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IRAN: REGIONAL STABILITY
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PROFESSIONAL
STUDY
No. 5657 By Habibollah Khameneh
Hamid Shirazi

AIR WAR COLLEGE
AIR UNIVERSITY
UNITED STATES AIR FORCE
MAXWELL AIR FORCE BASE, ALABAMA
IRAN: REGIONAL STABILITY

by

Habibollah Khameneh, Colonel, I.I.A.F.
Hamid Shirazi, Colonel, I.I.A.F.

A RESEARCH REPORT SUBMITTED TO THE FACULTY

MAXWELL AIR FORCE BASE, ALABAMA

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ABSTAINER

This research report represents the views of the authors and does not necessarily reflect the official opinion of the Air War College or the Department of the Air Force.

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While in attendance at the Air War College, Air University of the United States Air Force, we were exposed to many questions related to our country, Iran. Subjects were those which caught the attention of the news media and were made public: the recent high price of oil; border disputes between Iran and Iraq; Iranian military presence in Oman; security of the Persian Gulf; the reason for military build up in the area; etc. Although our answers appeared to satisfy every questioner, we decided to write our "Research Report" on these subjects to explain the rationale for our responses. We hope that our endeavor will help to create a better understanding between the members of the free world.
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CHAPTER I
INTRODUCTION

The purpose of this report is to establish the fact that Iran has the potential, capability, and determination to maintain the stability of the Persian Gulf region.

The Soviet Union, avoiding direct confrontation with the United States by means of detente, is gradually and successfully practicing her policy of expansion of influence.

The United States, seemingly, has no longer the desire to engage herself in limited wars nor, in some cases, has she the ability to help her allies.

The 1973 oil embargo, once again, proved the strategic importance of the Persian Gulf region and its stability for the Free World.

In this paper, the authors will examine Iran's essential elements of power by studying its past experiences (from the Second World War to the present time) in recovering from the effects of the war, its dealings with Communism, the handling of its internal difficulties, measures taken by it against outside influences, planning of its successful economic growth, progress made in its approach to mass education, the process of its becoming an industrial nation in a
relatively short period of time, the building of a comparatively strong military force, and last but not the least, its unique leader who is firm and determined to advance his country and the people to the era of the "Great Civilization."
CHAPTER II
THE SECOND WORLD WAR

Sir Winston Churchill, in his history of the Second World War, wrote:

The need to pass munitions and supplies of all kinds to the Soviet Government, and the extreme difficulties of the Arctic route, together with future strategic possibilities, made it eminently desirable to open the fullest communication with Russia through Persia. I was not without some anxiety about embarking on yet another new campaign in the Middle East, but the arguments were compulsive. The Persian oilfields were a prime war factor, and if Russia were defeated we would have to be ready to occupy them ourselves . . . .

On the eve of my voyage to Placentia Bay, in Newfoundland, where on 9 August 1941, Churchill had his first meeting with Roosevelt I had set up a special committee to coordinate the planning of an operation against Persia, and during my absence at sea they reported to me by telegram the results of their work, which had meanwhile been approved by the War Cabinet . . . and the date for the entry of British and Russian forces into Persia was fixed for the 25th.¹

The Allied invasion of Iran was successfully carried out and the Iranian forces were taken completely by surprise. It was absolutely unbelievable for them that the Allies, who were allegedly fighting for freedom and peace, should so openly violate the independence and sovereignty of a neutral country and disregard international laws and agreements.²
On 29 January, 1942, the Tripartite Treaty of Alliance between Iran, Great Britain, and the Soviet Union was signed in which the two latter Allies stated that the presence of their troops on Iran's soil did not constitute a military occupation. The Allies also promised to respect Iran's territorial integrity, sovereignty, and political independence and to withdraw their forces within six months after the end of the war with the Axis Powers. They also pledged themselves to ease Iran's economic difficulties arising from the war, and Iran in turn assured them of transit rights, communications, and other facilities needed to move supplies to Russia.

The result of the war and Allied occupation was drastically destructive for Iran. The Soviet authorities fostered and largely financed a mushroom growth of Communist-oriented political parties and trade unions; the most dangerous group was the Tudeh or "Masses" party. The Russians refused to co-operate with Iran's civil administrators in the northern provinces, which they dominated not only militarily but also politically and economically; the Soviet zone of occupation, in fact, became almost a separate country and, as later events showed, the Soviets planned that much of it would remain so.
Economically, Iran faced a spiral of rising prices; between mid-1940 and the end of 1942 this disastrous inflation increased the cost of living nearly 400 percent. Allied expenditure in Iran put money into circulation which increased the competition for scarce goods. Wheat and rice from the northern provinces had normally helped feed the rest of the country; but now Russians refused to allow these foods to be shipped south, diverting them instead to their own uses. Allied requisitioning of lorries and railway goods wagons prevented transport of food and other items, thus forcing up prices. Taking advantage of the price increases, various irresponsible wealthy Iranians engaged in much hoarding and speculation, thereby adding to the economic problems.4

In November 1943 the historic Tehran Conference, attended by Roosevelt, Churchill, and Stalin, took place, and the result was a communique, The Tehran Declaration of 1 December 1943:

The Governments of the United States of America, the USSR, and the United Kingdom are at one with the Government of Iran in their desire for the maintenance of the independence, sovereignty, and territorial integrity of Iran. They count upon the participation of Iran, together with all other peace-loving nations, in the establishment of international peace, security, and prosperity after the war, in accordance with the principles of the Atlantic Charter, to which all four Governments have continued to subscribe.5

