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WITHDRAWAL SHEET

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Wills - F97-106

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	to Kemp, re: An Assessment of the Mujahedin Operation in Iran, 2 p. <i>Part. 12/4/02 F97-106/1 #105</i>	10/6/81	P1/F1, <i>32, 33</i>

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].

File Iran

SITUATION POLITIQUE EN IRAN AU DEBUT DU MOIS

D'OCTOBRE 1981

Memo by Villanar

Au-delà de l'apparence répercutée par les "mass média," qui présentent en quelque sorte un aspect monolithique, dans lequel il y a d'une part les religieux qui ont le pouvoir, et d'autre part un certain nombre d'opposants plus ou moins violents dont essentiellement les Moudjahidin du peuple, qui se livrent à la violence, et les Fedayin, dont on entend actuellement beaucoup moins parler, enfin le front national autour de Monsieur BAZARGAN, la réalité politique iranienne est beaucoup plus complexe.

Pour prendre un exemple, l'organisation des Fedayin est actuellement divisée en deux tendances, l'une alliée aux parties TUDEH, c'est à dire pro-soviétique, l'autre beaucoup plus proche des kurdes.

De la même manière les religieux sont, d'une part ceux qui sont directement liés ou membres du parti de la République Islamique, et d'autre part, d'autres religieux plus traditionnels et opposés au rôle politique joué par le Clergé.

I- LES FORCES QUI SOUTIENNENT LE GOUVERNEMENT DE LA REPUBLIQUE ISLAMIQUE:

1°- Le parti communiste TUDEH:

Cette organisation constitue le soutien essentiel de l'action du parti de la République Islamique (P.R.I.).

Bien que très actif, ce soutien ne se manifeste pas ouvertement.

Les membres de ce parti disent clairement en privé qu'ils estiment n'avoir rien à craindre du Gouvernement actuel puisque tout ce qui se passe est exactement conforme à ce que veut le TUDEH:

aussi bien en ce qui concerne les lois, la manière de gérer le pays, l'extermination physique des opposants, etc...

.../...

Le TUDEH attend donc tout simplement que le fruit soit mûr, tout en s'occupant activement de placer ses hommes dans toutes les organisations gouvernementales, administrations, Syndicats, etc...

2°- Le parti de la République Islamique: -

C'est donc le parti au pouvoir.

Il est clairement infiltré par le TUDEH d'un côté, par les Moudjahidin du peuple d'autre part, cette infiltration étant le fait d'hommes connus pour s'être activement battus contre le régime du Chah dans le passé, avoir été en prison pour cela, etc..., mais que l'on distingue souvent parce qu'ils ont été aussi actifs contre MOSSADEGH.

Le patron apparent du P.R.I. était le Docteur AYAT, assassiné pendant l'été 1981, et remplacé depuis par le fils de l'Ayatollah KASHANI, Chef religieux très connu et opposant principal à MOSSADEGH, qui s'était lui-même allié avec le TUDEH pour, sur la fin, hâter la chute de ces derniers.

Mais la tête réelle de ce parti est BAGAHI, qui fut député sous MOSSADEGH, et s'est allié ensuite à KASHANI.

BAGAHI serait en réalité plutôt pro-anglais.

3° Les Moudjahidin - Islam:

A leur tête, NABAVI dont le pouvoir a considérablement décliné depuis le règlement de l'affaire des otages et surtout l'assassinat de BEHESTI.

Egalement dans ce parti sont les chefs des Pasdaran:

Mohsen REZAI et Rafih DUST (chargé des problèmes juridiques et légaux chez les Pasdaran).

Les membres de cette organisation sont très durs et violents, auteurs de fusillades et de répressions sanglantes.

4°- Le groupe de l'Ayatollah MONTAZERI:

Ce dernier n'est pas très important par lui-même, mais surtout par les gens qui sont derrière lui, c'est à dire essentiellement le responsable des relations publiques des Pasdaran (ce titre n'est en réalité pour lui qu'une " couverture "): Hachemi GHAHDARIDJANI.

C'est là semble t-il, un homme absolument clé du pouvoir actuel, bien qu'aucun journal ne parle jamais de lui: il avait assassiné un religieux à ISPAHAN sous le Chah, qui s'opposait aux activistes religieux.

C'est le frère du beau-frère de MONTAZERI.

5°- Un petit groupe autour de Hadi GHAFFARI:

Ce dernier venu en FRANCE après la fuite de Bani Sadr.

C'est l'extrême droite.

