

The United States Alliance with the Iranian Shah:  
Kennedy to Carter

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The United States' relationship with Iran during the 1960s and 1970s is inseparable from the United States' affiliation with the Shah. The Shah in Iran worked with each administration from Kennedy to Carter with little variance in the individual administration's approach to Iran. While each administration assigned different priorities to different aspects of the United States-Iran relationship and gave each aspect of the relationship their own perspective, the overall policies of the United States towards Iran remained consistent. The Shah was a constant ally for the United States, and a large factor in keeping United States foreign policy towards Iran consistent as well.

The close connection the United States shared with the Shah is in large part due to the United States' Cold War mentality. Iran became an aspect of Cold War mentality because of the Azerbaijan Crisis in 1945. The Azerbaijan Crisis involved the politicians in the Azerbaijan province, in northwestern Iran, taking over local governments autonomously from Tehran with the military backing of Soviet Union troops. The Soviet troops were in the Azerbaijan province due to the Anglo-Soviet invasion of Iran in 1941 to secure oil for the Allied forces. The Iranian government looked to the United States for help in forcing the Soviet army to leave Iran. President Truman sent an ultimatum to Stalin, who in 1946 order the Soviet soldiers to withdraw from Iran.<sup>1</sup> Thus from the beginning of the Cold War, Iran was an important factor both for its geostrategic location and its oil.

During the 1960s and 1970s, each American president had to address major international issues that had their roots in the United States' conflict with communism and the

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<sup>1</sup> Gary Hess, "The Iranian Crisis of 1945-46 and the Cold War," *Political Science Quarterly* 89, no. 1 (March 1974): 123.

Soviet Union. During his presidential term, President Kennedy dealt with the Bay of Pigs and the Cuban Missile Crisis.<sup>2</sup> President Johnson dealt with the Vietnam War.<sup>3</sup> President Nixon negotiated the first Strategic Arms Limitation Treaty.<sup>4</sup> President Carter dealt with the implications of the Soviet Union invading Afghanistan.<sup>5</sup> While each presidency had to handle different features of the Cold War, each presidency recognized the important implications of having Iran as an ally.<sup>6</sup> More specifically, each administration recognized the importance of maintaining an alliance with Iran, and therefore the Shah.

While the Cold War mentality most prominently affected the relationship between the United States and the Shah, it is important to note that the relationship was also colored by the idea of modernization theory.<sup>7</sup> In the 1950s, United States officials viewed the potential modernization theory as a theory that could contain Communist advances. The issue for modernization theory and policymaking is the overlap between those writing scholarly work on modernization theory and those working on policy was large. Because of this the scholastic works on countries moving through the 'modernization' process were viewed in ways mirroring

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<sup>2</sup> "The Bay of Pigs," *John F. Kennedy Presidential Library and Museum*.

<sup>3</sup> Barry Rubin, *Paved with Good Intentions: The American Experience and Iran* (Great Britain: Oxford University Press, 1980). 119.

<sup>4</sup> "Strategic Arms Limitation Talks/Treaty (SALT) I and II," *Office of the Historian*.

<sup>5</sup> "The Soviet Invasion of Afghanistan and the U.S. Response, 1978-1980," *Office of the Historian*.

<sup>6</sup> President Gerald Ford's administration is not extensively examined within this paper. While Ford did have interactions with Iran, U.S. policy put into place during Nixon's administration stayed the same throughout Ford's term. President Ford also maintained the friendly relations with the Shah.

<sup>7</sup> A theory "which proposes that all societies necessarily evolve from a simple to a complex structure and towards a goal of industrialization" "Modernization Theory," *Oxford Dictionary*, n.d.

the view of United States policymakers. The United States involvement in Iranian politics during the 1960s and 1970s often used the rhetoric of modernization theory towards Iran.<sup>8</sup>

The Shah's importance to the United States within the Middle East gained him powerful leverage with the United States. The Shah's leverage helped ensure that United States policy remained stable through the different administrations. Whether it was insuring that pressure for internal reform always remained gentle enough to allow the Shah some maneuverability; insuring that Western companies did not take advantage of Iran's oil; or even insuring the continuation of arms sales to Iran, the Shah to use the United States' Cold War mentality to help further his own goals.

The longer the United States alliance with the Shah continued, the more closely the two became synonymous to the Iranian people.<sup>9</sup> While the relationship generated some stability in the Middle East, the United States would find how dependent this relationship had become on the Shah with his fall in 1979. Thus, the importance of the Shah to United States' relationship with Iran in the 1960s and 1970s cannot be overstated. Not only would the fall of the Shah effectively end United States diplomatic relations with Iran, but his fall was partly caused by his relationship with the United States. The Kennedy administration placed one of the earliest pressures on the Shah was for internal reform which took place in the form of the Shah's White Revolution. The White Revolution would sow the seeds of discontent in the Iranian people that Khomeini would enflame during the 1979 Revolution.

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<sup>8</sup> Roland Popp, "An Application of Modernization Theory during the Cold War? The Case of Pahlavi Iran," *The International History Review* 30, no. 1 (March 2008): 76–98.

<sup>9</sup> Rubin, *Paved with Good Intentions*. 111.

The White Revolution began in 1963 with a reform package endorsed by the Shah. The White Revolution included: land reform, nationalization of forests and pastures, public sales of state-owned factories, profit sharing in industry, reform of electoral laws to enfranchise women, and establish both literacy and religious corps.<sup>10</sup> The White Revolution was a way for the Shah to extend government control into the countryside and allowed the Shah to consolidate his government's power.<sup>11</sup>

Land reform was one of the larger facets of the White Revolution. The Shah hoped the land reform wouldn't be "limited to lands but something that will alter Iranian society...It is the most deep rooted and revolutionary action that can happen in the life of a nation..."<sup>12</sup> The land reform was intended to help stimulate the productivity of countryside farming. Land reform began in 1965, and over the next four years the Iranian government purchased 16,000 villages and transferred land to 743,406 farming families.<sup>13</sup> However, the same land reform laws also excluded half of all village families from receiving land because they lacked formal sharecrop agreements with landowners. This excluded group quickly began to live in extreme poverty.<sup>14</sup> The government intervention also proved difficult for farmers in another way. The government didn't support modern farming production technologies which would increase food production.<sup>15</sup> The growing total population of Iran and the increased urban migration further

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<sup>10</sup> Misagh Parsa, *Social Origins of the Iranian Revolution* (London: Rutgers University Press, 1989). 50.

<sup>11</sup> Rubin, *Paved with Good Intentions*. 48.

<sup>12</sup> Ali Ansari, "The Myth of the White Revolution: Mohammad Reza Shah, 'Modernization' and the Consolidation of Power," *Middle Eastern Studies* 37, no. 3 (2001): 15.

<sup>13</sup> Amin Saikal, *The Rise and Fall of the Shah* (Princeton: Princeton University Press, 1980). 84.

<sup>14</sup> Parsa, *Social Origins*. 72.

<sup>15</sup> Rubin, *Paved with Good Intentions*. 122.

reduced the agricultural growth. These circumstances required the government to begin importing large quantities of food.<sup>16</sup> Other structural constraints on agricultural growth included the Shah's favoritism towards multi-national corporations.<sup>17</sup> The government also controlled the distribution of fertilizer, irrigated water, credit, and licenses to run a company.<sup>18</sup>

Beyond the issue of allowing monopolies to emerge, those opposed to the land reforms had three other issues with land reform. The main arguments against land reform involved the opposition claiming it was illegal. The opposition argued that it was illegal by Iranian law because it was implemented and approved while there was no sitting Majles, Iran's elected parliament. Not only did the opposition argue it was illegal in Iranian laws, but also by Islamic law. The ulama, Iranian Shi'a clergy, argued that the acquisition of lands was a violation of the Islamic protection of private property that can be found in the *Sunnah*.<sup>19</sup> Also the ulama were unhappy that mosques and religious institutions were slated for confiscation, as well as the large amount of property that ulamas owned.<sup>20</sup>

Another aspect of the White Revolution was the government becoming closely involved in the Iranian economy. The Iranian government relied heavily on oil revenue as the main source of income; but the bazaar was a large portion of the nation trade. It was responsible for

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<sup>16</sup> Parsa, *Social Origins*. 74.

