

American Ascendancy, British Retreat, and the Rise of Iran in the Persian Gulf

Written by Stephen McGlinchey

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STEPHEN MCGLINCHEY, NOV 15 2010

The Persian Gulf was an area of vital and ever-increasing importance during the Cold War. It became particularly important to America as British power in the area steadily declined throughout the post-war period, and as the former Imperial power became consumed with economic hardship, imperial fatigue, and embarrassment over such incidents as the Suez Crisis of 1956-57. This conflict dramatically highlighted the twilight of Great Britain as a global actor. Three recent publications, based on voluminous primary research, when read together, provide a fascinating fresh perspective of the developments which resulted in the decline of British influence in the Persian Gulf throughout the mid twentieth century, and the subsequent rise of America in its place.

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W. Taylor Fain in his recent monograph, *American Ascendancy and British Retreat in the Persian Gulf Region*, re-treads a period of history from 1951 to 1972 gradually piecing together the various processes by which Britain lost its traditional regional dominance in the Gulf, whilst carefully accounting for the origins of America's 'imperial' endeavour in the Gulf today, which is broadly a continuation of the British role.

Fain devotes a significant chapter to re-opening the debate on the reasons for the departure of the British from the Gulf, reinforcing deepening British financial weakness; bruising domestic political debate over the priorities and values of British foreign policy and increasingly intractable and violent nationalist sentiment in the Middle East. Where Fain's work is a treasure for the reader is in the rich use of the primary source base that has been folded into the analysis, adding a deft touch of colour to the narrative which re-creates the history of this fascinating period in a way few texts have yet done. Such an example details Dean Rusk pleading, "for God's sake, act like Britain!" in a tense conversation in January 1968 with British foreign secretary George Brown upon Brown's delivery of the news of the intention of the British to fully withdraw militarily from the Gulf within three years. In this sense, Fain's work is consistently both forensic in delving deeply into the personal interactions that comprise his area of study, and yet highly readable and accessible.

Fain notes that despite disagreements, by 1944 every member of the American foreign policy and military establishments appreciated the critical importance of the Gulf. In October 1946 the Joint Chiefs of Staff (JCS) concluded the first major American appraisal of Iran, which had been the scene of a post war stand-off between Stalin and the Americans, an event that has been widely dubbed the first confrontation of the Cold War. The report stated that both the region's oil resources and its strategic location, which provided a base for both defensive and counter-offensive operations against the Soviet Union, gave Iran (and therefore the Gulf) a major strategic importance. From that point onward, the JCS consistently pushed for military assistance for the Shah of Iran to enable him to shore up this vital strategic position[1].

By the end of the Second World War the Arabian American Oil Company (ARAMCO) had been established, often acting directly or indirectly as an agent of American interests. Those interests steadily evolved after 1945 from a commercial focus towards maintaining a favourable political status quo in the region, as the emerging Cold War realigned American security concerns significantly.

"To U.S. officials, stability in the Middle East meant that the region was at peace, amenable to American political influence and economic investments, and proceeding along a course of political development and economic and social evolution that would produce stable governments and preclude Soviet or communist penetration of the region"[2]

The American policy of Containment had been in effect since the Truman Administration, however it underwent a significant update in the latter years of the Eisenhower administration. American policy towards the Gulf and the wider Middle East began to solidify with the Eisenhower Doctrine of 1957, which stated that American assistance, either economic or military, could be requested by countries in danger. Eisenhower noted that "Russia's rulers have long sought to dominate the Middle East", and that this was solely in line with its desire of "Communizing the world"[3]. Thus, a clear commitment was laid out. Again, Fain covers significant ground in charting the rising, yet still uneven American influence in the region throughout the Eisenhower years, and forward into the Kennedy and Johnson years. Of course, the ever-present role of the British was a significant check upon deeper American involvement, negating the requirement for major American revisionism. Hence, American policy towards the Gulf evolved along fairly standard Cold War containment concerns, whilst always seeking to remain aloof from the stench of Imperialism that had tarnished the British.

