

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah
the most

Compassionate and Merciful

**The Center for the Publication of the U.S.
Espionage Den's Documents**

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IN THE NAME OF ALLAH,
THE MOST COMPASSIONATE AND MERCIFUL

TABLE OF CONTENTS

1- IRAN: RENEWAL OF CIVIL DISTURBANCES	1
SUMMARY	4
BACKGROUND	4
RESURGENCE OF DISSIDENCE	6
POLITICAL LIBERALIZATION A FACTOR	8
OUTLOOK	9
2- INTERNAL SITUATION	10
3- ORGANIZATION OF PRO-SHAH COUNTER-MEASURES	12
4- SUMMARY OF AMBASSADOR'S MEETING WITH SELECT GROUP OF AMERICAN BUSINESS COMMUNITY REPRESENTATIVES	15
PERSPECTIVE ON CURRENT EVENTS	16
POLITICAL REALITIES	17
WHERE WE ARE	17
U.S. COMMUNITY SAFETY AND WELFARE	18
MISCELLANEOUS	19
5- INSTRUCTIONS FROM AYATOLLAH KHOMEINI TO STAGE ANTI-GOVERNMENT DEMONSTRATIONS DURING MOHARRAM	21
6- FRENCH ECONOMIC INTERESTS IN IRAN	25
FRENCH POPULATION	25
EFFECTS ON FRENCH BUSINESS IN IRAN	25
RAILROADS	25
NUCLEAR	25

AYATOLLAH KHOMEINI	26
BIOGRAPHIC	26
7- ISRAEL AND DEVELOPMENTS IN IRAN	27
8- CLOUDY FOR IRAN	32
SUMMARY	32
ISFAHAN PERSPECTIVE ON THE BAKHTIAR GOVERNMENT ...	32
PROBLEMS FACING THE GOVERNMENT	33
SCENARIO FOR (LIMITED) SUCCESS.....	34
IMPLICATIONS FOR THE U.S. AND AMERICANS	35
9- ASSISTANT SECRETARY SAUNDERS' STATEMENT	38
THE PRESENT SITUATION IN IRAN AND ITS IMPLICATIONS ..	38
INTRODUCTION	38
PROBLEM IN IRAN TODAY	42
AMERICAN INTERESTS AND ROLE	43
HOW THE PRESENT SITUATION CAME ABOUT	46
THE "WHITE REVOLUTION"	46
CONFIDENCE AND GROWTH: 1963-76	48
PROBLEMS AND PRESSURES: 1976-78	49
TODAY	52
WHY AN EXPLOSION?	54
THE ISSUES AHEAD	55
REGIONAL IMPLICATIONS	55
FOUR POINTS NEED TO BE STATED	57
U.S. POLICY	60
WHAT LIES AHEAD?	63

10- FRENCH FOREIGN MINISTER FRANCOIS-PONCET'S VISIT TO COPENHAGEN	65
11- ECONOMIC DISCUSSIONS OF THE SUPPORTERS OF AYATOLLAH KHOMEINI	67
12- WHAT WENT WRONG IN IRAN?	70
13- SPEECH MATERIAL CLEARANCE: REQUEST FOR	74
PROLOGUE	75
THE BEGINNING	75
THE DOWN TURN	79
END OF A DYNASTY	80
KEYS TO DOWNFALL OF PAHLAVI DYNASTY	81
KEY UNANSWERED QUESTIONS	82
14- CALL BY IRANIAN CHARGE	83
15- CHARGE'S CALL ON AGRICULTURE MINISTER DR. MOHAMMAD IZADI	86
16- A LETTER TO CYRUS VANCE FROM EBRAHIM YAZDI	90
17- SCHEDULED ANTI-AMERICAN DEMONSTRATIONS	95
18- IRANIAN ECONOMIC TRENDS	97
SUMMARY	97
CURRENT ECONOMIC SITUATION AND TRENDS MARCO ECONOMIC SITUATION	97
FISCAL DEVELOPMENT	100
MONETARY AND PRICE DEVELOPMENT	101
TRADE DEVELOPMENTS	102
INFLATION ISSUE	102
LABOR CONDITIONS	103
THE ENVIRONMENT	104

IMPLICATIONS FOR THE UNITED STATES	104
19- IRAN'S FOREIGN ASSISTANCE, INVESTMENT, REVENUES AND DEBT SERVICE	106
20- AMIR ENTEZAM STATEMENT	109
21- REPORTING SUBJECTS	110
22- IRANIAN CONSTITUTION	112
23- U.S.-IRAN COMMERCIAL RELATIONS	115
24- PGOI TRIES TO CONTROL THE REVOLUTIONARY MOVEMENT	118
25- IRAN: MARCHERS SUPPORT KHOMEINI	120
26- YAZDI IN NEW YORK: WHERE NOW?	122
27- ECONOMIC RECOVERY-WHERE NOW?	128
28- POST-REVOLUTIONARY INDUSTRY IN TABRIZ:MERCEDES BENZ ...	134

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INTELLIGENCE APPRAISAL

**IRAN:
RENEWAL OF CIVIL
DISTURBANCES(U)**

16 AUGUST 1978

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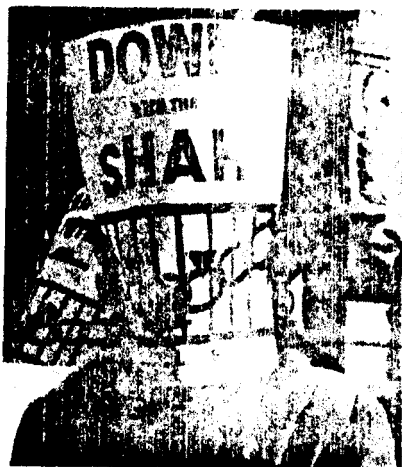
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**Intelligence
Appraisal**

IRAN:

RENEWAL OF CIVIL DISTURBANCES (U)



PREPARED BY

Maj Don Adamick, USA

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RECENT UNREST INCLUDED ANTI-AMERICAN ACTIVITY

27 July	Shiraz	All windows of Iran American Society (IAS) building broken by demonstrators
1 August	Isfahan	Pipe bomb thrown in US Consulate compound
6 August	Shiraz	Crowd attempts to enter IAS compound and breaks windows
8 August	Shiraz	Crowd, marching from Mosque towards IAS building, is dispersed by police
Early August	Isfahan	Several Americans report that they have been threatened

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IRAN: RENEWAL OF CIVIL DISTURBANCES (U)

Summary

(C/NOFORN) Since 21 July, Iran has experienced a wave of dissident activity similar to that which plagued the country for the first five months of the year. Religious elements opposed to the Shah have sparked a series of confrontations with the government that have resulted in 12 to 20 killed, scores injured, and several hundred arrested. Other opponents of the Shah include those of a more liberal bent, students, and possibly terrorist groups operating on the fringes. While these groups may not have a definite plan regarding Iran's future, they are united in their opposition to the Shah.

