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**IRAN-U.S. MILITARY-SECURITY RELATIONS
IN THE 1970s**

by

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A thesis submitted to the University of Kent at
Canterbury for the degree of Doctor of Philosophy

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ABSTRACT

The subject of this dissertation is "Iran-U.S. Military-Security Relations in the 1970s". The dissertation consists of seven chapters and a conclusion.

In the first chapter an attempt is made to lay out the main factors which contribute to arms transfers in the international system, from the perspectives of both the donor and recipient states. Moreover, the impact of arms sales on third world societies are described in this same chapter.

The second chapter deals with the historical genesis and evolution of Iran-U.S. military security ties, since their inception during the Second World War up to 1969.

Discussion in the third chapter focuses on the main factors which determined the shape and pace of Iran-U.S. military-security ties in the 1970s, including that in the area of arms supply relationship.

The exposition of the increase in Iran's order-of-combat capability in the 1970s is the main purpose of the fourth chapter.

The main purpose of chapter five is the delineation of various debates within and between the various branches of U.S. government for or against Iran's arms purchases.

Chapter six discusses Iran's regional security policy in the 1970s.

The final chapter deals with the various contacts between members of the U.S. government and Iran's new revolutionary regime, from revolution's success in February 1979 up to the seizure of American embassy in November 1979, with the emphasis being on military-security dealings between the two countries.

In the conclusion an attempt is made to draw from the past some broad lessons for Iran's security and, bearing in mind the material in chapter one, to highlight a few insights into arms transfer as a phenomena in the international system.

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Last but not least, I should like to thank my father, who through his selfless financial as well as moral support over successive years made this study possible.

CHAPTER ONE

Arms Transfers in the International System: An Overview of Its Debates and Functions

Arms transfers in the international system are a multifaceted phenomenon, with their causes and consequences a matter for argument. An arms supply transaction could have several causes, probably with as many repercussions. There is an abundant literature dealing with the various aspects of arms transfers. In this chapter an exposition of some of the functions and debates concerned with arms transfers in the international system will be offered. The purpose would then become one of integrating our empirical data in the forthcoming chapters with some of the formulations in this chapter.

However, before embarking upon this task, the nature of inquiry demands addressing three issues initially. The first is definitional: what is meant by the term 'arms transfers'? The second is one of examining some of the methodological questions in the study of arms transfers. The third is a 'trend analysis' in the direction, quantity and quality of arms transfers in the international system in the 1970's, concomitant with the period of this case study.

The Definitional Issue

What is exactly meant by arms transfers? For the purposes of this study it is proposed to adopt the definition offered by the

U.S. Arms Control and Disarmament Agency as follows: "arms transfers represent the international transfers under grant, credit, or cash sales terms of military equipment usually referred to as 'conventional', including weapons of war, parts thereof, ammunition, support equipment and other commodities considered primarily military in nature".¹ The major shortcoming of this definition, however, is that training and technical services are excluded. Taking due account of this shortcoming, the definition offered by the U.S. ACDA is accepted.

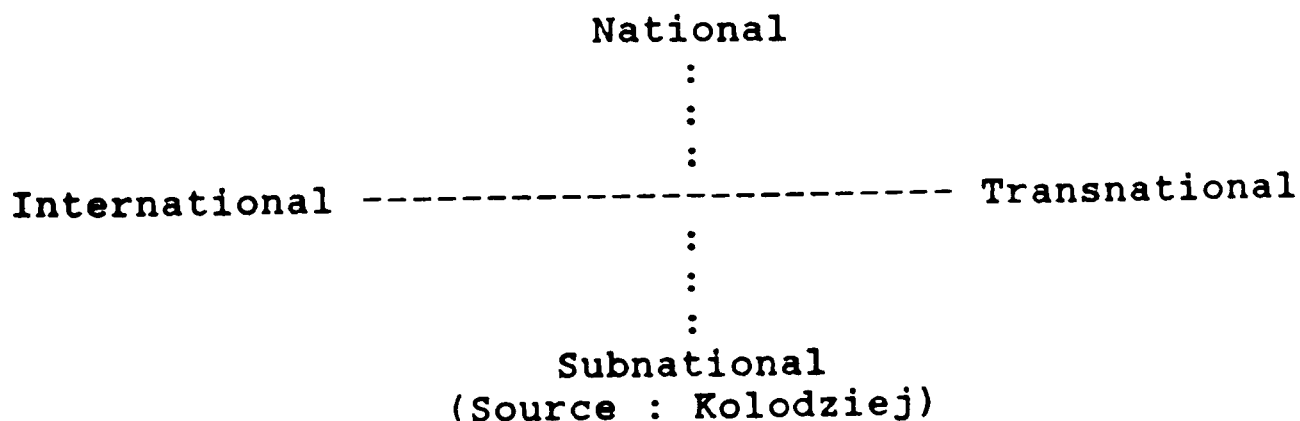
The methodological Issue

The ever-increasing pace of the global diffusion of arms in the post-Second World War international arena has propelled interest and research on the subject. Some of these studies seem, however, to suffer from some fundamental methodological deficiencies.²

These studies tend to sacrifice the internal and/or external dynamics that stimulate the movement of arms round the globe by concentrating on mere descriptive accounts of what has been exchanged as opposed to an explanation of why a particular deal goes through. Peleg describes this point well in criticising the Massachusetts Institute of Technology's work on arms transfers when he states that, "the M.I.T series ... provides a very comprehensive, detailed description of the characteristics of the supply of weapons to 52 third world nations. When it comes to explanations, however, the study's contribution is more modest".³

The present study does not intend to dispense with the significance and value of descriptive approaches to arms transfers, an exercise which the empirical part of this research will deal with. But an attempt will be made to conflate description and explanation. In an explanatory mode of analysis, it is proposed to bring out all the "special forces" that bear on an arms transfer transaction at the different "levels". By "special forces" is meant the external and internal factors that lead to the realization and impinge upon an arms transfer transaction. "Levels" signify the different constituents of the external and internal factors. These terms may be clarified by reference to Kolodziej, who postulates that arms transfer as a subsystem of international relations can be conceived as a product of four factors: national, subnational, transnational and international. The nation-state, as actor, includes the ruling political elites of the state; the subnational actors consist of national private and public bureaucracies that make or use arms in the pursuit of national objectives; transnational actors comprise multinational corporations and the revolutionary movements; while , finally, the international actors are conceived as collective bodies such as Nato and the Warsaw Pact.⁴

The above paragraph can be illustrated by a diagram :



In the same vein as Kolodziej, Peleg also argues for an analytical approach to the transfer of arms in the international system which is multi-layered. Thus he makes a distinction between the internal and external determinants of arms transfers. The internal factors, which refer to the characteristics of the recipient nation, consist of two elements : "(i) the technological capacity of the recipient, and (ii) the political demand by that nation for weaponry". The external determinants, which relate to the links between the recipient and the international system, have two very important ingredients : " (i) the intensity of local conflict between the recipient and its neighbours, and (ii) the intensity of foreign competition in that particular region."⁵

To sum up, one thing that we shall avoid is concentrating solely on purely descriptive questions about who is buying what from whom. Explanations will also be offered for the range of factors, both internal and external, that stimulated arms transfers between Iran and the U.S. during the 1970's. By adopting this mode it is hoped to avoid what has been succinctly put thus, "students of domestic arms politics tend to take the international environment for granted, as if national systems were immune to external influences ... Students interested in the international traffic in arms tend to make a series of assumptions about the international behaviour of national systems....ignoring the internal, domestic demands that constrain them".⁶

The Trend Analysis Issue

The 1970's saw a transformation, both quantitatively and qualitatively, in the nature of arms supply by the industrialized world to the third world. The volume of arms supplied to the third world increased massively. On the qualitative plane, the weapons systems transferred to the third world were of increasing sophistication, with some being the most advanced in the suppliers' inventories.

The total world military expenditure increased fivefold between 1960 and 1980 from \$100 billion to \$500 billion - an increase of 80 percent in constant prices. While the developed countries experienced a modest 48% increase in their military expenditures, in the case of the third world countries there was a more staggering fourfold rise in the same period, in constant prices.⁷

According to the U.S. ACDA, military expenditure worldwide in the 1970's increased globally. In the third world, in Africa alone, the imports of arms between 1970 and 1979 grew by a factor of eleven, while for the Middle East the respective increase from 1970-1979 was 3.5 times. It ought to be mentioned that those increases represented growth in real terms -i.e. due account of inflation being taken.⁸

According to one analyst, in 1963 the countries of the third world imported 50% of the world's arms transfers, or a total of \$1,600 million. A decade later the third world's share of the

arms imported rose to two-thirds, and a peak of 75% in 1975. The total volume of arms traded in the world amounted to some \$9,700 million in 1975 from \$3,200 million in 1963.⁹

Not only was there a quantitative transformation in the arms supply relationship between the developed and the developing countries but, as already pointed out, so was there a qualitative change. Arms sold to the third world countries in the 1970's included some of the 'top of the line' combat aircraft such as the American F-4, F-15 and F-16, the Soviet Mig-23 and Mig-25 and the French Mirage F-1 and Mirage-III fighters; advanced anti-tank and anti-aircraft missiles; sophisticated Airborne Warning and Control Systems (AWACS) aircraft; and the most modern tanks and destroyers.¹⁰

Two schools of thought emerged, attempting to interpret this diffusion of military power in the third world in the 1970s. One viewed the diffusion of such sophisticated military technology on an expanding scale from the industrialized core to the developing periphery as an indication of a redistribution of power between North and South, a shift that was, by and large, seen to have been financed by the rise of the oil producers cartel. The proponents of this view saw any producer restraint in the transfers of arms to the third world not as motivated by a concern to prevent their adverse impact, but to retard the seepage of power from the centre to the periphery.

The other view saw the diffusion of power from the North to the

South as a myth. This interpretation, emanating from the Soviet analyses, and neo-Marxists in the West and the third world, saw arms transfers as a more subtle instrument in the perpetuation of control by the rich and powerful over the weak. The dependency-creating arms commerce was seen to lubricate the continuation of an inequitable international system, by keeping pro-Western elites in power, subordinating the military policies of the developing countries to the geo-strategic requirement of the Western powers and by pre-empting indigenous self-reliance.¹¹

In the 1970s Iran was a country at the centre of such debates, something which will be unwrapped at a later stage in this thesis.

Arms Transfers in the International System :Its Functions

From now on our main concern will be to offer an explanation of why arms transfers take place in the international system, what functions they perform and what their repercussions are. From the start it must be clearly understood that the answers to the above questions are not fixed and determined, as there are no generalized, widely accepted functions of arms transfers or their repercussions. According to one analyst, "the debate on arms transfers is often in the context of particular weapons sales decisions and the foreign policy considerations which accompany them."¹²

Nevertheless, there are a number of rationales which are widely offered and a number of criticisms usually made about arms

transferred to the third world. A number of the most widely mentioned will be pointed out and elaborated upon. Of the justifications that are offered the following stand out most: 1) arms transfers can be an important source of political influence, 2) strategically, they bolster allies; help redress regional imbalances that could tempt the stronger state to initiate conflict; help an ally to defend itself effectively in the event of war and give the supplier such benefits as access to overseas military bases, intelligence facilities etc, 3) economically, arms transfers benefit the suppliers' balance of payments, create employment and reduce the production cost per unit.

The most widely heard criticisms regarding arms transfers to the third world are the following : 1) arms transfers to the unstable parts of the world could heighten political tensions and make the use of force a more viable option, 2) the competitive transfer of arms to the third world could propel regional arms races, 3) the diversion of scarce economic resources from the more productive sectors of the economy to the military sector, is a waste with adverse repercussions on the developmental prospects of the recipient countries and the satisfaction of social welfare needs.

Arms Transfers and Political Influence

Political influence is an abstract concept, something which has long bedeviled the students of politics. Nevertheless, it seems to be a very popular rationale for arms transfers with the policy makers: a tendency to observe political influence as a dividend

to be gained from an arms supply relationship. Quandt defines the influence of one country over the other through the supply of arms as, "the ability to alter the policy of the recipient. The exercise of influence will typically involve resolving conflict between two states in ways that are consistent with the preferences of the arms supplier."¹³ Lewis, also has this to say on influence, "part of the international political process involves the efforts of a state , through a wide variety of acts and activities, to change or sustain the policies, goals, or orientations of other governments that is the quintessential test of power."¹⁴

An immediate qualification needs to be made, however, since the above definitions give the impression that to exercise influence a degree of pressure need be applied. This need not necessarily be so. Once a relationship is established, the supplier need not explicitly raise the issue of arms supplies - though the recipient will take them into consideration when deliberating upon a course of action. A more subtle instance involves the recipient's sensing an influence attempt on the part of its supplier, and pre-empting the latter by altering its behaviour.

Having quoted two scholars on the definition of influence and made some qualifications in the original definitions, I now want to turn to some of the more widespread problems inherent in the exercise of influence before mentioning the uses to which it could be put. Influence through the supply of arms by its very nature is an elusive and undurable product. It is based upon the

recipient's gratitude to the supplier, the effect of which could be that influence and leverage can be lost even more quickly than they are acquired.¹⁵

The exercise of influence is a relationship involving two parties. One end of the relationship is supposed to affect and the other be affected. However, things do not work that easily and the exercise of leverage may simply not yield the expected outcome. At a very unsophisticated level of analysis the recipient may simply not yield to the pressure.

There could, however, be other fundamental factors in operation. In an arm transfer relationship the increase in the recipient's capabilities is dependent upon the flow of arms from the supplier. This process binds the supplier and the recipient together but this dependency-creating situation is mutual. Nato, Korea, Taiwan and Israel have entered into relationships with the U.S. which involve an "exchange of influence". This so-called "resulting web of interdependence" reduces the influence that the U.S. could bring to bear on the recipients' policies.

Secondly, the degree to which influence can or cannot be effected is subservient to the extent to which a particular line of policy pressed on the recipient by the supplier is consistent with the former's national interests. There is a threshold beyond which the recipient will be unwilling to sacrifice its national interests. Examples of this kind abound: the Soviet Union in Egypt and the United States in Turkey in 1974.¹⁶

Thirdly, there is the phenomenon known as "reverse influence". The arms supply relationship is a reflection of the political bond between the two countries. The arms supplied to a country, for specific purposes may involve the supplier in extra commitments if the recipient pursues objectives other than those initially intended. These objectives the supplier cannot easily change without damaging the wider political relations. Furthermore, the quid pro quo for the supply of arms in the form of, say raw materials or bases, could be too great an incentive for a prospective supplier to halt the flow of arms in a crisis. It is not uncommon for the recipient to have 'instruments' of leverage which enable it to deal with arms suppliers from a position of strength.

This brings us to the final point about the difficulties of exercising influence. To attempt to exercise influence via pressure could prove counter-productive. Withholding the supply of arms could not only have the negative effect of damaging the trust that is created by the arms supply relationship, but could also encourage the recipient to search for other sources of arms; a likelihood that any sensible supplier would wish to avoid.¹⁷

The influence function of arms transfers is very uncertain due to the nature of the problems outlined. Nevertheless, influencing the behaviour of a would-be arms recipient is a widely resorted-to rationale by the policy makers. Again what is to be the end product of the influence relationship, the areas affected

and the outcomes sought all are uncertain. The results desired and the outcomes sought are at best context specific. Nevertheless, a number of widely purported areas are to be influenced.

According to Kemp and Mill the types of influence that could be gained through the provision of arms and services are two, "... 1) specific influence tied to specific circumstances; 2) general, or day-to-day influence concerning the recipients long-term political behaviour." The specific influence concerns the impact of arms sales upon isolated layers of society or policy, such as the impact of military training upon the attitudes of the recipient country's military establishment. The general influence includes the wider spectrum of political relationships over a longer period of time.¹⁸

With specific regard to U.S. other analysts argue that the main purpose of its foreign policy, and its instruments including arms transfers, is to influence the foreign policies of other nations.¹⁹ The goals of influencing an arms recipient include alliance support, deterrence, access to bases, protection of lines of communication, or accommodation to such needs as resource availability, commodity pricing, or trading advantages.²⁰

Another area that received wide attention was the link between arms sales and the promotion of human rights. In one essay published in Foreign Policy, Leslie Gelb the Undersecretary of

State for Political-Military Affairs in the Carter Administration stated that, "a good deal of aid was justified on the ground that the U.S. had interest in the internal stability of certain regimes....[which] meant supporting repressive and dictatorial leaders ... Unless there are overriding considerations, sales should not be made to such regimes."²¹ There are other incentives for the supply of arms, namely, strategic and economic to which we shall now turn in order.

Arms Transfers and Their Strategic Functions

Throughout history arms have been transferred in the international system as a means of enhancing the security of both the supplier and the recipient. In an arms supply relationship, both the supplier and the recipient have objectives that they pursue by using each other, which may or may not be identical. Let us first concentrate on some of the objectives that have been pursued by the largest supplier of arms in the contemporary world, namely the U.S., and then point out the objectives sought by the recipient.

In pursuing its security interests, the U.S. has entered into numerous collective security arrangements with other countries backed up, by and large, with the supply of arms. A main thrust of U.S. foreign policy since the post-Second World War has been to check the growth of Soviet influence in various parts of the world. This has found expression in the intense cold war rivalry between the East and the West. The goals of regime- and/or alliance support through the supply of arms have been the two

major means of realising this aim; a process that has been called 'the equivalent of war by other means'.²²

Arms have been transferred to the allies alongside whom the U.S. wishes to fight should a war break out as, for example, in Korea and Western Europe. The effects of that are two-fold. Firstly, it stabilizes otherwise potentially explosive regions of the world, at least on a short-term basis. Secondly, in the event of a war breaking out arms transfers can ensure that one's allies can effectively fight alongside oneself. Arms are also transferred to another category of allies, with whom the U.S. does not have forward defence treaty commitments, and does not intend to fight alongside though having a major interest in their victory in the event of a war. A good example of this is the U.S. arms transfers to Israel.²³

Through security assistance measures, such as the transfer of arms, the U.S. can provide its allies with the means of guaranteeing regional stability and undertaking regional security responsibilities. Otherwise it is a goal that the U.S. itself should fulfil by stationing troops abroad, a task economically burdensome and politically sensitive.²⁴ The 'Nixon doctrine' whereby the U.S. would provide the necessary and appropriate military assistance to the 'regional surrogates' to maintain stability is a good example in point.

A further rationale for the supply of arms is based on the assumption that the recipient of the arms in some parts of the

world, such as the Middle East, is far more likely to engage in combat than the supplier, thus testing the weapons' effectiveness and combat-worthiness. The American supply of precision-guided anti-tank weapons to Israel and their subsequent use in the Yom Kippur war of 1973 had profound effects upon military planning thereafter.²⁵

A further incentive for the supply of arms is that it is concerned with the competition for acquiring and maintaining strategic military access or its denial to others. The need for secure access to raw materials - such as oil - has necessitated the protection of sea lines of communication and the control of maritime choke points while military intervention contingencies have highlighted the need for staging areas.

These facilities could be used for training; staging of arms, personnel, aircraft and spare parts; refuelling of aircraft; naval repair, replenishment, refuelling, and shore leave; forward contingency positioning of war material; antisubmarine monitoring and other reconnaissance operations. A number of technological innovations in the fields of intelligence, surveillance and communications have also come to require access to overseas bases. The activities included are numerous, such as electronic intelligence and the presidential communications network. There are also a number of functions related to the monitoring of strategic and tactical missile tests.²⁶

A further major part that the transfer of conventional arms has

played in American foreign policy is their role as a means of hedging against the spread of nuclear weapons. Two means of preventing the proliferation of nuclear weapons have existed. One strategy aims to influence the capability of going nuclear by attempting to control the transfer of the technology, the expertise and resources that could enable a non-nuclear power to produce such weapons. The other strategy aims at influencing the intentions of a non-nuclear state. It is argued that by taking care of the legitimate security needs of states through the provision of adequate conventional weapons, the states will have no further security reasons to go nuclear.²⁷

Another incentive for the transfer of arms is the maintenance of the recipient's internal security. The one immediate effect of this is to strengthen any one government which is in power, be it democratic, authoritarian, civilian or military.

Let us now say a few words on why the recipient states want arms. The reasons could be broken down into the internal, international and regional factors. Internally the factors include a regime's desire to satisfy national pride; the need for internal security against the threats from within the country, and the need to satisfy the demands of a military bureaucratic complex that supports the regime against its enemies and/or other threats to its survival. Internationally, the recipient may no longer have confidence in its patron's ability to defend it against its enemies and external threats, so that it comes to rely more on its own resources. Regionally, the desire to acquire arms could

be due to the political differences with a rival neighbour, regional hegemony, the maintenance of regional balances and coercion and success in local conflicts.²⁸

Arms Transfers and their Economic Functions

It is to the economic functions of arms transfers that attention is now turned. In this section a number of economic rationales that have been offered for arms transfers will be mentioned specifically while the role of the military-industrial complex in stimulating the arms trade will also be discussed.

In the immediate post-Second World War period, when arms were given to the recipients out of the surplus war equipment in the form of grants, they did not have the economic significance which it has since acquired. The increasing costs of producing new generations of weapons systems, the increased import costs of certain crucial raw materials - most notably petroleum- and the growth of global economic interdependence have been some major propelling factors behind the development of economic rationales.

A major economic rationale behind the supply of arms is their impact upon the supplier's balance-of-payments. In certain periods of likely exchange-shortage the transfer of arms could mean the difference between a balance-of-payment deficit and surplus. During the 1960's for example, the U.S. encouraged arms sales to Europe as a means of offsetting the costs of stationing its troops there. A further example is after the 1973 oil price rise when the major Western arms suppliers, the U.S., the U.K.

and France initiated a vigorous arms sales promotion campaign in the Middle East/Persian Gulf regions so as to recoup some of the increase in their energy bills.²⁹ Moreover, in the wake of the 1973 oil embargo the arms sales came to be viewed as a thread, weaving a nexus of interdependence between the oil producing and consuming nations so that the latter would have a guaranteed source of energy supply.³⁰

A further economic rationale offered for the sale of arms abroad is that it helps to relieve domestic unemployment or helps to create employment. According to an estimate in 'Business Week' every \$1 billion in arms exports supports 47,000 jobs in U.S. industry. Also, according to the Congressional Budget Office, a complete ban on the arms sale in 1977 would have meant 350,000 fewer jobs by 1981 than if they had continued at their 1976 rate.³¹

It has also been argued that, bearing in mind the runaway production cost of the new generations of weapons systems, foreign military sales would help to reduce the cost of production per unit as well as help to recoup a proportion of the cost of Research and Development. This would have two immediate effects. For one thing, being a function of the number of units produced, the unit price the supplier would pay for maintaining the same equipment in its inventory would be reduced. For another, the reduction in the unit cost of production would make one's military equipment more competitive in the international market.³² Another widely-purported economic

rationale holds that the sale of military equipment to another country would improve the supplier's trading position in other commercial arenas in the recipient country.

Let us now consider the role of the military-industrial complex in stimulating the arms trade, which has been the subject of lengthy debates. The 'merchants of death' debate when the private arms producers were accused of selling arms to the opposing parties in the First World War is well known. Since then governments have gradually come to impose tighter restrictions upon arms sales abroad so as to ensure harmony with the state's diplomatic alignments.

In spite of such a development, there is still a great deal of speculation about the nature of the military-industrial complex's involvement in the arms transfers process. One analyst in investigating the link between 'multinational' corporations and the military-industrial complex finds that of the top one hundred U.S. Department of Defense contractors in the year 1971, some thirty nine were multinational corporations with heavy dependence upon the foreign markets for the sale of their goods. According to the same analyst these corporations are heavily involved in arms sales overseas. He states that taking the total population of some 1,500 arms manufacturers, the Department of Defense in the U.S. has encouraged some 1,480 to sell arms abroad.³³

In the flow of arms from the Western countries to other parts of the world, Soviet analysts attribute a major role, to the

military-industrial complex. One of them states that, "the U.S. military-industrial complex's army of thousands of pushers obtain lucrative contracts for the sale of military equipment and operate in various parts of the world The military concerns in the U.S.A., Britain, France, Sweden and some other capitalist countries are making money on the sale of armaments not only on the home markets but also to many other states."³⁴

In a more non-partisan mode of analysis it is fair to argue that the arms manufacturers are more interested in the profit maximization, an objective which certainly puts them at odds, at times, with the more abstract goal of national security as defined by the state. Nevertheless the objectives of arms manufacturers are much narrower and more to do with the needs for economic well-being. What may, on one level of analysis, appear to be an appropriate response by a government to an external imperative, on closer scrutiny may prove to be no more than a concession to the strongly entrenched domestic interests of the arms manufacturers, by those occupying the positions of influence in the state decision making apparatus. It is, thus, difficult to disagree with the observer who argues that, "the system of nation-state relations is not immune from internal influences generated by the creation of a military-industrial-administrative-technoscientific infrastructure that is the mark of a developed armaments industry."³⁵

Arms Transfers and Their Impact on the Third World

The arms trade with the third world is criticized on a number of grounds of which the most commonly heard are the following: arms transfers propel regional arms races; destabilize the regional equilibriums thus heightening the risks of war; and involve a diversion of scarce economic resources into wasteful channels which will aggravate poverty within the developing states.

Arms Transfers and Their Arms Race Functions

An arms race is described as a situation in which, "...two or more parties perceive themselves to be in an adversary relationship, who are increasing or improving their armaments at a rapid rate and structure their respective military postures with a general attention to the past, current, and anticipated military and political behaviour of the other parties."³⁶

Apart from the above model which is called 'action-reaction', another mode of explanation seeks to interpret arms racing amongst the nations, particularly the superpowers, in terms of their domestic structures. According to this view arms races occur as a result of the existence of large military R & D establishments, which have a vested interest in continuously inventing new weapons; military organizations with fixed views on what ought to be procured, irrespective of the shape of external threats; and the existence of large political constituencies dependent for employment on the defence order, hence, giving the politicians cause to support military budgets in a way which will satisfy the voters.³⁷

It has, however, been argued that the domestic structure model might not be extendable to the third world countries, given the fact that large military R & D establishments and a political system susceptible to lobbying pressure may be lacking. In the case of third world countries, other domestic factors such as the type of the regime in power which, should be determined through empirical investigation, could play a more significant role in the creation of an arms race.³⁸

The increase in the military strength of the major arms producing states is largely implemented through the concentration of internal effort; a task which, in the third world, is achieved through the inflow of arms from foreign suppliers. In other words, the acquisition of arms from foreign sources is the means through which the states in the third world satisfy their security concerns.

The inflow of arms do not take place in regions devoid of rivalries, conflicts, territorial and ideological disputes, and hegemonical ambitions. So long as the regional powers adhere to the maintenance of a balance, arms transfers per se do not seem to fuel arms races. But once any one state in a region eschews the notion of equilibrium in favour of preponderance this, conflated with the above-mentioned factors, will lead to a counter-response on the part of the other regional actor(s). Arms transfers, in interaction with the regional security concerns, are likely to affect perceptions, thus engendering an atmosphere of mistrust which will accelerate the arms acquisition

process throughout the region.³⁹

Some analysts have distinguished between two types of supplier involvement in the arms race phenomenon. One is a situation when two dependent client states compete in the pursuit of their objectives, compelling the patron, perhaps somewhat reluctantly, to maintain a dynamic regional equilibrium. The second case is, "an arms-race by proxy wherein the client states provide a useful ... outlet for the ambitions of the arms race parents."⁴⁰ In other words, in the latter case, it is actually the donor states who are engaged in an arms race with each other through the supply of weaponry to their client states as, say in the case of the Israeli-American and the Arab-Soviet military supply relationships.

One problem with the above models is their static approach to what could otherwise be an interacting situation. In the above analysis the initiative for the arms supply relationship either emanates from the supplier or the recipient with no possibility of interaction between the converging interests of the supplier and the recipient. In this mode the supplier and recipient interests coincide which activates the arms transfer relationship, leading to an arms race in a region.

Pushing the analysis away from the role of third parties to that of the regional participants, two types of arms races have been distinguished. One is the competitive arms race between two or more actors aimed at the maintenance of a military balance. The

second is the imitative type whereby one actor wishes to gain access to equipment similar to that of another actor for reasons other than that of maintaining the military balance, such as prestige.⁴¹ In other words, the first type of the arms race occurs principally out of security concerns, while in the second case factors other than security, such as aspirations for regional prestige, may propel two or more states to engage in an arms race.

Arms Transfers and Their Conflict Functions

One of the consequences of the stimulation of regional arms races in the third world due to arms transfers is the heightened risk of armed conflict between two regional rivals. According to one source there have been fifty or more wars in the third world since 1945, whilst there have not been any major instances of war amongst the main industrialized countries. Furthermore, in a survey of world conflict conducted in 1969, at the beginning of the decade we are principally concerned with, no fewer than 160 disputes existed in the world, most of which were in the third world, with some potential for eruption into armed conflict.⁴²

Thus, there may be some element of truth in the argument that the degree to which peace exists in the developing parts of the world is a function of the continuation of delicate local balances of military power. In regions of fragile stability any change in the relative military capabilities might induce the dissatisfied power to seek the rectification of its grievances

through resort to armed means. The significance of the arms transfers is this. In many parts of the third world the inventories of sophisticated tanks, artillery, advanced combat aircraft and missiles are limited both quantitatively and qualitatively. Any increase in the quantitative shipment of equipment or their qualitative sophistication favouring one side at the expense of other could engender destabilizing repercussions. It could therefore be argued that the third world is highly sensitive to the arms traffic process.

It is expected that in the long run all the states in a particular region will incorporate the new weapons technologies in the appropriate quantity in their inventories so that a dynamic balance will be created. In the short run two possibilities could prove destabilizing. The state with the new military capabilities, while it still retains advantage, could strike. Secondly, the state whose position is deteriorating could strike before the gap with its adversary widens any further.⁴³

A number of qualifications have to be made, however, about what has been said since things are not as black and white as they might seem. The qualifications have to do with the nature of the military technology transferred to the third world. One aspect of the argument hinges on the stabilizing or destabilizing repercussions of traditional weapons technologies, such as aircraft and main battle tanks, of which ever more sophisticated varieties were being exported to the third world countries, since the late 1960s. The other aspect of the debate concerns the

stabilizing or destabilizing effects of the Precision Guided Munitions (PGMs).

The performance constraints of weapons systems, such as range and payload limitations, have defined the degree of destruction that could be inflicted in the third world. With the transfer of advanced aircraft and missile systems, the third world armies have gained targeting options against civilian, industrial and military installations hitherto impossible, thus, raising the lethality of conventional warfare amongst such belligerents. This, combined with the high attrition rates of military equipment under the modern combat conditions, has made one expert state that, "the very high attrition rates and the possibility of greater threat to civilians than in the past may serve as a restraint [on the actual decision to go to war]. The costs of war in terms of men and money, will be sufficiently high to make the choice of war a difficult one."⁴⁴ Modern war is an extremely destructive business and its sheer destructiveness, according to the latter analyst, could restrain the potential belligerents from opting for war.

Precision Guided Munitions (PGMs) are defined as weapons, with more than a 50% chance of destroying their targets with one shot. It has been suggested that the PGMs by increasing the shot-kill ratio, increase the attrition rate of offensive platforms, such as the tactical aircraft and the main battle tank, thus reducing their cost-effectiveness, tend to tilt the balance of military advantage to the defence. By escalating the cost of warfare,

deterrence could become a more viable alternative, from which stability could ensue, so goes the argument.

The cost-benefit analysis that any political leader may initiate, could probably be influenced by all the factors mentioned above, before the start of hostilities. Thus, it may be asserted that the heightened risk of conflict, due to arms transfers though always a possible outcome, could depend on a number of factors, of which the escalating human and economic cost of modern warfare could act as important inhibitive factors.

The Impact of Arms Transfers on the Development Process

The developmental repercussion of arms transfers has become a focus of differing interpretations amongst the observers. One extreme of the debate is succinctly put by Benoit when he argues that, "the average 1950-1965 defense burdens of 44 developing countries were positively, not inversely, correlated with their growth rates over comparable time periods: i.e., the more they spent on defense, in relation to the size of their economies, the faster they grew, and vice versa. This basic correlation was strong enough so that there was less than one chance in a thousand that it could have occurred by accident."⁴⁵

On the other side of the debate are those who are highly critical of the adverse impact of arms transfers on the developmental process in the world in general and in the third world in particular, as represented in U.N. publications, the radical and the left in the West and the third world, and the Soviet writings

(at least when Western arms exports are concerned).

For those who view the transfer of arms to the third world positively a favourable outcome is the spin-off effect of the military technology into the civilian sector of the economy. The military technology makes the production of some industrial goods possible and others more viable. A further positive impact of the military expenditure in the third world context, according to its proponents, is that the armed forces act as a conduit for employing excess labour in the economies whose modern civilian sectors are basically capital-intensive. A beneficial spill-over effect of the military expenditures in the third world is to provide means of training for manpower in societies of low technical sophistication. Some receive training of a highly specialized nature such as machine maintenance and operation while others become cooks, clerks, managers and so on: both categories are argued to be of further use to the civilian sector of the economy. Finally, it is argued that the military expenditure facilitates economic development and growth by mobilizing resources in the housing, communications, transportation, education and health sectors of the economy.⁴⁶

The critiques of arms transfers to the third world, however, interpret the same process in a sharply contrasting manner. To them military expenditure represents a consumption of scarce resources the cost of which has to be borne through the reduced provision of welfare in such areas as health and education. Furthermore, it is argued that the military sector of society is

in direct competition with the civilian sector of the economy in such areas as raw materials, scarce knowledge and scarce highly trained manpower.

Also the military technology, being capital- and technology-intensive does not lead to a notable increase in employment opportunities while the spill-over effect of sophisticated military R & D into the civilian sector of the economy is negligible due to the gap in the requirements between the two. The impact of military expenditure by the third world countries represents, according to these analysts, a net leakage in their foreign purchasing power which could have been more appropriately expended on much needed industrial goods and services, more beneficial to the economy as a whole. It is argued, finally, that by creating bottlenecks in the economy, generating inflation, and by creating unemployment, military expenditure can cause instability, riots and revolutions which, if they are to be controlled by the authorities, will demand the exercise of repression on a growing scale.⁴⁷

Arms Transfers and Military Dependence

Not least the dependence-creating functions of arms transfers in the modern world need to be considered. As already mentioned, the military hardware transferred to the third world has become increasingly sophisticated. The ever-increasing sophistication of modern weapons systems, however, is the outcome of certain imperatives in the major arms-producing countries which have opted for capital-intensive armies. With the ever-increasing

production costs of the new weapons systems' generations, this trend is the reflection of the desire to allocate as much of the limited defence budget resources to equipment procurement as possible, as opposed to manpower expenditure. Thus, one observer of the field notes that, "the vision of an automated, high technology battlefield is the logical extension of present trends in the dynamics of armaments."⁴⁸

The maintenance, operation and repair of sophisticated military equipment may not pose insurmountable difficulties in the producer countries. But in the low-skilled milieu of much of the third world countries the effective maintenance, operation and repair of sophisticated military hardware could prove unsurpassable obstacles. By and large this is the reason why arms transfers are accompanied by what has come to be named the "back-end operation". This has been defined as, "those activities that take place once an arms-transfer agreement has been reached and these activities can continue for many years, for they include not only the initial support for a new programme (training, infrastructure, etc.) but follow-on support, including maintenance..."⁴⁹ To implement the requisite tasks there is a need for the increased presence of foreign military advisory personnel in the recipient country.

Arms transfers also tend to open up sectors of the society within the recipient country, most notably the army, otherwise very difficult to achieve by a donor state. Along with the military hardware, military doctrines and ideologies regarding the

superiority of capitalist or socialist paths of development are also exported.⁵⁰

The final, but not the least significant, area of the recipient dependence is that of equipment and spare parts supply and resupply. Given the rapid obsolescence rate of the new weapons systems generations and the high attrition rate of equipment and spare parts in the modern combat situations, the dependency relationship is inevitably reinforced.

Conclusion

This chapter began by criticism of the studies that emphasize the statistical, descriptive aspects of arms transfers at the expense of offering explanation. Then it was mentioned that certain political, strategic and economic imperatives stimulate arms transfers in the international system from which certain consequences flow. Four such consequences were mentioned: the arms race, the risk of conflict, the diversion of resources and dependence. To demonstrate, as far as the data permits, how each of these seven factors operated within the context of Iran-U.S. military-security relations in the 1970s should be sufficient in satisfying the demands of the criticism levelled against mere descriptive studies.

Notes

1. U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Transfers 1966-1975 (Washington, D.C.: ACDA, 1976), p. 8.
2. This section draws on the insightful works of the following analysts: I Peleg, Arms Supply to the Third World- Models and Explanations, Journal of Modern African Studies (March, 1977); E A Kolodziej, Arms Transfers and International Politics: The Interdependence of Independence; and S Neuman and R Harkavy, "Preface," both in Arms Transfers in the Modern World, Stephanie G Neuman and Robert E Harkavy, Ed., (New York : Praeger Publishers, 1979).
3. Peleg, op. cit., p. 98.
4. Kolodziej, op. cit., pp. 4-5.
5. Peleg, op. cit., pp. 98-99.
6. Neuman & Harkavy, op. cit., p. vii.
7. Andrew Pierre, The Global Politics of Arms Sales (New Jersey, Princeton University Press, 1982), pp. 5-6.
8. U.S. ACDA, World Military Expenditures and Arms Transfers 1970-1979 (Washington, D.C.: ACDA 1982), p. 5.

9. M Kaldor and A Eide, The World Military Order: The Impact of Military Technology on the Third World (London, The Mcmillan Press Limited, 1979), pp, 5-6.
10. R P Labrie, J Hutchins and E Peura, U.S. Arms Sales Policy (Washington, American Enterprise Institute For Public Policy Research, 1982), p. 37.
11. For a succinct overview of the debate refer to A H Chan, Controlling Future Arms Trade (New York, McGrawhill Book Company, 1977), pp. 4-5; also the 'Introduction' in Kaldor et al., for a more elaborate critical view; for a 'diffusion of power' view see Pierre op. cit., p. 4.
12. Andrew Pierre, Ed., Arms Transfers and American Foreign Policy (New York, New York University Press, 1979), p. 3.
13. W B Quandt, Influence through Arms Supply in Arms Transfers to the Third World, Ed., by Uri Raanan, R Pfaltzgraff and G Kemp (Colorado, Westview Press, 1978), pp. 121-122.
14. W H Lewis, Political Influence: the Diminished Capacity in S Neuman et al, op. cit., p. 186.
15. Pierre, op. cit., pp. 16-17.
16. Lewis, op. cit., pp. 186-187.

17. G Kemp and S Mill in Pierre, Ed., op. cit., pp. 65-67.
18. Ibid., p. 47.
19. E W Lefver, Arms Transfers, Military Training & Domestic Politics in S Neuman et al., op. cit., p. 276.
20. Lewis, op., cit., p. 185.
21. L H Gelb, Arms Sales, Foreign Policy (Winter 1976-77), p. 14.
22. Kolodziej, op. cit., p. 13.
23. Kemp & Mill in Pierre, Ed., op. cit., pp. 81-82.
24. R P Labrie et al., op. cit., pp. 61-62.
25. Pierre, op. cit., pp. 21-22.
26. R E Harkavy, The New Geopolitics: Arms Transfers and the Major Powers Competition for Overseas Bases in Neuman et al., op. cit., pp. 131-133.
27. R Burt, Nuclear Proliferation and the Spread of New Conventional Weapons Technology in Neuman et al., op. cit., p. 89.

28. P M Dawkins, Conventional Arms Transfers and Control: Producer Restraints in A H Cahn et al., op. cit., pp. 165-166 & 173.
29. Kemp & Mill in Pierre, Ed., op. cit., pp. 59-60.
30. Labrie et al., op. cit., p. 71.
31. The data is taken from Kemp & Mill in Pierre, Ed, op. cit., p. 61; and Labrie et al., op. cit., p. 71.
32. P M Dawkins, op. cit., p. 124.
33. J F Galloway, Multinational Corporation and Military-Industrial Linkage in S Rosen, Ed., Testing the Theory of the Military-Industrial Complex (Massachusetts, Lexington Books, 1973), p. 267, 276 & 280.
34. A Migolatyev, The Military-Industrial Complex and the Arms Race, International Affairs (Moscow, November 1975), pp. 65 & 69.
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36. C Gray, The Arms Race Phenomenon, World Politics (October 1971), p. 40.
37. For instance see: Barry Buzan, An Introduction to Strategic

- Studies (London, Macmillan Press, 1987), pp. 94-103.
38. Ibid., pp. 103-104.
39. J Hutzinger, Regional Recipient Restraints in Cahn et al., op. cit., pp. 173-174.
40. C Gray, op. cit., p. 53.
41. Kemp and Mill in Pierre, Ed., op. cit., pp. 68-69.
42. S J Rosen, The Proliferation of New Land-Based Technologies: Implications for Local Military Balances in S Neuman et al., op. cit., pp. 110-111.
43. Ibid., pp. 110-115.
44. J L Foster, New Conventional Weapons Technologies: Implications for the Third World in Uri Raanan et al., op. cit., p. 80.
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46. Two sources for further elaboration are: D K Whynes, The Economics of Third World Military Expenditure (London, The Mcmillan Press Ltd., 1979), esp. chapter 3, pp. 43-79; and S Neuman, Arms Transfers and Economic Development: Some Research

and Policy Issues in Neuman et al., op. cit.

47. The literature is plentiful but a few general works are: M Kaldor, The Baroque Arsenal (London, Andre Deutsch Limited, 1982), esp. chapter 5; R Luckham, Militarism and International Dependence in Disarmament and World Development, Ed., by R Jolly (Oxford, Pergamon Press, 1978); and any U.N. publication dealing with the relations between the arms race and development.

48. P Lock and Herbert Wulf, The Economic Consequences of the Transfer of Military-oriented Technology in Kaldor et al., op. cit. p. 221.

49. G Kemp, Arms Transfers and the "Back-End" Problem in Developing Countries in S Neuman et al., op. cit., pp. 265-266.

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CHAPTER TWO

Historical Exposition of Iran-U.S. Military-Security Relations, 1941 - 1969

The main purpose of this chapter is to offer a brief historical analysis of the U.S. involvement in Iran, which started during the Second World War, with particular emphasis on the military-security aspect of relations between the two countries in the 1940s, 1950s and 1960s. This is intended to serve as the background to the subsequent chapters which will analyze in detail Iran-U.S. military-security relations in the 1970s.

From the end of the First World War until 1941 the U.S. did not have any prolonged involvement in Iranian affairs. The only notable exception was that of the employment of Dr. Millspaugh by the Iranian government to put the country's finances in order in 1922, until the time he withdrew his services in 1927 over differences with Reza Shah. What must, however, be stated is that the employment of Millspaugh was itself the reflection of a more subtle underlying motive in the conduct of Iranian foreign-policy. One of its objectives was the involvement of a disinterested, distant third power in the country as a means of checking the influence of Britain and the Soviet Union: the two great powers in constant rivalry in that country since the nineteenth century.

The U.S. ranked high in the Iranian politicians' choice as that disinterested, distant third-power 'saviour'. However, due to the isolationist tendencies of the U.S.A. during the inter-war era it never responded affirmatively to Iran's gestures. However, Iran's subsequent choice of Germany as the third-power balancer, the initiation of hostilities between Germany and U.S.S.R./U.K. alliance and the subsequent Anglo-Soviet invasion of Iran on August 25, 1941 not solely to combat the German influence in Iran , but also to gain access to secure war supply lines of communication to the Soviet Union were to set the scene for American involvement in Iran under radically different circumstances.¹ Subsequently upon the Allied invasion of 1941 Reza Shah , the founder of Pahlavi dynasty, was ousted from power and the throne seized by his eldest son Mohammad Reza.

War and the Evolution of U.S. Policy

Substantial U.S. involvement in Iran began with the Anglo-Soviet invasion of 1941. What started as an American entry in the immediate post-invasion period to bolster up the allied war strategy was, however, gradually to become one of solid entrenchment. In the early post-invasion period U.S. policy in Iran was indeed shaped by the dictates of the Allies' war strategy against Nazi Germany: Iran was seen merely as a corridor to get badly needed supplies to a hard-pressed ally, to be evacuated and restored to sovereignty as and when the war was over.²

Thus, in a cable from the State Department to the Embassy in

Tehran dated January 23, 1943 we read the following,

" this government has come during the past year or more to play a relatively active part in Iranian affairs. In the past, the U.S. has had no important political interests in Iran. Our recent activity, therefore, is rather a new departure and has arisen primarily out of our participation in the war and natural concern that political matters in all theatres of war operations should develop favourably with respect to the United Nations."³

The United States involvement in Iran was not bound to come to an end once the war was over. Indeed, the configuration of internal Iranian politics and external pressures were to be such that, once involved, the U.S. was to stay. Within the Iranian body politic, at one level, there was the new Iranian monarch, Mohammad Reza Shah. In fact, the Anglo-Soviet invasion of Iran in 1941 and the subsequent dethronement of his father had a dramatic impact upon his sense of personal insecurity. Moreover, as with his father, he was highly suspicious of the Soviet Union. The British, who were not admired but not as distrusted as the Soviets, had come to earn the new Shah's resentment by having stipulated that their support of him depended upon the latter's fulfilment of a number of conditions. The most important of these conditions, to the Shah at least, i.e. that he rule within the constitution of Iran, if implemented would have made him no more than a constitutional monarch; this was not good enough for the Shah, who entertained the idea of nothing less than total power.

In order to counter-balance Anglo-Soviet influence, the Shah approached the U.S. minister in Tehran on October 8, 1941 and said that he would be very happy to be an ally of the U.S.. This was, indeed, no more than a continuation of the traditional third power policy.⁴

At another level the Anglo-Soviet occupation created deep anxieties amongst the Iranian politicians: they were concerned about the restoration of the country's sovereignty once the war was over, and about the day-to-day administration of government business during the occupation period. Even before the arrival of U.S. forces in Iran in late 1942, Reza Shah sought American intervention so as to minimize the impact of the Anglo-Soviet invasion. Though the U.S. did not intervene it did exert its influence on the Soviet Union and Britain to conclude the Tripartite Treaty of January 29, 1942 with Iran which, inter alia, declared the temporary nature of Allied occupation and guaranteed the restoration of Iran's independence once the war was over. With the arrival of U.S. forces in 1942, those groups which adhered to the notion of counter-balancing the Anglo-Soviet influence in the country with that of a third power, found their window of opportunity. One of the means of deepening U.S. involvement was seen to be the acquisition of military aid from them (the two main instruments, however, were aid in general and trade).⁵

Thus, in a 'Memorandum of Conversation' between an American Embassy official, named John D. Jernegan, and an Iranian

Minister, cabled to Washington on May 8, 1942, we read as follows,

"The Iranian Minister called to explain the desires of his Government with respect to assistance from the United States in the form of advisers. In addition to the quartermaster general and the two agricultural experts already requested, the Iranian Government now asks for a military aviation officer, a military engineer officer and a civilian financial adviser. It is likewise anxious to obtain two police organizers, one for the city police of the country and one for rural gendarmerie."⁶

At other levels, however, the U.S. had its own set of anxieties regarding the course of events in Iran. It was assumed that a weak and shaky Iran, vulnerable to internal disorder, could embroil the foreign powers in the affairs of the country and, hence, be harmful to the peaceful conduct of international relations in the post-war era.

As early as February 1943, the U.S. Secretary of State approved a policy paper on Iran, which suggested,

"So far, we have rested...upon our interest in winning the war...I wonder if we should not also begin privately to base our response [to Iran's appeals for assistance] upon our interest in winning the peace."⁷

The paper went on to say that,

"the past and present attitudes of Great Britain and Russia, together with the current weakness of the Iranian government ...justifies fears that Iran may prove a danger point when we come to a post-war settlement."

U.S. policy was, thus, to proceed on the basis of, "strengthening Iran to a point at which she will be able to stand on her own feet."⁸ The Iranian government's request for military and other civilian advisers was thus, not as in the inter-war period, going to fall on deaf ears. Hence, the U.S. provided Col. H Norman Schwarzkopf, the first of its military advisors to Iran, to reorganize the Imperial Iranian Gendarmerie. In the same vein, on June 16, 1942 Iran accepted Major General John N. Greely as the Intendant General of the Iranian army, also from the U.S.

A further factor in the overall equation of the entrenchment of the U.S. position in Iran and on Iran's concerns for its security, was the role played by the Soviet Union as an occupying power in Iran. Even as the war proceeded the fissures between the Allied powers over Iran were widening. After the Battle of Stalingrad, and the decline in the German threat to the Soviet Union, the latter came to adopt a highly aggressive attitude towards Iran. Beginning in January 1943 the Soviets started making demands and taking actions, described below, which could be regarded as detrimental to Iran's interests. Also after the Battle of Stalingrad, Rahbar, the organ of the pro-Soviet Tudeh

Party started printing articles condemning Iran's reactionary rulers, and saying that the Red Army had liberated their fatherland. As the pro-Soviet propaganda was stepped-up, the gap between the U.S. and Britain on the one hand, and the Soviet Union on the other started growing.

This atmosphere of suspicion was not eased by the manner in which the Soviet Union started, in 1944, pressing the government of Iran for the exclusive control of the latter's northern oil reserves. To be more precise, the Soviet declaration of its interest in Iran's northern oil reserves was preceded by the arrival of an Anglo-American party to seek oil exploration concessions in Iran, arousing the Soviets' deepest suspicions. Concerned about the security of its southern borders with Iran and the presence of forces hostile to the Soviet Union in northern Iran, the Soviets may have launched their overture for the exclusive exploitation of the latter's northern oil reserves as a purely pre-emptive measure. Nevertheless, the manner in which it was done put further strain on Allied unity in Iran.

The Russian Vice-Commissar of Foreign Affairs, Sergei Ivanovitch Kavtaradze, informed the Shah in September 1944 of the U.S.S.R.'s desire to obtain exclusive oil exploration rights for five years in an area of northern Iran stretching from Azerbaijan to Khorasan.

Fearful of Soviet pressures, the Iranian cabinet postponed all oil concessions until after the war - a resolution that extremely

angered the Soviet representative in Iran- who remarked to the Iranian authorities that it would have unhappy consequences. Immediately after this the pro-Soviet political forces in Iran embarked upon concerted agitation campaigns, organizing demonstrations and printing defamatory articles against Iran's leadership. Under these circumstances, on 1 November 1944, George Kennan, the American Charge in Moscow, protested to the Soviet authorities that the U.S. government was unable "to concur in any action which would constitute undue interference in the internal affairs of Iran."⁹ Thereafter, the Soviet-supported agitation declined somewhat.

There were, however, genuine concerns on the part of Iran that the Soviets would stir-up agitation in the north. Shortly after V-E day (8 May 1945) Iran declared its intention to ask for the evacuation of Allied troops, and the issue was raised at Postdam by Eden. But Stalin argued that since the war with Japan was not over yet, and the Tripartite Treaty set the withdrawal of the Allied troops only after the termination of all conflict, the Soviet Union would be reluctant to evacuate its troops.

At the same time the situation in northern Iran was deteriorating. Soviet-inspired riots broke-out in the Soviet-controlled northern zone while in Tabriz (the capital of Azerbaijan province) armed men, protected by Soviet troops, seized government buildings, and confined the Iranian army and gendarmerie to their barracks. After repeated protests the Soviets answered only by renewing their demand for oil

concessions.

By November 19, 1945, a pro-Soviet Iranian organization, with Soviet assistance, had managed to seize control of Iran's northern province of Azerbaijan. On 24 November, the American government delivered an urgent note to the Soviet Union, suggesting the withdrawal of Allied troops, in accordance with the Tehran Declaration, by January 1, 1946. The Soviet reply, however, emphasized the determination of the Soviet length of stay by the Tripartite Treaty, as well as by the Soviet-Iranian Treaty of 1921 (which gave the Soviet Union the right to intervene in northern Iran, should its southern borders be threatened).

On 19 January, Sayid Hasan Taqizadeh, the Iranian representative to the U.N., requested investigation into the Soviet Union's interference in his country's internal affairs. On 28 January Taqizadeh reiterated his country's demand to the U.N. The Soviet representative to the U.N., Vishinsky, suggested the resolution of Irano-Soviet differences through bilateral negotiations. The Iranian representative, while conceding on the bilateral negotiations did not, at Anglo-American insistence, allow the matter to go out of the Security Council's hands.

By 2 March, while British and American troops had withdrawn from Iran, the Soviet press stated that the Iranian Prime Minister, Qavam, had been informed that Soviet forces would be withdrawn from those northern districts that it considered peaceful. As

for the remaining Iranian districts, they would be evacuated upon the examination of the situation.

On 18 March the Iranian Ambassador brought the situation to the attention of the U.S., asking them to support, in the U.N. the Iranian case against Soviet interference in its internal affairs. Having received reports from its consulate in Tabriz that the Soviets were reinforcing their troops in northern Iran, instead of withdrawing them, the U.S. lent its full diplomatic support to the presentation of the Iranian case before the U.N. President Truman in a statement to the press urged the immediate consideration of the Iranian grievances vis-a-vis the Soviet Union in the U.N. On 24 March, in an interview with the press, Stalin announced the Soviet intention to withdraw from Iran.¹⁰

The support and protection of Iran in its dispute with the U.S.S.R. was, of course, deemed consistent with U.S. national interest. The U.S. Joint Chiefs of Staff had attested to Iran's strategic significance to the U.S. as a source of oil, for its ability to protect U.S. controlled oil wells in Saudi Arabia and its potential as a territorial shield, preventing Soviet penetration into the Middle East. It was argued that since the U.S.S.R. did not possess sufficient quantities of oil within its borders to support a war, and thus might push southwards to gain access to Middle East oil, the cession of northern Iran and its incorporation into the Soviet zone of influence might act as a springboard for further Soviet advances into the region. Consequently, the U.S. JCS urged limited assistance to Iran to

maintain internal security. Thus, during the period of Irano-Soviet crisis the U.S. gave Qavam, the Iranian Prime Minister, its broad-based support which, inter alia, included a pledge to provide the Iranian government with some military aid for defensive weapons and an enlarged military advisory mission.¹¹

Up to now our concern has been to substantiate the pressures, mixture of events and forces that led to, or facilitated U.S. involvement in Iran and, in a sense, acted as a prelude to the deepening of relations between the two countries. How did some of the central threads of this relationship evolve up to the American-engineered coup of 1953 against Dr. Mohammad Musaddeq, the Iranian Prime Minister who nationalized the British-owned Anglo-Iranian Oil Company?

The Post Cold War Era Up to the Coup of 1953

U.S. support to Iran during the Azerbaijan crisis; a limited provision of military aid during the crisis; the declaration in 1947 of the Truman Doctrine and the subsequent provision of aid to Turkey and Greece; and the Marshall Plan, which was to help the rebuilding of a war-devastated Europe, all tended to reinforce the belief of the Shah and Tehran politicians, that Iran would also qualify for massive U.S. military and economic aid. That, however, was not to be. On the question of economic aid from the U.S., the Shah expected a loan of at least US \$250,000,000 in order to implement the 7-year Development Plan drawn up by the government in 1947.

Even more relevant to the purpose of this chapter is the nonfulfillment of the Shah's expectations on military aid. A small arms sales agreement was concluded between Iran and the U.S. in 1947, the first consignment of which did not arrive in Iran until March, 1949.

But the question of what constituted appropriate Iranian military requirements was an issue on which the Shah and U.S. policy makers differed greatly, and, more often than not, was a constant cause of strain in their relations.

While the U.S. was content to under-write Iranian security vis-a-vis the Soviet Union by giving it limited defence guarantees, this was not enough for the Shah. The latter pressed the Americans time and again for the provision of adequate military hardware, such as was being supplied to Greece and Turkey, so that Iran would have a strong army of 150,000 and be able to take care of its own defence. U.S. policy makers, however, urged restraint upon the Shah's arms build up ambitions since, "it could be such a drain on the national economy so as to increase the very poverty of the people, which His Majesty considered the greatest asset of communism."¹²

To the U.S. government, while the stability and security of Iran vis-a-vis the Soviet Union was as important as that of Turkey and Greece, the best means of achieving it was through the capability of Iranian armed forces to fight internal subversion. In an exchange between the U.S. embassy in Tehran and the State

Department in Washington it is stated that,

"the U.S. military assistance should continue to be aimed at internal security, not national defense of, Iran. Power relations [between] Iran and U.S.S.R. cannot be altered appreciably by provision of U.S. military supplies. Iranian arms program [is] intended [to] 1) replace lost or obsolete equipment [of the] Iranian army to permit effective display of central government power, patrol border areas and insure quick repression of foreign inspired uprisings, and 2) increase effectiveness [of] Gendarmerie in maintaining law and order throughout the country. We [are] inclined to think provision of arms for first-line defense would be fruitless and provocative to the U.S.S.R."¹³

While these differences lingered on, the Shah decided to take matters into his own hands and impress upon the American policy makers his own conceptions of the Iranian defence requirements. He did so during his first visit to Washington in November 1949.

In a memorandum sent by the Assistant Secretary of State, the Secretary of State was informed that the Shah in his visit to the U.S. was likely to raise the issue of his country's need for an enlarged and better-equipped army in order to face up to a possible Soviet invasion. He was further informed that the Shah was likely to request the extension of Truman Doctrine to include

Iran. On both these issues the Secretary of State was advised not to make any firm commitments, and he did not.

In his meeting with President Truman the Shah maintained that while Greece and Turkey were the left flank and centre in the Near East's line of defence against the Soviet Union, Iran constituted the right flank. The Shah went on to argue that, given U.S. willingness to spend large sums on strengthening the left flank and the centre in the Middle East, all that expenditure could be wasted by leaving the right flank undefended.

The President's reply, however, was that,

"the Congress, which held the purse strings, had, after considerable debate and in the face of some opposition, passed a Military Assistance Bill. The funds were not as large as the President would have wished... He hoped that all our friends appreciated that with our responsibilities in this hemisphere, in Europe, the Far East, and the Middle East, it was often necessary to leave undone many things which we wish to see accomplished."¹⁴

Nor did the Shah fare any better on securing extra U.S. economic aid during his visit. The pervasive view at the time in Washington was that, while financial aid to Western Europe was put to good use, aid to the corrupt governments of Asia, including Iran, was "money poured down the rat-hole."¹⁵

The Shah's overtures to the U.S. for increased military assistance were also looked upon with deep suspicion by the anti-royalist Iranian politicians. Primarily they were concerned lest the army become a political instrument in the Shah's hands for suppressing his opponents. After the Allied invasion of 1941, and the dissolution of Reza Shah's absolutist rule, a degree of freedom had been restored to the Iranian political scene. It did not escape these politicians that Reza Shah's dictatorship rested primarily on his control of the army. In particular the Majlis (the Iranian Parliament) which had once again become a forum for political debate, exercised its control over the government finances to scrutinize the requested military outlays. The culmination of this struggle for control of the army was reached during the nationalization fiasco of the British-owned Anglo-Iranian Oil Company, led by Dr. Mosaddeq during the 1951-1953 period. Upon requesting a vote of confidence for his new cabinet, Mosaddeq in 1952 asked the Majlis for the delegation of authority to legislate reforms by decree for six months and the Shah to declare him Minister of War in his own cabinet. When the Shah declined to appoint Mosaddeq as the Minister of War, the latter resigned in a test of power, and was reinstated as Premier only after mass demonstrations by his supporters and his subsequent appointment to the War Ministry.¹⁶

At this stage it may be appropriate to mention the U.S. attitude to the 1951-53 oil nationalization crisis, and its military involvement in Iran during that period. For one thing Mosaddeq did curtail the size and activities of the U.S. military mission

that the Shah had built up as a means of deepening U.S. involvement in Iran.

To be more precise, Mosaddeq refused to renew the agreement on the U.S. military mission in Iran, which was to terminate in 1951, on the grounds that Article 19 of the agreement prohibiting Iran from employing foreign nationals in its armed forces without U.S. permission, constituted an infringement of Iran's sovereignty. However, in spite of the non-renewal of the agreement, the members of the U.S. military mission remained in Iran and Mosaddeq did not insist upon this departure lest it alienate the U.S.

The U.S. even sent some light equipment to Iran during Mosaddeq's premiership which included recoilless rifles, bazookas, rocket launchers, ammunition, medium Sherman tanks, signal communications equipment, howitzers and spare-parts. The annual value of this equipment was not more than \$10 million while Mosaddeq was in power (it may also be of relevance to note that before the assumption of the Premiership by Mosaddeq in 1951, the U.S. had sent some light infantry arms and light mountain artillery equipment to Iran).¹⁷

In so far as the U.S. attitude towards the oil nationalization crisis was concerned, it was initially one of an impartial mediator between the two sides in the dispute, namely, Iran and Britain. Only gradually did the U.S. position shift to one of partiality in favour of Britain, to oust Mosaddeq from power.¹⁸

The U.S. attitude was shaped to a great extent by its cold war rivalry with the Soviet Union. Though the U.S. did endorse the British-devised AJAX operation as a means of staging a coup against Mosaddeq and installing the Shah in power, British and American motives differed as to why Mosaddeq should be ousted. According to the chief organizer of the coup, the CIA agent Kermit Roosevelt,

"the original proposal for AJAX came from British Intelligence after all efforts to get Mosaddeq to reverse his nationalization of the Anglo-Iranian Oil Company (AIOC) had failed. The British motivation was simply to recover the AIOC oil concession. We [the U.S.] were not concerned with that but with the obvious threat of Russian take-over."¹⁹

As the oil nationalization crisis continued, without any immediate solution in sight, the British-imposed economic sanctions and the subsequent hardship caused a diminution of Mosaddeq's popular support; also he increasingly lost the support of his other nationalist and religious allies, and there was an upsurge of urban agitation and demonstrations by the pro-Soviet Tudeh Communist Party. Given Mosaddeq's precarious situation and the threat of a Tudeh take-over, Eisenhower's Republican Administration elected in 1953 increasingly came to view the events in Iran from a cold war perspective.

With full U.S. backing, the Shah left the capital leaving behind

a royal decree, dismissing Mosaddeq as the Prime Minister and appointing the pro-U.S. General Zahedi in his place. After Mosaddeq's initial resistance and the Shah's temporary escape from Iran the plan was fully implemented, when with the amply-distributed U.S. funds, sections of the armed forces, the pro-Shah crowds, paid agents, and some alienated religious leaders supporting him, the Shah returned on August 19, 1953 with Mosaddeq ousted and Zahedi the Premier.²⁰

The Period of Post-1953 Coup to the Shah's Declaration of His National Independent Policy in 1962

The coup of 1953 had far-reaching implications for Iran-U.S. military and security relations. For one thing the volume of military aid and sales to the Shah's regime increased dramatically, but still not to the extent that would satisfy the Shah. From 1946 to 1970 Iran received an estimated total of \$1,365.6 million in military aid of which \$830.4 million came under the Military Assistance Programme and another \$504.1 million took the form of credit from the U.S. government. But of this amount of aid only \$16.6 million came during 1949-53 period while between 1953-60 alone it increased to \$386.9 million.²¹

On another level the coup of 1953 brought home to the Shah, if to no-one else, the advantages to be derived from a policy of close alliance with the US culminating in his reinstatement as the monarch and the overthrow of Mosaddeq. This psychological dependence not only increased his vulnerability to external pressure, in particular from Washington, but also committed the

Shah to a policy of firm alignment with the West, as exemplified in his decision to join the Central Treaty Organization (CENTO).²²

Immediately after the coup the U.S. helped the Shah to consolidate his rule through the provision of military and economic aid. U.S. aid also took the form of helping the Shah's regime build up an internal security service, which came to be known as SAVAK, for the suppression of his communist opponents--an instrument, however, that the regime came, later on, to turn against any manifestation of dissent. With the aid of Captain J. J. Leonard, a member of the Chicago Police Department with experience as a counter-intelligence officer in Hawaii and later on Korea, Bakhtiar (the first head of SAVAK) assembled and trained a staff in the use of FBI techniques for the penetration of anti-regime organizations, in particular, the Communist Tudeh.²³

Apart from helping to establish the SAVAK, military aid also took the form of a number of different U.S. military advisory missions attached to the Iranian armed services; these missions, as already mentioned, had their operation suspended during the time of Mosaddeq, but in the period after the coup entrenched their positions. There were three such missions, namely, ARMISH, MAAG (Military Assistance Advisory Group), and GENMISH (the U.S. Military Mission with the Imperial Iranian Gendarmerie). ARMISH was assigned to assist and advise the Iranian Ministry of War, the Supreme Commander's Staff and the commanders and staffs of

the Iranian Army, Navy and Air force on the questions of planning, organization and training. MAAG was concerned with the effective execution and implementation of the Mutual Defense Assistance programme in Iran while GENMISH was to advise the Iranian Interior Ministry on the organization and operation of the Imperial Iranian Gendarmerie.²⁴

The U.S. military mission(s) also had two other aims. Firstly, when the Iranian army was considering buying a weapon system, the U.S. mission was to encourage the former to buy American. But, secondly, the mission also was to discourage the Iranian army from overexpenditure on the defence outlays lest it cause any serious strain on the country's socio-economic structure.²⁵

It was also in conjunction with U.S. aid personnel that between 1953-60 the Shah reorganized and expanded the Iranian army from about 100,000 men to 190,000 and built up a modern air-force and navy of 8,000 and 4,000 men respectively²⁶ while between 1950-65 some 2,000 Iranians received military training in the United States.²⁷

One of the purposes of the military aid programme initiated in the post coup period was explicitly stated by a National Security Council study on Iran in December 21, 1953,

"military aid to Iran has great political importance apart from its military impact. Over the long term, the most effective instrument for maintaining Iran's orientation

toward the West is the monarch, which in turn has the Army as its only real source of power. U.S. military aid serves to improve Army morale, cement Army loyalty to the Shah, and thus consolidate the present regime and provide some assurance that Iran's current orientation toward the West will be maintained."²⁸

The generation of internal support for his regime amongst the armed forces was certainly also in the forefront of the Shah's thinking when making his annual appeals to Washington for military aid. In this respect the Shah represented in Washington the interests of his armed forces in a quid pro quo for the latter's support of his regime.²⁹

With his ascension to the throne after the coup of 1953, the Shah adopted an aligned foreign policy, one which he proclaimed as "positive nationalism", in order to distinguish it from the non-aligned foreign-policy of Mossadeq, which Mosaddeq referred to as "negative equilibrium." The Shah claimed that, "positive nationalism [was] a policy of maximum political and economic independence consistent with the interests of one's country. On the other hand it does not mean non-alignment... It means that we make any agreement which is in our interest, regardless of the wishes or policies of others." But the Shah had also expressed his belief that the less-developed countries of the world had to fear most the new Soviet totalitarian imperialism of the left. Thus, as the Shah perceived it, "positive nationalism" meant a firm alignment with the Western camp and,

in particular, the United States.³⁰

The Shah had, indeed, expressed his view, immediately after Mosaddeq's overthrow, to a confidant of President Eisenhower that, "he was fully aware of the importance of the Army to the security of his country and ... also convinced that with the proper help Iran can become a significant link in the Free World's defense".³¹ In fact, one purpose of the U.S. military aid dispensed to Iran in the immediate post-coup period was to, "encourage Iran to enter into military co-operation with its neighbours as feasible, and to participate in any regional defense arrangement which may be developed for the Middle East."³²

Iran's membership of a Western-supported defensive alliance pact vis-a-vis the Soviet Union could, of course, well serve some of the objectives of the West's global strategy towards the U.S.S.R. However, such an alliance could also serve some of the Shah's own purposes. The Shah's experience of the Allied invasion of 1941, the Azerbaijan crisis of 1946, the oil nationalization crisis of 1951-53 that had even, temporarily, cost him his throne, had all pushed the Shah to the point of paranoid concern with 'security'.

In the 1950s what the Shah meant by 'security' was military security. He had even gone to the extent of expressing the view that security was a pre-requisite of social and economic progress. Countries such as Iran, he wrote, "must strive for the

security which is their first essential for advancement. Freedom loving peoples forget- but the communists never forget- that most of the world's economically under-developed countries are also militarily under-developed."³³ To the Shah, the U.S. was the only country capable of providing Iran with the necessary elements for strengthening its Army.

The most fundamental national security challenges to the Shah that had to be faced in the 1950s were the interrelated threats of a possible direct Soviet aggression and/or the latter's indirect control of Iran through the manipulation of the Iranian communists' subversive activities. What must be said is that the challenges to Iran's national security, to the Shah at least, were inseparable from threats to his own regime and that of the Pahlavi dynasty. Indeed, the single most significant motive of the Shah in joining the Baghdad Pact was to ensure the survival of his own regime.

From the early days following Secretary Dulles's broadcast on June 1, 1953, when he introduced the concept of an anti-Soviet defence pact amongst the so-called "northern tier" countries of the Middle East, the Shah had shown interest in joining the pact. Indeed, note has already been made of the Shah's view of Iran's role in the defence of the 'Free World' in the immediate post coup period. The Shah's intention, however, could not be publicly announced until General Zahedi, the first post coup Prime Minister, could firmly consolidate his rule. Nothing more came out of the defensive pact concept until April 2, 1954, when

Turkey and Pakistan signed a treaty of friendship for security, inviting other states to join as well. The first most explicit statement regarding Iran's intention to join formally the Western bloc came from General Zahedi on July 26, 1954, when addressing a group of editors, "we have witnessed how aggressors have wantonly occupied neutral countries in defiance of international law... Therefore, it is certain in this turbulent world that a government can preserve itself only if it has the power of resistance against an aggressor." Encouraged still further by the signing of the Baghdad Pact between Iraq and Turkey on February 24, 1955, Iran declared its adherence to the Baghdad Pact on October 11, 1955.³⁴

Public opinion in Iran was sharply divided over this declaration. Indeed, the justification of Iran's close alignment with the West in general, and the U.S. in particular, to public likewise met with mixed support. This division haunted the Shah's regime right to its very last days. Even the pro-Shah General Arfa conceded the division when he wrote that, "during that year (1955) responsible public opinion in Iran was divided between those who were for the Pact and those who were against it."³⁵

U.S. non-participation in the Baghdad Pact lest it unduly provoke Soviet antagonism, however, came as a serious blow to the Shah. Thus, when Eisenhower declared on January 5, 1957 that the U.S. Armed Forces would intervene in the Middle East in order to protect any nation that had become the subject of, "overt armed aggression from any nation controlled by international

communism", it received the fully-fledged endorsement of the Shah.

No change in the configuration of the region's politics came as a more severe shock than the 1958 coup of Abdul Karim Qasim which toppled the Hashemite monarchy in Iraq, a co-member with Iran of the Baghdad Pact (renamed as the CENTO Pact after the Iraqi coup and its subsequent withdrawal from the Baghdad Pact). The Shah was a concerned observer of the revolutionary changes that were sweeping the Arab Middle East in the 1950s and 60s. While Egypt and Syria were not too close, Iraq was Iran's southern neighbour and too close to be ignored.

The sources of worry to the Shah were two-fold. Firstly, the overthrow of the monarchical system in Iraq, and its substitution by a republican regime could strengthen the anti-royalist opposition to the Shah's regime. Secondly, the revolution in Iraq could spread to the other Arab Gulf conservative sheikhdoms, leading to Iran's regional diplomatic isolation and the increase in the number of potential enemy states with which it had to deal.

After the coup in Iraq, on July 28, 1958 all members of the CENTO Pact met in London to reexamine their position in the light of the recent events. One tangible result of the meeting was the U.S. pledge to forge a security agreement with the Pact's individual member states, including Iran. Iran, though it favoured a defence treaty with the U.S., found the U.S. was only

willing to conclude an executive agreement which would formally extend to Iran the Eisenhower Doctrine of 1957. This would have guaranteed Iran's security only against the so-called "international communist controlled aggression", as opposed to an open-ended spectrum of security threats, which was what the Shah wanted. Anyway, on March 5, 1959 Iran signed an executive defence agreement with the United States.³⁶

The Iraqi revolution of 1958 was an event that in the 1950s intensified still further Iran-U.S. military-security relations- a pattern that had been set by the 1953 coup. The Iraqi revolution led to the stepping up of efforts by the U.S. to enable the Iranian Army to absorb and utilize modern equipment and subsequently to supply it with more weaponry. The modernization objectives included the expansion of Iran's armoured and artillery units, improvements in divisional combat capability, logistics systems and the modernization of the military school system. Deliveries for the 1959-60 period, which included M-47 tanks, were stepped up while the Iranian Army was expanded from 120,000 to 200,000.³⁷

One further dimension of Iran's security policies after the 1953 coup concerns the latter's relations with the Soviet Union. The essence of Soviet policies during, and immediately after, the Second World War, with the identification by the Shah of the U.S.S.R as the major source of threat after 1953 have already been pointed out. But it is time that some elaboration was made. The Shah relinquished Iran's traditional policy of neutrality

and opted for a foreign policy firmly aligned with the West and the U.S., in particular. The different aspects of Iran's alignment with the West such as Iran's 1955 membership of the Baghdad Pact and the 1959 signing of bilateral defence agreement with the U.S. came under severe Soviet attack.

The Soviet Union, concerned with the security of its southern borders, tended to read "aggressive" intents into Iran's pro-Western foreign policy. The instruments of Soviet pressure to detach Iran from its pro-Western foreign policy were manifold, and included protest notes, questions as to the legality of such agreements because of the 1921 and 1924 Irano-Soviet treaties and veiled threats of possible Soviet reactions. There were also instances of border incidents, violation of Iran's air space, espionage and propaganda campaigns.

After the coup of 1953 and the increase in Iran's leanings towards the West, the Soviet Union accused the former of "straying from the path of neutrality". Moscow officially protested against Iran's adherence to the Baghdad Pact in 1955, as it had against Iran's rapprochement with Turkey and Pakistan earlier. By the same token, upon learning of Iran's intentions in 1958 to sign a bilateral defence agreement with the U.S., the U.S.S.R. informed the Iranian government that such an agreement would be in violation of the previous treaties between the two countries and hostile to the U.S.S.R.

All in all it could be said that the relations between Iran and

the U.S.S.R. were severely strained and impregnated with antagonism from 1953 to 1962, the date when Iran's international posture was to undergo a degree of change.³⁸

In the military-security arena the links between Iran and the U.S. were somewhat strengthened after the coup of 1953, with an increase in the inflow of military aid to Iran and a firm alignment with the West in international politics, alienating a significant section of public opinion within Iran and, its powerful northern neighbour, the U.S.S.R. Beneath this facade of cordiality, however, there were constant divergences between the U.S. perceptions of what was militarily adequate for the satisfaction of Iran's defence and those of the Shah. These differences between the U.S. and the Shah began in the period immediately after the coup of 1953. The Shah arranged to go to Washington in December 1954, for the specific purpose of seeking new U.S. commitments on military assistance. Before his visit the Shah was, however, briefed by the U.S. Ambassador in Tehran that his country would help to build up the Iranian armed forces primarily for internal security and only thereafter for a limited capability against external aggression.

On the question of military aid to Iran, Eisenhower was advised to tell the Shah during his visit that the U.S. would only provide defensive delaying capabilities for the Iranian armed forces to defend the Zagros mountain line and that the U.S. did not want the military establishment in Iran to be a burden on that country's economy. The Shah was not happy with any of

this.³⁹

These differences continued in one form or other, culminating in the crisis of 1959. As already stated, the Iraqi revolution of 1958 had an extremely disquieting effect on the Shah, leading to his demands on the U.S. to increase the inflow of military aid to Iran. President Eisenhower, after the coup in Iraq, sent a letter to the Shah stating that he would lend his support to the expansion of Iranian armed forces from an approximate level of 150,000 in 1958 to 240,000 over a five year period. This was to be achieved through the expansion of the U.S. sponsored training programme and the construction of garrison sites along the border with Iraq.

There seemed to be little ground for the Shah and the U.S. to come into conflict now that Eisenhower had acquiesced to most of the Shah's demands. By late January 1959 the Shah had, however, started making demands that to the U.S. military planners seemed completely unrealistic. The U.S. planners had already recommended that Iran's armed forces be expanded by 30,000 enlisted men and 2,000 officers, bringing the total figure of the armed forces to 171,000 and bringing the total number of divisions to thirteen. Of these, nine divisions would be based in the western and Azerbaijan areas and one along the northeastern frontier, along the Soviet border.

The Shah, however, wanted four divisions to be based along the northeastern frontier, bringing the total number of divisions to

seventeen. In addition to the defence support fund for the extra forces, the Shah also requested F-100 aircraft, and Nike and Honest John missiles. This latter request, though supported by the Joint Chiefs on military grounds, was vetoed by the State Department on the basis of "political inadvisability".

Observing reluctance on the part of the U.S. to comply with his requests the Shah sent a proposal to the Soviet Union for the signing of a non-aggression treaty. With the arrival of the Soviet delegation in Iran and their reception personally by the Shah in person, the U.S., fearful of such a treaty ratification, started making concessions.

