Chapter - I

Iran's Policy Towards the Persian Gulf Region
During the Shah's Period
Iran's preoccupation with Russia in the nineteenth century, and the degree of government control and internal cohesion necessary to impose its authority on the provinces -- which fluctuated between periods of Semi-autonomy and periods of subservience to the central government -- provided impediments to its desire to increase its influence in the south. The British presence in the area had psychological consequences on Iranian attitude towards the Persian Gulf. It not only exposed Iran's weaknesses, vulnerability and dependence but also, by virtue of Britain's dominant presence in the Gulf, it brought Iran a measure of security (particularly in the post war world of 1945 to 1971) by allowing it to concentrate its energies inward and northward. The British had established a system of quasi Protectorates on the Arabian littoral which had brought peace and security to the region. Britain not only brought peace to the often warring Arab tribal principalities on the southern shore, and between the latter and Iran, by freezing territorial disputes, it also brought security for the local state vis-a-vis non Gulf state. It insulated the Arab Sheikhdoms from political vicissitudes of the outside world by orienting them eastward towards India. It thus isolated them from the tremors of politics in the Arab west until approximately the 1956 Suez episode.

Iran, thus having gained some measure of security due to Britain's military presence backed by the US economic and political presence, concentrated its energies in consolidating its position without scattering its limited
resources in the south. It was natural that in the post war period a new Iran - Britain relationship should emerge. The Iranian government began to perceive its advantages of British presence in the region.

Sir William Luce, a senior British official in the Gulf noted this: "To the Shah, with the fear of the spread of Nasserism eastwards, the British presence in the Gulf has been an important factor for the security of this country.¹ Both Iran and Britain adopted similar kinds of attitude towards Nasser and the Yamen war. However Britain's departure from Palestine and India in the 1940s and its accelerated imperial disengagements in the subsequent decades proved that its days in the Gulf were numbered. Thus as the security of her northern border more or less was secured and as its resources increased in the mid 1960s, Iran began preparing for the safeguard of its interests in the South. The way in which the British departure from Aden base was conducted -- that is, without providing a defence treaty for the South Arabian Federation -- may well have undermined the confidence of the Gulf's rulers in Britain's role as protector². Consequently, the Shah took steps to expand and equing his country for future responsibility in the area. Thus Iran was not caught unawares by Britain's

¹. Sir William Luce was governor of Aden from 1956 to 1960, political residnet in the Gulf from 1961 to 1966 and Britain's special representative in the Gulf, with the task of easing the porblems involved in Britain's departure in 1970-71. This quote is cited in S. Chubin and S. Zabih (eds.). The Foreign Relations of Iran : A Developing State in a Zone of Great Power Conflict (London: University of California Press, 1974), p. 194.
policy statement envisaging withdrawal from the Gulf made in January 1968. On the contrary, it was better prepared diplomatically and militarily than the other Gulf states to play a leading role in the affairs of the region.

1. The Evolution of Pahlavi Policies in the Gulf:

The Suez crisis of 1956 was a turning point in the history of the Gulf state. The British protection around the Gulf states began to crumble. Arab Nationalism, fostered by Cairo's radio programmes, was on the rise. When Iran joined the Baghdad Pact in 1955 (revamped as CENTO after Iraq's departure following the revolution in 1958) tying it into a strategic alliance, the mould of Iran-Arab relations was apparently set. Tehran's departure from its traditional policy of neutrality between the great powers, at the height of the cold war, not only signalled its siding with the West, but it also delineated the boundaries of Iran-Arab relations as reflected in the East-West divided of the Middle East sub-system itself. As John Marlowe has stated:

"Thus Iran became a kind of country member of NATO and an associate of western system which sought to contain communism by a mixture of military deterrent and economic betterment." Nasser's tiff with the Shah over the Baghdad Pact and the Kuwaiti incident of 1961 wherein Iraq laid claim to Kuwait heightened Iran's anxiety. The growing

clamour for Arab unity in an era of Arab nationalism, raised by pro-Nasser elements and punctuated by Nasser's adventurism in Yamen, pushed Iran closer to Tel Aviv. On 23 July the Shah publicly confirmed that Iran had recognised the existence of Israel, prompting serious disruption in Iran-Arab relations thereafter and confirming Arab fears that Iran was central to a western sponsored anti-Arab campaign. Nasser, in a sharp reaction, broke off diplomatic relations with Tehran, charging that the Shah had "Sold himself to imperialism and zionism". Thus the radicalisation of the Arab world and the emergence of nationalist governments in the Middle East served ironically to bring Iran and Israel closer. Infact, Iran's relationship with Israel goes as far back as 1950. A tacit understanding has existed since then, with the implication that Iran was to dominate West Asia while Israel would be supreme in the Middle East proper. Countless Iranian officers received training in Israel; both countries exchanged military supplies, and Israel's Mossad and Iran's Savak have cooperated in the field of secret intelligence since 1950s; the Mossad consistently trained Savak operatives. Iran even became Israel's chief supplier of oil. After the 1967 war, Iran financed the Israeli-built 162 mile pipeline from Eilat on the Red Sea to Ashkelon on the Mediterranean. Inspite of Arab reservations towards Iran, the latter was able to exploit the differences among the Arab regimes by siding with the

moderates, particularly the monarchies of Saudi Arabia and Jordan in order to forge an Islamic alliance.

Apparently Iranian foreign policy intent of this period was not so much on penetrating neighbouring areas as on influencing them, literally creating a Persian Empire that only an advanced state like Germany, Britain or Russia would have attempted or dared, in previous decades. That is probably one of the innovative features of the Pahlavi regime.

The Gulf had been intimately linked with Persian nationalist and cultural ethos. Even when the Pahlavi monarchy was first established, its lending intellectuals never really forgot the nation's pre-Islamic past imbued with a selective and symbolic mythical content -- namely Iran's past involvement in the Gulf. -- which was exaggerated and grandiosely reinterpreted to serve political objective. The tenacity which the Iranian Government clung to its claims in the Gulf, and its sensitivity to the correct usage of its name, reflect this jealousy of past history as well as the internal political aspect of questions affecting the Gulf. A nationalist campaign was promoted to galvanize the support of the Iranian people beyond the intellectual strata, evoking and emphasizing the Aryan civilization since antiquity in the symbols of Iran-e-Bastan, and in the purity of the Persian language, Farsi ye Ser'e, which set Iran apart from its immediate neighbours, both Arabs and non-

Arabs, but more particularly the Arabs, whom he Iranians regarded as "barbarians" (Vahshigari Arab)⁷.

While the Iran of the Pahlavis was a state advocating nationalist regeneration, its desire to play a leading role was not in the least inconsistent with the official religion of this nation which is Shiite Islam as opposed to Sunni Islam. The leaders of the neighbouring countries had always been Sunni Muslims, particularly Iraq which is predominantly (more than one half) Shiite. Iran under the Shah was, therefore, not loath to play on Shiite sentiments in the diplomatic disputes with Iraq that persisted up to 1975 and were to reappear more vehemently when the Islamic Republic of Iran was established in 1979.

These invocations were one of the reasons behind Iran's desire for gaining influence in the region. This growing Iranian interest in the Gulf was reflected in the steps that Iran took to expand and equip its armed forces for future responsibilities in the area. The Shah, in an interview in 1960 said: "We are doing everything we can to regain our historic and natural position in the Persian Gulf"⁸. Consequently Iran launched its military build up in 1965, when the Majlis voted $400 millions to strengthen the armed forces. This was designed to buttress Iran's military capabilities in the Gulf. By the time the British withdrawal was completed in December, 1971, Iran had

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⁷. Ibid., p. 10
⁸. This Conference took place on 23 April 1960. See "Press Conference of His Imperial Majesty Mohammad Reza Shah Pahlavi of Iran", p. 15.
invested a lot more in armaments to acquire a squadron of Hoovercraft, two squadrons of F-4 Phantom aircraft and British built Rapier ground-to-air missiles. Besides these, a large number of Chieftan tanks were on order from Britain and a new naval base at Bander Abbas was under construction. This marked the beginning of Iran's forward policy in the Gulf.

