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EUROPEAN POLITICAL CO-OPERATION: POLITICAL COMMITTEE:
PARIS, 23-24 JANUARY 1979

NEAR EAST: EXCHANGE OF VIEWS ON THE SITUATION IN IRAN

REFERENCES

- A Translation of the Nine's Paper on Iran of 29 November
- B International Herald Tribune Article
- C Comments on the above article by Mr Lucas and Mr Weir

INTRODUCTION

1. This item has been requested by the Belgians and agreed by the French. The French may believe that they are particularly well-placed to deal profitably with a new régime in Iran under the influence of Ayatollah Khomeini.

OBJECTIVE

- 2. It would be helpful to reach a common view of the situation in Iran. But until a suitable government appears on the scene,
- 2. It would be helpful to reach a common view of the situation in Iran. But until a suitable government appears on the scene, there is little to be done to concert a joint European approach to such matters as compensation for sequestrated assets, claims for damages and insurance claims by exporters suffering from breaches of contract. The UK should avoid getting involved in discussion of joint evacuation arrangements.

POINTS TO MAKE

- 3. (a) With the Shah's departure the opposition groups who were united only in their determination to get rid of him are already splitting apart.
- (b) The rational appeal of Dr Bakhtiar's government is unlikely to be able to combat the emotional fervour engendered by Khomeini.
- (c) Khomeini and his supporters will seek to achieve power by revolutionary means and overthrow the existing Constitution.

(d) In doing so, they run the risk (admittedly now diminishing) of provoking the hard-line military into a counter-coup. A military coup, even if temporarily successful, would be unlikely to endure and could unleash civil war.

B C. (e) There is a possibility of an alliance between Khomeini's Islamic Republic and middle-ranking officers.

(f) The outlook for the economy is poor for the foreseeable future and there is little prospect of a return of orderly administration for many months.

(g) There is now a political vacuum. Apart from Khomeini and the ageing National Front leaders the UK knows little of the opposition. The establishment of an Islamic Republic in Iran could bring the country under the influence of the Soviet Union if the young militants and the terrorist groups allied with Khomeini are able to achieve positions of influence.

(h) Western exports to Iran will decline under such a régime and supplies of Iranian oil are likely to be dislocated for a long time to come. Production is unlikely to reach three-quarters of pre-crisis levels until late March and may never return to 1977 levels. Iran will join the hawks among OPEC demanding even higher prices.

(i) There is little that the West can do to influence this process. Comment often damages those it is intended to help and could rebound on Western communities. The Nine must be patient and try to resume relations with whatever government emerges.

BACKGROUND

4. The National Front (a collection of groups rather than a political party) hopes to achieve power by riding on the Khomeini bandwagon. There is no evidence, however, that Khomeini will

tolerate the existing National Front leadership, so any civilian form of government will probably come directly under the influence of Khomeini and his adherents.

5. The papers at Reference B and C refer to the possibility of an alliance between Khomeini and middle-ranking army officers.

6. Evacuation: the Ambassadors of the Nine in Tehran have been keeping in close touch about the evacuation of their nationals. Some of the smaller members of the Nine may wish to raise the problem in Paris and seek assurances that their nationals will not be left behind. The UK would prefer to discuss this problem in Tehran where the facts are available and countries can given the number of their citizens and say what means are available to move them.

MIDDLE EAST DEPARTMENT

22 January 1979