<sup>17</sup> Mansoor Moaddel, *Class, Politics, and Ideology in the Iranian Revolution* (New York: Columbia University Press, 1992). 84.

<sup>18</sup> Charles Kurzman, *The Unthinkable Revolution in Iran* (Cambridge: Harvard University Press, 2004). 81.

<sup>19</sup> The Sunnah refers to a body of established customs and beliefs that make up a tradition. In Muslim legal and religious thought, the term became associated more specifically with the actions and sayings of the Prophet Muhammad.

"Sunnah," *Oxford Islamic Studies Online*.

<sup>20</sup> Parsa, *Social Origins*. 49.

more than 30 percent of all imports.<sup>21</sup> The bazaar and the crown had traditionally been in conflict over who controlled the Iranian market. Before the White Revolution though, the bazaar and the government had worked cooperatively at least highest decision making levels.<sup>22</sup> Most shops within the bazaar were run by small entrepreneurs and shopkeepers whose reputation was directly related to their income. The bazaar functioned as a central location for shopkeepers and entrepreneurs to gather and sell their goods, which created communities within the bazaar. While smaller communities were formed traditionally within the bazaar the interference of the government in the bazaar would be the factor that united all shopkeepers and entrepreneurs within the bazaar community.<sup>23</sup> The White Revolution adversely affected bazaars by decreasing of bank loans available for bazaar shops. In addition to the imposition of stiff import restrictions that effected the stock of the bazaar, the Iranian government also began investigating tax fraud in 1963. There were over 300,000 cases of tax fraud of merchants and bazaar shopkeepers in Tehran alone during 1963.<sup>24</sup>

The reforms implemented during the Shah's White Revolution had significant impacts on Iran economically and socially. The reforms led to a discontent which would be used as an ignition point for the 1979 Revolution. Said Arjomand argues that Khomeini would leverage the disruption of Iranian society caused by the White Revolution. Arjomand argues that the rapid social changes that the Shah initiated led to a dislocation and disorientation. Farah Pahlavi, the Shah's third wife, in an interview in 2017 responded to accusations that the White Revolution

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<sup>21</sup> Ibid. 93.

<sup>22</sup> Nimah Mazaheri, "State Repression in the Iranian Bazaar: 1975-1977: The Anti-Profitteering Campaign and an Impending Revolution," *Iranian Studies* 39, no. 3 (2006): 403.

<sup>23</sup> Ibid. 412.

<sup>24</sup> Parsa, *Social Orgins*. 99.

moved too quickly by replying “But what progressive government doesn’t want to go quickly?”<sup>25</sup> In part because of the rapid pace of social change, the revival of Islam promised by Khomeini worked as a method to galvanize Iranian’s who felt disenfranchised, mainly the religious and traditionalist communities, by the revolution.<sup>26</sup>

The idea of social and economic reform was not one that originated with the Shah. The United States pushed for internal reforms during the Kennedy administration and would continue to do so until the 1979 Revolution. While the intensity in which each administration pushed the Shah to make internal changes varied, the relationship the United States had with the Shah always entailed some pressure to modernize and liberalize Iran.

President Kennedy came into office with the idea of leading a reform-oriented administration. President Kennedy and his administration were prepared to begin rethinking foreign policy.<sup>27</sup> Regarding the Middle East, President Kennedy began establishing temporary committees and task forces that met weekly to analyze the situations of the Middle East. With President Kennedy’s keen interest in foreign policy he would often attend different Middle East task forces meetings, though not to the same extent as he would attend on Cuba or Vietnam.<sup>28</sup> The Iran Task Force (ITF) would be the Kennedy administration’s main voice in analyzing the issues in Iran. The ITF consisted of representatives of 11 State Department representatives; as

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<sup>25</sup> “We Wanted to Create Progress in Iran,” *Der Spiegel*, February 22, 2017, 8/12 edition, <http://www.spiegel.de/international/zeitgeist/farah-pahlavi-ex-empress-of-iran-on-art-and-progress-a-1135573.html>.

<sup>26</sup> Parsa, *Social Orgins*. 8.

<sup>27</sup> Andrew Warne, “Psychoanalyzing Iran: Kennedy’s Iran Task Force and the Modernization of Orientalism, 1961-3,” *The International History Review* 35, no. 2 (2013): 400.

<sup>28</sup> April Summitt, “For a White Revolution: John F. Kennedy and the Shah of Iran,” *Middle East Journal* 58, no. 4 (2004): 561.



well as a representative from: The Defense Department's International Security Affairs office; International Cooperation Administration; the Assistant Director of the Bureau of the Budget; U.S. Information Agency; Treasury; Robert Komer from the National Security Council; and representatives from the Central Intelligence Agency.<sup>29</sup> The ITF quickly began calling for reforms in Iran that would modernize and Westernize the country, in accordance to with enthusiasm modernization theory which was growing in the administration. The ITF began making recommendations for what reforms the United States would like to see in Iran including: land redistribution, tax-code revisions, education programs, healthcare reform, and more cultural exchanges with the West.<sup>30</sup> The ITF would find an ally for their ideas of reform in Iran's newly appointed Prime Minister Ali Amini. Amini and President Kennedy had first become acquainted while President Kennedy was still a senator and had remained friendly. When President Kennedy heard that the Shah was hoping to settle the National Front<sup>31</sup> by appointing a prime minister, he pushed for his friend Amini to take the position.<sup>32</sup> President Kennedy wanted an ally he knew in the Iran government, as he had not fully decided the way his relationship with the Shah would go.<sup>33</sup> Amini began attempting to push reforms in Iran but was often unable to get the reform ideas past the Shah. The Shah was suspicious both of Amini's relationship with

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<sup>29</sup> Nina Noring and Glenn LaFantasie, eds., "Editorial Note," in *Foreign Relations of the United States, 1961-1963*, vol. XVII (Washington D.C.: United States Government Printing Office, 1994), <https://history.state.gov/historicaldocuments/frus1961-63v17>.

<sup>30</sup> Warne, "Psychoanalyzing Iran:" 409.

<sup>31</sup> "A loose coalition of nationalists, clerics, and noncommunist parties"  
Janet Afary, "Iranian Revolution of 1978-79," *Encyclopedia Britannica*.

<sup>32</sup> Rubin, *Paved with Good Intentions*. 66.

<sup>33</sup> Vali Nasr and Ali Gheissari, *Democracy in Iran: History and the Quest for Liberty* (Oxford: Oxford University Press, 2006). 58.

