

93 MOSCOW 1036

CONFIDENTIAL
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PAGE 01 MOSCOW 01036 01 OF 03 141508Z
 ACTION H-06
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 FM AMEMBASSY MOSCOW
 TO SECSTATE WASHDC 1420
 CONFIDENTIAL SECTION 01 OF 03 MOSCOW 001036
 DEPARTMENT PLEASE PASS TO CONGRESSMAN LEE HAMILTON
 S.O. 12356: DECL: OADR
 TAGS: OREP, RS
 SUBJECT: RUSSIAN SUPREME SOVIET MATERIALS ON THE
 "OCTOBER SURPRISE"

REF: 92 MOSCOW 32524

1. ON JANUARY 11, SUPREME SOVIET COMMITTEE ON
 DEFENSE AND SECURITY SECRETARY N. KUZNETSOV PASSED TO
 POLDOFF A LETTER AND TEXT FOR CONGRESSMAN LEE
 HAMILTON. THE TEXT CONCERNS THE SO-CALLED "OCTOBER
 SURPRISE." THE LETTER RESPONDS TO CHAIRMAN
 HAMILTON'S LETTER OF OCTOBER 21, 1992 TO COMMITTEE
 CHAIRMAN STEPASHIN (REFTEL). ASKED ABOUT THE SOURCE
 OF THE MATERIAL, WHICH AS FAR AS WE CAN TELL SEEMS TO
 BE BASED LARGELY ON MATERIAL THAT HAS PREVIOUSLY
 APPEARED IN THE WESTERN MEDIA, KUZNETSOV SAID ONLY
 THAT IT HAD BEEN PREPARED BY THE COMMITTEE.

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PAGE 02 MOSCOW 01036 01 OF 03 141508Z
 DOCUMENTS AND SOURCES USED BY THE COMMITTEE HAVE
 NEITHER BEEN IDENTIFIED NOR PROVIDED. (ORIGINAL
 BEING SENT VIA POUCH TO EUR/ISCA FOR CONGRESSMAN
 HAMILTON.)

2. FOLLOWING IS THE EMBASSY'S UNOFFICIAL TRANSLATION
 OF THE LETTER FROM KUZNETSOV TO HAMILTON, AND OF THE
 TEXT WHICH WAS ATTACHED.

3. BEGIN TEXT OF LETTER:

01.11.92 NO. 7.19

CHAIRMAN OF THE WORKING GROUP
 OF THE HOUSE FOREIGN RELATIONS
 COMMITTEE OF THE U.S. CONGRESS
 LEE G. HAMILTON

DEAR MR. LEE G. HAMILTON:

WITH EXCUSES FOR THE LENGTHY PREPARATION OF THE
 RESPONSE TO YOUR APPEAL, I AM SENDING YOU THE
 MATERIAL IN OUR POSSESSION WHICH, AS WE HOPE, MAY
 HELP YOU IN YOUR WORK.

ATTACHMENT: FIVE PAGES
 SECRETARY OF THE COMMITTEE,
 PEOPLE'S DEPUTY OF THE RF

CONFIDENTIAL

PAGE 1

MOSCOW 1036

CONFIDENTIAL

N. KUZNETSOV
END TEXT OF THE LETTER.

CONFIDENTIAL
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PAGE 03 MOSCOW 01036 01 OF 03 141508Z

3. BEGIN TEXT OF THE ATTACHMENT:
ON THE SUPPLY OF AMERICAN ARMS TO IRAN
ACCORDING TO AVAILABLE INFORMATION, THE CHAIRMAN OF
THE R. REAGAN ELECTION CAMPAIGN, WILLIAM CASEY, IN
1980 MET THREE TIMES WITH REPRESENTATIVES OF THE
IRANIAN LEADERSHIP, IN PARTICULAR WITH THE ARMS
DEALERS DJAMSHED AND KUROSH HASHEMI. THE MEETINGS
TOOK PLACE IN MADRID AND PARIS. AT THE MEETING IN
PARIS IN OCTOBER 1980, IN ADDITION TO CASEY, R.
GATES, AT THAT TIME A STAFFER OF THE NATIONAL
SECURITY COUNCIL IN THE ADMINISTRATION OF JIMMY
CARTER AND FORMER CIA DIRECTOR GEORGE BUSH ALSO TOOK
PART.

