAD TO A SATISFACTORY DECISION BY THE ASSEMBLY, BUT HE ALSO STRESSED THAT IT WAS IMPORTANT THAT THERE SHOULD BE NO FURTHER ACTIONS WHICH WOULD RALLY IRANIAN NATIONALIST OPINION. HE SAID THAT HE COULD HAVE UNDERSTOOD THE EUROPEAN COMMUNITY GOING ALONG WITH THE AMERICAN DESIRE FOR SANCTIONS IF IT COULD HAVE BEEN ARGUED THAT THEY WOULD PRODUCE THE DESIRED RESULT : BUT SINCE THEY WOULD NOT,

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INDEED QUITE THE CONTRARY, HE COULD NOT UNDERSTAND THE EC'S DECISION TO IMPOSE THEM, AT A COST TO IRAN AND THEMSELVES. I PUT IT TO HIM THAT THAT WAS ONLY ONE SIDE OF THE COIN AND THAT THE ARGUMENT THAT IRAN WOULD NOT RESPOND TO PRESSURE COULD ONLY BE SUSTAINED WITH ANY CREDIBILITY IF, IN THE ABSENCE OF PRESSURE, THE IRANIANS MADE SOME MOVE TO BRING THE CRISIS TO AN END: IF BANI SADR HOPED FOR FOREBEARANCE FROM THE AMERICANS AND THEIR ALLIES OVER THE NEXT FEW WEEKS IT WAS ESSENTIAL FOR IRAN TO SHOW SOME MOVEMENT TO GIVE RATIONAL GROUNDS FOR THE AMERICANS NOT TO ACT. HE SEEMED TO TAKE THE POINT.

4. NOWBARI MADE CLEAR THAT ONCE THE HOSTAGES WERE OUT HE WAS EXPECTING THE US AND EUROPEAN GOVERNMENTS TO FACILITATE ACQUISITION BY IRAN OF INFORMATION ABOUT THE SHAH'S FOREIGN ASSETS. I SAID THAT THIS COULD ONLY BE DONE THROUGH THE COURTS AND THAT IT WAS INCONCEIVABLE THAT ANY EUROPEAN GOVERNMENT WOULD TAKE ACTION, WHICH I THOUGHT WOULD REQUIRE SPECIAL LEGISLATION, TO REQUIRE DISCLOSURE OF THE SHAH'S ASSETS. I ALSO PUT INTO HIS MIND, WHEN HE COMPLAINED THAT ENGLISH COURTS WERE MUCH SLOWER THAN THE FRENCH, THAT WITH THE HOSTAGE ISSUE BEHIND US, THE WISEST COURSE WOULD BE TO SEEK SETTLEMENT OUT OF COURT OF THE MANY ACTIONS THAT IRAN HAS IN HAND.

5. NOWBARI DISCUSSED THE ECONOMY GENERALLY, REMARKING THAT THERE HAD BEEN A DEBATE WHETHER TO PUBLISH THE BUDGET FIGURES WHICH REVEALED IRAN'S ECONOMIC PROBLEMS. WHEN I SAID THAT BP AND SHELL'S DECISION TO REFRAIN FROM BUYING IRANIAN OIL AT THE DOLLARS 35 PRICE, HAD BEEN A COMMERCIAL ONE, TAKING INTO ACCOUNT THE OTHER ELEMENTS IN THE PACKAGE, NOWBARI IMMEDIATELY ASKED WHETHER THEY WOULD BE BACK IN THE MARKET NOW THAT THE PRICE OF OTHER CRUDES HAD BEEN RAISED.

6. ZUHAIR YAMIN, THE UN SECRETARY GENERAL'S REPRESENTATIVE, TELLS ME THAT DA'OUFI'S TALKS HAVE BEEN GOING WELL AND THAT IT IS QUITE POSSIBLE THAT THERE WILL BE SOME DEFINITE AGREEMENT BY THE END OF THIS WEEK, ALTHOUGH IT MAY NOT BE MADE PUBLIC, THAT THE UN COMMISSION SHOULD BE REACTIVATED ON CONDITIONS ACCEPTABLE TO THE SECRETARY GENERAL, AND THEREFORE TO THE AMERICANS. THE INTENTION WOULD BE FOR THE COMMISSION TO CONDUCT ITS FURTHER ACTIVITIES IN SUCH A WAY THAT THE PUBLICATION OF ITS REPORT WOULD CONTRIBUTE TO THE ASSEMBLY DECISION.