The war ended in August 1945.
CHAPTER III
POST WORLD WAR II

In spite of the Tehran Declaration of 1 December 1943, the Soviets sponsored the formation of two puppet governments in their controlled zone of Iran. In August 1945, the Tudeh party forcibly took over several government buildings in Tabriz, the capital of Azarbaijan. Iranian troops stationed there were confined to their barracks by the Russian army, and relief forces sent from Tehran to quell the uprising were stopped by the Soviet troops some 300 miles away. The Soviets recognized the Tudeh party as the "Democratic Party" that by November controlled the entire province. The Democrats set up a legislative assembly which on 12 December proclaimed the Autonomous Republic of Azarbijan.¹

The other regime was called the Kurdish Republic of Mahabad. A nationalistic movement of Kurdish Tribes originally fostered by the British in the First World War was taken up by the communists in the Second World War. They desired to convert northwestern Iran into a Soviet satellite and hoped to expand their puppet state to embrace the Kurds resident in Iraq and Turkey.² They are ethnically and linguistically Iranians, a move which they expected would facilitate Communist access to the Arab world and to Africa.²
Iran protested Moscow's violation of her sovereignty and so did the United States and Great Britain. The question came up for discussion at the Moscow Conference of Foreign Ministers held in December 1945. Iran also protested before the newly established Security Council of the United Nations, lodging the first complaint ever to come before that body. The Russians went ahead despite all complaints.\(^3\)

In the letter of 5 January 1946 to the Secretary of State, the President of the United States, Harry S. Truman, expressed the situation thusly:

\[
\ldots \text{Iran was our ally in the war. Iran was Russia's ally in the war. Iran agreed to the free passage of arms, ammunition and other supplies running into the millions of tons across her territory from the Persian Gulf to the Caspian Sea. Without these supplies furnished by the United States, Russia would have been ignominiously defeated. Yet now Russia stirs up rebellion and keeps troops on the soil of her friend and ally - Iran} \ldots .\]

The Soviet Union, as a signatory to the Tripartite Treaty of Alliance, at the London Conference of Foreign Ministers in September 1945, had agreed to withdraw all her military forces from Iran before 2 March 1946\(^5\); British and American forces had already departed\(^7\); but, instead, on the evening of 3 March 1946, Soviet forces marched from Tabriz in three columns towards Tehran and the Iraqi and Turkish frontiers. In a few weeks hundreds
of tanks with auxiliary units and supporting infantry poured into Iran from Russia, fanning out in the same three directions to follow the earlier troop movement.

Under pressure, Iran's Prime Minister offered several concessions if the Soviets would evacuate their forces from Iran. He agreed to recommend to Parliament the establishment of a joint Russian-Iranian oil company (the Soviets to hold 51 percent of the stock) to exploit the oil resources of Northern Iran; to grant three cabinet posts to Tudeh party members; to recognize the rebel Azerbaijan Government, and, finally, to withdraw Iran's complaint against Russia before the United Nations.6

On 21 March, when the new session of the Security Council convened, Iran reaffirmed her complaint and the United States sent a blunt message to Premier Stalin.7 Five days later, at another Security Council meeting, the Soviet delegate dramatically announced that all Soviet forces would be out of Iran "in five or six weeks if no unforeseen circumstances occur." By 9 May they were all gone and so were their puppet governments by 15 December 1946.8 The Shadhanshah summed up the impact as follows:

The Azerbaijan affair was truly a landmark in modern Middle East history. It was in Azerbaijan that the post-war intentions of
Stalinist Russia were first exposed. What the Soviet Union did in Azerbaijan, as related in the dramatic debates of the United Nations Security Council, shocked the Free World. It was then that free men everywhere first began to awake to the threat of Communist imperialism.
CHAPTER IV
THE EMERGENCE OF POWER

In 1948, as soon as Iran began to recover from the chaos of the war, the Iranian Government called in an experienced American firm of consulting engineers. These technicians were asked to survey Iran's potentialities, and to recommend ways of using Iran's oil revenues to speed modernization. A preliminary report was issued in that year. Later, a five-volume report, which outlined a tremendous national development programme to be carried out over a seven year period, was drawn up by a combination of well-known US firms organized as Overseas Consultants, Incorporated. Every major field of Iran's economy was covered; programs in health, education, agriculture, industry, mining, oil production, and so forth were put forward.

These recommendations were quickly adopted and a relatively independent agency called the Seven-Year-Plan Organization was set up to administer it. The plan was to cost about 400 million dollars, an average of 58 million dollars for each of the seven years. Of this annual sum, about 40 million dollars was expected to come from oil royalties, while the remainder, would be obtained by borrowing at home and abroad. ¹
The shortage of funds brought a curtailment of work under Iran's Seven-Year Plan. At first there were unexpected administrative bottlenecks, but later, it became difficult to carry-on the Government's ordinary functions without the benefit of the oil revenues.

Meantime, the United States established its Point Four program and to Iran's many requests, the assistance was modest. Also, the Export-Import Bank's Loan of 25 million dollars was a small fraction of the minimum amount necessary to rehabilitate Iran's occupation-devastated economy. For such a setback many Iranians were convinced that the United States had deserted them, and anti-American sentiment developed. At the same time, negotiations dragged on inconclusively with the huge British-owned Anglo-Iranian Oil Company, from which Iran asked for increased royalty payments. In desperation, to augment the insufficient American grant, Iran accepted a Russian offer of a 20 million dollar trade credit. An agreement was signed in November 1950.

Iranians were well aware that since 1901, when a concession was granted to William D'arcy to explore for and produce oil throughout Iran (with the exception of five northern provinces), that only 16 percent of
the net profits were payable to the government of Iran. In practice, there was no tax of any kind on the land forming the concession area, nor on the products exported; thus the total amount paid to the government up to the cancellation of the grant in 1932 amounted to less than 14 million pounds (40 million dollars). From 1933, when a new agreement was made to 1951 Iran did not receive more than 106 million pounds (303 million dollars). A total of only 343 million dollars in 50 years for many billions of dollars of profit was all that Iran received. By ignoring Iran's protests, the oil company was systematically imperilling its huge investment, and the British Government, which might have prevailed upon the company to follow a saner course, failed to sway it. The company and the Government both fanned the fires of Iranian nationalism.

