SUBJECT: NARCOTICS

REFS: (A) STATE 79918
     (B) STATE 76744
     (C) TEHRAN 26851

1. REF (A) ASKED FOR OUR COMMENTS ON:
   (A) WHETHER PRESIDENT SHOULD DISCUSS NARCOTICS PROBLEM 
      PRIVATELY WITH SHAH AND RAISE QUESTION OF REGIONAL COOPERATION 
      INCLUDING POSSIBLE "OPium FREE ZONE" AND
   (B) WHAT, IF ANYTHING, SHOULD BE SAID PUBLICLY AND HOW 
      TO USE.

2. REGARDING SECOND POINT OF PUBLIC REFERENCE TO NARCOTICS 
   BY PRESIDENT, AS PRESIDENT'S SCHEDULE IN TEHRAN IS NOW 
   DEVELOPING THERE WILL BE ONLY TWO OCCASIONS WHEN PRESIDENT 
   WILL BE MAKING STATEMENT THAT COULD BECOME PUBLIC. FIRST 
   IS IN RESPONSE TO SHAH'S TOAST AT STATE DINNER MAY 30 AND 
   SECOND AT TOAST BY PRESIDENT TO SHAH AT LUNCHEON MAY 31. 
   NEITHER OF THESE OCCASIONS SEEMS TO US APPROPRIATE FOR 
   MENTION OF NARCOTICS PROBLEM. ONLY OTHER POSSIBILITY 
   IS FOR REFERENCE TO NARCOTICS PROBLEM IN ANY COMMUNIQUE THAT 
   MAY BE ISSUED. PENDING INSTRUCTIONS FROM WASHINGTON ON 
   PLANS FOR COMMUNIQUE TO GOI, WE HAVE NOT RAISED MATTER WITH

3. NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY
IRANIANS, HOWEVER, WE SURMISE GOI WOULD WELCOME COMMUNIQUE AS FURTHER TANGIBLE EVIDENCE OF BENEFITS OF PRESIDENT'S VISIT HERE AND ALSO BECAUSE COMMUNIQUE IS CUSTOMARY ON OCCASION OF CHIEF OF STATE VISIT. ACCORDINGLY, WE RECOMMEND THERE BE COMMUNIQUE AND, IF THIS IS ACCEPTABLE, APPROPRIATE REFERENCE TO NARCOTICS PROBLEM BE INCLUDED IN DRAFT TEXT WE PUT TO GOI. IF COMMUNIQUE DOES NOT EMERGE FROM PRESIDENTIAL VISIT, WE DO NOT SEE ANY OTHER SUITABLE PUBLIC FORUM TO DEAL WITH THIS SUBJECT.

3. REQUEST DEPARTMENT'S VIEWS ON COMMUNIQUE AND, IF THESE ARE AFFIRMATIVE, DRAFT OF TEXT INCLUDING LANGUAGE ON NARCOTICS PROBLEM WHICH WE SHOULD RECOMMEND TO GOI.

4. AS FOR SUBSTANCE OF REMARKS WHICH PRESIDENT MIGHT RAISE WITH SHAH ON NARCOTICS PROBLEM, WE RECOMMEND THAT DEPARTURE POINT FOR PRESIDENT WOULD BE TO STRESS SIMILARITY OF INTERESTS AND CONCERNS ON THIS MATTER BETWEEN IRAN AND US:

(A) BOTH ARE VICTIM COUNTRIES OF NARCOTICS TRAFFIC;

(B) BOTH ARE TAKING STRINGENT ACTION TO CONTROL ILLEGIT TRAFFIC AND, FURTHER, IRAN HAS DEVELOPED EXTREMELY EFFECTIVE MEASURES TO CONTROL PRODUCTION WITHIN IRAN AND HAS SUCCESSFUL ENFORCEMENT RECORD LIKE US. PROBLEM IRAN FACES IS ILLEGIT IMPORTS FROM NEIGHBORS TO MEET INTERNAL DEMANDS AND EVENTUALLY THIS TRAFFIC MAY MOVE ACROSS IRAN TO OTHER MARKETS TO THE WEST;

(C) BOTH ARE INVESTING TIME AND MONEY IN FINDING WAYS TO TREAT ADDICTION AND TO DISCOVER NEW ANTI-ADDICTION ANTAGONISTS;

(C) BOTH ARE ACTIVE IN INTERNATIONAL FORUMS DEALING WITH NARCOTICS PROBLEM OFTEN COOPERATING CLOSELY ON INTERNATIONAL INITIATIVES.

