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# WITHDRAWAL SHEET

## Ronald Reagan Library

Collection: KEMP, GEOFFREY :Files

Archivist: dlb

File Folder: Iran, February 1981 (1 of 2)

Date: 8/11/99

Box ~~90218~~ 90492

Wills - F97-106

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	Gary Sick to Henry Nau, re: U.S. Trade Relations with Iran, 2 p. <i>D 11/8/01 NLSF97-106 #64</i>	2/2/81	P1/F1
2. Draft Memo	Interagency Group on Iran to Secr'ty [of State], re: U.S. Trade Relations iwth Iran, 4 p. <i>D 11/8/01 NLSF97-106 #65</i>	1/30/81	P1/F1, S3
3. Memo	Henry Nau to White House Group on Hostage Agreement, (handwritten notes on verso of both pages), 4 p.	1/30/81	P5
4. Paper	Analysis of Claims Against Iran and Settlement Procedures, 8 p. <i>D 7/28/00 NLSF97-106 #66</i>	1/28/81	P1/F1
5. Appendix A	Appended to Item #4, 2 p. <i>D. 7/28/00 NLSF97-106 #67</i>	n.d.	P1/F1
6. Appendix B	Appended to Item #4, 1 p. <i>D. 7/28/00 NLSF97-106 #68</i>	n.d.	P1/F1
7. Paper	International Implications of the Hostage Agreement, 4 p. <i>D 11/8/01 NLSF97-106 #69</i>	n.d.	P1/F1, S3
<del>8. Draft Memo</del>	<del>"The Secretary" to Reagan, re: Iranians: Travel and Stay Policies, 6 p. <i>ofmr</i></del>	<del>1/27/81</del>	<del>P5</del>
9. Memo	Richard Allen to Secr'try of State, 1 p. <i>D 11/8/01 NLSF97-106 #70</i>	2/3/81	P1/F1
<del>10. Memo</del>	<del>Allen to Reagan, re: Mrs. Cynthia Dwyer's Trial, 1 p. <i>R 11/8/01 NLSF97-106 #71</i></del>	<del>2/4/81</del>	<del>P1/F1</del>
11. Cable	Bern 00542, 1 p. <i>P 11/8/01 NLSF97-106 #72</i>	2/4/81	P1/F1
<del>12. Cable</del>	<del>[Bern 00554], 2 p. <i>R 11/8/01 NLSF97-106 #73</i></del>	<del>2/4/81</del>	<del>P1/F1</del>
13. Notes	Meeting 2/5 re: Algiers Agreement, 2 p.	2/5/[81]	P5

### 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]

Iran Feb 81 (1)

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WASHFAX RECEIPT  
DEPARTMENT OF STATE

**B**

S/S #

*Check  
Jonesville*

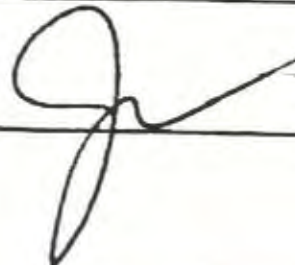
02

MESSAGE NO. 133320 CLASSIFICATION CONFIDENTIAL No. Pages 4  
FROM: Harry Kopp EB/TDC 632-2532 3831-A  
(Officer name) (Office symbol) (Extension) (Room number)  
MESSAGE DESCRIPTION U.S. Trade Relations with Iran

TO: (Agency)	DELIVER TO:	Extension	Room No.
Treasury	Richard Davis	566-2568	4308
the White House	Frank Hodson	456-6797	First Floor West Wing
National Security Council	Henry Nau	395-5697	351, OE0B
	<i>Sick</i>		
	<i>Colson</i>		

FOR: CLEARANCE  TREASURY INFORMATION  PER REQUEST  COMMENT

REMARKS: PER TODAY'S IAG, ON IRAN.

S/S Officer: 

DECLASSIFIED  
Department of State Guidelines July 21, 1997  
By dlb NARA, Date 8/11/95

*Iran Feb 81 (G)*

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MEMORANDUM

NATIONAL SECURITY COUNCIL

January 30, 1981

TO: WHITE HOUSE GROUP ON HOSTAGE AGREEMENT  
FROM: HENRY R. NAU

Looking over the papers for this afternoon's meeting at State, I conclude that we will have to turn to our own lawyers to get the kind of analysis we are looking for.

First, a few comments on what is there and then, more importantly on what is still missing:

Comments

-- Carswell/Davis paper is misleading in stating on p.1 that agreement provides mechanism to pay total value of claims to be settled by Tribunal. It is more accurate when it says on p.4 that there is only an "opportunity" for such payment. The Tribunal is being constituted to ensure compromise not consensus, and my guess is that the only claims to be paid in full have already been paid (i.e., the bank loans).

-- Also Carswell/Davis do not explain why extra-territorial extension of U.S. freeze to assets in foreign branches of U.S. banks is any less valid (albeit controversial) than similar extension of U.S. authority over strategic exports of U.S. companies abroad to adversary countries (which we have done often in postwar period).

-- The paper on implications of implementation or non-implementation is a brief for implementation, not an analysis of the drawbacks.

-- The paper on visas does not recognize that an equally good way to end discrimination of existing special restrictions is to tighten them to exclude everyone. I worry a little bit about what an open visa policy implies in terms of entrants to the U.S. from Iran as long as the internal situation in Iran remains unstable. The battle in Iran is played out in our streets and once the battle is ended in Iran, we may get the refugees.

✓ Trade - Iran = nation's harbor & favorite, so can  
place export controls - <sup>sew. reduced</sup> ~~and~~, > \$7m →  
license - same as Iraq - could put on total  
embargo using nat'l army. - even Exp. Adm.  
But could place controls on nearly anything -  
paper to Secty to write - want avoid sudden  
resumption of trade, send wrong signal while row  
underway - NEED PAPER BY MON, USED P: ST NOW?  
IF SO WHAT?

✓ Travel, visas

- travel advisory takes care US cit's
- Ir's → US? policy self-inflicted wound - hurt Inds, not  
enemies - only Ir's great "humanitarian" or "net net"  
Strictly interp - rec: revoke all visas, start over  
w/ proc like Sov's, PDAs - DN: stay where we are for  
moment - 6500 ref's (up to 20k) for pol asylum -  
presently frozen - LEAVE IT ALONE TILL ROW  
COMPLETE -

What is Missing

We need analysis, I believe, of the following issues:

1. What are the precedents and implications of the actions the USG is obliged to take against the Shah's assets?

2. What are the pros and cons of imposing new trade restrictions on Iran? Nothing in the agreement prevents us from doing this. This issue needs to be dealt with in the context of (a) U.S. policy toward Iran as long as the Iran-Iraq war continues and (b) U.S. policy there after?

3. Other issues that other people know better than I:

- options in dealing with litigation
- dismissal of claims against domestic assets
- withdrawal of claims before ICJ



Thurs - DN return @ 4

Thurs - lunch Brashij's Motel

Legal

Intl - State paper

Cong - brief

Future act's - hold for now

Trade, travel, visas, students

✓ Getting claims broken down by nature, governing law, etc -  
SDNY

✓ Business etc calming down - varies by sector - Iran may  
open office to settle claims if that want to do bus.

✓ Intl - intl consensus supports + some un-able exploit -  
US welcome + to inflicting - Iran - lost - some: unresolvable price's  
estab: favor only vs suspension + length of time needed -  
abrogation opposed by Swiss, UK, OPEC, etc.

✓ Court / Feld brief to SFAC/HIRE - leads - such of's - no hostility -  
Bernie: host lawyers: <sup>transfer</sup> vest assets - Malaysia renounce offer - No pol.  
but if done quickly - repudiate → confusion - worry re mil equip -  
pub hearings Thurs - <sup>used</sup> re, we; then claimants; + 1 wk + Admin



*Mr. Nau*



DEPARTMENT OF STATE

Washington, D.C. 20520

January 29, 1981

TO: Interagency Working Group on Iran

FROM: Executive Secretariat - R.G.H. Seitz *3*

Attached are the agenda and supporting papers for the meeting of the Interagency Working Group on Iran scheduled for Friday, January 30 at 2:30 p.m.

*747 Floor*

~~CONFIDENTIAL~~ ATTACHMENTS

*dlb 8/10/89*

CONFIDENTIAL

Agenda for January 30 Iran Interagency  
Group Meeting

- I. Overview (Under Secretary Newsom to lead)
  
- II. Review of Issues
  - a. Treasury paper on claims by U.S. citizens and corporations (Treasury to lead)
  - b. State paper: international implications of implementation/non-implementation (NEA to lead)
  - c. Congressional attitudes (NEA and L... to lead)
  - d. Future trade relations (EB to lead)
  - e. Paper on travel and stay (CA and INS to lead)
  
- III. Further Work Assignments

CONFIDENTIAL

DECLASSIFIED  
Department of State Guidelines, July 21, 1997  
By dlb NARA, Date 8/10/99





THE DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

CONFIDENTIAL

JAN 28 1981

MEMORANDUM FOR: Mr. Paul Wolfowitz  
Policy Planning Staff  
Department of State

Attached, as promised, is a memorandum summarizing the situation with respect to claims by U.S. citizens and corporations against Iran, along with an analysis of how those claims will be resolved under the terms of the agreements. We would be glad to discuss this further with you if that would be useful.

Tim McNamar, who did not participate in preparing this memorandum, has asked that we send it directly to you.

*Robert Carswell*  
Robert Carswell

*Richard J. Davis*  
Richard J. Davis

cc: Tim McNamar  
Frank Hodsoll, The White House  
Attorney General

Regraded Unclassified When  
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Iran Feb 1981 (1)

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1 ran Feb 1981 (1)

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D R A F T - 1/27/81

MEMORANDUM FOR: THE PRESIDENT

FROM: The Secretary

SUBJECT: Iranians: Travel and Stay Policies

The Interagency Working Group on Iran meeting under the Chairmanship of Under Secretary Newsom believes that several issues pertaining to travel between the U.S. and Iran and the treatment of Iranians in the U.S. require your decision.

I. Special Visa Restrictions

Visas for Iranian entry into the United States are now issued only for compelling humanitarian or national interest cases. The restrictions were designed to have an immediate shock quality, respond to domestic pressures, place the hostage responsibility on all Iranians, and stimulate pressures within Iran for their release. While the restrictions remain legal, the hostage rationale has now ended.

