1. EMBASSY HAS LEARNED THAT DR. ETEMADEH, PRESIDENT, ATOMIC ENERGY ORGANIZATION OF IRAN, HAS TENDERED HIS RESIGNATION AND THAT IT WILL BE ACCEPTED.

2. SOURCES OUTSIDE OF AEAO INDICATE THAT OTHER RESIGNATIONS WOULD LIKELY FOLLOW ETEMADEH'S. AMONG NAMES MENTIONED ARE RAPIZADEH, V.P. FOR FUEL CYCLE; MANZOOR, V.O., FOR INTERNATIONAL ACTIVITIES; AND FARZIN, DIRECTOR OF SAFETY.

3. DR. AHMAD SOTOODEHMAIA, DEPUTY MINISTER FOR NUCLEAR POWER PLANTS AT MINISTRY OF ENERGY AND FORMER ETEMADEH PROTEGE, APPEARS ALSO TO BE A CANDIDATE FOR RESIGNATION, ACCORDING TO NON-GOVERNMENT SOURCE. AT THE SAME TIME, DR. SOTOODEHMAIA MENTIONED TO AMBASSADOR AND SCIATT IN
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OBLOQUE MANNER, THAT WHEN MANAGEMENT DECISIONS ARE MADE CONCERNING FATE OF AEOI, HE, SOTOODEHNAI, MAY HAVE INCREASED INVOLVEMENT, WHILE SOTOODEHNAI AFFIRMS THAT HE WOULD NOT BE CHOSEN AS A CANDIDATE FOR NEW PRESIDENT OF AEOI, HE SEE THE POSSIBILITY THAT AEOI OR PORTIONS THEREOF COULD BE TRANSFERRED AS WAS THE PROJECT ORGANIZATION NOW UNDER HIS DIRECTION, TO THE MINISTRY OF ENERGY, THEREBY BROADENING HIS OWN SPHERE OF INFLUENCE. HE CONCEDES ALSO THAT HE COULD BE "OUT", OR, SOTOODEHNAI'S IMMEDIATE ASPIRATION APPEARS TO BE TO COMPLETE THE WORK STARTED AT BUSHEHR AND KARUN, REGARDLESS OF FUTURE DECISIONS CONCERNING ADDITIONAL NUCLEAR PLANTS. (COMMENT: EMBASSY WISHES TO EMPHASIZE CONJECTURAL NATURE OF THIS INFORMATION AND THAT DR. ETMAD'S NAME IS THE ONLY ONE ACCORDED OFFICIAL RECOGNITION AT THIS TIME.)

4. "ACROSS THE BOARD REASSESSMENT" OF GOVERNMENT (CAPITAL INVESTMENT) PRIORITIES IS UNDERWAY AND SUCH REASSESSMENT, COUPLED WITH OPEN CRITICISM OF AEOI, HAS ESSENTIALLY PARALYZED THE DECISION-MAKING PROCESS IN BOTH AEOI AND MINISTRY OF ENERGY ON MATTERS NUCLEAR.

5. IN CONVERSATION 21 SEPTEMBER WITH WESTINGHOUSE'S BHUTANI (PROTECT), SCIATT LEARNED SUBSTANCE OF WESTINGHOUSE MEETING WITH MINISTER MAHD MINA ON WEDNESDAY MORNING 20 SEPTEMBER, TO THE BEST OF THE MINISTER'S KNOWLEDGE, TOTAL ENERGY GROWTH PLANS FOR IRAN REMAIN UNCHANGED, MINISTER SPECULATES THAT MAJOR REDUCTION IN PROJECTED ENERGY GROWTH COULD RESULT, IF PARLIAMENT TOGETHER WITH MINISTER OF INDUSTRY, DECIDED TO CHANGE FUTURE DIRECTION AND PACE OF IRAN'S INDUSTRIALIZATION PLAN; HOWEVER, THIS SEEMS UNLIKELY AT PRESENT, MINISTER MAHD MINA INDICATED THAT A PLAN FOR NON-NUCLEAR GROWTH SHOULD BE PREPARED WITHIN THE NEXT THREE TO FOUR WEEKS. WITH RESPECT TO NUCLEAR ENERGY PLANS, MINISTER INDICATED TO WESTINGHOUSE THAT SITUATION IS NOT SO DIFFERENT FROM THAT IN THE US: "NAME THAT THE OPPONENTS OF NUCLEAR POWER SUCH AS ENVIRONMENTALISTS ARE ALLOWED TO AND ARE EXPRESSING THEIR DISAGREEMENT WITH RESPECT TO MAJOR COMMITMENT TO NUCLEAR POWER IN IRAN. DR. SOTOODEHNAI, THE MINISTER AND OTHERS INVOLVED ACTIVELY
IN THE NUCLEAR PROGRAM WILL ARGUE THE ADVOCATE POSITION AND ARE EXPECTED, IN THE MINISTER'S JUDGMENT, TO WIN THE ARGUMENT FAVORING NUCLEAR POWER. THEY ARE OBLIGED TO ADDRESS IN NEAR TERM, THE REASSESSMENT PROGRAM WHICH IS UNDERWAY AS PART OF DECISION-MAKING PROCESS. NUCLEAR ACTIVITY WITH EXCEPTION OF THE FOUR UNITS NOW UNDER CONSTRUCTION, HAS COME TO A HALT. THE MINISTER STATED THAT DR. ETENAD WILL BE REPLACED SOON. HE INDICATED INCREASED ROLE BY MINISTER OF ENERGY IS BILATERAL GOVERNMENT DISCUSSIONS FOR NUCLEAR COOPERATION. HE INDICATED FURTHER THAT U.S. INVOLVEMENT IN IRAN'S NUCLEAR PROGRAM IS STILL BEING SOUGHT AND THAT THE BILATERAL WOULD CERTAINLY NOT BE SCRAPPED. HE ASCRIBED LITTLE IMPORTANCE TO YET UNKNOWN DETERMINATION OF WHO WILL SIGN THE BILATERAL ON BEHALF OF GOI.

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