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March 14, 1963

NATIONAL SECURITY ACTION MEMORANDUM NO. 228

MEMORANDUM FOR SECRETARY OF STATE
SECRETARY OF DEFENSE
ADMINISTRATOR, AGENCY FOR
INTERNATIONAL DEVELOPMENT
DIRECTOR, CENTRAL INTELLIGENCE
AGENCY

SUBJECT: Review of Iranian Situation

While I have approved the recent NSC 1550 determination concerning five year military assistance to Iran, I am concerned over the fulfillment of other aspects of the basic strategy which underlay my earlier approval of this military commitment, i. e. that it was intimately linked to an overall strategy for moving Iran toward more effective solutions to its crucial internal problems.

Therefore, I wish a review of our policy and programs in Iran. It should include: (a) analysis of the results achieved to date under our current policy, including the status of local development efforts and military force reductions; (b) our estimate of the likely course of events in Iran; and (c) recommendations, if any, for adaptation or revision of current strategy and programs in this key country. The following questions suggest the problems which I would like covered:

1. Is the thrust of existing U.S. policy toward Iran still basically valid? Is the strategy which it implies feasible under present circumstances?

2. Since the Shah has apparently committed himself to a politically motivated reform program, should we be doing anything to guide it, if possible, into constructive channels? Would active US assistance to this program further our interests? If not, what should be the US attitude?

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By <i>MAH</i> NARS, Date <i>4/6/87</i>

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3. What progress has been achieved during the past year in development of the Third Plan? What is the outlook for its use as the basis of effective development assistance by the U.S. and other donors?

4. What progress has been achieved in strengthening the public and private institutional framework for development in Iran? Are we getting satisfactory movement on integrated planning, establishment of priorities, budgetary controls, tax reforms, and other measures to mobilize Iranian resources for sound development?

5. What is the current and projected pattern of resource allocation among various elements of consumption and investment? Is there a satisfactory relationship between the ordinary budget, including military expenditures, and the development budget? Is the outlook encouraging in this respect?

6. How effectively is the combined use of all our instruments of foreign policy influencing the course of events in Iran? What results can reasonably be predicted from our present effort over the next two to five years?

7. If our existing policy and programs are no longer satisfactory, what changes should be made to produce better results?

I would appreciate a report by the Department of State, in consultation with other appropriate agencies, by 15 April 1963.

/s/ John F. Kennedy

- cc:
- Mrs. Lincoln
- Mr. Bundy
- Mr. Komer
- Mr. Johnson
- NSC Files

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