In practice, the great majority of visa approvals are for certain Iranian minorities (primarily Jews and Christians). Other approvals cover Iranian relatives of Americans, serious medical cases, and a few Iranians of particular interest such as scientists with rare skills or members of the royal family and entourage. From April - December, 1980, an estimated 7,400 visas were issued to Iranians including 5,600 to members of minorities. An equal or greater number of visas were refused, primarily to Iranian Moslems (many with children as students in the U.S.) including Western-oriented businessmen and former officials under the Shah, civil as well as military.

Minorities

As the data indicate, we have taken for domestic, political, and humanitarian reasons a favorable attitude toward certain Iranian minorities reluctant to return to Iran under present conditions, but who might do so if the situation improved. In effect, we are operating a virtual undeclared refugee program for those minorities which we cannot declare without possibly provoking in Iran the very holocaust the minorities fear. The pressure on this issue by American interest groups and Members of Congress has been intense despite the absence of any actual (as opposed to feared) major Iranian policy of overt persecution.

### Parole and Asylum

For minority persons who might otherwise not be eligible for a visa but who have relatives here, State and the Immigration and Naturalization Service (INS) are taking a favorable view toward admission on humanitarian parole. We have also accepted applications from some Iranians here for political asylum but have not processed them, thus permitting the persons to stay without jeopardizing the safety of their relatives in Iran or stimulating attention by Iranian authorities to certain minority groups.

The Royal Family - We have taken a favorable view toward admitting members of the royal family and entourage as a result of oral understandings reached shortly before the Shah's death.

### Options and Recommendations

#### For General Policy

Tighten special restrictions - In practice, this could be done by reinterpreting "national interest" and "humanitarian" in a manner to exclude more Iranian Moslems and, if desired, minorities as well. While perhaps initially satisfying to some segments of public opinion, Americans with Iranian relatives, some Members of Congress, and Arab-American ethnic groups would protest. If applied to the minorities, the charge would be levied that the Administration is blind to a situation equivalent for the Jews, for example, to that of Nazi Germany.

Ease special restrictions - Our current policy hits primarily Iranian Moslems, some of whom are Western-oriented or educated. Their treatment contrasts with the favor given to the minorities leading to potential charges in the Arab world of anti-Moslem discrimination. The restriction also complicates cultivating those Iranians whom we hope might one day play a positive role in a constructive Iran. An easing (achieved by redefinitions) would further complicate processing and thus increase the Iranian workload at already strained overseas posts.

Retain special restrictions - This course now exists by momentum. There is little current public attention, but the issue will become progressively more important to American interest groups favoring entry. It also hampers U.S. longer-range interests in a future, more rational Iran and does not reflect the release of the hostages, the reason the special restrictions were imposed. Iranian authorities have taken little note

of the restrictions and our posts are hard pressed by Iranian processing.

Lift the special restrictions - This initiative would reflect the release, permit us to pursue longer-range influence in Iran, and stop the drain on resources caused by Iranian processing. If the restrictions were lifted, Iranian entry into the U.S. would be controlled by normal regulations which are also applicable to such adversarial countries as the Soviet Union and Libya.

Recommendation

That the special restrictions be lifted. (Note: Favored by CA, IWG, NEA, and L; S/P favors easing).

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

For Minorities

If favoritism toward Iranian minorities is desired, the current program of visa issuance combined with sympathetic handling of humanitarian parole and asylum requests could be continued. However, the program is unique to Iran, legally questionable, administratively awkward, and, perhaps, unnecessary unless the atmosphere in Iran towards minorities worsens. A more direct alternative would be to develop a formal refugee program similar to those we conduct elsewhere. This approach would require advance Congressional consultation, be more expensive, and at least raise concern that resulting publicity would become a self-fulfilling prophecy by focusing Iranian ire on the minorities, particularly Jews.

If favoritism were ended, there would be an immediate strong reaction by American interest groups and Members of Congress from both parties.

Recommendation

That a favorable attitude continue to be taken toward certain Iranian minorities through current programs. That as a possible test of Iranian reactions, State and INS should begin to process asylum requests if the applicant desires and expand the processing to others dependent on reactions within Iran. Depending on the pattern of Iranian actions, consider a refugee program.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

For the Royal Family

The travel of members of the royal family has caused little comment since the death of the Shah.

Recommendation

That we continue to approve visas for members of the royal family and their entourage in accordance with previous practice.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

II. Iranians in the U.S.

Background

In late 1979, the INS sought to register all Iranian students then in the U.S. Over 60,000 were located and interviewed (an estimated 10,000 did not appear). About 6,500 were found deportable, some 2,800 requested political asylum, about 700 departed the U.S., and the rest are in deportation proceedings. Following the April 7, 1980, break in U.S. - Iranian relations, all but 39 Iranian diplomats and 3 military personnel either departed or were located. Iranians who left the U.S. prior to May 7, 1980, are barred from readmission except under certain conditions, those in the U.S. are restricted from adjusting their immigration status, and Iranian students in good standing are authorized to stay in the U.S. only for completion of their current course of study or degree.

Public demonstrations by pro-Khomeini groups of Iranian students hardened U.S. public opinion. Many Iranian students, however, are pro-Shah, pro-West, or simply apolitical. The decision to permit them to remain to complete certain studies was based on a desire to avoid needlessly alienating many prospective leaders of a future Iran, to meet the interests of U.S. colleges, and as simple equity.

Options and Recommendations

INS Iranian regulations are related not only to the hostage crisis, but also to the break in U.S. - Iranian diplomatic relations and a need to conform to overall USG policy toward Iran as reflected in State visa criteria. The E.O. of January 19, 1981, removes the legal basis for the INS regulation limiting return to the U.S. by Lawful Permanent Residents (LPR's) of Iranian nationality who have visited Iran. Unless that E.O. is countermanded, INS will have to repeal the regulation.

With respect to the other INS restrictions, there are three options: (1) leave them in place; (2) repeal them; or (3) add additional restrictions. The last option could eliminate exceptions and exemptions (which primarily benefit American relatives), accelerate deportations by processing asylum claims, and/or declare the status of all Iranian non-immigrants ended and bar future admissions. Such a tough approach would affect primarily those Iranians closest to the U.S. as well as American citizens and LPR's with Iranian relatives. An easing or lifting of current INS restrictions is feasible and would place Iranians here, including students, on the same basis as other nationalities so long as they remain in good standing and do not violate our laws. A decision could be implemented by E.O. (high visibility) or by administrative instruction (low visibility).

Recommendation (short-term)

That INS now repeal regulations affecting the travel of LPR's to Iran and thus parallel the lifting of the passport restriction on American citizens.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

(Alternate INS Proposal)

That an immediate decision be made whether to replace the January 19, 1981, E.O. as it relates to LPR travel or, instead, repeal the implementing regulation.

REPLACE E.O. \_\_\_\_\_ REPEAL REGULATION \_\_\_\_\_

Recommendation (long-term)

That INS regulations affecting Iranians in the U.S. (including students) be adjusted as necessary to remain parallel with the general policy approach determined for State visas.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

III.) Imprisoned Americans

There are currently three Americans known to be imprisoned in Iran; Cynthia Dwyer (a freelance reporter) and businessmen Mohi Sobhani and Zia Nassry (whom the

Iranians consider to be Iranian nationals). After much difficulty, the Swiss and the ICRC (Red Cross) were able to visit Mrs. Dwyer three times last year. Despite repeated attempts and Iranian permission "in principle," no one has been able to visit the other two. There are also several British nationals imprisoned in Iran.

Recommendation:

That we ask the Swiss and the ICRC (Red Cross) to renew with the authority of this Administration their efforts to obtain access to and the release of the imprisoned Americans. That we bring international pressures to bear on the Iranian Government (as friendly countries including the U.K. expand their economic and other relations with Iran).

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

IV. American Travel to Iran

Restrictions on travel to Iran by American citizens and LPR's were lifted by E.O. on January 19, 1981. Some Americans traveled without approval or knowledge, and Justice is reviewing several of the more prominent cases which came to public attention, such as Ramsey Clark. In view of the dangers of visiting Iran, State issued on January 27 a very strong travel warning designed to offset any public misunderstanding stemming from the lifting of the restriction.

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1/27/81 x21558

Iran Feb 1981 (9)

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THE WHITE HOUSE  
WASHINGTON

*Iran*  
*2/4*  
*Committee to brief*  
*RA re release*  
*of use doc's*

February 2, 1981

MEMORANDUM FOR:

Jim Baker  
Ed Meese  
Dick Allen

*gks*  
*arr. to*  
*State*

FROM:

Max Friedersdorf *M. B.*

SUBJECT:

Congressional Hearings on Iran

The Senate Foreign Relations Committee will hold hearings Wednesday and Thursday on the Iranian seizure of American hostages with Cutler, Christopher and the bankers expected to testify. I am unaware of any Administration witnesses.

cc: Powell Moore

*Administration testimony*  
*postponed until later*  
*when we are ready.*  
*max*

IRAN

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

February 4, 1981

*Susan*

Dear Ms. Clough:

Enclosed are six draft letters for President Carter's signature to various organizations thanking them for their participation in the efforts to free the American hostages.

Sincerely,

*Gary*  
Gary G. Sick

Ms. Susan Clough  
Richard B. Russell Building  
75 Spring Street  
Atlanta, Georgia 30303

Enclosures

*Susan -  
these got lost in the  
frantic shuffle of the final  
24 hours - these people  
deserve special recognition.  
Hope this does not cause  
any inconvenience -  
Best wishes -  
Gary*

LETTER FROM PRESIDENT CARTER TO SWISS MINISTER MUHEIM

Dear Minister Muheim:

The hostages are free and the efforts of many persons around the world have been rewarded now that our diplomats are reunited with their families. You and your colleagues can take special pride in the very important contribution you made in securing freedom for the imprisoned Americans.

I wish to express to you personally the appreciation of all Americans for the extraordinary contribution to our efforts of the past year.

Sincerely,

/s/ Jimmy Carter

Mr. Franz E. Muheim  
Minister  
Embassy of Switzerland  
2900 Cathedral Avenue, N.W.  
Washington, D. C. 20008

LETTER FROM PRESIDENT CARTER TO SWISS AMBASSADOR HEGNER

Dear Mr. Ambassador:

The hostages are free and the efforts of many persons around the world have been rewarded now that our diplomats are reunited with their families. Of all the people who sought to help us, the Swiss certainly stand in the forefront. You and your colleagues can take special pride in the very special contribution you all made in securing freedom for the imprisoned Americans.

I wish to express to you personally the appreciation of all Americans for the extraordinary contribution to our efforts of the past year.

