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Weekly Summary

Special Report

Iran: Building Up the Military

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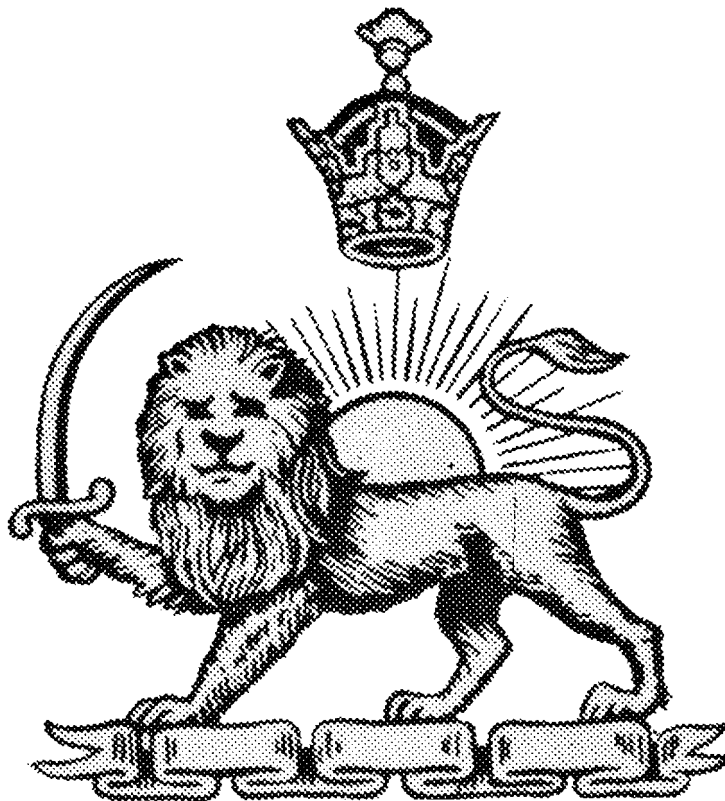
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IRAN
Building Up the Military

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Iran, which already has the largest and best-equipped armed force in the Persian Gulf area, is engaged in a massive military development program. Major new acquisitions of tanks, aircraft, and ships will be made within the next few years. The Shah is determined to acquire the most sophisticated military hardware available, as security against what he sees as regional and international threats to Iran. The arrival of so much equipment is certain to strain the capacity of the Iranian armed forces to absorb it.

Ground force additions will include nearly 800 British-built Chieftain tanks, the most advanced combat tank yet developed. For the air force, Tehran intends to purchase several squadrons of new F-14 interceptor aircraft from the US. These planes will be entering service with the Iranians about the same time they become operational with the US navy. Iran also expects to contract for the F-15 air-superiority fighter, which has only recently been assigned to an operational unit in the US. New additions to Iran's navy will be six French-built missile-armed patrol boats and two destroyers on order from the US. Tehran is also considering buying a cruiser designed to carry V/STOL aircraft and helicopters.

Iran is also improving and expanding its naval and air facilities on the Persian Gulf. These improvements are designed to strengthen the country's ability to protect shipping through the gulf. The construction of a huge naval base near the gulf's entrance is a symbol of the Shah's determination to carry out what he sees as Tehran's responsibility to be the guardian of this oil-rich region.

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The Shah's Motives

The Shah, who views himself as a successor to Cyrus and Darius and has a predilection for the grandiose, is bent on restoring Iran to a position of greatness in the world. The self-confidence gained from domestic successes and Iran's pre-eminence in the Persian Gulf have encouraged him to seek a broader role for himself and his country. The military is the key to his plans. He seeks to develop Iran's armed forces in order to gain international respect, to provide a boost to Iran's national pride, and to garner satisfaction for his own ego.

Tehran's current defense policy is governed both by the Shah's determination to safeguard the oil industry that fuels Iran's economic boom and his concern for the integrity of Iran's borders. The Shah is notoriously a "worst case" planner. Particularly worried about the proximity of important petroleum assets to the Iraqi border, he believes that overwhelming military superiority is the only way for Iran to discourage Iraqi adventurism. Beyond that, the Shah harbors an inbred distrust of his most powerful neighbor, the

USSR—a distrust reinforced by Iran's experience with Soviet occupation during World War II and the subsequent attempt by the Soviet Union to annex parts of northern Iran.

