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# New Directions in Iranian Foreign Policy

An Intelligence Assessment

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# New Directions in Iranian Foreign Policy (U)

An Intelligence Assessment

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## New Directions in Iranian Foreign Policy (U)

### Key Judgments

The revolutionary leaders in Iran believe they compose the only true Islamic government in the world and expect Iran's revolution will serve as an example to other Muslim countries. While the government has disclaimed any interest in actively exporting the revolution, Iran's relations with other countries will be heavily influenced by the current xenophobic, anti-Western nature of its rebellion:

- Iran has dramatically shifted its position on the Arab-Israeli dispute and is likely to be a major advocate of Palestinian rights.
- It has abandoned the Shah's policies of acting as the policeman of the Persian Gulf and becoming a major regional naval power.
- It retains traditional Iranian suspicions of the Soviet Union and has warned Moscow against intervening in its domestic affairs.
- The Islamic leadership in Tehran is hostile to the Marxist regime in Kabul and may try to support Islamic dissidents in Afghanistan.

- Tehran is debating the future of Iranian-US ties. Some leaders favor a reduced US military advisory role, but hardliners—including Ayatollah Khomeini—oppose any US role. On other regional issues Iran has already distanced itself from the Shah's pro-US posture.

- Tehran's ability to act as a major regional power is handicapped by the collapse of the military and rampant confusion in the new government. The current government's survival is in doubt. If Iranian leftists succeed in replacing Khomeini's regime, Iranian foreign policy will be further radicalized.

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New Directions in  
Iranian Foreign Policy (U)

*Islam and Foreign Policy*

The revolutionary leaders in Tehran have made no secret of their belief that the Iranian revolution should serve as an example to the rest of the Islamic world. Deputy Prime Minister for Revolutionary Affairs Ebrahim Yazdi said in mid-February that the success of the Islamic revolution in Iran should prove to its neighbors that, "Islam provides the ideological basis for change within Moslem countries." Yazdi speculated that "a new era of Islamic struggle" has been "triggered by our revolution." (C)

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[redacted] reports that Khomeini and those around him believe that there are no truly Islamic governments in the world and that Iran will be the first of many revolutions. Khomeini's entourage made clear that they did not plan to interfere in the internal affairs of other Muslim countries; they anticipate that Iran's example will be sufficient to promote change. (C NF)

Despite assurances by Yazdi and other Iranian leaders that Iran will not actively export Islamic revolution, many of Iran's neighbors clearly have been alarmed by Khomeini's successes. Countries with large Shia Muslim populations have been particularly concerned. Pro-Khomeini demonstrations have occurred in most of the Persian Gulf shaykhdoms, and there have been rumors of pro-Khomeini activity among Iraqi Shias. Concern has also been voiced by Egyptian officials, particularly after Yazdi singled out Egypt as the country most vulnerable to Islamic unrest. Saudi leaders were alarmed by comments attributed to Ayatollah Taleghani, a leading Tehran clergyman, that the Saudi monarchy "cannot be considered an Islamic regime." (C)

Iran's relationship with other countries will be heavily influenced by Tehran's belief that it alone is the true guardian of Islamic values. It is likely that Tehran will do what it can to support groups like the Palestinians who are perceived to be waging just struggles

against anti-Islamic forces. The weakness of the new Iranian Government makes it unlikely that Iran in the near term will turn its attention to sponsoring unrest in other Islamic countries. Even offhand comments by Iranian leaders about political problems in neighboring states, however, can have a considerable impact, as in the current situation in Afghanistan. (C)

The revolutionary leaders in Tehran are being actively sought out by dissident Muslim groups that want support for their particular causes. Dissidents from Eritrea, Sudan, Pakistan, Malaysia, and other countries have approached Khomeini asking for advice and support. The Polisario Front sent a delegation to Tehran in late February seeking assistance for its struggle against Morocco in the Western Sahara, and according to one report, Khomeini responded by pledging financial aid and diplomatic backing to the Polisario. (S NF NC OC)

*Arab-Israeli Issues*

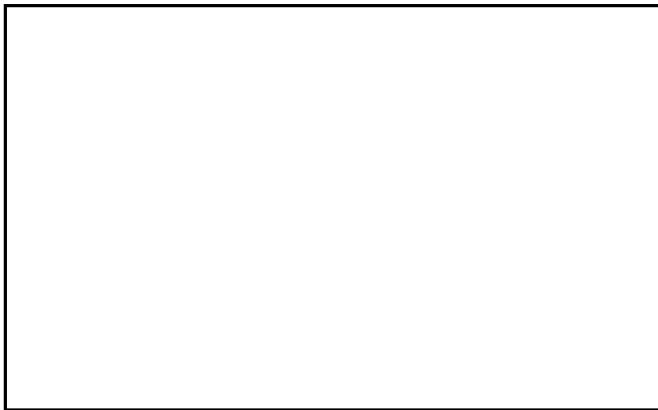
The single most dramatic shift in Iranian foreign policy has been in its attitude toward Israel and the Palestinians. Palestine Liberation Organization Chief Yasir Arafat was the first foreign leader to visit Iran after the revolution, and the PLO has established an "Embassy" in the facilities formerly occupied by an Israeli diplomatic and trade team. It has also opened an office in Ahwaz and plans additional offices in Qom and Mashhad. (C)

