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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: BURNS, WILLIAM J.: Files

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File Folder: Iran, [1987-1988] (2 of 5)

Date: 8/12/99

Box 91849

Page 1

Wills - F97-107/1

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Report	re: Operation Staunch, 3 p. D 4/7/06 F97-107/1 #26	8/17/87	P1/F1
2. Memo	Robert Dean to Frank Carlucci, re: Implementation of Foreign Policy Export Controls, 2 p. R " " #27	9/11/87	P1/F1
3. Memo	Acting Secretary of Commerce to Reagan, re: Foreign Policy Control on Scuba Equipment to Iran, 2 p.	9/4/87	P1/F1
4. Memo	Carlucci to Reagan via White House Clerk, re: Foreign Policy Export Controls on Scuba Equipment to Iran, 2 p. R 10/19/01 F97-107/1 #29	9/21/87	P1/F1
5. Memo	Robert Oakley to Carlucci, re: September 30 S W C Breakfast: Total Embargo on Iran, 2 p. R 4/7/06 F97-107/1 #30	9/29/87	P1/F1
6. Memo	Oakley to Colin Powell, Barry Kelly, re: NSA Restrictiveness, 1 p. R 10/19/01 F97-107/1 #31	11/3/87	P1/F1
7. Memo	Morton Abramowitz to William Odom, re: Operation Staunch: Requests for Foreign Disclosure, 2 p. D 4/7/06 F97-107/1 #32	11/2/87	P1/F1
8. Letter	Oakley to "Rich", 1 p. D " " #33	11/4/87	P1/F1
9. Talking Pts.	Contacts with Iran..., 1 p. PART. " " #34	11/3/87	P1/F1
10. Paper	Outline of Approach to Meeting, 1 p. PART. " " #35	n.d.	P1/F1
11. Notes	re: Iranian Meeting, 1 p. D " " #36	n.d.	P1/F1
12. Memo	Melvyn Levitsky to Carlucci, re: Communications with Iran, 1 p. D " " #37	10/11/87	P1/F1
13. Note	To Iran, 2 p. D " " #38	10/9/87	P1/F1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: BURNS, WILLIAM J.: Files

Archivist: dlb

File Folder: Iran, [1987-1988] (2 of 5)

Date: 8/12/99

Box 91849

Page 2

Wills - F97-107/1

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
14. Note	From Iran, 1 p. D 4/7/06 F97-107/1 #39	10/11/87	P1/F1
15. Note	For the Records, re: Iranian Note, 1 p. D " " #40	10/11/87	P1/F1
16. Paper	Iranian-US Exchange of Diplomatic Notes, 4 p. D " " #41	11/10/87	P1/F1
17. Chronology	1987 Iran/US Demarches, 3 p. D " " #42	n.d.	P1/F1
18. Letter	A. Raphael to [Shultz], 4 p. PART. " " #43	12/12/[87]	P1/F1
19. Memo	Michael Metrinko to the Files, re: Conversation, 2 p. PART. " " #44	1/20/88	P1/F1 B6
20. Memo	Oakley to Powell, re: Return of Iranian Funds Pursuant to Order of Iran-U.S. Claims Tribunal, 1 p. D " " #45	1/25/88	P1/F1, B3
21. Memo	Levitsky to Powell, re: Return of Iranian Funds Pursuant to Order of Iran-U.S. Claims Tribunal, 1 p. D " " #46	1/20/88	P1/F1 B3
22. Memo	Reagan to Shultz, re: Hague Tribunal and Return of Iranian Funds, 1 p. R " " #47	5/11/87	P1/F1
23. Memo	Carlucci to Reagan, re: Hague Tribunal and Return of Iranian Funds, 2 p. D " " #48	5/8/87	P1/F1, B3
24. Memo	Shultz to Reagan, re: Return of Iranian Funds Pursuant to Order of Iran-U.S. Claims Tribunal, 2 p. D " " #49	5/7/87	P1/F1 B3
25. Memos	Oakley, Paul Stevens to Carlucci, re: Hague Tribunal and Return of Iranian Funds, 1 p. R " " #50	5/7/87	P1/F1

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PENDING REVIEW IN ACCORDANCE WITH E.O. 13233

Ronald Reagan Library

Collection Name BURNS, WILLIAM: FILES

Withdrawer

LOJ 4/25/2007

File Folder IRAN [1987-1988] (2)

FOIA

F97-107/1

Box Number 91849

ID	Doc Type	Document Description	No of Pages	Doc Date
18	LETTER	A. RAPHEL TO SHULTZ <i>MVH 3/18/08</i>	4	12/12/1987

DEPARTMENT OF STATE

87 AUG 27 P6:15

SITE
B

27 987
C
P6:14

S/S #

LDX MESSAGE NO. **019663**

CLASSIFICATION

SECRET/NE/NE/OC/NO Pages **3**

FROM: **MORTON I. ABRAMOWITZ**
(Officer name)

INR
(Office symbol)

*** 2249**
(Extension)

6531
(Room number)

MESSAGE DESCRIPTION

LDX TO: (Agency)

DELIVER TO:

Extension

Room No.

NSC

ROBERT OAKLEY

DECLASSIFIED

Department of State Guidelines, July 21, 1997
By **dlb** NARA, Date **8/12/99**

REMARKS:

FOR:

CLEARANCE

INFORMATION

PER REQUEST

COMMENT

S/S Officer: **[Signature]**

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THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

Iran Initiative and Operation Staunch

14

- o Since Iraq and Iran went to war six years ago, we have sought consistently to bring about an end to the fighting and a negotiated settlement. As the President made clear in his speech last Thursday, we remain determined to achieve that goal.
- o Since Iran, unlike Iraq, has refused to negotiate an end to the war, we began several years ago to try to staunch the flow of arms to Tehran as a means of convincing the Iranian government that negotiations offered the best prospect for an honorable resolution of the conflict. Our principal objective has been, and will continue to be, to deny weapons to Iran which would enable it to prolong the war or tip the military balance in its favor.
- o The President's initiative to try to build a constructive dialogue with Iran was aimed at several important strategic objectives, among which one of the most important was a peaceful conclusion of the Iran-Iraq war. We sought to establish ourselves as credible arbiters in the conflict--able to exert some influence on both belligerents in an effort to stop a senseless and brutal struggle.
- o Our interest in encouraging an evolution toward normal relations between the United States and Iran required us to take concrete steps to demonstrate support for those within the Iranian leadership who were willing to take the risk of reopening a dialogue with the United States. This included transfers of very limited quantities of defensive armaments and spare parts. As the President indicated in his speech, the sum total of the shipments would fit in one large transport aircraft.
- o We were extremely careful to ensure that what we released to the Iranians--for the limited diplomatic purpose of building credibility with those Iranian leaders who shared our commitment to a more stable U.S.-Iranian relationship and a negotiated settlement of the Iran-Iraq war--did not alter the balance in the conflict or prolong the war. We made this very clear to our Iranian contacts.

- o Our decision to transfer a miniscule amount of defensive equipment to Iran was fully consistent with the goal of Operation Staunch: to bring about a rapid, honorable end to the war. That decision was not an easy one to make; it involved a minor but undeniable deviation from our public policy of restricting the flow of arms to Iran. But few of the choices that we face in trying to end the war and promote our long-term strategic objectives in the region are easy.

