

Message Text

CONFIDENTIAL

PAGE 01 STATE 025573
ORIGIN TRSE-00

INFO OCT-01 NEA-06 ISO-00 EB-08 COME-00 FRB-03 OMB-01
SAA-01 SS-15 SP-02 SSO-00 NSCE-00 CIAE-00 INR-10
NSAE-00 INRE-00 PA-01 ICAE-00 /048 R

DRAFTED BY TREAS/IDN:BBANQUE:BDF
APPROVED BY NEA/IRN:HPRECHT
TREAS/ID:ANACHMANOFF
TREAS/IM:LWIDMAN
EB/OMA:JLEFGREN
NEA/IRN:MJOHNSON
S/S-O:LFLEICHER

-----120475 310305Z /15

O 310128Z JAN 79
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN IMMEDIATE

C O N F I D E N T I A L STATE 025573

E.O. 12065 GDS 1/30/85 (JOHNSON, MARK)

TAGS: EFIN, IR

SUBJECT: TREASURY AND FEDERAL RESERVE POLICY ON IRANIAN
ACCOUNTS

REF: TEHRAN 1521

1. THE FEDERAL RESERVE HAS NO AUTHORITY TO INITIATE BLOCK-
AGE OF ANY COMMERCIAL BANKING OR FEDERAL RESERVE ACCOUNTS.
ONLY IF THE PRESIDENT DECLARED A NATIONAL EMERGENCY RELATING
TO IRAN COULD THE TREASURY SECRETARY BLOCK IRANIAN ACCOUNTS,
AND THERE IS NO RPT NO PLAN TO ISSUE SUCH A DECLARATION.

2. THERE MAY BE SOME CONFUSION BECAUSE THE FEDERAL RESERVE
BANK EXAMINERS INITIATED AN INFORMAL SURVEY ON JANUARY 26
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 025573

AMONG SOME MEMBER BANKS TO DETERMINE LEVELS OF EXPOSURE IN
IRAN IN ORDER TO EVALUATE IMPACT ON INDIVIDUAL BANKS OF
POSSIBLE DELAYS IN PAYMENT. NEW YORK FED IS INFORMING
BANKS INCLUDED IN SURVEY THAT THE QUESTIONS ARE NOT POSED
WITH THE THOUGHT OF LATER BLOCKING ACCOUNTS BUT SIMPLY TO
ASCERTAIN THE NATURE OF EXPOSURE IN THE EVENT OF LONG DELAYS
IN PAYMENTS.

3. ANOTHER POSSIBLE SOURCE OF CONFUSION MAY RESULT FROM ATTEMPTED ATTACHMENT BY A PRIVATE PARTY OF AN ACCOUNT WITH CHASE WHICH IS HELD IN NAME OF "IRANIANS' BANK" RPT "IRANIANS' BANK." AS THE EMBASSY IS AWARE, THE USG HAS NO CONTROL OVER SUCH ACTIONS BY PRIVATE PARTIES.

4. NY FED PRESIDENT VOLCKER HAS CALLED FINANCE MINISTER PIRASTEH TO CONVEY THE ABOVE. HE ADDED THAT IT IS IMPORTANT FOR THE IRANIANS TO MAINTAIN CLEAR AUTHORITY FOR ACTIONS BY THE CENTRAL BANK IN ORDER TO FACILITATE TRANSACTIONS AND MAINTAIN CONFIDENCE THAT THE IRANIAN FINANCIAL SYSTEM REMAINS OPEN.

5. EMBASSY SHOULD REPEAT THE ABOVE TO MINISTER PIRASTEH AT THE EARLIEST OPPORTUNITY.

6. NEITHER WASHINGTON AGENCIES NOR THE FED ARE PLANNING A PRESS RELEASE BECAUSE IT WOULD PROBABLY STIR ADDITIONAL CONCERN HERE. A Q AND A HAS BEEN PREPARED AND WILL BE CABLED SEPTEL. VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, ACCOUNTS, FOREIGN EXCHANGE HOLDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 jan 1979
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1979STATE025573
Document Source: CORE
Document Unique ID: 00
Drafter: BBANQUE:BDF
Enclosure: n/a
Executive Order: GS 19850131 JOHNSON, MARK
Errors: N/A
Expiration:
Film Number: D790046-0344
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1979/newtext/t1979015/aaaaadmo.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 58e2e2ea-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 79 TEHRAN 1521
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01 feb 2006
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3905245
Secure: OPEN
Status: NATIVE
Subject: TREASURY AND FEDERAL RESERVE POLICY ON IRANIAN ACCOUNTS
TAGS: EFIN, IR, TRSY, FRB
To: TEHRAN
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/58e2e2ea-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014