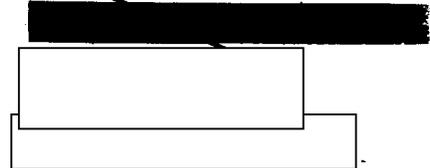




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Iran: The Struggle To Define and Control Foreign Policy



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A Research Paper

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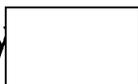


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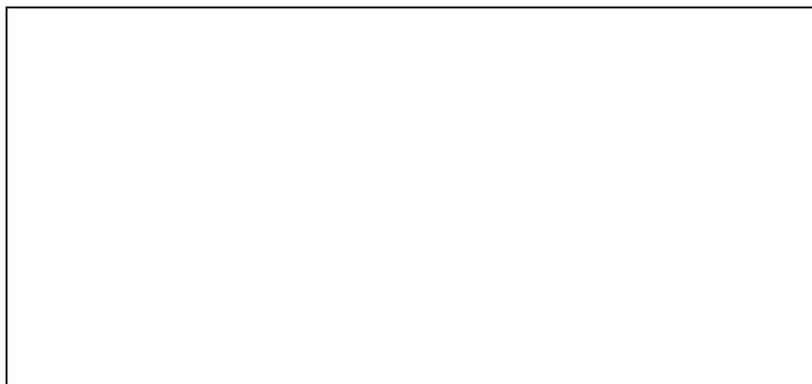


Iran: The Struggle To Define and Control Foreign Policy

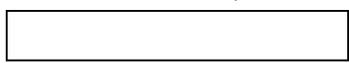


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A Research Paper



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SC 0041785
May 1985~~

**Iran: The Struggle
To Define and Control
Foreign Policy**

Summary

*Information available
as of 10 April 1985
was used in this report.*

We believe that factions in the Khomeini regime are engaged in an intensifying struggle over the direction and objectives of Iran's Islamic revolution that will keep its foreign policy erratic and in turmoil. Since the clerics consolidated their rule in late 1981, they have had to reconcile Iran's national interests with often conflicting revolutionary goals. We believe Iran is moving toward a more pragmatic approach to foreign policy, primarily because of economic pressures and the war with Iraq.

These factors have forced Iran to seek ties with a growing number of countries to ease its international isolation, sell its oil, and secure a steady supply of arms. Iran has expanded relations with the Muslim states of Sub-Saharan Africa and has sought better relations with Turkey and Pakistan—despite Ankara's secular government and both countries' close ties to the United States. Economic relations have been cemented with several OECD countries and with Eastern Europe as well. Iran is even pursuing better relations with the moderate Arab regimes of the Persian Gulf as part of its strategy to wean them from Iraq.

This movement toward more normal foreign relations is hotly contested by rival factions in the regime, and the outcome will remain in doubt until the succession to Khomeini is resolved. We believe the dispute primarily involves three groups:

- Islamic radicals oppose relations with most governments, which they consider oppressive and dominated by the superpowers. They advocate export of the revolution through subversion and terrorism and believe Iran's mission should be directed at the world's "oppressed masses." This group is well entrenched in the Ministry of Foreign Affairs, the Revolutionary Guard, and the Ministry of Islamic Guidance. Its leaders are vehemently anti-Western but not pro-Soviet.
- Conservatives favor normal foreign relations and generally oppose active measures to export the revolution. This group, however, supports aggrandizing Iranian power through propaganda, the appearance of military power, and diplomacy throughout the Islamic and Third Worlds, particularly in the Persian Gulf region. It favors good relations with most Western countries, especially in economic matters, and is hostile to Moscow.

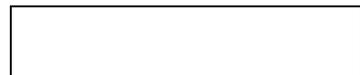
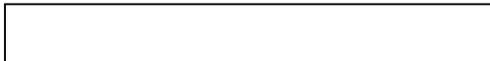


- A third group that we label pragmatists is willing to do whatever it deems necessary to further Iran's interests—and their own. This group, which includes some of the most powerful members of the regime, apparently operates as a swing element and usually provides the winning margin in policy formulation. When the pragmatists have sided with the conservatives, they have sometimes been able to curb radical excesses. They, however, have not hesitated to advocate use of terrorism and subversion themselves when they believed them useful in advancing Iranian interests. As a result, terrorism continues to be part of Iran's policy options despite disapproval from the conservatives.

We believe there is a better-than-even chance that the pragmatists will emerge as the dominant force after Khomeini and will formulate Iranian foreign policy on the basis of perceived state interests rather than revolutionary aspirations. Pragmatism, however, is not synonymous with moderation. Terrorism and subversion, for example, are likely to remain useful tools, particularly for regime attempts to expand Iran's power in the Persian Gulf—a traditional Iranian geopolitical goal that is now imbued with religious legitimacy.

We do not believe that there is any sizable pro-Soviet group in Iran's leadership. None appear to advocate closer relations with Moscow out of ideological conviction. There is, however, a strongly anti-Soviet element—the conservatives—who abhor Marxism not only as atheistic, but actively anti-Islamic. Its members also fear Moscow's intentions toward Iran. Nevertheless, we believe that many in the regime would favor a limited accommodation with the Soviets if they perceive great danger to Iran. This could occur if Iran's fortunes in the war with Iraq continue to sink or if the perceived threat from the United States grows.

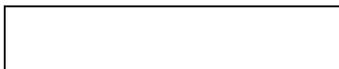
Relations between the United States and Iran are likely to remain bad and could get worse. Tehran believes that the US interest in safeguarding moderate Arab regimes in the Gulf is directed against Iran. Khomeini's hatred toward the United States has been so strong and central to the revolution that its legacy will be hard to overturn. Moreover, Islamic radicals who share Khomeini's anti-American passion are well situated to perpetrate terrorist outrages that would preclude the development of less hostile relations even if others in Tehran were ready to move in that direction.

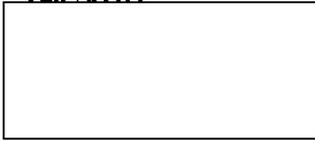




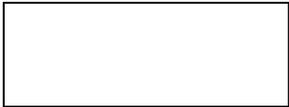
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Iran on the Globe



Boundary representation is not necessarily authoritative.