It clearly indicates the Iranian leadership's interest in Gulf affairs. The belief in Iran's "National Right" in the Gulf, combined with the glorification of Iran's earlier history, has persisted to the present day.

The ostensible purpose of Iran's Gulf policy is to safeguard its "economic lifeline" running through the Gulf and the Indian Ocean singly or in cooperation with the littoral states. But Tehran's platitudinous pronouncements on the common destiny of the littoral states - around the Gulf and the Indian Ocean - are at variance with its surging military might which exceeds the requirements of legitimate defence and hence the nervousness of its immediate neighbours.

ii) Iran and the Kuwaiti Incident, 1961:

Kuwait, the first among the smaller lower Gulf states to gain independence, found its right to emerge as a political entity being stridently questioned by Iraq, its big

neighbour in the north. This assertion by Iraq of claim to Kuwait in June 1961 came at a time of poor Iran - Iraq relations. Although Iran had attempted without success to establish consular representative in Kuwait a few years earlier, it had no formal ties with the nascent state at the outbreak of the crisis because of Britain's management of Kuwait's foreign affairs. But, in fact, Britain in order to allow Kuwaiti diplomats to acquire experience, had relinquished control of Kuwait's foreign relations several months prior to the formal announcement of Kuwait's independence in June 1961. During this transitional period, in February 1961, it was announced that in order to bolster close commercial and cultural ties Iran and Kuwait would shortly establish consular facilities. The Shah of Iran, in a congratulatory telegram to the Sheikh of Kuwait, welcomed Britain's announcement of relinquishment of control of Kuwait's foreign relations, and hence Kuwait's achievement of full independence in June 1961¹⁰. On July 8, 1961 an Iranian delegation visited Kuwait on a three day goodwill mission as a guest of the Kuwaiti ruler¹¹.

Faced with actual assertion by Iraq of its claim to Kuwait and subsequent reiteration of its threat to annex it to Iraq, Kuwait had no choice left but to invite British troops to protect it. It is significant to note that the Iranian government supported the territorial integrity of

¹¹. Chubin and Zabih, No. 1, p. 197.
Kuwait as far as her meager resources, domestic fragility, and pre-occupation elsewhere, permitted. Iraq slapped an embargo on the sale of provisions and food to Kuwait, thereby creating a fear psychosis among the Kuwaitis. The Iranian government came forward with supplies of food and other provisions. Between 70 and 100 launches loaded with food crossed the Gulf waters everyday. And when the Iraqi naval patrols fired on these launches and threatened to block this source of supply, it was reported that the Iranian navy had instructions to protect these motor launches.\footnote{12}{Tehran Journal, 28 June and 1 July 1961, New York Times, 30 June, 1961.}

Britain was allowed by the Iranian government the use of its airspace during this incident. When Kuwait decided to replace the British troops with that of the Arab League, Iran supported this move, and it subsequently backed Kuwait's application for membership as a sovereign nation in the United Nations.

Iran, despite the Iraqi Foreign Minister Hashim Jawad's warning in December 1961 that his country would reconsider its relations with any state establishing diplomatic ties with Kuwait, risked the consequence of recognising Kuwait. As a protest against the arrival of Iran's first ambassador\footnote{13}{He was Mohammad Hajeb Davloo, a 70 year old career diplomat.} to Kuwait in October 1961, Baghdad recalled its envoy from Tehran.\footnote{14}{Tehran Journal, 6 March, 1962.} Kuwait's first ambassador arrived in Tehran on 5th March 1967 and subsequently in June the
Kuwaiti embassy in Tehran was officially inaugurated. The same month, on the first anniversary of Kuwait's independence, two Iranian delegations, one official and the other non-official, visited Kuwait. After the visit it was reported that the Kuwaiti government was keen on establishing closer relations with Iran.

The 1961 Kuwaiti episode was a sharp reminder to Tehran of the importance of the Gulf to it in future, in particular after the British departure. It also acted as a pointer to the possibility of more such claims in the future without a British presence in the region. (It must be emphasized that the Iranian government has been unable to see analogies between its own historically based claims and similar claims by the Arab States). The British presence, while probably instrumental in preventing Kuwait's annexation, aggravated and influenced Arab nationalism everywhere, including Kuwait by interjecting the question of British Western imperialism, into local politics. Qasim and Nasser agreed that Britain's relationship with Kuwait "was a patent case of imperialism as could be found in any textbook"15 but they were unable to agree on what to do about it. This posed a serious question to the Iranian policy makers. Were Iraq and Egypt to agree on what to do in the Gulf politics without the presence of the British, then Iran would have to be prepared for any eventuality.

Secondly, the war in Yemen which started in 1962

developed into a rivalry between Saudi Arabia and Egypt. Iran’s relations with Egypt had been cut off in 1960, and the Shah distrusted Nasser’s pretensions to Arab leadership, particularly as they implied the right to export republicanism and share in the Arab oil wealth in the Persian Gulf. Threatened by Nasser’s pronouncements, Iran closed ranks with Saudi Arabia to contain Nasser’s intrusion into the region as well as to enhance its own position.

iii) Iranian Interests in the Gulf:

The development of Iranian interests in the Gulf, as evident from Shah’s statements and newspaper coverage, took the form of the nations glorifications of its ancient history and a mythical reinterpretation of its linkages and role in the Gulf region. This was portrayed in a form directly aimed at achieving current political aims.

Iranian interests in the Gulf are many and varied. Comprising some 1300 kilometers of Iran’s coast line from the Shatt al-Arab to the Gulf of Oman, the Persian Gulf is Iran’s only maritime outlet to the rest of the world. It, thus, serves as a vital life line for the country’s commerce for both imports, and exports, the latter for both oil and non oil products\(^\text{16}\). Iran, unlike Saudi Arabia and Iraq, possesses no pipe line to the Mediterranean; thus it is disproportionally dependent on transit through the Gulf for its oil exports. Secondly, Iran has certain vital

\(^{16}\) Agwani, No. 3, p. 82.
strategic interests in the Gulf. These are: a) to ensure maintenance of free navigation in the Gulf b) to protect vulnerable and costly oil installations (and cargoes) from damage, and c) to guard against if not prevent, the entrenchment of unfriendly Arab movements or regimes in the nearby Gulf states. Thus, the Iranians perceived a potential threat from the radical Arab elements under the influence of Nasser. Had such a threat materialised, then Iran would have suffered some restricted use of the Gulf for transportation of its oil and other commercial goods. Further, in this hostile environment the Gulf would have become a frame and base for implementing Arab claims to the province of Khuzistan. Moreover, Iran paid more attention towards the Gulf because of its proximity to the rich oil fields in the southeast and for the oil rich continental shelf that lay beneath its contested waters. The terrain between Tehran and southwest provinces is rugged, in part mountains and communication was poor. The writ of the central government had rarely extended to the coastal provinces before Reza Shah's, the father of Mohammad Reza Shah Pahlavi, period and there remained the habit of autonomy. In addition to the paucity of development in the hinterland, the Southern ports were inadequate for Iran's burgeoning needs. The oil industry in the south remained, in the fifties, an enclave in the economy, with little linkage to the nation's social fabric and its economic life.