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# CONFIDENTIAL

7. THE SWISS AMBASSADOR (PLEASE PROTECT) TELLS ME THAT THE

AMERICANS SEEM TO BELIEVE THAT QOTBZADEH AND THE FRENCH LAWYERS ON THE ONE HAND AND BANI SADR ON THE OTHER ARE WORKING ON SEPARATE AND DIFFERENT SCENARIOS. THIS NO DOUBT LAY BEHIND SAUNDERS'S QUESTION IN PARA 6 OF YOUR TELNO 306 (NOT TO ALL). I HAVE NO INDEPENDENT EVIDENCE OF THIS.

FCO PLEASE PASS SAVING TO EC POSTS.

GRAHAM

REPEATED AS REQUESTED

THIS TELEGRAM  
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SUBJECT.

10 DOWNING STREET

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 116/80

THE PRIME MINISTER

2 June 1980

cc. Master act  
ops

Dear Prime Minister

Thank you for your message of 18 April. I greatly value your desire to co-operate with the European countries over the measures that can best be taken in support of the United States against Iran. It is of the greatest importance that any measures that are now taken have the widest support possible if they are to have the right effect.

I am particularly pleased that our two Governments have been able to keep so closely in touch over this issue in recent months. Peter Carrington and Ian Gilmour much appreciated the opportunity to discuss these and other issues with Dr. Okita on 20 May.

As you know, the Foreign Ministers of the European Community countries have now announced a series of measures to be taken in respect of Iran. I was much encouraged by Japan's decision to associate herself with this stance and take similar measures. We must continue to keep in close touch. We are sending instructions to our Embassy in Tokyo to keep in the closest possible contact with the Japanese authorities on this, and I hope that here in London we can enjoy similar contact with the Japanese Embassy.

I understand that in forthcoming weeks you will be facing elections on 22 June but that you will still be going to Venice for the Summit. I look forward to seeing you there.

Yours sincerely,

MT

His Excellency Mr. Masayoshi Ohira.

OH

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PRIME MINISTER

You approved a message to the Japanese Prime Minister several weeks ago.

Unfortunately, this was transmitted by bag, and the bag was delayed in transit. The references to Iran were somewhat overtaken by events, and the FCO have proposed the attached up-dated draft; if you agree it, they will telegraph the text in advance this time.

*("Dear Prime Minister")*

*MAP*

29 May 1980

Duty Clerk

this message supercedes  
the one sent to PM of Japan  
on 2 May 1980

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Foreign and Commonwealth Office

London SW1A 2AH

29 May 1980

*Dear Michael,*

Message to the Japanese Prime Minister

I enclose a draft reply to Mr Ohira's message enclosed with my letter of 18 April. Our Ambassador to Japan has suggested that the previous reply (enclosed), cleared by the Prime Minister, should be updated to take account of developments over Iranian sanctions and the defeat of the Japanese Government.

I am sorry to trouble you again, but would be grateful for the Prime Minister's agreement to the new draft.

*T. M. Walden*  
*GGH*

(G G H Walden)

M O'D B Alexander Esq  
10 Downing Street

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Department .....Middle..East.....

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(Block Capitals).....

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OUTWARD

TELEGRAM

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PS/No. 10 Downing St

[TEXT]

DRAFT MESSAGE FROM THE PRIME MINISTER TO MR OHIRA,  
PRIME MINISTER OF JAPAN: YOUR TELNO 331

Thank you for your message of 18 April. I greatly value your desire to co-operate with the European countries over the measures that can best be taken in support of the United States against Iran. It is of the greatest importance that any measures that are now taken have the widest support possible if they are to have the right effect.

I am particularly pleased that our two Governments have been able to keep so closely in touch over this

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issue in recent months. Peter Carrington and Ian Gilmour much appreciated the opportunity to discuss these and other issues with Dr Okita on 20 May.

As you know, the Foreign Ministers of the European Community countries have now announced a series of measures to be taken in respect of Iran. I was much encouraged by Japan's decision to associate herself with this stance and take similar measures. We must continue to keep in close touch. We are sending instructions to our Embassy in Tokyo to keep in the closest possible contact with the Japanese authorities on this, and I hope that here in London we can enjoy similar contact with the Japanese Embassy.

I understand that in forthcoming weeks you will be facing elections on 22 June but that you will still be going to Venice for the summit. I look forward to seeing you there.