- o We will continue to do all that we can to deny Iran the means to seek a military solution to its war with Iraq. At the same time, we will continue to try to develop the basis for a healthier and more stable relationship with an Iranian government prepared to live at peace with its neighbors. These goals are not contradictory, but complementary.

Burns

6503
Taher-Kheifi

THE WHITE HOUSE

WASHINGTON
Presidential Determination
No. 87-20

September 23, 1987

MEMORANDUM FOR THE SECRETARY OF COMMERCE

SUBJECT: New Foreign Policy Export Controls on Iran

Pursuant to Section 6(m) of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2405(m)) (the "Act"), I hereby determine and certify that:

- a) The Iran/Iraq war, together with Iran's intransigent attitude against peaceful resolution of that conflict and Iran's on-going support of acts of international terrorism, have resulted in a breach of peace posing a serious and direct threat to the strategic interests of the United States. Hostile Iranian policies and actions directed against vessels of neutral nations in the Persian Gulf have heightened the seriousness of that threat;
- b) Iran has purchased a large shipment of U.S.-origin SCUBA gear in the United States;
- c) Available information indicates that this type of equipment will be diverted to military use by Iran in attacks on oil rigs and possibly shipping or in support of other terrorist or military actions;
- d) Prohibition of such shipments of equipment will be instrumental in remedying the direct threat posed by the use of this equipment against U.S. interests in the region and in our effort to persuade other potential sources of similar equipment to likewise prohibit its transfer to Iran; and
- e) This export control shall remain in effect only so long as Iranian hostile actions and policy continue to pose a direct threat to U.S. strategic interests in the region.

You are hereby authorized and directed to report to Congress this determination and the report required under Section 6(f) of the Act. Based on the above determination, I am exercising my power under Section 6(m) of the Act to extend foreign policy controls to cover exports or reexports of SCUBA gear to Iran that are either in performance of a contract or agreement entered into prior to the date of the report of the Secretary of Commerce of his intent to impose such control or that are under a validated license or other authorization issued under the Act.

This determination shall be published in the Federal Register.

Ronald Reagan

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

ACTION

15

September 11, 1987

MEMORANDUM FOR FRANK C. CARLUCCI

SIGNED

FROM: ROBERT W. DEAN *RWD*

SUBJECT: Implementation of Foreign Policy Export Controls
on SCUBA Equipment to Iran

State, Defense, and Commerce have proposed that the USG take immediate action to prevent Iran from purchasing U.S.-origin SCUBA equipment. It is likely that SCUBA equipment, even if initially purchased for legitimate civilian use in Iran, will be diverted to military use for possible attacks on oil rigs and shipping in the Gulf. In addition, we need to move ahead on this issue now because a shipment of U.S.-origin SCUBA equipment destined for Iran has been detained in Canada. Although the GOC has prohibited the shipment of this equipment for nearly eight months, Canadian authorities require specific action soon from the USG to prevent the export of this equipment.

Because we are dealing with a case in which a contract has already been signed (as well as the presence of widespread foreign availability), we must follow a specific set of procedures to prevent this export. The procedures are set out in the Export Administration Act (EAA) and among the most important are consultations with the Congress, including a report that provides a clear rationale for imposition of this foreign policy control.

Commerce and State Departments have consulted with Congress regarding the potential imposition of foreign policy controls on SCUBA equipment. The consultations have taken place with an understanding that the President has not yet made a decision on this issue. We do not expect any Congressional opposition to the Presidential Determination, but since this is the first "breach of the peace" case under the EAA it is important we follow the conditions set forth in the law carefully. Note that a more comprehensive assessment of our trade relationship with Iran is now under review. Although this assessment should be available shortly we need to take action now on the SCUBA equipment given that a contract has already been signed.

Your memorandum to the President (Tab I) informs him that we have followed all procedures and recommends he sign the attached Presidential Determination. State, Commerce, and Defense are all in agreement on this issue.

STK
Shirin Tahir-Kheli, *MD* Mike Donley, *ly for R* Barry Kelly, *ABF* Alison Fortier and Steve Danzansky and *RWD* Paul Stevens concur.

DECLASSIFIED
NLS F97-107/1 #27
BY LOT NARA, DATE 4/7/06

RECOMMENDATION

That you forward the attached memorandum to the President seeking his approval for a Presidential Determination prohibiting the export of SCUBA equipment to Iran.

Approve



Disapprove

Attachments

- Tab I Memo to the President
 - Tab A Presidential Determination on Export of SCUBA Equipment to Iran
 - B Transmittal Letter to President of the Senate from Acting Secretary of Commerce
 - C Commerce Department Report to the Congress on Foreign Policy Export Controls
- II Incoming from Commerce

Prepared by:

Lou Pugliaresi 

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THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER GN3 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: SEPTEMBER 04, 1987

NAME OF CORRESPONDENT: THE HONORABLE BRUCE SMART

SUBJECT: UNOPENED

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
NANCY RISQUE		ORG	87/09/04	<u>B</u>	<u>87/09/04</u>
	REFERRAL NOTE:				
<u>Grant Green</u>	<u>(NSC)</u>	<u>A</u>	<u>___/___/___</u>	<u>___</u>	<u>___/___/___</u>
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				