Iran: The Struggle To Define and Control Foreign Policy

Good is now at war with evil.

*Cyrus the Great, announcing the
formation of the Persian Empire,
sixth century B.C.*

The success of Iran's Islamic revolution in 1979 fundamentally altered the strategic alignment of the Persian Gulf. A nationalist regime that supported a pro-Western status quo in the area was replaced by one whose chief foreign policy theme has been vehement opposition to the United States. The Iranian regime of Ayatollah Khomeini is today the most aggressively anti-American of any in the world.

Iran's Islamic revolution shares with other major modern revolutions a belief in both its historical uniqueness and its universal applicability. In the eyes of Ayatollah Khomeini, the Iranian revolution was to create a system administered according to fundamental Islamic principles that are timeless and valid for all mankind. Thus, the new regime in Tehran quickly shifted from a foreign policy based on Iranian nationalism and the extension of Iranian national power to one based on theocratic principles. Iran's clerical regime, for example, early and repeatedly vowed to work for the overthrow of regional regimes whose policies it condemned as non-Islamic and whose legitimacy it disputed.

As long as Iran's activist clerics were fighting for power—first against the provisional government of Mehdi Bazargan and then the presidency of Abol Hasan Bani-Sadr—they could remain true to a revolutionary Islamic ideology. Indeed, they used that ideology as a weapon against their opponents who were struggling to impose order on Iran's postrevolutionary chaos.

If the revolution fundamentally altered Iran's perspectives, it could not change regional realities or Tehran's continuing geopolitical interests. Once in power, the clerics and their secular allies had to deal with the problems of governing and with providing for

Iran's security and well-being. Many clerics who had used revolutionary ideology when it served their purposes now were ready to reshape that ideology to fit their new positions of authority. Others, however, remained committed to their revolutionary goals. This issue remains a source of controversy in Iran and is intertwined with the general jockeying for power in anticipation of the post-Khomeini era, resulting in an unsettled and at times contradictory foreign policy.

Khomeini's Conception of Foreign Policy

Analysis of Ayatollah Khomeini's prerevolutionary writings and speeches indicates that his views on foreign affairs were shaped by traditional Islamic concepts that differ fundamentally from Western political thought. Western ideas place separate, territorially defined nation-states at the center of a complex interplay of international relations. Islamic tradition views the "house of Islam" (*dar al-Islam*) as a single community of believers in which ethnic, linguistic, and national differences are irrelevant. The only recognized division of mankind is between Muslims and unbelievers—*dar al-harb* ("the house of war"). This division is temporary, as there can be no permanent polity outside the bounds of Islam, the one true faith. According to classical Islamic doctrine, the Muslim state is in a constant state of war with the non-Muslim world, pursuing a holy crusade (*jihad*) to turn *dar al-harb* into *dar al-Islam*.

Khomeini has asserted his belief in this struggle and has often called for "worldwide Islamic revolution." In a speech on the first anniversary of the overthrow of the Shah, for example, Khomeini said that, "We will export our revolution to the four corners of the world because our revolution is Islamic, and the struggle will continue until the cry of 'there is no God but Allah, and Muhammad is his Messenger' prevails throughout the world."



Khomeini sees Iran's revolution as more than just a struggle with the non-Islamic world. For him, it is a *jihad* to purify the Islamic world from Western influences and corrupt rulers. He believes that the threat to Islam takes two forms. The first is a direct threat: the West and their clients in the Muslim world have carved up the Islamic community of believers into a number of nation-states, an act that is against God's design as presented in the Koran. In his book *Islamic Government*, Khomeini wrote that "together the imperialists and the tyrannical self-seeking rulers have . . . separated the various segments of the Islamic *umma* from each other and artificially created separate nations. . . . This nationalistic tendency . . . is against Islam and the good of the Muslims and is among the deceits of the foreigners who suffer from Islam and its expansion." [redacted]

The second threat to Islam from the West is indirect but is regarded by Khomeini to be even more dangerous. This is the cultural seduction of the West's materialism, secularism, and sexual liberalism that leads Muslims away from traditional Islamic values. A Persian word has been coined to describe the poisonous nature of this attraction that is best rendered in English as "Westoxication." For Khomeini, this second threat is particularly invidious because it is an invisible, persistently corrosive influence on Islamic life. [redacted]

Khomeini views the revolution in Iran as a starting point for the formation of a new Islamic order. In his writings he spelled out how the unification and purification of Islam were to be accomplished. There would have to be revolutionary upheaval throughout the Muslim world to install a truly Islamic government:

We have . . . no choice but to destroy those systems of government that are corrupt . . . and to overthrow all treacherous, corrupt, oppressive, and criminal regimes. This is a duty that all Muslims must fulfill in every one of the Muslim countries to achieve the triumphant political revolution of Islam. [redacted]

Khomeini's views on the superpowers are derived from his division of the world into the faithful and the unbelievers and from his belief in the need to purify Islam and transform the world into *dar al-Islam*. The

two superpowers are seen by Khomeini as forming an antagonistic front against Islam. The liberal humanism of the West and the Communism of the East are "human ideologies" that contradict the divine revelation of Islam. [redacted]

Khomeini has argued that because of the superpowers' immense power in the world, their control is everywhere. "One cannot find a country today whose motto is 'neither East nor West'; [all countries] rely officially or unofficially either on the Eastern bloc or on the Western bloc. . . . All the countries in all the regions of the world are under their domination." [redacted]

Based on Islamic tenets, Khomeini probably should have been more at odds with the USSR, which officially endorses atheism, than with the United States. Nevertheless, it is the United States that Khomeini has held in special contempt. He has repeatedly asserted that the United States is Iran's "number-one enemy" and the "Great Satan." [redacted]