President Kennedy and of his past as a National Front activist against the Shah.<sup>34</sup> This suspicion became more pronounced as the ITF began recommending the United States deal only with Amini on issues of Iranian reforms. The hope was that Amini would be able to implement the reforms making the Shah's hold on the daily running of the government would begin to decrease.<sup>35</sup> Unfortunately, this only increased the Shah's dislike of Amini and made it even more difficult to push any reforms through the government. Amini resigned in 1962 after he had applied to the World Bank for help funding the reforms as a final effort in pushing reform and was denied.<sup>36</sup>

While the United States had lost their main ally for real reform in Iran with Amini's resignation, the Shah became more open to suggestions of the reforms the ITF thought Iran needed. This was in part to stay in favor with the United States but there were also personal reasons for the Shah to begin taking the idea of reforming Iran more seriously. The Shah wanted to be both a democratic and revolutionary monarch. The set of reforms he unveiled in 1963, later known as his White Revolution, was a way for him to legitimize this view of himself.<sup>37</sup> Farah Pahlavi reflected that the Shah "wanted to create progress."<sup>38</sup> While the Shah might not have been rehabilitating his image within Iran, during the Johnson administration the Shah's public image in the United States did improve from his attempt at reform.

In 1963, Iran held elections and the Shah was depicted in the United States media as a progressive ruler, committed to make political and social strides. With the Shah's party winning,

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<sup>34</sup> Rubin, *Paved with Good Intentions*. 66.

<sup>35</sup> Summitt, "For a White Revolution." 565.

<sup>36</sup> *Ibid.* 569.

<sup>37</sup> Ansari, "The Myth of the White Revolution:" 3.

<sup>38</sup> "Create Progress."

it was taken as a sign that “The great mass of Iranian people are doubtless behind the Shah in his bold new reform efforts.”<sup>39</sup> What wasn’t well known in the West was that the Shah’s opponents had to run as independents and were not allowed to organize or hold political functions.<sup>40</sup> The Shah used this opportunity of good media to promote his image in the United States. In one *New York Times* article, he was quoted as saying said, “the reforms he was making in Iran would bring democracy like that of the West and social advances to his people” and “some day the Shah of Iran may be able to assume the same role in political affairs as do most European monarchs.”<sup>41</sup> He continued by asking for understanding when he might find it necessary to take drastic measures that might be taken in the future to prevent unrest. Luckily the United States press was largely impressed with the reforms the Shah was implementing. Max Frankel in an article wrote: “The Shah of Iran is rapidly altering his country’s political and economic life with a reform program of revolutionary proportions.”<sup>42</sup> When the Shah did need to put a stop to protests of the White Revolution, led by Khomeini, the United States media said the protests worked to prove that the Shah was doing the right thing.<sup>43</sup>

With President Johnson’s primary foreign policy focus being on Vietnam, there was often little attention given to Iran, and even less concern about the inner workings of Iran. In 1967, the Johnson administration reached the “conclusion that Iran had reached the

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<sup>39</sup> “A Victory for the Shah,” *New York Times*, June 10, 1963.

<sup>40</sup> Rubin, *Paved with Good Intentions*. 110.

<sup>41</sup> Jay Walz, “Shah Says Reform Program Will Bring Democracy to Iran,” *The New York Times*, September 25, 1963.

<sup>42</sup> Max Frankel, “Reforms of Shah Transform Iran: U.S. Aides Hopefully Watch Social Convulsion, Though Speed Causes Anxiety,” *New York Times*, January 23, 1963.

<sup>43</sup> Rubin, *Paved with Good Intentions*. 109.

development ‘take-off’ point.”<sup>44</sup> This is a reference to modernization theory, in which a country reaches a point economically and socially where it is only a matter of time before it becomes stale and democratic. American aid was virtually terminated at the end of 1967, after having supplied Iran with a total of “nearly \$1 billion during the preceding fourteen years.”<sup>45</sup> Comments on the internal situation of Iran were mainly from news articles in which the Shah featured favorable, with the notable exception being a Bureau of the Budget report.

The Bureau of the Budget (OMB) released a report in 1963 which suggested that the reforms being implemented in the White Revolution would possibly lead to unrest within Iran in the future. The OMB report concluded that with the confusion in the land reform act the reforms would reduce food production rather than increase it. They also predicted that inability to keep a peasant support base would lead the Shah to rely more heavily on his military. And lastly, the report concluded that without the necessary economic and administrative groundwork in place the Shah’s reform would lead to discontent among his urban population.<sup>46</sup> Unfortunately, this report was largely ignored. When thinking about how the conflicts of the 1979 Revolution would begin and what issues would be discussed, the OMB’s report had an insightful understanding of what would happen within Iran.

During the Nixon administration, there was little talk of needing to reform Iran politically, socially, or economically. If the Shah could continue to pay for the military equipment he ordered and the Shah didn’t try to ally Iran with the Soviets, then Iran’s internal politics were fairly left alone. With the creation of the Nixon Doctrine, the Nixon

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<sup>44</sup> Ibid. 119.

<sup>45</sup> Ibid. 119.

<sup>46</sup> Ibid. 112.

administration's desire to interfere in the internal politics was even further lessened. One tenant of the Nixon Doctrine is that it established Iran as one of the "twin pillars" within the Middle East region, the other being Saudi Arabia.<sup>47</sup> Therefore, if Iran appeared stable, then the United States was not going to interfere.

The reforms the Shah had implemented during the White Revolution were beginning to bring about major changes in Iran by 1970. Between 1967 and 1970 alone the education programs had doubled primary school attendance, quadrupled secondary school graduates, and tripled students enrolled in universities. This is not to say that the White Revolution solved all of Iran's problems. The land distribution acts had left roughly 75 percent of the rural population living on less than 66 USD a month. Food prices would rise 10.2 percent during 1971. Unemployment numbers hardly decreased as the Gross National Product of Iran would double between 1962 and 1971.<sup>48</sup> While the Nixon administration maintained throughout their duration a disengaged interest of Iran internal affairs, some in Congress became concerned when the Iranian government banned international observers from attending military tribunals in 1972 and 1973.<sup>49</sup> In 1973, the Shah was confident enough about his government to brag in an interview in his office that "Iran is more democratic than your countries in Europe."<sup>50</sup>

Whether United States' policy makers believed this or not is hard to say; because of Nixon's

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<sup>47</sup> John Miglietta, "The United States and Iran: The Establishment and Implications of the New Persian Empire," in *American Alliance Policy in the Middle East, 1945-1992* (Oxford: Lexington Books, 2002), 55–105.

<sup>48</sup> Rubin, *Paved with Good Intentions*. 143.

<sup>49</sup> Matthew Shannon, "American-Iranian Alliances: International Education, Modernization, and Human Rights during the Pahlavi Era," *Diplomatic History* 39, no. 4 (2015), 681.

<sup>50</sup> Oriana Fallaci, "The Shah of Iran: An Interview with Mohammad Reza Pahlavi," *New Republic*, November 30, 1973.

resignation the government's attention became drawn to other concerns. The Ford administration continued the policy of not pushing reforms onto Iran.

President Carter came into office with the promise of becoming a champion of human right reforms. During the election Carter said, "We ought to be a beacon for nations who search for peace and who search for freedom, who search for individual liberty, who search for basic human rights. We haven't been lately."<sup>51</sup> Once President Carter was sworn into office the Shah began to reevaluate the concerning image Congress and the United States had begun to develop of him during the early 1970s. The Shah invited the International Commission of Jurists, Amnesty International, and International Red Cross to advise his government on ways they could improve the human rights situation in Iran. The Shah's concerns that the President Carter's strong opinion on human rights would have an impact on the United States-Iranian relationship were soon put to rest.

The State Department released a Human Rights Report in 1977. In the report, Iran's forced pace of economic modernization, which was causing serious stability concerns, became a way to justify the human rights abuses.<sup>52</sup> The report defends the concentration of power within the monarchy by pointing to the two times "this century, Iran has been partially occupied by the Soviet Union."<sup>53</sup> Thus claiming that there was a need for Iran to have a strong centralized government. Human rights abuses that Iran committed in the 1960s are commented on followed by a reassuring statement that Iran is improving the situation. The

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<sup>51</sup> Jimmy Carter, Gerald Ford, and Pauline Frederick, "The Second Carter-Ford Presidential Debate," October 6, 1976.