The creation of the Baghdad Pact in 1955, later known as the Central Treaty Organisation (CENTO), further demonstrated the developing importance of the Gulf region within the larger Cold War containment strategy. The pact, which comprised of Iran, Iraq, Pakistan, Turkey and Britain, was modelled loosely on NATO as a mutual cooperation, protection and non-intervention pact. American pressure and promises of aid were largely responsible for its creation, spurred on by the recommendations of NSC-5428 that the best regional defence strategy would be via a 'northern tier' to contain any Soviet expansion southwards, whilst at the same time sidelining Egypt[4]. In

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practice CENTO was ineffective and largely regarded as a failure. A revolution deposing the pro-Western Iraqi monarchy in 1959 did little to instil confidence in the efficacy of the organisation as no retaliatory action was taken, even as the new Iraqi regime began to court the Soviet Union. The pact was therefore essentially still born, though it did crawl forward into the 1970's.

Where CENTO proves interesting is via the role in which the Shah of Iran sought to play within the organisation, something of a precursor to his later ambitions to become a regional power in the Gulf. Eisenhower's State Department had cautioned against Iranian involvement in the emerging pact, fearing it was premature and would distract from domestic restructuring and economic growth, both perceived as vitally important in the years after the 1953 American and British (covertly) sponsored Coup, which had restored the Shah to his throne. At a meeting in the British Embassy in Washington in September 1955, the British presented a gloomy picture of the Shah's ambitions, noting that his exorbitant demands for American armaments, which verged on blackmail, were causing drift in his domestic programs. John D. Jernegan, Deputy Secretary of State for Near Eastern Affairs, agreed, noting that encouraging Iran to join the pact would result in more pressure for American aid, which was not deemed desirable[5]. To this effect, John Foster Dulles actually moved to prevent Iran joining. Despite this, in a move that would later prove characteristic of the Shah, he outflanked Dulles and pre-emptively announced his intention to be a signatory of the treaty[6]. Even at this early point in his reign the Shah already saw a role for himself alongside his regional peers and had designs for an Iranian regional security role of significance.

Despite his eagerness to join CENTO, the Shah was not immune to the ineffectiveness of the pact. In July 1958 he noted that it was likely to collapse in the near future[7][8], before adding in April 1966 that CENTO ought to be replaced with a more effective organisation[9]. and later proclaimed that it was accomplishing little due to poor attitude from members and American non membership.

A masterful account of the history of the Middle East during the Eisenhower and Kennedy years has been written by Roby C. Barrett

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. *The Greater Middle East and the Cold War: US Foreign Policy under Eisenhower and Kennedy*, uses extensive sources to revisit some of the pivotal issues of the period in question, whilst always keeping one eye on the larger picture. These range from analysis of the Egyptian dalliance with the Soviets, the Lebanese crisis, Iraq's Coup, Iran, Pakistan and the continuing hostility between Israel and its neighbours. Read together with Fain's masterful analysis of the decline of the British and simultaneous rise of America and the fascinating interplay between both nations as the transition gradually manifested, Barrett's work provides both the student of history/politics and the scholar with a complete and fulfilling picture.

Additionally, Barrett both underlines the developing nature of containment as it evolved in the late years of the Eisenhower administration and anchors the importance of the 1959 Iraqi coup towards a major American focus that Iran should not be ever allowed to experience the downfall of its monarchy. Therefore the Shah suddenly found his profile raised significantly in American eyes, although this transformation would not be altogether smooth as John F. Kennedy expressed severe distaste in the nature of the Shah's regime and pressed for major domestic reforms throughout his early tenure as a condition of American support, which Barrett documents comprehensively.

The Twin Pillars?

It became very clear that as the stakes rose, and America became both militarily and politically distracted in South East Asia throughout the 1960's, a new policy would need to take effect in the Middle East.