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Khomeini, who has long been opposed to Israel, repeatedly accused the Israelis of providing troops to protect the Shah's regime during the fall and winter of 1978. Khomeini has also been an outspoken supporter of Fatah—the largest Palestinian guerrilla group—since the late 1960s. (U)

The Palestinians have consistently provided training and some arms to Khomeini's supporters—especially the Mujahadin terrorist group—since the early 1970s. Since mid-February, several Palestinian delegations have arrived in Tehran, including a small military delegation to train Iranian security forces. (C)

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[redacted] Arafat during his February visit to Iran solicited Iranian financial, military, and diplomatic support for the PLO in return for the aid the PLO has given to Khomeini. Khomeini reportedly is willing to extend financial and diplomatic support to moderate groups in the PLO. Khomeini urged Arafat, however, to distance the PLO from the Soviet Union and to adopt a more Islamic approach. (S NF NC OC)

At this point it is unclear how much actual support Iran will provide to the Palestinians, or the Arabs generally. In the present circumstances, the Iranian military is too weak to send any significant forces to participate in Arab military operations against Israel, and Iranian spokesmen have generally cautioned against any active military moves against Israel. Iran's future relations with the Palestinians may also be affected by the traditional Persian antipathy for Arabs. Some moderates in the government probably oppose expending Iran's resources in support of the PLO. (C)

Iran may, nevertheless, provide some limited financial support, and there is no doubt that Iran will provide

diplomatic and propaganda assistance. For example, Iran's UN delegation has vigorously backed the PLO. (C)

Khomeini has denounced the Camp David peace agreement between Egypt and Israel as a "crime against the Muslims." Iran has cut off economic aid to Egypt and may well break diplomatic ties as well. Iranian-Egyptian relations are further clouded by President Sadat's outspoken support for the Shah. (C)

#### *Persian Gulf Security*

The new government has followed the lead of the Shah's last Prime Minister, Shahpour Bakhtiar, in renouncing the role of policeman of the Persian Gulf that the Shah coveted. Bakhtiar had decided to withdraw the remnants of Iran's military expeditionary force in Oman—around 300 troops—and had informed Muscat that Iran could no longer be counted on to provide support against insurgency directed from South Yemen. Khomeini has endorsed this decision and taken several other steps to reduce Iran's role in the Gulf. (C)

The key to the Shah's aspirations to become the strongest power in the Persian Gulf and a major force in the Indian Ocean was the development of a strong Iranian Navy. Iran's new Defense Minister and Commander of the Navy, Admiral Ahmad Madani, who always opposed the development of a large Navy, has announced that he will stop any further expansion and might even reduce its size. "Because we will no longer act as the gendarme of the Persian Gulf," he said, "we do not need a navy of this size." Iran has announced it will not continue construction of a planned naval base at Chah Bahar, and has severely curtailed all of the other naval programs the Shah had planned. (C)

While they were still leaders of the opposition to the Shah, many of Iran's new leaders criticized his decision in 1971 to occupy several strategic islands in the Strait of Hormuz—the Tunbs and Abu Musa—claimed by the United Arab Emirates. [redacted] Arafat raised this issue with Khomeini, who indicated that the status of the islands would be reviewed soon. On the other hand, Foreign Minister Karim Sanjabi has said that the islands are Iranian. Although the Iranians may conclude that the advantages of holding onto these strategic points outweigh the moral claims of the United Arab Emirates, Tehran is doubtless aware that continued occupation of what is widely regarded as Arab territory

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will hinder its efforts to develop strong ties with Arab governments. (C)

Iran's relationship with Iraq, its principal military rival in the Gulf, has been ambiguous since Khomeini took power. Iraq had provided support and safehaven to Khomeini for almost 14 years between 1964 when he went into exile from Iran until 1978. During those years Khomeini lived in the holy city of Najaf. In late 1978, however, the Iraqi leadership became alarmed by the mounting unrest in Iran which it feared might spread to the large Shia population in Iraq. As a result, Baghdad expelled Khomeini in October 1978. (C)

Iraq has recognized the new government, but is doubtless worried that it may have permanently alienated Khomeini. Iraqis are also concerned about the growing unrest among Iran's Kurdish minority, which Baghdad fears may spill over to its own Kurds. There has been little comment from Tehran about the future of Iraqi-Iranian relations. (C)