6°- Les étudiants " dans la ligne de l'Iman ":

Depuis déjà avant la prise de l'Ambassade U.S, sont vraiment dirigés et manipulés par KHOEINI'A, lequel se révèle de plus en plus avec une probabilité actuelle de l'ordre de 90%, comme un " sous-marin " du parti TUDEH.

De plus KHOEINI'A exerce une influence incontestable sur le fils de l'Imam, Amad, et par l'intermédiaire de ce dernier, sur l'Imam lui-même.

7°- Enfin, un groupe très réduit mais très actif, de religieux, leurs ambitions personnelles rendent très dangereux:

- RAFSANDJANI l'actuel président du Parlement.
- KHAMNEI, l'actuel Président de la République
- MAHDAVI Kani, Ministre de l'Intérieur puis Premier Ministre - démissionnaire en Octobre 1981.

Outre ces trois hommes, sont donc dangereux parmi ceux déjà cités:

GHAFFARI - Mohsen REZAI - Rafih DUST - Mohsen REJA I - NABAVI - et KHORAZI (Ministre du pétrole qui a une petite organisation active surtout dans la croisade pour la reconstruction).

Plus quelques autres de moindre importance comme les Ayatollah HARDEBILLI - TABRIZI - LADJEVARDI et quelques Juges islamiques, chacun d'eux dans leur petit domaine particulier.

II - LES FORCES OPPOSEES AU GOUVERNEMENT:

1°- Sans doute la plus grande partie des religieux, ceux-ci n'étant en effet en majorité pas membres du parti de la République Islamique.

Parmi ces religieux certains sont opposés parce qu'ils sont en réalité des conservateurs, qui ne se manifestent pas ouvertement, d'autres au contraire sont plus révolutionnaires et refusent les outrances soit disant commises au nom de l'Islam et les exécutions, d'autres enfin pour des raisons strictement religieuses tenant à leur désir de voir le clergé rester à l'écart de la politique.

Le gros problème de tous ces religieux et qu'ils ont très PEUR:

à la fois de la population et des Moudjahidin qui risquent de les confondre avec les religieux actuellement au pouvoir et de les abattre,

et à la fois de leurs collègues qui n'admettent aucune critique ouverte.

2°- Les tribus des différentes provinces:

Kurdes, Turques (Azerbaïdjan, Baloutches, Arabes du Khuzistan, etc...)

Les tribus sont fortement contre le régime.

Leur problème est que leurs possibilités de réaction ont été pratiquement détruites par leur ancien régime, beaucoup de leurs chefs ayant été arrêtés et tués, et manquant considérablement d'armes et de relations entre elles.

3°- L'Armée:

Elle est opposée au régime pour sa quasi totalité.

Mais elle est victime de contradictions internes graves:

- La guerre: ils veulent défendre le pays.

- le mécontentement devant la nomination de religieux comme des sortes de commissaires politiques dans chaque unité.

Le problème essentiel de l'armée est qu'elle est désorganisée:

- le peu d'organisation qui existe est utilisée pour la guerre.

- le peu d'hommes compétents a été écartés ou tués.

4°- Le bazar:

Il est contre le Gouvernement à 80 ou 90%, mais soumis à une pression énorme du pouvoir:

quelques bazaris ont été exécutés sans aucune charge réelle, uniquement pour intimider les autres.

De plus le contrôle des importations et des exportations par le Gouvernement a considérablement réduit leur puissance financière.

Le bazar garde par contre intact son organisation interne qui est remarquable.

5°- Les intellectuels:

Sont contre en quasi totalité mais manquent de moyens actuellement pour s'exprimer.

6°- Les " Libéraux " (GOBTHZADEH - BAZARGAN SAHABI - MOINFAR - FOROUHAR - SHARAJABI - etc:

Même situation, mais ils sont en plus quand ils se manifestent publiquement comme BAZARGAN, l'objet de menaces même pour leur vie.

7°- Les ouvriers et les Paysans:

Ils sont aussi contre le Gouvernement à cause de leurs énormes problèmes financiers:

le chômage et l'inflation ont à peu près doublé pendant les douze derniers mois.

Ils se protègent simplement en allant autour des Mosquées pour recevoir les aliments distribués par les religieux.

8°- Les organisations armées:

Les Moudjahidin:

Pas plus de 4.000 hommes armés et au maximum 20.000 sympathisants actifs.

Ont reçus de très rudes coups de la part des Juges religieux mais recrutent actuellement beaucoup.

Entre 10 à 20% d'entre eux sont clairement infiltrés par les communistes, plus exactement manifestent clairement des opinions pro-soviétiques tout en étant opposés au TUDEH.

Les Fedayin minoritaires: encore moins nombreux.