NOTHING TO BE WRITTEN IN THIS MARGIN

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JS



cc: FCO

T101/80

10 DOWNING STREET

THE PRIME MINISTER

PRIME MINISTER'S

2 May 1980

PERSONAL MESSAGE

SERIAL No. T101/80

Dear Prime Minister,

Thank you for your message of 18 April. I greatly value your desire to co-operate with the European countries over the measures that can best be taken in support of the United States against Iran. If measures taken now are to have the right effect, it will be essential that they have the widest support possible.

I am particularly pleased that our two Governments have been able to consult so closely over this issue in recent weeks. Peter Carrington much appreciated his talk with Dr. Okita in Luxembourg on 21 April.

As you know the Foreign Ministers of the European Community countries announced on 22 April a series of measures to be taken in respect of Iran. I am most grateful that you have been able, in your statement on 24 April, to associate yourself with these measures. Our determination to take these has not been affected by the unsuccessful attempt to rescue the hostages last week. You will have seen that the European Council reaffirmed them at its meeting in Luxembourg on 27 and 28 April.

We shall all need to keep in touch over the implementation of these measures. Instructions are being sent to our Embassy

/in Tokyo

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in Tokyo to maintain the closest possible contact with the Japanese authorities. I hope that here in London we can enjoy similar contact with the Japanese Embassy.

I look forward to seeing you in Venice in June.

Yours sincerely

Raymond D. [unclear]


---

His Excellency Mr. Masayoshi Ohira

London : 18th April 1980

*Dear Prime Minister,*

Prime Minister Ohira has  
instructed me to deliver to you a message  
and I have pleasure in enclosing it herewith.

*Yours sincerely*  


Naraichi Fujiyama  
Ambassador

The Rt.Hon. Margaret Thatcher, MP,  
Prime Minister and First Lord of the Treasury,  
10, Downing Street,  
London, S.W.1.

T E X T

April 18, 1980

Dear Prime Minister,

In the light of recent developments in the international situation concerning Iran, I have the honour to send you the following message :

I think that the Lisbon Declaration of the Foreign Ministers Conference of Nine EC countries was very timely. We fully supported the declaration and were pleased to respond to the initiative of the EC countries to join the common step. I have received reports from our Ambassador in Tehran who met with President Bani Sadr together with the Ambassadors of the EC countries. Much to our regret, it seems that the release of the hostages will have to wait, at the earliest, until the new Iranian Parliament is convened.

The U.S. has up to now acted with enormous patience despite many difficulties, but their patience seems to be approaching the limit. If the U.S. takes extreme unilateral action before the Iranian Parliament is convened, this will have far too serious consequences on the whole international community, and I think such a course must be avoided on all accounts. In time of such a crisis, we should not let the U.S. feel isolated. Europe and Japan, therefore, must co-operate in taking some measures in support of the U.S. I believe that you are of the same view. Europe and Japan should maintain closest contact with each other to cope with this serious situation.

/ With ...

With regard to economic measures against Iran, we are prepared to act in concert with Europe. Regarding our concerted measures, we would like to be fully informed of your position and would also like to inform you of our views. For the moment, we continue to observe the Six-Point Consensus relating to financial and oil transactions, while maintaining a close watch on the recent developments.

With regard to the hostages themselves, as President Bani Sadr seems to be making efforts to arrange further meetings by third parties, I should like to suggest that Europe and Japan make a joint approach to Iran to encourage his efforts in this direction. Particularly, if a meeting of the hostages with their families can be arranged, it will certainly be a step forward. I would like to have your views on making such a joint approach. I should also like to suggest that while we, both Europe and Japan, continue our efforts to support the U.S., we make a common appeal to the U.S. to act with further patience though the difficult situation in which President Carter finds himself deserves fullest sympathy.

I am looking forward to seeing you soon.

MASAYOSHI OHIRA  
Prime Minister of Japan

The Right Honourable Margaret Thatcher, MP,  
Prime Minister and First Lord of the Treasury,  
London.

GR 375

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FM TEHRAN 290300Z MAY

TO PRIORITY FCO

TELEGRAM NUMBER 534 OF 29 MAY 80

INFO PRIORITY WASHINGTON, UKMIS NEW YORK

INFO SAVING EC POSTS.