Eisenhower put the Under Secretary of State, Douglas Dillon, in charge of overseeing the implementation of concessions made to Iran. While the U.S. was initially to donate \$19 million as a contribution towards Iran's defence budget for the FY 1959, the amount was raised to some \$27,700,000. Furthermore, the U.S. paid for the construction of an airforce base at Dezful, contributed towards the construction of a naval base at Kharg Island, and helped in the setting up of a military technical university, and armoured, infantry and artillery schools. In addition 130 M-47 tanks and 150 pieces of towed artillery were sent to Iran. On February 11, 1959 the Shah sent a letter to Eisenhower, stating that he had given up the idea of signing a non-aggression treaty with the Soviet Union. The above incident was a stark demonstration of the politics of "reverse influence" exercised by the smaller recipient upon the more powerful donor

nation.⁴⁰

By 1962, Iran's foreign policy underwent a transformation, a change that the Shah called the "national independent foreign policy". But before dealing with that phase of Iran's foreign policy, and its national security implications, a few words ought to be said about the major sources of threat to the country before that period, at least as the Shah perceived them. Beginning in the 1960s, Iran's perception of security threats began to shift southwards towards Iraq and Egypt while not losing sight of the danger from the north.

As already mentioned, the Iraqi revolution of 1958 came as a severe shock to the Shah. Though the relations between Iraq and Iran had been close when both were monarchies and both were members of the Baghdad Pact, after the revolution of 1958 there were many ups and downs in the interactions between the two countries. In 1959 for the first time the relations between the two countries took a turn for the worse, with the Shatt al-Arab waterway as the central cause of friction. The dispute over the Shatt al-Arab itself, however, seems to have been reflective of the broader political relationship between the two countries.

Under the terms of the 1937 treaty, Iran and Iraq were to set up a commission for the limitation of their water-frontier and the joint administration of the Shatt al-Arab. Although they never implemented this agreement, their relations were trouble-free.

In 1959, however, Qasim interfered with the passage of Iranian ships through the waterway, leading to an interview by the Shah on November 28, 1959 in which he expressed his dissatisfaction with the Iraqi regime. Subsequently Qasim laid claim to the entire waterway which, in turn led to the exchange of propaganda between the two countries, the putting on alert of their armed forces and fortifications along their frontier. Furthermore on January 3, 1960 Iran made a public statement in which it declared that the 1937 treaty should have followed the "thalweg" as the boundary demarcation principle between Iran and Iraq for the entire length of the Shatt al-Arab and not only the portion opposite Abadan.

While political relations were reaching breaking-point and both countries were making military preparations, however, no more than a few border skirmishes occurred and the diplomatic channels seemed to be the preferred route for resolving the crisis.⁴¹ For one thing the Shah was under no illusion about Iran's military capabilities when he wrote,

".. (the Iraqi air-force) includes many of the latest jet fighters that easily out-perform our earlier American ones, and unlike us, she also possesses modern jet bombers. Moreover, Iraq's armed forces as a whole are better equipped than ours."⁴²

For another, the U.S. and Britain were urging restraint and pressing for the diplomatic resolution of the crisis. Though by

July 1960 relative calm in the political sphere was restored, no agreement on the Shatt al-Arab issue between the two countries was reached, an impasse that was to be the precedent for a further round of crisis between the two countries in the late 1960s and early 1970s- again reflecting the broader pattern of political interaction between the two.

Another source of threat from the south identified by the Shah was the regime of President Nasser, which broke off diplomatic relations with Iran in 1960. This was ostensibly caused by Iran's recognition of the state of Israel. In a major speech at Alexandria, Nasser denounced the Shah and other Iranian leaders as "colleagues of colonialists" and talked of Egypt's ability to "abolish them".⁴³

The Shah, however, argued that Iran had recognized Israel since 1950, that the recognition had been de facto and that no decision had been made to extend de jure recognition to Israel. In Iran's view, something else lay behind this Egyptian move. According to an article published in the semi-official Iranian daily, Ettelaat, the regime in Egypt wanted the total subjugation of the Persian Gulf Arab sheikhdoms and it was the establishment of friendly relations between Iran and those states that was a "thorn in the eyes of Nasser [who tried to] colonize the Persian Gulf sheikhdoms without success."⁴⁴ In spite of the increased security threats to the Shah's Iran, the formation of the Kennedy Administration was not to augur well for the Shah's military strategy. The Kennedy Administration became actively involved in

a policy of what came to be called, "active social engineering" in Iran.

Kennedy's approach to the Iranian army has been well summed up by a close associate of his,

"In Iran the Shah insisted on our supporting an expensive army too large for border incidents and internal security and of no use in an all-out war. His army, said one government adviser, resembled the proverbial man who was too heavy to do any light work and too light to do any heavy work."⁴⁵

A belief of the Administration was that the Iran of the early 1960s was on the verge of a socio-economic chaos and political instability, and therefore in need of being saved. Accordingly, there had to be a redistribution of resources from the military to the civilian sectors of the economy, so as to satisfy the popular needs. The Shah was to be encouraged not only to reduce the number of men in his army to 150,000 from 200,000 as a means of releasing resources for civilian purposes, but also to undertake a programme of socio-economic change, that was eventually embodied in the "White Revolution" of 1961.

A multi-year military assistance programme was devised which, not only emphasized the qualitative improvement of Iran's armed forces *pari passu* with its quantitative reductions, but was also tied to the promotion of socio-economic development programmes

in Iran. The Shah liked neither the proposed reduction in the number of his armed forces nor the programme of socio-economic changes to be introduced into the country. One other thing that the Shah tried unsuccessfully to reverse, was the termination in July 1962 of the \$30 million U.S. annual budgetary support to Iran.

Dissatisfaction over these issues was instrumental in getting the Shah to sign an agreement with the Soviet Union to ban "foreign" (U.S.) missile bases on Iranian soil, heralding the advent of what the Shah called, "national independent foreign policy".⁴⁶

The "National Independent Policy" of 1962

The signing of the "no missile base" pledge in 1962 between Iran and the U.S.S.R. marked the advent of a new phase in Iran's foreign policy. This new policy, a response to a set of events, was not, however, to involve breaking the alignment with the U.S., which was to remain the kernel of the Shah's security policy throughout his reign. It could be described, more accurately, as a diversification phase in the regime's foreign policy contacts.

This was itself a response to a changed security environment, as perceived by the Shah, and in particular to the passive Western reaction to the July 1958 revolution of Iraq. The Shah was haunted by uncertainty as to whether he could rely on Western support if a similar attempt were made to overthrow his own

regime.

Another incident that caused the Shah to doubt still further an exclusive pro-Western foreign policy was the U.S. response to the second Kashmir war in 1965 involving India and Pakistan, a member of the CENTO. The suspension of military aid to the belligerents in the war, so as to terminate and localize the conflict, dismayed the Shah who expected active U.S. support for Pakistan, an ally of the former in the SEATO and CENTO Pacts. This raised doubts in the Shah's mind on the CENTO Pact's effectiveness in the far more likely case of security crises in which the Soviets would not be involved.

It was, furthermore, thought that by defusing the Soviet threat in the north, the Shah could divert more of the country's resources and energy towards countering the threat from the south. Add to this the fact that by broadening his foreign policy contacts to include the Soviet Union and giving the semblance of a less rigid pro-Western policy, the Shah could allay the charges of "subservience to the foreign powers" by the Iranian nationalists.⁴⁷

Iran's "no missile base" pledge of 1962 to the Soviet Union prepared the groundwork for expanded diplomatic relations and the relaxation of tension that followed between the two countries. In 1965 and 1966 the Shah visited the Soviet Union and Eastern Europe, where a number of important commercial deals were made.

The first purchase of Soviet arms by Iran since the Second World War was announced in February 1967, consisting of \$110 million worth of "non-sensitive" military equipment. This included armoured troop carriers, trucks and anti-aircraft guns.

On the economic front, by the late 1960s the Soviets had extended \$700 million worth of credit to Iran for socio-economic development. This, in itself a mark of the political normalization between the two countries, involved the construction of Iran's first steel mill, two machine tool plants in Arak and Tabriz, a hydroelectric dam over the border river Aras, expansion of the Caspian Sea ports and development of fisheries with Soviet assistance.⁴⁸

As already mentioned, the normalization of political relations between the U.S.S.R. and Iran, heralding the advent of the latter's "national independent policy", in no way indicated a disalignment with the U.S. Indeed, if anything, the arms supply relationship between the two countries expanded to include the supply of many front-line "state-of-the-art" weapons systems. With the assassination of Kennedy and the assumption of the presidency by Johnson in 1964, all the restrictions on military expenditure that the former had tried to impose on the Shah, were dropped.

During the time of Kennedy's presidency, the U.S. Ambassador to Iran had proposed the supply of Century series fighter and F-100 bomber aircraft in order to modernize the Imperial Iranian Air

Force (IIAF), as well as the provision of surface-to-air Hawk missiles in order to upgrade Iran's air defence system. The Department of Defense, however, agreed to offer Iran the first production run of the F-5, with deliveries to begin in January 1965, while the supply of the Hawk surface-to-air missile system was considered prohibitive due to its high cost of \$22.9 million. Throughout the first six months of Johnson's presidency, negotiations continued between the Shah and the U.S. over increasing the number of the F-5s to be supplied and the provision of Hawk missiles. The Shah eventually decided to take matters into his own hands by visiting Washington and appealing directly to Johnson. Though the Shah failed to persuade Johnson to supply Iran with Hawk missiles, the issue was resolved by signing a Memorandum of Understanding between the U.S. and Iran in 1964. According to this the Iranian government would purchase its arms by using the U.S. government facilitated credit. During this visit, the Johnson Administration agreed to grant \$200 m credit for arms purchases to Iran.

However, the cost of this credit in the domestic context of Iranian politics was overwhelming. The condition attached was that Iran would waive its right of jurisdiction over U.S. military personnel who committed any crime at any time in that country. In the context of Iranian politics, this was reminiscent of the imposition of "capitulation" by Tsarist Russia on Iran in the early nineteenth century. Seen as an invasion of Iranian sovereignty, this had been abrogated by Reza Shah in 1928. When the bill was presented to the Iranian Parliament for ratification

on October 13, 1964 sixty-one of the 200 deputies voted against it, a sign of strong disapproval by that usually docile group.⁴⁹ At the same time Ayatollah Khomeini (a cleric little known outside Iran, who was to lead a revolution against the Shah fifteen years later) in a speech that led to his exile, vehemently denounced the new "capitulation". In one part of his speech he said that, "the government has sold our independence, reduced us to the level of a colony, and made the Muslim nation of Iran...[look] backward."⁵⁰

The concrete result of the Shah's 1964 visit to the U.S., in terms of arms acquisition, could not have dissatisfied him. He was to receive a donation of 66 F-5s while there was agreement for the purchase of a further 48 F-5s and the Hawk missiles with credit. The package also included M-113 armoured personnel carriers, M-48 tanks and a frigate.

It might seem that the Shah ought to have been content with what he was to receive. However, no later than the end of 1965 he let it be known to U.S. policy makers that he was considering the purchase of the F-4 fighter, the most advanced aircraft in the U.S. inventory. The U.S. Joint Chiefs of Staff (JCS) sent a mission to Iran in early 1966 to review the military/strategic justification for the proposed sale. The final report, supportive of the sale on military/strategic grounds, pointed to the vulnerability of the Abadan oil installations from the advanced tactical aircraft already supplied to Iraq by the Soviet Union.⁵¹

The JCS's report, however, did not specify from what sources the money for financing the sale would come. However, since the 1964 Memorandum of Understanding stipulated credit facilities for arms purchases by Iran, there was a very strong feeling in the U.S. that the sale would be an undue burden on the Iranian economy. Senator Fulbright, taking account of Iran's developmental needs, stated, "I believe we are doing a great disservice to Iran by selling them these arms."⁵² It was estimated that two squadrons of F-4s, including training, support facilities and complementary equipment, would cost a total of 200 million U.S. dollars.

The Shah after having established contacts with the Soviet Union and declaring his intention to make the necessary arms purchases from the Soviet Union, if the U.S. was unwilling to do so, in a sense compelled the latter to extend a \$200 m credit to Iran for the purchase of the F-4s and their supporting equipment.

During this period the Iranian perception of threats to its security, and the contingency military planning to counter them, became concentrated upon the Persian Gulf. Having defused the Soviet threat in the north, resources were released to be deployed in the south. In 1965, as a part of focusing military planning in the south, the Shah ordered the formation of a new Third Corps to be based at Shiraz, and began moving more army units and bases from the north to the Persian Gulf. A \$400 million bill to strengthen the armed forces, in particular their air and naval wings, was passed by the Iranian legislature in

1965. These moves were made not only in response to the threats from Iraq and Egypt, but also in preparation for possible British withdrawal, an event whose strategic repercussions will be fully explored in the next chapter.⁵³

After 1962 the Iranian defence budget started rising dramatically. While in 1961 only 3.3% of the GNP was allocated to security-related purposes, by 1970 the figure had reached the relatively high level of 8%. Furthermore, while 23.5% of the budget was set aside for the military in the period between 1954 to 1963, the figure had risen to 25.7% of the budget from 1963 onwards.⁵⁴

At least one source is of the view that the rise in Iran's military expenditure during the 1960s did not, "make unwarranted inroads into [Iran's] other developmental projects".⁵⁵ Given the country's low level of development and its unending requirement for investment in the latter sector, such statements, however, must be treated with caution.

There can be no doubt that the rise in Iran's military expenditure in the 1960s did involve a degree of diversion of resources from the civilian sector. Nevertheless, the Shah's regime attempted to alleviate the adverse economic impact of the rise in military expenditure by organizing the country's conscripts into three district corps, the Development and Agricultural Extension Corps, the Equity Corps and the Literacy Corps.

Also, given the country's unemployment figure, which varied between 5 and 15 per cent in 1970, depending on the season, and the fact that in the same year 1 in every 30 of the male population between the age of fifteen and forty nine was in the military, it can be argued that the armed forces did not constitute a drain on the country's working population. Indeed, given the country's unemployment problem the armed services could be regarded as a source of employment, no matter how unproductive.⁵⁶

Conclusion

This chapter has offered a very brief historical overview of the evolution of Iran-U.S. military-security relations from the time they began, in the peak of the Second World War, to the late 1960s. U.S. foreign policy goals governing the supply of arms have been suggested. These included the use of arms transfers to prop up a pro-Western monarchy against its external and internal enemies.

By acquiring arms from the U.S.A. the Shah, amongst other things, intended to enhance his prestige with the country's armed forces, the lynchpin of his regime. On a number of occasions it was demonstrated how, once a relationship is entered into, a big power can become a captive to the demands of the smaller power. For instance, it was shown how during the Eisenhower and Johnson Administrations they had to give in to the Shah's demands on what he deemed to be Iran's military requirements. Finally, mention was made of the economic impact of Iran's military expenditure.⁵⁷

By the late 1960s, Iran had a fast-growing economy and it was politically stable. Britain had announced its intention to withdraw from "east of Suez". These developments had spin-off effects on Iran and the U.S. and on the interactions between the two, in particular, in the military-security arena.

Notes

1. For a study of Iran's "third-power" policy in the inter-war period see: R K Ramazani, The Foreign Policy of Iran: A Developing Nation in World Affairs 1500-1941 (Charlottesville, University of Virginia Press, 1966), particularly chapter XII, pp. 277-300. It ought to be mentioned that not all the Iranian politicians believed in the wisdom behind the "third-power" policy. There were those who believed that reliance on any outside power was bound to undermine Iran's sovereignty and independence. See: James A Bill, The Eagle and the Lion (New Haven and London, Yale University Press, 1988), pp. 51-98.
2. For the early United States attitude towards Iran during the Second World War see: Michael Kahn Sheehan, Iran: The Impact of United States Interests and Policies 1941-1954 (New York, Theo. Gaus' Sons, Inc., 1968), particularly, p. 14.
3. As quoted in Y Alexander and A Nanes, The United States and Iran: A Documentary History (Maryland, University Publications of America, 1980), p. 94.
4. For a further substantiation on this see: R K Ramazani, The United States and Iran (New York, Praeger, 1982), pp. 1-3.
5. R K Ramazani, Iran's Foreign Policy 1941-1973: A Study of Foreign Policy in Modernizing Nations (Charlottesville, University Press of Virginia, 1975), pp. 70-72.

6. Y Alexander et al, op. cit., p. 108.
7. As quoted in Sheehan, op. cit., p. 20.
8. Both quotations taken from: Ibid., p. 21.
9. On the intra-war Soviet activities see: B R Kuniholm, The Origins of the Cold War in the Near East: Great Power Conflict and Diplomacy in Iran, Turkey and Greece (New Jersey, Princeton University Press, 1980), pp. 151-155 & 192-198. The quotation is also in: Ibid. , p. 198.
10. For substantiation on the above points see: Ibid., pp. 270-285 & 304-335. Iran's activities at the U.N. were complemented by those of Qavam, Iran's Prime Minister, who had entered into direct negotiations with the Soviets and played a very significant role in the latter's decision to withdraw. See: James Bill, op.cit., pp. 51-98.
11. See: Barry Rubin, Paved with Good Intentions: The American Experience and Iran (New York, Oxford University Press, 1980), p. 35.
12. The quotation as in: Ibid., p. 37.
13. Y Alexander et al, op. cit., p. 190.
14. Ibid., p. 201-204.

15. See: G Lenczowski, The Middle East in World Affairs (Ithaca, Cornell University Press, 1980), p. 188.
16. For elaboration on the above two paragraphs see: J C Hurewitz, Middle East Politics: The Military Dimension (Colorado, Westview Press, 1969), pp. 279-281.
17. The list of equipment is taken from: Trevor Taylor, The Supply of Arms to the Middle East and the United States' Foreign Policy 1950-68 (Ph D Thesis, University of London, 1972), pp. 58-60.
18. For the oil nationalization crisis of 1951-53 period and the evolution of U.S. policy towards that event see: James A Bill, op.cit., pp. 51-86.
19. Kermit Roosevelt, Counter-Coup: The Struggle for the Control of Iran (New York, McGraw-Hill Book Company, 1979), p.3.
20. For a detailed account of the 1953 coup see: Bill, op. cit., pp. 86-97; and Mark J Gasiorowski, The 1953 Coup D'Etat in Iran, International Journal of Middle East Studies (August 1987), pp. 261- 286.
21. Fred Halliday, Arabia Without Sultans (London, Penguin Books, 1974), p. 475; and Stockholm International Peace Research Institute, The Arms Trade with the Third World (Stockholm, Almqvist and Wiksell, 1971), p. 577.

22. Amin Saikal, The Rise and Fall of the Shah (New Jersey, Princeton University Press, 1980), p. 46. The above author gives an account of this psychological dependence-alignment process.
23. Hurewitz, op. cit., p. 283.
24. Saikal, op. cit., p. 55.
25. Taylor, op. cit., p. 70.
26. International Institute for Strategic Studies, Military Balance (London, 1959/60 & 1960/61).
27. F Halliday, op. cit., p. 474.
28. Y Alexander, op. cit., p. 268.
29. Hurewitz, op. cit., p. 286.
30. For the Shah's view on "positive nationalism" see: M R Pahlavi, Mission for My Country (London: Hutchinson & Co., 1961), especially, pp. 130-160.
31. D Eisenhower, Mandate for Change 1953-1956 (London, Heineman, 1963), p. 165.
32. Y Alexander, op. cit., p. 263.

33. Pahlavi, op. cit., pp. 290-296.

34. For a study of Iran's security concerns during the 1950s see: R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 257-286; Zahedi's quotation appears in the same source, p. 277; another good study is that by: S Chubin and S Zabih, The Foreign Relations of Iran (Berkeley, University of California Press, 1974).

35. Hassan Arfa, Under Five Shahs (London, Murray, 1964), p. 414; see also: James Bill, op. cit., p. 117.

36. R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 278-286.

37. See: T Taylor, op. cit., pp. 62-63.

38. For an analysis of Iran-Soviet relations during this period see: S Chubin et al., op. cit., pp. 36-103.

39. As mentioned in a piece of research that relies heavily on the declassified material: C D Carr, The U.S. Arms Transfers to Iran 1948-72 and the Politics of Reverse Influence (Ph D Thesis, University of London, 1980), pp. 151-153.

40. See: Ibid., pp. 163-185.

41. See: Chubin et al., op. cit., pp. 172-182; and Ramazani,

Iran's Foreign Policy 1941-1973, op. cit., pp. 402-403.

42. The quotation is taken from, Chubin et al., op. cit., p. 173.

43. The quotation is taken from : R K Ramazani, The Persian Gulf: Iran's Role (Charlottesville, University Press of Virginia, 1972), p. 38.

44. On Iran's perception of the Egyptian threat see: Ibid., pp. 36-38.

45. This quotation is taken from: Theodore Sorenson, Kennedy (New York, Harper and Row, 1965), p. 628n., as it appears in Ramazani, Iran's Foreign Policy 1941-73, op. cit., p. 360.

46. On the Kennedy Administration's policy see: C D Carr, op. cit., pp. 192-227; Ramazani, Iran's Foreign Policy 1941-1973, op. cit., p. 359; Y Alexander et al, op. cit., pp. 354-359.

47. For a fuller account see: S Zabih, Iran's International Posture: De Facto Non-Alignment Within a Pro-Western Alliance, Middle East Journal (Summer 1970), 302-18.

48. On Irano-Soviet economic relations during this period for a brief analysis see: Ramazani, The Persian Gulf, op. cit., pp. 103-104; for the arms deal see: The Arms Trade with the Third World, SIPRI, op. cit., p. 578; for a fuller description see: S

Chubin et al., op. cit., and Ramazani, Iran's Foreign Policy 1941-1973, op. cit.

49. For a fuller discussion see: Richard Pfau, The Legal Status of American Forces in Iran, Middle East Journal (Spring 1971), 141-153.

50. For the full text of his speech see: Hamid Algar, Islam and Revolution (Berkeley, Mizan Press, 1981), pp. 181-189. For the quotation see: Ibid., p. 182.

51. For Iran-U.S. military relations during Johnson's Presidency see: C D Carr, op. cit., 239-253.

52. See: B Rubin, op. cit., p. 120.

53. See: Ibid., p.120; and A J Cottrell, Iran's Armed Forces under the Pahlavi Dynasty in Iran Under the Pahlavis, Ed., by G Lenczowski (California, Hoover Institution Press, 1978).

54. The figures are taken from: F Kazemi, The Military and Politics in Iran: The Uneasy Symbiosis in Towards A Modern Iran, Ed., by Elie Kedourie and Sylvia G Haim (London, F Cass, 1980), p. 233.

55. Area Handbook for Iran (Washington D C, U.S. Government Printing Office, 1971), p. 599.

56. For a fuller treatment of the above arguments see: Ibid., pp. 599-602.

57. For a complete list of the types and numbers of aircraft, missiles, naval vessels and armoured fighting vehicles transferred, from the U.S. to Iran from 1950 to 1969 see: Stockholm International Peace Research Institute, Arms Trade Registers: The Arms Trade with the Third World (Stockholm, Almqvist and Wiksell International, 1975), pp. 46-50.

CHAPTER THREE

Build up of Iranian Military Capability During the 1970s: Underlying Rationales, Incentives and Motives

To comprehend an arms supply relationship, one has to analyze the various factors which help to bring it about. Interaction amongst a host of factors such as strategic calculations, imperatives of the maximization of economic gains, political considerations and personal/psychological factors, determine the eventual content of an arms supply relationship. This outcome is the product of a two-ended process: the donor state's willingness to sell and that of the recipient to buy, constrained only by the above-mentioned factors.

The prime purpose of this chapter is to discuss the rationales, incentives and motives underlying Iran-U.S. military-security ties in their broadest sense, inclusive of the arms supply relationship, in the 1970s. This task necessitates inherently an exposition of the panoply of factors at work in both the United States and Iran that cemented and shaped the ties during that decade.¹

U.S. Side of the Ledger

In this section the mix of factors that shaped and affected the U.S. posture vis-a-vis military-security collaboration with Iran during the decade of our study will be dealt with. Its main concern will be the exposition of pressures and counter-pressures

that strategy, politics, economics, resource diplomacy, nuclear non-proliferation, etc., brought to bear on the formulation and the actual conduct of U.S. military-security policy towards Iran in the 1970s, during the period of the Shah's reign.

Prior to embarking on such a task, however, a few words on the significance of Iran to the U.S. global and regional objectives will be offered; a significance which has to be fully appreciated if it is to account for the close ties that came to characterize Iran-U.S. relations during the period of this study. Some ingredients of this significance to the U.S., of course, dated back to the inception of relations between the two, during the Second World War. Some, however, gained in significance during the 1970s. According to one study, "the prevailing view within the Executive Branch is that the United States has a major interest in a strong, pro-Western Iran for political, economic and strategic reasons."²

Iran is a large country with a population (of 35 million during the 1970s) twice the size of all the Arab littoral states of the Persian Gulf.³ Iran has a long border-line of 1,200 miles with the Soviet Union to its north, with Pakistan and Afghanistan to its east, Turkey to its north-west, Iraq to its west and south, with its southern land tip overlooking the Indian Ocean and comprising all of the Persian Gulf's northern shoreline,⁴ each border with its own significance in international affairs. Iran is also a bridge between Europe and the East, controlling very important air corridors and overland connections.⁵ As an oil rich

country, it was a major supplier of oil to the U.S., Western Europe, Japan and Israel.⁶ Iran pursued a foreign security policy in the Persian Gulf, in conjunction with Saudi Arabia (under the aegis of what came to be known as the 'twin pillar' policy), Asia and Africa which was geared to the support of U.S. goals, the containment of pro-Soviet radicalism and revolutionary movements.⁷ Iran was a very important market for the American goods, technology and investment.⁸

There was also close Iran-U.S. intelligence collaboration and liaison between the Central Intelligence Agency and, Iran's secret police, SAVAK. The collaboration revolved primarily upon intelligence exchange on the Soviet activities inside Iran or in the neighbouring countries that were deemed to threaten Iran's national security. In this respect it may be worth mentioning that the Shah was given an annual briefing by the United States Defense Intelligence Agency, on the military developments concerning the disposition of potential enemy forces and the introduction of new weapons systems in positions, which could have a direct bearing on Iran's national security.

Evidence suggests that, the intelligence gathered by SAVAK was not regarded as of high-calibre by the Washington intelligence analysts, due to the constant portrayal of Iran as under the siege of "Soviet menace" and "evil external forces" and, thus, more often than not discounted. In spite of this, the collaboration continued because of Iran's willingness to permit the installation of two U.S. listening posts in the north at

Behshahr and Kabkan, monitoring the Soviet nuclear tests and missile launching programmes in U.S.S.R's central Asian republics. The significance of these installations is best summed-up by the last American Ambassador in Tehran, "... their [the listening posts] product was the most sophisticated compendium of military intelligence in the entire watching brief that we maintained on the Soviet threat."⁹

A paper drawn-up in 1977 by the Department of State outlined the significance of Iran to the U.S. in detail, sections of which will be brought-out here at some length,

"A broad bipartisan United States consensus that Iran is of special importance to us in the protection of key United States national interests has existed for nearly 30 years ... [The] following national interests remain unchanged.

Deterrence of Soviet ambitions: A mutual interest in deterring the expansion of Soviet power and influence, particularly in the Middle East, has been and remains the bedrock of the relationship. Iran's propinquity to the Soviet Union, historical experience of Soviet expansion and strong anti-communist leadership has led to views which dovetail with our global policies first enunciated by President Truman.

We have both gained great benefits in connection with this

shared interest. The United States was, and is, the only western country capable of providing an ultimately meaningful deterrent to protect Iran. In the first two decades of the postwar era, Iran was essentially a recipient of United States assistance and advice and except for its membership in CENTO and the provision of various intelligence and military facilities to us, played a clearly back-seat role. This situation has changed. Today, as a growing regional power, Iran has the financial strength and is rapidly developing its military capabilities and influence to do much more itself. It can play an important independent role in the Middle East, South Asia and the Indian Ocean to advance regional stability and to counter activities and policies of the USSR or regional radical forces.

Access to Iran's unique geopolitical position: We have no fully satisfactory alternative to two of the uses we make of Iranian territory. United States intelligence monitoring operations there provide crucial information on Soviet military operations , particularly missile development, and Soviet adherence to SALT. United States overflight rights provide us with the most direct and satisfactory air link between Europe and countries to the east of Iran. In addition landing rights have been important for our air surveillance of the Indian Ocean and the Soviet border areas.

Provision of petroleum for the United States and its allies: Even though Iran has been a prime mover for higher oil prices and has ignored our representations on this matter it provides an important amount of petroleum for the United States and crucial supplies for our allies: over eight per cent of United States petroleum imports; over 16 per cent of those for western Europe; almost 24 per cent for Japan; and almost 70 per cent for Israel. Despite the inherent tension in this buyer-seller relationship, Iran has been a dependable and secure source of petroleum. Iran did not join the 1973-74 Arab embargo of petroleum sales and continued to permit shipments to Israel. Iranian leaders have frequently reiterated that Iran will not join politically motivated embargoes.

Furtherance of regional stability and development: United States policy for the last several years has been to assist and encourage Iran to become a regional power which would assume limited security responsibilities and play a generally more active role supportive of our mutual interests. Iran has accepted this role- for it was consistent with the Shah's view of Iran's key position in the area- and has used its military power (in Oman), its financial strength (loans to India, Pakistan, Afghanistan, Egypt, Jordan and Syria) and its general influence to help resolve regional disputes (resumption of India-Pakistan relations and resumption of Afghan-Pakistan dialogue.)....

Maintenance of beneficial economic, commercial and cultural relations: ... United States non-military sales to Iran in the 1975-1980 period should total over \$20 billion, which would result in a balance-of-payments surplus for the United States of \$8-10 billion. (Military sales will approximately double this surplus.) United States firms continue to move into various joint undertakings in Iran and investment totals roughly \$500,000,000. The Ex-Im Bank exposure (loans and guarantees) in Iran is about \$1 billion. The United States-Iranian Joint Economic Commission has opened potentially useful co-operative links in such diverse areas as nuclear and other forms of energy, agriculture, housing, manpower training, transportation and science. Cultural ties are extensive, including some 20,000 Iranian students studying in this country and over 50 United States universities with ties to Iranian institutions."¹⁰

The quotation above, indicative of a broad bipartisan consensus within the U.S. vis-a-vis Iran, is so extensive to enable us to understand better the significance of Iran to the United States. Such factors conflated with a number of other developments in the Persian Gulf in the late 1960s and early 1970s, laid the groundwork for the intensification of military-security ties between the two countries, as exemplified in a close arms supply relationship, during the 1970s. It is to such developments that we turn now.

a) The Strategic Underpinnings of U.S. Security Policy towards Iran

It has already been pointed out in chapter two that throughout the 1950s and 1960s Iran, in the hierarchy of U.S. strategic calculations, was seen as a passive bulwark against the Soviet penetration of the Middle East and that, during this period, successive U.S. Administrations attempted to restrain what was viewed as the Shah's excessive appetite for military hardware.

By the late 1960s, with Britain's declaration of its intention to withdraw its forces from "east of Suez" and an American decision not to assume Britain's regional policing functions in the Persian Gulf, Washington's attitude towards Iran began changing. This is how it has been summarized by one analysis, "the... perception of U.S. interests [in Iran] combined with a policy decision by the U.S. in the late 1960s not to replace the British with a direct U.S. presence in the Persian Gulf, and Iran's desire to develop a deterrent capability to protect its own interests and oil life-line are the factors that explain the positive U.S. responses to Iranian arms requests."¹¹

The key to understanding the evolving pattern of Iran-U.S. military-security ties in the 1970s is the lubricating role of Britain, which declared in January 1968, its intention of withdrawing its military forces from "east of Suez". The Labour government of Harold Wilson, which had won the general election of 1964 and was to remain in power until 1970, was finding it increasingly difficult to justify and maintain Britain's military

presence "east of Suez".

Contributory factors to this were budgetary constraints, opposition by the Labour Party's left-wing to a military presence "east of Suez" and the emergence of a general consensus (though not universal) that Britain had to seek a future role in Europe. The government of Harold Wilson, of course, did not give up the idea of British military presence "east of Suez", which included the Persian Gulf, without a tenacious fight, resisting the idea of a retreat.

Political pressures, nonetheless, were escalating. For example, in a response to the debate on the government's 1965 White Paper on the future of Britain's overseas role in the Parliament, 20 Labour backbenchers introduced an amendment which called for a rapid retrenchment of Britain's global commitments. During the same year 77 left-wing Labour MPs called for a 25% reduction in defence expenditure while, a full meeting of the Parliamentary Labour Party endorsed a motion, demanding a speedy reduction in defence expenditure by the government.

Political pressures were accompanied by a deteriorating domestic economic situation, reaching the point of culmination in 1967. By that year Britain had a trade account deficit and a falling currency in the world markets which necessitated the acceptance of a loan from the IMF on condition that there would be a devaluation of the pound and a cut in public expenditure. The latter could be achieved only after a cut-back in a number of

social services, dear to the Labour's left-wing which in concession, Wilson had to counter-balance by a cut-back in defence expenditure. On 4 January 1968 Wilson presented a package to his cabinet which envisaged a cut-back in both the social services and defence expenditure, with the latter, spurring the roll-back from "east of Suez" which, included the Persian Gulf.¹²

Before the actual declaration of its withdrawal from "east of Suez" Britain approached Iran for discussions on the future of regional security. A British Minister of State, Goronwy Roberts, paid a visit to Iran on 9 November 1967 to discuss issues of immediate "mutual concern" with the Shah and other Iranian officials. The communique issued at the end of the negotiations described relations between the two countries as "close", with discussions having taken place in an atmosphere of frankness and friendship and the commonality of views between the two countries on the policies which must be pursued for the "maintenance of peace and stability" in the region. In a subsequent interview, the British Minister, declared that the future of the Persian Gulf would rest on the cooperation between Iran, Iraq, Kuwait and Saudi Arabia and that most of his discussions with the Shah revolved around the future of the area.¹³

After the declaration of Britain's intention to withdraw from "east of Suez", Goronwy Roberts paid a visit to the Persian Gulf on 8-11 January 1968, which took him to Iran, Kuwait, Bahrain, Abu Dhabi, Dubai and Saudi Arabia. According to the Iranian

papers, including the semi-official Ittila'at, the British Minister's main goal was to interest all the littoral states in the establishment of a collective Gulf security arrangement.¹⁴

Upon returning to London, Goronwy Roberts, proposed a four year moratorium before the actual withdrawal. Eventually, it was agreed that Britain should withdraw after a three year interval, by the end of 1971. From the declaration in 1968 to withdraw from "east of Suez" until 1970, when the Conservative Party won the general election, the British diplomatic effort in the Persian Gulf was concentrated on finding alternative regional security arrangements.¹⁵

With the 1970 election victory of the Conservative Party a brief interlude of uncertainty emerged as to the finalization of British withdrawal from "east of Suez". Whilst in opposition, the Conservatives had criticized the Labour's "east of Suez" decision without, however, an outright pledge of its cancellation if and when in power. Alec Douglas Home, the Conservative foreign policy spokesman, said that Labour's decision was,

"a dereliction of stewardship the like of which this country has never seen in the conduct of foreign policy... It is recognised by all who live in the Gulf that should Britain leave prematurely... this area will be torn by strife and trouble and the Soviet Union would be only too ready to stir the pot..."¹⁶

Once in power, the new British government appointed Sir William Luce as its envoy to evaluate the views of Iran, Saudi Arabia and the Trucial states about the cessation of its "east of Suez" commitment. The Trucial sheikhs as before, when first informed about Britain's intention to withdraw, pledged to underwrite the cost of Britain's "east of Suez" presence. More importantly, however, other states in the region such as Iran, Saudi Arabia and Kuwait demanded Britain's compliance with the earlier pledge of 1968. It was eventually in deference to the wishes of these states and the irreversible consequences of Labour's 1968 decision that, Sir Alec Douglas Home, announced in the Commons on 1 March 1971 the government's adherence to Labour's time-table on withdrawal from "east of Suez".¹⁷

Britain's intention to withdraw opened up Pandora's box on the Gulf's political stability and future orientation. In fact, many in the West knowledgeable about the area used to make quite gloomy projections about the region's future in the aftermath of British withdrawal.

A special report published in 1969 by Georgetown University's Centre for Strategic and International Studies, attended by the American and British experts on the Gulf, defined the area as,

"a region of inherent instability...[where] the British have held tribal animosities in check...[and where] their withdrawal may well release traditional feuds and conflicting territorial claims among neighbouring states."

The report went on to characterize the region's precarious political order as,

"vulnerable to seething pressures of Arab nationalism ...[as well as] tribal dissidence, differences between Persians and Arabs[and between] the two main Islamic sects..... [with Saudi Arabia being described as a] vast and ungainly land [which]...is not a natural unit either politically or geographically."¹⁸

A seasoned British diplomat with long experience of service in the region has stated that the British representatives serving in the area thought the decision,

"to be premature, given the lack of cohesion among the sheikhdoms, their lilliputian size and the many unsolved disputes both between themselves and with their larger neighbours, notably Iran and Saudi Arabia.... If instability were to follow.... vital oil supplies might be jeopardized. Instability might also tempt unfriendly outside powers to fish in troubled waters."¹⁹

According to the same source, a crucial question after the British withdrawal from "east of Suez" would be, "in whose hands will the balance of power there [in the Persian Gulf] lie," given the fact that countries such as Iran, Saudi Arabia, Iraq, the Soviet Union and China, each of which possibly had different objectives vis-a-vis the region and varying attitudes on the



question of Gulf stability.²⁰

The British decision in 1968 to forego its military commitments "east of Suez" was announced within the context of close London-Washington consultation over the future of that part of the world. There were consistent American pressures on Britain not to abandon its policing functions in that area, lest the Soviets or the Chinese step-up their activities to fill in the resulting power vacuum.²¹

But immediately, on the same day that the British decision to withdraw was made public, the U.S. State Department's official spokesman, Robert McCloskey, declared that the Americans would not replace Britain's military presence in the Persian Gulf.²² The Americans were also entertaining the idea of a collective security arrangement amongst the littoral states in the Persian Gulf. As early as 1966 the State Department, during a visit of the British Foreign Secretary George Brown to the U.S., had expressed its support for "any workable Saudi-UK-Iranian arrangement designed to insure future political stability."²³

By the same token, after Britain's declaration of its intention to withdraw from "east of Suez" Eugene Rostow, the American Under Secretary of State for Political Affairs in an interview with the voice of America stated that, the United States was not contemplating to fill the void created by the British withdrawal in the Gulf. But rather, he went on to suggest that, a formal regional grouping of states comprising Turkey, Iran, Pakistan,

Kuwait and Saudi Arabia would have to assume the responsibility for the security of the area.²⁴ What Rostow had in mind was a Nato-like alliance which, however, did not seem a plausible option to many other U.S. officials. Primarily this was attributable to the lukewarm response of the states in the region to previous attempts towards alliance formation since the 1950s.²⁵

Around the same time another view was gaining ground within the U.S. policy making community and that was to build up the power of selected friendly regional states to fill in the power vacuum left after the British withdrawal from the Gulf. By the virtue of its relative size, population, economic strength and military capability Iran's nomination for such a role loomed large. It was contemplated to provide Iran with the necessary means to help it beef-up its military muscle, in tune with its newly-gained significance. This perception of Iran was given support in a testimony before the Congress by Paul Warnke, the Assistant Secretary of Defense for International Security Affairs, in 1968 when he backed the extension of military assistance to Iran and justified it in terms of its stabilizing influence in the Persian Gulf.²⁶

In the same vein, an assessment by the House Special Subcommittee on National Defense Posture in 1968 came round to the view that, given the American military involvement in Vietnam, the British withdrawal from "east of Suez" could have the undesirable effect of extending the U.S. military commitments to the Gulf and the

Far East. In the Gulf however, after having consulted with the Shah and his consent having become clear, the Subcommittee recommended the strengthening of Iran's military capability to assume the responsibility for maintaining stability in the Gulf.²⁷

A more serious assessment of the U.S. strategic posture vis-a-vis the Persian Gulf had to wait until 1969, when the Nixon Administration took office. According to informed sources, since the beginning of its term of office, the Nixon Administration was concerned about the future prospects of the Gulf after the British withdrawal.²⁸ On 12 July 1969, Kissinger asked the National Security Council staff to embark upon a study of the situation in the Persian Gulf in the wake of British withdrawal. The study came to be known as the National Security Study Memorandum-66 (NSSM-66).²⁹

The circumstances surrounding the conduct of study NSSM-66 must be fully grasped for the better understanding of its final conclusions. To begin with, conduct of the above study coincided with the American entanglement in Vietnam and its corrosive impact in terms of shaking the whole edifice of post-war U.S. consensus on foreign policy objectives and the means of achieving them. It was to be the land-mark in an era of retrenchment in U.S. global commitments. To Henry Kissinger, the chief architect of American foreign policy during this period, "that America had to reduce its foreign involvements was the universal wisdom-unchallenged, indeed supported, even by conservatives."³⁰ Amidst,

"attempts to reduce even our commitment to NATO," the dilemma facing the U.S. was to devise a doctrine whereby it would not be seen by its allies to be abdicating its global role, whilst at the same time, it would not provoke public or Congressional opposition.

In what he calls a "White House backgrounder", on 18 July 1969, Kissinger offered his solution to the dilemma to President Nixon,

"... it is self-evident that the future of Asia...will have to depend not on prescriptions made in Washington, but on the dynamism and creativity and co-operation of the region. We will remain willing to participate, but we cannot supply all the conceptions and all the resources. The initiative has to move increasingly into that region."³²

U.S. foreign policy was to enter a phase of delegating regional security responsibilities to its allies. That principle was embodied in what came to be known as the "Nixon doctrine", which had three main elements,

"1) The United States will keep all of its treaty commitments; 2) we shall provide a shield if a nuclear power threatens the freedom of a nation allied with us or of a nation whose survival we consider vital to our security; 3) in cases involving other types of aggression

we shall furnish military and economic assistance when requested in accordance with our treaty commitments. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense."³³

The impact of Vietnam on the U.S. deliberations vis-a-vis the Gulf has been made evident. A high ranking Defense Department official with intimate involvement in the U.S. policy making process towards the Gulf has admitted that,

"several salient factors dominated the thinking of practically all of the officials who worked on the Persian Gulf NSSM. First, post-Vietnam American public feelings alone virtually ruled out a direct U.S. military role in which our forces would replace the British."³⁴

Kissinger, in his memoirs, has also attested to that point,

"... we could either [after the British withdrawal from ' east of Suez'] provide the balancing force ourselves or enable a regional power to do so. There was no possibility of assigning any American military forces... in the midst of the Vietnam War and its attendant trauma. Congress would have tolerated no such commitment; the public would not have supported it."³⁵

A number of other factors also tended to militate against a

direct U.S. military presence in the Persian Gulf. A policy of direct military commitment to the Gulf would have required access to bases and formal pacts. It was not only the deterrent force of Arab nationalism and the havoc that it could wreak upon any Arab country that joined such an arrangement (as exemplified in the fate of the Hashemite monarchy in Iraq and its overthrow in 1958 after becoming associated with the Baghdad Pact) which required tact. But also it, "would have been unacceptable to Saudi Arabia's and Iran's growing sense of national stature."³⁶

Furthermore, a high U.S. profile in the Gulf would have made the area a zone of superpower competition, an outcome that the Americans very much wanted to avoid at that particular point, given their pursuit of detente with the Soviets. This is how a report prepared by the House Committee on Foreign Affairs summed up the point,

"we should not seek to replace the British in the Gulf or fill any so-called 'vacuum'. A low profile is an essential prerequisite to keeping the potentially unstable Gulf area out of any sphere of great power competition... It is hoped ...the Gulf will remain... unattached, because total identification to one power attracts others."³⁷

The preceding factors, inter alia, clearly preoccupied the American policy makers and influenced the final U.S. posture in the Gulf. The lines of a U.S. policy consensus towards the Gulf began to emerge gradually. The first public indication of such

a consensus unfolded during a press conference by the Under Secretary of State Elliot Richardson at Tehran airport in April 1970, at the end of a visit to Iran, when asked about the possibility of American military presence in the Persian Gulf after the British withdrawal. His response was that,

"I would not go so far as to say the matter had not been considered at all, but I think it is quite unlikely under our present view of the situation that this would be a decision on the part of the United States...On the contrary, I think it would be clearly consistent with the purposes and objectives of the Nixon Doctrine that we should look to the countries in the area and to the leadership of Iran in particular to carry out the objectives of maintaining the framework of peace and stability..."³⁸

The above was also the basic policy line reiterated by the American Secretary of State, Rogers, at the Cento ministerial meeting on 30 April 1971,

"...In... the Persian Gulf, the British Government's decision to terminate its special treaty relationship during 1971 will change the pattern of regional security. We believe it is proper that, following the British action, the states of the region should exercise primary responsibility for security in Gulf..."³⁹

The most comprehensive treatment of U.S. policy objectives towards the Persian Gulf, themselves conclusions of the NSSM-66, by a member of the executive branch was offered during hearings in the Congress in 1972 on the principles guiding U.S. actions towards the region.⁴⁰ Joseph Sisco, Assistant Secretary of State for Near Eastern and South Asian affairs, stated the main tenets of U.S. policy vis-a-vis the Gulf to be,

"noninterference in the internal affairs of other nations; encouragement of regional cooperation for peace and progress; supporting friendly countries in their efforts to provide for their own security and development; the principles enunciated at the Moscow Summit of avoiding confrontation in such areas of the world; and encouraging the international exchange of goods, services and technology."⁴¹

As can be gauged from the above statement, U.S. policy in the Gulf was to move in the direction of delegating the responsibility for maintaining security to the regional states and to encourage cooperation amongst them in such pursuit. The U.S., however, was not to adopt a totally back-seat role vis-a-vis the regional security effort amongst the Gulf littoral states. Rather, it would become an active participant in building up the military capabilities of the Persian Gulf states, particularly, Iran and Saudi Arabia. That tenet of the U.S. policy was stated in unequivocal terms in the 1972 hearings on the Persian Gulf by Joseph Sisco,

".... In the security field, we have for a number of years assisted in the modernization of the Armed Forces of Iran and Saudi Arabia to enable them to provide effectively for their own security and to foster the security of the region as a whole..."⁴²

In another set of hearings conducted in 1973 on the subject of American policy toward the Gulf, James H Noyes, the Deputy Assistant Secretary of Defense for Near Eastern, African and South Asian affairs, linked together the 1968 British decision to withdraw from the Gulf by the end of 1971, the Nixon doctrine and its corollary of the delegation of security responsibilities to regional powers and the American reliance on the Persian Gulf's littoral states, particularly Iran and Saudi Arabia, for maintaining regional stability so as to underline the factors underlying the U.S. Gulf policy.

This is how Noyes put it,

"A decisive event in the life of the Gulf states was the 1968 British decision to ...withdraw its operational military forces by the end of 1971. Partly as a result of that decision, the President initiated a study of future U.S. policy in the region. A major conclusion of that study... was that the United States would not assume the former British role of protector in the Gulf area, but that primary responsibility for peace and stability should henceforth fall on the states of the region...In the

spirit of the Nixon doctrine, we are willing to assist the Gulf states but we look to them to bear the main responsibility for their own defense and to co-operate among themselves to insure regional peace and stability. We especially look to the leading states of the area, Iran and Saudi Arabia, to cooperate for this purpose."⁴³

Two points require elaboration at this stage. Given the U.S. unwillingness to fill in the Gulf void after the British withdrawal and its policy of assisting the regional states, in particular Iran and Saudi Arabia, military supply relationship with these states gained considerable significance as a means of furthering U.S. foreign policy objectives. As a high ranking U.S. Defense Department official was to write,

"of the seven military instruments a state can employ to support its foreign policy- permanently stationed forces, facilities or bases, arms supply, training, advisors and technicians, exercises and ship visits- U.S. emphasis clearly was to be on arms supply, training and advisors and technicians."⁴⁴

The second point of elaboration concerns the tilt in U.S. policy from relying on Iran and Saudi Arabia equally for maintaining regional security under the aegis of "twin-pillar" policy, to a greater reliance on Iran. As one top U.S. policy maker has stated it was , "more of a one pillar and a half."⁴⁵ Iran had the largest population in the area, possessed the requisite military

and economic strength (or potential), and controlled the Gulf's northern shoreline. By virtue of all those factors, it was clear to U.S. policy makers that, by necessity, Iran had to perform the main stabilizing functions in the Gulf.⁴⁶

Despite the cognizance by U.S. policy makers of Iran's preponderance in the Gulf, political necessities, nonetheless, demanded the promotion of close collaboration between Iran and Saudi Arabia. This was so because the latter,

"as the most powerful state on the peninsula and as a fellow Arab state, has a political entree to the gulf sheikhdoms that Iran, for all its superior strength and sophistication, cannot match. Most important, the conservative states of the lower gulf regard the survival of the Saudi regime as crucial to their security."

Oil and the financial strength consequent upon it, which could be channelled into supporting the forces of moderation, was another factor bestowing significance upon Saudi Arabia.⁴⁷

Saudi Arabia, as a country which had the trust and support of the other Arab littoral states of the Gulf, was to act as a link, connecting Iran with the latter in matters of regional security. Saudi Arabia's inclusion in the post-British regional security arrangements was political as much as anything else while, in matters demanding a military response, the U.S. was to place primary reliance on Iran.⁴⁸

As a country on the periphery of U.S. strategic calculations during the 1950s and 1960s, Iran moved to occupy a key position in the panoply of U.S. foreign policy objectives during the 1970s. To Kissinger, whose ideas on the direction of American foreign policy during this period ruled supreme, Iran's significance could not be underestimated. Well-versed in geopolitics, that was the rationale that he offered for the policy of weaving a nexus of security interdependence with Iran.

According to Kissinger, in an area essential to the security and economic prosperity of the non-communist world, Soviet penetration, as exemplified by the establishment of a tightly-knit network of alliances, was well underway in the early 1970s. The Soviet Union was maintaining 15,000 troops in Egypt, with which it had signed a Friendship Treaty in 1971. A similar Friendship Treaty was signed between Iraq and the Soviet Union in 1972, followed up by a massive delivery of arms which, according to Kissinger, "put [Iraq] into a position... to assert traditional hegemonic aims." Syria, a long time recipient of Soviet arms and bent upon invading the moderate Jordan in 1970, was a further source of concern to Kissinger. "Our friends, Saudi Arabia, Jordan, the Emirates, were being encircled," Kissinger argued.⁴⁹ It should be mentioned that, although Kissinger's examples of the so-called Soviet penetration of the Middle East/Persian Gulf regions were related to the 1970s, there were concerns amongst the U.S. policy makers over the Soviet activities in those regions, or in their vicinity, from the initial stages of the NSSM-66.⁵⁰

As Kissinger wrote years later,

"it was imperative for our interests and those of the Western World that the regional balance of power be maintained so that moderate forces would not be engulfed nor Europe's and Japan's (and as it later turned out, our) economic lifeline fall into hostile hands. We could either provide the balancing force ourselves or enable a regional power to do so. There was no possibility of assigning any American military forces to the Indian Ocean in the midst of Vietnam War and its attendant trauma...Fortunately, Iran was willing to play this role. The vacuum left by British withdrawal, now menaced by Soviet intrusion and radical momentum, would be filled by a local power friendly to us."⁵¹

It can be concluded quite safely, from what has been said, that Iran was to become the key state in U.S. policy towards the Persian Gulf for keeping the radical forces, opposed to U.S. and Western interests, at bay and maintaining regional stability.

Beginning in the late 1960s, as it became certain that Britain was going to withdraw from "east of Suez", a policy of close diplomatic consultation between Washington and Tehran came into existence. The Shah was informed of the Nixon Administration's assessment of the situation in the Persian Gulf and of the U.S. willingness to build up Iran's military capability to assume the role of the region's main security guarantor, during his 1969

visit to Washington.⁵² It was after this visit that America, in conjunction with Britain, embarked on a policy of extending military assistance to the Shah to modernize his armed forces.⁵³

During Nixon's May 1972 visit to Tehran the same basic policy lines were reiterated in the communique released at the end of the trip. It stated that,

"the President and His Imperial Majesty agreed that the security and stability of the Persian Gulf is of vital importance to the littoral states. Both were of the view that the littoral states bore the primary responsibility for the security of the Persian Gulf. His Imperial Majesty reaffirmed Iran's determination to bear its share of this responsibility...His Imperial Majesty stressed once again Iran's determination to strengthen its defensive capability to ensure the nation's security. The President confirmed that the United States would, as in the past, continue to co-operate with Iran in strengthening its defenses."⁵⁴

What the communique left unstated, however, was that it was during this very visit that Nixon communicated his eventful decision to the Shah, of elevating Iran to the status of being the primary decision maker on its military equipment purchases, with all of its concomittant unforeseen consequences that were to follow later, during the decade.⁵⁵

As a U.S. State Department Inspection Report in 1976 was to point out, a key American policy towards the Persian Gulf countries in the 1970s had been,

"to support collective security and stability by encouraging indigenous regional cooperative efforts and orderly economic progress. This has included being responsive to requests from the regional states for advice on military equipment and services they need to meet their defense and internal security needs as they perceive them, and being responsive on a case by case basis to requests to purchase equipment or services. A Presidential decision in 1972 specifically affirmed such a policy towards Iran: '... general decisions on the acquisition of military equipment should be left primarily to the government of Iran'."⁵⁶

We have attempted to trace in detail the evolution of security and strategic imperatives in the late 1960s and early 1970s, which themselves, came to dictate the course of Iran-U.S. relations throughout the 1970s. The British withdrawal from "east of Suez", the formulation of the Nixon doctrine, the latter's translation in the Persian Gulf under the rubric of "twin-pillar" policy and Nixon's 1972 policy of *carte blanche* on the sale of arms to the Shah were all factors which determined, with lasting effects, the direction and momentum of Iran-U.S. cooperation in the military-security arena during the decade of our study.

Under the Nixon doctrine cooperation between the U.S. and Iran on regional security matters was elevated to the centre of bilateral relations between the two countries. Tenets of this doctrine, as will be seen in chapter five, were the cornerstones of strategic objectives pursued by Nixon's successors, namely, Presidents Ford and Carter. Within that framework, however, the hub was the military supply relationship. As the "Inspection Report", already quoted above, indicates,

"...the Iranian desire to purchase U.S. arms and U.S. willingness to go far in permitting these purchases has had the practical... effect of making the military element the key factor in the bilateral relationship."⁵⁷

During that decade, U.S. arms sales to Iran underwent monumental increases, as the following table indicates:

U.S. Arms Sales to Iran, Fiscal 1950-78

(Million current dollars)

<u>Fiscal years</u>	<u>Agreements</u>	<u>Deliveries</u>
1950-69	\$ 741.2	\$ 237.8
1970	134.9	127.7
1971	363.9	78.6
1972	472.6	214.8
1973	2,171.4	248.8
1974	4,325.4	648.6
1975	2,447.1	1,006.1
1976	1,794.5	1,927.9
1977	5,713.8	2,433.1
1978	2,586.9	1,792.9
1950-78	20,751.7	8,715.9

Source: U.S. Department of Defense, Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts, 1978 Edition

Once the key elements of U.S. policy were determined contributory factors other than the security-strategic underpinnings, came to determine the tempo and direction of U.S. arms transfers to Iran. One such strong influence stemmed from the economic incentives, which will be dealt with below.

b) The Economic Underpinnings of U.S. Security Policy towards Iran

It has already been argued in chapter one that arms sales are

propelled by a mixture of factors, of which, the underlying economic incentives are a part. Beneficial impact on the balance-of-payments, level of employment, recouping of a part of the cost of Research and Development (R & D) and reducing the cost of production per unit are a few of the incentives that could have an influence on the donor state's willingness to proceed with a particular sale, or otherwise. It was, furthermore, argued in the first chapter that arms manufacturers were at times in collusion with sections within the state structure, the most notable example being the military services.

Many of the above-mentioned factors did, indeed, contribute directly to the American arms sales effort in Iran in the 1970s. In 1971 the U.S. balance-of-payments, for the first time since 1893, was showing a deficit, which was being viewed with a sense of alarm by Administration officials. Since U.S. civilian goods were meeting stiff competition from Europe and Japan, the American Administration was seeking to ameliorate its balance-of-payments deficit through increasing the overseas sale of military hardware. Representatives of both the U.S. military services and defence contractors started a vigorous campaign to open up new outlets for the sale of military equipment, in particular, in wealthy countries of the third world such as those in the Persian Gulf region. By the early 1970s, that strategy started paying off with Iran, Saudi Arabia and Kuwait having placed substantial orders for the American arms.⁵⁸ Indeed, an American Deputy Secretary of Defense William Clements, told the Congress in 1973 that any cut back in the U.S. arms programme,

"decreases the potential contribution of sales... to strengthening both free world security and the U.S. balance-of-payments position." ⁵⁹

The quadrupling of the oil prices in late 1973 which brought extra pressure on the American balance-of-payments, led to the intensification of the Nixon Administration's efforts to recycle as much of the "petro-dollars" as possible. Apart from balance-of-payments considerations, it was thought that the accumulation of massive dollar reserves in the hands of oil producing countries, would not only represent a net redistribution of power in the international system, but also in the event of a sudden unloading of a sufficient portion of the currency reserves on the international money market, it could precipitate a major financial crisis. A major vehicle for recycling the "petro-dollars" was to be brought about through a sustained effort to increase the overseas sale of arms. On one occasion Kissinger, the U.S. Secretary of State, conceded that, "... to some extent these arms purchases by these countries [the Persian Gulf oil producing states] are a way of recycling petrodollars..."⁶⁰ By the summer of 1974, the Pentagon had managed to sell a total of \$8.3 billion worth of arms, nearly double the \$3.9 billion in 1973. Nearly half of that amount, \$3.9 billion, was going to Iran alone.⁶¹

Modern generations of weapons systems involve massive budgetary outlays on the cost of Research and Development (R & D), technological improvements and production engineering. The

Pentagon has consistently sought to recoup a part of that cost through the overseas sale of arms. With respect to Iran, it has been said that,

"the 1972 [Nixon's] sales decision coupled with the increase in Iranian revenues following the quadrupling of oil prices created a situation not unlike that of bees swarming around a pot of honey. Defense industries, both U.S. and foreign, rushed to Iran to persuade the Government to procure their products. Each of the U.S. services, on occasion, sought to persuade Iran to buy its weapons, in part because a large Iranian buy of an item in a U.S. service inventory could (1) reduce the per unit costs to that service and (2) enable the service to recoup some of its prior investment for research and development."⁶²

The acquisition of Spruance class destroyers, F-14 Tomcat air defence interceptor aircraft and the E-3A Airborne Warning and Control System (AWACS) aircraft, for instance, all involved underwriting a part of the R & D cost by Iran.⁶³ Another example, was the financing of the development of the Bell 214 helicopter by Iran, of which it had ordered a substantial number.⁶⁴

The advantages of increased sales to Iran of a particular weapons system were sufficient incentives to stimulate fierce interservice sales competition between different branches of the U.S. military. Competition between the U.S. Navy and Air Force

to persuade Iran to purchase the F-14 air defence and the F-15 air superiority aircraft respectively, once it had expressed interest in either of the two aircraft and Nixon having authorized the sale, was, indeed, propelled out of such concerns.⁶⁵ It has, indeed, been suggested that, "the Navy was particularly eager to sell the F-14, given its contract problems with the Grumman corporation and rapidly rising costs."⁶⁶

It may be of some interest to note that recoupment of the F-14 R & D cost from Iran, once the decision was made to sell the aircraft, was substantially increased after the oil price rise of 1973. In order to calculate the R & D cost of a particular system to a potential buyer, the total R & D cost is divided by the total number of anticipated sales. For the purpose of calculating the R & D cost of F-14 aircraft to Iran, initially the denominator of 430 units was adopted. After the 1973 oil price rise the denominator was reduced to 100, sharply increasing the R & D cost of the F-14 in the final price quoted to Iran; an ultimate price increase of \$2.5 million per unit, by which the Shah was said to have been extremely incensed.⁶⁷ James Schlesinger, the then U.S. Secretary of Defense, was quoted to have said in private that, "we are going to make them [Iranians] pay through the nose, just as they are making us pay through the nose for the oil."⁶⁸ It seems that in this case the recoupment of R & D cost became intertwined with the drive for recycling the petro-dollars.

Recoupment of R & D cost was the determining factor in the

ultimate decision to sell Iran the ultra-sophisticated, exotic and expensive Boeing E-3A AWACS, costing almost \$173 million per plane, in preference to the less sophisticated and cheaper Grumman E-2C Hawkeye, costing about \$30 million. Specific measures were introduced by the Defense Department to prevent presentation of the E-2C Hawkeye to Iran as a possible alternative to the E-3A AWACS. The Iranian government, in February 1975, requested budgetary estimates for 5 to 10 E-2Cs. On 5 May 1975, the Secretary of Defense ruled out the dissemination of pricing information. On 4 May 1975, the Shah received demonstration of different types of American aircraft in the U.S. at Cecil Field, from which the Grumman's E-2C was specifically barred. On 17 May 1975, a planned demonstration of the E-2C performance to the Shah was cancelled because, it was stated, the Secretary of Defense did not authorize it.⁶⁹ A very strong motive for the preference to sell Iran the AWACS was to reduce its cost to the Air Force by spreading the R & D cost over a wider production base.⁷⁰

Up to now, we have attempted to highlight how economic incentives affected the U.S. supply of arms to Iran, under the Shah, during the 1970s. A complete assessment, however, necessitates an analysis of the role that arms manufacturers played in the tempo and shape of arms sales to Iran. They employed quite aggressive salesmanship methods and tactics in order to push the sale of arms in Iran, once Nixon's open-ended commitment of 1972 and the 1973 quadrupling of Iran's oil revenues, opened up a window of opportunity.

According to General Ellis Williamson, head of the U.S. Military Assistance Advisory Group (MAAG) in Iran from 1971 to 1973, Tehran, "was a salesman's dream for a while," with thirty five corporate representatives visiting the MAAG headquarters per week. This figure, however, represented only a portion of the total, given the fact that many representatives preferred to by-pass the American embassy.⁷¹

A large number of American defence companies, with different specialities, became active in Iran during the 1970s. By 1977, there were 40 U.S. firms engaged in military contracts in Iran,⁷² with a total of 5,800 civilian defence related contract personnel.⁷³ It is difficult to come by a complete list of all the American firms which were involved in Iran throughout that decade. But a 1975 list of all American defence companies and their major fields of activities may suffice to provide us with an idea of their magnitude and diversity in Iran.

<u>Company and major field of activity</u>	<u>Number of Personnel</u>
AAI Corp., aircraft electronics	3
Agusta Bell, aircraft maintenance	10
Avco Corp/Lycoming, aircraft engine maintenance	13
Bell Helicopter International, flight training	1,424
Booz Allen & Hamilton, program management	7
Bowen-McLaughlin-York, tank rebuilding	35
Brown & Root E & C, shipyard construction	16
Cesspa Aircraft Co., aircraft	1
Collins Radio, communications electronics	4

Computer Sciences Corp., computer software	264
Emerson Electric, armament maintenance	1
Epsco Inc., electronics	1
General Dynamics, missiles	11
General Electric, engines and armament	15
General Motors/Allison, aircraft engine maintenance	3
Grumman Aerospace Corp., aircraft maintenance	19
Hazeltine Corp., electronics	1
Hughes Aircraft, aircraft electronics and munitions	7
ITT, communications electronics	4
International Technical Product, communications	85
Itek Corp., electronics	3
Kaman Aerospace Corp., aircraft maintenance	3
Litton, electronics	7
Lockheed, aircraft maintenance	123
Logistics Support Corp., aircraft maintenance	160
Martina-Marietta, electronics	4
McDonnell Douglas, aircraft maintenance	41
Northrop, missiles/aircraft maintenance	29
Page Communications, communications	5
Philco-Ford, electronics	35
Pratt-Whitney, aircraft engine maintenance	4
Raytheon, missiles	126
RCA Corp., electronics	7
SDC, air defense systems training	4
Singer Co., electronics	1
Stanwick, shipyard construction	107
Sylvania Corp., electronics	3

Texas Instruments, armament	2
Westinghouse, electronics	<u>140</u>
	2,728

Source: United States Arms Policies in the Persian Gulf and Red Sea Areas: Past, Present and Future, Report of a Staff Survey Mission to Ethiopia, Iran and the Arabian Peninsula, House Committee on International Relations, 95 Cong. 1 sess. (Government Printing Office, Washington D.C., 1977), p. 145.

During the 1970s, American arms manufacturers increased their sales effort in Iran quite markedly. According to an American embassy official in Tehran,

"neither the U.S. embassy nor Washington could control the pressures to expand exports, especially after 1973. Arms salesmen would quote the administration's Guam Doctrine. If U.S. officials had attempted to do so, it would have implied that they were cutting their own president."⁷⁴

The above quotation, however, should not be taken to mean that some within the U.S. bureaucracy such as the U.S. military services or agencies, with an interest in the overseas sale of arms, were powerlessly manipulated by arms manufacturers. Indeed, more often than not, the two acted in collusion with each other. As it was put in a Congressional report,

"ARMISH-MAAG [the U.S. Military Assistance Advisory Group

in Iran] was supposed to offer professional, neutral advice on arms acquisitions; at the same time the military services to whom ARMISH-MAAG reports and the civilian contractors who are in frequent contact with ARMISH-MAAG personnel, had strong interests in selling weapons systems for their own purposes. Given the 1972 [Nixon's] decision, the salesman's role often predominated."⁷⁵

With Nixon's 1972 commitment to the Shah and subsequent removal of the executive branch scrutiny over his arms requests, the military services and defence contractors availed themselves of the opportunity to engage in intensive sales activities in that country. High ranking military officials travelled to Iran in large numbers to promote weapons systems in which they had an interest. On one occasion the copy of the study of a project, which the Department of Defense had declined to pass on, found its way to Iran through the interested service. In 1972, the Navy, by sponsoring a Grumman briefing on the F-14 to Iran, released technical data to Iran prior to obtaining an export licence. Release of technical data to a foreign government was forbidden by U.S. regulations, unless sponsored by a government department and the Navy did exactly that. The services and their representatives were also in a unique position to influence the Iranian procurement decisions by discreetly placed "advice". Some officers, indeed, did concede that the service selling in Iran was "out of control".⁷⁶

Arms manufacturers exploited such connections as they enjoyed

with the services to their fullest extent, in order to penetrate the Iranian market as deeply as possible. Defence companies also carried out widespread recruitment of retired U.S. military officers to represent their firms in Iran. In one case, it is known that in July 1974 a certain Vice Admiral Malcolm W Cagle, Chief of Navy Education and Training, urged the Iranian government to enter into a consulting contract with a U.S. company with which he was associated before retirement.⁷⁷ General Hamilton Howe, who was considered the father of air-cavalry doctrine, after retiring in 1972, was hired by Bell Helicopter to lecture to the Iranian commanders on military tactics and to demonstrate the merits of Bell's Huey Cobra helicopter. Other firms recruited former MAAG commanders. For instance, an ex-Air Force MAAG chief, Major General Harold L Price, was recruited by Philco-Ford to sell aircraft warning systems and telephone cable. A Navy MAAG chief, Captain R S Harward, was first recruited by TRACOR, to sell sensors and aircraft equipment and then by Rockwell International, to supply intelligence monitoring and sensing equipment to Iran.⁷⁸ These officers were all in a unique position to make use of information that they had gained during their period of active service. The return of those retired MAAG officers to Iran also led to speculation about their loyalty. An Iranian government official asked, "how do I know that he was not acting for his contractor when he was in uniform?"⁷⁹

Another tactic widely employed by arms manufacturers was to engage in intense sales activities in Iran before the formulation

of a policy by the U.S. government to supply or deny a particular weapon system. It was hoped that such activities would stimulate the Iranian demand for a particular military system which the U.S. authorities would then find very difficult to turn down.

Grumman corporation's activities to get Iran interested in the F-14 started as early as 1970, well before the time when the decision was taken to sell the aircraft to Iran in 1972. In 1971 a Grumman international employee, Colin Jupp, provided the American military attache' in Moscow, Colonel Mansfield, with a briefing on the F-14 which he was to discuss with the Iranian military attache' in the U.S.S.R., General Payrow, who was a close confidant of the Shah. As a consequence of that briefing General Khatami, the Commander-in-Chief of the Iranian Air Force, went to Moscow to discuss the F-14 further. Finally, in 1972 Iran expressed its interest in purchasing the F-14 to the appropriate U.S. agencies and Nixon agreed to sell the aircraft to Iran in May of the same year.⁸⁰

Examples such as this abounded. The problem became so acute that Martin Hoffman, a Special Assistant to Defense Secretary James Schlesinger, was sent to Tehran in the autumn of 1974 to investigate the activities of American arms manufacturers. He found that many U.S. companies were actively promoting their products without checking with either the appropriate agencies in Washington or the U.S. MAAG mission in the American embassy in Tehran. General Hassan Toufanian, Iran's chief arms procurement officer, was also asking Hoffman to curb the

activities of American arms companies in Iran and remove their intense pressure on his government.⁸¹

Payment of commission fees to agents with influence on, or access to the arms procurement decision making process in Iran was another widely used avenue by arms manufacturers to cut still further into the Iranian market. The Shah himself had specifically ruled out the payment of commission fees on Iranian arms purchases, if they were included in the prices. The main reason behind the Shah's rejection of the payment of commission fees was that, since Iran was to embark on massive military purchases in the 1970s, the total would add up to stupendous sums.⁸² Thus, when the Iranian authorities realized that Grumman had included the payment of \$28 million in agent's commission fees in the price of 80 F-14s purchased by Iran, General Toufanian demanded the return of that money which strained relations between the two contracting parties.⁸³

The Shah's main purpose was to prevent the payment of agent fees being charged to Iran. Otherwise, there was no regulation to stop the payment of agent fees, out of corporate earnings, to those who could influence the arms procurement process in Iran. In a report prepared for the U.S. Secretary of Defense, it was stated that,

"it is clear that U.S. corporations are acting with considerable trepidation in connection with payment of such fees... The past conduct of U.S. corporations seeking

multimillion dollar contracts indicates that the stakes are so high and the temptation so great that they will continue in the future to pay agents fees which can be shared by the Iranian officials ..."⁸⁴

The convergence of all the above factors, as brought out in this section, created a situation whereby arms were being sold to Iran, "without regard to the appropriateness of the systems they were selling to Iran, Iranian absorption capabilities or inter-service trade-offs."⁸⁵

Measures were introduced to ameliorate some of the problems created by the manufacturers' salesmanship tactics which they pursued in conjunction with their allies in the military services. For instance, representatives of the military services who were to visit Iran would have to obtain clearance from the Department of Defense before travelling; and a ban was imposed on arms sales promotional activities in Iran before the formulation of a policy in the U.S. to deny or supply a particular military system. Nonetheless, the stakes were too high and it seems that a tight rein on activities of the military-industrial complex and its representatives could not be fully implemented during the 1970s.

c) Resource Diplomacy and its Role in the U.S. Security Policy towards Iran

The implications of the British withdrawal, the subsequent formulation and application of the Nixon doctrine to the Persian

Gulf and the build up of Iran's military capability within that framework were not taking place in a void. Stakes were high, with the Persian Gulf's oil as the major American and Western interest.

American interest in access to Gulf oil was stated in very clear-cut terms in 1972 by Joseph Sisco, the Assistant Secretary of State for for Near Eastern and South Asian affairs,

"the American interest in the gulf tends to be characterized in terms of oil. Undoubtedly, the United States has major strategic and economic interests in the oil of the Gulf states. Its continued flow has been of vital importance to the economies of our NATO allies and of our friends east of Suez; assured sources of gulf petroleum are of growing importance to our own energy-hungry economy..."⁸⁶

The same theme with regard to the security of access to the Gulf oil was reiterated in another policy statement in 1973 by James Noyes, Deputy Assistant Secretary of Defense for Near Eastern, African and South Asian affairs, when he stated that,

"we.... have a security interest in access to Persian Gulf oil. Prior to 1970, our main interest in Persian Gulf oil was economic. But in that year it became clear to many of us that the United States was going to need to import increasing quantities of Persian Gulf oil in the future..."

Saudi Arabia and Iran will account for much of these Gulf imports."⁸⁷

The above two statements clearly indicated the American interest in the smooth flow of the Persian Gulf oil to the outside world, particularly, towards the industrialized economies of Western Europe, Japan and North America. Many of the estimates which were made in the early 1970s were cognizant (as they are now) of the significance of Middle East/Persian Gulf oil in the overall make up of world petroleum reserves. Estimates offered by a Congressional report in 1972 indicated that three quarters of the non-communist world's proven petroleum deposits were to be found in the Middle East.

Proven Reserves

(In Billions of Barrels)

<u>Western Hemisphere</u>		<u>Eastern Hemisphere</u>	
United States	40	Arab World	350
Canada	10	Iran	55
Venezuela	15	Indonesia	10
Other Latin American			
Countries	15	Non-Arab Africa	10
		Other	5
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Total	80	Total	430

Source: The United States and the Persian Gulf, Report of the Subcommittee on the Near East of the House Committee on Foreign

Affairs, 92 Cong. 2 sess. (Government Printing Office, Washington D.C., 1972), p. 1.

Estimates not only located the largest quantities of world petroleum reserves in the Middle East, but also suggested that major oil discoveries of additional 450 to 500 billion barrels between 1970 to 1985, which were to take place mainly in that region, would further improve its position of dominance. Nor was that the only factor which was to be borne in mind. In 1970, both the U.S. and the Middle East countries were producing oil at an almost identical rate: 4.9 and 5.1 billion barrels respectively. The ratio of reserves to production for the two regions, however, was disproportionate. It was argued the figures indicated that North America was depleting its oil reserves four times faster than the Middle Eastern countries, which meant that any future increase in demand for oil could only be satisfied by the latter area's production potential.⁸⁸

Views about the centrality of Middle Eastern oil in meeting the world's projected future demand were expressed by other U.S. sources as well. A forecast by the Central Intelligence Agency in 1977, for example, stated that, "...[the] world demand for oil will approach productive capacity by the early 1980s and substantially exceed capacity by 1985 [barring] greatly increased energy conservation." It was argued that Saudi Arabia was the key country which could, by increasing its production to 18 million barrels per day, help to make up for the deficit in the non-communist world's oil requirements.⁸⁹

Security of Western access to the Middle East oil was, therefore, linked to the flow of oil in such quantities as would be sufficient to satisfy the projected increase in demand. Interconnected with that was an element of East-West rivalry, and competition between the two blocs for gaining access to Middle Eastern oil. Speculation concerning the Soviet oil requirements provided the basis from which an assessment of the U.S.S.R.'s intentions towards the region was offered. A study published by the Rand Corporation in 1971, for example, stated that, "... by the end of the decade the Soviet Union and Communist Eastern Europe as a whole will be in the market for Persian Gulf liquid fuel on a relatively large scale."⁹⁰ The next question posed, was whether the Soviet dependency on, and interest in, the smooth flow of the Gulf oil would lead to the pursuit of policies which were aimed at the promotion of political stability in the supplier nations or at undercutting the Western position in that region and enhancing its own influence through subversion and support for the radical elements in those countries.

The issue was summed up succinctly by a Congressional report when it stated that,

"because of our need for access to the area's oil at tolerable prices, we have economic and political interests in seeing friendly and moderate governments rule there and in keeping the area insulated from great power rivalry and free of domination by hostile powers."⁹¹

Linked to the question of access to the Middle Eastern/Persian Gulf oil, was the security of navigation through the Straits of Hormuz. As a former American official stated,

"with U.S. Gulf interests based on petroleum it follows that the transport of this source to the industrialized world becomes integral to any definition of U.S. interest... By mid-1977 60% of the western world's internationally waterborne petroleum was passing through the strait [of Hormuz] daily aboard some 42 tankers."⁹²

All the points which have been made so far about the security of access to Persian Gulf oil, gain in significance when seen within the context of OECD countries' increasing oil dependence on the region during the 1970s. The U.S., for example, from a position of energy self-sufficiency in 1950 had become a net importer of oil by 1970 and, was importing 42% of its needs by 1976 and 50% by 1977. While the Persian Gulf provided 23% of all American oil imports in 1973, the figure increased to 38% by 1976. Like the U.S., other OECD countries were becoming increasingly dependent on the Middle Eastern /Persian Gulf oil.⁹³ By 1977, the Persian Gulf provided 64% and 72% of Western European and Japanese oil requirements respectively.⁹⁴

When applied to the Persian Gulf, the Nixon doctrine could, therefore, be interpreted as a means of securing the uninterrupted flow of oil to North America, Western Europe and Japan. Within that doctrine's framework, as it has already been

demonstrated, Iran occupied the position of central significance. Hence, it was not widely off the mark to state that,

"Iran will remain an extremely important country to the United States and its Western allies for many years to come irrespective of its leadership or political ideology. A strong, pro-Western Iran provides security for critical oil supplies from Persian Gulf oil producing countries. No competitive alternative to these oil supplies are in sight for at least the next decade. A strong, anti-Western Iran could eventually threaten the oil infrastructure of the Gulf area, with potentially catastrophic consequences for the West."⁹⁵

As the preceding quotation demonstrates, Iran was seen as the main security guarantor for the safe passage of Gulf oil to the outside world, in the American strategic perspectives towards the region during the 1970s.