We believe Khomeini's visceral hatred of the United States was formed by his perception of both the US-Iranian relationship under the Shah and the greater threat that the West—and the United States as its leader—presented to Islam. Khomeini believes and has often stated that, under the Shah, Iran had become the handmaiden of the United States, giving up its resources, its values, and its interests to satisfy the "world-devouring" United States and its stepchild in the region, Israel. The USSR's involvement in Iran since 1946, by contrast, was never so total as that of the United States. The USSR also was considered less threatening because it had fewer regional clients and possessed a less attractive ideology that made it less able to achieve its "evil intent" in the world. [redacted]

The Practice of Iranian Foreign Policy

International Pariah

When the clerics consolidated their control in 1981 after nearly three years of struggle, the Khomeini regime was viewed by much of the world as a

collection of erratic and violent Islamic fanatics. Tehran's actions had left the Islamic Republic severely isolated:

- It had incurred near universal condemnation for holding US diplomats hostage.
- The war with Iraq had solidified Gulf Arab support behind Baghdad.
- Most other Muslim regimes considered Iran a menace to their stability and rejected Tehran's pretensions to judge their Islamic credentials.
- Iran's claim to be the only really nonaligned nation and its assertion that Islam offered the only true path between East and West had alienated many in the Third World.
- The postrevolutionary Iranian diplomatic corps was filled with personnel whose chief qualification was their commitment to Islamic revolution. Their crude and unruly behavior and their insistence on reaching out to the "oppressed masses" in their host countries further strained Iranian ties in the Islamic and Third Worlds. [redacted]

Until they consolidated their power, the activist clerics welcomed Iran's isolation. [redacted]

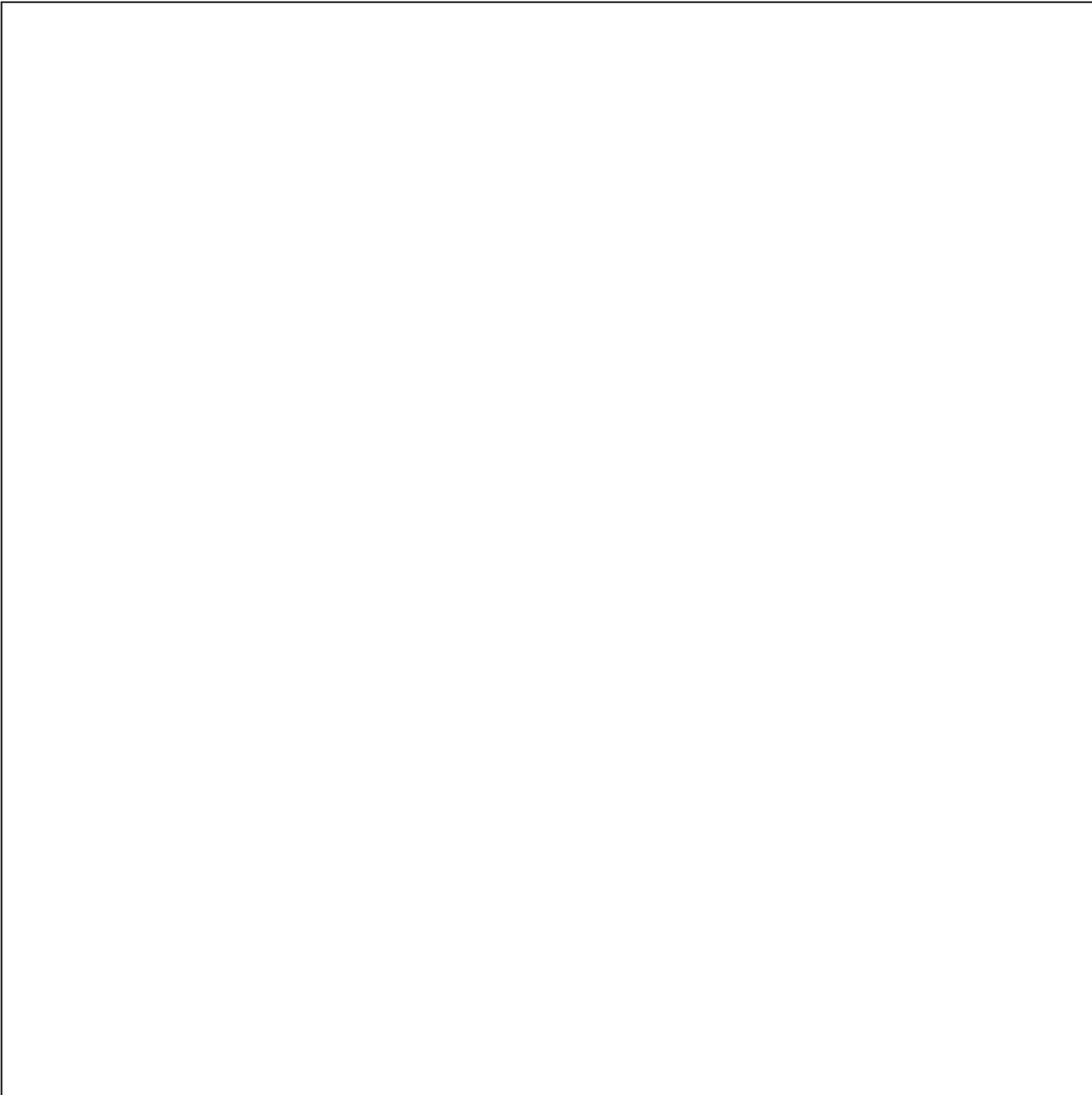
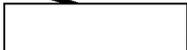
[redacted] the clerics exploited the efforts of their secular rivals to restore normality to Iran's foreign relations as proof that their rivals lacked true revolutionary fervor [redacted]

The Clerics Divided

The clerics' struggle for power in Iran masked serious philosophical disagreements over the proper direction of the revolution. [redacted]

[redacted]

[redacted]



The Trend Toward Pragmatism

Despite the persistent differences between these groups—made possible in part by the multitude of competing power centers¹—we believe a trend has developed over the past three years toward a more



pragmatic foreign policy.

[redacted] that Iran's key leaders are pragmatists and have felt compelled to reduce Iran's severe diplomatic isolation, even at the expense of revolutionary goals, because of:

- *Economic necessity.* Iran's faltering economy has become even more dependent on foreign oil sales and imports of basic goods than it was under the

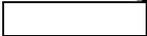


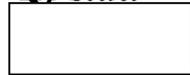
Shah. Tehran has been forced to try to end its international isolation to obtain consumer goods and military materiel and to export its oil in the current soft world oil market.