An ambitious member of Parliament (Mossadegh), leader of a minority group, called National Front, took advantage of the situation and began to agitate in favor of nationalizing the oil industry. On 7 March, 1951, a member of the Crusader of Islam organization, one of the xenophobic groups supporting Mossadegh, foully murdered the Prime Minister while he was attending a ceremony in a mosque. (The Prime Minister had been hoping for an amicable settlement.) A few days later
Parliament overwhelmingly passed a bill nationalizing Iran's oil industry.  

Succeeding events led Mossadegh to power, and he became Prime Minister. His miscalculation in marketing the oil resulted in Parliamentary and public opposition to his policies. He demanded authority to govern for six months without recourse to Parliament and to assume the post of Minister of War. This authority was refused by the Shahanshah of Iran and Mossadegh resigned. 

Immediately the Tudeh Party, joined by Mossadegh's people, launched riots and demonstrations. Mob rule prevailed and the new government seemed powerless to cope with it. To prevent the danger of civil war Mossadegh was reappointed on July 22, 1952. The Shahanshah later wrote:

The American Government had by now become much alarmed by Iran's steady political and economic deterioration. On 30 August, President Truman and Prime Minister Churchill sent a joint note to Mossadegh outlining a broad formula for settling the oil dispute. He rejected the proposals, and on 22 October he broke off diplomatic relations with Britain.

By mid-1953 there was apparent a definite change in the temper of the nation. Many of Mossadegh's followers had deserted him. They saw that his anti-foreign policy had in actual practice become selective; the real objective was apparently to throw out the British but let in the Reds. The march of events forced upon the people the alarming realization that the country was sliding, not gradually but at breakneck speed, towards political and economic ruin.
On 13 August, 1953, His Imperial Majesty signed decrees dismissing Mossadegh as Prime Minister and appointing another in his place. Mossadegh refused to obey, and the Shahanshah left Iran so that the nation might decide its own destiny. People of Iran acknowledged the newly appointed Prime Minister and revolted against Mossadagh's regime. The mass uprising of ordinary people unnerved the Tudeh forces. They were astonished and did not know what to do. On 22 August 1953, The Shah returned to Tehran to a heart-warming welcome. The revolution of 19 August, 1953, gave a new image to the monarch and opened a new chapter in Iran's history.
CHAPTER V
THE REVOLUTION OF THE SHAH AND THE NATION

His Imperial Majesty Mohammad Reza Pahlavi Aryamehr
Shahanshah of Iran has best expressed the dilemma facing
the nation and the triumph of "The Revolution of the
Shah and the Nation" in "The White Revolution."

I looked at Iranian society, recognizing
its weaknesses, needs and potentialities; I
studied the structure of other societies and
saw how they progressed; I analysed the various
philosophies and programs which had been advocated
or implemented. The realization came to me
that Iran needed a deep and fundamental revolution
that could at the same time, put an end to all the
social inequalities and all the factors which
caused injustice, tyranny and exploitation, and
all aspects of reaction which impeded progress
and kept our society backward.

In building a new society in place of the old
one we had to find the way which was most bene-
ficial for us and which would be in harmony with
the Persian spirit and character, with the needs
of our continent, our geography and history.
Only then could we reach our goal rapidly, and
our goal would be as great as that of any of the
most advanced nations of today.¹

Today political rights which are divorced
from social rights, and legal justice that does
not include social justice, and political
democracy without economic democracy, are devoid
of real meaning.²

In point of fact, political democracy has
no meaning unless it is complemented by economic
democracy under which no agent of exploitation,
either private or governmental, or a group which
defends a minority or class, must be allowed
to operate.³
It was essential that land reform should take place and the feudal landlord and peasant system be abolished; that the relationship between workers and employers should be regularized so that labor should not feel exploited; that women—who after all make up half the population—should no longer be included with lunatics and criminals and deprived of their social rights; that the scourge of illiteracy should be removed so that illiterates who do not know how to defend themselves should know their rights; that nobody should die of disease nor spend their lives in misery and wretchedness through lack of treatment or care; that backwardness in the villages should be ended, and the undeveloped country districts should be connected with the rest of the country; and in general that conditions in harmony with today's civilized world should prevail.

On the ninth of January at the National Congress of Rural Cooperatives held in Tehran I outlined the principles of this Revolution in a six point plan. On the 26th of January 1963, equivalent to the sixth of Bahman, 1341, in the Persian calendar, which must be considered as the starting point of Iran's modern history, a general referendum was held. The result was a resounding and irrevocable approval of the revolutionary charter. A majority of over 99% voted in favor of the plan.

The "White Revolution" became a reality by legal and democratic means and enabled Iranians to pursue a completely independent foreign policy, based solely on Iran's legitimate interests, while respecting the rights of all other nations. By way of summation the Shahanshah wrote:

This independent policy, based on our national sovereignty, has enabled us to utilize fully our existing resources for the material and social progress of the country. As a result, parallel to our developments in social fields, we have
achieved some really striking successes, such as preparing plans for the industrialization of the country, concluding unprecedented agreements in the spheres of industry, trade and oil, establishing heavy industries such as steel, aluminum and petrochemicals, strengthening existing industries and creating new markets.
CHAPTER VI
ECONOMIC DEVELOPMENT

The First Seven-Year Plan (1949-55) proved almost a complete failure. Actual investment outlays by the Plan Organization amounted to only 4 Billion Rials (125 million dollars), far less than originally planned.