As it has already been pointed out, arms sales to Iran, and other Persian Gulf countries such as Saudi Arabia, within the framework of the Nixon doctrine, were a means of furthering American foreign policy objectives in that region. It has also been seen in this section that, the security of access to the Persian Gulf oil was the main underlying U.S. interest in that region; a security guarantee which Iran was to underwrite, as the main regional actor whose power was to be buttressed by the American arms transfers. An autonomous function which arms sales were to

perform, however, was to weave a nexus of interdependence with the Persian Gulf states, including Iran, as an integral part of the American effort to create the requisite web of interrelationships for maintaining the uninterrupted flow of oil.

This was how the matter was put in the course of a Congressional hearing,

"Mr. Buchanan [Congressman]. In the case of Iran, for example, we depend heavily on Iran as an important source of oil to us. It is in our vital interest that we continue to import substantial quantities of oil from them. Could one reasonably say that this military sales program creates some kind of reciprocity of vital interests, since this is something they at least feel they need that we can supply, or is that too simplistic?

Secretary Schlesinger. I think that is a very significant aspect of the situation. The relationship between the United States and Iran with regard to arms supplies is symptomatic of a very close relationship between the two Governments. If that close relationship did not exist, the arms relationship would not exist. If we refuse to go on with the arms relationship, I think that close tie between our two Governments with regard to the security of the Persian Gulf and the maintenance of a military balance in the Middle East would be subject to erosion."⁹⁶

Imperatives of resource diplomacy thus converted the military supply relationship with Iran, and other oil producing states for that matter, to a medium for cementing the ties of interdependence with the oil consuming nations of the West in general and the U.S. in particular. That process, of course, could not but reinforce the then existing close U.S.-Iranian cooperation in the military-security arena under the rubric of Nixon doctrine.

Bearing in mind what has been said so far, it can be safely stated that guaranteed access to the Persian Gulf oil through support for the Iranian "power" was the mainstay of the American strategic posture in the region during the 1970s. Iran was to protect the safe passage of oil, but oil was also to provide the necessary financial wherewithal with which to lubricate Iranian defence build up. Thus, in a paradoxical way, that which was to be protected, was also to provide the means for doing so.

This was how the situation was summed up in a major Congressional report on Iran,

"Iran's ability to buy more U.S. arms and to finance the implementation of existing programs is sensitive to oil revenues and the rising price of U.S. defense articles and services. A decline in Iran's oil revenues and continued price inflation in the costs of U.S. weapons has already led to the deferment of some orders for U.S. weapons. Thus, there is a direct relationship between Iranian oil

revenues and level of arms purchases."⁹⁷

The same fact, regarding the interconnection between the expansion of Iran's military capability and oil revenues, was also brought out in a State Department review of Iran-U.S. bilateral relations in 1976,

"...Iran's ability, through OPEC, to 'tax' foreign consumers of its petroleum and petroleum products by setting 'artificial' prices for them enables Iran to finance its civilian and military development without official aid... [The Shah] wants and gets the latest U.S. military equipment, and he finances U.S. military and civilian advisers, technicians and instructors..."⁹⁸

Therefore, in both private and public assessments, dependence between the Iranian military modernization programme and oil revenues was highlighted. The fact that Iran's military expansion was taking place within the framework of the Nixon doctrine and was financed by oil led to speculation that Kissinger was behind engineering the oil price increase of the late 1973 so as to enable the Shah to proceed with his procurement of American military equipment.⁹⁹

In his memoirs Kissinger rejects such allegations, whilst recounting his vehement opposition to the oil price increase of late 1973. He points out that everyone, including himself, was caught unawares by the oil price increase and that, it was

certainly not seen as a means of financing Iran's military purchases. He recounts having sent a message to the Shah, who, in concert with the other OPEC countries, had increased the price of oil on 29 December 1973, in which he protested to the Shah in the strongest possible terms. He claims that in the message he urged the Shah that,

"...1) the recent decisions made in Tehran [on the oil price increase] be reconsidered;...and 3) the oil producer countries seriously examine the deleterious effect of these increases on the balance of payments positions of practically all nations in the free world and the effect this will have on world trade in general and on the international monetary system in particular."¹⁰⁰

Paradoxically, the Shah, who considered U.S. and Iran to be close allies, did genuinely have a conflict of interest with the U.S. over the price of oil. If there was one major point of discord in U.S.- Iran bilateral relations during the 1970s, the difference on the oil pricing priorities was certainly it.

The Shah persistently adopted hardline positions on that issue within the Organization of Petroleum Exporting Countries (OPEC), urging further price increases. The fact that William Simons, who was U.S. Treasury Secretary in 1974, was reported to have described the Shah as a 'nut' because of his position on the question of oil pricing, was certainly indicative of the simmering discord between the two countries on that issue.¹⁰¹

Diplomatic channels were utilized to the full to persuade the Shah to adopt a more moderate posture on the oil pricing issue, but to no avail. According to a spokesman from the executive branch,

"...We have certainly let it be known [to the Shah] that we consider that the [oil] prices, one, should not go any higher; and two, should be brought down. We carry on a dialogue with the Government of Iran through diplomatic channels, not only making the point but explaining the reason behind the point we have been making."¹⁰²

He then went on to argue that,

"... the Shah has his own philosophy about oil and we have ours. We have not been able to persuade each other of this."¹⁰³

That same point was also highlighted by a State Department overview of Iran-U.S. bilateral relations in 1977,

"...For the past three years, Iran has been a leading advocate of higher oil prices...Iran has regularly replied negatively and often sharply to United States appeals for no increases..."¹⁰⁴

It seems, therefore, that contrary to Kissinger's accusers, the increase in the price of OPEC oil was the decision of the OPEC

countries alone. There was no behind-the-scenes deliberate manoeuvring or intrigue by Kissinger to get OPEC or the Shah to push the price of oil upwards. If Kissinger was to be held responsible for the Shah's 'hardline' position on the question of oil prices, however, it was indirectly and unintentionally at best. The Nixon doctrine, as a consequence of which Iran was to become the main power in the Persian Gulf, and the 1972 Nixon commitment to the Shah on unrestricted access to the American inventory of conventional arms, both stimulated the Shah's demand for more and more revenue to finance his grandiose military purchases. In the case of Iran, the most readily available source of revenue was oil.

The Shah, therefore, pursued a policy of pushing the price of oil upwards, not only as a means of enhancing Iran's revenue to purchase all the military equipment that he wanted, but also to offset the effect of the cost of inflation on prices of military equipment that he was to acquire. This is how one analyst summarized the situation,

"... Iran's high expense for military imports sharpened its appetite for revenues. The subsequent increases in oil prices contributed to inflation in the West, which in turn, pushed up once again the cost of arms..."¹⁰⁵

Linkage between arms supply and oil prices was offered as a panacea by some, so as to moderate the Shah's position on the oil price issue. Some representatives in the U.S. Congress, in

particular, were becoming restless with the Shah's position on the oil price increases. It was, probably, a view shared by many when a Congressman asked,

"have we attempted to use any leverage at all in trying to bring the [oil] price down ? I understand that we are engaged in a dialogue concerning the supply to Iran of military equipment and military assistance."

A spokesman for the executive responded that,

" I would not like to put it in terms of leverage or pressure. We have a very complex relationship between the United States and Iran in a great many fields of mutual interest, of which military supply is one. I think it would not be in keeping with the spirit of that relationship or in keeping with the balance of our interests in the area to approach the problem in that spirit..."¹⁰⁶

Kissinger himself adamantly rejected the idea of linking arms sales to stability in oil prices believing that, given the balance of U.S. interests in good relations with Iran, such a policy would backfire.¹⁰⁷ A State Department review of U.S.-Iran relations also stated that,

"...[on the issue of oil price increases initiated by the Shah] we have not sought to use what leverage we have-

such as denying or delaying arms sales- judging that such actions would fail to achieve the intended outcome and would be counter-productive in other areas..."¹⁰⁸

During the tenure of the Nixon and Ford Administrations, in spite of the Shah's 'hardline' position on the price of oil, that issue was not linked with the U.S. supply of arms to Iran. With the election of the Carter Administration, however, the Shah's 'hardline' position was suddenly softened which prompted many analysts to suggest that the decision stemmed from the Shah's desire to purchase as much American military equipment as possible.¹⁰⁹

Oil, as it must have become clear by now, performed a multiplicity of functions in shaping the direction and momentum of U.S.-Iran military-security relations during the 1970s. As a commodity, the uninterrupted flow of which Iran was to ensure, oil was to provide it with the requisite financial means for expanding its armed forces to cater for such a role. Furthermore, the military supply relationship with Iran came to be viewed by the U.S. as a means of creating a web of interdependence with Iran, leading towards the goal of security of access to Iran's oil. Finally, but not least significant, the supply of military equipment to Iran was regarded by some in the U.S. as a leverage to counter the incessant escalation of oil prices, link between the two being made during the term of Carter's presidency. Resource diplomacy, thus, became entangled in a wide variety of ways with the whole gamut of U.S.-Iran military-security

relations during the 1970s.

d) Nuclear Non-Proliferation as an Underpinning Factor in U.S.-Iran Military-Security Relations

It has already been mentioned in the first chapter that, at times, an arms supplier nation may attempt to assuage the security concerns of an allied nation through the supply of conventional arms on a sufficient scale, so that the latter may be dissuaded from developing the means of a nuclear capability. In other words, the conventional arms supply relationship becomes an instrument of policy so as to prevent the proliferation of nuclear weapons.

Iran under the Shah, during the 1970s, had embarked upon an ambitious nuclear energy programme. That programme involved the purchase of some 20 reactors, with an aggregate capacity of 23,000 megawatts, to be completed by the late 1980s/early 1990s.¹¹⁰ Upon completion, that programme would have given Iran a nuclear generating capacity equivalent to half of the U.S. total in the mid-1970s, four times that of the British, five times that of the West Germans and nearly eight times that of the French in the mid-1970s. With such an ambitious nuclear energy programme a sense of suspicion did float amongst the experts that Iran might be tempted to acquire a nuclear weapons capability.

In December 1972, Iran announced its desire for the purchase of nuclear power plants within the next decade. The Iranian Atomic

Energy Commission (AEC) was established in June 1974 and, as a body, it became directly accountable to the Shah.¹¹¹

In late 1974, Iran signed a protocol with France for the construction of two 900 megawatt nuclear power plants, by a French nuclear power company, at the Gulf port of Bandar Abbas. In July 1975, Iran signed another agreement with West Germany, worth \$1.6 billion, for the construction of two 1,200 megawatt nuclear power plants, to be built by Kraftwerk Union, at the Gulf port of Bushehr. Under terms of the agreement, Kraftwerk Union was responsible for the procurement of enriched uranium and the supply of nuclear fuel for both plants for a period of ten years.¹¹² Iran was also to undertake a major purchase of nuclear reactors from the U.S. In March 1975, Iran and the U.S. signed a major trade agreement for the export of \$15 billion worth of American goods to Iran over the next five years. The agreement was described by Kissinger as, "the largest of this sort that has ever been signed between two countries." A most significant component of the agreement was the sale of eight American nuclear reactors to Iran.¹¹³

Coupled with the purchase of nuclear reactors, was Iran's investment in expanding its base of trained manpower for handling the incoming technology. According to one analyst, in 1977 the Iranian Atomic Energy Commission had a total of 150 experts at different levels of training in nuclear physics. He went on to argue that, by the time the reactors became operational, a total of 15,000 highly skilled personnel would be required to handle

the technology. The Iranian government officials were hoping that, by that time 60% of the reactors' workforce would be made up of trained indigenous personnel.¹¹⁴

Iran was pursuing a number of different tracks for acquiring the requisite trained manpower to meet the demands of its nuclear energy programme. Firstly, Iran had a policy of importing a part of the required trained manpower. For instance, in May 1974, there were reports that Iran was seeking the advice of Rear Admiral Armando Quihillat, who was a former president of the Argentine Atomic Energy Commission. By 1975, half of the foreign nationals who were recruited by Iran's AEC were Argentines. Iran was also seeking to recruit nuclear technology experts from the U.S., Britain and India, with the latter being particularly viewed as a country which had a surplus of such specialists. A second strategy which Iran pursued, was to cooperate with countries more experienced than itself in the field of nuclear technology. Iran had an agreement on nuclear cooperation with the U.S., dating back to 1959. During the 1970s an agreement with France was reached for the establishment of a nuclear research laboratory in Iran. Other countries with which Iran was to cooperate included India, Turkey and Pakistan. A third option to which Iran resorted, was to send many of its young scientists abroad for education in the field of nuclear technology. Iran sent hundreds of students to the United States, Britain, France and Germany. The Massachusetts Institute of Technology, for example, was to expand the size of its nuclear engineering department in 1975 and 1976 so as to accommodate the intake of

23 to 27 extra Iranian students during those two years. Finally, on-the-job training of personnel, once the nuclear reactors were to become operational, was another alternative which Iran was to follow.¹¹⁵

With such an ambitious programme of both acquiring a large number of nuclear reactors and expanding its base of skilled manpower, the question was whether Iran would opt for the development of a nuclear weapons capability at some future date. Upon completion of its programme, the nuclear reactors could produce sufficient output of plutonium for use in the construction of hundreds of nuclear bombs.

Iran's intentions for nuclear power provoked conflicting view points. A rationale offered by the Iranian officials for such a large scale purchase of nuclear power plants was the substitution of nuclear power for oil as a domestic source of energy. The sceptics, however, argued that Iran was richly endowed with petroleum and, particularly, gas which was simply being flared. Given the richness of Iran's sources of energy, the investment on such an impressive scale in nuclear power production, which is subject to technical uncertainties and malfunctioning, was described as premature and bound to raise doubts.¹¹⁶

A move that, indeed, did reinforce suspicions regarding Iran's nuclear intentions, was its attempt to gain access to the means for plutonium reprocessing facilities, so that it could reuse spent fuel in the electricity-generating reactors. Reprocessed

plutonium, however, could be used in the production of atomic bombs.¹¹⁷ Another controversial move revolved around Iran's attempt to gain access to the sources of natural uranium, which it could then use in heavy water reactors, should it decide to buy them. Also for natural uranium to be of any value, Iran would have to possess the means for fuel enrichment. Both those moves could have been a stepping-stone towards the acquisition of a nuclear weapons capability. The Iranian announcement that it would stockpile the spent nuclear fuel for use by fast breeders which it intended to purchase, as opposed to returning it to the supplier, shed further doubt on the Shah's nuclear intentions. A suspicion which could not but be reinforced when Iran announced its willingness to stockpile Austria's nuclear waste.¹¹⁸

Nor were economic costs an inhibiting factor, if Iran decided to proceed with a programme for developing its nuclear weapons capability. In a report to the U.S. Arms Control and Disarmament Agency in 1976 the cost of a small level nuclear power was estimated at \$100-400 million per annum, inclusive of the costs of research, production, delivery systems, intelligence and command and control technology. The nuclear programme of a middle level power such as Britain and France was estimated to cost between \$1,000-2,000 million annually. The report indicated that Iran was a country which , "could come close to a middle level programme." Another study also estimated that, given the level of Iran's defence expenditure during the 1970s, to proceed with the development of a nuclear military capability would not have been too demanding in terms of the added-on resources. It was

estimated that an increase of \$700 million, or less than 8%, to the Shah's last defence budget of \$9.199 billion in 1979, would have been required to give Iran a reasonably large nuclear capability. A small nuclear capability, however, would have required no more than one-half to 1% of Iran's military budget.¹¹⁹

In spite of what has been said above, there were some features of Iran's nuclear energy programme during the 1970's which demonstrated its genuine adherence to a defence based on conventional military capability. To begin with, Iran was a signatory to the Nuclear Non-proliferation Treaty.¹²⁰ It was stated that, "... [the] evidence indicates the Shah is sincerely convinced of the case for nuclear non-proliferation in Iran's case."¹²¹ Iran had sponsored a resolution in the United Nations General Assembly to consider the, "establishment of a nuclear free zone in the region of the Middle-East."¹²²

The type of nuclear power plants that Iran was to purchase were to be fuelled with enriched uranium, which was more suitable for the generation of electricity, as opposed to the natural uranium reactors, which would be more appropriate for the use of nuclear energy for military purposes.¹²³ Finally, Iran gave up the idea of building national reprocessing plants and opted for multi-national reprocessing centres. The Shah stated in 1976 that, " we are agreeable, if a reprocessing plant is needed in this region, to have it on a multinational basis."¹²⁴ Thus, Iran pursued a policy of securing guaranteed sources of enriched

uranium supply from the U.S. and Western Europe by investing heavily in the latter's enrichment facilities, namely, Eurodif and Coredif as well as from South Africa, according to unconfirmed reports.¹²⁵

Thus, there was conflicting evidence as to the ultimate nuclear intentions of Iran under the Shah and an element of uncertainty did exist regarding the use of civilian nuclear technology for military purposes. That element of uncertainty must be viewed in conjunction with a panoply of incentives and disincentives that could influence an eventual Iranian decision whether to acquire a military nuclear capability, or not.¹²⁶

Very strong incentives, stemming from the Shah's national security threat perceptions, existed to its north, west and east which could potentially provide the requisite impetus for the adoption of a nuclear defence policy. To counter the Soviet threat, a country with which Iran shares a border of 1,400 miles, was always high in the calculation of the Shah's security considerations. Given the Shah's reliance on the U.S. to counter the Soviet Union, and the probability of the unwillingness of U.S. to risk confrontation with U.S.S.R. over Iran, the Shah could have hoped to use nuclear weapons as a deterrent against the Soviet Union. While the Shah could not have hoped to match the whole array of Soviet nuclear capability, it was argued that, through the selection of appropriate targets, Iran could inflict sufficient potential damage on the Soviet Union so as to alter its intentions. For instance, it was pointed out that the Baku

oil complex- formerly cited by James Schlesinger as a possible target of American nuclear weapons on Soviet territory- was close to the Iranian border and could probably be reached by low-flying aircraft. Another example, was the town of Odessa, no further than 1,000 miles from the Iranian airfield of Tabriz, which could possibly be reached by aircraft flying over Turkey and the Black Sea, so as to bypass the dense Soviet air defence network and, increasing their chances of reaching the target.¹²⁷

Iraq, to the west and southwest of Iran, was the second next most significant security threat in the Shah's considerations. In particular, Iran was extremely worried about Iraq's access to nuclear technology which it could then exploit for military purposes. The fact that Baghdad came to negotiate with France for the construction of an Osiris research reactor that would use uranium enriched to 93%, virtually weapons grade material, was particularly worrying to Iran. To counter both an Iraqi nuclear capability and to deter its 'unacceptable interference' in regional affairs, could have induced the Shah to acquire nuclear weapons. ¹²⁸

Developments in South Asia could also have had a direct bearing on Iran's decision to proceed with the acquisition of a nuclear capability. The Shah had committed himself to the territorial integrity of Pakistan in 1973, against any further secessionist tendencies backed from outside, particularly, by India so that the experience of Bangladesh could not be repeated. In the light of this component of Iranian security policy, the possession of

nuclear bombs by India would have been viewed with the gravest sense of concern. Acquisition of nuclear weapons would have been a prerequisite of an Iranian cautioning effect over a nuclearized India vis-a-vis Pakistan. ¹²⁹

A number of disincentives, however, militated against Iran's acquisition of nuclear weapons. Firstly, the acquisition of nuclear bombs by Iran as a means of enhancing its security vis-a-vis the Soviet Union could produce an uncertain outcome at best and, a completely ludicrous one at worst. In the event of a crisis, by encouraging the Soviet Union to launch preemptive strikes against the Iranian nuclear installations, it could have found its security diminished and not enhanced. Secondly, the massive Iranian investment on its defence build up to ensure regional supremacy, was based on conventional military capability. Proliferation of nuclear weapons in the region contiguous to Iran, in reaction to Iran's initiative, would have acted as a military equalizer and, would have eliminated Iran's superior edge in conventional capability over its neighbours. It was doubtful that the Shah would have wished such an eventuality.¹³⁰

The balance of incentives and disincentives aside, the Shah himself had adopted a rather unequivocal stance in public on the issue. When asked about his intentions on nuclear weapons in 1977, the Shah stated that, "...against whom should we have such weapons? My immediate neighbours will try to manage and cope with conventional weapons. As for the U.S.S.R, it's utterly

ridiculous to arm yourself with two or three nuclear devices against all their megatons."¹³¹ The only exception to the Shah's public opposition to the acquisition of nuclear weapons came in 1974, when he was reported to have said, in response to a question posed by a group of French journalists on Iran's intention to gain a nuclear military capability, that, "without a doubt and sooner than one would think." That statement, however, was immediately denied by the Iranian embassy in Paris and, by the Shah himself, later on.¹³²

The Shah, however, did envisage a situation when Iran would, of necessity, acquire nuclear weapons in response to their proliferation in the region. In an interview with Mohammad Heikal, the Egyptian journalist, the Shah stated that should it be confronted with regional nuclear powers, "Iran must, of necessity, have them as well."¹³³ The Shah, therefore, while not bent upon abrogating Iran's commitments under the Nuclear Non-proliferation Treaty, in public at least, did not give up the right to do so under certain conditions.

According to some defence experts on Iran, there was a direct trade off between Iran's capability to defend itself by conventional weapons and its nuclear intentions. This was how a report on Iran's defence in the 1970s spelled out the situation,

"The Shah has voiced his preference for a strong conventional rather than nuclear defense and heretofore he has always publicly stated that Iran's large-scale

conventional arms programme should constitute adequate evidence that Iran intends to counter local conflict with conventional arms. The Shah's nuclear aspirations could grow, however, if he finds himself unable to acquire the conventional weapons deemed necessary for Iranian security interests."¹³⁴

It seems that it was precisely the sort of evaluation that spurred Kissinger during his 1976 visit to Iran to promise the Shah access to the most sophisticated American conventional weapons, provided that he forewent the option to buy nuclear fuel reprocessing plants and locate them in Iran. Adamantly refusing the linkage between oil prices and the supply of arms to Iran Kissinger, however, proved forthcoming on linking the leverage which arms supply offered the United States to restrain the Shah's possible nuclear ambitions.¹³⁵ Arms supply was in this instance, therefore, elevated to the status of advancing U.S. non-proliferation interests vis-a-vis Iran. Although there were some indications that the U.S. was either contemplating or actually using the arms supply leverage to restrain the Shah's possible nuclear ambitions, it is difficult to elaborate on the subject due to the scarcity of material.

e) The Political Factors Underlying U.S. Military Sales to Iran

The military sales relationship with the Persian Gulf countries was also viewed as a means of strengthening ties between the donor and recipient countries. This point was raised during a Congressional hearing on the U.S. arms supply relationship with

the Persian Gulf countries,

"Mr. Buchanan [Congressman]. Would you say in supplying arms to those nations [the Persian Gulf countries] to meet what they consider to be a vital national interest of theirs that it might somehow strengthen our relationship with those countries?

Mr. Sipes [Executive branch]. I think that is the motive of a number of our programs....."¹³⁶

Hence, it was not without precedent that, when the sale of a particular weapon system had to be justified to the Congress by the Executive branch this rationale was offered. During the debate on the sale of AWACS aircraft to Iran, whose approval was running into difficulties in the Congress, a spokesman for the U.S. Executive branch stated that, Iran would interpret a negative decision,

"....as a signal of at least a lessening of our [U.S.] concern for, and interest in, their security and in the relationship between us, so there would be a multiplier effect, if you will, psychologically and politically, to a turndown."¹³⁷

It should not, however, be thought that the political influence gained from a military sales relationship was solely the donor's. When the U.S. entered into an arms supply relationship with Iran,

it was based, in part, on the presumed influence which it would gain over the latter. Cutting off the flow of equipment and spares so as to influence the behaviour of Iran, however, was a limited option. Such an action was bound to harm the U.S. credibility as a reliable arms supplier and persuade the purchasers, such as Iran, to turn elsewhere to satisfy their defence needs. This phenomenon was called "reverse influence".¹³⁸

The arms supply relationship was also bound to open the military establishment in Iran to interaction with the U.S. and, hence, to its influence. That is how the situation was described,

"the psychological attributes that have grown up in the Iranian services over the past thirty years of dealing with Americans have given us a great lead over other foreigners. We are trusted. Moreover, there is general esteem for American values and our reputed efficiency."¹³⁹

The general assumption was that the association with the U.S. should make the Iranian armed forces more easily influenced. The most clear-cut example of that point was to be witnessed during the course of Iran's revolutionary upheaval in 1978-79 period, when the U.S. came to make the maximum use of its influence over the Iranian armed forces, to ensure their support for pro-Western government in Tehran. It was hoped that an overtly anti-Western revolutionary outcome would be averted. For that purpose General Robert Huyser, Deputy Commander-in-Chief of the U.S. European Command, was dispatched to Iran to work very closely with the

Iranian armed forces and secure their allegiance to the pro-Western elements in the pre-revolutionary Iran.¹⁴⁰

A caveat, however, must be entered: although this was the U.S. goal, it was not always achieved. Indeed, the most striking example of American failure was a class of highly specialized warrant officers in the Air Force who were U.S. trained (either in the U.S. or by American instructors in Iran). This group joined the revolution and, indeed, played a leading role in its eventual success. Personal interviews indicate that their discontent stemmed from two sources. Firstly, there was the pervasive feeling amongst them that they were being overworked, without privileges commensurate with the officer corps, even though they had entered the Air Force with identical qualifications. Secondly, and more importantly for the purpose of this discussion, many of them while on training in the U.S., had witnessed the relaxed and liberal atmosphere prevailing in relations between the commissioned and non-commissioned officers. It was in sharp contrast with the rigidity and authoritarianism characterizing the officer-NCO relations in the Iranian army, the expectations being that this class of warrant officers should show the same degree of deference towards the officers as the non-commissioned officers. It was a major source of their discontent. Hence, when the revolutionary spiral in Iran got underway, they constituted the first segment of the armed forces to join the revolution. Thus, their experience in the U.S. seems to have been a major cause of fissiparous tendencies, and created a situation which was not in U.S. interests.¹⁴¹

2) Iran's Side of the Ledger

As the saying goes it takes two hands to clap. Up to now the role of Iran in the conduct of military-security relations with the U.S. has not been scrutinized and the exposition of its views, concerns and objectives has set the tone of preceding arguments. Now attention will be shifted to delineation of the interplay of forces which moulded Iran's actions within the context of military-security ties with the U.S., during the 1970s.

To embark upon the above task, a few words must be said on the policy making process in Iran and its influence on the country's defence planning. Policy formulation in Iran was rather simple when compared to the process of interagency reviews and the hammering out of policy through debate in the United States. The Shah was the ultimate decision maker in Iran, free from any institutional or pressure group constraints, particularly when it came to defence and foreign policy issues.

Over the years, after his return to power in 1953 up to the time of his overthrow, the Shah had grown in such skill, confidence and resolve as to be able to cast his absolute authority and control wide over the governmental institutions, with the effect that he had become the only decision maker of any consequence in Iran. For instance, Iran's Foreign Minister from 1972-1979, Abbas Khalatbari, was reported to have often told the foreign ambassadors that he, "was merely a messenger; his majesty makes all the major decisions and most of the minor ones."¹⁴²

Nor was the situation any different with respect to defence policy decision making. No member of the cabinet, including the Prime Minister or the Minister of War, was consulted by the Shah on the questions of internal or external security policies. The Minister of War was merely concerned with routine administrative, budgetary and fiscal matters.¹⁴³

Whilst discussing the question of Iran's military expenditure Hoveyda, a former Iranian Prime Minister under the Shah, was reported to have said that,

"don't get the idea that a Prime Minister knows all and sees all in Iran. There are any number of fields which the Shah keeps completely to himself. Like SAVAK, and the Army. He informs us about military contracts after the event, and compels us to make cuts in other plans."¹⁴⁴

Another instance of the Shah's predominant position within the defence decision making process in Iran was provided by General Fereidun Djam, a former Chief of the Iranian Supreme Commander's Staff, who stated that the Shah had taken his constitutional title of Commander-in-Chief to extend to, "every legislative and executive decision within the forces."¹⁴⁵

The same point was also highlighted by an American survey of the distribution of power in Iran,

"The one overriding fact of Iranian military life is the

supreme authority of the Shah. He is not only the commander on paper of the Iranian armed forces but in actual fact exerts this authority. His direction extends not only to policy but to responsibilities which are delegated to subordinates. He personally approves officer promotions down to the field grade level sees to the disposition of troops and in general functions as the commanding officer. Certainly he must look to his senior officers for information and advice but, as in other spheres, the military commanders' function is to carry-out the Shah's wishes."¹⁴⁶

Bearing in mind what has been said above, and the fact that the Shah spent more than two working days per week on military matters ¹⁴⁷ it can be concluded that his position in the defence decision making process was predominant (see the following chart).

Iranian services were in any degree opposed to the Shah's ambitious military modernization, the full extent of which will be described in the next chapter. Indeed, it was asserted by an Iranian officer that it was natural for, say, a naval officer to want to command an aircraft carrier as opposed to a patrol boat and that, in fact, the Shah's arms purchases during the 1970s were supported by, and generated support for his regime amongst the services.¹⁴⁹

Given the centrality of the Shah's position within Iran's defence establishment, his personal characteristics and perceptions had, therefore, a significant bearing on the direction of the country's military-security policies and, by extension, cooperation with the U.S. in this field.

Bearing this in mind, the Shah's own keen interest in international and security issues was of immediate relevance to the course of Iran's defence policy. Those who had the opportunity of close contact with the Shah acknowledged the breadth of his knowledge on international and military affairs. Kissinger has stated in his memoirs that, "[the Shah] in his grasp of the international trends and currents....was among the most impressive leaders that I met...."¹⁵⁰ Anthony Parsons, the last British Ambassador to Iran before the revolution between 1974 to 1979, has also stated that, "in questions of foreign and strategic policy he [the Shah] was a shrewd operator, a bravura performer who commanded respect. The truth was that those were the subjects in which he was most interested and best

informed."¹⁵¹

The Shah was known to have been an avid reader of such magazines as 'Aviation Week and Space Technology' and, to be well informed about modern weapons technology.¹⁵² With the shelves beside his desk filled with the latest publications on defence from Europe and America the Shah reminisced, to a journalist from the Daily Telegraph, about his experience of studying military tactics when commissioned into the Iranian army as a young man, and the shift in his concentration on military strategy during the 1970s.¹⁵³

Some observers went so far as to claim that the Shah was not only knowledgeable but actually enjoyed the gadgetry of modern warfare; a fact which was reflected in Iran's high defence expenditure throughout the period of his reign, particularly, during the 1970s.¹⁵⁴ Given his penchant for military gadgets one might say that the Nixon doctrine and his commitment of 1972, provided the Shah with a window of opportunity to embark on a shopping spree of the most sophisticated state-of-the-art weapons systems available in the U.S. arms inventory.

The Shah's personal proclivities aside, he had certain conceptions about Iran's external security environment which, in one way or another, influenced his perceptions of what constituted a necessary defence effort for the country. Some of those conceptions were conditioned by Iran's historical experience. It has already been seen in the second chapter that,

in spite of Iran's declared neutrality it was invaded and occupied by the Allied powers during the Second World War and, there were difficulties attendant upon the final Soviet evacuation of the country after the war. The country was also previously invaded and occupied during the First World War, and before that, it was the object of de facto partition between Britain and Tsarist Russia in 1907.

A policy of military strength, according to the Shah, was the prerequisite for maintaining Iran's territorial integrity and independence. In the memoirs which he published after his overthrow, the Shah stated that,

"our policy of strict independence made military strength a necessity. This need had been graphically illustrated throughout Iran's ancient and modern history. When our armed forces were weak, our nation was overrun. When we were strong, our nation was saved from foreign invasion. Often military might alone had been our sole guarantee of survival."¹⁵⁵

Two other factors fuelling the Shah's armament policy during the 1970s were his convictions that neither the United Nations nor collective security arrangements such as CENTO could be relied upon to hinder a potential aggressor from invading or to safeguard Iran's integrity.

In his message to CENTO's twentieth meeting, for instance, the

Shah stated that, given the ineffectiveness of the United Nations to perform its functions in ensuring international peace and security, Iran was forced to pursue a policy of military self-reliance.¹⁵⁶ In the same vein, during the course of an interview when asked about the factors underlying Iran's military purchases the Shah, offered 'U.N. impotence' as a rationale behind Iran's arms build up during the 1970s.¹⁵⁷ In another instance, the paralysis of the United Nations during the Indo-Pakistani crisis of 1971, and the latter's eventual partition, was cited as a proof of the U.N's impotence to deal effectively with 'aggression' which, according to the Shah, justified the increase in Iran's defence effort in the 1970s, with the aim of becoming the strongest regional power.¹⁵⁸

Nor did the Shah place much faith in collective security arrangements, such as CENTO, as a substitute to Iran's military self-reliance. It has already been seen how CENTO's inability to render any assistance to Pakistan in 1965 during the conflict with India, fuelled Iran's dissatisfaction with the treaty as a credible means of collective defence, particularly, against regional threats as opposed to those sponsored by the Soviet Union. The Shah was to ask in June 1969,

"What would happen if Iraq were to attack us tomorrow?.... It would be like Pakistan's dispute with India When Pakistan was forced to call a cease-fire line well inside Pakistan's territory only a few miles from Lahore, what did CENTO do? What did the U.S. with whom Pakistan had a

bilateral treaty, do? We cannot rely on others for our defense; that is why we are building up our forces."¹⁵⁹

The worst came to worst, however, when the 1971 Indo-Pakistan war actually led to the latter's dismemberment, again against the backdrop of a passively observant CENTO. A Tehran newspaper, Kayhan, was probably echoing the official line when it said,

"Pakistan, an ally of the United States through two multinational and one bilateral treaty, has been attacked and dismembered without as much as a ripple of serious protest. There is no reason why Pakistan's plight should be treated as an isolated case that could not be repeated elsewhere in the region."¹⁶⁰

After Pakistan's dismemberment, the Shah described CENTO as a "club" for discussing interesting ideas, which had no "teeth" from the beginning.¹⁶¹

Indeed, as the decade progressed there were no reasons for the Shah to change his views concerning CENTO's ineptitude to serve as a viable collective defence organization contributing to Iran's security. The CENTO Council of Ministers did hold its annual series of meetings and there were some reports on joint naval military exercises, particularly one in 1974, when the forces of member states practised anti-submarine, anti-mine and anti-surface ship procedures. Otherwise the level of military activities within the organization was very low and its functions

as a forum for economic cooperation between the member states seemed to have superseded its defence ones.¹⁶²

The inadequacy of the United Nations and collective security arrangements as means of countering military threats, had to be observed in conjunction with the unfolding of a number of trends in international politics in the 1970s which, in the Shah's view, necessitated even further the increase in Iran's defence effort. The American-Soviet detente of the 1970s which led to the relaxation of tension between the two superpowers, though palatable to Iran was not viewed with total equanimity.

Although Iran welcomed the reduction of tension in the international system following the diplomatic detente of the 1970s between the U.S. and the U.S.S.R., the fact that it was geographically limited only to Europe, fuelled the Shah's fear lest it release Soviet energies for 'subversive' activities in other regions, including the Persian Gulf. This was how a paper by the State Department described the situation,

"the Shah takes a close interest in our detente with the USSR and the possibility that it might free Soviet resources for the Middle-East. He is concerned that we may be lowering our guard and leaving our allies in a more vulnerable position The Shah believes Soviet activity in the Middle-East indicates a continuing use of proxies such as Iraq and South Yemen to accomplish Soviet foreign policy goals.... "¹⁶³

Addressing the 1973 CENTO ministerial meeting Amir Abbas Hoveyda, the Iranian Prime Minister, also stated that,

"detente is a commodity as much in demand in Europe and the Far East, as it is in Asia and the Middle East. For we believe that peace can only prove durable when it's indivisible. Accord and accommodation in one part of the world should not be achieved at the cost of a free hand for disruption and subversion in other parts."¹⁶⁴

The government-controlled press was also venting similar views concerning detente. In an editorial, Kayhan, pointing out the "serious problem" of "Soviet-supported subversion", stated that,

"there are fanatics who wish to impose their own style of politics on others. Often they are encouraged, inspired and even armed and financed by various countries still interested in expanding their influence or hegemony through devious adventures."¹⁶⁵

The Shah, therefore, had his reservations, expressed through various means, about detente. One analyst, at least, has expressed the view that the Shah managed to convert his concern over the possible increase in Soviet activities in the Middle East as a result of the East-West detent of the 1970s, into the Nixon commitment of 1972, to provide Iran with the most advanced American conventional weapons.¹⁶⁶

Apart from the East-West detente of 1970s, with all its implications for Iran, a further evolving trend in the international system in the 1970s was America's disengagement from global affairs as a consequence of the Vietnam war. This, in the Shah's view, made it imperative for Iran to pursue a more self reliant defence posture. During his October 1969 visit to Washington, the Shah availed himself of the opportunity to identify the reasons for building up Iran's defence capability. He explained that it was becoming, "unpractical that every nation when in trouble, will just send a wire to Washington 'Please come to our help'," because he did not believe that the U.S., "could do it any more."

Furthermore, he argued that American intervention, "could lead to a confrontation with another big power. So, if we want to avoid that, we have got to be able to take care of the situation ourselves."¹⁶⁷ The Shah reiterated the theme in January 1972, when he said,

"I believe that America has realized it can no longer play the role of an international gendarme and that the world's security should, in any case, be guarded by countries that can assume that duty in each region."¹⁶⁸

In the memoir published after his overthrow, the Shah gave the British withdrawal from the Gulf and, the American unwillingness to intervene militarily in other parts of the world, as two major stimuli for the increase in Iran's defence effort. This is how

he put it,

"In January 1968, Great Britain announced that it was withdrawing its troops from the Persian Gulf. Shortly after, President Nixon declared that the United States would no longer maintain its role as the 'world's policeman'. Thus, our security could be assured only through our own efforts."¹⁶⁹

During his reign the Shah witnessed cases of American inability to project its power in the support of its own interests and those of its allies overseas, further reinforcing his belief in a self-reliant defence posture.¹⁷⁰ For instance, the Shah was known to have been extremely perturbed over the, "U.S. policy toward Angola [one of inaction towards the pro-Western factions fighting to seize government control in competition with the pro-Soviet ones]....[which] produced doubts in the Shah's mind that the U.S. will be, or can be, as firm an ally as it has been in the past."¹⁷¹

Needless to say, the Shah's assessment of America's reduced involvement in global affairs and his willingness to assume a more active and forward role in defence issues fitted in well with the genesis and evolution of Nixon doctrine. The impact of detente and the Nixon doctrine on the Shah's defence policy were described in the following way by a State Department overview of Iran-U.S. bilateral ties,

"the Nixon Doctrine, first revealed in 1969 reinforced the Shah's belief in military self-reliance and the detente that came later appeared to him to release Soviet energies for interference in the Middle East. All signs pointed to a continuing need for a military force superior to any other in the area, and the conviction that Iran could not count on external support."¹⁷²

There was also the prestige factor, to be considered in the Shah's defence build up programme in the 1970s. In the 1970s the Shah often talked about elevating Iran to the status of one of the world's leading industrialized countries within a time span of 5 to 10 years, a belief which the sudden quadrupling of oil revenues reinforced. On a number of occasions when asked about Iran's massive expenditure on defence during the 1970s, the Shah's answer was that, given Iran's position and status in the world during the next decade or so, what Iran was implementing in its defence sector was similar to what the British, the French, the Germans or the Soviets were doing. If their defence effort was deemed acceptable, so it had to be in the case of Iran.¹⁷³

Historical legacy, the prestige factor, the lack of confidence in the U.N. and collective security arrangements such as CENTO, and a number of developments in the international system at the macro level such as the East-West detente and retrenchment of the American global commitment in the wake of the Vietnam war, therefore, all combined (probably with varying degrees of

influence) to spur the already all too eager Shah to embark upon his monumental arms build up of the 1970s.

Such elements, however, cannot be considered in isolation from Iran's security threat perceptions in the 1970s, when dealing with its defence policy during that decade. The panoply of external threats as a result of which the Shah demanded arms were said, "to be sufficiently real and diverse to enable the Shah to justify major investment in military forces," and that it would be extremely difficult for American policy makers not to respond positively, "if the threat analysis is regarded as the primary determinant of procurement policy."¹⁷⁴

It was argued that given Iran's geographical location, the military capabilities of its adversaries and the time frame within which hostilities could occur, Iran faced two types of threats during the 1970s: "high intensity" and "low-intensity". The former referred to the well-equipped and well-armed threats emanating from countries such as the Soviet Union, Iraq and India. The "low-intensity" threat referred to poorly-armed adversaries such as the internal urban or ethnic insurgents in Iran or guerrilla forces in Oman (see the following chart).¹⁷⁵

Threats to Iran (During the 70s)

	High intensity threats	Low intensity threats
Present	U.S.S.R. Iraq	Oman Separatism Terrorism
Future	U.S.S.R. Iraq India	Arab Gulf Separatism Terrorism

However, before elaborating on the Shah's security threat perception in the 1970s and its relationship to Iran's defence policy, one point has to be made at this stage. It has already been argued that during the 1950s and 1960s the Shah's foreign and security policies could not be separated from the imperatives of maintaining the internal stability of his regime. Unlike the previous epoch, during the 1970s the Shah's defence and military policy was oriented toward countering the external security threats as envisaged by himself. This had the effect of attuning Iran's military build up of the 1970s, which will be dealt with in the next chapter, into dealing with external contingencies and not internal ones.

This, however, is not intended to give the impression that the Shah did not perceive any internal threats to his regime. It was thought that internal threats to the regime were threefold, stemming from the communist and religious guerrilla forces and ethnically based insurgency, especially in Baluchistan. But it was pointed out that the internal security forces consisting of the national police, the secret

service police SAVAK and the rurally based gendarmerie would be capable of containing the indigenously based contingencies.¹⁷⁶

In so far as preparing for the possibility of widespread civil disturbances was concerned (of the type that was to spell the death-knell of the Shah's regime) it seems that it was not given any emphasis in the requisite training or weapons acquisition. The one effect of that policy was that when the revolutionary momentum in Iran got underway the army came to use a sledge-hammer (tanks and other lethal ammunition) to crack the walnut (that is unarmed crowds).¹⁷⁷ A telegram, prepared and sent by the American embassy in Tehran to the State Department in Washington, during Iran's revolutionary upheaval, stated that "one troubling feature" of the army, "in Iran is the absence of any units within the Iranian army which are specifically trained and equipped for non-lethal crowd control."¹⁷⁸ It can, therefore, be safely stated that Iran's defence policy and attendant military build up in the 1970s had an external orientation and was designed primarily to counter specific threats as perceived by the Shah.

Since the Shah perceived the Soviet Union as the main security threat to Iran's territorial integrity, independence (as a result of the former's wavering over evacuating Azarbaiejan after the Second World War) and the internal stability of his regime (given the activities of Soviet-supported Tudeh party), fears concerning Soviet intentions persisted well into the 1970s, with it being cited as the, "greatest long-term military threat to Iran,"¹⁷⁹ by the Shah and senior Iranian military leaders. It was, indeed, pointed out in an analysis in the

1970s that,

"Iranian leaders of all but the most radical leftist or terrorist groups share an apprehension about Iran's geopolitical position. They see Iran as surrounded not only by basically unfriendly or unreliable area states, but also by a superpower, Russia, that is determined over the long term to undermine Iran's regional influence and internal stability."¹⁸⁰

The wariness of the Shah, and Iran's ruling elite, towards the Soviet Union was, therefore, a constant feature of Iran's strategic policies throughout the period of his rule, including the 1970s. Even in the memoirs that he published after his overthrow, the Shah had some scathing comments reserved for the Soviet Union,

".... I had lived as neighbour to the masters of the Kremlin my whole adult life. In forty years I had never seen any wavering of Russia's political objectives: a relentless striving toward world domination. It could wait fifty years, accept a step or two backward, deal, accommodate, but never lose sight of its final aims."¹⁸¹

Apart from the historical legacy, the Shah's fear of Soviet intentions vis-a-vis Iran was sustained by firstly an interest on the part of U.S.S.R. to gain access to warm water ports in the Persian Gulf and secondly, access to the Gulf's oil reserves

so as to make up for a possible future oil deficit in the U.S.S.R.¹⁸²

Given the persistence of the Soviet threat in the Shah's security considerations in the 1970s, he continued with his earlier policy of relying on the United States as a distant and disinterested third power which, as already seen dated back to the 1940s, as a counterpoise to the U.S.S.R. It was, indeed, pointed out by an analysis in the 1970s that,

"the linchpin of Iran's basic pro-Western policy is its relationship with the U.S.... Iran's dependence on the U.S. as the only super-power with the potential to counter Soviet pressure has led Iran over the course of time into a heavy investment in American weaponry, technology and general way of life. Unstated but clearly understood has been Iran's confidence that the U.S. is far enough away and disinterested enough in its policy not to represent the kind of threat to Iranian sovereignty which other powers that have balanced Soviet pressure in this part of the world came to represent to Iran- notably the British. In the process the Shah has permitted a number of sensitive U.S. intelligence operations and installations in Iran, from which he has derived the benefit of closer intimacy with the U.S. intelligence community."¹⁸³

Therefore, weaving close ties with the United States as a counterweight to the Soviet Union went hand-in-hand with Iran's

policy of reliance on the American weapons technology and intelligence exchange.

It must be remembered that, though the Shah's policy of close ties with the U.S. as a counterpoise to the U.S.S.R. did possess an underlying strategic rationale, it was only a part of the explanation. Oddly enough, no less a figure than Kissinger, in his memoirs, broached the range of options open to the Shah, such as a nonaligned foreign policy of manoeuvring between the two blocs evenhandedly, apart from a policy of close reliance on the U.S., in order to counter any possible pressures from the Soviet Union. To the extent that the Shah opted for a policy of close reliance on the U.S., according to Kissinger, was explicable by reference to the former's experience of restoration to the throne in 1953 with American assistance, and the sense of good will that it engendered towards the U.S. in the Shah.¹⁸⁴

During the 1970s it was not so much direct as indirect Soviet pressure which worried the Shah. The Shah was wary of the Soviet support for countries close to Iran such as Iraq, India and Afghanistan, with which, for one reason or another, it had strained relations and which, in collusion with each other, might act against Iran's interests, nurturing the Shah's fears that his country was being encircled by the U.S.S.R. and its allies.¹⁸⁵ Nor was the Shah unconcerned by the increased Soviet maritime activities in the Indian Ocean and Persian Gulf.¹⁸⁶

The Shah, in particular, became extremely perturbed when Iraq,

a country with which Iran had a mix of ideological, territorial and political disputes, signed a Treaty of Friendship with the Soviet Union in April 1972, leading to the latter's massive extension of military and technical aid and the use of Iraqi sea and air bases. For instance, it was alleged that the Soviets were deploying Antonov planes in Iraq while stationing technicians in the port of Umm Qasr.¹⁸⁷ Particularly worrying to the Shah was article 8 of the Treaty which stated, "In the event of the development of situations that threaten the peace of either side or create a threat to peace or violation of peace, the High Contracting parties will immediately contact one another for the purpose of co-ordinating their position in the interest of removing the threat that has arisen or restoring peace." The Shah took that clause to be directed against Iran.¹⁸⁸

The Shah was also worried about the Indo-Soviet Treaty of Friendship signed in 1971 between the two countries. The Shah was particularly concerned that the treaty might encourage Indian-supported irredentism, as with the secession, in 1971, of Bangladesh from Pakistan, a country which was Iran's ally in CENTO and to whose territorial integrity it was fully committed. The Shah, in particular, was concerned that any further dismemberment of Pakistan, especially the province of Baluchistan, could have a potential spill-over effect on Iran's own Baluchistan province. Indeed, during the 1971 Indo-Pakistan dispute, the Soviets had attempted to deter any possible Iranian assistance to Pakistan by moving troops along their border with Iran.¹⁸⁹

Nor was the Shah unconcerned about the Soviet influence and activities in the neighbouring Afghanistan. The main source of worry here, again, was the destabilizing pressure that a radical government in Afghanistan could bring to bear on Pakistan by encouraging secessionist tendencies in its Pakhtunistan and Baluchistan provinces, with likely adverse repercussions on Iran.¹⁹⁰

The Shah was also anxious about the extension of Soviet support for the revolutionary and radical groups in the areas of vital interest and importance to Iran. The Shah was, for instance, extremely concerned about the activities of the Soviet- South Yemeni-supported "Popular Front for the Liberation of the Occupied Arab Gulf" (PFLOAG) in Oman, which was bent upon a policy of armed revolution not only in Oman, but the whole of the Persian Gulf, including Iran. It was in the hope of checking the growth of Soviet-supported revolutionary groups that the Shah eventually committed the full weight of his army behind the Sultan of Oman.¹⁹¹

What has been pointed out above, was summarized by an American assessment of Iran's threat perception in the 1970s in the following way,

".... he [the Shah] counts on the U.S. to assist in a defense against the U.S.S.R. What concerns him far more is the indirect threat which the Soviets pose through their assistance, both covert and overt, to those governments-

particularly Iraq's- and dissident elements in the region which appear intent on undermining Iranian security. The strategic implications to Iran of close political ties among India, Iraq and Afghanistan and the U.S.S.R. worries the Shah. He perceives a threat of Soviet induced collusion among those countries, intensifying all the other threats to Iranian interests. With signs of declining Soviet influence in the Eastern Mediterranean, the Shah fears that the U.S.S.R. will now turn with increased vigour to expanding its influence in the Gulf, cementing ties with Afghanistan and Iraq in the north and supporting insurgent attempts to topple conservative governments in the littoral states to the south. This is the primary reason that the Shah has committed Iranian forces in Oman to combat the rebellion backed by the PDRY, a Soviet client."¹⁹²

From the mid-1970s onwards, the escalation of Soviet activities in Black Africa added a new ingredient to Iran's list of indirect pressure by the U.S.S.R. Iran was alarmed by the increase in Soviet activities in Africa, fearing that its encirclement, with the effect of undermining its security, would find a new dimension.¹⁹³ The Shah, showing his alarm, raised the issue of Soviet activities in Africa during his 1977 visit to the United States with President Carter and, again during that same year with Cyrus Vance, the U.S. Secretary of State, when he visited Iran.¹⁹⁴ In his memoirs, the Shah had this to say on the Soviet "penetration" of Africa,

"Iran, which is only separated from Africa by the Arabian Peninsula, the Red Sea, and the Indian Ocean, was concerned to see communist penetration into Africa along three axes; the first, going from Libya toward Chad, the Sudan, and Somalia, is the Mediterranean-Red Sea-Indian Ocean axis; the second aims to link the Mediterranean to the Atlantic by land; and the third cuts Africa in two from Angola to Mozambique. This penetration is a vast strategic movement which threatens to destabilize the whole of Africa."¹⁹⁵

Apart from the threat that the Shah perceived to his north from the Soviet Union, he was also preparing to counter a number of other contingencies that he thought he was facing, including those to the south of Iran. Groundwork for the evolution of Iran's strategy vis-a-vis that region was laid when Britain announced in 1968, its intention of withdrawing from "east of Suez". The Shah was extremely concerned about the "threat" of radical Arab nationalism to the status quo, not only to Iran, but also to its neighbouring conservative Arab sheikhdoms of the Persian Gulf. Thus in anticipation of eventual British withdrawal, the Shah set up the headquarters of Iran's Third Army in the southern city of Shiraz, which could be used for the projection of military power onto the Persian Gulf.

Close Anglo-American dialogue with Iran over the future of the Persian Gulf after the British withdrawal in 1971 and the decision to build up Iran's military capability in order to fill

in the resulting vacuum, has already been noted. The first public indication of Iran's willingness to assume the responsibility for maintaining stability in the Persian Gulf emerged in the course of a news conference by Premier Hoveyda on January 27, 1968. He stated that it was natural for Iran, as the most powerful Persian Gulf state, to be interested in the region's stability and security, for which it was willing to take responsibility either alone or in cooperation with any other country in the region.¹⁹⁶

The following year, in a speech to the Iranian Parliament, the Shah stated that Iran's defence effort, involving massive costs, would have to be increased, as, after the British withdrawal, the regional states would have to undertake the task of maintaining the security of the area.¹⁹⁷

Many years later, the Shah was to write that,

"after Britain withdrew her forces from east of the Suez in 1968, I had gladly shouldered the burden of protecting the Persian Gulf. In order to meet our new responsibilities, Iran had to become a top-ranked military power, with our own bases and facilities, and the ability to protect them. I was confident that our American and British allies strongly supported those endeavours..."¹⁹⁸

It has been suggested that since the ancient times, given the requisite opportunities, resources and leadership qualities, Iranian leaders have tried to assert the country's influence and

interest in the Persian Gulf.¹⁹⁹ Iran's willingness to assume the leadership role in underwriting the Gulf security was certainly commensurate with the Shah's ambition for regional influence and prestige.

As an American overview of Iran's foreign policy objectives was to state,

"As the most populous, strongest and (with Saudi Arabia) largest country in the Middle-East, Iran has aspired over the decades since World War II to a regional role of leadership with the assistance of Western, particularly U.S., technology. The Nixon doctrine came to mean for Iran, U.S. willingness to recognize Iran as a power which would help preserve regional stability in the general interests of the West and which would be assisted in arming itself so that more direct USG intervention would be unnecessary."²⁰⁰

The Nixon doctrine meant an opportunity for the Shah, not only to gain access to the arms which he deemed necessary, but also to carve out a zone of special influence in the Persian Gulf through maintaining the stability of the region in the interest of the Western powers, as the above quotation indicates. Convergence of interest between the U.S. and Iran under the Shah was the key to understanding the role which the latter was prepared to perform in the Persian Gulf.

It may be of relevance to note at this stage that the above view was also shared by the high ranking members of the Iranian armed forces' officer corps. It was asserted in very clear terms by an Iranian officer that, though the Shah's strategy in the Persian Gulf buttressed Western interests, it had the support of high ranking officers who believed that the policy secured Iran regional political influence and access to sophisticated arms and, therefore, it was congruent with the country's interests.²⁰¹

The security of the Persian Gulf, to the Shah, was tied up with preservation of the political status quo and support for the like-minded Arab sheikhdoms on the southern side of the Persian Gulf which, similar to Iran itself, had a conservative internal and external policy orientation. By providing for the continuity of the monarchical institution in countries on the other side of the Persian Gulf and checking the growth of hostile revolutionary forces, the Shah was not only hoping to bring about an environment conducive to the perpetuation of the kingship system in Iran itself, but also to ensure the uninterrupted flow of oil from the Persian Gulf by propping up friendly and moderate regimes in power.²⁰² Indeed, Iran's participation in counter-insurgency operations in Oman against the South Yemeni-backed PFLOAG was, by and large, viewed as a means of curbing the installation of a revolutionary regime at the mouth of the Persian Gulf, along the Strait of Hormuz choke-point, so that no "threat" emanating from the radical forces would jeopardize the safety of navigation through that waterway.²⁰³

The most immediate threat, as envisaged by the Shah, to the long term viability and stability of the conservative Persian Gulf sheikhdoms stemmed from "subversion". In an interview in October 1969, when asked what he considered constituted the most significant threat to the Persian Gulf's stability, the Shah responded,

"the threat comes from weak governments, weak countries, corrupt countries, where the element of subversion will have free ground for their activities, free hunting, if I can say so. So the threat will come...at the beginning, and in most cases from internal struggles and strife and destruction."²⁰⁴

With its growing concern over the "threat of subversion" in the Persian Gulf states, Iran was trying to press the same perception upon its CENTO allies. In the communique released on June 2, 1972 after the nineteenth CENTO ministerial council meeting, it was stated that the problems of peace and security in the area, "including subversive activities", had been discussed. In his inaugural message to the next CENTO ministerial meeting in 1973, bearing in mind a number of trends in the area such as the Iraqi support for "subversion" and the activities of PFLOAG in Oman, the Shah stated that detente in one part of the world "should not be achieved at the cost of a free hand for disruption and subversion in other parts." The communique issued at the end of that same meeting reiterated the need for the CENTO member countries to counter the threat of "subversion with all the means

at their disposal."²⁰⁵

At the end of the 1973 ministerial meeting William Rogers, the U.S. Secretary of State, also pointed out that, given the diminution in the risk of nuclear war between the two superpowers and the general improvement in the conduct of relations between them as a result of detente, "subversion is a natural way to spread ideology," and that, "it is important for nations in the region to consider it, to guard against it, and to be sure it does not cause instability."²⁰⁶ In his memoirs the Shah was to reiterate his perception of the threat that subversion posed to the Persian Gulf stability, arguing that,

"our forces had to be strong enough to prevent these [the Persian Gulf Arab sheikhdoms] friendly but poorly-armed governments from being overthrown. Guerrilla groups could be deterred only if they knew that Iran was prepared to move rapidly and forcefully to protect those nations."²⁰⁷

Safety of navigation through the Persian Gulf and the Strait of Hormuz was another dimension of the Shah's security policy towards the area to the south of Iran. Examples indicative of such concerns abounded. For instance, in 1975 he told a Saudi interviewer that,

"[the] gulf and the Strait of Hormuz in truth constitute Iran's lifeline. If this area were in any way threatened, our very life would be endangered... We cannot endanger

ourselves. Therefore Iran must become strong..."²⁰⁸

In his memoirs the Shah also stated that, "our lifeline was and is the Persian Gulf. We have no oil pipeline to the Mediterranean as do Iraq and Saudi Arabia."²⁰⁹

Iranian oil was shipped from Kharg Island, where the major Iranian crude oil facilities were located (and still are), down the Persian Gulf through the Strait of Hormuz into the adjacent waterways, namely, the Gulf of Oman, the Arabian Sea and the Indian Ocean. It was argued by military experts that maintaining the freedom of navigation through the Strait of Hormuz chokepoint, which was held to be vulnerable to a number of threats, constituted a major mission of the Iranian navy. The Straits were believed to be too wide and too deep to be blocked by sinking a tanker. But it could be mined by sea and air, even covertly. Furthermore, the tankers were vulnerable to attack by land based artillery or missiles, aircraft, submarines and surface ships which could employ guns, torpedoes, missiles, mines and frogmen.²¹⁰ Needless to say, Iran, by preparing to counter threats outlined above, would have guaranteed the safety of navigation not only in its own interest, but also that of oil consuming and the region's oil producing countries dependent on making use of the Persian Gulf waterway.

The chief threat from the south, in the Shah's thinking, originated from Iraq, a country with which Iran had a variety of disputes. In the previous chapter the vicissitudes in Iran-Iraq

relations during the 1950s and 1960s were sketched in some detail, highlighting the roots of recurring tensions between those two countries. Old wounds between the two countries were ripped wide open after the seizure of power in 1968 by a radical faction of the Ba'ath party in Iraq (which is still ruling). Iraq's 1972 Treaty of Friendship with the Soviet Union, its claim over the entirety of Shatt al-Arab and Iran's southern province of Khuzistan, and the export of revolution to the neighbouring conservative Arab regimes all became the bones of contention in a relationship with Iran which, more often than not, was marked with animosity and brinkmanship, until the signing of the Algiers accord between the two countries in March 1975. Prior to that accord, the extension of financial, diplomatic and military support by Iraq to a number of revolutionary movements in the region such as the Popular Front for the Liberation of Arabistan, the Kurdistan Democratic Party of Iran and the Popular Front for the Liberation of Oman and the Arabistan Gulf in particular, were extremely worrying to Iran.²¹¹

In his memoirs, Kissinger recounted the broad outlines of a conversation he had with the Shah on 9 November 1973, during a visit to Iran, in which the Shah expressed his reservations that a radical and pro-Soviet Iraq "would be used as a battering ram against all moderate pro-Western regimes in the area."²¹² It was an apprehension which Kissinger shared, as he was to reiterate time and again in his memoirs, and a threat that he hoped Iran's military strength would help dampen down.²¹³

All those differences were coupled with the fact that Iraq was the only country in the region which, through its Soviet connections, sought military parity with Iran and had managed to gain access to such advanced systems as the supersonic Mig-25 fighter aircraft and medium range surface-to-surface missiles such as the Styx and Frog. In an interview with the Indian paper "Blitz" on 12 March 1974 the Shah pointed out that Iraq had more tanks and aircraft than Iran and that some of their systems were more sophisticated than those held in Iran's inventory.²¹⁴

Even short of an all-out offensive Iraq posed a prominent threat to Iran's oil production facilities, life-blood of the country's economy. Iran's most important oil fields in the foothills of Zagros mountains in the southwest, with their pumps, pipelines and terminal facilities [for transmitting the oil to the refineries or transshipping it abroad] were all vulnerable to Iraqi sabotage and air attack. The Iranian refineries in Tehran and Kermanshah, with the latter only 100 kilometres from the border with Iraq, were vulnerable to an Iraqi air strike, while the Abadan refinery, the largest in the world, along Shatt al-Arab was within the range of Iraqi artillery. Iran's main deep water oil loading terminal on Kharg Island was only 100 miles from Iraq, while their offshore oil rigs in the Persian Gulf were also vulnerable military targets.²¹⁵

After the Algiers accord of 1975, the urgency of the threat from Iraq subsided in the hierarchy of Iran's strategic calculations, but in private it was admitted that Iraq was still regarded as

the biggest long term military threat.²¹⁶ Furthermore, in spite of the accord, relations between the two countries were characterized as "wary" as the following indicates,

"Iran's long-standing quarrels with Iraq were brought to a considerable degree of mutual accord in 1975... so that the relationship between the two countries can be characterized as wary but no longer openly antagonistic."²¹⁷

It is, therefore, a correct conclusion to state that Iraq constituted a constant, whether latent or overt, in Iran's security assessments throughout the 1970s under the Shah.

Security threats which he perceived to his north and south, had to be seen in combination with the contingencies that the Shah envisaged to the east of Iran, an area which included the Indian Ocean, Pakistan, Afghanistan and India. The Shah was to write in his memoirs that,

"the security of our borders required constant vigilance not only along the Gulf coastline but also to the east where we faced possible incursions. Afghanistan, Pakistan, and India have all been subject to domestic and foreign strife..."²¹⁸

With the genesis and evolution of its commitment to the security of navigation through the Persian Gulf waterway and the Strait

of Hormuz, Iran came to take an increasingly active interest in the adjacent sea approaches, namely, the Indian Ocean, the Arabian Sea and the Gulf of Oman. It was believed that the security of connecting international waterways was a prerequisite to ensuring the uninterrupted flow of oil.²¹⁹ An American source, for instance, was to note that, "an attack on an oil tanker in the Bab-al-Mandeb further convinced the Shah that he must protect his oil lifeline out of the Gulf."²²⁰

That attack, in conjunction with a number of other developments including the increased Soviet activities in the Indian Ocean, the insurgency in Oman and the Indian invasion of Pakistan in 1971 spurred the Shah to expand Iran's defence perimeter out of the Persian Gulf to cover the Indian Ocean. In a public speech in November 1972 the Shah stated that, unlike the previous three to four years when he had only defence of the Persian Gulf in mind, a number of "events...forced us to think of the Gulf of Oman and Iran's coast there. Then other events in the world taught us that the sea contiguous to the Gulf of Oman, and I mean the Indian Ocean, recognizes no frontiers." Henceforth, according to the Shah, Iran's defence perimeter was not to be constrained by geographical limitations, to cover only its Persian Gulf coastline or the country's south easternmost corners such as Jask or Chah Bahar, in proximity of Pakistan. But rather, the Shah stated that, "we are thinking of Iran's security perimeter and I am not speaking in terms of a few kilometres. Anyone versed in geographical-strategic matters and especially in possibilities of naval and air forces of today would guess how

distant that frontier could be from Chah Bahar."²²¹

In his memoirs, spelling out the significance of the Gulf of Oman and the Indian Ocean, the Shah argued that since they, "were vulnerable to submarine attack," there was the need for, "a substantial investment in [Iran's] naval capabilities."²²²

Apart from the inclusion of the Indian Ocean in its security perimeter, Iran closely monitored developments to its east in neighbouring Pakistan, Afghanistan and India, primarily for any trends that might release destabilizing pressures on the freedom of navigation in the Indian Ocean and the Persian Gulf. It has already been mentioned that the Shah was concerned about the territorial integrity of Pakistan, the intentions of India and Afghanistan towards it and any adverse spill-over consequences of Pakistan's dismemberment on Iran, particularly, in Baluchistan province. The Shah was particularly fearful of the Soviet interest in carving out an independent state in the Baluchistan provinces of Iran, Pakistan and Afghanistan in order to secure an outlet to the Indian Ocean.²²³

The Shah was worried lest political developments in Afghanistan, such as the 1973 coup that brought into power the more pro-Soviet Daoud Khan, install a radical government in Kabul which would lend support to separatist movements in Pakistan, with Indian complicity. The military basing programme that began in central and south east Iran early in the 1970s was, in fact, a means of providing Pakistan with the requisite military assistance.²²⁴

Iran's relations with India were complicated by India's growing maritime military capabilities and naval ambition in the Indian Ocean, which provided the Shah with a further rationale, "to create and maintain credibly strong military power."²²⁵

To its east, therefore, Iran was concerned about the security of the Indian Ocean and the Gulf of Oman, commitment to Pakistan's territorial integrity against the Afghani and Indian-backed irredentism and competition with India for supremacy and influence in the Indian Ocean.

The full range of security threats that the Shah envisaged to his north, south and east has been broached. This overview of Iran's side of the ledger in military-security ties with the U.S. during the 1970s, took us to realms as diverse as Iran's defence decision making process, the various trends in Iran's international environment during the 1970s and a delineation of security threats as perceived by the Shah, which underlay his thinking of what constituted an appropriate defence effort for the country. It is possible that the Shah was exaggerating some aspects of the security threats to Iran, in order to justify his requests for more and more arms from the U.S. But, nevertheless, there is sufficient corroborative evidence to indicate that the Shah believed, if not in all, at least in some of his assessment of military-strategic threats to Iran's security during the 1970s and had managed to convince the Americans of their legitimacy. The U.S. probably needed little persuading, given its own preference for a militarily strong Iran, during the 1970s.

Conclusion

While a full conclusion must wait, suffice it to say at this stage that an attempt has been made in this chapter to detail the factors which shaped the direction and momentum of Iran-U.S. military-security relations in the 1970s, be they strategic, political, economic and personal factors, or involving other considerations such as resource diplomacy and nuclear non-proliferation. In doing so, an attempt was made to explain their role in the Iran-U.S. military supply relationship during the 1970s and, thus, attempting to avoid the criticism against those types of analysis which merely dwell on the descriptive and quantitative dimensions of the arms transfer process. In the forthcoming chapter, however, an attempt will be made to highlight what increasing Iran's military strength meant in quantitative terms.

Notes

1. It is to be remembered that this study deals also with a period in Iran-U.S. relations from the success of the revolution in Iran, in February 1979 to the seizure of American Embassy in Tehran in November 1979. This chapter covers solely the pre-revolutionary period. It ought to be mentioned also that American sources would be used to explain Iranian policy in cases where there are no public Iranian sources available.

2. U.S. Military Sales to Iran, A Staff Report to the Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., July 1976), p. 49. GPO stands for Government Printing Office.

3. Ibid., p. 49; and S Chubin, Iran's Defense and Foreign Policy in Iran in the 1980s, Ed., by Abbas Amirie and Hamilton Twitchell (Tehran, Institute for International Political and Economic Studies, 1978), p. 311.

4. U.S. Arms Sales Policy: Proposed Sales of Arms to Iran and Saudi Arabia, Hearings before the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1977), p. 10; and S Chubin, op. cit., p. 311.

5. U.S. Arms Sales Policy: Proposed Sales of Arms to Iran and Saudi Arabia, op. cit., p. 10.

6. United States Arms Policies in the Persian Gulf and Red Sea Areas: Past, Present and Future, Report of a Staff Survey Mission to Ethiopia, Iran and the Arabian Peninsula of the House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), p. 132.

7. Ibid., p. 132.

8. U.S. Military Sales to Iran, op. cit., p. 49.

9. For the material in the above two paragraphs see: William H Sullivan, Mission to Iran (New York, W W Norton and Company, 1981), pp. 97-99; for the quotation see: Ibid., p. 99; a good journalistic account of Iran-U.S. intelligence collaboration is offered by Nicholas Gage, "A U.S. Export: Shah's Security," International Herald Tribune, July 7, 1978.

10. Documents from the "U.S. Espionage Den (Vol. 8) U.S. Intervention in Iran (pt. 1) Muslim Students following the Line of the Imam, (no place or date of publication)," pp. 122-124. From now on these will be referred to as the "Embassy Documents".

11. U.S. Military Sales to Iran, op. cit., p. 49.

12. For a fuller treatment see: F G Gause, British and American Policies in the Persian Gulf 1968-1973, Review of International Studies (October 1981), pp. 250-252.

13. R K Ramazani, Iran's Foreign Policy 1941-1973 A Study of Foreign Policy in Modernizing Nations (Charlottesville, University Press of Virginia, 1975), p. 408.

14. Ibid., p. 408.

15. Hussein Sirriyeh, U.S. Policy in the Gulf, 1968-1977: Aftermath of British Withdrawal (London, Ithaca Press, 1984), pp. 5-6.

16. For the quotation see: F G Gause, op. cit., p. 254.

17. Ibid., pp. 254-255. It ought to be mentioned, however, that Britain after its withdrawal was to provide military equipment, military advisory personnel and training to the defence establishment of the Arab Gulf states, whilst conducting military exercises in the region and making air and naval visits to the area. See, for instance, U.S. Interests in and Policy toward the Persian Gulf, Hearings before the Subcommittee on the Near East of the House Committee on Foreign Affairs, 92 Cong. 2 sess. (GPO, Washington D.C., 1972), pp. 13-14.

18. Georgetown University, Centre for Strategic and International Studies, The Gulf: Implications of British Withdrawal (Washington D.C., 1968), p. 3.

19. The statement by Sir Denis Wright in: Elizabeth Monroe, The Changing Balance of Power in the Persian Gulf (New York, American

Universities Field Staff, 1972), pp. 13-14.

20. Ibid., p. 15.

21. Philip Darby, British Defense Policy East of Suez 1947-1968 (London, Oxford University Press for the Royal Institute for International Affairs, 1973), pp. 222-223, 284-285, 293-296, 318, 324-325.

22. Washington Evening Star, 17 Jan 1968; The Financial Times, 17 Jan 1968.

23. This is based on a declassified U.S. Department of State's document as it appears in: F G Gause, op. cit., p. 259.

24. The New York Times, 23 Jan 1968.

25. This is revealed in an interview with William Quandt, a former member of the U.S. National Security Council, in: H Sirriyeh, op. cit., pp. 45-46.

26. Foreign Military Sales, Hearings before the Senate Committee on Foreign Relations, 90 Cong. 2 sess. (GPO, Washington D. C., 1968), p. 12.

27. Review of the Vietnam Conflict and Its Impact on U.S. Military Commitments Abroad, Report of the Special Subcommittee on National Defense Posture of the House Committee on Armed

- Services, 90 Cong. 2 sess. (GPO, Washington D. C., 1968), pp. 68, 76-77.
28. Interview with a former American Ambassador to a number of Middle Eastern countries, called Eilts, as it appears in F G Gause, op. cit., p. 260.
29. Tad Szulc, The Illusion of Peace: Foreign Policy in the Nixon Years (New York, Viking Press, 1978), p. 167.
30. Henry Kissinger, Years of Upheaval (London, Weidenfeld and Nicolson and Michael Joseph, 1982), p. 669.
31. Henry Kissinger, The White House Years (London, Weidenfeld and Nicolson and Michael Joseph, 1979), p. 223.
32. Ibid., p. 223.
33. On this see: Department of State Bulletin, 22 March 1977, p. 345.
34. See the book by a former American Deputy Assistant Secretary of Defense for Near Eastern, African and South Asian affairs: James H Noyes, The Clouded Lens: Persian Gulf Security and U.S. Policy (California, Hoover Institution Press, 1982), p. 55.
35. Henry Kissinger, The White House Years, op. cit., p. 1263.

36. James H Noyes, op. cit., pp. 42-43, 55.
37. The United States and the Persian Gulf, Report of the Subcommittee on the Near East of the House Committee on Foreign Affairs, 92 Cong. 2 Sess. (GPO, Washington D. C., 1972), p. 13.
38. The Times, London, 23 April 1970; see also: Amrika Rahbari-e Iran ra dar Khalij-e-Fars Ta'eed Mikonad, Kayhan, 2 Ordibehesht 1349 (America Endorses Iran's Leadership Role in the Persian Gulf, Kayhan 23 April 1970).
39. Department of State Bulletin, 31 May 1971, p. 692.
40. Noyes, op. cit., p. 54.
41. For the statement see: U.S. Interests in and Policy toward the Persian Gulf, op. cit., p. 82.
42. Ibid., pp. 82-83.
43. Quotation is taken from: New Perspectives on the Persian Gulf, Hearings before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, 93 Cong. 1 sess. (GPO, Washington D. C., 1973), p. 39.
44. Noyes, op. cit., p. 58.
45. The quotation is taken from Sirriyeh, op. cit., p. 63.

46. U.S. Interests in and Policy toward the Persian Gulf, op. cit., p. 84; and Sirriyeh, op. cit., p. 61-63.
47. For the quotation and the political significance of Saudi Arabia see: U.S. Interests in and Policy toward the Persian Gulf, op. cit., p. 15; on the significance of oil see: Sirriyeh, op. cit., p. 63.
48. Apart from the twin-pillar policy as the most important aspect of the U.S. policy during the 1970s, its naval presence at Bahrain and the upgrading of military facilities on the island of Diego Garcia in the Indian Ocean were two other less significant components of the U.S. Gulf policy; see: Sirriyeh, op. cit., pp. 215-239.
49. For Kissinger's view and the quotations see: Henry Kissinger, The White House Years, op. cit., p. 1263.
50. See: Sirriyeh, op. cit., pp. 63-64.
51. For Kissinger's quotation see his: The White House Years, op. cit., pp. 1263-1264.
52. For this point see a Ph.D thesis based on declassified material by: C D Carr, The U.S. Arms Transfers to Iran 1948-72 and the Politics of Reverse Influence (Ph D Thesis, University of London, 1980), p. 283.

53. Ramazani, op. cit., p. 137.
54. For the full text of the communique see: Department of State Bulletin, 26 June 1972, pp. 908-909.
55. A full treatment of this issue must await until chapter 5; two sources can, nevertheless, be referred to: Szulc, op. cit., pp. 584- 587; and U.S. Arms Sales Policy: Proposed Sales of Arms to Iran and Saudi Arabia, op. cit., pp. 11-12.
56. Embassy Documents, Vol. 34, p. 15.
57. Ibid., p. 20.
58. Michael Klare, " The Political Economy of Arms Sales: The American Empire at Bay, " Society, September/October 1974.
59. The quotation is taken from: Michael T Klare, American Arms Supermarket (Austin, University of Texas Press, 1984), p. 118.
60. Klare, "The Political Economy of Arms Sales....," op. cit.; for Kissinger's quotation see: Foreign Assistance Authorization, Arms Sales Issues, Hearings before the Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations, 94 Cong. 1 sess. (GPO, Washington D. C., 1976), p. 277.
61. Anthony Sampson, The Arms Bazaar, the Companies, the Dealers, the Bribes: From Vickers to Lockheed (London, Hodder and

Stoughton, 1977), pp. 244 & 253.

62. U.S. Military Sales to Iran, op. cit., p. 42.

63. S Chubin, Implications of the Military Build-up in Less Industrial States: The Case of Iran in Arms Transfers to the Third World: The Military Build-up in Less Industrial Countries, Ed., by Uri Ra'anani et al (Colorado, Westview Press, 1978), pp. 269-270.

64. Stockholm International Peace Research Institute, SIPRI Yearbook 1975 (Stockholm, Almqvist & Wiksell, 1975), p. 200.

65. Multinational Corporations and United States Foreign Policy, Hearings before the Subcommittee on Multinational Corporations of the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1977), p. 192.

66. U.S. Military Sales to Iran, op. cit., p. 43.

67. Multinational Corporations and United States Foreign Policy, op. cit., pp. 70 & 73.

68. Ibid., p. 72.

69. Gregory Copley, " U.S. Major Drive to Save Awacs Program Caused Campaign Against E-2C Hawkeye, " Defense & Foreign Affairs Daily, 2 June 1977, in Sale of Awacs to Iran, Hearings before the

Subcommittee on Foreign Assistance & the Senate Committee on Foreign Relations, 94 Cong. 1 sess. (GPO, Washington D. C., 1977), pp. 16-17.

70. Another reason for the Awacs sale was to keep the production line open, through export, long enough to encourage the Congress to allocate extra fund for further acquisition of such planes by the U.S. Air Force. See: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, Hearings before the Subcommittees on International Security and Scientific Affairs & on Europe and the Middle East of the House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1978), pp. 34-35; another source that can be consulted is: S Chubin, Implications of the Military Build-up in Less Industrial States, op. cit., p. 270.

71. Barry Rubin, Paved with Good Intentions: The American Experience and Iran (New York, Oxford University Press, 1980), p. 135.

72. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 145.

73. R K Webster, Report for the Secretary of Defense on the Implementation of the United States Foreign Military Sales Program in Iran (No place of publication, 1977), p. 11.

74. John D Stempel, Inside the Iranian Revolution (Bloomington,

Indiana University Press, 1981), p. 75.

75. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 49.

