

## Message Text

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ORIGIN NEA-06

INFO OCT-01 ISO-00 EB-03 CU-03 SCI-03 SS-14 RSC-01 SP-02

SAM-01 INR-09 PM-03 /046 R

DRAFTED BY NEA/IRN:BBMORTON:ML

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THE DEPUTY SECRETARY

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R 062241Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

C O N F I D E N T I A L STATE 220253

STADIS////////////////////////////////////

E.O. 11652: GDS

TAGS: PFOR, IR

SUBJECT: US-IRAN COOPERATION

REFS: A) TEHRAN 7293; B) TEHRAN 8171

1. WE HAVE OVER THE PAST WEEKS BEEN PURSUING OUR PREPARATION AND PLANNING FOR THE JOINT COMMISSION ON COOPERATION WITH IRAN. WE HAVE REACHED CERTAIN CONCLUSIONS WHICH WE WISH TO SHARE WITH YOU AND SOLICIT YOUR VIEWS.

2. ORGANIZATION: THE DIFFERENCES IN IRAN'S LEVEL OF DEVELOPMENT AND CAPABILITIES FROM MOST OF THE OTHER COUNTRIES WITH WHICH WE HAVE SET UP JOINT COMMISSIONS

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REQUIRE A DIFFERENT AND MORE FLEXIBLE APPROACH AND ORGAN-

IZATION FOR THE COMMISSION WITH IRAN. WE BELIEVE THAT THIS WILL ACCORD WITH THE SHAH'S VIEW (TEHRAN 2958, PARA 9) THAT MOST ACTIVITIES DEVELOPED UNDER THE COMMISSION CAN BE HANDLED IN NORMAL BILATERAL CHANNELS. WE VISUALIZE THE ROLE OF THE COMMISSION AS PRIMARILY CATALYTIC, FOSTERING EVEN CLOSER TIES WITH AMERICAN GOVERNMENTAL, BUSINESS, CULTURAL, SCIENTIFIC AND EDUCATIONAL INSTITUTIONS. THE LEVEL OF IRAN'S ECONOMIC DEVELOPMENT AND ITS RECOGNIZED ABILITY TO PLAN ITS OWN DEVELOPMENT COURSE MEAN THAT, UNLIKE THE CASE OF SAUDI ARABIA, WE NEED NOT LOOK UPON THE COMMISSION AS A VEHICLE FOR INVOLVING THE USG DIRECTLY AND ON A WIDE SCALE IN THE COUNTRY'S ECONOMIC DEVELOPMENT. IN

FACT, WE WISH TO AVOID GIVING THE IMPRESSION THAT THAT IS ITS PURPOSE. THE COMMISSION WOULD, HOWEVER, PROVIDE A FORUM FOR DIALOGUES ON HOW OUR TWO COUNTRIES CAN MORE EFFECTIVELY ACCELERATE AND EXPAND AMERICAN CONTRIBUTIONS TO DEVELOPMENT EFFORTS AND REMOVE OBSTACLES. ALSO, UNDER THE COMMISSION UMBRELLA, THERE MIGHT EMERGE A GREATER FLOW OF USG TECHNICIANS AND ADVISORY TEAMS, BUT THIS WOULD DEPEND ON IRANIAN DESIRES.

3. LEADERSHIP: THE SECRETARY OF STATE WILL, OF COURSE, BE THE U.S. CO-CHAIRMAN. WE HAVE BEEN CONSIDERING WHO SHOULD BE OUR DEPUTY CHAIRMAN TO PROVIDE DAY-TO-DAY SUBSTANTIVE LEADERSHIP. WE HAVE DECIDED TO DEFER A DECISION ON THIS UNTIL WE HAVE A CLEARER PICTURE OF IRANIAN PRIORITIES AND NEEDS. IN SOME CIRCUMSTANCES IT MIGHT BE DESIRABLE TO HAVE THE SECRETARY OF COMMERCE AS DEPUTY CHAIRMAN, IN OTHERS THE SECRETARY OF HEW. IN ANY EVENT, WE WOULD EXPECT THE CHAIRMAN OF THE AEC OR ITS SUCCESSOR AGENCY TO BE EX OFFICIO A MEMBER OF THE COMMISSION.

4. PROGRAM FOCUS: WE HAVE IDENTIFIED THE FOLLOWING AREAS ON WHICH TO FOCUS. THE APPROACH ON EACH MUST BE TAILORED TO MEET IRANIAN NEEDS AND US CAPABILITIES.

