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Authority NND 969000  
By CB Date 04/09/02

DEF 12-5 IRAN  
XN POL 33 PERSIAN GULF

Department of State **TELEGRAM**

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~~SECRET~~ 542

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21+19:  
ACTION: NEA-08

INFO: OCT-00 SS-20 NSC-10 NSCE-00 INR-06 CIAE-00 NSAE-00  
PM-03 DODE-00 RSR-01 RSC-01 LL-02 E-04 MC-02 EUR-12

/070 W

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PIR 220730Z JUL 70  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC PRIORITY 1817  
INFO CONCSRIKEVCONCMEKFSB

TEHRAN 3144  
7/22/70

~~SECRET~~ SECTION 1 OF 2 TEHRAN 3144

FOR ASST SECY SISCO

SUBJECT: IRAN'S MILITARY PROCUREMENT PROGRAM

REF: STATE 115967

1. NEITHER I NOR GENERAL TWITCHELL UNDERSTAND PRECISELY WHAT IS MEANT BY REFTEL AND WE ARE CONCERNED OVER POSSIBLE IMPLICATIONS. FIRST, SPECIAL DEAL WITH OCCIDENTAL OIL IS NOT RPT NOT TO "PROVIDE FUNDS ENABLING IRAN TO MAKE ADDITIONAL PURCHASES" TO THOSE HE HAS ALREADY SIGNALLED TO US. IT IS TO PAY FOR F4 AND C-130 AIRCRAFT WHICH SHAH LONG SINCE INFORMED US HE BELIEVES ESSENTIAL FOR SECURITY OF IRAN AND ITS LIFELINE, THE PERSIAN GULF. INDEED SHAH SUBSEQUENTLY DISCUSSED THESE AIRCRAFT ACQUISITION PLANS PERSONALLY WITH PRESIDENT, SECRETARY ROGERS AND SECRETARY LAIRD LAST OCTOBER AND LAST APRIL WITH UNDER SECRETARY RICHARDSON AND HIS NEED FOR THIS EQUIPMENT WAS NOT CHALLENGED.

2. WE ALSO DO NOT RPT NOT UNDERSTAND WHAT IS MEANT BY PHRASE IN REFTEL "NEVERTHELESS, WE BELIEVE WE MUST REEXAMINE AGAIN QUESTION OF WHETHER OUR MILITARY SALES TO IRAN ARE IN OUR OVER-ALL INTERESTS, WHETHER THEY MAY AFFECT AREA SECURITY AND STABILITY, AND WHETHER THERE IS A MILITARY REQUIREMENT

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FOR THIS EQUIPMENT." IRAN IS, OF COURSE, RECEIVING NO RPT NO GRANT ECONOMIC OR MILITARY EQUIPMENT FROM US. IT IS BUYING EQUIPMENT FROM US. WE MUST OF COURSE KNOW WHETHER REFTTEL MEANS THAT WE ARE CONSIDERING REFUSING TO LET IRAN PURCHASE MILITARY EQUIPMENT FROM US AND AT SAME TIME REVERING OUR POLICY WITH RESPECT TO IRAN AND IN EFFECT RENEGING ON 1968 UNDERSTANDING PROVIDING IRAN WITH FMS CREDIT IN \$100,000,000 ANNUAL TRanches, OF WHICH THERE ARE STILL \$400,000,000 OUTSTANDING?

3. IN THIS CONNECTION UNDER SECRETARY RICHARDSON IN HIS TALKS LAST APRIL WITH SHAH AND OTHER GOI LEADERS NOT ONLY INDICATED THAT WE INTENDED TO CARRY OUT OUR UNDERSTANDING UNDER 1968 MILITARY EQUIPMENT ACQUISITION AGREEMENT BUT ALSO THAT WE WERE READY TO EXAMINE SHAH'S MILITARY REQUIREMENTS WITH A VIEW TO EXTENDING 1968 AGREEMENT TO PROVIDE FOR ADDITIONAL EQUIPMENT. RICHARDSON PRIVATELY TOLD SHAH AND PRIMO HOVENDA WE RECOGNIZED RELEVANCE OF NIXON DOCTRINE TO SHAH'S PROPOSAL FOR MAINTAINING PEACE AND STABILITY IN GULF AREA AND THAT US SHOULD SEEK TO HELP THOSE WHO ARE WILLING, LIKE IRAN, TO BEAR REGIONAL DEFENSE BURDENS. BEFORE LEAVING IRAN UNDER SECRETARY PUBLICLY REFERRED TO FUTURE OF GULF AREA SAYING: "I THINK IT WOULD BE CLEARLY MORE CONSISTENT WITH PURPOSE AND OBJECTIVE OF NIXON DOCTRINE THAT WE SHOULD LOOK TO COUNTRIES IN AREA, AND TO LEADERSHIP OF IRAN IN PARTICULAR, TO CARRY OUT OBJECTIVES OF MAINTAINING FRAMEWORK OF PEACE AND STABILITY."

