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Mr. William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Bill:

I attach a document provided to me by [redacted]
[redacted] prior to the later intelligence I gave
you by phone concerning Kuwait.

Your staff may be interested in his insights.

Sincerely,

E. R. Zumwalt, Jr.



Attachment

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RECENT DEVELOPMENTS IN IRAN

"Ghadsieh" is what the Iraqi President, Saddam Hussein, calls the war of Arabs against Persians (Iranians), referring to the historical 7th century battle in which the Moselm Arabs defeated the Persians and destroyed their civilization and great empire. His mistakes leading to defeat are:

- Historical: Contrary to Saddam Hussein's belief in that war Persians were defending the Iraqi mainland, then a part of the Persian empire, against the Arab invaders from the south.

- Strategic: By reviving the old enmity, Saddam Hussein aroused the strong nationalistic sentiments of Iranians in defense of their homeland. This indirectly bolstered Khomeini's regime. In my position paper in September 1979, I had pointed out that Iranian nationalism is strong and should not be allowed to be used in favor of Khomeini or communists. The leftists in Iran are fully aware of this and time and again have been announcing that "we are the nationalistic leftists and do not look towards Moscow!" A few days ago hundreds of thousands of leaflets were distributed by the Communist Tudeh Party in Teheran, again emphasizing that they do not look to Moscow. So far their tactic has been to co-exist with Khomeini. "We will come out from under his robe when the time comes and get control of government in 48 hours," said a member recently.

- Tactical: With ten divisions, superiority in arms and after gaining surprise, the Iraqis stopped to dig in after the initial victories. This made them a sitting duck, a blessing to the Iranians who, in the words of "Sun Tsu," used position cleverly, avoiding enemy strength and attacking his points of weakness in their choice of time and place. In the first 19 hours the Iranian army did not fight, thinking the attackers were units of the Iranian National Liberation Force. Many were casualties or made captives. Yet it is interesting to note that losing initiative or aggressiveness brought defeat in two other parallel wars, the Falklands and Lebanon.

- Political: Saddam Hussein underestimated his vulnerabilities: Shi'ite soldiers under Sunni officers; Shi'ite's majority of the population and fundamentalists; Baath Party rivalries; President Adad's personal enemy, Israel; Kremlin's anger and grievances from the past; Gulf states' hidden resentments, etc.

THE WAR

Iraqis claim they have unilaterally retreated to the borderline, and Iranians deny this. Hashemi Rafsanjani, the speaker, said that they have only fled from their vulnerable positions and have kept their strongholds. Khomeini's conditions to stop the war are hardly acceptable to Iraq. They are:

- Complete withdrawal to the borderline
- Reparations of \$150 billion
- Return to Iraq of 60-100 thousand people thrown out of Iraq (pro-Khomeini elements)
- Passage for Iranian forces to Syria, to fight Israel
- Saddam's removal and punishment
- Those conditions will not be demanded if the "Islamic Republic of Iraq" is created.

In the past few months a group of Iranians, Syrians, Libyans, Iraqi dissidents, including two sons of Ayatollah Hakim, have been busy in Teheran's Parliament building, preparing the "Constitution of Islamic Republic of Iraq." The young Hakim is Iran's nominee, and Iraqi dissident army officer Naghieb is Syria's candidate for the Iraqi presidency, resulting in a sharp difference of views.

WILL IRAN STOP AT BORDER

With the above conditions for ending the war and reparations, it is unlikely. There is harsh criticism in Iran of the recent news that Iran has promised the United States she will not cross the border. "Are we the stooge of U.S.?" the critics say. Reports are that already the order to cross has been issued and preparations are underway. A force of 180,000 will be committed to the task (80,000 front line, 100,000 tactical reserve) and the code name for the operation is "Ya Ali." (Ali is the first imam of Shi'ites.) (This information was first reported to U.S. sources by me in early June 1982.) According to reports their aims are:

- Capture the airfields of Mosul and Kirkuk in northern Iraq. This will give them a full hand on sitting down to the negotiating table. It will guarantee the payments of war reparations. It will connect Iran to Syria. It will bolster Iraqi Kurds in fighting against the central government.

- Capture Karbela and Najef, two holy shrines of the Shi'ites in Southern Iraq. This is strongly demanded by mullas and fundamentalists. Already in Iran's "Khusistan" signs were erected, "Baghdad or Karbela _____ kilometers," at various distances. Recently Iran has announced that "Karbela leads to Jerusalem." "We ultimately will free Jerusalem." "Basra is on the way to Karbela."

