Chapter VI

The United States and Evolution of Its Influential Relations with Iran (1969-1979)

(a) The Shah and His International Stance

The existence of oil deposits in their territorial domain, and a strategic location between the Soviet Union, the Mediterranean Sea and the Indian Ocean had made the states around the Persian Gulf (including Iran) a natural focus for both international concern and attention. What had distinguished Iran from the other states in the Gulf region was the resolution of the Shah to take an active part in the evolution of international development in the area. His international vision had been "not to remain content with playing a passive role in world affairs but to turn his country into a leading medium-power within the present century". His objectives, in this regard had been contained in the programme of "White Revolution", which had been influenced by twin factors namely, its strategic location and geological formation. The main focus of Iran's international perspective, however, had been the Shah's "personal ambitions" and the "subtle" diplomacy that he had resorted to in his dealings with the two superpowers namely, the United States and the Soviet Union. In the

process a dramatic change in Iran's capacity for international activity had resulted paving the way towards the emergence of Shah as a regional "satrap" in the Middle East.

As regards his foreign policy stance, the Shah had pursued a "pro-West" but not necessarily an "anti-Soviet" posture. Also, he had adopted a "qualified neutralism" as his foreign policy approach which had denoted that the presence of the US in the Persian Gulf was a factor which Iran could neither ignore nor could it close its doors to a powerful northern neighbour like the Soviet Union.\(^{476}\) In fact, such a policy had become clearly evident from the fact that in the year 1959 Shah had paid a visit to London as well as had received the US President Eisenhower at home in Tehran. Also, the Shah had sought to improve his country's relations with the USSR in 1963 by receiving its President Leonard Brezhnov rather warmly in Tehran. Such a gesture had been prompted by the fact that Iran had a long undefended frontier with the USSR and that Shah had felt constrained to preserve his country's northern trade routes for purposes of facilitating the exports of the produce of its northern provinces.\(^{477}\) Further, while Shah had conducted an agreement with the United

---

476. See N.C. Chatterjee, *Muddle of the Middle East* (New Delhi, 1973), vol. 2, p. 96

States as far as back on 5 March 1957 for cooperation in the field of peaceful use of atomic energy, however, it had not allowed the US to instal American nuclear missiles in Iran. At the same time, it had not joined the non-aligned bloc by discarding the American sponsored CENTO alliance.478

As regards his approach towards the Middle East, the Shah had strong interest in "pan-Islamism". This had been demonstrated by the fact that during the Indo-Pak War of 1965, he diverted towards Pakistan some of the military weapons it had received from the American sources.479 Further, along with its CENTO allies namely, Pakistan, Turkey and Iran, it had formed the Regional Cooperation for Development (RCD) in 1964 with the support of the US. Further, in pursuance with its policy of containment, the US had encouraged the formation of a new grouping of states called the "Islamic Alliance" which been joined by some countries in the Middle East like Saudi Arabia, Jordan, Iran, Turkey and Pakistan as well as some north African countries like Morocco and Tunisia.480

Besides this, the Shah had also taken keen interest in the Persian Gulf problems. For instance, during the civil war in Yemen, the royalist forces had received arms not only

478. Ramazani, US and Iran, n. 26, p.60
479. Chatterji, n. 476, p.97
480. For details see Palmer and Perkins, n. 350, p.584
from Saudi Arabia but from the Shah of Iran as well. While Nasserism, which had been the cause of the civil war, had not posed a direct threat to Iran, but its characteristics namely, republicanism, socialism and democratic learnings had been considered as inimical to the monarchical regimes like Iran and Saudi Arabia in the Persian Gulf. All these developments, in fact, had prompted the Shah to contemplate in terms of adopting an "independent" as well as "interventionist" policy in the Middle East and Persian Gulf regions on the wake of final British withdrawal from the area by 1971. As stated by Peter Calvocoressi, Shah had been able "to play a decisive role in shaping the political future of the Persian Gulf after the departure of the British and 'relishing' the role of a 'crowned entrepreneur', to use mineral wealth and a bounding economy to turn Iran into a military and industrial power of considerable significance."  

Such a process, however, had been facilitated by the entry of the American navy into the Indian ocean beginning in April 1964. It may be mentioned that, the strategic importance of the Indian Ocean had increased considerably following the development of the new weapon system based upon the Submarine Launched Ballistic Missiles (SLBM) as well as the perfection of the system by the United States around 1963. Thus, the Polaris submarines operating from the Indian ocean 

481. For details see Chatterji, n. 476, p. 97
482. Calvocoressi, n. 477, p. 262
were capable of covering a large part of the Soviet Union and Communist China than had been feasible from other areas. As T.B. Miller, would put it, "when the Polaris and Poseidon submarines system developed, it became obvious that the Arabian Sea and the Bay of Bengal would provide a most valuable area of missiles operations, if necessary, against southern and central Russia and western China".\footnote{483}{T.B. Miller, "The Indian and Pacific Oceans: Some Strategic Considerations" Adelphi Papers (The Institute of Strategic Studies, London), vol. 57, May 1969, p. 6} In the process a separate Indian Ocean command had been formed to serve as a deterrent against any expansionist move to be waged by the Soviet Union and Communist China. Infact, General Maxwell D. Taylor, Chairman of the US Joint Chiefs of staff had visited India on 16 December 1963 concerning the entry of US navy to the Indian Ocean. The US plan, however, had been criticised bitterly by some Indian Ocean littoral states namely, Pakistan, Ceylon and Indonesia.\footnote{484}{For details see the New York Times 16 December 1963, p. 52, 18 December 1963, p. 3, 7 January 1964, p. 3 and 25 January 1964, p. 4}

Following this development, the US task force, "Concord Squadron", had entered the Indian Ocean on 5 April 1964 to spend next six weeks in visiting a number of African and Middle Eastern ports. The US had undertaken further naval
manoeuvres in collaboration with Iran which had lasted for three days (13-15 April 1964), described as "Operation Dilawar". Simultaneously the Baharin based American Middle East Force (MIDEASTFOR) had launched an amphibious landing on the strategic Kharg island which had been a vital port of Iran. 485

The arrival of the US naval fleet had also resulted in shifting of power balance in the Indian Ocean region, especially after the British Prime Minister Harold Wilson had made the announcement described as the British "East of Suez" policy. This development had prompted the charismatic Arab leader Nasser to claim rather proudly that he had been instrumental in ousting the British from the region. 486

It may be mentioned that the British government following a review of its defence policy under Wilson had issued a "White Paper" on 22 February 1966, according to which, Britain would reduce her overseas forces by a third in the next four years and would vacate its strategic base at Aden after the independence of Yemen in 1968. Through supplementary statements on the floor of the House of Commons in July 1967 as well as on 16 January 1968, the Wilson government had further announced the withdrawal of all its forces from the Middle East as well as from the Far East by the end of


As a sequel to this, the British Prime Minister had further announced the cancellation of the order for the purchase of 50 F-111 air crafts from the US government.\footnote{Ibid, 7 October 1966, p.1} The British decision, no doubt, had been a great set back for the US interest in the Middle East-Persian Gulf regions, since it had been pressing hard on the Wilson government to maintain her military presence in the area in view of increasing US involvements in the Vietnam War.\footnote{Ibid, 29 July 1966, p.30} At the same time, the British decision had also prompted the American policy-makers to contemplate interms of augmenting the US presence in the Indian Ocean region.\footnote{The Times of India (New Delhi), 18 January 1968}

Simultaneously with its withdrawal decision the British government had also embarked on a policy to build a network of naval bases in the region and had sought to associate the United States in its military plans. The US, infact had not only agreed to accept the British proposal but had become receptive to the demands of Iranian and Saudi Arabian rulers for more arms assistance.\footnote{See Alvin J. Cottrell and R.M. Burrell, eds. The Indian Ocean: Its Political, Economic and Military Importance (New York, 1972), pp.92-96} By way of a complementary gesture, Eugene Rostow, the Under Secretary of State had made announcement on 19 January 1968 that five Middle Eastern states namely, Turkey, Iran, Pakistan, Kuwait, and Saudi
Arabia had taken the responsibility for "regional security" in the area.\textsuperscript{492} This, however, had paved the way for Iran's becoming the strongest local power in the region, due to reluctance concerning Saudi Arabia, as well as bitter Iraqi opposition to Anglo-American initiatives. In the process had emerged a strong bond of friendship between the United States and Iran, which had been intended to deter any aggression from the Russian quarters, as well as to facilitate Iran's achieving the paramount position in the Gulf region.\textsuperscript{493}