17. Chubin and Zabih, n. 1, p. 200
18. Ibid., p. 200
The Shatt al-Arab incident of December 1953, and the growing tension between Iran and Iraq over the 1961 Kuwaiti incident, seriously threatened Iran’s commerce. One of Iran’s major ports for the export of oil—Abadan—lay in contested waters, hence susceptible to Iraqi pressure. Moreover, because of the shallowness of the channel of Shatt al-Arab leading to Abadan, and the tidal conditions therein, that part could not accommodate the new and increasingly used supertankers and be under exclusive and uncontested Iranian sovereignty.

Therefore, the economic and political importance of Iranian foreign policy demanded a strong Iran, both economically and politically in order to protect its economic interests which was susceptible to Iraqi pressures. It is with this view that the port of Mahshahr was selected to replace Abadan so that it could handle the supertankers and be exclusively under Iranian sovereignty. Mahshahr emerged as a major port for the export of refined oil products. More important was the development of Kharg island as an oil terminal. This island, some 25 miles off the Iranian coast, six miles long and two and half miles wide, is situated close enough to the oil fields of Gachsaran and Agha Jari to contemplate its conversion into an offshore oil terminal. Pipeline from the mainland was constructed and export began in 1963. Today Kharg island is the world’s largest oil export terminal, connected to the mainland by four 30 inch pipelines and the island has a large capacity and extensive berthing facilities to
accomodate the largest tankers.\footnote{19. Middle East Economic Digest (MEED), ix, No. 47, 10 December, 1965, p. 555.}

The economic boom in the mid-1960s accentuated the government's efforts to allocate more resources for the development of the Gulf. As part of its strategy to rejuvenate the economy of the region, which reflected in the development of a dam complex in Khuzistan, a sugar refinery project, a petrochemical complex, a microwave communication system and the development of agro industries, Iran turned, especially, to the modernization of its southern ports which increasingly threatened to prove bottlenecks in its export trade. In 1964, Iran negotiated a loan of twenty million dollars from the US to develop the port of Bander Abbas situated near the strategic strait of Harmuz. This was done with a motive to attract merchant shipping as well as to accommodate the projected increase in the size of the navy.\footnote{20. MEED, xi, No. 11, 16 March, 1967, p. 244.} The Shah himself, was personally and enthusiastically involved in the decisions affecting the development of Iran in general and the South in particular. He had staked the whole of his personal prestige, and indeed the institution of the monarchy itself, on an attempt to raise Iran from the ranks of the underdeveloped nation so as to enable it to join ranks with the newly industrialised region of Asia, such as South Korea, Hong Kong and Taiwan. The Shah was well aware that the gap between developing and developed nations was widening rather than shrinking. If
Iran was ever to have a chance of raising the standards of living of its people and, thereby, its prestige internationally as well as in the neighbourhood, time was of the essence.

As part of the modernization programme, Iran concluded in 1965, an agreement with Dutch, Swedish, and German firms to convert Bushshahr into a modern port. This was done with the interest of accommodating the berthing of large naval crafts\(^{21}\). Even smaller ports like Bander Shahpur (east of Abadan), Bandar-e-Jask, Bandar-e-Dayyer, and Bandar-e-Lengeh were all developed and expanded\(^ {22}\). Stress was laid on the importance of developing these southern ports for facilitating the movement of cargo and potential for future strategic use. Iran was soon to order ten Hovercrafts for coastal patrol work in 1967 from Britain and received these in March 1968.\(^ {23}\)

The rivalry between Iran and Iraq was partly due to the exigency of economics and partly a reflection of Iran's desire to dominate the Persian Gulf region. During the propaganda war between the two countries in 1960s and 1970s the Shah was not loath to play on the Shiite sentiments. The leaders of Iraq had always been Sunni Muslims ruling an Arab country that is predominantly Shiite. Iran identified Iraqi leadership with Yezid -- the ruler of Iraq who, in the

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22. The interest in the South was reflected in the Shah’s visit to Bander Abbas. See Kehan, Tehran, 11 November 1967.
23. Costing 3.5 million pounds, eights of these were small of the SRN-6, model, and two were BH-7, 40 ton models, see MEED, xi, No. 37, 5 October, 1967, p. 669.
seventeenth century killed Hossein, the grandson of Prophet Mohammad and one of the founders and martyred heroes of Shii Islam. Besides, the animosity between the two countries saw the Iraqi Kurds being used as pawns in the hands of the Shah, who assisted them financially and militarily to fight the Baghdad regime. Though there was a temporary respite in the hostilities between the two rivals when the Treaty of Algiers was signed in 1975, it was to take an ugly turn when the Islamic Republic of Iran was established following the revolution in Iran in 1979.

The erosion of the rigid bi-polarity of international system, reflected in the East-West dichotomy, increased the importance of regional factors in determining Arab-Iranian relations, although the Arabs' and Iranias' superpower connections would continue to affect their ties. The most systemic factor has been the gradual but complete integration of the Arab side of the Gulf into the Arab world. This development has brought Iran into closer interaction with the Arab world and has meant that the Iranians' and Arab's respective positions on regional and international issues have become of increasing significance for the other party. Thus, during the 1960s and 1970s, when Iran was part of a Western-sponsored security pact and was actively involved in combating radical forces in the region trying to gain a foothold as a result of Nasser's Arabism as also because of Soviet-Iraqi treaty of April 1972, it became a prime target of Arab radical subversion while maintaining
reasonably good relations with Arab moderates\textsuperscript{24}.

Iran’s new found priorities and increasing interest in the Gulf, \textit{inter alia}, as a result of the political imperatives discussed earlier, was reflected in the disposition of its armed forces. Iran undertook a joint military exercise with the United States in April 1964 code named Operation Dilaware. Annual military exercise under the auspices of CENTO known as MIDLINK, with an increased naval Components, had become a common feature. Re-assured by the American interest in the region, the Shah of Iran publicly declared in March 1965 that in future Iran’s military would pay special attention to the Gulf. Subsequently, a 400-million dollar arms appropriation bill was passed by the Majlis, a large portion of which was devoted to the navy\textsuperscript{25}. In the spring of 1967 Tehran announced the formation of a new Third Army Corps which was to be based on the southern city of Shiraz. The diminution of Soviet threat, a more stable domestic polity, and a Bouyant economy helped Tehran give concrete shape to its interests in the Gulf. It was accelerated by the fear of Nasser’s radicalization of the Gulf States.

The rulers of the trucial states, as well as Qatar and Bahrain had entrusted the management of their foreign

\textsuperscript{24} For example, Radical Arab regimes from Nasser’s Egypt to Qadhafi’s Libya rendered all forms of assistance to anti-Shah forces in Iran. See Amir Taheri, \textit{Holy Terror: Inside the World of Islamic Terrorism} (Maryland: Adler and Adler, 1987); p. 130.

\textsuperscript{25} See \textit{MEED}, x, No. 32, 2 September, 1966, p. 394, Also see \textit{Ettelaat} (Tehran), 10 March and 10 November 1965.
affairs to Britain which did not prohibit contacts between them and friendly states. The Sheikhs of Dubai, Ras al Khaimah, Ajman and Qatar visited Iran in September - November 1959. In 1962 the rulers of Dubai, Abu Dhabi and Sharjah also paid visits to Tehran, the Sheikh of Dubai returned again in 1965. An Iranian delegation visited Dubai in 1962 to inaugurate an Iranian school there\textsuperscript{26}.

The rulers of the Gulf Sheikhdoms even owned property in Shiraz or near the Caspian Sea, which they visited often for hunting a falconary expeditions Acts of generosity marked the relations between the heads of States, such as Sheikh Shakhbut of Abu Dhabi's gift of 25,000 pounds to Iranian earthquake victims\textsuperscript{27}.

