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Iran's International Position

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Iran's International Position

Submitted by

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Concurred in by the

UNITED STATES INTELLIGENCE BOARD

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IRAN'S INTERNATIONAL POSITION

SCOPE NOTE

This estimate deals primarily with Iranian foreign policy over the next several years, the place military forces have in that policy, the likelihood of hostilities between Iran and its neighbors, and some implications of these matters for the US, including the question of arms sales.

CONCLUSIONS

A. The Shah is determined to ensure for Iran a position of power and leadership in the Persian Gulf after the British withdrawal. He is deeply concerned that radical Arab regimes, supported by the USSR, may in time threaten Iran's interests in the Gulf. However, Arab disunity and dislike of external direction almost certainly will prevent the formation of an effective radical Arab military coalition against Iran. Moreover, an overly active Soviet policy of support for radical Arab movements against Iranian interests could jeopardize the USSR's currently satisfactory relations with Iran.

B. The Shah regards a modern, well-equipped military establishment as essential to maintain and further Iranian interests in the Gulf, to deter hostile moves by Iraq, and to assure Iranian egress from the Gulf. The existence of a large military force will help him to get the cooperation of conservative Arab rulers in opposing the spread of radical doctrines and forces in the Gulf.

C. The physical integrity of Iran is not threatened by any of its Persian Gulf neighbors. Iran is on good terms with all but Iraq. Hostilities between the two are clearly possible, but the Shah's armed forces are substantially larger and better-trained than those of Iraq. What the Shah fears most in the Gulf is the growth of Arab radicalism—seeking the overthrow of traditional rule there—with consequent harm

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to Iranian interests. Should a radical movement succeed in establishing itself in one of the smaller states, he would almost certainly try to contain or unseat it by clandestine means, but might use overt force as a last resort. A unilateral use of force by the Shah would virtually compel even conservative Feisal to support fellow Arabs, and this would upset both Gulf stability and the Shah's designs for cooperation of conservative Gulf States under his leadership.

D. The Shah considers US willingness to provide the arms he wants as evidence of this country's high regard for him and for his policies. He would probably settle for a substantial part of the total number he wants, hoping to get approval for more at a later date. If, however, he felt that US explanations implied a prolonged delay or an unwillingness to meet his needs, he would almost certainly turn to other Western sources—probably France in the first instance. If US rebuffs or deferrals of his arms requests should convince the Shah that the US was no longer responsive to his needs, he would conclude the US was downgrading its relations with Iran. Consequently, he would readjust Iranian policies in the direction of: closer ties with certain West European states, a more accommodating attitude toward the USSR, resistance to US advice on international issues, probably increased pressures on US oil interests, and possibly termination of US special facilities and military overflight rights.

DISCUSSION

I. THE DOMESTIC SETTING

1. The successes of the Shah's program of social reform over the last five years or so—the "white revolution"—and Iran's notable progress in economic development have given the Shah great confidence that he is master of his own house. It has also given many Iranians more confidence in their country and its future. Shaking off an earlier insecurity and hesitancy, the Shah has become a confident and purposeful leader. No major—and very few minor—decisions are made without his approval. Behind the façade of a parliament, he appoints and dismisses cabinet ministers as he pleases. Domestically, his ambitious plans involve far-reaching economic and social changes, e.g., land reform, industrialization, and wide-scale education. The country is governed through a large bureaucracy which is, within limits imposed by inertia and inefficiency, responsive to the Shah's wishes.

2. In addition to the civilian bureaucracy (one out of six Iranians employed outside agriculture works for the government), the Shah has the support of armed forces numbering 183,000, a 67,000-man gendarmerie, and an extensive police

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and security apparatus. The Shah takes particular care to keep his officer corps content, mostly through the provision of extensive perquisites in the way of salaries, housing, and the like. Supplying the armed forces with sophisticated weapons is an additional, but apparently not critical, element in keeping them loyal.