As for the Soviet Union, it had responded to the British withdrawal by inaugurating the entry of its naval task in March 1968.\textsuperscript{494} A second Soviet maritime "cruise" had been carried out in the region between November 1968 and April 1969. Further naval exercises had been conducted in 1970 and 1971 consisting of twenty nine and eighteen vessels respectively.\textsuperscript{495} These naval exercises however, had been regarded in American circles as attempts by the USSR to make a penetration into the Indian Ocean area for securing a strategic balance with the United States as well as for the extension of Moscow's influence in both military as well as economic terms. Other objectives of the USSR had been to make attempts at disrupting the oil supply from the region to both the US and its allies.\textsuperscript{496}

\begin{itemize}
\item \textsuperscript{492} See Arab World, \textit{22 January 1968} as cited in Devendra Kaushik, \textit{The Indian Ocean: Towards A Peace Zone} (Delhi, 1972), p.79
\item \textsuperscript{493} For details see Cottrell and Burrell, \textit{n. 491}, p.91
\item \textsuperscript{494} See Lawren L. Whetton, ed. \textit{The Future of Soviet Military Power} (New York, 1976), p.102
\item \textsuperscript{495} See Geoffrey Jukes, "Indian Ocean in Soviet Naval Policy", \textit{Adelphi Papers}, No. 87, May 1972, p.15
\item \textsuperscript{496} For details see Cottrell and Burrell, \textit{n. 491}, p.100
\end{itemize}
The Soviet Union thereafter had sought to develop cordial relations with the northern tier countries and especially with Iran. Indeed, the Soviet-Iranian relationship had improved considerably following the visit of the Soviet Prime Minister Alexy M. Kosygin to Tehran in April 1968.\(^{497}\)

It may be mentioned that the Indo-Pak Wars of 1971 had witnessed the marked build up of American naval strength in the Persian Gulf region, as it had conducted five naval exercises including two joint exercises with Iran and Turkey during 20-30 June 1971. Also both the United States and Iran had conducted special forces exercises in the Iranian waters between 1-15 July 1971.\(^{498}\) Also, the nuclear-powered US attack carrier "Enterprise" had been dispatched to the Bay of Bengal during the Indo-Pak War in December 1971. Besides these, another US task force had been sent to the region during the October 1973 Middle East War.\(^{499}\) The biggest US naval exercise, code-named as "Mid-link 1974", however, had taken place between 19-30 November 1974 in the northern part of the Indian Ocean in which ships from the United States, Britain, Iran, Pakistan and Turkey had participated. Indeed, all these exercises had sought to project Iran as the principal naval power in the Gulf region, as against Iraq a strong Russian friend in the Middle East.\(^{500}\)

\(^{497}\) For details see Ibid, pp.85-86

\(^{498}\) See *New York Times*, 16 January 1972

\(^{499}\) For details see Ibid, 11 January 1972, p.1 and 30 October 1973, p.16

\(^{500}\) Ibid, 21 November 1974, p.11
According to Ramazani, there had been dramatic change in Iran's capacity of International activity, primarily due to three major but separate developments namely, the historic British decision on troop withdrawal (1968), the adoption of Nixon doctrine (1969) and the Shah's vision of a "Great Civilization" following the October 1973 War. All these developments had sought to establish the Iranian sway over the entrance of the Persian Gulf and the strategic strait of Hormuz, in terms of the movement of vital oil supplies to Western Europe and Japan of the world oil trade. 501

Secondly, as the most strategically located, the most populous and the most economically and militarily advanced Gulf state, Iran had been regarded as the most ideal candidate for the US to act as the "legatee" of the "Nixon doctrine". In fact, some American policy-makers had characterized the ingredients of "Nixon doctrine" in terms of a "twin pillar" policy, which had stipulated that the problems of "Gulf security and stability should be protected by South Arabia as well as Iran". Also, both Britain and the United States had reportedly underwritten the Shah's role as "policeman" of the Persian Gulf by supporting Iranian military build up to an unprecedented dimension. 502

501. For details see Ramazani, Economic Consequences of Iranian Revolution, n. 202, p. 75

502. For details see Ibid, pp. 75-76
A third major development concerning Iran's international posture had followed 1973 October Arab-Israeli War. It may be mentioned that Iran's oil revenue had made a sudden spurt in 1974 to about $22 billion from a mere $194 million in 1972, which appeared to have ignited the Shah's dreams of a "Great Civilization" towards a successful culmination. For instance, apart from his massive military modernization programme, the Shah had reportedly planned to spend an estimated $33 billion for the construction of some twenty nuclear reactors by 1994.503 Besides this, the Shah had placed orders for US military supplies ranging from F-14 fighters to communication equipments worth $38 billion.504 Further, the flow of American arms to Iran had been followed by the visits of US military specialists, advisers and technical team to Tehran to assist the country in her defence programmes. All these developments had tended to make Iran under the Shah as the "keystone of the arch of Western policy".505

It may be mentioned that apart from being the major source of oil for the United States, Western Europe and Japan, Iran had provided oil supplies to the white minority

503. For details see Ibid.

504. As cited in New York Times, 10 June 1975, p.1

regimes in South Africa and Zimbabwe. Since Washington had been favouring a "tilt" towards these white governments in Southern Africa, Iran's support in the form of oil supplies had been considered as highly "essential". Similarly, the role of Shah had viewed as an effective counterpoise to radical regimes operating in neighbouring Iraq and Afghanistan. Infact, the services of Iran had been utilized for funnelling clandestine support towards groups working for Kurdish independence movements against the "pro-Soviet" regime at Baghdad as well as for providing arms assistance to dissident groups in Afghanistan.

The intelligence and covert collaborations between the two countries had contributed further to the strengthening their bilateral relationship. Infact, such operations had comprised establishment of escape routes for the Moscow dissidents, [who had sought to defect to the West], reverse penetration routes for intelligence collection reconnaissance missions into the Soviet territory, the establishment of border listening posts to intercept [Soviet] communications, the launching of joint exercises to counter the efforts of Arab territories to destabilize sensitive geographic areas and the sharing of intelligence information on particular countries of mutual concern to both Tehran and Washington".

506. See Hedley Bull, "A View from Abroad", Foreign Affairs (New York) Special Issue, 1979, p.454
507. See Ledeen and Lewis, n.5, p.55
508. For details see Ibid.
Further, the Shah had taken some initiative in support of the United States in its bid to play a significant role in the international arena. For instance, as the Vietnam negotiations had been drawing to a close at Paris in 1973, Shah had sought to bolster Saigon's bargaining position at the negotiating table by providing assistance to the South Vietnamese government in the form of several squadrons of F-5 aircrafts. Also, following the overthrow of the Ethiopian Emperor Haile Selassie in 1974, Washington had looked to Iran and Saudi Arabia to organise a combined counter strategy through the formation of a "Red Sea Entente" of moderate Arab nations. According to this strategy, while Egypt and Sudan would provide the strategic and military screen for the venture, both Iran and Saudi Arabia would supply arms as well as financial assistance whenever necessary. As for the United States, it had pledged itself to provide both material as well as psychological backing to the venture.\textsuperscript{509} Also, during the 1970's the Shah had brought into being the so called, "Safari Club", consisting of a group of Middle East and African nations namely, Iran, Saudi Arabia, Morocco, Egypt, Ivory Coast and Senegal. This group, as supported by France, had strongly opposed the spread of Soviet influence as well as had provided assistance to moderate Arab and African regimes which had felt threatened by their more radical neighbours. The "Safari Club", in fact, had helped Zaire

\textsuperscript{509} For details see Ibid, p.56
during the two Shaba crisis. Thus, the role of Tehran within the ambit of the club had been generally welcomed. These as well as other developments concerning the US-Iranian relations, during the "Nixon period" will be analyzed in the next section.

(b) Nixon Administration and Iran (1969-1974)

When President Richard M. Nixon had assumed office in January 1969, hopes had been raised in Iranian circles that he would bring about a revived American interest for the Shah as in the days of Eisenhower administration. These hopes, had been rejuvenated as the new President had taken initiatives at finding solutions to the chronic problems of the Middle East-Persian Gulf regions. In the process had emerged the "Nixon Doctrine", which had been propounded by the new President during the course of his Asian tour in 1969 and had been elaborated later through his annual "State of the World" messages to the US Congress in 1970 and 1971. These messages, in fact, had laid emphasis on a low military involvement by the United States and had placed greater emphasis on regional defence arrangements. The doctrine had propounded that the United States, in the future, would expect its friends and allies "to provide the ground forces to resist aggression or revolution, while American assistance taken the form of sea and air power".