<sup>52</sup><sup>52</sup> Rubin, *Paved with Good Intentions*. 193.

<sup>53</sup> U.S. State Department, *Country Reports on Human Rights Practices in Countries*, (Washington, 1978) 351.

subcategory on torture highlights this pattern well. The report acknowledges that there were cases of torture within Iran during the 1960s, but recently the “Shah has publicly stated that torture is not now practiced.”<sup>54</sup> Yet the report also states that the International Commission for Justice was unaware of any torture allegations “for at least the previous ten or eleven months.”<sup>55</sup> The fact that there is only a lack of evidence to support any accusations of torture for less than a year within Iran is hardly a reassuring notion on Iran’s human rights. Later in 1977 Secretary of State Cyrus Vance travelled to Iran. The rumors that arose in Iran during Vance’s visit were that Vance had told the Shah that he must either liberalize or leave power. However, Secretary Vance had only discussed weapons sales with the Shah and had carefully avoided mentioning human rights issues.<sup>56</sup>

The realization that President Carter was fully behind the Shah hit the Shah’s opposition within Iran during President Carter’s infamous 1977 New Year’s Eve toast in Tehran. Two lines would make it clear that the Carter administration had little thought of calling for real internal changes in Iran. The President Carter addressed Iran as being “an island of stability in one of the more troubled regions of the world,”<sup>57</sup> because of the leadership of the Shah. If that was not enough of a concern for those hoping to change Iran’s human rights abuses, President Carter’s next statement praising the Shah would. President Carter said Iran being stable was “a great tribute to you, Your Majesty, and to your leadership and to the respect and the admiration and

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<sup>54</sup> Ibid. 352.

<sup>55</sup> Ibid. 352.

<sup>56</sup> Luca Trenta, “The Champion of Human Rights Meets the King of Kings: Jimmy Carter, the Shah, and Iranian Illusions and Rage,” *Diplomacy & Statecraft* 24, no. 476 (2013): 479.

<sup>57</sup> Jimmy Carter, “Tehran, Iran Toasts of the President and the Shah at a State Dinner.,” December 31, 1977, <http://www.presidency.ucsb.edu/ws/?pid=7080>.

love which your people give to you.”<sup>58</sup> These two convinced the Shah’s opposition within Iran that the human rights changes President Carter had promised would not come to fruition in Iran. This was the point where several officials believe that the United States lost any real credibility with the opposition; as well as the ability to resolve the conflicts that would materialize as the 1979 Revolution developed.<sup>59</sup>

While the degree to which each administration attempted to pressure the Shah into making internal changes varied both in intensity and in success, changes were nonetheless on the minds of each administration. The hope that internal change would help to ensure the Shah remained on the throne was the hope of each administration, and another example of the way modernization theory had perpetrated policymaking towards Iran. The level to which each President felt that he could intervene changed with each administration though. Other aspects of the United States-Iran relationship would also change with each administration, and effect how they dealt with issues such as pressuring Iran for internal changes.

One aspect of the United States relationship with the Shah which would remain of utmost importance was Iranian oil. With a growing need to import oil from an ally and Cold War fears being an ever-present factor, Iran would gain more importance to the United States with each administration. Iran first began exporting oil with the creation of the Anglo-Persian Oil Company in 1914. By the 1950s, the Iranian government was putting a large portion of the oil earnings back into the Iranian economy and social growth. In 1951, Mohammad Mossadegh successfully passed an act in the Majiles to nationalize oil; prior to 1951 only the oil in the

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<sup>58</sup> Ibid.

<sup>59</sup> Alexander Moens, “President Carter’s Advisers and the Fall of the Shah,” *Political Science Quarterly* 106, no. 2 (1991): 234.



ground was considered Iranian property. With the nationalization of the oil sector, refineries and other physical properties belonged to Iran. The National Iranian Oil Company (NIOC) was formed, for all the seemingly positive moves for Iran oil production began to decline. In 1953, the United States helped orchestrate, along with the British, the coup which returned the power to the Shah. The coup was largely organized by Britain and the United States because they believed they could negotiate better oil deals with the Shah.<sup>60</sup>

When the Shah returned to power, he worked to organize a group of international oil companies into the Iranian Oil Participants Ltd., often referred to as the Consortium, in 1954. With the creation of the Consortium Iranian oil production increased. The Consortium paid for oil from Iran at the wellhead, making the oil property of Iran until it was shipped overseas. In 1957, renegotiated with the Consortium to gain more control of the production rate, and thus Iran ability to increase oil profits.<sup>61</sup> In 1960, the Shah joined with four other countries (Venezuela, Saudi Arabia, Kuwait, and Iraq) to create OPEC, Organization of Petroleum Exporting Countries. These countries would meet in Baghdad to coordinate their oil policies moving forward. Three major policy aspects were stressed; first, that OPEC countries would coordinate and unify policies to “secure fair and stable prices from producers;” and to maintain an “efficient, economic, and regular supply of petroleum to consuming nations.” The founding countries also wanted to ensure “a fair return on capital to those investing in the industry.”<sup>62</sup>

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<sup>60</sup> Jane Perry and Clark Carey, “Iran and Control of Its Oil Resources,” *Political Science Quarterly* 89, no. 1 (March 1974): 148.

<sup>61</sup> Ibid. 150.

<sup>62</sup> “Brief History,” *Organization of the Petroleum Exporting Countries*, 2016.

After joining OPEC Iran's oil revenue increased steadily but slowly.<sup>63</sup> This was in large part because it was in the best interest of the Consortium who controlled the posted prices. By not increasing oil production too quickly, it helped to ensure the market for oil remained relatively consistent.<sup>64</sup>

In the 1960s, the Iranian government became heavily reliant on oil as a primary source of income. At this point, the state would become the largest wealth holder, in large part due to oil revenue.<sup>65</sup> As the Shah began discussions with the United States on how his White Revolution would be funded, oil was quickly identified as the answer. In 1962, the Shah allocated roughly 70 percent of the nation's oil income to his reform policies. It quickly became clear though that the oil revenue would not be able to keep up with the growing demands created by the reforms. This budget issue would also continue due to the Shah's unwillingness to cut high security and administrative costs. The Johnson administration would try and work with the Shah to help him leverage some power over the oil Consortiums to increase his oil revenue.

President Johnson's administration would have the most direct involvement with Iran compared to Kennedy, Johnson, Nixon, or Carter administrations. This was in large part due to the personal relationship the Shah and President Johnson had established while President Johnson was vice-president. Both the Shah and President Johnson would use this personal

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<sup>63</sup> Bassam Fattouh, "OPEC Pricing Power: The Need for a New Perspective," *Oxford Institute for Energy Studies*, March 2007.

<sup>64</sup> Saikal, *The Rise and Fall of the Shah*. 104.

