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BRIEFING PAPERS

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I. Iran's Foreign Policy

A. Policy flows from the perceptions of Shah Mohammed Reza Pahlavi.

1. He takes a classical realpolitik approach:
National power is what counts, and balance of power--worldwide, regional, and intra-regional--is the long term goal. Events are judged by their impact on the power balances.
2. Each major power should have an acknowledged zone of influence. Iran's zone is the Persian Gulf. Challenges in this area will be met with military force if necessary.
3. Geography, the Shah believes, is an important factor in determining policy. He sees Iran as caught between two unstable areas--the sub-continent and the Middle East. Iran must prepare for the regional political instability that seems inevitable to the Shah.

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4. The potential for instability in the Persian Gulf appears great to the Shah because many of its states are militarily weak and have outmoded political structures. This combined with the presence of oil also ensures great power meddling.
 5. The Shah is heir to a traditional Persian sense of isolation in a largely hostile environment. He seeks to build economic and political ties to lessen this isolation-- Iran is on good terms with all the major powers. At the same time, this historical perception increases the Shah's determination to build Iran's power so that it can go it alone if necessary.
 6. The Shah is determined to build an industrial export-oriented economy that can earn revenues needed to pay for imports when oil earnings fall off near the turn of the century.
- B. The intensity of the Shah's efforts diminishes as he shifts his attention outward from the Persian Gulf, but his interests are essentially worldwide.

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C. The Persian Gulf

1. The goals are to ensure a dominant political and military role for Iran in the Gulf, to limit the influence of outside powers, and to prevent the spread of political radicalism. The Shah would risk confrontation with the Arabs, the US, or even the Soviet Union to ensure Iran's primacy here.
2. Because he sees the Gulf as studded with weak regimes open to subversion, the Shah fears foreign--particularly communist--adventurism in the area.
3. He prefers to deal with this threat through a regional collective security arrangement. His efforts to secure such a pact have so far been rebuffed by his Arab neighbors who are apprehensive over Iran's military build up.
4. The arming is a necessary part of Iran's two track policy because the Shah feels he must be prepared, if necessary, to deploy Iranian forces across the Gulf to forestall radical subversion. About 3,000 Iranian troops remain in Oman guarding against a removal of the decade-long communist-backed subversive effort.

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D. Iraq

1. The political relationship: Iran and Iraq signed an agreement in Algiers in March 1975 intended to resolve long-standing border differences which had led to a number of armed clashes. Both sides have lived up to the letter of the accord and have settled a wide range of differences.
2. The basic reality of Iran-Iraq relations, however, is competition. There is a public facade of good will, but a more enduring undertone of distrust and divergent views on how the region should develop politically.
3. The durability of the reconciliation is therefore questionable. Baghdad still seems intent on overturning the status quo in the Gulf, which Iran wishes to preserve.
4. The Shah so far has been unable to use the accord to successfully pursue his wider goals. Iraq contributed to blocking his campaign for a Gulf security pact, and there has been no substantial lessening of Soviet influence in Iraq or of Iraqi support for radical Arab causes.

5. Continuation of these trends could eventually cause the Shah to revert to his former policy of seeking Iraq's isolation.
6. Iran-Iraq, the Military Balance
 - a. Excluding Turkey, Iran's armed forces are today the largest in the Middle East, and by far the largest and most capable in the Persian Gulf area. Its military budget far exceeds that of other states in the area.
 - b. Iran has the military edge against Iraq primarily because of the quality of its forces. In terms of weapons inventories, the Iranian edge is not as clear-cut.
 - c. Ground forces: Iran has a 3 to 1 numerical superiority over Iraq in manpower, and a slight edge in field and anti-aircraft artillery. Iraq, however, has two Soviet surface-to-surface missile systems; Iran has none.
 - d. Air forces: The two are relatively even in numbers of supersonic jet fighters; Iran has a 1.5 to 1 edge in advanced fighters; 7 to 1 superiority in manpower;

2 to 1 advantage in jet-qualified pilots;
2.5 to 1 advantage in air transports; and
a 3 to 1 advantage in helicopters. Iraq,
however, has a bomber force; Iran does not.

e. Naval forces: Iran has a clear numerical
superiority in manpower and operational
combatant units.

f. Net military assessment: Iran should be
able to defend successfully against Iraqi
attack, but remains vulnerable to Iraqi
airstrikes against vital oil and other
facilities near the border. Iraq could
contain an Iranian attack but could not
prevent penetration of its borders by a
major Iranian invasion.