Sincerely,

/s/ Jimmy Carter

His Excellency  
Anton Hegner  
Ambassador of Switzerland  
2900 Cathedral Avenue, N.W.  
Washington, D. C. 20008

LETTER FROM PRESIDENT CARTER TO MR. ELSEY, AMERICAN RED CROSS

Dear Mr. Elsey:

I know that you and your staff rejoice with me and with all Americans in the release of our hostages from Iran. You can take pride in the superb spirit and willingness to help displayed by your many staff members around the country. Their assistance to the hostages and to their families was magnificent.

Please convey to all of your associates my personal thanks and those of the hostages, their families and the American people.

Sincerely,

/s/ Jimmy Carter

Mr. George M. Elsey  
Chairman  
American Red Cross  
2025 E Street, N.W.  
Washington, D. C. 20006

LETTER FROM PRESIDENT CARTER TO ALGERIAN AMBASSADOR

Dear Mr. Ambassador:

The American hostages have been released due in large measure to your efforts and those of your colleagues.

The Algerian role in this endeavor has earned the respect and appreciation of the entire American people. In a most difficult undertaking, you have exhibited determination, creativity and courage of the highest order.

As you continue your work in Washington, I hope this achievement can serve as the basis for closer and more fruitful relations between our two countries.

Sincerely,

/s/ Jimmy Carter

His Excellency  
Redha Malek  
Ambassador of the Democratic  
and Popular Republic of Algeria  
2118 Kalorama Road, N.W.  
Washington, D. C. 20008

LETTER FROM PRESIDENT CARTER TO PROFESSOR RICHARD W. COTTAM

Dear Professor Cottam:

The hostages have been released due in no small way to your efforts. Your assistance in bridging the differences between America and revolutionary Iran was of unique value.

I want you to know how much your help was appreciated by all of us engaged in freeing the hostages. Although the public may perhaps never become fully aware of your contribution, you can be certain that the hostages, and their families, will always be enormously grateful.

Sincerely,

/s/ Jimmy Carter

Professor Richard W. Cottam  
University of Pittsburgh  
Pittsburgh, Pennsylvania 15260

LETTER FROM PRESIDENT CARTER TO IMAM KHORASANI

Dear Imam Khorasani:

The State Department has kept me fully informed on your efforts to assist us in reaching a settlement of the lengthy hostage crisis in Iran. Your willingness to provide us with insights and advice on how to resolve this problem was of unique value.

I particularly want you to know how much your efforts were appreciated by all of us who have been engaged in the effort to free the hostages. Although the public may never become fully aware of your contribution, you can be certain that the hostages, some of whom you know, and their families will be enormously grateful.

Sincerely,

/s/ Jimmy Carter

Imam Mehdi Khorasani  
Islamic American Society  
5802 La Mirada Avenue  
Los Angeles, California 90038



NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

February 4, 1981

*Jran*

MEMORANDUM FOR:

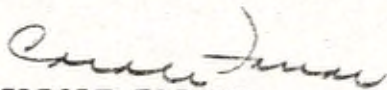
John Kelly  
Director, Secretariat  
Department of State

ATTN: Julie Jacobson

SUBJECT:

Presidential Response to Heads of State/  
Government Inaugural/Hostage Messages

Attached is the approved response to Heads of State/Government and other high-ranking officials for use in responding to messages on the inauguration and the release of our hostages.

  
CAROLE FARRAR

Attachment:

As stated.

SUGGESTED RESPONSE TO HEADS OF STATE AND OTHER FOREIGN LEADERS  
CONGRATULATING PRESIDENT ON THE INAUGURATION AND THE RELEASE  
OF THE HOSTAGES

Dear \_\_\_\_\_

Thank you very much for your thoughtful message(s) on the occasion of my inauguration as President and upon the return to freedom of the American citizens who had been held for many months in violation of international law. I am pleased that one of my first responsibilities as President of the United States was to welcome these brave men and women back to their homeland. On behalf of the American people, I wish to express my appreciation for your kind words of support.

All nations must work together to strengthen the rule of law and to preserve the rights and immunities of diplomatic personnel. Disregard of these vital principles undermines the very foundation of international discourse and ultimately threatens the ability of every nation to pursue normal, peaceful relations.

It is my earnest hope that this flagrant violation of international norms will encourage all nations to ensure that these tragic circumstances are not repeated in the future.

Sincerely,

Ronald Reagan

MEMORANDUM  
~~CONFIDENTIAL~~  
INFORMATION

THE WHITE HOUSE  
WASHINGTON

<sup>2/2/81</sup>  
The President has seen

0202

Sielc:

February 4, 1981

Iran

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD ALLEN *Allen*  
SUBJECT: Mrs. Cynthia Dwyer's Trial

It appears that this is a show trial and the estimates are that she will be released and expelled from Iran. Following is the text of the reference cable.

Attachments

- TAB A - Bern 542
- TAB B - Bern 554

~~CONFIDENTIAL~~

DECLASSIFIED / RELEASED

NLS F97-104 #71

BY smf, NARA, DATE 11/8/01

~~CONFIDENTIAL~~

February 4, 1981

Text of [REDACTED]

[REDACTED] reports that Mohi Sobhani has been released from prison, and is at home with his wife. Details to follow.

[REDACTED] employee saw Mohi Sobhani free on the street in Tehran this morning (Feb. 4); Mrs. Sobhani [REDACTED] to report the "wonderful news", and to say that she would not visit [REDACTED] as had been planned because of this happy situation. [REDACTED] telegram says that details will follow as soon as available.

Vine

DECLASSIFIED IN PART  
NLS F97-106 #72  
By [Signature], NARA, Date 11/2/01

~~CONFIDENTIAL~~

FEBRUARY 4, 1981

CABLE FROM AMERICAN EMBASSY BERN

TO SECSTATE

SUBJECT: DETENTION OF AMERICAN CITIZEN IN IRAN

THE SWISS EMBASSY IN TEHRAN HAS PROVIDED ADDITIONAL INFORMATION, AGAIN BY TELEPHONE TO THE MINISTRY IN BERN, ON THE TRIAL OF MRS. DWYER. THE INFORMATION PROVIDED BY SPP, RELAYED TO US BY THE FOREIGN INTERESTS SECTION BY PHONE, FOLLOWS.

UNEXPECTEDLY, THE DEFINITIVE TRIAL OF MRS. DWYER TOOK PLACE TODAY (FEB. 4). THERE WERE MORNING AND AFTERNOON SESSIONS, AND THE TRIAL WAS COMPLETED AT 5:00 P.M. IRAN TIME. SPP EXPECTED JUDGMENT TO BE PRONOUNCED SATURDAY OR SUNDAY. THE TRIAL WAS ATTENDED BY SPP CHIEF SCHMIDT AND THREE FSN EMPLOYEES. MR. SCHMIDT WAS ALLOWED TO SPEAK WITH MRS. DWYER (WHO HAD NO DEFENSE ATTORNEY) DURING THE TRIAL.

MR. SCHMIDT'S IMPRESSION WAS THAT THE "WHOLE THING WAS A SHOW" AND THAT THE RESULT HAS ALREADY BEEN DECIDED. HE BELIEVES THAT IT WILL "BE POSITIVE FOR MRS. DWYER." AND SEES THE RELEASE OF MOHI SOBHANI (BERN 542) AS A "GOOD OMEN". SCHMIDT SAID THAT MRS. DWYER WAS VERY NERVOUS AT THE TRIAL, BUT APPEARED FIT. TWO IRANIAN JOURNALISTS ATTENDED THE TRIAL, AND THE SWISS EXPECT TO RECEIVE PRESS ENQUIRIES. THEY PROPOSE TO USE THE FOLLOWING POINTS IN REPLY:

- THE TRIAL OF MRS. DWYER TOOK PLACE TODAY, FEBRUARY 4
- A SWISS EMBASSY OFFICER WAS PERMITTED TO ATTEND THE TRIAL

~~CONFIDENTIAL~~

DECLASSIFIED

NLS F97-106 #73

BY smf, NARA, DATE 11/8/01

~~CONFIDENTIAL~~

- THE JUDGMENT IN THE CASE IS EXPECTED NEXT MONDAY
- THIS APPEARS TO BE AN EFFORT BY SWISS TO ANTICIPATE SOME DELAY IN LEARNING THE RESULT
- MRS. DWYER SEEMS TO BE WELL.

MFA EXPECTS A FULL TELEGRAPHIC REPORT FROM TEHRAN TOMORROW WHICH WE WILL, OF COURSE, RELAY TO DEPARTMENT AS SOON AS RECEIVED.

~~CONFIDENTIAL~~

In the same way, by their propaganda over several hundred years, they create the perception in the East that unless we go to Russia we cannot do the job. This was the sort of belief that the orators and writers of the time were seeking. Even some people who were well-intentioned believed this to be so. Even now there are many people who believe that we should be linked--even though they are well-intentioned. There was also a group of dependent people, who were their hirelings, to reinforce this idea. Now there is a country in which what was impossible, what no one thought about, where no one could imagine that a country about which there was so much propaganda, so many areas of dependence, could stand up and throw out America, which has everything, which is the premier power in the world, and this is something that many thought impossible. [sentence as heard] I did not come across anyone saying it is possible; they were either silent or else they would say it is impossible. Well, you have seen that when the nation willed it it happened. When a nation wants something it will happen. They [as heard] are planning to raise that issue again, namely that we cannot do things ourselves, we are not experts ourselves, we have a defective educational background.

Those countries that have done it include Japan. Well, Japan was nothing to speak of at first. They worked hard. Now they are competing with America and many of its products are being sold in America. Well, they made this impossible thing possible. Or take India, which is now an advanced country. This is because it has made real this idea that we should not be dependent.

#### RAJA'I MEETS SOVIET ENVOY, ATTACKS USSR POLICY

LD151308 Tehran Domestic Service in Persian 1044 GMT 15 Feb 81

[Text] According to a Central News Bureau report, the USSR ambassador to Iran met and conferred yesterday afternoon with Mr Mohammad 'Ali Raja'i, the prime minister of the Islamic Republic of Iran.

At this meeting, which lasted for about 45 minutes, the Soviet ambassador said: America has recently adopted measures at an international level in the name of the fight against terrorism and has tried to adopt measures against the world's liberation movements. The American administration is thinking about creating a new front in the world for psychological warfare against these movements. It has accused these movements of practicing terrorism, but America does not say anything about the fascist and reactionary regimes in Chile, El Salvador and South Korea. If the U.S. propaganda is not stopped, it will develop into a political policy at an international level. We resolutely condemn this propaganda and we shall continue to do so. We hope that the leaders of the Islamic Republic of Iran will also start taking measures to neutralize this American propaganda.