<sup>65</sup> Parsa, *Social Orgins*. 63.

relationship to better their own countries individual, as well as both countries, interests.<sup>66</sup> It was during President Johnson's time in office in which the Shah was still trying to discover where Iran stood as an oil exporting country. In 1965, the Shah pressed the Consortium for an increase in both Iranian productions and exports. When the companies denied the request, the Shah made a bi-lateral agreement with the Soviet Union and Romania. The agreement was for the sale and export of Iranian oil and natural gas. The Shah hoped that this move would help strengthen his ability to negotiate with the Consortium that had denied him before. Both parties knew that the Soviet Union and Eastern Europe were not viable alternative markets for Iran's oil.<sup>67</sup> The Shah was hoping that the United States' Cold War fears that the USSR was trying to deny Iranian oil to the West would push the Consortium into negotiating.<sup>68</sup> The Consortium increased Iranian production even as Iran continued to sell to the Soviet Union and Romania throughout the 1960s and 1970s.<sup>69</sup>

Iran's value as an oil exporting country would reach its peak during 1967. Between the Six Day War, Suez Canal closure, and the Arab oil embargo, Iran became an even more important asset to the West. The Shah could navigate out of any obligations he might have had towards the Arab oil embargo by arguing that Iran was a non-Arab state. He also expressed his concerns about oil being used as a political tool.<sup>70</sup> Between continuing to supply the West with oil and his denouncement of the embargo, Iranian oil production increased 20 percent in 1967

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<sup>66</sup> Andrew L. Johns, "The Johnson Administration, The Shah of Iran, and the Changing Pattern of U.S.-Iranian Relations, 1965-1967," *Journal of Cold War Studies* 9, no. 2 (2007): 64-94.

<sup>67</sup> Saikal, *The Rise and Fall of the Shah*. 106.

<sup>68</sup> Richard Cottam, "The United States, Iran, and the Cold War," *Iranian Studies* 3, no. 1 (1970): 5.

<sup>69</sup> Rubin, *Paved with Good Intentions*. 118.

<sup>70</sup> Saikal, *The Rise and Fall of the Shah*. 107.

alone. When the Shah asked the Consortium for another increase in production and exporting in 1968, the Shah was surprised that the Consortium balked at the idea.<sup>71</sup> The companies were afraid of creating instability in the oil market if they flooded the market with Iranian oil. The Johnson administration would step in on Iran's behalf though. Using the excuse of national security, the United States was able to get the companies to agree that the NIOC would be able to sell supplement oil to Eastern Europe.<sup>72</sup> During the Johnson administration, the United States became involved more closely with Iranian oil due to the fear generate by two oil embargos. Interfering in Iran's negotiations with oil companies was the most active role taken by the United States out of the five administrations from Kennedy to Carter.

The Nixon administration's interaction with Iran on oil was largely linked to their Cold War mentality of arming Iran. In 1973, there was another Arab oil embargo, once again increasing the political necessity to remain friendly with the Shah. The Shah commented that he hoped that "my decision not to blackmail the West may induce the Arabs to follow my example."<sup>73</sup> The Shah also reiterated that Iran is "Moslem but not Arab, and consequently, I don't act according to the convenience of the Arabs but according to the interests of Iran."<sup>74</sup> This is not to say that the Shah wasn't beginning to become dissatisfied with the way Western oil companies were interacting with OPEC countries. While Iran continued to be of vital importance to the West during oil embargos, the oil companies were not treating Iran the way

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<sup>71</sup> Rubin, *Paved with Good Intentions*. 118.

<sup>72</sup> Saikal, *The Rise and Fall of the Shah*. 107.

<sup>73</sup> Fallaci, "An Interview with Mohammad."

<sup>74</sup> Ibid.

the Shah wanted them to.<sup>75</sup> In 1973, the OPEC countries met and decided to raise the posted price of Persian Gulf crude oil. The price would rise from 5.11 USD a barrel to 11.65 USD a barrel, a 128 percent increase. The Shah was happy with the extra oil revenue but also made it clear the main motivator was to get the Consortium to treat OPEC as part of the industrial world. The Shah made a statement that “The industrial world will have to realize that the era of their terrific progress and even more terrific income and wealth based on cheap oil is finished.”<sup>76</sup> It was not long after this action that Iran began arguing that the United States was overcharging Iran for military equipment. The United States in turn argued that Iran was overcharging the United States for oil.<sup>77</sup> In 1974, Treasury Secretary William Simon proposed that the United States leverage arms sales to get Iran to lower their oil prices. Both President Nixon and Secretary of State Henry Kissinger were greatly opposed to this. They feared the Shah would turn to other markets for his oil and other suppliers for his weapons, even though Eastern Europe was not a viable substitute market for Iranian oil. Considering the 1965 deal the Shah had made with the Soviet Union and that there had been two oil embargos within the past ten years, President Nixon was not willing to risk losing either the oil imports or arms sales.<sup>78</sup> The fear of Soviet influence penetrating Iranian politics was of considerable concern to

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<sup>75</sup> The 1973 Arab Oil Embargo led to serious oil shortages in the United States. Gas stations would have signs reading “No Gas Today” and long lines would form around those stations which did have gas. The crisis became such an issue that drivers were issued different stickers allowing them different amounts of oil each week biased on the differing importance of need of each driver.

Donald Rogers, “When Crises Were Crises,” *New York Times*, September 13, 1973.

<sup>76</sup> Kurzman, *The Unthinkable Revolution in Iran*. 86.

<sup>77</sup> Warne, “Psychoanalyzing Iran:” 400.

<sup>78</sup> Rubin, *Paved with Good Intentions*. 140.

President Nixon. The oil relationship between the United States and Iran during President Nixon's administration was one of little policy change.

When President Carter entered office, Iran was experiencing an oil crisis. Iran's oil revenues began to drop in 1977. This decrease in oil revenue was significant enough that the Shah was willing to trim 2 million USD from the defense budget. The Shah reduced the defense budget in part because of the bottlenecks that decreasing oil revenues, and in part due to the military being one year behind on training soldiers on the newest equipment. The delay in training meant that the new military equipment the Shah had bought in 1976 was sitting unused because the military was still training soldiers on the equipment Iran had bought in 1975.<sup>79</sup> When oil workers began to go on strike during the fall of 1978, the United States became concerned. Not because of the beginning rumbles of the revolution, which was still largely considered as only insignificant public displays of the Shah's opposition by the administration, but because of the reliance the United States had on Iranian oil. When oil workers went on strike in October 1978, oil exports dropped from 5 million barrels per day to 2 million barrels per day.<sup>80</sup> To make matters more concerning for the United States, the workers did not have clear demands for the Iranian government. Making a quick resolve to the strike seem unlikely.

The concern of the United States government could be seen in a telegram sent to Ambassador Sullivan, entitled "Questions for the Shah." This telegram was sent in December of 1978, days after George Ball reported his findings on the current situation of Iran to President

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<sup>79</sup> Ibid. 197.

<sup>80</sup> Kurzman, *The Unthinkable Revolution in Iran*. 78.

Carter.<sup>81</sup> The questions sent to Ambassador Sullivan to be conveyed to the Shah varied from how long the military government could feasibly function, to what role the Shah saw for himself in Iran moving forward. While these questions worked to gauge the future of Iran, questions about oil production were also asked. Such as: “what actions the Shah believed necessary to restore oil production and return the economy to normal operations.”<sup>82</sup> Even as the events in Iran continued to deteriorate, the United States remained concerned with continuing of oil exports to the United States from Iran. With the fall of the Shah and the rise of Khomeini, the United States import of Iranian oil would drop from 555,000 barrels per day in 1978 to 9,000 barrels per day in 1980.<sup>83</sup>

The way in which the United States relied on the Shah as an important ally within the Middle East can in part be seen by their oil trades. Without Iran, the Arab oil embargos of 1967 and 1973 would have had a far more devastating impact on the United States. The Shah willingness to not partake in the embargo was a strong sign that he was a close ally to the United States in a region where one was desperately needed. Not only was the Shah an ally to the United States for oil, but an ally against Soviet involvement within the Middle East. The Cold War mentality of the United States required they have a strong Middle Eastern country as an ally, especially as other Great Powers were leaving the region. The Shah quickly became

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<sup>81</sup> George Ball was a lawyer and diplomat. Worked as an undersecretary of state for John F. Kennedy and Lyndon B. Johnson. Ball was commissioned by President Carter to independently investigate the internal situation within Iran in 1978.