3. There are still a number of Iranians who disagree with the Shah's policies or who desire a share in power, but no organized opposition of any consequence exists. The elements that formed the bulk of Mossadeq's supporters in the early 1950s, including the Tudeh (Communists), have either been cowed or drawn into the government's programs, which now incorporate almost all the social demands of the old opposition—though not the political ones—they once made. The conservative Muslim clergy resent the way the Shah dominates or ignores them, yet they appear to be able to do little more than grumble. However, there have been assassination attempts on the Shah—the most recent in 1965; should he die, through assassination or accident, there is no single person able to wield the power he does, nor would the system permit devolution of authority. The Shah would probably be succeeded, as provided by law, by the Queen as regent for the minor son of the Shah. The regency would likely be supported by the military leaders, but would be notably less effective than the present regime.

4. One of the principal factors in the success of the Shah's rule has been Iran's booming economy, which has grown at an annual average rate of 9 percent since 1963. Oil has led this growth and has provided the money to stimulate growth in almost all other parts of the economy. Construction has grown at an annual average rate of 15 percent, industrial output at about 12 percent, and agriculture (which provides a quarter of GNP) has grown at about 5 percent.

5. This rapid economic expansion, however, has been achieved at the cost of serious balance of payments difficulties; the deficit in 1969/1970 was about \$150 million. Foreign exchange earnings will probably rise at about 17 percent annually for the next several years; nevertheless the annual balance of payments deficit will reach about \$350 million by 1973 if import growth continues at the pace of recent years.

6. About 10 percent of Iran's annual foreign exchange expenditure of \$2.1 billion is for military purposes. It cannot pay for both military procurement and civilian imports at levels specified in existing programs without significantly increasing its already heavy debt burden. The Shah thus already faces a choice between military and civilian goals and will probably opt to cut non-military imports, including inputs to further industrial growth, thereby causing a moderate slowing in economic growth from the 1969/1970 level of 9 percent. A windfall of several hundred million dollars from new oil agreements would reduce the difference between existing expenditure plans and currently anticipated income, but it would not close the gap.

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II. THE CURRENT STATE OF IRAN'S FOREIGN RELATIONS

7. For well over a century, Iran was an arena in which larger powers contested for influence. Up to about 1945, the UK and Russia were the principal contestants. As British power declined after World War II, the US took over some of the UK's role in Iran. However, the UK's past reputation as kingmaker in the area, its ownership of the Anglo-Iranian Oil Company and since 1954 of 40 percent of the Iran Oil Consortium, and its position as guardian of the smaller states of the Persian Gulf have continued to give Britain considerable influence. During the past 10 years, however, Iran has made considerable progress in emerging from the shadow of the great powers. This change has been made possible by massive oil revenues, which relieved Iran of the need for foreign economic and military assistance, by the changing pattern of relations between the US and the USSR, and by the Shah's emergence as a confident powerful autocrat.

A. Turkey, Pakistan, and Afghanistan

8. Iranian relations with Turkey and Pakistan have long been very good; the three have been members of the Western-sponsored CENTO alliance since 1955. In recent years, the three states, wishing to be less dependent on Western guidance, formed a regional cooperative organization (RCD) to deal with projects of mutual concern. For all practical purposes, there are no matters of contention between Iran and either of these two neighbors. Iranian relations with Afghanistan are less close than those with Turkey and Pakistan. Most of what is now Afghanistan was once ruled by Persia, but the Sunni Muslim Afghans broke away well over a century ago in protest at Iranian Shia Muslim rule. Although relations between the two states have from time to time deteriorated, e.g., over the location of borders and the division of the Helmand River waters, these disputes are not of great moment. For some years now Iranian-Afghan relations have been smooth if somewhat distant.

