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NATIONAL POLICY PAPER

IRAN

PART ONE

U.S. Policy



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NATIONAL POLICY PAPER - IRAN

PART ONE: U.S. POLICY

I. US INTERESTS AND OBJECTIVES

A. The Broad Setting

With United States participation in the Allied occupation (USSR-UK-US) of Iran during World War II, our role drastically changed from an earlier cultural-missionary presence to a growing position of influence in the country's affairs. Our assumption of leadership in post-war affairs was initially a vacuum-filling operation. We replaced the former rivals, Russia and Britain, whose days of shared hegemony ended rather abruptly with the repulse of Soviet efforts to communize northwestern Iran and the demise of Britain's South Asian empire. Britain's weakened role was later confirmed by the conflict and break over nationalization of the Anglo-Iranian Oil Company. Active United States diplomacy in the UN's handling of the Azerbaijan crisis coincided roughly with our assuming a greater portion of the British responsibility in Greece, and in the strengthening of Turkey against Soviet claims to Kars and Ardahan, which led to the Truman Doctrine of March 12, 1947. Economic efforts under Point Four begun in 1950 established United States influence in both the internal and external affairs of Iran. Since that time, the importance of these northern tier countries, not the least being Iran, has increased rather than diminished.

B. US Interests in Iran

In the short term Iran is important to the United States because of its strategic location and the defense facilities and privileges extended to the United

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States bilaterally and through cooperation in the CENTO framework. Over the longer term it is of continuing importance to United States security interests that Iran be seriously committed to modernize its political as well as economic and social institutions and thus build the internal strength to foil insurgent attempts, either by discontented urban and rural elements, the Communist (Tudeh) Party or dissatisfied, unassimilated tribal elements (Kurds in the west or Arabs in the south), or obscurantist rightist groups such as Fedayan Islam opposing any basic reform. The United States and the West have a stake in continuing modernization of the political and economic structure. This is interrelated to our narrow interest deriving from the \$225 million in commercial investments (including the American share in the consortium).

C. US Objectives

United States objectives in Iran are pursued within the framework of our particular relationship with the monarchy of that country. The Iranian monarchy provides the stability not yet available through popular institutions or long popular experience in organized political affairs. It is, at present, the sole element in the country that can provide continuity for public policy. While there are areas of divergence between us and the Shah, they have remained thus far more matters of emphasis than of essence, not particularly significant within the broad consensus we share with him on most of the really fundamental issues of foreign and domestic policy. While the United States is not necessarily committed to the support of any particular form of Government in Iran, the Shah at present affords the best means for the safeguarding of our basic security interests in Iran and is the only personality on the scene who can lead the anarchically-bent Persians. Thus, until another potentially viable power source appears, which we do not expect during the next two to five years, support for the Shah and his reformist

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programs.

programs will form the basic condition of our pursuit of the following objectives:

1. An independent and increasingly self-reliant Iran, free from any foreign domination or aggression, and motivated to cooperate with the West in:

a. Taking such measures as lie within Iranian power to frustrate Soviet clandestine activities within Iran and Soviet expansion toward Suez and the Persian Gulf;

b. Providing access to Iranian soil for Western forces in the event of conflict, including retention of over-flight privileges;

c. Stimulating developing relations with neighboring countries so that there evolves in the course of time a more friendly relationship between Iran and its non-communist neighbors to promote greater stability and cooperation in the Middle East, particularly Persian Gulf, area.

2. Evolution of a new but still mutually rewarding relationship between the United States and Iran, in a climate of increasing Iranian public understanding that the United States role is that of assisting Iran in its national development rather than of directing its course.

3. An effective Iranian Government which, through the increase of strength and the improvement of administrative efficiency, will command the respect and support of broader segments of the population, especially among intellectuals -- teachers, university students, professional men, etc. -- and provincial leaders.

4. A sound, well managed economy which properly balances military and development expenditures so that the already large and rapidly growing wealth of the country can be used for orderly, self-sustaining

economic

economic growth and steady improvement of the standard of living.

5. The development and strengthening of political, social and economic institutions which will provide the means for orderly and peaceful transfer of power, as necessary, and in the longer term facilitate increased participation of ever-widening sectors of society in their own government.

6. Continued access for the West to Iranian resources, principally petrolaum, on acceptable terms.

7. Continued United States access to expanding Iranian markets.

II. PROBLEMS

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