III - ANALYSE DE LA SITUATION:

Dans l'état actuel, Bani SADR qui, à un moment donné, était populaire à cause de son opposition aux religieux, et qui a représenté un grand espoir pour le peuple, quand, en tant que Président et Chef des Armées, il semblait avoir la possibilité d'empêcher l'extrémisme de se donner libre cours, n'a pratiquement plus depuis sa destitution et surtout sa fuite d'IRAN, de support réel en IRAN.

Même ses sympathisants les plus dévoués sont actuellement contre lui et lui reprochent les conditions de sa fuite, son alliance avec les Moudjahidin, son manque d'action réelle et surtout ses énormes imprudences comme celle qui a consisté une fois arrivé en FRANCE, à dire qu'il avait pu partir grâce à l'aide du petit parti créé par Darius FOROUHAR, ancien Ministre du travail sous BAZARGAN, qui de ce fait ont tous été obligés de passer

à la clandestinité, deux d'entre eux arrêtés, ayant été même exécutés.

Si les Moudjahidin sont porteurs de beaucoup des espoirs du peuple, celui-ci n'est sans doute pas véritablement pour eux:

la sympathie à leur égard vient essentiellement du fait qu'ils ont pris des armes et confrontent le régime avec violence et efficacité.

Par contre les gens sont indifférents sinon hostiles à leurs options politiques:

on n'a pas confiance en eux, persuadés que s'ils étaient au pouvoir ils feraient encore pire, et que même les aider présente des risques:

voir par exemple leur manière d'agir avec Bani SADR, lorsque que pour faciliter sa fuite on a exigé qu'il signe une lettre reconnaissance et fautes passées, qui naturellement devait rester confidentielle mais qui aussitôt après a été diffusée en IRAN à des dizaines de milliers d'exemplaires...

Il semble donc qu'il n'y ait pas actuellement de possibilités pour le pouvoir d'être renversé, sauf dans le cadre d'une action concertée venant à la fois de l'armée, de la police, de la gendarmerie des tribus, et du " lounpen prolétariat " des villes, qui à condition qu'on les payent même très peu cher, sont prêts à faire n'importe quoi.

Ces derniers sont d'ailleurs actuellement et parce qu'ils sont payés, utilisés par les religieux au pouvoir:

c'est que l'on appelle habituellement le parti de Dieu ou Hezbollahi.

C'est donc cette organisation et ce regroupement qui est actuellement en train de se mettre en place.

Le régime est actuellement confronté avec des problèmes financiers majeurs:

Les intellectuels refusent toute collaboration.

.../...

- La production actuelle de pétrole n'est que de 500.000 barils par jour, pour l'exportation, pour lesquels il est même difficile de trouver des clients d'où l'essai actuel de procéder à des opérations de troc contre des armes ou des marchandises.

Le régime essaye donc actuellement un rapprochement avec l'Est, espérant qu'il les sauvera.

C'est sans doute le plus grand danger, car dans ces cas ils ont toutes chances d'être renversés par les communistes eux-mêmes à la fois du parti TUDEH et ceux qui resteront chez les Moudjahidin, dans un délai maximum de deux ans.

Les représentants de l'ancien régime ne semblent, avant un délai au moins égal, n'avoir aucune chance de reprendre le pouvoir, au moins 80% du pays et de la population ne voulant ni communisme, ni ancien régime, ni Moudjahidin, ni religieux extrémistes.

Ce qu'ils veulent, c'est un régime révolutionnaire mais humain permettant de retrouver une liberté qui n'existait pas sous le Chah, qui a été trouvée immédiatement après la révolution et qui s'est réduite chaque jour un peu plus.

Les seuls qui ont des chances donc de réussir à remplacer l'actuel régime, sont ceux qui ne sont pas catalogués comme extrémistes d'un côté ou de l'autre et représenteraient donc un juste milieu, avec toutefois, l'accent marqué sur l'aspect révolutionnaire, qui explique aussi que même si l'ancien régime était réinstallé, il n'aurait aucune chance de durer bien longtemps.

Enfin les religieux comme les tribus cherchent actuellement celui ou ceux qui par leur stature personnelle, leur puissance de travail, et leur indépendance, pourront représenter la solution du problème.

C'est en vérité la seule issue possible sauf à voir dans un délai maximum de deux ans le pays basculer totalement du côté de l'Est.