Fain's monograph gathers considerable pace in its account of the period from the announced British departure in January 1968 until the fateful withdrawal was fully effected by 1972. The recreation of this period details the extent to which the Johnson administration continued to hedge on some form of reappraisal in London – an ultimately futile effort. Fain highlights the repercussions of the news in America, with major figures such as Senate Majority Leader Mike Mansfield telling journalists that America lacked the resources to replace the British and the security role they played in the Gulf. Following on, the impact of a change of administration on both sides of the Atlantic is brought to bear as new attitudes began to characterize foreign policy in Washington, and the relationship between Conservative Prime Minister Edward Heath and Richard Nixon declined in the early part of the 1970's, bolstered by Heath's increasing nods to joining the European Community and his reluctance to play the Transatlantic 'special relationship' fiddle.

Ultimately, as Fain points out, the Nixon administration was, similar to its predecessor, at odds with exactly what to do with the Gulf. However, the intensely-academic foreign policy review system set up by Nixon and orchestrated by Henry Kissinger out of the National Security Adviser's office in the White House soon began to offer a way forward.

The Shah, who had carefully cultivated a personal rapport with successive Presidents, and was held in the highest regard in Washington, agreed with the received American wisdom that the Soviets had designs in the Gulf, but felt that they would not directly invade or attack Iran for fear of igniting a world war. Following on from this assessment, the Shah developed a thesis in which he believed that the Soviets were engaging in 'wars by proxy' in Egypt and Iraq in order to gradually encroach upon and disrupt western access to Gulf Oil[10], which was vital in fuelling the economies of Western Europe and Japan.

As Vietnam escalated and American operations there became increasingly troubled, the Shah noted that if the same scenario were to be applied to the Middle East, it would be better for Iran and Saudi Arabia to be fully equipped to deal with it, as if the entire might of the American military industrial complex could not settle Vietnam it was not a viable model that could be repeated elsewhere. Of course, this thesis was designed to 'sell' the Shah's designs for a significant Iranian military, something he had pursued relatively fruitlessly for over a decade before finally finding a fertile atmosphere in the Nixon administration. Regardless, his thesis was uncannily perceptive, reminiscent of his forewarning in conversations with Lyndon B. Johnson in 1965 of the imminent departure of the British from their historic deployment in the Gulf some three years before it was announced (or even decided upon) in early 1968. Armin Meyer, American ambassador to Iran 1965-1969, noted that "one Tehran visitor upon whom the Shah's rationale made an historic impact was former vice president Richard Nixon"[11] who visited Tehran in 1967. Meyer goes on to assert that the Shah's thesis was actually the bedrock from which Nixon's emerging foreign policy

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doctrine was forged in the following years.

That new American policy would eventually solidify in the early 1970's around a 'twin pillars' policy of fortifying Saudi Arabia and Iran to act as lieutenants in the area, checking the spread of the Soviet influence southwards. This was in the spirit of the Nixon Doctrine which highlighted the extent to which America could not be expected to act as Eisenhower's doctrine had imagined. Instead America would endeavour to support and strengthen allies in order for them to take on the burden of their own security.

Tore T. Petersen takes this focus, and narrows in on the politics of oil (or rather the 'Unimportance of Oil' as he refers to it) to construct his latest monograph

, *Richard Nixon, Great Britain and the Anglo American Alignment in the Persian Gulf and Arabian Peninsula* . With valid reason, Petersen maintains at the outset that the 'twin pillars' policy was heavily weighted towards Iran, with Saudi Arabia playing a lesser role both qualitatively and quantitatively. Burgeoning, record-breaking American arms sales to Iran, totalling almost \$11 billion during the 1970's underlined neatly the extent to which Iran was deemed the senior regional partner, as Saudi deals barely registered in comparison, and the general reception given to Saudi Arabia was consistently less familial.