510. For details see Ibid, pp.56-57
512. Drew Middleton, Retreat from Victory, n. 336, p.227
It may be mentioned that the architect of US foreign policy under President Richard Nixon had been his close confidant and the National Security Adviser, Henry Kissinger, who was a "hard-nosed realist" as well as a "pragmatist". Infact, Kissinger had been the proponent of "policy of stability", "balance" and "understanding" with the strong as well as powerful nations on the basis of frank "acknowledgement" and "respect" for their vital interests. Infact, the "Nixon doctrine" had been clearly perceived and put into effect under his "advice" and "guidance". 513

As regards the American response to the emergence of Iran as a "regional power", this could be traced to developments following the British east of Suez policy concerning the Indian Ocean-Persian Gulf areas. In this context it may be mentioned that the arrival of the Soviet fleet in March 1968 had heralded "a new epoch in the Indian Ocean's long, complex, and turbulent history". 514 Elaborating on this, T.B. Miller, a distinguished Australian authority on the Indian Ocean region had stated:

"... Extension of Soviet activities within the region [Indian Ocean] ... have a psychological impact probably far beyond their


present material significance. They have introduced an element of competition into the Ocean and competition is the fundamental ingredient of strategic concern. The competition is military, political and economic..." 515

Thus, the Soviet presence had been felt in almost all the Indian Ocean countries by the time Nixon had assumed the Presidency in January 1969.

The Soviet presence however, had not only been confined to naval and support vessels only as it had possessed the world's largest oceanographic fleet as well as the world's largest and most advanced fishing fleet. Such fleets, however, could be run on a quasi-military line as these had been closely interlinked with the Soviet navy. 516 The arrival of the Soviet navy in the Indian Ocean had also aroused great deal of concern in American and western circles, with their perception of its presence as a counter to "American presence" as well as others "the possible interdiction of Persian Gulf oil, the protection of client states, and the necessity to acquire diplomatic leverage in the event of some future negotiations on naval arms in the Indian Ocean." 517 It had further been

515. Miller, n. 483, p.63
516. For details, see Lawrence L. Whetton, n. 494, pp.100-102
feared in western circles that the east of Suez policy decision in 1968 had facilitated Russia's filling the "vaccum" as created by the British withdrawal. 518 Infact, the British decision, if not anything else, had atleast "removed one of the obstacles to Soviet ventures into the Indian ocean", according to Geoffrey Jukes. 519 According to the Russian scholar Oles M. Smolansky, however, the Soviet naval entry had not been prompted by the British withdrawal but had been strongly influenced by the deployment of SLEBM in the region by the United States as well as to establish "the semblance of a credible defence posture against the presence of American nuclear submarines in the area". 520 Such a view had also been accepted by Jukes. 521 But there are other critics who had taken the position that the Soviet Union was incapable of nullifying the SLEBM threat in the Indian Ocean. 522 According to some other speculation, the Soviet navy had made its entry into the Indian Ocean "to disrupt oil supply from the Persian Gulf and its supply routes to Japan, the US and its allies". 523 Such a view, however, had not been accepted by many scholars.

518. See Cottrell and Burrell, n. 491, p.63
519. See Geoffrey Jukes, n. 495, p.11
520. For details see Oles M. Smolansky, "Soviet Entry into the Indian Ocean : Analysis" in Cottrell and Burrell, n. 491, pp.337-353
521. Geoffrey Jukes, n. 495, p. 7
522. See Lawrence Whetton, n. 494, p.111
523. See Cottrell and Burrell, n. 491, p.100
on the ground that these objectives were not at all "attainable."

Thus, the Russian presence in the Indian ocean had been intended to create political and diplomatic opportunities for influencing the littoral states.

It may be mentioned that growing concern had been voiced in American circles with regard to the spectacular increase in Soviet naval and political presence in the area. According to the New York Times, the Soviet presence was "transforming USSR into the paramount naval power in the Indian Ocean and its peripheral waters." To counter this, American naval experts had been suggesting in favour of "a highly visible multilateral military presence primarily naval", as a long term objective of US policy in the Indian Ocean. But the US administration had been quite hesitant to launch a full scale military move as they had become "embittered and wearied" by the long and costly involvement in South East Asia. Also, the American people had felt inclined towards fewer US commitments "in remote and little-understood regions of the world", which had been the spirit behind the "Nixon doctrine". At the same time, in the light of the Soviet

524. Smolanky, n. 520, p. 349
528. Richard C. Schroeder, n. 511, p. 189
military build, President Nixon had held consultations with the British Prime Minister Edward Heath in October 1970 concerning a possible Russian threat to the area.\textsuperscript{529} This had been followed by the American decision to strengthen the "MID EAST FOR" command created in 1949 as well as to conclude an agreement with Baharin on 21 December 1971 for the continued use of the facilities by the American middle eastern command.\textsuperscript{530} The initial American response, however, had not been to deploy its command for the security of the Persian Gulf, but in course of time, its primary responsibility had been the areas of the Persian Gulf, Arabian Sea, Red Sea and the Indian Ocean.\textsuperscript{531} Its main task had been "to demonstrate, by visiting friendly countries in this far-away area, the continuing interest of the United States in these countries and the desire of the United States to maintain good relations with them".\textsuperscript{532}

Following this, the United States had continued its policy of sending naval task carriers to the Indian Ocean beginning with dispatch of the "Enterprise" in 1971 to be followed by the carrier "America" which had visited the Indian Ocean during March 1972. Also, another American naval task

\textsuperscript{529.} \textit{New York Times}, 4 October 1970, p.18

\textsuperscript{530.} For details see US Congress, House of Representatives, Committee on Foreign Affairs, US Interests in and Policy Toward the Persian Gulf : Hearings, before the Sub-Committee on the Near East and South Asia, 92nd Congress, 2nd session, (Washington, D.C., 1972), p.12 (to be referred as 1972 Congressional hearings hereafter).

\textsuperscript{531.} \textit{New York Times}, 16 January 1972 Section IV, p.4

\textsuperscript{532.} 1972 Congressional Hearings, n. 530, p.12
force had been dispatched following the 1973 October War from the US Seventh Fleet based in the Western Pacific, "to help protect the sea-lanes leading out of the Persian Gulf as well as to support any air operations of the American carriers in the Mediterranean". Justifying the American position, the Secretary of Defence, James R. Schlesinger had stated at a news conference that the US naval forces would be visiting on a more frequent and regular basis, which according to him, "could be attributed to the enhanced interest" in the area growing out of the Middle East War and the subsequent Arab embargo of the oil.

It may be mentioned that after the 1973 October War, the Arab oil producers had sought to use oil as a weapon to force the US and other friends of Israel to change their Middle Eastern policies by desisting from assisting the Tel Aviv government. The first step in that direction had been a "supply shock" when the US as well as Holland [an allegedly pro-US country] had been denied supplies completely resulting in severe shortages. This had been followed by a "price shock", when the Organization of Petroleum Exporting Countries (OPEC), had announced a stunning increase in oil prices after its meetings in Kuwait on 16 October 1973 as well as on 23 December 1973. In the process, the oil prices for the consumer had increased to over four times more than in September.

534. As cited in Ibid, 1 December 1973, p.5
1973. Such a price hike had been criticised in American circles as "monstrous, ill-considered and hasty".\footnote{535} The impact of the decision, however, had resulted in a global recession especially affecting the industrialized Europe and Japan severely in terms of slow output, inflation and unemployment. As for the United States, the shock had been even greater because the American policy-makers "had never believed that the Arab oil producers would use this ultimate weapon to their objectives".\footnote{536}

It has been mentioned earlier that following the 1973 oil crisis, the Shah had sought to make his country the strongest military and naval power in the Gulf region, which had resulted in a sharp increase in Iran's military budget by 1974. This had been facilitated due to a steep rise in US arms sales to foreign countries that had taken place between 1970 to 1974 out of which Iran had accounted for the largest share. Thus, the military cooperation between Washington and Tehran had resulted in Iran becoming the "America's most important ally" as well as the "bulwark for the west" in the Middle East-Persian Gulf areas as described earlier.


\footnote{536}{For details on this see the statement of US Secretary of State Henry Kissinger as cited in the \textit{New York Times}, 3 January 1975}
The US-Iranian relationship, however, had gathered increasing momentum following the assumption of power by President Nixon in January 1969 as well as the visit of the Shah to the United States in April 1969 on the occasion of the funeral ceremony of former President Eisenhower. In fact, the Shah had been given a red carpet welcome by Nixon on the White House lawn, with full military honours which had been followed by a state dinner as hosted by the US President. On that occasion, Nixon had declared that the "Iranian-American relations had never been better as a result of the Shah's leadership". Following this development, however, there had occurred a great expansion of Iran's control over its oil industry and an unprecedented increase in its oil revenues. These, infact, had provided the Shah with an opportunity to accelerate his drive towards the achievement of an ultimate national goal namely, "Tamadden-e Bozog" [Great Civilization]. Such a goal had envisaged not only the building of a "just", "democratic" and "prosperous" society in Iran, but also the development of the country into a mighty, self-sufficient and self-generating "economic and military power" capable of withstanding against "regional subversions" and "instability" as well as "hostile" and "hegemonical" interference from outside powers. Thus, the Shah had believed strongly that these would constitute a prelude to the emergence of Iran as a global power before the end of the twentieth century.