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Director's Staff Group

IRAW
Jib

Memorandum

DECLASSIFIED IN PART
NLS E97-106/1 *105
By CJS, NARA, Date 12/4/02

6 OCT 1981

To: GEOFF KEMP

Subject:

As Assessment of the Mujahedin Operation in Iran

REDACTED

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Review on

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[REDACTED]

We believe the Mujahedin is accurately presented as a highly nationalistic, although left-of-center, pragmatic group. Its members individually espouse a variety of political philosophies, but they are united in their opposition to the present regime and in their desire to form a more representative democratic government. The Mujahedin is the largest opposition group in Iran, with an active membership of about 10,000 and sympathizers numbering at least 100,000 (our source says 300,000). It has had some success in attracting other dissident elements to its struggle against the regime. These include Peykar, the Deghani (antiregime) faction of the Tedayin, Bani Sadr's followers, and minority and religious elements.

Inside Iran, the Mujahedin is under the direction of the young former student (mid-30-s) Musa Khiabani, who heads a nine-man central committee. The committee runs the organization which, however, is highly decentralized and compartmented for reasons of security. Importantly, the Mujahedin issue an illegal newspaper with an alleged circulation of 250,000. Its former active leader, Masud Rajavi -- also a young former student -- is in Paris. He flew out of Iran with former President Bani Sadr and is now working with him in trying to create a government in exile. Presumably, the Mujahedin would occupy a major part in such a government.

[REDACTED] If the organization can withstand the current anti-leftist crackdown in Iran, it may be in an excellent position to topple the regime at some as yet undetermined point in the future. Before that happens, popular alienation with the regime will have to increase substantially, and concomitantly, popular support for the Mujahedin must grow significantly. A step in this direction seems to be the Mujahedin's call for a united front for the sole purpose of overthrowing the despotic Islamic regime.

[REDACTED]

cc: RADM Poindexter
Chris Shoemaker

[REDACTED]

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MEMORANDUM

5879

Kemp?

IRAN

THE WHITE HOUSE

WASHINGTON

INFORMATION

October 19, 1981

MEMORANDUM FOR ED MEESE

FROM:

DICK ALLEN *Dick*

SUBJECT:

Report of the President's Commission on
Hostage Compensation

Transmitted at Tab A is the Report of the President's Commission on Hostage Compensation requested by you in your September 21 memorandum to State (Tab B).

The interagency group approved Commission recommendations to amend the 1980 Hostage Relief Act so that medical and health benefits would apply without a time limit, disabilities would be covered under federal compensation programs, and that Iranian hostages should receive no compensation.

The interagency committee disapproved recommendations to increase the maximum payment regarding property claims, to grant discretionary authority for agency heads to settle claims exceeding the maximum amount, and to allow individual former hostages to avail themselves of outside non-governmental psychological and psychiatric care at government expense without undue concern over possible adverse impacts on their careers.

The committee deferred action on the amount of compensation, whether the legislation should be permanent, and USG responsibility for future hostage situations.

The interagency committee proposes to submit a legislative package to OMB no later than November 30. Subject to policy guidance from the White House, the package would include proposals to implement some of the Commission's suggestions along with permanent legislation to replace the temporary Hostage Relief Act of 1980.

We will get another look at this issue next month. If there are matters that you believe should be raised to the interagency drafting group, please advise me.

The Final Report and Recommendations of The President's Commission on Hostage Compensation

September 21, 1981



The President's Commission on Hostage Compensation

warnings against travel in the area had been issued. Having noted that some benefits in the nature of compensation were extended to a private citizen in this instance by act of Congress, the Commission believes and has recommended that the Government, in both its legislative and executive branches, should give further study to the question of the policy to be adopted toward private citizens in these circumstances and develop an agreed position on the matter.

RECOMMENDATIONS

The Commission was unanimous in adopting the following recommendations except for the reservation of one Commissioner noted in the text of the report.

Recommendation 1

The Commission recommends that legislation be adopted to provide for the payment of tax-exempt detention benefits (similar to those given to Vietnam POW's and interned civilians in Vietnam and to the crew of the Pueblo) to those military and civilian employees of the United States Government held in captive status in Iran at any time between November 4, 1979 and January 21, 1981, in the amount of \$12.50 per day for each day of captivity. It further recommends that the legislation be drafted to provide the same benefit to other Americans designated to have been placed in captive status during

that hostage period in accordance with Section 101 of the Hostage Relief Act.

The Commission specifically recommends that such legislation be in the form of an additional title to an amended Hostage Relief Act providing separate authority for the administration of a hostage detention benefit program by the Foreign Claims Settlement Commission in a manner consistent with the standards applicable to the Vietnam conflict detention benefits programs administered under the War Claims Act of 1948.