IN MADRID AND PARIS THE REPRESENTATIVES OF RONALD
REAGAN AND THE IRANIAN LEADERSHIP DISCUSSED THE
QUESTION OF POSSIBLY DELAYING THE RELEASE OF 52
HOSTAGES FROM THE STAFF OF THE U.S. EMBASSY IN
TEHERAN, TAKEN HOSTAGE BY IRANIAN "STUDENTS" AND
MEMBERS OF THE "CORPS OF DEFENSE OF THE ISLAMIC
REVOLUTION" ON 4 NOVEMBER 1979 UNTIL AFTER THE
ELECTIONS THAT TOOK PLACE IN NOVEMBER 1980. IN
EXCHANGE FOR THIS THE AMERICAN REPRESENTATIVES
PROMISED TO SUPPLY ARMS TO IRAN. THIS WAS ASSERTED,
IN PARTICULAR, BY A FORMER ISRAELI INTELLIGENCE
AGENT, ARI BEN-MENASH, A JEW BORN IN IRAN AND
ARRESTED IN 1989 IN THE U.S. FOR SUPPLYING ARMS TO
IRAN (ARRESTED IN CALIFORNIA ON CHARGES OF EXPORTING

CONFIDENTIAL
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PAGE 04 MOSCOW 01036 01 OF 03 141508Z

CONTRABAND C-130 AIRCRAFT FROM THE U.S. TO IRAN AND
WHO WAS IN PRISON FOR 11 MONTHS AND THEN FREED).
ACCORDING TO HIS CALCULATION, THE TOTAL VALUE OF THE
ARMS ILLEGALLY DELIVERED TO IRAN REACHED 82 BILLION
DOLLARS.

DATA ON ATTEMPTS BY THE R. REAGAN TEAM TO TEMPORARILY
BLOCK THE RELEASE OF AMERICAN HOSTAGES IN TEHERAN ARE
ALSO CONTAINED IN OFFICIAL STATEMENTS OF SEVERAL
IRANIAN FIGURES, INCLUDING MINISTER OF FOREIGN
AFFAIRS GOTB-ZADE IN SEPTEMBER 1980.

AS TERMS FOR THE RELEASE OF THE HOSTAGES IRAN AT THAT
TIME PROPOSED THE UNBLOCKING OF IRANIAN ACCOUNTS IN
THE USA, THE RETURN OF THE FUNDS OF THE SHAH AND HIS
FAMILY, THE LIFTING OF THE ECONOMIC BLOCKADE OF IRAN
AND THE END OF THE EMBARGO ON SUPPLIES TO IRAN OF

CONFIDENTIAL

CONFIDENTIAL

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PAGE 2

J MOSCOW 1036

CONFIDENTIAL
CONFIDENTIAL

PAGE 01 MOSCOW 01036 02 OF 03 141509Z
 ACTION H-06
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C O N F I D E N T I A L SECTION 02 OF 03 MOSCOW 001036

DEPARTMENT PLEASE PASS TO CONGRESSMAN LEE HAMILTON

E.O. 12356: DECL: OADR

TAGS: OREP, RS

SUBJECT: RUSSIAN SUPREME SOVIET MATERIALS ON THE
"OCTOBER SURPRISE"

SPARE PARTS FOR PREVIOUSLY PURCHASED AMERICAN ARMS.
 ON THE OTHER HAND, THERE HAS ALSO APPEARED EVIDENCE
 THAT IN 1980 THERE ALSO TOOK PLACE NEGOTIATIONS
 BETWEEN REPRESENTATIVES OF THE CARTER ADMINISTRATION
 AND THE IRANIAN LEADERSHIP, IN THE COURSE OF WHICH
 THE

QUESTION OF SECRET SUPPLIES TO IRAN OF AMERICAN
 ARMS AND SPARE PARTS, THE RELEASE OF THE AMERICAN
 HOSTAGES AND THE UNBLOCKING OF IRANIAN ACCOUNTS WAS
 DISCUSSED. THUS, IN JULY 1980 IN THE CITY OF ATHENS
 A DELEGATION OF THE ISLAMIC REPUBLIC OF IRAN (IRI)
 INCLUDING DEPUTY DEFENSE MINISTER FARIVARA, GENERAL

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 01036 02 OF 03 141509Z
 FAROH-ZADE, COLONEL VEISI FOREIGN MINISTER
 REPRESENTATIVE ETMINANA MET WITH REPRESENTATIVES OF
 THE PENTAGON. AN AGREEMENT IN PRINCIPLE WAS REACHED
 ON THE SUPPLY OF ARMS AND SPARE PARTS FOR AMERICAN
 WEAPONS IN IRAN'S POSSESSION.
 IN JULY 1980 IN ATHENS REPRESENTATIVES OF WASHINGTON
 AND TEHRAN DISCUSSED A POSSIBLE STEP-BY-STEP
 NORMALIZATION OF IRANIAN-AMERICAN RELATIONS, THE
 PROVISION OF SUPPORT FOR PRESIDENT CARTER IN THE
 ELECTION CAMPAIGN VIA THE RELEASE OF AMERICAN
 HOSTAGES.

IN ACCORD WITH THE ATHENS AGREEMENT, IN OCTOBER 1980
 A SIGNIFICANT QUANTITY OF SPARE PARTS FOR F-4 AND F-5
 AIRCRAFT AND ALSO M-60 TANKS WERE SENT TO IRAN VIA
 TURKEY.