Despite the occasional contacts between Iran and the Sheikhs of the Gulf region, Iran did little to help in the development of these states. Unlike Kuwait and Saudi Arabia, which undertook the development of poorer states and contributed towards the cost of medical dispensaries, clinics or education, Iran did little to enhance its image in the region. The Iranian diplomacy, marked by excessively strident defensiveness, was severely handicapped by its preoccupation with Nassir's radicalism, its various claims in the Gulf and the issue of Iranian immigration. This resulted in a confused policy of asserting rights without


\textsuperscript{27} Shykh Shakhbut was not known for his generosity, see Chubin and Zabih, no. 1, p. 203.
acknowledging commensurate responsibilities. Tehran's one, and apparently only, object was to keep the Sheikhdoms away from Nasser. Instead of taking active interest in supporting the various development boards and agencies aimed at assisting the economic growth of the Gulf states, it chose to remain aloof, thereby creating a mulish image.

Being paranoid about the presence of the Egyptian nationals in the Gulf, the Iranian policy makers were unable to accept or even admit that the mere presence of Egyptians in the Gulf Sheikhdoms did not ipso facto indicate an Egyptian ploy to take over these Sheikhdoms Iran, instead of supplying alternative source for the development of this region, limited its diplomacy until 1967 to asserting its own rights in the Gulf. It viewed the Egyptian technicians as instruments of their governments annexationist policy, while remaining oblivious to the logical analogy that the uneducated Iranian immigrants might attract a similar charge. Iran thus conducted its shrill diplomacy prior to 1967, in which there was little evidence of constructive foresight. The augmentation of Iranian military capabilities in the Gulf replaced, even substituted for, diplomacy in Iran's foreign relations in the Gulf. It asserted on the one hand that Gulf security rested on littoral states and that it could not tolerate the economic or political domination or exploitation of the area under any gains, while or the other hand it conceded that the people of the area had a right to self-determination and to voluntary integration. It was this general orientation that prompted the Economist's correspondent to observe in 1966:
"From the Arabian shore to the Gulf, Iran appears alien, even irrelevent." 28 Little did Iran realise that the movement of populace between the Gulf Coasts was accelerated by the discovery of oil and the consequent economic boom in the Coastal Sheikhdoms of the Gulf. Lacking the populace and expertise these newly thriving principalities welcomed the floating intellegetna, merrercentile clase, and mobile labour force. These groups consisted of Iranians, Indians, Pakistanis, and emigre Arabs mainly Palestinians and Egyptians. The Times pointed out "These foreigners cannot be dispersed with, but they are tolerated rather than absorbed29.

However, since 1965 and with the resurrection of the defunct former Persian Gulf section of the foreign ministry, the Iranian government devoted increased attention to improving commercial and cultural ties with the Gulf states30. There was a systematic effort to open the Gulf states to Iranian trade, and even cultural exchange was encouraged. This assumed a political dimension and became one of the tools in the hands of Iranian policy makers in dealing with the Gulf Sheikhdoms. Posing as the benevolent status quo power, polishing the image of natural guardian and benevolent elder brother, Iran could use its size and resources to make useful commercial agreements with the Gulf.

States. It could even use its educational and manpower advantages to extend technical aid to the Gulf States.

By doing this it hoped not only to establish its relations with the Gulf States on a firm footing but also to acquire a potentially rich market for its exports as well as to prevent the complete domination of the poorer Sheikhdoms by other Arab states. It sought to achieve stability in the region which would give it the necessary room to make an impact on the region.

(IV) THE GULF FEDERATION AND BAHRAIN QUESTION:

The announcement of the proposed British withdrawal from the Gulf had considerable ramifications for Iran's policy towards the Sheikhdoms and the Bahrain question in particular. There was no doubt in Tehran that Britain would withdraw from the Gulf some times in future. However, unlike neighbouring Iraq, Iran had not called for a British withdrawal from the region. Yet it had prepared itself militarily by augmenting steadily its military arsenals in the previous years to meet any such eventuality. The timing of the announcement, 16 January 1968, coming just two months after the British assurances that it would stay until 1975 caught Tehran without a Gulf or Bahrain "policy". Nor did it have the necessary diplomatic machinery, either in terms of area specialists, linguists, or outlook to take an active diplomatic role immediately.

31. For example, in February 1967 Iran ordered four destroyers from Britain, obtaining a 13 million pound loan for the purchase. See The Times (London), 16 February 1967.

32. See Chubin and Zabih, n. 1, p. 215.
Tehran's diplomacy in the next four years was essentially negative. It got caught in the mire due to lack of expertise and the unwillingness to do the necessary research and analysis so basic and yet so vital to any functioning organisation. It was basically dependent on personal diplomacy with all its advantages and disadvantages.

The announcement of British withdrawal came at a time when the leaders of the Gulf region had undertaken a fraternization process. On 17th January the Sheikh of Bahrain, while concluding a three-day visit to Saudi Arabia, was able to extract from the Saudi rulers "full support for the government of Bahrain in all circumstances". 33

There was a strong reaction in Tehran which in protest, called off a scheduled visit of the Shah to Saudi Arabia. This marked the hardening of stand by Tehran regarding the division of the continental shelf. 34. Earlier, the Iranian government had exposed its displeasure to Saudi Arabia over Bahrain and Kuwait and on the latter's reference to the Arabism of the Gulf 35. The Arabian littoral of the Gulf witnessed hectic diplomatic activity; the Kuwaiti foreign minister visited Saudi Arabia, the ruler of Bahrain went to Iraq, Cairo supported King Faisal's leadership in the Gulf. As a result of this diplomatic thrust a proposed union of

34. See Los Angeles Times, 9 February, 1968.
35. Prime Minister's Hoveydas' Comments on the Gulf is found in Keyhan, 1 April, 1968, Also see The Times (London), 2 April, 1968.
Arabian Emirates consisting of seven trucial states plus Bahrain and Qatar was announced on 26 February. Except Syria the other Arab states welcomed this step. Because of Bahrain's presence in the proposed union the Iranian response was negative. On 13 March, in a speech in Isfahan, the Shah warned certain unnamed states to honour Iran's interest in the Gulf lest Tehran ignored theirs.

The Iranian regime, expressing its protest over Bahrain's inclusion in the proposed union, made it very clear that Britain had no right to give away to others what it had obtained by force (i.e. the Bahrain islands) and that it reserved its rights in the Gulf and would not tolerate this "historical injustice". To make its position felt Tehran sent a note to the Saudi government on 1st April saying that "it reserved its historical rights in the Gulf region."36 The Saudi and the Kuwaiti governments continued to actively support the creation of the federation. In an interview to the New York Times on 22 May King Faisal of Saudi Arabia said: "There need be no vacuum in that area when the British leave in 1971 as long as the federation receives the support of the US and its neighbours. We certainly support it37."

The Shah of Iran, in an interview, while accusing Britain of manipulation, explained Tehran's opposition to the proposed federation on the basis of its imperialist 36. Mid - East Mirror, 6 April, 1968.
origin. He insisted that Britain's departure from the region must be "genuine" and that Iran was prepared to cooperate with the other Gulf states for the defence of the region, but raised a new objection to the federation by questioning its viability. He pointed out that tribalism and federalism are not coexistent. Similar British attempts at federalism in South Arabia, Nigeria and Rhodesia had met with little success.

However, Tehran's opposition to the federation did not come in the way of its bilateral relations with the individual Gulf states. The rulers of Fujairah and Ras al-Khaimah visited Tehran in the summer and autumn of 1968, in August the Sheikh of Dubai, and the rulers of Qatar and Abu Dhabi in November, all visited Iran and discussed the future of the Gulf. The Shah of Iran also paid official visits to the Saudi capital from 9-14 November and from there to Kuwait from 15-17 November. Although what transpired in these meetings is not clearly known but significant to the point was the statement made by the Shah of Iran in New Delhi on 5 January 1969 wherein he declared that Tehran would not use force to reclaim Bahrain and that it would listen sympathetically to the wishes of the inhabitants of the archipelago in determining their future. It marked a turning point in that it ended or could have ended Iran's opposition to the federation on the basis of Bahrain's

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inclusion in it.