Recommendation 2

The Commission recommends that Section 9 of the Military Personnel and Civilian Employees' Claims Act be amended to provide:

(a) an increase in the maximum payment allowable on claims for damage to or loss of personal property under Section 9(a) from \$40,000 to \$50,000; and

(b) discretionary authority for the head of any agency authorized to settle claims under that Act to exceed that maximum amount in the case of claims from persons declared to be in a captive status under Section 101 of the Hostage Relief Act of 1980 for losses incurred in connection with their having been held captive. This discretionary authority would not be subject to delegation but would require the personal decision of the head of the appropriate agency.

The Commission also recommends that the President should prescribe policies to ensure the uniform implementation of

Section 9 of the Act by the concerned agencies in respect of such claims, including uniform and flexible application of any limits as to sub-categories of property. Such category limits currently appear arbitrary. Therefore in the case of claims from Iranian hostages they should be waived.

Recommendation 3

The Commission recommends that the Hostage Relief Act of 1980 be amended to provide explicitly that payment for medical and health benefits and other expenses relating to such care incident to the hostages' detention in Iran as defined in Section 103 of the Act, is authorized without time limit.

Recommendation 4

The Commission recommends that all of those hostages who are described in Section 101 of the Hostage Relief Act and are covered by the Federal Employee's Compensation Program or the Military Disability Retirement System shall have all present or future disabilities incident to their having been hostage considered to be injuries sustained while in the performance of duty. To remove any doubt on this subject, the Commission recommends that the Hostage Relief Act be amended to so provide.

Recommendation 5

The Commission recommends that the United States Government make no payment to the Iranian hostages or their family members of any compensation intended to be the equivalent to

compensatory damages for injuries incurred as the result of the unlawful detention of the hostages by the Iranian Government.

Recommendation 6

The Commission recommends that the Hostage Relief Act of 1980 be made permanent insofar as it applies to government employees and contractors of the U.S. Government and that it be amended to apply to future hostage situations. Further that it authorize the Secretary of State to identify, by publication in the Federal Register, the initial and terminal dates of any future hostage periods as that term is defined in the Act.

Recommendation 7

The Commission recommends that, to enable individual former hostages to avail themselves of outside non-governmental psychological and psychiatric care at government expense without undue concern over possible adverse impacts on their careers, the concerned agencies should adopt appropriate arrangements permitting non-governmental intermediaries to receive and authorize payment for such care without disclosing the nature of treatment for the individual receiving such care unless the individual so consents.

Recommendation 8

The Commission recommends that the Federal Government consider as a matter of policy the question of its responsibility towards private American citizens who may be taken hostage in the future.

MEMORANDUM

NATIONAL SECURITY COUNCIL

5879 *gl*
(S/S 8127832)

October 13, 1981

SIGNED

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: RAYMOND TANTER *RT*

SUBJECT: Report of the President's Commission on
Hostage Compensation

A memorandum from you to Edwin Meese at Tab I transmits the interagency group review report of the President's Commission on Hostage Compensation (Tab A) which was requested in Meese's September 21 memorandum (Tab B).

RECOMMENDATION

That you sign the memorandum to Edwin Meese at Tab I.

APPROVE ☒ DISAPPROVE ☐

Concurrences: C. Lord and R. Kimmitt.

Attachments

- Tab I - Memo to Edwin Meese, III
- A - Report of the President's Commission on Hostage Compensation
- B - Meese's 21 September memo



DEPARTMENT OF STATE

Washington, D.C. 20520

October 9, 1981

81 OCT 10 A10:38

MEMORANDUM FOR MR. RICHARD V. ALLEN
THE WHITE HOUSESubject: Report of the President's Commission on
Hostage Compensation

In response to the White House memorandum of September 21 to the Secretary of State, an inter-agency committee chaired by State met on October 7 to review the Final Report and Recommendations of the President's Commission on Hostage Compensation. Representatives from Agriculture, CIA, Commerce, Foreign Claims Settlement Commission, Defense, USICA, Justice, OMB, OPM, Treasury and VA attended.

The committee agreed to Recommendations 3, 4 and 5; disapproved Recommendations 2(a), 2(b) and 7; and deferred any final position on Recommendations 1, 6 and 8, except that there was consensus that permanent legislation was desirable but not as to its contents.

A policy and legislative drafting committee will be formed to submit a legislative package to OMB no later than November 30, 1981. Subject to policy guidance from the White House, the package will include proposals to implement certain Recommendations of the Commission, as well as permanent legislation to replace the temporary Hostage Relief Act of 1980.

L. Paul Bremer, Jr.
L. Paul Bremer, Jr.
Executive Secretary

Attachment:

Recommendations of the Commission.