*Prime Minister*

*MMA 29/5*

**THE IRANIAN ASSEMBLY.**

1. I ATTENDED THE OPENING OF THE IRANIAN ASSEMBLY ON 28 MAY.

THE CEREMONY TOOK PLACE IN THE OLD SENATE BUILDING AND TOOK THE FORM OF INTRODUCTORY RECITATIONS FROM THE KORAN BY 2 SMALL BOYS, AN ADDRESS BY THE MINISTER OF THE INTERIOR, MAHDAVI KANI, THE INSTALLATION OF YADOLLAH SAHHABI AS PROVISIONAL PRESIDENT, THE READING BY AHMED KHOMEINI OF A MESSAGE FROM THE IMAM, A SPEECH BY BANI SADR, A PATRIOTIC SONG DELIVERED BY A CHORUS OF YOUTHS, THE SWEARING IN OF THE DEPUTIES, EN MASSE, AND FINALLY ANOTHER ADDRESS BY MAHDAVI KANI.

2. I AM WAITING FOR THE FULL TEXTS OF THE VARIOUS STATEMENTS BUT THE MOST IMPORTANT POINT IS THAT THERE WAS NO REFERENCE IN ANY OF THE SPEECHES, OR IN THE IMAM'S MESSAGE, TO THE PROBLEM OF THE AMERICAN HOSTAGES, AND VIRTUALLY NOTHING ABOUT RELATIONS WITH THE US, BEYOND THE USUAL CRY "NEITHER EAST NOR WEST". THE IMAM'S MESSAGE CONCENTRATED ON EXHORTING THE DEPUTIES TO DO THEIR DUTY AS GOOD MUSLIMS WITHOUT BICKERING AND UNNECESSARY PROCEDURAL WRANGLING AND HAVING ONLY THE INTERESTS OF THE PEOPLE IN MIND. ALL LAWS WHICH WERE CONTRARY TO ISLAM OR THE INTERESTS OF THE PEOPLE, SHOULD BE REPEALED AS A MATTER OF PRIORITY. BANI SADR, WHO SPOKE WITHOUT NOTES, RANGED WIDELY BUT SAID NOTHING NEW. MAHDAVI KANI MADE THE POINT THAT THE CREDENTIALS OF 213 DEPUTIES HAD BEEN APPROVED AND THAT 21 REMAINED TO BE SETTLED (THIS LEAVES ANOTHER 36 SEATS TO BE FILLED WHEN CONDITIONS IN SUCH AREAS AS KURDESTAN PERMIT): ACCORDINGLY THE REVOLUTIONARY COUNCIL WOULD CONTINUE IN BEING UNTIL ALL THE OUTSTANDING CREDENTIAL

EHAD BEEN APPROVED.

3. ABOUT ONE THIRD OF THE ASSEMBLY IS MADE UP OF MULLAHS. THE REST OF THE MEMBERS RANGED FROM THE THOROUGHLY REVOLUTIONARY, AT LEAST IN APPEARANCE, TO THE RATHER STAID WEARERS OF TIES. I SAW ONLY TWO WOMEN INCLUDING THE DAUGHTER OF TALCQHANI. THE CEREMONY WAS NOT WITHOUT INCIDENT SINCE WHEN MAHDAVI KANI PROPOSED THAT BAZARGAN SHOULD BE APPOINTED PROVISIONAL VICE-PRESIDENT ON GROUNDS OF AGE, KHALKHALI OBJECTED, BUT WAS OVERRULED.

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Prime Minister

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FM TEHRAN 290300Z MAY  
TO PRIORITY FCO

TELEGRAM NUMBER 535 OF 29 MAY 80  
INFO PRIORITY WASHINGTON AND UKMIS NEW YORK  
INFO SAVING EC POSTS.

MIPT : US/IRAN.