The prime minister replied to the Soviet ambassador: What you are saying is correct; we say this sort of thing as well, but we say this sort of thing at a time when our army is not in any foreign country. You, who criticize America for intervening in the fate of nations, must remember that we cannot ignore the Afghan issue. Why have you, who criticize America for having this policy on fascist and reactionary Chile, kept silent with regard to Iraq and with regard to this obvious aggression and the large-scale killing?

My question is: Are we, in your opinion, struggling against America or not? If you can see us struggling against America, why don't you condemn the Iraqi aggression and the war imposed on us? We are faithful to the principles on the basis of which we staged the revolution. To us there is no difference between aggressors, and condemnation is not confined to a particular country. If aggression is condemned, it is condemned in the case of all countries. There is no difference between the reactionary and the progressive in aggression. The nations of Afghanistan and Chile both have the right to decide.

While I thank you for your comments on Reagan's policy toward liberated countries and liberation movements, I would like to say that as long as these questions are not answered properly, the revolutionary and Muslim people of Iran see no difference between the actions of the two superpowers.

The Soviet ambassador said: Why do you not see any difference between America and the Soviet Union, when the nature of the sociopolitical systems in these two countries is different? How can you compare Chile and Vietnam with Afghanistan? We had better have a special meeting about Afghanistan.

The prime minister said: I give you 20 minutes from now until the end of the meeting. In this period you will explain to me why you have kept silent on the Iraqi aggression. Why do you expect the Americans to do what you do not do yourselves? The suggestion that we sit here and talk about Chile is another issue. Why shouldn't we talk about Iraq, which is a neighbor to us both?

The Soviet ambassador said: As I said in the beginning, America wants to conspire against the liberation movements in the region in the name of the fight against terrorism. We are warning you of this American conspiracy.

The prime minister said: America's nature is clear to us. Have you not noticed our stand at the Security Council? I stated there that to us there is no difference between Reagan and Carter. We knew that for them human rights is a joke. America's stand is clear to us, what I would like you to do is to explain your position on Iraq.

The Soviet ambassador said: We consider Iran to be an anti-imperialist country. We are of the view that war against such a country is incomprehensible. The Soviet leaders have also stated that they would like to see an end to this war as soon as possible. Mr Brezhnev has repeatedly stated in his speeches that this war must stop as soon as possible. The USSR has suspended arms shipments to Iraq. Even Iraq has stated that the Soviet stand is not neutral, but favors Iran. We want to see an end to this war as soon as possible. Our approach to this war is quite clear: This war is in neither Iraq's nor Iran's interest. We do hope that the war will end as soon as possible.

The prime minister said: Do you agree that we are fighting imperialism or not? Do you accept the fact that Iraq is fighting against us and weakening us against imperialism or not? Do you condemn such action against a country that is trying to stand on its own feet?

The Soviet ambassador said: Have we welcomed this war?

The prime minister said: As you are a country claiming to be revolutionary, we would like you to declare that the war against Iran, a country which is engaged in fighting imperialism, is an imperialist war. We say it was you who supplied Iraq with arms. As for America, it too is supplying Iraq with arms, through other countries. We believe that either you are an American ally in this war or, even after the 63 years since the revolution, you still lack the appropriate stance expected from a revolutionary country.

On the other hand, it is possible that you have become involved in politicking [siyasatkari], and politicking is different from being a genuine revolutionary. It takes more than words; it takes action. Our people are saying: Iraq is an aggressive country; within this context, any country's stance becomes clear. Revolutionary Iran is asking itself: What difference is there between America and the USSR? America is maintaining silence; the USSR is also keeping silent. You say that the war should end. When it was involved in Vietnam, America too said that the war should end. Carter too is [as heard] saying that this war should end.



Our nation should judge governments by their reactions to this war. Our nation will only accept genuine revolutionaries.

The Soviet ambassador said: There are different systems in the world, there are different governments; different movements emerge. Look and see which countries are asked for help by those countries that are fighting for their independence. You can ask Palestine, Vietnam, Mozambique and Angola about which country is helping them. Your judgment about our politicking is not correct. We are helping them. We do not entertain any doubts about helping revolutionaries. No country has questioned Soviet honesty and sincerity in this regard.

Mr Raja'i said: Our revolution does not correspond to any of the cases you have cited. You did not condemn the shah's regime until its final days in power. In our revolution, we did not seek any assistance from you. We consider ourselves to be an independent country.

We are asking the world: Are you anti-imperialist or are you not? The mere claim that you are anti-imperialist is not enough as far as we are concerned. At this moment, while you are talking, we do not consider the USSR to be anti-imperialist. Even if there are a hundred reasons, we would confine ourselves to one reason alone and that is your approach to the Iraqi issue.

The Soviet ambassador said: Which country in the world is shouldering the most important and most fundamental burden in fighting imperialism?

Mr Raja'i replied: The same country that is acting independently and acting against imperialism. Despite our limited war resources, you see that we have not surrendered to America and shall never surrender. If we were to surrender, Iraq would withdraw within 1 week, on Reagan's order. We believe that you supply Iraq's weapons. If you had any intention of doing so, you could have made Iraq withdraw in the very 1st week.

We do not agree that you are anti-imperialist. Anti-imperialism should be demonstrated by deed. History notes facts and shall act accordingly. As a revolutionary government, we advise you to think about your future. You should ask your government to officially declare its stand on two aggressive regional governments; namely, Iraq and Israel. Then we will be able to tell whether your direction favors imperialists or revolutionaries.

The Soviet ambassador said: We will not swear before countries. Our anti-imperialist policy will be noted and assessed in practice with regard to other countries and nations. Nations shall assess and judge.

The prime minister said: I recommend that your experts work more on our revolution and its content. You have Islamic experts, experts on Iran and Orientologists. I do not think that you have had the opportunity to study our revolution as a new phenomenon. You have witnessed a certain trend in revolutions and regard ours as one of those revolutions. The Islamic Iranian revolution is different from other revolutions. If there are those who after 2 years have not recognized, this, then they should not be annoyed. It is a complex problem.

The Soviet ambassador said: You are right. We accept the fact that your revolution is a profound and unique one. We would like to send a group of experts and scholars to Iran to hold talks with you and other officials, so that the issue may be further examined.

RAFSANJANI CONDEMNS MARXISM AT FRIDAY PRAYERS

GF131558 Tehran International Service in Arabic 1300 GMT 12 Feb 81

[Excerpts] Tehran citizens held Friday prayers in Behesht-e Zahra' cemetery. Musavi Ardabili led the Friday prayers on behalf of Hojrat ol-Islam val Moslemin 'Ali Khameni'i, who is currently on a tour of Asian countries on the occasion of the second anniversary of the Islamic revolution.

Before the Friday sermon, Majlis Speaker Hojrat ol-Islam val Moslemin Hashemi Rafsanjani delivered a speech. Referring to the gains of the Islamic revolution in Iran, he said: Our Islamic revolution has been successful in all fields and on the economic, political and cultural levels. He added: Many projects and revolutionary programs have been implemented over the past 2 years, among which is the general referendum on the Constitution of the Islamic Republic and the Council of Guardians, as well as presidential and parliamentary elections. Revolutionary institutions, such as the revolution guards command and mobilization and construction foundations have carried out their duties successfully and are permanently and firmly established. The Islamic revolution is safe from harm. Therefore, foreign agents have boosted their media campaigns against the Islamic revolution.

Rafsanjani said: The United States, when trying to fight or liquidate anything, gives it the name of communism, whereas our revolution is an Islamic revolution, free of such accusations and falsifications. The Majlis speaker added: Our country, springing from its Islamic policy, condemns Marxism, which has no place in this country. The buried shah's regime used to squander millions of dollars of our country's wealth to insure convenience and comfort for the U.S. spies who were working in Iran under the name of experts. The Islamic revolution has used the country's wealth for the comfort and luxury of the oppressed.

RAFSANJANI ON OIL EXPORTS, ROLE OF TUDEH PARTY

LD141342 Tehran Domestic Service in Persian 0933 GMT 14 Feb 81

[Excerpts] Dear listeners: I invite you to pay attention to a speech made by Hojrat ol-Islam Hashemi Rafsanjani yesterday before the Friday prayers at Behesht-e Zahra' [Tehran cemetery] on the occasion of 11 February, the anniversary of the victory of the Islamic revolution of Iran:

[Begin recording] One of the important fundamental services, which has been ignored by our wise enemies and our unwise friends, is the issue of oil. I beg all those Muslims here and in other places in Iran who are listening to this part of my speech to pay the utmost attention to this revolutionary gain and to be fair in their judgment. Before the victory of the revolution, the notorious Pahlavi regime extracted 6 million barrels of this country's oil daily and spent a little bit of it on pseudo-welfare, in the form of spreading luxury, and plundered the rest in various ways, such as by depositing it in foreign banks, giving protection money to the East and the West, depositing sums into the accounts of plunderers, and bringing in luxuries and sex equipment for the better-off class, as they themselves admitted--you have even heard it several times from Mohammad Reza Pahlavi, who also said that the life of this great deposit of the country is 20 years. The fact is that it is 3 years since he said that, which leaves 17 years. Just imagine, in 17 years, if oil, the unique resource of our economic life, runs out, what will the future generations do? [passage indistinct] [chants of "God is great"]

The revolution came. Starting today, the 20-year life of your oil has become 100 years, which is a fivefold increase. Instead of an export of 6 million barrels, we on the average export less than 1.5 million barrels, and this is the current rate. We hope that in the future we can act even better than this, and it is possible.

KHOMAYNI COMPARES SHAH'S REGIME WITH BANI-SADR'S

LD172146 Tehran Domestic Service in Persian 1030 GMT 16 Feb 81

[Speech by Ayatollah Khomeyni delivered at Hoseyniyeh Jamaran on 16 February--recorded, duration 58 minutes]

[Excerpts] In the name of God, the compassionate, the merciful. Since there are different groups present at this small place and they are being crowded by one another, as there is not enough room, I thank them all and apologize that our place is small and there are a large number of our dear guests present.