#### *Iran and the USSR*

Iran's new emphasis on Islam in its foreign policy may have a significant impact on Tehran's relations with Moscow. Khomeini and his spokesmen have often criticized the Soviets for their policy toward the Muslim population in the Soviet Union. In late December, for example, Khomeini referred to "the Kremlin's dictatorship" in describing Moscow's attitude toward the Shia population of Soviet Central Asia. [redacted] some of Khomeini's closest aides have considered broadcasting religious programs and news to the Muslims in the Soviet Union. (S NF NC OC)

At the same time Khomeini has expressed concern about Soviet interference in Iran's internal affairs. Khomeini met with Soviet Ambassador Vinogradov in late February and reportedly lectured him on "noninterference" and the religious aspect of the movement that overthrew the Shah. The continuing clashes between progovernment forces and various leftist groups in Iran are likely to increase Khomeini's concern about the Soviet role in the country. (C)

Tehran has already accused the pro-Soviet regime in Afghanistan of fomenting unrest in Iran. Hundreds of Afghan workers in Iran have been arrested and deported since the revolution brought Khomeini into power.

Tehran has openly criticized the Kabul government for its Marxist orientation. (C)

Kabul has accused the Iranians in turn of fomenting unrest in Afghanistan. The Afghan claims may well have some justification. According to one report, Khomeini singled out Afghanistan to a visitor in January as the one Islamic country Iran might actively interfere in to support Islamic revolutionaries. Members of Khomeini's entourage have stated that they are already providing some aid to Afghan dissidents. We cannot confirm this claim. (C NF)

#### *Iran and the United States*

The anti-Soviet rhetoric of the Khomeini regime should not be interpreted as a pro-American stance. Khomeini has clearly stated his view of the superpowers: "We regard the Soviet Union as an expansionist state just as we regard the United States as a colonialist state." Tehran has made it apparent that it has no interest in resuming the intimate relationship with the United States that existed under the Shah. (C)

Nonetheless, there appears to be a serious debate among Tehran's leaders as to what Iran's relationship with the United States should be. Hardliners in the government—including Khomeini—supported by leftists and Islamic radicals want no cooperation with the United States in military and security affairs. Some military leaders want to retain American military assistance, however, because they perceive that advisory aid is essential if the sophisticated equipment purchased by the Shah in the last few years is to be maintained. [redacted] Qarani has asked Defense Minister Madani to make a "complete study" of how many US advisers would be needed, to ensure that the Iranian military can operate and maintain its equipment. (S NF NC OC)

Prime Minister Bazargan and Foreign Minister Sanjabi probably also favor some military ties to the United States. Sanjabi told US officials in early March that despite the difficulties caused by the longstanding, close ties of the United States to the Shah, he recognizes our "mutual interests" and Iran's "sensitive geopolitical situation." Sanjabi, however, does not appear to be a major decisionmaker in the new regime and probably has little influence with Khomeini. Rumors of his unhappiness have circulated widely in Tehran. (S NF NC OC)

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At best, it seems likely that Iran will accept only a small number of American military advisers and will cut back sharply on purchases of US equipment. On other regional issues Iran will probably differ with US policies. For example, Tehran has announced it will leave CENTO. (C)

*Prospects*

Iran's ability to play the role of a significant regional power has been gravely undermined by the year of unrest that preceded the establishment of the Islamic Republic. Confusion is now rampant in the government as the new leadership tries to exercise control over the bureaucracy and purge the Shah's loyalists. This confusion has been particularly intense in the Foreign Ministry, and many Iranian diplomats overseas have been removed, including Ambassador to the United States Zahedi. It will probably take some time to resume normal diplomatic activity. (C)

The collapse of the Iranian military in the last days of the Bakhtiar government poses a larger problem for Iranian foreign policy. At present, Iran is unable to present a credible military deterrent to its neighbors and is having great difficulty in restoring order within its boundaries. Until an effective military is re-created, Iran will not be able to play a major role in Middle Eastern politics. Even if order is restored, the cutbacks in Iran's military purchases will severely limit its ability to project any sizable military power outside its borders. (C)

If the Islamic government collapses and is replaced by a leftist government, we would expect an even more pronounced radicalization of Iranian foreign policy. A regime led by radical leftists, especially if it included the Tudeh (Communist) Party, would move Iran much closer to the USSR, undermining further what remains of the US-Iranian relationship. The most active leftist group in Iran, the Marxist Chariks or Fedayeen, are closely tied to the radical Arab regime in South Yemen and the Popular Front for the Liberation of Palestine. A Chariks-dominated regime might actively support PFLP terrorist operations against Israel and the South Yemeni - backed Popular Front for the Liberation of Oman guerrillas against Oman. (C)

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