(C/NOFORN) The recent round of disturbances seems to indicate an increasing anti-US tone. In their competition to out do one another, the various dissident groups may escalate the level of anti-American rhetoric, and the latent xenophobia in the Iranian character may surface. This could lead to some trouble for the large American community in Iran, particularly for those who might get caught up in events in the more conservative cities.

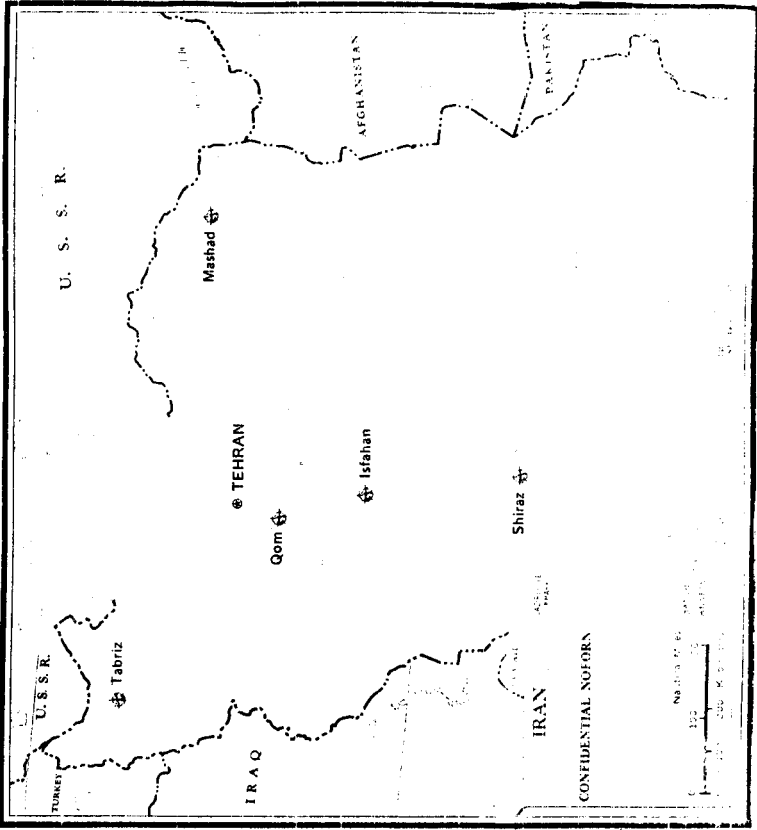
(C/NOFORN) The recent deaths may set off a new cycle of religious demonstrations such as those experienced earlier this year. The Islamic month of Ramadan, now in progress, and the special mourning days in late August increase the chance for further demonstrations. The government will probably be able to handle the situation, but the Shah is still faced with a dilemma: How to continue liberalizing Iranian society and maintain order at the same time without cracking down too harshly on the dissidents.

Background

(C/NOFORN) The resurgence of civil disturbances in Iran during the past few weeks is similar in many ways to that experienced from January to May. It has its roots in traditional opposition to the Shah by religious conservatives who oppose his secularization and modernization of Iranian society. The targets of demonstrators are the same -- banks, movie houses, vehicles, and ordinary business establishments. Other opponents lending their support, if not actual participation, include those of a more liberal outlook, such as students, followers of the now defunct National Front, and possibly terrorist groups. While the disturbances are similar to previous demonstrations, they have taken on some new twists.

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RELIGIOUSLY INSPIRED DEMONSTRATIONS OCCUR AGAIN



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Discussion

Resurgence of Dissidence

(C/NOFORN) The recent troubles began on 21 July, a religious holiday of some significance to the Shiite Muslims of Iran. Instead of holding the usual celebrations, followers of Ayatollah Khomeini called for political meetings. Commemorative services for Ayatollah Kafi, a respected religious leader in the holy city of Mashad, were followed by a violent confrontation between government security forces and demonstrators the next day. Other cities also reported some incidents, which apparently were perpetrated by religious extremists.

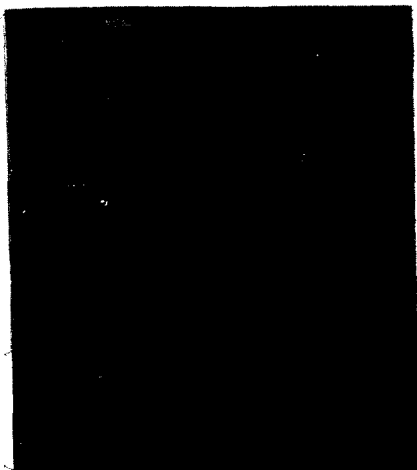
(C/NOFORN) During the following week, mourning ceremonies for Kafi and for those killed the previous week led to further disturbances. The rumor that Kafi was killed by government security officials further incited his following. Isfahan suffered the most violence, consisting largely of breaking windows. Casualties, as reported in the government-controlled press, indicated that some 300 were arrested, up to six persons killed, and 26 injured in the two weeks of violence. Events culminated in the bombing of the US Consulate in Isfahan. While there were no injuries and only minor damage was done, it was the first clearly anti-American act in several months.

(C/NOFORN) The period from 5 to 10 August was somewhat calmer although violence occurred in the theological center of Qom and the cities of Shiraz and Isfahan. Almost any occasion has been exploited by the religious extremists, to include continuing commemoration of Kafi, Iran's Constitution Day, and the start of the Muslim month of Ramadan. The arrest of a prominent religious leader in Isfahan by SAVAK, the Iranian National Intelligence and Security Organization, also contributed to antigovernment demonstrations.

(C/NOFORN) On 11 August, the Iranian Government declared martial law in the nation's second largest city, Isfahan. Police attempts to break up a religious demonstration led to rioting, and military forces were called in to restore order. A curfew is in effect, and the gathering of three or more persons is prohibited. The martial law is to remain in effect for one month and reportedly will be extended to other cities as necessary. Unconfirmed press reports indicate it may already have been imposed in three small cities near Isfahan. The swift imposition of martial law in the industrial and tourist center indicates the seriousness of the situation and the government's intention to confront extremists with the force required to restore order. Casualties in Isfahan and other cities since 11 August have raised the total killed and injured, but reliable figures are not yet available.