76. R K Webster, op. cit., pp. 33, 52-57.

77. Ibid., p. 31.

78. Rubin, op. cit., pp. 34-35.

79. R K Webster, op. cit., pp. 34-35.

80. Multinational Corporations and United States Foreign Policy, op. cit., pp. 98-101 & 219-222.

81. Ibid., pp. 167-169.

82. The Persian Gulf, 1974: Money, Politics, Arms and Power, Hearing before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, 93 Cong. 2 sess. (GPO, Washington D. C., 1975), pp. 28-30 & 58.

83. Multinational Corporations and United States Foreign Policy, op. cit., pp. 1-8, 90-92, 103-104 & 121-126; for journalistic accounts see: Pranay Gupte, "Iran Reported Halting Orders for Grumman F-14 Fighters," International Herald Tribune, 19 February 1976, and William Branigin, "Iranian Says Grumman Head Misled

Senate Panel on F-14," International Herald Tribune, 30 September 1976.

84. R K Webster, op. cit., pp. 28-29.

85. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 43.

86. U.S. Interests in and Policy toward the Persian Gulf, op. cit., p. 82.

87. New Perspectives on the Persian Gulf, op. cit., p. 39.

88. U.S. Interests in and Policy toward the Persian Gulf, op. cit., pp. 42-43.

89. U.S., Central Intelligence Agency, The International Energy Situation: Outlook to 1985, ER 77-10240 U, April 1977, p. 1.

With the benefit of hindsight, one could say that such estimates made in the 1970s may simply be too alarming, given the glut which has prevailed over the oil-market since the early 1980s. But during the 1970s, such alarming estimates had to have been very significant considerations in shaping perceptions and, hence, policies.

90. Abraham Becker, Oil and the Persian Gulf in Soviet Policy in the 1970s (Santa Monica, Rand Corporation, 1971), p. 49.

91. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 13.

92. Noyes, op. cit., pp. 50-51.

93. Ibid., p. 47; also see: S Chubin, Iran's Foreign Policy, 1960-1976: An Overview in Twentieth Century Iran, Ed., by Hossein Amirsadeghi (New York, Holmes and Meier Publishers, 1977), pp. 212-213.

94. U.S. Arms Sales Policy: Proposed Sales of Arms to Iran and Saudi Arabia, op. cit., p. 14.

95. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 1.

96. For the quotation see: Fiscal Year 1975 Foreign Assistance Request, Hearing before the House Committee on Foreign Affairs, 93 Cong. 2 sess. (GPO, Washington D. C., 1974), p. 80; on the same theme there are also a number of other Congressional sources which are of use; Access to Oil, The United States Relationship with Saudi Arabia and Iran, Senate Committee on Energy and Natural Resources (GPO, Washington D. C., 1977); and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., pp. 13-14.

97. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 2.

98. Embassy Documents, Vol., 34, p. 10.

99. For instance, see the interview with a former U.S. Ambassador to Saudi Arabia as it appears in: Stempel, op. cit., p. 77; also see the interview with Ambassador Eilts as it appears in: Gause, op. cit., p. 265.

100. Henry Kissinger, Years of Upheaval, op. cit., pp. 887-888.

101. Paul Lewis, "U.S. Silent on Latest Simon Criticism of Shah of Iran," Financial Times, 17 July 1974.

102. The Persian Gulf, 1974: Money, Politics, Arms and Power, op. cit., p. 83.

103. Ibid., p. 85.

104. Embassy Documents, Vol. 8, p. 129.

105. Rubin, op. cit., p. 161; also see: Sullivan, op. cit., p. 119. One caveat to be borne in mind, of course, is that, to finance his military modernization programme, was not the one and only reason behind the Shah's drive to increase the price of oil. A complete treatment of the Shah's philosophy on oil is beyond the scope of this thesis and, admittedly, this writer's own competence.

106. The Persian Gulf, 1974: Money, Politics, Arms and Power,

op. cit., p. 83.

107. Leslie H Gelb, "U.S. Aides Said to Ask for Pressure on Iran," New York Times, 11 November 1976.

108. Embassy Documents, Vol. 8, p. 129.

109. R K Ramazani, The United States and Iran: The Patterns of Influence (New York, Praeger, 1982), p. 34. It is difficult to verify as to whether the Shah adopted that position in concession to the Carter Administration's quid pro quo for the supply of arms in a manner similar to its two previous predecessors or whether the Shah was prodded into that position by the Carter Administration's use of arms sales leverage.

110. Robert Graham, "Iran's Nuclear Programme: The Shah's Shopping," Financial Times, 13 November 1975.

111. Ibid.

112. William Branigin, "Iran, West German Firm Sign Atom Power," International Herald Tribune, 5 July 1975.

113. "Iran to Get Eight U.S. Nuclear Power Plants," Times, 5 March 1977; and, "U.S.-Iran A-Power Pact Near," International Herald Tribune, 4 March 1975.

114. George Quester, The Shah and the Bomb, Policy Sciences (Vol.

8, 1977), p. 24.

115. Ann Hessing Cahn, Determinants of the Nuclear Option: The Case of Iran in Nuclear Proliferation and the Near-Nuclear Countries, Ed., by Onkar Marwah et al (Cambridge, Mass.: Ballinger, 1975), pp. 192-193.

116. Quester, op. cit., p. 21.

117. Ibid.

118. Ann Hessing Cahn, op. cit., p. 190.

119. The quotation and data is extracted from: Laurence Martin, The Future Strategic Role of Iran in Twentieth Century Iran, op. cit., pp. 245-246.

120. Joseph A Yager, Nonproliferation and U.S. Foreign Policy (Washington D. C., The Brookings Institution, 1980), pp. 150-157.

121. Embassy Documents, Vol. 8, p. 164.

122. Ruhollah K Ramazani, Emerging Patterns of Regional Relations in Iranian Foreign Policy, Orbis (Winter 1975), p. 1057.

123. Quester, op. cit., p. 23.

124. William Branigin, "Shah Said to Drop Opposition on A-Fuel Reprocessing Plant," International Herald Tribune, 15 August 1976.

125. Yager, op. cit., pp. 324-326.

126. An assessment of incentives and disincentives influencing Iran's ultimate decision on nuclear weapons requires an understanding of the Shah's national security threat perceptions in the 1970s. A fuller treatment of the latter, however, must await a later section within this chapter and, for the purpose of this discussion, Iran's national security threat perceptions in the 70s would be taken for granted.

127. Yager, op. cit., pp. 169-171.

128. Cahn, op. cit., p. 197; and Yager, op. cit., p. 133.

129. Lewis A Dunn, India, Pakistan, Iran...: A Nuclear Proliferation Chain? in Asia's Nuclear Future, Ed., by Overhalt (Colorado, Westview Press, 1977), pp. 208-209.

130. Cahn, op. cit., pp. 194-197.

131. See the Shah's interview in: International Herald Tribune, 7 November 1977.

132. Cahn, op. cit., p. 199.

133. Yager, op. cit., p. 115.

134. Frank Bray and Alvin J Cottrell, The Armed Forces of India, Iran and Pakistan: A Comparative Assessment in Brassey's Defence Yearbook (London, Brassey's Publishers Ltd, 1977), p. 35.

135. Leslie Gelb, "U.S. Aides Said to Ask for Pressure on Iran," New York Times, 11 November 1976; also see Richard Burt, Nuclear Proliferation and the Spread of New Conventional Weapon Technology in Arms Transfers in the Modern World, Ed., by Stephanie G Neuman and Robert E Harkavy (New York, Praeger Publishers, 1979), p. 91.

136. The Persian Gulf, 1974: Money, Politics, Arms and Power, op. cit., p. 23.

137. For the quotation in that paragraph see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, op. cit., p. 17; the same kind of rationale was also offered with respect to the sale of F-16, see: Proposed Foreign Military Sales to Middle Eastern Countries-1976, Hearings before the Subcommittee on International Political and Military Affairs of the House Committee on International Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1976), p. 76.

138. U.S. Military Sales to Iran, A Staff Report, op. cit., pp. 52-53.

139. Embassy Documents, Vol. 7, p. 212.
140. See: General Robert Huyser, Mission to Tehran (London, Andre Deutsch, 1986).
141. Personal Interview, February 1987.
142. Stempel, op. cit., pp. 18-19.
143. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 124.
144. The quotation is taken from a book written by Hoveyda's own brother, who was Iran's Ambassador to the U.N.: Fereydoun Hoveyda, The Fall of the Shah (New York, Wyndham Books, 1979), p. 78.
145. See Djam's interview in: H Afshar, The Army in Iran's Revolutionary Upheaval in Iran: A Revolution in Turmoil, Ed., by H Afshar (London, Mcmillan, 1985), p. 187.
146. Embassy Documents, Vol. 7, p. 49.
147. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 124.
148. U.S. Military Sales to Iran, A Staff Report, op, cit., p.

7. Personal interviews, however, indicated that the services did report their day-to-day requirements to the Ministry of War directly which were then channelled to, and handled by General Toufanian. Therefore, the flow of the system was not all from top to bottom. But the inability to challenge the Shah's decisions was also reaffirmed.

149. Personal Interview, February 1987.

150. Kissinger, The White House Years, op. cit., p. 1261.

151. Anthony Parsons, The Pride and the Fall: Iran 1974-1979 (London, Jonathan Cape, 1984), p. 21.

152. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 7.

153. Clare Hollingworth, "Shah Confident of U.S. Aid but Ready for Self-Defence," Daily Telegraph, 2 September 1976.

154. Robert Graham, Iran: The Illusion of Power (London, Croom Helm, 1978), p. 170; Graham was the correspondent of Financial Times in Tehran, but another writer who makes similar claims is: Anthony Sampson, op. cit., pp. 245-246.

155. M R Pahlavi, Answer to History (New York, Stein and Day, 1980), p. 140.

156. Nashriyah -e Akhbar va Asnad, Vezarat-e Omoore Kharejeh, Az Farv ardin ta Shareevar-e 1352, p. 306 (Bulletin of News and Documents, Ministry of Foreign Affairs, March-August 1973, p. 306). From now on whenever these Bulletins are used only my English translation of the title and other specifics would be given.

157. The Shah's interview appears in: International Herald Tribune, 7 November 1977.

158. See the Shah's interview in: International Herald Tribune, 14 May 1973 .

159. R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 245-246 .

160. The quotation is taken From: C C Sulzberger, "It's Everyone for Himself," International Herald Tribune, 9 February 1972.

161. For the Shah's statement see: Bulletin of News and Documents, Ministry of Foreign Affairs, March-August 1972, p. 120; other sources containing material on the Shah's dissatisfaction with CENTO, inter alia, are: R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 354-355 and S Chubin, Iran's Foreign Policy, 1960-1976: An Overview, op. cit., p. 201. In spite of criticisms about the ineffectiveness of CENTO it was, however, never completely discarded in calculus of the Shah's security considerations. For instance, note the following: "

Iran's ambivalent attitude toward CENTO stems at least in part from Iranian anxiety about being surrounded by Soviet influenced regimes...Though continuing to soft-pedal CENTO in public (he recently said "CENTO" does not exist), the Shah has apparently concluded privately that on balance, CENTO's utility outweighs its disadvantages." For the quotation see: Embassy Documents, Vol.7, p.96.

162. See the various issues which deal with the 1970s, of: The Annual Register, World Events (London, Longman, 1971,72,73,74,75 and 76), pp. 354-5, 358-9, 361, 322-3 and 335.

163. Embassy Documents, Vol. 8, p. 61. For the Shah's detente-related anxieties also see: S Chubin, Iran's Defense and Foreign Policy in Iran in the 1980s op. cit., pp. 310-311.

164. Bulletin of News and Documents, Ministry of Foreign Affairs, March-August 1973, p. 307.

165. The quotation is taken from: R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., p. 342.

166. R K Ramazani, The United States and Iran, op. cit., p. 44. This explanation, however, at its best must be treated as a partial one. We have already seen the underlying factors which culminated in Nixon's commitment of 1972.

167. The interview is quoted from: R K Ramazani, Iran's Foreign

Policy 1941-1973, op. cit., p. 365.

168. The quotation is taken from: S Chubin and S Zabih, The Foreign Relations of Iran (Berkeley, University of California Press, 1974), p. 246.

169. M R Pahlavi, op. cit., p. 141.

170. S Chubin, Iran's Military Security in the 1980s (California, Santa Monica, 1977), p. 7.

171. Embassy Documents, Vol. 7, p. 168.

172. Embassy Documents, Vol. 8, p. 106 and Henry Kissinger, Years of Upheaval, op. cit., p. 668.

173. For instance see two of the Shah's interviews in: Bulletin of News and Documents, Ministry of Foreign Affairs, March-August 1974, p. 350; and Bulletin of News and Documents, Ministry of Foreign Affairs, March-August 1973, p. 342.

174. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 12.

175. Ibid., p. 8.

176. Ibid., p. 11; also see: Fred Halliday, Iran: Dictatorship and Development (Harmondsworth, Penguin, 1979), pp. 76-77.

177. See: William F Hickman, Ravaged and Reborn: The Iranian Army, 1982 (Washington D C, Brookings Institution, 1982), p. 3.
178. Embassy Documents, Vol. 12(pt. 3), p. 54.
179. Ibid., p. 121.
180. Ibid., p. 120.
181. M R Pahlavi, op. cit., pp. 12-13.
182. For the significance of those two factors in Iran's perception of the Soviet Union see: Embassy Documents, Vol. 12 (pt. 3), pp. 120-121; other sources on Iran's view of the Soviet Union include: S Chubin, Iran's Military Security in the 1980s, op. cit., p. 7; L Martin, The Future Strategic Role of Iran, op. cit., pp. 236-239; R M Burrell and A J Cottrell, Iran, Afghanistan, Pakistan: Tensions and Dilemmas (London, Sage Publications, 1974), p. 12; Alvin J Cottrell and James E Dougherty, Iran's Quest for Security: U.S. Arms Transfers and the Nuclear Option (Massachusetts, Institute for Foreign Policy Analysis, 1977), pp. 5 & 8; U.S. Military Sales to Iran, A Staff Report, op. cit., p. 10; and Embassy Documents, Vol. 7, p. 225.
183. Embassy Documents, Vol. 7, p. 91.
184. H Kissinger, The White House Years, op. cit., pp. 1261-1262.

185. On Iran's fears of 'encirclement' see: From Our Correspondent, "Shah Flying to Moscow Perturbed by Russian Encirclement," Times, 10 October 1972; David Hirst, "Iran Learns to Be Strong," Guardian, 14 August 1972; L Martin, The Future Strategic Role of Iran, op. cit., pp. 237-238; New Perspectives on the Persian Gulf, op. cit., p. 5; R M Burrell and A J Cottrell, op. cit., pp. 3-5.

186. S Chubin, Iran's Foreign Policy, 1960-1976: An Overview, op. cit., p. 207; U.S. Military Sales to Iran, A Staff Report, op. cit., p. 10; and R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 429-430.

187. A Yodfat and M Abir, In the Direction of the Persian Gulf: The Soviet Union and the Persian Gulf (London, Frank Cass and Company Limited, 1977), pp. 79-80; see also: The International Institute for Strategic Studies, Strategic Survey, 1973 and 1974, pp. 44-45 and 84.

188. Apart from those two articles mentioned above in the Times and the Guardian also see: R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 349-350 and S Chubin and S Zabih, The Foreign Relations of Iran, op. cit., pp. 264-265.

189. S Chubin and S Zabih, op. cit., p. 84.

190. For the Shah's anxieties vis-a-vis Afghanistan see: Ibid., p. 85; Alvin J Cottrell and James E Dougherty, op. cit., pp.

10-11; A Yodfat and M Abir, op. cit., p. 84.

191. R K Ramazani, *Iran's Foreign Policy 1941-1973*, op. cit., p. 351; and L Martin, op. cit., p. 236.

192. For the quotation see: Embassy Documents, Vol. 7, p. 225; also for the reiteration of same points see: Embassy Documents, Vol. 8, pp. 65-67.

193. Embassy Documents, Vol. 12 (pt. 3), p. 121.

194. For the Shah's discussion of Africa with Carter and Vance see the latter's memoirs: Cyrus Vance, Hard Choices: Critical Years in America's Foreign Policy (New York, Simon and Schuster, 1983), pp. 318 and 322.

195. M R Pahlavi, op. cit., p. 135.

196. R K Ramazani, *Iran's Foreign Policy 1941-1973*, op. cit., p. 410.

197. "Shah to Build-up Forces," Financial Times, 6 October 1969; also see: H Sirriyeh, op. cit., pp. 17-18.

198. M R Pahlavi, op. cit., p. 13.

199. R K Ramazani, *Iran's Foreign Policy 1941-1973*, op. cit., p. 395.

200. Embassy Documents, Vol. 7, p. 92.
201. Personal Interview, February 1987.
202. Alvin J Cottrell and James E Dougherty, op. cit., pp. 9-11; also see the Shah's own memoirs: M R Pahlavi, op. cit., p. 142.
203. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 10.
204. The Shah's interview is taken from: S Chubin and S Zabih, op. cit., p. 242.
205. For a fuller treatment of the handling of "subversion" by CENTO see: R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 356-358.
206. For the full text of the interview see: Department of State Bulletin, 16 July 1973, pp. 86-87.
207. M R Pahlavi, op. cit., p. 142.
208. The interview appears in: William Branigin, "Khaled Home After Talks With the Shah," International Herald Tribune, 30 May 1975.
209. M R Pahlavi, op. cit., p. 142.

210. For the type of threats posed to the freedom of navigation through the Persian Gulf and the Strait of Hormuz see: U.S. Military Sales to Iran, A Staff Report, op. cit., p. 8.

211. A full treatment of Iran-Iraq relations during the 1970s will be provided in chapter six, but for the place of latter's in the former's threat perception see: Alvin J Cottrell and James E Dougherty, op. cit., pp. 9-10; H Sirriyeh, op. cit., pp. 19-20; A Yodfat and M Abir, op. cit., pp. 84-85 and 79-81; L Martin, op. cit., pp. 238-239; and U.S. Military Sales to Iran, A Staff Report, op. cit., p. 11.

212. H Kissinger, Years of Upheaval, op. cit., pp. 674-675.

213. Ibid., pp. 524, 669 and 1261-1263.

214. The Shah's interview is taken from: R M Burrell and A J Cottrell, op. cit. pp. 4-5.

215. For the military threats posed to Iran's oil facilities by Iraq see the following: U.S. Military Sales to Iran, A Staff Report, op. cit., pp. 8-9; James Noyes, op. cit., p. 33; and Jurg Meister, Iran's Naval Build-up, Swiss Review of World Affairs (July 1973).

216. For instance see the article by: Robert Graham, "Why the Shah Wants His Weaponry," Financial Times, 11 August 1976.

217. Embassy Documents, Vol. 7, p. 93.
218. M R Pahlavi, op. cit., p. 142.
219. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 10; L Martin, op. cit., p. 240.
220. Embassy Documents, Vol. 8, p. 105.
221. For that point see: R K Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 427-428.
222. M R Pahlavi, op. cit., p. 142.
223. Embassy Documents, Vol. 7, p. 167; see also: H Kissinger, Years of Upheaval, op. cit., pp. 673-675.
224. For the above points see: Embassy Documents, Vol. 7, p. 97; David Housego, "Iran Army Moves to Halt Unrest in Baluchistan," Times, 4 October 1972; "Iranian Prime Minister Has Talks in Moscow," Times, 7 August 1973; and Alvin J Cottrell and James E Dougherty, op. cit., pp. 8-11.
225. For the quotation see: Embassy Documents, Vol. 7, p. 97; on Iran's naval competition with India also see: U.S. Military Sales to Iran, A Staff Report, op. cit., p. 11.

CHAPTER FOUR

Increase in Iran's Order-of-Battle Capabilities: Programme Objectives, Implementation, Evaluation and Repercussions

In the previous chapter an attempt was made to proffer a comprehensive exposition of the underlying factors which determined the shape and momentum of Iran-U.S. military-security ties in the 1970s; a relationship the intensity of which was to become manifest in the build up of Iran's military capability.

This chapter will be concerned primarily with describing the increase in Iran's order-of-combat capabilities and the main military missions of the acquired weapons, American involvement in management of its colossal foreign military sales programme in Iran and, the domestic economic and political repercussions of Iran's arms purchases during the 1970s.

Before turning to a detailed analysis of what the actual build up of Iran's military capability entailed during the 1970s, it is appropriate to make two general points consisting, firstly, of giving the broad increases in major indices of military power in Iran such as defence expenditure, military personnel, volume of arms imports and increase in the major items of military equipment such as tanks, combat aircraft, etc. Secondly, bearing in mind the security interests and threat perceptions held by both the Shah and the U.S., mention will be made of the military contingencies which, at a defence planning level, the increase

in Iran's order-of-combat capabilities was being tuned to counter in the 1970s.

Increase in indices of military power in Iran in the 1970s is clearly indicated by the statistical data. For instance, as the table below demonstrates, Iran's military expenditure throughout the 1970s was registering growth, in both real and current terms.

(Million dollars)

Iran	1970	1971	1972	1973	1974	1975	1976	1977	1978

Mil. Exp. (ME)									
Current	2093	2564	3166	3808	6451	8850	9733	8960	10996
Constant (1978)	3465	4037	4789	5447	8432	10557	11047	9592	10996
Central Govt. (CGE)									
Exp.	13273	15043	17279	17786	28947	32881	34284	38680	40188
%	26.1	26.8	27.7	30.6	29.1	32.1	32.2	24.8	27.4

Source: U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Transfers 1970-1979 (Washington D. C., 1982), P. 2.

This demonstrates clearly the monumental rise that Iranian military expenditure underwent during the last decade from a low

of \$2.93 billion in 1970 to a high of \$10.996 billion in 1978 in current dollars - an approximate fivefold increase. Furthermore, as the above table indicates, throughout the 1970s, Iran spent no less than a quarter of its central government expenditure on defence (as in 1977), with as high as one-third on a number of other occasions (as in 1975 and 1976).

The link between oil revenues and Iran's military expenditure, already indicated in the previous chapter, is also highlighted in the above table. The difference in Iran's military expenditure between 1973 and 1974, for instance, is explicable in terms of the fourfold oil price rise of the former year. Interestingly, the decline in Iran's defence expenditure in 1977, in contrast with the rising trends of the years preceding 1976, was also attributable to reduction in the country's oil revenue during that time. The Iranian Prime Minister Amir Abbas Hoveyda, for instance, was reported to have stated in 1976 that Iran's arms purchases would be cut back, should its oil income not increase quickly.¹

In 1977, when Iran's military expenditure was finally cut back, it was attributed to a 10-15% decrease in the country's oil revenue as a result of slack demand and, the need for economy.² Given the decline in its oil revenue, it was reported that Iran was attempting to persuade an American company, General Dynamics, to accept payment in oil for the 160 light-weight fighter aircraft that it had ordered from them. Justifying the cut back in Iran's military expenditure, within the context of a declining

oil revenue, Iran's chief arms procurement officer, General Hassan Toufanian, was reported to have stated, "His majesty the Shah has told me 'bankruptcy is worse than defeat.'"³

One caveat, however, has to be entered about the level of Iran's military expenditure throughout the period of the Shah's reign, including the 1970s. Under the Shah, the expenditure on SAVAK, the country's secret police, and on the national police was secret and never appeared in the defence budget. Moreover, expenditure on military infrastructure such as roads and airports also did not appear in the defence budget and were met by other ministries such as Roads and Construction. It is, therefore, correct to assert that military expenditure, during the Shah's time, was even higher than the official statistical sources indicated.⁴

Other sectors of the Iranian military establishment, such as the service personnel and major items of military equipment, were also showing growth:

	1970	1971	1972	1973	1974	1975	1976	1977	1978
al Armed									
ces	161000	181000	191000	211500	238000	250000	300000	342000	413000
y	135000	150000	160000	160000	175000	175000	200000	220000	285000
y	9000	9000	9000	11500	13000	15000	18500	22000	28000
Force	17000	22000	22000	40000	50000	60000	81500	100000	100000
raft	175	140	160	159	216	238	317	341	459
ts	n.a	860	860	920	1160	1160	1360	1620	1620
royers	1	1	1	3	3	3	3	3	3
gates	1	1	2	4	4	4	4	4	4

Source: International Institute for Strategic Studies, Military Balance (London, 1970-71 to 1978-79)

The increase in its order-of-combat capabilities not only necessitated an increase in Iran's military expenditure, but also required a net increase in its arms imports. Not an arms producer itself, Iran increasingly had to rely on the import of arms from the major arms producing countries of the world for the vast array of sophisticated weaponry which it was planning to acquire. Between 1970 and 1979, Iran imported more than \$11 billion worth of arms in current terms, or more than \$12 billion in constant 1978 terms. The mean average of arms imports throughout the same period was 15.6% of its overall total imports.

(Million dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Imports										
Percent	160	320	525	525	1000	1200	2000	2500	1900	1100
stant	264	503	793	751	1307	1431	2270	2676	1900	1010
'8)										
Arms	9.6	17.0	21.7	15.4	18.4	11.6	15.5	17.7	18.4	11.2
orts to										
l Imports										

Source: U.S. Arms Control and Disarmament Agency, World Military Expenditures

Arms Transfers 1970-1979 (Washington, D. C., 1982), p. 104.

The largest arms exporter to Iran during the 1970s, much as during the two preceding decades, was the United States. As a result of the British withdrawal from "east of Suez" and the evolving U.S. "surrogate" strategy of devolving regional security responsibilities to selected "friendly" regimes in the third world, the Shah paid a visit to the U.S. in 1968, to win American commitment for a \$600 million military modernization programme.⁵ The Shah paid another visit to the U.S. the following year, again to discuss, amongst other things, U.S. military assistance and aid to Iran. After this visit, a sustained and joint Anglo-American effort got underway to bolster Iran's military capability by providing items such as combat aircraft, main

battle tanks, naval units, etc.⁶ An effort was started to convert Iran into the strongest military power in the region, to be underwritten at the initial cost of \$1 billion. Furthermore, a \$220 million credit was extended to Iran by the U.S. Export-Import Bank in 1970, so as to finance these arms purchases.⁷

The degree of the U.S. military commitment to Iran during the 1970s becomes clear in the statistical record. From 1950 to 1965, the total volume of U.S. arms transfers to Iran, either in grant or sales, amounted to \$654,296,000. However, for a seven year period, from 1968 to 1974, the total value of U.S. foreign military sales to Iran amounted to \$2.630172 billion.⁸

Throughout the 1970s, Iran not only purchased most of its arms from the U.S., but was also one of America's largest single recipients, if not the largest, of military hardware during that decade in dollar terms. The fact that U.S. was Iran's largest supplier of arms emerges beyond any doubt from the statistical data of the U.S. Arms Control and Disarmament Agency.

Total Arms Transfers of Major Suppliers
by Recipient Country
(Million current dollars)

Recipient Total	US	USSR	France	UK	W. Ger.	Czech.	Can.	Italy	Others
5271	3835	611	15	270	275	1	45	-	221
(7-76)									
(5-79)									
8700	6600	650	200	310	430	-	-	340	240
13971	10435	1261	215	580	705	1	45	340	461

Source: U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Transfers 1967-1976 and 1970-1979 (Washington D. C., 1978 and 1982), pages 158 and 129.

As the above figures indicate, the U.S. was the largest supplier of arms to Iran. It may be of interest to note that, for instance, during 1975-79, Israel was the second largest importer of American arms, after Iran, with the delivery of \$4.2 billion worth of military hardware, followed by Saudi Arabia which imported \$1.8 billion worth.⁹

The Shah's shopping list included a vast array of different sophisticated American weapons systems, consisting of fighters, helicopters, submarines, radars, missiles, destroyers, corvettes, armoured personnel carriers, tanks, self-propelled artillery, howitzers etc. One crucial point, however, is that the total value of Iran's arms purchases from the U.S. did not consist solely of military equipment and hardware. Indeed, over 50% was expended on non-lethal defence articles and services, which included items such as support services, logistics management, training and the like.¹⁰ The table below demonstrates the above point for the period between 1950 and 1977.

Foreign Military Sales Orders. Percentile Break out
of Defense Articles and Services

Program/category	1950-77	1972	1973	1974	1975	1976	1977 (1stQ)
Total FMS orders	100	100	100	100	100	100	100
Weapons and ammunition	45.3	52.2	45.5	41.1	63.1	30.2	16.1
Supporting equipment(a)	11.7	2.5	21.5	10.2	10.2	7.7	5.3
Spare parts	2	22.8	22.1	27.8	13.5	21.8	14.7
Supporting Services(b)	21.8	22.5	10.9	20.9	13.2	40.3	63.9

(a) Includes trainer and cargo aircraft, tankers, tugs, barges, trucks, trailers, radar and communications equipment, and other equipment and supplies.

(b) Includes construction, supply operations, training, technical and administrative services.

Source: Foreign Assistance Legislation for Fiscal Year 1978 (Part 2), Hearings before the Subcommittee on International Security and Scientific Affairs of the House Committee on International Relations, 95 Cong. 1st Sess. (Government Printing Office, Washington D. C., 1977), p. 181.

Apart from its leading position in the supply of arms, the U.S. also had a prominent role in managing its foreign military sales programme in Iran. The U.S. involvement in Iran's military modernization programme, as in other countries of the Persian Gulf such as Kuwait and Saudi Arabia, was total, ranging from planning the expansion to executing the programme and maintaining it. Surveys, carried out at the request of the host government, by the U.S. Department of Defense representatives or local military establishments, usually determined the former's military needs which, then, led to requests for arms. Arms requests emerging out of the surveys were usually granted, if not in total, at least in part, laying the groundwork for formulating the delivery schedules, training programmes, the actual delivery of equipment, followed by the U.S. maintenance and servicing support. In other words, hardware deliveries were followed by software programmes so as to lay the groundwork for the efficient absorption of new equipment into the Iranian inventory and to help it utilize its new weapons systems effectively.¹¹

Indeed, it seems that the U.S. ability, not only to supply all the sophisticated arms that the Shah wanted, but also to provide the follow on support in the form of extensive military advisory programmes, was a significant contributory factor in the Shah's

preference for a close arms supply relationship with the U.S., as opposed to diversified sources of military hardware. It has been stated that,

"in the military sphere... the Shah is attempting to reduce his dependence on the U.S. by diversifying his arms sources where he can without affecting the efficiency of the armed forces... But he realizes that many of the sophisticated weapons he wants and the advisory capacity to train his troops to use them are available no where but from the U.S. ..."¹²

The growth in Iran's military capability, and the U.S. contribution to it, have both been shown. Before moving onto the detailed exposition of increase in the order-of-battle capabilities of Iran's armed services, a few words need to be said on the contingencies and missions that its military modernization programme was intended to counter and fulfill, as well as on some of the military-strategic assumptions that underlay the Shah's ambitious arms purchases during the 1970s.

It has already been seen in the previous chapter that the preservation of Iran's territorial integrity through a policy of military strength was a basic goal of the Shah's defence policy. This required addressing the constants of Iran's geographical location and topographical disposition (although the nature of threats could change, say, as a result of technological developments). The Iranian defence planners were (as they still

are) faced by the fact that the country, as a geographical unit, has five neighbouring states, each with different shifting ideologies and social systems, giving Iran a total land border of 5,170 kilometres to defend.¹³

Its sheer size of approximately 630,000 square miles, its far flung borders stretching 1,400 miles from the northwest to the southeast and 900 miles from east to west, the rugged and mountainous nature of the terrain, poor communications network and varied climatic conditions all tend to complicate the task of Iranian defence planners still further.¹⁴ In addition, the defence of Iran's air space¹⁵ and coastline of 2,150 kilometres along the Caspian Sea, the Persian Gulf and the Indian Ocean/Gulf of Oman, contiguous to nine different states, were other considerations in the defence planning process.¹⁶

However, as opposed to a coastal line defence Iran's maritime objective in the 1970s was the defence of shipping in the Persian Gulf and the approaching waterways, most notably, the northwest quadrant of the Indian Ocean; this had a direct bearing on Iran's naval acquisitions. In conjunction with its stated goal of maintaining stability on the Arab side of the Persian Gulf, Iran was also strengthening its military interventionary capabilities through the acquisition of necessary systems.¹⁷

Iran also believed that the defence of its strategic oil industry, the backbone of its political and economic power, required the development of capable modern armed forces and had

a significant impact on what weapons systems Iran was to procure.¹⁸

The most pressing military threats to Iran's national security were deemed to emanate from Iraq and the Soviet Union. A policy of deterrence through military strength and, should that fail, successful territorial and air space defence against a possible Iraqi "aggression" were significant factors guiding the direction of Iran's weapons procurement policy.¹⁹

As for the Soviet Union, there was recognition of the fact that, no matter how strong Iran's first line of defence, the Soviets could still overwhelm it through the exploitation of their superior resources. Deterrence was, nonetheless, to be achieved by increasing the cost to the Soviet Union of a full scale invasion of Iranian territory, through the ability to inflict an unacceptably high level of damage, so as to make the former think twice before launching an attack. Should that strategy fail however, the Shah believed that Iran had to engage the invading Soviet forces in a delaying war, so as to provide sufficient time for American reinforcements to arrive, or until such time as the U.N. intervened to bring about a diplomatic resolution of the conflict- an objective which was thought to be assisted by exploiting the terrain advantages offered by the Elburz-Zagros mountain chains.²⁰

In addition to all the above factors which influenced the ultimate shape of Iran's force structure and its arms procurement

policy during the 1970s, there was the overriding weight of the Shah's views on these issues. He had devised a two-sided policy of what he called positive and negative defence. The former consisted of the exploitation of all available resources in terms of acquiring sophisticated training and military equipment, constrained only by financial limitations, in pursuit of the country's defence effort.²¹ The policy of buying the best available military equipment also found echo in a statement by General Hassan Toufanian that Iran would, "adopt tomorrow's system, not today's."²² A significant element, therefore, of the type of weapons that Iran was acquiring was the Shah's penchant for the best available military technology and systems.

The policy of "negative defence" though unrelated to Iran's procurement policy, deserves mention, since it did play a part in the Shah's military thinking. It was a scorched earth policy whereby an invading power on the verge of victory, would find Iran completely destroyed so as to render it useless to any aggressor, and that only after having met a popular resistance and over the "dead bodies" of all Iranians, as the Shah called it. The Shah stated that, "..... bricks and mortar can always be rebuilt, but independence once lost may not always be regained.... This [the loss of independence,] is something that will never happen except over our dead bodies."²³

Other events also had an influence on Iran's procurement policy of acquiring and stocking large quantities of American originated spare parts, ammunition and weapons systems. Firstly, there was

the desire to retain its independence in regional conflicts in the event of a possible cut off in the U.S. supply of spare parts and hardware replacement, such as the U.S. had imposed on Pakistan in its conflict with India in 1971, and on Turkey in 1974 in the wake of its intervention in Cyprus.²⁴ Secondly, the 1973 October war, demonstrated the rapid attrition rate of weapons and materiel; and the extent to which Israel depended on the U.S. airlift of supplies, which itself depended on the U.S. political commitment and overflight rights. Those lessons indicated to the Shah the desirability of prepositioning large stocks of ammunition and spares as a hedge against any undue political pressures.²⁵

Having made a number of general points, at this stage a detailed analysis of Iran's three services' force structures i.e. ground, air and naval, as well as their main modernization programmes during the 1970s will be made. In spite of the U.S. predominant position in the export of arms to Iran, where and when necessary, the latter's arms purchases from other sources will be highlighted. Let us begin with the Iranian Ground Forces.

Iranian Ground Forces (IGF): Force Structure and Expansion during the 1970s.

IGF had three main external missions during the 1970s. Firstly, it had to deter an attack by the Soviet Union; secondly, to deter and defend against Iraq, along whose border 80% of Iran's total strength was deployed; and finally, to prop up the conservative Arab sheikhdoms of the Persian Gulf. IGF's force deployment

pattern, by and large, corresponded with the above missions. Three field armies, were headquartered in an appropriate geographical area to meet the likely threats. The First Army's headquarters were in the western town of Kermanshah to guard the approach from the lowlands of Iraq; the Second Army headquarters in Tehran controlled forces which were intended as a hedge against a threat from the Soviet Union; and the Third Army headquarters in Shiraz, as mentioned in the second chapter, controlled the forces deployed to counter any Gulf contingencies.²⁶ Iran's frontline units were deployed in the northwestern towns of Rezaiyeh, Sananandaj, and Qazvin; the western towns of Khorensabad, Kermanshah and Ahwaz; and the northeastern town of Mashad. During the 1970s construction of a major tri-service (ground, air and naval) base was also begun in the southeastern town of Chah Bahar astride the Iranian-Pakistani border.²⁷

IGF, which had the largest manpower of the three Iranian services, consisted of three armoured divisions, four infantry divisions, one airborne and one special forces brigade. The latter two brigades, patterned upon the American special forces and Green Berets, gave the Iranian army an augmented counter-insurgency and quick reaction capability. This, in conjunction with the increase in the army's air mobility resources brought about by the expansion of IGF's army aviation command in the 1970s, were particularly well suited for rapid response to contingencies, on the Arab side of the Gulf.²⁸

The infantry's basic weaponry consisted of the Heckler and Koch G3 rifle and MG3 machine gun, which were produced locally. The infantry, partly mechanized, possessed some 2,000 armoured personnel carriers which included the tracked U.S. M113s, many fitted with the TOW anti-tank guided missiles, the tracked Soviet BTR-50s and the wheeled Soviet BTR-60S.²⁹

The IGF was upgrading its anti-tank capabilities through the purchase of various missile systems such as the optically-tracked tube-launched American TOW guided missile, the American shoulder-fired Dragon missile, the French wire-guided Entac missiles and the French SS-11 and SS-12 battle-field missiles.³⁰

The government of Iran started purchasing TOW missiles/launchers in 1973 when it had placed orders for 250 launchers, followed by an order for 100 extra launchers. Furthermore, the government of Iran reached an agreement with the U.S. firm, Emerson Electronics, for the coproduction of 1,000 TOW missile launchers by 1980. By 1976 orders had been placed for 15,000 TOW missiles at the cost of \$103.9 million with delivery to be completed by late 1978, and for 10,000 Dragon missiles to the value of \$146.8 million. Given the lack of the necessary skill base in Iran, the U.S. was extensively involved in training the Iranians to maintain the TOW missile systems. By 1976, it had trained a total of 26 Iranians to provide general support maintenance, with a further 44 selected for training. Furthermore, an agreement had been entered into with the U.S. company, Hughes Aircraft Corporation, to equip a maintenance support facility at Shiraz

for the TOW missiles, in association with Iran Electronic Industries; a programme for which Iran was likely to remain dependent on the U.S. for the foreseeable future.³¹

The IGF also had 5 divisional artillery groups, which accounted for 30 per cent of its manpower. Each of the three armies had an indirect fire support group of 4-8 battalions, with an additional two groups at the Artillery Training School in Isfahan, and 4-6 battalions for direct fire support.³²

Iran's artillery units, the capabilities of which were being upgraded during the 1970s, were equipped with a mix of Soviet anti-aircraft artillery guns and American surface-to-surface systems. The IGF possessed some 1,800 Soviet-made anti-aircraft guns, which included the ZSU-57-2 anti-aircraft tanks mounting twin 57 mm cannon, and the ZSU-23-4, whose 23 mm cannon was controlled by a radar fitted onto the rear of a fully rotating turret. The latter gun had a range of 3000 m and a firepower rate of 4,000 rounds/minute, and had proved itself highly effective when used by the Arabs against low flying Israeli aircraft. Iran's inventory also included 23 mm, 40 mm, 57 mm and 85 mm towed anti-aircraft guns.

IGF's surface-to-surface artillery units were mostly of American origin, with two major exceptions: the Soviet M-46 130 mm towed gun with a range of 31 kilometres, and the Soviet truck-mounted, 40-tube 122 mm BM-21 Katyusha rockets. IGF's inventory possessed more than 1,000 American artillery pieces, ranging from the

ageing and small 75 mm M1A1 mountain pack howitzers, the towed 105 and 130 mm M101s, 155 mm M114s, 203 mm M115s to the newer self-propelled 155 mm M109s, 175 mm M107s and 203 mm M110s.³³

In addition to buying Soviet systems, Iran's military modernization programme in the 1970s involved the purchase of different types of American systems. By 1976, it had ordered 358 M113A1s to the value of \$41.7 million, 390 M109s to the value of \$122.7 million, eight M107s to the value of \$13.1 million, and 37 M110s to the value of \$16.2 million.³⁴

While previous agreements, by 1978, had provided for the delivery of 51 M110s and 440 M109s, in that year Iran approached the U.S. government for the purchase of additional 84 8-inch M110 and 214 155 mm M109 self-propelled artillery howitzers to the value of \$55 million and \$137 million, with ranges of up to 16,800 meters and 18,000 meters respectively.

The request was being made in line with IGF's military modernization programme, in the hope that the planned artillery equipment would permit the replacement of World War II-vintage towed howitzers. Once acquired, the artillery units were to be placed along the border with Iraq, so as to improve Iran's overall military balance vis-a-vis Iraq, and in the country's eastern portion. It was indicated that increased standardization, in addition to rugged terrain, extensive border areas to be defended and IGF's subsequent unit dispersal, as well as poor lines of communication, making rapid relocation and reinforcement

of artillery units a daunting and difficult task, justified the planned purchase.

In conjunction with its desire to purchase the artillery units, Iran also made a request for the purchase of 100 M548 6 ton tracked cargo carriers, each equipped with one .50 calibre machine gun. It was pointed out that, given the difficult terrain and the lack of a highway infrastructure, tracked vehicles were needed to provide improved logistic support for fielding the IGF's M109 and M110 self-propelled artillery units.³⁵

Iran's logistic system, by and large, was considered to be self-sufficient in the maintenance and spare parts resupply of both its towed and self-propelled artillery units, although additional time and effort were thought to be required to make the logistic system more effective. Iran's acquisition of 155 mm M109, however, required training in vehicle operation and maintenance, which were being provided by the American advisors. Vehicle operation training was conducted at the Artillery School in Isfahan, where one U.S. advisor was involved. Maintenance training was conducted at the Combat Support Training Centre at Tabriz.³⁶

During the 1970s, Iran had also started upgrading the IGF's armour capabilities through the acquisition of new systems. It was a programme in which Britain was extensively involved. Before buying into the British systems in the early 1970s, Iran's armoured divisions were equipped with the American M-47 and M-60

main battle tanks. Programmes were envisaged to modernize the latter two systems, in the early 1970s, through the addition of gun stabilizers, laser rangefinders and the like, by the U.S. firm Hughes.³⁷

Upon Iraq's acquisition of more than 300 Soviet-built T-54 and T-55 tanks, Iran started looking for counter-systems, eventually choosing Britain's Chieftain tanks, and signing an agreement for 760 of them in October 1971.³⁸ Iran also decided to acquire 250 lighter British made Scorpion tanks while an agreement for an extra 1,200 Chieftain tanks was signed in 1975.³⁹

The light Scorpion tanks had good mobility and reconnaissance capability, and could operate efficiently in a variety of terrains. The second batch of Chieftain tanks had incorporated some significant changes from the standard model. It had a more powerful twelve-cylinder twin engine, had the stronger Chobham armour which provided better protection against anti-tank guided weapons, its 120 mm gun was to fire a new type of ammunition and a laser rangefinder was to be included in the new version.⁴⁰

With the IGF's adoption of the air mobility concept, as established with the armed forces of the United States, Iran undertook a massive expansion of its army aviation capability through the acquisition of almost 1,000 helicopters, mostly from the U.S. and Italy. Tactical mobility, in a country with poor lines of communication and extensive border areas to be defended, required an expansion in the army's aviation capabilities. The

army aviation's main missions were to airlift troops, support ground operations by armed helicopters, notably in fire-support and anti-tank roles, evacuation of battle casualties, resupply operations, aerial reconnaissance, command and control, and to support artillery in combat.⁴¹ The helicopters were to be based in central Iran: Tehran and Isfahan; western Iran: Kermanshah, Mis and Kerman; and, finally, along the Afghanistan-Pakistan borders. The IGF's army aviation inventory was to include more than 500 U.S. Bell company 214 A/Cs and AH-1Js and 312 Italian Agusta Bell 206 helicopters.⁴²

Through discussion with the Iranian military commanders and U.S. advisors, the Bell International Marketing Department managed to obtain an understanding of the Iranian requirements and, after having considered the latter's geographic and climatic conditions as well as its military needs, recommended the improved AH-1J twin engine Sea Cobra attack helicopter and the 214 A troop-lift utility helicopter for acquisition by the IGF.⁴³

Iran's AH-1J attack helicopter differed from the standard U.S. Marine Corps model in that it was to be retrofitted with a version of the T-400-CP-400 twin engine, uprated to 1925 hp, because the hot weather and high altitudes of the Iranian operational environment tended to detract from the engine performance. Furthermore, a number of the helicopters, probably 65, were to carry the TOW anti-tank guided missiles.⁴⁴ They were also to be the only helicopters of their kind to possess an integrated fire-control/armaments system for the day and night

delivery of missiles, guns and rockets.⁴⁵ The AH-1J's armament package included the XM197 20 mm Chin turret, wing pylon for 2.75 inch rockets, a TOW anti-tank missile capability for some, threat radar warning systems, night visual sensors and inertial navigation systems.⁴⁶

The Bell 214 A 16-person troop-lift utility helicopter, in order to meet Iran's temperature and altitude extremes, was powered by a 2,950 hp Lycoming T55 L7C engine and possessed dynamic components such as transmission, rotor and drive systems which rated considerably higher than the AH-1J. It had a cruise speed of 130-140 knots, with a range of 260 nautical miles and a maximum gross weight, with external load, of 15,000 pounds. It could deliver a squad of Iranian troops with a 5,000 pound towed 105 mm howitzer through sling loading, to any strategic location at a speed of 80 knots.⁴⁷

In August 1972, at the request of the Iranian authorities, the Bell company demonstrated the two helicopters and tested their operational effectiveness in five different locations (Tabriz, Sanandaj, Ahwaz, Bushehr and Isfahan) at varying temperatures and altitudes. Initially, Iran was to procure 30 Cobra gunship helicopters and 100 troop-lift 214 As, laying the groundwork for future expansion. But in January 1973, the IGF's army aviation force structure requirements were updated to consist of 202 attack and 287 troop transport helicopters, costing more than \$500 million. Concomittantly, it was estimated that there was the need to train 1,500 pilots and 4,000 mechanics which, in

addition to the helicopter delivery schedule, the Shah expected to be completed within five years of the date when the agreement was signed.⁴⁸

The delivery schedule for the 287 214 As was to stretch from 1975 to 1977, for the 202 AH-IJs from 1974 to 1977 and for the 39 search and rescue 214 Cs from 1976 to 1979.⁴⁹ The U.S. supply of hardware was followed up by extensive software support programmes consisting of the provision of managerial, flight and maintenance training which were provided, primarily, by the Bell Helicopter Company. Furthermore, the aviation division of the U.S. military advisory missions in Iran, ARMISH-MAAG/TAFT groups (of which more later), were instrumental in site surveys, planning, construction and the establishment of IGF's Army Aviation Training Centre in Isfahan and Helicopter Logistics Department in Tehran.⁵⁰

A contract was signed between Bell Helicopter International and Iran, on 21 February 1973, to embark upon the pilot and maintenance training programmes which were both started on 10 April 1973. It was planned that from a 100% reliance on the U.S. training support, which was being conducted in Isfahan and Tehran, total self sufficiency to be achieved by mid-1978. By February 1976, the Bell company had a total personnel of 1,843, which was expected to rise to 2,100 by the end of 1979, not only to dispense the necessary training programmes in Tehran and Isfahan, but also to train maintenance personnel for two additional Forward Area Support Centres.

In spite of formal schedules prepared by the U.S. companies for the completion of training programmes by 1978, it was believed that the U.S. involvement was likely to continue well beyond that date, particularly in the areas of automatic data-processing and engineering. Combined with other difficulties related to basing facilities, maintenance and logistic support tasks, it was expected that the IGF's army aviation programme would remain dependent on the U.S. support well into the 1980s.⁵¹

After having gone over the IGF's force structure and modernization programmes, the focus of our attention is now going to shift to the Iranian Air Force (IAF).

IAF: Force Structure and Modernization Programmes during the 1970s

The IAF was the most technologically advanced of the three Iranian services and received the lion's share of Iran's military modernization expenditure of the 1970s, because it had the highest priority in Iran's defence planning.⁵² Between 1969 and 1979, its personnel increased fivefold, its aircraft inventory doubled, and it possessed some of the most sophisticated state-of-the-art weapons systems.⁵³ The aircraft in IAF's inventory included, inter alia, F-4 D/E, F-5 E/F, F-14, RF-4E, Boeing 707, Boeing 747 and C-130 Hercules. Furthermore, it had access to a different variety of infra-red/laser/optically-guided missiles such as the air-to-air Phoenix, Sidewinder and Sparrow and the air-to-surface Maverick. As the above short list indicates, the U.S. was the main supplier of equipment, as well

as training, for the IAF.

Iran's major operational air bases were located in the northwestern, western, eastern and southwestern parts of the country in Tehran (Mehrabad and Doshan Tappeh air bases), Ahwaz, Dezful (Vahdati air base), Hamadan (Shahrokhi air base), Mashad, Shiraz, Tabriz, Zahidan, Bushehr, Bandar Abbas and Isfahan (Khatami air base). The construction of two other bases in Chah Bahar, in the southeast, and Omedieh, at the mouth of the Persian Gulf, had also begun during the 1970s.⁵⁴ Apart from the air bases, Iran had 77 airfields with paved runways throughout the country: 14 had runways over 3,600 meters, 16 had 2,500-3,600 meters runways, and 68 had 1,200-2,500 paved and unpaved runways.⁵⁵

The IAF's force structure and modernization was intended not only to counter the threat to the country's airspace of high-performance aircraft, but also to defend the country's vulnerable oil industry through the acquisition of sophisticated aircraft and means of effective air defence. In particular, it was argued that, as the IAF had only a limited number of bases, and the shipping and oil-producing facilities were concentrated in the south, an early warning command and control system for the effective utilization of Iran's air defence resources and tactical airpower was required and was, indeed, being planned. It was suggested that, in order to fulfill its missions and to provide support for the ground and naval forces, the IAF had to enhance its capabilities in counter-air, interdiction, close air

support, naval air cover, air superiority and command and control roles.⁵⁶

The expansion and modernization of the IAF inventory, through the acquisition of high-performance aircraft and air defence systems which had got underway in the 1970s was, by and large, meant to satisfy the above requirements. An attempt will be made to review the major elements of the IAF's modernization programme in the 1970s and the central U.S. role in that endeavour. One of the most significant and prestigious of the IAF's acquisitions was the F-14/Phoenix missile programme. The commitment to sell Iran the F-14 aircraft, in conjunction with the Phoenix missile, was made in May 1972 by President Nixon during his stopover visit to Tehran, after a summit meeting in Moscow.⁵⁷

However, well before Nixon's May 1972 decision, the U.S. military attache' in Moscow had provided the IAF's Commander-in-Chief, General Khatami, with a briefing on the U.S.S.R. air-threat, during which mention of the F-14 model aircraft was also made.⁵⁸ Iran, at the time, was known to be extremely concerned about the Soviet Mig-25 reconnaissance flights over its territory and the authorities in Tehran were looking for a system which would be capable of destroying such high-flying aircraft at extreme ranges with absolute certainty. The F-14, by virtue of its long duration flight capability and its advanced avionics systems capable of detecting adversary aircraft at distant ranges before itself being discovered, was considered an optimum counter-system to intruding Soviet aircraft.⁵⁹

The following is a sample of the information which could have been passed on to the Iranian authorities about the Phoenix missile characteristics,

"The Phoenix is a long-range air-to-air missile designed to engage threat air-craft and various modes of missile attacks. Although Phoenix has not yet been used operationally [that was late 1960s, early 1970s], 21 of 26 planned R & D missiles have been fired with unprecedented success. These include hits by one missile fired at a range of 78 miles, two missiles fired simultaneously at two targets with 10 miles separation, one missile fired in the active mode for the close-in situation, and a look-down missile at a low flying unaugmented drone..."⁶⁰

Indeed, evidence suggests that the F-14's Phoenix missile stand-off capability was the reason behind its purchase by Iran and the Shah's preference for it over other systems such as the F-15. The Shah was reported to have stated, within the context of his choice of the F-14 that, "The Phoenix missile system on the F-14 can detect six targets simultaneously and destroy them all... The F-14 with the Phoenix system can stand-off at 50 miles or more and intercept and destroy."⁶¹

Other factors also contributed to Iran's procurement of the F-14. The Soviet Union, for instance, possessed a number of air bases in its southern republics, which could support advanced fighter

aircraft, within the operational striking range of Iran's major urban centres and industrial installations. Furthermore, Iraq, Iran's main rival, had gained access to such advanced aircraft as the Soviet Mig-23 fighter, which purportedly outperformed the F-4 (the most advanced aircraft in Iran's inventory) and the TU-22 supersonic bomber with a range of 1,400 miles.⁶²

Other operational factors which could have influenced acquisition of the F-14 in competition with, say, the F-15, included the requirement for less pilot skill, the suitability of Phoenix missile stand-off capability in Iran's low-density and less-cluttered air-threat environment and the fact that the missile could be best used to its maximum range where the direction of the air-threat was predictable, as in the case of Iran.⁶³

Iran signed a Letter of Offer and Acceptance (LOA) with the U.S. government in January 1974 for the purchase of 30 F-14s to the value of \$845 million and another agreement for additional 50 F-14s at \$1.1 billion in June 1974. The F-14 programme was accompanied by the purchase of Phoenix missiles and other support maintenance and training programme contracts, at a cost of \$304 million, pushing the total value of the agreement to \$2.33 billion.⁶⁴

Iran's purchase of 80 F-14s led to the recuperation of \$259 million by the U.S. Navy on its own F-14 acquisition programme. \$84 million was to be recuperated through the economies of scale

secured as a result of Iran's F-14 acquisition, \$174.2 million in R & D recovery and \$36.6 million in charges paid to the U.S. by Iran for administering its programme.⁶⁵

The F-14s were to be based at Shiraz air base and at Khatami air base in Isfahan, which was patterned after the U.S. Naval Station at Miramor. The latter's facilities, acting as the main training centre for the F-14, included an operational flight trainer, a mission trainer for weapons systems operators and cockpit procedures. All the F-14 spare parts were to be stockpiled in Isfahan air base, not at Mehrabad air base in Tehran, where the IAF's Materiel Management Command Centre was located.⁶⁶

The F-14 represented a totally new system in the IAF's inventory, with its own particular operational and maintenance skill requirements. Two Iranian instructor pilots were to be trained in the U.S. who then, in conjunction with four Grumman contractor instructor pilots, were to set up a training programme in January of 1976 in Iran.⁶⁷ The IAF was to shift some of its best F-4/5 aircrews (pilots and weapons systems operators) to its F-14 programme.⁶⁸ Finding and training the necessary logistics and maintenance officers, however, were far more difficult tasks than producing the aircrew. It was estimated that 6,500 personnel were needed to support the aircraft, with 2,650 of them technically trained.⁶⁹ 121 Iranians were sent to the United States for technical maintenance training courses, of whom 40% reportedly were to act as maintenance instructors in Iran at the Khatami air base in Isfahan.⁷⁰ The shortfall in the number of trained Iranian

personnel was to be made up by the Americans, who were closely involved in the programme. By 1976, there were 15 members of the U.S. Technical Assistance Field Teams (TAFT) in Iran directly related to the F-14 programme, with two in Tehran and thirteen in Isfahan at Khatami air base- a number which had risen to 24 by 1977.⁷¹

By 1976 there were 353 private contractor personnel in Iran directly related to the F-14/Phoenix missile programme, rising to 460 in 1977 and expected to reach a peak of 900 in 1978. The principal U.S. companies involved in the programme were: Grumman Aircraft Company; Hughes Aircraft, which was involved in providing maintenance support for the AWG-9 fire control system and the AIM-54-A missile system; Pratt and Whitney; Booz Allen and Hamilton which maintained on-site liaison for the U.S. Navy; and General Devices which, in cooperation with Grumman, provided technical maintenance and support personnel for the F-14s while instructing the Iranians who were eventually to take over those tasks.⁷²

Prepared schedules called for the phase-out of foreign contractor personnel support by the end of 1978 which, according to informed observers, was extremely optimistic, as all elements of the F-14 programme, such as base construction and training, were running behind schedule, with the exception of equipment delivery. For example, at one point construction delays at the Khatami air base had stopped the training of 200 maintenance personnel. It was estimated that the U.S. contractor support was likely to continue

well into the 1980s.⁷³

Another element of the IAF's modernization programme in the 1970s consisted of the acquisition of additional and newer versions of F-4/5 fighter-bomber aircraft which had been in its inventory since the 1960s. Iran was to replace its F-5A/B fighter aircraft with 141 F-5E fighter-bombers at a cost of \$342 million, and 28 F-5F trainer aircraft at a cost of \$120 million. The F-5Fs were to be located at the Vahdati air base in the southern city of Dezful, where the Combat Crew Training Centre was located. The F-5Es, which had air-to-air and air-to-ground capabilities, were to be located at Bushehr, Tabriz and Vahdati.⁷⁴ The F-5E was equipped with the infra-red Sidewinder air-to-air missile and had an in-flight refuelling capability to increase its range and/or loiter capability.⁷⁵

The IAF had purchased 32 F-4Ds in the 1960s, which were introduced in its inventory in 1968, at the cost of \$106 million and based at Bushehr. Iran also ordered 177 F-4Es in the 1970s, the delivery of which were completed in 1977, at the cost of \$857 million; they were to be based at Mehrabad in Tehran, Shahrokhi in Hamadan, Shiraz and Bandar Abbas. It also purchased 12 RF-4E photo-reconnaissance aircraft in the 1970s, at a cost of \$135 million, to replace the earlier RF-5A reconnaissance aircraft. The F-4D/Es had the short-range Sidewinder missile, while carrying the Sparrow air-to-air missile for long-range interception. Some of the F-4Es also possessed an electro-optically guided identification system for the delivery

of Maverick air-to-surface missiles, of which Iran had bought 2,500 at a cost of approximately \$50 million. In-flight refuelling, for which Iran had purchased a fleet of 13 K 707s at the cost of \$244 million, would have increased the combat radii of the F-4s to 1,400 miles, enabling it to perform Combat Air Patrol missions covering the northwest quadrant of Indian Ocean. The F-4Es also possessed advanced electronic systems and Electronic Counter Measure (ECM) equipment. It had a fully transistorized fire control system, ability to detect enemy radar emissions and missile launches, and devices for jamming most ground and airborne radars.⁷⁶

In 1978, the government of Iran requested the purchase of an additional 31 F-4Es from the U.S., in order to replace a number of its F-4Es which were lost and an older version of its F-4Ds, which the IAF intended to phase-out due to maintenance difficulties. In conjunction with the sale of additional F-4Es the U.S. government had offered to sell Iran 1,000 Shrike anti-radiation missiles, to go with the aircraft, at a cost of \$100 million. The Shrike missiles were intended to protect the Iranian aircraft which were performing interdiction and close air-support missions in defence of the ground forces, against hostile radar-guided and target-acquisition systems of enemy surface-to-air missiles, anti-aircraft artillery and fixed and mobile systems that cover the battle area. The system was to help prevent the infliction of an unacceptably high rate of attrition on friendly aircraft due to enemy fire.⁷⁷

However, the Iranian authorities preferred the F-4s to be fitted with a more sophisticated electronic system, known as Wild Weasel, capable of destroying the detected and located enemy radar stations through the use of a wide range of more advanced missiles.⁷⁸ Both the Shah and General Toufanian, Iran's chief arms procurement officer, thought that, by making the offer, the U.S. was trying to unload the Shrikes onto Iran. They were willing to accept the offer, provided that the F-4Es would include the Group A wiring, enabling them to put on the Wild Weasel system and the missiles that went with it, at a later date.⁷⁹ In any case, the U.S. did not prove willing to provide either the Wild Weasel or Group A wiring to Iran, leading to the latter's cancellation of its request to purchase the extra F-4s, arguing that the more advanced F-16 was preferred to meet attrition needs (the F-16 purchase will be discussed below).⁸⁰

Both the F-5s and F-4s in the IAF's inventory were dependent on U.S. support, particularly for maintenance and logistics. The F-5 programme required 6,000 trained personnel, with the most critical shortages being in the areas of logistics and maintenance. The IAF's F-5 programme was also dependent on the U.S. for the introduction of, and training in, advanced air-to-air and air-to-ground tactics.⁸¹ By 1976, 3 Military Assistance Advisory Group (MAAG) personnel and 57 TAFT personnel were assigned to the F-5 programme, with the latter decreasing to 28 in 1977. Furthermore, there were 53 contractor personnel attached to the F-5 programme.⁸²

Iran's F-4 programme required 11,000 personnel in 1976, increasing to 25,000 by 1978 and levelling off thereafter. 7,000 had to be trained in aircrew and maintenance categories, with a shortage as high as 3,000 in those areas, creating operational readiness problems. The shift of some of the better F-4 personnel to the F-14 programme had aggravated the problem. The IAF's F-4 programme, with the exception of self-sufficiency in operations, was heavily dependent on the U.S. personnel in maintenance and logistics support, and instruction in new tactics or on new systems. By 1977, there were 90 U.S. personnel (3 MAAG and 87 TAFT) involved with the F-4 programme, while McDonnell Douglas had 57 contractor personnel attached to the programme, who were expected to remain in Iran for several years thereafter in order to maintain the aircraft and assist the IAF in operational readiness.⁸³

Another addition to the IAF's inventory was to be 300 lightweight dual air-to-air and air-to-ground capable F-16 aircraft. The willingness to sell the first batch of aircraft, consisting of 160 F-16s at the cost of \$3.4 billion, was announced by Henry Kissinger in August 1976.⁸⁴

The Shah expressed his interest in March 1975 in the F-16 as a complement to the F-14 in air defence, as it could engage enemy aircraft close-in, while performing all the air defence and close air-support missions being carried out by the F-5. There were also indications that the IAF would eventually want to substitute its inventory of F-5s with the F-16s. In June of the same year

General Toufanian relayed his government's interest in the purchase of 160 F-16s, rising to 300 in February 1976, to the ARMISH-MAAG mission, in the U.S. embassy in Iran, and asked for a Letter of Offer for such purchases in August 1976. In September 1976, a U.S. Air Force team was sent to Iran to brief its leaders on aircraft delivery, training, operational and support programme proposals. Iran initially refrained from signing the Letter of Offer according to the original proposals, but eventually signed a revised version in February 1977, for 160 F-16s.⁸⁵

Of these 136 were to be the single-seat F-16A version and 24 were to be the two-seat F-16B version. Iran's F-16s were to be identical to those of the U.S., with the exception of nonreleasable systems such as the means of nuclear weapons delivery. The aircraft was less sophisticated than other models in the IAF's inventory such as the F-4 and F-14, which required two crewmen. It was also estimated that the F-16 maintenance manhours per flight were one-third to one-half of those required for the F-14 and F-4 respectively. Furthermore, built-in test capability and automatic test equipment tended to replace skilled technicians. These factors helped to ease the skilled manpower constraints which were hampering the IAF's modernization programme.⁸⁶

It was estimated that the F-16 programme would need 3,000 trained maintenance personnel and 240 pilots, for the IAF to be able to maintain effective operational readiness. It was expected to satisfy the required manpower needs by shifting trained manpower

resources from other systems in the IAF's inventory which were going to be phased-out during the 1980s, but which had to receive upgraded training in order to handle the F-16s effectively. The sale was to consist of two phases. In the first phase, 10 aircraft were to be provided for the training of the Iranian instructor pilots cadre in the U.S.. They would be based at the U.S. Air Force tactical training centre for a period of 17 months. During that period maintenance support was to be provided by contractor personnel, with their number increasing to 129. Furthermore, a facilities survey team and a weapons system planning team, totalling approximately 15 people, were to be sent to Iran.

The second phase was to consist of delivery of the F-16s to Iran and the provision of in-country support functions by contractor and U.S. government personnel in combination with the trained Iranian cadres. The functional support areas included organizational matters, avionics, munitions, field maintenance and maintenance administration. It was estimated that at some point, up to 1,000 U.S. contractor personnel would be assigned to various support functions in Iran, for a duration of two to four years. Furthermore, four U.S. government personnel were to serve as liaison officers for logistics coordination.⁸⁷

Delivery of the first 10 F-16s was to take place in mid-1979 for training the Iranian crews. The remainder of the F-16s were to be delivered from 1980 to the late 1983, at the rate of 4 per month.⁸⁸ It was, however, estimated that delivery of the F-16s

would not have a tangible effect on the IAF's capabilities before the mid-1980s, since time was needed to gain the necessary operational and maintenance mastery.⁸⁹

As will be seen in the next chapter, however, the F-16 was one amongst a number of Iranian programmes which did not reach the actual implementation stage as a consequence of the revolution.

The Shah had also indicated an interest in the purchase of 250 land-based version of the U.S. Navy's F-18. In a letter to the U.S. Secretary of Defense Rumsfeld dated 12 September 1976, General Hassan Toufanian stated that the IAF had, "a requirement to replace the existing McDonnell Douglas F-4 Phantom aircraft with a modern aircraft. Operational phase-in should commence in 1982. We have determined that the Northrop land-based derivation of the U.S. Navy F-18 will best fulfill this requirement." According to Toufanian, Iran wanted to purchase the F-18s, "along with the associated support equipment, training, spares and related services," and that it was authorizing the U.S. Department of Defense to spend \$8 million, "for immediate actions necessary to cover design, procurement of long-lead items, associated planning and administrative expenses."⁹⁰

Given Iran's possession of such aircraft as the F-14 and F-16, which could perform missions similar to the F-18, the question hinged on the sort of mission that the Shah envisaged for the latter. According to him, the F-14, with its Phoenix missile system capable of intercepting hostile aircraft at ranges of up

to 100 miles, was best suited for long distance air defence missions. Though it could provide close air-support, it was too much of a risk to employ such an expensive aircraft in such a mode, due to the potentially high rate of attrition. The F-16, as a complement to the F-14, would provide augmented capabilities for air defence by engaging the enemy aircraft close-in. What the Shah wanted was a light and relatively inexpensive fighter-bomber to provide his ground forces with close air-support- a task which the F-18 was to fulfill.

The F-18 was deemed to be twice as capable as the F-4 which it was intended to replace. In terms of combat performance the F-18 had twice the F-4s maneuverability, 40 percent more thrust, 75 percent more lift, up to three times the mission radius and it was 40 percent lighter at take-off. Also, it needed fewer people to maintain it. This contributed to easing the effect of the trained personnel shortages.⁹¹

Both the F-18's manufacturer, Northrop, and the Navy were trying to push the F-18 sale in Iran for their own reasons. By selling 280 land-based versions of the F-18, the Navy would recoup \$300,000 a plane in terms of R & D cost. Northrop, which was engaged in promoting the F-18 sale in Iran even before the Department of Defense authorization, was hoping to sell other customers the land-based version of the U.S. Navy's carrier-based F-18 aircraft, the \$250 million modification cost of which Iran had agreed to under-write.⁹² For reasons to be discussed in the next chapter, the Carter Administration refused to sell the

aircraft to Iran.⁹³

During the 1970's Iran had also embarked upon improvement of its air defence resources by upgrading its long-range radar surveillance and surface-to-air missile system capabilities. Until the late 1960s and early 1970s early warning around a number of Iranian towns and cities such as Tehran, Mashad and Tabriz was provided by a number of old AN/FPS-88 surveillance radars installed as a part of CENTO's Long-Range Iranian Detection System (LORIDS) during the cold war period.⁹⁴

The existence of harsh and rugged terrain had complicated the task of constructing an integrated and automated early warning radar system in Iran, which was ever more necessary because of the existence of high value targets such as refineries and air bases, and the existence of high performance aircraft in the inventories of its adversaries.⁹⁵ By the mid 1970s, for example, Iran's early warning capability was far less advanced than that of Iraq. The latter had 20 early warning sites in its eastern sector which gave it a radar coverage 100 nautical miles into Iranian territory. This contrasted with 10 radar sites for Iran covering its air bases in valleys or along the Persian Gulf. Being completely masked by mountains, the radars which were located in the valleys could detect aircraft at a range of 40 nautical miles, and that only if the operators expected them; and those along the Persian Gulf had difficulty detecting aircraft over the sea from April to November, due to atmospheric conditions which led to the ducting of energy away from the

radars. ⁹⁶

In the early 1970s, Iran started the process of upgrading its air defence surveillance capabilities by acquiring a number of U.S. Westinghouse AN/TPS-43 and British Marconi radar systems. The latter's computer-based data processing system, for instance, was capable of detecting a large number of high- and low-flying aircraft simultaneously and of handling ground-controlled supersonic interceptions.⁹⁷

The country's air defence radar surveillance capability was, however, still largely inadequate, and a major effort was begun, with U.S. assistance under the aegis of project Seek Sentry (previously known as Peace Crown), to provide Iran with an integrated radar network covering much of its territory and the Persian Gulf. Project "Seek Sentry" was to incorporate systems using less automation than, for example, the Nato Air-Defense Ground Environment (NADGE), and was to be tied-in with the military command and control telecommunications network, to be built under the aegis of the "Seek Switch" programme; both were to be administered by the U.S. Air Force (U.S.A.F.).

The U.S.A.F. was to be responsible for selecting sites which could provide long-range radars with a good look-down capability against low flying aircraft. The sites to be selected, which could be as many as 50, when situated on the mountain tops, had to provide good radar coverage against low flying aircraft over water or broken terrain. The U.S.A.F. also had plans to define

boundaries and locations for four operations centres and prime and alternate air defence operations centre-combat operations centres. The means to link the system to the IGF, IAF and the Iranian Navy communications were also to be acquired. Furthermore, the programme was to aim at integrating Iran's 7 to 10 battalions of I-HAWK surface-to-air missile systems, to be based in the country's southern and south western regions and other air defence elements. In order to integrate the I-HAWK batteries into the "Seek Sentry" radar network, AN/TSQ-73 fire-control and target assignment command and control system was to be linked to the air defence network's sector operations centres.

The project was to involve the development of a radar system with the aim of meeting Iran's particular requirements. The U.S.A.F. selected three contractors, namely Dynell, Hughes and Texas Instruments for the development of prototype radars, before testing and selecting by the Iranian government.⁹⁸

A totally ground-based air defence radar network, however, had a number of disadvantages, in addition to the short ranges already mentioned. To begin with, it would have only provided coverage 500 feet above ground level, which was inadequate. Furthermore, it was argued that fixed radar sites were difficult to defend and were vulnerable to destruction, they were susceptible to electronic counter measures, and they were inflexible in the sense that they could not respond to a changing defensive tactical situation by increasing radar surveillance on the high

threat areas. Finally, it was indicated that, given Iran's harsh geography, mountainous terrain, vast deserts and limited road or rail network the construction of an air defence system based totally on ground radars would be an extremely difficult task whilst, manning all the stations with skilled personnel of which there was a shortage, would have imposed a heavy strain on Iran's military system.⁹⁹

It was probably amidst such speculations concerning the extent of reliability of an all ground-based air defence radar network that Iran's interest in the contribution of Airborne Warning and Control Systems (AWACS) aircraft evolved. At around the same time that a 1974 air defence study, which led to the advocacy of project "Seek Sentry", was being completed, Iran was expressing interest in the purchase of AWACS. In 1975, the capabilities of AWACS were demonstrated to the Shah while General Toufanian was briefed in 1976 about an air defence concept which, in combination with the AWACS, could reduce the number of ground-based radars envisaged under the "Seek Sentry" project.

In September 1976, the U.S. Army Mission Headquarters (ARMISH) and Military Assistance Advisory Group (MAAG) received a request from the government of Iran for a study on whether 7 to 9 AWACS aircraft could complement or replace part or all of "Seek Sentry" ground radars. This led to the Iranian Air Defence Improvement Study, which was completed in January 1977. In the letter of request General Toufanian had laid out the objectives of the study thus, "...study and analyze the problem of how the AWACS

(E-3) could supplement or complement the ground-based radars...[advise] on the alternatives that are practical for use of AWACS (E-3) in conjunction with....ground-based radars to achieve performance improvements....envisioned for the Seek Sentry systems."¹⁰⁰

The above study concurred in the view that Iran's ground-based air defence surveillance capabilities would be enhanced by the acquisition of the AWACS system and that the combination possessed certain manpower, financial and operational advantages which an all ground-based air defence radar network lacked.¹⁰¹

It was pointed out that seven to nine AWACS aircraft, together with a combination of 12 to 21 ground-radar stations, would suffice to provide Iran with adequate air defence cover. An all ground-based approach to Iran's air defence would have required 40 radar sites, with an estimated need for 6,500 technically trained personnel, over 20,000 non-technical personnel and additional personnel to defend them. The AWACS/ground-based radar approach would have reduced the required number of trained personnel to 3,000 and non-technical personnel to 6,900. Given their manpower constraints, the overall saving would not have been insignificant.¹⁰²

It was also estimated that the "all ground radar" approach would have cost a minimum of about \$2.6 billion. This, however, did not include the cost of opening up sparsely populated and uninhabited areas through the construction of necessary

infrastructure such as roads, houses and other utilities which, according to the government of Iran estimates, would have amounted to \$15 billion. It was in sharp contrast to the estimated programme cost of an air defence system using seven AWACS (the actual number offered to Iran by the U.S.) and 12-21 radar stations, which would have amounted to no more than \$3.0 billion, given the far smaller infrastructure costs involved.¹⁰³

In operational terms, the AWACS/ground-based radar approach was considered to provide a more effective air defence system against Iraqi and Soviet air-threats to Iran's population centres, economic infrastructure, its vulnerable oil fields and military complexes.¹⁰⁴ The AWACS system, which combined aircraft detection and tracking with command/control/communication capabilities, was able to provide real-time assessment of enemy aircraft, determine the position of friendly resources and vector them to the main thrust of an attack. Although Iran was planning to procure the AWACS primarily for defensive purposes, its wide area surveillance and extensive communication capabilities was likely to enhance Iran's offensive counter-air potential and to monitor close air-support, interdiction, reconnaissance and search-and-rescue missions.¹⁰⁵

With its "look-down", clutter-free radar capability, the AWACS would have overcome both the Persian Gulf ducting problem and line-of-sight limitations inherent to any ground-based radar system whilst, at the same time, not being susceptible to electronic counter-measures. It was also indicated that, with

its airborne radar, the AWACS would increase the volume of both high- and low-flying aircraft which could be detected and tracked, and that at extended ranges, with up to 200 nautical miles for the latter category of aircraft and 360 nautical miles for the former.¹⁰⁶

With its in-flight refuelling capability and on-board spare parts for its subsystems, it was argued that the AWACS system possessed the necessary flexibility to concentrate its radar coverage on high-threat areas during a period of tension. Moreover, the AWACS system was claimed to be more survivable than an all ground-based surveillance network, in spite of the fact that the latter system provided a 24-hour round-the-clock radar coverage, whilst the former in conjunction with the 12-21 ground-based radar provided, what was called, a minimally adequate radar coverage. It was indicated, however, that the 24-hour ground radar air defence coverage ignored the inherent vulnerability of fixed radar installations which, as it was put by some, "would stick up like sore thumbs" and be difficult to defend.¹⁰⁷ It was pointed out that through its Electronic Intelligence (ELINT) and Communication Intelligence (COMINT) capabilities, Iran would manage to obtain prior warning of an impending air attack, during which time several of its AWACS could get airborne so as to carry out surveillance missions or, those which did not, could be put on alert status to be scrambled for survivability purposes within minutes after an attack.¹⁰⁸

It was not, however, solely in competition with an all ground

based surveillance system that the AWACS was considered as a better means of contributing to Iran's air defence requirements. Indeed, in comparison to other airborne radar and early warning systems, most notably the E-2C Hawkeye aircraft, the E-3A AWACS was considered to fit the Iranian requirements better. It was indicated that, unlike E-2C aircraft, the E-3A's airframe was similar to Iran's fleet of AF KC-707, thereby reducing a host of logistical, training, manpower and basing problems attendant upon the acquisition of a totally new system.¹⁰⁹

Furthermore, in operational terms, the E-3A was considered to suit the Iranian environment better. The E-3A was said to be capable of better performance in a more severe electronic counter measures environment than the E-2C, whilst it could detect low flying targets at longer ranges in ground clutter. Moreover, unlike the E-2C, the AWACS had an overland target height-finding capability which was needed for intercept control of Iran's F-5s, F-4s and F-16s. Furthermore, the E-2C's three operators and three specialized consoles were far fewer than the E-3A's thirteen operators and nine multipurpose consoles, limiting the former's capability to control interceptors by voice. It was also indicated that the E-3A's greater speed, surveillance range and weapons control capability made it more capable of escaping from or defending itself against enemy attacks. Finally, it was argued that U.S. contractor personnel would peak at 400 for the E-3A, as against 500 for the E-2C.¹¹⁰

One other point to be mentioned, before proceeding to elaborate

on the implementation stage of the programme, concerns the configuration of AWACS to be sold to Iran. The U.S. had decided to offer Iran a baseline version of the AWACS aircraft, with fewer sensitive technologies than U.S. or Nato versions. The Iranian AWACS was not to include sensitive U.S. communications encipherment gear; the secure mode of Identification Friend and Foe (IFF) system; the improved Electronic Counter Counter Measure (ECCM) capabilities; Joint Tactical Information Distribution System (JTIDS); radar warning receiver; and, finally, display remoting system for the transmission of console pictures to the ground commanders.¹¹¹

Special facilities were to be constructed for basing the aircraft at Tehran (Mehrabad air base) as a main operating base and at Shiraz as a dispersal operating base. Furthermore, it was estimated that 651 skilled personnel were required to operate and maintain the seven aircraft, in the following categories:¹¹²

<u>Operations</u>	<u>No.</u>
Pilot	28
Navigator	14
Flight engineer	14
MPC operators	126
Communications operators	14
Communications repair technicians	14
Radar repair technician	14
Computer operator/technician	14
CPGSC programmers	55

CPGSC operators	12
CPGSC technical support	18

Maintenance:

Automatic flight control system maintenance technician	6
Avionics instruments maintenance technician	9
Environmental system maintenance technician	10
Electrical system maintenance technician	9
Fuel system maintenance technician	7
Aircraft maintenance technician	127
Jet engine maintenance technician	32
Support equipment maintenance technician	28
Computer/display maintenance technician	18
Communications maintenance technician	19
Radar maintenance technician	27
Navigation computer system maintenance technician	12
Avionics navigation system maintenance technician	13
Pneudraulic maintenance technician	11

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Given the IAF's overall modernization programme and its competing priorities, there was likely to be a shortage of skilled personnel to perform all the technical functions. The U.S. was to provide the necessary skilled manpower to make up for the IAF's shortfall. It was estimated that 294 U.S. contractor personnel would provide organizational and maintenance support

for a three-year period starting in 1981. A further 16 were needed to provide technical assistance on the avionics, hydraulics, engine and airframe. In addition, 80 contractor personnel were to provide technical assistance for the AWACS computer operations. Finally, one U.S. Air Force officer was to provide logistics management support for three years beginning in 1980. In spite of a definite commitment in 1977 by the U.S. government to sell Iran seven AWACS aircraft, the programme was never implemented because of the revolution.