B. The Arab States

9. In the Shah's mind, Iran's foreign problems, aside from its relations with the larger powers, really center in the Arab region to the west, especially the Arabian Peninsula and Iraq. The Shah has no use for the radical republican socialist movements—exemplified by Baathist Iraq and by Nasser—which have appeared in the Arab world in recent years. Iran's problems with the Arabs are complicated by a collision of Persian and Arab nationalisms. There are also ethnic, religious, and linguistic minorities along Iran's western border. The principal oil-producing areas of Iran lie in Khuzistan, an area with a large Arabic-speaking population which was ruled by an autonomous Arab family until the mid-1920s. The Baathists in particular claim this area as part of the Arab homeland. About half of Iraq's population is Shia Muslim, and it has very close ties to the Shia community which is the majority of Iran's population; the Iranians have a protective feeling about their Iraqi co-religionists.

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10. The Shah cares relatively little who runs the Arab states of the Gulf, as long as they do not challenge his pre-eminence, are not hospitable to radicals and revolutionaries, and are responsive to Iranian security objectives. Nevertheless, he does view physical control of certain locations as the key to stability in the Gulf. Thus, he wants control of the tiny islands of the Tunbs and Abu Musa on the grounds that forces hostile to him might physically seize these islands and control entry to and exit from the Gulf. Control of the islands also involves conflicting Iranian and Arab oil claims. He recognizes that too heavy a hand could be counterproductive, and has indicated that he will not press the sovereignty issue so long as Iran obtains effective control of these islands. If such an arrangement is not worked out before the British withdrawal, the Shah will exert increasing pressure on the tiny Trucial states which claim them, and in the last resort would probably occupy the islands by force.

11. The Saudis and the Iranians have cooperated fairly well in the Gulf recently, although Iranian pretensions occasionally grate on the Saudis. The Iranians have also irritated Kuwait from time to time by assuming an attitude of superiority. The present Kuwaiti and Saudi Arabian regimes, however, recognize Iran as a conservative government whose interest in the stability of the Gulf generally coincides with their own. Neither Kuwait nor Saudi Arabia is likely to challenge Iranian efforts to play a pre-eminent role in Gulf security, for example, by naval patrols, so long as Iran respects territorial waters and agreements on undersea oil rights.

12. Iranian relations with Iraq have been antagonistic in recent years. The Iranians have unilaterally denounced the treaty of 1937 which extends Iraqi jurisdiction to the low water mark on the Iranian side of the Shaat-al-Arab instead of placing the boundary essentially on the shipping channel. The treaty requires shipping for Abadan and Khorramshahr to transit Iraqi waters. The Shah believes that the revolutionary regimes in Baghdad threaten his interests, and he has actively opposed them. For instance, he has supported Kurdish rebels in Iraq extensively over the past seven or eight years. This support has involved direct military aid, cash subventions, and some haven on the Iranian side of the border for Kurdish rebels. At the same time, the Shah prefers to keep potentially troublesome Kurdish leaders occupied outside Iran, which also has a Kurdish minority. The Iranians were considerably annoyed when the Kurds accepted the Baghdad government's proposals for a cease-fire and settlement in March 1970, but Tehran maintains contact with Kurdish leaders against the day when fighting may start again.

13. It seems likely that Iraqi-Iranian relations will remain poor, at least as long as the present Baath government is in power in Baghdad. The Baathist regime will continue to use the party and the state apparatuses to further Iraq's aims of replacing of traditional rulers in the Gulf with revolutionary governments, and, as far as possible, to exclude Iran from Gulf affairs. The Baath groups in Bahrain, Kuwait, Abu Dhabi and a few other principalities are likely from time to time to attract Iran's attention. The Iranians and the Iraqis continue

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to support the activity of political exiles from the other country. For example, an Iranian-supported group tried to oust the Baath regime in January 1970. The Iraqis, for their part, continue to call for the "liberation" of Khuzistan, which they call Arabistan. Especially since Iraq became heavily involved in the Arab-Israeli dispute, however, these endeavors have been largely rhetorical. Nevertheless, the Shah is seriously concerned about Iraqi pretensions to Khuzistan.

