SUBJECT: ACCELERATION OF F-4ES FOR IRAN

REF: TEHRAN 1164

COUNTRY TEAM MESSAGE:

SUMMARY: WITHIN HOURS OF SHAH'S RETURN TO IRAN, MINISTER OF WAR CALLED IN CHARGE FOR STATUS REPORT ON SHAH'S REQUEST FOR 1972 DELIVERY OF SIXTEEN F-4E AIRCRAFT. CHARGE NOTED USG DECISION NECESSARILY WOULD TAKE SOME TIME, AS F-4E PRODUCTION LINE FOR IRAN COULD NOT APPARENTLY BE ADVANCED.

ONLY ALTERNATIVES FOR GOI APPEARED TO BE (1) MCDONNELL DOUGLAS OFFER TO SELL ELEVEN ADD-ON AIRCRAFT FOR DELIVERY IN 1973, OR POSSIBLY (2) DIVERSION OF AIRCRAFT SLATED FOR OTHER COUNTRIES, DECISION WHICH WOULD INVOLVE DIFFICULT NEGOTIATIONS AND DETERMINATION FOR (3) DIVERSION FROM USAF. SINCE USAF DID NOT HAVE EXCESS F-4ES IT WOULD BE DIFFICULT TO ASK AGREEMENT ON TRANSFER UNLESS IT COULD BE SHOWN AIRCRAFT WERE NEEDED AND COULD BE EFFECTIVELY UTILIZED. CONTRARY TO IMPRESSION MINISTER APPEARED TO HAVE, ARMISH/MAAG CONSIDERED IIAF COULD NOT ABSORB MORE THAN EIGHT F-4ES IN 1972 AT MAXIMUM AND COULD LOSE COMBAT EFFECTIVENESS.
IF MORE AIRCRAFT WERE RECEIVED AND HAD SO INFORMED IIAF. WHILE DECISION ON EQUIPMENT ACQUISITION WAS, OF COURSE, PREROGATIVE FOR GOI, WE SHARED COMMON INTEREST IN SEEING THAT IIAF REMAIN AT OPTIMUM EFFECTIVENESS. GOI REQUEST WOULD BE STRENGTHENED IF ANY DOUBTS AS TO EFFECT OF ACCELERATION COULD BE RESOLVED. MINISTER EXPRESSED SURPRISE AT MAAG VIEW AND SAID HE WOULD DIRECT JOINT IIAF/MAAG REVIEW OF EFFECTS AND LET CHARGE KNOW RESULTS. MEANWHILE, HE RECONFIRMED THAT OFFICIAL GOI REQUEST FOR ONE F-4E SQUADRON IN 1972 STILL STOOD.

COMMENT AND ACTION REQUESTED. WE WOULD APPRECIATE AS FULL A PICTURE AS POSSIBLE OF CURRENT STATE OF PLAY RE AIRCRAFT AVAILABILITY, USG CONSIDERATIONS, DISCUSSIONS WITH TOUFANIAN, ETC., AS EXPECT TO BE BRACED AGAIN IN NEXT FEW DAYS. WHILE WE HAVE MADE CLEAR TO GOI RESERVATIONS WE HAVE RE ACCELERATION, IT IS SHAH'S SOVEREIGN PREROGATIVE TO DISAGREE. COUNTRY TEAM RECOMMENDS POSITIVE RESPONSE TO SHAH'S REQUEST BECAUSE OF BROADER POLITICAL CONSIDERATIONS INVOLVED AND, WHILE MATTER IS BEING EXAMINED, THAT CHARGE BE AUTHORIZED INFORM GOI USG ACCEPTS REQUEST IN PRINCIPLE AND IS URGENTLY STUDYING MATTER. END SUMMARY.

1. VIRTUALLY AS FIRST ORDER OF BUSINESS AFTER SHAH RETURNED TO IRAN FEB 29, CHARGE WAS CALLED TO MINISTRY OF WAR MORNING MARCH 1 AND ASKED BY MINISTER FOR STATUS REPORT ON SHAH'S REQUEST FOR DELIVERY OF SIXTEEN F-4E AIRCRAFT IN CY 1972. IN ABSENCE RESPONSE FROM DEPARTMENT TO PREVIOUS MESSAGES OR REPORT ON STATUS DISCUSSIONS WITH GEN TOUFANIAN, CHARGE RESPONDED AS FOLLOWS.

2. SHAH'S REQUEST HAD BEEN TRANSMITTED TO WASHINGTON BUT CONSIDERATION AND DECISION WOULD OBVIOUSLY TAKE SOME TIME. USG OFFICIALS WOULD BE ABLE TO SHARE THEIR THINKING WITH AND GIVE CURRENT REPORT TO GEN TOUFANIAN WHEN HE RETURNED TO WASHINGTON AROUND MARCH 12.

3. WE UNDERSTOOD THAT FOR TECHNICAL AND OTHER REASONS PRODUCTION LINE FOR IRAN COULD NOT BE ADVANCED TO MAKE DELIVERIES IN 1972. IF CORRECT, THIS MEANT OPTIONS FOR GOI WERE LIMITED TO:
A. Offer we were informed was made to GOI by McDonnell Douglas to furnish eleven F-4Es beyond present GOI order at cost in excess of $40 million and with delivery in early and mid 1973. Gen Azimi said he had not previously been informed of offer but would look into it.

B. Diversion to Iran of aircraft slated for other countries. Embassy had no info as to availability, but this would be difficult to do at best, and consideration and decision, requiring negotiations, etc., would take time. Iran for instance, would not look favorably on USG diversion of aircraft slated for it to third-country. Gen Azimi commented that in view of regional situation he was optimistic Iran's priority could be established.

