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Director of
Central
Intelligence

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National Intelligence Daily

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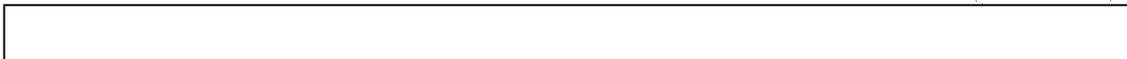
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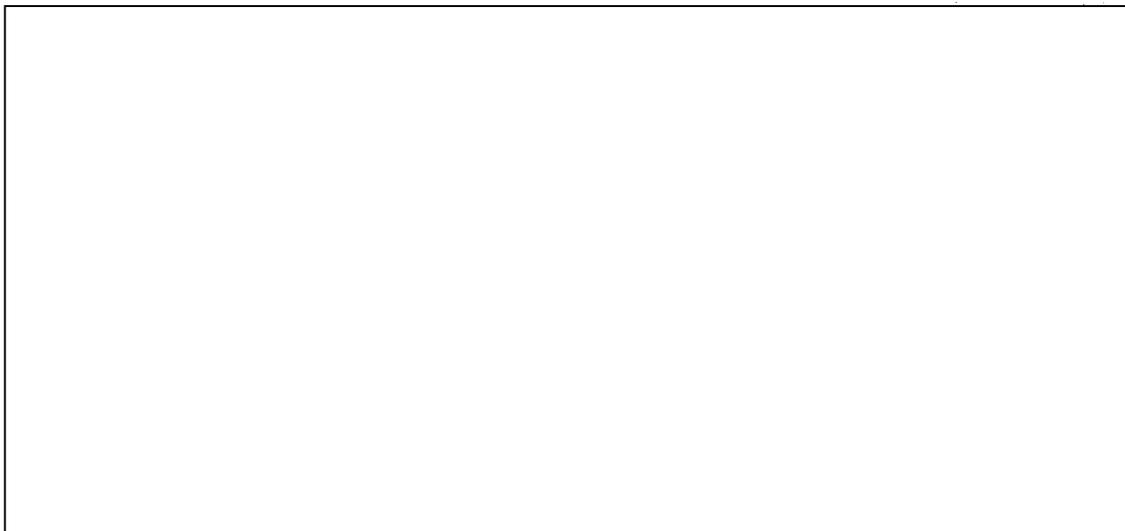
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IRAN

President Bani-Sadr probably will not have much success in trying to improve his political position by taking a hard line on the US and Iraq. []

Both Bani-Sadr and Foreign Minister Ghotbzadeh have taken a tough position in public this week. Bani-Sadr has stressed support for exporting Iran's revolution to Egypt and other Muslim countries. []

[] there are widespread rumors that Bani-Sadr will resign in frustration--especially if the Islamic Republic Party wins a clear majority in the second round of legislative elections. Bani-Sadr's hopes of reviving his influence are constrained by a number of factors:

- He may be blamed for failing to get the economy moving.
- He could also become the scapegoat for any military setbacks at Iraqi hands.
- He may be weakened by new domestic unrest by the dissident minorities--perhaps backed by Iraq. []

