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**Iran's Use of Terrorism**

**Interagency Intelligence Assessment**

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NI IIA 87-10012C

September 1987

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IRAN'S USE OF TERRORISM

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Information available as of 31 August 1987 was used in the preparation of this Assessment, approved for publication on that date by the Chairman, National Intelligence Council.

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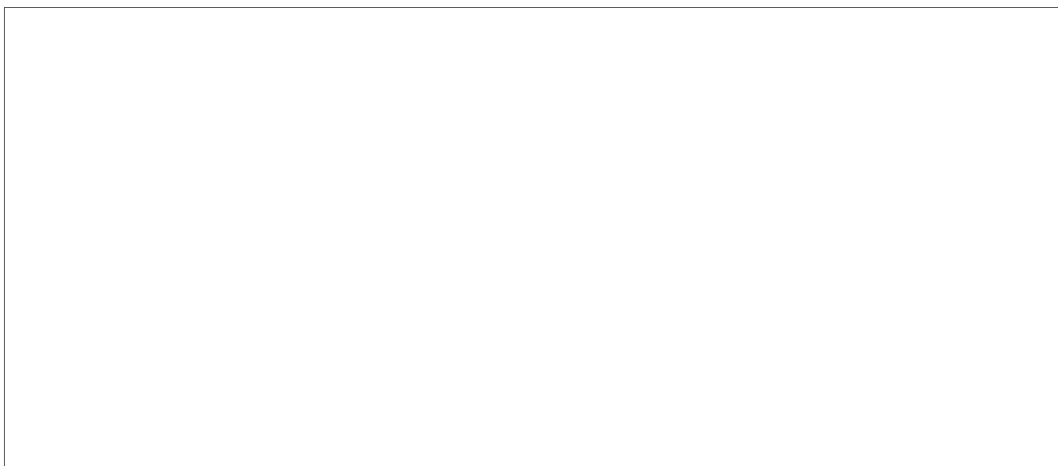
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## KEY JUDGMENTS

Terrorism is an important instrument of Iranian foreign policy, used both to promote national interests and to export the regime's revolutionary ideals. Iranian leaders have used terrorism to try to intimidate the Persian Gulf Arabs into ending their support for Iraq, eliminate US and Western influence from the Middle East, and cow opponents of the Khomeini regime. Tehran has never been made to pay a significant price for the use of terrorist tactics as a political weapon, a factor that reinforces its willingness to use them.

That use in recent years has become more skillful and selective. Tehran has used terrorism less to export the Islamic revolution and more to further specific foreign policy objectives. This has allowed it a more adroit coordination of terrorism with conventional diplomatic and military measures. The Intelligence Community believes there is a general consensus among the leadership that terrorism is an acceptable policy option. While there may be some divergence of opinion as to the propriety and efficacy of a particular act of terrorism, policy decisions regarding its use are probably made on a case-by-case basis. At this juncture the Community believes none of the major actors would be reluctant to use terrorism against the United States or its allies.

CIA agrees that at present none of the major actors would be reluctant to use terrorism against the United States or its allies but believes that factionalism will continue to influence the trends in Iran's terrorist activities as it does all other policies. CIA believes the trend toward a more discriminate use of terrorism in recent years reflected the increased influence of the more pragmatic elements in the leadership, led by Assembly Speaker Rafsanjani, over the more radical elements eager to use terrorism to further Iran's revolutionary aims.

The prospect of Iranian-sponsored terrorism against other Persian Gulf-states and the United States has grown because of the increased US involvement in the Gulf. Tehran, which is convinced that the protection of Kuwaiti shipping threatens its vital interests, believes that US and Gulf-state resolve will crumble in the face of a combination of Iranian terrorist, diplomatic, and military pressure.

Note: This Assessment was prepared under the auspices of the National Intelligence Officer for Counterterrorism at the request of the Bureau of Intelligence and Research, Department of State. It has been coordinated at the working level within the Intelligence Community.

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Tehran probably views terrorism and sabotage as preferable to military attacks for dealing with the United States. The Iranians' perception that the United States was forced out of Lebanon through terrorism has persuaded some in the leadership that terrorism may succeed in breaking US resolve. The Iranian perception of significant Congressional opposition to the US reflagging plan will encourage the Iranian leadership to believe some dramatic terrorist act against the United States might destroy domestic public support and force a US retreat. INR believes, however, that the absence of a serious anti-US terrorist attack at this time may indicate Iran is not willing to carry out its terrorist plans unless the Gulf situation significantly deteriorates. Iran probably has assets among the roughly one-half million Iranians in the United States who could support or conduct terrorist operations. The FBI considers about 2,000 of these to be militants.

Lebanon has been the scene of the most significant Iranian-sponsored terrorist activity against the United States and France. Central to Iran's efforts in Lebanon has been its support for the Hizballah organization. Iranian officials have been implicated in many, although not all, of the terrorist acts carried out by Hizballah. Evidence that the Iranians are acting in close concert with Lebanese terrorists is overwhelming and indicates Iran's culpability.