A. TRADE AND INDUSTRIAL DEVELOPMENT: FOR THE TIME BEING WE SEE NO NEED FOR A FORMAL BILATERAL MECHANISM IN THIS FIELD. CONTACTS BETWEEN IRANIAN AND AMERICAN BUSINESS  
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ARE PROCEEDING WELL, FACILITATED BY ONGOING STATE/COMMERCE ACTIVITIES. IF NEED APPEARS TO INCREASE USG LEADERSHIP IN THIS AREA OR TO MOVE TO BUSINESS COUNCIL OR SIMILAR ARRANGEMENTS, WE WILL BE PREPARED TO MOVE AHEAD QUICKLY. SEVERAL LARGE US FIRMS ARE ATTEMPTING TO BREATHE LIFE INTO EXISTING BUT FLACCID IRANIAN-AMERICAN CHAMBER OF COMMERCE (NOW HEADQUARTERED IN WHITE PLAINS, N.Y.). WE ARE ENCOURAGING THIS EFFORT.

B. MILITARY/SECURITY: WE CAN MEET SHAH'S INTEREST IN REGULAR MEETINGS BETWEEN FOREIGN POLICY AND MILITARY LEADERS. YOU ARE AWARE FROM OTHER MESSAGES OF STATE OF PLAY ON CO-PRODUCTION, WHICH WILL BE A MAJOR (AND CONTROVERSIAL) NEW ELEMENT IN OUR COOPERATION THAT WILL PROBABLY REQUIRE A JOINT WORKING GROUP TO SUPERVISE IT. WE ARE ALSO INVESTIGATING OUR ABILITY TO ASSIST IRAN IN DEVELOPING AN ORGANIZATION FOR EMERGENCY PREPAREDNESS.

C. ATOMIC ENERGY: THIS WILL BE ANOTHER VERY LARGE NEW ELEMENT IN OUR COOPERATION. WE WILL BE PREPARED TO SIGN AN AGREEMENT ON COOPERATION AS SOON AS WE HAVE REACHED A DECISION ON THE LEVEL OF SAFEGUARDS TO BE INCLUDED. WE

HAVE HIGH HOPES FOR IRANIAN PARTICIPATION IN A PRIVATE ENRICHMENT FACILITY. A JOINT WORKING GROUP WILL MONITOR THESE AND THE BROAD RANGE OF OTHER COOPERATIVE ACTIVITY IN THE NUCLEAR FIELD ALREADY DISCUSSED WITH IRAN.

D. SCIENCE AND TECHNOLOGY: PAST EXPERIENCE SUGGESTS SCIENCE AS SUCH IS NOT A FRUITFUL FIELD FOR COOPERATION. WE EXPECT TO SET UP A JOINT WORKING GROUP TO DETERMINE HOW WE CAN STIMULATE IRAN'S SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT AND IMPROVE THE TECHNOLOGY TRANSFER PROCESS. TO AN EXTENT THIS WILL OVERLAP WITH THE MILITARY CO-PRODUCTION AREA, BUT WE EXPECT THIS WORKING GROUP TO PLAY PRIMARILY A FACILITATIVE AND IDENTIFICATION ROLE DIRECTING IRANIAN NEEDS AND INTERESTS TOWARD GOVERNMENT INSTITUTIONS, U.S. UNIVERSITIES, FOUNDATIONS AND PRIVATE ENTERPRISE IN ORDER TO MATCH NEEDS AND RESOURCES. UNDER THIS HEADING WILL ALSO FALL OUR EFFORTS TO ASSIST IN IMPROVING IRANIAN COMMUNICATIONS THROUGH SATELLITES AND CONFIDENTIAL

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OTHER MEANS, ALTHOUGH ACTUAL IMPLEMENTATION MAY FALL ORGANIZATIONALLY UNDER THE MILITARY RUBRIC (I.E. PEACE SCEPTER).