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EXILED RELIGIOUS LEADER STILL INFLUENTIAL IN IRAN



AYATOLLAH RUHOLLAH KHOMEINI

AGE: 76

*Has attacked Shah and his reform measures.
Opposed presence of Americans in Iran.
Exiled to Iraq in 1964.*

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Political Liberalization a Factor

(C/NOFORN) As the anti-Shah demonstrations and disturbances were winding down in May and the government announced a crackdown on dissidence, most religious leaders seemed to favor a calming of the situation. There were signs that a dialogue was taking place between the Shah and the religious community. At the same time, the Iranian leader reemphasized his policy of political liberalization, and preparations for next year's parliamentary elections dominated the news. The open political atmosphere prompted much debate and generally settled the volatile situation.

(C/NOFORN) The relative calm evidently did not sit too well with the monarch's more extreme opponents. The anti-Shah followers of the exiled Khomeini appeared to have been behind much of the violence, or at least to have exploited the genuine commemorations of the religious majority. Reportedly, the outlawed TUDEH or Communist Party of Iran is tacitly supporting religious groups loyal to Khomeini. Old time nationalists of a leftist persuasion also lend their support to the antigovernment activity. While these groups may not have the same plan for Iran's future -- if indeed they have a plan -- they are united in their opposition to the Shah and the present form of government.

(C/NOFORN) The recent outbreaks suggest that an increasing anti-US tone is developing in the government's opposition. Those national frontists long-opposed to the Shah have claimed that he is a puppet of the US and will do what Washington bids. They point to his liberalization policy and the improvement of human rights in Iran as examples that the Shah is following US instructions. Lately, there have been signs that the Shah's opposition believes that the US is not pressuring him enough on improving the political situation in Iran.

(C/NOFORN) The anti-American theme is reportedly also being exploited by religious elements, particularly in Isfahan. Komeini has long preached against the American presence in Iran, claiming the US is the principal supporter of the Shah and exploits Iran's wealth, while Americans in the country enjoy special privileges. Iranians typically blame their troubles on outsiders, and Americans are a convenient target. In order to gain primacy over rival dissidents, some religious leaders may take a more extreme stand on opposition to the government. This could be reflected in increasing anti-US statements, and the latent xenophobia in the Iranian populace may surface. This could pose trouble for the large American community of about 37,000 to 40,000.

(C/NOFORN) The anti-American tone has not thus far surfaced publicly, and it may be limited to the more extreme opposition. However, the number of anti-American acts in the past few weeks is unusual, considering

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there were very few signs of anti-US feeling in the five months of civil disturbances earlier this year. Moreover, the large number of Americans within the country, particularly in the more conservative cities of Isfahan and Shiraz, could lead to some being caught up in the events. Most places that Americans visit in Isfahan, such as restaurants and shops, are in a relatively small area. The concentration of Americans is therefore high, increasing the possibility of incidents.

Outlook

(C/NOFORN) The old dilemma for the Shah remains -- how to continue the liberalization of Iranian society and maintain order at the same time without too harsh a crackdown on dissidents. His opposition is pressuring him to be even more liberal, and at the same time security forces are probably getting impatient with the restraints placed on them. The majority of the populace is no doubt upset with the constant disruption of normal living, and they may make demands for law and order. For the near term, the Shah is likely to continue with his same tactics, and may make another attempt to hold a dialogue with the religious opposition. Nonetheless, firm action by security forces will be used if it is necessary to quell the new round of violence. The martial law in Isfahan is an example of the Shah's determination to maintain law and order.

(C/NOFORN) The possibility of further disturbances is high. In the past those killed in demonstrations have been commemorated in ceremonies 40 days later, which have led to further violence. Thus, a new cycle of religious disturbances may have been set off on 22 July. Meanwhile, the Islamic month of Ramadan -- a time of fasting and prayer -- is now in progress, which may increase tensions. The period of 24 to 26 August, when Iranian Shiites mourn the death of Ali, their most venerated spiritual leader, will be a potentially dangerous time. The opening of school next month will probably add the student population to the unrest.

(C/NOFORN) The months ahead are to likely be turbulent ones for Iran. There is no threat to the stability of the Shah's rule, but continuing tests between the government and the opposition are in sight. (GDS 84)

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Cdr. Alain DE BEAUPUY, Assistant Military
Attache, French Embassy
Ambassador Panayotis ECONOMOU, Greek Embassy
George B. LAMBRAKIS, American Embassy, Tehran

DATE & PLACE: September 15, 1978, Lambrakis' Residence

SUBJECT: Internal Situation

DISTRUBUTION: AMB, DCM, POL, POLM, ECON, OR, ICA, DAO, BIO
NEA/IRN, IRN/RNA, INR/OIL/B

De Beaupuy has the distinction of being the only member of the Diplomatic Corps who predicted the severity of the religious challenge to the government and the Shah which we have just witnessed. Cassandra-like, he has been talking to all and sundry about the wrath building up in religious circles and the historic precedents of Islam acting as a sounding board for people's complaints. Historically, the mullahs have many more allies than they did in 1963.

De Beaupuy said we should not allow the temporary moderation of Shariatmadari's views blind us to the trend. Shariatmadari is not in control of the extremists and has to yield to them. Being a "holy man" he is not a politician and acts differently than a politician. In response to my invitation for a prediction, De Beaupuy said, if the Shah does not undertake extensive activity in the next two weeks, he would predict the Shah's departure by the end of October.

The scenario sketched out would be a million moslems marching out of the bazaar in South Tehran as a tide neither the army or police would dare to stop. He then could see Gen. OVEISI, accompanied by Majles Speaker RIAZI and perhaps even the American Ambassador (!), marching in to invite the Shah to take a plane and leave the country.

The only way to avoid this, in De Beaupuy's opinion, is for the Shah to take a more direct role vis-a-vis his people. He cannot hide his responsibility for governing over the past two decades by bringing subordinates to trial. People will no longer believe his promises except those given directly as public commitments perhaps over television. People would

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want him to get rid of his family and the whole Ministry of Court. The opposition is clearly not going to settle for anything less than a constitutional monarchy reigning but leaving the governing to politicians.