ACTION (L)

September 21, 1981

*Received
9/28/81*

COPIES TO:

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MEMORANDUM FOR THE SECRETARY OF STATE

FROM: EDWIN MEESE, III *AMW*
COUNSELLOR TO THE PRESIDENTSUBJECT: Report of President's Commission on Hostage
Compensation

As you know, the Commission released its report today from the State Department. I would be grateful if the State Department would convene an interagency group to review the report and make recommendations to us. That group should, in my view, include DOD, OMB, OPM, NSC, Commerce, Treasury, Agriculture, Justice, CIA, and ICA. It would be my hope that you could provide us with a report within two weeks.

CC: Secretary of Treasury
Secretary of Defense
Attorney General
Secretary of Agriculture
Secretary of Commerce
Director, Office of Management & Budget
Director, Central Intelligence Agency
Administrator, Agency for International Development
Director, International Communications Agency
Director, Office of Personnel Management
Assistant to the President for National Security Affairs

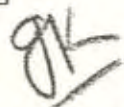
MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

October 20, 1981

MEMORANDUM FOR JAMES W. NANCE

FROM: GEOFFREY KEMP SUBJECT: Proposal for Resumption of Limited
American-Iranian Relations

On September 3 John Dressendorfer forwarded a letter to you (Tab B) from Peter Settle, Congressman Don Clausen's Special Assistant. Mr. Settle forwarded a constituent's recommendation for the resumption of limited American-Iranian relations.

John Dressendorfer asked "if an appropriate person on the NSC staff would review the proposal and assist with a response to the Congressman." The memorandum for your signature to John Dressendorfer at Tab I forwards a proposed response (at Tab A) informing Mr. Settle that we believe it would be premature for the Administration to sanction the reactivation of the Iran-American Chamber of Commerce.

RECOMMENDATION:

That you sign the memorandum at Tab I.

APPROVE _____

DISAPPROVE _____

Attachments

Tab I	Memorandum for John Dressendorfer
A	Proposed Dressendorfer response to Settle
B	Incoming from Dressendorfer

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

October 20, 1981

SIGNED

MEMORANDUM FOR JAMES W. NANCE

FROM: GEOFFREY KEMP GK

SUBJECT: Proposal for Resumption of Limited
American-Iranian Relations

On September 3 John Dressendorfer forwarded a letter to you (Tab B) from Peter Settle, Congressman Don Clausen's Special Assistant. Mr. Settle forwarded a constituent's recommendation for the resumption of limited American-Iranian relations.

John Dressendorfer asked "if an appropriate person on the NSC staff would review the proposal and assist with a response to the Congressman." The memorandum for your signature to John Dressendorfer at Tab I forwards a proposed response (at Tab A) informing Mr. Settle that we believe it would be premature for the Administration to sanction the reactivation of the Iran-American Chamber of Commerce.

RECOMMENDATION:

That you sign the memorandum at Tab I.

APPROVE Bul

DISAPPROVE _____

Attachments

Tab I Memorandum for John Dressendorfer
 A Proposed Dressendorfer response to Settle
 B Incoming from Dressendorfer

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR JOHN DRESSENDORFER

FROM: JAMES W. NANCE

SUBJECT: Proposal for Resumption of Limited
American-Iranian Relations

At Tab A for your signature to Mr. Settle is a proposed response informing him that the NSC staff believes it would be premature for the Administration to sanction the reactivation of the Iran-American Chamber of Commerce.

The incoming correspondence is at Tab B.

DRAFT REPLY

Dear Mr. Settle (Peter):

Thank you for your letter of August 4 on behalf of Dr. Frank Burroughs regarding the reactivation of the Iran-American Chamber of Commerce.

Dr. Burroughs is correct in pointing out that U.S. interests may be served by American business responding to commercial opportunities offered by Iran and we impose no specific controls on non-military trade with that country. We do, of course, advise American businessmen to take precautions given the substantial business risk involved in dealings with Iran at present, and warn against travel there now for any reason.

Given the continuing political instability in Iran, and the present hostile Iranian regime, we believe it would be premature for the Administration to sanction the reactivation of the Iran-American Chamber of Commerce as Dr. Burroughs suggests. Should a more stable government emerge in Iran, however, we would want to think again about possible support we could give to the Chamber.

Sincerely,

John H. Dressendorfer

Geoff Kamp -

This does not sound like
too good an idea to me.
What do you think .

