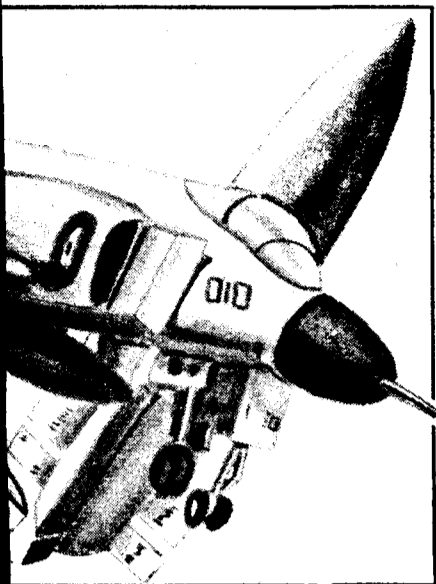


# fall of surrogate strategy



seemed ready to act on this premise when real threats emerged: In 1973, for instance, he sent Iranian forces to Oman to help crush a leftist uprising in Dhofar Province.

Moreover, U.S. analysts believed Shah's all-powerful position would be unshakable for the indefinite future. With control over Iran's abundant oil wealth, he could buy off the most ambitious bureaucrats and entrepreneurs, while the constant vigilance of SAVAK, the infamous secret police established with CIA help, ensured that all dissidents would be quickly dealt with. The only institution with the power to question the Shah's survival — the army — was kept in line by lucrative perquisites on the one hand and the oversight of SAVAK on the other. "Iranian society is like a pyramid," *U.S. News & World Report* observed in 1973, "with the Shah at the apex and the army a privileged caste."

For U.S. policymakers, forced to grapple with the agonies of Vietnam and growing discontent at home, a U.S.-Iranian alliance must have seemed irresistible. But there was to be a pricetag for this unprecedented partnership — a modern military arsenal. While the Shah was more than willing to serve as the U.S. surrogate in the Persian Gulf, he expected to acquire military capabilities commensurate with his country's new stature. Not content with the obsolete hand-me-downs supplied through the Military Assistance Program, he began to eye America's latest and most sophisticated military hardware. And the first thing he desired was a modern air force, equipped with America's newest fighters, the McDonnell Douglas F-15 Eagle and the Grumman F14 Tomcat.

When the Shah first proposed an Iranian purchase of F-14s or F-15s in 1971-72, some Pentagon officials were opposed. Never before had Washington sold such an advanced aircraft to a Third World nation, and there were feelings that such a move could compromise U.S. security by entrusting American defense secrets to foreigners. Such hesitations must have infuriated the Shah, who had come to view Iran's role in increasingly grandiose terms. Eventually, he must have handed Washington an ultimatum: Either sell us what we want, or the whole surrogate arrangement is defunct. Lacking an alternative policy, Washington gave in. In May 1972, President Nixon and Henry Kissinger flew to Tehran and signed a secret agreement with the Shah whereby Iran was permitted to order virtually any weapons systems it wanted.

Within months of the May 1972 showdown, the Shah ordered eighty F-4s at an estimated cost of \$2 billion, as well as dozens of other U.S. weapons systems. Iranian spending on U.S. arms soared from \$500 million in 1972 to \$2.2 billion in 1973 and a staggering \$4.3 billion in 1974. In addition to the F-14s, major Iranian purchases included:

- 169 Northrop F-5E/F fighters for \$480 million.
- 209 McDonnell-Douglas F-4 Phantom fighter-bombers for \$1 billion.

- 202 Bell AH-1J Cobra helicopter gunships for \$367 million.
- 326 Bell Model-214 troop-carrying helicopters for \$496 million.
- 25,000 TOW and Dragon anti-tank missiles for 150 million.
- 4 DD-963 Spruance-class heavy destroyers for \$1.5 billion.

To round out the Iranian shopping list, one would have to include billions of dollars worth of such mundane items as transport planes, armored personnel carriers, and artillery pieces. All told, the Shah ordered \$20 billion worth of U.S. arms between 1972 and 1978, or about double America's military sales to all countries of the world for the twenty-five years following World War II.