- *The war with Iraq.* Iran's isolation has hurt its war effort in several ways. With the exception of Libya and Syria, Tehran could muster almost no diplomatic support even though it was the victim of aggression. At best, Iran was offered studied neutrality.

Moreover, Iranian isolation greatly complicated the search for reliable sources of arms and sent Iranian arms buyers scurrying to the black market. Poor Iranian military fortunes during the past two years, and especially since the Iraqis began attacking oil tankers in the spring of 1984, have caused the pragmatists to pursue a diplomatic offensive that requires the appearance of moderation. 

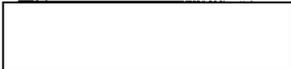
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Iran: Foreign Policy Positions of Key Factions

	Pragmatists	Radicals	Conservatives
Use of terrorism and subversion	A tool of statecraft to further Iranian interests	Strongly favor wide use to export revolution and expel the United States from the Muslim world	Strongly oppose
Policy toward Persian Gulf	Currently set by war with Iraq; aimed at weaning these states away from economic and political support of Baghdad	Favor export of revolution by all means	Favor Iranian dominance, but good trade relations
Policy toward radical Arab states	Favor good relations because of war with Iraq; see need for military and political support of these states	Mixed. Recognize current benefits because of war with Iraq and approve anti-imperialism, but disapprove of Syrian secularism and see Libya as an Islamic rival	Recognize benefits because of war but reject close relations
Policy toward Third World radical states	Favor good relations to lessen international isolation	Favor association with "anti-imperialist" countries	Strongly oppose close ties
Policy toward Muslim states in Africa	Favor increased Iranian presence to lessen international isolation	Urge export of revolution	Uninterested
Policy toward industrialized countries	Favor improved ties to meet Iran's economic needs	Strongly oppose close ties	Strongly support good economic ties
Policy toward Soviet Union	Mistrust, but urging improved relations because of declining fortunes of war with Iraq and increased perception of US threat	Mistrust, but willing to deal with Soviets. Nevertheless, interested in exporting revolution to Soviet Muslim population	Strongly oppose close ties
Policy toward United States	Reject relations for the foreseeable future	Strongly object to any connection and urge terrorism to expel the United States from the region	Willing to lessen hostility over time



Pragmatism and moderation, however, are not identical. We believe the conservatives oppose terrorism in principle, for example, whereas the pragmatists' opposition to it is only tactical, and they are quite ready to resort to it if they believe it will advance their goals. As the pragmatists have exerted more control over the government, the use of terrorism and subversion appears to have been more carefully directed at specific objectives and has become more lethal. Attacks on US installations in Lebanon and elsewhere in the region are cases in point. Pragmatists, recognizing Iran's need for allies in its war against Iraq, have led Iran into closer relations with Syria and a shared effort to expel US forces from the region 

Current Foreign Policy Objectives

The shift to a more pragmatic foreign policy is a trend, not a completed process. Even though the trend toward pragmatism is apparent, countervailing pressures continue, and no issues appear to have been finally resolved. At this point, the pragmatists appear to operate as the key swing group, supporting conservatives on some issues, radicals on others. Their support usually provides the winning margin 

"Neither East Nor West." This maxim is central to Iran's revolutionary foreign policy, but it has been reinterpreted by the pragmatists in one of their most important victories. The new interpretation has allowed Iran to seek expanded foreign relations throughout the world and the economic and military goods essential for the political survival of the regime and the continuation of the war against Iraq. [redacted]

A review of the immediate postrevolutionary phase indicates that "Neither East nor West" originally was intended to avoid the dependency and resulting corruption that existed under the Shah by maintaining only minimal relations with foreign governments. With the appointment of Ali Akbar Velayati as Foreign Minister in October 1981, however, the pragmatists began a quiet campaign to change the emphasis of "Neither East nor West." Velayati and other pragmatists argued that the key element of the maxim was Iran's ability to maintain a balance between East and West to avoid reliance on either bloc while pursuing relations with both to its own advantage. [redacted]

[redacted]

HIS efforts, as reflected in foreign trade statistics, have been successful. In 1981 Iran's foreign trade was estimated at \$22.7 billion, while in 1983 trade was estimated at \$37.7 billion. [redacted]

It was not until the fall of 1984, however, that Velayati's approach clearly emerged dominant (although not yet triumphant). During the previous summer, Velayati went through grueling reconfirmation hearings for the Iranian Cabinet by the newly elected Consultative Assembly (Majles). He was sharply questioned, according to the Iranian press, on the wisdom of a policy that so heavily stressed expanding diplomatic and economic ties to both the West and the East. Velayati responded by declaring that "the destiny of the world is determined on the diplomatic scene. If we are not present, it will be determined without us. If we are there, we will get a share proportional to our capability and activity." Velayati also charged that those who argued that

Khomeini had ordered a policy of isolation forgot that this was at the start of the revolution. "The direct guidelines I have received from the Imam are diametrically opposed to this [isolation]." [redacted]

Even though Velayati was reconfirmed, we believe that the considerable opposition he encountered led the pragmatists to take to the offensive. They prevailed upon Khomeini in October 1984 to deliver a major foreign policy address endorsing the Velayati approach. In his speech, Khomeini abandoned much of his prerevolutionary rhetoric on foreign relations. He turned on the radical opponents of Velayati who had remained loyal to Khomeini's earlier formulations, even accusing them of being agents of the United States:

The superpowers and America [in particular] supposed that Iran desired through its revolution to secure an independence and freedom, which would be a novel thing and contrary to the ways of all governments, and would thus be isolated. If isolated, it could not exist. But they saw that this was not the case, and Iran's relations with other countries increased. Now they are asking why we should deal with governments. They are unjust, and we should have relations with nations. This is a fresh and very dangerous plot. . . . We should act as it was done in early Islam when the Prophet . . . sent ambassadors to all parts of the world to establish proper relations. . . . We should have relations with all governments with the exception of a few (the United States, South Africa, and Israel). . . . So my advice to you is to strengthen your relations wherever and in whatever country you are. . . . As long as our relations with the Almighty God are steadfast, no one can hurt us. [redacted]