1. IF THIS WAS THE MESSAGE FROM THE IMAM THAT BANI SADR AND AHMED KHOMEINI WERE DRAFTING (PARA 1(C) OF MY TELNO 483) IT IS A DISAPPOINTMENT, ALTHOUGH AT LEAST THE IMAM HAS NOT SOUGHT IN IT TO STIR UP FEELING AGAINST THE US. THE FRG AMBASSADOR, WHO HAS DISCUSSED THE SITUATION WITH TABATABAI, DRAWS COMFORT FROM THIS FACT AND, ON THE STRENGTH OF WHAT TABATABAI SAID, BELIEVES THAT IT MAY YET BE POSSIBLE, AND INDEED IS THE INTENTION, THAT THE IMAM SHOULD INTERVENE TO INTERRUPT THE DISCUSSION BY THE ASSEMBLY OF ITS PROCEDURES AND TO CALL FOR AN IMMEDIATE DECISION ON THE HOSTAGE ISSUE. TABATABAI TOLD ME ON 26 MAY THAT HE HOPED IT WOULD BE SETTLED IN 3 OR 4 WEEKS.
2. HOWEVER, QOTBZADEH, WHO RECEIVED THE GROUP OF 12 (NOW REDUCED TO 10), (IE THE NON-EC WESTERN EUROPEANS PLUS NEW ZEALAND AND AUSTRALIA, ON 27 MAY, TOLD THEM THAT HE WAS IN A DILEMMA SINCE IF HE GAVE THEM A FIRM DATE HE WAS LIKELY TO BE PROVED WRONG AND WOULD BE BLAMED, WHEREAS IF HE GAVE A SAFE DATE FAR IN THE FUTURE, THE EUROPEANS AND THE AMERICANS WOULD REACT BADLY. NEVERTHELESS HIS OWN BELIEF WAS THAT THE ASSEMBLY MIGHT TAKE UP TO 4 WEEKS TO SETTLE ITS PROCEDURES, A FURTHER 4 WEEKS TO APPROVE THE PRIME MINISTER AND THE NEW GOVERNMENT AND ONLY THEN WOULD GET DOWN TO THE HOSTAGE ISSUE AS ITS FIRST REAL BUSINESS. IT MAY BE THAT QOTBZADEH WHO, ACCORDING TO WHAT I HAVE HEARD, DOES NOT SEE HIMSELF CONTINUING AS FOREIGN MINISTER, MAY NOT BE INTIRELY IN THE KNOW ABOUT WHAT IS GOING ON BETWEEN BANI SADR, AHMED KHOMEINI AND THE IMAM.

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/3. MEANWHILE

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3. MEANWHILE THE "STUDENTS" HAVE ISSUED ANOTHER STATEMENT IN WHICH, WHILE DECLARING THAT THEY WILL OBEY THE ASSEMBLY'S DECISION, THEY STATE THAT ANY DECISION NOT TO PUT THE HOSTAGES ON TRIAL WOULD HAVE TO BE SUPPORTED BY SOME GOOD REASONS.
4. IN SHORT, AS ALWAYS THE POSITION IS CONFUSED AND NOT VERY ENCOURAGING. I MAY GATHER SOME ENLIGHTENMENT IN THE COURSE OF MY FAREWELL CALL, ALTHOUGH I AM STILL WAITING FOR MOST TO BE ARRANGED.

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FM TEHRAN 290745Z MAY  
TO PRIORITY FCO  
TELEGRAM NUMBER 538 OF 29 MAY 80

RESTRICTED

*Prime Minister*

*To glance*

*MAR 30/1*

*ms*

INFO PRIORITY CABINET OFFICE (D10) MODUK (D14 AND DS11)  
CRE5, WASHINGTON, UKMIS NEW YORK, ABU DHABI, ANKARA, BAGHDAD,  
BAHRAIN, DOHA, DUBAI, KUWAIT, MOSCOW, MUSCAT, NEW DELHI, ROME,  
PARIS, BRUSSELS AND BONN.

0 MY TELNO 525 : SITUATION IN IRAN.

1. THE NEW MAJLES OPENED ON 28 MAY (MY TELNO 534 NOT TO ALL).  
KHOMEINI, IN A MESSAGE READ BY HIS SON, CALLED ON THE  
DELEGATES TO FOLLOW ISLAMIC PRINCIPLES AND AVOID BICKERING.  
NEITHER HE NOR BANI SADR REFERRED TO THE HOSTAGES OR, EXCEPT  
IN A GENERAL CONTENT, TO RELATIONS WITH THE US. THE "STUDENTS"  
ISSUED A STATEMENT THAT THE MAJLES SHOULD OFFER SOME GOOD REASONS  
IF THEY DECIDED NOT TO SEND THE HOSTAGES FOR TRIAL.
2. ACCORDING TO MAHDAVI KANI, MINISTER OF THE INTERIOR, THE  
REVOLUTIONARY COUNCIL WILL CONTINUE ITS WORK UNTIL THE  
CREDENTIALS OF 31 OF THE 234 MAJLES MEMBERS SO FAR ELECTED, WHICH  
STILL REQUIRE APPROVAL, HAVE RECEIVED IT.
3. KHALKHALI ANNOUNCED TODAY THAT 7 MORE ALLEGED DRUG SMUGGLERS  
WERE EXECUTED YESTERDAY (SEE TUR). ABOUT 3,000 DRUG ADDICTS  
WERE TAKEN TO THE FARAHABAD RACECOURSE EARLIER THIS WEEK TO  
CURE THEIR ADDICTIONS, BUT ARE SAID TO HAVE BROKEN OUT AND  
ESCAPED, WITH TWO KILLED BY PASDARAN AS THEY DID SO.
4. THE ARMY CLAIM TO HAVE RELIEVED THE GARRISON BESIEGED BY  
KURDS IN BANEH (SEE TUR).
5. WE HAVE BEEN TOLD, THOUGH NOTHING HAS APPEARED IN THE PRESS,  
THAT BANI SADR HAD BRICKS THROWN AT HIM DURING A VISIT TO  
CHAH BAHAR IN BALUCHESTAN ON 27 MAY AND LEFT EARLIER THAN  
SCHEDULED.