THE DEMOCRATS, LIKE THE REPUBLICANS, STARTED FROM THE
 PROPOSITION THAT IMAM HOMEINI, HAVING ANNOUNCED A
 POLICY OF "NEITHER THE WEST NOR THE EAST," AND
 CURSING THE "AMERICAN DEVIL," IMPERIALISM AND
 ZIONISM, WAS FORCED TO ACQUIRE AMERICAN WEAPONS,
 SPARES AND MILITARY SUPPLIES BY ANY AND ALL POSSIBLE
 MEANS.

CONFIDENTIAL /

PAGE 4

MOSCOW 1036

CONFIDENTIAL

MILITARY EXPERTS NOTED THAT, IMMEDIATELY AFTER THE ISLAMIC REVOLUTION IN IRAN, THE GOVERNMENT WAS FACED WITH A SHARP DEFICIT OF ARMS, SPARES, AND MILITARY SUPPLIES WITH WHICH TO PUT DOWN THE UPRISING OF IRANIAN KUDDS AND CARRY OUT THE WAR WITH IRAQ THAT

CONFIDENTIAL

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PAGE 03 MOSCOW 01036 02 OF 03 141509Z
BEGAN IN SEPTEMBER 1980. THE IRANIAN ARMY IN THIS PERIOD WAS BASED ON WESTERN, MOSTLY AMERICAN AND BRITISH, ARMS, AND THE AIR FORCE WAS TOTALLY EQUIPPED WITH U.S. PLANES.

THE NEED FOR IMMEDIATE SUPPLIES OF ARMS AND MILITARY EQUIPMENT WAS ALSO EXPLAINED BY THE FACT THAT AFTER THE REVOLUTION IN IRAN LARGE ORDERS FOR WEAPONS DELIVERIES TO IRAN OF A TOTAL VALUE OF ABOUT 10.6 BILLION DOLLARS WERE ANNULLED.

IN ACCORD WITH THE EVALUATION OF SOURCES IN MILITARY CIRCLES, SUPPLIES OF SPARE PARTS AND MILITARY SUPPLIES FROM THE U.S. THROUGH ISRAEL WHICH BEGAN IN 1980 ALLOWED THE IRANIAN AIR FORCE TO CARRY OUT COMBAT ACTIVITIES.

AFTER THE VICTORY OF R. REAGAN IN THE ELECTION, IN EARLY 1981 A SECRET AGREEMENT WAS REACHED IN LONDON IN ACCORD WITH WHICH IRAN RELEASED THE AMERICAN HOSTAGES, AND THE U.S. CONTINUED TO SUPPLY ARMS, SPARES AND MILITARY SUPPLIES FOR THE IRANIAN ARMY. THE ORGANIZATION OF THE DELIVERIES WAS UNDERTAKEN BY COLONEL OF THE GENERAL STAFF OF THE IRI DOMKAN, AND "MOSSAD" COLONEL YAKUB MARVIDI. THE LATTER PLAYED HIS PART AS THE OWNER OF A PRIVATE FIRM BUYING ARMS OF AMERICAN PRODUCTION ON THE BLACK MARKET.

IN MARCH-APRIL 1981, PLANES CARRIED FROM ISRAEL TO IRAN SPARES FOR THE F-14 FIGHTER AND OTHER MILITARY EQUIPMENT. THROUGH THE ISRAELI CONDUIT, IRAN IN 1983

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MOSCOW 01036 02 OF 03 141509Z
BOUGHT SURFACE-TO-SURFACE MISSILES OF THE "LANCE" CLASS PLUS ARTILLERY OF A TOTAL VALUE OF 135 MILLION DOLLARS.

IN JULY 1983 A GROUP OF SPECIALISTS FROM THE FIRM "LOCKHEED" WENT TO IRAN ON ENGLISH PASSPORTS TO REPAIR THE NAVIGATION SYSTEMS AND OTHER ELECTRONIC COMPONENTS ON AMERICAN-PRODUCED PLANES.

IN 1985, SUPPLIES OF ARMS FROM THE U.S. TO IRAN VIA ISRAEL TOOK ON A LARGE-SCALE CHARACTER. THE ARMS WERE SENT BY PLANES AND SHIPS. 200 "HAWK" ANTI-AIRCRAFT MISSILE SYSTEMS AND 2,000 "TOW" ANTI-TANK MISSILES WERE SOLD TO IRAN. ACCORDING TO SUBSEQUENT INFORMATION, THE TOW AND HAWK MISSILES

CONFIDENTIAL

/

✓ MOSCOW 1036

CONFIDENTIAL

ALLOWED THE IRANIAN ARMY TO OPPOSE THE NUMERICALLY
SUPERIOR TANK UNITS AND AIR FORCE OF IRAQ.

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