The Second Seven-Year Development Plan (1955-62), like its predecessor, was a series of state projects categorized under four main headings: agriculture and irrigation; communications and telecommunications; industries and mines; and public utilities and services. It was to be financed by oil revenues accruing to the Iranian government under the 1954 Oil Agreement, and through foreign borrowing repayable out of future oil revenues. Originally, about 80 percent of oil revenues was to be set aside for development purposes each year. However, the increasing current public expenditures and the reduction of foreign financial assistance forced the government to reduce the share allocated to the Plan Organization to 60 percent and later to 55 percent and less. This allocation, however, constituted about 65 percent of total sources of funds available to the Plan Organization during the second seven-year period of the plan. It was obvious, that without oil income, the Second Plan's goals could not be met.
The Third Plan (originally for five years but extended to five and a half, from mid-1962 to the end of 1967) was more comprehensive than the previous two in the sense that all major targets for the economy were stated in the plan. The overall expenditure amounted to three billion dollars of which 66 percent came from oil revenues and nine percent from foreign loans.

By this time oil revenues were increasing and the Third Plan channeled a substantial portion of the oil revenues into development projects. Moreover, it was the first Iranian plan to specify the underlying development strategy, the overall development objectives, and some sectoral growth targets.

Iran's Fourth Plan, covering the five year period from 1968 to 1972, was the most comprehensive and most ambitious of all the development plans formulated. It called for a total investment of 10.8 billion dollars. About 55 percent of this total was public, and the remaining 45 percent private investment. The plan originally sought to increase the real gross national product (GNP) by 9.3 percent per annum. From an initial 6.9 billion dollars in 1967, GNP was to reach 10.9 billion dollars at the end of the plan period (in 1965 prices), thereby raising GNP per capita to 359 dollars compared with 257 dollars at the end of 1967. But in 1969 an additional 500 million dollars was added to the
program after the Government reappraised the funds available to it for development (extra oil revenues); per capita GNP rose to about 500 dollars at the end of the plan.9

In summary, during the first decade of the White Revolution (1962-1972) Iran made rapid economic progress while bringing about far-reaching political, social, and cultural changes. In 1962 the GNP at current prices was estimated at 4.42 billion dollars; at the end of the decade it had more than tripled to reach a level of about 14.9 billion dollars, an average annual rate of growth of 12.6 per cent throughout the period.

In these ten years Iran industrialized rapidly. The basis for heavy industries was laid down by establishing the Aryamehr steel mill in Isfahan with an initial capacity of 600,000 tons; it is anticipated that it will expand further to 5 million tons. Other basic industries, such as the machine-tool factories at Arak and Tabriz, were established for the first time in Iran during this period. The process of industrialization occurred in all fields, and the industrial and mining sector had an average annual growth rate of 12.8 per cent. During the same period the oil sector grew at about 15 percent annually. However, the average annual rate of growth in agriculture was only 4.3 percent.
In 1962 only 24 percent of the population in the age group 10-44 was literate; by 1972 the ratio rose to 50 percent. During the period, the number of children attending primary schools doubled and the number of secondary school pupils rose from 327,000 to 1,575,000. Enrollment in technical and vocational schools rose from 11,600 to 66,000, while the student body at universities and other institutes of higher education increased from 24,000 to 108,000, bringing the total number of Iranian students to 5,149,000.

The number of clinics and other medical and health centres, which was 620 in 1962, rose to 1,510 in 1972; the ratio of hospital beds to population improved from 9.7 to 13.6 per 10,000.

In 1962 more than 55 percent of the employed population worked in the agricultural sector, whereas by 1972 this ratio had declined to 40 percent. Employment in the services sector increased during the period from 23.8 percent to 30 percent, while the ratio of employment in industry (manufacturing, mining, petroleum, power, fuel and construction) rose from 21.2 to 30 percent. The total work-force increased during the period from 7.1 million to 9.2 million.
Iran's Fifth Plan (1973-1978) was revised in 1974 as additional revenues became available, for a total investment of 68.6 billion dollars. About 66 percent of the total will be public, and the rest, private investment. Oil and gas revenues are estimated to be about 98.5 billion dollars for the five year period. Therefore, some 30 billion dollars of this amount and all other internal revenues cannot be spent within the country. The remainder will be used for world-wide investments which should provide more stability for Iran.

So far (1974) the investments abroad have been:

1. Afghanistan - 2 billion dollars in general aid.
2. Bangladesh - 100 million dollars in general aid.
3. Egypt - One billion dollars for reconstruction of the Suez Canal and Port Said.
4. France - One billion dollars to the Bank of Paris in advance payment for five nuclear reactors.
5. Great Britain - 1.2 billion dollars loan to industrial equipment companies.
6. India - 250 million dollars for development of iron-ore exports.
7. Italy - 3 billion dollars loan for joint ventures.
8. Pakistan - 250 million dollars in general aid.
10. Syria - 50 million dollars in general aid.
11. United States -
   a) one million dollars endowment to George Washington University.
   b) 75 million dollars credit to the Grumman Corporation.

12. West Germany - More than 100 million dollars for 25% of the Krupp Steel Corp.

13. One billion dollars to the World Bank for aid to developing nations.  

With the Shahanshah's "Positive Nationalism" and its "Independent National Policy," Iran is determined to get to the border of its "Great Civilization" in 13 years time, the end of her Seventh Plan.
CHAPTER VII
THE PRESENT WORLD ENVIRONMENT

In studying the role of Iran in the Persian Gulf region, it is essential to become familiar with the current policies employed by the super powers, the United States and the Soviet Union, and recognize the importance of the area.