Rubin, *Paved with Good Intentions*. 130.

<sup>82</sup> Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Adviser* (New York: Farrar, Straus, Giroux, 1983). 373.

<sup>83</sup> “U.S. Imports from Iran of Crude Oil and Petroleum Products,” *U.S. Energy Information Administration*, November 30, 2016.

identified as this ally. Luckily for the United States, the Shah believed that nationalism was the way to galvanize the people of Iran, and that nationalism should focus on military might. It was with these mentalities that the Shah and the United States interacted on arms sales.

When the Shah first returned to the throne, in 1953, Iran was hardly a military power. Yet over the next three decades the Shah played off Cold War fears to gain more military aid from the United States. The Shah bounced back and forth between the USSR and the United States during the 50's, hoping to play each off the other to gain more military equipment. Iran received some light military equipment from the USSR in the 1950s as well as economic aid.<sup>84</sup> Later the Shah would try to realign himself with the United States by supporting the Eisenhower Doctrine. The Eisenhower Doctrine promised United States aid to Middle East countries who faced communist backed aggression.<sup>85</sup> In supporting the Eisenhower Doctrine, the Shah hoped to prove to the United States that he was a regional ally against the USSR. Yet by 1962, the Shah was feeling severe pressure from the Kennedy administration to continue the social and economic progress promised by his White Revolution without receiving the military benefits he had hoped. Because of this the Shah began to move towards the USSR again in 1962. In promising the USSR that Iran would not allow for any foreign powers to establish missile bases within Iran, the USSR continued to sell Iran light military equipment.<sup>86</sup> The 1962 shift by the Shah to receive arms from the USSR had the desired effect on the Kennedy administration in part because of comments made by Nikita Khrushchev. Khrushchev had a few months earlier

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<sup>84</sup> Rubin, *Paved with Good Intentions*. 108.

<sup>85</sup> Parsa, *Social Orgins*. 99.

<sup>86</sup> Rubin, *Paved with Good Intentions*. 108.



said Iran “was a typical unstable pro-West country about to experience political upheaval.”<sup>87</sup>

This had already moved Iran higher on President Kennedy’s priority list, and with the Shah’s agreement about missile bases the United States became more cooperative to the Shah’s demands.

After President Kennedy’s assassination, President Johnson had several other concerns of higher priority, such as the Vietnam War and domestic issues with the “Great Society” programs. Between problems domestically and abroad the United States couldn’t afford to play a military role within the Middle East; and the Shah quickly volunteered for the position of a regional security proxy for the United States. Iran became the single largest purchaser of United States arms.<sup>88</sup> In 1963, the Majles had a bill presented in which United States military advisors would have immunity from Iranian prosecution. The opposition called on this as an example of the hold the United States had on the Shah, but the bill passed nonetheless. A few days later, there was an agreement on a 200 million USD loan from the United States to Iran from the purchase of more military equipment.<sup>89</sup> While it is true that the United States could use weapons to leverage some of what they wanted in Iran out of the Shah; the Shah was also adept at using his Cold War leverage to get what he wanted from the United States. During the Johnson administration, the Shah wanted to buy F-4D planes from the United States. When the negotiator hesitated, the Shah reminded him that he could ask the Soviets for their equivalent

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<sup>87</sup> Ibid. 107.

<sup>88</sup> Parsa, *Social Origins*. 52.

<sup>89</sup> Rubin, *Paved with Good Intentions*. 111.

new planes. The Shah ended up buying several of the F-4D planes.<sup>90</sup> In 1969, the Shah said in a newspaper interview:

When Pakistan was forced to call a cease-fire line well inside Pakistan's territory only a few miles from Lahore, what did CENTO<sup>91</sup> do? What did the United States, with whom Pakistan had a bilateral treaty, do? We cannot rely on others for our defenses; that is why we are building up our forces.<sup>92</sup>

The rationale used to justify this sale in Washington was best articulated by Walt Rostow, who said the United States must decide "whether we should leave our friends without the means they feel they need to defend themselves or attempt through modest sales to help them achieve at least minimum defense capability."<sup>93</sup> Thus the Shah used the Cold War mentality to get to most advanced weapons he could from the United States, and the United States was able to justify selling to Iran by the same mentality.

The Iranian military build-up gained even more momentum with the election of President Nixon. President Nixon and the Shah had become friends while President Nixon was vice-president in 1953 and helped plan the coup that would reinstate the Shah to power. President Nixon fully supported selling the Shah weapons as a key geo-political ally.<sup>94</sup> In

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<sup>90</sup> Ibid. 117.

<sup>91</sup> The Central Treaty Organization (CENTO) was the Baghdad Pact signed on 24 February 1955, and was created to promote collaboration on military, political and economic goals of the Middle East region. Full members included: Iran, Iraq, Pakistan, Turkey and United Kingdom. Associate member: United States

"The Baghdad Pact", U.S. State Department Archives

<sup>92</sup> Rubin, *Paved with Good Intentions*. 127.

<sup>93</sup> Ibid. 128.

<sup>94</sup> Parsa, *Social Orgins*. 51.

meeting with the Shah, President Nixon said “the Soviets want to wreck Iran because once that is destroyed they have only the minor squabbling principalities to deal with. We must checkmate them everywhere.”<sup>95</sup> Iran emerged as a growing regional power with help from the 1969 President Nixon Doctrine.<sup>96</sup> In 1972, President Nixon met with the Shah and promised that the United States would sell Iran any military equipment it wanted, except nuclear weapons. This included technicians to help train the Iranian military on the increasingly advanced weapons technology. The selling of weapons to Iran became even more important to the United States with the British beginning to disengage in the Gulf. The United States realized that Iran was a decent proxy to help them remain in control, “now that British military forces have left the area; if necessary, Iran is also prepared to deal militarily with Iraq, which the Shah considers the region’s arch-troublemaker.”<sup>97</sup> Afraid that the Gulf would become a sphere of influence for the USSR, the United States worked even harder to provide the Shah with military equipment.<sup>98</sup>

By 1973, the military expenditures of Iran, including the SAVAK (The State Organization for Security and Intelligence), were about 30 percent of Iran’s national budget.<sup>99</sup> The SAVAK was an organization that combines “the duties of both the police and the examining magistrate.”<sup>100</sup> The SAVAK were CIA trained and “in some cases, SAVAK has appeared to use its

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<sup>95</sup> Henry Kissinger, “Memorandum for the President’s File by the President’s Assistant for National Security Affairs” (United States Government Printing Office, July 24, 1973), 3.

<sup>96</sup> “That the U.S. would supply arms but not military forces to its allies” “Nixon Doctrine,” *Dictionary*.

<sup>97</sup> “Research Study Prepared in the Bureau of Intelligence and Research” (United States Government Printing Office, January 28, 1972), 2.

<sup>98</sup> Rubin, *Paved with Good Intentions*. 125.

<sup>99</sup> *Ibid.* 52.

<sup>100</sup> *Country Reports on Human Rights Practices in Countries*, 353.

authority to arrest without a warrant anyone”.<sup>101</sup> To illustrate the concentration on military spending in 1973, the national budget of Iran had 73 USD per capita being spent on defense while only 29 USD per capita was spent on education and healthcare combined. In 1972, there were roughly 15,000 Americans working for the Iranian military in some capacity, by 1976 the number was 24,000.<sup>102</sup> The necessity for such large numbers of American military advisors and technicians was in part due to the rapid speed at which the Shah was purchasing military equipment.