14. In the past, Nasser had ambitions to extend his country's political influence into the Persian Gulf, and he may well entertain thoughts of making trouble for the local rulers there at some time in the future. Egypt now has neither the time nor the resources to devote to such a task in so distant an area; the Israelis are Egypt's pressing problem. Nasser is also inhibited from involvement in the Gulf area by the fact that Kuwait and Saudi Arabia supply 76 percent of the \$250 million annual subsidy which is of great importance to the Egyptian economy. For the present, he is not likely to risk offending these donors by adventuring in the Gulf. In any case, other persons and parties now present alternatives, which have some appeal to young would-be revolutionaries in eastern Arabia. The Shah deeply distrusts Nasser's aims, however, and fears that a détente in the Arab-Israeli dispute might give Nasser a chance to renew pressures in the Persian Gulf region.

15. Iran has maintained good relations with Israel for many years, but, out of regard for the sensibilities of conservative Arab associates, the Shah has kept his Israeli association fairly discreet. His concern to maintain good relations with King Feisal and the Amir of Kuwait, for example, will continue to set limits to public displays of intimacy with Israel. Yet, Iran is the major source of oil for the pipeline across Israel from the Gulf of Aqaba to the Mediterranean, and the two governments get along quite well and cooperate in certain quiet ways.

C. Western Europe

16. The Shah maintains good relations with the principal countries of Western Europe. The Iranians and the British successfully worked out an independent status for Bahrain, thus defusing a potentially serious post-UK withdrawal problem. There is a good chance that the British, who wish interstate relations in the Gulf to be as orderly as possible in anticipation of their withdrawal, will also work out an amicable arrangement allowing Iran control over the islands of Tunbs and Abu Musa, which it claims. The Shah views the UK, along with France and perhaps Germany, as potential sources of arms if he cannot purchase what he wants from the US.

D. Iran and the Superpowers

17. Iran and the USSR have brought their relations to a fairly normal level over the past eight years. The situation today contrasts sharply with the state of bitter hostility which prevailed in the late 1940s and much of the 1950s. The USSR and Iran have exchanged many high-level visits; the Soviets have extended \$525 million in economic credits, of which about \$120 million has been drawn. The

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major projects involved are a natural gas pipeline which is due to begin operation in late 1970 and a steel mill in Isfahan. Iran has also contracted for \$235 million worth of military equipment from the USSR, mostly personnel carriers, trucks, and artillery.

18. The Soviets have attempted to build good relations with Iran and other states along its border which are allied to the West. At the same time, it has courted the "progressive" Arab regimes and become the major arms supplier for Iraq, Syria, and the UAR. The USSR places considerable importance on expanding its presence in the Persian Gulf, where it has limited diplomatic representation and few political assets. Showing the flag by Soviet naval vessels is certain to increase in the years ahead. However, an overly active policy of support for Arab radical movements in the Gulf or undertaking independent conspicuous political or military efforts there could jeopardize the USSR's currently good, if not overly cordial, relations with Iran. The Soviets would therefore prefer not to be put in a position of having to choose between Iran on the one hand and Iraq and the radical Arabs on the other. This consideration will set limits on how aggressive the Soviets will be in pursuing their policy in the Gulf in the next few years.

19. The Iranians continue to regard the USSR with concern, recalling Soviet efforts to create puppet regimes in Iran during and after World War II and active support thereafter for the Communist Tudeh movement. The Shah takes considerable pains to avoid Soviet military and economic aid in areas he considers critical, e.g., sophisticated weapons and training. He is suspicious of historic Russian designs on Iran and desires for direct access to the Persian Gulf. He believes, however, that good Iranian-Soviet relations offer benefits to Iran and that he can control any Soviet presence and subversive activities in his country.

20. Since the early 1950s, the Shah has considered the US to be Iran's principal foreign supporter. By 1967, Iran had outgrown its dependence on US economic and military assistance and, while it continued to look to the US for advice and weapons, it became substantially less ready to accept guidance. This has been particularly the case in the field of weapons procurement. In the 1950s, Iranian military programs were designed with the confrontation of the cold war in mind. More recently, the Shah has emphasized that he wants to buy arms to protect Iran and the Gulf from radical Arab revolutionary forces. In 1968, the US undertook, subject to annual Congressional approval, to provide Iran credit up to \$100 million annually for five years for the purchase of arms. Purchases under these credit arrangements, together with earlier arms procurement, aim at modernizing and streamlining Iran's Armed Forces. This process is well along; Iran has over 300 M-60 tanks, 31 F-4s (and 32 more on order), and nearly 100 F-5s. (See Table at Annex for details.) In April 1970 the Shah was informed that the US was ready to examine further military needs with him and possibly make new financing arrangements on the basis of this examination.