Among the propaganda being spread, it is said that this revolution has achieved nothing and that the Islamic Republic is the same as the monarchy, except that its name has changed. Today I would like to bring to your attention a few points about the system of the Islamic Republic and those in charge of this republic. Then you can see whether this system is the same as or worse than the former one, since some writers are looking forward to the return of the former regime. I do not intend to undermine or (?praise) persons or organs, absolutely not. I, as well as those in charge of affairs, believe that there are inadequacies and that some things are implemented in various parts of the country that are contrary to the orders of Islam and the Islamic Republic. We do not deny this. But I would like to clarify criticism that says that the Islamic Republic does not exist in reality, that it is the same as the monarchy or, as some people say, that it is worse than the monarchical system.

I will say a few words about the (?origin) of this system and those in charge of this system. Those who are saying that the Islamic Republic is the same as a monarchy, that only its name has changed, the content of this system is the same as that of the monarchical system--while I am not trying to point at anyone in particular, I would like to make some comparisons. I am going to compare these two systems and those in charge of them. Then we will see whether what they say is correct, or whether it is only rumor spread by the agents of the imperial system, who can no longer make the same profits that they were making at the time of the former regime.

At the head of the imperial system was the Aryamehr [a title of the shah meaning the sun of the Aryans] and his relatives. At that time, the annihilated shah and his relatives were in charge. Today we must compare Mr Bani-Sadr with him, because the highest position held in a republic is that of the president. We will compare these two persons and their families, then we shall see whether there is a difference and whether the person at the top is different. While I do not want to say that the issue is absolutely correct, what I am saying is that these are arbitrary in absolute terms. [sentence as heard] But I want to show how unfair the rumormongers are in making comparisons between all of the officials of the present regime and those of the Pahlavi regime--the kind of life they had, their financial abuse, investing this country's earnings in foreign banks as large sums in their own names, and their lifestyle here, in large parks, vast areas of land and the great satanic systems. On the other hand, we can observe the simple life of the president. Are they similar? Did our nation remove our mighty imperial majesty, who imposed a satanic government upon all of the population of this country, plundered the wealth of this country to divide between his relatives and foreigners and wasted our oil by giving it to foreigners who left nothing for us in return? Did our nation remove this imperial majesty to replace him with another imperial majesty named president? Are the systems of those two persons the same? Is his family living the same way as their families did?

You are as aware as we are of their lives, although little information was available at the time. You saw their killings in Tehran and other places. They killed people in foreign countries too. They built great palaces for his mightiness in various cities, just because he wanted to spend a few hours in those cities every year. They wasted this nation's wealth to build him such great edifices. Now, is Mr Bani-Sadr the same? Has he built great edifices in every city with the nation's money? Does this gentleman own any house at all? Perhaps he has inherited a [word indistinct] house from his father. Is his family comparable? Is there someone like 'Ashraf Pahlavi among his family members? Is there someone like Farah or Shams Pahlavi [sister of shah] in his family? Does he have brothers, like the shah's brothers, who are (?enjoying themselves) and we do not know?

Those who say that it is the same as the imperial regime and that only the name has changed, will they still admit that the content of the Islamic Republic is the same as the imperial regime? Well, Bani-Sadr is one of the people at the head. Do they not see his belongings? Can they see that he has placed his life at the service of the nation and has gone to (?fight) for this people? And they [presumably former leaders] did not do the same even for 1 day. This is about the president.

#### KHOMEYNI RECEIVES VARIOUS GROUPS 16 FEB

GF161547 Tehran International Service in Arabic 1500 GMT 16 Feb 81

[Text] Today Imam Khomeyni, the leader of the revolution and founder of the Islamic Republic of Iran, received a large crowd of various sectors of the people at Hoseyniyeh Jamaran, including members of companies cooperating with the production and reconstruction center in Sistan va Baluchistan, Islamic revolution guards in Naqadah, members of the reconstruction campaign in Miandow Ab, members of the Islamic Jerusalem committee in Tehran, revolution guards, Ahvaz citizens and war victims resident in Qom.

The hope of the world's oppressed delivered a valuable speech during the meeting in which he compared between the system of the Islamic Republic and the defunct monarchist regime.

The leader imam also received Rasht Friday Imam Hojjat ol-Eslam Eshan Bakhsh, who reported to his eminence on the situation in Rasht.

#### MINISTRY ORDERS DATA ON U.S. BANK DEPOSITS

LD171335 Tehran Domestic Service in Persian 1030 GMT 17 Feb 81

[Text] The Central News Bureau reports that a Ministry of Industry and Mines announcement has once again called on ministries, firms and institutions affiliated with or controlled by the government, who have not yet sent to the organization of Iranian national industries documents, papers and invoices relating to their deposits and bank balances with American banks, to do so as soon as possible in order to establish their rights and retrieve their deposits. The ministry has further stressed that any slackness in this regard that could lead to the loss of public funds is strictly accountable and that the very publication of this announcement by the media is tantamount to a written order.

#### NABAVI RETURNS FROM NONALIGNED CONFERENCE

GF141344 Tehran International Service in Arabic 1300 GMT 14 Feb 81

[Text] Minister of State for Executive Affairs Behzad Nabavi returned to Tehran this afternoon after leading the delegation of the Islamic Republic of Iran to the Nonaligned Foreign Ministers Conference held in New Delhi last week.

John

# Implementation of Hostage Agreements

DEPARTMENT STATEMENT,  
FEB. 18, 1981<sup>1</sup>

Our position up until now has been that the United States, of course, will honor its obligations under international law. Because of the complexity of the agreements and the extraordinary conditions under which they were negotiated, we have undertaken a review to determine precisely what our obligations are under them.

That review has been completed. Having considered all the circumstances carefully, we have decided to approve implementation of the agreements in strict accordance with the terms of the agreements. The review considered the impact of implementing or not implementing on these points:

- The rights of U.S. claimants;
- U.S. terrorist policy;
- U.S. international interests, including U.S. obligations to third parties, particularly Algeria, which had itself made commitments during the course of the negotiations; and
- Long-term U.S. interests in the Persian Gulf, including Iran.

The review did not consider several questions of great potential interest to historians and of possible value for drawing lessons with respect to future policy but of no practical bearing on the immediate question of whether or not to implement the agreements.

The review just completed then did not consider the following: How could the whole crisis have been handled better? Could a better set of agreements have been negotiated? And we did not consider whether these agreements should have been signed.

We are confronted with an accomplished fact. We have an agreement signed by a President of the United States, and the question is whether, given the existence of this agreement and the consequences—legal, financial, and political—of implementing it or not, under those circumstances, what should this country do?

The conclusion of the agreements was a legal exercise of Presidential authority. This authority will be subject to challenge in our courts, and the executive branch will, of course, abide by the determination of our judicial system. We did not find it necessary to reach a conclusion as to the legally binding character of these agreements under international law. We are proceeding because we believe it is in the overall interests of the United States to carry out the agreement.

The decision represents a practical judgment that implementation provides the surest resolution of the issue consistent with the best interests of the United States in the gulf region and throughout the world. Iran has not profited from these agreements. It was ultimately forced to settle on terms that simply restored the *status quo ante* because the advent of the new Administration finally confronted it with a serious deadline. The funds already returned to Iran and those which may be returned following the implementation of these agreements and the settlement of commercial and legal claims—all these funds thus involved are funds which belonged to Iran before the seizure of the American hostages.

It should be well understood that the decision to faithfully implement the agreements does not represent a precedent for future actions by the U.S. Government in similar situations. The present Administration would not have negotiated with Iran for the release of the hostages. Future acts of state-sponsored terrorism against the United States will meet swift and sure punishment.

<sup>1</sup> Read to news correspondents by acting Department spokesman William J. Dyess. ■

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## Travel to Iran

DEPARTMENT STATEMENT,  
JAN. 27, 1981<sup>1</sup>

All American citizens contemplating travel to Iran are advised that they should avoid such travel. Travel to Iran is extremely hazardous because of the continued anti-American atmosphere, the virulent anti-American stance of the Iranian Government, and the present conflict between Iran and Iraq. The possibility exists that American citizens traveling to Iran could be detained without charge or taken hostage.

American interests in Iran are currently served by the Swiss Government acting through its Embassy in Tehran, but protective services are severely limited by present conditions. Under these circumstances, the Department of State strongly urges United States citizens to avoid any travel to Iran.

This warning supersedes the formal restriction on travel to Iran which was effective on April 23, 1980.

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<sup>1</sup> Read to news correspondents by acting Department spokesman William J. Dyess on Jan. 27, 1981. ■

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LIBYAN DELEGATION MEETS WITH ZIAUL HAQ, AGHA SHAHI

## Calls on President

BK220827 Karachi Domestic Service in Urdu 0200 GMT 22 Feb 81

[Text] (Muhammad al-Magrub), leader of the visiting Libyan delegation, has said that the purpose of his talks with the Pakistani Government is to prepare a practical program of economic cooperation that will benefit both countries. He was speaking at a dinner hosted in honor of the delegation by Minister of State Mahmud Ali in Islamabad last night. He said that the people of Pakistan and Libya are linked by deep religious bonds. These ties between the two countries' Muslims were snapped during the time of colonial rule, he said, but are now being restored. (Al-Magrub) said that the holding company under which the two countries are cooperating will promote friendly relations and understanding between Pakistan and Libya.

Mahmud Ali, in his speech, expressed the hope that the Libyan delegation's visit to Pakistan will aid in consolidating bilateral cooperation and solidarity.

The Libyan delegation called on President Gen Mohammad Ziaul Haq last evening in Rawalpindi. The delegation talked with the president about proposals for cooperation between Pakistan and Libya with regard to economic ventures, commercial exchanges, cultural relations, technical expertise, education and manpower. Delegation leader (Al-Magrub) later told AP of Pakistan that his talks with the president were very useful.

## Shahi Addresses Dinner

BK210936 Karachi Domestic Service in Urdu 0200 GMT 21 Feb 81

[Text] Foreign Minister Agha Shahi has said that the success of the joint Pakistan-Libya projects will assist in strengthening the Islamic countries, consequently allowing them to emerge as an independent political force. He said this while addressing a dinner in Islamabad last night in honor of the Libyan delegation, led by Minister of Labor and Social Welfare (Muhammad al-Magrub), that is currently visiting Pakistan. Agha Shahi stressed the need to increase the two countries' close and friendly understanding and cooperation in economic and other fields. The Libyan minister said that the historical relations between Pakistan and Libya are based on the common foundation of adherence to Islam. He said that the Libyan delegation has come to Pakistan to exchange views on concrete steps for beneficial bilateral cooperation and to give final shape to these steps. He said that the success of these objectives will set an example for all of the Islamic countries and will stabilize Islamic solidarity.