COMMENTS: _____

ADDITIONAL CORRESPONDENTS: MEDIA: S INDIVIDUAL CODES: _____
MI MAIL USER CODES: (A) _____ (B) _____ (C) _____

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*ACTION CODES: *DISPOSITION *OUTGOING *
* * *CORRESPONDENCE: *
*A-APPROPRIATE ACTION *A-ANSWERED *TYPE RESP=INITIALS *
*C-COMMENT/RECOM *B-NON-SPEC-REFERRAL * OF SIGNER *
*D-DRAFT RESPONSE *C-COMPLETED * CODE = A *
*F-FURNISH FACT SHEET *S-SUSPENDED *COMPLETED = DATE OF *
I-INFO COPY/NO ACT NEC * OUTGOING *
*R-DIRECT REPLY W/COPY * * *
*S-FOR-SIGNATURE * * *
*X-INTERIM REPLY * * *

```

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75, OEOP) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

~~SECRET~~

President has seen 9/22  
6503

~~SECRET~~

THE WHITE HOUSE  
WASHINGTON

September 21, 1987 11:21 AM '87

ACTION

MEMORANDUM FOR THE PRESIDENT

VIA WHITE HOUSE CLERK *DM*  
FROM: FRANK C. CARLUCCI *FC*  
SUBJECT: Foreign Policy Export Controls on SCUBA Equipment to Iran *RR*

Issue

Whether you should make a Presidential Determination which would prohibit the shipment of U.S.-origin SCUBA equipment to Iran.

Facts

It is likely that SCUBA equipment, even if initially purchased for legitimate civilian use in Iran, will be diverted to military use for possible attacks on oil rigs and shipping in the Gulf. We need to take action on this issue now because a shipment of U.S.-origin SCUBA equipment destined for Iran has been detailed in Canada. Although the GOC has prohibited the shipment of this equipment for nearly eight months, Canadian authorities require specific action soon from the USG to prevent the export of this equipment.

Discussion

Under the Export Administration Act (EAA), new foreign policy controls do not normally affect shipments already under contract. To block the shipment currently being detained in Canada will require a special Presidential Determination that "a breach of the peace poses a serious and direct threat to the strategic interest of the United States" and that blocking shipments under pre-existing contracts will be "instrumental in remedying the situation posing the direct threat." Imposing these new foreign policy controls also requires prior consultations with Congress which have now taken place. When, and if, you make a Presidential Determination on the issue, the Acting Secretary of Commerce will also submit to Congress a report on these new controls as required under the EAA.

Although there is extensive foreign availability of SCUBA equipment, this new U.S. control will aid our efforts by demonstrating our own resolve, as well as blocking an immediate shipment that poses a threat to U.S. interests. The Secretaries of State,

cc: Vice President  
Chief of Staff (2)

~~SECRET~~

~~SECRET~~

DECLASSIFIED  
NLS F97-1071, #29  
BY C45  
NARA, DATE 10/19/01

Defense, and Commerce recommend that you sign the attached Presidential Determination.

Recommendation

OK  
RR

No

—

That you sign the attached memorandum instructing the Secretary of Commerce to prohibit the export of U.S.-origin SCUBA equipment to Iran. Your memorandum to the Secretary of Commerce includes the necessary Presidential Determination and instructions to inform Congress.

Attachments

- Tab A Memorandum to the Secretary of Commerce (Presidential Determination)
- B Proposed transmittal letter to the President of the Senate from the Acting Secretary of Commerce
- C Commerce Department Report to the Congress on Foreign Export Controls

Prepared by:  
Lou Pugliaresi

PROPOSED LETTER OF TRANSMITTAL

Dear Mr. President:

The President has determined that exports of SCUBA gear and related equipment to Iran pose a direct threat to U.S. flag ships and U.S. naval vessels as well as ships of other nations in the Persian Gulf and to oil facilities of friendly nations.

The President has directed that all necessary steps be initiated to halt all pending shipments and future shipments of SCUBA gear and related equipment to Iran under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 et. seq.) (the Act). This action subjects SCUBA gear and related equipment to a validated license requirement on exports to Iran. Exports of such gear will not be licensed to Iran.

In response to the President's finding, the Department of Commerce, in consultation with the Department of State, has concluded a full analysis of the control consistent with the criteria in the Act. In accordance with Section 6(f) of the Act, I am submitting a full report on the purpose, effectiveness, and economic impact of the control. Further, the President has determined that the threat to U.S. interests posed by use of this equipment in the context of recent developments in the Persian Gulf warrants acting under Section 6(m) of the Act to extend this control to exports of reexports pursuant to prior contracts, or previous licenses, or other authorizations issued under the Act.

We have conducted consultations with the appropriate Congressional committees and have provided them with a copy of this report. The regulations implementing such action will be published in the Federal Register.

Sincerely,

Secretary of Commerce

Enclosure

The Honorable George Bush  
President of the Senate  
Washington, D.C. 20510



REPORT TO THE CONGRESS  
FOREIGN POLICY EXPORT CONTROLS: IRAN  
CONCLUSIONS ON CRITERIA & ALTERNATIVE MEANS

I. The Purpose of the Control:

Since 1984, pursuant to Section 6(j) of the Export Administration Act of 1979, as amended, (50 U.S.C. App. 2405(j)), (the Act), Iran has been designated a terrorist-supporting nation. Accordingly, the United States maintains anti-terrorism controls on exports to Iran of all aircraft and helicopters (and related parts and components), marine outboard engines with a horsepower of 45 or more, and national security controlled items destined to military end-users or for military end-uses.

The Iran-Iraq war, and Iran's intransigent attitude toward a peaceful resolution of that conflict, pose a serious and direct threat to the foreign policy and strategic interests of the United States. Recent hostile Iranian policies and actions in the Persian Gulf have increased that threat, and consequently foreign policy controls are being expanded to include scuba gear and related equipment, because of the equipment's utility in enhancing Iran's military capabilities. Information available indicates that Iran intends to use the equipment for military purposes hostile to U.S. interests. Scuba gear and related equipment can be used by frogmen undertaking attacks or placing mines directed against U.S. flag ships and naval vessels in the Gulf, and against ships or oil rigs of other friendly nations.

The new control will restrict the shipment of this U.S.-origin equipment whose use in the Gulf could pose a direct threat to U.S. interests. It will serve to distance the United States from Iran and its policies of support for acts directly aimed at U.S. strategic interests. By controlling exports of this equipment determined to be used for military purposes by Iran, the control will demonstrate the resolve of the United States not to provide support for the Iranian war effort.

II. With respect to each of the criteria set forth in Section 6(b) of the Act, the Secretary of Commerce has determined that:

- A. The control is likely to achieve the intended foreign policy purpose, in light of other factors, including the availability from other countries of the goods and technology proposed for such control.

The control will deny Iran access to U.S.-origin equipment of this type, and enable us to block an imminent shipment of equipment now being detained in Canada which information indicates would be used immediately to threaten U.S. interests in the Persian Gulf.

Equipment of this type is available from foreign sources. We have sought, and will continue to seek through Operation Staunch and other channels, the cooperation of other countries in cutting off the flow of militarily useful items to Iran. In light of Iran's new threats and acts of maritime sabotage, we are adding scuba gear and related equipment to the list of items we are asking other countries not to ship to Iran. The new U.S. control will aid these efforts by demonstrating our own resolve, as well as blocking an immediate shipment that poses a threat to U.S. interests.

The foreign policy purpose cannot be achieved through negotiations or other alternative means.

The control is the only means available to prohibit shipments to Iran of this type of U.S.-origin equipment. We continue to attempt, through the United Nations Security Council and through consultations with our allies, to ensure a peaceful resolution of the Iran-Iraq war. To date, Iran has been unwilling to accept a peaceful resolution of the conflict.

B. The control is compatible with the foreign policy objectives of the United States and with the overall U.S. policy toward Iran.

The control is consistent with overall U.S. policy toward Iran, including efforts in the United Nations to seek a peaceful resolution to the Iran-Iraq war. By controlling this source of items presumed destined for military use by Iran, we strengthen our efforts through Operation Staunch, and encourage our allies to do likewise.

