The Iranian decision to accept 598 is a major political concession, and was almost certainly approved by Ayatollah Khomeini. Iraq has demonstrated overwhelming military superiority in inflicting a series of defeats on Iran in recent months. The Iranian regime realizes that it cannot pose a serious military threat to Iraq for several years. Tehran has been facing growing domestic unrest over the war, plus military morale and equipment problems and trouble gaining new recruits for the war effort.

Under these circumstances, Iranian leaders probably hope that accepting 598 will help to relieve the growing pressures the regime is confronting. Tehran probably expects that acceptance will increase pressure on Iraq to halt offensive military operations against Iran and on the U.S. to withdraw its forces from the Persian Gulf. We do not yet know the extent to which Iran's acceptance of 598 means Tehran has softened its demand that any ceasefire must be linked to a tribunal that labels Iraq as the aggressor in the war, but it is currently being downplayed. Iranian leaders probably believe that they have now bought time in which they can negotiate over the terms for implementing 598. We would not be surprised if more radical elements in the regime oppose the decision to accept 598, although they have apparently accepted earlier moves to improve Iran's relations with the West and try to ease international pressure.

Iraq is extremely wary of Iran and may suspect that Iran is merely trying to buy time to recover from its recent series of setbacks. In a speech yesterday Iraqi President Saddam Husayn reiterated his five point proposal for peace (consistent with 598) that he first made two years ago. Iraq is unlikely to stop all military activity, particularly its bombing raids, although it may reduce the level of activity.

Iran's current focus is clearly upon the ceasefire, reflecting its deteriorating military position, whereas Iraq is
preoccupied with other aspects of the resolution. The next key test will be to try to get the two to sit down with the SYG or a special representative and agree upon a common interpretation of 598 and a plan to implement it. This will be difficult and time consuming, at best.

Attachment
Tab I Khomeini Letter to UNSYG
TEXT OF IRANIAN LETTER TO U.N. ACCEPTING CEASEFIRE CALL

UNITED NATIONS, JULY 18, REUTER - FOLLOWING IS THE TEXT OF A LETTER TO SECRETARY GENERAL JAVIER PEREZ DE CUellar FROM IRANIAN PRESIDENT SEYED ALI KHAMENEI EXPLAINING IRAN'S ACCEPTANCE OF SECURITY COUNCIL RESOLUTION 598, WHICH DEMANDS A CEASEFIRE IN THE GULF WAR. THE TEXT WAS MADE AVAILABLE BY U.N. OFFICIALS:

EXCELLENCY,

PLEASE ACCEPT MY WARM GREETINGS WITH BEST WISHES FOR YOUR EXCELLENCY'S SUCCESS IN EFFORTS TO ESTABLISH PEACE AND JUSTICE.


THE KILLING OF 290 INNOCENT HUMAN BEINGS, CAUSED BY THE SHOOTING DOWN OF AN AIRBUS AIRCRAFT OF THE ISLAMIC REPUBLIC OF IRAN BY ONE OF THE AMERICAN WARSHIPS IN THE PERSIAN GULF IS A CLEAR MANIFESTATION OF THIS CONTESTATION.

UNDER THESE CIRCUMSTANCES, YOUR EXCELLENCY'S EFFORTS FOR THE IMPLEMENTATION OF RESOLUTION 598 IS OF PARTICULAR IMPORTANCE. THE ISLAMIC REPUBLIC OF IRAN HAS ALWAYS PROVIDED YOU WITH ITS ASSISTANCE AND SUPPORT TO ACHIEVE THIS OBJECTIVE. IN THIS CONTEXT, WE HAVE DECIDED TO OFFICIALLY DECLARE THAT THE ISLAMIC REPUBLIC OF IRAN -- BECAUSE OF THE IMPORTANCE IT ATTACHES TO SAVING THE LIVES OF HUMAN BEINGS AND THE ESTABLISHMENT OF JUSTICE AND REGIONAL AND INTERNATIONAL PEACE AND SECURITY -- ACCEPTS SECURITY COUNCIL RESOLUTION 598.

WE HOPE THAT THE OFFICIAL DECLARATION OF THIS POSITION BY THE ISLAMIC REPUBLIC OF IRAN WOULD ASSIST YOU IN CONTINUING OUR EFFORTS WHICH HAVE ALWAYS RECEIVED OUR SUPPORT AND APPRECIATION.

REUTER JL JW