FOREIGN SECRETARY PIRACHA LEAVES FOR JAKARTA

BK210928 Karachi Domestic Service in Urdu 0200 GMT 21 Feb 81

[Text] An eight-member delegation led by Foreign Secretary Riaz Piracha left Islamabad for Jakarta, where it will hold talks with Indonesian authorities on closer economic cooperation between Pakistan and Indonesia. The two sides will identify specific fields where there is a possibility of increasing cooperation. Possibilities of cooperation will be explored in the fields of sugar industry, oil refining, cotton growing and scientific research. The talks in Jakarta will continue for 1 week and the report prepared at the talks will be submitted at the annual conference of the Pakistani-Indonesian Economic and Cultural Ministerial Commission, which will be held in Islamabad later in the spring.

*copy for  
with copy  
Iran*

RAJA'I ADDRESSES NATION ON NEED FOR UNITY

LD220342 Tehran Domestic Service in Persian 2030 GMT 22 Feb 81

[Speech by Prime Minister Mohammad 'Ali Raja'i broadcast on unidentified Tehran Domestic Television Service program on 22 February--recorded]

[Excerpts] Some of our compatriots are enduring hardships during this particular time, when we are facing some difficulties. Our workers, who have always received bonuses on the Iranian New Year [starting 21 March], are patriotically tolerating hardships due to the exorbitant cost of the war and the capabilities of the country. They are putting up with the situation. They know that these shortcomings are not the result of tyranny. If our hands are tied in paying the end-of-year bonuses, and if we are not able to take care of our dear working compatriots properly, they surely know that we spend this money on other expenditures that are necessary for the protection of the country, the defense of the beloved homeland and Islam. I wish to use this opportunity to express my thanks to all the dear workers who live in conditions of hardship in order to ensure that this revolution will endure, and that beloved Islam will become victorious. And, as regards that small and limited group of people who are either not paying sufficient attention to the present conditions or who are misguided or hostile and incite the people and create strikes in factories, they should wake up. They should begin to appreciate the conditions of the times as soon as possible. There is no need for the people to endure such unseemly actions. The government will also take the necessary measures, with the power that it has at its disposal. But it is better if we, in our own analysis, come to the conclusion that today is the time for cooperation, the time for production, the time when the great mission for the success of the revolution is placed upon our shoulders. We should try hard and through our organizations we should try to increase production. Our country is a dependent country. In order to lose this dependency it is necessary for us to regain our self-sufficiency, which will not be achieved unless we increase our production.

From the standpoint of foreign exchange we have nothing to be concerned about, particularly as we possess a large amount of gold that will protect our country for some time to come against satanical powers. Our compatriots know that we do not rely on foreign exchange; we do not rely on gold; we continue to rely upon the approach of our dear imam, the Islamic approach, the approach shown to us by a distinguished student of this doctrine. Our imam says that if we cut off relations for 15 years then we will discover ourselves, we will discover our Islamic nature.

In connection with the issues current in society, as other colleagues and peers of mine have also said, I deem it necessary to point out the stance taken by the oppressors toward your government: They have fortunately declared that they cannot come to terms with this government. This is a source of hope that they have lost all expectation of reaching any compromise with this republic in these circumstances, and that they have realized that those who came to fight us have abandoned their last hopes, and those who cunningly engaged in sowing discord among us realized that this government will not surrender in the face of these efforts.

As for the hypocrites, as for these who sow discord--these, too, should know well, in the light of the stance adopted by the oppressors, what kind of policy they are pursuing; those who disrupt the peace of society, those who engage in staging marches, contrary to Interior Ministry instructions, and cause clashes, those who make trouble by planting bombs here and there have been exposed.

In these circumstances, they are no more than sincere collaborators with Reagan, because they will achieve the self-same thing that Reagan will achieve. The government's fall, the weakening of the people's morale will do nothing but make the enemies of Islam happy.

I will once again declare that these people will resist any kind of disruption; these people are alert; they have staged a revolution and they themselves will safeguard it. I sincerely request that writers and orators refrain from dragging differences into their papers or speeches. What we have agreed to in words we should follow in deeds, not raising these issues in speeches, since the basis for debate is available and open, since it is possible to sit at a table and bring up the problems. We should not take peace away from society. Society is at war and needs calm. Let this society engage in revolutionary reconstruction, instead of being involved in clashes with these who sow discord. I ask you: Has all that the people achieved over the 2 years since the revolution not been enough to bring you to your senses and to impel you to think of your achievements instead of failures? Where in the world has a 2-year-old revolution achieved so much success?

As a junior soldier, I once again recommend that the hypocrites, the discordmongers, the counterrevolutionaries, whoever and wherever they may be, think about these matters. History will not forgive them. As regards those of us who knowingly keep the people away from their revolutionary movement and force them to engage in an internal struggle, who have abandoned the character of the revolution and are now engaged in criticizing individuals, who have diverted the people from discussing what is at stake in the revolution to who is prominent in the revolution: Are they not committing a sin?

Our nation has made its final decision. Our nation is determined to take this revolution to final victory. You can be on the side of the nation. You certainly know well, if you look into your heart a little, that cooperation with these people, cooperation with these revolutionaries, is better by far than cooperating with Reagan. Life does not provide the opportunity for repeated experiments. I appeal to you before it is too late to return to the embrace of the nation and to march side-by-side and in step with the nation, under the imam's leadership, and know that this society will eventually prove such a victory for this revolution that you will be sorry for not having cooperated.

However, you should know that the words of the small soldier will never take the form of begging. The potential at the disposal of the republic and of the people is sufficient to put you in your place, no matter what your position. You are no greater than Saddam. You are no greater than America. The people who are fighting against America, the people who are fighting against Saddam can fight against a handful of you speakers, newspaper writers and demonstrators. But these people wish that you would come to the embrace of Islam, to the lap of the revolution and the people, because our revolution is a creative revolution. It is a humane revolution. It is not a revolution of bayonets and of executions. I hope that you will not be the cause of making this revolution a revolution of executions. Islam is the citadel of security, the citadel of grace and the citadel of affection. This revolution came into being with an Islamic content and will advance in the same way. The best government in which you can live and with which you can cooperate is the government of Islam. I urge you to cooperate with the revolutionaries and with the imam. Assist this revolution. It is in the interest of all of us. May God enable all of us to succeed in His will. May God make our hearts even kinder to one another than before. With the hope of greater triumphs, I beseech God's care for all of you.



BANI-SADR COMMENTS ON WAR, INCIDENTS OF VIOLENCE

LD211830 Tehran Domestic Service in Persian 1630 GMT 21 Feb 81

[Excerpt] Dr Bani-Sadr, answering a question put to him by a PARS correspondent about his views on the incidents that have taken place during the past few days in different parts of the country, said: This is an act of club wielding and I am against it. The people should show a mature approach and should respond logically. Logic cannot be answered by clubs. Regardless of their professions or groups, since they do not all come from the same group, we should ask these people to put their clubs to one side and express their views. Answering another question on whether he considers a face-to-face discussion on television a suitable approach, the president said: Yes, it is suitable. Instead of wielding their clubs, they should sit around and discuss matters. People are mature and grown up and would accept a logical solution. About the possibility that he would take part in this discussion, he said: That would be possible, since a face-to-face discussion is not an interview. [possible reference to his previous comments on radio and television where he said that he would not take part in radio or television interviews until the attitude of those managing the media changes radically]

About Saddam's recent comments, threatening to capture more towns and cities if Iran does not agree to negotiate, he said: I happened to refer to this point in my meeting with Palme yesterday. I said that Saddam Husayn has now prepared a number of his forces, who have passed basic military training, to be sent to the fronts. When he decides to send new forces to the fronts it means that he has no hope of achieving victory with his present forces. This is what one can gather from his remarks. Very well, if the present forces cannot achieve anything, how can you threaten us? You [referring to Saddam] are in fact proving your weakness, since a strong man does not voice threats. Let us see what you can do. What is important to this generation is not the number of cities gained or lost. The important point is the right to independence, which this generation has gained and intends to defend. Independence does not prevent the enemy from capturing our land. The previous regime claimed that it had not surrendered an inch of Iran's soil to the enemy. But the previous regime had surrendered the mind and the wealth of all Iranians.

When foreigners come here and try to impose a way of life on us, this generation could lose its independence. Therefore, this generation should defend its independence. If they have captured 10 towns, we will fight to defend other towns that have not been captured. Even if they take over the entire country we will continue to fight. For 55 years foreigners controlled Iran. Iran was not ours. It was ruled by America. They were ruling Iran, but we fought them.

Saddam's threat is like threatening a duck with a pond. We are used to fighting and always have been. All of our lives we have struggled and fought and, as I said before, fighting Saddam's regime is like our struggles against the shah's regime. We consider the Iraqi nation and the Iraqi brothers as prisoners. We would not say that a foreigner has come and taken some of our land and we intend to reclaim it. We say a fascist has enslaved a nation and does not welcome a free nation as a neighbor, because it fears the day when this free nation might remind the Iraqi nation of their own freedom. That is why we are fighting them.

*No suggestion of  
throwing them out*

KHOMAYNI ADDRESSES POLICE PERSONNEL IN TEHRAN

LD231744 Tehran Domestic Service in Persian 1630 GMT 23 Feb 81

[Address by Ayatollah Khomeyni to police officers at Hoseyniyeh Jamaran on 23 February-- recorded, duration 41 minutes]

[Excerpts] In the name of God, the compassionate, the merciful. I would like to have a word today with you, gentlemen, dear ones, who, as reported, have come from various parts of the country and who include chiefs of police precincts and departments. Later I will say a few words about matters in which all should be involved. You know that your position and that of all other dear ones working throughout the country to maintain order in cities is different from what it was under the satanical rule. In those days, the nation looked at the police in a different way. Today, the nation looks at the police in a favorable, brotherly, friendly way, and the nation supports you.

You should safeguard inner cities. The nation is on your side today and supports you. With the nation's support, you can stop those troubles that occasionally occur in the cities, first by means of advice, otherwise with force. Regarding those who want to cause disruption at affairs, whether when speeches are being delivered by notable individuals or at meetings that take place with the authority of the interior minister, you should be vigilant and the guards corpsmen in the cities should be in harmony with you to see to it that troublemakers do not infiltrate a crowd and cause clashes or trouble for the people in the street.