The most controversial claim in Petersen's monograph is a re-voicing of a Saudi Arabian conspiracy theory, that Richard Nixon deliberately allowed oil prices to rise, despite the deep problems this caused within America and its allies, so that Iran would be able to raise the revenue necessary to fund its modern war machine. Therefore Petersen hedges heavily on the *Realpolitik* of the Nixon/Kissinger approach, claiming that their strategic desire to securitize the Gulf was deemed of higher importance than economics or domestic popularity. Unfortunately, Petersen only offers second-hand accounts, together with fairly circumstantial evidence for this claim, whereas elsewhere his research is more firmly rooted in the documentary sources he frequently cites. Such points that US officials pressed to the Shah that oil price was not the major issue for America, but rather that it was the security and consistency of supply do not adequately explain why a 400% price rise would have been mandated and orchestrated by Washington, and to this reader imply that a moderate price increase was the intention – not the dramatic and often crippling spikes that actually occurred in the early 1970's, bringing the American economy to its knees.

Briefly harking back to Fain's treatment of the withdrawal of the British, Petersen disagrees – noting that the withdrawal was firmly ideological, based on the prevailing beliefs of the ruling Labour party. Hence the problems of inflation and economic difficulty were simply convenient excuses. Petersen goes further still, noting that although the

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Labour administration in Britain paid lip service to Anglo-American relations and a continued global role East of Suez, it cared little for either.

Where Petersen's monograph comes into its own is in the fascinating chapters on the emerging roles of Iran and Saudi Arabia, as both moved from client states and relatively primitive sleeping giants into a maturation process (incredibly rapid and deeply flawed in Iran's case) towards fulfilling the American desire for both nations to become twin pillars of stability in the region. Petersen's work is thereby a fascinating companion to Fain and Barrett in providing a more complete and satisfactory account of the rise of American power in the Persian Gulf

With recent news of a \$60 billion arms sale from America to Saudi Arabia, the largest single arms deal in history, little has changed in the sense of the Gulf being an area of vital importance for America and its global interests. The events as detailed in the texts visited in this article, are precursors to the situation faced today in the Middle East, despite the removal of the Cold War structure and its logic. They are not merely historical events, fascinating in isolation due to posterity. Instead, a deepened awareness of this history provides a window of understanding into the deep complexity of the current situation in the region, which still remains a powder keg of insecurity. The Middle East continues, therefore, to be what former National Security Adviser Zbigniew Brzezinski called, with good reason, the 'Global Balkans'.

Footnotes:

[1] JCS Special Historical Study: The JCS and the Development of US Policy Toward Iran 1946-1978. 31 March, 1980. Via NSA: <http://nsarchive.chadwyck.com/nsa/documents/IR/03572/all.pdf>

[2] W. Taylor Fain, *'American Ascendancy and British Retreat in the Persian Gulf Region'*, (Palgrave Macmillan, New York, 2008), p. 4.

[3] President Eisenhower, *Statement to Congress*, January 5 1977.

[4] Douglas Little, *American Orientalism: The United States and the Middle East Since 1945*. (I.B. Tauris, London, 2003), pp. 128-129.

[5] Roby C. Barrett. *The Greater Middle East and the Cold War*, pp. 33-34.

[6] Barry Rubin, *Paved with Good Intentions*, p. 97.

[7] Telegram from the Embassy in Iran to Washington, Tehran, 15 July 1958. FRUS (Foreign Relations of the United States), 1958-1960, Volume XII, p.575.

[8] Memorandum From Commander John J. Shanahan to the Chairman of the JCS (Taylor). Washington, April 11, 1964. FRUS 1964-68, Vol. XXII, Iran.

[9] Telegram from the Embassy in Iran to State. Tehran, April 18, 1966. FRUS 1964-68, Vol. XXII, Iran.

[10] Armin Meyer, *Quiet Diplomacy*, p.139.

[11] Armin Meyer, *Quiet Diplomacy*, p.140.

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