4. IT IS VERY IMPORTANT THAT WE KNOW WHETHER USG IS PRESENTLY CONSIDERING REVERING OUR POLICY WITH RESPECT TO IRAN AND GOING BACK ON OUR UNDERSTANDINGS WITH SHAH (A) AT A TIME WHEN A STRONG IRAN SEEMS MORE IMPORTANT THAN EVER TO OUR OWN ESSENTIAL NATIONAL INTERESTS IN GULF AND (B) WHEN WE HAVE VITAL INTEREST THAT SOVIETS DO NOT UPSET OVER-ALL EAST-WEST BALANCE OF FORCES IN MIDDLE EAST AREA, TO WHICH A STRONG AND FRIENDLY IRAN CAN MAKE IMPORTANT CONTRIBUTION BY BALANCING OFF INCREASING SOVIET INFLUENCE IN ARABIAN PENINSULA, AND AS WE HAVE ALSO POINTED OUT BEFORE, IRAN PROVIDES ONLY RPT ONLY CORRIDOR FOR US TO DEPLOY EASTWARD FROM MEDITERRANEAN AND NATO AREAS; IT PROVIDES US WITH VITAL AND IRREPLACEABLE FACILITIES; AND IT IS ONLY POSITIVE

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AND DEPENDABLE ELEMENT OF STRENGTH, STABILITY AND PROGRESS THAT WE HAVE TO WORK WITH IN THE ENTIRE GREAT SOUTH ASIAN-ARABIAN PENINSULA COMPLEX.

5. IF, AS COULD BE READ INTO REFTEL, WE ARE INDEED CONTEMPLATING REVERSING OUR POLICY WITH RESPECT TO IRAN, I WANT TO MAKE CLEAR THAT PRICE WE WILL PAY IN TERMS OF OUR NATIONAL INTEREST WILL, IN OUR BEST JUDGMENT, NOT BE ONE THAT WE CAN AFFORD. SHAH IS DETERMINED TO GET THE EQUIPMENT FOR HIS FORCES THAT HE BELIEVES IRAN'S SECURITY AND SURVIVAL REQUIRE. IF WE WILL NOT PROVIDE IT, HE WILL OBTAIN IT FROM BRITAIN, FRANCE, GERMANY AND ITALY WHO ARE ALL EAGER TO BECOME SUPPLIERS TO A COUNTRY WHICH THEY REGARD AS IMPORTANT TO THEIR OWN NATIONAL INTERESTS IN GULF AND MIDDLE EAST. IF WE SUDDENLY TURN OUR BACK ON HIM AND SHUN HIM BY REVERSING OR CHANGING OUR POLICY WITH RESPECT TO COOPERATING WITH HIM IN HIS MILITARY BUILDUP, THERE WILL BE AN END TO SPECIAL RELATIONSHIP SHAH FEELS FOR US WHICH HAS AND CAN CONTINUE TO BE OF SUCH GREAT IMPORTANCE TO OUR OWN NATIONAL INTERESTS. I KNOW I NEED NOT POINT OUT AGAIN THAT WITH TERMINATION OF GRANT ECONOMIC AID, THIS SPECIAL RELATIONSHIP AND RESULTANT SPECIAL FACILITIES AS WELL AS VERY HELPFUL DIPLOMATIC SUPPORT WE ENJOY FROM IRAN ARE FROM SHAH'S VIEWPOINT A NATURAL CONSEQUENCE OF OUR COOPERATION IN HELPING TRAIN, DEVELOP AND EQUIP HIS FORCES SO THAT IRAN CAN SURVIVE EVEN IF, AS IS POSSIBLE, OTHER SIDE OF GULF FALLS TO RADICAL ARABS AND THEIR SOVIET SUPPORTERS. REFUSAL ON OUR PART TO CONTINUE TO COOPERATE WITH HIM IN DEVELOPMENT OF HIS FORCES WILL INEVITABLY LEAD TO A RUPTURE OF THIS SPECIAL RELATIONSHIP WHICH WE HAVE SO CAREFULLY DEVELOPED OVER YEARS AND WHICH IN LIGHT OF SOVIET PENETRATION OF MIDDLE EAST SEEMS FROM THIS VANTAGE POINT MORE IMPORTANT THAN EVER TO US.