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III. THE SHAH'S FOREIGN POLICY GOALS

21. The Shah is acutely conscious of Iran's great past and is determined to set his country on the road to a great future. He is determined to ensure for Iran a position of power and leadership to which he believes it is entitled on the basis of its history and standing in the region. The Shah sees the British withdrawal from the Gulf as a development which gives Iran an opportunity to restore its historic position in the Gulf, but which also contains dangers of turmoil.

22. Considerations of this sort underlie the Shah's military and foreign policy. He wants Iran to be on good terms with its neighbors, if possible. He has no major territorial ambitions; save as noted below, he accepts—as do almost all Iranians—the country's boundaries as they were determined by wars and treaties in the 18th and 19th centuries. He has, for example, given up Iranian claims to Kuwait and Bahrain. However, there are possible points of friction with Iraq on such matters as the boundary in the Shaat-al-Arab, and with some Arab states on seabed petroleum rights in the Gulf.

23. The Shah has long been concerned that Arab radicals present a threat to Iran. He has seen a succession of conservative and monarchial Arab governments replaced by military regimes espousing socialism, anti-imperialism, and friendship for the USSR which has provided arms and other aid to them. These regimes have, in varying degrees, extended help to like-minded elements in "non-liberated" Arab states. The Shah appears to believe that, perhaps over an extended time, the USSR will be able to dominate a number of these regimes and manipulate them against Iran's interests, especially in the Gulf, and ultimately against Iran itself. He views any new radical regime as a potential adherent to these "anti-Iranian" forces.

24. The Shah's worries are not without justification, but they are exaggerated. The Soviets and the Arab radicals are indeed working for "progressive" regimes in the Middle East. Each addition to the radical side—and there probably will be a few more in the course of the 1970s—further isolates the remaining traditional rulers. Yet, there are several factors which militate against a Soviet-radical Arab campaign against Iran. First, the USSR is continuing to improve its political relations with Iran by government to government dealings. Second, the Arab radicals are deeply split; there are the Nasserists, two bitterly antagonistic Baath Parties, two Arab Nationalists Movements, and a variety of local revolutionary groups. Cooperation among these radical Arab states and movements is decreasing, even with regard to Israel. Communist parties in several Arab countries, e.g., Iraq and Syria, are divided. Third, except where their interests run parallel, the Arab radicals have shown little disposition to accept Soviet direction. Fourth, most Arab radicals have so far shown little interest in Iran, even though they regard the Shah as an imperialist agent and a friend of Israel.

25. In the Persian Gulf, Iraq and the USSR will, to some extent, be carrying out parallel activities. The Soviets are likely to make the "correct" diplomatic moves, naval visits, and the like, while the Iraqi Baathists promote their revolu-

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tionary interests. The Baathists will be willing to cooperate with other revolutionary forces in the Gulf, including the Communists, as long as such cooperation seems likely to further Baath interests. Iraq is not likely to help in promoting the fortunes of other Arab radical movements or of the USSR at its own expense. Moreover, Baghdad would resent Soviet efforts to direct Iraqi activities in the Gulf.

26. The Shah wants modern sophisticated armed forces to establish military superiority over neighboring Arab countries, particularly Iraq, in order to deter present or potential hostile forces from any notions of armed adventure in Iran, and to promote Iranian interests in the Gulf. In recent years, he has emphasized improvement of his air force, and to a lesser extent his navy. Iran's Armed Forces are already larger and better equipped than any the Iranians are at all likely to fight—notably that of Iraq. The additional aircraft which the Shah wishes to purchase—about 70 F-4s and 30 C-130s—will make a dramatic increase in certain of Iran's capabilities. If he gets these C-130s, Iran would have the capability to airlift over 4,000 combat soldiers at one time to any likely trouble spot in the Gulf region. Forces of this nature would permit Iran to conduct military operations in, say, Saudi Arabia in response to a request for help against insurrection.

