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TELEGRAM



~~SECRET~~ 142

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ACTION SS-25

D/W W3

INFO OCT-01 SSO-00 CCO-00 FILE-01 /027 W

007810

PI 152010Z OCT 71 ZFF RUQVRA RUEHSA  
FM USDEL SHIRAZ  
TO SECSTATE WASHDC PRIORITY 008  
INFO WHITE HOUSE  
AMEMBASSY TEHRAN  
AMEMBASSY JIDDA  
AMEMBASSY PRETORIA

- ~~ANDERSON~~
- ~~BEHR~~
- ~~BERGSTEN~~
- ~~CHAPIN~~
- ~~HOLDRIDGE~~
- ~~KENNEDY~~
- ~~LEHMAN~~
- ~~NACHMANOFF~~
- ~~ROBINSON~~
- ~~RONDON~~
- ~~SAUNDERS~~
- ~~SMITH~~
- ~~SMYSER~~
- ~~SONNENFELDT~~
- ~~WRIGHT~~

*OP with Shah (8)*

~~SECRET~~ USDEL SHIRAZ 0016 - *Iran's Military Needs*  
- *Saudi Arabia*

~~SECRET~~  
SUBJECT: IRAN'S DESIRE FOR CONTINUED UNITED STATES COOPERATION  
IN THE MILITARY FIELD

REFERENCE: USDEL SHIRAZ 0013, VIPTO 20

1. DURING THE HOUR AND A QUARTER MEETING BETWEEN THE VICE  
PRESIDENT AND THE SHAH ON OCTOBER 14, THE SHAH EXPRESSED  
APPRECIATION FOR US COOPERATION IN THE MILITARY FIELD AND SAID  
THAT EVEN AFTER HIS PRESENT FIVE-YEAR FORCE-GOAL PLAN HAS  
BEEN IMPLEMENTED IRAN WOULD STILL NEED THE CONTINUED  
COOPERATION OF THE USG IN THE MILITARY FIELD. WITH THE  
VIETNAM WAR BEING WOUND DOWN, HE HAD REQUESTED US TO SUPPLY  
ABOUT 30 ADDITIONAL COMBAT EXPERIENCED ADVISORS FOR  
ARMISH-MAAG AND HE HOPED WE WOULD ACQUIESCE TO THIS REQUEST.  
HE WOULD ALSO WISH IN THE YEARS AHEAD TO GO ON SENDING  
IRANIAN OFFICERS TO THE US FOR PILOT TRAINING IN ABOUT THE  
SAME NUMBERS AS PRESENTLY PROGRAMED UNTIL IRAN'S AIR FORCE  
BUILDUP WAS COMPLETE. HE WOULD EVENTUALLY NEED NEW  
AIRCRAFT TO MATCH THE CAPABILITIES OF THE MIG-25, BUT THIS  
WAS A LONGER TERM PROPOSITION.

2. HE ALSO NEEDED SOME AERIAL TANKERS BECAUSE IN THE NEXT  
FIVE YEARS IRAN MUST DEVELOP AN "INDIAN OCEAN" POLICY IN  
THE LIGHT OF THE SOVIET UNION'S INCREASING ACTIVITY IN THAT OCEAN  
AND ADJACENT WATERS. TO GIVE IRAN THE NECESSARY CAPABILITY BEYOND

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THE GULF OF OMAN AND INTO THE ARABIAN SEA AND INDIAN OCEAN, THE SHAH HAD CONTEMPLATED ACQUIRING AN AIRCRAFT CARRIER FOR IRAN. HOWEVER, THIS WOULD REQUIRE CRUISER AND DESTROYER ESCORTS, ETC., AND WOULD BE HIDEQUISLY EXPENSIVE BOTH IN TERMS OF FINANCIAL RESOURCES AND TRAINED PERSONNEL. THEREFORE THE SHAH HAD OPTED FOR OBTAINING AERIAL TANKERS FROM THE US TO REFUEL F-4'S WHICH COULD REACH OUT TOWARD THE INDIAN OCEAN IF HIS F-4'S HAD AN IN-FLIGHT REFUELING CAPABILITY.

3. IT WAS ALSO WITH THE GOAL OF DEVELOPING AN INDIAN OCEAN POLICY THAT THE SHAH HAD INVITED THE PRESIDENT OF SOUTH AFRICA TO THE 250TH CENTENARY. SOME OF THE SHAH'S ADVISORS HAD OBJECTED BECAUSE IT MIGHT ALIENATE MANY OF THE BLACK AFRICAN STATES. THE SHAH, HOWEVER, HAD OVERRULED THEM, POINTING OUT THAT SOUTH AFRICA AND AUSTRALIA, WITH WHICH HE IS ALSO STRENGTHENING HIS TIES, WERE ESSENTIAL FREE WORLD BASITIONS ON BOTH FLANKS OF THE INDIAN OCEAN. THE SHAH CONCLUDED BY SAYING THAT CONTINUING MILITARY COOPERATION WITH US WAS OF TREMENDOUS IMPORTANCE TO IRAN AND ITS SECURITY.