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WAS NOT  
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GR 210

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FM TEHRAN 290300Z MAY

TO PRIORITY FCO

TELEGRAM NUMBER 536 OF 29 MAY 80

INFO PRIORITY WASHINGTON, UKMIS NEW YORK, VIENNA, STOCKHOLM  
AND MADRID

INFO SAVING EC POSTS.

MY TELNO 531 : INTERNATIONAL SOCIALIST VISIT.

1. THE VISIT ENDED SOMEWHAT ABRUPTLY. THE REASON, I HEAR, WAS THAT KREISKY TOOK UMBRAGE AT HIS RECEPTION BY BEHESHTI AND CUT IT SHORT. ALTHOUGH BEHESHTI'S MOTIVE IS UNKNOWN, IT MAY BE THAT HE ONLY SAW THE DELEGATION UNDER PRESSURE, AND RELUCTANTLY. APPARENTLY THE WHOLE VISIT WAS IN THE BALANCE UNTIL THE LAST MINUTE BECAUSE OF KREISKY'S INSISTENCE THAT THEY SHOULD MEET NOT ONLY BANI SADR AND QOTBZADEH, BUT OTHERS WHO WERE OPPOSED TO THE FREEING OF THE HOSTAGES (PARA 2 OF MY TELNO 523).

2. IT HAS ALSO BEEN SAID HERE, AND ANDREW WHITLEY IN THE FINANCIAL TIMES HAS REFLECTED IT, THAT ONE OF THE OBJECTS OF THE DELEGATION WAS TO REASSURE THE IRANIANS THAT ONE THE HOSTAGES HAD BEEN RELEASED THERE WOULD BE NO AMERICAN RETALIATION. THIS CERTAINLY IS A FACTOR IN IRANIAN THINKING. EVEN THOSE WHO ARE IN FAVOUR OF BRINGING THE PROBLEM TO AN EARLY END MAY FIND IT DIFFICULT TO COUNTER THE ARGUMENT THAT IRAN WOULD BE LEFT OPEN TO AMERICAN RETALIATION.

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*Prime Minister*

*W*

*MP 30/4*

FM TEHRAN 280730Z MAY  
TO PRIORITY FCO  
TELEGRAM NUMBER 531 OF 29 MAY 80  
INFO PRIORITY WASHINGTON, UKMIS NEW YORK, VIENNA, STOCKHOLM,  
MADRID AND EC POSTS.