President Richard Nixon, inspired by the will of the American people who were frustrated from the prolonged Vietnam war, announced the United States new foreign policy on 22 January 1970 (delivered in a message before a Joint Session of the Congress). This was later known as "Nixon Doctrine":

Neither the defence nor the development of other nations can be exclusively or primarily an American undertaking. The nations of each part of the world should assume the primary responsibility for their own well-being; and they themselves should determine the terms of that well-being. We shall be faithful to our treaty commitment, but we shall reduce our involvement and our presence in other nations' affairs.¹

In contrast to the statement of the President of the United States, Leonid Brezhnev at the 1971, 24th Congress of the Communist Party of the Soviet Union, declared:

In recognition of its international duty, the CPSU will continue to pursue a line in international affairs towards promoting the further activation of the world antiimperialist struggle and the strengthening of the combat unity of all its...
participants. The total triumph of socialism
the world over is inevitable, [applause], and for
this triumph, for the happiness of the working
people, we will fight, unsparing of our strength.
[applause]

On Monday, 9 August 1971, during Mr. Gromyko's visit
to New Dehli, the 20 year Treaty of Peace, Friendship,
and Cooperation between India and the Soviet Union was
signed and officially entered into force on August 18,
when ratification instruments were exchanged in Moscow.
The agreement mainly pledged that the two countries would
support each other if either country is the target of
military aggression.

Article 2 of the treaty has a special significance
which is to be noted:

Guided by the desire to contribute in every
possible way towards ensuring the lasting peace
and security of their peoples, the High Contracting
Parties declare their determination to continue
efforts to preserve and strengthen peace in Asia
and throughout the world, end the arms race, and
achieve general and complete disarmament covering
both nuclear and conventional weapons, under
effective international control.

Not more than 100 days after the conclusion of the
Treaty, neutral India, the peace-loving nation, exercised
her newly acquired strength on East Pakistan on Sunday,
21 November 1971.

Pakistan, a member of both Central Treaty Organization
and Southeast Asia Treaty Organization, helplessly took
the matter to the United Nations. The ineffectiveness of the Security Council, where the interests of the super powers are at stake, is explained in President Nixon's report to the Congress:

When war erupted toward the end of November, the world community was close to unanimous that there was one urgent necessity - to stop it.

On December 4, the United States requested an urgent session of the UN Security Council, which voted, 11 to 2, for an immediate ceasefire and withdrawal of foreign forces. The USSR vetoed this and a second resolution soon after. A similar resolution then passed on December 7 in the General Assembly by 104 to 11, with 10 abstentions. Of all the nations of the UN, only the USSR, some of its East European allies, India, and Bhutan opposed it; our position was supported by the overwhelming majority of the nations of the world. The Soviet Union blocked international action until the capture of East Pakistan was a fait accompli.

The birth of Bangladesh opened a new chapter in the history of South Asia and the Middle East. It was followed by the Soviet-Iraqi Treaty of Friendship and Co-operation which was signed by Mr. Kosygin, Chairman of the USSR Council of Ministers, and President Hassan al Bakr of Iraq on 9 April 1972, and came into force on July 20 with the exchange of instruments of ratification in Moscow. Article 4 of this agreement clarifies the essence of the Soviet Union's intention:

Proceeding from the ideals of freedom and equality of all peoples, the high Contracting Parties condemn imperialism and colonialism in
all forms and manifestations. They will continue to wage an unrelenting struggle against imperialism and Zionism, and for the full, final and unconditional elimination of imperialism, neo-colonialism, racism and apartheid. They call for the immediate and complete implementation of the UN declaration of the granting of independence to all colonized countries and peoples. The two parties will cooperate with each other and with other peace-loving states in supporting peoples' just struggle for their sovereignty, freedom, independence and social progress.9

The result of this treaty, so far, has been that the Baathist regime in Iraq has on many occasions given evidence of its political and material support for Southern Yemen. Baghdad is extending tangible support, directly and indirectly, to the revolutionary elements more openly embraced by Southern Yemen, which of all the Arab nations in the general region, is the one most outspoken in its dedication to fomenting revolution in the traditionalist states of the area and has demonstrated its extremist orientation on many occasions.

Typical of the stand taken by Southern Yemen was a statement made by Ali Nasser Mohammed, the Premier, on 6 August 1972. He said unequivocally that his country would continue to support revolution in the Arab (Persian) Gulf, which is being led by the popular Front for the Liberation of Oman and the Arab (Persian) Gulf.10
It is not difficult to understand the intention of the Soviet Union in extending her influence in the Persian Gulf region, as 65 percent of the world's proved oil reserves is located in that area and 86 percent of the non-communist world's crude shipments originates in the Persian Gulf.
CHAPTER VIII
NECESSITY OF A STRONG MILITARY FORCE

The late American sociologist Clyde Eagleton perfectly expressed the fact that "One of man's weaknesses was that he only accomplished under the threat of imminent disaster what his common sense and conscience had long dictated. Unfortunately this usually happens when it is too late to avoid the disaster."

But for the Iranians, the Shahanshah made it clear when he wrote, "Experience has always taught us that if we go out to meet inevitable events we get better results with less risk of danger than if we simply let them overtake us."²

In 1955, Iran joined the Baghdad Pact. With the withdrawal of Iraq from the pact in 1958, Iran became member of Central Treaty Organization (CENTO) with Turkey, Pakistan and Great Britain. Then in 1959, Iran signed a bilateral agreement with the United States to promote peace and stability in the Middle East.