- If for any reason such as the army's reported negative stand they postpone the attack, it will be temporary and immediately subversive operations will start in Iraq and other Gulf states. Iranian leaders have announced, "We have three enemies, U.S., Israel, and Fahd." Recently they announced "Countries send condolences to Saudi Arabia on death of King Khalid. We send our condolences to the people of Arabia upon nomination of Prince Fahd as king."

- The animosity demonstrated by Iran's bitter attacks on the Gulf states that thus far have supported Iraq in her war, pouring some \$24 billion into her treasury, will not be ameliorated even by the Gulf states' recent announcement that they will pay \$25 billion to Iran to achieve peace. In late 1978/early 1979, wealthy Iranians competed with each other in the amount of payments made to Khomeini, hoping to receive his future blessings. Most were repaid in later months by imprisonment, confiscation of property, and firing squads. This will be the fate of those Gulf states who try to escape Khomeini's revenge by paying ransom. Before doing this, they better study his character, ideology, and behavior in the past. The revenge will come.

RELATIONS WITH SYRIA

Iran announced its war against Israel and immediately sent some 1-3000 volunteer forces via Turkey to Damascus. By the time they arrived and started demonstrations in that capital, a cease fire already was in force. This resulted in some bitterness. Hejaz, a member of the Iranian Parliament, declared, "Iran alone will continue the war. Those three million Israelis have never had a real resistance in front of them. They are afraid of death and if they truly sense the danger, they will escape to where they have come from." The other apparent friction with Syria, is the future replacement of Iraq's President, mentioned earlier. But on the whole relations are good. Syrians are training the revolutionary "Pasdaran" to pilot MIGs, possible future planes of the Iranian

Air Force. The existing Air Force personnel, though, were decisive elements in bringing Khomeini to power and are not to be trusted by anti-Khomeini leaders. U.S. made planes, F5s, F4s, F14s, are not desired by Iran.

RECENT DEVELOPMENTS IN IRAN

To "Pasdaranize" the armed forces, attentions are now focused on the Navy. Apparently Iranian leaders are aware of their vulnerability from the sea; their lifeline, oil exports, other trade, etc. Because naval forces at sea are free to move, and because of lack of trust in the navy leaders and men, trained in the U.S. and Western Europe, there has resulted a creation of a navy for "Pasdaran." Already a team of Pasdaran has arrived in Italy to discuss the procurement of various naval vessels, equipped with guns and missiles and electronic sensors and systems as the backbone of this new navy. Initial numbers of Pasdaran to undergo training will be 1,000. The idea was suggested by communist Tudeh Party elements within the government.

The Tudeh Party's influence is seen everywhere, especially in aid centers and installations, Ministry of Trade and among workers. In a meeting of the High Defense Committee on June 27, the crackdown on the Tudeh Party was discussed. Although General Zahirnejad, the head of General Staff, was in favor and a list of names was even produced, Hashemi Rafsanjani, the speaker, made a strong stand reasoning that Iran cannot fight with both superpowers at the same time, and thus the plan was shelved. Recently he openly has shown pro-Russian stands and backing of Tudeh Party on various occasions. Military contacts inside believe he has been somehow intimidated. His standing against U.S. has also changed from mild to hard. The Tudeh Party's penetration in Pasdaran is alarming. It has resulted in divisions among Pasdaran. Government seems to be doing nothing. The exception is that they have brought in gendarmery and stationed them close to Pasdaran.

A report of J 2 to Chief of Staff (we passed a copy to U.S. authorities some time ago) indicates that elements of KGB are operating at will. There is only limited control in Teheran and no control in other states and cities.

The recent announcement of Iran/Libya forming the "Joint Islamic Liberation Army" and joint efforts in news agency training, etc., indicates the terrorists are on the move. It is hard to believe that the axis Teheran/Damascus/Tripoli/Aden somehow is not linked to Moscow.

Other important areas in which the Tudeh Party is active are:

- National radio and television. Newspapers -- Ettelaat-Kayham.
- Oil company as mentioned before. Nine out of 34 top managers of the company are active members of Tudeh Party.
- Ministry of Labor and Heavy Industry, headed by an old leftist, Behzad Nabani.

- Pasdaran: The highest Tudeh activity is centered here. Pasdaran are the only forces that under existing circumstances can make a coup. The forces of Pasdaran are rapidly increasing. The Ministry of Pasdaran is being formed. They will replace the existing armed forces in few years time. The Soviets' hand can be seen behind all these changes. The leftists have stressed that Pasdaran should have all three branches: army, navy, and air force. Their army and air force will have Soviet equipment; for example in the months of April/May 1982, six jumbo jets have been active in bringing military equipment from USSR.