537. For details see Grayson, n. 142, p.142
538. For details see Saikal, n. 223, p.135
Further, according to the Shah, the emergence of Iran as a regional power had been mainly due to "his firm national leadership" and the "Iranian oil potentials" as well as its economic and military power.\(^{539}\) In fact, by becoming heavily dependent on the United States, Iran had been successful in achieving a great deal of prosperity through the launching of the "White Revolution".\(^{540}\)

Following these developments, however, the Shah had launched himself into various acts of aggression denoting the emergence of a new emperial era for Iran as well as the unmistakable signs of its intention to "police" the Persian Gulf. For instance, Iran had undertaken the seizure of three strategic islands that had guarded the Hormuz Straits namely, Abu Musa, and the Greater and Lesser Tunbs, all of which had belonged to the Arab Sheikhdoms. Also, the Shah had embarked on his role as a regional power towards the end of 1971 through his involvements concerning such issues as the final British withdrawal from the east of Suez, the bifurcation of Pakistan following the Bangladesh War against India, the emergence of a Marxist South Yemen, the terrorist attack on an oil tanker in the Red Sea, the South Yemen-backed guerilla War in Oman's Dhofar province, the growing Soviet naval activity in the Red Sea, and the signing of an Iraqi-Soviet friendship treaty.\(^{541}\) The emergence of Iran as a regional power however, had depended

---

\(^{539}\) See Ibid, p.138

\(^{540}\) For details see Ibid, p.138

\(^{541}\) For details see Rubin, n. 7, pp.133-134
on the abilities of the Shah effectively respond to the major determinants in and around the region namely, "the Soviet Union, the Persian Gulf, and Iran's eastern flank - the Indian Sub Continent and the Indian Ocean". 542

As far as the United States was concerned it had responded positively to the emergence of Iran as a "regional power". This had been, despite the fact that the Shah at times had resorted to certain provocative statements against the United States during the Nixon period. For instance, in March 1969, the Shah had voiced "his opposition to American retention of naval facilities at Baharein" by asserting that the Persian Gulf nations should be made responsible for the security of their own area. Also, the Iranian Foreign Minister had declared at the CENTO meeting held in Tehran during May 1969 that "Iran opposed any American or British presence in the Persian Gulf after the British withdrawal from the area in 1971". 543

As for the Nixon administration, it had not reacted sharply to these utterances, and had instead made very effort to conciliate the Shah. Several reasons could be attributed to such an American thinking following the 1967 Middle East War. For instance, Iran had been viewed earlier merely as a US ally, which along with Israel would constitute a counterpoise against the "anti-US" Arab regimes led by Nasser. After

542. For details see Saikal, n. 223, pp.138-146
543. For details see Grayson, n. 142, pp.142-143
the War, however, the role of Shah had been valued highly as a "counter-weight" against the expansion of Soviet power in the eastern Mediterranean. In fact, such a need had become pressing in view of the fact that following the War, the Soviet Union had obtained air facilities at Mansura, Jiyanklis, Inchas, Cairo East as well as naval bases at Mersa Matruth, Alexandria, and Port Said in Egypt and at Latakia in Syria. Also in support of the Soviet Mediterranean squadron, the USSR had provided the Egyptian army and air force equipment worth about $3 billion. Besides this, Washington had valued Iran's role as a major source of support in its peacemaking efforts following the Arab-Israeli October War of 1973. Such a process, in fact, had begun when Iran had resumed its diplomatic relations with Egypt in 1970 by discarding its earlier aversion towards that country. Following the 1973 War, however, the Shah had sought to cultivate friendship among the Middle East Arab states in a bid to get their support for his Persian Gulf policy, mentioned earlier. Several other developments such as, the Arab success in the war, the "surge of Arab confidence", the "favourable US re-appraisal of Arab states", "Egypt's reduced dependence

544. See Ramazani, The US and Iran, n. 26, p. 41
on the Soviet Union and re-orientation towards the United States, and the "prospects of the re-opening of the Suez Canal" seemed to have facilitated such a process. 546

The single most development that had depend American reliance on Shah, however, had been the reported announcement of British withdrawal from the Persian Gulf as described earlier. The reluctance on the part of the US to act as the British "legatee" as well as the eagerness of the Shah to play such a role had contributed to an increase in Iranian influence over the United States. For instance, the US reluctance to fill the "power vacuum" on the one hand, and its desire to see it filled by a friend and ally like the Shah had resulted in a situation in which the Iranian ruler's vision and opportunities had seemed attainable under the "Nixon Doctrine". 547 In the words of Henry Kissinger:

... There was no possibility of assigning any American forces to the Indian Ocean 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. Fortunately, Iran was willing to play this role... 548

546. For details see R.K. Ramazani, "Emerging Patterns of Regional Relations in Iranian Foreign Policy", Orbis, vol. 18, no. 3, Winter 1975, pp.1043-1069

547. See Ramazani, The US and Iran, n. 26, p.43

548. Henry Kissinger, The White House Years (Boston, 1979), p.43
Another major development that had contributed to Washington's deepened reliance was on the CIA's "strategic-weapons monitoring system" in Iran and especially after Turkey had closed down such facilities to the United States in 1974. The main functions of the highly secret listening posts had been to monitor the Soviet ballistic missile launches, and the "eavesdropping" on radio conversations from Soviet military air craft, tanks and field units. In fact, the importance of these posts had been well perceived by the Nixon administration during SALT talks at Moscow in 1972 as well as afterwards. 549

The nuclear issue had also loomed large in the US-Iran relations. It may be mentioned that following the October War and the spiralling of oil prices as well as the nuclear explosion by India on 18 May 1974, the Shah had been spurred into his grandiose plans for nuclear energy development in his country. To begin with, the first agreement had been signed between the two countries on 5 March 1957. According to this agreement, Iran would gain reactor technology, while the United States would share it with Tehran within the framework of its "atoms - for - peace programme". 550 During the Nixon administration, however, while making a renewal on that agreement on 18 March 1969 the United States had emphasised on the Iranian responsibility "to use any relevant material

550. For details see Ramazani, The US and Iran, n. 26, p. 60
or equipment solely for civil purposes". It had further prohi-
bited Tehran from using any nuclear material for "atomic weapons,
or for research on or development of atomic weapons, or for
any other military purposes". It may be mentioned that Iran
had publicly supported the American stand on the 1968 Nuclear
Non-Proliferation Treaty (NPT) by signing the agreement in
1969. But following the nuclear explosion by India in 1974
as well as the use of the plutonium produced in its Dimona
reactor by Israel as well as its refusal to sign the NPT, the
Iranian leaders had felt prompted to move privately towards
the option of becoming a nuclear power". The public stance
of the Shah, however, had been "not to produce nuclear weapons
which had been the gratifying to the American policy-makers.

Finally, two other global developments had boosted
Iran's influence vis-a-vis the United States following the
SALT I in 1972. For instance, immediately following the
SALT I talks at Moscow, Nixon had visited Tehran where he
had described the Shah as an "old friend" and as a strong
"ally" as well as an American-annointed "police man" of the
Persian Gulf. Also during his stay in Tehran, the Shah had
cleverly extracted two concessions from Nixon concerning his
earlier demands to the effect that the United States "would
provide technicians to train the Iranian military in the use

551. For details see US Department of State, United States
Treaties and Other International Agreements, 20, Part 2,
TIAS no. 6726 March 18, 1969, (Washington, D.C., 1979),
pp. 4841-4844.