Article I

The Imperial Government of Iran is determined to resist aggression.
In case of aggression against Iran, the Government of the United States of America, will take such appropriate action, including the use of armed forces, as may be mutually agreed upon and is envisaged in the Joint Resolution to promote peace and stability in the Middle East, in order to assist the government of Iran at its request.\(^3\)

Iran started to strengthen its defense capability and modernize its armed forces. His Imperial Majesty, the Commander-in-Chief of the armed forces, explained the necessity of these actions when he wrote:

Of course, there are some petty dictators still ruling in certain countries whose egotistical and ambitious designs have gone unchecked, and who appear to have learnt nothing. But we may be certain that they will suffer the same fate as their more powerful counterparts. Until general and guaranteed world disarmament has been realized, states will be obliged to defend themselves.\(^4\)

A.A. Grechko, the Defense Minister of the Soviet Union in his speech to the 24th Congress of the Communist Party in 1971, with a different purpose in mind said the following:

The constant strengthening of the armed forces is an objective necessity for the successful building of socialism and communism, and one which results from the law governed patterns of social development and from the particular features of the class struggle between capitalism and socialism. The experience of more than 50 years of socialist building in our country has fully confirmed the rightness of the military policy and the practice of the armed forces building being firmly pursued by the Communist Party.\(^5\)
A year later the Treaty of Friendship and cooperation was signed between the Soviet Union and Iraq for the same purpose (Article 4) and to implement it, "Article 9" states:

In the interests of the security of both countries, the two high contracting parties will continue to develop co-operation in the strengthening of the defense capabilities of each. 6

Iran's position is well defined by Shahanshah Aryamehr:

Everyday I find additional reasons to continue this policy because of the impotance of the United Nations. First of all, there is that U.N. veto. We also know that as long as detente persists between the U.S. and the Soviet Union, wherever they agree - as on the Middle East cease-fire-they only agree that their two countries will not go to war.7

And Iran's Premier emphasized the point when he said,

Since World War II, we have seen that pacts and bilateral arrangements don't work when you need them. Our buildup is our only way of survival.8
CHAPTER IX
CONCLUSION

The Soviet Union has long been interested in dominating Iran for three essential factors: the strategic importance of the country, the warm water ports in the Persian Gulf and the Sea of Oman, and oil of the region. Past attempts have not been successful primarily for three reasons: the long-lived monarchy and civilization of Iran; the Islamic religion; and the high interest of the Western world in the region.

In recent years the USSR has been carefully following Iran's "Independent National Policy" and evaluating the astonishing results of the "White Revolution," the fantastic economic development and the social achievement. She has accepted Iran's policy of peaceful co-existence so that the two countries are implementing a series of joint projects and cultural and social exchanges. But, this policy has not changed the Soviet Union's desire for the expansion of her influence in the Persian Gulf. The treaty of Friendship and Co-operation with Iraq and employment of a close relationship with the People's Democratic Republic of Yemen is the proved indication of her intention.
The United States has, so far, avoided direct confrontation with the USSR and prefers to continue the present state of "detente." The majority of American people are frustrated from participating in limited wars far from their homeland and would like to reduce their involvement in the other parts of the world.

Iran's long coastline along the Persian Gulf and the Sea of Oman, and her daily production of over six million barrels of oil which must be exported through the Gulf have given her a particular interest in the security of the area. With leadership of firm determination, Iranians have demonstrated that their nation, after struggling with foreign occupation and fighting for unification, has through planning, programming, and exploitation of natural resources developed a capability which is second to none in the Persian Gulf region.\footnote{1}

As stated by the Ministry of Foreign Affairs of Iran:

The Government of Iran, has assured other littoral states of its willingness to undertake responsibility for defense and to co-operate with its friends and neighbours for the steady development of the region by establishing stability and facilitating progress.\footnote{2}
Iran with its dominant military power has the ability and is determined to maintain the security of the Persian Gulf, which is essential for its progress and prosperity. It is to the interest of the Western World to appreciate and support Iran's continuous efforts in establishing stability in the region, today's main source of the Free World's energy.
APPENDIX B

TABLE OF CAPABILITIES

1. Bahrain, Qatar and United Arab Emirates:
   a. Bahrain - includes the main island of Bahrain and several islands midway along the Persian Gulf. They are some 23 square miles with 220,000 population. Bahrain became independent in August 14, 1971, and its main income is from oil.¹
   
   b. Qatar - occupies some 6,000 square miles of Qatar peninsula extending into the Persian Gulf. It became independent in September 1, 1971. Its population is about 115,000 (est 1972) and is a large oil producer in the area.²
   
   c. United Arab Emirates - became independent on December 2, 1971, with a population of about 200,000 (est 1972). The UAE was formed by 6 of the 7, Abu Dhabi, Dubai, Sharja, Ajman, Fujaira, and Umm al Qaiwan. The 7th, Ras al Kaima, joined shortly afterwards. The total area is about 32,278 square miles and the main income is from oil.³

   The total proved oil reserves of these countries (est 1974) is 24 billion bbl. and none of the states has a military capability.

2. Iraq - occupies some 173,259 square miles and is one of the greatest oil producers of the world.
In July 17, 1968, after several coups, the government was taken over by a group headed by General Ahmed Hassan al-Bakr, a member of the right wing of the international Baath Socialist Party.

In April 9, 1972, Iraq and the USSR signed a treaty of friendship and cooperation. In June 1972, after developing new fields with the USSR aid (1970-72), Iraq nationalized European and U.S. companies that controlled the Iraq Petroleum Company. Iraq holds about 32 billion bbl of proved oil reserves (1974), the sixth largest in the world.

Iraq's population is 10,740,000 and its estimated GNP (1973) was 5.0 billion dollars.


Military Service: 2 years.

Total armed forces: 112,500.

Army: 100,000.

2 armored divisions, each of 2 armd bdes and 1 mech bde.
3 infantry divisions, each of 1 mech bde and 3 inf bdes.
1 Republican Guard mech bde.
2 special forces bdes.
1,300 T-62, T-54/55, and 90 T-34 med, PT-76
It tks: about 1,300 AFV, incl BTR-60, BMP-76,

37
BTR-152; 700 75mm, 85mm, 100mm, 120mm, 130mm, and 152mm guns; FROG SSM; 23mm, 37mm, 57mm, 85mm, 100mm AA guns. (Equipment and aircraft figures approximate; war losses and replacements make assessment difficult.)

Reserves: 250,000.

Navy: 2,000.

3 SOI submarine chasers.
2 minesweepers.
3 Osa-class patrol boats with Styx SSM.
12 P-6 torpedo boats.
6 Patrol boats (less than 100 tons).