However, Iran's rigid posture believed all expectations for a conciliation. Tehran continued to insist that it would not recognise a federation which included Bahrain. In June 1969 the Shah declared that "Once the question of Bahrain to which Iran lays claim, is settled, there would be no objection to a federation of the Shaykhdoms"41.

There were very few alternatives left to the federation of the nine Gulf states -- i.e. the seven trucial states plus Bahrain and Qatar. They could either proceed in defiance of Iran and risk Tehran's displeasure or it could drop Bahrain out of it until its status was clarified or else the formation of the federation itself could be delayed till Bahrain's status was settled. Although Tehran's opposition had a strong influence on the lack of progress of the federation, the matter was made complicated by the influence exerted by the "great powers" -- Iran, Iraq, Saudi Arabia and Kuwait -- of the Gulf. While Saudi Arabia wanted Bahrain's inclusion in the union to under cut its rival Abu Dhabi, Kuwait wished to have the union of nine states but under its own influence. Iran had a good friend in Dubai which could lobby for Tehran in the union. Within the union also there was a competition for prominence. There was a race for power between Bahrain and Qatar and on the other hand being the richest of the seven trucial states, Abu Dhabi and Dubai competed for power.

41. The Times (London), 10 June 1969.
The disputed status of Bahrain continued to be a hurdle in the formation of the federation. However, there were encouraging signs towards the settlement of the dispute when in March 1970 Iran and Britain agreed to allow a representative of the Secretary General of the United Nations to ascertain the wishes of its people. The findings made public on 2 May 1970, were unanimously endorsed by the UN Security Council on 11 May and approved by the Iranian Parliament on 14 May 1970. This was to mark a new era in Iran's Gulf relations, in that "Iran would no longer use her influence among the Gulf States to prevent the formation of the United Arab Emirites (U.A.E.) of which, Bahrain is a member".42

Throughout the period between the announcement of Britain's withdrawal and the settlement of Bahrain's status through the UN, Iran constantly refused to discuss "the future of what is part of one's own country". Iran's attitude towards the nascent union was ostensibly dependent on Bahrain's inclusion in it. However, when the Shah decided to relinquish the claim gracefully, his decision was not matched by the readiness to drop Iran's opposition to the federation until March 1970. This accounted for the constant refrain that Iran would not accept fait accompli in the Gulf. It insisted on Britain's "genuine withdrawal" and above all it emphasised on its responsibilities to

42. The Times (London), 30 March 1970.
43. This phrase was used by the Shah of Iran in his new Delhi Press Conference and cited in chubin and Zabih, no. 1, p. 214.
secure the defence of the Gulf. It, therefore, did not lend its support to the federation because, in its opinion, while the federation would strengthen the small Gulf states, it might leave them vulnerable to control by an Arab rival. Iran preferred, in general to deal with them on a bilateral basis.

In reviving the claim on the archipelago on the eve of Britain's military departure, the Shah was subject to certain domestic political pressures on the issues allegedly involving Iran's national heritage. Iran had maintained but did not press the claim prior to the announcement and ignored its implications for the Gulf politics. Politically weak, as he was in the 1960s, the Shah felt it essential to have a plebiscite in the archipelago, despite the obvious results, in order to protect himself as his nationalist integrity was called into question. The extreme, often xenophobic, nationalism of both right and left in Iran had prevented the Shah from acting on this issue. The right wing pan-Islamist party had called for an Iranian invasion of Bahrain's in 1961 on the model of India's Seizure of Goa. The Iranian foreign ministry underestimated the impact of the claim on an Arab state in the mid 1950s and did not examine the practical implications of maintaining the claim.

in an era of Arab nationalism and Iran-Arab hostility. The problems raised by the maintenance of the claim on Bahrain can be summarised as follows: 1) It confirmed some of the worst fears of the smaller states about Iran’s intentions and lent credence to the charges made intermittently by Baghdad, Damascus and Cairo, 2) It severely complicated Iran - Saudi relations, given its proximity and its economic ties with the archipelago, 3) It placed moderate Arab states such as Kuwait, in a difficult position, 4) If realized, the claim would have given Iran an extraordinary staging point close to the Arabian peninsula and could interfere with the division of the Gulf’s continental shelf, 5) It threatened to open up the Pandora’s box of past claims and historical irridenta which could make a shambles of the union, 6) The assertion of the claim complicated and postponed agreement on a union. For all these reasons, the rejection of Iran’s claim was an issue on which all the Gulf Arab states could agree. If persevered in, it could have provoked an Iran - Arab confrontation and polarization which would have doomed any hope for a cooperative security system in the Gulf.

Thus, it was in the larger interest of Iran to settle the Bahrain issue amicably. The credibility of the claim was itself being eroded to the extent that even projecting it as a purely Iran Britain dispute was also refuted, hence the claim could not be credibly or indefinitely sustained46. The settlement of Bahrain's status did not diminish

46. One Iranian diplomat repeated the government's official and unrealistic line by maintaining that Bahrain "is a question separate from (Iran's) desire for cooperation with the Gulf states". See Christian Science Monitor, 6 March, 1968.
Iranian skepticism about the federation as to its proposed function as well as its parentage. Voicing his concern, the Shah said in an interview:

As regards the Arab countries, we really do not have any problems with them unless they create one. The only difficulty is that certain of these Arab countries that presently exist or are about to be created believe that they must become successors and heirs of Britain’s ancient imperialism. If they want to follow this path we will have our difficulties. Otherwise we do not have any problems between us.

Consequently it opened up ways for new objections. Tehran now insisted that its support for the federation was contingent upon Iran’s possession of the three long disputed islands, the Greater and the Lesser Tumbs, and Abu Musa.

Although Iran sought to obtain these islands, situated near the strategic strait of Hormuz, as a part of a package deal in which it relinquished its claim to Bahrain, no formal or explicit agreement on such a quid pro quo was reached. Iran had hoped that in the wake of the goodwill created by the settlement of the Bahrain issue Britain would

47. The interviews was with A.M. Rendel of The Times (London), 13 April, 1970. Persian Text in Ayandgan, 14 April, 1970.
not oppose its claim to these islands and that it might even use its influence on the respective Sheikhdoms on behalf of Iran’s claim. Britain, regarded the islands as under the sovereignty of Sharjah and Ras al-Khaimah.

The Iranian government considered these islands as part of its own territory and put forth the following arguments in favour of its claim: 1) Iran claimed the islands as its own because they were under its sovereignty until eighty years ago. Iranian assertion was that Britain had used force to acquire these islands and subsequently transferred them to Sharjah and Ras al-Khaimah. It contended that Britain could not hand over property of others, which it had obtained by force, to its wards. Thus, these islands belonged to Iran for all historical reasons. 2) Another argument put forth by the Iranian leadership was that of geographic-strategic necessity. Lying, as it is, at a "Critical Choke point" near the strategic and easily blockable Strait of Hormuz, these islands are closer to the Iranian territory than to the Arab Sheikhdoms claiming them. Moreover, Iran was virtually dependent on these straits for the free flow of oil and other commodities, and had a disproportionately large stake in free navigation in the Gulf, partly because of the length of its coastline, and partly because it possessed no alternative means -- i.e. pipelines -- by which to export its petroleum. 3) Tehran argued, mainly for the consumption of the Western states,