Under the law, you and the guards corpsmen in the cities are dutybound to act so that clashes and incited troubles that weaken the forces and cause disruption of forces-- something that is being done in a premeditated manner--do not take place. The people should support you in this. Such things should be prevented forcefully, with firmness and with the support of all of the people, so that the people can get on with their jobs in a calm environment. Some of these troublemakers who engage in acts of terrorism, in blowing up things here and there, should be identified, pursued and handed over to courts, and the courts should punish them in accordance with the severe punishment that Islam has prescribed. My brothers, you are now the brothers of the population of the country, and your country is exposed today to infidels and troublemakers who want to disrupt this Islamic Republic, notwithstanding the fact that, God willing, they cannot do so. [shouts of "God willing"]

Today, there exists one objective common to you all, one desirable thing common to you all: The safeguarding of Islam itself. In such a situation, confrontation between certain groups--particularly armed groups, military and security groups--will cause great trouble, will cause, God forbid, cohesion to be lost; once cohesion is gone there will certainly be harm. You are all dutybound, together, and with other members of the armed forces, to be at one and united with one another, particularly at this exceptional time, in which all of us, all of you, all individuals in the country are dutybound, with coordination, to block the foreigners and those who want to bring about the old problems once again and, God forbid, take our country back to its original situation and destroy everything we have. You should know that if, God forbid, this Islamic Republic were defeated, this would be a defeat for all Muslims throughout the ages.

All of the armed forces should be united; each section should not imagine that it operates as an independent entity. Today, in this exceptional situation, we should all form one single group--a strikeforce against superpowers.

The statements of Mr Babrak Karmal are so far from truth that possibly even he would find it difficult to digest them. At least the world community does not accept them. The true nature of the mission of Soviet troops inside Afghanistan is well known to the entire world. The United Nations General Assembly has twice demanded the unconditional withdrawal of Soviet troops with an overwhelming majority of votes--111 in November 1980. The Islamic foreign ministers conference and the recently held Islamic summit in At-Ta'if clearly expressed their sympathy and support for the valiant Afghan freedom fighters battling for the freedom and independence of their homeland. Even the recently concluded Nonaligned Conference made a call for the withdrawal of foreign troops and the restoration of Afghanistan's independent, nonaligned status despite the (?fierce) efforts of the pro-Soviet countries to block such a resolution.

All these international verdicts on the Afghanistan situation, however, do not seem to be having any [effect] on the Babrak Karmal regime. In Moscow, he even went to the extent of describing the refugees as nomads who were being prevented from returning to their homes by Pakistan and Iran. It does not bother Kabul a bit to know that the camps of these so-called nomads are open to visits by international dignitaries and delegates, and that not only are these people staying, but more and more of them are fleeing their homeland to swell their ranks.

The rate of exodus out of Afghanistan, as stated by the office of the UN high commissioner for refugees, is as high as 143,000 a month. In fact, the propaganda of the Kabul regime is self-defeating. If conditions were so peaceful in Afghanistan and if the people were so happy with the Babrak Karmal regime, instead of these refugees it should be the Soviet troops who should have been leaving Afghanistan.

BHUTTO'S WIDOW, DAUGHTER BANNED FROM PROVINCE

BK221349 Hong Kong AFP in English 1310 GMT 22 Feb 81

[Text] Karachi, Pakistan, 22 Feb (AFP)--Police today banned Benazir Bhutto, 28-year-old daughter of executed former Prime Minister Zulfikar Ali Bhutto, from entering the North-Western Frontier Province (NWFP) where student unrest and disturbances were reported for the past few days.

Police failed to serve similar orders on Begum Nusrat Bhutto, widow of the hanged premier and leader of the banned Pakistan People's Party, as she had left for the province, sources close to family said.

The orders, which last for 90 days, were served under the maintenance of public order ordinance at the Bhutto's seaside home here late today.

Miss Bhutto was accused of contacting leaders of defunct political parties in order to form a "greater alliance" of political parties opposed to the government.

The sources added that Miss Bhutto would defy the banning orders. Mrs Bhutto and her daughter were to leave for Peshawar, capital of NWFP, later today to see students injured in clashes with the police there yesterday.

Police had earlier served similar orders on Sardar Sherbaz Mazari, president of the banned National Democratic Party, a component of the nine-party Movement of Restoration of Democracy (MRD).

I hope you will succeed in bringing about complete order and discipline in the towns, in preventing disorder and troubles with full authority. Those of you who are at the front--something that in this exceptional situation all must do--should, to the extent necessary, be coordinated there, so that, God willing, we will soon achieve the final victory: happiness for the whole nation in this world and the next.

This is what I say to all of the armed forces. At a time when we are busy fighting along the borders and at a time when our friends, our loved ones are engaged in self-sacrifice, distinctions should not be made as to who is a guard, a member of the gendarmerie, a member of the armed forces, or a member of the police force. The raising of such an issue at such an exceptional time is wrong. I have heard that some members of the fifth column arrive at the borders and attempt to split the groups there. They try to separate the guards corps from other forces. They go among them and say certain things about the armed forces. They also wish to separate the armed forces from the guards. They go among the armed forces and say certain things against the guards corps. The guards corps, the armed forces, the gendarmerie and police force and all other groups are together and should not pay any attention to conspiracies being hatched with the aim of disruption. At a time when our loved ones are sacrificing themselves along our borders, if such rumors are spread there claiming, for instance, that the guards are doing this and that which is contrary to army discipline or whereby the armed forces have such and such designs and wish to put these people against one another, you should recognize this as a blow the aliens wish to deliver at us through their hands both inside and outside the country. You, dear youths, who are busy sacrificing yourselves and are committed and devoted to Islam, should know that a word of dissension among you, between the armed forces, putting one force against another, is a satanical plan of the great powers that, in appearance, is being carried out by the hands of corrupt individuals who, unfortunately, have penetrated many places. If this plan is implemented, God forbid, neither you, the guards nor the country will be spared. You should be vigilant and should not pay attention to such rumors.

One of the things I regard as necessary for all of the armed forces is noninterference in political issues. You are honest, sincere and pure-hearted individuals and some of the politicized people who have penetrated certain places on behalf of the foreigners are satanical individuals who wish to make you participate in satanical policies and to create dissension among you. You should keep yourselves aloof from such issues and should never lean toward one group. All of you are the forces of the Lord of the age and all of you belong to one party--this party is the army of the Lord of the age, the forces of God. You should pay no attention to the issues being raised among you. If all of you unite and act in harmony, if all forces act in harmony, if all weapons are put at the disposal of all of the forces, if all of you fight together, and if there are no differences between the armed forces and other forces, then your victory will be close. [shouts of "God willing"]

I also wish to say a word to writers and orators. What I wish to say is that all of you and the entire nation know that all of us should try to create unity, should try to create harmony among the various groups and wings. I should say that some tongues are worse than clubs. Club wielding was one of the worst things that came into being toward the end of the reign of Mohammad Reza; he had grown weak and wished to strengthen himself by means of clubs. After and during the revolution the same clubs were used again. Even in the Qom religious seminary, they broke the windows in streets and alleys and they thought that they could achieve something by means of clubs.

The same issue still exists; except that the clubs of tongue and pen are the worst kind, clubs whose harmful effect is hundreds of times worse than that of other clubs. Those who wish to speak--in the past few days there have been many of them--should pay attention to the fact that before speaking they should sit and think and see whether their tongue is a club that is going to be used against the head or the hands of someone else, or whether their tongue is one of grace and is to be used for the sake of unity.

They should be able to have control over their tongues to ensure that the devil does not rule over them and their tongues, making their words into clubs and weapons sharper than Saddam's weapons. Those who wish to speak should see whether they speak for the sake of truth. The greatest goal one may achieve is to have sought truth for the sake of truth itself. One should like truth because it is truth and should shun falsehood because it is falsehood. If truth is performed, even by the hand of his enemy, he should have self-control enough to be able to praise that truth; if falsehood reveals itself in his children or in his friends, he should have sufficient self-control to shun it and to express his hatred for it. Those who seek the truth for the sake of truth are very few; and those who shun and hate falsehood because it is falsehood are very few.

My brothers: You should pay attention, because if, God forbid, in your words and in your writings there are certain things that create dissension, if in your imagination you think that you wish to suppress your enemies or your rivals and if these remarks cause the armed forces to be disheartened or cause the guards corps or policemen to be disheartened, and if this leads to certain deaths because they are disheartened, you have participated in that death. You are partners in that death. You should make sure that your pens are not partners with the daggers that are aimed at us from behind. [shouts of "God is great"] You should make sure that your tongues and your pens are not like clubs; and then with the same pens, write that clubs are evil. You should make sure that your tongues and your pens are not machineguns, which pierce the hearts of our youths, and then say that you have been attacked. You are also their partners. Before making your speeches, before writing articles and before writing big headlines, you should look into yourselves and see why you are doing it, what your aim is. Are you seeking truth because it is truth, or do you not accept truth from your rivals? Do you shun falsehood because it is falsehood, or do you accept falsehood in your friends? You should test yourselves.

#### KHOMEYNI RECEIVES GUIDANCE MINISTER, DEPUTIES

GF241129 Tehran International Service in Arabic 1100 GMT 24 Feb 81

[Text] The leader of the revolution and founder of the Islamic Republic of Iran, Imam Khomeyni, received Islamic Guidance Minister 'Abbas Duzduzani, who was accompanied by the pilgrimage organization's supervisor, today.

The nation's imam also received Majlis Deputies Hojjat ol-Eslam Sheykh Mohammad Yazdi, brother 'Askar Avladi and Hojjat ol-Eslam Movahedi-Kermani separately today.

Imam Khomeyni also received Majlis Deputies Mendi Bazargan, Dr Yadollah Shehadeh, Dr Ibrahim Yazdi, Hashem Sabbaghian and other Majlis members.

#### KHOMEYNI RECEIVES CHAMRAN, ARAB POETS 23 FEB

GF231142 Tehran International Service in Arabic 1100 GMT 23 Feb 81

[Text] The leader of the nation and founder of the Islamic Republic, Imam Khomeyni, received Mostafa Chamran, the imam's representative in the Supreme Defense Council, today.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 24, 1981

EXECUTIVE ORDER

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SUSPENSION OF LITIGATION AGAINST IRAN

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which were based the declarations of national emergency in Executive Order No. 12170, issued November 14, 1979, and in Executive Order No. 12211, issued April 17, 1980, in light of the agreement with the Government of Iran, as reflected in the Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of United States diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, in order to implement Article II of the Declaration of Algeria concerning the settlement of claims and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order:

Section 1. All claims which may be presented to the Iran-United States Claims Tribunal under the terms of Article II of the Declaration of the Government of the Democratic and Popular Republic of Algeria Concerning the Settlement of Claims by the Government of the United States of America and the Government of the Islamic Republic of Iran, and all claims for equitable or other judicial relief in connection with such claims, are hereby suspended, except as they may be presented to the Tribunal. During the period of this suspension, all such claims shall have no legal effect in any action now pending in any court of the United States, including the courts of any state or any locality thereof, the District of Columbia and Puerto Rico, or in any action commenced in any such court after the effective date of this Order. Nothing in this action precludes the commencement of an action after the effective date of this Order for the purpose of tolling the period of limitations for commencement of such action.

