

Arms and the Shah: Rise and

by Michael T. Klare

Between 1970 and 1978, the Shah of Iran ordered \$20 billion worth of arms, ammunition, and other military merchandise from the United States in what one member of Congress has called "the most rapid buildup of military power under peacetime conditions of any nation in the history of the world."

This extraordinary accumulation of war-making capabilities was intended to transform Iran into a major military power and thus fulfill the Shah's ambition of restoring "the Great Persian Empire of the past." American leaders, who cultivated and nourished the Shah's imperial visions, hoped in turn that U.S. arms would make Iran the "guardian" of Western oil supplies in the Persian Gulf area.

U.S. arms sales were also expected to perform other miracles: to wipe out America's trade imbalance; to underwrite the costs of U.S. weapons development; to assure high employment in the aerospace industry, and to accelerate the "modernization" of Iranian society. Never, in fact, have arms transfers played such a central role in U.S. foreign policy as they did in Iran.

But whatever the assumptions of U.S. policymakers, all these arms could not save the Shah once his subjects were determined to overthrow the monarchy. On January 16, 1979, Shah Mohammed Reza Pahlavi, the "King of Kings" and "Light of the Aryans," was forced into permanent exile in the West. While many factors undoubtedly contributed to the downfall of the Shah, the most critical may have been the ill-conceived U.S. arms supply program.

To understand how that program corroded and finally destroyed the Pahlavi Dynasty — and with it, the U.S. policy of converting Iran into the gendarme of the Persian Gulf — we must begin by identifying some of its principal features.

• **Volume:** Since 1971, Iran has been the world's leading customer for American arms, accounting for 25 per cent of all U.S. arms sales between 1970 and 1978. Since many of the arms were not scheduled for delivery until the early 1980s, however, actual shipments to Iran had reached only \$10 billion of the \$20 billion ordered when the regime fell in January 1979. (The new government of Mehdi Bazargan has, of course, cancelled all remaining orders.)

• **Sophistication:** Although Washington originally discouraged sales of high-technology weapons to Iran, in 1972 President Nixon agreed to sell the Shah the most advanced and powerful U.S. munitions. The Shah subsequently ordered a wide array of super-sophisticated arms, including the swing-wing F-14 air-superiority fighter, the DD-963 Spruance-class missile destroyer, and the Boeing E-3A AWACS radar patrol plane.

• **Technology transfers:** Not only did Iran acquire vast quantities of U.S. arms, but also the technology to

produce them. Under an ambitious billion-dollar scheme involving many U.S. arms firms, the Shah was determined to create his own modern military-industry complex by the late 1980s. (These plans, too, were abrogated by the Bazargan regime.)

• **Military technical assistance:** Because the Shah was importing high-technology arms faster than U.S. instructors could train Iranians to maintain and operate them, Iran was forced to hire tens of thousands of foreign technicians — "white-collar mercenaries" — to perform all the necessary back-up functions. By 1978, an estimated 10,000 American support personnel were working on arms-related projects in Iran.

• **Repression exports:** In addition to all the conventional military gear, Washington also supplied vast quantities of police weapons and paramilitary hardware (tear gas, riot sticks, small arms) to Iran. The United States also provided training to Iranian police officials — including officials of SAVAK, the notorious secret police — and advised the military on counterinsurgency operations.

Though Iran was considered an important ally of the United States throughout the Cold War period, it was at first no more important than the other garrison states which anchored the U.S. alliance system that extended from Greece to Pakistan and around Asia to Korea. The real turning point in the U.S.-Iranian relationship did not come until December 1967, when then Prime Minister Harold Wilson announced that Britain would terminate its military presence in the Persian Gulf by the end of 1971.

Wilson's announcement caused consternation in Washington: U.S. strategists had always relied on London to serve as the official guardian of Western interests in the vital Gulf region. With London now out of the picture and no apparent successor in sight for the "guardian" role, Washington had to construct its own Persian Gulf strategy.

Wilson's announcement came late in Lyndon Johnson's Presidency, so it was left to the new Administration of Richard Nixon to undertake the necessary policy-formulation effort. Nixon ordered the National Security Council (NSC), then headed by Henry Kissinger, to explore the various policy options open to the United States and recommend a basic policy. Although preoccupied with the Vietnam war, Kissinger apparently gave this project high priority and the resulting document — National Security Council Study Memorandum No. 66 (NSSM-66) — was submitted to the White House on July 12, 1969. After reviewing the recommendations contained in NSSM-66, President Nixon issued a National Security Decision memorandum, NSDM-92, to govern U.S. policy in the region.

Although NSSM-66 and NSDM-

92 were given a high security classification and their contents never made public, we can reconstruct their findings from assorted public sources. First, the NSC would have set forth Washington's basic policy options, which boiled down to three:

• **Option 1: Stay Out:** The United States would continue, as before, to provide military aid to pro-Western governments in the Gulf, but would not assume a direct military role in the area.

• **Option 2: Move In:** U.S. forces would be deployed in the Gulf to perform the "police" functions previously performed by the British.

• **Option 3: Find a Surrogate:** Instead of deploying U.S. forces, Washington would recruit some other power to serve as regional "gendarme" in place of Great Britain.