48. For the most comprehensive statements on the subject made by the Shah see The Times (London), 11 May, 1971. Also see Keyhan International, 26 June, 1971.
that Iran possessed the means for enforcing freedom of navigation for all the states of the Gulf as well as for those non-Gulf states that were interested in the continued free flow of oil to Japan, Europe, and elsewhere. It was also argued that Iran could prevent these islands from acquiring nuisance value. This argument was strengthened and acquired a new persuasiveness after the attack on an oil tanker bound for Eilat, Israel, in June 1971 which was launched by the Popular Front for the Liberation of Palestine from the narrow channel of waters known as Bab el-Mandab, near the entrance to the Red Sea. 49

However, in a decade of fervent Arab Nationalism, Iran was careful in handling the situation lest it might lead to Iran-Arab polarization in the Gulf. From the very beginning when the claim to the islands was made public i.e. from April 1970, Iran maintained that the island controversy was a "colonial one", and concerned only Britain and Iran. Though the British government accepted this notion, it depicted its role as mediator between Iran on the one hand, and Sharjah and Ras al-Khaimah on the other. Sir William Luce, Britain's special envoy to the Gulf, was deputed to play the role of the negotiator. Iran on its part, in order to bring pressure on Britain, sent a formal notification to Britain as well as to the Sheikhdoms in October 1970 that it would neither recognize nor support a federation until the ownership of the islands was settled. Also included in the

notification was a subtle threat of Iranian armed intervention in the islands. The British, alarmed by the consequences of an Iran-Arab confrontation-directed the American company, Occidental Petroleum, not to start drilling operations some seven miles offshore, off the island of Abu Musa to which Iran laid claim 50.

The Iranian government in its endeavour to maintain the pressure, moved for the first time to stir up and mobilise public emotion on the issue by means of a press campaign 51. Simultaneously, the Shah publicly declared in February 1971 that if necessary Iran would resort to force to regain the islands. Tehran went so far as to signal the length to which it was prepared to pursue its claims to the island by firing upon British aircraft accused of harassing Iranian naval forces near the disputed islands 52.

Despite Britain's placatory response, Iran continued mounting pressure on Britain. At the same time it practiced its diplomacy on the Sheikhdoms and the regional states. It offered increased economic assistance to the claimants of the islands -- Sharjah and Ras al-Khaimah. The Shah in April 1970, promised that once the dispute is settled the Sheikhdoms could "count all the more on Iran's economic

50. The Financial Times, (London), 23 May, 1970. Also see The Economist, 30 May 1970, p. 34, 6 June 1970, p. 72, The Times (London), 1 June, 1970. This matter was further complicated by the dispute between Sharjah and Umm al-Qaywan which granted overlapping concessions in the waters of Abu Musa.


The same point was once again repeated by the foreign minister in December 1970 and Iran's ambassador to London in June 1971. By supporting Egypt's position on the territories occupied by Israel both publicly and in the United Nations, Iran was able to enlist Egypt's neutrality on the issue which acted as a counter to Iraq's attempt to depict the question of the islands as an Iran-Arab issue. Cairo also agreed to stay away from interference in the Gulf despite pressures from such different sources as Britain, Iraq and the Sheikhdoms.

Despite several pressures influencing Iran's policy towards the islands, the deadline of Britain's departure—31 December 1971— from the region was most felt on Tehran's policy towards the Gulf. Since Iran maintained the issue as an Iran-Britain dispute, the date on which Britain's legal responsibilities for protection of these states was terminated assumed importance. Any military action by Iran after that date would be clearly an action directed against an Aab State—dispelling once and for all the notion of an Iran-Britain dispute. On the Arab side there was always a fear of disloyalty to the cause of Arab nationalism and the spectre of violent reaction by Iraq, Syria and perhaps other states, to any agreement that would be interpreted as "sell-out" of the Arab cause. Tehran was also wary of the

fast emerging federation as a new Arab entity, speedily recognized by the Arab League and rapidly entering the United Nations. This would complicate any unilateral Iranian action to enforce its claim to the islands. However, Iran's opposition to the federation was instrumental in persuading the Sheikhs to postpone a rapid move to independence after the announcement.\footnote{Iran threatened not only to withhold recognition but to disrupt the federation. For this and related points see the statements by the representative of the United Arab Emirates in UN Security Council, 
*Provisional Verbatim Records*, 9 December 1971, p. 107.}

On a practical plane, Iran scored a notable success in concluding an agreement with the Sheikhs of Sharjah on the future status of Abu Musa. The agreement, made public on 29 November 1971, stipulated that while the island's civilian population would remain under Sharjah's administrative jurisdiction, a specified part of the island would be placed under Iran's military control. Moreover, Iran would provide 3.75 million dollars a year in aid to Sharjah until the revenues realised from oil in the islands or its offshore waters reached 7.5 million dollars. Thereafter, oil revenues were to be split equally. On 30 November, 1971, the day the agreement came into force, Iranian troops landed on the Tumb islands and occupied them without any semblance of resistance. This demonstrated Iran's determination to play a dominant role in the Gulf after the withdrawal of the British from the region.

Official Arab reaction to the Iranian move was, on the whole, disjointed. While Saudi Arabia merely expressed

regrets over the incident, the Egyptians blamed it on the British. Only Kuwait and Iraq made official protests to Tehran. Iraq followed it up by breaking diplomatic ties with both Iran and Britain. The Trucial States witnessed large scale arson and violence targeting mainly Iranian banks and shops. Iran, on the other hand, rapidly recognized the new Union of Arab Emirates on a December 1971. However, anti Iranian feelings persisted. In February 1972 the Sheikh of Qatar was deposed while vacationing in Iran. It was reported that "informed sources believe the former ruler's trip to Iran, at a time when Arab sentiments against Iran is strong, may have been a direct cause of the coup."\(^{57}\) The deputy ruler of Sharjah was shot, allegedly for cooperating with Iranian authorities on Abu Musa. The newly created United Arab Emirates, formed on 2 December 1971, in the first statement of its Supreme Council Condemned Iran's use of force. Its representative to the United Nations expressed "the deep regret felt by the people and the government of the United Arab Emirates at the action taken by Iran in forcibly occupying some Arab islands in the Gulf."\(^{58}\).

Despite the severe criticism by its adversaries, the Iranian attitude to the repercussions of its action was firm. It refused to concede that either the Arab League or the Security Council had any jurisdiction, in what was a

domestic matter. Its spokesman in the Security Council was unpenitent, unconciliatory, and even belligerent in defending Iran's action. This was done basically for the consumption of the audience in Iran. From the Iranian point of view the agreement with Sheikh Khalid of Sharjah was a cover for Iran's acquisition of the island and a face saving formula for the Sheikh. In an extraordinary and jubilant session of parliament the Prime Minister of Iran told that Iran had reasserted its sovereignty in the islands for the first time in eighty years.

Iranian high handed behaviour, as perceived in the Gulf, had a severe impact on Iran Kuwait relations. Throughout 1972 Kuwait appeared to be waverung in its traditional neutrality in the Gulf and considering an outright pro-Iraq diplomatic posture in the Gulf. Iranian newspapers warned Kuwait on the dangers of such a policy and pointed out that it could only harm Kuwait's interests. They condemned an Iraq-Kuwait comminique which claimed that the islands were Arabs. Iran's occupation of the islands clearly reflected Tehran's determination to pursue a forward policy in the Gulf and to rely on itself for defence. However, the firmness with which Iran stuck to its stand proved a bottleneck in the discussion for the defence pact in preserving the region's security.