The Persian Gulf. Hegemony in the Persian Gulf has been a traditional Iranian aim. We believe that all three foreign policy factions in the regime share the ultimate goal of extending Tehran's power into the Persian Gulf but disagree over tactics. [redacted]

The Radical Perspective

The debate over Iranian foreign policy continues despite Ayatollah Khomeini's strong endorsement of Foreign Minister Velayati's policy of expanding diplomatic relations. On 5 December 1984, several weeks after Khomeini's endorsement, the newspaper Jomhuri-e Islami devoted its lead editorial to a restatement of the Islamic radicals' viewpoint. The newspaper is the party organ of the Islamic Republic Party—nominal home of Iran's activist clerics—and one of the most influential newspapers in Iran. [redacted]

In the planning for the foreign policy of the Islamic Republic, we must set a share for the acquaintance of the people of the world with the Islamic revolution. . . . What frightens the satanic powers from the Islamic revolution is its influence on the people of the world [and] not having good relations with governments. . . . This does not mean that the government of the Islamic Republic of Iran ought not to attempt to consolidate its relations with the governments with which it can have relations on the basis of Islamic principles and criteria of the Islamic revolution. It means that the priority ought to be attached to nations. . . . Islam is the religion of nations, and relations with the government in permitted cases is a means for opening the way for relations with the nations. [redacted]

The Islamic and popular liberation movements ought to be given much more attention by the Islamic Republic. [redacted]

Islamic radicals continue to advocate publicly and privately "active export of the revolution." [redacted]

Islamic conservatives also wish to see Iran's influence in the Gulf grow, according to their own writings and speeches. None disagree with Iran's extensive propaganda efforts aimed at Gulf Shias, and many conservative theologians in Qom, Iran's theological center, teach religious subjects to Gulf Shias. [redacted]

We doubt that Iran's apparent moderation will succeed any more than did its threats, especially so long as its military options appear limited. If Iran's economy continues to deteriorate, the pragmatists probably will again consider using terrorism and subversion against the Gulf states to stop their aid to Iraq and force an end to the war. [redacted]

Pakistan and Turkey. In the aftermath of the revolution, even personal links to officials from these neighboring states were considered cause for suspicion by the revolutionary government. [redacted]

[redacted] These states were suspect primarily because of their links to the United States and because both had been close to the hated Shah. Iranian radicals still try to rouse the Muslim populations of both countries against their regimes, and some meddling continues. [redacted]

Both pragmatists and conservatives are seeking close economic and political ties with Pakistan and Turkey because of Iran's international isolation and its economic concerns. By late 1983 Iran was taking the lead in pushing for the establishment of a tripartite Economic Cooperation Organization, [redacted]

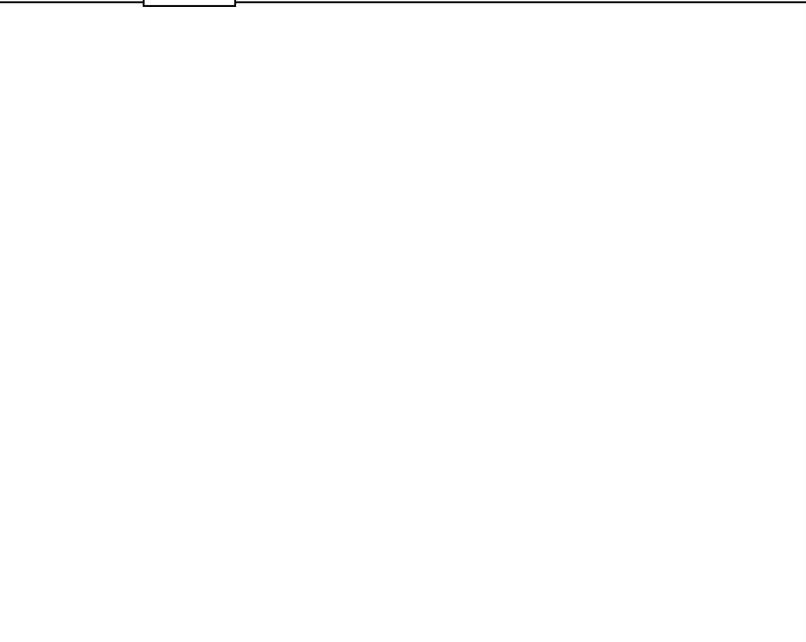
[redacted] The Iranians had ended a similar association, the Organization for Regional Cooperation and Development, shortly after the revolution. [redacted]

Official statistics reveal that close to 10 percent of Iran's imports come from Turkey and Pakistan. Much of Iran's trade is conducted on a barter basis, which is attractive to Tehran because of its foreign exchange shortages. [redacted]

[redacted] Iran and Turkey recently have completed a \$3 billion barter agreement for the next year and a half, doubling the 1983 level of bilateral trade. [redacted]

Africa. According to public statements, the pragmatists view Africa as a key Third World battleground in their efforts to enhance Iran's international influence

and ease its isolation.² They particularly hope to win African support against the Iraqis in international forums. The conservatives support these aims but do not appear particularly interested in Africa, while the radicals see it as fertile ground for exporting the revolution. [redacted]



The Radical States. We believe Iran's need for allies and assured sources of military equipment for the war against Iraq is the primary factor behind its close relations with such radical states as Syria, Libya, and North Korea. [redacted]

Syria. So long as the war with Iraq continues, Syria will remain a crucial foreign ally. Damascus has aided Iran by:

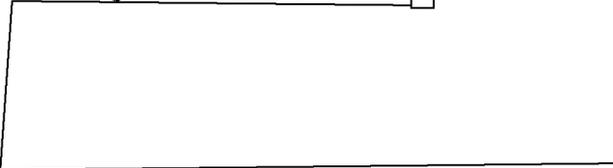
- Closing the Iraqi oil pipeline that transits Syria.
- Serving as a conduit for military supplies.