The new control conforms with existing foreign policy controls on exports to Iran of items we have determined will make a significant contribution to the military potential of Iran. Due to the nature of this equipment and its likely use by the military in Iran, imposition of a foreign policy control on export to Iran provides a basis for blocking this shipment, thereby deterring a contribution to the military potential of Iran.

C. The reaction of other countries to the expansion of anti-terrorism controls by the United States is not likely to render the control ineffective in achieving the intended foreign policy purpose or to be counterproductive to U.S. foreign policy interests.

We believe it is unlikely that other countries will take any affirmative actions that would render the control ineffective, given the nature of the hostile Iranian actions that have given rise to the control. Particularly important in this context, is the fact that Iran's acts of maritime sabotage have an adverse impact on all maritime nations, and on nations importing crude oil from the Persian Gulf.

In addition, we have sought and will continue to seek the cooperation of other countries in stopping the flow of militarily useful items to Iran; we have achieved support for this policy. It is noteworthy that the Government of Canada has cooperated in restricting the imminent transshipment of this type of equipment to Iran.

In the past, other countries have objected to the extraterritorial reach of U.S. export controls. It is unlikely, however, that other nations will raise concerns over this new control, since it will add no significant extraterritorial reach, due to the control's limited scope.

- D. The effect of the control on the export performance of the United States, the competitive position of the United States in the international economy, the international reputation of the United States as a supplier of goods and technology, or on the economic well-being of individual U.S. companies and their employees and communities does not exceed the benefit to U.S. foreign policy objectives.

U.S.-Iran trade has decreased 87 percent in the past 11 years, resulting in relatively minimal economic links between the two nations. For this reason, it is not surprising, that Bureau of Census data are sparse on U.S. exports of scuba gear and related equipment to Iran. According to the 1982 Census of U.S. Manufacturers, there are 19 producers of scuba gear and related equipment in the United States. The only statistics available recording exports of scuba gear and related equipment, are data reporting exports of underwater breathing devices from 1982 to June 1987. The only year for which there reported exports to Iran of underwater breathing devices is 1986. For the other years for which statistics of exports of underwater breathing devices are available, exports to Iran were not recorded. Exports to Iran of underwater breathing devices in 1986 were valued at \$83,000.

U.S. exports of underwater breathing devices totalled \$11.3 million in 1986; this is an increase of 18 percent from the figure recorded in 1982. Forty-three percent of U.S. exports of underwater breathing devices in 1986 went to the Pacific Basin countries; Japan is the largest importing nation of U.S. underwater breathing devices, importing \$1.8 million worth of equipment in 1986.

Exports to the Middle East of underwater breathing devices represented only three percent of the total U.S. exports of such equipment in 1986; this regional market share of total U.S. exports constitutes a decrease of one percent from the share recorded in 1982.

With exports to the Middle East representing a minimal share of total U.S. exports of underwater breathing devices over the past five years, the economic impact of a control on exports to Iran of underwater breathing devices (and more generally, scuba gear and

related equipment) is, therefore, not considered to be significant. The foreign policy benefit of restricting Iranian access to U.S.-origin scuba gear and related equipment that could be used to pose a direct threat to U.S. interests, greatly exceed the economic cost that will be incurred by prohibiting these exports to Iran. Allowing Iran access to such U.S.-origin equipment likely to be used for military purposes would undermine U.S. foreign policy objectives in seeking a peaceful resolution to the Iran-Iraq war.

E. The United States has the ability to enforce the control effectively.

While enforcement of this control may be made difficult by the wide retail availability and relatively low price of these goods, public awareness of the control will likely contribute to the effective enforcement of the control. Widespread publicity of the control among all sectors of the U.S. public, increases the likelihood that all inquiries from Iran, and any shipments to Iran, would attract attention. Perhaps the best indication of the ability to enforce effectively this control, is that before the existence of this control, the Department received allegations of suspected diversions of scuba and diving equipment to Iran.

III. The nature, the subjects, and the results of, or the plans for:

A. Consultation with industry.

The Department consulted with industry representatives and a sample of scuba gear and related equipment manufacturers and distributors.

Given the fact that U.S. exports of scuba gear and related equipment to the Middle East represent less than five percent of total U.S. exports of such equipment, it was expected that industry comments would not be substantial.

Comments from the Executive Director of the Diving Equipment Manufacturers Association (DEMA) underscored the statistics presented in Part II (D). He stated that the majority of U.S. exports goes to the Pacific Basin--Australia, Japan, and New Zealand, with the second largest markets in the Caribbean and Europe. The Europeans, according to the industry association, are the leading competitor of the United States, although there were conflicting reports from industry contacts as to where the United States ranks in the worldwide market of scuba gear and related equipment manufacturers.

The level of U.S. exports of scuba gear and related equipment, according to the trade association, has remained constant over the past five years, representing about 20 percent of total U.S. sales. In contrast, DEMA reports, domestic sales of scuba gear and related equipment have increased markedly over the past five years.

DEMA is of the opinion that a control on all U.S. exports of scuba gear and related equipment would have a deleterious effect on the industry; however, the impact on the industry of a control on exports of such equipment to the Middle East would be insignificant, according to DEMA, and comments from other industry contacts.

Some of the industry contacts commented that while the United States designs equipment, much of the scuba gear and related equipment which is labeled "U.S." is manufactured offshore. One leading U.S. manufacturer of scuba gear and related equipment explains that "U.S. scuba and diving equipment operations are global now."

It is clear from consultations with industry, and corroborated by the trade data, that Iran is not a traditional market for exports of U.S. scuba gear and related equipment. Because the control on exports of such equipment is country specific, it is expected that the industry will not be significantly affected by our actions.

#### B. Consultation with other countries.

As a result of the Iran-Iraq war and the need to stop the flow of militarily useful items to Iran, we are engaged in ongoing consultations with our allies over the threat posed to U.S. interests. We are pursuing efforts in the United Nations to secure the cooperation of other countries to obtain a peaceful resolution of the Gulf conflict. Through Operation Staunch, we are seeking the cooperation of other countries in our effort to stop the flow of militarily useful items to Iran. We are notifying our COCOM partners and other industrialized producer nations of our intent to impose urgent new controls on scuba gear and related equipment, and urging them to consider imposing comparable measures.

#### IV. The nature and results of any alternative means attempted under Section 6(e) of the Act, or the reasons for expanding the controls without attempting any such alternative means:

We have engaged in efforts through the United Nations and other channels to obtain a peaceful resolution to the Iran-Iraq war that threatens U.S. strategic interests. We have specifically attempted, through Operation Staunch, to stop the flow of militarily useful items to Iran. In addition, to block the specific shipment of this scuba gear and related equipment currently detained in Canada, we have repeatedly attempted to persuade the exporter to voluntarily refrain from providing Iran such potentially threatening and militarily useful items.