59. Ibid., pp. 78-87.
v) Pahlavi Iran's Security Concern in the Gulf

Britain's departure from the Gulf region in 1971 created a politico-military vacuum. The rich oil field fell under the rule and ownership of a group of mini-state whose capacity to protect them was drastically diminished. Eversince Britain, which was a symbol of security and stability in the region, announced its desire to leave the area, it had examined alternative regional means to take over its task of maintaining the security of the region. With this in mind, Britain's minister of state at the foreign office, Goronwy Roberts, during his visits to the region in January 1968 put forward a suggestion for Iran Arab cooperation in the Gulf. As far as the type of arrangement for the Gulf security was concerned Tehran's policy was characterized by vacillation and indecision. However, in the wake of Britain's announcement of its plan to withdraw its troops from the Gulf region Iran, which had prepared itself militarily through arms acquisition, was prepared and supportive of its related aim of establishing a Gulf defence pact. From this perspective, a unilateral defence posture may be viewed as a fall back position in the event that a cooperative system for ensuring Gulf security failed to materialize. Iran's readiness to participate in any form of regional cooperation for the defence of the area was received silently on the other shore of the Gulf.62 This confirmed Iranian doubt as to the reliability of the

littoral states as partners. Yet in subsequently adopting an assertive go-it alone defence posture, it only succeeded in strengthening Arab suspicion about the wisdom of the cooperative defence arrangement. Saudi Arabia's support for Bahrain and subsequent Iranian insistence on its "historical rights" in the archipelago contributed to a temporary polarization in the Gulf. Kuwait's attempt to champion the Gulf's "Arabism" met with severe criticism by Iran.

Despite Iran's moderate orientation, the growing strategic alliance between Iran and the newly created state of Israel, after the reinstatement of the Shah in 1953, was further received with alarm in both emerging radical and well established moderate/conservative Arab circles. The creation of the state of Israel in 1948 posed two fundamental problems for the Arab world. First, the loss of Arab territory and associated with it, the Palestinian diaspora, and second, the establishment of a third non-Arab (in addition to Iran and Turkey) and non-Muslim political entity in the very heart of the greater Arab homeland supported by Western "imperialism". Iran's membership of the Baghdad Pact in 1955 set the mould of Iran Arab relations and the points of conflict and association with the Arab states for the decades preceding the Iranian Revolution. Iran's chose identification with the West not only signalled its partnership with the West, but it also demarcated the boundaries of Iran-Arab relations as reflected in the prevalent East-West divide of the Middle East sub-system. Iran's increasingly visible close relations with Israel served to underline the Arab fears of
a globally pro-Western and regionally anti Arab politico-military and economic alliance emerging between Tehran and Tel-Aviv.

Despite general Arab reservations about Iran's activities in the region, the global political polarization into pro-West and pro-East block and regionally the radicalization of significant Arab states offered Iran an opportune moment to play a decisive role on the side of the moderate Arabs without having to give up its ties with Israel.

Parallel to Britain's attempt to stimulate regional defence cooperation, the Americans came forward with their own proposal. Under Secretary of State, Eugene Rostow, in a Voice of America interview on 19 January 1968, said that the United States relied on security groupings involving Iran, Turkey, Pakistan, Kuwait and Saudi Arabia to fill the vacuum left by Britain's withdrawal from the Gulf. This proposal met with all round criticism. The Times (London) characterized it as the "vast irrelevancy of his (Rostow's) proposal for a kind of old fashioned alliance groupings" was more than merely irrelevant. It tainted the idea of regional grouping with Western sponsorship, and imported afresh all the divisiveness of the cold-war, pacts, and "imperialism" into the already fragmented region. The suggestion was also bitterly criticised by Damascus, Baghdad and Cairo, which viewed it as a new "imperialist" pact, similar to the Baghdad pact. The idea was even denounced by Moscow on the grounds that such a defence system would be directed against
the security of the southern frontiers of the Soviet Union. In the light of this onslaught, Saudi Arabia and Kuwait denied any intention of joining either a military or political block\(^63\).

Iran's insufficient understanding of Arab politics and its inability to discern the pressures working on its Arab neighbours contributed towards the failure of the defence pact proposal. In a decade of fervent Arab nationalism Iran's Arab neighbours could not evade the following pressures: No Arab state could afford to associate itself in a formal pact with Iran: 1) if it appeared to be Western inspired, 2) if it appeared to be directed against any other Arab states, 3) if it thereby appeared to be underwriting present or future Iranian claims. Negative Arab reaction was thus not difficult to comprehend.

In the first place, the suggestion came from the only state in the Gulf which was militarily equipped by the West and which was a member of a pact. Thus it was ipso facto treated as Western project by Cairo, Damascus Baghdad, and Moscow. As a result Saudi Arabia and Kuwait quickly dissociated themselves from it. Secondly, in the wake of deteriorating Iran-Iraq relations it could be viewed as directed against Iraq. It being the cardinal principal of Kuwait not to take sides in intra Arab disputes, it was natural for its government not to take Iran's side in Iran

\(^63\) The Times (London), 23 January 1968. Also see Kayhan International 24 January 1968.
Arab dispute. Equally noteworthy was Kuwait's refusal to take part in an Arab pact directed against Iran. Finally, the Iranian claim to Bahrain and the three Gulf islands, and its attitude towards the federation, were not conducive to creating an atmosphere of trust.

Through the proposed defence pact Iran sought to achieve a tacit understanding with the Gulf Arab oil producing states to proportionately increase its oil production which could cover some of the expenditure of the expensive defence of the region. In addition to this, a formal defence pact would push Iran into primacy in the area wherein it could extend and legitimize its influence on the Arab littoral. However, due to inherent imbalance in the military power among the pact's members which threatened to weaken Saudi Arabia's and Kuwait's jealously guarded influence on the Sheikhdome, it was rebuffed by them. They rather preferred to have the present setting of triangular competition between Iran, Saudi Arabia and Kuwait64.

Despite the lack of enthusiasm for its defence project, Iran did not discard the idea of defence cooperation with its neighbours. With the improvement of relations with Saudi Arabia in June 1968, and particularly after the Shah's November visit to Saudi Arabia and Kuwait the project was quietly revived.

In May-June 1969, after the conciliatory gesture made in

64. Sheikh Rashid of Dubai's comment about the security of the emirates: "The Arabs know that if they try to interfere they will have to face Iran, and Iran knows that if she tries to interfere she will have to face the Arabs. As long as both sides recognize that, there will be no trouble", See The Times (London): 11 February 1971.
a speech in New Delhi in January, the Shah outlined the form such a pact might take. Speaking to Alfred Friendly of the *Washington Post* the Shah emphasized that while Iran had no desire to play the role of "grandfather" in the Gulf, it would instead propose the creation of a defence pact, if the littoral states were agreeable\(^6\). He elaborated on this to Winston Churchill of *The Times* (London):

> We would be willing, in conjunction with Saudi Arabia, to provide protection for the Gulf states. Our paratroop and armoured regiments at Shiraz can give them as much protection as the British forces in the area today ... We would like to see a common defence policy established for the area. We would propose that the Persian Gulf become a closed sea, and that the port of Bahrain could be used as a joint base\(^6\).

The practical implementation of such a project manifestly rested on a shared perception by the littoral states of threats to the Gulf's security, and on these states' ability to work together. Neither of these conditions were met at this time, primarily due to the Iranian government's continued claim to Bahrain and its


refusal to support a federation in advance of a settlement of this claim. Thus the efforts to give a tangible shape to a defence agreement was delayed until May 1970. But the under current in Iran's policy of relying on its own resources was also a discernible feature of its Gulf policy at this time. The official year-book of Iran's foreign relations in 1969-70 expressed this clearly: Iran is prepared to cooperate with any and all litoral states, but if they are unwilling, Iran is equally prepared to act on its own67.

The shift in Iran's foreign policy from that of cooperation to self-reliance for defence and the adoption of a stance as that of responsible guardian of the Gulf occurred not only because of the failure of the defence pact project but also due to Iran's skepticism of the reliability or durability of the Sheikhdoms and the proposed federation. In an interview the Shah, expressing his concern about the threats to the Gulf's stability, said: "The threats come from weak governments, weak countries, corrupt countries, where the elements of subversion will have free ground for their activities, free hunting, if I can say so .... So the threats will come .... at the beginning, and in most cases from internal struggles and strife and destruction68.