MY TELNO 523 : INTERNATIONAL SOCIALIST VISIT. - IRAN

1. THE VISIT OF KREISKY, PALME AND GONZALEZ FROM 25-27 MAY (SEE TUR) HAS BEEN FULLY COVERED IN THE INTERNATIONAL PRESS. THEY MADE IT CLEAR THROUGHOUT THAT THEY WERE NOT A GOVERNMENT DELEGATION (NONE OF THEIR COUNTRY'S AMBASSADORS, FOR EXAMPLE, ATTENDED ANY OF THE MEETINGS) AND THAT THEY WERE HERE FOR INFORMATION ABOUT IRAN AND NOT TO MEDIATE OVER THE HOSTAGES. THEY WERE UNCOMPLIMENTARY ABOUT THE SHAH'S REGIME, AND GAVE THE "STUDENTS", TO WHOME THE DELEGATION MADE NO REFERENCE, NO OPPORTUNITY TO ISSUE A STATEMENT CONDEMNING THEIR VISIT. THEY WELCOMED IRAN'S STRUGGLE AGAINST THE SUPER-POWERS AND NON-ALIGNED STATUS, AND THEIR PROMISES OF SUPPORT FOR THE IRANIAN REVOLUTION MAY HELP BANI SADR IF HE IS STILL ATTEMPTING TO REASSURE KHOMEINI THAT THE ISLAMIC REPUBLIC'S INTERNATIONAL ACCEPTANCE IS NO LONGER IN DOUBT. THEY SAW BEHESHTI, ABOUT WHOM KREISKY WAS COMPLIMENTARY, HABIBI AND FORUHAR AS WELL AS BANI SADR AND QOTBZADEH, AND THE DOOR IS OPEN FOR THEM TO RETURN: KREISKY SAID THEY HOPED TO HAVE TALKS WITH MEMBERS OF THE MAJLES ONCE IT HAD STARTED WORK.
2. THE AUSTRIAN AMBASSADOR TELLS ME THAT IN PRACTICE THE PRIVATE DISCUSSIONS DID DEAL LARGELY WITH THE HOSTAGES. HE DID NOT THINK MUCH HAD BEEN ACHIEVED ALTHOUGH NO HARM HAD BEEN DONE.

CONFIDENTIAL

/3. IN ALL,

CONFIDENTIAL

3. IN ALL, THE VISIT IS GENERALLY REGARDED AS HAVING BEEN A SUCCESS AND A BOOST FOR BANI SADR WHO, ACCORDING TO THE PRESIDENT'S OFFICE, HAD ISSUED AN INVITATION TO THE DELEGATION "AFTER THEY HAD EXPRESSED THEIR WILLINGNESS (TO COME)" (PARA 2 OF TUR). IT GOT GOOD COVERAGE IN THE LOCAL MEDIA. BY SEEKING NOTHING EXCEPT INFORMATION AND AVOIDING THE HOSTAGE ISSUE IN PUBLIC, THE DELEGATION DID NOT LAY THEMSELVES OPEN TO ANY VILIFICATION BY THE WARD-LINE PRESS.
4. COPIES OF THE STATEMENTS BY THE PRESIDENT'S OFFICE AND THE DELEGATION AT THE END OF THE VISIT FOLLOW BY BAG TO MED AND WASHINGTON.

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From the Secretary of State

2  
PRIME MINISTER

To see

MS

29/5

C T W Humfrey Esq  
Private Secretary to the  
Minister of State  
Foreign and Commonwealth Office

28 May 1980

Dear Charles,

IRAN SANCTIONS

You may wish to know that there have been a number of detailed amendments to the draft Orders that I circulated yesterday. I understand that these were agreed between officials of our two Departments.

The main change, which I understand was made at the suggestion of your Minister, is the deletion of the provisions prohibiting new service contracts in support of industrial projects. Information which has become available since the original draft was prepared suggests that a number of other Community countries, notably France, have not prohibited the provision of such services.

The only other significant change is to the definition of existing contracts in both Orders. The final draft makes it clear that to qualify for exemption a course of business dealing must be established, between the same parties and relating to goods of the same or similar class. This amendment will help clarify the scope of exempt continuing arrangements.

I am copying this letter to the Private Secretaries to the Prime Minister, the Lord Privy Seal and Lord Trenchard.

Yours ever,

Nicholas McInnes

NICHOLAS McINNES  
Private Secretary

RESTRICTED

na  
MAD

GRS 40

RESTRICTED  
FM F C O 281900Z MAY 80  
TO IMMEDIATE TOKYO  
TELEGRAM NUMBER 207 OF 28 MAY 80

PRIME MINISTER'S MESSAGE TO MR OHIRA: YOUR TEL 331.

1. IN THE LIGHT OF YOUR TUR, WE ARE PROPOSING TO NO 10 THAT AN  
UPDATED MESSAGE BE SENT TELEGRAPHICALLY. PLEASE THEREFORE DO NOT  
DELIVER THE PRIME MINISTER'S LETTER OF 2 MAY.

CARRINGTON

[COPIES SENT TO NO 10 DOWNING ST]

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PS/MR HURD  
PS/MR BLAKER  
PS/PUS  
SIR D MAITLAND  
MR J C MOBERLY  
MR MURRAY  
MR DONALD

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PART 7 ends:-

Trade to NJS of 27.5.80.

PART 8 begins:-

Trade to FCO of 28.5.80.