Critics of Iran's extraordinary arms buildup have charged that Washington lost all control over the weapons program after the May 1972 agreement. In a much-publicized report, *U.S. Military Sales to Iran*, a Senate Foreign Relations Committee research team concluded in 1976 that "for at least three years U.S. arms sales to Iran were out of control." Not only had the 1972 agreement been concluded without any prior review of U.S. arms policies, but the President's decision also "effectively exempted sales to Iran from the normal arms sales decision-making process in the State and Defense Departments."

Administration officials insisted, however, that the Nixon-Shah agreement was neither ill-conceived nor hastily contrived. "Our [arms] supply policy is not the result of a series of improvisations," Deputy Assistant Secretary of Defense Noyes testified in 1973, but followed directly from the 1969 decision to encourage Iran to assume "primary responsibility for peace and stability" in the Gulf. Indeed, once Washington elected to convert Iran into a surrogate police power, it had no option but to honor the Shah's requests for the weapons he felt he needed to perform the job.

There was another dimension to the Administration's strategic design which it could not openly use in its defense, but which constituted an important justification for the Iranian arms program. Modern weapons require constant maintenance, servicing, and inspection by skilled technicians, and Iran simply lacked the trained manpower to perform these services. Consequently, each new purchase of sophisticated gear by the Shah created an additional requirement for backup support which could be provided only by U.S. technicians.

By 1973, an estimated 3,600 U.S. technicians were employed on arms-related projects in Iran, and the number was expected to rise to 25,000 or more by 1980. These "white-collar mercenaries" rapidly became an essential component of the Shah's high technology war machine — and thus Washington, by threatening to recall these specialists, could exercise a form of "veto power" over Iranian military activities. By continuously expanding the Shah's dependency on American technical skills, the U.S. arms program was meant to ensure that the "surrogate" never operated independently of its assigned role as guardian of Western oil interests.

If the Nixon Administration's original 1972 decision to sell the Shah "anything he wants" was prompted largely by strategic considerations, its continued adherence to the agreement was soon to be assured by another major consideration — the oil-inspired balance-of-payments crisis. Following the fourfold rise in oil prices announced by the OPEC nations early in 1974, America's balance-of-payments accounts went rapidly into the red. With the nation heading into a recession, the White House was under immense pressure to recover as many U.S. "petrodollars" as possible by selling the oil-producers whatever they could be persuaded to buy. And there is no doubt what the Iranian government wanted to buy — arms, arms, and still more arms. Military sales thus became a

critical economic as well as military objective. As then Deputy Secretary of Defense William P. Clements told Congress at the time, any slowdown in the export of arms "decreases the potential contribution of sales . . . to strengthening both free world security and the U.S. balance-of-payments positions."

In 1971, the Shah seized three strategic islands belonging to the United Arab Emirates at the entrance to the Gulf, and he began to build a navy capable of operating in the Indian Ocean and beyond. At ceremonies marking the forty-second anniversary of the founding of the Imperial Iranian Navy, he declared, "In building up a modern navy our aim has not been confined to leadership in the Persian Gulf or Iran's territorial waters . . . because in the world today Iran enjoys a position which gives its duties regional dimension." U.S. leaders did nothing to discourage the Shah's megalomania.

By the late 1970s, U.S. arms programs began to backfire in other ways. In the halcyon days of 1973-74, the Shah had consumed his new oil wealth as if the petrodollars would go on

housing market, thus driving up rents and adding to the growing inflation rate. The resulting friction was further compounded by religious animosity as the foreigners began introducing Western behavior patterns — public drinking, revealing clothing, sexually explicit movies — which offended Iran's conservative Moslem population.

Within the military, the Shah's recruitment policies provoked the alienation of nationalistic junior officers, cadets, and technicians who found themselves under the *de facto* supervision of foreigners. Iranian technicians, who lacked the privileges accorded to high-ranking officers, felt their skills and commitment were being short-changed by the Shah in his preference for Americans.

Before these divisions had become fully apparent, however, the Shah ordered Iranian troops into the streets to crush demonstrations by anti-government students, workers, and religious leaders. Thousands of unarmed civilians lost their lives in these confrontations, and many more were wounded or taken off to Iran's notorious prisons.

