

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

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Authority 11ND 963016
By [Signature] NARA Date 6/11/02



Department of State TELEGRAM

~~TOP SECRET~~

-2- TEHRAN 7008, NOV 22, NODIS/ENHANCE PLUS

1971, AHEAD OF INDIA WILL BE FAR MORE PERSUASIVE TO SHAH THAN POINTS IN PARA 4 OF REFTEL, NO MATTER HOW PERTINENT AND ACCURATE THEY MAY BE.

4. IN ANY EVENT, WHATEVER VALIDITY OF OUR ESTIMATES IN REFTEL, WE DO NOT BELIEVE USEFUL PURPOSE WOULD BE SERVED BY DEBATING THEM WITH SHAH BECAUSE HE WOULD NOT AGREE AND WOULD PROBABLY SEE THIS AS ATTEMPT TO PERSUADE HIM TO ACCEPT A LINE OF REASONING AS JUSTIFICATION FOR DOING WITHOUT 32 AIRCRAFT HE THINKS HE NEEDS AND LACK OF WHICH HAS WEAKENED HIS AIR FORCE. WERE SHAH TO ACCEPT OUR LINE OF REASONING, PRESUMABLY HE WOULD HAVE LESS REASON TO ORDER 2.5 BILLION DOLLARS IN MILITARY EQUIPMENT FROM US THIS FISCAL YEAR. WE SIMPLY CANNOT TURN ON "NO THREAT" ARGUMENT WHEN IT SUITS OUR PURPOSE AND IGNORE IT WHEN SALES COME UP.

5. BASIC POINT IN ALL THIS IS THAT DAYS WHEN WE SECOND-GUESS SHAH NATURE OF THREAT OR HIS NEEDS FOR MILITARY EQUIPMENT TO MEET THREAT ARE OVER. SHAH IS MAKING HIS OWN DECISIONS AND IS PAYING HIS OWN WAY. HE IS DETERMINED TO BE AS SELF-SUFFICIENT AS POSSIBLE AS QUICKLY AS POSSIBLE, AND HE HAS RESOURCES TO PURSUE HIS PRESENT GUNS AND BUTTER POLICY. AS HE SEES IT, HE HELPED US OUT IN OUR MOMENT OF NEED EVEN THOUGH THIS WEAKENED HIM MILITARILY. IN SPIRIT IN WHICH MATTER WAS NEGOTIATED HE ASSUMES WE WILL MAKE GOOD ON OUR COMMITMENT ON "EARLY REPLACEMENT" SO THAT HE IS NOT VULNERABLE MILITARILY FOR TOO LONG A PERIOD.

6. NOT BEING PRIVY TO NEGOTIATIONS WITH KOREA AND TAIWAN, NOR INFORMED ON SERIOUSNESS OF THREAT CONFRONTING THEM, WE ARE RELUCTANT TO MAKE JUDGMENT ON MORE ATTRACTIVE QUID PRO QUOS WHICH USG HAS AFFORDED THEM. BUT WHEN PROVISIONS BECOME KNOWN, WE FEEL CERTAIN SHAH WILL BELIEVE THEY MADE BETTER BARGAIN THAN HE. THERE IS NO CHANCE HE WILL AGREE THEIR SECURITY REQUIREMENTS ARE GREATER THAN IRAN'S. HE WILL PROBABLY CONCLUDE HE HAS BEEN POORLY TREATED IN COMPARISON WITH OUR FAR EASTERN FRIENDS AND WILL UNDOUBTEDLY RECALL TO US HIS STATEMENT DURING OIL NEGOTIATIONS THAT MODERATE AND RESPONSIBLE POSITION DOESN'T PAY OFF WHILE COUNTRIES WITH EXTREME AND RADICAL DEMANDS (SUCH AS LIBYA) GET THEIR WAY.

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-3- TEHRAN 7008, NOV 22, NODIS/ENHANCE PLUS

7. THROUGHOUT THIS EXERCISE, WE HAVE PRESSED FOR EARLY DELIVERY OF AIRCRAFT IRAN HAS ON ORDER. ADVANCING F-5ES TO AUGUST 1973 IS WELCOME BUT HARDLY CLOSES GAP WHICH SHAH PERCEIVES. NOR DOES TRANSFER OF TITLE OF LEASED F-4ES ALREADY HER AUGMENT HIS AIR COVER. TRANSFER, INCIDENTALLY, WOULD NOT BE ATTRACTIVE TO HIM (SEE PARA 2, TEHRAN 6479 WHICH SUPERSEDES TEHRAN 6346). DELIVERY OF MAVERICK IN SPRING 1974 WILL NOT AFFECT HIS SECURITY SITUATION IN 1973. IF PRODUCTION OF NEW MODEL F-4S AND F-5S CANNOT BE ACCELERATED TO ANY SIGNIFICANT DEGREE, THEN WE THINK WE SHOULD CONSIDER MAKING OFFERS SIMILAR TO THOSE WHICH WE HAVE MADE TO KOREA AND TAIWAN. SHAH WOULD NOT WISH AMERICAN PILOTS STATIONED HERE TO PROVIDE DEFENSE, BUT WE THINK HE WOULD BE SATISFIED WITH OFFER OF RENT-FREE LOAN OF EIGHT TO SIXTEEN F-4S UNTIL HIS F-4-F5 INVENTORIES REACH ACCEPTABLE LEVEL, SA, IN ABOUT ONE YEAR HENCE.

8. AS WE HAVE CONSISTENTLY POINTED OUT, PROBLEM HERE IS NOT RPT NOT MONEY, BUT EARLY DELIVERY OF AIRCRAFT. BEFORE ADDRESSING QUESTIONS OF CREDIT ARRANGEMENTS, HOW WE EXPLAIN PROPOSED COMPENSATION ARRANGEMENTS TO SHAH AND POSSIBLE VISIT OF HIGH LEVEL USG OFFICIAL, WE WOULD LIKE TO KNOW IF REFTTEL PACKAGE CAN BE IMPROVED IN LIGHT CONSIDERATIONS IN THOF MESSAGE.

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