Flights	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Depart	4-3	5-4	5-7	5-11	5-14	5-18
Arrive	4-4	5-5	5-8	5-12	5-15	5-19

Sixty advisors have arrived for training of the military personnel on equipment brought in. Pictures have arrived showing Russian advisors teaching Pasdarans. (A few months ago a copy of an agreement between Iran and USSR for provision of military advisors was handed over to U.S. authorities.)

As to the air force, in addition to Syrians, Libyans are also training Pasdaran pilots in MIGs. Sixty have been sent to Libya. Pakistan is training them on F5s for the interim period.

THE NAVY

Reports not yet confirmed indicate that on June 4, 1982 an agreement was signed between the commander Pasdaran force and the Italian naval attache for the procurement of following ships:

- 80 fast boats, 13 meters in length, equipped with 12.77 mm machine guns. To be delivered July 1, 1984.

- 80 fast patrol boats, 20 meters in length. 40 will have 20 mm cannons and 40 others will be equipped with 40 mm. Delivery January 1, 1985.

- 40 fast missile boats, tonnage 125-130, with two Otomat missiles (surface to surface) and one rapid fire gun 76 mm. Delivery January 1986.

- Construction will be carried out by the following shipyards: Societe Ital Cantierri and Chantieas Reunis

- 1,000 in number of Pasdaran will be trained to handle the ships.

- List of requirements under procurement in recent weeks in Europe are in Annex "A." They are intended for the Pasdaran army.

- Pasdaran's importance can be noted from a remark by Khomeini: "I wish I was a Pasdar."

DIVISION AMONG MULLAS

Top ruling mullas are divided in two groups:

1. Khamenei (president)
Moussavi (prime minister)
Mahdavi Kani
Moussavi Ardabili
2. Hashemi Rafsanjani (the speaker)
Islamic Republic Party
Montazeri (Ayatollah)

The first group is stronger but the second group has the backing of fanatic terrorist organizations behind them. This indicates more assassinations in the future.

Among Khomeini's tactical mistakes was the crackdown on Ayatollah Shariatmadavi, which stripped the latter of his title, for alleged cooperation with former foreign minister Ghotbzadeh's coup against Khomeini. The fire has remained under ashes and the fundamentalists in the streets are divided. In recent unrest in the holy city of Mastad, the religious leaders' opposition against Khomeini was clearly seen. In the crackdown against demonstrators, scores of political prisoners were taken out of jails and executed in groups in various sections of the city. Ghotbzadeh's trial was to begin on July 10, 1982, but has been postponed because of the possible invasion of Iraq.

Despite the intimidations of executions, the resistance of the people continues. No Mullah today dares to appear in public. They are moving in bullet proof cars -- ambulances with heavy guards. Last week one of the few top ranking Ayatollahs still alive, named Sadoughi, was assassinated. In another attempt to kill Khomeini's son, his driver and escorts were left dead but he escaped the death trap again. The top government members such as president, prime minister, etc., use glass tables and glass chairs to reveal hidden bombs that can be planted at any moment.

AZERBAIJAN AND KURDISTAN

There is unrest in Azerbaijan and war in Kurdistan. An ammunition and arm depot has been attacked and looted in Tabriz. The tribes to the north of the Kurdish zone in Western Azerbaijan terrified about their fate, have been united in recent months and taken positions in the mountains. As a result a strip of land some 80 x 10 to 20 kilometers along the Turkish border area has been practically freed, allowing ease of movement and the setting up of resistance in border areas. The tribes are asking for arms and financial support. In case they do not get it through Western oriented dissidents, they will look towards leftist Kurdish organizations and such as the "Democrats" and "Kumeleh." This will allow the Kurds to move up and fill the gap, linking the USSR border in Maku and cutting Turkey from Iran.

NEW COUP ATTEMPT

Last week Iran announced the discovery of a new coup attempt. Many officers have been arrested. Among those arrested, a colonel named Azar Dehghan, was alleged to have tried to form a military government.

LIBERATION MOVEMENTS

National Liberation Forces: Consisting mainly of members of ex-armed forces, paramilitary, some tribes. They all look towards the west. Unfortunately most of these activities stem from the corrupt elements of the ex-regime and the clean elements lack support. Main liberation activities are in Turkey, Europe, and U.S.

Council of Resistance: Kurdish Democrat Party (socialist leftists); Kurdish Kumeleh Party (communists); Mujahedeen (Rajavi) and Bani Sadr (ex-president). They are mainly leftists and financially very well supported, the origin not known.