To date, these efforts have not succeeded in either changing Iran's intransigent position with respect to the war, or in stopping the transfer of this equipment that would have direct military utility in Iran's war effort. Only the imposition of an export control would provide the legal authority to prohibit the export and reexport of U.S.-origin equipment of this type to Iran.

- V. The availability from other countries of goods and technology comparable to the goods or technology subject to the proposed export control, and describing the nature and results of the efforts made pursuant to Section 6(h) of the Act to secure the cooperation of foreign governments in controlling the foreign availability of such comparable goods or technology:

There are 283 foreign manufacturers of scuba gear and related equipment located in 25 countries. Eighty percent of the foreign sources of scuba gear and related equipment are located in Europe (the United Kingdom, West Germany, Norway, the Netherlands, and France), Canada, and Japan. U.K. manufacturers of scuba gear and related equipment produce 40 percent of the worldwide inventory. We are seeking the cooperation of these countries to similarly control their exports of such equipment.

Moreover, foreign availability does not negate the purpose to be served by controlling exports to Iran of scuba gear and related equipment. The control will serve to prohibit a particular shipment of concern, as well as distance the United States from Iran and its policies of support for acts directly aimed at U.S. strategic interests. The lack of any control on scuba gear and related equipment would likely undermine U.S. foreign policy objectives in seeking a peaceful resolution to the Iran-Iraq war.

- VI. The nature of how the expansion of the controls will further significantly the foreign policy of the United States or will further its declared international obligations:

It is the policy of the United States to oppose support for acts detrimental to U.S. strategic interests through public and international fora, and by taking specific actions. Such a policy can be demonstrated, inter alia, by restricting exports of U.S.-origin goods or technology that may contribute significantly to enhance the military potential of Iran. Expansion of existing foreign policy controls is, therefore, both an appropriate and effective means of achieving this policy in distancing the United States from Iranian policies of support for acts directly aimed at U.S. strategic interests in the Persian Gulf which threaten peace in the region. Absent this action, such equipment will likely be used in acts of maritime sabotage, thereby undermining U.S. foreign policy objectives in seeking a peaceful resolution to the Iran-Iraq war.

~~SECRET~~

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

w B  
chron

September 29, 1987

INFORMATION

16

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: ROBERT B. OAKLEY *RB*

SUBJECT: September 30 S-W-C Breakfast: Total Embargo  
on Iran

Secretary of Defense Weinberger added this item to the agenda this afternoon, reflecting his interest in a total ban on U.S. exports to and imports from Iran. In the meantime, Senator Dole's amendment to the Defense Bill mandating such an embargo has been passed by the Senate (98-0). The amendment gives the President the option to delay implementation for 180 days. Given the recent upsurge in U.S. imports of Iranian crude (which because of diversion of oil originally destined for France peaked in July), Dole's proposal is bound to attract widespread support in the House as well.

Following a July PRG on the subject, State was tasked to do another study of the question of export/import controls on Iran, which will serve as the basis for a PRG meeting scheduled for next week. The study points out three fundamental problems connected with a total embargo:

- o Embargo would do little--if any--economic damage to Iran. The earlier Iranian and Libyan experiences suggest there is very little chance of orchestrating an effective international economic embargo against Iran. The Iranians would find other buyers for their crude, and their revenues would not be significantly affected.
- o Embargo could violate Algiers Accords and jeopardize U.S. claims at Hague Tribunal. In the 1981 Algiers Accords, the U.S. agreed to "revoke all trade sanctions which were directed against Iran" during the hostage crisis. The Iranians could argue that broad new sanctions breach these obligations, or they might use the sanctions as justification for abandoning the Tribunal process. At present, the Tribunal has before it approximately 2900 private U.S. claims totalling about \$20 billion, as well as USG claims amounting to about \$1 billion.

~~SECRET~~

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NLS F97-107/1#30

BY LOT NARA DATE 4/7/00

~~SECRET~~

-2-

- o Establishing total embargo now deprives us of leverage.  
It makes more sense to hold off on such dramatic action--which would have negative impact on long-term prospects for U.S.-Iranian political and economic relations--until situation deteriorates further.

Assuming we are not forced to act sooner by Congress, I recommend that you suggest to Cap that we let the PRG study the issue carefully next week and forward its recommendations for Cabinet-level consideration.

*WBJ*  
Steve Danzansky and *WBJ* Bob Dean concur.

~~SECRET~~





October 21, 1987

*ds*

~~LIMITED OFFICIAL USE~~  
~~MEMORANDUM~~

TO: The Files

FROM: NEA/NGA - Laurence E. Pope *67* *17*

SUBJECT: Meeting with Kevin Kattke, Director  
National Freedom Institute, Inc.

On October 19, I met with Mr. Kevin Kattke (see attached card), who had earlier been in touch with the NSCS. Mr. Kattke explained to me that he was meeting with a number of "Iranian tribal leaders" who were preparing to form a collective resistance movement to overthrow the regime. He said he had been in touch with Col. North and others at the NSC in the past and had given testimony to the Iran Contra Commission. In fact, he said the publicity surrounding this had led the Iranians to contact him and his organization. He explained that he is an engineer for Macey's in New York but that he only has to work two or three days a week. He indicated that he had had some problems with the State Department as a result of his activities in Grenada which he assumed I would know about (I said I didn't), and he indicated that while he was aware of the Neutrality Act he didn't intend to allow it to limit his activities.

I told Mr. Kattke that as much as we dislike the Khomeini regime we are not in the business of trying to overthrow it. The President had stated publicly that we accepted the Iranian revolution as a fact of history, and this was our policy. Mr. Kattke said he knew I had to say this, but he intended to continue his activities as a private citizen, and hoped that the USG could find some way to support his "tribal leaders." I did not encourage him in this. Subsequently, I told Mr. Kattke on the phone I could not meet with him and his group if they were engaged in planning the overthrow of the Iranian regime, and added that I did not think any other U.S. official would be able to do so either. Mr. Kattke said he understood, but that he would stay in contact with me and report further on the outcome of the meeting of the "tribal leaders."

cc: NEA - Mr. A. Peter Burleigh  
NSCS - Mr. William Burns ←

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DECL: OADR *ds*



**KEVIN KATTKE**  
DIRECTOR

NATIONAL FREEDOM INSTITUTE, INC

5 WEST SUNRISE HWY  
FREEPORT, N.Y. 11520

TEL (516) 379-1776

~~SECRET~~

SYSTEM II  
91210

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

November 3, 1987

18

INFORMATION

Deputy Natl Sec Advisor  
has seen

MEMORANDUM FOR COLIN L. POWELL  
BARRY KELLY

FROM: ROBERT B. OAKLEY *ROB*

SUBJECT: NSA Restrictiveness

The attached State memo to NSA puts on paper the tip of an iceberg which seems to be growing rapidly larger and is making more noise as it grows. There will come a time soon when the pressures for a top-level intelligence meeting chaired by NSC, or DOD will more and more go its own way on intelligence exchanges with governments which impact upon our operations (e.g. Staunch, Iranian military activities).

Attachment

Tab A Memo from State

~~SECRET~~  
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NLS F97-1071, #31  
BY CS NARA, DATE 10/9/01

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Iran 1987-1988 (2)

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SECRET/SENSITIVE

Contacts with Iran

Proposed Talking Points for Algerian Ambassador

FOIA(b) (1)

-- As you suggested, we have studied [redacted] [redacted] s message that he is ready to meet with a U.S. official to discuss implementation of Resolution 598, the situation in the Gulf, and other matters, either in New York or in Washington.

-- We have serious reservations about Iranian policy toward the U.S., and it is therefore difficult to accept the message you have brought us at face value.