Air Force: 10,500. 218 combat aircraft. (Equipment and aircraft figures approximate; war losses and replacements make assessment difficult.)

1 bomber sqn with 8 TU-16.
3 fighter-bomber sqns with 60 Su-7.
1 PGA sqn with 20 Hunter.
3 fighter sqns with 30 MIG-17.
5 interceptor sqns with 100 MIG-21.
2 tpt sqns with 12 An-2, 6 An-12, 10 An-24, and TU-124.
34 Mi-4, 16 Mi-6, 30 Mi-8, and 20 Alouette III hel.
Trainers include 30 MIG-15, MIG-21 UTI, Hunter T-66/69, Yak, L-29 (L-39 on order). SA-2, SA3, and SA-6 SAM.

Reserves: 18,000.

Para-Military Forces: 10,000 National Guard, 4,800 security troops, and 4-5000 others. 7

3. Kuwait: Occupies some 6,178 square miles in the Northwest of the Persian Gulf. 8 It's proved oil reserves (1974) are 64 billion bbl, the third largest in the world. 9

Kuwait's population is about 1,100,000 and its estimated GNP (1973) was 4.7 billion dollars.


Military Service: conscription.

Total armed forces: 10,200

Army: 8,000.

1 armoured brigade
2 composite bdes (amour/infantry/artillery).

50 Vickers and 50 Centurion med tks:
250 Saladin, Saracen, Ferret armed cars;
10 25 pdr guns; 20 155mm how; Vigilant ATGW.

Navy: 200 (Coastguard)

10 78 foot patrol boats.

8 patrol launches
2 landing craft.
Air Force: 2,000; 28 combat aircraft.

12 Lightning F-53 interceptors.
4 Hunter FGA-57 fighters.
12 BAC-167 Strikemaster COIN aircraft.
2 Caribou, 1 Argosy, 1 Devon, 2 Lockheed L-100-20 transports.
6 AB-204B, 1 Whirlwind hel.
(20 Mirage Fl, some 200 Gazelle, and 10 Puma hel. on order.)

4. Saudi Arabia: Occupies 870,000 square miles, four-fifth of the Arabian Peninsula, with the Red Sea on most of its west coasts and the Persian Gulf on the east. It is an agricultural country except for oil. Recently a steel mill and fertilizer plant have been built.\(^\text{11}\)

Saudi Arabia possesses the world's largest proved oil reserves (1974), about 132 billion bbl, and is the greatest oil producer in the world.\(^\text{12}\)

Saudi Arabia's population is about 8,670,000 and its estimated GNP (1973) was 6.8 billion dollars.

Defense expenditure 1974-75: 1,808 million dollars.

Military Service: voluntary.
Total Armed forces: 43,000.

Army: 36,000
   4 infantry brigades
   1 armoured battalion
   2 reconnaissance battalions
   1 parachute battalion
   1 Royal Guard battalion
   3 artillery battalions
   3 AA battalions
   10 SAM batteries with HAWK.
   30 AMX-30, 25 M-47 med tks; 60 M-41 lt tks;
   200 AML-60 and AML-90, some Staghound and
   Grayhound armed cars; Ferret scout cars;
   field guns; AA guns: HAWK SAM. (150 AMX-30,
   Scorpion, Fox, and Improved HAWK on order.)

Navy: 1,500
   4 FPB (Jaquar class).
   20 Patrol boats (coastguard).
   8 SRN - 6 hovercraft (coastguard).

Air Force: 5,500; 90 combat aircraft
   2 FB sqns with 14 F-5E and 20F-5B
   2 FGA sqns with 21 BAC-167.
   2 interceptor sqns with 35 F-52/F-53 Lightning
   2 tpt sqns with 9 C-130H and 2 C-140B.
2 hel sqns with 20 AB-206 and 10 AB-205. Other ac incl 3 Lightning, T-55, 1 T-33 trainer, 1 Cessna 310K, and 6 127-G lt ac; 6 Alouette III, 1 AB-204 hel. 37 Thunderbird Mk 1 SAM. (126 F-5E/B, 38 Mirage III ESA, 9 BAC-167, 12 KC-130 on order.)

Para-Military Forces: 26,000 National Guard (formerly known as the "White Army"), organized into regular and semi-regular battalions; 6,500 Coastguard and Frontier Force.

5. Oman: the Sultantate of Oman (formerly Muscat & Oman) is occupying some 82,000 square miles. It has a coast line of 1,000 miles along the Gulf of Oman and the Arabian Sea. Its main income is oil. Oman's population is about 740,000 and its Defense expenditure (1974) was 169 million dollars.

Military Service: voluntary.

Total armed forces: 9,700 (including some 600 expatriate personnel of several nationalities, serving on contract or on secondment).

Army: 9,000

4 infantry battalions.

1 frontier force battalion
1 armoured calvalry squadron.
1 artillery regiment,
1 signals regiment.
Saladin, V-100 Commando, Ferret armoured cars;
75mm pack how; 25-pdr and 5.5 inch guns.

Navy: 200
3 fast patrol boats
3 armed motorized dhows.
1 patrol vessel (yacht).

Air Force: 500 (including 160 contract personnel);
12 combat aircraft.
1 FGA sqn with 12 BAC-167 (4 on order)
1 air support sqn with 4 Caribou, 10 Skyvan,
and 4 Beaver (6 Skyvan on order)
1 hel sqn with 10 AB-205 (10A on order)
and 4 AB-206A
1 tpt flight with 5 Viscount (8 BN Defender
and 3 BAC-111 to be delivered in 1974).

Para-Military Forces: 2,000; 1,000 Gendarmerie
(2 battalions; 1,000 tribal Home Guard).