Soviet and Japanese Reactions

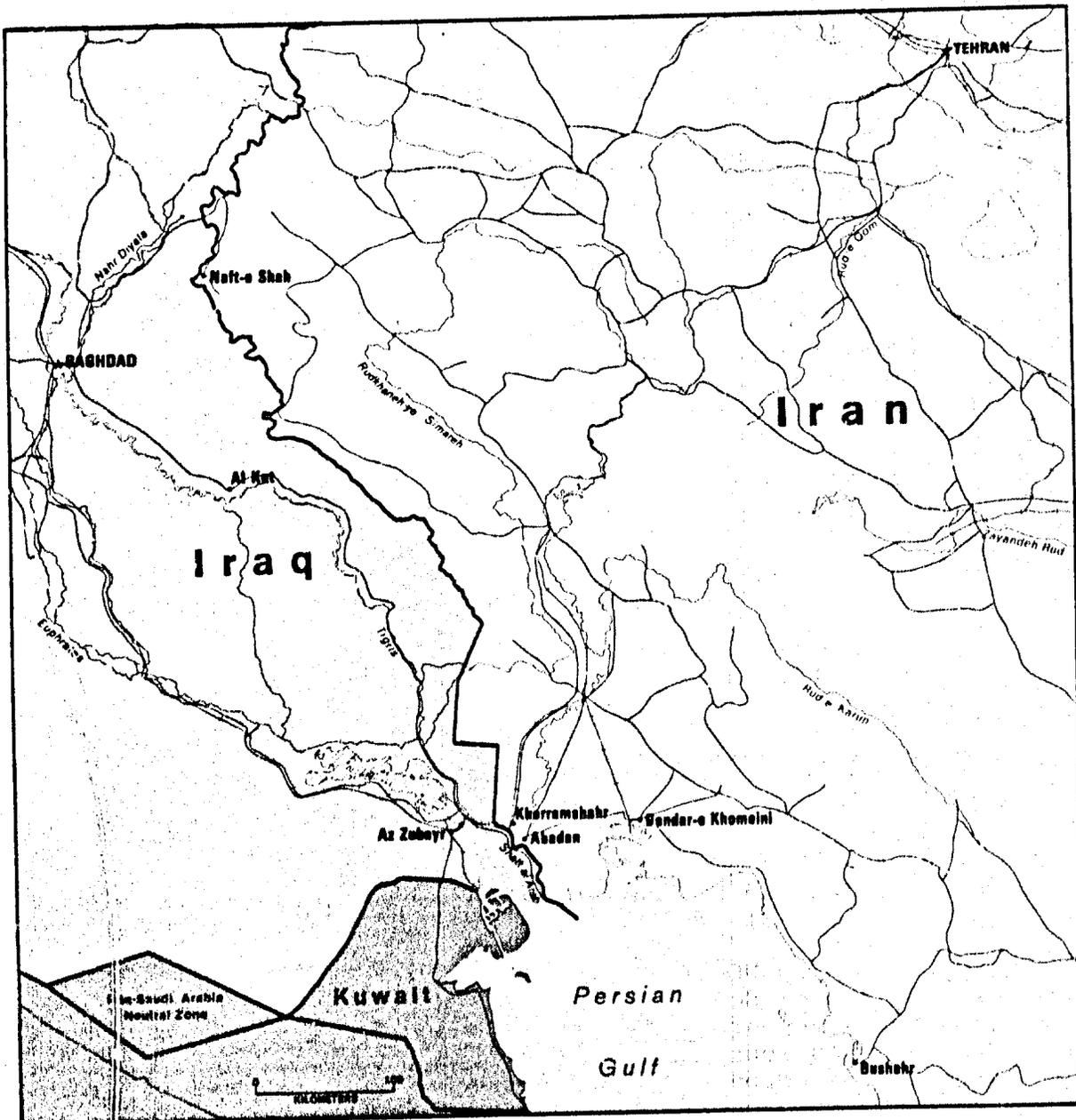
The Soviets have come closer to endorsing Iran's position on the hostages than at any other time since their capture. A Moscow Radio commentary broadcast in Farsi on Tuesday professed the USSR's support for "Iran's just acts." (U)

Following US demarches last November, blatant expressions of Soviet backing for the seizure of the US Embassy disappeared from Soviet media. The break in US-Iranian relations apparently has prompted the Soviets to attempt to improve the USSR's ties with the Khomeini regime by more openly siding with Iran in its dispute with the US. []

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The Japanese Government decided yesterday to hold its exports to Iran at present levels and to keep oil imports at a limit of 620,000 barrels per day. Japan's exports to Iran had been increasing and by February had reached roughly 75 percent of the pre-revolutionary level. Oil imports have been running well ahead of the limit, but Japanese officials stated previously that future deliveries of crude would be tapering off. 

The sanctions also call for the pace of construction to slow at the joint petrochemical plant and Japanese commercial banks to refuse new deposits by Iran. Officials said they would monitor moves by US and European countries before taking any further actions. (U)



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BRIEFS AND COMMENTS

EC-IRAN: Call for Common Policy

The EC Foreign Ministers will use the Council of Europe ministerial meeting in Lisbon today to discuss informally the US request for breaking diplomatic relations with Iran and imposing sanctions.

Although the EC states have expressed sympathy with the US position and generally support the new US actions, they are reluctant to commit themselves to similar steps. In insisting on the need for a common EC stance on further actions against Iran--a position taken by the UK, West Germany, and the smaller EC countries--the Community members may be seeking to avoid being blamed individually if they do not take the actions the US seeks.

EC members in the past have doubted the effectiveness of sanctions, and France, the UK, and Denmark have questioned their legality. On the issue of severing diplomatic relations, Belgium has noted that the Nine would find it easier to withdraw their ambassadors from Tehran than to effect an actual break. The UK believes that it would be unwise to cut all Western ties with Iran, while Bonn fears retaliation against German nationals there.

The talks today probably will be inconclusive with further discussions taking place at the EC Foreign Ministers' meeting on 21 and 22 April. A formal EC statement is unlikely before the heads of state meet in Brussels, probably at the end of the month.

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