7. Iraqi-Soviet Relations

a. The Kremlin is showing concern about
Baghdad drifting from the Soviet orbit.

(1) The Soviets worry that the easing of
tensions between Baghdad and Tehran,
and the collapse of the Kurdish
rebellion following the Algiers

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agreement a year ago, decreased Baghdad's dependence on Moscow for military equipment.

(2) Even before the agreement, the Soviets were upset with Baghdad's efforts to attract Western technical expertise and to buy Western arms.

(3) Before 1974, Western suppliers had sold only about \$5 million worth of arms annually to Iraq.

(4) In 1974 and 1975, Baghdad contracted for \$872 worth from the West and Yugoslavia.

(5) France is Iraq's most important non-Communist arms supplier.

b. Even so, Iraq will depend on Moscow for most of its advanced weapons for some time to come.

(1) Under arms agreements signed since 1973, Baghdad has received MIG-23 jet fighters, SA-6's, Osa II and Zhuk patrol boats, minesweepers, 180-mm field guns, and FROG-7 tactical surface-to-surface rockets.

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(2) In 1974, Iraq became the third country in the Middle East--after Egypt and Syria--to get the SCUD surface-to-surface missile system.

- c. For a summary of Soviet Aid agreements with Baghdad, Iraqi military personnel in the Soviet Union for training and Soviet military advisors/technicians in Iraq, see the following tables:

Soviet Aid Agreements (A) and Deliveries (D)
(Million US \$)

	<u>A</u>	<u>D</u>	<u>Equipment Delivered from Communist Countries</u>
1972	40.0	80.0	Medium tanks (113), personnel carriers (50), artillery pieces (5), torpedo and missile boats (3), jet fighters/bombers (9), other aircraft (15), surface-to-air missiles (4)
1973	149.0	352.0	Medium tanks (252), light tanks (32), personnel carriers (67), artillery pieces (53), torpedo and missile boats (1), jet fighters/bombers (35), other aircraft (6), air-to-air missiles (21), surface-to-air missiles (4)
1974	648.0	336.0	Medium tanks (95), personnel carriers (170), artillery pieces (490), torpedo and missile boats (4), jet fighters/ bombers (54), other aircraft (52), air-to-air missiles (38), surface-to-air missiles (9), surface-to-surface missiles (4)
1975	27.0	254.0	Medium tanks (90), personnel carriers (313), artillery pieces (9), torpedo and missile boats (2), jet fighters/bombers (24), other aircraft (14), surface-to-surface missiles (5)

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d. Iraq has provided the Soviet Union since 1968 with limited port facilities for its naval ships in return for Baghdad's relatively secure source of Soviet arms.

- (1) A Soviet repair ship has berthed at the Basra naval base for prolonged periods. It has provided replenishment and limited maintenance to small Soviet warships.
- (2) Commercial facilities at Basra and Umm Qasr have provided replenishment to Soviet auxiliaries and small warships.
- (3) These ports are not used extensively by the Soviets because they are crowded and are distant from the main Soviet operating areas in the Gulf of Aden and in the northwestern Indian Ocean. However, since 1974

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when Soviet naval units began to patrol sporadically the Strait of Hormuz, Iraqi ports provided support to [REDACTED]

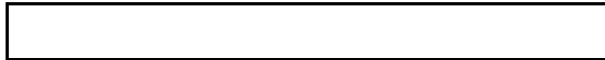
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small warship operating there.