*we have had bitter experience with unauthorized interlocutors (interlocutors)*

-- Iranian officials have made numerous statements attacking the good faith of the United States and of the United Nations in our search for an equitable settlement of the Iran-Iraq conflict. And they have refused to provide a clear response to the Secretary General regarding the implementation of Resolution 598.

-- Even more disturbing have been the actions of Iranian forces in the Gulf, which have repeatedly sought to disrupt the right of innocent passage of non-belligerent shipping, threaten U.S. forces assigned to the protection of U.S.-flag shipping, and conduct attacks on the territory of non-belligerent friendly states. *These actions have occurred despite explicit U.S. warnings and requests have been accompanied by Iranian denial of responsibility.*

-- Nonetheless, we do believe in the utility of direct contact as a way of avoiding miscalculation. We are prepared, therefore, to respond to [redacted] s request.

-- Given our misgivings and the importance of adequate preparation, we would like to hold an exploratory meeting with [redacted] to discuss and, if possible, reach agreement regarding future meetings at a higher level.

-- We therefore ask you to reply to [redacted] that Ambassador Herbert Okun, the Deputy Permanent Representative of the United States at the United Nations, is ready to meet with him without publicity at a time and place of [redacted] s choosing.

-- Ambassador Okun will be prepared to address our thoughts on future meetings, including an initial agenda, interlocutors, venue, and public handling.

drafted - P:CWSRoss - 11/3/87b  
cleared - NEA:APBurleigh  
- NEA:RWMurphy

DECLASSIFIED IN PART

NLS F97-107/1#34

By LOJ, NARA, Date 4/7/06

SECRET/SENSITIVE  
DECL: OADR

An urgent issue to the press - Iraq war is another topic which must be addressed specifically

FOIA(b) (1)

Outline of Approach to First Meeting with [REDACTED]

-- This first meeting would be devoted to procedural aspects of subsequent substantive meetings. This being so, it would be held at a level that did not engage an Under Secretary, but did convey a sense of serious purpose. We would offer Herb Okun.

-- While we would regard this meeting as exploratory, we would prepare Herb to lay down markers on major points if [REDACTED] tried to embark on a substantive discussion. But our main focus would be on preparing future meetings.

-- On interlocutors, our approach at this meeting would be to propose that substantive discussions take place at a higher level, between representatives from our respective capitals empowered to speak authoritatively. We would propose Mike and invite the Iranians to name an equivalent. We surmise this would be Deputy Minister Ardeshir-Larijani, the third-ranking MFA official, who has been very active in Gulf diplomacy and who accompanied President Khamenei to the U.N.

a new format & agenda item on the line they had no added

-- On agenda, we would agree that implementation of Resolution 598 and the reduction of tensions in the Gulf, both proposed by Rajai-Khorassani, are appropriate. We might add Afghanistan, and bilateral relations, if the atmosphere of the meeting seemed appropriate. We would then give [REDACTED] chance to make other proposals, remaining alert to the need to knock down anything that sounded like arms-for-hostages.

-- On venue, we have no strong preference and would be prepared, within limits, to accommodate to Iranian desires.

-- On public handling, our stated preference would be for quiet meetings out of the public eye, since they would be more likely to produce serious discussion than public meetings. But we would tell [REDACTED] frankly that, given past experience, neither we nor the Iranians could guarantee that the meetings would not leak. We would then propose the following text for use in the event any meeting became public:

QUOTE The Government of the Islamic Republic of Iran and the United States Government agreed to have officials meet to discuss the implementation of Security Council Resolution 598, the general situation in the Gulf, and other matters of mutual interest. Despite the many problems and issues that divide the two governments, both feel that direct communication is both prudent and necessary in the present circumstances. UNQUOTE

Unilaterally, if pressed, we would intend to confirm that neither hostages nor American arms for Iran were subjects of discussion. Also if pressed, we would confirm the identities of the U.S. and Iranian interlocutors.

-- If the Iranians refused to meet at a higher level, we would tell [REDACTED] we would have to get back to him.

-- We would then weigh internally whether we wanted to continue with [REDACTED] and, if so, at what level. One factor to weigh is his transfer to Iran, planned for December or January.

DECLASSIFIED IN PART  
NLS 197-107/1-35  
By [REDACTED] NARA, Date 9/7/06

and that we would brief select members of Congress in advance on the fact of the meeting.

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ΦIRAN

THE WHITE HOUSE  
WASHINGTON

Paul gaul

Juradiani

Ronald Laurin

Shara sobbin

Moayeri

Majib Zeyed

ADR. SUMNER SITKIRO

CONFIDENTIAL

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20508

8219

*RB*

November 9, 1987



ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: ROBERT B. OAKLEY *RB*

SUBJECT: Continuation of Iranian Emergency

Under the National Emergencies Act, the November 14, 1979, declaration of national emergency with respect to Iran will lapse on November 14, 1987, unless the President formally extends it prior to that date. Termination of the Iranian emergency would undercut the ongoing claims settlement process at The Hague, as well as our recently announced economic sanctions.

The Treasury recommendation to extend the emergency (Tab C) has full interagency clearance. It would be useful if the President could sign the attached notice of extension (Tab A) and letter to Congress (Tab B) by COB Tuesday, November 10, to avoid a last minute rush to publish the notice in the Federal Register.

Paul *Stevens* and Alison Fortier concur. *DM*

Recommendation

That you sign the memorandum to the President at Tab I.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

Attachments

- Tab I Letter to the President
- Tab A Notice of Extension
- Tab B Letter to the Congress
- Tab C Memorandum from Secretary Baker

CONFIDENTIAL  
Declassify on: OADR

DECLASSIFIED  
White House Guidelines, August 28, 1997  
By *dlb* NARA, Date *8/12/97*



THE WHITE HOUSE  
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: WHITE HOUSE EXECUTIVE CLERK  
FROM: FRANK C. CARLUCCI  
SUBJECT: Continuation of Iranian Emergency

Issue

To extend declaration of national emergency with respect to Iran.

Facts

Under the National Emergencies Act, the November 14, 1979, declaration of national emergency with respect to Iran will lapse on November 14, 1987, unless you formally extend it prior to that date. Termination of the Iranian emergency would undercut the ongoing claims settlement process at The Hague, as well as the economic sanctions which you recently announced.

Discussion

The attached memorandum from Secretary Baker (Tab C) recommends that you continue the Iranian emergency by signing a notice of extension for publication in the Federal Register (Tab A) and a letter to the Congress (Tab B) prior to November 13.

Recommendation

|           |           |                                                                                     |
|-----------|-----------|-------------------------------------------------------------------------------------|
| <u>OK</u> | <u>No</u> | That you sign the notice of extension at Tab A and the letter to Congress at Tab B. |
| _____     | _____     |                                                                                     |

Attachments

- Tab A Notice of Extension
- Tab B Letter to the Congress
- Tab C Memorandum from Secretary Baker

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED

White House Guidelines, August 28, 1997  
By dlh NARA, Date 8/2/99

T  
A  
B

A

NOTICE

- - - - -

CONTINUATION OF IRAN EMERGENCY

On November 14, 1979, by Executive Order No. 12170, the President declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States constituted by the situation in Iran. Notices of the continuation of this national emergency were transmitted by the President to the Congress and the Federal Register on November 12, 1980, November 12, 1981, November 8, 1982, November 4, 1983, November 7, 1984, November 1, 1985, and November 10, 1986. Because our relations with Iran have not yet returned to normal, and the process of implementing the January 19, 1981, agreements with Iran is still underway, the national emergency declared on November 14, 1979, must continue in effect beyond November 14, 1987. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Iran. This shall be published in the Federal Register and transmitted to the Congress.

THE WHITE HOUSE,

November \_\_, 1987

T  
A  
B  
  
B

