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E.O. 116528 GDS/ TAGS: MNUC, PARM, ENRG, IR SUBJ: NUCLEAR ACTIVITIES IN IRAN

REF: TEHRAN 08768

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

2. SOURCES OUTSIDE OF AEDI INDICATE THAT OTHER RESIGNATIONS WOULD LEKELY FOLLOW ETEMADIS! AMONG NAMES MENTIONED ARE. RAFIZADEH, V.P. FOR FUEL CYCLE; MANZOOR, V.Ø. FOR INTER-NATIONAL ACTIVITIES, AND FARZIN, DIRECTOR OF SAFETY.

3. DR. AHMAD SOTOODEHNIA, DEPUTY MINISTER FOR NUCLEAR POWER PLANTS AT MINISTRY OF ENERGY AND FORMER ETEMAD PROTEGE, APPEARS ALSO TO BE CANDIDATE FOR RESIGNATION, ACCORDING TO NON-GOVERNMENT SOURCE. AT THE SAME TIME, DR. SOTOODEHNIA MENTIONED TO AMBASSADOR AND SCIATT IN

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4. "ACROSS THE BOARD REASSESSMENT" OF GOVERNMENT (CAPITAL INVESTMENT) PRIORITIES IS UNDERWAY AND SUCH REASSESS-MENT, 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 TRANS INDUSTRIALIZATION PLANS HONEVERS 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 PROM THAT IN THE UOS: NAMELY 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. SOTOODEHNIA, THE MINISTER AND OTHERS INVOLVED ACTIVELY

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PAGE 3 CONFIDENTIAL IN THE NUCLEAR PROGRAM WILL ARGUE THE ADVOCATE POSITION AND ARE EXPECTED, IN THE MINISTER'S JUDGEMENT, 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. ETEMAD 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. SULLIVAN BT #9154 ANNOTES TM

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