The Greek Ambassador identified himself with De Beauputy's views. He said Americans should realize that the Shah stands alone at present. No one will stand with him. Both De Beauputy and the Ambassador admitted the Shah had been a very good influence for Iran and should be saved if possible. "If you Americans have any influence left with him, try to get him to take the necessary action before it's too late."

In elaborating on his views, De Beauputy said he had personally followed the mobs in Tehran and had others following. September 4 had seen 100-200,000 people turn out because moderate religious leaders joined the extremists. September 7 and 8 were demonstrations carried out only by the extremists. The highest number reached September 7 was 50,000. This can be seen as the high-water mark of extremist capabilities. Thus the crucial issue for the Shah is to prevent the moderates joining the extremists in the near future.

Incidentally, De Beauputy works for French Intelligence.

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TELEGRAM

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 CHANGE TO

	FROM: AMEMBASSY TEHRAN	CLASSIFICATION: CONFIDENTIAL
E.O. 11652: TAGS:	ACTION: SECSTATE WASHDC PRIORITY	
SUBJECT:	CONFIDENTIAL TEHRAN 10774	
ACTION:	EXDIS	
E.O. 11652: TAGS:	GDS PINS, IR	
SUBJ:	ORGANIZATION OF PRO-SHAH COUNTER-MEASURES	
RG MIN:2	1. ACCORDING TO A SOURCE WITH GOOD ACCESS (ACCURACY UNSUBS- TANTIATED) THE SHAH HAS TWO COMMITTEES OF FIVE MEMBERS EACH WORKING ON BUILDING SUPPORT FOR HIM IN THE COUNTRY. ONE CONCERNS ITSELF WITH BUILDING PRO-SHAH DEMONSTRATIONS. IT IS HEADED BY THE SHAH'S GOOD FRIEND AND SERVANT GENERAL FARDUST. ITS OTHER MEMBERS ARE COURT MASTER OF CEREMONIES ARSLAN, ^{AFSHAR} TEHRAN MARSHAL LAW ADMINISTRATOR GENERAL OVEISI, PROMINENT BUSINESSMAN AHANCHIAN, AND GENERAL KHOSROVANI.	
AMB POZ CRU	2. THE OTHER COMMITTEE CONCERNS ITSELF WITH PRESS AND PROPAGANDA. IT CONSISTS OF AMIN ASHRAFI, EDITOR OF "ATESH," OLD M.P. (FROM 1953 DAYS) GHANATABADI, OLD P.M. (FROM 1953 DAYS) MATIN, FORMER MEMBER OF MINISTRY OF COURT (UNDER ALAM) MOTAGHI, AND BUSINESSMAN BUYUK SABER. IT IS PLANNING A NEW, PRO-SHAH NEWSPAPER, WHICH WILL APPEAR	
DRAFTED BY:	POL:GBLamorakis	DRAFTING DATE: 11/5/78 CONTENTS AND CLASSIFICATION APPROVED BY: MIN:CNV33
CLEARANCES:		

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OPTIONAL FORM 1020
 (Formerly FS 4120)
 January 19
 1204-108-01

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SHORTLY. IT IS ALSO BUYING STORIES IN OTHER PUBLICATIONS, SUCH AS ONE THAT HAS JUST APPEARED IN "KHONDANIKAN" MAGAZINE, WITH COVER PICTURE OF SHAH AS A YOUNG MAN BEING EMBRACED BY A LITTLE GIRL (DURING 1940'S!).

3. ALI NAGHI ANSARI, FORMER AMBASSADOR TO ITALY AND ~~MINISTER~~ CHIEF OF CABINET TO PRINCESS SHAMS IS THE MONEY MAN.

EFFORTS

4. THESE ~~EFFORTS~~ ARE SEPARATE FROM SAVAK-LED "AGENT PROVOCATEUR" ACTIONS WHICH, ACCORDING TO ANOTHER SOURCE, HAVE BEEN BEHIND RECENT DESTRUCTION AND CLASHES IN KERMAN, RAVAR, KERMANSHAH, HAMEDAN, GORGAN, REZAIYEH, AMOL, PANEH, MARAGHEH, SANANDAJ, ETC. AS THIS SOURCE TOLD POLITICAL COUNSELOR, PARVIS SABETI HIMSELF (WHEN HE WAS STILL OFFICIAL OF SAVAK) CALLED TO BRAG OF THE FIRST TWO INCIDENTS AND TO SAY HE WAS ON HIS WAY TO KURDESTAN; SHORTLY THEREAFTER PRO-SHAH DEMONSTRATIONS AND ATTACKS BEGAN THERE.

5. COMMENT: WE HAVE ALREADY COMMENTED ON COUNTER-MEASURES IN CONTEXT OF ZAHEDI EFFORTS (TEHRAN 10699). IT IS QUITE LIKELY THAT FORMATION OF THE TWO COMMITTEES WAS INSPIRED BY ZAHEDI. SINCE WE CANNOT BELIEVE SHAH IS UNAWARE OF SAVAK ACTIVITY ON HIS BEHALF, WE CANNOT DISMISS POSSIBILITY THAT ZAHEDI CALLED TO SHAH AND SHAH'S REPLY IN PRESENCE OF U.S. AND BRITISH AMBASSADORS WAS STAGE MANAGED TO IMPRESS THEM WITH SHAH'S INNOCENCE AS PRO-SHAH INCIDENTS BACKFIRE.

[NUMBER OF IRANIAN OBSERVERS WITH GOOD SOURCES CLOSE TO HIM SEE THIS AS BLINDNESS ON SHAH'S PART TO THE PUBLIC'S IMAGE OF HIM AT PRESENT TIME AND HIS CONCOMITANT FAILURE TO APPRECIATE THE GRAVITY OF HIS OWN, AND MONARCHY'S, PREDICAMENT. ZAHEDI'S REPORTED OPTIMISM IS PROBABLY NO HELP IN THAT REGARD.

SULLIVAN

Sully. POC 2 2

UNITED STATES GOVERNMENT

memorandum

DATE: November 21, 1978

REPLY TO: SCIATT: *EA* Vernon E. Adler

SUBJECT: Summary of Ambassador's Meeting with Select Group of American Business Community Representatives

TO: E/C - Mr. John L. *Miller*

John, I thought it would be useful to document the tone and substance of Ambassador Sullivan's remarks to the business community on 15 November, for the Embassy and for the desk. This Memorandum of Conversation is attached for your clearance.