552. For details see Ramazani, The US and Iran, n. 26, p. 61
and maintenance of this equipment" and also that "America
would join Iran in supporting the Kurdish nationalist insurgency
against Iraq".\textsuperscript{553} It may be worthwhile to mention that almost
every one in the American bureaucracy namely, the State
Department, the CIA and the Defence Department had been strongly
opposed to any open-ended US commitment to the Shah. But in
view of Nixon's promises at Tehran, all such objections seemed
to have melted down in course of time.\textsuperscript{554}

The oil developments had also affected the US-Iranian
relations vitally. To begin with the Shah had sought to take
advantage of the increased demand for oil to announce the
policy of "nationalization" on the pattern of Iraq during
1972. This, along with the Iranian geographical location had
contributed to further heightening of American considerations
for Tehran during the Nixon administration. In fact, by the
end of Nixon's tenure, Iran had been perceived in American
circles as a major regional military power, which could serve
as a "tripwire" role in the event of Russian aggression, as it
could "hold off Soviet forces long enough to grant Americans
time to prepare for a strategic face off".\textsuperscript{555} Thus Nixon
administration had perceived the Shah as a "regional surrogate"
and an ally who was mostly willing to advance the American
interests in the Middle East.

\textsuperscript{553} For details see Ibid, p. 44
\textsuperscript{554} For details see Rubin, n. 7, pp.134-135
\textsuperscript{555} For details see Cottam, n. 221, pp.140-141
The inauguration of Ford administration had taken place abruptly on the wake of the well-publicized "Watergate" scandal, which had rocked the Nixon presidency rather badly and had forced the President to resign from his office in August 1974. The transfer of power, however, had been rather smooth, as the new President Gerald Ford had stated on rather categorically that there would be no change in American policy. Despite such assurances, some apprehensions had been expressed in Tehran circles that the resignation of Nixon had constituted a great blow to the Shah with the former President being a great champion of close American cooperation with the Iranian ruler. Such an apprehension, however, had been dispelled very soon as both President Ford as well as his Secretary of State Henry Kissinger had made statements reiterating their strong support for Iran.

It may be mentioned that the architect of US foreign policy during the Nixon administration namely, Henry Kissinger had also dominated the same field during the entire tenure of Ford administration. Infact, Kissinger's tenure had virtually coincided with the golden decade of the Shah's role in Iran (1964-1974). As for Kissinger, he had attached great importance to the evolving role of Iran in American foreign policy. But in his memoirs the former Secretary had put the entire blame for the American debacle in Iran on the Carter administration.
For instance, he had lamblasted Jimmy Carter for his "failure" to keep the Shah in power as well as for the "bad" American press coverage that had followed on the wake of the fall of the Shah in 1979.\textsuperscript{556}

During the Ford administration, the United States had sought to develop a "special relationship" with Iran, largely under the initiative of Kissinger. As stated earlier, the Shah had wished "to transform Iran into an industrialized state equal to Britain and West Germany in a matter of years" and that militarily he had aspired "to change it to one of the world's five major non-nuclear powers". Infact, the Shah had reportedly sought to invest an estimated $ 33 billion towards the construction of some twenty nuclear reactors with the possible help from German, French and American quarters by the end of 1994.\textsuperscript{557}

As regards the evolution of Iran's "special relationship" it may be mentioned that despite his military alliance with the United States, the Shah had also successfully normalized his relations with the Soviet Union as well as China. For instance, despite the prevailing peak periods of Sino-Soviet rift as well as Sino-US rapprochement, the Communist China had also perceived Iran "as a natural ally in its own containment ideology against the USSR" and had further depicted

\textsuperscript{556} For details see Kissinger, \textit{White House Years}, n. 548, pp.1258-1265.

\textsuperscript{557} Ramazani, Economic Consequences of Iranian Revolution, n. 202, p.76
the Shah "as a vanguard figure in the Third World struggle for independence and dignity". Thus, in terms of "power" the consequence of these bargaining advantages had been extremely favourable in respect of Iran.

But as the events had unfolded the Shah's regional policies had intensified tensions between Tehran and Moscow, leading to the Shah's increasing dependence on the United States after 1974. But the Iranian opposition had perceived the evolution of American-Iranian "special relationship" in a very negative light. In fact, there had developed a clear convergence of opinion among them that "the Shah's foreign policy had made Iran utterly subservient to Washington". 559

It may be mentioned that several issues pertaining to developments in the Middle East-Persian Gulf regions had contributed to the strengthening of "special relationship" between the United States and Iran during the Ford administration. The process had begun when the Shah had signed a path-breaking "billion dollar" protocol with Cairo on 25 May 1974 to help finance the reconstruction of Port Said and the widening of the Canal as well as for the establishment of numerous joint ventures with Egyptian and other Arab firms. Following these developments the Shah had paid a visit to Egypt in January 1975 to strengthen his new bond of friendship with the Egyptian President, Anwar el Sadat. 560 The Shah had

558. For details see Cottam, n. 221, p.141
559. For details see Ramazani, Economic Consequences of Iranian Revolution, n. 202, p.77
further agreed to supply Syria with $150 million worth of credits for initiating joint ventures in June 1974. In the process, the Tehran-Cairo friendship and the Tehran-Damascus rapprochement had sought to be achieved. Also, the Shah had offered increased oil deliveries to Israel as an incentive to induce its withdrawal from the Sinai oil fields. As for Kissinger, he had proposed a peace plan comprising "Sinai I and Sinai II disengagements". "But such initiatives had failed in view of the Israeli intransigence.

Following the failure of Kissinger's peace plan, the Shah had provided strong support to the Egyptian policies for the settlement of the Arab-Israeli conflict. For instance, following the Egyptian decision to reopen the Suez Canal the Shah had declared during Sadat's visit to Iran in April 1975 that he was in "full agreement" with the President on the Arab-Israeli dispute. In response Sadat had declared that his views on the Arab-Israeli dispute, as well as other international issues, were "identical" with those of the Shah. These developments were indeed heartening to the American policy-makers. Also, following the October 1973 War, major discussion had taken place between King Faysal of Saudi Arabia and the Shah during the visit of the Iranian ruler to Riyadh in 1975. During this visit the historic decision to renounce the Iranian claim over Bahrain had been taken.

561. Saikal, n. 223, p.169
562. For details see Ramazani, The US and Iran, n. 26, p.42
563. For details see Ramazani, Iran's Search for Regional Cooperation n. 560, pp.175-176 and New York Times, 7 June 1975.
which had contributed to the evolution of warm relationship between the two major monarchies in the Gulf region. In the process the two emergent regional powers having close rapport with the United States, had developed close rapport, which had been considered as highly "satisfying" to the American policy-makers.

As regards evolution of Irano-Iraq relations since the 1973 October War, the most dramatic development had been the agreement signed on 6 March 1975 signalling their intention to settle long standing disputes between them. As per the agreement the Shah had accepted the terms of an Algerian mediation according to which, he had decided to abandon his support for the Kurds in Iraq and in return Baghdad had agreed to restrict the revolutionary activities of Khomeini's supporters. Besides this, both sides had agreed to accept the thalweg of the Shatt al Arab as the southern most borders between the two countries. It may be worthwhile to mention that despite strong political differences both the governments had decided to develop a coverage of interest between them due to two underlying major factors namely, "(1) concern about greater consolidation of domestic power and (2) greater need for unity within OPEC".

As regards domestic developments, the Iraqi government had been confronted with its long standing struggle

564. For further details see R.K. Ramazani, "Emerging Patterns of Regional Relations in Iranian Foreign Policy, Orbis, vol. 18, Winter 1975, pp.1043-1069
565. For details see Cottam, n. 221, pp.150-151
566. See Ramazani, Iran's Search for Regional Cooperation, n. 560, p.177
concerning the Kurdish rebellion. It may be mentioned that the Kurds were a non-Arab people who had been living quite divided among the rugged border lands of Iraq, Turkey and Iran. But the Kurds had striven hard for decades to gain some measure of autonomy for the entire population. In the process they had become mere pawns in the hands of both Baghdad and Tehran governments. For instance while Iraq had been attempting to undermine the Shah's government by providing covert support to Iran's Arab minority, Iran, on the other hand had been attempting to retaliate against Baghdad by aiding its two million rebellious Kurds. At the same time Iran had never conceived that the Kurds would ever win their war. Infact, the Shah had developed serious reservations about it, since such victory would "encourage hope for independence or autonomy among Iran's own two million Kurds". 567 Thus, when the Iraqi Kurds had risen in revolt against the Baghdad government under the leadership of Mulla Mastafa Barzani, both the Shah and Nixon had reportedly agreed rather privately that their Kurdish ally should not be allowed to ultimately triumph over the Baghdad government. 568 As a US Congressional report [Pike Committee] had stated:

"... They [US and Iran] preferred instead that the insurgents simply continue a level of hostilities sufficient to sap the resources of our allies neighbouring

567. For details see Rubin, n. 7, p.138
568. For details see Cottam, n. 221, pp.149-150
country [Iraq]. This policy was not imparted to our clients who were encouraged to continue fighting. Even in the context of covert actions, ours was a cynical enterprise..."569