Paralleling the Shah's anxiety about the stability of the Gulf States there was doubt regarding their ability to

68. See NBT-TV, "Meet the Pres", XII, No. 41, 26 October, 1965, pp. 4-5, Cited in Chubin and Zabih, no. 1, p. 242.
contribute meaningfully to the Gulf's defence. For all practical purposes even if it meant cooperation with the Arab States in the defence of the Gulf, Iran would have to bear the brunt of the defence burden, at least for a few years. Iran considered Saudi Arabia as the only viable partner in the Gulf. But even in this case it would take five to six years for Saudi armed forces to come to a point where they could be taken seriously.  

Considering the fact that no pact was forthcoming and that Iran was the only state possessing naval power in the region, it moved into assuming its responsibilities in the region. The Shah put this clearly in May 1970, saying that "We will have to do the job ourselves if necessary, where defence and keeping the sea-lanes open are concerned."

This Iranian posture was explained by the Shah's shock and dismay at finding little or no CENTO or SEATO aid forthcoming for Pakistan in 1965 (or in 1971), or NATO or CENTO aid for Turkey on its Cyprus dispute. The Shah was similarly upset by Washington's recognition of the Republic of Yemen and refusal to consider Nasser a serious menace to the Persian Gulf. The Shah was annoyed by Britain's failure either to provide a defence treaty with or defend, the South Arabian Federation, and by its readiness to relinquish Aden under what Tehran believed was Nasserite pressure.

However, the Shah was prudent enough to recognize the

69. New York Times, 10 May 1970
70. Ibid.
United States and Britain as viable partners if Iran was to play a more active regional role. The Shah was able to convince Britain and the US that their mutual interests dictate the augmentation of Iran's military establishment to enable it to assume a more active role in the region's defence.

The West's advantage, particularly of the US, in the region is that out of eight Gulf states six small but oil-rich states (Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Oman and Bahrain) and even Iran up to 1978-79 revolution, accounting for one half of the total OPEC production of the oil, have been under varying degree of Western influence. Therefore, for the sake of US interests i.e. "continued access to the Gulf oil supplies at reasonable prices and in sufficient quantities", it is important that these friendly regimes are not disturbed by any internal or external threat. It also adopted a strategy of recycling petro-dollars back into the US economy by selling high cost weapons and other goods and services to the friendly regimes on the pretext of security. Based on this premise the US has been at the forefront in its role to ensure the security of the region.

71. This is how the US State department has defined its interest in the Gulf in 1973 to US Congress HOR Hearing before the sub committee on the Near East and South Asia of the Committee on Foreign Affairs, New Perspective on Persian Gulf (Congress, First Session, Washington DC, 1973) p. 2.

72. The Deputy Secretary of Defence William P. Clements stressing the point told the American Congress that "any slow down in the export of arms decreases the political contribution in strengthening both free world security and the US balance of payment position quoted by Michael Tclare"Army and the Shah : The rise and fall of surrogate Strategy", The Progressive (Madison, August, 1979), p. 18.
However, to avoid the incitement of local nationalist feelings against its direct presence in the region it was decided to prop up the regional influentials. Under this strategy -- commonly referred to as Nexion Doctrine -- it was decided to recruit and be helpful to local powers to replace Britain. This meant entrusting some local country to take up the role of the policeman in the Gulf region. Speaking about the decision the former Under Secretary of State, Joseph J. Sisco, says: "We decided that we would try to stimulate and be helpful to key countries in the area -- namely Iran and Saudi Arabia, stimulate cooperation between these two countries so that they could become major elements of stability" as the British were getting out\(^73\). Thus the two-pillar policy become an instrument of operationalising the "Nixon Doctrine"\(^74\).

The choice of Iran and not Saudi Arabia, which was picked to play the key role under this doctrine, could be justified for several reasons. First, while the rulers in Saudi Arabia were largely concerned with dynastic matters in inter-Arab affairs, the Shah of Iran had his own ambition of making Iran a great power. He had long affirmed Iran's role as the "guardian of the Gulf". He was not averse to assuming a grandiose role for his country\(^75\). The US had another advantage with regard to Iran namely, Washington

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73. Ibid., pp. 16-17.
75. Henry Kissinger, The White House Years (New Delhi, 1979), p. 1269. In his words "Fortunately, Iran was willing to play the role".
needed to consult only one individual when critical decisions had to be made. Such was not the case with Saudi Arabia. It was relatively difficult to deal with a large royal family and other important people involved in the policy making in the state. Again Iran, because of its relatively developed infrastructure and manpower potential was better equipped for the role designed by the US76.

Therefore, deciding on the basis of these considerations under this strategy President Nixon and Secretary of State, Henry Kissinger flew to Tehran in May 1972 and signed a "Secret agreement with the Shah, whereby Iran was permitted to order virtually any weapons system it wanted". Saudi Arabia, also got access to these sophisticated arms. Therefore, the outstanding feature of the policy in 70s was a massive transfer of arms to the Gulf and also helped the US to recycle a large chunk of petro dollars which the Gulf state were earning through the inflated oil price77.

The 1970s saw the accentuation of rivalry over OPEC oil policy between Iran and Saudi Arabia and by association over the control of the affairs of the increasingly wealthy and strategically important Gulf region. Both Iran and Saudi Arabia were determined to employ their newly found financial wealth to curry favours with other states in the region. Security and strategic considerations formed the basic

77. See Michael, no. 72, pp. 18. For further details see K.R. Singh, Iran Quest for Security, (New Delhi : Vikas, 1980).
determinant of Iran's economic aid policy. In fact, the basic aim of both Iran and Saudi Arabia was the military domination of the Persian Gulf region. They were oblivious to the implicit threat they were posing to the moderate camp's position in the regional balance of power. The policies pursued by the two states were inspired partly by competition with each other, partly by competition with Iraq, and partly in conjunction with the "twin-pillar" strategy developed in Washington.

But Iran's swift recognition of Kuwait in 1961 against Iraqi threats, its leading role in raising the price of crude oil in the 1970s, its armed forces involvement in the defence of the Sultan of Oman against his internal enemies in 1974, its conclusion of peace treaty with a hostile Iraq in 1975, and the continuity of its politico-military and economic ties with the non-Arab Middle Eastern States (including Israel) as well as with the influential extra regional powers, all pointed to the existence of a strong and confident power-broker in the shape of Imperial Iran, whose regional force and status were such that even its unilateral actions could affect the political and military balance of the entire region. Iran's own dramatic military build-up and its active role in regional forums and in OPEC were the material manifestation of Tehran's expansionist stance, buttressed by the Nixon Doctrine, and the impotence of the moderate Arab states themselves in dealing with the Soviet supported Arab regimes.

Not surprisingly, the conservative, Persian Gulf states
were rather alarmed by the Shah's grand designs in the Gulf and the Indian Ocean regions, treating his regime with caution\textsuperscript{78}. In general, so long as Iran's orientation, remained essentially pro-Western and pro Status quo they had little reason to argue with the Iranian regime over details.

Moreover, Imperial Iran's role in supporting President Sadat of Egypt's endeavours, in the face of rare show of unity among the Arabs in opposition to the Camp David process, may have brough condemnation from his neighbours but also served to impose some degree of stability and security upon the moderate Middle East under the umbrella of Saudi, Egyptian and Iranian likemindedness.

The Iranian revolution of 1979 was to alter this balance of forces dramatically, breaking in the process the deadlock between moderate and the radical camps in the Arab world, and forging a realignment of Arab forces.

\textsuperscript{78} A.J. Cottre, "Iran Diplomacy in a Regional and Global Context" (Washington DC, 1975), p. 31.