TO:

SCIATT:VEAdler:dd

Thanks



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OPTIONAL FORM NO. 10
(REV. 7-78)
GSA FPMR (41 CFR) 101-11.6
5010-108

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MEMORANDUM OF CONVERSATION

DATE & PLACE: November 15, 1978; Caravansarai

PARTICIPANTS: Amb. William H. Sullivan
Principal U.S. Embassy Staff Members
U.S. Business Community Representatives
(Approximately 150)

SUBJECT: Summary of Amb. Sullivan's Remarks to Major
U.S. Business Representatives in Iran

The Ambassador began his statement to the business community by explaining that two reasons brought us together for this briefing: first, it's time for an assessment of the situation and secondly, it's time for candid interchange on the situation for the American community here in Iran. He had been reluctant till now to bring the community together for this meeting because things have not been structured to the point where we could examine directions and alternatives intelligently. Now it seems things have stabilized somewhat. The group assembled was rather a select group, representing the overwhelming bulk of employed Americans in Iran. The meeting was off the record and not for the press, in order that the Ambassador's remarks could be made candidly and without attribution by the media.

Perspective on Current Events:

The Ambassador first reviewed the series of significant political events during the last ten months in Iran, starting with the perceived changes in February, when the regime determined with intellectual conviction of his Majesty, that the Iranian society is too complex for one man to continue to make all major decisions. The Shah decided that a sharing of the decision-making process must be developed and passed on to his son, who would need a type of dynasty different from that of the last 37 years. The Shah accepted that it was a difficult political change to bring about and that the relief of long-standing pressures upon the society would tend to upset the surface stability of the country, and might even be explosive. Iran had not experienced this kind of relief of pressure before, because a pervasive police involvement in the society had existed throughout the Shah's reign. The Ambassador traced the events from Tabriz where the young from the villages who had been displaced in the cities, saw opulent behavior different from traditional village behavior taking hold.

DRAFTED BY: Vernon E. Adler

DATE: November 20, 1978

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The attack, which was allowed by authorities, was repeated in many cities and spread to the universities. Khomeini revived his active role from Iraq, feeding on this new atmosphere of open expression. Opposition galvanized and polarized in Khomeini followers.

Political Realities:

By the end of Ramazan, the moderates began to realize that they could not continue in a truly independent moderate role. Along through the summer when the politicians began to see that they could not amass a following of the type Khomeini had, they began to shift toward Khomeini; this, despite the fact that the Shah espoused an Islamic Republic, a constitutional government, with a committee of five mullahs to verify that proposed legislation was consistent with the Islamic code, etc. The September 7 peaceful march was followed by the September 8 imposition of martial law and the Jaleh Square occurrence, with troops and demonstrators. In September the government's position was to placate moderates and break them off from Khomeini. Therefore, there were freedoms given -- t.v. debates, raises in salary and benefits to government employees, and other conciliatory measures within the constitution that would lend support to the moderate position. Toward the end of October, politicians pilgrimmed to Paris for discussions with Khomeini. He remained implacable and stolid.

The Shah realized that the Emami cabinet was not stemming the tide of anti-Shah sympathizers. By mid-October the Shah decided he had two options: either a coalition or a military government. He never did get any positive response with regard to coalition. On Nov. 4th, Sanjabi after going to Paris, said he supported Khomeini entirely; this was unacceptable to the Shah since Khomeini's position starts and ends with the removal of the Shah and the Pahlavi dynasty, with a return to an "Islamic Republic" as yet undefined. On November 4th, there was a university confrontation and people were killed. On November 5, troops were conspicuously absent and did not interfere in the riotous demonstrations to any significant extent, although they protected a few places. Then, of course, Emami resigned, recommending the military option, and that evening Gen. Azhari was installed.

Where we are:

Now we are at a point where there is a test of wills and of strength. No one knows how strong the opposition is. The military has proceeded with subtlety and sophistication, concentrating on not just law and order, but the closely coupled link of "back-to-work", starting with oil production. Prime Minister Azhari announced that people would be fired and moved from company housing, plus arrests. Oil production has

been boosted a bit, although it's up and down. The strike is ended in the Abadan refinery. (Normal production at this time is 6.2 million barrels daily.) Production this week is about 3 or 3+ million per day. Increasingly, people are resuming work but the strike is not broken yet. The Iran Air strike is over. There are sporadic strikes in the ministries (for example, Customs in the Finance Ministry is still on strike). So we see a trend moving back to work, with production increasing. The general strike called by Khomeini for last Sunday worked effectively in Shiraz, Isfahan and the bazaars in Tabriz, but not in Tehran.

The regime has put off testing the school situation until the 18th for the lower grades as a starter. We'll see if the teachers return and then the students in the lower grades, before testing the waters for high schools and (possibly) universities.

Khomeini's position is that the country will be brought to its knees by general strike and that he reserves the right to tell his people to raise arms. We believe an armed rebellion might not be successful and that the ability of the people to bear arms is really limited. We do not believe that Khomeini can call for a "Jihad" or holy war, because that can only be issued against an infidel and the government is clearly taking the position of retaining its Islamic code of behavior. So the test may not be decided sharply as we might decide in America through elections. Rather, the tides may move in one direction then another. If there is a state of normal civilian behavior, the fence sitters or "silent majority" can surface and support the Shah, otherwise, if there is a sullen return to work with slowdowns and foot-dragging by the populace, the tide could shift against the Shah in a major way. The government wishes to diminish the influence of Khomeini and move toward a democratic role within a constitutional monarchy over the long-term. Rolling back of strikes at this time could, of course, reverse itself and swing in the other direction. The government would not move toward a democratic solution then, but we feel the government has the levers of power in its hands now and that's to the good.

U.S. Community Safety and Welfare:

The Ambassador then discussed the security of the U.S. community and contingency measures which will be taken, the details of which would be discussed by Mr. Naas with small groups of company representatives, 4 or 5 companies at a time, during the coming weeks. The Ambassador conceded that contingencies will vary, depending upon the degrees of emergency; however, he scoped out some of the following factors: We will be dependent upon the Iranian military for our own physical security.

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Page 4.

They in turn rely on our military for the integrity of their defenses. U. S. defense contractors are essential for retention of the Iranians' military integrity.

Echelons will be used for contingency planning because in any approaching emergency the smaller the numbers involved in preparatory action the simpler the task of execution. So there will be a continuing "fine-tooth gauging" of decisions as emergency situations may evolve.

