SENT DEPARTMENT 686, REPEATED INFO LONDON 36.

As we see it, there are two considerations to question of establishment VOA relay Bahrain. First is reaction which must be expected from Iranian Government if with British approval we establish radio station on what Iranian Government claims is Iran oil. Second and more important consideration is fact that establishment such relay station at Bahrain would be exploited with Soviet assistance by Iranian Nationalists and other oppositionist elements to embarrass present Iranian Government. This we must take pains to avoid.

As Department is aware, Iranians have been more than generous in offering their radio facilities in "a vigorous prosecution of campaign of truth able to reach Soviet people" (last paragraph DEPTEL 410, September 6). Embassy believes Iranian Government will continue to assist in this campaign. Of equal, if not of greater importance, however, is stabilization of present Iranian Government's position, not only by assisting it economically but also by not presenting it with additional political embarrassments such as Bahrein issue.

If we follow program outlined DEPTEL 580, September 6 we shall have taken long step toward matching Soviet radio effort directed against Iran. With strong middle wave transmitters in Tabriz and Meshed "campaign of truth" will reach large numbers Soviet people in sensitive Caucasian and Central Asian areas. With Iranian Government at present so extraordinarily cooperative in this respect we feel it would be most unwise to risk raising issue which at very least would embarrass Iranian Government and might conceivably force it to take stand in conflict with its normal pro-American policy.

GRADY

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