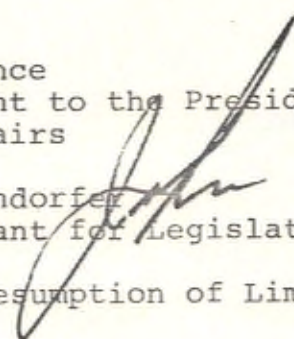
Bud
9/9/81

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

September 3, 1981

FOR: Admiral Bud Nance
Deputy Assistant to the President for National
Security Affairs

FROM: John H. Dressendorfer 
Special Assistant for Legislative Affairs

SUBJECT: Proposal for Resumption of Limited American - Iranian
Relations

Congressman Don Clausen's office recently forwarded a constituent's recommendation for the resumption of limited American - Iranian relations.

According to Clausen's office, Dr. Burroughs has been contacted by Iranian acquaintances and commercial interest on the subject.

It would be appreciated if an appropriate person on the NSC staff would review the accompanying proposal and assist with a response to the Congressman.

Attachment

DON H. CLAUSEN
REPRESENTATIVE IN CONGRESS
2D DISTRICT, CALIFORNIA
"THE REDWOOD EMPIRE DISTRICT"

WASHINGTON OFFICE:
2336 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
PHONE: 225-3311
AREA CODE 202

DISTRICT OFFICES:
ROOM 329
777 SONOMA AVENUE
SANTA ROSA, CALIFORNIA 95404
PHONE: 525-4316

EUREKA INN, ROOM 216
7TH AND F STREETS
EUREKA, CALIFORNIA 95501
PHONE: 442-0912

Congress of the United States
House of Representatives
Washington, D.C. 20515

August 4, 1981

COMMITTEE:
PUBLIC WORKS

SUBCOMMITTEES:
WATER RESOURCES
TRANSPORTATION
ECONOMIC DEVELOPMENT
INVESTIGATION AND REVIEW

COMMITTEE:
INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:
WATER AND POWER RESOURCES
NATIONAL PARKS AND INSULAR AFFAIRS
SPECIAL INVESTIGATIONS
INDIAN AFFAIRS AND PUBLIC LANDS

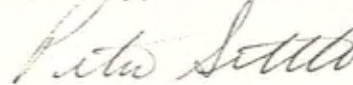
Mr. John H. Dressendorfer
Office of Legislative Affairs
Room 112, East Wing
White House
Washington, D.C. 20500

Dear John:

Please find enclosed the information which I discussed with you on the telephone regarding Dr. Frank Burroughs. You indicated that you would bring this matter to the attention of Richard Allen and Congressman Clausen concurs in that action.

Thank you again for your prompt attention and consideration.

Sincerely,



Peter Settle
Special Assistant

PS:m
Enclosure

Executive Summary

Since the seizure of the American hostages in Tehran on 4 November, 1979, relations between the United States and Iran have been strained; for more than a year now no diplomatic relations between the long-time allies have existed. Anti-Iranian sentiment in the United States has persisted while anti-American rhetoric in Iran has continued. Generally, it appears that the normalization of relations between the two countries will be slow--perhaps arduous.

Iran has, however, made overtures within the past few weeks that hint at a sincere interest in initiating the process of normalization, beginning with the resumption of restricted business/commercial relations. Several Iranians, both businessmen and individuals with high-level associations with the present regime, have been in touch with me personally, suggesting that claims involving United States firms might be settled to mutual advantage outside the purview of the Algerian Accord and expressing a willingness to purchase a variety of American products and services. The possibility of additional contracts being concluded between Iranian and United States firms in which third parties might ensure adherence to contract clauses has been repeatedly mentioned.

It should be noted here that the power structure in Iran is highly fragmented. Further, events point to the imminent departure of the Khomeini regime. For these and other reasons the time for quiet diplomacy and the resumption of a variety of cooperative endeavors seems appropriate.

In conjunction with the resumption of commercial relations it has been suggested that an agency like the Iran America Chamber of Commerce, which remained operational in Tehran until Spring, 1980, might serve as the best medium of exchange and communication. Among the reasons given for the suggestion are: 1) The Chamber is a non-profit, non-political organization. 2) My personal association with the Chamber, years of residence in Iran and acquaintance with Iran, Iranian merchants and society and the Middle East in general provide a ready access and maneuverability as well as an acceptance on the part of Iranians which would prove mutually beneficial. 3) Via the Chamber a relationship not dependent upon a particular group of individuals in power could be established; American firms could maintain themselves within the country based upon the strength of their contracts as opposed to the persuasion of any one group.

The idea of reactivating the Chamber here in the United States, where it would function as an entity until an appropriate situation developed for Americans to return to Iran, has been presented to several major firms which previously operated in Iran and has been favorably received.