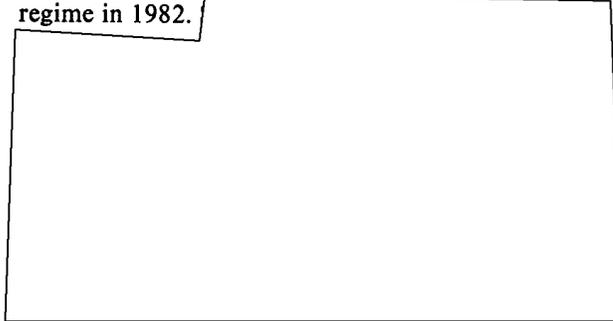


- Providing important political support and preventing the war from becoming characterized as an Arab-Persian conflict.

- Serving as a middleman for Iran. 



We believe most in the Khomeini regime—including most conservatives and radicals—recognize the benefits of Iran's current pragmatic relationship with Syria. Senior Iranian clerics publicly condemned the Muslim Brotherhood's uprising against the Assad regime in 1982. 



We believe that fundamental differences between Iran and Syria will strain relations over time. Conservatives oppose close Iranian ties to any of Moscow's allies, and radicals oppose Syria's secular and Arab nationalist ideology. Even for the pragmatists, Iran and Syria have radically divergent goals for both Iraq and Lebanon. Damascus wants secular regimes subservient to it in both, while Iranian pragmatists want to establish Islamic regimes subservient to Iran. 

Libya. Despite the pragmatists' recognition that the war with Iraq raises the importance of gaining allies in the Arab world, relations with Libya—the only other Arab state willing to support Iran—have been rocky. Libya has backed Iran more out of antipathy toward the Iraqi regime than out of sympathy for Iran's war aims. 



Although Libya has praised the use of terrorism against the United States in Lebanon, we have no evidence that Iran and Libya have ever conducted a joint terrorist operation. There have been times in which the two have been involved in subversive activity in the same country—Lebanon, for example—but even here there is no evidence of coordination. 

North Korea. We believe that Iranian-North Korean relations are based more on economic realities than on any sense of common struggle against "imperialism." Though a shared antipathy toward the United States probably helped nurture the relationship, each country's national interest played a far more important role. When the war with Iraq began, Iranian pragmatists recognized that Iran desperately needed a secure supplier of arms and was willing to buy them from any source—including Israel. North Korea wanted cheap oil. [redacted]

[redacted]

We do not believe that Iran's arms relationship with North Korea is a point of factional disagreement in Tehran. Nor has there been any reporting to suggest that anyone in Tehran is seeking to upgrade the relationship. [redacted]

Nicaragua and Cuba. We believe that Iran is seeking to create the impression of improved relations with Nicaragua and Cuba as part of its effort to end its international isolation. Prime Minister Musavi visited the two countries earlier this year in a tour that also included Turkey, Spain, and Venezuela [redacted]

Iranian radicals have given the Sandinistas strong rhetorical support since they took power in 1979, stressing their common anti-US attitudes, but ties remained at a relatively low level through 1982. Once pragmatists began to feel the need to lessen Iran's isolation, however, some increase in relations began to occur. [redacted]

[redacted]

[redacted]

[redacted]

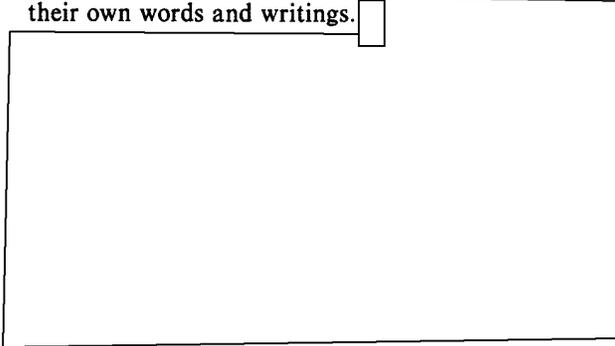
The Superpowers. We believe all factions wish to avoid Iranian dependence on either superpower. All oppose Communism as antithetical to Islam. Islamic radicals are most vehemently opposed to the United



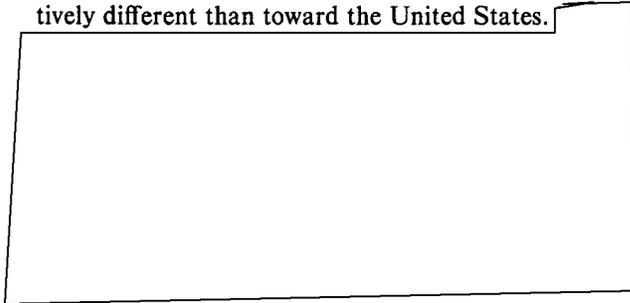
States, and Islamic conservatives appear most anti-Soviet. The pragmatists are willing to consider improving relations with Moscow but also wish to avoid close relations.

United States. Opposition to the United States is more strongly stated, more universally parroted, and more emotively symbolic than any other aspect of Iranian foreign policy. Even those conservatives who favor lowering the level of hostility toward the United States recognize that saying so publicly is still politically risky.

Islamic radicals in the Khomeini regime view the US presence in the Middle East as the major impediment to successful export of the revolution, according to their own words and writings.



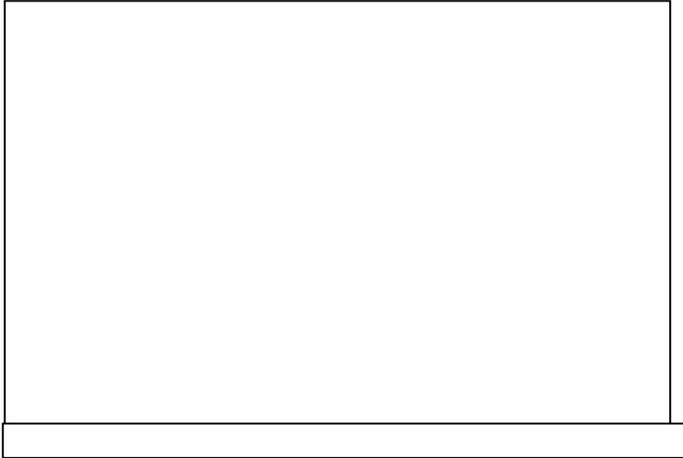
USSR. Although officially the number-two "Great Satan," Iran's attitude toward the USSR is qualitatively different than toward the United States.



