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US ACTIONS IMMEDIATELY FOLLOWING THE SEIZURE

On the day of the seizure of the US Embassy and its staff, requests for help were repeatedly made by the US Chargé d’Affaires, who was then at the Iranian Foreign Ministry, and also by the US government to the Iranian Chargé d’Affaires in Washington. However, no Iranian police or soldiers were sent in time to release the Embassy staff or afford protection to them and the Embassy. On 7 November, a former Attorney-General of the United States, Ramsey Clark, was instructed to go to Iran to deliver to Ayatollah Khomeini a message of protest from President Carter. In response, Tehran radio broadcast on the same day a message from Ayatollah Khomeini forbidding members of the Revolutionary Council and government officials to meet the American representatives. In this message Khomeini asserted that ‘the US Embassy in Tehran is our enemies’ centre of espionage against our sacred Islamic movement’. He then made the first official demand to the United States: ‘Should the United States hand over to Iran the deposed Shah . . . and give up espionage against our movement, the way to talks would be opened on the issue of certain relations which are in the interest of the nation.’1

In the light of these facts, together with many statements made by various Iranian government authorities, the United States decided that the seizure was an act of Iran as a state, and not merely an act of its radical nationals, and, therefore, took the following punitive measures. (In addition to these economic measures, on 10 November 1979 the United States decided to expel from her territory all Iranian students who had previous convictions or were without visas or not registered as students.)

(a) Halt to the shipment of military parts (8 November 1979). The US decided to suspend shipment of about $300 million worth of military parts to Iran until the matter of the hostages was resolved, although Iran had already paid for them. In fact, Iran’s imports of military parts had been a relatively large part of its total imports from the United States. Also, since Iran had relied on the United States for a large percentage of its military equipment, US officials calculated that,
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‘[w]ithout US arms supplies or spare parts for much of the year, . . . the Iranian armed forces [were] in bad shape. Many aircraft [were] too dangerous to fly, and many armoured vehicles [had] broken down.’

(b) Ban on imports of Iranian oil (12 November 1979). President Carter announced a halt to imports of Iranian oil. Since the United States had been buying 600,000 barrels a day (b/d), worth nearly $13.8 million a day, this measure was expected to reduce Iran’s foreign exchange reserves and make traders reluctant to sell goods and services to Iran. However, Iran’s Oil Minister, Ali Akbar Moinfar, immediately hit back by announcing that the ruling Revolutionary Council had just voted to impose a ban on the sale of oil to the United States. He also said that ‘There was no problem: Iran would gain . . . since it would be able to sell more oil on the spot market.’ On 24 November, he gave warning that any country hostile to Iran would face an oil boycott.

(c) Blocking all Iran’s official assets in the United States and in the foreign branches or subsidiaries of US banks (14 November 1979). Because the Iranian government appeared to be trying to withdraw all Iranian funds from US banks, to be refusing to accept payment in dollars for oil, and to be repudiating debts to the US government and its nationals, President Carter issued an Executive Order freezing all Iran’s official assets in the United States or under US control, including Iranian deposits either in banks in the United States or in foreign branches or subsidiaries of US banks. Calculations regarding the total amount of Iranian assets frozen vary, but according to one calculation made towards the end of the crisis, the total amount was about $12,000 million. The measure was directed towards reducing Iran’s purchasing power, causing difficulty in any kind of economic transaction and, eventually, shortages of necessary materials. Since oil companies normally pay in dollars through American banks, this measure might have immediately caused difficulty with payments for Iranian oil. Iran’s Oil Minister, Moinfar, said that the US dollar should be abandoned as the currency for oil transactions, probably in an attempt to cause a sudden depreciation of the US dollar. The Bank Markazi, the Iranian central bank, also took counter-measures. In an attempt to free official Iranian assets frozen by the branches of subsidiaries of US banks not in the United States, it initiated lawsuits against five US banks for the return of Iranian deposits worth $3,000 million not in the United States, on the grounds that they were not under US jurisdiction.