27. Iran's neighbors are probably not yet aware of just how impressive Iran's forces may become by the mid-1970s—even without these additional purchases. The conservative Arab rulers in the Gulf have and are likely to continue good relations with Iran; in any case, there is little they can do militarily about Iran's preponderant force. The Iraqis, who have built up their forces considerably in recent years but are still militarily inferior to Iran, are likely to get quite concerned when they realize the levels of air power toward which the Iranians are building. Baghdad will probably believe that the Iranians are doing so with operations against Iraq in mind and will almost certainly seek to add to its own forces.

28. Hostilities between Iraq and Iran, though not likely, are clearly possible. In 1969 and in early 1970, Iraqi and Iranian forces mobilized to a degree and faced each other across the border in the south. This could happen again, and an incident might touch off fighting—e.g., border skirmishes, exchanges of artillery fire, and occasional air raids. Iraq will, however, be particularly inhibited from initiating provocative actions as long as about a fifth of its army remains in Jordan and Syria.

29. Should large-scale hostilities between Iraq and Iran take place, the major scene of action would be along the southern half of the two countries' common border. The Iraqi Army has not reached the border in the mountainous north for 10 years, thanks to the Kurdish rebellion. The Iranian Armed Forces are substantially larger than those of Iraq, although the two sides are about evenly matched in numbers of such weapons as tanks, artillery, armored personnel carriers, and aircraft. The Iraqis, despite their nearly 10 years of warfare

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against Kurdish guerrillas, do not seem to have developed much spirit and dash. Their senior officer corps has been decimated several times by political purges.

30. An Iraqi attempt to invade Iran would in all probability be an advance on the Abadan-Khorramshahr region in the south or possibly one on Kermanshah in the center of the border. The Iranians should be able to deploy forces of at least equal magnitude against those of Iraq. The Iranian Air Force appears superior to Iraq's since it has about half again as many qualified pilots and better aircraft, although the Iraqis have had experience in ground support operations in the Kurdish war. Each side could do some damage to the other, e.g., by bombing or shelling oil installations; both Abadan and the Iraqi oil ports are close to the border. It seems likely that both sides would rapidly find that the complexity of their equipment caused high breakdown rates and that their logistics was inadequate to support an ambitious advance. Hence, any fighting would probably not go on for an extended period.

31. Syria or Egypt would have virtually no capability to support Iraq in such a war as long as they actively confront the Israelis. Should a settlement be reached with Israel, Syria and Egypt could move some troops to Iraq. Syria and Egypt could also deploy aircraft to assist Iraq. However, a major change in the relations among the three would have to take place before Syria and Egypt would contemplate such moves. The Syrian Baathists despise their Baghdad colleagues. The Iraqi Baathists despise the Syrians. Nasser distrusts both, and the feeling is reciprocated. An effective coalition of radical Arab states against Iran is virtually impossible in the foreseeable future.

32. Hostilities with other countries seem remote indeed. The very close ties that Iran enjoys with Turkey and Pakistan preclude hostilities involving these countries. We see no likelihood that Iran and Afghanistan would see any reason to go to war in the foreseeable future. The USSR could of course overwhelm Iran with ease. Clearly, however, Soviet policy with non-Communist neighbors is to maintain good state to state relations and to promote Soviet influence through trade, aid, and other conventional instruments of statecraft. Hostilities between the two are probable only in the context of general hostilities between the US and the USSR in this area. Should either Kuwait or Saudi Arabia fall under the domination of a radical regime, relations with Iran would almost certainly deteriorate. But neither country has sufficient military force to pose any threat to Iran, nor could either build such a force for many years. Even under a radical government, neither is likely to receive external assistance sufficient to reverse this situation.