E. EDUCATIONAL AND CULTURAL EXCHANGE/SOCIAL SERVICES: THIS IS AN AREA IN WHICH WE ARE AWARE IRAN HAS MAJOR NEEDS, WITH THE SHORTAGE OF TRAINED MANPOWER IN TECHNICAL AND MANAGERIAL FIELDS THE MAIN CONSTRAINT ON IRANIAN ECONOMIC DEVELOPMENT AND THE DELIVERY OF SOCIAL WELFARE SERVICES A WEAK SPOT IN THE DEVELOPMENT EFFORT. A JOINT WORKING GROUP WILL DEVELOP A SHARPER FOCUS ON IRANIAN NEEDS, PRIORITIES AND ABILITIES TO ABSORB OUR ADVICE AND ASSISTANCE, GIVEN THE CULTURAL AND ORGANIZATIONAL DIFFERENCES BETWEEN OUR SOCIETIES, AND OUR ABILITY TO PROVIDE THE REQUIRED EXPERTISE. WE WILL ASSIGN THIS

FIELD A MAJOR PRIORITY. IN THE VOCATIONAL/MANAGERIAL TRAINING FIELD WE WILL SEEK TO SUPPLEMENT THE WORK OF AMERICAN FIRMS TRAINING EMPLOYEES FOR JOINT VENTURES IN IRAN.

F. AGRICULTURE: THIS IS ANOTHER AREA TO WHICH IRAN ATTACHES HIGH PRIORITY BUT IN WHICH WE NEED MORE SPECIFIC INFORMATION ON FIELDS IN WHICH ASSISTANCE IS NEEDED. A JOINT WORKING GROUP WILL BE FORMED ON THIS TOPIC TO FACILITATE THE INVOLVEMENT OF USG AND PRIVATE INSTITUTIONS.

5. CONTACTS WITH GOI: WE HAVE NOTED ABOVE THE GAPS IN OUR INFORMATION ON SPECIFIC IRANIAN NEEDS AND INTERESTS. OUR DIALOGUE ON COOPERATION HAS SO FAR BEEN ALMOST ENTIRELY WITH THE SHAH, WHICH HAS PROVIDED THE NEEDED

POLICY APPROVAL BUT NOT THE DETAILED FEEDBACK NEEDED TO FACILITATE OUR PLANNING. WE BELIEVE IT IS NOW TIME TO START DISCUSSIONS WITH IRANIAN OFFICIALS CONCERNED WITH PROGRAMS THAT WILL COME UNDER COMMISSION. EMBASSY IS REQUESTED TO OBTAIN WHATEVER PERMISSION FROM SHAH IS REQUIRED AND PROCEED WITH DISCUSSIONS. IN THIS WAY WE WOULD HOPE TO HAVE COMMISSION PROGRAM WELL FLESHED OUT BY TIME OF ANNOUNCEMENT. AS YOU NOTED IN REF B, WE HOPE TO DISCUSS PROGRAM WITH ANSARY NEXT WEEK, BUT WE ARE NOT CONFIDENTIAL

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CERTAIN HOW WELL BRIEFED HE IS.

6. WE ARE PREPARED TO MEET IRANIAN PREFERENCES IN THE ORGANIZATION OF COMMISSION WORK, WHICH ON THE BASIS OF PAST EXPERIENCE SEEMS LIKELY TO BE AN AD HOC AGENCY-TO-AGENCY BASIS FACILITATED BY EMBASSY AND DEPARTMENT. SUCH AGENCIES AS FAA, FHWA, NASA, USDA, FCC, AND GSA ALREADY HAVE PROGRAMS IN OPERATION OR UNDER NEGOTIATION ON THAT BASIS. SHOULD GOI PREFER TO UNDERTAKE MORE COORDINATED APPROACH, WE ARE PREPARED TO NEGOTIATE BLANKET REIMBURSABLE TECHNICAL SERVICES AGREEMENT THAT WOULD DEAL WITH PERSONNEL AND FISCAL ARRANGEMENTS FOR PROGRAMS UNDER COMMISSION AEGIS. OUR FINAL DECISION ON U.S. MEMBERSHIP OF COMMISSION WILL DEPEND IN PART ON IRANIAN RESPONSES BUT AS OF NOW WE EXPECT TO HAVE REPRESENTATIVES OF AEC, COMMERCE, DOD, HEW, TREASURY AND AGRICULTURE, AS WELL AS STATE, WITH AD HOC MEMBERSHIP AS REQUIRED. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURE, INTERGOVERNMENTAL COOPERATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 OCT 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CollinP0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE220253  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** BBMORTON:ML  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740283-0453  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741068/aaaacghl.tel  
**Line Count:** 218  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** A) TEHRAN 7293; B) TEHRAN 8171  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CollinP0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 AUG 2002 by izenbei0>; APPROVED <12 MAR 2003 by CollinP0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US-IRAN COOPERATION  
**TAGS:** PFOR, IR  
**To:** TEHRAN  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005