In attempting to choose among these three options, the NSC would weigh U.S. strategic interests in the area and then calculate the costs of each option. Here again, we can reconstruct the main lines of reasoning:

Although the United States was, at that time, importing less than 3 per cent of its oil supplies from the Gulf, all reliable projections indicated that such imports would have to rise significantly to meet U.S. energy needs in the 1970s and beyond. Furthermore, America's chief allies in Europe and the Far East had already become highly dependent on Middle Eastern oil, which was also used to fuel U.S. Navy forces in the Mediterranean and the Pacific. Any interruption in these supplies would, therefore, constitute a major threat to Western security.

This consideration would almost automatically have ruled out Option 1, Stay Out. In the conventional wisdom of the time, the British withdrawal would create a "power vacuum" in the area which the Russians would inevitably fill — unless someone else were there to stop them.

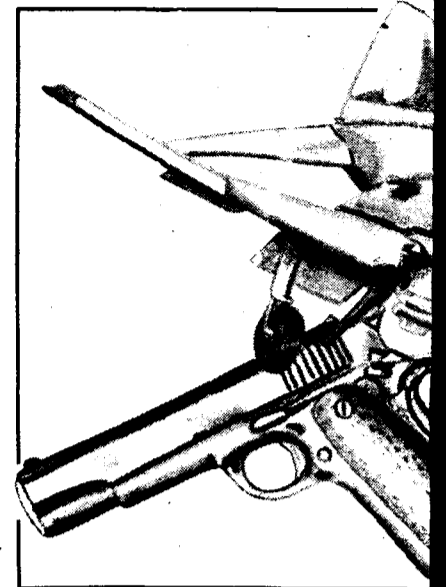
"The Shah had long affirmed Iran's role as 'guardian' of the Persian Gulf"

The real problem thus became, who would protect Western interests in the Gulf? Many U.S. leaders would certainly have selected Option 2, a direct American presence, as the surest way of filling the impending power vacuum. But there were several major obstacles to such a choice: It was 1969, and the United States was deeply embroiled in an unpopular war in Southeast Asia. Not only would a Persian Gulf presence divert forces needed for the war effort in Vietnam, but it would arouse the ire of Congress, which had already become disenchanted with America's role as "the world's policeman."

Moreover, an American presence in the Gulf would be viewed by the more radical Arab states as evidence of a U.S. "imperialist" design, and thus would frustrate U.S. efforts to wrest these countries out of the Soviet orbit. The only prudent course, therefore, was to reject Option 2, Move In.

Only one viable choice was left: Find a Surrogate. This choice accorded nicely with the Administration's newly adopted "Nixon Doctrine." But it still posed an awkward question: Who could be relied upon to serve U.S. interests in the area? Some policymakers may have suggested Israel, but that probably would have pushed the Arab countries into an anti-U.S. alliance, and thus facilitated further Soviet penetration of the region. Other possible choices — France, perhaps, or even India — were too far from the scene or lacked the motivation to take on such a role. The only remaining candidates, therefore, were the countries of the Gulf itself.

However, even the most prosperous and advanced nations of the region lacked the wherewithal to serve as regional gendarme. That meant, inevitably, that Washington would have to serve as the organizer and quartermaster of this delicate maneuver. "What



we decided," former Under Secretary of State Joseph J. Sisco later explained, "that we would try to stimulate and be helpful to the two key countries in this area — namely, Iran and Saudi Arabia — that, to the degree to which we could stimulate cooperation between these two countries, they could become the major elements of stability as the British were getting out."

Thus, a new doctrine, the Surrogate Strategy, was born. The United States would help Iran and Saudi Arabia to assume a regional peacekeeping role, but would otherwise stay out of the area. In one of the few public references to NSSM-66, Deputy Assistant Secretary of Defense James H. Noyes testified in 1973:

"A major conclusion of that study... was that the United States would not assume the former British role of protector in the Gulf area, but that primary responsibility for peace and stability should henceforth fall on the states of the region... In the spirit of the Nixon Doctrine, we are willing to assist

the Gulf states but we look to them to bear the main responsibility for their own defense and to cooperate among themselves to ensure regional peace and stability. We especially look to the leading states of the area, Iran and Saudi Arabia, to cooperate for this purpose."

As suggested by Sisco and Noyes, this policy assumed equal roles for Iran and Saudi Arabia. But as U.S. policymakers began to undertake the difficult job of carrying out the new strategy, it rapidly became apparent that the two countries were hardly capable of assuming an equal share of the burden. Saudi Arabia did not even possess a navy at that time, and its small army of some 30,000 men (most of whom were committed to internal security functions) was hardly capable of performing Gulf-wide peacekeeping missions. Iran, on the other hand, possessed a sizeable navy and air force and its well-equipped army of 150,000 was considered among the most powerful in the region. In practice, therefore, the Surrogate Strategy inevitably became an Iranian Strategy.

Aside from such military considerations, however, the selection of Iran as America's principal surrogate was essentially predetermined by the attitudes of the rulers involved. The Saudi leadership was largely concerned with dynastic matters and intra-Arab affairs, but the Shah had long affirmed Iran's role as the "guardian" of the Persian Gulf and was not averse to assuming an even grander role.

"Not only do we have national and regional responsibilities," he told Arnaud de Borchgrave of *Newsweek* in 1973, "but also a world role as guardian and protector of 60 per cent of the world's oil reserves." (Emphasis added.) Even more important, from the American point of view, the Shah