6. Yemen: People's Democratic Republic (South) - is in
the south of Arabian Peninsula and occupies 112,000 square
miles. With only 1% of the land fertile and few mineral
deposits, the Port of Aden has been the area's most
valuable natural resource. But, with the closing of the
Suez Canal, the port lost much of its business. The
government has broken off relations with US and nationalized some foreign firms. Aid has been furnished by the USSR and PRC.16

PDR Yemen's population is about 1,600,000 and its estimated GNP (1972) was 500 million dollars.

Defense expenditure 1972 was 26 million dollars.

Military Service: conscription, terms unknown.

Total armed forces: 14,000.

Army: 11,300

6 infantry bdes, each of 3 battalions.

1 armoured battalion.

1 artillery bde.

1 signals unit.

1 training battalion

50 T-34, T-54 med tks; Saladin, Ferret armd cars; 25-pdr, 105mm pack how, 122mm how; mor;

57mm and 85mm AA guns.

Navy: 200 (subordinate to Army).

2 submarine chasers (ex-Soviet SOI-class).

3 minesweepers (ex-British Ham-class).

3 landing craft (medium).

Air Force: 2,5000; about 39 combat aircraft

1 fighter sqn with 12 MIG-21

1 fighter-bomber sqn with 15 MIG-17
1 COIN sqn with 4 BAC - 167 and 8 Jet Provost.
1 tpt sqn with 4 An-24.
1 hel sqn with 8 Mi-8.


7. Iran - Occupies 636,293 square miles north of the Persian Gulf and the Sea of Oman. It has over 1,000 miles of coastline and 14 main islands, including three strategic near the Strait of Hormoz. Its border in the north with the Soviet Union, land and sea, is about 1,650 miles in length. Iran sits atop an estimated 60 billion bbl of crude oil, or roughly one-tenth of the world's proved (1974) reserves. She is now producing 6.1 million bbl. of oil daily and is the world's second greatest oil exporting nation. Iran's population is about 32,215,000 and its estimated GNP (1973) was 22.5 billion dollars.

Military service: 2 years.
Total armed forces: 238,000
Army: 175,000
  3 Armoured divisions
  2 infantry divisions
4 indep bdes (2 inf, 1 AB, 1 special force).
1 SAM battalion with HAWK.
300 Chieftain, 400 M-47, and 460 M-60AI med tks; about 2000 M-113, BTR-50, and BTR-60 APC; 130mm and 155mm guns; 600 75mm, 105mm, 155mm, 203mm how; 175 mm SP how; 64 BM-21 RL; SS-11, SS-12, TOW ATGW; 23mm, 40mm, 57mm, and 85mm AA guns; HAWK SAM; (480 Chieftain med, 250 Scorpion lt tks; 155 mm SP guns and ZSU-23-4 SP AA guns on order).
Ac include C-45, Li-8, 45 Cessna 185, 10 O-2A, 6 Cessna 310.
20 Huskie, 24 AB-206A, and 14 CH-47C hel. (52 AB-205 A on order).

Reserves: 300,000

Navy: 13,000
3 Destroyers
4 Frigates with Mk 2 Seakiller SSM and Seacat SAM.
4 Corvettes.
10 patrol boats (3 under 100 tons).
6 minesweepers (4 coastal).
4 landing craft.
8 SRN-6 and 2 Wellington BH-N7 hovercraft.
4 AB-205 A, 14 AB-206A, 6 AB-212, 10 SH-3D hel. (6 FPB, 2 BH-N7 hovercraft, 6-P-3 Orion MR ac on order).
Air Force: 50,000; 216 combat aircraft.

6 FB sqns with 32 F-4D, 64 F-4E with sidewinder and Sparrow AAM.
6 FB sqns with 100 F-5A.
2 recce sqns with 4 RF-4E, 16 RF-5A.
6 med tpt sqns with 60 C-130 E/H.
2 lt tpt sqns with 12 F-27, 6 C-54, 5 C-47, and 5 Beaver.
12 Huskie, 5 AB-206A, 5 AB-212, 4 CH-47C hel.
Trainers incl 30 T-41, 30 T-33, T-6 Rapier and Tigercat SAM.
(80 F-14 Tomcat, 70 F4-E, 141 F5-E, 4 F-28,

Para-Military Forces: 70,000 Gendarmerie with lt ac and hel; 40 patrol boats. 21
NOTES ON CHAPTER II


2. Ibid., p. 70.

3. Ibid., p. 75.

4. Ibid., p. 77.

5. Ibid., p. 79-81.

NOTES ON CHAPTER III


2. Ibid., p. 114.

3. Ibid., p. 115.


5. Ibid., Years of Trail and Hope, 1956, p. 94.


7. Years of Trial and Hope, p. 95.


9. Ibid., p. 118.

NOTES ON CHAPTER IV


2. Ibid., p. 89.

NOTES ON CHAPTER V

2. Ibid., p. 171.
3. Ibid., p. 21.
4. Ibid., p. 17.
5. Ibid., p. 3.
6. Ibid., p. 151.

NOTES ON CHAPTER VI

4. Amuzegar, p. 43.
5. Bharier, p. 95.
6. Amuzegar, p. 46.
7. Ibid., p. 50.
8. Ibid., p. 51.

10. Ibid., p. 104.


NOTES ON CHAPTER VII


4. Ibid., p. 24773.


8. Keesing's, p. 25402.


NOTES ON CHAPTER VIII

1. The White Revolution, p. 175.
2. Ibid.


6. New Middle East, June 1972, p. 42.

7. Time, November 4, 1974, p. 34.

8. Ibid., p. 33.

NOTES ON CHAPTER IX

1. See Table of Capabilities, Appendix B of this Research Report.

2. Iran To-Day, p. 37.

NOTES ON APPENDIX B


2. Ibid., p. 595.

3. Ibid., p. 608.


5. The World Almanac, p. 574.

6. Time.


19. *Iran To-Day,* p. 34.


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