The Shah would continue to exaggerate his concerns about the USSR to leverage more weapons out of the United States throughout President Carter’s term as well. This is not to say that there were not some in the administration who knew that the Shah was playing up these issues. As early as 1961, there were State Department memos describing the necessity of “going back at Shah that real threat is internal and not external. He should stop bleating to us about more military aid.”<sup>103</sup> A more direct observation of this fact can be seen in a 1972 study which states, “Iran has followed a more assertive foreign policy, taking advantage of the dissipating cold-war atmosphere...”<sup>104</sup> Yet for the recorded acknowledgement of the Shah taking advantage of the United States Cold War paranoia, the United States would continue to sell Iran more military equipment in the coming years.

The sale of weapons to Iran continued until the end of 1978 when the conflict within Iran became too unstable for the United States to feel it was safe to deliver more weapons into

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<sup>101</sup> *Ibid.*, 353.

<sup>102</sup> Rubin, *Paved with Good Intentions*. 52.

<sup>103</sup> Robert Komer, “Memorandum from Robert W. Komer of the National Security Council Staff to President Kennedy” (United States Government Printing Office, August 4, 1961) 3.

<sup>104</sup> “Research Study Prepared in the Bureau of Intelligence and Research.” 5.

Iran. The United States hoped that the military within Iran would stay both intact and loyal to the United States and therefore the United States remained an ally to Iran. As the events of 1978 unfolded, the United States would continue to look at the Iranian military as an ally. The United States government believed that with the progress Iran had made that the ideas behind modernization theory would work and protect the Shah.

The Iranian Revolution of 1979 is cited to have officially begun on January 8, 1978 in Qom. Seminary students started protests over an article criticizing Khomeini's ideologies.<sup>105</sup> To make the situation more complicated for the United States President Carter had delivered his infamous New Year's Eve speech and departed Iran only eight days before the protests occurred. The United States would become tied to the Shah's fate during the early days of the 1979 Revolution.

The basis of the 1979 Revolution was found primarily in urban areas. Until the end of 1978 the rural peasantry did not support the 1979 Revolution as the Shah had garnered large support among the peasantry with the land reforms of the White Revolution.<sup>106</sup> The Shah was unable to keep popularity he gained from the White Revolution for long.<sup>107</sup> The 1979 Revolution took the form of strikes and protests rather than guerilla attacks that accompanied the coups of Turkey and Iraq.<sup>108</sup> Considering the 1979 Revolution largely lacked any threats of violence for the majority of the Revolution; and the Shah had been on the throne for so long,

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<sup>105</sup> Nasr and Gheissari, *Democracy in Iran*. 71.

<sup>106</sup> Parsa, *Social Origins*. 2.

<sup>107</sup> Moaddel, *Class, Politics, and Ideology in the Iranian Revolution*. 69.

<sup>108</sup> Parsa, *Social Origins*. 2.

most United States government officials and analysts believed the Shah would remain a strong ally.<sup>109</sup>

The 1979 Revolution was a revolt against too many issues for the Shah to have had a reasonable chance of surviving. The major concerns of the 1979 Revolution were: Western-style modernization, United States influence in Iran, the economic policies of the White Revolution, monarchical dictatorship.<sup>110</sup> These accusations were hard to deny when the Shah was purposefully turning towards the Western-style of modernization, and went as far to admit that he was a possibly authoritarian leader. In an interview in 1973, the Shah said that “to go through with reform, one can’t help but be authoritarian.”<sup>111</sup> With the Shah fighting the battle on several fronts and the United States being unable to fully gauge the Iranian situation, the speed and force with which the revolutionary ideas spread shocked all those involved, including the Shah.<sup>112</sup> Until December of 1978, President Carter’s daily intelligence reports, while a good narrative on the daily events, had little to no real analysis of the situation. The change was in large part due to the inclusion of past United States actions in Iran to the list of grievances the revolution was based on. These past policies included the United States involvement in bring the Shah back to power, training the SAVAK, and supplying the Shah with military aid.<sup>113</sup> With this change the Carter administration began analyzing Iran more closely. Though it may have

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<sup>109</sup> Rubin, *Paved with Good Intentions*. 201.

<sup>110</sup> Moens, “President Carter’s Advisers and the Fall of the Shah.” 231.

<sup>111</sup> Fallaci, “An Interview with Mohammad.”

<sup>112</sup> Rubin, *Paved with Good Intentions*. 203.

<sup>113</sup> Brzezinski, *Power and Principle*. 381.

taken all of 1978, the Carter administration had gradually realized the possible consequences of the protests could be huge.<sup>114</sup>

A report by Ambassador Sullivan, the United States ambassador to Iran, on September 20, 1978, discusses that the Shah thought the current conditions, meaning the strikes and riots, would soon calm down and he would be able to continue his idea of liberalization.<sup>115</sup> Four days later, Ambassador Sullivan along with British Ambassador Parsons reported that both ambassadors had told the Shah that a military solution to calm the protests was a nonstarter. The ambassadors' discussion was adamantly opposed by President Carter's National Security Advisor Zbigniew Brzezinski.<sup>116</sup> Overall Ambassador Sullivan seemed confident that the unrest would begin to calm down. He advised against sending crowd-control equipment and the need for any public statement from the President at this point. It was also in September 1978 that it was becoming apparent that the United States lacked any reliable sources of intelligence within Iran. The United States had been trusting that the Shah was the best evaluator of both himself and the situation in Iran. This was also the view because there was little option but to trust both the Shah and the SAVAK for information.<sup>117</sup> But as protests continued throughout both August and September, it was apparent that those two channels of information were no longer the most reliable. Staff Aide Robert Hunter discussed how Brzezinski "was pressing for better intelligence analyses, for options. He was having to energize the system to produce things," in September 1978.<sup>118</sup> President Carter even sent a note stating that he was "not satisfied with

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<sup>114</sup> Ibid. 359.

<sup>115</sup> Ibid. 361.

<sup>116</sup> Ibid. 362.

<sup>117</sup> Rubin, *Paved with Good Intentions*. 204.

<sup>118</sup> Moens, "President Carter's Advisers and the Fall of the Shah." 218.

the quality of our political intelligence.”<sup>119</sup> Because of a lack of contacts with the opposition gaining new channels for intelligence was extremely difficult, even as the Shah’s power began to fade.

In November 1978, the Shah appointed General Gholam Reza Azhari as Prime Minister and “asked him to form a military government to quell the worst anti-government violence in Tehran in 15 years.”<sup>120</sup> The new military government was lacking in recognizable authority though. The new government did not have the physical force nor authority to dissuade the growing number of protesters and the Shah would also be a factor in undermining the new military government. The most prominent time the Shah’s actions undermined the new government was when he released top opposition group leaders from prison in December 1978.<sup>121</sup> After this incident Brzezinski told Sullivan that the Shah should be more public about the society he was hoping to create. The advice was that if the Shah had a plan to try and calm the unrest in Iran, he would need to be more open about the plan; not only to draw in support from the population but also to not undermine the military government he ordered the creation of.<sup>122</sup> It would quickly become clear that the Shah had no clear plan on how to proceed; and that in fact the Shah was hoping for the United States to make the major decisions.<sup>123</sup>

On December 13, 1978, two important meetings occurred. First, the Shah met with Ambassador Sullivan. The Shah discussed the three options that he was willing to pursue

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<sup>119</sup> Brzezinski, *Power and Principle*. 367.

<sup>120</sup> Sajid Rizvi, “Iran Forms Military Government,” *UPI*, November 6, 1978.