Miscellaneous:

The disruptions of approximately a billion dollars in lost revenue and the slow-downs and strikes which have caused most of the country's commerce to become inoperative have been extremely costly and the budgetary load being borne by the GOI is incredibly great. Government payments are slowing down; there will be a natural attrition of the U.S. community. The 40-odd thousand Americans will shrink in the coming months. The Ambassador's final point was that he was proud of the way the American community has responded to the pressures and the rumors to date.

Questions were then taken from the audience of business people. Some odds and ends follow:

- A. Prime Minister Azhari has put forth the legislation to set up a special court. It should be enacted soon for prosecution and conviction of prominent people on a rapid basis. Azhari is sensitive to this potentially becoming a witch hunt and intends to do something effective rapidly and then cut it off, bringing it to an end before an unhealthy momentum is gained.
- B. Iran's reserves are still \$11 billion, but they have suspended borrowing internationally and will have to go back to it, because of their internal liquidity problem which is major at this time.
- C. We'll arrange a distribution of radios so that in the event we lose telephone communication upon which we rely, we can establish a set of links with the U.S. community. (The Ambassador stressed U.S. communications vulnerability because of our total reliance on the Iranian telephone system.)
- D. Don't expect English newspapers for a while and don't rely on news broadcasts for accurate information.
- E. We don't anticipate sudden deterioration, but rather in the event of an emergency, we'll probably see some phasing from the tensions developed, such as sabotage, isolated terrorist actions, etc. The Ambassador stressed we don't foresee or predict it, but it is a possibility.

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F. There will be assembly points for the American community. This is a sensitive subject, so the information will be closely held. We will use echelons for dissemination of information, including the subject of departures. The Ambassador stressed Iran should not see "abandoning" by the American community of Iran, but "there is nothing wrong" with sending people home for Christmas or filling the remaining vacant seats on regular Pan Am flights which have been recently resumed.

G. On stability of the rial, the Ambassador said it was overpriced and if it floated free, the ratio would be higher. (The Persian press wants 60 to 1 instead of 70 to 1 because of lost revenue due to reduced dollar values tied to oil purchases.)

H. Within the armed forces we see no absence of loyalty; however, the senior officers are concerned about their conscripts since these come from the same group as do the masses of demonstrators.

I. Mr. Naas will begin on November 16 to call representatives of 4 or 5 companies in and ask that they bring statistics with them, such as numbers of employees, addresses, telephone numbers, dependents, vehicle information, etc. He stated that an Information Center will be open 7 days a week to take calls, questions, etc. from 0730 until 2000.

KA
KFA:nbt

cc: AMB/DCM
POL
OR
USICA

JLM/RF
~~NBR/IRN~~
~~INR/DDR/RNA~~
~~OSS/NSA~~

REPORT CLASS **S E C R E T** WMINTEL - NOFORN - NOCONTRACT - ORCON

COUNTRY: IRAN

SUBJECT: INSTRUCTIONS FROM AYATOLLAH KHOMEINI TO STAGE ANTI-
GOVERNMENT DEMONSTRATIONS DURING MOHARRAM
(DOI: LATE NOVEMBER 1978)

SOURCE : A CONFIDANT OF A SENIOR, LONGTIME MEMBER OF AN IMPORTANT ORGANIZATION IN THE MODERATE IRANIAN DISSIDENT MOVEMENT WHO HAS CONTINUED CLOSE PERSONAL CONTACTS WITH THE LEADERSHIP OF THIS ORGANIZATION. HIS PAST REPORTING HAS BEEN CONSISTENTLY SUBSTANTIATED.

1. AYATOLLAH RUHOLLAH K H O M E I N I HAS ISSUED INSTRUCTIONS, FIRST RECEIVED IN TEHRAN ON 25 OR 26 NOVEMBER 1978, FOR HIS SUPPORTERS AND "BROTHERS-IN-ISLAM" TO STAGE DIRECT VIOLENT CONFRONTATIONS WITH IRANIAN GOVERNMENT AUTHORITIES DURING THE HOLY MONTH OF MOHARRAM (2-30 DECEMBER 1978). KHOMEINI HAS INSTRUCTED HIS SUPPORTERS TO DISREGARD THE MILITARY GOVERNMENT'S RESTRICTIONS ON MEETINGS, DEMONSTRATIONS AND MARCHES DURING MOHARRAM. IT IS KHOMEINI'S INTENTION TO HAVE ANTI-SHAH DEMONSTRATORS BROUGHT INTO VIOLENT CONFLICT WITH MILITARY AND SECURITY FORCES DURING MOHARRAM, AS KHOMEINI BELIEVES THIS WILL LEAD TO THE REMOVAL OF THE SHAH AND THE COLLAPSE OF THE MONARCHY.

2. (SOURCE COMMENT: IN DISCUSSING KHOMEINI'S INSTRUCTIONS FOR VIOLENT ANTI-SHAH DEMONSTRATIONS DURING MOHARRAM, NATIONAL FRONT LEADERS BELIEVE THAT IT IS KHOMEINI'S BELIEF THAT THE IRANIAN MILITARY INITIALLY WILL OBEY ORDERS TO SHOOT DEMONSTRATORS, BUT, AS DEMONSTRATIONS CONTINUE AND THE DEATH TOLL MOUNTS, THE RANK AND FILE OF THE MILITARY WILL REVOLT, AND THUS BRING ABOUT THE SHAH'S DOWNFALL.)

3. CIRCULARS BROADCASTING KHOMEINI'S CALL FOR VIOLENCE DURING MOHARRAM ARE BEING DISTRIBUTED IN TEHRAN AND PROVINCIAL IRANIAN CITIES. DEMONSTRATORS ARE BEING ASKED TO WEAR WHITE CLOTHING TO DEMONSTRATE THEIR WILLINGNESS TO ACCEPT DEATH AT THE HANDS OF THE MILITARY. MEETINGS ARE REPORTEDLY BEING HELD AT MOSQUES AND OTHER PLACES TO ORGANIZE DATES AND PLACES FOR LARGE-SCALE DEMONSTRATIONS.