In order to effect the actual reconstitution of the Chamber, however, we need at least unofficial sanction from the administration. Such a sanction would permit us to function with greater ease and effectiveness and would provide more credibility with American firms interested in joining the effort but reluctant to make a definite commitment. Further, recognition from the administration would be of tremendous assistance to me personally in dealing with both the Americans and the Iranians.

The opportunity to present myself to appropriate officials and outline the Chamber concept as it would be applied at this time would serve as a means whereby I could specifically indicate how I can serve the present administration in furthering relations between the United States and Iran in particular and the Middle East in general. Finally, apprising the Executive Branch of the intentions and plans concerning the Chamber would attest to a determination to cooperate with the administration's foreign-policy objectives while retaining operational independence and declaring the openness of the operation.

It is my personal conviction that communication should be initiated on the highest level possible in order to ensure the success of the proposed project; I trust the opportunity to begin the process of communication will be forthcoming.

Respectfully and sincerely
Frank Burroughs

Selected Names and Addressses

1. Mr. Donald Ryan, Iran Desk, Department of Commerce,
Washington, D. C.
2. Mr. Tim J. Rogers, Fluor Constructors International,
Inc., Irvine, California. (714)-975-2000
3. Mr. Harry P. Hutchens, Brown and Root, Houston, Texas.
(713)-676-4245
4. Mr. Robert M. Schroder, First National Bank of Boston,
Boston, Mass. - (617)-434-2200

ID. 8105318

NATIONAL SECURITY COUNCIL

PAGE D01

REFERRAL

DATE: 09 OCT 81

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

8129533

DOCUMENT DESCRIPTION:

TO: DRESSENDORFER, J

SOURCE: SETTLE, PETER

DATE: 04 AUG 81

KEYWORDS: IRAN

CO

BURROUGHS, FRANK

CLAUSEN, DON H

SUBJ: PROPOSAL FOR RESUMPTION OF LIMITED AMERICAN - IRANIAN RELATIONS

REQUIRED ACTION: RECOMS & DRAFT REPLY FOR WH SIG

DUE DATE: 16 OCT 81

COMMENTS:

Cathy Millison
FOR ALLEN J TENZ

STAFF DIRECTOR

FOR NSC USE ONLY

FOR INFO STEARMAN

F

O H W C

*Received in 5/5-1
109/81-1450-18*

UNCLASSIFIED
(Classification)

5318
add-on

S/S # 8129533

Date: 16 Oct 1981

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

FOR: Mr. Richard V. Allen +
National Security Council
The White House

REFERENCE:

TO: Mr. J. Dressendorfer FROM: Peter Settle

Date: 4 Aug 1981 SUBJECT: Reactivation of Iran-American
Chamber of Commerce.

WHITE HOUSE REFERRAL DATED: 9 Oct 81 NSC # 8105318

THE ATTACHED ITEM WAS SENT DIRECTLY
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- ☒ A draft reply is attached.
- ☐ A draft reply will be forwarded.
- ☐ A translation is attached.
- ☐ An information copy of a direct reply is attached.
- ☐ We believe no response is necessary for the reason cited below.
- ☐ Others.

REMARKS:

20:01A 2110018

L. Paul Bremer, III
L. Paul Bremer, III
Executive Secretary

UNCLASSIFIED
(CLASSIFICATION)

Re 5318

NATIONAL SECURITY COUNCIL

October 8, 1981

TO: NSC/S

FROM: GEOFF KEMP

To State for recommendations
and proposed draft reply.

INTERNAL NSC ROUTING

ALLEN	LENZ
BAILEY	LEVINE
BERTA	LILLEY
BLAIR	LORD
COLSON	NANCE
DEGRAFFENREID	NAUL
DOBRIANSKY	PIPES
FARRAR	POATS
FEITH	POINDEXTER
FONTAINE	REGER
GOLD	RENTSCHLER
GREGG	RUSSELL
GUHIN	SCHWEITZER
HUBERMAN	SHOEMAKER
JENNINGS	STEARMAN
KAMINSKY	TANTER
<u>KEMP</u>	TYSON
KIMMITT	WEISS
KRAEMER	WETTERING
ADMIN	

*Draft
memo
[Signature]
[Signature]
[Signature]*

5318

RECEIVED

81 12 22 A 9: 03

SIGNED

JANET COLSON

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

PETER

CY TO VP

CY TO MEESE

CY TO BAKER

CY TO DEEVER

CY TO BRADY

Comments:

SHOW CC

SHOW CC

SHOW CC

SHOW CC

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