C. Supply to Iran from aircraft destined for or in hands of USAF. Again we had no info as to availability, compatibility, etc. and such decision would require hard review as USAF did not have F-4Es in excess of its requirements.
4. CHARGE ADDED THAT IN ANY CONSIDERATION OF WITHDRAWING AIRCRAFT FROM USAF, IT WOULD BE EXTREMELY DIFFICULT TO GET AGREEMENT ON WITHDRAWAL UNLESS IT COULD BE SHOWN THAT AIRCRAFT TRANSFERRED WERE NEEDED AND WOULD BE EFFECTIVELY UTILIZED. IN THIS CONNECTION, CHARGE COMMENTED ON REMARK GEN AZIMI HAD MADE AT PREVIOUS MEETING (REFTEL) INDICATING ARMISH/MAAG AGREED THAT IIAF COULD EFFECTIVELY ABSORB SIXTEEN F-4ES IN 1972. CHARGE'S RECENT DISCUSSIONS WITH MAAG INDICATED THAT US MILITARY ADVISORY VIEW WAS THAT EIGHT F-4ES WERE MAXIMUM IIAF COULD EFFECTIVELY PUT TO USE IN 1972 AND THEN ONLY IF DELIVERIES DID NOT PRECEDED SEPT/OCT. CHARGE NOTED THAT PRESENT GROWTH PLANS OF IIAF WHICH INCLUDED ACTIVATION IN 1972 OF TWO SQUADRONS OF C-130'S (SOME OF WHICH WOULD HAVE TO BE STORED) AND ONE SQUADRON F-27 AIRCRAFT AS WELL AS PEACE RUBY MANNING WOULD PUT SERIOUS STRAIN ON IIAF TECHNICAL PERSONNEL. GREATER ACCELERATION, IN MAAG VIEW, RISKED DEGRADING RATHER THAN IMPROVING IIAF COMBAT EFFECTIVENESS. MAAG HAD MADE THESE VIEWS CLEAR TO IIAF.

5. GEN AZIMI COMMENTED THAT SHAH, IN ANSWER TO REPORT ON PREVIOUS MEETING WITH CHARGE HAD NOTED THAT IIAF FLIGHT RECORD, IN THREE YEARS IT HAD F-4'S WAS EXCELLENT AND
Perhaps even better than USAF, Azimi said he was surprised at Maag view as he had been informed Maag agreed with previous acceleration proposals. He said he would direct that IIAF get together with Maag to review question. At same time, however, he wanted Charge to know he was fully confident IIAF could effectively absorb all aircraft he requested.

6. Charge said Embassy and Ug shared Iranian view that IIAF was high performance outfit. We also recognized that decisions on equipment acquisitions were prerogative of GOI, which likewise had responsibility to determine effects of acquisition, drawing on us military advice or not as it saw fit. He wanted to stress, however, that USG shared common desire with Shah and GOI to see that IIAF remained best possible force, and thus we were concerned at effects of acceleration. Iran's request for accelerated acquisition would be strengthened by having any doubts as to consequences of acceleration resolved. In closing meeting, Gen Azimi reiterated he would direct that review be made immediately. He said he would let Charge know results of review asap. He meanwhile went on record again with request for delivery of one F-4E squadron in 1972.

7. Comment. We have tried to give Azimi -- for Shah -- as clear a picture as we could based on limited info we now have, of possibilities and problems Shah's request raises. Undoubtedly, we will be having go-around again in next few days for which we would find any info USG could provide on aircraft availability, current status of considerations, discussions with Gen Toufanian, etc., highly useful.
8. WHILE WE AND A/M IN OTHER MEETINGS HAVE TRIED TO STRESS WITH GOI OUR CONCLUSIONS RE NEGATIVE CONSEQUENCES OF ACCELERATION, WE MUST NOT OVERLOOK SHAH'S SOVEREIGN RIGHT TO DISAGREE AND TO MAKE DECISION HE DEEMS BEST SERVE IRAN'S NATIONAL INTERESTS (NOR SHOULD WE OVERLOOK MAAG CONCLUSION THAT IIAF CAN IN FACT EFFECTIVELY PUT EIGHT AIRCRAFT TO USE IN 1972). GEN AZIMI'S PROMPT WILLINGNESS TO REVIEW WITH MAAG CONSEQUENCES OF ACCELERATION REFLECTS CONFIDENCE AND VALUE GOI AND SHAH PLACE ON US PROFESSIONAL MILITARY ADVICE. HOWEVER, WE CANNOT EXPECT GOI TO FEEL BOUND BY THAT ADVICE, AND IF SHAH SHOULD DISAGREE IN SPECIFIC INSTANCE CURRENTLY UNDER CONSIDERATION COUNTRY TEAM BELIEVES ANY RESERVATIONS POL MAY HAVE ARE OUTWEIGHED BY MORE IMPORTANT POLITICAL ISSUES ON WHICH USG DECISION MUST ULTIMATELY BE BASED.

9. COUNTRY TEAM THEREFORE RECOMMENDS POSITIVE RESPONSE TO SHAH'S REQUEST BECAUSE OF BROADER POLITICAL CONSIDERATIONS INVOLVED AND WHILE MATTER IS BEING EXAMINED WITHIN USG THAT CHARGE BE AUTHORIZED INFORM GOI USG ACCEPTS REQUEST IN PRINCIPLE AND IS URGENTLY STUDYING MATTER.