8. Status of the Iraqi Kurds: The Kurds associated with the 1974-75 abortive uprising in Iraq are not in a position to rebuild a resistance organization. Both Baghdad and Tehran worry that the tribesmen may stage terrorist attacks against Iraqi and Iranian diplomatic posts, however.
- a. Mulla Mustafa Barzani, seriously ill and discredited by his defeat, has been effectively eliminated as head of the Kurdish movement. His sons have not been able to pick up the reins of leadership and the Kurdish leaders who took refuge in Iran are kept under wraps by the Shah.
- b. Jalal Talabani, a leftist and long-time rival of Barzani, is the only serious aspirant to leadership of the Kurds.
- Using Syria as a base, Talabani has been

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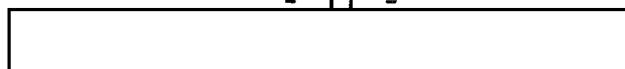


trying since last July to build a dissident organization--the Kurdish National Union. The organization probably has only a few thousand members. It has launched a limited number of guerrilla raids from Syrâi into Iraqi Kurdistan.

- c. Syrian Baathist leaders see the Talabani Kurds as another means of putting pressure on the rival Baath Party in power in Baghdad. Damascus is not likely to give free rein to Talabani to operate against Iraq unless relations between the two countries get much worse than they are now.

E. The Sub-continent and Indian Ocean

1. The Shah considers Moscow's friendship pacts with India and Iraq, its attempts to deepen its influence in Afghanistan, and the fragmentation of Pakistan as constituting a giant pincer movement aimed at placing hostile regimes on Iran's flanks.
2. Although Moscow is the main concern, the Shah sees India as basically aggressive, expansionist,



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and ultimately Iran's principal competitor in the region. To lessen the frictions and to present alternatives to reliance by area states on the Soviet Union, the Shah has sought improved relations and economic ties with New Delhi and supported expanded regional economic cooperation, mainly through the Regional Cooperation for Development framework. In addition, he has made clear his support for the territorial integrity of Pakistan.

3. The Shah wants Iran to be the leading, if not the dominant power in the Indian Ocean.
 - a. He regards an Iranian naval presence in the Ocean essential to protecting the routes of Iran's oil exports.
 - b. Establishment of a deep-water navy is several years away. In the meantime, the Shah wants a strong US naval presence in the Indian Ocean and he supports US expansion of Diego Garcia.
 - c. He will ultimately work for the elimination of both the Soviet and US military presence, but for the moment he sees the Indian

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Ocean as a power vacuum that Moscow must not be allowed to fill.

F. The USSR

1. A constant in Iran's foreign policy is deep-seated mistrust of Moscow. The Shah is convinced that Moscow wants to extend its hegemony to the Persian Gulf.
2. He applauds Soviet reverses in the Middle East and gives political and economic support to Arab moderates, such as President Sadat, in hope of furthering the decline of Soviet influence.
3. There has been a cooling of Iranian-Soviet relations during 1976, expressed by sharper propaganda attacks by both sides. It is an outgrowth of the Shah's displeasure over Soviet and Cuban actions in Africa and their support of the Dhofari guerrilla movement operating against Oman.
4. Despite the mistrust, the proximity of Soviet power requires that Iran have normal, if cautious, relations with Moscow. By expanding trade with the USSR and by regular high-level

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political exchange, he believes he has provided strong incentives for Soviet cooperation. He clearly will not let relations deteriorate too far.

G. The US

1. The Shah has no doubt that Iran's natural and most vital alignment is with the West in general and the US in particular.
2. The West supplies needed sophisticated industrial technology, military equipment, and trains Iran's army.
3. The Shah still relies ultimately on Iran's link to the US to deter Soviet aggression against Iran.
4. There are, of course, problems.
 - a. The Shah doubts the US would prove a reliable ally in case of a regional conflict not involving a communist power--hence his determination to build military power adequate to defeat all neighbors but the Soviet Union.
 - b. He questions US reliability as a supplier, citing the experience in Pakistan, Turkey, and Indochina; and he questions US

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resolve in resisting the communists,
citing Angola.

- c. The Shah bluntly states the advantage to the US of close ties to Iran and what his regime expects in return--support but not US dominance.