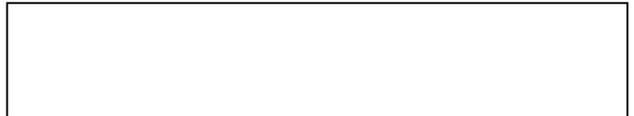
We do not believe that there is a sizable group in Iran's leadership—or generally among the clergy—that supports improved relations with Moscow out of ideological conviction. The clerics view Communism as an atheistic philosophy antithetical to Islam.

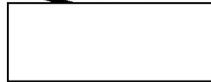
Islamic radicals who favor such measures as land reform and the nationalization of industry have been labeled Communists by their opponents. Analysis of

their speeches and writings indicates that they are committed Muslims who derive their social philosophy from their understanding of Islam—not Marxism. Many of them have publicly condemned the Soviet invasion of Afghanistan and supported the Islamic struggle there against the Soviets. We believe they would attempt to export the Islamic revolution to the USSR's Muslim population if given the opportunity.



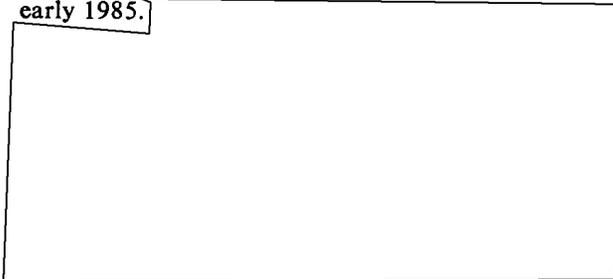
Other Developed and Communist Countries. The pragmatists' reinterpretation of "Neither East nor West" has allowed Tehran to pursue expanded relations with these states as a way to secure the economic and military goods essential for regime stability and continuation of the war with Iraq. Despite the limitations imposed by Iran on its relations with the two superpowers, relations with allies of each are generally flourishing. Iran's largest trading partners are Japan and West Germany, and about two-thirds of its trade is with OECD countries. Senior Iranian pragmatists, including Rafsanjani and Velayati, have sought to convince Western visitors of their moderation and have even refrained from strong criticism of the United States on some occasions, according to these visitors.





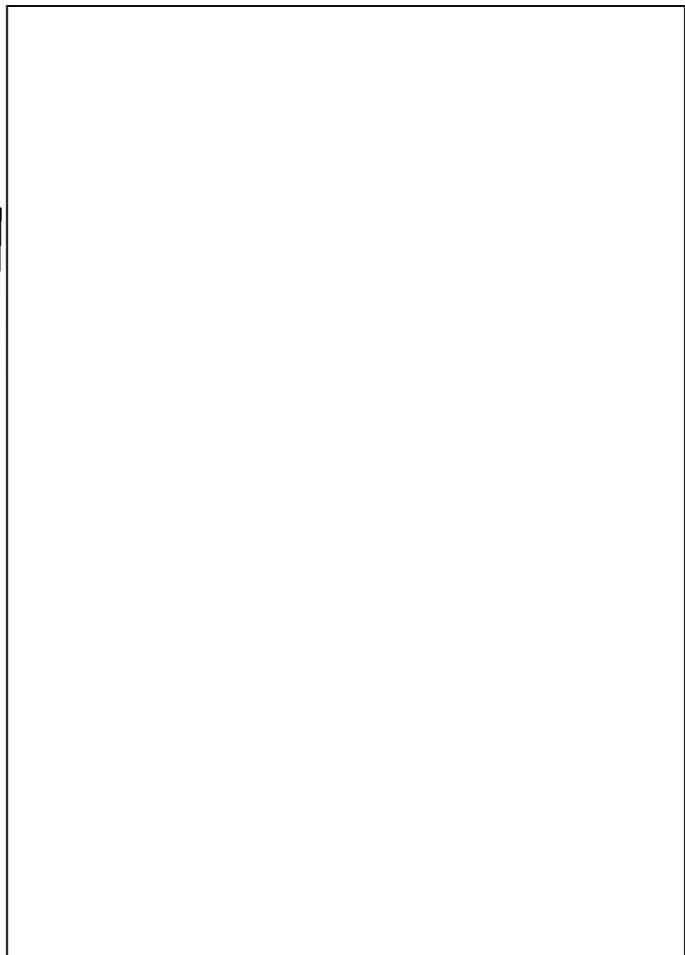
as the key threat to Islam and believe Western support for Tehran's enemies is a major obstacle to the successful export of the revolution. French and US installations in the region have been the major Western targets. Pragmatists have been willing to go along with radical attacks against French installations because France is host to numerous Iranian exiles and because it supports Iraq. The pragmatists may also believe that terrorist attacks on the French will put pressure on Paris to improve its relations with Iran. Lebanon, Kuwait, and Bahrain have been the sites of major Iranian terrorist acts in the Middle East. Nearly all Iranian attempts against Baghdad have been suppressed because of the ruthlessness of the Iraqi security services and because of Baghdad's threats to execute relatives of prominent Iraqi Shias exiled in Iran 