Before moving onto another dimension of Iran's air defence modernization programme, namely, the acquisition of an extensive network of surface-to-air missile systems, mention should be made of another aspect of its effort to enhance its intelligence surveillance capabilities. Project Ibex was the name given to an extremely sensitive programme of building up Iran's signal intelligence capabilities, to be carried out by an American company called Rockwell International, aimed at the interception of its neighbours' military and civilian communications. Details of the project were couched in very vague terms in the official public U.S. sources, which either did not discuss the project or, did so very briefly. For instance, a U.S. source, after having whittled down the original answer when published to a question from Congress, cites a U.S. executive branch spokesman merely calling the Ibex project as, ".....development of [Iran's]... intelligence collection and evaluation capability...."¹¹³ with no further substantiation.

If there was any substantiation, it emanated mostly from the press. Ibex was defined as a large intelligence system to be used for monitoring communications and radar signals originating from Iran's neighbours, to be built at a cost of \$500 million by Rockwell International, utilizing both airborne and ground-based equipment.¹¹⁴

Speculation abounded as to the likely targets of Iran's signal intelligence interception effort- ranging from Iraq, countries of the Persian Gulf region, the Soviet Union, Israel, even the American civil and military communications in the region to its utilization by Iran's secret police to help it locate internal dissidents and other domestic security functions.¹¹⁵ Apparently, former employees of the National Security Agency, responsible for the U.S. government's worldwide communication intelligence, and its Air Force subsidiary, Air Force Security, were to help Iran to set up and operate the system.¹¹⁶

In addition to Rockwell International, which was involved in defining the system, training the Iranian personnel and providing on-site support personnel in Iran, a number of other U.S. companies were active in the programme. Two U.S. companies, Agro Systems Inc. and Watkins-Johnson Co., were to supply Iran with electronic receivers to be employed in both the airborne and ground-based segments of the programme. Another firm, E-Systems Inc., was to be involved in the modification of four Lockheed C-130 transport aircraft to perform signal monitoring functions. A third firm, Martin Marietta, Denver Div., was to be the likely

supplier of equipment for the ground collection segment of the system, though facing competition from others.¹¹⁷

Iran's air defence missile system capability consisted of the "Tigercat" and "Rapier" surface-to-air British-made missiles for low level defence, with the latter accompanied by the all-weather "Blindfire" radar system, and the American I-Hawk missile system for high altitude defence, to be operated around the country's air bases and refineries, especially in the south and southwest.¹¹⁸ The Iranian air defence missile system modernization in the 1970s consisted of purchasing in 1973 37 I-Hawk batteries, 1,800 missiles and a related training and support programme from the U.S. at the cost of \$600 million. Furthermore, more than 1,000 buildings had to be constructed in 50 locations at a cost of \$400 million. The package also included the procurement of a fully automated fire-distribution system and a depot level maintenance capability for the ground support equipment.¹¹⁹

This aspect of Iran's defence modernization, similar to its other programmes, was also running into difficulties. There were construction delays, training equipment which was non-operational, problems in training, the removal of students from the programme and their allocation to other high-priority projects and an inefficient logistics system which, in spite of the existence of adequate spares and supply in Iran, on occasions could take up to one year to track down and deliver the required items. The programme suffered from severe manpower shortages. It

was estimated that, once all the batteries were delivered, the overall programme would require about 12,000 technically trained personnel by 1981. However, the estimates indicated that, by 1978-79, there could be a total manpower shortage of up to 2,500. In order to make up for these gaps and to support the programme as a whole, 355 U.S. personnel were involved in the project by 1977. It was, however, indicated that as many as 1,000 Americans could be required to ensure operational status, once all the systems were delivered and all the sites constructed.¹²⁰

There was, however, an indication that some of the programme's earlier difficulties were being overcome, as exemplified by an improvement in the battery training firing success rate. It was pointed out, however, that further programme improvement required a continuation of American advisory effort, rescheduling of the instruction programme and extension of unit training.¹²¹

Finally the delineation of the IAF's modernization programme can be concluded by mentioning the "Peace Log" programme, which was the upgrading of the IAF's logistics system with the assistance of the U.S. Logistics Command. With its growing inventory of weapons systems and equipment, the IAF came to need a new logistics management and tracking system, for the implementation of which Lockheed was selected in March 1977, at estimated programme cost of \$190.6 million. The programme included weapons systems management, inventory management, maintenance management, procurement management and organization management.¹²²

It was estimated that up to 14,000 trained Iranians were needed for the efficient management of the new system and they were to be assisted in the programme's initial stages with up to 460 U.S. contractor personnel. It was pointed out that, given Iran's difficulties in recruiting sufficient trained personnel, the programme was likely to remain dependent on U.S. contractor support for a long time.¹²³

After this analysis of the IAF's force structure and modernization programmes, attention will now be shifted to the Iranian Navy.

The Iranian Navy: Force Structure and Modernization Programmes during the 1970s

The Iranian Navy (IN) was the smallest of the three Iranian services. By 1979, the IN had a total personnel of 28,000, as opposed to 285,000 and 100,000 for the IGF and IAF respectively.¹²⁴ Major modernization programmes had, nonetheless, got underway in the 1970s, to expand the IN's capabilities five-fold according to some estimates ¹²⁵ in tune with Iran's defence and foreign policy objectives under the Shah.

As a country dependent for its oil exports and necessary imports on the Persian Gulf, Iran's naval policy and acquisitions were to a great extent aimed at securing the freedom of ingress to and egress from that waterway.¹²⁶ Iran's naval policy in the 1970s, however, was also aimed at the establishment of a deep blue water capability for the projection of its forces into the

Indian Ocean, so as to ensure the safety of navigation for oil bound for Japan and Western Europe.¹²⁷

Many of the IN's acquisitions in the 1970s, such as helicopter support ships, anti-submarine warfare helicopters, diesel attack submarines, logistics ships, long-range destroyers, long range maritime patrol aircraft and the construction of a naval base at Chah Bahar were, indeed, aimed at providing Iran with just that capability for distant operations in the Indian Ocean. First of the IN's missions i.e. defence of the shipping in the Persian Gulf, was to be achieved by a combination of hovercraft, fast patrol boats, landing ships, and minesweepers.¹²⁸

Given the extent of Iran's naval modernization programme, it was suggested that, "by the mid-1980s, with the completion of her bases, delivery and assimilation of modern weaponry, the formulation of a naval doctrine, practical experience, area familiarization, the training of an adequate pool of officers, crew and maintenance technicians, and the widening of the country's industrial base, Iran will be a naval power to be reckoned with in the Indian Ocean."¹²⁹

Starting with the location of IN's main operational bases, an attempt will be made to define the latter's force structure and its major modernization programmes during the 1970s. The IN had six main operational naval bases, the most important being Bandar Abbas and Bushehr, along the country's Persian Gulf coast, and Khorramshahr, on the Shatt al-Arab along the border with Iraq.

It also possessed two other bases on the Kharg and Hengam Islands in the Persian Gulf. There was also a training base at Bandar Pahlavi (Bandar Anzali now) on the Caspian Sea, where only small boats were kept. Iran's major programme of naval base construction was that of Chah Bahar, 50 nautical miles from the border with Pakistan and 800 nautical miles from Bombay, which fitted in with Iran's objective of policing the northwest quadrant of the Indian Ocean. Apart from the base construction programme at Chah Bahar, major expansion of the naval facilities in Bushehr and Bandar Abbas had also got underway. The magnitude of the IN's overall modernization programme can be gauged by looking at the growth in the latter's construction expenditure:¹³⁰

IN Construction: Growth Comparison (Budgetary Estimates)

	\$ millions
1963-68	5.5
1968-73	55.0
1973-78	1200.0

Source: U.S. Military Sales to Iran, A Staff Report of the Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations, 94 Cong. 2 sess (GPO, 1976), p. 19.

Since the base in Chah Bahar was to accommodate those IN acquisitions with an Indian Ocean role, its timely completion was of paramount significance to the IN deep blue water capability. However, manpower shortages, competing and shifting

developmental priorities and demands of the country's civilian sector, reduction in oil revenues in 1977 as well as a black-market in cement prevailing in Iran during the mid-1970s were likely to cause construction delays, with adverse effect on the IN's timetable.¹³¹

The estimated cost of constructing the naval base in Chah Bahar, according to some reports, ranged from several hundred million to well over a billion dollars.¹³² It is known that, at least on one occasion, contact was made by high-ranking U.S. military officials with the Shah for the construction of certain facilities at Chah Bahar (such as an aircraft carrier turnaround basin and large submarine repair facilities) which could have been of use only to the U.S. and, regarded as a commitment by the U.S. to make use of Iran's naval facilities in the Indian Ocean, adding several hundred million dollars to the cost of developing the base.

Whilst reproaching the "looseness of operation" or "lack of understanding" of U.S. policy by those who had made the approach, it was argued by a State Department report that, had the Shah gone ahead with the development of facilities which could have been utilized only by the U.S., it would have thrown the Administration's declared policy of limited deployments in the Indian Ocean into serious doubt. It was also indicated that the plan would have created adverse repercussions on a number of U.S. bilateral and regional relationships, apart from the controversies that it could cause in Congress at a time when it

had its qualms over upgrading U.S. naval facilities at Diego Garcia in the Indian Ocean. In the event, the Shah did not pursue the proposal, and attempts were made to minimize any possible adverse impact of the approach made to the Shah.¹³³

After having dealt with the IN's basing structure, an attempt is now made to offer a descriptive account of the latter's inventory in the 1970s and a delineation of its major modernization programmes during the decade. Iran's naval battle order, amongst others, included a flotilla of three missile-armed destroyers, one ex-British and two ex-American. The ex-British 2,325 ton Battle-class destroyer, called "Artemiz" which had entered service in 1946, was transferred to Iran in 1967 after extensive modernization. It was fitted with the British Sea Cat surface-to-air missile and the U.S. anti-air/anti-ship Standard missile. The ex-American 2,200 ton Allen Sumner-class destroyers called "Babr" and "Palang", had entered service with the U.S. Navy in 1944 and 1945 and were transferred to Iran in 1973 and 1974 respectively after extensive modernization. Both destroyers were equipped with the U.S. Standard missile and each operated a single AB-204 anti-submarine warfare helicopter. All three destroyers also carried dual-purpose guns.¹³⁴

The IN also had a fleet of four frigates, made by the British Vosper Thornycroft and Vickers shipyards, which had entered Iran's inventory in the early 1970s. They were all fitted with the British Sea Killer surface-to-surface and Sea Cat surface-to-air missile systems. Apart from the latter, certainly

the most modern frigates in its inventory, the IN also had four other patrol frigates of American origin, not armed with missiles however, which were transferred to Iran under the Military Aid Programme (MAP) in the early 1960s. In the category of lighter ships, the IN had twelve French La Combattante-II class fast patrol boats (France's main contribution to Iran's naval modernization effort), which were to be armed with the U.S. Harpoon anti-ship missile, with the missiles remaining undelivered due to the revolution of 1979 in Iran. The IN also possessed 7 PGM-type large patrol craft of American origin. Furthermore, it was in possession of the largest fleet of hovercraft in the world, consisting of eight SR-N6 Winchester class and six BH.7 Wellington class craft of British origin, with four of the latter being capable of carrying missiles. The hovercraft were particularly suitable for operation in the shallow waters of the Persian Gulf. Other ships in the IN's inventory included five minesweepers (three coastal and two inshore), four landing ships, one large replenishment oiler and two supply ships with four more on order, which were probably delivered after the revolution.¹³⁵

The IN's modernization programme of the 1970s was to include the acquisition of a number of surface and sub-surface units, from the U.S. and elsewhere, so as to give tangible credence to the Shah's policy of protecting the sea lines of communication (SLOC) in the Persian Gulf and the Indian Ocean. One of the acquisitions was to consist of a number of U.S. Spruance class destroyers, primarily employed in an anti-submarine warfare role by the U.S.

Navy. They were to be built by Litton Industries and were to be fitted with improved anti-air/anti-ship capabilities, better radars and more powerful air conditioning systems than the same class of ships in the U.S. Navy.¹³⁶

Given Iran's interest in sustained naval operations in the Indian Ocean, IN authorities entered into negotiations with U.S. officials over the possibility of purchasing DD-993 Spruance class destroyers in 1973 and in December of the same year an agreement for the purchase of two such ships was reached. In March 1974, a U.S. industrial survey team visited Tehran and Bandar Abbas and presented the Iranian authorities with combat systems alternatives for the destroyers which were to include anti-air warfare and anti-submarine warfare fire control systems, torpedoes, electronic countermeasure equipment, acoustic gear, a helicopter landing platform and the Harpoon anti-ship missile. In August 1974, a letter of offer was signed for an additional four destroyers. In April 1976 another industrial survey team visited Bandar Abbas and Chah Bahar and, as a result of its findings, informed General Toufanian of an increase in the price of ships from the initial \$234 million to \$338 million per unit. Expressing sharp concern over the repricing, the Iranian authorities in January 1976 revised their order from the original six ships to four, at a total programme cost of \$1.47 billion.¹³⁷

Each ship required a fully trained crew of 264 personnel, giving a total of 1,056 for the four ships. The IN had aimed at

recruiting 2,000 personnel for training in the U.S., expecting a 50% attrition rate from amongst the trainees. With the exception of electronics, the U.S. ARMISH-MAAG mission in Tehran did not anticipate any serious difficulties in the training or with IN's capacity to absorb the new system. The four ships, to be delivered during 1980-1981 and to be based at Chah Bahar for the Indian Ocean operations, however, were unlikely to contribute to Iran's deep blue water capability before the mid-1980s, given the construction delays at Chah Bahar.¹³⁸ In fact the revolutionary upheaval in Iran cut the Spruance destroyers programme short and the ships were not actually delivered.

During the 1970s, Iran had also embarked upon a policy of acquiring an under-water capability and was purchasing three Tang class conventionally-powered attack submarines from the U.S.. The submarines had 8 21-inch torpedo tubes with BQG-4 electronic fire control sonar and MK 106 Mod 18 torpedo fire control system. The submarines were to provide the IN with protection for the sea approaches to and from the Persian Gulf, a limited long-range patrol capability, an increased anti-submarine warfare capability, as well as obtaining means of exercising its air and surface anti-submarine equipment which it was acquiring.¹³⁹

The overall value of the programme included costs of the three boats (\$633,000 per unit), cost of overhauling the three boats (\$17.7 million per unit), which were to take place in 1977, 1978 and 1979 respectively, the spare parts package (\$516,000 per

boat), and, finally, the crew training cost (\$17.6 million). The first boat was to be turned over to the Iranians in April 1979, after the completion of training of an initial crew, with the other two to be delivered afterwards in late 1979 and 1980. It was estimated that each submarine required a crew of ten officers and one hundred men. Plans called for training five fully-qualified crews of 500 men, with three for each of the three submarines and, two for replacement and maintenance purposes. Difficulties, however, were reported in recruiting the required personnel for the submarine programme, given the IN's other competing demands, in particular that from the Spruance destroyer programme.¹⁴⁰ Similar to many other programmes, the submarines did not reach the actual delivery stage due to the 1979 revolution in Iran.

In the second half of the 1970s, the IN was going to embark upon a major modernization programme. In late 1976, Iran requested information on the possible cost of eight FFG-7 frigates from the U.S. should it decide to buy them. The frigates were intended to replace some of the older destroyers and frigates in the IN's inventory, some of which were over thirty years old, so that they could contribute to protection of the SLOC in and around the Persian Gulf in concert with the four Spruance class destroyers. For reasons to be discussed later, the Carter Administration denied the sale of frigates to Iran, which turned to West Germany and the Netherlands.¹⁴¹

That particular phase of the IN's modernization programme was to

consist, according to some reports, of the acquisition of some sixty-five surface and subsurface units including 12 frigates, 16 submarines (an agreement for six West German 209 class submarines had been reached prior to the revolution but was cancelled after the revolution), 19 mine-hunters and 18 fast patrol boats, with an ultimate overall cost of \$5,000 million.¹⁴²

Iran had approached the U.S., in particular, for the sale of weapons suites for the twelve frigates consisting of Harpoon missiles and electronic equipment, to which the latter had assented. The combat systems would have permitted interchangeability of the IN personnel on other U.S. built ships, common maintenance, training and logistic support.¹⁴³ The weapons suites would also have ensured interoperability of the frigates with both the E-3A AWACS and Spruance class destroyers that Iran had ordered from the U.S.¹⁴⁴ The 1979 revolution as with many other programmes, put all the above plans, and any agreement reached, on the shelf.

The IN also had an aviation wing, consisting of fixed wing aircraft and helicopters, most of which were to be used primarily for anti-submarine warfare, escorting oil tankers through the Shatt al-Arab and providing support for amphibious landing operations.¹⁴⁵ The IN's aircraft inventory apart from 6 fixed-wing Shrike Commanders and four F-27s, included six P-3F Orion long-range maritime reconnaissance aircraft for patrol missions over the Persian Gulf, Arabian Sea and the Indian Ocean.

The six aircraft, which had cost Iran \$73 million and had been delivered in 1975, had upgraded computer and anti-submarine warfare capabilities.¹⁴⁶ The indications were that they were also to be fitted with the Harpoon air-to-surface anti-ship missile system.¹⁴⁷ Prior to the revolution, Iran had indicated an interest in acquiring thirty-nine additional P-3F Orion aircraft.¹⁴⁸

The IN's helicopter inventory, as well as four AB-205A, fourteen AB-206, six tanker escort gunship AB-212 and six assault S-65A, also included twenty anti-submarine Sea King SH-3D and six RH-53D.¹⁴⁹ The Sea King helicopters, in conjunction with the supply of a number of logistics support ships, were Britain's main contribution to the IN's inventory and modernization effort of the 1970s. Just prior to the revolution, Iran had shown interest in the procurement of fifteen more SH-3D helicopters.¹⁵⁰

The six RH-53D helicopters were ordered by the IN in December 1973 from the U.S., to be employed primarily for airborne minesweeping and secondary missions consisting of search and rescue, reconnaissance, logistic support, troop transport, medical evacuation and minelaying. A site survey was completed in Bandar Abbas in 1974, where the helicopters were to be based after the construction of the necessary facilities by 1976. Iran hoped to attain full maintenance and operational capability by 1981 but, due to a 2-year delay in construction work in Bandar Abbas and the subsequent selection of Bushehr as an interim

operational base, self-sufficiency in those two areas also had to be postponed.

Deliveries of the helicopters were completed in 1976, with a total of 159 IN personnel associated with the programme trained in the U.S. during 1975-1976. A number of U.S. personnel, however, were assigned to the programme; they included three TAFT personnel for about three years, seven contractor engineering technical services personnel for aircraft and countermeasure gear for 24 months, and thirty-five contractor maintenance and supply support personnel for 12 months. The latter two categories, however, were extendable, and were of particular significance, given the training difficulties that the Iranian electronic personnel were facing.¹⁵¹

The IN also possessed an amphibious capability which consisted of three marine battalions, designed for quick reaction to contingencies in the Persian Gulf such as guerrilla attacks on oil installations, tankers and the like. One of the units, called the Sea Ranger Battalion, was patterned on Britain's Royal Marine Commando units and could be deployed in the Gulf by helicopter, landing ships and hovercraft. Another unit was a small specialized group, called the Kharg Special Strike Force, which was deployed at Kharg Island with an anti-guerrilla mission. The third unit was a special forces group, patterned on the British SAS and U.S. Green Berets.¹⁵²

As stated initially, the IN's modernization effort in the 1970s

was geared towards the protection of sea lines of communication (SLOC) in the Persian Gulf and the adjacent waterways, particularly the safe navigation of oil tankers, from surface, subsurface and air threats. Its inventory of destroyers, frigates, fast patrol boats, helicopters, minesweepers, long range patrol aircraft, submarines and logistics ships, with their sophisticated anti-air / anti-ship / anti-submarine warfare capabilities and the naval air cover to be provided from the air bases at Bushehr, Bandar Abbas and Chah Bahar were all intended to enable Iran to undertake sustained naval operations, not only in the Persian Gulf, but also in the Indian Ocean.

Iran's Indigenous Defence Production Capability

Any discussion of Iran's military capability or modernization programmes during the 1970s is incomplete without dealing, if only briefly, with the plans for the establishment of an indigenous defence production capability. In order to hedge against any undue pressure from suppliers, this ingredient of the Shah's defence policy was imperative. It would not only contribute towards the task of fulfilling the constant need for maintaining and overhauling Iran's large weapons inventory, but was also hoped to disseminate necessary skills, create employment and prevent the continuous outflow of foreign exchange.¹⁵³

Starting in the 1930s, Iran had begun to produce some types of ammunition and rifles under licence from Germany. It was in the 1970s, however, that Iran's arms production started undergoing massive expansion. Iran Aircraft Industries (IACI), for example,

was set up in 1969 with the aid of the Northrop Corporation, an American company which owned 49% of the IACI's shares and was to provide managerial and organizational expertise. A further 49% of the shares were owned by the Iranian government and the other 2% by an Iranian bank. In 1975 Northrop's shares in the IACI were bought by the Iranian government, with IACI then coming to be operated by the Lockheed Aircraft Service Company and General Electric under contract.¹⁵⁴

The IACI's short term objectives were to satisfy the Iranian Air Force's strategic needs by performing sufficient maintenance services and spare parts fabrication without relying on outside help. Its mid-term goals consisted of satisfying the total maintenance and logistical requirements of the IAF and perhaps Iran Air, the country's civil airline. The IACI had far more ambitious long term objectives, which included production of spare parts under licence, performance of overhaul work on some components for all of the Middle East, assembly of remotely piloted vehicles (RPV), light civilian and transport planes, and finally, research on and development of an aircraft tailored to Iran's particular needs.¹⁵⁵

In concrete terms, during the 1970s, the IACI was involved in maintenance and overhaul work, which included modifications of engines, gearboxes and airframes for the F-5A/B/E and F-4 aircraft. The IACI had also started the production of computer software for the IAF and subassemblies, such as floor panels, with the latter, reportedly, competitive with similar products

from established firms such as McDonnell Douglas and Boeing.¹⁵⁶ According to the IACI Executive Briefing Progress Report of September 1975, airframe repairs had become larger and engine maintenance and overhaul more sophisticated. By 1975, the IACI was providing maintenance support for 200 F-4's T-59 and C-130's T-56 engines, with 90% of the former's components being overhauled and repaired in Iran. By the same year, 53% of the management positions were occupied by the Iranians. By 1977, the IACI employed 2,000 Iranians, 600 third-country nationals and 50 Americans.¹⁵⁷

Iran also entered into an agreement, in 1975, with the Bell Helicopter Company for the coproduction of 400 helicopters. Bell was to set up the facilities for assembly production of 400 model 214A tactical transport helicopters. The agreement, involving more than \$500 million, consisted of designing and building the facilities for helicopter production, the construction of housing and community support facilities to accommodate the Iranians and foreigners associated with the programme, and training the Iranians in helicopter assembly, production and management, with the ultimate aim of turning the industry over to the Iranians. The Bell Helicopter Company was to provide special tooling and components for the programme, which included avionics, engines, instruments, hydraulic systems, bearings and special materials. The agreement called for Bell to supply 500 engines, costing approximately \$110 million, with deliveries beginning in 1977. It was expected that the plant would continue to be operational beyond plans for the initial manufacturing of 400 helicopters.¹⁵⁸

In 1971, the Shah set up Iran Electronic Industries (IEI) in the southern city of Shiraz with the specific aim of maintaining, repairing and producing electronic weapons parts and systems. It was headed by Admiral Abbas Ardalan and had 2,500 employees, of whom 750 were Iranians with 400 classified as engineers.¹⁵⁹ In 1971, IEI entered into an agreement with Emerson, an American company, to repair the TOW and Dragon anti-tank guided missile systems for Pakistan and the Yemen. In 1975, IEI signed another contract with Emerson Electronics for the maintenance of electro-optical equipment, and later in the same year, a further agreement with Emerson and Hughes Tools for the coproduction of 2,000 TOW and 500 Maverick missiles. In 1976, IEI entered into another agreement with the British Aircraft Corporation (BAC) for the development and coproduction of 2,500 Rapier low-level anti-aircraft missiles under the joint Irano-British Dynamics Corporation.¹⁶⁰ The IEI had also entered into agreements for a telecommunication switch manufacturing plant and the manufacturing of advanced computer terminal products.¹⁶¹

Other major agreements in this area included the construction of an industrial complex to service and maintain Iran's Chieftain tanks, producing spare parts and ammunition for the latter as well as replacement parts for Iran's armoured vehicles.¹⁶² That factory, which was to start operation in 1980, was followed by Iran's agreements with Vickers for manufacturing and assembling a version of Britain's Chieftain main battle tank, called "Shir Iran", the development cost of which had been incurred by

Iran.¹⁶³ Though difficult to verify its degree and extent, the 1979 revolution seems likely to have had an adverse impact on Iran's programmes in the above sphere too.

The Shah's Military Build up and Strategy During the 1970s : A Critical Appraisal

Had the 1979 revolution not occurred, allowing time for the weapons that the Shah had purchased in the 1970s to be phased in and absorbed by his armed forces, Iran would certainly have been in possession of one of the, if not the, most sophisticated arms inventories in the whole of south-west Asia. This, however, should not be taken to mean that the Shah's military build up and strategy, during the 1970s, were flawless. The chief purpose of this section is precisely to highlight those problems with his defence policy, which have only been described up to now.

It has already been noted that the Shah's procurement policy was based on acquisition of the best technologically available military equipment and, in the words, of his chief military procurement officer General Toufanian, "tomorrow's system and not today's". While, to the late Shah, access to the state-of-the-art weapons systems might have sounded as a point of strength in his defence policy, it could also well be a major weakness.

The Shah's security threat perceptions have already been dealt with in the previous chapter. His solution was standard American: armoured and mechanized divisions, and a sophisticated airforce

and navy. Nowhere was that replication of Western and, in particular, the American approach in Iran's defence policy more visible than in the area of weapons procurement. The capital-intensive approach to defence, as adopted by the Americans, which was (and still is) a reflection of their technological prowess could hardly match Iran's requirements, which probably would have been better satisfied by a more labour-intensive military technology in tune with Iranian conditions, for example the dearth of skilled manpower.¹⁶⁴ The Shah's penchant for sophisticated military technology, nonetheless, was such as to overlook factors of that kind in his procurement policy. Some of the weapons systems which he was eagerly purchasing, such as the AWACS with its clear manifestation of the American proclivities for the technologically exotic, was one that even NATO initially had qualms about adopting, even though it could doubtless have made more effective use of them than Iran, given their more advanced technological base.¹⁶⁵

This shortcoming was one aspect of the the more general question: did the weapons systems procured by Iran match its military requirements and doctrine ? In other words, did military doctrine wag the tail of weapons procurement or vice-versa? What is being suggested is that Iran's specific military requirements should have been translated into an appropriate military doctrine with its weapons procurement policy then designed to fit it.

That point could probably be better demonstrated with reference

to Israel's military doctrine,

"Israel's military and national security problems are unique in many ways.... Israel has realized that it cannot adopt foreign doctrines of the bigger powers which are incompatible with its material capabilities, political situation, and cultural milieu. It had to find its own solutions for its problems. The reserve system, the weapon acquisition and procurement process, the logistical structure, and all other elements of this doctrine had to be tailored to Israeli needs, and on occasions had to be developed from scratch."¹⁶⁶

The Israeli experience could have served as an instructive model for Iran. However, if anything, the reverse seemed to be the case. By acquiring sophisticated state-of-the-art weapons systems from the U.S., and elsewhere which were designed primarily to deal with military contingencies primarily on an East-West basis and the subsequent formulation of a doctrine to fit the weapons at hand, the Shah had in fact adopted a policy which overlooked the specific context of Iran's military requirements.

Nowhere did that asymmetry between military requirements, doctrine and procurement appear more starkly than in the Shah's military strategy vis-a-vis the Soviet Union. This should have been tailored carefully to avoid a possible contest of wills between the two countries, based on material resources, firepower and Lanchester-type attrition models, given the preponderance of

Soviet military might. The Shah ideally had to pursue a relational strategy which was based on the application of relative strengths against the Soviet Union's known weaknesses. In order to counter a Soviet overland invasion from the north, the Shah had to exploit the advantages proffered by the Elburz-Zagros chain of mountainous terrain in conjunction with a force of light mountain infantrymen which emphasized manoeuver, stealth and hit-and-run tactics. While the unproven and hard-to-believe suggestion has been made (see the next footnote) that the above strategy, by exhausting and overextending the invading Soviet forces, would have set the stage for the latter's piecemeal annihilation by Iran, such a relational strategy was certainly more in tune with the Shah's doctrine of deterrence through the potential to inflict maximum possible damage and failing that, to conduct a delaying war.

Yet, the constitution of the Iranian army with its emphasis on armoured and mechanized divisions, which reflected the Shah's lack of appreciation of a relational strategy vis-a-vis the Soviet Union, would have spelled disaster for the Iranian army in a conflict with the U.S.S.R., given the Soviet Union's advantages in material resources, more advanced technology and better troop quality.¹⁶⁷

Iran's air and naval strategies vis-a-vis the Soviet Union also suffered from similar drawbacks. It ought to be mentioned in advance, however, that wars in the third world have been noted for their lack of sustained and prolonged naval and air

operations. This has been attributed, amongst other things, to reluctance on the part of military leaders in such countries to risk loss of their limited number of highly costly ships and aircraft, which leads them to resort to low-attrition operational tactics and to avoid major and decisive air and naval engagements.¹⁶⁸

Although one might be able to find exceptions to the above statement, in a confrontation involving a third world state such as Iran and a superpower such as the Soviet Union, if anything, the adoption of a low attrition operational doctrine by Iran was more likely, given the immense disparity in resources of the two countries. Had Iran, with its limited number of destroyers and frigates, decided to counter a hypothetical Soviet interdiction of oil traffic through the Indian Ocean, it would have either risked the destruction of its ships or have been forced into a policy of inaction precisely to avert that outcome. A less ambitious coastal defence oriented naval strategy, and the relegation of freedom of passage in the international waterways to international guarantees, would have been a wiser policy for the Shah to pursue. The Soviets also possessed the capability to overwhelm Iran's fleet of fighter interceptors. Thus, a more appropriate strategy for the latter for countering the Soviet air threat would have been investment in the cheaper ground-based air defence systems.¹⁶⁹

It has been remarked that third world countries lack the "organizational depth" to support prolonged operations by their

armed forces, given their dependence for logistics and maintenance support on external sources. This has bestowed upon such sources great leverage for influencing the direction and conduct of warfare.¹⁷⁰

As seen already, the Shah was aware of that potential leverage wielded by the U.S. and was trying to hedge against any undue pressure by the latter during a putative conflict by stockpiling spare parts. Though this policy could have eased the short term impact of an immediate cut off in the U.S. supply of spare parts during a conflict, it was difficult to imagine how the Shah envisaged sustaining operations for long without an assured flow of supplies. Unless based totally on domestic sources of technological know-how and production, which Iran did not possess, it was difficult to perceive how the Shah envisaged freeing himself from dependence on U.S. logistical and maintenance support.¹⁷¹

In the 1970s, the Shah had initiated his policy of military modernization without either the necessary industrial base to satisfy the logistical requirements of Iran's new weapons systems, or the educational base to provide for its maintenance demands. Iran's logistics system was totally integrated into that of the U.S., with the effect that an Iranian logistics officer obtained the same spare parts as that of his American counter-part for an identical system. Given such a degree of dependence on the part of Iran, the U.S. could, over time, bring to a halt operation of those systems by cutting off the flow of

relevant spare parts. Procurement of ever more sophisticated weapons systems by Iran from the U.S., if anything, reinforced this dependency.¹⁷²

Another leverage wielded by the U.S. stemmed from its supply of maintenance support by its military advisory personnel provided for the weapons systems purchased by Iran. When dealing with the expansion of Iran's military capability in the previous sections, the role of American military personnel in various maintenance support functions was highlighted and in the forthcoming section the issue will be more fully explored. This was how the situation was summed up by an official U.S. report,

"...in mid-1978 almost 9,500 Americans were in Iran working in the defense sector. Iran's military reliance on the U.S. is so critical, in fact, that if U.S. support were withdrawn, the Iranian armed forces probably could not sustain full-scale hostilities for longer than two weeks."¹⁷³

Another official U.S. assessment in 1975 had also made a similar point, "...at the present time U.S. influence permeates virtually all levels of the Iranian military structure so that a withdrawal or even a sharp reduction of that presence would adversely affect Iranian combat readiness."¹⁷⁴

The lessons of the post-revolutionary period, in the above two respects, could probably substantiate what has been said. The

cut off from the Western supply of spare parts and withdrawal of maintenance support after the 1979 revolution, did cause major operational readiness problems in the Iranian armed forces. Indications were that, when the war of 1980 with Iraq erupted, Iran's ground forces had serious difficulties in maintaining and supplying spare parts for their U.S. and British made equipment such as Chieftain tanks and helicopter gunships. Similarly, the Iranian Air Force also had most of its F-14s and as many as 40-65% of its F-4s and F-5s inoperable, with their sensor, warning, maintenance and logistics systems beginning to break down. Nor was the situation much different in Iran's capability to employ its ground-based air defence surface-to-air missile system such as the I-Hawk.¹⁷⁵

While the withdrawal of Western maintenance and logistical support did create major readiness problems, the lack of supplies apparently proved a more intractable problem, particularly in the Air Force with its high rate of depletion and requirement for substitute parts. The maintenance shortfalls after the withdrawal of expatriate personnel were apparently made up to a large extent through the added efforts of the Iranians themselves.¹⁷⁶

Had the U.S. intended to exert pressure on Iran, under the Shah, by cutting off the flow of supplies and maintenance support (as it did after the 1979 revolution) there could be no reason to believe that the outcome would have been any different from what it was during the latter period; this undermined the Shah's theory of military self-sufficiency.

Given its colossal defence expenditure under the Shah, during the 1970s, and an across-the-board increase in Iran's military capability, a crucial question hinged upon the effectiveness of the military as a fighting force. Iran's armed forces had not been battle-tested since the Second World War, with the exception of limited actions in Oman, along the border with Iraq and, in the 1960s, against some tribal groups. Given the lack of concern to prepare for eventual combat and the consequent lack of a sense of urgency by the Iranian officer to develop his skills or increase his knowledge, some American advisors used the term "playing soldier" to describe the Iranian serviceman.¹⁷⁷ However, apart from the shortcomings associated with it as a peace-time army, a number of other more fundamental factors also tended to detract from its combat-effectiveness.

The Shah's colossal arms purchases, during the 1970s, took place without due regard to the ability of his armed forces to absorb and use them. This created severe trained manpower shortages and an overstretching of existing personnel, with the overall effect of downgrading operational effectiveness. All the three services suffered from acute difficulties in recruiting, training and retaining the necessary personnel to meet the demands imposed upon them by their acquisition programmes.¹⁷⁸ Given the massive infusion of new systems, particularly into the Air Force in the 1970s, major manpower and utilization problems were bound to occur. The Air Force, in order to make maximum use of its available manpower and to offset shortages, had undertaken major reorganizational initiatives. Suggestions from the U.S. were

aimed at the improvement of its recruitment methods, retention of military personnel and better utilization of conscripts and other personnel in skilled and semi-skilled jobs. In May 1976, for instance, a major reorganization of Iran's Air Defence Command led to overall manpower savings of 6,500 who were expected to make contributions to the Air Force's Tactical Air Command's technical force. In another instance major manpower savings were to be achieved through reorganizing Tactical Air Command's maintenance and support areas.¹⁷⁹

In spite of the above reorganizational efforts, and given the size of its modernization effort and the acquisition of such systems as the I-Hawk, F-5, F-4, and F-14 the Air Force's trained manpower base was severely taxed, creating major absorption problems. If anything, the expected procurement of additional systems such as the F-16, F-18 and AWACS would have exacerbated still further the Air Force's absorption problems.¹⁸⁰

In the Air Force, however, combat effectiveness problems were not aggravated merely through the procurement of new systems without due regard to the availability of trained manpower. Introduction of new equipment and the shift of trained manpower from the old to the new systems meant that the pilots and technical maintenance personnel were kept in a constant state of turmoil, without having the opportunity of gaining the mastery of one system before jumping to the next and, hence, the ability to form effective units for the efficient utilization of aircraft.¹⁸¹

Nor was the situation much different in the other two Iranian services. It has been claimed that informed Western experts gave the Iranian navy low effectiveness ratings. It suffered from severe problems of manpower quality as well as maintenance and logistical problems, it was unable to utilize its sophisticated sensors and weapons effectively, and had difficulty in conducting even simple coordinated operations.¹⁸²

The massive infusion of weaponry into the army, ranging from small arms, anti-tank weapons, mortars, heavy artillery, tanks and helicopters, also put severe strain on its skilled manpower base and, in spite of the massive presence of large numbers of foreign experts, the equipment was poorly maintained and indifferently operated.¹⁸³ Indeed, one analyst has noted that the poor performance of Iran's armour in the early stages of the war against Iraq had to be attributed to the disparity between the former's pool of trained manpower and the number of tanks which it was acquiring but could not expect to be able to utilize effectively.¹⁸⁴

Given time and training, the Iranian armed forces could have gained mastery of the new equipment which they were acquiring in the 1970s. Indeed, it was suggested by a 1976 American survey of Iran's political scene which, inter alia, dealt with the armed forces that, ".... the top command [of the Iranian army] in recent years has generally received good marks for competence from their American counterparts. The senior officers in the Iranian armed forces are a career-oriented, increasingly

well-trained group..."¹⁸⁵ But as things stood in the 1970s, and as mentioned above, Iran's armed forces suffered from major combat-effectiveness problems.

Other factors also detracted from the combat effectiveness of the Shah's armed forces. The Shah's concern for the survival of his regime, in particular against a military coup, lowered the army's combat-effectiveness in a number of ways. The Iranian armed forces lacked the mechanism for joint training and coordination. There was a Supreme Commander's Staff which dealt with personnel, intelligence, operations, logistics, plans, communications and fiscal matters. The chain of command ran from the Shah directly to the Chief of Supreme Commander's Staff and from there to chiefs of the three services, who did not have any joint organization for coordination. It was the Shah's policy to separate the headquarters of his armed services and centralize control in his own hands, so as to safeguard his regime against any possibility of a coup by the military and, in the process, prevented them from conducting combined-arms operations.¹⁸⁶

For instance, it was remarked that there were no means for coordination and liaison between the Navy and the Air Force under the Shah,¹⁸⁷ which by extension would have cast serious doubts on the feasibility of, say, air-cover for the Navy by the IAF. Such an arrangement also ruled out the possibility of coordinated action between the Air and Ground Forces. It seems that the isolation of different branches of the armed forces was not only an inter-service arrangement, but in certain respects was also

extended to intra-service coordination. It was known that Iran's armoured units had neither the joint training nor the means for interoperable communications, making them unable to employ tanks in combined-arms teams or in manoeuvre, as opposed to semi-static set-piece operations.¹⁸⁸

In order to ensure his control the Shah pursued a policy of actively promoting rivalry amongst and within the services, thus undermining their unity. He had concentrated all the military decision-making in his own hands, thereby stifling innovation, initiative and the emergence of leadership qualities. Finally, he instituted an overlapping network of spies for monitoring the armed forces, leading to the erosion of morale.¹⁸⁹

Imperatives of the internal security of his regime had also militated against the Shah's formulation of an operational doctrine and its dissemination within the armed forces at the staff level.¹⁹⁰ The evidence suggests that, until late in his reign, the Iranian armed forces thus lacked any formulated operational doctrine, given the Shah's preference to carry all such concepts in his head, and not put them on paper for study or evaluation by the country's officers. However, in 1978 General R Huyser, the Deputy Commander-in-Chief of the U.S. European Command, was entrusted by the Shah with the task of formulating just such a doctrine (though its dissemination was probably overtaken by the revolution), so that his armed forces would be able to utilize their newly-gained weapons more effectively.¹⁹¹

Upon completion of the Shah's defence modernization programme, Iran's military arsenal would have grown into quite a formidable force, at least on paper if not in fact. The extent to which the choice of weapons that the Shah was purchasing evolved out of sound and wise evaluation of the context of Iran's military requirements, the absorptive capacity of Iran's armed forces and the ultimate utility of procured arms, however, were open to serious doubt.

The U.S. Military Advisory Effort in Iran

The role of American military advisors has so far been dealt with only as a subordinate element in the process of exposition of Iran's military modernization programmes. An evaluation of the U.S. military advisory effort in Iran, with emphasis on its constituent components and sub-components, main functions and an overall evaluation of its role is now in order.

With the gigantic increase, during the 1970s, in the volume of its arms sales to Iran, and Iran's lack of the requisite skill base to absorb them effectively, it became necessary to increase the level of American military advisory commitment to Iran, to back up the acquisition of highly sophisticated weapons systems and ease their successful integration into its armed forces.¹⁹² The total number of Americans in Iran jumped from a low of just under 10,000 in 1972, to a high of well over 50,000 by 1978, with a high proportion of the total being American military personnel, and their dependents.

Number of Americans in Iran

Year	U.S. Employees	U.S. Dependents	Other Americans	Total
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1972	299	1,128	7,660	9,087
1973	434	1,502	8,062	9,998
1974	227	1,376	10,600	12,203
1975	295	1,867	16,972	19,134
1976	334	1,818	20,382	22,534
1977	545	1,539	40,061	42,145
1978	566	1,347	52,028	53,941

Source: J D Stempel, Inside the Iranian Revolution (Bloomington, Indiana University Press, 1981), p. 74.

The U.S. military advisory effort in Iran was not a new phenomenon and, as we have seen, dated back to the Second World War period. In the 1970s, as before, the U.S. security assistance programme was implemented by a multiplicity of agencies. The oldest component of American military advisory effort in Iran was that affiliated with the latter's gendarmerie (GENMISH), for which an agreement had been signed between the two countries in 1943 and which continued to function throughout the 1970s until the success of the revolution in 1979. GENMISH was responsible for advising the Iranian gendarmerie on matters of organization, training, disposition of subordinate units, utilization of equipment and related matters.¹⁹³

Two other components of U.S. military advisory assistance in Iran, during the 1970s, consisted of the Army Missions Headquarters-Military Assistance Advisory Group (ARMISH-MAAG) and the Technical Assistance Field Teams (TAFT), with the former dating back to the 1940s. The Chief of ARMISH-MAAG (CARMISH-MAAG) was in effective control of all the U.S. military units, related to security assistance, which operated in Iran. The CARMISH-MAAG was the main person responsible for keeping the American Ambassador informed about U.S. military activities in Iran and for conveying his directives to U.S. military units. Coordination between the American Ambassador and the CARMISH-MAAG was made through the Embassy's political-military section.¹⁹⁴

One of the CARMISH-MAAG's main functions was to advise Iran's senior military leaders. He was to act as an advisor to Iran's Chief of Supreme Commander's Staff and the Shah, with whom he held regular discussions on Iran's defence requirements. Furthermore, each of the major directorates of Iran's Supreme Commander's Staff such as Intelligence, Logistics, Plans and Programmes and Management had one or more ARMISH-MAAG members, usually of the rank of colonel, attached to them. Moreover, members of each of ARMISH-MAAG'S three sections- army, navy, and airforce- were colocated with the senior staff offices of counterpart services in different parts of Tehran.¹⁹⁵

Apart from the above staff functions which were intended to increase the military competence of Iran's armed forces, ARMISH-MAAG also performed a number of other missions which

included advice on weapons procurement by the Iranian armed forces, assisting the latter to assimilate the weapons which it was acquiring from the U.S., and the management of Foreign Military Sales (FMS) to Iran. Unlike the previous decades, when the Military Aid Programme (MAP) and its system of providing Iran with military hardware on a grant basis, gave ARMISH-MAAG direct influence upon Iran's weapons procurement policy, the 1970s, with Nixon's commitment of May 1972 and Iran's willingness to pay cash for its arms purchases, saw a marked decline in the ARMISH-MAAG's ability to influence Iranian decision-making. But with the increase in its arms purchases and its lack of expertise to handle U.S. arms manufacturers, Iran had requested ARMISH-MAAG assistance in the management and contracting of its arms purchases.¹⁹⁶

In order to carry out its duties, the ARMISH-MAAG organization was divided into the directorate of support, directorate of acquisition and case management, directorate of communications electronic management, directorate of plans policy programmes, and directorate of personnel support management.¹⁹⁷

It is difficult to describe with pinpoint accuracy responsibilities of the directorates, with the exception of the last two, for which some evidence is available. The directorate of personnel support management, which acted as the coordination agency for all U.S. personnel policy matters, inter alia, served as the ARMISH-MAAG's chief advisor on matters related to U.S. support mission policies, kept ARMISH-MAAG informed about

health, morale and well-being programmes, prepared manpower programmes for the ARMISH-MAAG and TAFT, and served as the main coordinating agency for new or revised support policy matter. The directorate of plans policy programmes, inter alia, was responsible for conducting systems analysis and preparing studies related to the acquisition of U.S. defence equipment by the Iranian armed forces and the formulation of an ARMISH-MAAG position on the proposed weapons acquisitions based on Iran's requirements and absorptive capacity on the one hand, and the U.S. capability to deliver on the other.¹⁹⁸

With its programme of military expansion, it was felt that, in order to be able to integrate fully its new weapons, Iran would require an increased number of U.S. technicians to make its modernization programme successful. However, in the late 1960s and early 1970s, the U.S. Congress was imposing restrictions on the number of American MAAG personnel serving abroad, necessitating the creation of a new organization and a new concept in the form of Technical Assistance Field Teams (TAFT) so as to satisfy the necessary new technical requirements of Iran's armed forces.¹⁹⁹

TAFTs were to be "short term" teams, with the aim of concentrating on the introduction of new weapons systems and their associated logistics systems, and to train instructors for the new equipment. The phrase "short term" in the case of Iran, however, had to be used with some qualifications since it was thought that, given the absorption problems faced by the Iranian

armed forces, the TAFT teams were likely to remain in Iran for a good many more years than was originally intended. Unlike MAAG, most of whose members were based in Tehran, since the TAFT teams were to provide technical advice on the sophisticated military equipment which was dispersed all over Iran in various bases, so were the TAFT teams associated with different programmes.²⁰⁰ The TAFT teams performed a variety of functions, with the table below providing a sample:²⁰¹

TAFT FUNCTIONS

AIR FORCE

ARMY

COMMUNICATIONS/ELECTRONICS

AVIATION

F-4 MAINTENANCE

LOGISTICS

F-5 MAINTENANCE

MAINTENANCE

AIRCRAFT WARNING AND CONTROL LOGISTICS

SIGNAL

F-14 PROGRAMME

I-HAWK PROGRAMME

TAFT SUPPORT

TAFT SUPPORT

NAVY

LOGISTICS AND SUPPLY

TAFT SUPPORT

F-14 PROGRAMME

CIVIL ENGINEERING

SHIP OPERATIONS

P-3 PROGRAMME

COMMUNICATIONS

HELO OPERATIONS

PERSONNEL

AVIATION MAINTENANCE

TRAINING AND TRAINING AIDS

REPAIR

FINANCIAL MANAGEMENT

MAINTENANCE

Source: United States Arms Policies in the Persian Gulf and Red Sea Areas: Past, Present, and Future, Report of a Staff Survey Mission to Ethiopia, Iran and the Arabian Peninsular, House

Committee on International Relations, 95 Cong. 1 sess (GPO, 1977), p. 143.

The number of U.S. security assistance related personnel in Iran, during the 1970s, varied from year to year, with the table below providing an indication of the number of official U.S. military personnel in Iran in 1977:

	MILITARY	CIVILIAN	TOTAL
MAAG	176	15	191
TAFT	447	25	472
OTHER SECURITY ASSISTANCE RELATED	17	81	98
SUPPORT	357	44	386
OTHERS	62	84	161
TOTAL	1,059	249	1,308

Source: R K Webster, Report for the Secretary of Defense on the Implementation of the United States Foreign Military Sales Program in Iran (n. p. 1977), p. 8.

The cost of the U.S. military advisory effort in Iran was met fully by Iran, with the exception of four MAAG positions, which were paid for by the U.S. government.²⁰²

It has already been indicated that there was a large presence of American defence-related civilian personnel, totalling as many

as 5,800 in 1977 (many of them being retired from the U.S. military). Without going over what has already been dealt with, suffice it to say that the defence contractor civilian personnel constituted another significant element of the U.S. military advisory effort in Iran.

Up to now, the main functions and components through which the U.S. carried out its security advisory role in Iran have been delineated, without offering any evaluative account of such a presence, which is what will be attempted at this point. It was indicated earlier in this section that Nixon's decision of 1972 and the increase in Iran's financial resources during the 1970s had reduced the U.S. military advisory group's ability to influence Iran's procurement decisions, with its role reduced to that of a purchasing agent for the government of Iran. If anything, as seen in the previous chapter, the pressures from weapons manufacturers to sell their products, and the parochial interests of U.S. military services to promote Iran's acquisition of certain systems, served to reinforce the purchasing intermediary role of the U.S. military assistance advisory group. That role, however, conflicted with the MAAG's advisory function of restraining Iran's arms purchases to match its capabilities effectively.²⁰³

Moreover, Iran was dissatisfied with the prices of various defence equipment and services which it was purchasing from the U.S.²⁰⁴ In particular, the Iranian government was dissatisfied with the ARMISH-MAAG's inability to furnish it with firm data on

the weapons-acquisition and follow-on costs such as training and maintenance. That had the effect of leading to the revision of prices, most of the time upward, as with the Spruance-class destroyers, after an order had been placed.²⁰⁵ The costing revision could have been brought about by the delicate and difficult relations between the U.S. services' acquisition commands and the weapons manufacturers, which made the former unwilling to apply the same management pressures on the latter, as they would in case of their own procurements, despite commitments to Iran in the Letter of Offer and Acceptance (LOA) to do so.²⁰⁶

There was also some criticism of the quality of U.S. advisory personnel assigned to Iran, which could have been bettered. It was indicated that, since the U.S. forces did not sufficiently understand Iran's strategic role (which, moreover, was located in a part of the world with no contact with the U.S. military services) it came to be regarded as peripheral to their own concerns. Therefore, the services did not look with any degree of sympathy upon diverting their first class personnel, in short supply and needed by the U.S. forces themselves, to Iran.²⁰⁷ Indeed, the General Accounting Office, the Congressional watchdog, had also indicated in a confidential report the drain that Iran's arms purchases were imposing on the skills much needed by the United States armed forces.²⁰⁸

A contrast was noted between the philosophies of U.S. uniformed and civilian military advisory personnel; the former adopted the

objective of doing themselves out of a job as quickly as possible through the development of self-sufficiency in the host armed forces. The private defence contractors, however, had the goal of securing long-term service contracts, with no haste to complete an assigned job. That meant less value for money for Iran.²⁰⁹ The following quotation, by the last American Ambassador in Iran before the revolution, is probably an accurate illustration of the point made above,

".... Bell [Helicopter Company] had become the largest single American employer in Iran... The information from the Department of Defense and State made the Bell operation almost open-ended... with no indication when the entire operation could be phased out and turned over to the Iranians to run... It looked to me as though Bell was planning to stay permanently in Iran and indeed to meet much of its operating budget from the Iranian enterprise"²¹⁰

In particular, amongst the defence contractors there were reports of attrition in qualified personnel. The experience of life in Iran meant the necessity to make cultural adjustments and getting used to a new environment. Furthermore, the political conditions under which the American personnel were required to work could be very tense. Those who failed to make the necessary adjustments, decided to leave.²¹¹

The final point to be made concerns the relationship between

U.S. military advisors and their Iranian counterparts. The relationship did not seem to have been marked by any serious friction, with the only exceptional irritant apparently being the Americans' higher living standard.²¹² In certain cases, some American technicians cost Iran \$150,000 per annum, while the average cost of American defence personnel was estimated to be \$9,000 per month.²¹³ The U.S. military personnel's high living standard was not only an irritant to their Iranian counterparts, it was also a source of discontent in the Iranian armed forces when some of its members could apparently hardly even make ends meet.²¹⁴

Some high ranking members of the Iranian military establishment (above the rank of colonel) developed close ties of friendship with their American counterparts. But, as the senior Iranian officers came to grow in independence and confidence, they came to view,

"....their advisors more as occupants on call rather than... involved participants ... For the most part, senior Iranian officers use their advisors as a useful resource i.e. as skilled officers who can supply or obtain technical information. Advisors are also seen as a means of advancing a proposal which might prove career-threatening or represents a sufficiently radical departure to require outside support."²¹⁵

The Iranian officers below the rank of colonel, with whom the

American military personnel did not have that much close contact, sometimes seemed,

"...to resent the special position held by foreign advisors, feeling that Iran should be independent of such outside influence. This attitude may be based as much on youthful exuberance as on political or ideological motivation, but in the proper circumstances it could acquire political content."²¹⁶

With the exception of some irritation over living standards and a sense of latent resentment in some of the lower-ranking Iranian officers (which, as far as the evidence indicates did not lead to any expression of open hostilities), the relationship between the American military personnel and their Iranian counterparts was not marked by any significant friction and could be characterized as businesslike.

The Economic and Political Repercussions of Iran's Military Build up in the 1970s

The Shah's military build up of the 1970s had certain undeniable economic and political repercussions which, in conjunction with a number of other factors, the delineation of which are beyond the scope of this work, directly or indirectly contributed considerably to the revolutionary upheaval of 1979 and the subsequent downfall of his regime. The chief purpose of this section is to highlight those economic and political consequences of the Shah's defence policy in the 1970s.

The level of Iran's military expenditure during the 1970s has already been considered. According to one view, military expenditure in the third world is wasteful, diverts scarce financial and non-financial resources from the more productive sectors of the economy to the non-productive military channels, and can pave the way for social tension and instability in those societies. A contrary viewpoint stresses the beneficial spin-off effect of military expenditure on the developmental process in third world countries through the dissemination of needed skills, the transfer of advanced technologies and such infrastructural investments as ports and airfields.

According to the first viewpoint, third world societies should make hard decisions concerning their social expenditure on "guns versus butter," given the detrimental effect that military spending produces on economic growth. In the second view, military expenditure and economic growth need not hinder each other, with the former, indeed, contributing to the latter.

Bearing in mind those two contrary viewpoints, the question is whether Iran's military expenditure was harmful to its development process and its long term stability. The first question to be posed is to what extent the diversion of financial resources into military purchases hampered Iran's economic development and, by causing imbalances in the country's civilian and welfare sectors, laid the groundwork for the fissiparous tendencies of the late 1970s, culminating in the revolution of 1979.

Some have, indeed, maintained that the crisis of 1978-79 in Iran was precipitated by the country's high military expenditure and the Shah's inability to alleviate the socio-economic grievances of those classes which were the bedrock of his support through the allocation of sufficient resources. It was reported in a series of postmortem articles on the causes of the Shah's downfall, that an economist on the State Department's Policy Planning Staff had warned in 1977 that Iran by diverting 25% of the country's budget into the military sector, "will face rising social and economic tensions unless it re-orientes government spending," since the Shah, "will have insufficient financial resources to head off mounting political dissatisfaction, including discontent among those groups that have traditionally been the bedrock of support for the monarchy." On the Shah's regime's failure to provide adequate housing, transport and energy, the same economist's analysis had gone on to argue that, "the Shah and his advisers cannot avoid making the difficult trade-offs among spending priorities that other developing countries, even richly endowed developing countries, have always had to make."²¹⁷

Such interpretations tend to belie the context within which Iran's military spending in the 1970s under the Shah was taking place, being one of cash surplus which was the result of the four-fold rise in the price of oil in late 1973. In order to assess the practicality of injecting additional resources into the civilian sector of the economy in the 1970s, one has to look at the alternatives which were available to, and actually pursued

by, Iranian planners for coping with the sudden increase in the country's financial resources, after the 1973 oil price rise.

This oil price rise occurred at a time when Iran's fifth five-year economic plan (1973-1978) had already begun, and led to its revision in 1974, in accordance with the Shah's wishes. The revised plan, which called for the allocation of extra resources in domestic expenditures (from the original 1,545.8 billion rials to 2,848.5 billion rials), took shape only upon advice by those who argued that, given the Iranian economy's absorptive capacity, the major constraint on the country's development was not financial, but rather infrastructural in terms of human capital and port capacity and that, should the revised plan be implemented, inflation and other bottlenecks would result.

Shah's own futile and abortive wish for Iran to accede to the ranks of the five leading industrial powers of the world in as short a period of time as possible and the subsequent adoption of the revised plan, the country's economy was pushed into a state of "high-gear" for the next two years. However, as previously predicted by the country's technocrats, inflation and shortages in manpower, electricity, construction material and port facilities necessitated the introduction of economic austerity measures in the 1976/77 time-frame. It may also be mentioned that the "loads of money" economy of the 1974-76 period was, indeed, to spell "loads of trouble" for the Shah when the austerity measure programmes got under-way in 1976, with an ensuing unfulfilled revolution of rising expectations

contributing in no small way to the ultimate demise of the Shah's regime in the late 1970s.²¹⁸

Bearing in mind what has been said concerning the cash overload in the Iranian economy, and the subsequent difficulties that it caused, it is hard to accept the views of those who argue that, by axing its military expenditure and its subsequent diversion into the civilian and welfare sector of the economy, the Shah could have averted the political crisis of 1978-79 period which led to his overthrow. Put in a nutshell, given the country's cash resources in the 1970s, Iran was in a position to be able to afford both guns and butter at the same time. Indeed, one could expect that, had the country's military expenditure, or a portion of it, been diverted into the civilian sector, it could not but have exacerbated the fissiparous tendencies, as described above, still further. After his overthrow, and in defence of his military spending during the 1970s, the Shah had this to say,

"...our assemblage of a formidable military force in the Middle East has resulted in the charges of careless spending of Iran's money while my people are deprived of basic needs.... As for robbing the Iranian people of their living essentials in order to pay for armaments- nothing could be further from the truth. After paying for these armaments, Iran had a reserve of \$12 billion in foreign currency."²¹⁹

The Shah's statement merely corroborates what has been said above

concerning the invalidity of a "guns versus butter" debate, in the specific Iranian context of the 1970s and could be accepted with no difficulty. However, if cash was not a chronic problem in the 1970s for Iran, it was rather its injudicious injection into the economy which had caused inflation and created other bottlenecks. It cannot, however, be denied that the country's military expenditure did help to reinforce those tendencies towards an over-heated economy in at least three ways.

Firstly, the rapid numerical expansion of the armed forces and the vast import of high-technology military items necessitated increased demand for semi-skilled and skilled manpower which, given the civilian sector's own manpower requirements as a result of its over-ambitious development projects, caused internal competition, and led to the attempt to bid away labour by offering higher wages, hence contributing to the inflationary cycle.²²⁰ The lack of any mechanism to coordinate the manpower requirements of the military and non-military sectors was unlikely to ease competition between the two.²²¹

Secondly, there was competition between the military and civilian sectors of the economy for scarce materials, especially construction materials such as cement, brick and steel, with the priority being given to the armed forces' requirements. It not only slowed down the construction of new housing units to be built by the country's private sector, but also encouraged the latter to pay any price so as to obtain its requirements, causing their prices to soar.²²²

Finally, the expatriate community, a large number of them American and related to the Shah's defence build up, were willing to pay quite high prices to gain access to the best housing which not only pushed up the cost of rented accommodation but also caused resentment amongst the indigenous population by doing so.²²³

All the arguments about the beneficial or harmful effects of Iran's military expenditure in the 1970s aside, indications were that the Shah hoped that his defence modernization programme would help spur the country's economic development through the dissemination of skills, contribute to the country's industrialization programmes and, finally, improve the general standard of living.²²⁴ It has been seen how Iran's military modernization programme in the 1970s had led to extensive training programmes and the creation of new defence industries. In his post-overthrow memoirs, furthermore, the Shah touches on his philosophy of employing Iran's armed forces in the countryside in order to improve hygiene, literacy and agricultural productivity.²²⁵

The underlying philosophy concerning the spin-off effect of military spending into the civilian economy, however, must be cast against a number of counter-arguments. Firstly, capital-intensive and sophisticated military technology, of the type which the Shah was importing, required highly specialized skills with low spin-off effects into the civilian economy. Secondly, such military technology was likely to divert as much

skilled manpower as it trained. Finally, doubts were expressed about the possibility of one sector of the economy acting as a vanguard for the others.²²⁶

Whatever the merits or demerits of the Shah's defence programme in the 1970s, it is difficult to attribute the social unrest of 1978-79 period, which led to his overthrow, to Iran's military expenditure during that decade. At the most, what the Shah's military spending spree of the 1970s could have done, was to reinforce certain tendencies which were released within Iran's "over-heated" economy, thus contributing to the country's revolutionary upheaval in a subtle and indirect manner.

The same, however, probably could not be claimed of the political repercussions of the Shah's defence policy, which seemed to have been interrelated in a more direct fashion to the revolution of 1979, producing effects, at least, on three levels. Firstly, the defence build up of the 1970s, which was taking place under the aegis of Nixon doctrine, had an undeniable impact upon the Shah's own psychology and personality.

Iran's newly-gained military power and newly-acquired regional influence and prestige came to make the Shah increasingly oblivious to the "down-to-earth" realities of the conditions prevailing in Iran, and intolerant of criticism and advice even from amongst his own inner circle; this combined with the lack of any system of checks and balances to rectify his mistakes, set the stage for the Shah to slip into a world of fantasy and

self-delusion. Fereydoun Hoveyda, who was once Iran's representative to the U.N. under the Shah, recounted in his memoirs what his brother Amir Abbas, the Shah's longest-serving Prime Minister, told him after returning from one of his meetings with the Shah in the late 1970, "I don't know what's happening to him. He doesn't listen anymore. Discussions get on his nerves."²²⁷ To Hoveyda, the change in the Shah's personality was attributable to the Nixon doctrine and, his mesmerization by a false sense of grandeur and greatness which made him increasingly unwilling to see his policy mistakes during the 1970s, eventually paving the way for his own overthrow and the revolution of 1979.²²⁸

Secondly, the monumental military build up and expenditure of the 1970s had provided ample opportunities for rampant corruption within the higher echelons of the armed services, leading to demoralization amongst the lower ranks and erosion of the higher ranks credibility in their eyes. The corrupting influence of the Shah's massive arms purchases on the integrity of the high ranking members of his armed forces, and its scale, did come into the open from time to time, especially in U.S. Congressional sources.

For instance, in connection with the nomination of an ex-president of the Bell Helicopter company to chair the Board of Governors of the U.S. Federal Reserves Board, extensive investigations and hearings were carried out by the U.S. Congress into the alleged payment of \$2.9 million by Bell to Air Taxi, an

Iranian company in which a one-time Commander-in-Chief of Iran's Air Force (General Mohammad Khatami) had an interest, so as to represent and promote Bell's interests in Iran.²²⁹ Eventually, it was admitted by an Iranian source that Bell had, indeed, paid \$2.9 million to Air Taxi, when it won a lucrative \$501 million contract from Iran, in 1973, to deliver 489 helicopters to the Iranian army.²³⁰

After the success of the revolution, a U.S. official associated with the foreign military sales programme to Iran, had this to say about corruption in the latter's armed forces,

"senior military officers obtained vast wealth from commissions. The Shah's brother-in-law and then the head of the Air Force, Mohammad Khatami, became involved in highly publicized contingency deals for Air Force which netted him millions. The Vice Minister of War for Armaments, General Hassan Toufanian acquired equal visibility for similar commissions operations."²³¹

General Abbas Gharebaghi, the last Chief of the Supreme Commander's Staff under the Shah, concedes in his memoirs that rampant financial corruption among high-ranking officers and the resultant loss of confidence in the armed forces that it caused amongst the lower ranks, was one factor behind the army's failure to contain the mass uprising of the 1978-79 period and its eventual disintegration under the weight of revolutionary onslaught.²³²

Finally, the Shah's massive arms purchases, and his perception of Iran as the "regional policeman", came to generate a simmering undercurrent of popular opposition to his foreign and defence policies. The Shah's policy of tight military-security relations with the West, particularly the U.S. as reflected in massive arms purchases, an active diplomacy in the area covering the whole of south and south-west Asia concomitant with the role of "regional policeman", and the high-profile presence of Western experts and technicians totalling 100,000 were looked upon as detrimental to Iran's interests, to be more beneficial to the West and, therefore, viewed with extreme suspicion, if not outright hostility, by many Iranians.²³³

Given the lack of public-opinion polls under the Shah, it is difficult to indicate with pinpoint accuracy the scale of popular opposition to his foreign and defence policies. One might, however, gain an insight into the depth of dissatisfaction with the Shah's policies by noting that, during an informal survey of 50 government officials and private citizens by the American embassy in Tehran in 1976, serious reservations were revealed concerning Iran's arms purchases and the ability to maintain them.²³⁴

During the 1970s, as a sign of hostility to the Shah's close ties with the U.S., American citizens in Iran became the target of guerrilla assassinations, with four U.S. military officers being gunned down between 1973-1976. Moreover in August 1976 three civilian employees of Rockwell International which was

engaged on a signal intelligence project in Iran, were also killed.²³⁵

All of the Shah's opponents were opposed to his defence policy in the 1970s, with it constituting a rallying point against him. For instance, Ayatollah Khomeini, who led the revolution of 1979 against the Shah, in one of his speeches criticizing the former's policies immediately before his downfall stated that,

"....The Shah is implementing the imperialist policy which strives to keep Iran backward... The Shah has squandered the oil revenues on buying [sophisticated] weapons at exorbitant prices. This undermines Iran's independence...."²³⁶

According to one American official, who was in Iran during the 1970s,

"by 1977 the monarch appeared to be so closely tied to the United States that he was [seen to be] working for American aims, rather than Iranian goals. Those who saw the military build-up as unnecessary asked why it was being done. The opposition answer was that 'the puppet Shah is slavishly carrying out the whims of American imperialism.' The monarch's regional ambitions were no longer considered to be in the country's best interests...."²³⁷

Needless to say dissatisfaction with the course of the Shah's foreign and defence policies, not only contributed to the revolution against the latter, but also became reflected in increasing anti-Western sentiments during and after that event.

Conclusion

The prime objective of this chapter has been to shed light on the scope of Iran's military modernization programme in the 1970s under the Shah, the manner in which it was implemented, its major weaknesses and strengths and, finally, its main economic and political ramifications. The scope of the Shah's military build up in the 1970s was breath-taking, exemplified as it was in his position as the largest purchaser of American arms during that decade. The programme led to the massive importation of ultra-sophisticated American arms which went hand-in-hand with an increase in U.S. military advisory effort in Iran and the adoption of American military doctrine. Iran would have amassed a formidable military force at the end of its modernization programme. This was how one source put it,

"Iran's defense policy in the Persian Gulf region is aimed at creating a preponderant force capable of deterring or making costly an attack from any quarter, and able to project Iranian power abroad, especially in the northwest Indian Ocean. If current plans for the acquisition of additional military equipment are implemented, these objectives are likely to be substantially achieved by the mid-1980s as the Iranian armed forces, already the largest

and best equipped in the Gulf, increase their superiority over the other littoral states."²³⁸

For instance, those programmes, particularly in the area of air power, had given Iran a clear military advantage over its main regional rival, Iraq. The same source quoted above stated that, "Iran's present military superiority over Iraq rests primarily on the strength of its Air Force, which has more high-performance aircraft, better pilot training, a greater airborne ECM capability, and ordnance such as laser-guided bombs and TV-guided missiles that are unavailable to Iraq."²³⁹ Iran's more powerful navy could also easily close the Gulf to Iraqi shipping. The two countries, however, possessed more balanced ground forces.²⁴⁰

The programme, however, could be envisaged and executed in a manner more in tune with the imperatives of military effectiveness and operational readiness. The Shah's military build up seemed to be informed more by the desire to pile up one weapon system on the other, without giving sufficient consideration either to the "front-end" problems i.e. their actual utility in a combat, or to the "back-end" problems i.e. the logistical, maintenance and support requirements, to make effective operational use of a system. Such problems, combined as they were with certain characteristics of the Shah's regime arising out of internal security imperatives, were bound to reduce the operational and combat effectiveness of Iran's armed forces.

The Shah's arms purchases had undeniable economic and political

repercussions with the former's impact in a more muted form than the latter. It might be of interest to note that, whilst in the general literature on arms transfers, the latter's economic impact on the recipient country receives a good deal of attention, its political repercussions seem not to have been treated in any autonomous and significant way, with the exception of instability caused by diversion of resources from the civilian sector. It was seen that arms transfers to Iran, produced an impact on the decision making structure i.e. on the Shah, on the armed forces through financial corruption, and, finally, on the public which viewed it with hostility. Admittedly, it is difficult to generalize on the basis of a single country. Furthermore, the political repercussions of arms transfers on the recipient countries need not take a form identical to that of Iran. But it seems that strategic thinking needs fully to incorporate the internal political consequences which could result from arms transfers to the third world, with their particular forms and shapes to be worked out in each society through empirical investigation.

Notes

1. See the article by: Lewis Simon, "Iran Out of Cash," Guardian, 23 February 1976.
2. Robert Graham, "Iran's Budget: Playing It Safe," Financial Times, 22 February 1977; Middle East Economic Digest, 6 February 1977.
3. For the arms-oil barter deal proposal and Toufanian's quotation see: Eric Pace, "Uncertain Oil Revenues May Shave Iran's Arms Budget," International Herald Tribune, 10 February 1977.
4. H Afshar, The Army in Iran's Revolutionary Upheavel in Iran: A Revolution in Turmoil, Ed., by H Afshar (London, Mcmillan, 1985), pp. 185-186.
5. Benjamin Welles, "Shah, in Capital, Seeks U.S. Arms," New York Times, 12 June 1968; A Staff Correspondent, "U.S. Maneuvers Backstop British Pullout in Mideast," Christian Science Monitor, 20 June 1968.
6. R K Ramazani, Iran's Foreign Policy 1941-1973: A Study of Foreign Policy in Modernizing Nations (Charlottesville, University Press of Virginia, 1975), pp. 365-368; Tad Szulc, "U.S., Britain Quietly Bolster Iranian Military Strength," International Herald Tribune, 26 July 1971.

7. Tad Szulc, The Illusion of Peace: Foreign Policy in the Nixon Years (New York, Viking Press, 1978), p. 444.
8. Hussein Sirriyeh, U.S. Policy in the Gulf, 1968-1977: Aftermath of British Withdrawal (London, Ithaca Press, 1984), pp. 87-88.
9. U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Transfers 1970-1979 (Washington, D. C., 1982), p. 129.
10. Foreign Assistance Legislation for Fiscal Year 1978 (Part 2), Hearings before the Subcommittee on International Security and Scientific Affairs of the House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), p. 126.
11. United States Arms Policies in the Persian Gulf and Red Sea Areas: Past, Present, and Future, Report of a Staff Survey Mission to Ethiopia, Iran and the Arabian Peninsular, House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), pp. 7-9.
12. Embassy Documents, Vol. 7, p. 119.
13. Robert Graham, Iran: The Illusion of Power (London, Croom Helm, 1978), p. 176; unless very unlucky, of course, Iran was not going to fight its neighbours all at once.

14. For the above points see: New Perspectives on the Persian Gulf, Hearings before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, 93 Cong. 1 sess. (GPO, Washington D. C., 1973), p. 41; see also: S Chubin, Implications of the Military Build-up in Less Industrial States: The Case of Iran in Arms Transfers to the Third World: The Military Build-up in Less Industrial Countries, Ed., by Uri Ra'anani et al (Colorado, Westview Press, 1978), p. 262.

15. See: New Perspectives on the Persian Gulf, op. cit., p. 40; and S Chubin, Iran's Military Security in the 1980s (California, Santa Monica, 1977), p. 18.

16. For the characteristics of Iran's coast-line see: R Graham, op. cit., p. 176.

17. John Keegan, World Armies (London, Mcmillan Press, 1979), pp. 328-329; United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 122; and Laurence Martin, The Future Strategic Role of Iran in Twentieth Century Iran, Ed., by H Amirsadeghi (New York, Holmes and Meier Publishers, 1977), pp. 242-243.

18. Embassy Documents, Vol. 8, p. 117.

19. New Perspectives on the Persian Gulf, op. cit., p. 40.

20. United States Arms Policies in the Persian Gulf and Red Sea

Areas, op. cit., p. 130; New Perspectives on the Persian Gulf, op. cit., p. 40; S Chubin, Iran's Foreign Policy 1960-1976: An Overview in Twentieth Century Iran, op. cit., p. 203; L Martin, op. cit., pp. 243-244; S Chubin, Iran's Military Security in the 1980s (California, Santa Monica, 1977), p. 4.

21. See the Shah's speech in: Nashriyeh-e Akhbar va Asnad, Vezarat-e Omoor-e Kharejeh, Az Mehr ta Esfand-e 1348, p. 16 (Bulletin of News and Documents, Ministry of Foreign Affairs, September-March 1969, p.16). From now on, whenever these Bulletins are used only my English translation of the title and other specifics would be given.

22. Toufanian's quotation is taken from: S Chubin, Implications of the Military Build up in Less Industrial States, op. cit., p. 261.

23. See the Shah's speech in: "Shahanshah Sets New Guidelines," Kayhan International, 24 January 1973; for the same views also see: Bulletin of News and Documents, Ministry of Foreign Affairs, op. cit.

24. See the following: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 138; S Chubin, Iran's Military Security in the 1980s, op. cit., p. 4; and S Chubin, Iran's Foreign Policy 1960-1976, An Overview, op. cit., p. 201.

25. See: S Chubin, Iran's Foreign Policy 1960-1976, An Overview,

op. cit., pp. 201-202.

26. For the IGF's main missions and headquarters locations of the three armies see: R M Burell, The Persian Gulf (New York, The Library Press, 1972), p. 25; and John Keegan, op. cit., pp. 328-331.

27. Iran's major concerns vis-a-vis Pakistan have already been dealt with elsewhere; for the geographical location of IGF's main bases see: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 126; and U.S. Military Sales to Iran, A Staff Report to the Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., July 1976), P. 15; the name "Khorensabad" is very unfamiliar, but it is brought here as it appears in the latter source.

28. Military Balance published by the International Institute for Strategic Studies provides a detailed breakdown of Iran's force structure; other works, which basically go over the same material, are also available; for instance see: Frank Bray and Alvin J Cottrell, The Armed Forces of India, Iran and Pakistan: A Comparative Assessment in Brassey's Defence Yearbook (London, Brassey's Publishers, 1977), pp. 24-25; Alvin J Cottrell, Iran and the Central Treaty Organization in Brassey's Defence Yearbook (London, Brassey's Publishers Ltd, 1976), p. 77; Alvin J Cottrell and James E Dougherty, Iran's Quest for Security: U.S. Arms Transfers and the Nuclear Option (Massachusetts, Institute for

Foreign Policy Analysis, 1977), p. 13; for the special forces likely missions see: L Martin, op. cit., p. 242; and S Chubin, Iran's Military Security in the 1980s, op. cit., pp. 18-19.

29. Apart from the Military Balance, see: Alvin J Cottrell and James E Dougherty, op. cit., p. 33; and R Furlong, "Iran- A Power to Be Reckoned With," International Defense Review, June 1973, p. 724; Alvin J Cottrell, Iran and the Central Treaty Organization, op. cit., p. 76.