It may be mentioned that both the State Department as well as the CIA had voiced serious reservations concerning the American plan. But Kissinger had decided to implement the Shah's suggestion even without discussing the matter with the "Forty Committee" of the National Security Council (NSC), which had been made responsible for authorizing US covert operations abroad. Infact, Kissinger had suggested rather dangerously that Soviet arms captured by the Israelis during the October 1973 War could be secreted into Iraqi Kurdistan. In the process, Israel had become a third partner in the conspiracy. To facilitate such a plan Kissinger had dispatched Secretary of Treasury John Connally as a special messenger to inform the Shah of the start of such arms deliveries to the Kurds. Eventually, the CIA had supplied tons of millions of dollars worth of Soviet and Chinese Weapons captured in Vietnam and else where. All these developments, however, had prompted the Kurdish leader Mustafa Barzani to perceive a scenario that such logistic support would eventually force the American policy-makers to provide their strong backing for the Kurdish cause. But

569. As cited in Ibid, p.150
unfortunately enough for the three governments [US, Iran and Israel], these Kurdish rebellions had fizzled out since the Iraqi forces had quickly gained an upper hand following some early success by the insurgents in the battlefield. In that eventuality, the Shah had been confronted with the dilemma of either openly intervening in favour of the Kurds or to allow them to get defeated. In the end, he had decided to accept the latter course, apparently after consulting the US government. In the process the Kurds had been left abandoned to meet their own fate.

As regards the oil issue, President Boumedienne of Algeria had taken steps to assist the cause of greater harmony among the OPEC countries. He had for instance, successfully persuaded both the Shah as well as the Iraqi leader Saddam Husayn to maintain a unified stand in preparation for the preliminary OPEC meeting in Paris scheduled for April 1975 which however, had failed miserably. It may be mentioned that differences had developed within the OPEC over the oil prices between Saudi Arabia and Iran. For instance, while Saudi Arabia had decided to get along the American line by suggesting a relatively moderate increase in oil prices (5%) along with the Arab Emirates, Iran on the other hand had gone ahead with pressing for an exorbitant increase in

570. For details see Rubin, n. 7, p.138
571. Ibid.
572. For details see Cottam, n. 221, p.150
prices (15%) in collaboration with ten other OPEC nations. This had resulted in a split within the OPEC ranks at Doha (Qatar) in December 1976. Responding to this, President Ford had described the Saudi Arabian position as "statesman like" and "responsible", while he had criticised the activities of all other OPEC members (including Iran) as "irresponsible". But the President had decided not to castigate Iran directly for fear of not provoking the Shah further.573 But as far as Iran was concerned, it had remained adamant on the issue. In course of time, however, Iran had been able to create a regional atmosphere in which it had assumed a dominant position. Such a dominant position, in fact, had been achieved with the tacit approval of the US government during the Nixon and Ford Presidencies.574

Finally, the single most important link in the Washington-Tehran "special relationship" had been the massive arms-sales programme between the two countries. For instance, while during the entire period from 1950 through 1972, arms purchase agreements had amounted to only about $1.5 million, it had, in fact, soared to a staggering total of over $11 billion during the period between 1973 to 1977.575 It may be mentioned that far from discouraging Iran the Secretary of State Kissinger seemed to have fully endorsed the Shah's appetite "to buy the best equipment in the greatest quantities

573. For details see Ramazani, The US and Iran, n. 26, pp. 32-33
574. As cited in Saikal, n. 223, p. 171
575. As cited in Ramazani, US and Iran, n. 26, p. 47
at the fastest possible rate", from a variety of sources
namely, Britain, France, Italy, USSR apart from the United
States. But the overwhelming majority of arms purchases had
been ordered from the American sources. Infact, the US
Secretary of State during his visit to Tehran on 7 August
1976 had announced that the United States would sell Iran
$ 10 billion worth of military equipment from 1975 through
1980 as a part of a total trade of $ 50 billion during the
same period. Justifying the American position, Kissinger
had stated on that occasion:

... If one looks at the threats... the
political threats, that Iran faces and
and the armaments of its neighbours and
the role Iran has, its efforts at self-
defence is strongly in the American
interest and is not a favour we do for
Iran..."578

It may be mentioned that despite his strong
fondness for "linkages", Kissinger had "refused to link the
American arms sales to oil prices in a way that would
discourage the Shah's hard-line oil-pricing policy". Infact,
he had justified his attitude on the ground that if "he did
not want the Shah to call his bluff, and then have to sell

576. For details see Rubin, n. 7, p.158
577. As cited in Ramazani, The US and Iran,
n. 26, p.47
578. As cited in New York Times, 18 August 1976
the arms anyway". Finally, Kissinger had resorted to the strategic rationale for the supply of sophisticated arms by highlighting the importance of Iran to the United States.

Despite such strong endorsement from Kissinger, the US-Iran arms transfer relationship had not worked smoothly during this period. For instance, most of the disputes relating to this area had concerned not only the US government but also the private American companies as well. In fact most of the complications had emanated from the American rather than the Iranian side. For instance, the Shah had taken all important policy decisions concerning military matters and had left the implementation part to be handled by such officers as General Hassan Toufanian and General Azhari. These Iranian officers, however, had sought guidance in their work from Eric F. Van Marbod, a high ranking US official working at the Pentagon since 1976.

From the American side, the issue had become quite complicated due to congressional opposition to such arms transactions. For instance, a host of Democratic Senators led by John C. Culver (Iowa) along with Alan Cranston (California), Patrick J. Leahy (Vermont) and William Proxmire (Wisconsin) had sought to block the proposed sale of AWACS to Iran. The congressional opposition, had been compounded further by "inter service rivalries, and inter-departmental...

579. Ibid, 11 November 1976
580. Ibid.
581. For details see Ramazani, The US and Iran, n. 26, pp.49-50
disagreements on the one hand, and the promotional activities of private manufacturers and their eager lobbyists on the other". Some major purchases, had become highly controversial in American circles. For instance, the Shah had decided in 1974 to make a purchase of the most advanced fighter planes (F-14) worth $2.2 billion from Grumman Corporation, which however, had been blocked through the investigation as well as the congressional hearings in September 1976 before the Senate Multinational Sub-committee. It was revealed during investigation that the Pentagon had not learnt until mid-1975 that Grumman corporation had retained agents two years earlier to the signing of the agreement to help negotiate Iran's purchases of 80 F-14 aircrafts and also that the American company had paid $6 million to sale agents "despite the Shah's repeated objections to the use of such middlemen". Also, during the course of investigation, Senator Frank Church, Chairman of the Sub-Committee had expressed concern over the arms deal because "Grumman had began its F-14 sales operation in Iran before the US government had decided that it was in the country's national interest for the advanced aircraft to be sold". These revelations, however, had helped the Shah government immensely as it could recover the hidden fees as had been paid by Grumman to the Iranian agents, and, more important, "to display a theatrical sense of outrage

582. For details see Ibid.
against bribery at a time when massive corruption in the royal family and the ruling elite had been under severe attack by the opponents of the Shah. 584

Another issue which had embittered the US-Iranian relations had been over the sale of sophisticated destroyers. It may be mentioned that in 1973 and 1974, the Pentagon had encouraged the Shah to make the purchase of six American Spruance-class destroyers. As for the Shah, these purchases had been intended to develop Iran into a major maritime power by constructing a huge naval base at Chahbahar on the Arabian Sea between the Pakistani border and the strategic strait of Hormuz. But such objectives had been threatened by the fact that all on a sudden the Defence Department had announced that there would be a 50 percent increase in the prices of these destroyers quoted as far as back in 1973. The stunning price of $ 2 million as demanded by the Pentagon had provoked the Shah so greatly that he had threatened the Ford administration that he would make a drastic cut back in its arms purchase from the United States. In the end, however, the matter had been shelved as the incumbent Carter administration had decided to cancel the agreement with the North Corporation resulting in a huge loss for the American Company. 585

Not withstanding these irritants, however, it can be safely concluded that despite rising public criticisms, the US-Iranian relations during the Ford administration, continued

584. For details see Ramazani, The US and Iran, n. 26, p.51  
585. For details see Ibid, p.51
on a smooth footing. By the end of 1975, their bilateral ties had remained a "very special one", as Alfred Atherton, the Assistant Secretary of State had put it.\textsuperscript{586} Also, Kissinger characterized the Washington-Tehran relationship as "had probably never been better".\textsuperscript{587} Spelling out the American position in this regard in more concrete terms, the US ambassador to Iran, Richard Helms had conveyed the following message from President Gerald Ford concerning Iran:

... I have let it known to the senior officials of my administration who deal with these issues that they should keep constantly in mind the very great importance which I attach to the special relationship that we enjoy with Iran... The collaboration between our two countries is firmly based on common interests, which are not changed by the recurring ups and downs of economic and financial affairs which may affect both our countries...\textsuperscript{588}

Despite these laudatory statements, there were still certain misgivings as well as muffled voices of dissent in the American public opinion concerning Iran. For instance,

\textsuperscript{586} For details see \textit{Department of State Bulletin}, 10 March, 1975, p.293
\textsuperscript{587} Ibid, 15 December 1975, p.864
\textsuperscript{588} As cited in Rubin, n. 7, p.154
in February 1976 the US Treasury had reported that a sharp decline had taken place in Iran's investible surplus from $10.7 billion in 1974 to a projected $4.5 billion in 1976. Rising military expenditures had also contributed to such huge sort fall. 589 Commenting on this, the Washington Post in its editorial had stated:

... The mindless American policy of supplying out most advanced military technology to Iran is increasingly likely to get both countries into trouble... Infact, Iran's need to economize offered an escape from a net work of commitments that are becoming steadily more dangerous and onerous... As long as economic requirements have to take second place to military ambitions... the outlook for stable growth [In Iran] is obscure... 590

589. For details see Ibid, p.156
(d) Carter Administration and Iran (1977-1979)

When President Jimmy Carter assumed office in 1977 he had already highlighted his liberal credentials before the American public. For instance, during the Presidential campaign in 1976, he had expressed his views rather powerfully as an outspoken supporter of human rights and a bitter critic of America's arms exports policy. As far as Iran was concerned, however, Carter had taken a similar stand along with his predecessor President for continuing a policy of active cooperation with the Shah. But some apprehension had been expressed at the time of inception that he might inaugurate a sudden sharp break to the existing era of "special relationship" between the two countries. This had been largely due to a perception which had received wide publicity in certain US circles. That the Iranian monarch "was a repressive figure whose government did not merit American support". Such a view had been strengthened by the fact that during the debate between the two Presidential candidates held on 6 October 1976, Carter had made the charge that the United States had become, "the arms merchant of the whole world", which however, had been powerfully rebutted to by Ford. Infact, Ford had maintained that, "Carter did not understand the need for arms sales: Iran, with Iraq and the USSR as neighbours, needed those weapons to project its

591. For details see Grayson, n. 142, p.148
security". As for the US policy-makers, they had been generally quite secure in their belief that the American policy towards Iran would remain unaltered no matter who would win the Presidential elections in 1976.

While formulating its policy towards Iran, the Carter administration been conditioned by three factors as inherited from his predecessors namely, Ford and Nixon. For instance, there had been a "tremendous momentum of previous American commitments regarding regional security and arms sales". Secondly, it had been handicapped by the perception as inherited from its predecessors that the Shah was a relatively "successful modernizer", who though somewhat ruthless was still "quite capable of maintaining order at home". Finally, the American response had been conditioned by the post-Vietnam syndrome. For instance, coming to power in the aftermath of the Vietnam War, Carter and his advisors were "reluctant to commit the United States to helping repress overseas political unrest, particularly in conflicts and in situations where military involvement might become necessary". Thus, the ideological position as well as personal instincts of President Carter had been submerged under pressures of American national interests concerning Iran.

593. Rubin, n. 7, p.188
594. For details see Ibid, pp.190-192
To begin with the story, during the first year of his presidency, Carter had sought mainly to contend with the legacy of his predecessor administration. In this context, two major problems that had confronted him were in the fields of human rights abuses as well as the proposed arms sales to Iran. As regards the human rights problem, the Ford administration had sought to defend the Shah regime through a testimony before the Sub Committee on International Organization of the House Committee on International Relations on 8 September 1976. For instance, the Assistant Secretary of State for Near East and South Asian Affairs, Alfred L. Atherton, Jr. had lauded the "significant degree of social change that had occurred in Iran and the major strides taken toward fulfillment of goals in the human rights field". In fact, Atherton had gone further to add that some 100-150 political prisoners who were languishing in jail had been actively involved in the terrorist violence. It was indeed surprising that during the testimony Atherton had emphatically stated that the State Department, despite its thorough investigation, had not been able to obtain any evidence of torture as employed by the SAVAK. This was indeed ironical in view of a subsequent statement made by the Shah during the course of his appearance before the televised interview program in the United States on 24 October 1976. For instance, while denying that "torture" was being applied in Iran, the Shah,

595. As cited in Grayson, n. 142, p. 153
however, had admitted that the SAVAK had maintained personnel in the United States" to investigate activities directed against his government by Iranians in America". Infact, such a statement had prompted the State Department to conduct an investigation in November 1976 and to announce that "it had failed to uncover any evidence of illegal or improper activity by SAVAK in the United States". At the same time Atherton had reportedly warned the Iranian ambassador in Washington not to allow the SAVAK to indulge in such activities. Also, the Senate Select Committee on Intelligence following such reports had announced in December 1976 that it was conducting its own investigations into possible clandestine intelligence activities in the United States. 596

In this background the elections of Jimmy Carter as the President might have come as some kind of rude shock to the Shah of Iran. For instance Parviz C. Radji, the [Iranian ambassador to London], had stated in his diary on 8 August 1976 that the Shah had apprehensions concerning Jimmy Carter that he might have "Kennedy-type pretensions" and would have much preferred "to see Ford re-elected". 597 Also, according to Garry Sick, after his many years of handling with the US administrations the Shah had felt that "he had always more success with Republicans than with Democrats". 598

596. For details see Ibid, pp.153-154
598. For details see Garry Sick, All Fell Down: American Encounter with Iran (New York, 1985), p.22
Following his elections, however, President Carter, in conformity with his public stand on human rights, had approached the Shah on this issue. It may be mentioned that during this period one American observer had reported that at least 341 guerrillas consisting of disaffected young intellectuals had been killed.\(^{599}\) This had been supplemented further by critical reporting from organizations such as Amnesty International and the International Commission of Jurists concerning the repressions as perpetrated by the Shah's government.\(^{600}\) These developments, appeared to have prompted President Carter to declare on 2 May 1977 that "his administration had been putting pressures on Iran both privately and publicly to improve its performance in the field of human rights".\(^{601}\) The Iranian ambassador to the United Nations, Fereydown Hoveyda, however, had made an emphatic declaration in May 1977 that "his country was committed to the human rights ideals ... and had made more progress towards the realization of human rights than in the United States".\(^{602}\) Infact, this statement had been followed in August 1977 by the approval of a law by the Iranian Parliament revising the military court system so as to afford an individual accused the protection of the due process of law. In the same month also the Shah had ordered the release of several hundred

---

599. For details see Abrahmian, n. 280, p. 480
600. Sick, n. 598, p. 23
601. See Grayson, n. 142, p. 154
602. See New York Times, 18 May 1977
political prisoners. As for the Carter administration, it had responded positively to these developments. For instance, in a testimony on 26 October 1977 before the Sub committee on International Organization of the House Committee on International Relations, the Iranian Director, in the State Department had expressed gratification "over the progress that had been made in the area of human rights in Iran". He had further highlighted the scenario of increased relaxation in term of internal criticism that had prevailed in Iran to justify American support for the Shah. Beside this, Washington had reportedly approached the Tehran authorities during the year 1977 urging upon them that innocent people should not be arrested and that prisoners should not be tortured. But as it had eventually turned out, the US government had to spend more time in defending the Shah's human rights record rather in efforts at criticising it. In the process a perception had developed that the human rights issue might prove to be a nuisance which might lead to creating frictions in the US-Iranian relations.

The report of the State Department concerning the human rights abuses in Iran had also become less critical in course of time. For instance, while conceding that the

603. See Grayson, n. 142, p. 155
604. As cited in Ibid, p. 155
605. As cited in Rubin, n. 7, p. 193
606. Ibid, p. 193
violation of human rights by security forces had been fairly common-place in its 1978 report, the State Department had lauded the reform initiatives as initiated by the Shah in early 1978. Such a perspective, however, had not been shared by the report of the Congressional Research Service published in July 1978, which had stated that while the "White Revolution" had achieved "considerable success" in the field of "modernization", it had "engendered an intolerance towards political dissent and had led to an increasing reliance upon the armed forces and security organizations to control opposition elements". But despite such controversy the State Department had not gone out of the way to either criticise or annoy the Shah severely.