## "U. S. leaders did nothing to discourage the Shah's megalomania."

accumulating forever. But the OPEC price rise precipitated an economic recession in the West, and sales of Iranian oil began to decline. Unwilling to curtail his massive arms programs and disinclined to listen to the advice of his economists, the Shah went on buying arms as if his wealth was inexhaustible.

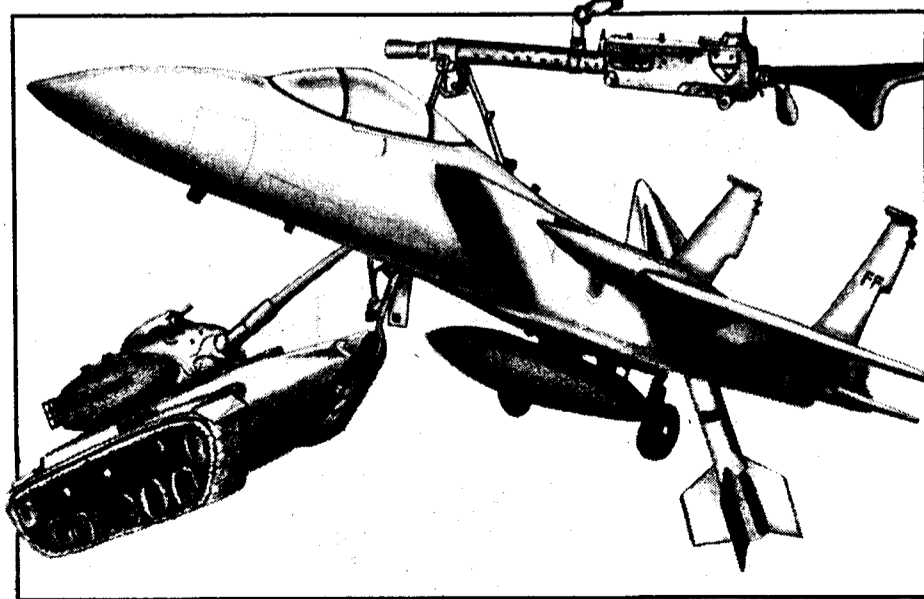
Although Iran's oil exports dropped by 12.5 per cent in 1975, the Shah ordered a 26 per cent spending increase — much of it for arms and other military-related projects. The results were predictable: Inflation, already a problem in suddenly affluent Iran, soared out of control. By 1977, it was running at the rate of 30 per cent a year, far out-stripping wage increases for most salaried workers. Civil servants, oil workers, rank-and-file soldiers, and most of the middle class experienced a drop in real income at the same time that high-level corruption was becoming common knowledge. Although the Shah briefly cut back on arms spending, his persistence in buying foreign arms at a time of widespread belt-tightening at home provoked much resentment.

The conspicuous presence of affluent Westerners at a time of declining real income for most Iranians naturally created much bitterness. Moreover, these foreigners — recruited at high salaries and with lucrative expense accounts — became competing with middle-class Iranians for apartments in Tehran's already tight

As Iranian pilots fired into the streets of Tehran from their U.S.-supplied helicopters, and as Army units patrolled the streets in their American tanks and armored vehicles, the United States became irrevocably identified with the Shah's bloody efforts to retain power. It is hardly surprising, therefore, that the anti-Shah demonstrations eventually took on an anti-American cast as well.

Long before the Shah's final departure, it had become painfully obvious that the extraordinary U.S.-Iranian arms relationship would never be restored to its original stature. With oil production down to zero and the economy devastated by months of turmoil, there was no money left to pay for imported arms. (Most of the millions acquired by Iranian officials through shady arms transactions had, of course, long been sequestered in numbered bank accounts in Switzerland and Panama.)

Ultimately, Washington fell victim to its uncritical allegiance to its own misguided policies. Perhaps no more symptomatic epitaph for the Surrogate Doctrine will be found than President Carter's extraordinary 1978 New Year's toast to the King of Kings: "Iran under the great leadership of the Shah is an island of stability in one of the most troubled areas 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."



This article reprinted by permission from *The Progressive*, 408 West Gorham Street, Madison, Wisconsin. Copyright 1979 ©

This article has been edited