TO THE CONGRESS OF THE UNITED STATES:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency is to continue in effect beyond November 14, 1987, to the Federal Register for publication. Similar notices were sent to the Congress and the Federal Register on November 12, 1980, November 12, 1981, November 8, 1982, November 4, 1983, November 7, 1984, November 1, 1985, and November 10, 1986.

The crisis between the United States and Iran that began in 1979 has not been fully resolved. Although the international tribunal established to adjudicate claims of U.S. nationals against Iran and of Iranian nationals against the United States continues to function, normalization of commercial and diplomatic relations between the United States and Iran has not been achieved. In these circumstances, I have determined that it is necessary to maintain in force the



broad authorities that may be needed in the process of implementing the January 1981 agreements with Iran and in the eventual normalization of relations with that country.

THE WHITE HOUSE

November \_\_, 1987

Enclosure

T  
A  
B  
C



THE SECRETARY OF THE TREASURY  
WASHINGTON

October 6, 1987

Dear Mr. President:

Under the National Emergencies Act, the November 14, 1979, declaration of national emergency with respect to Iran will terminate on November 14, 1987, unless, prior to that date, you publish in the Federal Register and transmit to the Congress a notice stating that the emergency is to continue in effect. The ongoing claims settlement process created by the Algiers Accords of January 19, 1981, continues to implicate important diplomatic, financial, and legal interests of U.S. nationals. If the Iranian emergency were allowed to lapse, it would significantly impair our ability to continue to take actions pursuant to the Claims Settlement Agreement, and to take all other necessary actions until such time as there is a return to normal relations.

For these reasons, I recommend that you sign, transmit to the Congress, and publish in the Federal Register the necessary notice of extension.

I have enclosed the following documents:

- A proposed letter transmitting the notice to the Congress;
- The proposed notice of extension; and
- A copy of the notice of extension submitted to the Congress last year.

Respectfully,

James A. Baker, III

The President  
The White House  
Washington, D.C. 20500

Enclosures

Federal Register

Vol. 51, No. 219

Thursday, November 13, 1986

**Presidential Documents**

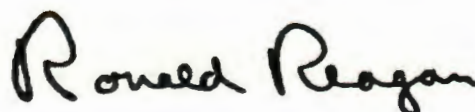
Title 3—

The President

Notice of November 10, 1986

**Continuation of Iran Emergency**

On November 14, 1979, by Executive Order No. 12170, the President declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States constituted by the situation in Iran. Notices of the continuation of this national emergency were transmitted by the President to the Congress and the Federal Register on November 12, 1980, November 12, 1981, November 8, 1982, November 4, 1983, November 7, 1984, and November 1, 1985. Because our relations with Iran have not yet returned to normal and the process of implementing the January 19, 1981, agreements with Iran is still underway, the national emergency declared on November 14, 1979, must continue in effect beyond November 14, 1986. Therefore, in accordance with Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Iran. This notice shall be published in the Federal Register and transmitted to the Congress.



THE WHITE HOUSE,  
November 10, 1986.

[FR Doc. 86-25807

Filed 11-12-86; 10:02 am]

Billing code 3195-01-M

EXECUTIVE ORDER

21

- - - - -

PROHIBITING IMPORTS FROM IRAN

By the authority vested in me as President by the Constitution and laws of the United States of America, including section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9), and section 301 of Title 3 of the United States Code,

I, RONALD REAGAN, President of the United States of America, find that the Government of Iran is actively supporting terrorism as an instrument of state policy. In addition, Iran has conducted aggressive and unlawful military action against U.S.-flag vessels and merchant vessels of other non-belligerent nations engaged in lawful and peaceful commerce in international waters of the Persian Gulf and territorial waters of non-belligerent nations of that region. To ensure that United States imports of Iranian goods and services will not contribute financial support to terrorism or to further aggressive actions against non-belligerent shipping, I hereby order that:

Section 1. Except as otherwise provided in regulations issued pursuant to this Order, no goods or services of Iranian origin may be imported into the United States, including its territories and possessions, after the effective date of this Order.

Sec. 2. The prohibition contained in Section 1 shall not apply to:

(a) Iranian-origin publications and materials imported for news publications or news broadcast dissemination;

(b) petroleum products refined from Iranian crude oil in a third country;

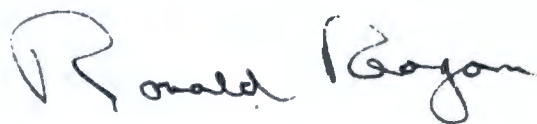
(c) articles imported directly from Iran into the United States that were exported from Iran prior to the effective date of this Order.

Sec. 3. This Order shall take effect at 12:01 p.m. Eastern Standard Time on October 29, 1987, except as otherwise provided in regulations issued pursuant to this Order.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

Sec. 5. The measures taken pursuant to this Order are in response to the actions of the Government of Iran referred to above, occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those actions.

This Order shall be transmitted to the Congress and published in the Federal Register.

A handwritten signature in cursive script that reads "Ronald Reagan". The signature is written in dark ink and is positioned centrally on the page, below the text of the order.

THE WHITE HOUSE,

October 29, 1987.

DEPARTMENT OF STATE

87 OCT 11 P5:04

**WASHFAX RECEIPT**  
DEPARTMENT OF STATE

**B**

S/S #

87 OCT 11 P5:39

SITU

ROO

ccs  
Stevens  
Rosen  
Cochran  
L...

WHITE HOUSE

P5:39

ROO

**G**

MESSAGE NO. 020879 CLASSIFICATION SECRET No. Pages 5

FROM: M. LEVITSKY S/S 75301  
(Officer name) (Office symbol) (Extension) (Room number)

MESSAGE DESCRIPTION MEMORANDUM FOR  
MR. CARLUCCI

| TO: (Agency)       | DELIVER TO:         | Extension | Room No. |
|--------------------|---------------------|-----------|----------|
| <u>WHITE HOUSE</u> | <u>MR. CARLUCCI</u> |           |          |
|                    | <u>COURTNEY</u>     |           |          |
|                    |                     |           |          |
|                    |                     |           |          |
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REMARKS:

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S/S Officer: [Signature]

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23

COMMUNICATIONS WITH IRAN

November 12, 1987

SECRET/NODIS/ORCON

TO: NSC - Ambassador Oakley  
FROM: INR - Richard A. Clarke  
SUBJECT: US-Iranian Demarches

*Bob* Attached is an analysis  
of recent US-Iranian demarches,  
which I understand you requested.  
It is being distributed to you,  
P, and NEA.

*Did*

cc: P - Chris Ross  
NEA - Peter Burleigh ✓

SECRET/NODIS/ORCON

DECL: OADR

DECLASSIFIED

Department of State Guidelines, July 21, 1997

By dlb NARA, Date 8/12/97

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~~SECRET/SENSITIVE~~ 24

12/12

Mr. Secretary -

We are working closely with Mike Armacost to craft a strategy on future relations with Iran. As that continues, I want to share with you some thoughts on Iran drawing on my five years service in that country.

Flexibility in the Political Ethos:

Although the government of Iran is dedicated to Islamic radicalism, Persians are among the least ideological of people. Flexibility and continually changing alliances are the mark of survival in Persian politics. During the Shah's reign, it was common for the same family to have one cousin in the Parliament, another in the Tudeh party and another a Mullah. Cover all the bets.

This flexibility is illustrated by the fact that Iranian life centers around what they call "dowrehs", literally circles. Everyone belongs to several dowrehs - extended family, political party, religious sect, profession. Membership in dowrehs overlaps, so everyone knows what everyone else is doing, and allegiances are fluid. This common knowledge of important activities is why it was inevitable that the hostages for arms deal would be made public as soon as one Iranian faction thought it in its interest to do so.

As an example of the virtue of flexibility and relativity in allegiances, Iranians point with admiration to a general who, while serving under Shah Abbas in the 16th century, led a Persian army against Bahrain. After conquering the island, the general revolted against the Shah and declared Bahrain's independence. Shah Abbas sent another Army, conquered the island, and brought the general home in chains. He was publicly humiliated and castrated and his children were executed. Two years later, when a rival group under the Shah became too strong, the Shah brought the general back and made him Prime Minister. Not an unusual Persian maneuver.

