



*Hostages*

76

1 August 1988

MEMORANDUM FOR: The Honorable Robert B. Oakley  
Special Assistant to the President  
for National Security Affairs

SUBJECT: Iran and the US Hostages in Lebanon

1. Iran's decision to accept UN Resolution 598 is unlikely to result in a dramatic change in Tehran's position regarding the US hostages in Lebanon. Iran probably will continue to use the hostages as it has in the past--as leverage to bargain for specific quid-pro-quo from foreign capitals. Iran's desire for US backing for the Iranian position during UN negotiations on 598 might increase Tehran's receptivity to the release of one or more of the US hostages, but Tehran would have to be convinced that it would receive some specific benefit. Some Iranian leaders might perceive an advantage in releasing some Western hostages as a goodwill gesture, but they probably would have to overcome opposition from Iranian radicals and from the Lebanese Shia kidnapers.

2. Iran's acceptance of the UN resolution apparently does not necessarily presage an across-the-board moderation of its foreign policies or its hostage policy in particular, although to gain maximum international support for its position it may well temporarily adopt a less aggressive stand toward its traditional enemies.

3. We do not believe that the current circumstances will force Iran to alter its stand on the hostages as they did on

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the war. Some Iranian leaders, nevertheless, probably perceive that Iran could derive some benefits if one or more of the Western hostages were released. These Iranians might believe a hostage release would encourage Western countries to be more favorable toward the Iranian position during UN-sponsored peace negotiations and to pressure Iraq to agree to an immediate cease-fire. These Iranians might argue that the regime hold open the option of securing the release one or more hostage, but they are unlikely to press the issue with their colleagues unless Iran first receives assurances a release would have a specific pay-off at the UN. [REDACTED]

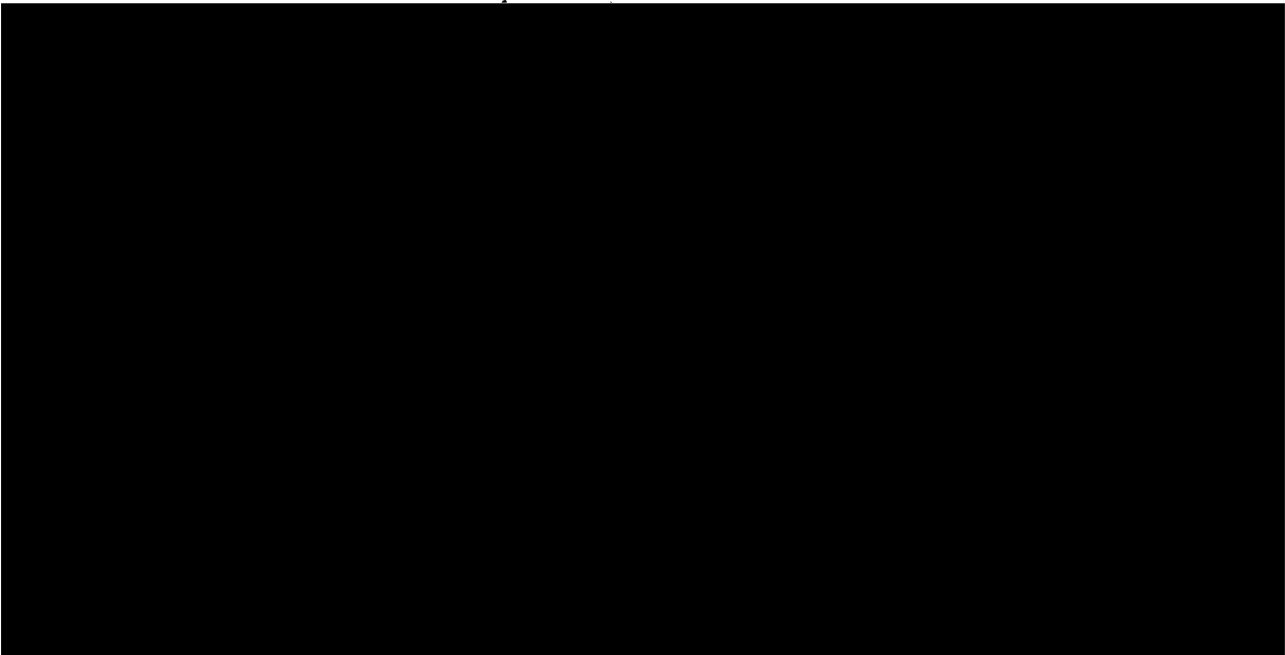
4. Iranian radicals who oppose acceptance of Resolution 598 or rapprochement with the United States probably will continue to take a hardline against release of the Western hostages except in return for significant monetary and/or political compensation. The radicals in particular are likely to oppose unconditional release of US hostages in an attempt to gain US goodwill. Assembly Speaker Rafsanjani and other Iranians who approved acceptance of 598 probably feel they must be more accommodating toward the radicals on issues like the hostages for fear that further arguments might split the government into irreconcilable camps. Nonetheless, there is some chance that Iranian leaders might reach a consensus to secure the release of one or two US hostages in an attempt to draw Washington into dealing for the freedom of the remaining hostages. [REDACTED]

5. We believe that statements this week by Rafsanjani indicate Tehran is not yet prepared to be more forthcoming on securing the hostages' release. Rafsanjani said that Iran would use its influence in Lebanon to help free US hostages if the US releases military equipment bought by the Shah and frozen by Washington after militants seized the US Embassy. This is the same line Tehran has followed for almost two years. [REDACTED]

6. We believe that any decision to release an American hostage would probably be initiated by Iran and that Tehran would outline to Hizballah the terms of any deal. We continue to believe that Iran is unable unilaterally to order the release of Western hostages and must bargain with Hizballah on the terms of any release. [REDACTED]

[REDACTED]

We judge that Hizballah could be convinced to release one or some of its hostages but that it is highly unlikely to release all of them or to free one hostage it may prize most-- LTC Richard Higgins. [REDACTED]



8. Imad Mughniyah, [redacted]



[redacted] was also in Iran late last year during the final dickering between Iran and France over the release of French hostages held in Lebanon. Mughniyah has always linked the fate of his American hostages to release of 17 Shia terrorists in Kuwait, and we have no indication he has altered this demand. [redacted]

9. Mughniyah, however, may be willing to release one or a few US hostages in exchange for ransom money or Iranian promises of assistance in future operations against Kuwait. No hostages have been released for "humanitarian grounds," and we believe Hizballah would expect a hefty payment for its cooperation. [redacted]



Chief, [redacted]  
Office of Near Eastern and South Asian Analysis