In sharp contrast to the human rights issue, however, the Carter administration had proceeded rather slowly with regard to the American arms sales as contracted during the tenure of his predecessors. For instance, the Secretary of State Cyrus Vance during his visit to Tehran in May 1977 had reportedly announced to the press that the United States viewed the trends in Iranian civil liberties as "favourable" and that any sanctions against the Shah were considered "out of question". He had further reportedly assured the Shah during his conversation extending to over two and half hours that the United States, "would honour all-existing arms sales

607. For details see Ibid, p. 194
609. For details see the New York Times, 15 May 1977
contracts and was prepared to offer to Iran the sale of airborne warning and control system (AWACS) air craft." 610 Following this the Shah had extended warm thanks to Carter and had thereafter requested him to provide with 140 more F-16 fighter air crafts. 611

It may be mentioned that during this period appointed US ambassador to Tehran William H. Sullivan had paid a courtesy call on Carter before proceeding to his new assignment in Iran. As reported by Sullivan, the President had confirmed to him during discussion that he was prepared to make available to Iran, all equipments as already ordered including the proposed sale of AWACS. Also, Carter had reportedly told Sullivan that he had no objection to even selling nuclear power plants to Iran provided that Tehran agreed "to appropriate safeguards, particularly on the disposition of spent fuel". 612 Thus, Carter had maintained a favourable stance towards the Shah's request for sophisticated military equipments as well as nuclear power plants.

Following these developments, the Defence Department had advised the Congress on 7 July 1977 to accord its approval to the proposed sale of seven AWACS to Iran amounting to

611. For details see Sick, n. 598, p. 25
$1.2$ billion. But the issue had become very soon a matter of heavy congressional criticism. These had been spearheaded by Senator John A Culver (Democrat, Iowa), who had charged the US administration that it was repudiating its earlier pledge to reduce arms sales. Also, Culver had put to the public a secret report of the US General Accounting Office on 20 July 1977. The report had maintained that "the AWACS aircraft were too sophisticated for Iran to operate and that their proximity to the Soviet Union, if deployed to Iran, would increase the likelihood of their falling into Russian hands thereby compromising United States defence capabilities".  

The secret report, in fact, had paved the way towards an acrimonious and highly public political debate between the White House and the capitol Hill concerning the AWACS proposal. In September 1977 the executive branch had resorted to intense lobbying before the House International Relations Committee, which had eventually succeeded in pushing the AWACS proposal through the Congress.  

It may be mentioned that the AWACS debate had become particularly virulent due to an assessment report made by the Inspector General of the State Department in 1976. For instance, the report had made the following significant remarks:

...Many American-officials, Congressmen and public opinion leaders - deplore the Shah's authoritarian regime and his

---

613. For details see Grayson, n. 142, p. 155
614. For details see Sick, n. 598, p. 27
policies, in particular the relatively low regard for human rights ... and the Shah's role in keeping oil prices high. The idea of a 'special relationship' with Iran based on US military support is also distasteful or repugnant to many..."615

The AWACS deal, in fact, had clearly represented the Carter administration's "insensitivity" to public perceptions as well as its "indecisiveness" concerning American objectives in Iran. Defending the decision, the US Secretary of State Cyrus Vance had stated that Iran needed and deserved AWACS because "the Shah was a major oil supplier for the United States and a protector of regional stability".616 Commenting on the sale, however, The Washington Post had reportedly characterized the sale as an "embarrassment to Mr. Carter's professed intention to reduce the American role as the leading arms merchant in the world".617

Despite these developments the Shah had paid a visit to the United States in November 1977 possibly to reinforce mutual confidence and understanding between the two countries. But his arrival had caused a great amounting of tension in the United States as more than 60,000 Iranian students had thronged into the nation's capital.618

615. As cited in Ibid, p. 27
616. See Washington Post, 28 July 1977
617. Ibid, 13 September 1977
618. For details see Sick, n. 598, p. 28
wearing masks to prevent identification by SAVAK, the
demonstrators had gathered at Lafayette Park, across from the
White House and had shouted anti-Shah slogans like, "Down with
the fascist Shah," "Down with US imperialism". 619 It may be
mentioned that the Iranian embassy had thereafter organised
a counter demonstration consisting of pro-Shah students and
military cadets who had been specifically transported from
Tehran to Washington for that purpose. In fact, the welcome
ceremony had been practically converted into a battle field
in which the "war of words" between the opposing camps had
escalated to "physical combat with staves and clubs". 620

Despite such stormy public reception at the White
House, the Shah however, had, received great success during
his private meeting with President Carter. For instance,
Carter had praised Iran for having "blossomed" under the
"enlightening leadership" of the Shah and also having been
bound "with unbreakable ties" and an "unshakable" military
alliance with the United States. 621 Thus, while the official
reception had been "turbulent", his private talks with the
President, had been extremely "successful". 622

619. See Rubin, n. 7, p. 200
620. See Sick, n. 598, p. 28
621. For details see Washington Post,
18 November 1977
622. See Rubin, n. 7, p. 200
As for President Carter, he had paid a return visit to Iran on 31 December 1977 as part of his year-end trip to six countries in Eastern Europe, the Middle East and Western Europe. It may be mentioned that during the drive from the airport to the Tehran City, both Carter and the Shah seemed to have reached understanding in respect of nuclear non-proliferation agreement. Also, both the leaders had discussed concerning a list of Iran's anticipated military needs for the next five years. Later on President Carter had been invited to become the Guest of Honour at the state banquet hosted by the Shah on the "New Year's Eve". Speaking on the occasion, Carter had praised the Iranian monarch highly and had stated:

"His talks with the Shah had been priceless, that there was no other nation on earth that was closer to the United States in planning for mutual security and that there was no leader with whom the President had a deeper sense of personal gratitude and personal friendship." President Carter had also used that occasion to reassure the Shah once again that relationship between the two countries would always remain sound. Carter had further showered the following laudatory praises for the Shah:

623. For details see Grayson, n. 142, p. 156
624. As cited in Sick, n. 598, p. 29
625. As cited in Ibid, p. 29
626. For details see Grayson, n. 142, p. 156
"... Iran is an island of stability in a turbulent corner of the world...
This is a great tribute to you, Your Majesty, and to your leadership and to the respect, admiration and love which your people give to you..."\textsuperscript{627}

Recalling on that event from his exile later the Shah had stated the following:

"... My talks with President Carter had gone well. Iran's relationship with the US had been so deep and friendly during the last three administrations... that it seemed only natural that our friendship would continue... Carter appeared to be a smart man. My favourable impression of the new US president deepened when he visited Tehran..."\textsuperscript{628}

Thus, despite all the bewilderment and bitterness around the US-Iranian relations had moved along favourable lines even during the Carter administration despite some initial apprehensions as mentioned above.

Despite these visits, however, the evolution of domestic developments in Iran had begun to worry the policy-makers in both Washington and Tehran. For instance, only a

\textsuperscript{627} See the {	extit{New York Times}}, 2 January 1978
\textsuperscript{628} See Mohammad Reza Shah Pahlavi, {	extit{Answer To History}} (New York, 1980), p.152
week after the successful visit of President Carter, the first outbreak of the "Iranian Revolution" had taken place in the religious city of Qom. It may be mentioned that an article had been published in the government controlled newspaper ridiculing Ayatollah Khomeini and other religious leaders. In fact, two days after the article had been published, a religious demonstration had been organized on 9 January 1978 at Qom to protest against such publication, the story of which will be discussed in the next chapter.

But faced with such a situation, the response of the Carter administration had been far from "positive". In fact, far from paying a greater attention to the Iranian developments, the American policy-makers had engaged themselves actively in solving international problems elsewhere. For instance, the National Security Advisor Zbigniew Brzezinski had been working on the modalities of "normalizing relations with Peking" and that Secretary Vance had been labouring hard on the Strategic Arms Limitation Treaty (SALT-II) as well as Camp David Talks. Besides this, the US government had been actively involved in attempts to solve the guerrilla war in Rhodesia (Zimbabwe). In fact, the task of monitoring the Iranian developments had been left in the hands of lesser influential US officials namely, Henry Precht at the State Department, Robert Murray at the Pentagon and Garry Sick at the National Security Council. 629

629. For details see Rubin, n. 7, p. 208
A final development concerning the US-Iranian relations during the Carter administration had been the fact that in August 1978 the President had supported the State Department as against the position of the Pentagon in rejecting Tehran's request for the purchase of 31 sophisticated F-46 bombers. In fact, the United States, had taken the first concrete step towards responding to the Iranian Revolution when President Carter had telephoned to the Shah on 10 September 1978 reiterating American support for his government. But as the domestic situation had deteriorated in Iran beginning in November-December 1978, the Carter administration had decided to keep themselves aloof from the Tehran ruler, which had resulted in the eventual fall of Shah in January 1979, the story of which will be discussed in the next chapter.

630. For details see Grayson, n. 142, pp. 158-159