<sup>121</sup> Brzezinski, *Power and Principle*. 371.

<sup>122</sup> *Ibid.* 366.

<sup>123</sup> Rubin, *Paved with Good Intentions*. 203.



moving forward: create a national coalition, surrender to the opposition and create a regency council, or use the Iron Fist option (a military crackdown).<sup>124</sup> The same day George Ball reported his findings after an in-depth analysis of the Iranian situation. Ball reported that the Shah was damaged beyond repair and that a Council of Notables should be established immediately if the United States wanted a chance for a new regime that could be an ally to the United States. A Council of Notables would be a council of oppositional figures who the United States thought would continue have a relationship with the United States. Ball also argued that a military repression would fail and turn the population against the United States.<sup>125</sup> While President Carter was briefed by Ball on the report, Brzezinski's strategy to remain with the Shah prevailed as the United States official policy.

The Shah's desire for the United States to become the primary decision maker was no longer hidden in the subtext of conversations when at a meeting with Ambassador Sullivan on December 26, 1978 the Shah asked Sullivan point-blank what the United States wanted him to do. Sullivan reported that the Shah asked, "whether he was being advised to use the iron fist even if it meant widespread bloodshed and even if it might fail to restore law and order."<sup>126</sup> Sullivan conveyed that the United States would supported the Shah in whichever option he decided to pursue, but that the United States would not make the ultimate decision.

The Shah decided to ask Shahpur Bakhtiar, the leader of the National Front, to form a new government. While creating the new government, Bakhtiar made it clear that the Shah

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<sup>124</sup> Brzezinski, *Power and Principle*. 373.

<sup>125</sup> James Bill, "Political Practitioner, Intellectual Gladiator," in *George Ball: Behind the Scenes in U. S. Foreign Policy* (London: Yale University Press, 1997). 91.

<sup>126</sup> Brzezinski, *Power and Principle*. 375.

must leave Iran. The Shah seemed not only willing but eager to agree to leave the country based on embassy accounts of the situation. The Shah left Iran in the hands of Bakhtiar's regency council on January 16, 1979.<sup>127</sup>

The Shah leaving Iran marked the end of the United States' strong relationship with Iran. Bakhtiar's government would not last a month once the Shah left. The short duration of Bakhtiar's government was facilitated by the return of Khomeini to Iran on February 1, 1979. Hours after Khomeini's return new stories were running in Iranian newspapers predicting Bakhtiar would only be able to stay in power for three or four more days.<sup>128</sup> Khomeini had become the unofficial leader of the 1979 Revolution while in exile in Paris. Khomeini had been exiled from Iran after he was arrested during a June 1963 protest over the Shah being an American puppet.<sup>129</sup> While Khomeini didn't immediately take power, it was not for lack of popular support. CIA Director Stansfield stated that "even Ayatollah Khomeini didn't realize how well his force was moving along," and was thus unprepared to take power immediately upon his return.<sup>130</sup> On February 11, 1979, top United States officials from several government agencies and military branches met to discuss the options open within Iran. The three options discussed were: urging the military to pursue an agreement with Bazargan (Khomeini's pick for Prime Minister); urging the military to organize power transfer but remained unified; and urging the military to take direct action to restore power.<sup>131</sup> It is no coincidence that the United States turned to the military as their only ally in Iran. After spending years helping the Shah

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<sup>127</sup> Ibid. 375.

<sup>128</sup> Ibid. 389.

<sup>129</sup> Rubin, *Paved with Good Intentions*. 111.

<sup>130</sup> Ibid. 203.

<sup>131</sup> Brzezinski, *Power and Principle*. 390.

build his army and having many Americans alongside the military, they were the only group whom the United States knew they could rely upon.

As Khomeini began to assume power, the United States hoped that Khomeini would restore order and then step aside. The hope of the United States was that Khomeini would be forced to adopt Western ideas of government and return the power to the non-cleric politicians.<sup>132</sup> Unfortunately, the United States misjudged the willingness of the ulama to partake in the running of the Iranian government.<sup>133</sup>

The United States also gained hope of a continued relationship as the Provisional Government of Iran (PGOI) requested food supplies and spare parts from the United States. The hope that this request first generated in the United States was quickly lost though.<sup>134</sup> Once it became clear that the request for food was not in fact a good will gesture on the part of the PGOI, the United States hoped that a continued alliance could be built off mutual mistrust of the Soviet Union.<sup>135</sup> This hope was not achieved, this time due to Khomeini's leadership. Khomeini's thoughts on foreign affairs, "led him to believe that his leadership had created an Iran impervious to attack by either of the superpowers."<sup>136</sup> But the final realization that the United States would be unable to maintain their relationship with Iran would occur in November 1979.

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<sup>132</sup> Ansari, "The Myth of the White Revolution:" 627.

<sup>133</sup> Christian Emery, "United States Iran Policy 1979-1980: The Anatomy and Legacy of American Diplomacy," *Diplomacy & Statecraft*, no. 24 (2013): 624.

<sup>134</sup> Ansari, "The Myth of the White Revolution" 629.

<sup>135</sup> Emery, "United States Iran Policy 1979-1980." 623.

<sup>136</sup> Rubin, *Paved with Good Intentions*. 307.

In 1978, French doctors had diagnosed the Shah with cancer. On October 22, 1979, the United States decided to allow the Shah to receive treatment after several months of treatment in Mexico. The Shah was admitted to New York Hospital-Cornell Medical Center.<sup>137</sup> In protest, students would seize the United States embassy in Tehran on November 4, 1979. With this move the straw government of Bazargan resigned having seen the capture of the embassy as an example of his government's inability to maintain order within Iran. The embassy was not only a focus because of the Americans currently there when captured, but also to address past grievances. Since the Shah's departure the United States embassy had been issuing visas to Shah supporters, while denying those seeking visas for medical needs.<sup>138</sup>

The seizure of the United States embassy and the subsequent hostage situation was integral to ending diplomatic relations between the United States and Iran. For Khomeini, it insured that the United States would not try and stage a coup like the one that reinstated the Shah to the throne in 1953. Khomeini was also able to use it as a sign that Iran was now free of United States influence, and that the capture of the embassy was justified due to perceived threats from the United States.<sup>139</sup> For the United States, the hostage crisis made it impossible for the Carter administration to continue diplomatic relations with Iran. The United States officially broke diplomatic relations with Iran in 1980.<sup>140</sup>

The importance of the Shah in the United States-Iran relationship was not fully realized until the 1979 Revolution. With the end of diplomatic relations with Iran ending a year after the

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<sup>137</sup> Ibid. 298.

<sup>138</sup> Trenta, "Human Rights." 491.

<sup>139</sup> Rubin, *Paved with Good Intentions*. 304.

<sup>140</sup> Bureau of Near Eastern Affairs, "U.S. Relation With Iran: Fact Sheet," March 10, 2015.

Shah fell, the true relationship of the United States and Iran appears. During the 1960s and 1970s the alliance could more accurately be described as one between United States and the Shah. Having not created or maintain connections with others inside of Iran, the United States was unable to find another ally in post-1979 Revolution Iran.<sup>141</sup>

The Shah was not only important in the existence of a United States-Iran relationship, but he was important in shaping that relationship through the different presidential administrations. While each administration came into office with differing agendas for foreign policy, the Shah leveraged Cold War fears to ensure that, besides small variances, the United States policy towards Iran was overall relatively consistent. Thus, while the Shah is often portrayed in history as a weak dictator, his navigation of United States foreign policy over two decades shows an intelligent politician who was willing to play two Great Powers off one another.

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<sup>141</sup> Rubin, *Paved with Good Intentions*. 182.

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