30. For Iran's inventory of antitank missiles see the Military Balance; and The Current State of Iran's Defense Organization, AEI Foreign Policy and Defense Review, Vol. 1 no. 2, 1979, p. 11.

31. U.S. Military Sales to Iran, A Staff Report, op. cit., pp. 15 and 18; and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 153.

32. Furlong, op. cit., pp. 723 and 725.

33. For IGF's artillery inventory, apart from the Military Balance, see: Furlong, op. cit., p. 724; The Current State of Iran's Defense Organization, op. cit., p. 11; and Alvin Cottrell, Iran and the Central Treaty Organization, op. cit., p. 78.

34. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 15; and United States Arms Policies in the Persian Gulf and Red

Sea Areas, op. cit., p. 155.

35. United States Arms Sales Policy and Recent Sales to Europe and the Middle East, Hearing before the Subcommittee on Europe and the Middle East of the House Committee on International Relations, 95 Cong. 2 sess. (GPO, Washington D. C., 1978), pp. 26-27.

36. U.S. Military Sales to Iran, A Staff Report, op. cit., p. 18.

37. Furlong, op. cit., p. 724.

38. R M Burrell, op. cit., p. 25.

39. Alvin J Cottrell, Iran and the Central Treaty Organization, op. cit., p. 78; Alvin J Cottrell and James E Dougherty, op. cit., p. 13; and Furlong, op. cit., p. 724.

40. The Current State of Iran's Defense Organization, op. cit., p. 11.

41. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 151; and Embassy Documents, Vol. 8, p. 119.

42. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 151.

43. See: Staff Investigation Relating to the Nomination of G William Miller (Pt. 3), Senate Committee on Banking, Housing and Urban Affairs, 95 Cong. 2 sess. (GPO, Washington D. C., 1978), pp. 64-65.

44. Fiscal Year 1976 and July-September 1976 Transition Period Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve, and Civilian Personnel Strengths, Hearings before the Senate Committee on Armed Services, 94 Cong. 1 sess. (GPO, Washington D. C., 1975), p. 4762.

45. For that point see: "Iran to Get Better Helicopters Than U.S. Army," Armed Forces Journal, February 1973, p. 18.

46. For the AH-1J's armament package see: Ibid.

47. For Bell 214 A model characteristics see: Ibid; Staff Investigation Relating to the Nomination of G William Miller, op. cit., pp. 65-68; and Fiscal Year 1976 and July-September 1976 Transition Period..., op. cit., p. 4761.

48. Staff Investigation Relating to the Nomination of G William Miller, op. cit., pp. 66 and 69; and "Bell 214 A, AH-1J Demonstrated to Iran," Aviation Week and Space Technology, 29 January 1973.

49. United States Arms Policies in the Persian Gulf and Red Sea

Areas, op. cit., p. 147.

50. Ibid., p. 151.

51. United States Military Sales to Iran, A Staff Report, op. cit., pp. 17 and 19.

52. See: S Chubin, Implications of the Military Build-up in Less Industrial States, op. cit., p. 261; and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 126.

53. See the various issues of Military Balance.

54. For the location of Iran's air bases see: John Keegan, op. cit., p. 331; and U.S. Military Sales to Iran, op. cit., p. 26.

55. For information on the runways see: Anthony H Cordesman, The Gulf and the Search for Strategic Stability (Colorado, Westview Press, 1984), p. 733.

56. Embassy Documents, Vol. 8, pp. 117-118.

57. Robert Graham, "U.S. F-15 Fighter for Iran," Financial Times, 13 July 1972.

58. For the context of F-14 sale to Iran see: Multinational Corporations and United States Foreign Policy, Hearings before

the Subcommittee on Multinational Corporations of the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1977), p. 219.

59. Ibid., pp. 105-106.

60. Ibid., pp. 120-121.

61. For the Shah's quotation see: Alvin Cottrell, Iran and the Central Treaty Organization, op. cit., p. 80.

62. For the points on the Soviet and Iraqi air-threat to Iran see: Senate Delegation Report on American Foreign Policy and Non-Proliferation Interests in the Middle East, U.S. Senate, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), p. 32; United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 148; Alvin Cottrell, Iran and the Central Treaty Organization, op. cit., p. 79; and Frank Bray and Alvin Cottrell, The Armed Forces of India, Iran and Pakistan, op. cit., pp. 28-29.

63. S Chubin, Iran's Military Security in the 1980s, op. cit., p. 19.

64. See: U.S. Military Sales to Iran, op. cit., p. 28; and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 148.

65. For the financial benefits accruing to the U.S. Navy as a

result of F-14 sale to Iran see: Fiscal Year 1976 and July-September 1976 Transition Period Authorization , op. cit., p. 4739.

66. The information is extracted from: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., pp. 148-149.

67. For the pilot training programme see: Fiscal Year 1976 and July-September 1976 Transition Period Authorization . . . , op. cit., p. 4700.

68. For the point on shifting pilots from earlier programmes to the F-14 see: U.S. Military Sales to Iran, op. cit., p. 29.

69. Ibid., pp. 28-29.

70. Warren C Wetmore, "Iranians Trained in U.S. for F-14 Support," Aviation Week and Space Technology, 1 December 1975.

71. U.S. Military Sales to Iran, op. cit., p. 29; and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 149.

72. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., pp. 149 and 153.

73. For an informed analysis of the snags in F-14 programme see,

the by now widely-used: U.S. Military Sales to Iran, op. cit., p. 29.

74. For Iran's F-5 modernization programme and other specifics see: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 147; and U.S. Military Sales to Iran, op. cit., p. 30.

75. Furlong, op. cit., p. 728.

76. For substantiation on Iran's F-4 modernization programme see: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 148; U.S. Military Sales to Iran, op. cit., p. 29; and Furlong, op. cit., p. 728. With respect to the prices of the military equipment which Iran was purchasing, the sources do not make any distinction as to whether the contracts were fixed priced at the time of signing the agreements or the price on the delivery of a particular equipment. Similar prices cited below are also ambiguous, unless otherwise stated.

77. For the Shrike offer and its likely missions see: United States Arms Sales Policy and Recent Sales to Europe and the Middle East, op. cit., pp. 30-31.

78. Richard Burt, "U.S. Weighing Iran's Bid for 31 Special Fighters," International Herald Tribune, 31 July 1978.

79. Embassy Documents, Vol. 12(2), pp. 142-143.

80. "Arms Request from Iran Rejected by White House," International Herald Tribune, 17 August 1978; and Embassy Documents, Vol. 12 (pt. 3), p. 1.

81. U.S. Military Sales to Iran, op. cit., p. 30.

82. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., pp. 147-148.

83. U.S. Military Sales to Iran, op. cit., pp. 29-30; and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 148.

84. Bernard Gwertzman, "Kissinger Says U.S. Agreed to Sell Iran 160 F-16 Fighters," International Herald Tribune, 30 August 1976.

85. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 150.

86. Senate Delegation Report on American Foreign Policy and Non-Proliferation Interests in the Middle East, op. cit., pp. 33-35.

87. For detailed management and implementation aspect of the F-16 programme see: U.S. Arms Sales Policy: Proposed Sales of Arms to Iran and Saudi Arabia, Hearings before the Senate

Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1977), pp. 18-22.

88. For the F-16 delivery schedule see: Proposed Foreign Military Sales to Middle Eastern Countries-1976, Hearings before the Subcommittee on International Political and Military Affairs of the House Committee on International Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1976), pp. 96-98.

89. U.S. Arms Sales Policy: Proposed Sales of Arms to Iran and Saudi Arabia, op. cit., p. 18.

90. For a text of the letter see: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 162.

91. For the F-18 likely missions and other operational characteristics see: Senate Delegation Report on American Foreign Policy and Non-Proliferation Interests in the Middle East, op. cit., pp. 35-36.

92. See the following two articles on the Northrop's and Navy's desire to sell Iran the F-18 aircraft: John W Finney, "Navy Aids Northrop in Bid to Sell Iran a New Jet Model," New York Times, 8 November 1976; and "U.S. Weighs Iran Aid Deal for Northrop," International Herald Tribune, 28 October 1976.

93. "Carter Arms Policy Scuttles Major Iran, Pakistan Sales," International Herald Tribune, 3 June 1977.

94. For a summary of Iran's radar surveillance system in the early 1970s see: Furlong, op. cit., p. 728.

95. S Chubin, Implications of the Military Build-up in Less Industrial States: The Case of Iran, op. cit., p. 264.

96. For a comparison of Iran-Iraq radar capabilities see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, Hearings before the Subcommittee on International Security and Scientific Affairs and on Europe and the Middle East of the House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1978).

97. For Iran's radar modernization programme in the early 1970s see: Furlong, op. cit., p. 728; for elaboration on the Marconi deal see: Flight International, 4 July 1970.

98. For elaboration on the project "Seek Sentry" see: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., pp. 155-157; and "USAF Pushes Iran Air Defense System," Aviation Week and Space Technology, 24 March 1975.

99. For the shortcomings of a totally ground-based radar system see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, op. cit., pp. 11-12, 61 and 73; and Sale of AWACS to Iran, Hearings before the Subcommittee on Foreign Assistance and the Senate Committee on Foreign Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), pp. 31, 34, 44,

93.

100. For the genesis of Iran's interest in the AWACS aircraft and the quotation from Toufanian's letter see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, op. cit., p. 101.

101. See: Ibid., p. 66; and Sale of AWACS to Iran, op. cit., p. 34.

102. On the manpower advantages of AWACS/ground-based approach see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, op. cit., pp. 98-99.

103. Ibid., p. 71.

104. Ibid., pp. 11, 25, 91 and 95; and Sale of AWACS to Iran, op. cit., pp. 44-45.

105. For the characteristics cited see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, op. cit., pp. 11 and 64.

106. For the above two points see: Ibid., pp. 11 and 98-99.

107. For the quotation see: William Branigan, "Iranian Plans to Cut Radar Are Reported," International Herald Tribune, 28 March 1977.

108. For points on the AWACS survivability see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, op. cit., pp. 62-63, 73 and 76.

109. Ibid., pp. 74-75; indeed, one strong factor which was stated to have influenced the Shah's decision to purchase the E-3A was the commonality of its airframe with the KC-707: Ibid., p. 63.

110. For the E-3A's operational advantages over the E-2C see: Sale of AWACS to Iran, op. cit., pp. 92-94; and "Simplified AWACS Offered to Iran," Flight International, 17 September 1977. Those military-strategic considerations, leading to the E-3A sale to Iran, ought to be observed in combination with the economic factors, discussed in chapter three, such as economies of scale. Such economic considerations played a very significant role in the ultimate decision to sell the E-3A to Iran, as opposed to the E-2C.

111. For the category of items excluded from Iran's version of AWACS see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, op. cit., pp. 39, 67 and 105.

112. For the AWACS basing arrangement and training categories see: Ibid., pp. 92-93.

113. For the quotation see: Persian Gulf, 1975: The Continuing Debate on Arms Sales, Hearings before the Special Subcommittee on Investigation of the House Committee on International

Relations, 94 Cong. 1 sess. (GPO, Washington D. C., 1976), p. 116.

114. For instance see: "Intelligence Study Awarded Autonetics," Aviation Week and Space Technology, 10 March 1975.

115. Seymour M Hersh, "Iran Buying U.S. Firm's Spy System," International Herald Tribune, 2 June 1975.

116. Simon Winchester, "U.S. Shares Its Intelligence Secrets with the Shah," Guardian, 2 June 1975.

117. "U.S. Firms Getting Approval for Iranian Avionics Supply," Aviation Week and Space Technology, 10 January 1977.

118. For Iran's inventory of surface-to-air missile system capability see: S Chubin, Implications of the Military Build-up in Less Industrial States: The Case of Iran, op. cit., p. 263; Furlong, op. cit., p. 728; and "The Current State of Iran's Defense Organization," op. cit., pp. 11-12.

119. For the I-Hawk programme and its components see: U.S. Military Sales to Iran, op. cit., p. 31.

120. Ibid., pp. 31-32.

121. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 133.

122. For the "Peace Log" programme see: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 157; and William Branigin, "U.S. to Train Managers for Iran Air Force," International Herald Tribune, 26 November 1976.

123. For the "Peace Log" programme's personnel requirements see: U.S. Military Sales to Iran, op. cit., p. 32.

124. Military Balance 1978-1979.

125. For instance, see the article by the editor of Iran's biggest daily newspaper, Kayhan: Amir Taheri, Policies of Iran in the Persian Gulf Region in The Persian Gulf and Indian Ocean in International Politics, Ed., by Abbas Amirie (Tehran, Institute for International Political and Economic Studies, 1975), p. 266.

126. Embassy Documents, Vol. 8, p. 119.

127. For the IN's Indian Ocean mission see: Embassy Documents, Vol. 12 (pt. 3), p. 119; S Chubin, Naval Competition and Security in South -West Asia in Power at Sea: Competition and Conflict (III), Adelphi Papers (London, International Institute for Strategic Studies, 1976), p. 26; R M Burrell and A J Cottrell, op. cit., p. 35; U.S. Military Sales to Iran, op. cit., p. 24; and Alvin Cottrell, Iran and the Central Treaty Organization, op. cit., p. 82.

128. For the relationship of ships to specific missions see: S Chubin, Iran's Military Security in the 1980s, op. cit., p. 17.

129. For the quotation see: S Chubin, Naval Competition and Security in South-West Asia, op. cit., p. 25.

130. For disposition of the IN's bases see: John Keegan, op. cit., p. 331; for the location of main bases and the main expansion programmes see: U.S. Military Sales to Iran, op. cit., pp. 19-20.

131. For the construction delays involving Chah-Bahar see: United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 128; for the adverse impact of reduction in oil revenues on the Chah-Bahar programme see: R Graham, op. cit., pp. 101 and 111.

132. On the cost of Chah-Bahar base, for instance, see: Eric Pace, "Iran Constructing Naval Base Despite Slump in Oil Revenue," International Herald Tribune, 1 September 1975.

133. Embassy Documents, Vol. 34, p. 18.

134. For a description of destroyers in the IN's inventory see: various issues of the Military Balance; Jean L Couhat, Ed., Combat Fleets of the World 1986/87: Their Ships, Aircraft and Armament (U.S.A., Arms and Armour Press, 1986), pp. 253-254; and "Iran: How Many Ships?", Defense and Foreign Affairs Daily, 23

October 1980.

135. For the IN's inventory see: various issues of *Military Balance*, op. cit.; Jean L Couhat, op. cit., pp. 253-257; "The Current State of Iran's Defense Organization," op. cit., p. 15; and "Iran: How Many Ships?" op. cit.

136. See the article by: Michael Getter, "U.S. to Supply Iranians With 6 Destroyers," International Herald Tribune, 11 February 1975; and Jane's Fighting Ships 1979-80, pp. 245 and 456-457.

137. For the background on Iran's purchase of Spruance class destroyers see: *United States Arms Policies in the Persian Gulf and Red Sea Areas*, op. cit., p. 154.

138. On the implementation of Spruance destroyers programme see: *U.S. Military Sales to Iran*, op. cit., pp. 21-23.

139. For the likely Tang submarine missions see: *Persian Gulf, 1975: The Continuing Debate on Arms Sales*, op. cit., p. 96; and John W Finney, "U.S. Planning to Sell 3 Subs to Iran Navy," International Herald Tribune, 11 June 1975; for the Tang capabilities see: Jane's Fighting Ship 1975-1976, p. 421. The Tangs were to perform, as stated, an anti-submarine mission, most probably aimed at the Soviet Union. Given the fact that the Soviets operate nuclear submarines and a good submarine killer against it would have only been another nuclear submarine, the logical conclusion could be that Iran was thinking of acquiring

nuclear submarines in the long term.

140. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 155; and U.S. Military Sales to Iran, op. cit., p. 23.

141. United States Arms Sales Policy and Recent Sales to Europe and the Middle East, op. cit., pp. 28-30.

142. For reports on Iran's naval purchases from Western Europe see: Nicholas Cumming Bruce, "West Germans, Dutch Compete for Massive Naval Orders," Middle East Economic Digest, 10 March 1978; and Johnathan C Randal, "Shah Disturbed by U.S. Policy," International Herald Tribune, 7 March 1978.

143. United States Arms Sales Policy and Recent Sales to Europe and the Middle East, op. cit., p. 30.

144. Ibid., p. 136.

145. On the likely missions of IN's aviation wing see: Alvin J Cottrell and James E Dougherty, op. cit., pp. 17-18; and Furlong, op. cit., p. 26.

146. On the P-3F's likely missions and other background information see: Alvin J Cottrell and James E Dougherty, op. cit., p. 18; and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 149.

147. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 153; and S Chubin, Implications of the Military Build-up in Less Industrial States, op. cit., p. 264.

148. "The Current State of Iran's Defense Organization," op. cit., p. 16.

149. For the IN's helicopter inventory see: Military Balance, op. cit., various issues.

150. For Iran's interest in additional SH-3D helicopters see: "The Current State of Iran's Defense Organization," op. cit., p. 16.

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CHAPTER FIVE

The Bureaucratic Politics of U.S. Military-Security Relationship With Iran

The primary concern of this chapter is to delineate those bureaucratic pressures which determined the pace, shape and direction of U.S. arms sales to Iran in the 1970s. In other words, it is the explication of controversies and debates, some public and some behind-the-scenes, within and between the various executive and legislative branches of the U.S. government, which is the main purpose of this chapter.

Since the inception of Iran's role as the main security guarantor of the Persian Gulf, under the aegis of the Nixon doctrine and its corollary of building up Iran's military muscle to fulfil its new regional role, different branches of the U.S. government's executive arm formulated positions for or against this policy. At times, the final decision, had to be taken by the top policy makers such as the U.S. Secretary of State or the U.S. President, given the heated and, on occasion, uncompromising nature of the intra-bureaucratic debate.

The Congressional response to the massive inflow of American arms into countries of the Persian Gulf, including Iran, which got underway in the 1970s, was initially muted, given the fact that the U.S. Congress was, by and large, caught unawares by the tenets of the new U.S. policy toward that region in the late

1960s and early 1970s. With the passage of time and its increasing awareness of the changes brought about by the Nixon doctrine, the Congress began debating the underpinnings of the U.S. arms supply relationship with the countries of the region, exercising its overseeing functions and attempting to curb what it deemed the excessive sales of arms to the countries of that region, including Iran.

The special security relationship between Iran and the U.S. was established during the term of office of the Nixon Administration and was continued by Gerald Ford. It lasted into Carter's term of presidential office, when the 1979 revolution in Iran ruptured the era of tightly-knit military-security cooperation between the two countries.

The revolution in Iran had certain undeniable repercussions for U.S. strategic interests, and necessitated a fresh approach to its colossal foreign military sales programmes in Iran with a view to their termination. The strategic implications of Iran's revolution for the U.S. and its efforts to terminate its military sales programmes with Iran will also be dealt with in this chapter.

The Nixon-Kissinger-Ford Era

The Nixon-Ford terms of presidential office from 1969 to 1977, when Henry Kissinger served either as the National Security Advisor or Secretary of State, was a period of near blank-cheque U.S. arms diplomacy towards Iran. The genesis of the Nixon

doctrine, Iran's place in that context and Nixon's commitment of May 1972 to make the Shah the sole judge of Iran's military requirements were policies which were continued unaltered by Gerald Ford. After having assumed the presidency, Ford wrote to the Shah, "I have let it be known to the senior officials of my administration who deal with these issues [security and arms sales] that they should keep constantly in mind the very great importance which I attach to the special relationship that we enjoy with Iran..."¹

Iran was considered as the most likely candidate to fill in the vacuum after British withdrawal and credit facilities were extended to finance its arms purchases.² In 1969, after the Shah's visit to Washington, a joint Anglo-American effort got underway to bolster Iran's military capabilities through the supply of a billion dollars worth of fighter aircraft, tanks and naval units.³

It was known that, before Iran acquired sufficient financial resources (ie. before oil price rise) the U.S. Export-Import Bank provided credit to assist it in its purchase of American military equipment and services. For instance, a \$220 million loan was extended to Iran to help it pay for the purchase of F-4 and F-5 fighter aircraft. Other American loans made possible the modernization of Iran's American-made M-47 medium tanks and the expansion of the port of Bandar Abbas.⁴

William Rogers, the U.S. Secretary of State, spelled out the

kernel of U.S. policy towards the Persian Gulf and Iran in fairly specific terms,

"The year 1971 was an historic year in the Persian Gulf. The long-standing protective treaty relationship between the United Kingdom and the nine small sheikhdoms along the eastern coast of the Arabian peninsula was terminated.... Throughout these developments, the U.S. interest was to encourage all parties to co-operate for the future welfare and stability of the regionThe U.S. objectives in Iran are... to assist Iran, in accordance with the Nixon Doctrine, in attaining economic and military self-reliance.... We now provide Export-Import Bank loans to assist Iran in purchasing both military and commercial equipment and services in the United States."⁵

The initial expansion of U.S. arms sales to Iran, in accordance with the Nixon doctrine, was taking place against the backdrop of opposition from certain civilian circles in the Department of Defense, who also enjoyed support of the Secretary of Defense. They substantiated their opposition to any increase in the sale of American arms to Iran on the following grounds: a) the rise in Iran's military expenditure was likely to divert resources from the country's civilian economy thus, making the Shah unable to head off the revolution of rising expectations, with the possibility of making Iran a less stable country; b) a substantial policy of arms sales to Iran could help to reinforce the Shah's authoritarian tendencies, to the detriment of

necessary political reforms and contribute to the identification of the U.S. with a police state; c) a massive infusion of arms into Iran was likely to go hand-in-hand with an increase in the number of U.S. uniformed and private contractor personnel, fuelling the growth of anti-Americanism, if and when unrest started; d) possible instability in Iran could lead to the compromise of U.S. technological secrets and their possession by persons not deemed pro-American; e) an unrestrained policy of arms sales to Iran could stimulate the Shah's demand for more revenues leading to higher oil prices; f) the acquisition of sophisticated military hardware by Iran could propel an arms race amongst the regional states, with the ultimate effect that all the oil producing countries of the Persian Gulf would come to press for higher oil prices so as to finance their arms purchases; and finally, g) no threat of the magnitude justifying enormous arms sales to Iran existed, with the possible exception of Soviet-backed Iraq, dealing with which could probably be better achieved through negotiation between the two superpowers so as to curb the unrestrained sale of arms to the countries of the Persian Gulf.⁶

At around the same time that circles within the Department of Defense were expressing their reservations about the increase in the flow of American arms into Iran, a policy review ordered by Kissinger and carried out under the direction of the Assistant Secretary of State for Near Eastern and South Asian affairs, Joseph Sisco, disagreed with the doubters in the Department of Defense. Kissinger, who was solidly behind the policy of

strengthening Iran's military capabilities, even managed to phase-out the annual review of U.S. arms sales to Iran. In spite of some reservations by the Defense Secretaries, nobody challenged Kissinger, or his policies, who seemed to have the ear of both Presidents Nixon and Ford on foreign policy issues. It may also be stated that, with the later transfer of Kissinger to the position of Secretary of State from that of the National Security Advisor, the pro-Shah lobby in Washington bureaucracy was reinforced still further.⁷

Moreover, the lobby favouring arms sales to Iran was further strengthened through a number of changes between 1969 and mid-1971. They involved: 1) a reorganization of the Office of International Security Affairs in the Department of Defense; 2) severe in-fighting between the Office of Secretary of Defense and the State Department, leading to the exclusion of the Defense Department from the worldwide control of U.S. arms sales, and its delegation to the State Department; and 3) creation of the Defense Security Assistance Agency to deal with the control of U.S. arms sales in the Department of Defense. Both the State Department and the Defense Security Assistance Agency looked favourably upon Iran's arms requests.⁸

Nixon's 1972 visit to Iran was a milestone in the evolution of Iran-U.S. military-security relations during the 1970s. It was during this visit that Nixon reached a secret agreement with the Shah to supply Iran with the most sophisticated fighter aircraft in the American inventory, either the F-14 or F-15, and gave him

an open-ended commitment on the supply of arms.⁹ The text of the final joint communique issued at the end of the 1972 meeting between Nixon and the Shah stated, "... that the United States would, as in the past, continue to cooperate with Iran in strengthening its defense."¹⁰ It, however, left much undisclosed about the precise details of the agreements reached between the two heads of states. Kissinger's memo dated 25 July 1972, outlining the agreements between the Shah and Nixon for the Washington bureaucracy is now available:

"The President has approved the following course of action:

1. F-14 and F-15 aircraft. Briefing should be offered as soon as possible to Iran by service teams on the capabilities of the aircraft and the training and logistics requirements associated with them. In order to allow sufficient grounds for comparison of the two aircraft, these initial briefings should be supplemented by appropriately spaced progress reports by service teams as each aircraft moves toward the operationally effective stage. The President has told the Shah that the U.S. is willing in principle to sell these aircraft as soon as we are satisfied as to their operational effectiveness. Within that context, decisions on purchases and their timing should be left to the government of Iran.

2. Laser-guided bombs. Briefings should be offered to the

Iranians as soon as possible by a U.S. Air Force team. It is understood that weapons deliveries could commence seven months after the Iranians place a formal order. The President has told the Shah that the U.S. is prepared to provide this equipment to Iran.

3. Uniformed technicians. Requirements should be obtained promptly from the Embassy and the MAAG in Tehran, and team compositions, terms of reference and costs should be worked out with the Government of Iran as quickly as possible. The President has informed the Shah that the U.S. will assign in Iran an increased number of uniformed military technicians from the U.S. services to work with the Iranian military services. The President has also reiterated that, in general decisions on the acquisition of military equipment should be left primarily to the government of Iran. If the Government of Iran has decided to buy certain equipment, the purchase of U.S. equipment should be encouraged tactfully where appropriate, and technical advice on the capabilities of the equipment in question should be provided."¹¹

During the 1972 visit, therefore, Nixon also conceded to the Shah the role of sole determinant of Iran's military requirements. Before his trip to Iran, however, there were a number of objections, particularly from the Defense Department, to Nixon's policy proposals with respect to the supply of F-14/F-15 aircraft, laser-guided missiles and an increase in the

number of uniformed U.S. personnel in Iran.

In briefings to Nixon, prior to his visit to Iran, the Pentagon advised against the sale of laser-guided bombs and F-14/F-15 aircraft on the grounds that those systems were still in the early development stages and that, by the time they were fully-developed, it might be detrimental to U.S. interests in the Persian Gulf region to go ahead with the sale.¹² Reservations were also said to have been expressed concerning the compromise of U.S. technological secrets and their leakage from Iran into Soviet hands. The then U.S. Secretary of Defense, Melvin Laird, was also said not to support the idea of increasing the number of uniformed military personnel in Iran, because of the U.S. war commitments in Vietnam. During Nixon's visit to Iran General Williamson, the head of U.S. Military Assistance Advisory Group (MAAG), briefed Kissinger and the Assistant Secretary of State, Sisco, about the extent of the Shah's military modernization programmes, which would eventually need an increase in the number of U.S. uniformed personnel. Williamson was opposed to any such increase. In spite of such reservations, Nixon overruled them all and, the decision having been made by the U.S. President himself, policy became an issue for execution, and not debate.¹³

With the kernel of U.S. policy towards Iran in place, another phenomenon came to mark the period of close military-security relationship between the two countries. It dawned very quickly on analysts at the Embassy, State Department, U.S. military team in Iran and the Intelligence Community that no one in the White

House was interested in receiving any negative reports on the question of political stability or military build up in Iran.¹⁴ Reporting on Iran had to justify the end of policy as opposed to directing and shaping it through objective (re)evaluation.

Reverberations of the skewed intelligence reporting on Iran were to be felt in 1978-1979, during the revolution, when President Carter expressed his dissatisfaction with the quality of political intelligence that he was receiving. He stated that it was constraining the American policy options in dealing with the crisis and emphasized the need for well-assessed intelligence, "derived through normal political channels." Such statements and concerns fuelled the debate over the U.S. "intelligence failure" in Iran.¹⁵

The "intelligence failure" in Iran was attributed to a number of factors by an official report. Firstly, the U.S. policy moved to one of non-contact with the Shah's domestic opponents, thereby, foregoing an important source of intelligence information. This was because of an increasing reliance on the Shah by the U.S. for protection of its interests in the Persian Gulf, and in order not to offend the Shah who suffered from an unending fear of the possibility of a CIA-organized conspiracy to topple him. Secondly, political stability and the military build up in Iran were not issues to be debated by the intelligence community, but rather were points of departure for political reporting. Any attempt to question the premises upon which the policy was based, not only was likely to be met with a lack of enthusiasm on the

part of top policy makers, but also could jeopardize the career of any analyst who tried to challenge the "conventional wisdom" shaping policy towards Iran. Finally, the dual functions of the Central Intelligence Agency as both the collector of intelligence and the chief executor of policy decisions requiring covert action, were also noted to have contributed to weak political reporting on Iran. As the agency which contributed to installing the Shah back into power in 1953, the CIA reporting on Iran had tended to report weaknesses in the Shah's opponents.¹⁶ Therefore, a bureaucracy blunted to critical analysis and evaluation was a characteristic of the era of the close military-security relationship between the two countries, in the 1970s.

Let us now consider the Washington bureaucracy's position towards Nixon's decision of May 1972. The State Department accepted it wholly which meant that the Iranian arms requests no longer became the subject of close scrutiny and reviews, with the exception of highly classified items or those involving co-production (licensed assembly and fabrication of some parts). The exclusion of Iran's arms requests from the normal State Department review process meant that sales were made without due consideration of Iran's military requirements, absorptive capacity and manpower availability.

It is appropriate to make two points at this stage. Firstly, although Nixon's decision was made prior to the 1973 oil price rise which created a dramatic impact on Iran's financial resources and, therefore, its ability to purchase arms on an

order of magnitude not envisaged by Nixon when he initially made his 1972 decision, the State Department continued to follow the tenets of that decision without any change even after it. Secondly, during that period some junior officials at the State Department were concerned about the long term implications of a policy of unlimited arms sales to a country such as Iran with huge financial resources. Their attempts to raise the issue of arms sales at the policy level remained unsuccessful, because of the reluctance of senior officials at the State Department to reexamine policy towards Iran. Thus, from the 1972 Nixon's decision, to 1977 when Jimmy Carter took office, the State Department was totally supportive of that aspect of U.S. policy towards Iran.¹⁷

It would have been very difficult for any government agency to challenge the State Department position on the policy towards Iran. During that period James Schlesinger, the then Secretary of Defense, had his doubts about the soundness of a policy of unlimited arms supply to Iran, but was unwilling to challenge Kissinger who not only had the President's ear on foreign policy, but also controlled the State Department through Under Secretary Joseph Sisco (before Kissinger himself became the Secretary of State), who was also the architect of the "twin-pillar" policy. Combined with Kissinger's combative attitudes when it came to bureaucratic battles and the desire to avoid a further bone of contention in a relationship which was already strained on a number of other issues, Schlesinger deemed it unwise to challenge the policy.¹⁸

The U.S. embassy in Tehran also supported the Nixon doctrine and his decision of 1972 vis-a-vis Iran. Richard Helms, who was the American Ambassador to Iran for a good part of the 1970s until his replacement in 1977, supported the "twin-pillar" policy. For instance, in a 1976 speech at Iran's National Defence University, Helms stated that,

"because of the tremendous amounts of oil that are shipped out of the Gulf... it is no overstatement to say that the Persian Gulf is a life-line for all the world ... [the U.S. saw Iranians] as a stabilizing influence in the region [who were] able to defend themselves against outside threats and to play a role commensurate with their interests."¹⁹

However after the 1973 oil price rise and the subsequent American arms sales rush by the contractors and service representatives to Iran, the U.S. embassy became concerned that it was not sufficiently informed about the happenings in Iran. It also suspected that some people in the Department of Defense were in collusion with the weapons manufacturers to push the sale of arms.

By 1975, the embassy had become aware of the management problems to do with the Iranian absorption capability, but showed itself unwilling to question the basic policy guidelines towards Iran for a number of reasons. Firstly, the American embassy in Tehran felt that senior officials in the State Department were reluctant

to receive any information or opinion which might undermine the then policy towards Iran. Secondly, there was a degree of disagreement amongst the MAAG chiefs as to the extent of absorption problems within the Iranian army. Finally, Nixon's 1972 decision had brought about a satisfactory state of affairs: the Shah was getting all the arms he wanted, the State Department was happy about cordial Iran-U.S. relations, and the Defense Department and weapons manufacturers were selling arms in line with policy. As the instrument for preserving close Iranian-American ties, the American embassy in Tehran had no incentive to question policy. However, the embassy wanted to be kept fully informed about the arms sales. It also wanted any attempt to regulate the arms sales effort in Iran to bring it into line with the latter's absorptive capabilities to be put under embassy control and presented to the Shah in a manner which would not reflect a departure from the 1972 decision.²⁰

The attitude of the Department of Defense to Nixon's 1972 decision was different from that of the State Department and the American embassy in Tehran, reflecting the differing interests of various sections within the DOD and the responses of various groups when they became aware of the management problems associated with the sale of arms to Iran. The main factions in the DOD were the critics, supporters and those who thought that the foreign military sales programme in Iran was being mismanaged and believed in the introduction of appropriate measures to make the policy work more efficiently.

A number of factions within the Department of Defense had grown critical of U.S. arms sales policy towards Iran between 1972 and 1977. The Joint Chiefs of Staff were particularly concerned about the adverse impact of the sales of large quantities of arms to the Middle Eastern countries, including Iran, on the readiness posture of the U.S. military in terms of manpower and materiel. The Installation and Logistics (I & L) branch of the Office of the Secretary of Defense (OSD) was concerned about the long term implications of diverting more and more spare parts to the countries which were purchasing larger and larger quantities of arms from the U.S. and had their logistics systems integrated into that of the U.S. military. The Office of Policy Plans, the section for the Near East and South Asia and the Office of Programme Analysis and Evaluation also expressed concern about the long term consequences of Iran's military build up.

The office of Near East and South Asia of the International Security Affairs (ISA) section of the DOD, which had the primary responsibility for formulating policy towards the Middle Eastern countries, in spite of its concern towards the rapid and massive inflow of arms into Iran, did not seriously challenge the existing policy or the arms sales activities of the U.S. services and arms manufacturers. Furthermore, with the encouragement of the Assistant Secretary of Defense/International Security Affairs (ASD/ISA), the Office of Policy Plans embarked upon a study of the implications of U.S. arms transfer policy to the Middle East in 1975, recommending an immediate review of U.S. Persian Gulf policy. In May 1975, the National Security Council (NSC) ordered

a review of U.S. arms policy towards the Persian Gulf, but nothing came of it because those involved in the study did not believe that senior NSC officials were genuinely interested in a serious study.²¹

The supporters of the official policy within the DOD were Military Intelligence, which emphasized the Soviet build up of Iraqi forces, the services, and the Military Assistance Advisory Group (MAAG). They averred that they were merely implementing the directives of the President and Secretary of State. The important Defense Security Assistance Agency (DSAA), responsible for the implementation and management of U.S. foreign military sales globally, fully supported the official policy towards Iran and was very sensitive towards any attempt to question it.

It should be mentioned that the DSAA'S position was (and probably still is) extremely important in the whole foreign military sales decision-making process within the Washington bureaucratic structure. In spite of its subordinate legal position to some sections of the U.S. Defense and State Departments, the DSAA performed a central role in foreign military sales because the other U.S. government departments lacked the necessary expertise and resources for such an undertaking. Within the DOD, the civilian officials appointed by the U.S. President found it difficult to control foreign military sales, because they lacked the time, knowledge and permanency in their positions to come to grips with the situation. In the same vein, foreign military sales cases involved decisions requiring background data,

supporting arguments and military analyses which the DSAA, and not the State Department, was best equipped to provide. Therefore, by virtue of its central position in the decision-making process involving foreign military sales, the DSAA's positive attitude towards arms sales to Iran had great influence on what was sold.²²

Two very important offices within the Department of Defense, that of the Defense Secretary James Schlesinger and the Assistant Secretary for International Security Affairs Ellsworth, were becoming increasingly concerned about the management and implementation of U.S. foreign military sales programme in Iran between 1973 and 1975. Their worry stemmed from the hard-sell tactics of weapons manufacturers and the armed services which, at times, could lead to the sale of unnecessary and sophisticated equipment without due regard to Iran's financial resources and absorptive capacity. It was thought that such a situation, not only would erode Iran's confidence in the U.S. government, but also any downgrading in the operational effectiveness of the Iranian military could produce an adverse impact on regional security. In order to contain such shortcomings, Schlesinger managed to convince the Shah of the need for the presence of a special advisor who would provide him with independent analysis on weapons procurement on the one hand, and keep Schlesinger informed of the Shah's views and any problems associated with the foreign military sales programme developing on the other.

Richard Hallock, the man dispatched to Iran in 1973, was to act

as that independent advisor and operated outside the DOD's normal chain of command. In 1975, however, a special Defense Representative, Eric von Marbod who, in contrast to Hallock was a DOD official, was sent to Iran by Schlesinger on an official mission. Marbod's mission was to keep the government of Iran fully informed on all the constraints and problems which could attend the acquisition of sophisticated U.S. arms.

He was charged with the task of identifying problems, suggesting solutions and acting as an "honest broker" between the government of Iran and the U.S. arms sellers. Marbod's mission, which ended in 1977, was considered by many observers as positive and useful, having made the government of Iran aware of problems in construction of support facilities, manpower, logistics and the introduction of new U.S. systems.²³

No detailed account of the position of other U.S. federal executive agencies on the sale of arms to Iran during the 1970s is available. There were some short and patchy pieces of information about the Central Intelligence Agency (CIA) and the Arms Control and Disarmament Agency (ACDA). There were some reports that the CIA was concerned about the long term underlying intentions of the Shah's arms build up programme. The CIA, so it was claimed, concluded that, in the long term, the Shah could pursue his own aims, without due regard to U.S. interests.²⁴

In 1976, after the U.S. government had agreed to sell 160 F-16 aircraft to Iran, and the latter was enquiring about the possible

purchase of 250 F-18L fighter aircraft, Fred Ikle, ACDA's director, stated that the introduction of any more fighter aircraft into the Persian Gulf would be "destabilizing".²⁵

The Nixon doctrine, and the supply of arms to Iran within that context, promoted U.S. interests, even though some U.S. officials saw some problems associated with it. For instance, the U.S. Foreign Service Inspector General's 1976 report on the conduct of relations with Iran, summed up the views of U.S. officials. Firstly, it pointed out that, due to the increase in its military capability as a result of U.S. arms sales, Iran had become capable of playing a regional role which could further, but could also oppose U.S. regional interests. Moreover, elevating the military element rather than culture or trade to a central position in the relationship between the two countries was hardly the basis for a constructive long term relationship. Problems arising from the salience of the military relationship were, according to the report, reinforced in an increasingly nationalistic Iran by the authoritarian nature of the Shah's regime. Finally, the report indicated that there was a consensus amongst almost all U.S. officials that there had to be limits on the sale of arms to Iran, although it was difficult to define what precisely those limits were to be.

Irrespective of such problems the report also stated that,

"the U.S. policy of supporting regional efforts to achieve collective security through security assistance, arms

sales and- i.e., the Nixon Doctrine- could appear to have contributed to a situation in the Gulf region today that is more satisfactory from the U.S. viewpoint than it has been for many years... However fragile the foundations of the present quiet and uncertain the future, it is a fact that there is relative political stability and rapid economic development taking place throughout the region and that the U.S. benefits in commercial and political terms from this situation."²⁶

The policy, in spite of some shortcomings, was seen to be totally consistent with U.S. interests. It was virtually without precedent in the history of U.S. foreign policy to pursue a carte blanche arms sales policy towards another country. It was unusual to allow the head of a foreign government (i.e the Shah), to act as the sole determinant of his country's arms procurement requirements. In order to fend off the critics of carte blanche arms sales policy towards Iran, Kissinger resorted to two types of arguments in his memoirs. The first argument contended that, to call the decision of 1972 as "open-ended" was a "hyperbole", "considering the readiness and skill with which our bureaucracy is capable of emasculating directives it is reluctant to implement...."²⁷

Nixon's directive to the bureaucracy, however, was quite unequivocal and left no room for debate regarding the implementation of his decision. The line of Kissinger's argument, indeed, belies the evidence which has been presented in this and

previous chapters, which not only revealed a monumental statistical rise in the volume of arms sold to Iran during the 1970s but also showed how the bureaucracy, far from "emasculating" Nixon's directive, was eagerly implementing it. The role of the State Department and its suspension of reviews of cases involving the sale of arms to Iran, has already been noted. It has also been seen how some powerful factions within the Defense Department were actively involved in selling arms in Iran. Furthermore, agencies within the U.S. executive branch which could have raised objections to the large sale of arms to Iran, such as the Arms Control and Disarmament Agency, were not consulted.²⁸

In the second volume of memoirs which he published three years after the first, Kissinger adopted a different line and stated that, "I had forgotten it," suggesting that it had been swept out of his memory by the events of Watergate and, the ensuing change of Administration.²⁹

This new line of argument also would not stand a rigorous examination of the evidence available. Since its formulation, the policy decision of 1972 was the subject of debate in the highest echelons of government right to the very last days of the Ford Administration, most notably, between Schlesinger and Kissinger himself, with the latter constantly coming out in favour of the official policy. After Nixon's resignation, Schlesinger asked the Department of Defense to conduct a study into U.S. arms sales policy towards Iran. The report was

completed in September 1975. It expressed reservations about a policy of open-ended arms sales serving the long term U.S. interests. Schlesinger then asked for an interagency review of the Iranian situation. Kissinger, who controlled the National Security Council staff was, therefore, in a position to influence the flow of foreign policy papers to the President. He managed to delay a White House response until the spring of 1976, by which time Schlesinger had been replaced by Donald Rumsfeld. Although Schlesinger had asked for a study on Iran alone, Kissinger ordered an interagency review of all aspects of U.S. security policy towards the Persian Gulf. The scope of the study was so broad and vague that it convinced those involved with the review that Kissinger was not going to rely upon it to direct and shape policy, but to distract opposition within the bureaucracy. Hence, it is no wonder that months of interagency wrangling over the review evoked no inquiries from the White House, in spite of the initial dead-line of thirty days.³⁰

Furthermore, the 1976 report of the U.S. Foreign Service Inspector General on the conduct of relations with Iran quoted the 1972 policy directive in full so as to give a firm indication of U.S. policy towards Iran. Moreover, the same report on the question of U.S. policy towards Iran pointed out that, "major decisions are reached by the seventh floor [of the State Department] and the White House," while the Assistant Secretary for Near Eastern affairs, the Ambassador and Iran desk officer were merely informed of the decisions so as to avoid, "excessive confusion or false-stepping."³¹

So far what has been described has been related to the debates and controversies which U.S. policy towards Iran generated within the federal bureaucracy dealing with foreign and defense policy issues, and the manner in which those who supported the official policy managed to contain those who did not. Up to now it has been intended to give a picture of the mechanics and dynamics of the bureaucratic politics of U.S. arms sales to Iran during the Nixon-Ford occupation of the Presidential office. Having described the response of federal executive agencies to U.S. arms and security policies towards Iran, it is now proposed to scrutinize the manner in which the Congress reacted to the sudden and massive flow of U.S. military equipment into Iran.

Congressional response to the flow of American military hardware into Iran was influenced by several factors. These included the United States' global arms trade in general and, in particular, its trade with the countries of Persian Gulf. While initially the response was relatively muted it evolved with the passage of time. The somewhat low-key initial response was due to the fact that the Congress was caught totally unawares by changes in the direction of American policy towards countries of the Persian Gulf in late 1960s and early 1970s.

The first glimpses of change in the direction of American policy, as reflected in an increase in the volume of arms sold to the Persian Gulf countries, were caught by members of the Congress from newspaper reports, and not through official channels. This was how a leading member of the Congress described the situation,

"..there have been a series of confirmed reports about enormous arms sales to certain states in the oil-rich Persian Gulf... Congress was certainly not given much of a warning about this apparent major element of our emerging Persian Gulf policy. In the President's 1973 report to Congress on our foreign policy and in the Secretary of State's foreign policy report for 1972, emphasis was placed on stability and cooperation in the Persian Gulf, fostering orderly development and maintaining close and friendly ties in order to assure access to oilBut developments of recent months might suggest that support for economic development and close political ties are peripheral aspects of a policy increasingly centred on maintaining and improving the defense arsenals of the many states bordering the Persian Gulf..."³²

Let us now examine how Congress responded to the increasing volume of arms sales to the Persian Gulf by looking, first of all, at how the legislation was formulated. The use of its legislative prerogative during that period by the Congress to shape U.S. arms policy towards countries of the Persian Gulf itself reflected the struggle with the White House to control foreign policy, in the wake of Vietnam and Watergate.³³

Beginning in 1973, the Congress was becoming increasingly concerned about the quality of information which it was receiving on the U.S. arms trade. This situation led Senator Gaylord Nelson

of Wisconsin to sponsor legislation, which became part of the 1974 Foreign Assistance Act, requiring the President to report to the Congress any proposed foreign military sales over \$25 million, with the former having up to 20 days to consider and veto the proposed sale.³⁴

As part of the same trend, in 1975, Senator Edward Kennedy introduced legislation in the Senate for the imposition of a six months moratorium on U.S. arms sales to the Persian Gulf countries. The purpose of that legislation, in his own words, was for,

"the Secretary of State or Defense [to] come before this committee and justify what our real interests are... The extraordinary escalation of arms purchases [by the countries of Persian Gulf] over the last 3 to 5 years was massive. It promises to grow. And I hope this Committee will understand completely the amounts, and will relate them to our real interests."³⁵

Another piece of legislation to come out of the Congress, with the intention of gaining greater control over arms transfer decisions, was the enactment of the International Security Assistance and Arms Export Control Act of 30 June 1976. The 1976 legislation was intended to allow more coordination between the executive and legislative branch, reinforce the Congressional oversight of the arms trade, make available to the public more information on the process, content and purpose of arms exports

and, finally, to check the growth of U.S. government's involvement in arms exports. In addition to the requirement for reporting any foreign military sales of \$25 million or more, the 1976 Act also demanded that the Congress be informed of the sale of major items of defence equipment of \$7 million or more. Furthermore, it extended the period within which the Congress could review any proposed foreign military sales from 20 to 30 days. The legislation also required the submission by the U.S. President of an annual estimate of foreign military sales to each country, along with a justification of the arms sales in terms of U.S. foreign policy and national security objectives.³⁶

No matter how well-intentioned, the Congressional legislation does not seem to have produced any tangible impact on the course of U.S. arms sales policy to Iran, during the Nixon-Ford Administrations. Congressional concerns over the U.S. arms sales policy towards Iran, which reflected anxieties over the broader issue of the direction of the U.S. arms trade, revolved around a number of points. These, however, are dispersed in the various hearings and reports published by the Congress on the topic. They must be pulled together to get an approximate picture of the totality of Congressional concerns over the sale of U.S. arms to Iran.

A major Congressional concern evolved out of the belief that a policy of excessive arms sales to the countries of the Persian Gulf could and, indeed, did fuel an arms race between the regional states. It was pointed out that U.S. arms sales to the

Persian Gulf countries was helping to produce two sets of arms races: one between Iran and Saudi Arabia, the two countries which under the aegis of "twin-pillar" policy were supposed to cooperate for the maintenance of regional stability, and the other between those two countries and Iraq. It was indicated that the countries on the Arab side of the Gulf were concerned about the long term implications of the massive Iranian arms build up, with Saudi Arabia's armament policy being partially a response to Iran's. It was also pointed out that, Iran's defence build up was likely to generate a counter-response on the part of Iraq, thereby, locking the two countries into a competitive arms race spiral. It also was stated that, the Persian Gulf was an area in which the regional states had many differences on territorial, ideological, ethnic, political and religious issues. The arms race, by making more and more weapons available to those countries, could tempt them to resort to war as a means of settling their disputes, as opposed to diplomacy.³⁷

Another Congressional anxiety over U.S. arms sales policy towards Iran was fed by the fact that there was no major interagency review of Nixon's 1972 decision to sell whatever arms Iran demanded. That policy, it was argued, not only opened the flood-gates of U.S. arms sales to Iran, but also exempted its arms requests from the normal review process of the State and Defense Departments.³⁸

Another source of Congressional concern was related to the inability of the Iranian armed forces to utilize the military

hardware which they were purchasing from the U.S., without U.S. military advisors. It was feared that a large scale American military presence in Iran could lead to U.S. entanglement in its wars. This, it was assumed, was contrary to the spirit of Nixon doctrine, which implied a reduction in the level of direct American involvement in regional conflicts.³⁹

There was also a concern in the U.S. Congress that the purchase of sophisticated American arms and the presence of skilled American personnel in Iran would deplete much needed skills in the U.S. armed forces and reduce much needed equipment in its inventory. A confidential report by the General Accounting Office, the Congressional watchdog, parts of which were leaked to the press stated that, "extensive sale of United States military skills could adversely affect the readiness status of United States forces," and claimed that, "many of the technical skills sold to Iran [were in] critically short supply in United States military units."⁴⁰

In the third chapter, the interrelationship between the Shah's arms purchases and his policy of increasing the oil price as a means of financing them was discussed at some length. This caused concern in the Congress. Indicative of such concerns was the statement by a Senator over the sale of F-16s to Iran, when he said,

".... I have some serious questions. As we sell more of these arms, is this an incentive to raise the price of

oil? I understand Iran is already short of capital. If they are going to continue to buy incredible amounts of highly costly and sophisticated armaments, I think this is an incentive for them to raise their price..."⁴¹

Some members of the Congress also stated that the American export of highly sophisticated military equipment to Iran as a country which was a one man dictatorship, could endanger the U.S. long term interests should the Shah fall and a less pro-American regime replace him. The risks inherent to the security of American military secrets in that case was thought to be clear.⁴²

Finally, reservations were expressed in the Congress about supplying arms to a regime whose record on human rights was very poor. The 1976 Foreign Service Inspector General's report on the conduct of U.S.-Iran relations stated that,

"there are a number of elements in the policy environment which affect the way U.S. policy is formulated and executed. One is psychological. Iran is a monarchy ruled by an autocratic Shah who personally makes all critical decisions in Iran and controls all aspects of the country's economic and political life. There is no effective internal challenge to his leadership.... Many Americans - officials, Congressmen and public opinion leaders- deplore the Shah's authoritarian regime and his policies, in particular the relatively low regard for

human rights in the political sphere....The idea of a 'special' relationship with Iran based on U.S. military support is.... distasteful or repugnant to many...."⁴³

The culmination of Congressional concern during that period was the publication of the Senate's 1976 staff report on the subject, which argued that U.S. arms sales to Iran had got completely out of control of the executive branch.⁴⁴ Members of the executive branch were, of course, engaged in a constant dialogue with members of Congress to allay their fears and to justify the official policy.⁴⁵ During the Nixon-Ford Administrations, however, the Congress did not seem to have much success in curbing the momentum of U.S. arms flow into Iran. For instance, immediately after publication of the above Senate study, Kissinger visited Iran and concluded an agreement for \$10 billion worth of arms to be purchased over a number of years, which included 160 F-16s.⁴⁶

The Congressional attitude towards the U.S. supply of arms to Iran, and other aspects of the relationship, can best be summed up in the words of the U.S. Foreign Service Inspector General's report of 1976, which noted that the Congress asked many questions on different aspects of Iran-U.S. relations, including Iran's huge arms purchases, authoritarian form of government, oil pricing policies, Middle East role, and the consequences of the American sale of large quantities of arms to Iran and other Persian Gulf countries. It also noted that, although the executive branch had entered into a process of dialogue with the

Congress, nevertheless it had not, "..... fully satisfied members of Congress that their concerns have been taken into account adequately."⁴⁷

For his part, the Shah did not look with any degree of benevolence upon the Congressional posture vis-a-vis his policies. A report from the U.S. embassy in Tehran, said that, "greater congressional concern with human rights problems, coupled with increasingly restrictive policies on military sales have raised doubts about the reliability of the long-term U.S. ties," and that whilst those problems did not pose any threat to the close relations between the two countries, nevertheless they had, "to be treated rather than glossed over."⁴⁸ The Shah's reaction, for instance, to the Senate's critical report on U.S. arms sales to Iran was very abrupt and uncompromising. Whilst saying that Iran was ready to obtain its arms requirements from any source willing to supply it, he repudiated the Senate's report by stating that, "we are a sovereign country looking after our defense...We are the only judge of what we need."⁴⁹

In the end, what could be said about the Nixon-Kissinger-Ford policy of arms sales towards Iran is that they managed to contain the critics within both the bureaucracy and the Congress. Whilst there were some pockets of resistance within both the bureaucracy and the Congress about the wisdom of the U.S. arms supply policy towards Iran, the American interests were such as to enable the Nixon-Kissinger-Ford trio to overcome the sceptics' negative influence on official policy. It may also be said that the force

of those interests meant that when the Carter Administration took over, it continued the policy of its predecessors in the military-security arena, in spite of some initial hesitation and dithering on the Shah's part as to what the new Administration's policy towards Iran would be.

The Carter Era

The fact that the Shah was apprehensive about the election of the Democratic presidential candidate, Jimmy Carter, as opposed to his Republican rival, Gerald Ford, has been recounted by many who were in a position to be informed about the monarch's views. The Shah's last Ambassador to London, for one, has written in his memoirs that the monarch, "fears that Jimmy Carter may have 'Kennedy-type pretensions' [who forced a number of policies on the Shah] and would much prefer to see Ford re-elected."⁵⁰

The Carter Administration was elected to office on the basis of a foreign policy mandate, whose two elements were the promotion of human rights globally and the imposition of limits on the transfer of conventional arms to its client-states around the world. The Shah was apprehensive lest both those policies impinge negatively upon the close strategic alliance and military-security cooperation which had come into existence between Iran and the U.S. during the Nixon-Kissinger-Ford era. It seemed to the Shah, in the words of last British Ambassador to the Shah, Anthony Parsons, that the "calculating opportunism" of the latter group was giving way to a new era in the conduct of U.S. foreign policy, with a stronger dose of "moral" elements,

under the Carter Administration.⁵¹

It has been claimed that, during their visit to Iran in May 1972, Nixon and Kissinger gave the Shah a free hand in the manner in which he dealt with his opponents, irrespective of liberal opinion in the U.S. and, hence, encouraged his authoritarian tendencies. During that visit, Nixon told the Shah that, "I envy the way you deal with your students....Pay no attention to our liberals' griping."⁵²

Congressional concern over the breaches of human rights in Iran, as a country dependent on the U.S. for most of its military hardware, has already been noted. It is significant that, in hearings conducted by the U.S. Congress on the issue of human rights in Iran during the Nixon-Ford Administrations, representatives from the executive branch responded to such probings in vague and evasive terms. On one occasion the situation was described in a letter from the State Department to the Congress during hearings on the issue of human rights in Iran thus,

"...The [State] Department has carefully considered the allegations of Iranian violations of human rights...Our conclusion has been that, while it is acknowledged that the Government of Iran investigates 'political crimes' and that there may have been incidents of harsh treatment of individuals and lapses of due process, there is insufficient reliable evidence to show that 'a consistent

pattern of gross violations' of human rights exists in Iran."⁵³

During the 1970s opposition to the Shah's regime was taking new forms, in response to which the country's security forces resorted to ever harsher measures against the dissidents. During that time, a number of opposition trends to the Shah's regime could be discerned. One was the opposition of the clerical establishment. Its most extreme representative was Ayatollah Khomeini who from the early 1960s (when he was exiled to Iraq) to 1979, when his revolution succeeded, was calling for the Shah's overthrow. More importantly, during the last decade of the Shah's regime, there emerged a number of urban guerrilla insurgency movements, with either Marxist or Islamic orientations, aiming at overthrowing the Shah's regime through armed violence. During the 1970s, 341 members of the urban guerrilla movements lost their lives. Of those, 177 were killed during armed clashes with the security forces, 91 were executed, either without trial or after secret military tribunals, 42 died under torture, 15 were arrested and simply disappeared, 7 committed suicide so as to avoid being captured, and 9 were said to have been shot whilst escaping, but it became known after the revolution that they were murdered. Furthermore, 200 people thought to be linked to the guerrilla organizations were sentenced to prison terms from 15 years to life imprisonment.⁵⁴

The repression during the 1970s reached an all time high, with severe secret police brutalities and the routine use of torture

against political prisoners, leading Martin Ennals, Secretary General of Amnesty International, to state in 1974 that, "No country in the world has a worse record in human rights than Iran."⁵⁵ Now, in contrast with the laissez-faire attitude of Nixon-Kissinger-Ford era towards the issue of human rights in Iran, an Administration was going to assume office which was going to place human rights in the forefront of its foreign policy agenda. That was disconcerting for the Shah.

Another tenet of Carter's foreign policy was the limitation of conventional arms transfers to its client-states, which also worried the Shah. It has already been noted that the Congress passed a number of Acts aiming to curb and regulate arms trade with the Persian Gulf states. Whilst the Nixon-Ford Administrations were largely unmindful of Congressional concerns and measures, the Carter Administration announced a major policy statement on conventional arms transfer policy on 19 May 1977. It was stated that, henceforth, arms transfers would be considered by the U.S. as an exceptional tool in the implementation of foreign policy to be utilized only when it would contribute to U.S. national security. Further limits on the U.S. conventional arms transfer policy were to consist of a dollar ceiling on the volume of arms sold, the pledge not to be the first to introduce into other regions advanced weapons systems which would create a new fighting capability, a ban on the development of weapons systems solely for export purposes, a ban on weapon co-production agreements, prohibition to retransfer U.S. supplied equipment to other users, and the

imposition of tighter regulations concerning arms sales promotional activities by manufacturers. Furthermore, the policy guideline stated that the above controls were to be used to promote respect for human rights when formulating U.S. security policy, whilst the economic impact of arms transfers on the less-developed recipient countries would also be assessed.⁵⁶

The Shah's fears on the issues of human rights and the pursuit of a restrictive arms sales policy by the Carter Administration vis-a-vis Iran were outlined in very explicit terms in a report prepared by the American embassy in Tehran at about the same time,

"With the change of U.S. Administrations questions have arisen in the minds of the Shah and his advisors as to changes in U.S. policy which might produce certain strains. One relates to continuing defense supply and advisory-technical assistance. The Shah is uncomfortable in the presence of Congressional rumbling about Iran being overly armed and the new Administration's public commitment to smaller defense expenditures, more emphasis on disarmament, and closer scrutiny of arms sales abroad. The Shah is looking for evidence that these concerns will not change basic U.S. arms supply policy toward Iran.

An area which has moved more to the forefront over the past six months has been human rights, due partly to U.S. Congressional and press interest and partly to the Carter

Administration's having adopted it as a leading issue in international affairs. The Shah and his advisors are concerned lest Iran's differences in that area with the situation existing in the U.S. and many West European countries spill over into (or 'link' with) the more basic security and defense relationship..."⁵⁷

In spite of Carter's new foreign policy objectives and the Shah's apprehension lest those policies adversely affect the tight bilateral military-security ties between Iran and the U.S. during the Nixon-Ford Administrations, the policy of close cooperation between the two countries in defence and security matters continued intact. The question to ask, then, is what set or sets of policy interests and initiatives contributed basically to the continuation of the preexisting military-security ties.

A shrewd observer of the American political scene, and someone who had dealt with and outlasted successive post-Second World War American Administrations, the Shah embarked upon a number of policy initiatives which he thought appropriate, in response to the prevailing political situation.

One such initiative was in the area of human rights where, as early as September 1976, the Shah invited the International Commission of Jurists, Amnesty International and the International Red Cross to make suggestions about the improvement of human rights in Iran. Under the tenet of that policy, without radically transforming the political system away from one man

rule towards democratization, the Shah adopted a policy of becoming a little more lenient and tolerant towards his professional and clerical opponents. He also introduced reforms into the legal system to rectify some of the harsher and more arbitrary aspects of the treatment meted out to those accused of having committed "political" crimes.

The Shah's motives for the introduction of such partial liberalization measures, during the 1976-77 period, have been a subject of controversy. They have been attributed to a variety of factors ranging from the influence on the Shah of certain security heads, such as General Hussein Fardust, who preferred a less heavy-handed treatment of the regime's opponents, to the Shah's concern for the international image of his regime. They were also attributed to the Shah's anxiety to lay the foundations for a less security-centred political base for the eventual transition of power to his son, Crown Prince Reza. All the analysts agree, however, that the election of the Carter Administration and its espousal of human rights as a foreign policy goal, was a significant context within which the Shah was introducing his liberalization measures. The fact that those measures did much to appease the Carter Administration and persuaded it to continue the policies of the previous two American Administrations, is clearly stated in the memoirs of Gary Sick, the U.S. National Security Council aide responsible for policy towards Iran, "...to a considerable degree, these well-publicized [liberalization] reform measures provided the essential rationale for the Carter administrations's decision,

in effect, to continue without change most of the policies for previous five years."⁵⁸

Apart from pursuing a preemptive policy on the issue of human rights, on the question of defence equipment the Shah delivered stern warnings, in various interviews with the Western journalists. The Shah warned that he would turn elsewhere for the procurement of Iran's military hardware, including the Soviet Union, should the new American Administration come to deny it the sale of required military equipment. On one occasion, asked whether he would be willing to turn to the Soviet Union, should the United States impose limits on its sale of arms to Iran, the Shah replied that, "If you don't care about us, why should I care about you."⁵⁹

In another interview with an American business magazine, which was interpreted to be aimed at the Carter Administration's probable intention to limit the sale of U.S. arms to Iran, the Shah stated that, in the event of such curtailment, he would turn to France, Britain, or the Soviet Union.⁶⁰

The American policy makers appreciated the Shah's ability to initiate the necessary policy changes in military procurement, if the new Administration proved less willing to consider Iran's interests. A State Department paper on the state of U.S.-Iranian relations, for instance, stated that,

"... as a new Administration assumes power, the Shah will

carefully assess our actions on our bilateral relations..... He has expressed strong concerns over the last year or two as to whether the United States will remain a reliable ally and has long-term staying ability. These concerns have been compounded by growing public and Congressional criticism of Iranian arms purchases and of alleged Iranian practices in the field of human rights, which the Shah considers unjustified. The Shah will be sensitive to the style and manner in which we handle the various issues between us and to attempts to bend Iran in our direction on these differences... If he concludes, rightly or wrongly, that his concerns presage shifts in the United States-Iranian relationship in areas he perceives as important to Iranian interests, he is capable of making adjustments in his policies which could be detrimental to our interests...."⁶¹

In another report prepared by the American embassy in Tehran, whilst pointing out the significance that the Shah attached to his defence modernization programme, it was stated that,

"...the Shah has already indicated that if the U.S. cuts off arms supplies he will turn elsewhere. Recent significant purchases from other countries, including the Soviet Union, lend substance to his determination...."⁶²

We have seen how, after Carter's election, the Shah began a series of manoeuvres to create an atmosphere conducive to the

continuation of past U.S. policies initiated by the Nixon-Ford Administrations. But as the saying goes, it takes two hands to clap. The new Administration, early after its assumption of office, decided to follow a policy of close cooperation in the military-security arena with Iran, though with its own emphasis. As Jimmy Carter wrote in his memoirs, "I continued, as other Presidents had before me, to consider the Shah a strong ally."⁶³ Hence, the crucial points of discussion concern the set of structural, policy, and bureaucratic factors which made departure from policies of the past undesirable, if not difficult and impossible, from an American stand-point.

To begin with, the strategic situation in the Persian Gulf after the British disengagement from "east of Suez" and the emergence of Iran and Saudi Arabia as the main pivot for maintaining regional stability under the aegis of "twin-pilar" policy, had not changed. Both Zbigniew Brzezinski, Carter's National Security Advisor, and the Secretary of State Cyrus Vance in their memoirs, considered that the central role Iran under the Shah was playing within the framework of the Nixon doctrine, was a salient factor in the Carter Administration's decision to continue the policies of the two previous Presidents.

In his memoirs, Brzezinski wrote, "during the sixties Iran became our major strategic asset in the wake of the British disengagement from 'east of Suez'. That pull-out created a power vacuum in the Persian Gulf region, and American policy was to fill it by building up the military capability first of Iran,

then of Saudi Arabia..." He, then, went on to point out that American policy was based on the fears that both Iran and Saudi Arabia held of Soviet intentions or such Soviet-backed countries as Iraq, with the policy's point of culmination being the Nixon-Kissinger decision to sell the Shah whatever arms he wanted. Within that context, "recognizing Iran's strategic centrality," Brzezinski continued, "we [meaning the Carter Administration] chose to continue that policy, approving major sales of arms to Iran..."⁶⁴

The significance of Iran in the Persian Gulf security arrangements was also a point highlighted by Cyrus Vance, in his memoirs, as a determining factor in the direction of Iran-U.S. relations during the tenure of Carter Administration.⁶⁵ Vance said that, "we decided early on that it was in our national interest to support the Shah so he could continue to play a constructive role in regional affairs," and provided five underlying rationales for such a policy. 1) The Shah had provided valuable economic assistance to the countries of the region; 2) he had helped defuse tensions in southwest Asia; 3) he had helped suppress a Soviet-backed insurgency in Oman; 4) the Shah was a reliable supplier of oil to the West, and had refused to join the Arab oil boycott of 1973; and 5) he was Israel's chief supplier of oil.⁶⁶

Apart from the above reasons which militated against any dramatic revision of American policy towards Iran, there were also a number of bureaucratic factors which came to favour the

continuation of the previous policies.

After the 1976 election, most of the career officials who were retained from the previous government supported the Nixon doctrine and its corollary of relying on regional allies for the maintenance of stability, given the constraints which operated on the American power projection capabilities overseas, in the post-Vietnam era. In the ensuing debates in the inner government circles, those supporting large scale arms sales to Iran invariably won. When the opponents of large scale arms sales to Iran advocated a cut in line with the principles of Carter's conventional arms transfer policy, the counter-argument revolved around the strategic significance of the Persian Gulf region, and the region's inherent instability, which a well-armed Iran had to defend. Iran's poor record on human rights was offered as a reason for the curtailment of U.S. arms sales to Iran by the critics, whilst supporters of the policy pointed to improvements in Iran's practices on that front. To those critics who feared a regional arms race as a result of massive arms sales to Iran, the supporters responded by pointing a finger at the Soviet build up of the Iraqi arsenal and, Soviet gains in the Horn of Africa, South Yemen and Afghanistan. The advocates of the arms sales policy to Iran argued that a policy of denial would signal a vote of no-confidence in the Shah's leadership at a time when he was helping America defend its interests in the Persian Gulf. It would also tempt the Shah to start purchasing his arms from elsewhere, should the policy of denial be pushed too far.⁶⁷

Typical of positive recommendations concerning the continuation of past arms sales policies was an annual review, prepared by the American embassy in Tehran, on the conduct of Iran-U.S. relations, in the immediate aftermath of Carter's electoral victory. The review indicated that,

"the most critical issue in our bilateral relationship is an early Washington decision as to the direction of our policy of conventional arms transfers to Iran. This will be viewed here as the linchpin of the new Administration's attitude toward a continuing close relationship with Iran..."⁶⁸

Then the review went on to suggest a policy of continuing the sale of conventional arms to Iran, while recommending that any arms sales limits, which were to be imposed in line with Carter's arms transfer guidelines, to be channelled into technical consultations between the defence establishments of both countries. The aim of such consultations, according to the review, were to convince the Iranians that it was in their own best interest to stretch out their military procurement schedule because of absorption considerations. The review also suggested contacts between the top government officials of the two countries. During such meetings the U.S. government's commitment to a lower level of arms sales globally, to which Iran was also expected to subscribe, would be explained to Iranian officials.⁶⁹

The first top level contact between a high ranking member of the new American Administration and the Shah took place when Cyrus Vance, the Secretary of State, was to participate in a Central Treaty Organization ministerial meeting, to be held in Tehran in May 1977. Before Vance's trip, however, some important policy decisions had to be made. President Carter personally decided to fulfil all the previous commitments that former Administrations had entered into, particularly, the sale of advanced aircraft such as the F-16; Vance, it was also decided, had to convey to the Shah the new Administration's message that, consistent with the intention to reduce the volume of U.S. arms sales globally, an appropriate means of meeting Iran's defence needs within that framework had to be devised. Subsequently, when Vance met the Shah on May 13, in the Niavaran Palace in Tehran, he communicated to the Shah the Administration's decisions to sell Iran 160 F-16s, the sophisticated Airborne Warning and Control aircraft (AWACS) and pointed to the need for some degree of restraint in Iran's arms purchases. The Shah was reported to have been satisfied with the decisions on the sale of F-16s and the AWACS, and did not seem to heed Vance's admonition on the need to put Iran's arms requests on a more orderly basis, by coolly asking for an additional 140 F-16s. Vance responded that his request would be considered by the Administration.⁷⁰

The Shah's meeting with Vance partially assuaged his fears concerning Carter's willingness to cooperate with Iran on military-security issues. In the same month as Vance's visit, William Sullivan was assigned to Iran as the new American

Ambassador. Before leaving the U.S. for his new post in Tehran, Sullivan met with President Carter for a discussion concerning the outline of the new Administration's policy towards Iran. Carter made it clear that Iran was still being regarded as a force for security and stability in the Persian Gulf, and endorsed the Shah's status as a close and trusted ally. In his discussion with Sullivan, Carter made clear his intention of being quite generous towards Iran in terms of arms supply. Secondly, Carter expressed his willingness to sell Iran the nuclear power plants which the latter had requested, provided all the safety measures concerning the disposition of spent fuel were observed. Finally, in response to Sullivan's question on the collaboration between the CIA and SAVAK, which according to the Ambassador had degenerated into a political police organization, Carter answered that the collaboration should be maintained. According to Carter, the intelligence information which the U.S. was gathering, particularly from the listening posts focused on the U.S.S.R., was of such significant quality that the collaboration had to continue. After arriving at Tehran, during his first audience with the Shah, Sullivan passed on the content of his Washington instructions, with which the Shah was reported to have been generally pleased.⁷¹

Another culminating point in the unfolding of Iran-U.S. ties during the Carter presidency was the Shah's visit to the United States in November 1977. In spite of all the early assurances by Vance and Sullivan of the U.S. desire to maintain close cooperation with Iran, the Shah was less confident about his

approaching state visit to Washington than any of his previous visits. The visit was taking place a month after a heated debate over the sale of AWACS between the Administration and the Congress (an incident which will be dealt with fully later on) and this had extremely annoyed the Shah and brought into the open all his lingering doubts and worries since Carter's election. In the pre-visit briefings that the Shah was given by Sullivan, he was asked to be prepared to answer questions on three sets of issues. Two of the issues were concerned with the Shah's oil pricing policy, something that had more often than not put the Shah at odds with Washington. The other, important to the Shah given his ambitious nuclear programme, was related to nuclear non-proliferation in southwest Asia. In addition, the Shah was likely to confront questions relating to the large scale of his arms purchases. The Shah was told that, given the seriousness with which the Congress viewed Iran's arms purchases, as manifested in the debate on the Capitol Hill over the sale of AWACS, he had better think of a reduction in the weapons systems to be acquired and prepare a long term list of Iran's weapons procurement programme, taking into consideration the maintenance and absorption capabilities of the Iranian armed forces.⁷²

If the Shah was worried and lacked confidence before embarking upon his state visit to the U.S., the new Administration's top officials had every intention to make use of the opportunity provided by the visit to establish a climate of trust and full confidence between the two countries. Washington was going to use the Shah's visit to impress upon him three points: 1) to

convince him of the Carter Administration's intention to continue Iran-U.S. special relationship; 2) to arrive at an understanding of Iran's vital defence needs and the U.S. ability to satisfy them, particularly with a view to the Congressionally-originated constraints; and 3) to elicit support from the Shah for a more moderate position on oil pricing within OPEC.⁷³

When in Washington, the Shah and President Carter reached agreement on nuclear non-proliferation safeguards, which were to accompany the sale of nuclear power plants to Iran. The two also reached an understanding regarding the preparation of a long term list of Iran's anticipated military needs, over a five year period, so as to inject an element of order and predictability into the arms supply relationship. The Shah, however, insisted that an additional 140 F-16s and 70 F-14s were crucial for Iran's air defence. Although Carter agreed to consult the Congress, he warned the Shah not to underestimate the extent of opposition within the Congress. Carter also used the visit to reaffirm the new Administration's policy of cooperating very closely with Iran.⁷⁴ In a toast to the Shah, for instance, Carter said,

"our military alliance is unshakable....We look upon Iran's strength as an extension of our own strength, and Iran looks upon our strength as an extension of theirs. We derive mutual benefit from this close relationship."⁷⁵

If there were any doubts still lingering in the Shah's mind about the new Administration's policy, they were completely erased

after Carter's brief visit to Tehran, on 31 December and 1 January 1978, on the way from Europe to India. In the Shah's own words,

"My talks with President Carter had gone well. Iran's relationship with the U.S. had been so deep and friendly during the last three administrations....that it seemed natural that our friendship would continue....My favourable impression of the new U.S. president deepened when he visited Tehran..."⁷⁶

This closeness in Iran-U.S. relations could also be seen in an airgram dispatched to Washington by Sullivan,

"When the Carter Administration took office, the Shah and the Government of Iran were uncertain about its interests in this part of the world, its commitments to previous agreements, and its attitude towards the Shah as a ruler. As a result of the Shah's state visit to Washington in November and President Carter's official visit to Tehran at the end of December, these uncertainties have been totally dissipated..."⁷⁷

The Carter Administration's intention to continue the policies of its two predecessors towards Iran, in the military-security arena, have already been noted. But, so far, nothing has been said about the implementation of Carter Administration's policy on the issue of human rights towards Iran, a potential thorny

issue in relations between the two countries, particularly impinging on close cooperation on defence and security matters between them.

A much emphasized goal of Carter's foreign policy was human rights. The Carter Administration officials believed that Iran-U.S. ties could suffer, should the poor performance of the Shah's regime on the issue of human rights persist, given the deep popular feelings in the U.S. over the issue which the policy makers had to take into account. Moreover, it was felt that a continuing lack of regard for human rights could undermine the Shah's position inside Iran itself.⁷⁸

However, it was decided that differences over the issue of human rights with Iran should not be pushed to the extent of jeopardizing bilateral relations between the two countries, particularly in the military-security sphere. This is how the situation was described by the U.S. National Security Council aide responsible for policy towards Iran,

"The overriding consideration for U.S. Iranian policy [in the Carter Administration].... was to ensure that the cooperative relationship that had been developed over nearly four decades would be preserved and that Iran would remain a strong, reliable and friendly ally in the vital region of the Persian Gulf. The importance of the security relationship was paramount- even if that relationship would require some accommodation in the areas of human

rights and arms limitations."⁷⁹

Therefore, it is correct to state that the Carter Administration's human rights policy vis-a-vis Iran was of secondary importance compared to geostrategical considerations. Hence, after his meeting with the Shah in May 1977, Vance said in an interview that, "no linkage between human rights and arms sales has been discussed," and that it would, "... not complicate relations but has to be taken into consideration."⁸⁰ According to a U.S. embassy official, during his May visit to Iran, "Vance only mentioned the issue of human rights to the Shah; there were many more important issues to be discussed."⁸¹ Similarly, during the Shah's November visit to the U.S., Carter raised the issue of human rights in his discussions with the Shah. The latter responded that, given the threat that communism and communist-backed dissidents posed to the security of Iran, law had to be enforced. After these preliminary discussions, Carter stated in his memoirs that, "it soon became obvious that my expression of concern would not change the policies of the Shah in meeting a threat which, I am sure, seemed very real to him."⁸²

A logical outcome of such a situation was that, in public the Carter Administration spent more time defending Iran's record on human rights than criticizing it. The State Department bureaucracy, anxious to maintain the good state of Iran-U.S. relations, viewed the human rights issue as a nuisance, with its officials fighting amongst themselves over the portrayal of

Iran's record on human rights to the Congress more than any other country. The various Congressionally-mandated reports on human rights, which the State Department published during Carter's presidency, rationalized the situation in Iran by referring to the hostilities engendered by the pace of the Shah's forced social and economic modernization programmes, the threat posed by terrorism, the suspension of harsh prisoner treatment such as torture, and the improvements which the central governmental authorities had made or were trying to make in the overall situation.⁸³

With the continuation of the Iran-U.S. special relationship, unimpeded as it might have been by such issues as Carter's espousal of human rights or the imposition of limits over the sale of conventional arms, the question is still open as to how the new Administration responded to the individual cases of Iran's arms requests. In a drastic departure from the policies of its predecessors, the Carter Administration reintroduced the Washington bureaucracy's review of Iran's arms requests, thereby, reimposing the bureaucratic oversight of Iran's orders and putting an end to the period of carte blanche arms diplomacy of the Nixon-Ford era.⁸⁴

For instance, Carter Administration's interventionist approach to Iran's arms purchases was demonstrated by active involvement of Ambassador Sullivan in drawing up the list of Iran's long term military needs. Sullivan himself commented,

"As a result of administrative changes resulting from the President's arms restraint policy, I have assumed a far more direct role than my predecessors over the provision of military equipment to Iran. In execution of this role, I have worked out with the Shah and his military officials a long-term projection of Iran's needs in the way of military equipment to be procured from the United States. Due to a number of factors, this projection is markedly more modest than earlier projections had suggested..."⁸⁵

As can be seen, Sullivan's involvement in the list's preparation actually led it to be more moderate (what the list included, and the debates which it aroused within the Washington bureaucracy will be dealt with later on).