H. Economic factors lie at the heart of the Shah's foreign policy initiatives beyond Iran's immediate region.

1. Oil exports accounted for 96% of Iran's total foreign exchange earnings in 1975. Oil is a diminishing asset. The Shah, therefore, believes it imperative that Iran build a modern, self-sustaining industrial economy before the oil runs out.
2. Initiatives in Africa, Latin America, and the developed world aim at securing unfettered access to modern technology, technical training, capital goods, raw materials, and potential foreign markets for the time when non-oil exports must sustain Iran's economy.

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II. Iran's Nuclear Program

- A. In 1973 the Shah announced an ambitious program for nuclear energy development. It calls for the construction of nuclear power reactors having an installed electric power capacity of over 20,000 megawatts in the next 20 years.
1. Iran is not expected to meet the plan to have its first nuclear power station in operation by 1980.
 2. It is questionable whether Iran will be able to meet the long-range goal.
- B. Iran is completely dependent upon foreign assistance in all areas of its nuclear program.
1. The terms of foreign assistance require that the nuclear program be under international safeguards limiting it to peaceful uses.
 2. Iran does not have a capability to unilaterally develop nuclear weapons and will not for many years.
- C. The nuclear program in Iran has consisted to date of research and training; the major facility is a small US-supplied research reactor at Tehran University.

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1. An agreement for cooperation in nuclear energy has been concluded with France.
2. Agreements with the US and West Germany are under negotiation.
3. Although final contracts are not signed, France and West Germany are working on the construction of nuclear power plants of two reactors each.
4. The first reactors are scheduled to go into operation in 1980 and 1981.

D. Iran has selected the pressurized-water type reactor for its program and will require foreign supply of enriched uranium.

1. The West Germans will supply uranium enriched by the USSR for the two reactors it will construct.
2. Enriched uranium for the French-supplied reactors will come from Iran's share of the French-led multinational gaseous diffusion project.
3. Iran has signed contracts with the US for fuel for future US-supplied power reactors.

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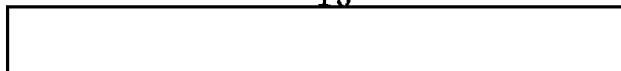
4. Exploration for uranium deposits in Iran have so far been unproductive.
5. Iran is negotiating with South Africa for the purchase of large quantities of uranium over the next 20 years, and is negotiating a tri-lateral deal with France and Niger for uranium exploration in Niger.

E. A major handicap in the expansion of the Iranian nuclear program is lack of trained personnel.

1. An extensive training program has been set up, but will be some time before it shows results.
2. The French will supply an extensive nuclear research center, scheduled for completion in 1980.
3. To meet construction schedules, both West Germany and France will have to bring trained personnel to Iran.

III. Other Items of Interest

- A. Cuban activities: Excluding Angola, Havana has about 2,500 Cubans serving abroad in advisory and technical roles. Most are in Africa. Cubans have worked with the African revolutionary movements since the early 1960s; Africans have been trained in Cuba.



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1. Africa: In the late 1960s and early 1970s, Cuba broadened the range of its support activities to African guerrilla groups and newly emergent leftist governments.

- a. The estimated Cuban presence in Africa today is:

Equatorial Guinea, 300	Somalia, 50 - 200
Guinea-Bissau, 150	Algeria & Sierra Leone, about a
Guinea, 300	dozen each.
Tanzania, 350-500	Mozambique, 150 - 200
Zambia, 50 - 100	
Congo, 100	

Duties range from teaching to training militia.

- b. Angola: There are 13,000 to 15,000 Cubans now in Angola. Cubans bore the brunt of the fighting during the civil war and served in many rear area capabilities. We do not expect an early reduction of the number of Cubans in Angola.

2. Middle East: The first sizable group of Cubans--medical specialists--appeared in South Yemen in 1972. About 100 military personnel followed in 1973, serving as instructors to Aden's army and militia, and to an Omani guerrilla organization operating

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out of South Yemen. The Cuban military
contingent eventually grew to 250-300 men,
including pilots. [redacted]

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3. Far East: Cubans have given assistance to the
Communist regimes in Vietnam and Laos. Havana
seems to be rotating contingents on a regular
basis.