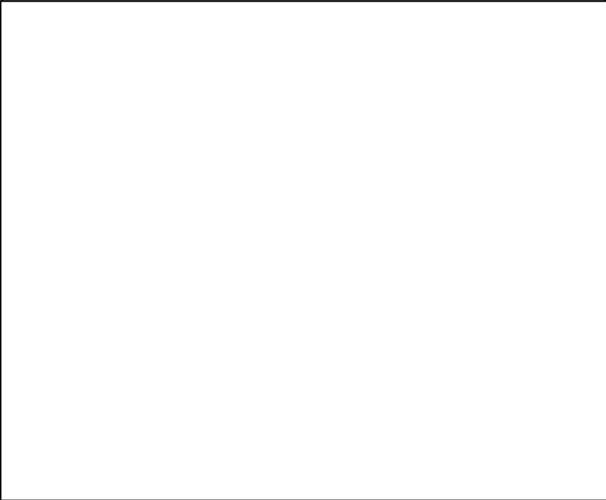
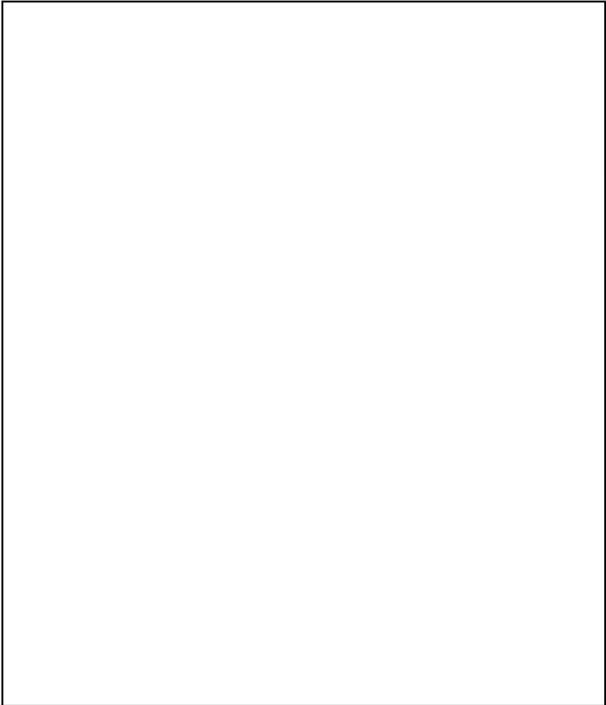
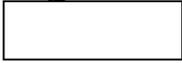
Relations with East European countries are also on the rise. Since Iraq began attacking tankers in the Persian Gulf in the spring of 1984, Foreign Minister Velayati has traveled to Romania and Hungary, and a deputy foreign minister has discussed trade in East Germany and Czechoslovakia. The Minister of Heavy Industries visited several East European countries in early 1985. 



Terrorism and Subversion. Although the radicals continue to exercise some freedom of action to initiate terrorism and subversion, pragmatists have sometimes joined conservatives—who vigorously oppose these tactics—to curb radical excesses. We do not believe, however, that the pragmatists will gain total control over the activities of the radicals for the foreseeable future. 

Iran's foreign terrorism has been directed primarily against three targets—Iranian exiles opposed to the Khomeini regime, Gulf Arab states supporting Iraq, and the US and French presence in the Middle East. Iranian-backed terrorism retains a heavily anti-Western focus because Islamic radicals view the West





Prospects

Iranian foreign policy continues to be influenced by the struggle for power in anticipation of Khomeini's death and is a focus of that struggle. Although we believe the pragmatic trend is on the ascendancy, key pragmatists, including Majles Speaker Rafsanjani and President Khamenei, are rivals for power. Thus,

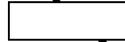
their cooperation in foreign affairs may be temporary. We believe, moreover, that Islamic radicals will continue to press for actions—or initiate them—that will increase the difficulties for any one faction to consolidate its control over foreign policy. 

Nevertheless, we believe that certain elements of Iranian foreign policy are likely to remain in effect for the foreseeable future. Iranian relations with the United States will be hostile long after Khomeini dies. Official Iranian media reveal that Khomeini has written a 60-page sealed will that almost certainly condemns the United States and explicitly rules out relations until Washington "becomes human." That legacy will be difficult to overturn, even if conservatives could wrest full control of the government. 

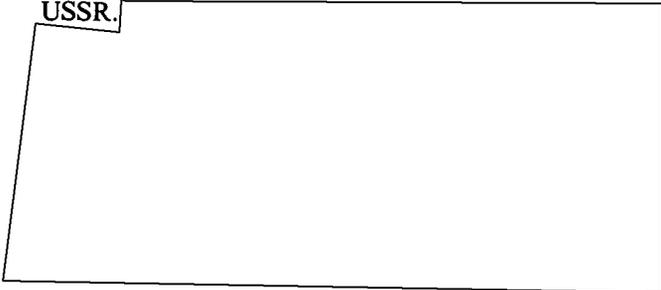
US interests in the Persian Gulf and elsewhere in the Middle East are likely to continue to push Iran and the United States apart. Iran's goal of hegemony in the Gulf runs counter to US support for moderate Arab regimes. Many in Tehran, including both radicals and pragmatists, view US aid to those regimes as directed against Iran. US support for Israel will also ensure continuing Iranian hostility toward Washington. 

We believe Islamic radicals will encourage further terrorist actions against the United States as part of their strategy to retain influence in foreign affairs. We also believe that pragmatists would go along with—or initiate—such actions if they perceived a growing threat from the United States. Pragmatists have openly threatened to use terrorism against the United States, in part to deter US retaliation for previous terrorist actions. 

The need to sell oil, import consumer goods, and generate economic development, however, is likely to impel Iran to foster relatively good economic relations with most OECD nations, Eastern Europe, and neighboring Turkey and Pakistan. Both the pragmatists



and conservatives favor such a course. Ultimately, Iran's dealings with these states could lead to reduced hostility toward the United States, but that probably is far in the future. None of the several US allies who are currently well positioned in Iran—Japan, West Germany, Pakistan, and Turkey—appear willing to jeopardize their good relations to press Tehran strongly over this issue. 

Over the near term, we believe that Iran is much more willing to consider improving relations with the USSR. 

Any improvement, however, is likely to be tactical. The USSR's military support for Iraq, the Soviet occupation of Afghanistan, its ties to the Tudeh party, and the near universal Iranian suspicion of Moscow's intentions limit prospects for substantially better ties. The Soviets apparently recognize Iran's limitations as well but may be willing to supply some military equipment to Iran as a way to keep open the prospect for better relations. 

None of the foreign policy factions will want to be seen as dominated by either superpower. "Neither East nor West" is, in our judgment, a generally popular slogan in Iran, and regardless of which faction becomes dominant, Tehran is likely to adhere to its own brand of nonalignment. 

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