The Carter Administration used its prerogative to deny Iran the sale of a number of weapons systems. One system which the Shah intended to purchase for his air force and, which was denied to him by the Carter Administration, was the F-18L fighter aircraft. The denial, decided upon in mid-June 1977, was said to be consistent with the Administration's policy not to develop weapons systems solely for export, given the fact that the Defense Department had decided not to purchase it.⁸⁶

Another system that the Carter Administration decided not to sell to Iran was the F-4G aircraft, known as Wild Weasel, which was equipped with very advanced electronic and missile systems designed to confuse enemy radar and air defence installations.

Central to the debate within the bureaucracy over the sale of planes, was the sophisticated and sensitive nature of the equipment which, it was argued by the sale's opponents, could jeopardise U.S. national security, should they fall into the wrong hands. Those who supported the sale argued that it would be in line with the Administration's policy of bolstering the Shah as the centre of stability in the Persian Gulf and as a bulwark against the extension of Soviet power into that region.⁸⁷

What strengthened the position of the supporters of the sale was the fact that the Shah had initially asked only for the F-4 aircraft with the so-called Group A wiring, enabling the aircraft to be fitted with the radiation suppression "black boxes" once restrictions on their sale were removed. To those in the bureaucracy, it was clear that approval of the wiring was tantamount to the sale of F-4G aircraft with the "black boxes". Hence, once the sale of the F-4 aircraft with Group A wiring was approved, senior State Department officials referred the matter to Cyrus Vance, the Secretary of State, to allow the actual release of F-4G aircraft. Faced with such a referral Vance, who was unwilling to release the aircraft on the basis of its sensitive technology, went against the original decision. The Shah, when informed about the decision not to fit the F-4s with Group A wiring, was reported to have been displeased.⁸⁸

Iran was to acquire a number of naval weapons suites from the United States, for a number of frigates which it eventually decided to purchase from Western European countries. As early as

1976, however, the government of Iran had requested budgetary information in connection with the purchase of a number of frigates from the U.S.. In 1977, the government of Iran declared its intention in very clear terms that it wanted to purchase the frigates from the U.S.. During the Shah's 1977 visit to the U.S., Carter reviewed with him the specific elements of his conventional arms transfer guidelines, including the dollar ceiling on the value of U.S. arms trade globally. It became clear to the Shah that he could not purchase the frigates from the U.S. without reducing his other arms purchases. Hence, in order to accommodate his arms purchases within the Carter Administration's dollar ceiling, the Shah eventually approached West European manufacturers.⁸⁹

Although the Carter Administration put an end to Nixon's *carte blanche* arms sales policy towards Iran and reintroduced the bureaucratic review of Iran's arms requests, leading to a number of rejections, nonetheless, the evidence suggests that, as communicated to the Shah by the new Administration's officials, it was quite willing to pursue a generous arms supply policy towards Iran. Indeed, the Carter Administration approved the sale of far more arms to Iran than it denied.

The first Iranian request for the purchase of arms was received by the U.S. government in June of 1978. The list included a request for the purchase of 31 F-4 aircraft, self-propelled howitzers, weapons and communication systems for eight to twelve frigates, anti-radiation missiles and vehicles for carrying the

artillery tubes. With the exception of the F-4 and the frigates, all the other items were approved for sale after thorough review by the Defense and State Departments.

Some elements of the Shah's arms request were seen to contravene Carter's policy on arms transfers, thus causing fierce controversy within the Administration. Carter's policy, for instance, specifically prohibited the sale of subsystems (i.e. naval weapons suites on this occasion), unless the U.S. was prepared to bid for the entire system. Yet, Iran's purchase of frigates from the U.S. could not be accommodated within Carter's dollar ceiling on the global sale of arms. However, it was eventually decided after much debate within the bureaucracy to permit American companies to bid for the entire package i.e. frigates and weapons suites, but Iran was to be reminded that, should it decide to purchase the American ships as opposed to the European ones, it would have to curtail its other programmes. After a series of adversarial meetings and policy papers, it was also decided to sell Iran the artillery tubes and the cargo carriers. The final approval of the arms package to Iran was decided at a Policy Review Committee meeting at the White House on July 5, chaired by Cyrus Vance, the Secretary of State. After Presidential review of all the decisions, they were to be communicated to the Shah by David Newsom, an Undersecretary of State, on July 8, during a previously arranged visit to Iran.

When the Shah was informed of Washington's decision to exclude from the sale 31 F-4s with Group A wiring, he became very

displeased. That led American embassy officials to exert pressure on Washington to reconsider the decision, but to no avail. Nevertheless whatever the Shah's misgivings and despite this refusal, the decision represented a clear-cut victory for the supporters of a generous arms sales policy towards the Shah, in Washington.⁹⁰

Another example of the Carter Administration's positive attitude towards the supply of arms to Iran was the approval of the list of long term military needs. Although moderated somewhat by Ambassador Sullivan before being sent to Washington for consideration, the list amounted to a staggering \$12 billion, which included such major systems as 70 F-14s, 140 F-16s, 12 707 tanker aircraft, 7 P-3C maritime patrol aircraft and six other items.⁹¹

The Washington foreign and defence policy bureaucracy was divided over the issue of approving the Iranian request. The armed services supported the sale, because increased production would reduce the unit price. Others within the Defense Department, however, expressed reservations about the sale of new equipment on the grounds that Iran would face difficulties in absorbing them. It was further argued that, because of skilled manpower shortages in Iran it would probably give the American military and contractor personnel an insurmountable task to train Iranian recruits to use and maintain the equipment effectively.

Within the State Department, the geographical bureau supported

the Shah's list, itself reflective of the continuity of the Nixon doctrine. The human rights bureau in the State Department, however, was opposed to the sale of the new equipment, on the grounds that the Shah's regime was a repressive police state. The members of the Policy Planning Staff within the State Department, pointing out the adverse socio-economic effects of the Shah's arms purchases, also opposed the sale. However, even those who supported the sale concurred in the view that President Carter's guidelines on conventional arms transfers should apply to Iran and that, the latter's arms purchases had to be accommodated within the President's arms trade dollar ceiling.

It was left to the State Department's political-military bureau, with responsibility for coordinating discussion groups on arms transfer issues headed by Leslie Gelb, to weave the threads of the various arguments together, so that the concerns of those who thought the Shah's arms procurement programmes were excessive would be allayed, while at the same time, the Shah would not be pushed to purchase his military equipment from other sources. Eventually, under suggestions from Ambassador Sullivan, a formula was worked out, whereby a joint consultative mechanism would be established for discussions between military representatives of the two countries, with the Iranian military being forced to look at its arms purchases not only in terms of acquisition, but also with respect to the availability of financial and manpower resources. By tackling the issue of the Shah's arms list on a technical level, it was hoped that, apart from the injection of a necessary policy oversight, he would not be led into thinking

that the U.S. was altering or downgrading its security relationship with Iran.⁹²

Reflective of Carter Administration's intention to pursue a close military-security relationship with Iran, was its decision to sell the latter the AWACS aircraft which was communicated to the Shah by Vance. The sale of AWACS, which proved to be a highly controversial issue involving lengthy debates within the Administration and between the latter and the Congress, was to be the acid test of the new Administration's intention to continue the policy of close military-security ties with the Shah. As Vance wrote, "the subsequent debate [on the sale of AWACS to Iran] and the administration's handling of this controversial issue became a major test in convincing the Shah that the president was serious about continuing a special security relationship with him."⁹³ Apart from that, a second signal was intended to be sent to the Shah concerning the end of the era of "blank cheques" and, the new Administration's willingness to exercise its independent judgement in formulating a decision on Iran's arms requests.⁹⁴

In the executive branch, there were both those who opposed and supported the sale of AWACS. In the former category were the members of State Department's human rights bureau, who had come into government with the Carter Administration, arguing that the sale would indicate support for the Shah's domestic policies of repression, if not actually enhance his capabilities for doing so. The Air Force supported the sale, not only as an efficient

means of satisfying Iran's air defence requirements, but also because it would bring about a reduction in the unit cost of an aircraft which the Air Force was planning to purchase, too. Eventually, President Carter himself resolved the issue by deciding to sell the aircraft to Iran. The human rights activists in the State Department, not content with that decision, started a lobbying campaign in the Congress to block the sale.⁹⁵

In the Congress, opponents of the sale managed to mount a highly effective campaign against the sale of AWACS to Iran. In that effort they were assisted by a highly critical study from the General Accounting Office, a Congressional watchdog, and a statement from the CIA director, Admiral Stansfield Turner, which questioned the wisdom of the sale on security grounds and the possibility of sensitive equipment falling into Soviet hands.

In the Congress, Senators Thomas Eagleton and John Culver, concerned about the runaway rate of sales of U.S. arms to Iran, took the lead in launching attacks against the AWACS proposal. In a highly critical tone, Eagleton stated that the,

"....proposal was born in the atmosphere of secret deals of prior administrations which this committee has done much to expose. It violates the tenets of restraints in the arms sales policies which are being developed by the new Carter administration..."⁹⁶

He then went on to enumerate the problems with the sale of AWACS

to Iran, emphasizing particularly its inability to utilize and maintain effectively the new equipment, leading to the dispatch of a large number of Americans, in various advisory capacities, who could then find themselves involved in the wars of another country. Another major concern of Eagleton was related to the security risks inherent in the sale of AWACS, as a highly sophisticated piece of technology, to Iran not only through espionage, sabotage and defection from the country having a long common border with the Soviet Union, but also because that country's, "... governmental status, centred on a mortal leader, is fragile and subject to radical change."⁹⁷

Senator John Culver summed up his main concerns over the sale of AWACS to Iran in the following manner,

"...the administration supports this sale as a means of improving Iran's air defense; but it minimizes concerns about technological security; it minimizes the need for the long-term presence of U.S. support personnel; and it minimizes the potentially destabilizing impact of introducing this highly capable system into the volatile Middle East."⁹⁸

Such Congressional opposition was given strength, as already mentioned, by a highly critical report from the General Accounting Office, which questioned the rationale used by the State and Defense Departments to justify the sale of AWACS to Iran.⁹⁹ The Director of Central Intelligence also expressed his

reservations in relation to the sale of AWACS, on the grounds of security of the U.S. encipherment systems on the plane and, the possibilities of the defection of Iranian crews with the AWACS to the Soviet Union.¹⁰⁰

In spite of sustained effort by Administration officials to push the sale through the Congress, the House International Relations Committee voted 19 to 17 to block the sale. The Senate Foreign Relations Committee was also going to vote likewise when Administration officials decided to withdraw the sales notification and resubmit it later.¹⁰¹

When the Administration resubmitted the proposal to the Congress, it did so with a number of assurances from President Carter, so as to allay the major Congressional concerns, particularly those relating to the security risks. To that end Carter proposed to omit some of the more sensitive equipment from the Iranian version of AWACS and to demand the introduction of additional cautionary measures from the government of Iran for safeguarding the planes. He assured Congress that: 1) the planes would be used by Iran solely for defensive purposes and not in aid of offensive operations; 2) he would take into account the multiplier effect of AWACS on Iran's airpower capability when considering sale of additional aircraft to Iran; 3) the American personnel would be used solely for training purposes; and, 4) a report on Iran's absorptive capacity would be submitted to the Congress before the sale of any additional sophisticated military technology to Iran.¹⁰² Given the Administration's assurances and, through the

good offices of Congressman Hubert Humphrey, the AWACS sale was finally approved.¹⁰³

The Shah's reaction to the debate in the Congress over the sale of AWACS is also noteworthy. The debate was often marked by attacks on the Shah and his method of governance. He found the delay over approval of the sale and, the eventual introduction of additional security safeguards so humiliating that he ordered General Toufanian to cancel the request. The General was also ordered to inform the United States military of the Shah's intention to look elsewhere for the purchase of Iran's air defence requirements. The Shah did however, eventually accept the offer but continued to smoulder at the attacks on him by the American Congress. The impact of intended foreign policy signal concerning the desire of the Carter Administration to continue close military-security relations with Iran was thus significantly diluted.¹⁰⁴

The controversy which was created by the sale of AWACS within the Congress and, the prolonged debate between the latter and the executive branch, were indicative of a concern, if not combativeness, in the Congress over Iran's arms purchases from the U.S.. After approving the sale of seven AWACS to Iran, the Congress was letting it be known that the sale of any more advanced aircraft, would be stiffly resisted.¹⁰⁵ Given the Administration's view of Iran's significance and its generous arms sales policy toward it, Carter's policy could have led to complications in his relations with the Congress over Iran. It

was probably only the revolution in Iran which prevented a test of will between the Congress and the Administration over the sale of additional arms to the Shah. However, the revolution in Iran had other implications for Iran-U.S. military-security relations.

Implications of the Revolutionary Upheaval for Iran-U.S. Military-Security Relations

Once the revolutionary movement in Iran got underway and the Shah proved unable to contain it, either through repression or concession, reappraisal of his policies in various sectors, including those in defence, became necessary. He initiated a policy of reviewing and cutting-back some of the main items of his defence programmes, especially those related to the Air Force, to compensate for the cost of sharp pay increases awarded to the striking work force and other financial shortfalls incurred during the period of revolutionary unrest.¹⁰⁶

Symptomatic of the difficulties which the Iranian government faced in financing its defence projects was a default on the payment of advance money, due in October 1978, to the Bell Helicopter company, which was involved in a helicopter coproduction agreement, causing it to stop operations.¹⁰⁷ Eventually, the government of Iran announced its intention to pull out of the \$575 million contract with the Bell company because of what it called a "force majeure event", referring clearly to political difficulties. This was to become probably the revolution's first defence programme casualty.¹⁰⁸

The fact that Iran was looking very seriously into its defence modernization programme was also indicated by the reported visit to that country, in October 1978, of a group of top level U.S. defence officials for discussions with the Shah over possible deferment or cancellation of arms purchases.¹⁰⁹ Indicative of Iran's vacillation towards arms procurement during the revolutionary unrest was the answer that a representative of the executive branch gave to a question from a member of the Congress as to whether the acquisition of new aircraft was viewed with a sense of urgency by Iran,

"....If you asked me that question a year ago, I would have said with some certainty, yes; it is a high priority. But ... there is some indication that Iran is looking over the whole matter..."¹¹⁰

As the revolutionary unrest in Iran continued, the Shah was forced to leave the country in early 1979. He appointed Shahpour Bakhtiar as the country's Prime Minister and he also announced that all of Iran's defence contracts would be revised and looked into.¹¹¹

The revolution in Iran, therefore, brought the Shah's defence modernization programme to a halt. How did the U.S. respond to the revolution in Iran, particularly, as regards safeguarding its interests arising out of its colossal foreign military sales programme in Iran? And how did the Iranian revolution affect broad U.S. interests in geostrategic terms.

No attempt will be made here to describe the U.S. response to the Iranian revolution in detail, given the fact that all of the major U.S. participants in the formulation of policy towards the Iranian revolution, have narrated their own accounts of the situation and their roles within it. Suffice it to say that, as the revolutionary unrest in Iran continued, two "schools of thought" emerged in the U.S. government. One view, held by Carter and most of his senior foreign policy advisors such as Brzezinski, advocated the suppression of revolutionary forces by the Iranian military and, the Deputy Commander of Allied Forces in Europe General Robert Huyser was dispatched to Tehran in order to secure the loyalty of the Iranian army to a pro-Western government in Tehran, either the Shah himself or his appointee such as Bakhtiar. The second view, emanating by and large from the State Department and their man on the spot in Tehran, Ambassador Sullivan, put forth the view that the army was unable to contain the revolutionary forces. Thus, they advocated a compromise formula calling for power sharing between sections of the moderate opposition, such as Mehdi Bazargan, and the army.¹¹² In any event, the revolution's sweeping victory, in February 1979, put an end to the relevance of either of the two alternatives.

More pertinent for our purposes however, is the manner in which the U.S. brought to an end a large portion of its military sales programmes in Iran. When the revolution started, Iran had defence agreements worth \$12 billion with the U.S. government. According to the latter's regulations, the countries which entered into

foreign military sales contracts with the U.S. were (and probably still are) required to establish a trust fund in the United States, with sufficient deposits 90 days in advance of each quarter, in order to make progress payments to the contractors working on weapons for the purchasing country.

In accordance with a previous modus operandi, the U.S. government billed Iran for the funds needed to cover progress payments to the contractors for the quarter of January-March 1979. Given the paralysis of banking system as a result of countrywide strikes, Iran was unable to transfer the required funds before the beginning of the quarter. Through the special effort of American embassy in Tehran, the Iranian Central Bank and the Federal Reserve Bank in New York on 8-10 January 1979, \$227 million was transferred from Iran's foreign reserves, on deposit in New York, to its foreign military sales trust fund account with the Federal Reserve Bank in Denver. With that amount deposited, the balance of Iran's trust fund came to a total of \$800 million. According to Washington analysts, however, that amount was insufficient to both cover progress payments to the contractors and, at the same time, leave sufficient funds in the account to pay for contract termination charges, should it become necessary to cancel any part of Iran's foreign military sales contracts- a strong possibility given direction of the revolution. In the event of such cancellations and the trust fund's shortfall to cover termination charges, the U.S. government, as the party which had entered into contracts with the weapons manufacturers on behalf of Iran, would have been liable to compensate these.¹¹³

Because of possible financial obligations with which the U.S. government could have been burdened, under promptings from Ambassador Sullivan, Washington dispatched Eric von Marbod, a senior Defense Department official, to Iran to arrange for the orderly liquidation of Iran's foreign military sales programmes, in order to prevent the U.S. government from incurring liabilities which could run into billions of dollars. Once in Tehran, Marbod started gathering all the necessary information for the purpose of drawing up a Memorandum of Understanding (MOU), to be signed by the governments of Iran and the U.S, so as to cancel a number of projects and thus reducing the amount necessary to be paid in progress payments to the U.S. manufacturers. Once prepared, however, it proved very difficult to find any high-ranking Iranian military official willing to sign that document. Given the fluid political conditions in Iran at the time, which could bring the opposition into power, the military officials feared probable recrimination in the post-revolutionary period, for having signed a document not in the country's best national interest. Eventually General Huyser, the special U.S. envoy whose mission was briefly discussed earlier on, had to come down hard on General Abbas Gharebaghi, the last chief of Iran's Supreme Commander's Staff, to order one of his subordinates to sign the MOU. Formalization of the MOU eventually took place on 3 February 1979.¹¹⁴

The MOU led to the complete cancellation of Iran's intended foreign military purchases in a number of areas, namely: 160 F-16s; 7 E-3A aircraft; and 16 RF-4 aircraft with all their

related logistical, training and support programmes. It also led to the partial cancellation of a number of other programmes, namely: 2 Spruance destroyers; 1 Tang-class submarine; 444 Phoenix, 209 Harpoon, 258 Standard, 360 I-Hawk, 362 Sidewinder, 362 Sparrow, 11,182 Tow and 10,937 Dragon missiles; 214 Mk-46 and 174 MK-37 torpedoes; 113 M-548 cargo carrier; 1 bridge launcher; 9 M-110 howitzer; 108 M-113 armoured personnel carriers and a number of other items. The MOU also undertook,

"... to the extent possible, the USG [U.S. Government] will divert any and all residual undelivered assets to USG Department of Defense and/or Foreign Military Sales Program accounts to obtain full and equitable reimbursements to the GOI [Government of Iran] Trust Fund."¹¹⁵

It was intended to keep the trust fund solvent by crediting it with proceeds of the diverted foreign military sales programmes so that there would be sufficient funds in the account to cover all the charges due, including the termination costs of Iran's foreign military sales programmes.

Having noted the cancellation of a substantial part of Iran's foreign military sales programme out of contractually related financial considerations, in the period immediately prior to the revolution's success, it might be appropriate to find out how the protection of American military secrets affected the conclusion of such an agreement. The eruption of revolutionary

violence in Iran proved a realization of the warnings by those, in the U.S Congress and bureaucracy, who opposed the sale of sophisticated American weapons systems to the Shah, as a leader with a tenuous power base, whose possible fall would create security risks for the American military secrets.

It is difficult to attribute with certainty the influence exerted by the security considerations in conclusion of the MOU of 3 February 1979, given the tenuous evidence available. Some evidence does, however, exist which indicates that, if not an overriding factor, the security considerations did play some role in the termination of U.S. foreign military shipments to Iran immediately before the revolution's victory. For instance, in a special Senate hearing on the possible compromise of American military secrets as a result of the revolution in Iran, one of the Senators stated in his opening remarks that,

"...U.S. officials recognized the danger signals, since the shipment of missiles to Iran was suspended in December 1978. Naval FMS contracting was put on hold in January 1979, and FMS shipments were terminated in February [probably referring to the time when the MOU of 3 February 1979 was signed]..."¹¹⁶

The following quotation also indicates security considerations in the U.S. termination of a large part of its foreign military sales programmes in Iran before the revolution,

"Senator Pell. Despite the fact that most American arms sales in the pipelines to Iran were cancelled, Iran still has contracts for us to produce two of the Spruance class destroyers [initially only two of the four destroyers were cancelled; the other two were cancelled after the revolution]. Do you think we ought to go ahead with selling the sophisticated Spruances under the circumstances? that is, presuming they [the new regime in Iran] remain on our side, and we have seen history that that does not always happen?

Mrs. Benson [from the executive branch]. I think it is a bit premature to make that decision. Those Spruance destroyers are a long way from being completed. We have adequate time to analyze whether or not the Government of Iran, which, as you say, is in a fluid condition, should have those ships exported to it or not...."¹¹⁷

However, during the period of revolutionary unrest in Iran, the protection of its military secrets from falling into the hands of a revolutionary regime in Iran, was not the sole cause of American concern. U.S. officials were, particularly concerned about the Soviet Union obtaining secrets of F-14 aircraft, its Phoenix missile system and their classified manuals. They feared that, if U.S.S.R. penetrated the bases where the sensitive equipment and manuals were kept, it would enable the Soviet Union, to devise more effective counter-measures against the Phoenix missile and its guidance system.¹¹⁸

General Huyser, the special U.S. envoy, had received very specific instructions from Washington to raise the issue of security of sensitive American military equipment, in particular the F-14 jet fighters and their Phoenix missile system, with the Iranian Air Force and Navy chiefs. The Washington instruction was to move the F-14 aircraft and their Phoenix air-to-air missiles to Iran's southern bases and to ensure their protection there. However, some sections of the Iranian Air Force who had heard rumours about the U.S. contingency plans to move the F-14s and their Phoenix missiles out of Iran, if the political situation deteriorated, resisted plans to relocate the planes and, in one instance, the attempts to do so led to clashes at Shiraz, one of the two air bases where the F-14s were being kept.¹¹⁹

In any event, the F-14s and their Phoenix missiles, with the exception of certain key avionics from the former, were not removed from Iran. The loss of technological secrets represented a major setback for the U.S. strategic interests. It was, however, hoped by U.S. officials that, over time the value of lost technology would be degraded, whilst necessary steps would be taken to improve upon the F-14s and the Phoenix missiles as a means of thwarting the adverse effect of such equipment loss.¹²⁰

Apart from the loss of sensitive military equipment, the revolution in Iran had far-reaching consequences for U.S. strategic interests in a number of other areas. It may be

recalled from chapters two and three that Iran was seen by the U.S. as a very significant bulwark against the Soviet penetration of the Persian Gulf and Middle Eastern regions constituting, with Pakistan and Turkey, a belt of containment along the Soviet Union's southern borderline. This was how Brzezinski, the American National Security Advisor during Iran's revolutionary transformation, put it,

"The Iranian disorder shattered the strategic pivot of a protected tier shielding the crucial oil-rich region of the Persian Gulf from possible Soviet intrusion. The northeast frontier of Turkey, the northern frontiers of Iran and the neutral buffer of Afghanistan created a formidable barrier, which was pierced once Iran ceased to be America's outpost..."¹²¹

Apart from its impact on U.S. global strategy vis-a-vis the Soviet Union, Brzezinski in a memo to President Carter dated 18 January 1979, stated the strategic implications of Iran's revolution, for U.S. interests at a local level. He pointed out that the region was, "likely to shift piecemeal to an orientation similar to that of Libya...with the result that our position in the Gulf would be undermined, [and] that our standing throughout the Arab world would decline..."¹²² The revolution in Iran, therefore, was perceived by the top U.S. officials to have, and indeed did have, certain consequences on the global and regional balances of power for the conduct of U.S. foreign policy.

American security policy throughout the 1970s towards the Persian Gulf, the Indian Ocean and, the whole of southwest Asia had come to be based upon Nixon's surrogate strategy and its corollary of bolstering Iran as a centre of power and stability. The revolutionary transformation in Iran changed U.S. policy towards those regions. In a number of meetings throughout the summer and autumn of 1979 attended by Vance, Brzezinski and Secretary of Defense Brown, it was decided to strengthen the American capability for power projection into the Persian Gulf. The policy included the increase in U.S. air, naval and ground capabilities for rapid power projection into the Persian Gulf, consultation on security matters with the key regional states and military exercises with allies, an increase in the U.S. naval presence in the Indian Ocean, access to air-fields and naval bases in the vicinity of the region, and the upgrading of air and naval facilities on the British held island of Diego Garcia in the Indian Ocean. All those actions were the result of the revolution in Iran and constituted the basis for the creation of a Rapid Deployment Force, an integral part of current U.S. strategy towards the Persian Gulf region.¹²³

Finally, the loss of its intelligence gathering sites in Behshahr and Kabkan in the north of Iran, meant a temporary diminution in U.S. capability to monitor Soviet nuclear force developments and tests. Although, the effect of the loss was to be temporary, and the Administration spokesmen reaffirmed that point repeatedly, it added to the scepticism of opponents of the SALT II treaty, who opposed it on verifiability grounds, particularly in the

Conclusion

An attempt has been made in this chapter to delineate the manner in which the various U.S. governmental agencies perceived and responded to the evolving Iran-U.S. military-security ties during the 1970s. A brief mention has been made of the broad implications of the rupture in that relationship as a result of the revolutionary transformation of 1979 in Iran.

It was asserted that in spite of some initial reservation by sections of the foreign and defence policy bureaucracy to the idea of bolstering Iran militarily as a bastion of stability in the Persian Gulf and to Nixon's carte blanche arms sales policy of 1972, supporters of those decisions, who also had the firm backing of Henry Kissinger and President Nixon himself, managed to contain dissidents and shape policy in accordance with their views.

Furthermore, it was also shown that, hand-in-hand with the U.S. weaving of a special relationship with Iran in the late 1960s-1970s, a system of skewed political reporting on the latter was institutionalized within the Washington bureaucracy, whereby only analysis supporting the official policy was acceptable to senior U.S. officials. In other words, reporting on Iran came to be regarded as a means of justifying the end of official policy, not as critical evaluation and reappraisal which, could then reshape the policy. However, that was not all.

During that period the Shah's view of himself as a progressive, popular and modernizing monarch who was ruling a stable country had also become strongly entrenched within the Washington bureaucracy.¹²⁵ The combination of uncritical reporting on Iran and unquestioning acceptance of the Shah's view of himself were two strong contributory factors in Washington bureaucracy's failure to detect the whirlwind of revolutionary transformation in Iran, even after it had got underway.

It was also observed that, during the Nixon-Ford Administrations, although initially caught unawares of changes in U.S. arms sales policy towards Iran, the Congress became increasingly vociferous on the issue. Segments of opinion within the Congress critical of the Shah's record on issues such as human rights, his oil pricing policy, his ultimate regional ambitions, the Iranian absorption capability and so on expressed their apprehension about the scale of U.S. arms sales to Iran. The executive branch, nevertheless, during that period did not introduce any change in the course of its policy in response to Congressional concerns.

Some changes in the direction of American arms sales policy vis-a-vis Iran were introduced during the tenure of Carter Administration, but the balance of structural constraints was such as to force the Carter Administration to continue the policy tenets of its predecessors unchanged. Within the context of bureaucratic debate, those favouring a generous arms sales policy constantly overcame those who did not. However, there was some indication that, had the revolution in Iran not occurred, the

proponents of such a policy might have run into increasing difficulties with the Congress.

Notes

1. The quotation from Ford is taken from: Barry Rubin, Paved With Good Intentions: The American Experience and Iran (New York, Oxford University Press, 1980), p. 154.
2. See: By A Staff Correspondent, "U.S. Maneuvers Backstop British Pullout in Mideast," Christian Science Monitor, 20 June 1968.
3. See: R K Ramazani, Iran's Foreign Policy 1941-1973: A Study of Foreign Policy in Modernizing Nations (Charlottesville, University Press of Virginia, 1975), pp. 365-367.
4. Tad Szulc, The Illusion of Peace: Foreign Policy in the Nixon Years (New York, Viking Press, 1978), p. 444.
5. Rogers' quotation is taken from: Ibid.
6. R J Pranger and D R Tahtinen, American Policy Options in Iran and the Persian Gulf (Washington, American Enterprize Institute, 1979), p. 4.
7. Rubin, op. cit., pp. 129-130.
8. R J Pranger and D R Tahtinen, op. cit., p. 4.
9. T Szulc, op. cit., p. 584.

10. The full text of communique appears in: Department of State Bulletin, 26 June 1972, p. 909.

11. Embassy Documents, Vol. 8, pp. 43-44; see also the same volume, p. 42.

12. Multinational Corporations and United States Foreign Policy, Hearings before the Subcommittee on Multinational Corporations of the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1977), pp. 176-179; and Seymour Hersh, "Senate Unit Hears Nixon Rejected Pentagon Advice on Iran Jet Sales," New York Times, 28 September 1976. There is no substantiation by any of the sources as to why the sale should be detrimental to U.S. interests.

13. Multinational Corporations and United States Foreign Policy, op. cit., pp. 193-194; Rubin, op. cit., pp. 134-136; and C D Carr, The U.S. Arms Transfers to Iran 1948-72 (PhD Dissertation, University of London, 1980), p. 297.

14. See the article by a U.S. official who was involved in the management of U.S. military sales programme in Iran: Abdel Karim Mansur, The Crisis in Iran: Why the U.S. Ignored A Quarter Century of Warning, Armed Forces Journal International (January 1979), p. 29.

15. Iran: Evaluation of U.S. Intelligence Performance Prior to November 1978, Staff Report of the Subcommittee on Evaluation of

the House Permanent Select Committee on Intelligence (GPO, Washington D. C., 1979), P. 1.

16. Ibid., pp. 2, 7-8; for an elaborated and informed analysis of the defects affecting the U.S. intelligence collection effort within Iran see: James Bill, The Eagle and the Lion: The Tragedy of American-Iranian Relations (New Haven and London, Yale University Press, 1988), pp. 379-425.

17. For an analysis of the State Department's position vis-a-vis Nixon's decision of 1972 towards Iran see: U.S. Military Sales to Iran, A Staff Report to the Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1976), pp. 41-42.

18. Rubin, op. cit., p. 167; as it will be mentioned later on however, this is not to say that Schlesinger did not try to introduce a number of changes in the implementation side of U.S. arms sales policy in Iran, as he thought appropriate.

19. For Helms's statement see: Ibid., p. 186.

20. For the attitude of the American embassy vis-a-vis Nixon's 1972 decision see: U.S. Military Sales to Iran, op. cit., pp. 46-47.

21. For an exposition of the position of DOD critics of the U.S. arms sales policy vis-a-vis Iran and other countries of the

Persian Gulf see: Ibid., pp. 43-44; and Rubin, op. cit., pp. 166-167.

22. R K Webster, Report for the Secretary of Defense on the Implementation of the United States Foreign Military Sales Program in Iran (n.p. 1977), pp. 43-47; Rubin, op. cit., p. 167; and U.S. Military Sales to Iran, op. cit., p. 43.

23. United States Arms Policies in the Persian Gulf and Red Sea Areas: Past, Present, and Future, Report of a Staff Survey Mission to Ethiopia, Iran and the Arabian Peninsular, House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), pp. 143-145; and U.S. Military Sales to Iran, op. cit., pp. 44-48.

24. Such CIA reservations appear in: From Our Own Correspondent, "Shah Is Megalomaniac, Says CIA Assessment," The Guardian, 23 October 1976.

25. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., pp. 163-164; and Rubin, op. cit., p. 176.

26. For the text of the U.S. Inspector General's report and its evaluation of U.S. arms policy towards Iran see: Embassy Documents, Vol. 34, pp. 20-21; for the quotation see, p. 20.

27. See: Henry Kissinger, The White House Years (London, Weidenfeld and Nicolson and Michael Joseph, 1979), p. 1264.

28. Apart from the material in the previous two chapters and this one, for arguments presented in this paragraph see also: Carr, op. cit., p. 383.

29. H Kissinger, Years of Upheavel (London, Weidenfeld and Nicolson and Michael Joseph, 1982), pp. 669-670; for the quotation see the same source, p. 670.

30. See memoirs of the National Security Council aide responsible for the U.S. policy vis-a-vis Iran: Gary Sick, All Fall Down: America's Fateful Encounter with Iran (London, I. B. Tauris and Co., Ltd., 1985), pp. 17-19.

31. For the quotations see: Embassy Documents, Vol. 34, pp. 16-17.

32. Statement by a Congressman by the name of Lee H Hamilton, as it appears in: New Perspectives on the Persian Gulf, Hearings before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, 93 Cong. 1 sess. (GPO, Washington D. C., 1973), p. 191.

33. Rubin, op. cit., p. 146.

34. R K Webster, op. cit., p. A6; and Andrew Hamilton, "Uncle Sam Arms Dealer," The Washington Post, 11 August 1974.

35. For Kennedy's statement see: Foreign Assistance

Authorization, Arms Sales Issues, Hearings before the Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations, 94 Cong. 1 sess. (GPO, Washington D. C., 1976), pp. 113-114; also see: Edward Kennedy, The Persian Gulf: Arms Race or Arms Control, Foreign Affairs (October 1975), pp. 14-36.

36. See: Ibid., pp. 503-506; R K Webster, op. cit., pp. A7-A9; and Hussein Sirriyeh, U.S. Policy in the Gulf, 1968-1977: Aftermath of British Withdrawal (London, Ithaca Press, 1984), p. 101.

37. See: Foreign Assistance Authorization, Arms Sales Issues, op. cit., p. 240; The Persian Gulf, 1974: Money, Politics, Arms and Power, Hearing before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, 93 Cong. 2 sess. (GPO, Washington D. C., 1975), p. 267; and United States Arms Sales to the Persian Gulf, Report of a Study Mission to Iran, Kuwait and Saudi Arabia, Submitted by Congressman Pierre du Pont IV, on 19 Dec 1975 (GPO, Washington D. C., 1975), pp. 13-14.

38. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 137; and U.S. Arms Sales Policy: Proposed Sales of Arms to Iran and Saudi Arabia, Hearings before the Senate Committee on Foreign Relations, 94 Cong. 2 sess. (GPO, Washington D. C., 1977), pp. 4, 7 and 15.

39. United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 138; New Perspectives on the Persian Gulf, op. cit., pp. 56-57; and U.S. Arms Sales Policy: Proposed Sales of Arms to Iran....., op. cit., pp. 34-35.

40. For the quotation see: John W Finney, "U.S. Military Readiness Seen Harmed by Arms Sales to Iran," International Herald Tribune, 31 August 1976; and United States Arms Policies in the Persian Gulf and Red Sea Areas, op. cit., p. 138.

41. For the quotation see: U.S. Arms Sales Policy: Proposed Sales of Arms to Iran....., op. cit., p. 4; also see the same source, pp. 7 and 30.

42. Senate Delegation Report on American Foreign Policy and Non-Proliferation Interests in the Middle East, U.S. Senate, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), pp. 25-26.

43. For the quotation see: Embassy Documents, Vol. 34, p. 13; on that issue also see: U.S. Arms Sales Policy: Proposed Sales of Arms to Iran....., op. cit., p. 39.

44. See: U.S. Military Sales to Iran, op. cit.

45. See: Sirriyeh, op. cit., pp. 113-119.

46. Bernard Gwertzman, "U.S. Arms Deals For \$10 Billion Planned by Iran," International Herald Tribune, 9 August 1976.

47. Embassy Documents, Vol. 34, p. 19.
48. Embassy Documents, Vol. 7, pp. 172-173.
49. For the Shah's interview see: Thomas W Lippman, "Shah Defends Big Purchases of U.S. Arms," International Herald Tribune, 8 August 1976.
50. See: Parviz C Radji, In the Service of the Peacock Throne: The Diaries of the Shah's Last Ambassador to London (London, Hamish Hamilton, 1983), p. 23.
51. See the memoirs of the U.S. National Security Council aide responsible for policy towards Iran during the Carter Administration: Gary Sick, op. cit., p. 22; and the memoirs of the last British Ambassador to Iran in the pre-revolutionary period: Anthony Parsons, The Pride and the Fall: Iran 1974-1979 (London, Jonathan Cape, 1984), pp. 47-48.
52. For the Nixon's quotation see: Fereydoun Hoveyda, The Fall of the Shah (New York, Wyndham Book, 1979), p. 77.
53. The State Department's letter appears in: Human Rights in Iran, Hearings before the Subcommittee on International Organizations of the House Committee on International Relations (GPO, Washington D. C., 1976), p.11.
54. Ervand Abrahamian, Iran Between Two Revolutions (Princeton,

Princeton University Press, 1982), pp. 450-495.

55. The quotation is taken from: William J Butler and Georges Levasseur, Human Rights and Legal System in Iran (Geneva, International Commission of Jurists, 1976), p. 22; for the Shah's record on human rights also see: Bill, op. cit., pp. 186-192.

56. For the full text of President Carter's conventional arms transfer policy see: Implications of President Carter's Conventional Arms Transfers Policy, Report to the Subcommittee on Foreign Assistance by the Foreign Affairs and National Defense Division, Congressional Research Service, Library of Congress (GPO, Washington D. C., 1977).

57. For the quotation see: Embassy Documents, Vol. 7, p. 92; for similar points also see: Embassy Documents, Vol. 8, pp. 128-129.

58. For the quotation see: Gary Sick, op. cit., p. 214; on the Shah's liberalization policy during the 1976-1977 time frame see: Bill, op. cit., 192-193; Parsons, op. cit., pp. 47-50; and Human Rights Conditions in Selected Countries and the U.S. Response, Prepared by Congressional Research Service for the Subcommittee on International Organizations of the House Committee on International Relations, 95 Cong. 2 sess. (GPO, Washington D. C., 1978), pp. 123-144.

59. The interview appears in: Nicholas Comfort, "Shah's Arms Ambitions Face Rebuff," Daily Telegraph, 15 November 1977.

60. See: David Bell, "Oil, Arms Sales Warning by Shah," Financial Times, 15 January 1977.
61. See: Embassy Documents, Vol. 8, p. 128.
62. Ibid., p. 159.
63. Jimmy Carter, Keeping Faith: Memoirs of A President (New York, Bantam Books, 1982), pp. 435.
64. Z Brzezinski, Power and Principle: Memoirs of the National Security Advisor (London, Weidenfeld and Nicolson, 1983), pp. 356-357.
65. Cyrus Vance, Hard Choices: Critical Years in America's Foreign Policy (New York, Simon and Schuster, 1983), pp. 314 and 316.
66. Ibid., p. 317.
67. Rubin, op. cit., pp.190-192.
68. Embassy Documents, Vol. 8, pp. 170-171.
69. Ibid., pp. 166-167.
70. For the issues discussed between the Shah and Vance see: Cyrus Vance, op. cit., pp. 317-318; and Gary Sick, op. cit., p.

25.

71. William Sullivan, Mission to Iran (New York, W W Norton and Company, 1981), p. 25.

72. Ibid., pp. 121-124.

73. Gary Sick, op. cit., p. 321.

74. Ibid., pp. 28-30; and Vance, op. cit., pp. 321-323.

75. For the quotation from Carter see: Henry S Bradsher, "Reassured Iran Eases Up on Pressure for U.S. Arms," Washington Star, 27 November 1977.

76. M R Pahlavi, Answer to History (New York, Stein and Day, 1980), p. 152.

77. Embassy Documents, Vol.12(pt. 2), p. 17.

78. Brzezinski, op. cit., p. 357; and Vance, op. cit., pp. 315-316.

79. Sick, op. cit., pp. 24-25.

80. Vance's interview appears in: Liz Thurgood, "U.S. Arms sales to Shah to Go On," The Guardian, 14 May 1977.

81. The quotation from the U.S. embassy official is taken from: Bill, op. cit., p. 227.

82. For discussions on human rights between the Shah and Carter during the former's November 1977 visit to the U.S. see: J Carter, op. cit., pp. 435-437; for the quotation see the same source, p. 437.

83. Rubin, op. cit., pp. 193-196; for substantiation see: Human Rights in Iran, Hearing before the Subcommittee on International Organizations of the House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1977); and Foreign Assistance Legislation for Fiscal Year 1979 (Pt.4), Hearings before the Subcommittee on International Organizations of the House Committee on International Relations, 95 Cong. 2 sess. (GPO, Washington D. C., 1978), pp. 224-233; it may be of relevance to note that whilst an issue was being made out of the human rights reforms introduced by the Shah, a lawyer from Amnesty International commented, amongst other things, on the legal aspect of such reforms in the following manner, "...Amnesty International is compelled to conclude that the current state of the law in Iran does not in practice represent improvement in the human rights situation in that country. In point of fact, regulations promulgated as recently as December 1977, show that this concern remains valid..." See the previous source, p. 217.

84. Rubin, op. cit., pp. 196-197.

85. Embassy Documents, Vol. 12 (pt. 2), p. 19.

86. Implications of President Carter's Conventional Arms Transfers Policy, op. cit., p. 15; and "Carter Arms policy Scuttles Major Iran, Pakistan Sales," International Herald Tribune, 3 June 1977.

87. See: "Arms Request from Iran Rejected by White House," International Herald Tribune, 17 August 1978; Richard Burt, "U.S. Weighing Iran's Bid for 31 Special Fighters," International Herald Tribune, 31 July 1978.

88. Sick, op. cit., pp. 44-46.

89. United States Arms Sales Policy and Recent Sales to Europe and the Middle East, Hearing before the Subcommittee on Europe and the Middle East of the House Committee on International Relations, 95 Cong. 2 sess. (GPO, Washington D. C., 1978), pp. 28-30 and 186-189.

90. Sick, op. cit., pp. 43-46.

91. Ibid., p. 49.

92. Sullivan, op. cit., pp. 148-150; and Vance, op. cit., pp. 323-324.

93. Vance, op. cit., p. 319.

94. Sick, op. cit., p. 26.

95. Sullivan, op. cit., pp. 114-116.

96. Sale of Awacs to Iran, Hearings before the Subcommittee on Foreign Assistance and the Senate Committee on Foreign Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1977), p. 3.

97. Ibid., pp. 3-5; for the quotation see the same source, p. 5.

98. Ibid., p. 6; for the full text of his arguments see: pp. 6-13.

99. For the full text of GAO's report see: Prospective Sale of Airborne Warning and Control System (AWACS) Aircraft to Iran, Hearings before the Subcommittee on International Security and Scientific Affairs and on Europe and the Middle East of the House Committee on International Relations, 95 Cong. 1 sess. (GPO, Washington D. C., 1978), pp. 100-104.

100. Ibid., p. 114.

101. Graham Hovey, "Carter Retreats on Iran Radar to Delay Offer," International Herald Tribune, 30 July 1977; and Patrick Brogan, "Plan to Sell Air Radar System to Iran Shelved," Time, 29 July 1977.

102. For the full text of Carter's assurances see: Sales of Awacs

to Iran, op. cit., pp. 87-88.

103. Bill, op. cit., p. 230.

104. Sullivan, op. cit., pp. 116-117; Sick, op. cit., pp. 26-27; Vance, op. cit., pp. 318-321; and Carter, op. cit., p. 434.

105. "Further Iran Arms Bids Face Opposition," Aviation Week and Space Technology, 21 November 1977.

106. Joe Alex Morris Jr., "Unrest Forces Iran to Halt March to Modernization," International Herald Tribune, 24 Oct 1978; and Liz Thurgood, "Iran's New Policy to Beat Violence," Guardian, 10 October 1978.

107. "Iran Unrest Snarls U.S. Arms Contract," International Herald Tribune, 7 December 1978.

108. Stewart Fleming, "Iran Pulls Out of \$575 M Bell Helicopter Contract," Financial Times, 28 December 1978.

109. Andrew Whitley, "U.S. and Iran in Talks on Defence Needs," Financial Times, 25 October 1978.

110. United States Arms Sales Policy and Recent Sales to Europe and the Middle East, op. cit., pp. 69-70.

111. "Iran to Revise Defence Contracts Worth \$10 bn," Financial

Times, 9 January 1979.

112. See the books by Sullivan, Vance, Brzezinski, Sick and Carter which have been used at various stages in this chapter; but also see: R E Huyser, Mission to Tehran (London, Andre Deutsch Limited, 1986).

113. Hearings on Military Posture before the House Committee on Armed Services (Pt. 2), 96 Cong. 1 sess. (GPO, Washington D. C., 1979), pp. 426-428; Financial and Legal Implications of Iran's Cancellation of Arms Purchase Agreements, United States General Accounting Office (July 1979); Sick, op. cit., p. 148; and Supplemental Appropriations Bill, 1979 (Pt. 4), Hearings before the Subcommittee on Defense Appropriations of the House Committee on Appropriations, 96 Cong. 1 sess. (GPO, Washington D. C., 1979), pp. 104-106.

114. Sullivan, op. cit. p. 245; Huyser, op. cit., pp. 105, 145, 206, 207, 212, 213, 224, 227, 254, and 263.

115. For the quotation see: Supplemental Appropriation Bill 1979 (Pt. 4), op. cit., p. 136; for the list of Iran's FMS cancellations which appears in the 3 February 1979 MOU see the same source: pp. 134-135.

116. Fiscal Year 1980 International Security Assistance Authorization, Hearings before the Senate Committee on Foreign Relations, 96 Cong. 1 sess. (GPO, Washington D. C., 1979), p.

117. Ibid., p. 29.

118. For concerns about the security of sensitive equipment see: Drew Middleton, "West Is Now Uneasy About Arms In Iran," New York Times, 12 December 1978; Norman Kempster, "Pentagon Seeks Protection of Advanced Jets in Iran," International Herald Tribune, 8 January 1979; Bernad Weintraub, "U.S. Fears Arms Secrets in Iran Are Compromised," International Herald Tribune, 5 March 1979; Fiscal Year 1980 International Security Assistance Authorization, op. cit., pp. 419-440; and U.S. Policy toward Iran, Hearing before the Subcommittee on Europe and the Middle East of the House Committee on Foreign Affairs, 96 Cong. 1 sess. (GPO, Washington D. C., 1979), pp. 49-50 and 54-55.

119. Huyser, op. cit., pp. 58, 63, 82, 181, 184-185, 187-188, 194, 200, 208, 217-218; and Fiscal Year 1980 International Security Assistance Authorization, op. cit., pp. 441-454.

120. Fiscal Year 1980 International Security Assistance Authorization, op. cit., pp. 429; and DOD Authorization for Appropriations for Fiscal Year 1980 (Pt. 3), Hearings before the Senate Committee on Armed Services, 96 Cong. 1 sess. (GPO, Washington D. C., 1979), pp. 997-998 and 1004.

121. Brzezinski, op. cit., p. 356.

122. Ibid., p. 385; for similar views see: Vance, op. cit., pp. 347-348; and Sick, op. cit., p. 114.

123. "America's Nightmare in Iran," U.S. News and World Report, 20 November 1978; "U.S. Shifts Power Gears," The Middle East, March 1979; Vance, op. cit., pp. 369-370; and Sick, op. cit., p. 40.

124. Vance, op. cit., pp. 136-137 and 347; Hedrick Smith, "CIA Sees Long Delay in Replacing Iran Bases," International Herald Tribune, 18 April 1979; and George Wilson, "U.S. Dismantling Intelligence Gear, Storing It in Iran," Washington Post, 12 January 1979.

125. Sick, op. cit., pp. 48-49; and Bill, op. cit., pp. 319-379.

CHAPTER SIX

The Diplomatic Implications of Iran-U.S. Military-Security Relations in the 1970s

The primary purpose of this chapter is to discuss Iran's diplomatic activities in the 1970s, as a spin-off from the wider context of its security role and function during that decade.

The genesis of the Nixon doctrine, its translation in the Persian Gulf region under the rubric of the "twin-pillar" policy, and the massive infusion of arms into Iran as the main "pillar" of that policy have already been noted in the preceding chapters. So far, however, nothing has been said about Iranian diplomacy during that decade, which was marked by its active but conservative nature. The policy was active in the sense that Iran came to utilize all the foreign policy resources at its command such as the newly acquired military capability and the increasing financial wherewithal, particularly after the 1973 oil price rise, for the achievement of its objectives on a widening geographical scale covering the Persian Gulf, the Middle East and the Indian subcontinent. Iran's diplomatic posture was conservative in that its main thrust was to support a Western defined status quo and was concerned primarily with checking the growth of "revisionist" tendencies in the form of Soviet influence and radicalism in these areas. This is how the situation with respect to Iran's diplomatic activities in the 1970s, was summed-up by a U.S. State Department paper in 1977,

"today, as a growing regional power, Iran has the financial strength and is rapidly developing its military capability and influence.... It can play an important independent role in the Middle East, South Asia and the Indian Ocean to advance regional stability and to counter the activities and policies of the USSR or regional radical forces."¹

The policies which Iran pursued in the diplomatic arena in the 1970s were very close to American interests and objectives. No less an authority than Kissinger had this to say on the orientation of Iran's foreign policy under the Shah,

"Alone among the countries of the [Middle East] region- Israel aside- Iran made friendship with the United States the starting point of its foreign policy.... the Shah's view of the realities of world politics paralleled our own. Iran's influence was always on our side: its resources reinforced our own in some distant enterprises...."²

Thus, Iran concentrated its diplomatic activities on many issues in order to achieve an outcome commensurate with its own moderate pro-Western, anti-Soviet foreign policy. These efforts included: cooperation with Saudi Arabia (not without its problems), political and economic support of Egypt, Syria and Jordan, and support for a peaceful settlement of the Arab-Israeli conflict.

The anti-Soviet component of Iran's foreign policy also included its military intervention in Oman, its openly hostile posture vis-a-vis Iraq (till 1975 when the two countries signed the Algiers peace accord) and its efforts to bring about reconciliation between Pakistan, Afghanistan and India. This tightly-knit strategy aimed at limiting the Soviet and radical influence and, at the same time, followed closely the American interests in the region.

This chapter will begin with an analysis of Iran-U.S.S.R. relations during the 1970s. It will then discuss Iran's policies in the Persian Gulf and the Middle East and, in the final part it will review Iran's posture vis-a-vis the countries of the Indian subcontinent.

Iran-U.S.S.R. Relations in the 1970s

In the second chapter, the vicissitudes of Iran-U.S.S.R. relations in the period after the Second World War, up to the late 1960s, were discussed. It was described how, from the openly antagonistic relations immediately after the Second World War, Iran and the U.S.S.R. started mending their fences and embarked upon a process of diplomatic rapprochement in the 1960s, characterized by expanding economic interaction and high level exchanges between political leaders of the two countries.

But what of the relations between the two countries in 1970s? How did the build up of Iran's military power and the escalation of its diplomatic activities directed against the Soviet Union,

affect them? It has already been noted that, in so far as the Shah was concerned, the Soviet Union constituted the main threat to Iran's national security and that he had accordingly formulated a fairly sophisticated assessment of the risks posed by the Soviet Union. In spite of such assessments, however, the political and economic relations between the two countries were maintained at a correct level, with problems festering under the surface.

The exchange visits of high ranking political personalities were indicative of the attempts by the two countries to maintain a state of diplomatic detente. Indeed, the significance of personal diplomacy in lubricating the relations between the two countries should not be underestimated. It was during a visit to the U.S.S.R. in 1974, by the Shah that the then Soviet President, Nicolai Padgorni, stated that,

"Personal contacts between the statesmen of the two countries play an important role in the development of relations between the U.S.S.R. and Iran, and in this connection we note with satisfaction that the preceding talks and meetings between the Soviet leaders and yourselves were of a constructive nature and contributed to a further development of Soviet-Iranian relations."³

Symptomatic of the intentions of the two countries to pursue a policy of peaceful coexistence was the Irano-Soviet attempt to refrain from causing each other offense. The Shah, who was a

regular visitor to the Soviet Union, was generous in his praise of its policy of good-neighbourly relations towards Iran, and stressed his intention to strengthen ties with the U.S.S.R. through the expansion of trade and economic cooperation. Those aspects of his policies which the Soviets found distasteful, such as Iran's massive arms build up of the 1970s, the Shah tried to justify by reference to his country's defensive requirements and the fact that they were not directed against any other country.⁴

For their part, the Soviets also did not stop short of making gestures or taking actions which would contribute towards the establishment of a climate of friendly relations. A good case in point was the Shah's apprehension over the 1972 Soviet Treaty of Friendship with Iraq, a country with which Iran had very strained relations until 1975. The Soviets did not miss any opportunity to allay the Shah's fears concerning the treaty and to reassure him that it was not directed against Iran. In October 1972, the Soviets invited the Shah to visit their country, just to reassure him of that point and to bring home to him that Moscow, having signed a Treaty of Friendship with Iraq, could now come to use its influence with Iraq in order to resolve its disputes with Iran peacefully.⁵

What the Soviet leaders told the Shah was backed by deeds. As some analysts have pointed out, it was because U.S.S.R. wished to maintain good relations with the Gulf states that the Soviets did not lend their full support to the Iraqi activities in the

Persian Gulf.⁶

Again out of this desire the Soviets wanted Iraq-Iran dispute to be resolved through peaceful means and made no secret of it. During the Shah's 1974 visit to Moscow, for instance, Padgorni stated that ,

"we must say outright that the tension existing in relations between Iran and Iraq is not in the interest of peace and we have declared... in favour of Iranian-Iraqi differences being settled by these countries themselves at a conference table on the basis of the principle of peaceful co-existence and good-neighbourliness..."⁷

The economic interactions between the two countries, since their inception in the early 1960s, had very strong political underpinnings which not only reflected a normalization of their ties, but also was envisaged as a means for loosening Iran's links with the West by the Soviet Union. In their commentaries, the Soviets made much of the mutually beneficial, non-exploitative, politically stabilizing aspects of their trade relations with Iran. Its alignment with the West, on the other hand, was portrayed as economic and political subservience to that bloc's interests.⁸

Economic transactions between the two countries increased from \$250 million in 1970 to \$1 billion in 1978. One effect of such an increase was that Iran became the Soviet Union's largest

non-military trading partner in the third world, with the U.S.S.R. becoming the largest market for Iranian exports. Apart from the expansion of trade and cooperation in such traditional areas as coal, steel and heavy industry where they had great experience and were willing to fulfil their commitments under preferential financial terms, the Soviets also became involved in the construction of a number of electricity generating stations in several parts of Iran such as Ramin, Ahwaz and Isfahan. The Soviets also became involved in the construction of a second gas pipeline (IGAT-II) for the shipment of Iranian gas to the U.S.S.R. at a cost of \$3 billion, a new seaport on the Caspian coast, uranium development, an aluminium plant, and the expansion of road, railroad and port facilities. Overall, according to an article published in Pravda two months after the Shah's downfall, during the period of economic cooperation between Iran and the Soviet Union, the U.S.S.R. entered into agreements for the construction of 147 installations, with 88 of them having been completed by 1979.⁹

Burgeoning economic ties, constant personal contact between political leaders of the two countries and partial self-imposed restraint on pursuing policies which could cause offence to the other, were the characteristic features of Irano-Soviet detente in the 1970s. However, the Irano-Soviet relationship was not without a competitive tinge. Beneath the surface of normality, differences were simmering underneath, with the potential to strain relations between the two countries.

One bone of contention between Iran and the Soviet Union in the 1970s, was Iran's monumental defence modernization programme. Immediately after Nixon's 1972 visit to Iran, the Shah paid a visit to the U.S.S.R. at Brezhnev's invitation. During that visit Brezhnev asked the Shah to put an end to the arms race in the region, which the Shah refused to contemplate.¹⁰

It has also been recounted that in September of the same year, during a meeting between the Foreign Ministers of the two countries in New York, Andrei Gromyko, the Soviet Minister, told his Iranian counterpart that, "All these arms you're equipping yourselves with are making us think-" The Iranian Foreign Minister Abbas Khala'atbari, according to the same source, cut him short and said that,

"It's a matter of the defense of Iran. Our policy is not directed against our great neighbour to the north. Whatever we do, we can never equal your power."

Gromyko is said to have responded,

"certainly.... But we wonder why, and against whom. Iraq? But that is a small country. The Emirates? They don't count militarily. Saudi Arabia? It is no threat to Iran. Then why?"¹¹

The last pre-revolution Iranian Ambassador to the U.N., Fereydoun Hoveyda, also reports a remark that a high ranking Soviet

diplomat once made to him,

"Until these recent years you have practised a policy of balance which has favoured the development of our relations. We know that you have a position of privilege with the United States, and we accept that. But with your appetite for advanced weaponry you are on your way to upsetting the balance."¹²

An aspect of Iranian foreign policy which came under increasing Soviet propaganda attack and a point of stress between the two, was Iran's assertive diplomatic posture, during the 1970s, in some parts of the world. According to Soviet commentaries, whilst the U.S.S.R. desired to see an independent, prosperous and strong Iran, the "aggressive forces of Western imperialism" were turning that country into an instrument for the achievement of their "hegemonic" diplomatic objectives in the world, which was unacceptable to Moscow.¹³

Indicative of the Soviet Union's displeasure over the escalation in Iran's regional activities, was its military intervention in Oman to help Sultan Qaboos suppress the Soviet-supported Marxist rebels in the province of Dhofar. A Moscow commentary stated that,

"the U.S.A is attempting to involve certain Persian Gulf states in its imperialist designs. In this, it heavily relies on Iran and has been encouraging her to fight

against the Dhofar patriots...."¹⁴

Iranian attempts at the creation of a collective security grouping amongst the littoral states of the Persian Gulf, were interpreted by the Soviet Union as a conjunction of "reactionary" regional states and imperialism for the purpose of blocking "progressive" revolutionary movements in that part of the world. By the same token the Shah's promotion of an Indian Ocean Economic Common Market concept amongst the littoral states, which could eventually include cooperation on security issues, was viewed by Moscow as undermining its own vision of an Asian collective security scheme which would include the U.S.S.R. too.¹⁵

Manifestations of discord between the Soviet Union and Iran over its strong tilt in defence and diplomatic ties towards the U.S. in the 1970s, did come into the open on occasions. In 1976, for example, the Shah started showing signs of great concern over Soviet support for Iran's internal dissidents and propaganda pressure in the form of hostile radio broadcasts. Nonetheless in spite of symmetries in military and diplomatic priorities between the two countries, given their desire to maintaining normal political relations, the Shah's anxieties began to fade away.¹⁶

The intensification of military-security ties between Iran and the U.S. did engender some strain in Iran's relations with its northern superpower neighbour. Such strain, however, was not allowed to push the two countries into a state of open hostility

and revert to the situation before the early 1960s, when the process of diplomatic rapprochement and normalization of relations between the two countries began.

Iran's Diplomatic Posture in the Persian Gulf/Middle East Regions

Hand-in-hand with the formulation of "Nixon doctrine", its translation in the shape of the "twin-pillar" policy in the Persian Gulf, and Iran's central position within that framework, went the latter's active policy in a number of different diplomatic theatres- namely, the Persian Gulf, Middle East and South Asia in support of a pro-Western status quo.

The thrust of Iran's diplomacy was aimed at the exertion of a moderating influence on regional affairs and maintaining a pro-Western status quo. There is no doubt that the U.S. encouraged Iran to play its stabilizing regional role and that the former benefitted from it. For instance, William Sullivan, the last U.S. Ambassador to Iran before the revolution, stated in one of his reports to Washington that, ".... I conclude that Iranian foreign policy is responsible and constructive, and that we can influence it to remain so."¹⁷

Elsewhere, in a telegram describing its objectives in Iran, to the State Department in Washington, under the heading of "Maintenance of Iran's Balanced Posture in Regional Affairs", the U.S. embassy in Tehran stated its goals as the following,

"[To] encourage the continuation of Iran's balanced

approach to Arab-Israeli affairs and its support for our Middle East peace negotiations; [to] encourage the maintenance of a positive Iranian relationship with Israel, including an oil supply link;...[to] support Iran's cooperation with Saudi Arabia, Oman, and other Arabian peninsula states on Persian Gulf security; [to] encourage a continuation of responsible Iranian cooperation with Afghanistan, Pakistan and India in both political and economic spheres..."¹⁸

Thus, American policy aimed at Iran's "constructive" engagement in a number of diplomatic arenas, including the Persian Gulf. Cooperation between Iran and the Arabs, as envisaged by the U.S. for the maintenance of Gulf security was not easy. It was pointed out that cooperation between the two parties on the opposite sides of the Persian Gulf, could be hampered by historical, cultural, political, religious and linguistic differences between the Arabs and the Iranians.¹⁹

It was believed that suspicions of each other's intentions simply ran too deep to permit effective cooperation on Gulf security. For its part, Iran took a number of actions aimed at allaying Arab suspicions of its intentions in the Persian Gulf. Against this backdrop Iran embarked upon a sustained effort to resolve some of its outstanding territorial disputes with its neighbouring Arab states which, if allowed to linger on, could hamper the development of good relations between them in the aftermath of British withdrawal in 1971. The first such dispute

to be resolved was Iran's claim to sovereignty over Bahrain. Once Britain declared its intention to withdraw its military presence from "east of Suez", Iran claimed that the island of Bahrain had been ceded from its territory forcefully during the era of "Pax Britannica" and, declared its unwillingness to accept, what it dubbed an "historical injustice".²⁰ After a good deal of consultation between Britain and Iran, the Shah eventually accepted the idea of an independent and sovereign Bahrain, hoping that such an act would lay the groundwork for cooperation on security matters with his Arab neighbours in the Gulf. The Shah declared on 4 January 1969, during a visit to New Delhi, that, should the people of Bahrain opt for independence, he would have no objection. The task for determining public opinion in Bahrain was to be undertaken by a representative from the United Nations. The findings, indicating the wish of the overwhelming majority of people of Bahrain for independence, was made public on 2 May 1970, and accepted by Iran on May 19.²¹

In the same vein, as stepping-stones towards building closer relations with its Arab neighbours, Iran took the necessary steps to resolve its continental shelf disputes with a number of other states in the Persian Gulf, namely, Saudi Arabia, Qatar, Bahrain and the United Arab Emirates.²²

The intensification of economic and trade ties, increased contact between the political elites and facilitation of travel for members of the regional states were other components of the Iranian policy for cementing ties with its Arab neighbours.

Hence, in December 1969, the Iranian government, revoked the entry visa requirement for the subjects of the Gulf states who intended to travel to Iran for less than three months.²³ On another level, the Shah tried to strengthen ties with the Arab rulers of the Gulf sheikhdoms by such means as entertaining them as his guests on hunting trips and building up closer relations with members of the Arab ruling families.²⁴ Iran also made concerted efforts to increase its exports to the Gulf states, maintain and reinforce trading links between the Iranian south coast and the Gulf emirates of Dubai and Bahrain, and extended economic assistance to such poor emirates as Ajman.²⁵

In spite of the initiation of such policies, a number of the actions which Iran took in pursuit of its Gulf objectives aroused the very fears of its Arab neighbours, which the policies were intended to alleviate. It has already been seen above that, in the interests of securing cooperation on Persian Gulf security with its Arab neighbours, Iran renounced its claim to Bahrain. It did not, however, relinquish its claim on the three strategically located Persian Gulf islands of Abu Musa and the two Tunbs. According to the Iranian policy makers the stakes were high. Should the three islands fall into hostile hands, the freedom of navigation through the Straits of Hormuz could come under threat. Furthermore, Iran believed that the Arab states lacked the power to repel a determined aggressor.²⁶

Britain held that the island of Abu Musa belonged to the sheikhdom of Sharjah and the two Tunbs to Ras al Khaimah. Iran

claimed to be the rightful owner of the islands not only for strategic reasons, but also as a result of legal historical considerations.

On 30 November 1971, Iran occupied the three islands. The seizure of Abu Musa involved an agreement with the ruler of Sharjah over financial assistance and sharing of the revenues derived from the island's oil reserves, an agreement for which the ruler of that Emirate paid with his life later on. No such understanding, however, was reached between Iran and Ras al Khaimah over the two Tunbs. A proposal was made by Iran but was rejected. The Arab condemnation was vigorous, including even the moderate countries such as Kuwait and Saudi Arabia, with Iraq severing its diplomatic links with Iran over the incident.²⁷ According to an American analysis,

"Iran's military occupation of the (inhabited) Tunbs and Abu Musa island in the Persian Gulf right after the British withdrawal in 1971 got Iran's relationship with the Arabic Persian Gulf states off to a rocky start...."²⁸

A further dimension of the Shah's policies which tended to reinforce the suspicions of Arab Persian Gulf states vis-a-vis his intentions, was Iran's massive arms programme during the 1970s. They particularly feared that the Shah might be tempted to acquire additional Arab land by force if necessary, or impose his views on them on issues where Arab-Iranian interests did not converge.²⁹ American policy makers were aware that the Shah's

arms build up might evoke an adverse response from the Arabs, with the concomitant effect on the possibilities for cooperation between them on Persian Gulf security. A 1974 State Department report on the conduct of Iran-U.S. relations, for example, stated that,

".... Iran's military superiority in the Persian Gulf, its concern about radical Arab forces, and the political fragility of some Arabian Peninsula states has created an Iranian propensity to intervene.... Iran's military power- and its superior attitudes- may cause growing Saudi resentment, and Saudi pressure on us to restrain Iran."³⁰

Another bone of contention between Iran and its Arab neighbours in the Gulf, was over the waterway's nomenclature. The Shah was adamant that the name "Persian Gulf", which to him was an historical name, should be used by all the countries, including Iran's Arab neighbours in the region. They, however, insisted that it should be called the "Arab" Gulf. The differences, indicative of different nationalisms, over the Gulf's name were not merely pedantic, since at times the competing names did cause strains in relations between the two. On one occasion, in the mid-1970s, the Shah recalled his Ambassadors from all the Arab states in the region, in protest over the latter's questioning of the name "Persian Gulf".³¹

Once, in an interview with the editor of a Kuwaiti paper which suggested the compromise name of "Islamic Gulf", the Shah pointed

out that the Arabs had no "right" to play about with the Gulf's name which was an historical entity.³²

Iran's extensive, even if somewhat tacit, ties with Israel also tended to hamper cooperation with its Arab neighbours on Persian Gulf security. Iran-Israeli cooperation involved collaboration on industrial-agricultural projects, oil supply relations and military matters. The Shah's cooperation with Israel had a very significant strategic rationale: his main purpose was to counterbalance the policies of radical Arab nationalist states, which could pick on Iran as a target for their subversive activities, with those of Israel.³³ The statement attributed to an unnamed high level Iranian official probably reflected the views held by many high ranking Iranians under the Shah, when he said that, "we can live with Israeli arrogance. It is too far away to bother us. But Arab arrogance, that is another matter."³⁴

The Israelis were involved in a number of agricultural and construction projects in Iran. The Iranians employed in agriculture and rural planning were known to have received training in Israel.³⁵ Until the 1979 revolution, Iran was the major source of oil supply for Israel. Before and after the 1973 October war, Iran supplied two-thirds of Israel's oil requirements and after the September 1975 "Sinai II" agreement between Israel and Egypt, which involved the return of the Abu Rudeiss oil fields to Egypt, Iran's share of oil supply to Israel went up to 90%.³⁶ Finally, there was liaison between the general

staffs of the two countries, intelligence sharing and Israeli assistance to Iran in maintaining and servicing the newly acquired sophisticated weapons systems. Moreover, Israel helped Iran in upgrading some sections of its indigenous arms industry while General Hassan Toufanian, the Shah's chief arms procurement officer, was in constant contact with his Israeli counterparts over the development of military equipment intended to be of use to both countries.³⁷

These factors tended to militate against Arab willingness to enter into collaborative agreements with Iran over Persian Gulf security. Such Arab reservations manifested themselves very explicitly in the response to the Shah's proposal for a Persian Gulf collective security pact amongst the regional states. For its part, the U.S., although supportive of Iran's Gulf collective security proposals, in no way underestimated the difficulties of their realization due to the Arab suspicion of Iran's intentions.³⁸

With Britain's announcement of its intention to withdraw its military forces from "east of Suez", Iran's interest in the Persian Gulf security and the unhindered freedom of navigation through the Straits of Hormuz, Iranian officials declared their interest in the formation of a collective defence pact amongst the regional states. The first indication of it came from Prime Minister Amir Abbas Hoveyda on 27 January 1968, in the course of a news conference in which he announced his country's willingness to cooperate with all the regional states for the maintenance of

stability in the Persian Gulf.³⁹ The Shah also announced Iran's willingness to join his Arab neighbours in a regional defence pact.⁴⁰

In spite of sustained Iranian efforts to establish a collective Gulf defence pact, no progress of any significance was made until November 1976, when a conference on Persian Gulf security attended by Foreign Ministers of all the regional states was convened. The conference, however, did not produce a result of any significance, with the effect that the Shah announced his intention in 1977 to abandon attempts to create a Persian Gulf collective security system.⁴¹ Fears of Iranian military preponderance in any formal pact, mistrust of its intentions and its links with Israel, were said to be major causes behind the Arab reluctance to join in a formal regional defence arrangement with Iran.⁴²

In spite of what has been said so far about the factors bedeviling Iran's relations with its Arab neighbours, it could not be denied that there was some common ground between the two which created the atmosphere for a better relationship than could be expected. All those states were bent upon the preservation of a political status quo in the region consisting of moderate and pro-Western monarchical regimes, checking the intrusion of radical forces into the region and, finally, the uninterrupted flow of oil out of the Persian Gulf to outside markets.⁴³ Hence, it could be said that the differences between Iran and its moderate Arab neighbours were counterbalanced by the convergence

of interests between the two in these fields.

The convergence of interest between Iran and its moderate Arab neighbours in regional stability, for instance, led to a muted reaction to Iran's seizure of the Abu Musa and the two Tunbs islands.⁴⁴ Similarly Iran and its regional Arab neighbours had intelligence sharing arrangements regarding subversive groups and communist activities in the Persian Gulf.⁴⁵

Significant components of Iran's security policy in the Persian Gulf were the relations with Saudi Arabia, Iraq and the intervention in Oman. Central to the American devised "twin-pillar" policy was the promotion of Saudi-Iranian cooperation on the maintenance of regional stability. The American policy makers were cognizant of the difficulties involved in close Iranian-Saudi cooperation, but saw no other viable alternative to it for Persian Gulf security.⁴⁶

In order to discuss with King Faisal the future of the Persian Gulf, in the aftermath of British withdrawal in 1971, the Shah was scheduled to visit Saudi Arabia in February 1968. However, due to the Saudi King receiving the ruler of Bahrain (on which Iran had territorial claims) just prior to the Shah's visit, he cancelled his trip as an indication of his displeasure. Quiet diplomacy, some by the U.S., eventually eased tensions between Iran and Saudi Arabia, so that the Shah undertook his visit in November 1968. It was during that visit that Iran and Saudi Arabia committed themselves to cooperate on Gulf security and to

keep revolutionary forces in that region at bay.⁴⁷

Although agreement for regional security cooperation between Iran and Saudi Arabia was reached, it must not be thought that relations between the two countries proceeded smoothly. Indeed, the differences between them had the potential for affecting adversely cooperation between them on security matters.

One important difference with such potential was Saudi-Iranian competition over the oil pricing policy within the Organization of Petroleum Exporting Countries (OPEC). Iran, anxious to maximize its oil revenues in order to finance its prodigious economic and defence modernization programmes, came into conflict over the oil pricing with Saudi Arabia, which was more open to American request for lower oil price and, thus was a price moderate within OPEC. The differences came out into the open in the aftermath of the December 1976 OPEC meeting, when Saudi Arabia increased the price of its oil by only 5% as opposed to 10% by the other OPEC members, leading to a severe Iranian vilification campaign against Sheikh Yamani, the Saudi oil minister. Although Iran took the necessary steps to patch up its differences with Saudi Arabia on the oil pricing issue in 1977,⁴⁸ their seriousness at the time could not be overestimated. Indeed, an American analysis of Iran-Saudi differences on the oil pricing noted that,

"....the current irritation between Iran and Saudi Arabia over leadership on pricing policies within OPEC might

prove to be only a ripple that will soon be forgotten or-
if prolonged- could significantly contribute to
traditional Arab distrust of the large Iranian
neighbour...."⁴⁹

The massive Iranian arms build up of the 1970s was also a source of concern to the Saudis whose response took the form of a counter arms build up. This contributed to an arms race between the two countries which were supposed to cooperate under the rubric of the "twin-pillar" policy . According to observers, it tended to undermine cooperation between the two on regional security matters.⁵⁰ A U.S. report, for instance, noted that,

"....U.S. military sales and technical advisors have been largely responsible for Iran's becoming the dominant power in the Persian Gulf. However, Iran's arms build-up is producing a military imbalance between Iran and other Persian Gulf states, notably Iraq and Saudi Arabia. In the case of Saudi Arabia there is increasingly the risk of a reaction that could.... make impossible the Iranian-Saudi cooperation that we seek to encourage as the basis for preserving security and stability in the Gulf...."⁵¹

However, it must be said that, in spite of the differences on oil pricing, armament policy, and probably other minor disagreements and lesser irritants between Iran and Saudi Arabia, they were never allowed to overshadow the interests that the two countries had in cooperating with each other on regional security

issues. Iran neither possessed the ability, nor attempted to challenge, Saudi influence in the Arab states of the Gulf, its zone of responsibility under the "twin-pillar" policy arrangements. At the same time, the Saudis were well aware of Iran's military power and the stabilizing role that it could perform in regional affairs, as for example the intervention in Oman which helped to crush the communist insurgency in Dhofar province.⁵²

Iran's intervention in Oman, which was consistent with U.S. interests as well,⁵³ was undertaken to prevent the domination of that country, which was located astride the strategically significant choke-point of the Straits of Hormuz, by a hostile Marxist regime.⁵⁴ In some of his interviews, the Shah called the Dhofar insurgents a "bunch of misfit savages", who could threaten the freedom of navigation through the Straits of Hormuz, should Oman fall under their control.⁵⁵

The Iranian troops, which went into Oman at the invitation of Sultan Qaboos, had two major achievements. One was the opening of a fifty kilometre road stretching from the southern town of Salalah to an inland airfield at Thurmait, Dhofar's capital. The other was the establishment of a defensive line from the coastal town of Rakhyut covering the main guerrilla infiltration point from South Yemen. The Iranian military presence played a crucial role in nipping in the bud the Marxist insurgency in Dhofar.⁵⁶

Another aspect of its policy in the Persian Gulf was Iran's

conflict with Iraq from the late 1960s until the mid-1970s. The differences were reinforced particularly after the seizure of government by a radical Ba'athist regime in Iraq in 1968. The differences between Iran and Iraq which came into the open in the late 1960s were on the surface about the appropriate boundary line in the Shatt al-Arab between the two countries. Iran insisted that the 1937 treaty between the two countries, which fixed the Shatt al-Arab boundary line on the Iranian side of the shore, had to be replaced by the principle of Thalweg: to make the median water-line the boundary between the two countries. The dispute between Iran and Iraq over their appropriate boundary line in the Shatt al-Arab, however, could not be isolated from differences between the two countries over the future of the Persian Gulf, the political evolution or revolution of the states in the region and their respective power positions in the Gulf, particularly after the British withdrawal in 1971. Furthermore, given the opposing international alignments of the two countries, there was also said to be an indirect element of Soviet-American rivalry in the dispute between Iran and Iraq.⁵⁷

Short of an all-out war between the two countries as a means of resolving their dispute, what Iran and Iraq could do was to resort to indirect means of pressure against each other. That was precisely the course adopted by Iran, when it extended financial and logistical assistance to the Kurdish guerrillas who were fighting against central government forces in Iraq in the pursuit of autonomy. After many unsuccessful attempts, the Shah eventually succeeded in securing Nixon and Kissinger's

support during their May 1972 visit to Tehran, for channelling financial and material assistance to the Kurds, since they were very apprehensive about the Iraqi intentions vis-a-vis the conservative Arab states in the Persian Gulf. The Israelis also joined in the enterprise with the intention of diverting as many Iraqi forces as possible from involvement in a likely military confrontation between Israel and the Arabs.⁵⁸

Iran's support for the Kurds in Iraq continued until the signing of the Algiers agreement between the two countries, in March 1975. Immediately before the agreement, the Kurds were on the verge of defeat and, short of an all-out Iranian confrontation with Iraq, even Iran's increased support could only postpone it for possibly one year. The imminent Kurdish defeat was one reason why the Shah settled his political differences with Iraq in 1975, and not before, in spite of Iraq's earlier suggestions.⁵⁹

There were other reasons too. For one, the Americans who had a large military presence in Iran and were wary of becoming entangled in the latter's wars, were said to have urged caution on the Shah.⁶⁰

The Shah was also said to be aware that his dispute with Iraq, was in fact pushing it into the Soviet fold. The Shah was said to be anxious to lift the pressure off Iraq, so that it would find it possible to reduce its dependence on the Soviet Union, if not actually opening up to the West, and so to moderate its posture in the region.⁶¹ The 1975 agreement led to Iran's

withdrawal of support for the Kurds, which were then crushed by Iraqi forces. But Iraq conceded to Iran's demand for the adoption of Thalweg principle to determine their common border in Shatt al-Arab, accepted Iran's hegemony in the Gulf region and, turned into a regional status quo power from a revisionist one.⁶² Indeed, the containment of Iraq was no small feat for Persian Gulf stability as far as the Shah and his Western supporters were concerned.