4. HE THEN WENT ON TO SAY THAT IRAN MUST BE MILITARILY STRONG AND HAVE ADEQUATE DETERRENT STRENGTH TO DISCOURAGE ANY ADVENTURES BY NEIGHBORS SUCH AS THE RADICAL IRAQ REGIME. HE HAS ALSO LET THE SOVIET UNION KNOW THAT IF ANY GREAT POWER, AND THIS MEANS RUSSIA, ATTACKS IRAN, THE IRANIAN AMRY WILL FIGHT TO THE END AND THE GOVERNMENT WILL FOLLOW A SCORCHED-EARTH POLICY SO THAT THERE WILL BE NOTHING LEFT FOR THE INVADING RUSSIANS THAT IS WORTH ANYTHING.

5. THE VICE PRESIDENT SAID WE WISHED TO COOPERATE WITH IRAN AND HELP IN ALL FEASIBLE WAYS. HOWEVER, WE HAVE OUR PROBLEMS AND IT WAS BECOMING INCREASINGLY DIFFICULT TO GET THE CONGRESS TO SUPPORT THE NECESSARY APPROPRIATIONS FOR MILITARY AID AND ASSISTANCE. A DEFEAT FOR THE USG ON THE CHIREP ISSUE WOULD ADD TO OUR DIFFICULTIES. SHAH SAID IRAN IS NOT ASKING FOR GRANT ASSISTANCE BUT FOR COOPERATION, ESPECIALLY IN THE FIELD OF CREDIT FOR THE PURCHASE OF AMERICAN MILITARY EQUIPMENT AND FOR ASSISTANCE (ARMISH/MAAG) IN TRAINING THE IRANIAN FORCES. IT WAS NOT A QUESTION OF ASKING FOR GRANT FUNDS, BUT SIMPLY FOR CREDIT WHICH IRAN COULD OBTAIN COMMERCIALY AT A SOMEWHAT HIGHER INTEREST RATE SINCE IRAN'S INTERNATIONAL CREDIT IS GOOD. HE MENTIONED THAT IF IRAN HAD SAUDI ARABIA'S OIL POTENTIAL THERE WOULD BE NO FINANCIAL PROBLEM, AS THE SAUDI'S HAD THE GREATEST PROVEN RESOURCE OIL RESERVES IN THE WORLD, SUBSTANTIALLY GREATER THAN IRAN'S, ALTHOUGH IRAN'S OIL RESOURCES HAD ONLY BEEN PARTIALLY EXPLORED.

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PA/HO Department of State  
E.O. 12958, as amended  
June 21, 2006

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6. TURNING TO SAUDI ARABIA, SHAH SAID HE WAS DEEPLY CONCERNED ABOUT THE WEAKNESS OF THE SITUATION THERE. KING FAISAL MUST MOVE AHEAD MORE RAPIDLY WITH MORE REFORMS IF HE IS NOT TO FIND HIMSELF IN SERIOUS TROUBLE AND THIS THE SHAH IS CONTINUING TO URGE HIM TO DO. HOWEVER, IN SAUDI ARABIA, AS IN MORROCCO, THERE IS RESISTANCE TO REFORM BY CONSERVATIVE ELEMENTS AND THINGS ARE MOVING MUCH TOO SLOWLY. THE SHAH SAID THAT IF SADAT SUCCEEDED IN GETTING THE SOVIETS OUT OF EGYPT, SAUDI ARABIA WAS RIPE FOR SUBVERSIVE ACTIVITY, IMPLYING THAT SAUDI ARABIA WOULD BE THE SOVIET'S NEXT TARGET. NONETHELESS, THE RELATIONS BETWEEN THE SHAH AND FAISAL WERE CLOSE AND VERY GOOD, AND THE SHAH WILL CONTINUE TO USE HIS INFLUENCE IN FAVOR OF MORE SEARCHING REFORMS BY FAISAL.

7. THE SHAH CONCLUDED BY AGAIN STRESSING THE IMPORTANCE HE ATTACHES TO MILITARY COOPERATION BY THE USG AND HIS HOPE THAT WE WOULD BE RESPONSIVE TO HIS REQUESTS, PARTICULARLY SINCE, WITH THE BRITISH LEAVING THE GULF, THE WHOLE BURDEN OF PROTECTING THE FREE WORLD'S VITAL PETROLEUM INTERESTS IN THE GULF WILL FALL ON IRAN'S SHOULDERS. HE SAID HE WOULD LIKE TO POINT OUT THAT IF THE GULF FALLS INTO UNFRIENDLY HANDS THAT WISH TO USE OIL AS A WEAPON OF POLITICAL COERCION AGAINST THE WEST, THEN THE COUNTRIES OF WESTERN EUROPE WOULD ONLY HAVE THE ALTERNATIVE OF (A) ACCEDING TO SUCH PRESSURE OR (B) SEEING THEIR INDUSTRIES SHUT DOWN AND THEIR ECONOMIES DETERIORATE, OR (C) USING FORCE AGAINST THE UNFRIENDLY POWER OR POWERS THAT HAD SEIZED THE GULF. HE WAS QUITE CLEAR IN HIS OWN MIND THAT THE WESTERN NATIONS WOULD BE OBLIGED TO RESORT TO FORCE RATHER THAN TO SEE THEIR ECONOMIES GRIND TO A HALT. HOWEVER, A MILITARILY STRONG IRAN COULD SAFEGUARD THE VITAL INTERESTS OF THE WEST IN THE PERSIAN GULF WITOUT THE WESTERN POWERS HAVING TO INTERVENE.  
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