4. (SOURCE COMMENT: NO ONE IN IRAN CAN AT THIS TIME PREDICT WITH CERTAINTY WHETHER SIGNIFICANT NUMBERS OF IRANIANS WILL RALLY TO KHOMEINI'S CALL AND DEFY THE MILITARY AT RISK OF DEATH. IT SEEMS LIKELY, HOWEVER, THAT MASS DEMONSTRATIONS AGAINST THE SHAH WILL TAKE PLACE DURING MOHARRAM. ANTI-SHAH SENTIMENT AMONG STUDENTS, BAZAARI'S AND OTHER "EXCITABLE" ELEMENTS IS AT A HIGH PITCH, AND THESE ELEMENTS WILL PROBABLY FOLLOW KHOMEINI'S INSTRUCTIONS/).

5. (FIELD COMMENT: THE FOLLOWING IS A SUMMARY TRANSLATION OF KHOMEINI'S "PROCLAMATION TO THE PEOPLE OF IRAN ON THE COMING MONTH OF MOHARRAM" WHICH IS THE MESSAGE REFERRED TO ABOVE)

THE HOLY MONTH OF MOHARRAM IS BEING ANTICIPATED WITH HEROISM, BRAVERY, AND SACRIFICE - THE MONTH BLOOD WILL TRIUMPH OVER THE SWORD, THE MONTH OF THE STRENGTH OF RIGHT, THE MONTH THE OPPRESSORS WILL BE JUDGED AND THE SAZANIC GOVERNMENT ABOLISHED/ THIS MONTH WILL BE FAMOUS THROUGHOUT HISTORY. THE MONTH THAT THE POWERFUL WILL BE BROKEN BY THE WORD OF RIGHT. THE MONTH THAT THE IMAM OF THE MOSLEMS WILL SHOW US THE PATH OF STRENGTH AGAINST THE OPPRESSORS. THE MONTH THE FREEDOM FIGHTERS AND PATRIOTS WILL CLENCH THEIR FISTS AND WIN AGAINST TANKS AND MACHINEGUNS. THE IMAM OF THE MOSLEMS HAS TAUGHT US TO OVERTHROW TYRANTS. YOU SHOULD UNITE, ARISE AND SACRIFICE YOUR BLOOD WHEN ISLAM IS IN DANGER.

THE GOVERNMENT HAS BEEN PUT IN THE HANDS OF ANTI-MOSLEM OFFICIALS TO BENEFIT THE SATANIC RULER AND HIS PARASITIC HENCHMEN AND I THUS, RUINED THE COUNTRY. THE PEOPLE DEMAND THAT ALL THEIR FORCES BE EXERTED TO DEPOSE THE SHAH.

THE MILITARY GOVERNMENT IS ILLEGITIMATE AND UNHOLY, AND YOU SHOULD OPPOSE IT AND REFUSE TO PAY TAXES TO THIS CRUEL REGIME; YOU SHOULD HELP THE REBELS AND ENCOURAGE THE NIOC WORKERS TO STRIKE. DO THE NIOC WORKERS KNOW THAT WEAPONS BOUGHT WITH OIL MONEY ARE BEING USED AGAINST THEIR BROTHERS, WIVES, MOTHERS, AND CHILDREN? DO THEY KNOW THAT THE SHAH SENDS A CONSIDERABLE AMOUNT OF OIL TO ISRAEL TO BE USED AGAINST MOSLEMS? CAN THE GOVERNMENT FORCE THE OIL WORKERS TO CONTINUE THIS TREASON?

INFORMED PEOPLE KNOW THAT A LIST IS BEING PREPARED OF GOVERNMENT OFFICIALS ALL OVER THE COUNTRY WHO ARE GUILTY OF CRIMES. GOVERNMENT OFFICIALS KNOW THAT IF THEY UPHOLD THE SHAH AGAINST ISLAM THEY WILL BE PUNISHED IN THE NEAR FUTURE.

DURING THE MONTH OF MOHARRAM WHEN THE SWORD IS IN THE HANDS OF THE SOLDIERS OF ISLAM, THE HIGH CLERGY WILL LEAD THE SHIITES AND THIS TREE OF OPPRESSION AND TREASON (THE GOVERNMENT) WILL BE CUT DOWN SO WE WILL NOHLONGER BE SUBJECT TO ITS SATANIC RULE AND TRICKERY.

THERE WILL BE A GREAT ISLAMIC VICTORY OF FREEDOM AND JUSTICE OVER CRUELTY AND TREASON, AND AN ISLAMIC GOVERNMENT WILL BE PROCLAIMED. AND TORRENTS OF BLOOD WILL BE SPILLED ON ASHURA TO MARK THE DAY OF VENGEANCESAGAINST CRUELTY AND OPPRESSION.

PREACHERS WILL REVEAL THE HOLY DUTIES AND THE CRIMES OF THE REGIME TO EXALT THE NAME OF ALI. PROCLAMATIONS WILL BE ISSUED TO REACH THE VILLAGERS TO EXPOSE THE CRIMES OF THE SHAH. THEY SHOULD BE TOLD THAT THE ISLAMIC GOVERNMENT IS FOR THEM AND AGAINST THE CAPITALISTS AND LANDOWNDRS. ON THE ADVICE OF THE AMERICANS, THE SHAH HAS RUINED AGRICULTURE. HE HAS WEAKENED THE COUNTRY TO BENEFIT THE CAPITALISTS. THE NEW GOVERNMENT WILL PROTECT YOUR RIGHTS.

YOUNG POPE OF RELIGIOUS CIRCLES, SCHOOLS, UNIVERSITIES, NEWSPAPER WRITERS, FARMERS, WORKERS, BAZAAR MEN, AND TRIBES, ETC. -- EVERYBODY -- JOIN IN THE STRUGGLE FOR THE AIMS OF ISLAM. THAT IS, OVERTHROW THE OPPRESSIVE PAHLAVI DYNASTY AND THE SHAH'S REGIME AND SET UP AN ISLAMIC REPUBLIC BASED ON THE PROGRESSIVE PRINCIPLES OF ISLAM.

MOURNING SESSIONS SHOULD BE FREE AND NOT HAVE TO HAVE PERMISSION FROM THE MUNICIPALITY OR SECURITY ORGANIZATIONS. YOU SHOULD HOLD THEM WITHOUT GETTING PERMISSION.

THESE ARE CRITICAL DAYS FOR IRAN AND YOU THE PEOPLE WILL BE REMEMBERED IN HISTORY FOR WHAT YOU DO. IT IS NECESSARY FOR YOU TO HELP OVERTHROW THE GOVERNMENT. YOU HAVE TO PROTECT THE NATION AGAINST THE ENEMIES OF ISLAM. THE TRAITORS WANT TO PROTECT THE

SHAH BUT THEY ARE MISTAKEN. THE SHAH HAS TO GO AND THESE PARASITES CANNOT SAVE HIM.