CONCLUSION

The Khomeini regime will not survive. So far they have maintained their grip by initiating events such as the U.S. embassy takeover, war with Iraq, and non-stop executions. For a corrupt, backward and criminal regime there indeed is a limit to survival by sitting on bayonettes and glass chairs and tables. So far the sole beneficiary has been the Soviet Union with the destruction or perversion of three main obstacles: Iran's western-oriented one-half million man army; Iranian nationalism; and religion. The Soviets have paved the way for their historic dream -- a national goal that is stated under Article 4 of the November 1940 secret treaty between Molotov and von Ribbentrop: "The area south of Baku and Batum in the general direction of the Persian Gulf will be the aspiration center of the Soviet Union."

As to Khomeini, biology will help history sooner or later to remove him from the scene. There are no factions or personalities to replace him except the highly organized Tudeh Party and associated groups. In strategic sense Iran today is the combination of Makinder's Heartland and Mahan's area of historic influence. The idea of her turning into a Cuba or Ethiopia with her central location and 40 million population is thinking about unthinkables.

If the revolution survives for another year or two, their destructive nature cannot stagnate but instead will penetrate in every direction to the extent that even Turkey and Pakistan cannot be immune with Russia waiting in the wings. (Turkey is the only Moslem NATO country.)

Iranian mullahs time and again have emphasized that they do not recognize international boundaries and it is their duty to export their brand of revolution to other Islamic nations. This year they are going to send along pilgrims to Mecca -- 30,000 of their trained elements.

In the words of Khomeini, "All Islamic nations must accept the Iranian brand of government under religious rule (velayat-e-faghih). Our army of 20 million has the duty to enforce that." So far, 3 million have completed military training (they claim).

Hashemi Rafsanjan, the speaker, recently said: "Arab nations must deny their aid to the west. They must destroy their pipelines. They can do it easily as they do not need foreign exchange. They have abundant reserves. The United States

will not use force as it will result in destruction of oilfields, creating a major economic catastrophe in U.S. and other western countries."

A glance at the recent issues of Teheran's major papers, Ettelaat and Kayham, which are under control of the leftist elements, reveals their way of thinking. Saudi Arabia is the number one target. They have used the most obscene language against King Fahd and, of course, the United States is bitterly attacked throughout the pages, especially for the killing of 72 top members of the regime on June 28, 1981.

In my earlier writing I mentioned that in contrast to what has been appearing in news media, the Islamic revolution of Iran will not stir up the Moslems of southern Russian states. Thanks to the horror and backwardness of the Iranian revolution, that possibility has died for years to come. People from Baku to Bukhara have seen and read enough on their TV and news media. Soviets, on the other hand, are watching carefully, putting all blame on U.S. In the Iran/Iraq conflict they will shift towards Iran the way they shifted from Somalia to side with Ethiopia a few years ago. This trend was shown in last month's visit of Tariq Aziz, the second man in Iraq, to Moscow in the cool treatment he received. Reports indicate that even Pravda's hint that "Iran's crossing to Iraq will indulge other countries in war" was followed by a nod and wink to Iranians. In short, with the present situation in Iran, time is on the Communists' side and gradually they will emerge as the saviors of the people against the worst tyranny in recorded history. The Afghanistanization of Iran is well underway. Soviets recently have hinted "we want Iran only to be a Finalnd on our southern border."

RECOMMENDED

- Immediate policy decision before it is too late and things get out of our hands as it did in the catastrophe of 1979.
- Action in analyzing the existing situation, enemy capabilities rather than his unorthodox intentions.
- Organize a viable system of resistance with an honest, reputable leadership. Have something effective in hand against all evil leftists inside and outside.
- Update plans of action in every area: political, psychological, economical, and military, for every contingency. Special emphasis should be put on operations from the sea, the regime's soft underbelly.

- Hurry and wait rather than wait and hurry. Act decisively when it is time. It can be done. -

I offer briefings, planning, and execution of operations.

ANNEX A

Equipment either purchased or to be purchased for Pasdaran:

AK47 - RPG7 - various types of Soviet-made mortar 106 rifles

Argentine tanks:

TAM - TANK Argentino mediano

VCTP - Vehichello de combat transporto de persone1

VCTM - Vehichello de combat transporto de mortaro

(An Italian middleman named "Seratore" is in negotiation with Pasdaran to sell the above tanks.)

Communication Equipment: (In Europe)

VRQ 301 50

PRC 77 500

VRC 106 500

GRC 12 500

PRCCP 2000

Fund allocated - \$51 million

Night Vision:

8000 (3000 revolving for machine guns and rifles; 5000 for heavy equipment, hand held, etc.)

Gas Masks:

8000