Internationally, the Shah fears the expansion of Soviet influence in the Indian Ocean and in the Persian Gulf. Iran's apprehensions about the intentions of its northern neighbor have been increased by heavy Soviet military assistance to Iraq as well as by Soviet influence in South Yemen and the assistance channeled to Arabian dissidents through South Yemen. He views with anger and apprehension Baghdad's sponsorship of leftist subversive groups operating on the Arabian Peninsula, the most notable being the Popular Front for the Liberation of Oman and the Arabian Gulf. The Shah sees any victory of Arab leftists over conservative regimes on the peninsula as a threat to Iranian interests. He is convinced that Iran has to rely on its own military strength to protect its interests and the free flow of shipping in the gulf.

Whether the Shah fully believes the fears he repeatedly expresses is unclear but, by emphasizing the threats, he provides justification for

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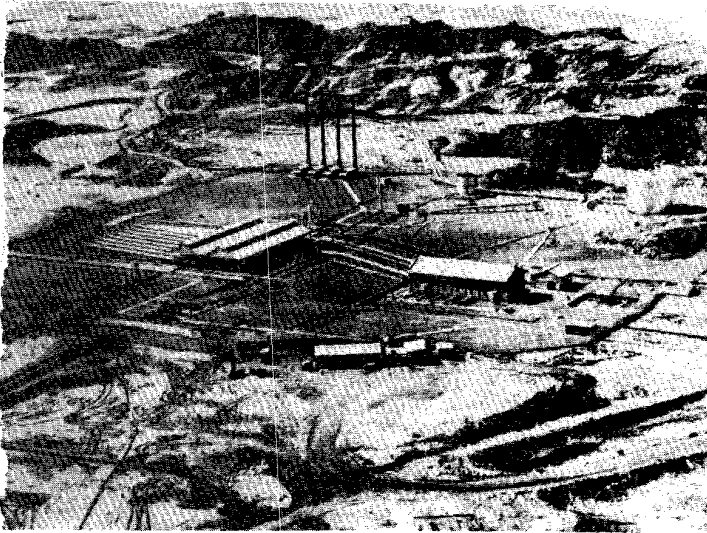


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The Agha Jari oil field

large purchases of arms. He is convinced that Iran's booming economy, strikingly improved by events of the past half year, can sustain a guns-and-butter approach. The country's growing economic strength is due primarily to the tripling of oil prices announced by the Organization of Oil Exporting Countries in December. This supports the Shah's tendency toward ostentatious display, as his pocketbook can now support his appetite.

Ground Forces: Better Equipment

Last year, Iran accepted the first installment of almost 800 Chieftain medium battle tanks purchased from the UK two years ago. The Chieftains, armed with a very accurate 120-mm. gun, give Iranian armored units a distinct advantage at long range over Iraq's Soviet-made T-62 tanks, the most advanced Soviet tank now in use. Iran has also ordered 250 British-made Scorpion light tanks.

In addition to the new tanks, Iran is planning to modify its large inventory of US-built

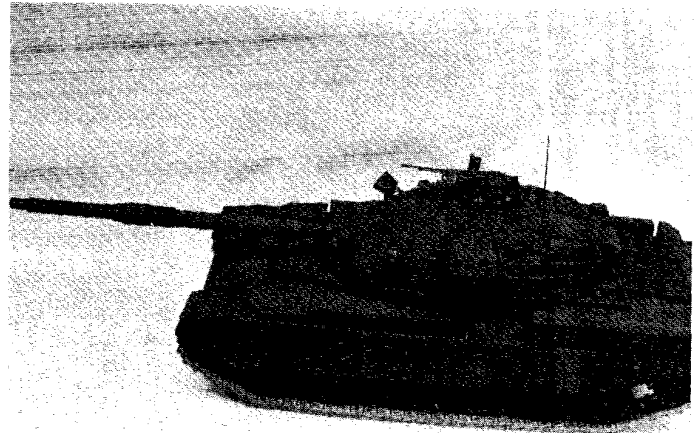
M-60 and M-47 tanks. A planned tank-refitting facility, to be built near Isfahan with West German assistance, will be used to equip these tanks with more powerful main guns and with diesel engines.