5. HAVING MADE THESE POINTS, PRESIDENT COULD THEN GO ON TO EXPRESS UNDERSTANDING OF IRAN'S DECLARED POLICY TO CEASE INTERNAL PRODUCTION WHEN NEIGHBORS ALSO BRING THEIR PRODUCTION UNDER CONTROL (AS TURKEY APPEARS TO BE DOING) AND TO EXPRESS HOPE THAT IRAN WILL USE ITS INFLUENCE IN APPROPRIATE
BILATERAL AND MULTILATERAL FORUMS TO ENCOURAGE NEIGHBORS TO CEASE OPIUM PRODUCTION AND TO SUPPORT EFFORTS US AND OTHER CONCERNED VICTIM COUNTRIES MAY ALSO UNDERTAKE TO THIS END. IT MIGHT ALSO BE PRODUCTIVE IF PRESIDENT WERE TO EXPRESS PARTICULAR INTEREST IN UN FUND IN ORDER ENCOURAGE GREATER CONTRIBUTION FROM GOI AND POSSIBLY PRIVATE IRANIANS.

6. WE BELIEVE THIS IS AS FAR AS PRESIDENT SHOULD GO, AND WE RECOMMEND HE NOT GET INTO ANY SPECIFIC PROPOSALS WITH SHAH SUCH AS NEW REGIONAL EFFORT OR OPIUM FREE ZONE. WE FAIL TO SEE HOW SUCH PROPOSALS CAN ADVANCE OUR OBJECTIVES OR PROVIDE ADDITIONAL STIMULUS TO BILATERAL EFFORTS IN COUNTRIES SUCH AS TURKEY, AFGHANISTAN AND PAKISTAN. IF PROPOSED REGIONAL GROUP IS TO ACT AS FRONT FOR US, WE DO NOT THINK THAT COUNTRIES CONCERNED WOULD WELCOME THIS ROLE NOR COULD US HAND BE HIDDEN. IF PURPOSE OF REGIONAL EFFORT IS TO BRING PRESSURE TO BEAR ON AFGHANISTAN, IRAN IS HARDLY BEST INSTRUMENT TO USE AS ANY IRANIAN INITIATIVES EVEN REMOTELY DIRECTED TO PROBLEM OF AFGHAN PRODUCTION WOULD BE COUNTER-PRODUCTIVE. FINALLY, CHANGING OF FOCUS FROM BILATERAL PROGRAMS ALREADY UNDER WAY AND BEGINNING TO BEAR FRUIT TO YET ANOTHER REGIONAL APPROACH OR EXPANDED MULTILATERAL PROGRAM WOULD, IN OUR VIEW, ONLY SERVE TO DILUTE EFFORTS CURRENTLY UNDERWAY.

7. EMBASSY CONCLUDES THEREFORE THAT THERE MAY WELL BE ADVANTAGE FOR PRESIDENT TO DISCUSS NARCOTICS PROBLEM WITH SHAH AS OUTLINED ABOVE AND TO EXPRESS APPRECIATION FOR IRAN'S COOPERATION IN BILATERAL CONTROL EFFORTS, INFORMATION EXCHANGE AND ADDICTION TREATMENT.

8. FOREGOING SUGGESTIONS COULD PROVIDE GUIDELINES FOR LANGUAGE IN COMMUNIQUE WHICH MIGHT ALSO NOTE THAT NARCOTICS CONTROL AND IRAN'S EFFORTS IN GENERAL FIELD OF TREATMENT OF ADDICTION ARE ENCOURAGING SIGNS WHICH US IS FOLLOWING WITH INTEREST AS IT ATTEMPTS TO IMPROVE ON ITS OWN NARCOTICS CONTROL ACTION PROGRAM. GP-3.