This striking Persian trait means we should not try to characterize Iranians as firmly in any camp and we should avoid such labels as "moderate" or "radical".

~~SECRET/SENSITIVE~~

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NLS F97-107/1#43  
By LOJ, NARA, Date 4/7/06

Perceptions of the U.S.:

Persian flexibility is also evident in Iran's approach to the U.S. Over 20,000 Iranian students are still studying in the United States, the great majority of them with government scholarships. Although less than the 30,000 or so under the Shah, it is still a significant number, perhaps the second or third largest foreign student population in the U.S. It may seem contradictory for a government which uses such venom when talking about the "Great Satan" to continue to send its youth here to study. But it is just another example of Iranian flexibility. The best technical education for young Iranians is in the States, so that's where they send them.

In a similar vein, Iranian Green Card holders, and Americans of Iranian birth, continuously travel to and from Iran visiting family and on business. They travel without interference from the government.

Iranians firmly believe in a Copernican world with Iran at its center. ~~\_\_\_\_\_~~

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Iranians would be bewildered by a contention that if the U.S. does not talk to Iran, the latter would be isolated. Persians assume they are the keystone of the world order, and any nation that refuses to speak with them is merely practicing self-isolation.

Iranians are also highly suspicious of the U.S. and its intentions. They believe we have immense powers to interfere in Iran and it scares them. Mike hosted a lunch for scholars on Iran last week and a key theme was how Iranians welcomed the President's statement that the Iranian revolution is a fact of history. They believe that the U.S. has now indicated it is willing to accept the revolution and the new order in the country.

Iran and the Russians:

Persian animosity toward Russia is deeply rooted and strongly felt. There is an abiding mistrust of Russian intentions, and all Persian schoolchildren are taught about the various Russian invasions of their country. This animosity has been heightened since the Revolution because the historical antipathy has been reinforced by the religious antipathy toward communism. Consequently, Soviet attempts to seduce Iran fall on hostile ground. If any country was more concerned about the Islamic Revolution than the U.S., it was the USSR. The specter of a radical, militant Islamic state bordering its Islamic Central Asian republics must cause great worry and concern in Moscow.

Iran's ties with the West and estrangement from the Soviets are more pronounced than they were under the Shah. The percentage of Iranian trade with Western Europe and Japan is higher now than it was under the Shah while trade with the Soviet Union is less. The real Soviet threat to Iran will not come as long as there is a cohesive, unified Persian state. However, if the state begins to disintegrate after Khomeini dies, the Soviets will be tempted to move in as they have in the past. Even then they will be somewhat inhibited by the thought that if they move into northern Iran we may move into the south - a much more valuable piece of real estate with its oil fields.

Conclusions and Lessons:

Some lessons can be drawn from these assessments:

--Keep channels open - Iranians want as many channels open as possible to the outside world. This is especially true now that the maneuvering for the post-Khomeini era is in full swing. The Iranians do not want to use these channels for any specific purpose - unless, for example, someone is willing to sell them arms. Rather, they just want to know that once Khomeini goes, there will be a lot of telephone lines working out of Tehran and someone will answer the phone.

--We Have Little or no Influence on the Succession - We cannot really influence what comes after Khomeini. Our leverage is too limited and supplying arms just increases Persian disdain for us. The only purpose of opening channels is to be in place once Khomeini goes. The Soviets have their channels, so do the Europeans and the Japanese. We are the only one who does not. Our self-imposed isolation is contrary to our interests and argues for opening up a policy channel soon.

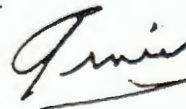
--Don't Focus on an anti-Russian Strategy - The Iranians are alert to the Russian threat and will not be seduced. The Russian threat becomes real if Iran starts to disintegrate. This argues for US actions which do not encourage instability in Iran.

--Don't Bargain with the Iranians Now - The Iranians continue to prove to us that when it comes to the bazaar, they are better rug merchants than we. They're major league and we're still playing minor league ball. For the first Reagan term, Iranians respected us, although they didn't like us. They knew, however, that we kept our word and that we would not compromise on issues critical to us. The real damage of arms for hostages, in terms of Iran's perception of the US, has been that we have proven that we are just like the Saudis, Omanis and others - we make deals on any issue. It will take a long time to erase that perception.

The lesson is we should be willing to listen and talk - for channels of communication are important - but we should be rock firm on our principles.

--Time and the Odds are with Us - Iran has historically looked to the West, not to the North. The revolution has given Iran even more reasons not to look north. Iran's economic and commercial ties are with the West and Japan and are increasing. Over time, I am convinced, Iran will continue to strengthen its ties to our friends. Eventually, they will also open up to the US. We will never have the same relationship as we had in the past, but our primary goal is obtainable - a secure Iran, firmly outside the Soviet orbit, which has moderated its behavior and abjured terrorism. It will take time, and the road will be bumpy, but the odds are with us. It will require great patience, and a willingness to listen but not to compromise. There are no quick fixes. In the interim, we must continue to reassure our friends of our support and commitments to them.

A. Raphel





United States Department of State

Washington, D.C. 20520

25  
January 20, 1988

CONFIDENTIAL

TO: The Files  
FROM: NEA/NGA - Michael J. Metrinko  
SUBJECT: Conversation with [REDACTED]

FOIA(b) (6)

At the request of Bill Burns (NSC), I spoke to [REDACTED] is an Iranian-American who claimed he has a friend visiting from Iran who was willing to arrange a channel of communication for the U.S. Government with Speaker of the Parliament Rafsanjani. Describing his friend as a businessman, [REDACTED] finally mentioned -- after a fair amount of circumlocution -- that there was a business aspect to the offer as well -- i.e. that communications and relations between the U.S. and Iran could be improved if the U.S. agreed to provide war materiel to Iran. I told [REDACTED] plainly that no one in the U.S. Government would agree to such provisions, or even be interested in discussing them. I said that I would be willing to talk about the general situation in Iran with anyone who cared to do so, but that official communications with Iran were handled for us by the Swiss Government. [REDACTED] appeared to understand that the businessman's proposal was a non-starter.

cc: NEA - APBurleigh  
NSC - BBurns ✓

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NLS F97-1071#44  
By MDI, NARA, Date 4/10/06

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Cleared: NEA/NGA - LEPope 2



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THE WHITE HOUSE

WASHINGTON

3488

May 11, 1987

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ  
The Secretary of State

SUBJECT: Hague Tribunal and Return of  
Iranian Funds

Thank you for your memorandum of May 7. I approve compliance with the Iran-U.S. Claims Tribunal's order of May 4, 1987, and return of funds to Iran pursuant thereto.

*Ronald Reagan*

cc: Attorney General  
Secretary of Treasury  
Secretary of Defense

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BY LOJ, NARA, DATE 4/7/06

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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20508

May 7, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: ROBERT B. OAKLEY *ROB*  
PAUL STEVENS *PS*

SUBJECT: Hague Tribunal and Return of Iranian Funds

Attached is a memorandum to the President covering Secretary Shultz' memo of May 7. State is prepared to brief the press and Congress, as well as foreign governments, as soon as the President makes his decision.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

Attachments

- Tab I Memorandum to the President
- Tab A Memorandum to Secretary Shultz
- Tab B Memorandum from Secretary Shultz  
(May 7, 1987)