I CALL ON THE GREAT NATION OF IRAN TO EXERT THE STRENGTH OF ISLAM AGAINST THE SHAH AND HIS OPPRESSORS DURING THE HOLY MONTH OF MOHARRAM. LET US JOIN IN OUR HOLY AIMS TO THE HONOR OF THE PEOPLE. I CONGRATULATE THE MOTHERS AND FATHERS OF THE BRAVE YOUTH WHO HAVE BEEN MARTYRED IN THE STRUGGLE. THERE WILL BE A GREAT ISLAMIC REVOLUTION IN IRAN AND OTHER MOSLEM COUNTRIES. THEY SERVE AS THE MODEL FOR YOUTH IN OTHER MOSLEM COUNTRIES. WE HOPE YOU FLY THE VICTORIOUS FLAG OF AN ISLAMIC REPUBLIC IN ALL PLACES. THIS IS MY RESPONSIBILITY FROM GOD

SALUTATIONS,

AYATOLLAH RUHOLLAH KHOMEINI

6. ACQ: IRAN, TEHRAN (29 NOVEMBER 1978). FIELD REPORT NO. NIT-10,194.

7. FIELD DISSEM: EMBASSY AT TEHRAN (AMBASSADOR, DCM, AND POLITICAL COUNSELOR, DEFENSE ATTACHE, AND RSO ONLY). SENT TO PARIS, NEW DELHI, KABUL, ISLAMABAD, KARACHI, MUSCAT, ATHENS, ABU DHABI, KUWAIT, JIDDA, AMMAN, TEL AVIV, CAIRO, MANAMA, ANKARA, ISTANBUL (AMBASSADOR, DCM, AND POLITICAL COUNSELOR ONLY). SENT TO EXCLUSIVE FOR J-2, USCINCEUR; EXCLUSIVE FOR CINCUSAREUR; EXCLUSIVE FOR CINCUSAFE; EXCLUSIVE FOR CINCUSNAVEUR; EXCLUSIVE FOR COMIDEASTFOR; EXCLUSIVE FOR COMSIXTH FLT; EXCLUSIVE FOR CINCSAC; CINCPAC (EXCLUSIVE FOR CINCPAC, COMIPAC, AND POLAD; USNMR SHAPE (FOR GENERAL HAIG).

REPORT CLASS S E C R E T WARNING NOTICE -- SENSITIVE INTELLIGENCE SOURCES AND METHODS INVOLVED -- NOT RELEASABLE TO FOREIGN NATIONALS - NOT RELEASABLE TO CONTRACTORS OR CONTRACTOR/CONSULTANTS -- DISSEMINATION AND EXTRACTION OF INFORMATION CONTROLLED BY ORIGINATOR.

CLASSIFIED BY RECORDED REPORTING OFFICER XGDS-2.

S E C R E T

CLASS S E C R E T UNINTL. NOFORN - NOCONTRACT - CROON

ORIGIN: IRAN

SUBJECT: ECONOMIC DISCUSSIONS OF THE SUPPORTERS OF AYATOLLAH
KHOMEINI (DOI: EARL FEB FEB 1979)
IRANIAN UNIVERSITY PROFESSOR

SOURCE: AN ~~IRANIAN~~ AND BUSINESS WRITER WHO HAS ACCESS TO THE
RELIGIOUS OPPOSITION IN TEHRAN. HE HAS REPORTED PREVIOUSLY
ON ECONOMIC AFFAIRS BUT HIS ACCESS TO THE RELIGIOUS
COMMUNITY IS UNKNOWN.

1. THE ADVISORS AROUND AYATOLLAH RUHOLLAH KHOMEINI ARE
BEGINNING TO ADDRESS THEMSELVES TO THE QUESTION OF HOW THEY WILL DEAL
WITH THE MASSIVE ECONOMIC PROBLEMS FACING IRAN WHEN THEY ASSUME
POWER, AND TO THE FORMULATION OF CENTRAL PRINCIPLES TO GUIDE THEIR
ECONOMIC PROGRAMS. ON THE WHOLE, THEY HAVE NOT GONE FAR BEYOND
GENERAL STATEMENTS CONCERNING THE NATIONALIZATION OF PRINCIPAL UNITS
OF PRODUCTION AND A RENEWED EMPHASIS ON AGRICULTURAL PRODUCTION.
ESSENTIALLY THESE ADVISORS, AND KHOMEINI HIMSELF, ARE ATTEMPTING TO
DEAL WITH THE QUESTION OF THE VERY NATURE OF THE IRANIAN ECONOMY.
THEY ARE WILLING, IN EFFECT, TO ACCEPT A MUCH LESS "SOPHISTICATED"
ECONOMY IF BY DOING SO THEY ARE ABLE TO SUBSTANTIALLY REDUCE THE
FOREIGN PRESENCE IN IRAN AND THE PERCEIVED FOREIGN DOMINATION OF THE
ECONOMY. THEY ARE ALSO QUESTIONING THE NEED TO PRODUCE THE EXPORT
OIL AT THE SAME LEVELS THAT EXISTED PRIOR TO THE OIL STRIKES.
CONCERNED WITH THE ABSORPTIVE CAPACITY OF THE IRANIAN ECONOMY, THEY
BELIEVE THAT LOWER PRODUCTION RATES WILL ALLOW THEM TO HAVE A FIRMER
GRIP ON THE ECONOMY ITSELF AND TO BETTER CONTROL THE SITUATION IF WILL
BE TAKING.

2. DEALING WITH SPECIFIC AREAS, KHOMEINI AND HIS ADVISORS
COMPLEMENTING THE FOLLOWING ACTIONS:

A. AGRICULTURE - KHOMEINI BELIEVES THAT THE MAH'S PROGRAM
OF LAND REFORM WAS A FRAUD AND THAT IT DESTROYED THE PRODUCTIVITY OF
MANY IRANIAN FARMLANDS BY BREAKING THEM UP INTO SMALLER, ECONOMIC
PLOTS WITHOUT GIVING ANY OF THE FARMERS REAL FREEDOM. THE ECONOMIC-
INSPIRED GOVERNMENT WILL GIVE GREATLY INCREASED EMPHASIS TO THE
AGRICULTURAL SECTOR ALTHOUGH PRECISE PLANS FOR WHAT THEY INTEND TO
DO REMAIN TO BE THOUGHT OUT.