Section 2. Nothing in this Order shall require dismissal of any action for want of prosecution.

Section 3. Suspension under this Order of a claim or a portion thereof submitted to the Iran-United States Claims Tribunal for adjudication shall terminate upon a determination by the Tribunal that it does not have jurisdiction over such claim or such portion thereof.

more

(OVER)

Section 4. A determination by the Iran-United States Claims Tribunal on the merits that a claimant is not entitled to recover on a claim shall operate as a final resolution and discharge of the claim for all purposes. A determination by the Tribunal that a claimant shall have recovery on a claim in a specified amount shall operate as a final resolution and discharge of the claim for all purposes upon payment to the claimant of the full amount of the award, including any interest awarded by the Tribunal.

Section 5. Nothing in this Order shall apply to any claim concerning the validity or payment of a standby letter of credit, performance or payment bond or other similar instrument.

Section 6. Nothing in this Order shall prohibit the assertion of a counterclaim or set-off by a United States national in any judicial proceeding pending or hereafter commenced by the Government of Iran, any political subdivision of Iran, or any agency, instrumentality, or entity controlled by the Government of Iran or any political subdivision thereof.

Section 7. The Secretary of the Treasury is authorized to employ all powers granted to me by the International Emergency Economic Powers Act and by 22 U.S.C. § 1732 to carry out the purposes of this Order.

Section 8. Executive Order Nos. 12276 through 12285 of January 19, 1981, are ratified.

This Order shall be effective immediately and copies shall be transmitted to the Congress.

RONALD REAGAN

THE WHITE HOUSE,

February 24, 1981.

# # # # #

1/2/11

Am. In. 1000 - Hudson, etc, etc

2/6

Agreement

① 6 - no claim settlement - at least? 3 mo, 6 mo

② clear re opening

③ how tribunal operate

④ procedure or set-off for US city - centered liability

⑤ Agreement on a case to proceed?

- agreement applies only to each half by US persons  
No application to assets abroad etc in US

London  
If you want name, they must keep 30 days  
If you or us go to UN + not apt by them.

①

v need appoint arbitrator - direct contact w/ Iran  
Iran? via Swiss ans.

- Is it possible to settle claim before office has  
- settlement come out & recover? US position  
should be settle independently, need money, not  
in serious.

- Ben's msg about Alan in London  
- get long sum \$ 25-30 m. 1700 claim < 250 k  
- Exact-to-Get developer needed 3 mo  
v Either side might receive consultancy - if mutually  
agreement for or not  
- if apt arbitrators, speed up settlement process

③

(1st case, 1st served - up to tribunal what allow  
- better pay out as go since it only will do  
refers funds on Gov's out  
- Tribunal (precedent) is for T. to return  
jurisdiction rather than bring it up -  
③ Art 5 emphasizes this - "change of view")

UNCITRAL

(Arbitration)

X



④ If property must be turned over unless subject to licensing or if ownership of property is disputed

- Iran has no right to force US to do this.  
This + US is not required to do this.  
- If holder of asset is in dispute with its ownership, we can withhold it - however, 3rd party cannot attack it in support of unperfected claim

✓ The Cent Bank for IR - 1st paper American some prob? (no instant pay interest) Bank of Int'l Settlements in Basel = Paris

### SWAH

✓ 1. Most common: what or to file with court  
partic assets belong to them, + compliance secured, then we will freeze assets  
in case - no deny war, license issued on  
me - And require holder since Nov 23 + report to them

✓ We can go to court to argue breach of GOI not valid in US law -

### ADJUSTAGE (COMPENSATION)

By Sepehr Zabih

Two years ago today, after 72 hours of intense street fighting triggered by insurrections of several air force and army garrisons, a year-long anti-shah upheaval swept the Ayatollah Khomeini into power. A year ago on this day, the first anniversary of the revolution was celebrated with American hostages confined to their "Nest of Spies" and a controversial Islamic republic constitution was approved. After some hesitation, Khomeini espoused the goals and actions of students following his line and designated their "sacred struggle against the Great Satan," as the second revolution.

Today, neither Khomeini nor any of the prominent mullahs ruling Iran has much cause for celebration. What went wrong? Has the revolution begun to devour its own children? What lies ahead for the country? These are typical questions that Iranians and others interested in that country are now pondering.

Even a cursory analysis of the first year would indicate that Khomeini, who in a real sense was a creature of the revolutionary upheaval rather than its initial creator, bears the burden of responsibility for its progressive and perhaps irreversible disarray. Through skillful mobilization of anti-shah forces and a pledge that once he returned to the country, he would leave politics to politicians and act as the high priest of the Shia Islam, he became a symbol of unity and purpose for all anti-shah political groups.

Soon afterwards, he decided that a Gandhian-like role was neither workable nor compatible with his own perception of an Islamic theocratic state. Therein lies the fundamental cause of the gradual disintegration of the coalition which overthrew the shah. By reneging on many of his earlier promises, such as the holding of a popularly elected constituent assembly to draft the new constitution, he alienated influential groups such as the secular National Front, the two guerrilla organizations, the Fedayeen and the Mojahedees, and numerous ethnic and religious minorities.

In late summer and early fall his supporters — which were then reduced to Moslem fundamentalists, the pro-Soviet Tudeh Party and a majority of politicized mullahs — sensed the need for a massive blood transfusion to revive the revolutionary momentum. It was for this reason that the U.S. embassy was seized. The revolution needed an arch enemy to sustain itself.

For over 14 months the hostage issue became so entangled in Iran's internal politics that even their release could not signal the end of the crisis for Iran. Saddam Hussein's strike against Iran last September aggravated an already tenuous situation. American imposed sanctions, initial reverses in the war with Iraq and even the April-failed rescue attempt combined to push the infant Islamic republic to the precipice of collapse.

Suffice it to remember that the Desert One operation at least showed two things: 1) that even an indecisive president was willing to use force and 2) despite dire threats, the captors did not dare to carry out their pledge of murder-suicide if the U.S. took slightest military action.

More significantly, the hostage crisis, the Gulf war and the continuous perceptual and practical disagreements on the new theocracy began to predictably polarize Iranian politics.

As of this writing, several cleavages afflict Iran's internal politics. On the issue of the new constitution and its mullah-dominated Majlis and government, the support for Khomeini is confined to the Islamic Republican Party, the Soviet-dominated Tudeh, one faction of Fedayeen which split from anti-Khomeini group last summer and approximately 50 percent of the top ayatollahs, nearly all of whom serve the regime in one capacity or another. This ruling clique is known as "akhundism," a mildly derogatory term for mullahcracy.

Ranged against them are secular and mostly Western-oriented groups such as the still considerable followers of the late Dr. Mossadegh, about 20 members of the Majlis under defacto leadership of Mehdi Bazargan, some influential Bazaaries and most importantly, such grand ayatollahs as Kazem Shariatmadar, representing millions of Azarbayjanis, Abdolghassem Khoi, a fellow Azar-

teacher of Khomeini himself and Hassan Qomi of Mashad.

On the issues of war, economy and the hostage crisis, President Banisadr and the same moderate faction in the Majlis as well as increasingly more outspoken Bazaaries represent a more pragmatic, less fundamentalist and truly nonaligned posture. Since the release of the hostages, these groups are locked in a bitter struggle for power in which Khomeini has so far refused to side decisively with one or the other. Typically, he strives to remain above politics, but when his hand is forced, more often than not, he has sided with the mullahs, many of whom are related to his extended family. February 4, he blasted Bani-sadr, threatening to remove him as commander-in-chief if he were unable to resolve his differences with the mullahs.

And what about the military? Prior to Iraq's invasion the mullahs convinced Khomeini of a systematic decimation of the armed forces. They did so because they rightly perceived the military as the major threat. Simultaneously, they set up a revolutionary guard (Pasdaran, now numbering about 50,000 and recruited from within the ranks of former guerilla fighters and the urban poor). The Pasdaran are somewhat akin to Hitler's Storm Troopers, with boundless loyalty to Khomeini, the translation of whose Farsi title, by the way, is Fuhrer.

The Gulf war necessitated a reappraisal of the role of the armed forces. Although it did not dispel the mullah's fear of a military coup, the war did rekindle strong nationalistic sentiments of which the beneficiary was Bani-sadr and his immediate entourage. Even this issue contained much controversy. When the military launched a counter-offensive last month under formidable pressure from the mullahs, after some initial limited success, the armed forces of the Islamic Republic were dealt a heavy blow. The Ghazvin-based 16th Mechanized Division and three brigades numbering about 15,000 troops were severely mauled near Hoveyzieh and Susangerd. For all practical purposes, desertion, combat casualties, and surrender have rendered these units nonfunctional. In desperation Khomeini used carrot and the stick when he addressed the army, pleading for more martyrs and threatening deserters with swift punishment.

What does the future hold for the Islamic regime? The best way of assessing the prospects for the regime is to remember how it came to power and how its power bases were eroded. Some of the likely scenarios are these:

- The fundamentalist mullahs may, in desperation, align themselves with the pro-Soviet leftist civilians and with a reportedly well-organized small military network, to frustrate the secular opposition. This could be done in the name of rescuing the infant Islamic Republic, with or without Khomeini's prior consent.

- Alternatively, all present opposition forces might join Bani-sadr and the military establishment to stage a sort of revolution within the revolution to liberate Iran from akhundism. Again, Khomeini's consent for such a move may be secured under duress or may become an academic question if he dies or is removed from the scene by other means.

Most likely in either case the moderate ayatollahs, particularly those with followers within non-Persian and/or non-Shi'a ethnic groups, Azarbayjanis, Kurds, Baluchis and Turkomans might act decisively.

The above scenarios are by no means the only ones. What seems to be fairly certain is that the mullahs who came to power through violent insurrection are unlikely to relinquish it peacefully.

The potential of a devastating civil war and territorial disintegration with all the dire ramifications for the region and Soviet-American-Iranian relations could neither be ruled out or foreseen with certainty. But I suppose it is fairly safe to predict that a year from now the mullahs may be either out of power or surely have even less cause to celebrate a third anniversary of the revolution.

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