Iran's air defense missile system, which had consisted primarily of British Tigercat low-level missiles, was improved last summer by the addition of two batteries of British-made Rapier missiles. Early this year, Iran contracted for 1,400 more of these missiles, as well as for 34 associated radars. Iran has some 1,300 US-built Hawk missiles on order.

Air Force: More Supersonic Aircraft

Iran's air force, which has some 180 F-4 and F-5 fighter-bombers, is building up its fleet of supersonic aircraft. A total of 280 more F-4E and F-5E fighters has been ordered from the US, and these planes are in the process of being delivered.

Tehran has also ordered 30 US F-14 fighter interceptors when they become available. In addition, it is interested in obtaining the F-15 fighter at a later date. The F-14 is believed to be more



Chieftain battle tank

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Army crews in training

maneuverable than the most advanced Soviet fighter and would be a formidable addition to the Iranian air force.

The air force is expanding and improving its airfields. It is also constructing a new fighter base at Chah Bahar on the Gulf of Oman. This field, along with expansion of other air force facilities near the Persian Gulf, will give Iranian aircraft a better capability to strike targets in Iraq, the Arabian Peninsula, and Afghanistan.

The Navy: Small But Powerful

The navy is Iran's smallest service, but it is the most powerful in the Persian Gulf, and the Iranians have plans to expand it significantly during the next five years to protect Iranian oil tankers headed for the Indian Ocean and the Red Sea. New ships ordered include six French-built La Combatante II missile patrol boats. Delivery of two British and two West German logistic ships,

which were ordered in 1972, is expected later this year. Iran is considering the purchase of a British cruiser designed to carry V/STOL aircraft and helicopters.

Iran has one 2,300-ton British-built destroyer, which carries surface-to-surface missiles, and two smaller US-built guided-missile destroyers. Two Spruance-class destroyers are on order from the US. The Iranians have four fast frigates armed with surface-to-air missiles and a number of corvettes, minesweepers, patrol boats and smaller vessels.

Iran's navy is well equipped to conduct amphibious operations. It already has the world's largest squadron of hovercraft troop carriers. Eight of the ten hovercraft can carry 30 armed troops, and the remaining two can each carry 170. Four other large missile-armed hovercraft, which will be able to reach speeds of 60 miles per hour and carry 140 men, are on order. The

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Defense Ministry plans to create a regular marine corps, consisting primarily of commandos trained by the navy. The corps will be based at Bushehr in the northern gulf area.

vicemen. Exposure to hostile fire along the Iraqi border and the success in seizing several small islands in the gulf have boosted the military's self-confidence and pride.

Tehran is also improving and enlarging port facilities along the Persian Gulf and the Gulf of Oman. Bandar Abbas, a naval base at the entrance to the gulf that serves as the headquarters of the Persian Gulf Fleet, is being greatly expanded.

The rapid acquisition of so much advanced equipment, however, has stretched Iran's technical expertise very thin. To help overcome this problem, Iran is bringing more US and West European advisers into the country as well as improving its training procedures.