IV. IMPLICATIONS

33. The existence of a stable government with a large military force will help the Shah get the cooperation of conservative Arab rulers in opposing the spread of radical doctrines and forces in the Gulf. Yet, there are formidable obstacles in the way of an enduring cooperation between Iran and these rulers. There is a basic, longstanding antagonism between Persians and Arabs, and

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even the conservative Arabs in the Gulf are likely to view a projection of Iranian power in this area with some suspicion. At present, the Shah and Feisal are determined to cooperate, but this disposition is essentially a personal matter on the part of the two rulers rather than a firmly grounded matter of national policy of the two states. In any case, cooperation between the two is a prerequisite but not a guarantee of stability in the Gulf. The means by which the Shah seeks to make Iranian power felt in the Gulf could set Iranian and conservative Arabs at loggerheads. Feisal might help the Shah if the latter moved covertly, but should radical turmoil break out in one of the shakier mini-states of the Gulf, for example, and the Shah were to intervene openly, the need to show Arab solidarity would probably compel Feisal to denounce Iranian intrusion—even though his sympathies probably would be against the radicals.

34. Developments of this sort would cause some difficulties for the US, which might find itself caught between two friendly states, both armed with US weapons and both of major interest to US petroleum companies. Even if matters do not reach such a stage, Iranian moves in the Gulf could cause much Arab opinion to believe that the US is supporting Iranian efforts, including those clearly directed against Arab interests. Such a belief would have some adverse effect on relations with the Arab world; the issue could become serious if Iran did use force on the Arab side of the Gulf.

35. Of more immediate concern is the issue of US-Iranian bilateral relations, and particularly the Shah's desire for additional military aircraft. He probably would settle for a substantial part of the total number he wants, hoping to get approval for more at a later date. If, however, he felt that US explanations implied a prolonged delay or an unwillingness to meet his needs, he would almost certainly turn to other Western sources—probably France in the first instance. He would be reluctant, as he says, to complicate his air force's logistics by doing so, and this consideration would cause him to delay for a time, while trying to convince the US to give him greater satisfaction. He is unlikely to turn to the USSR for military aircraft; he remains deeply suspicious that Russia has long term subversive designs on his country, and he would not want the Soviets to have access to his air force.

36. The Shah considers US willingness to sell him the arms he wants as evidence of US support for his policies and for him personally. Since the Shah views Iran's relationship with the US as extremely important, deferral or even refusal of a particular request would not cause him to make major alterations in the overall relationship unless he considered this request essential. Yet, his suspicions that the US does not fully appreciate him would increase. He would probably become correspondingly resistant to US advice on future arms purchases and on Iranian policies generally.

37. But if US rebuffs or deferrals of his arms requests should convince the Shah that the US was no longer responsive to his needs, he would conclude the US was downgrading its relations with Iran. Consequently, he would readjust Iranian policies in the direction of: closer ties with certain West European states,



a more accommodating attitude toward the USSR, resistance to US advice on international issues, probably increased pressures on US oil interests, and possibly termination of US special facilities and military overflight rights.



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IRAN

DEPLOYMENT CAPABILITIES IN A CONFLICT WITH IRAQ

At the outset of hostilities with Iraq, Iran would be able to deploy 2 infantry divisions, 2 armored divisions, and 5 separate brigades. If required the remaining 2 infantry divisions could be deployed within 24-72 hours. The Iranian Air Force would be able to deploy 8 tactical fighter squadrons (5 F-5a/B, 2 F-4, 1 F-86). Logistics deficiencies, although existing, would not be a significant factor in the defense of Iran from Iraq. However, the Iranians would probably not be able to support a major offensive movement into Iraq. Perhaps as much as an infantry division would be kept for duty along the Soviet border east of the Caspian, but, if required, most of this force could be deployed into action against Iraq.

Although an Imperial Guard division is assigned security duty in Tehran, only a brigade would be required for internal security during hostilities with Iraq.

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[Omitted here are portions unrelated to Iran.]

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