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Rennie Minister
A useful background
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SOVIET AIMS IN IRAN

1. The Russians have major strategic and economic reasons for wanting to control Iran. Twice in modern history they have intervened in Iranian affairs (1920 and 1945). They claim that a Soviet-Iranian Treaty of 1921, which could give them grounds for intervention, is still in force, although Khomeini's Iran has denounced it. The collapse of Western influence in Iran provides them with major opportunities to realise their historical ambitions.
2. Control over Iran could give the Soviet Union a major prize in the contest with the West, a secure glacis on its southern frontier, an outlet to the Persian Gulf and a base from which to influence events in the Gulf, Saudi Arabia, Iraq and Turkey. Another prize would be direct access to Iranian oil and gas.
3. In the British assessment, the Soviet Union and its East European allies will need ^{by 1985} to import about 800,000 to 1 million barrels per day of oil. The CIA assessment is higher. Iran at present exports 800,000 barrels per day, ^{to OECD}. At full production levels, Iran could export 1.8 million barrels per day. If Iran were denied supplies of Western technology, its production capacity would probably decline at about 10% per year. The Soviet Union could not replace all the denied Western technology. In buying oil from Iran, the Soviet Union and its allies would no doubt seek long term contracts, in the hope of preventing the oil going to the West even if Western-Iranian relations later improved.
4. The Russians are still a long way from realising their aims. They have to contend with deepseated Iranian mistrust of their intentions. Relations have been strained by Iranian reactions to the invasion of Afghanistan, by continuing disputes about Iranian natural gas, by alleged Soviet support for Kurdish and Azerbaijani separatists and more generally by wide ideological differences and Iranian unpredictability.
5. However, the US/Iranian dispute provides major leverage to the Russians, enabling them to pose as Iran's friends and helpers while playing on the discomfort of the United States. They are trying to improve their position in Iran in various ways. A Western economic embargo or blockade of Iran would increase the importance of Iran's economic relations with the Soviet Union and of the land

communications across the Soviet/Iranian border. There are reports of a major Soviet-Iranian economic agreement and of resumption of the flow of Iranian gas to the USSR.

6. US Military action could cause the Iranians to ask the Soviet Union for military help. The Foreign Minister's recent threat to do so may have been bravado, but even without an invitation, the Russians could choose to interpret the 1921 Treaty as grounds for intervention. However, it seems most unlikely that the Russians want the situation to degenerate to this point, since they would fear the obvious possibility of military confrontation with the United States. They would try rather to exploit the opportunity to establish a secure political and economic foothold and to undertake new programmes of subversion. The nature of ^{the} Soviet reaction would depend on the type and extent of any US military action and in particular on whether there was a risk of direct contact between US and Soviet forces. The Russians would no doubt prefer to confine their help to providing military equipment and advice. But given their growing belief in their own military strength, their close concern about a vital country on their own border and their perception of Carter's weakness and vacillation, one cannot be absolutely sure that the Russians would climb-down on the Cuban (1962) or Egyptian (1973) pattern if direct confrontation seemed imminent.

7. Hitherto however the military evidence points to a restrained Soviet posture. There has been no Soviet military activity near the border with Iran which would suggest mobilisation or preparations to invade. The Soviet forces in Afghanistan are not suitable or sufficiently numerous for an invasion of Iran from the East. Recent Soviet naval movements in the Indian Ocean have seemed to be responses to the movements of American ships, and the MOD experts have the impression that the Russians have deliberately not placed ships near the Persian Gulf ports which the Americans might choose to blockade. The only Soviet vessel known to be in the Persian Gulf north of Socotra is an auxiliary tug. The indications of Soviet military activity could of course change and a very close watch is being kept on them.

Conclusion

7. We believe that the Russians hope to emerge from this crisis without a military confrontation, with their own influence in Iran greatly enhanced and that of the West in ruins. In the longer term, the weakness of the central Iranian Government and its possible

disintegration could provide them with opportunities to promote the influence of the Left under the leadership of the Tudeh party. The continued cultivation of influence with separatist movements could provide them with a way of hedging their bets and promoting continued instability.

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25 April 1980