Moving away from the Persian Gulf to the broader Middle Eastern arena, Iran's diplomatic activities were aimed at minimizing Soviet influence and containing the forces of Arab radicalism. Iran came to throw the weight of its diplomatic activities behind seeking a peaceful solution to the intractable problem of the Arab-Israeli conflict, so as to remove it as a rallying point for the Arab radicals and, hence, contribute to moderate trends in the region's politics. Furthermore, Iran's relations with a number of Middle Eastern states such as Egypt, Jordan and Syria was intended to encourage them to take a more moderate stand by the extension of military and economic assistance to them.

Again, there was close convergence between Iran and U.S. policies in the Middle East. The two countries, for instance, were in close touch over the Arab-Israeli conflict, with Iran's policies consistently supporting U.S. objectives. A State Department paper, for instance, noted that,

"Iranian leadership has remained in close touch with

United States negotiators [involved in mediation between the Arabs and Israelis after the 1973 October war], has counselled moderation, has encouraged Sadat and Asad to take steps toward peace, and at a key point of the Sinai II negotiations (under which Israel gave up oil fields in occupied Egyptian territory) reiterated Iran's policy of remaining a reliable oil supplier to Israel."⁶³

The Shah's interest in the resolution of the Arab-Israeli conflict had sound geopolitical reasons, of course. He was fearful that, if left unresolved, the Arab-Israeli conflict by frustrating Arab nationalist aspirations could lead to undermining the internal position of those moderate Arab regimes whom the Shah wanted to see survive and, thus contribute to radicalization of the Middle East's political context. Furthermore, the Shah viewed continuation of that conflict as a spring-board from which the Soviets could penetrate into the Middle East region, given their support for the Arab cause and Israeli's connections with the United States. Hence, in order to contribute towards a Middle East peace settlement, Iran advocated Israel's withdrawal from the occupied territories, recognized the Palestine Liberation Organization (PLO) as the legitimate representative of the Palestinian people, castigated Israeli intransigence in peace negotiations with the Arabs, supported President Sadat's Camp David peace agreement with Israel and so on.⁶⁴

The Shah's policy in the Middle East, in the 1970s motivated by

the desire for a moderate political environment in that region, had other dimensions too. They involved normalization and expansion of bilateral ties with a number of the states which were in the so-called "radical" camp, and the extension of financial and military assistance both to them and the moderate states in the region. Normalization of Iran's relation with Egypt, which began after its defeat in the June 1967 war, is an example of the rapprochement with a so-called radical state. Until that war, relations between the Shah and Nasser were openly hostile and the diplomatic links between the two countries were severed in 1960 by Egypt when Iran bestowed de facto recognition to the state of Israel. The two states also competed for influence in the Persian Gulf. Their rivalry was not without ideological underpinnings, with Egypt espousing a radical republican socialism and Iran supporting the traditional pro-Western monarchical regimes.

Nasser's defeat of 1967 at the hands of Israel, however, paved the way for a dramatic transformation of relations between Iran and Egypt. From that point onwards, Nasser's energies became focused on the main issue facing him, namely, the reacquisition of territory which Egypt had lost to Israel in 1967. In that search, Nasser proved willing to adopt a moderate posture towards regional affairs as exemplified in his disengagement from Gulf politics (a move certainly welcome to the Shah), his acceptance of the United Nations' resolution 242 and the U.S.-initiated Rogers Plan, both of which were aimed at the diplomatic settlement of the Arab-Israeli conflict. Such moderation on

Egypt's part was combined with the Shah's demand on Israel to evacuate the Arab land occupied in the 1967 war in exchange for peace. The Shah also desired to receive as much support as possible for his Persian Gulf policies. Finally, the Shah had the intention to isolate diplomatically Iran's main regional foe, namely, Iraq. All the above factors eventually led to the resumption of ties between the two countries just two months after the death of President Nasser.⁶⁵

Normalization of Irano-Egyptian ties, however, was to pave the way for future cooperation between the two countries in economic and strategic areas. After the 1973 oil price rise, Iran embarked upon extensive economic venture and assistance programmes in Egypt. In May 1974, Iran and Egypt signed a protocol for economic cooperation between the two countries to the value of one billion dollars. This was put on a more solid basis after a much heralded visit by the Shah to Egypt in 1975 for the first time after the resumption of ties between the two countries in 1970. The agreements consisted of Iran's financial contribution towards the reconstruction of Port Said, the widening and deepening of Suez canal, participation in a number of industrial joint ventures and financial aid, together with a number of other countries, for the construction of a 100-mile pipeline from Suez to Port Said.⁶⁶

Iran's economic cooperation and assistance programmes in Egypt had specific geopolitical underpinnings, which aimed at the separation of that country from the Soviet sphere of influence and encouragement to continue the moderate regional policies

which it was pursuing.⁶⁷ The extent that Iran and U.S. strategic objectives in Egypt overlapped is illustrated by the following quotation,

".... we [the U.S. Government] support its [Iran's] recent moves to start a program of economic assistance in Egypt. This should reinforce our own economic and diplomatic activity in Egypt, which is designed to maintain the momentum of President Sadat's recent shift away from the Soviet influence."⁶⁸

Apart from Egypt, Iran also started normalizing its relations with Syria, another leading radical Arab state, after the 1973 Arab-Israeli war. There was an exchange of Ambassadors, a visit to Iran by President Hafiz Assad of Syria in December 1975 and the extension of a \$150 million credit by Iran for joint economic ventures. In the same vein, Iran extended economic assistance to a number of other countries such as Morocco, Sudan and Jordan, including military assistance to the latter involving 24 F-5s.⁶⁹ Such assistance was principally aimed at curtailing Soviet influence and encouraging the forces of moderation in the Arab world. This is how a U.S. source described the Iranian foreign policy objectives in the Middle East,

".... Using its oil and money, Iran has entered into major economic agreements with Egypt and Syria, and lesser ones with Morocco, Jordan, Sudan and other states. Through these deals Iran has supported Arab moderates like Sadat,

Hussain, and Hassan.... Iran is also giving military assistance, not only to Oman, but to Jordan and Yemen.... At the same time, Iran has given Egypt, [and] Syria.... options to dependence on the U.S.S.R., and has contributed to a weakening of the Soviet position in the region."⁷⁰

Iran's Policy in Asia

With the growth in its economic and military power, Iran began broadening the horizons of its diplomatic activities to include the countries of the entire northern tier of the Indian Ocean, as far as Australia and New Zealand.

This policy was dubbed as Iran's "look to the east", by some Iranian foreign policy observers. According to high ranking Iranian officials, including the Shah himself, the eastern horizon of Iran's diplomacy was an extension of Iran's policy and interest in the freedom of navigation, not only in the Persian Gulf, but also the Sea of Oman, the Indian Ocean and beyond.⁷¹

The culminating point of that policy, was the Shah's visit, in 1974, to a number of countries in Asia and Oceania, taking him to Australia, New Zealand, Indonesia and India. The Shah's vision, as it unfolded itself during that visit through various interviews and communiques, was for the establishment of a collective security system among the littoral states of the Indian Ocean, based on a military understanding amongst them, which would also aim to exclude superpower rivalry from that

region. As a functional step towards the ultimate goal of such a collective security arrangement, however, the Shah proposed the creation of an Indian Ocean Common Market, whereby increased economic and trade ties would help pave the way towards the eventual goal of security cooperation.⁷²

Most of Iran's diplomatic activities in Asia, however, were concentrated in areas closer to its eastern borders and targeted at three countries, namely, Afghanistan, Pakistan and India. Iran's diplomacy was geared towards peaceful resolution of conflicts among those three states, which potentially could provide an opening for increased Soviet influence. It was also to act as a source of economic aid for the region to give them options other than dependence on the U.S.S.R. As with its objectives in the Persian Gulf and the Middle East, Iran's policies in South Asia were also supportive of U.S. goals and, indeed, it was an aspect of U.S. policy to, "encourage a continuation of responsible Iranian cooperation with Afghanistan, Pakistan and India in both political and economic spheres."⁷³

In South Asia, in so far as Iran's relations with Afghanistan in the post Second World War era were concerned, although not hostile, they were not particularly warm, given the asymmetrical international orientations of the two countries, exemplified in the latter's pro-Soviet non-aligned posture and the former's staunch alliance with the West. However, the relationship between the two countries was not without irritants, such as differences over the distribution of water from the Helmand river, which

flowed from Afghanistan into Iran. Another bone of contention was Afghanistan's support for the Pathan and Baluchi secessionist movements in Pakistan, Iran's close regional friend and ally in CENTO, with the latter fearing Soviet complicity in Afghanistan's actions as a means of gaining access to the warm waters of the Indian Ocean. In the early 1960s, when Pakistan broke off diplomatic and economic links with Afghanistan over its support for Pathan secessionists, both Iran and Washington managed to mediate successfully between the two countries for the peaceful resolution of their differences.⁷⁴

The Shah's concern over Afghanistan's intentions vis-a-vis Pakistan was a major determinant of Iran's policy towards Kabul in the 1970s, as the following quotation from a U.S. source indicates,

"Iran's continued concern lest Afghanistan fall definitively under Soviet influence is in the context of geopolitical worries about a potentially hostile neighbour. Given Iran's close relationship with Pakistan, the Shah has worried about Afghan agitation over the Pashtunistan issue on Pakistan's borders further north...."⁷⁵

Iran, which had certain fixed views on Pakistan's territorial integrity had its anxieties on that issue reinforced after the secession of Bangladesh and that with Indian assistance. Any further dismemberment of Pakistan was seen not only to undermine

the integrity of a country which was Iran's ally, but secession of Baluchistan province, the Shah feared, could release centrifugal tendencies amongst Iran's own Baluchi population. Throughout the 1970s, the Shah made genuine efforts to keep Iran's relations with Afghanistan on a normal basis and entered into aid and economic agreements with Afghanistan so as to restrain it from supporting separatist movements in Pakistan. Iran's fears regarding Afghanistan's intentions towards Pakistan were escalated when Mohammad Daoud Khan, who had agitated over Pathan and Baluchi secessionist movements in the late 1950s and early 1960s, returned to power in 1973 after staging a coup against Zahir Shah.⁷⁶

Iran's attempts at normalization aimed at the removal of the dispute over the Helmand river water. Agreement had been reached between the two countries to resolve their dispute before Daoud Khan's coup of 1973. Daoud held up its ratification after his seizure of power. However, the instrument of ratification was exchanged in Tehran on 5 June 1977, which was interpreted as a step towards the stabilization of relations between the two countries.⁷⁷

Another instrument which was purposefully employed by Iran to improve its relations with Afghanistan, was to enter into economic agreements. During 1974-75, Iran promised aid to Afghanistan to the value of \$2 billion. By 1978, Iran had actually or potentially committed itself to participate in a number of joint industrial or agricultural ventures in the

provinces of Herat and Kandahar and the development of the Hajirak iron ore mine north of Kabul. Iran also undertook to finance the development of the Afghan railway system to link it with the transportation system in Iran, which would then be either road or rail connected to the Iranian port of Bandar Abbas, facilitating the transport of goods for landlocked Afghanistan.⁷⁸

If anything, the improvement in Afghan-Iran relations, which came about as a result of these measures, also proved helpful in the withdrawal of Afghan support for the ethnic secessionists in Pakistan, which was cropping up as a problem in relations between the two countries after Daoud Khan's return to power in 1973. After two meetings between Bhutto, Pakistan's leader, and Daoud Khan in 1976, the two countries committed themselves to the resolution of their differences, including the ethnic ones, through peaceful means.⁷⁹ Iran's reservations concerning Afghanistan's potential for ethnically-based subversion in Pakistan were not to reappear until 1978, when the pro-Communist and pro-Soviet coup in that country, ousted Mohammad Daoud Khan from power.⁸⁰

Having dealt with Pakistan within the context of Iran's policies towards Afghanistan, it may be appropriate at this stage to say a few words about Iran-Pakistani relations on their own right. Iran's policies vis-a-vis Pakistan had very clear-cut geopolitical underpinnings.

Iran's basic interest in Pakistan, apart from helping a close ally, consisted of its survival as a viable, friendly and independent state, so that it could act as a buffer zone between Iran's eastern borders and the rest of Asia. For that reason Iran went to the extent of underwriting Pakistan's territorial integrity, after the secession of Bangladesh in 1971, against any possible encroachments, particularly those emanating from Soviet-backed India and Afghanistan.⁸¹ After the secession of Bangladesh the Shah announced that, whatever,

"disrupts the unity of West Pakistan, that would pose very grave problems for us and all the international community."⁸²

During the crisis over Bangladesh, Iran was an ardent supporter of Pakistan's unity. For instance, once a government in Dacca, Bangladesh's capital, was formed Iran withheld recognition until such time when all the invading foreign forces- meaning India- evacuated eastern Pakistan whilst at the same time condemning the Indian aggression towards Pakistan.⁸³

After the separation of Bangladesh from Pakistan became a fait accompli, however, Iran embarked upon a number of measures aimed at damage limitation. For instance, there were newspaper reports of the importance of joint defence planning between the two countries, as a means of signalling the seriousness with which Iran looked upon its defence guarantee towards Pakistan.⁸⁴

But more importantly, in so far as Pakistan's territorial integrity was concerned, Iran made known its willingness to mediate between Pakistan and India so that the two could resolve their differences peacefully. A major concern of Iran was to dry up the external sources of support for secessionist movements in Pakistan, hence its attempt to bring about a reconciliation between the former and India, after the creation of Bangladesh. Consequently, Iran made strident efforts to bring about the Simla peace summit between Bhutto and Mrs. Gandhi.⁸⁵

Iran also extended military and economic aid to Pakistan as a means of shoring it up against domestic and external pressures. A U.S. source noted that,

"we [the U.S. Government] appreciate Iran's efforts to provide Pakistan with modest military help. This contributes to regional stability by enhancing Pakistan's sense of security and self-confidence...."⁸⁶

Iran had also entered into extensive economic aid and trade agreements with Pakistan. By 1978, Pakistan had received loans on soft terms of up to \$730 million while the volume of trade between the two countries had increased from \$10 million in 1972 to \$60 million in 1977.⁸⁷ Iran was also to invest in a number of joint industrial and agricultural ventures in Pakistan in textiles, cement and fertilizer factories and stock breeding.⁸⁸

Having dealt with Afghanistan and Pakistan in Iran's foreign

policy towards South Asia, a few words will now be said about Iran's interactions during the 1970s with India. In a fashion similar to its policies towards Afghanistan and Pakistan in South Asia, Iran's relations with India, during that decade, had a very strong geopolitical rationale.

Iran and India did not enjoy a particularly warm relationship after the Second World War, primarily because of the former's support for Pakistan in its conflict with India, as exemplified in both the 1965 and 1971 wars between India and Pakistan. Indeed, a high ranking Indian official was quoted as having said that,

"the reason why the Irano-Indian relations could not be expanded earlier [the period prior to the early 1970s when normalization got underway] was Pakistan."⁸⁹

The state of Indo-Iranian relations in the 1970s was complicated still further by the latter's massive armaments build up and the extension of its so-called "defence perimeter" into the Indian Ocean. On many occasions, and in very explicit terms, the Indian authorities expressed their fears over the possible transfer of Iranian military hardware to Pakistan, in the event of hostilities between them and Pakistan. Moreover, the extension of Iran's "defence perimeter" into the Indian Ocean, gave rise to Indian fears of increased possibilities of arms competition and conflict with Iran.⁹⁰

For its part, Iran had its reservations about India. The dismemberment of Pakistan, India's alliance with Iraq and the Soviet Union, all tended to heighten the Shah's fears of the broad strategic implications of a New Dehli-Baghdad-Moscow alliance. Hence, the Shah was very much interested in reducing India's dependence on the Soviet Union, something which Iran sought to achieve by weaving a nexus of economic inter-dependence between the two countries.⁹¹

If any catalyst was needed for the process of diplomatic rapprochement to get underway between Iran and India, the fourfold increase in the price of oil in 1973 and, its dramatic adverse impact on Indian economy, certainly provided it. The normalization in relations between the two countries was heralded by Mrs. Gandhi's visit to Iran in May 1974, which was returned by the Shah in October of the same year, leading to the intensification of economic ties between the two countries.⁹²

Iran undertook to provide three-fourths of Indian oil import needs of 120 million barrels at discount prices, with loans extended so as to finance its purchase of oil from Iran. Iran also gave a loan of \$300 million to India for expanding the output of the Kudremukh iron ore pelleting plant, on condition that Iran would be given priority in purchasing the increased output. Iran and India also undertook to increase the capacity of the Madras oil refinery, with the oil supplied by Iran. Finally, India was to provide Iran with engineers, technicians and doctors so as to satisfy some of its manpower

industrialization programme requirements.⁹³

Conclusion

Hand-in-hand with its monumental defence build up in the 1970s, under the aegis of the Nixon doctrine went Iran's active foreign policy in the Persian Gulf, Middle East and South Asia. The aim of Iran's diplomatic posture was twin-pronged: to contain, reduce or eliminate Soviet and regional radical influence. The policy, as seen, was based on the judicious employment of a variety of instruments, which included covert aid, economic aid and trade agreements, and finally military assistance and intervention.

The Shah's foreign policy objectives, if not actually encouraged by the U.S., were supportive of and complementary to those of the U.S. in 1970s. The pro-American tilt in Iran's foreign policy in the 1970s, with its very clear anti-Soviet underpinnings, not only strained relations between Iran and its northern superpower neighbour, but it was also a departure from the policy of balance and equidistance between the two power blocs, which the Shah had introduced in the 1960s in response to the need not to appear too closely aligned with the Western powers in the eyes of his domestic opponents, who charged him with being subservient to Western interests.

Now, with the benefit of hindsight it may be said that it seems to have been imprudent of the Shah to abandon his cautious policy of the 1960s, and untactful of the U.S. in encouraging him to do so. The foreign policy which the Shah pursued in the 1970s was

sophisticated and dynamic but it lacked sufficient tact with respect to handling Iranian public opinion.

There was the need of not appearing to follow the American lead. That was an issue which in no small way contributed to the eventful revolution against the Shah in 1979.

Notes

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2. Henry Kissinger, The White House Years (London, Weidenfeld and Nicolson and Michael Joseph, 1979), p. 1262.
3. For the quotation see: A Yodfat, The Soviet Union and Revolutionary Iran (London, Croom Helm, 1984), pp. 39-40.
4. Ibid., p. 38.
5. See: David Housego, "Shah's Fears Over Iraq Allayed By Russians," Times, 24 October 1972; and From Our Correspondent, "Shah Flying to Moscow Perturbed by Russian Encirclement," Times, 10 October 1972.
6. A Yodfat and M Abir, In the Direction of the Persian Gulf: The Soviet Union and the Persian Gulf (London, Frank Cass and Company Limited, 1977), pp. 66-67.
7. Yodfat, The Soviet Union and Revolutionary Iran, op. cit., p. 37.
8. S Chubin, The Soviet Policy Towards Iran and the Gulf in Regional Security in the Middle East, Ed., by Charles Tripp (London, Gower Publishing Company Limited, 1984), p. 142.

9. See: A Yodfat, The Soviet Union and Revolutionary Iran, op. cit., p. 40; S Chubin, The Soviet Policy Towards Iran..., op. cit., pp. 142, 145-146; and A Rubinstein, Soviet Policy toward Turkey, Iran and Afghanistan: the Dynamics of Influence (New York, Praeger, 1982), pp. 77-81.

10. Fereydoun Hoveyda, The Fall of the Shah (New York, Wyndham Books, 1979), p. 98.

11. Ibid., p. 99.

12. Ibid., p. 99; for other sources indicative of the Soviet concern vis-a-vis the scale of Iran's arms build up see: "Soviet-Iran Aims," Guardian, 13 August 1973; "Iranian Prime Minister Has Talks in Moscow," Times, 9 August 1973; and Rubinstein, op. cit., pp. 89-90.

13. S Chubin, The Soviet Policy Towards Iran..., op. cit., p. 136; and Rubinstein, op. cit., p. 90.

14. The quotation is taken from: D L Price, Oman: Insurgency and Development, Conflict Studies (January 1975), p. 16.

15. Rubinstein, op. cit., p. 91; and S Chubin, The Soviet Policy Towards Iran..., op. cit., pp. 138-139 and 144.

16. Embassy Documents, Vol. 7, p. 93; Robert Graham, Iran: The Illusion of Power (London, Croom Helm, 1978), p. 178; and Robert

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17. Embassy Documents, Vol. 12 (pt. 2), p. 20.
18. Ibid., p. 14.
19. The Persian Gulf, 1974: Money, Politics, Arms and Power, Hearing before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, 93 Cong. 2 sess. (GPO, Washington D. C., 1975), p. 81; R Haas, Saudi Arabia and Iran: The Twin Pillars in Revolutionary Times in The Security of the Persian Gulf, Ed., by H Amirsadeghi (London, Croom Helm, 1981), p. 153; and Embassy Documents, Vol. 8, pp. 65-66.
20. S Chubin and S Zabih, The Foreign Relations of Iran (Berkeley, University of California Press, 1974), p. 216.
21. Ibid., p. 218; and R K Ramazani, Iran's Foreign Policy 1941-1973: A Study of Foreign Policy in Modernizing Nations (Charlottesville, University Press of Virginia, 1975), pp. 415-416.
22. R Ramazani, Emerging Patterns of Regional Relations in Iranian Foreign Policy, Orbis (Winter 1975), p. 1054; and R M Burrell, The Persian Gulf (New York, The Library Press, 1972), pp. 39-40.

23. Gozareshe Salyanehi-e Vezarate Omoore Kharejeh, Ravabete Kharejee Iran dar Sal-e 1348, p. 60 (The Ministry of Foreign Affairs Annual Report, Iran's Foreign Relations in 1969, p. 60). From now on whenever these sources are used, only my English translation of their specifics will be given.

24. Ibid., pp. 59-60; and John Duke Anthony, The Lower Gulf States: New Roles in Regional Affairs in New Perspectives on the Persian Gulf, Hearings before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, 93 Cong. 1 sess. (GPO, Washington D. C., 1973), p. 208.

25. The Ministry of Foreign Affairs Annual Report, Iran's Foreign Relations in 1969, p. 61.

26. For the strategic value of islands see: R M Burrell, op. cit., pp. 43-44; also see the Shah's interview in: Bulletin of News and Documents, Ministry of Foreign Affairs, September-March 1971, p. 38.

27. Chubin and Zabih, op. cit., pp. 227 and 231; Anthony, The Lower Gulf States, op. cit., p. 209; The Ministry of Foreign Affairs Annual Report, Iran's Foreign Relations in 1971, pp. 91-92.

28. Embassy Documents, Vol. 7, p. 94.

29. For example see: John Duke Anthony, The Persian Gulf in

Regional and International Politics: The Arab Side of the Gulf in The Security of the Persian Gulf, Ed., by H Amirsadeghi, op. cit., pp. 187-188.

30. Embassy Documents, Vol. 8, p. 108.

31. For an interview with the Shah over the incident see: Bulletin of News and Documents, Ministry of Foreign Affairs, September-March 1975, p. 158.

32. For the Shah's interview see: Bulletin of News and Documents, Ministry of Foreign Affairs, September-March 1974, p. 422.

33. For instance see: John Duke Anthony, The Persian Gulf..., op. cit., p. 182.

34. The quotation is taken from: David Housego, "Why the Shah Was Gentle to Israel," Financial Times, 23 Nov 1973.

35. M G Weinbaum, Iran and Israel: The Discreet Entente, Orbis (Winter 1975), pp. 1070 and 1075-76.

36. Anthony, The Persian Gulf in Regional..., op. cit., p. 183; Weinbaum, op. cit., pp. 1078-1080; R Reppa, Israel and Iran: Their Development, Interrelationship and Effect on the Indian Ocean Basin (New York, Praeger, 1974), pp. 83-85; and Embassy Documents, Vol. 36, pp. 59-63.

37. William Sullivan, Mission to Iran (New York, W W Norton and Company, 1981), p. 81; Reppa, op. cit., pp. 96-98; Weinbaum, op. cit., p. 1076; and Embassy Documents Vol. 19, pp. 1-19.

38. Embassy Documents, Vol. 8, p. 124.

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43. John Duke Anthony: The Arabian/Persian Gulf in Regional and International Politics: The Arab Side of the Gulf in New Perspectives on the Persian Gulf, op. cit., p. 203; and A J Cottrell and J E Dougherty, Iran's Quest for Security, U.S. Arms Transfers and the Nuclear Option (Massachusetts, Institute for

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44. R M Burrell, Iranian Foreign Policy during the Last Decade, Asian Affairs (February 1974), p. 12.

45. Colin Legum, Ed., Middle East Contemporary Survey, 1977-78 (New York and London, Holmes and Meier Publishers Inc., 1979), p. 494; and 1977 Annual Bulletin of News and Documents, Ministry of Foreign Affairs, p. 528.

46. The Persian Gulf, 1974: Money, Politics, Arms..., op. cit., pp. 80-82; and Embassy Documents, Vol. 8, pp. 65-67.

47. Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 412-414; and John Cooley, "Soviet Moves in Mideast Push Iran Closer to Arabs," The Christian Science Monitor, 21 October 1968.

48. Colin Legum, Ed., Middle East... 1976-1977, op. cit., p. 393; and Haas, op. cit., pp. 155-157.

49. Embassy Documents, Vol. 7, p. 94.

50. Sirriyeh, op. cit., pp. 23-26; and A Cordesman, The Gulf and the Search for Strategic Stability (Boulder Colorado, Westview Press, 1984), pp. 155-162 and 500-503.

51. Embassy Documents, Vol. 8, p. 86.

52. R Haas, op. cit., pp. 160-162; and Colin Legum, Ed., Middle East..., 1977-1978, op. cit., p. 493.
53. Embassy Documents, Vol. 8, p. 66.
54. Middle East, A Report by Senator Charles Percy to the Senate Committee on Foreign Relations, 94 Cong. 1 sess. (GPO, Washington D. C., 1975), pp. 41-42; and A Yodfat and M Abir, op. cit., p. 89.
55. See the Shah's interviews in: Bulletin of News and Documents, Ministry of Foreign Affairs, April-September 1974, p. 350; and Bulletin of News and Documents, Ministry of Foreign Affairs, October-March 1974, p. 421.
56. R Graham, Iran: The Illusion of Power, op. cit., pp. 180-182; D L Price, op. cit.; and J D Anthony, Insurrection and Intervention: The War in Dhofar in The Persian Gulf and Indian Ocean in International Politics, Ed., by Abbas Amirie (Tehran, Institute for International Political and Economic Studies, 1975), pp. 297-302.
57. S Chubin and S Zabih, op. cit., pp. 181-184; R Ramazani, Iran's Foreign Policy 1941-1973, op. cit., pp. 418-419 and 436.
58. For elaboration on Iran-American-Israeli joint venture in the Iraqi Kurdistan see: Tad Szulc, The Illusion of Peace: Foreign Policy in the Nixon Years (New York, Viking Press, 1978),

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60. This view is put forth by: R Graham, op. cit., p. 179.

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63. Embassy Documents, Vol. 18, pp. 123-124.

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CHAPTER SEVEN

Iran-U.S. Military-Security Relations in the Post-Revolutionary Period: February-November 1979

In the preceding chapters a detailed description of Iran-U.S. military-security relations, throughout the 1970s up to the point of the revolution, has been offered. For nine months immediately after the success of the 1979 revolution until the seizure of U.S. embassy in Tehran in November 1979, attempts were made to continue such ties, although on a different basis from before, by the governments of both countries. The primary objective of this chapter is the delineation of efforts by Iran and the U.S. for the establishment of some kind of modus operandi in all spheres of inter-state relations, particularly in the military-security arena, in the aftermath of revolution.

In more specific terms, what is to be covered in this chapter includes a delineation of various U.S. policy options which were proposed as the best course of action to be adopted towards the Iranian revolution. The prevailing factionalism within the Iranian revolution and those factions with which the U.S. policy makers believed they could work out a new modus operandi also needs to be considered. The views of post-revolutionary Iranian leadership regarding the establishment of normalized relations with the U.S. and the contacts between the two countries on military-security issues will also be highlighted.

The U.S. Stance toward the Post-Revolutionary Government in Iran

With the success of the Iranian revolution in February 1979, the ousting of staunchly pro-Western and pro-American regime of Shah Mohammad Reza Pahlavi, and the seizure of power by forces loyal to Ayatollah Khomeini, three different schools of thought emerged within the U.S. Administration as to the most appropriate way of dealing with the new regime in Tehran.

The proponents of the first school advocated the adoption of a tough policy towards the new regime in Tehran. This view, which had its supporters within the Pentagon, the State Department and the Central Intelligence Agency, held that the revolution in Iran represented a major setback for U.S. strategic and economic interests, and compared the "loss" of Iran with that of China three decades earlier. A policy recommendation of that school was restoring the situation to that which prevailed before the revolution and pointed to the 1953 precedent and the ease with which the CIA had managed to reinstall the Shah in power. As part of their adoption of a tough stance vis-a-vis the revolutionary regime in Tehran, the proponents of this view advocated the severance of all diplomatic, military and commercial ties between Iran and the U.S., particularly after the first attack on U.S. embassy on 14 February 1979. These recommendations fell largely on deaf ears within the Carter Administration,¹ in spite of the fact that they were being made against the backdrop of constant criticism by powerful pro-Shah supporters within the U.S., for having "lost" Iran, their sustained effort to tarnish the revolution's image, and

persistently trying to find means for subverting it.²

As opposed to a policy of active hostility and retaliation against the new regime in Tehran, there were others who advocated a total "hands-off" policy. Given the difference in context with that prevailing in 1953, so it was argued, the U.S. would find it impossible to reinstate another regime similar to that of the late Shah in post-revolutionary Iran. With the passage of time, the new Iranian leadership might find it in its own best interest to establish correct relations with the U.S. The latter should instead concentrate its diplomatic efforts, so the argument was continued, in countries in the Gulf/Middle East regions such as Egypt, Turkey and Saudi Arabia where U.S. presence was welcome. For the advocates of this position, Iran did not possess the same degree of strategic significance as for those of the "tough line" policy school.³ The recommendations of this policy were also not accepted by the Carter Administration.

A third set of policy proposals emanated from those who advocated neither the destabilization nor the neglect of the new revolutionary regime in Tehran, but rather its accommodation. Despite the fact that this was not an easy option to pursue (and some of its obstacles will be discussed below), the recommendations of the accommodationist school became the official U.S. policy towards post-revolutionary Iran.

In a major State Department policy paper, U.S. interests were stated to be, "...access to oil, denial of Soviet influence,

[and] promotion of a friendly, non-aligned, moderate government." Very specifically, "in these [post-revolutionary] confused and uncertain circumstances our [U.S.] posture has been to lie low, responding to opportunities to strengthen our credentials with the GPOI [Provisional Government of Iran; the G preceding P in the original text is a misprint] but not pushing ourselves forward."⁴ Therefore, as the above quotation indicates, in order to secure its policy objectives, the U.S., although willing to enter into a working relationship with the new regime in Tehran, was careful to adopt a low-profile approach and only respond to the overtures of new authorities as a means of strengthening its position in Iran.

A number of proposals were suggested or actually adopted by the U.S. policy makers as the means of establishing a new modus operandi with the government in Tehran. The assignment of a new U.S. Ambassador to Iran, after William Sullivan's departure in April 1979, and the dispatch of an emissary to Ayatollah Khomeini, for the first direct contact of its kind between the latter and an American official, so as to express the U.S.'s acceptance of the revolution in Iran, were two such recommendations (although they were never implemented due to the hostage crisis in November 1979).⁵

In the military sphere, the Americans were willing to supply Iran with spare parts and technical support, which were particularly intended as a means of enhancing the position of Premier Bazargan's moderate government and the pro-American elements

within the Iranian military. The American policy makers were also intending to employ intelligence-sharing with the PGOI on external or externally-backed internal threats to the latter, as another means of building a new relationship between the two countries. It was also hoped that, by restarting work on the intelligence monitoring project Ibex, discussed in detail in chapter four, the U.S. would be given access to its intelligence collection facilities, based in the north of Iran, and aimed at the Soviet Union.⁶

By facilitating the resolution of commercial disputes between U.S. companies and the new government in Iran, the State Department hoped to contribute further to a new relationship.⁷ Finally, given the rampant anti-Americanism in Iran after the revolution, U.S. policy makers hoped to improve their image through a concerted propaganda effort.⁸

Although the U.S. was willing to continue a normalized state of relations with post-revolutionary Iran, it ought to be mentioned that the movement which toppled the Shah was not unified ideologically and, contained within itself various factions prescribing different domestic and foreign policies for the country. Of those factions, both inside and outside the formal post-revolutionary power structure, some more than others favoured the continuation of normalized diplomatic ties with the U.S., and the latter's policy makers were fully cognizant of this.⁹

The existence of different attitudes vis-a-vis the United States in the immediate post-revolutionary period in Iran was most starkly manifest in the person of Ayatollah Khomeini on the one hand and the moderate nationalist-religious government which the latter had installed in power, under the premiership of Mehdi Bazargan, on the other. Many members of Bazargan's government had been educated and trained in American or West European universities. They spoke English and understood the West. They were willing to deal with the U.S. government when the need for doing so arose, even if somewhat suspicious of the latter's intentions regarding the revolution.¹⁰

On the other hand, the Shia clergy, as exemplified by Ayatollah Khomeini, not only were unwilling to meet and talk with the Americans under any circumstances, but their actions and behaviour when contrasted with the value systems of the Americans, made it difficult, if not impossible, for the two to understand each other. This is how an official U.S. source described the situation,

"While it is evident that Iran's deep, grass-roots attachment to Shia' Islam makes it certain that the clergy will continue to have enormous influence in Iran, it is equally evident that Americans have at present little ability to relate to the conceptual framework which informs the ulama [clergy]. We do not know where they are coming from. Conversely the ulama have little understanding of the concepts which underlie Western

thought. To make matters worse, both sides are burdened with a stock of superficial information and misleading generalizations."¹¹

Apart from such differences in worldview and background there were foreign policy differences between Ayatollah Khomeini and his moderate Prime Minister which were bound to affect the direction of Iran-U.S. relations in this period. Bazargan and his colleagues were more willing to pursue a foreign policy based on national interest and geopolitical considerations, whilst Ayatollah Khomeini seemed to give the primacy to ideological factors. As described by a U.S. source,

"Bazargan and many of his older governmental colleagues tend to view Iran's foreign policy and security interests in traditional geopolitical terms. The history of Iran-Russian relations weighs heavily on them....Ayatollah Khomeini and supporters share to a considerable degree the suspicion of the Soviets, but their external views at this time are primarily influenced by hatred for whatever the Shah did, messianic Islamic fundamentalism, and the revolutionary process."¹²

The same source was of the view that, "if this government [Bazargan] lasts, Iran's geopolitical and economic realities will slowly reassert themselves to push us [the U.S.] into a better position here."¹³ Hence, the pragmatic orientation of Bazargan, as opposed to the ideological fervour of Ayatollah

Khomeini, was held to augur better for Iran-U.S. relations.

Indeed, for a period of nine months after the revolution's victory, until the seizure of the American embassy in Tehran by the extremists in November, the moderates in Iran's post-revolutionary power structure managed to maintain a semblance of normality in relations with the U.S., even if not completely free from tensions and strains. Soon after the revolution's success, on 12 February 1979, President Carter signalled his Administration's recognition of the new regime in Tehran, when he stated that the U.S., "had been in touch with the people in charge of the Iranian government and we expect to work with them," hoping for a, "very productive and peaceful co-operation."¹⁴ The next day a State Department spokesman stated that Bazargan's government had accepted President Carter's message and it, too, hoped for cooperation between the two countries.¹⁵ On 21 February, on instructions from Washington, Ambassador Sullivan met Bazargan for the first time to assure him of the U.S. acceptance of Iran's revolution and willingness to cooperate with the latter on military issues.¹⁶

However, underneath such diplomatic niceties, tensions in relations between the two countries did not disappear and, whenever U.S. and Iranian officials met to discuss diplomatic normalization, the obstacles to such a process could not help being mentioned. One such impediment to rapid normalization was the history of U.S. association with the Shah's regime, right to its very end. This is how an Iranian official once explained the

situation to a U.S. Charge d'Affaires in Tehran, during talks on normalization,

"...the United States had to appreciate that for 25 years the U.S. has been very closely associated with the previous monarchical regime and in 1953 had helped reverse the will of the people by returning the Shah to the throne. It was, therefore, understandable that normalization must be approached carefully..."¹⁷

Furthermore, the precedent of U.S. intervention to reinstate the Shah in 1953, had provided a fertile ground for suspicion amongst Iran's post-revolutionary authorities that it might again be tempted to interfere in their country's internal affairs, and install a pro-American regime. In complaining about the slow pace of normalization between the two countries, and trying to shift the onus of responsibility on the U.S. for such a state of affairs, an Iranian official attributed it to the idea that the, "...U.S. [was] playing [a] wait-and-see game with the objective of interfering in Iranian affairs in the future...."¹⁸ U.S. officials, of course, constantly attempted to allay such Iranian fears by reassuring them, in their private meetings, of their acceptance of the revolution in that country, though to little effect.¹⁹

For instance, after the revolution's success and the subsequent temporary loss of central control over the provincial areas, many of Iran's ethnic minorities, including the Kurds, made use

of the opportunity to agitate for autonomy. The Iranians accused the Americans of causing agitation in their country's minority populated provinces such as Kurdistan, while the former vehemently denied such charges. In a discussion between the American Charge d'Affaires in Tehran and Iran's Foreign Minister, Ibrahim Yazdi, the latter stated that he,

"...was convinced there is major foreign support for Kurdish insurrection...PGOI had information which they consider reliable indicating that U.S. and Israel were cooperating with Iraq in fomenting Kurdish insurrection. [U.S.] Charge' spent considerable time in pointing out that U.S. had little to gain by Kurdish rebels..."²⁰

American association with the Shah's regime and, fear of its interference in Iran's internal affairs after the revolution, certainly did not contribute to speedy normalization. But there were other impediments as well. In various meetings between Iranian and American officials, the two parties expressed their views very frankly concerning the issues that were slowing down normalization. For the Iranians some of the main issues were the slowness with which Iranian nationals' applications for U.S. visas were handled by the American consulate in Tehran, U.S. unwillingness to send to Iran an Ambassador with credentials acceptable to the new regime, the ratification of a resolution by the Congress in May 1979 condemning the executions of members of Shah's political establishment, and finally, the delay by the U.S. in sending spare parts needed by Iran's military.²¹

For its part, the U.S. complained of the Iranian media's vitriolic anti-American attacks, constantly accusing it of interference in Iran's internal affairs, the expulsion of U.S. journalists from Iran on charges of distorted reporting, and lack of access to its military records, equipment and commissary stocks dispersed in different bases all over Iran.²²

After having mentioned some general aspects of Iran-U.S. relations after the revolution, military-security relations will now be considered. Iranian officials, in their many contacts and discussions with the American authorities, had made it known that they regarded the resumption of military cooperation, although on a basis different from that which prevailed before the revolution, as a prerequisite to normalization.

In the course of a frank discussion between Iran's Prime Minister and the U.S. Charge d'Affaires in Tehran, Bazargan stated that,

".... from Iran's point of view... the U.S. had not responded in any positive way [to its normalization overtures] that the PGOI could use to demonstrate the worth of its relationship with [the U.S.] to the Iranian people. You [the U.S.] have only given lip service to better relationsand we have only heard promises from you. As an example...[take the] assurances given by Ambassador Sullivan... that military spare parts would be delivered.... Nothing has happened.... Not even a date when we might expect delivery has been given us..."²³

The significance of cooperation on military matters with Iran, as a prerequisite to normalized relations, was not lost on the American officials either. After a meeting with Iran's Foreign Minister, Ibrahim Yazdi, the U.S. Charge d'Affaires sent a cable to Washington stating that, "the predominant impression that I carried from the meeting was that our performance in this area [military supply relationship] could very well become the acid test in the official Iranian view of our sincerity in wanting a 'new beginning' in our relationship with Iran...."²⁴

Setting aside for a moment the issue of the military component, and its various ramifications, there were aspects of the military-security ties, from the previous regime, which the new authorities in Tehran either wanted discontinued or had serious questions about. The new regime in Tehran wanted to end Iran's membership in the CENTO alliance, in which the U.S. was an associated member. On 12 March 1979, Iran announced its withdrawal from CENTO, declaring that, "the treaty only incorporated the interests of the super-powers....[which had] brought Iran nothing."²⁵

As seen in chapter five, on the eve of the revolution's victory, Iran and the U.S. signed a Memorandum of Understanding, leading to the cancellation of most of the military sales contracts between the two countries. A number of major military items, however, were left uncovered by this memorandum which the post-revolution government decided to cancel very early on in its life. These cancelled items consisted of 2 Spruance class

destroyers, one World War II vintage Tang class submarine, 203 ship-mounted Harpoon missiles and, a number of air-to-air missiles, to the value of \$1 billion.²⁶

However, these cancellations involved orders of military equipment which had not yet been delivered to Iran. There were even some suggestions that the Iranian authorities might decide to sell back some of the sophisticated military equipment which was already in the country's inventory. Foreign Minister Ibrahim Yazdi was quoted as saying that, "since we do not need some of the weapons, we are interested in selling these back to the United States."²⁷

In a meeting between Iran's Defence Minister Admiral Madani and, the U.S. Military Attache in Tehran, the former, "...asked if USG [United States Government] would buy back highly sophisticated weapons systems such as F-14 or the AHJ-1 Cobra helicopter if GOI [Government of Iran] decided that it no longer wanted these..."²⁸

Indeed, there were some indications that officials of the two countries had entered into negotiations over the sale of Iran's F-14s and their Phoenix missile system to the U.S., with the latter's willingness to acquiesce being understandable, given its concerns over the possible security compromise of the aircraft and its missile system.²⁹ Eventually, however, the sale did not materialize because a clerical faction inside the regime, in collusion with some officers in the Air Force, decided to keep

the aircraft and its missile system.³⁰

The status of the military trust fund and the circumstances surrounding the conclusion of the MOU of February 1979 were two aspects of the military relationship between Iran and the U.S. from the pre-revolution era, which turned into contentious issues in the post-revolution period. Indicative of a mood mistrustful of their country's past relations with the U.S., including that in the military-security arena, the new authorities in Iran constantly pressed the American officials for more data on the manner in which the money in the trust fund had been spent over the years. For instance, during discussions between the U.S. Military Attache in Tehran and a number of Iran's Ministry of Defence officials, one official,

"requested as full an accounting as possible of the use of the Iranian trust funds over past years. He [the Iranian official] indicated he would like to know who had authorized what payments for what purposes. Gast [the U.S. Military Attache] indicated this could become a sizable task and a costly one, but said he would see what he could do..."³¹

On another occasion, bemoaning the factors which were hindering normalization Bazargan mentioned to the U.S. Charge d'Affaires that, since 1966 Iran had received no invoices about the way in which his country's military trust fund in that country had been used. Bazargan stated that,

"....there was a...problem involved in clearing Iran's military accounts. Iran had received no invoices on what it had bought and paid for since 1966...The PGOI consequently had no idea of what its financial position was in this area..."³²

In the same vein, in his many discourses with American officials, Foreign Minister Ibrahim Yazdi also raised the issue of Iran's trust fund in the U.S. and, the way in which it was spent. For instance, in a trip in October 1979 to the U.S. to participate in the United Nations General Assembly's annual meeting in New York (during which he also had wide ranging discussions with the high ranking officials of the American State and Defense Departments) Yazdi asked Vance, amongst other things, for final billings for the trust fund.³³ In spite of a limited response by the U.S. to Iran's concerns over the issue, it had not been resolved to the latter's satisfaction by November 1979, when relations between the two countries were severed as a result of the hostage crisis.

The new regime in Tehran was also not pleased with the way in which the 3 February 1979 MOU was concluded. The termination charges which were levied against Iran's military trust fund as a result of contract cancellations were, in particular, a source of dissatisfaction for the Iranians. In a meeting with the American Charge d'Affaires, the Iranian Foreign Minister complained that,

"... these contracts are like a blank check to your military assistance group. If we cancel, we stand to lose millions of dollars. We prefer to cancel these contracts in a way that will not hurt us financially. It could cost us almost a billion dollars..."³⁴

Apart from the dissatisfaction with having to pay termination charges, Iran also had objections concerning the pricing of equipment which was diverted to third parties, whose proceeds were then to be deposited in its trust fund so as to keep it solvent, according to the February MOU. Iran objected in particular to the price established for its Spruance destroyers, purchased by the U.S. Navy, which did not take into account the appreciation in price due to inflation, and demanded that the matter remain open for further consultation.³⁵ That was, however, not to be. In a long letter written by General Graves, Director of the U.S. Defense Security Assistance Agency, to Ibrahim Yazdi, the Iranian Foreign Minister, it was explained that the only way in which the U.S. Congress would have acceded to the acquisition of destroyers, whose proceeds were then to be deposited in Iran's trust fund for the purpose of keeping it solvent, was by purchasing them in 1975 (the year when the Shah had originally ordered the destroyers) and not 1979 dollars.³⁶

Having touched on the points of stress in the military relationship between the two countries in the aftermath of revolution, it should not be left unsaid that Bazargan's government did desire continued cooperation with the U.S. on

military matters. According to Bazargan, Iran's weapons purchases from the U.S. were to come to an end, but ties on military spare parts supply and technical assistance were to be maintained.³⁷ Indeed, most of the contacts between Iranian and American officials for defining the exact nature of military cooperation, touched on the questions of technical assistance and spare parts supply.

Given the nature of its past involvement with the Shah's regime and the hostile public mood, to talk about military cooperation with the U.S. was not an easy task for officials of the new government in Tehran.³⁸ Nonetheless, in some of the public statements of the new government's high ranking civilian or military officials, it was stated that, given the sophisticated nature of some of the equipment in Iran's inventory, the country might have to rely on outside expertise, including that from the U.S.³⁹

In the same vein, during private meetings with U.S. officials, the Iranian authorities expressed their desire for the continuation of the American military advisory effort, although the severance of diplomatic relations between the two countries, as a result of the hostage crisis, never allowed its full scope to be worked out. During a discussion with the U.S. Military Attache, Iran's Minister of Defence told him that, "...GOI [Government of Iran] would need some American experts in the country and nodded affirmatively when asked about Gast's [the U.S. Attache] request to replace some of the experts still here

[in Iran] with more appropriate ones...."40 In his discussions with Bazargan, Ambassador Sullivan constantly enquired about Iran's attitude towards the presence of U.S. military advisors. Bazargan's response was always on the positive side, although asking for time to determine the extent and type of assistance required.⁴¹

Uninterrupted access to spare parts for its large inventory of American-made weapons systems was the other significant component of military ties which the new regime in Iran wanted to establish. Given the ethnically-based insurgency in its Kurdistan province, with its consequential demand on military materiel, the new regime in Tehran was very anxious for the flow of U.S. military spare parts to be resumed as quickly as possible.⁴²

The gravity of the situation, from the Iranian point of view, could be gauged when the following exchange between an Iranian Deputy Prime Minister and the U.S. Charge d'Affaires in Tehran is considered,

"...Iran's needs are great. There is no need for more arms so much as a need for spare parts, particularly for helicopters and aircraft....He [the Iranian official] estimated that there were approximately 1,000 helicopters grounded because of improper maintenance and unavailability of spare parts...He explained that the spare parts inventories for helicopters and aircraft were overloaded with sophisticated equipment but that there was

a paucity of basic required hardware..."⁴³

The first and only consignment of U.S. military spare parts which reached Iran was in September-October 1979, following the talks between Yazdi and American officials in October, when he was participating in the U.N. General Assembly annual meeting. The two countries entered into negotiations for additional packages of military spare parts. Negotiations, however, were underway when the hostage crisis started, with relations between the two countries, including that in the military, totally coming to an end.⁴⁴

The resumption of the flow of U.S. military spare parts into Iran, however, was not without its complications. In spite of the expression of interest in the acquisition of U.S. military spare parts on Iran's side, only one such consignment reached Iran in October. That delay, according to the complaints made by the Iranian authorities to U.S. officials, was seen to be politically motivated. To the Iranians the delay indicated a lack of endorsement of the revolution by the U.S., which hindered normalization of political ties and reflected a waiting game by the U.S., in anticipation of the revolution's eventual downfall. All these charges the U.S. strongly denied.⁴⁵

Another bone of contention in the military spare parts supply relationship was related to the special case of what the Americans called classified material. A very important prerequisite to the release of classified spare parts to Iran,

was the latter's agreement to allow U.S. teams to check in-country storage facilities to ensure their safety. In the ultra-nationalistic atmosphere of post-revolutionary Iran, that was an unacceptable precondition. Foreign Minister Yazdi once told a group of U.S. Defense Department officials that, "we might prefer to lose billions of dollars in equipment."⁴⁶

Another dimension of Iran-U.S. relations in the military-security sphere in the revolution's aftermath, was intelligence-sharing. Various high-ranking Iranian officials, in their meetings with the Americans, pressed the latter for intelligence sharing, and regarded it as a very important step towards normalization, and an indication of U.S. good-will towards the revolution.⁴⁷

The following is an illustrative exchange on intelligence sharing between Iran's Foreign Minister Ibrahim Yazdi and a U.S. official, when he told the latter that the Americans,

"were aware...that Iranian security services no longer existed. Consequently PGOI lacked intelligence on acts of sabotage in Khuzestan and Kurdistan. Who was behind these attacks? The Iranians suspected Israel and Iraq, but needed more information. Yazdi knew that USG [U.S. Government] had much information- "knew everything"- on developments in the region; PGOI hoped we [the USG] would share it."⁴⁸

The Iranians were, most significantly of all, concerned about

the internal security threats to the PGOI which had external support, with particular emphasis on the role of Iraq, the Soviet Union, Libya and the PLO. For its part, it hoped that apart from signalling its confidence in the new Iranian leadership, intelligence exchange with the latter would have returns for the U.S., for example, on PGOI's policy towards Iraq, the Soviet Union, support for Muslim rebels in Afghanistan, and the like.⁴⁹

Iran received intelligence briefings by the U.S. on two occasions. Once, in August 1979, on Iraqi intentions towards Iran, and the second time, in October of the same year, on the Soviet Union's energy problems. The American intelligence informed Iran of Iraqi concerns over statements made by some members of its religious establishment laying claim to Bahrain, the inflammatory nature of Iranian radio and television Arabic service broadcasts and that the Iraqis were prepared to settle their differences with the PGOI through negotiations, although unwilling to enter into talks with the clerical faction of the regime who, however, seemed to be wielding the real power.⁵⁰

The other subject on which the Iranians were briefed was on Soviet energy problems and the effect that post-revolutionary Iran's abrogation of the gas supply contract (signed by the previous regime as the means of payment for a number of economic industrial projects) would have on the Soviet energy import requirements. Iran was briefed that, given its dependence on oil exports for 40% of its foreign currency earnings, the loss of that income as a result of the reduction in its energy output,

the Soviet Union might be tempted to exert pressure on Iran so as to obtain oil on soft terms. Although the American sources thought that the Iranians were pleased with that briefing,"¹ Ibrahim Yazdi who was one of the recipients of that analysis, has stated that the Iranians were very suspicious of the real U.S. motives behind the briefing on the Soviet energy problems and that they believed it was a smoke-screen for something else.⁵²

Conclusion

What has been said constituted the near totality of Iran-U.S. contacts on military-security issues in the post-revolutionary period. Those contacts, by and large, flowed from the initiative of pragmatists within Iran's post-revolutionary political establishment under Bazargan's premiership. As mentioned earlier, they were only one faction amongst others competing to shape policy in the post-revolutionary Iran, some of whom were extremely anti-American and less willing to restrain their revolutionary ideals with practical necessities.

The radicals were provided with ample ammunition, when on 22 October 1979 the U.S. admitted the Shah on medical grounds, in spite of constant advice by the American mission in Tehran that such an action might lead to the embassy's occupation, with the personnel being taken hostage. The Shah's admission to the U.S. led to an upsurge of anti-American rhetoric and feelings. On 4 November 1979, the U.S. embassy was occupied by a group of militant Iranian students, heralding the start of the hostage

crisis, which was to last for the next 444 days, leading to the resignation of Bazargan's moderate cabinet and the severance of diplomatic ties between Iran and the U.S., later on in the same month.⁵³

Those incidents were to be the beginning of a definite radical revolutionary trend in Iran's foreign policy, the signs of departure from which are just slowly beginning to emerge.

Notes

1. See: S Zabih, Iran Since the Revolution (London, Croom Helm, 1982), pp. 160-161.
2. James Bill, The Eagle and the Lion: The Tragedy of American-Iranian Relations (London, Yale University Press, 1983), pp. 277-278.
3. S Zabih, op. cit., pp. 163-164.
4. For both quotations see: Embassy Documents, Vol. 16, p. 70; also see the same source, pp. 46-47.
5. Ibid., pp. 71-72 and 131.
6. Ibid., pp. 73-75 and 132.
7. Ibid., pp. 73-74 and 130.
8. Ibid., p. 76.
9. See the following sources: Cyrus Vance, Hard Choices: Critical Years in America's Foreign Policy (New York, Simon and Schuster, 1983), p. 369; and J D Stempel, Inside the Iranian Revolution (Bloomington, Indiana University Press, 1981), pp. 195-205 and 214-218.

10. Bill, op. cit., pp. 278-279; and G Sick, All Fall Down: America's Fateful Encounter with Iran (London, I.B. Tauris and Co., Ltd., 1985), p. 188.

11. Embassy Documents, Vol. 1-6, p. 515.

12. Ibid., pp. 531-532.

13. Ibid., p. 530.

14. Stempel, op. cit., p. 182.

15. Ibid., p. 183.

16. Vance, op. cit., p. 243.

17. Embassy Documents, Vol. 10, p. 39.

18. For the quotation see: Ibid., p. 102; on that point also see the same source, pp. 86-87.

19. Embassy Documents, Vol. 18, p. 22; and Embassy Documents, Vol. 34, p. 199.

20. Embassy Documents, Vol. 10, p. 99.

21. For Iran's views on issues hindering normalization see the following: Embassy Documents, Vol. 10, pp. 30-32 and 72-73; Bill,

op. cit., pp. 283-285; and S Zabih, op. cit., p. 164.

22. For the U.S. views on issues hindering normalization see the following: Embassy Documents, Vol. 18, pp. 35-37; Embassy Documents, Vol. 10., p. 55; and Embassy Documents, Vol. 34, pp. 41-42 and 64.

23. For the quotation from Bazargan see: Embassy Documents, Vol. 18, p. 31.

24. Embassy Documents, Vol. 34, p. 120.

25. Colin Legum, Ed., Middle East Contemporary Survey, 1973-1979 (New York and London, Holmes and Meier Publishers, Inc., 1980), p. 533.

26. On Iran's cancellations see: Supplemental Appropriation Bill, 1979 (Pt. 4), Hearings before the Subcommittee on Defense Appropriations, 96 Cong. 1 sess. (GPO, Washington D. C., 1979), pp. 153-155; William Branigin, "Iran Cancels Arms Orders with U.S.," Washington Post, 10 April 1979; and Simon Henderson, "Iran Continues Cutback of Western Arms Contracts," Financial Times, 11 April 1979.

27. For Yazdi's statement see: "U.S. Negotiates with Iran to Repurchase Weaponry," International Herald Tribune, 29 June 1979

28. Embassy Documents, Vol. 36, p. 15.

29. Ronald Koven, "Iran Seeks to Sell Back U.S. Arms," International Herald Tribune, 29 March 1979; and Andrew Whitley, "Iran's Military Shaken by More Leadership Changes," Financial Times, 11 August 1979.
30. Embassy Documents, Vol. 16, pp. 96-97; and Embassy Documents, Vol. 34, p. 145.
31. Embassy Documents, Vol. 36, pp. 16-17.
32. Embassy Documents, Vol. 18, p. 31.
33. Embassy Documents, Vol. 34, pp. 171 and 178.
34. Ibid., p. 101.
35. Ibid., pp. 171 and 180.
36. Ibid., pp. 192-194.
37. Embassy Documents, Vol. 18, p. 23.
38. Embassy Documents, Vol. 10, p. 55.
39. The interviews or statements appeared in the Iranian press, and here only my English translation of specifics will be given: "General Gharahni: We Are Not Yet Free from the Need on American Advisors," Ittila'at, 21 February 1979; "Supreme Chief of Staff

of the National Army: We Will Not Allow the U.S. to Monitor the Soviet Military Communications from Our Territory," Kayhan, 24 February 1979; and "The Rumours Concerning the Sale of F-14s to the U.S. Incorrect, We Shall Make Use of the American Advisors and Experts," Kayhan, 23 June 1980.

40. Embassy Documents, Vol. 36, p. 15.

41. Embassy Documents, Vol. 18, p. 12; and William Sullivan, Mission to Iran (New York, W W Norton and Company, 1981), pp. 274-275.

42. Frank Taylor, "America Tries to Recapture Arms Market in Iran," Daily Telegraph, 28 August 1979; and S Sabih, op. cit., pp. 162-163.

43. Embassy Documents, Vol. 10, p. 83.

44. Sick, op. cit., p. 352 fn.; "U.S. Ready to Send Arms to Iran," International Herald Tribune, 25-6 August 1979; Andrew Whitley, "Airlift Resumes U.S. Arms Supply to Iran," Financial Times, 5 Oct 1979; and Embassy Documents, Vol. 10, pp. 89-91.

45. Embassy Documents, Vol. 10, pp. 72-73, 86-87 and 92-93; and Embassy Documents, Vol. 34, pp. 112-113 and 118-119.

46. For the quotation See: Embassy Documents, Vol. 34, p. 178; and Embassy Documents, Vol. 10, p. 93.

47. Embassy Documents, Vol. 18, pp. 22-23; and Embassy Documents, Vol. 10, p. 29.

48. Embassy Documents, Vol. 34, p. 198.

49. Embassy Documents, Vol. 10, pp. 29, 58-59 and 70-71.

50. Ibid., pp. 48, 109 and 122-123.

51. Ibid., p. 98.

52. Bill, op. cit., p. 292.

53. Vance, op. cit., pp. 370-373; Nicholas Cumming Bruce, "Clergy Take Over from Bazargan," The Guardian, 7 November 1979; and "Dictatorship in Iran," Financial Times, 7 November 1979.

Conclusion

Arms transfers in the international system are a multifaceted phenomenon which does not lend itself to easy and neat categorization, nor can it be categorized as entirely positive or negative. If anything could emerge and be learnt from this study, it should be the rejection of such exclusivist explanations. Iran's defence build up in the 1970s could undoubtedly have been better envisaged, more efficiently executed, less prodigious in its waste, and more in tune with the military's absorptive capacity.¹ But the argument about the shortcomings should not be pushed to such an extent as to ignore the fact that Iran's arms build up was a response to a set of threats, some of which would have had to be faced by the country's defence planners irrespective of the type of political regime at the helm.

Two factors, in particular made the Shah's opponents critical of, if not downright hostile to, his arms purchases. The Shah was an autocrat who was willing to resort to brute force to suppress dissent. To his opponents, the army was simply another of the Shah's instruments of repression, with an increase in its capabilities resulting in a further entrenchment of his internal position. Hence, the dislike of the Shah was simply extended to include his defence build up of the 1970s.

One thing which that group failed to appreciate, however, and

did not seem to be addressing, was the underlying geostrategical realities. In other words, no matter how autocratic, the Shah might have had a military-strategic rationale for his defence build up.² It was that consideration which his opponents should have taken up in debate, rejecting those aspects of it which they found unacceptable and proposing policy alternatives. Yet that was exactly the sort of analysis which was not attempted; an analysis which is bound to be the most rewarding in terms of insights to be gained about the past with important implications for the future.

The second factor which contributed to a good deal of opposition to the Shah's arms build up of the 1970s was that it was taking place within the context of the Nixon doctrine. To the Shah's opponents, his arms build up not only became a proof of his status as a U.S. puppet, but was also held to be more beneficial to U.S. interests than to those of Iran.

This view smacks of an unnurtured simplicity in the analysis of international relations. The Shah had undoubtedly aligned himself very firmly with the U.S., to the extreme disdain of his opponents. Furthermore, the U.S. doubtless did benefit from Iran's arms build up. But they are only one side of the coin. In the give-and-take of international diplomacy the Shah was hoping that, by performing the role of regional policeman, he would not only secure regional prestige and influence for Iran but would also gain access to the most sophisticated weapons systems in the U.S. inventory in order to satisfy Iran's military

requirements. In this analysis again the significance of the military-strategical justification of the Shah's arms build up was being downgraded.

Having argued the necessity to look at the geostrategical basis of the Shah's defence policy in the 1970s, it may be appropriate at this stage to pause and draw some lessons from the past, even if somewhat tentative, about Iran's national security problems, and to look at some of the issues with which the Iranian military planner may have to come to grips.

In determining the type of military threats which Iran could face, the country's geographical location is of paramount significance. Iran is located in a part of the world which has been for centuries at the crosscurrent of competition between the politically and militarily dominant international powers. The country has been overrun, occupied or dismembered during the previous centuries. It was, for instance, occupied twice in this century alone, during the First and Second World Wars, for reasons totally unrelated to Iran's interests. The superpower interest in the region is a constant factor with which the Iranian planners have to come to grips. In other words, it is a structural constraint in Iran's immediate foreign policy environment. Indeed, it might even be stated that the most serious long-term military threat to Iran is its occupation or dismemberment by the superpowers, coming about either as a result of condominium between them or otherwise. This scenario, however, is most likely within the context of a general global war

involving the major powers.

A further geographical consideration concerns the fact that Iran is surrounded by five countries with different domestic and external orientations, one of which is its northern superpower neighbour the U.S.S.R. The past record of Iran's relations with its neighbours has not been one of peaceful coexistence and good neighbourly relations. If anything, quite the reverse has been the case, which calls for the planner to be always on his guard and to expect the unexpected. In addition, more often than not, regional conflicts in Iran's part of the world are likely to become enmeshed with the interests of the extra regional powers as, for instance, the involvement of the superpowers in the very recent Iran-Iraq war would indicate. This is another structural constraint of sorts.

A militarily weak Iran is likely to be at the mercy of an international system which does not show much sympathy towards the feeble. Some of the country's best minds in the bureaucracy, universities and research institutes have to make it their business to see to it that Iran will survive as a viable unit in the international system. Apart from that, which is probably true for all the other sectors of life, the Iranian planner needs to get the country's diplomatic and military priorities right.

A first suggestion on the diplomatic front concerns the maintenance of a normal and balanced relationship between the two power blocs which dominate the international system, without

allowing any factors, such as ideological considerations, to sour Iran's relations with any of them. Ideally, this policy also should not preclude the possibility of cooperation with any of the two blocs as requirements of the moment dictate. In other words, geopolitics should take command, with the other factors playing a subsidiary role. To ignore the foregoing suggestions could entail grave risks for the country's security.

It is through the conduct of an even-handed policy towards the two power blocs and the ability to manoeuvre between the two freely that Iran could maintain its independence in the international system. It is in this way that Iran can also make sure that pressure against it by one bloc is counterbalanced by the other. One might just recall the shrewdness with which Iranian statesmen exploited the contradictions between the West and the Soviet Union to force the latter's withdrawal from Iran, when it was dithering to do so immediately after the Second World War.

Proximity to the Soviet Union and suspicions about its intentions towards Iran were two of the motives behind the Shah's policy of close alignment with the U.S. after his seizure of power in 1953. The Shah had a strategic point concerning the Soviet Union, given the logistical ease with which it could (and still can) launch military operations into Iran. However, another similarly strong factor which could have undergirded the Shah's policy of close alignment with the U.S., was his psychological dependence on the latter after his reinstatement in power by the CIA in 1953.

Whatever the underlying rationale for this close alignment, it did not strike a receptive chord with many Iranians who took it as a policy of subservience to U.S. interests which encroached upon Iran's national sovereignty and independence. The diplomatic discourse suggested above, although it does not preclude the possibility of cooperation with either of the two power blocs in accordance with the dictates of the situation, does not commit Iran to either of them in advance of the requisite circumstances. In this way it may be possible to strike a balance between the aspirations of the Iranian people for national independence and an increase in the country's defence resources through alliance formation if the security circumstances require it.

To give overall priority to geopolitical considerations and maintain a normal relationship with the two dominant power blocs would also mean that, in times of regional conflict, neither bloc would automatically end up on the side to which Iran is opposed. The principle of "the enemy of my enemy is my friend" would be counteracted by a non-adversarial posture towards both great powers.

The Iran-Iraq conflict in the early 1970s under the Shah, and in the late 1970s after revolution, are cases in point. Because Iran maintained a correct diplomatic relationship with the Soviet Union since the early 1960s, the latter took care not to lend its support to Iraq in its disputes with Iran in the early 1970s, lest it offend Tehran. If anything, Moscow was urging restraint on both parties and encouraging them to settle their differences

politically. Furthermore, the Western powers and conservative Arab Gulf sheikhdoms, fearful of the region's domination by a pro-Soviet revolutionary Iraq, lent their full support to Iran in its conflict. In this situation the balance of power, by disfavouing Iraq, contributed significantly to Iran's ability to reach an agreement with Iraq in 1975 from a position of strength and on its own terms.³

A major diplomatic lesson of the Iran-Iraq war may shed further light on this point. The pursuit of a post-revolutionary foreign policy based completely on ideological considerations, at the expense of geostrategical factors, led to an uneasy coexistence between Iran and the Eastern bloc on the one hand, and total enmity and hostility with the Western bloc on the other. The objective of exporting the revolution also further alienated the regional Arab states and their international backers, with Western interests in the oil-rich Persian Gulf making it imperative for them to prevent the region's domination by a "hostile" Iran.

The combination of these factors meant that Iran never managed, and indeed, could never have hoped, to disentangle the web of international support from Iraq, during the war between the two countries and thus to stop the massive flow of economic and military resources to Iraq aimed at supporting the Iraqi war effort. Overturning the balance of power against Iraq was a minimum prerequisite for an Iranian victory. The failure to give due regard to balance of power considerations, adopting the

country's diplomatic objectives accordingly, and the readjustment of the country's war objectives to bring them in line with the resources at its command, were all grave mistakes with serious consequences for Iran's war effort.

In considering Iran's defence-planning priorities, the first point to make is that an appropriate defence policy should preferably be a technologically-based one. Sheer human numbers alone can be no substitute for military technology. If military history in this century has only one lesson to teach us, it is the supremacy of firepower over human beings, no matter how well motivated the latter. This is a broad lesson which Iran's own experience, with the failure of its human wave tactics to defeat the well-equipped Iraqi army also reaffirms.

Furthermore, given the technological sophistication of the immediate military environment with which it has to interact, Iran's weapons inventory has at least got to be of equal quality to those of its neighbours and potential adversaries. Weapons procurement policy would be immensely assisted through the pursuit of a normal diplomatic posture towards the outside world. Reliance on indigenous sources of production could also help but would be of limited value, given the ultra-sophisticated nature of much of current military technology.

Defending the country's territorial integrity should be the top priority of Iran's military planners. An effective defence of the country's borders requires an appropriate troop deployment

pattern. This is itself dependent upon the assessment of main directions of military threat as determined by the country's politico-military leadership at any given time.

No doubt the country's national security planners could opt for well-defended positions along certain high risk border zones as, for example, was the case with the Shah's concentration of the bulk of Iran's military power along the border with Iraq. However, the heavy concentration of military power along all of Iran's border areas is not necessary, nor economically feasible, nor an optimum utilization of the country's military resources.

A mobile defence that is capable of swiftly reinforcing the in-position units, which are engaging through holding operations the first echelons of the invading forces, should be adequate. Should such a defence concept be adopted, then in order to operate successfully, it requires investment particularly in the military's mobility capability. Operational flexibility, capability for the rapid concentration and dispersal of firepower and troops, ability to deliver supplies and certain categories of military items such as artillery through sling loading, ought to make the acquisition and maintenance of an adequate level of helicopters a priority. Air transport cargo carriers with airfields dispersed over different parts of the country for receiving them, could further enhance the military's mobility assets and capabilities. The same could be said about the acquisition of tank transporters, to be used for the timely relocation of the country's armoured units.

No defence planner could also ignore the protection of Iran's airspace. The frequency and impunity with which the Iraqi air force managed to penetrate Iranian airspace and target various urban, industrial and military installations, during the war indicates the enormity of the task facing Iran's national security planners. The establishment of an effective air defence network, an area that was singled out for special improvement during the last years of the Shah's rule, but with many of the programmes remaining unfulfilled as a consequence of the revolution, is an urgent matter. Interceptor aircraft and surface-to-air missile systems, tied into a countrywide command, control, communication and intelligence (C³I) network, could be some of the prerequisites for an effective air defence system. The decision to opt for an airborne or ground-based warning and control system is thus of special relevance. On a totally different front, given its inherent operational flexibility, airpower could be of value as a means of contributing to the initial holding operations particularly through absorbing some of the early shock and momentum out of the adversary's attack at the start of hostilities until the arrival of reinforcements.

Iran is a country with a 2000 mile coastline and it is highly dependent on maritime commerce for its economic well being. The country's planners may decide to opt for a minimalist naval strategy, consisting of the defence of the coastline and the protection of such economic interests in the Persian Gulf as offshore oil rigs and tankers. In that case, Iran's security planners may particularly benefit by exploiting some of the

technological developments in the field. A weapon system which readily comes to mind is the missile-carrying fast patrol boat of which, incidentally, Iran under the Shah had purchased twelve. Under the impact of modern technological developments, particularly that of "smart" munitions, they are held to be more cost-effective and in a better position to evade attack and destruction by changing course and speed than the larger categories of ships such as destroyer size and above. Furthermore, the revolution in electronics and miniaturization can give fast combat boats the capability to engage effectively a range of aerial and surface targets.⁴ Another category of weapons, namely, shore-to-sea guided missile systems could also contribute to a coastal-oriented defence strategy. Should the country's military planners opt for a naval strategy which aims at the defence of the adjacent waterways, a far more elaborate force structure would be required.

Apart from these tentative lessons which need further elaboration and investigation, this study makes some observations about arms transfers as a phenomenon in the international system. Arms transfers are multifaceted, and it is difficult to attribute their actualization to a single cause at any time.⁵ This applies to the recipient state's "pull" or the donor's "push" alike. In the Iran-U.S. military-security relationship in the 1970s, the United States was propelled by a host of factors- strategic, economic, access to oil, nuclear nonproliferation and political- into an arms supply relationship with Iran. The Shah had his own view of Iran's defence requirements, for which he had worked out

a detailed threat assessment. It was the range of U.S. interests combined with those of Iran under the Shah, which laid the groundwork for the military-supply relationship between the two countries.⁶

Arms transfers to countries in the third world are also held to have certain consequences in that they fuel regional arms races, increase the probability of regional conflicts, create dependency relationships between the donor and recipient states, and contribute to socio-political instability because of the diversion of scarce resources from the productive civilian into the nonproductive military sector.⁷

Iran's arms build up of the 1970s certainly evoked a response from two of its neighbours, namely, Iraq and Saudi Arabia. Those three states had become interlocked in an action-reaction mode of arms racing in the 1970s.⁸

But that explanation does not diminish the significance of domestic institutional factors in the arms race. So far as Iran was concerned, the Shah's dominant position in the decision making structure and his penchant for the acquisition of sophisticated arms was likely to have contributed to the realization of an arms race in the 1970s between Iran and its two Arab neighbours.

Furthermore, the arms competition between Iran and Iraq arose primarily out of security concerns, referred to as "competitive"

arms racing in the literature. The arms competition between Iran and Saudi Arabia, while it could have had some security undertones, could also have been motivated by other considerations such as the Saudi desire to compete with Iran for regional prestige, giving rise to an "imitative" arms race.

In so far as arms transfers and the increased possibility of conflict is concerned, although Iran had many disputes with its neighbouring states, probably the most significant of which involved Iraq, it never resorted to violence as a means of settling them. The only exception was in Oman where the Shah extended military aid to that country's ruler in order to suppress the communist insurgency in its Dhofar province. Diplomatic channels seemed to be the preferred route for the resolution of Iran's differences with its neighbours, in spite of the country's access to extremely sophisticated military hardware. Iran's resolution of its disputes with Iraq in 1975 by diplomatic means is a good case in point.

Given the sophisticated military inventories of both countries, one might justifiably ask about the restraining role of the cost of modern war on the Shah's decision in his country's disputes with Iraq.⁹ However, this is an area on which insufficient evidence is available. The impact of the cost of war on the Shah's calculations to end his disputes with Iraq are not fully known.

Regarding the dependency aspect of arms transfers, the Shah was

aware of Iran's vulnerable and dependent position on the U.S. for maintenance support and the supply of spare parts. Hence, he was taking some precautionary measures in order to hedge against unwanted supplier pressure by, for example, prepositioning stocks. However, given the sophisticated nature of some of the equipment in Iran's inventory which, if anything reinforced this dependency, and given its low technological base, it was unlikely that the Shah would be able to break away from dependence on the U.S. that easily.

So far as the economic consequences of the Shah's military expenditure in the 1970s were concerned, it could not be said that the beneficial or detrimental effects of the defence spending were mutually exclusive.¹⁰ For instance, the country's financial position in the 1970s, as a result of the explosion in the price of oil was such that, unlike many of its less lucky third world counterparts, Iran did not have to make hard choices concerning "guns versus butter" issues. And again, the abilities of conscripts, particularly, were utilized to improve the quality of life in the rural areas. On the opposite side, the country's military expenditure contributed to the country's rampant inflation during the 1970s, which was also a consequence of the country's prodigious economic development objectives after the oil price rise, by bidding for scarce trained manpower and materiel.

In marked contrast to the double-sided economic consequences of Iran's arms build up were its negative political repercussions.

The Shah's massive military expenditure had aroused public resentment and discontent which was reinforced by the dependence of many of the projects on expatriates, particularly American. This was a cause of anti-Western feelings and it tarnished the Shah's image by making him appear as a U.S. "lackey", both of which contributed to the 1978-79 revolutionary upheaval. Furthermore, rampant corruption in the military services, triggered by high military expenditures, had demoralized the rank and file in the armed forces to the extent that it contributed to their unwillingness to crush the revolutionary uprising.

Finally, what of areas of further research? Declassification of research material, in particular from the U.S. archives, is bound to give the researcher a welcome access to a larger data base for studying in more detail the various aspects of Iran-U.S. military-security relations in the 1970s.

Further research areas may include the various motives behind the U.S. military-security policy towards Iran in the 1970s, further elaboration of the Shah's security threat perceptions, the executive branch handling of Congressional reservations about U.S. arms sales to Iran, the debates within the U.S. executive branch of the government and its various agencies over the sale of each single item of military equipment to Iran, the problems in effective absorption by Iran of its modern military hardware, and, finally, the underlying military-strategic rationale behind the decision to acquire any single piece of military equipment.

Two areas may, in particular, constitute interesting research topics. Most probably all the major systems which Iran was acquiring had an underlying military-strategic rationale and were intended to fulfil a need in the country's defence requirements. To obtain additional insights, from a not very distant past, into the country's defence requirements and the means of satisfying them may give one a better understanding of current problems and the formulation of a more sound national security policy.

Problems of assimilating hi-tech military equipment, something with which Iran constantly had to grapple during the 1970s, were not unique to that country. The sudden inflow of sophisticated military hardware into countries with a low technological base, such as those of the Persian Gulf (which also happen to be the largest importers of arms in the third world), could cause serious problems of operational readiness and effectiveness. The Iranian experience in that respect, the various strategies adopted to tackle them and the ensuing difficulties in that endeavour could all have wider applications.

Notes

1. See chapter four for a detailed description and evaluation of Iran's military build up in the 1970s.
2. See, in particular, chapters three and four.
3. See chapter six for an analysis of Iran-Iraq dispute in the 1970s, under the Shah.
4. For instance, see: N Brown, The Future of Air Power (London and Sydney, Croom Helm, 1988), pp. 201-202.
5. See chapter one for an overview of debates on arms transfers.
6. See chapter three for a detailed analysis of the various factors contributing to Iran-U.S. military-security relationship in the 1970s.
7. See chapter one for a detailed analysis of the consequences of arms transfers.
8. For different types and causes of arms racing see chapter one.
9. For the argument about the possible restraining role of the cost of modern war see chapter one.

10. For the debate on the economic consequences of arms transfers to the third world countries see chapter one.

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