Several organizations within the Iranian Government are involved in terrorism. Department 210 of the Foreign Ministry serves as a primary operations center for coordination with Iranian intelligence officers abroad, and is often used to instruct intelligence officers about terrorist operations. The Revolutionary Guard, which is the principal agent of Iranian terrorism in Lebanon, uses its own resources, as well as diplomatic and intelligence organizations, to support, sponsor, and conduct terrorist actions.

Iran is likely to continue its terrorist campaign against Kuwait, and Tehran will eventually use terrorism against other Gulf states if the United States and Kuwait do not back down on the reflagging of Kuwaiti tankers. Iranian-sponsored Kuwaiti Shias have conducted seven sabotage attacks on Kuwaiti oil facilities since June 1986. The killing of Iranian pilgrims in Mecca makes it likely that Saudi Arabia also will be subject to Iranian retaliatory attacks.

It has been firmly established that Iran uses Lebanese Shia fundamentalists as terrorist surrogates, particularly for attacks against Western targets in Lebanon. There is growing evidence, moreover, that Iran can call on Hizballah to conduct acts of terrorism outside Lebanon, particularly in Western Europe and West Africa. In Asia, Iran is cultivating contacts with Muslim fundamentalists in Pakistan, Malaysia, the Philippines, and Thailand.

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The growing confrontation between Iran and the West in the Gulf, by increasing Iran's aggressiveness and sense of isolation, is likely to bolster rather than weaken its willingness to use terrorism. INR believes that the absence of a serious anti-US terrorist attack at this time may indicate, however, that Iran is not willing to carry out its terrorist plans as long as it retains other means of pressuring the United States and its allies.

In conclusion:

- In the near term, Iran is likely to interpret any political or military pressure as an attempt by the United States to force Tehran to accept the increased US presence in the Gulf as permanent.
- Over the long term, Iran is likely to be deterred from terrorism only if evidence of its culpability results in strong, unified action by the international community, including the use of sanctions.

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Outlook

33. Iran's leaders almost certainly expect retaliation for any directly attributable terrorist attacks on US interests, but they probably believe that US retribution would help rally domestic support. In addition, they probably calculate that, compared with the massive damage and over 700,000 casualties Iran has suffered in the war with Iraq, the punishment the United States would inflict in retaliation for terrorist attacks would be bearable. Tehran probably also anticipates that US retaliation would significantly increase the Gulf states' fears and eventually intensify domestic divisions in the United States.

34. The killings at Mecca may have increased the prospects for a more aggressive campaign of anti-US terrorism by Iran or Iranian-sponsored groups. Following the killings, Khomeini stated that Iran must avenge itself against the United States and Saudi Arabia, which he holds responsible.

35. The Intelligence Community believes that remarks by Khomeini in recent months have reinforced the shift toward more extremist policies. In May, Khomeini called the United States the most barbaric nation in the world and said that any compromise with it would mean Iran's destruction. This statement can be interpreted as sanctioning anti-US terrorism. His statement will make it difficult for any Iranian leader to counsel restraint, even if he believes caution is the better policy.

36. CIA believes that an Iranian terrorist campaign against the United States and the Gulf states, however limited its original objectives, is likely to evolve into an effort to use terrorism to export the Islamic revolution throughout the Gulf. The rise in hostility would make it difficult for Iran to return to a more balanced carrot-and-stick policy with the Gulf states and the United States. Such a campaign would strengthen Iranian radicals who are eager to revive revolutionary fervor at the expense of normal diplomatic relations with the Arab states. Increased influence of the radicals would undermine those in the regime who have restrained Iran's support for terrorism for fear it might

damage Iran's vital economic interests; the more pragmatic elements might be hard pressed to regain the initiative in foreign policy. As the campaign progressed, the chances would increase that radical pro-Iranian Shia groups would undertake terrorist actions against the Gulf states or the United States without orders from Tehran.

37. The growing confrontation between Iran and the West in the Gulf has increased the difficulty of forcing Tehran to end its support for terrorism. Iran is unlikely to perceive any Western retaliation for acts of terror as designed only to achieve the limited objective of forcing Iran to cease involvement in terrorism. The Iranians are likely to interpret any military or political pressure as part of a broader US objective of forcing Tehran to accept the increased US presence in the Gulf as permanent and to undermine Iran's warmaking potential. Thus, pressure against Iran is more likely than previously to stiffen Iran's determination to use terrorism.

38. Should the United States deem military action against Iran necessary to protect its convoys or to punish Iran for a terrorist incident, a limited or ineffective US strike against Iran would only fuel revolutionary fervor by bolstering Iran's belief that the United States cannot counter the "forces of Islam." A sustained US campaign against Iran that seriously damaged Iran's economy or military capability might ultimately force Iran to rethink its aggressive policies. There is probably a greater likelihood, however, that such action by the United States would intensify the Iranian leaders' belief that Iran must aggressively confront the United States and the Gulf states with means including the use of widespread terrorism.

39. Iran, over the long term, is likely to be deterred from terrorism only if evidence of Iran's culpability results in strong, unified action by the international community, including a willingness to impose sanctions. This could include the breaking of relations, severance of trade relations, or the recall of ambassadors.

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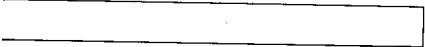
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