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21-19  
ACTION: NEA-08

INFO: OCT-01 88-20 NSC-10 NSCE-00 INR-06 CIAE-00 NSAE-00  
PM-03 DODE-00 (RSR)-01 RSC-01 L-02 E-04 MC-02 EUR-12  
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P: R 220730Z JUL 70  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC PRIORITY 1818  
INFO CINCSTRIKEVINCMEAFSA

~~SECRET~~ SECTION 2 OF 2 TEHRAN 3144  
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FOR ASST SECY SISCO  
SUBJECT: IRAN'S MILITARY PROCUREMENT PROGRAM  
REF: STATE 115967

6. WE ARE NOT RPT NOT IN ANY SENSE BLIND TO FACT THAT  
SHAH'S APPETITE FOR EQUIPMENT IS SOMETIMES EXCESSIVE. WE  
TOOK INITIATIVE IN GETTING AT THIS PROBLEM LAST WINTER BY  
FIRST PERSUADING IRAN TO DRAW UP A SHOPPING LIST OF EQUIPMENT  
WHICH BROUGHT TO ATTENTION OF SHAH AND PRIME MINISTER FOR  
FIRST TIME COST IMPLICATIONS OF WHAT HIS THREE SERVICES  
WANTED TO ACQUIRE. WE THEN FOLLOWED UP BY PROPOSING TWITCHELL-  
TOUFANIAN STUDY THROUGH WHICH WE HOPE TO PROVIDE BASIS FOR  
ORDERLY SELECTION OF PRIORITIES AND HOPEFULLY A SCALING DOWN  
OF OVER-ALL REQUIREMENTS, ETC. ALREADY SOME ITEMS AMOUNTING  
TO SEVERAL HUNDRED MILLION DOLLARS HAVE BEEN DELETED FROM  
ORIGINAL SHOPPING LIST OF US EQUIPMENT. HOWEVER, AS SHAH  
INFORMED PRESIDENT, HE GIVES ABSOLUTE PRIORITY TO DEVELOP-  
MENT OF HIS AIR FORCE AND WISHES IT AMERICAN-EQUIPPED AND  
TRAINED. REALISTICALLY I DO NOT SEEN HIM REDUCING BASIC  
AIRCRAFT REQUIREMENTS HE INDICATED TO PRESIDENT AND  
SECRETARIES ROGERS AND LAIRD. ALTHOUGH I DO BELIEVE THERE  
MAY BE POSSIBILITY OF SOME STRETCH-OUT OF HIS PLANS BECAUSE

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By **CB** Date **04/09/02**

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



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OF TRAINED MANPOWER LIMITATIONS. WE WILL, OF COURSE, CONTINUE TO TRY TO DISCOURAGE AN EXCESSIVE IRANIAN APPETITE FOR MILITARY EQUIPMENT. IN OUR JUDGMENT, BEST WAY IS TO PROCEED BY JOINT STUDIES SUCH AS TWITCHELL-TOUFANIAN EFFORT WHICH SHOULD NOT ONLY INDICATE TOTAL MAGNITUDE IN FOREIGN EXCHANGE AND RIAL COSTS BUT ALSO COST AND NECESSARY TIME LEAD IN VITALLY IMPORTANT TRAINED MANPOWER SPHERE.

7. URGENCY OF OUR QUERIES ABOUT REFTEL STEMS FROM FACT THAT OCCIDENTAL PRESIDENT HAMMER AND OCCIDENTAL INTERNATIONAL PRESIDENT WATSON ARRIVING TEHRAN JULY 29 "TO WORK OUT FINAL DETAILS OF AGREEMENT WITH GOI ON OVERLIFT PURCHASES AND DRILLING IN ABU MUSA AREA." (STATE 116065) IF AGREEMENT IS REACHED ON OVERLIFT PURCHASES, IT WILL BE FOLLOWED BY OXY SIGNING AGREEMENTS WITH MCDONNELL-DOUGLAS AND LOCKHEED (WHICH HAVE FIXED A JULY 31 DEADLINE) FOR PURCHASE OF ADDITIONAL F-4 AND C-130 AIRCRAFT WHICH SHAH HAS MADE CLEAR TO US HE BELIEVES ESSENTIAL TO IRAN'S VITAL SECURITY NEEDS. IF THERE IS ANY QUESTION OF OUR REFUSING TO LET IRAN PURCHASE THESE ADDITIONAL AIRCRAFT, WE OWE IT TO SHAH TO TELL HIM SO AND WHY. HOWEVER, IF WE DO SO, HE WILL TAKE SUCH ACTION ON OUR PART AS PERSONAL AFFRONT AND A LACK OF CONFIDENCE IN HIM AND AS CLEAR INDICATION THAT DECISION HAS BEEN TAKEN AT HIGHEST LEVEL IN USG AND NOT RPT NOT TO COOPERATE WITH IRAN IN MEETING WHAT HE CONSIDERS ITS ESSENTIAL SECURITY REQUIREMENTS. AS I HAVE POINTED OUT, THIS WILL INEVITABLY LEAD TO A DEFINITE ESTRANGEMENT WITH SHAH AND IRAN.

*pd 33 PERSIAN W/CF*

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MACARTHUR

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