4. The Soviet connection:

- a. We do not know the exact degree to which
Cuba acted in Angola in response to
Soviet direction. The scale of the
intervention and the risks certainly
point to some Soviet direction and
assurances of support.
- b. A new adventure on the scale of Angola
would be repeated only if Havana could
again depend on Moscow for the same
degree of support.
- c. Havana will continue assistance on a
smaller scale to leftist regimes with or
without Soviet backing.

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B. North Korea: Beginning in the late 1960s North Korea moderated its aggressive, heavy-handed diplomacy and support for insurgent groups in order to reduce its political isolation and to more effectively compete diplomatically with South Korea. In 1969 North Korea had relations with 28 countries, nearly half of which were communists. By the end of 1975 Pyongyang had relations with 87 countries. Much of the gain came in the third world, especially in Africa.

C. Despite this shift in tactics, Pyongyang has not completely abandoned subversive activities or dispelled its reputation as a mischief-maker.

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1. [REDACTED] the North Koreans continue contacts with some insurgent groups, albeit on a reduced and more selective basis.
2. Pyongyang continues to have close relations with, for example, the Palestine Liberation Organization and have provided training, [and] in recent years the North Koreans have provided training to FRELIMO in Mozambique, and to Somalian guerrillas [REDACTED]

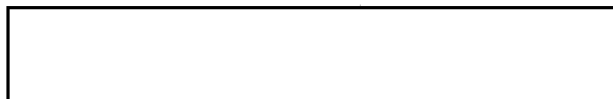
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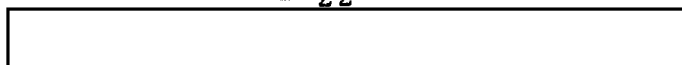


military attache was expelled from Egypt last year for spying.

3. North Korea's early recognition of the MPLA in Angola and the Polisario Front in the Sahara have strained developing relations with Zaire, Mauritania, and Morocco.
4. Pyongyang's earlier connections with guerrillas in Mexico and Sri Lanka were exposed in the early 1970s and have left a legacy of distrust.
5. Despite improving ties, Ethiopia and Kenya remain wary of North Korea's reputation for supporting local dissidents.

D. Libya and the PFLP have maintained some ties, and Libya has given some financial assistance for the last few years, but close cooperation and heavy financial aid began only last year.

1. President Qadhafi had always been deeply suspicious of the Marxist philosophy of the PFLP and of its leader George Habbash, as well as of Habbash's Christianity, and he kept the organization at arms length until approximately a year ago.

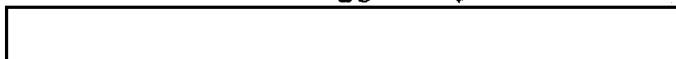


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2. A growing dissatisfaction with the PLO, however, led Qadhafi to swallow his ideological objections to Habbash.
 - a. Qadhafi had grown increasingly dissatisfied with Yasir Arafat's relative moderation on the Arab-Israeli question and with his willingness to engage in negotiations.
 - b. Qadhafi had also long been unhappy with the failure of Arafat and Fatah to conduct more frequent guerrilla operations in Israel and Israeli-occupied territory and to engage in international terrorism.
3. Qadhafi apparently found in Habbash a client more attuned to his thinking on the Arab-Israeli issue, more responsive to his direction, and more willing to engage in terrorism, both international and within Israel.
 - a. Since approximately last summer, the PFLP has received weapons and regular subsidies from Libya, which has replaced Iraq as Habbash's principal financial backer.
 - b. PFLP commandos receive training in Libya.



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E. The PFLP appears to have been Libya's principal vehicle for terrorism since the rapprochement last year.

1. Until last year, most Libyan sponsored terrorist activities had been carried out by a group originally organized by a dissident Fatah operative resident in Libya.

This group was responsible for incidents at the airports in Rome, Athens, and Paris.

2. It was apparently through its new ties with the PFLP that Libya became associated with the Latin American terrorist, Carlos. He carried out, with Libyan backing and apparently some PFLP assistance, the kidnapping last December of the OPEC oil ministers in Vienna,

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