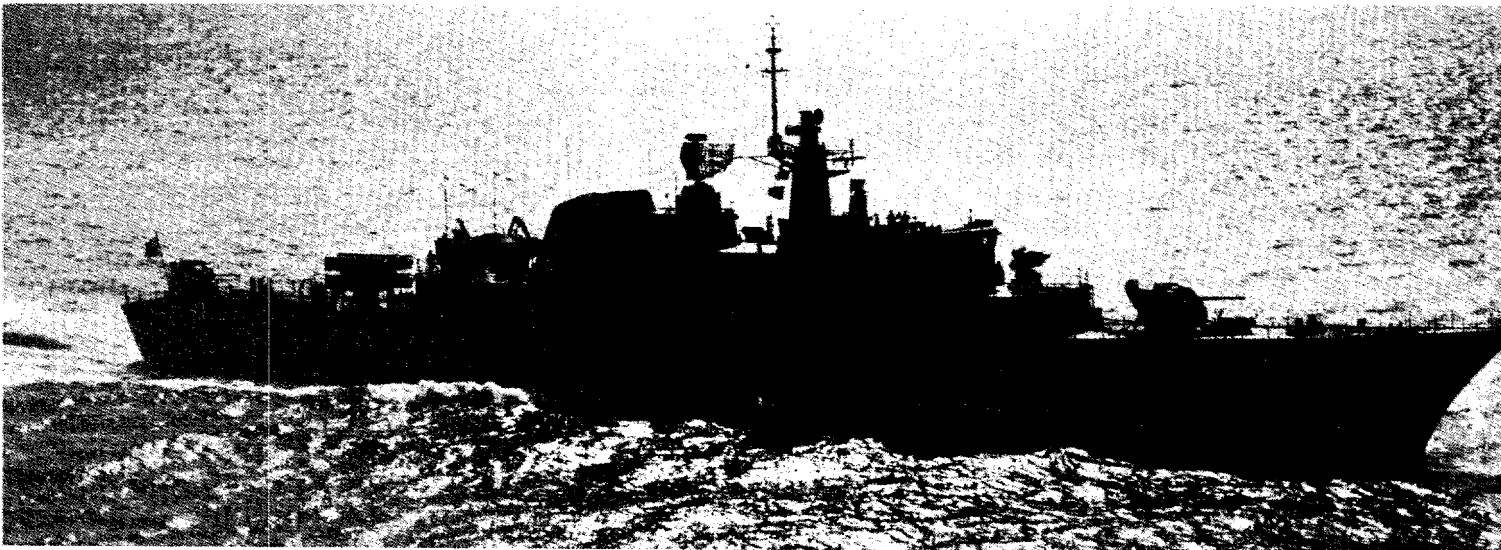
Dominating the Gulf

Iran's oil revenues enable it to buy the best weapons available as well as to place orders for weapons still under development. The Shah is also taking steps to develop the country's domestic armaments industry.

The Shah can be expected to use his armed forces to protect what he sees as Iran's national interests in the Persian Gulf, including the safe passage in the gulf for oil tankers and other merchant vessels using the ports of friendly Persian Gulf states.

Greater emphasis on training is slowly but steadily increasing the proficiency of Iranian ser-

Further, the Shah has made clear his belief that the security and viability of conservative



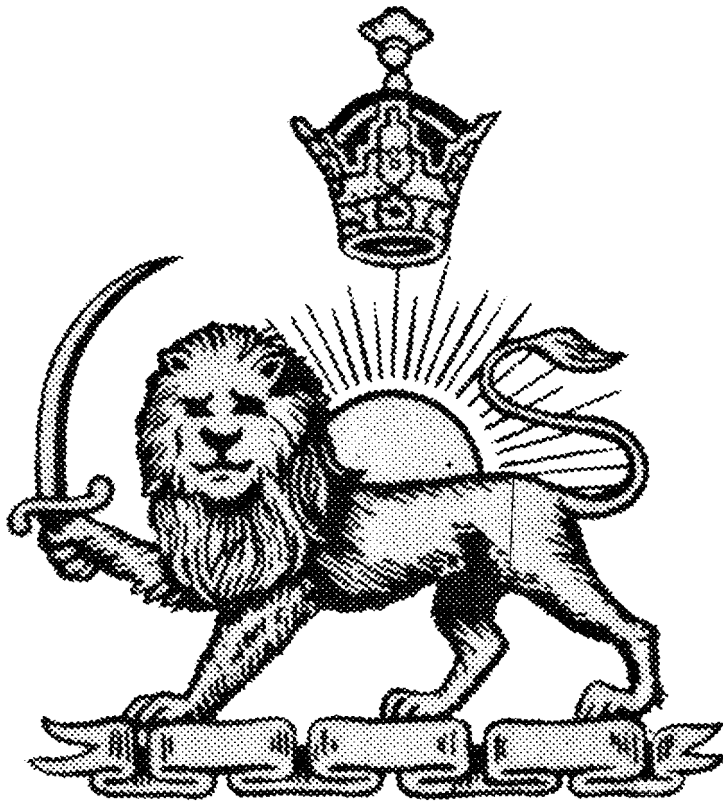
Iranian frigate Saam

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regimes on the Arabian Peninsula are closely tied with Iranian security. For the first time in two centuries, Iranian troops are taking part in combat outside their own country. The Shah is already providing helicopters and a 1,400-man special forces contingent to the Sultan of Oman in his struggle against radical-supported Dhofari

guerrillas; Tehran has offered additional assistance. The Shah has repeatedly stated that he would respond favorably to a request for similar assistance from any Arab country in the gulf that finds itself threatened by an insurgent movement. He has also implied that he might respond to such a threat even without an invitation. (SECRET NO FOREIGN DISSEM)



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