

SABRINA SERGI

The Us-Iran Relations and the Shah's Nuclear Program (1957-1978)

Abstract: *In 2009 William Burr from the National Security Archive- The George Washington University updated online all the new declassified documents about U.S.-Iran nuclear negotiations. In particular, these documents were related to the negotiations between the parties for a nuclear peaceful agreement. It involved the selling of nuclear facility under the rule of the Non-Proliferation Treaty. Even though in the last decades many accusations have been made to the U.S. for its policy against Iran's proliferation duplicitous attitude, the last declassified documents prove that the U.S. were suspicious toward Iran even when relations with that Country were at their best. This essay contains a brief history of the Shah's nuclear program from 1957 to 1974 and a particular analysis of the documents regarding the period from 1974 to 1978.*

Keywords: United States; Iran; Shah; Iranian nuclear program.

On September 2013 a call between the U.S. president Barack Obama and the Iranian president Hassan Rouhani broke the 44 years long lack of relations between the United States and the Islamic Republic of Iran.¹ In fact, after the 1979 Iranian Revolution, followed by the U.S. embassy hostage crisis, Iran-U.S. relations had been cut. Moreover, they were exacerbated in 2002, since the National Council of Resistance of Iran accused the Iranian government of building two secret nuclear sites, a nuclear production plant lab at Natanz and a heavy water production plant at Arak.² This meant that Iran had the capabilities to produce nuclear weapons.

The question was then dealt by the International Atomic Energy Agency (IAEA) that proved Iran wasn't respecting the Non-Proliferation Treaty, which was ratified in 1970. In 2006, after IAEA sent its dossiers to the United Nations, Security Council plus Ger

¹ *Obama, Iran's Rouhani hold historical phone call*, Reuters, September 28, 2013, in <http://www.reuters.com/article/us-un-assembly-iran-idUSBRE98Q16S20130928>.

² *Threats and Responses: Weapons Programs*, The New York Times, December 16, 2002, in <http://www.nytimes.com/2002/12/16/world/threats-responses-weapons-programs-us-says-russia-helped-iran-nuclear-arms.html?ref=nuclearprogram>.

many (United States, United Kingdom, France, Russia, China) imposed first sanctions to Iran.³

In this context, the 2013 call between the two presidents represented a historic turning point. Since then, many further steps were taken, until Iran and the UN Security Council and Germany reached an agreement on Iranian nuclear program on July 2015. It involved several limitations on Teheran's nuclear ability in return for lifting international sanctions.⁴

In the last two decades, the Iranian nuclear program raised a lot of concerns and domestic debates in the U.S. From one hand, the Republicans showed an hawkish attitude toward Iran. Not only they held a hard line against Iran during George W. Bush presidency, but also they criticized Obama's nuclear deal.⁵ From the other hand, many dovish intellectuals and columnists accused Bush administration and the Western of duplicitous double standard. That was because between the 60's and the 70's both the U.S. and some European Countries were cooperating with the Shah for nuclear capability selling.⁶

Indeed, in 2009 the National Security Archive published new declassified documents that revealed the controversies between the U.S. and the Shah over Iran's nuclear program. In particular, in the early 70's, after Iran signed Non-Proliferation Treaty, the United States and other Western nuclear Countries (France and The Federal Republic of Germany) committed to help Iran implementing its nuclear capabilities for peaceful purposes. So, since 1974 the United States and Iran started negotiations for nuclear reactors selling. However, in the same year India tested its first nuclear bomb, so that the

³See *UN Security Council Resolution 1737/2006*, in https://www.iaea.org/sites/default/files/unsc_res1737-2006.pdf.

⁴ See M. GORDON - D. SANGER, *Deal Reached On Iran Nuclear Program; Limits On Fuel Would Lessen With Time*, in «The New York Times», July 14, 2015, in https://www.nytimes.com/2015/07/15/world/middleeast/iran-nuclear-deal-is-reached-after-long-negotiations.html?partner=socialflow&smid=tw-nytimes&_r=0.

⁵ See H.A. KISSINGER - G.P. SCHULTZ, *The Iran Deal And Its Consequences*, in «The Wall Street Journal», April 7, 2015, <http://www.henryakissinger.com/articles/wsj040715.html>.

⁶ See A. MILANI, *The Shah's Atomic Dreams*, in «Foreign Policy», December 29, 2010, in <http://foreignpolicy.com/2010/12/29/the-shahs-atomic-dreams>.

U.S. started worrying about proliferation in the region. At the same time, the Shah declared to many newspapers he was ready and willing to start his nuclear weapons program for defense purposes. In this context, U.S. officials raised concerns over U.S. nuclear capability exportation, so that the selling agreement had a stalemate.

The purpose of this essay is to analyze the last documents released to understand the attitude of the United States toward the Iranian nuclear program before the Ayatollahs came to power. The question is whether the U.S. feared Iranian proliferation or they tacitly incentivized it to contrast nuclear weapons spread in the region. The essay is divided in three parts. In the first one there is a resume of U.S.-Iran diplomatic relations and the Iranian nuclear program from 1957 to 1974. The second part is devoted to the Ford's administration diplomacy and attitude toward the U.S.-Iran agreement negotiations (from 1974 to 1976). The third part involves the relations between president Carter and the Shah Reza Pahlavi and the finalization of the U.S.-Iran nuclear agreement (from 1976 to 1978).

The sources analyzed are basically primary, especially those examined from 1974 to 1978. In particular, they are Embassy cables, memorandum made both by Minister of Defense's staff and National Security Adviser, Department of State's briefings, diplomatic letters. They are all original documents scanned and made available on the U.S. National Security Archive website. Moreover, in some cases, I have also found original press declarations and interviews in the newspapers archives, e.g. a 1972 Shah's interview released to the French newspaper «Le Monde».

I have also considered secondary sources, mostly to reconstruct the context of the U.S.-Iran diplomatic relations and the origins of Iranian nuclear program. In particular, I considered some books, both contemporary to the facts analyzed⁷ and more recent researches,⁸ but mostly essays, because the studies made until now about these issues are

⁷ See O. MARWAH - A. SHULZ, ed. by A. CAHN, *Determinants of the Nuclear Options: The Case of Iran*, in *Nuclear Proliferation in the Near-Nuclear Countries*, Cambridge, Ballinger Publishing Co., 1975; and D. PONEMAN, *Nuclear Power in the Developing World*, London, George Allen and Unwin, 1982.

⁸ See D. PATRIKARAKOS, *Nuclear Iran: The Birth of an Atomic State*, London, I.B. Taurus & Co Ltd., 2012; and S. CHUBIN, *Iran's Nuclear Ambitions*, Carnegie Endowment for International Peace, 2006.

still few. Among the essays, there are very remarkable works released by think tanks like the Brookings Institution, The Institute for Studies and International Security and the Nuclear Threat Initiative, all based in Washington, DC.

Since the works about the Iranian nuclear program and the United States during the Shah's years are so few, with this essay I intend also to fill the research gap. In fact, even though generic studies about the Iran-U.S. relations are rich, specific analysis regarding the Iran's nuclear program are still in progress. In particular, there are many interesting researches about post-revolutionary Iran's nuclear program, while it is scarcely considered the Shah's plan about nuclear energy. Indeed, it is very important to understand which was the attitude of the Shah toward nuclear energy, mainly for three reasons. First, this let us investigate the sources of Iran's nuclear program. Second, under the light of today's nuclear deal, it is essential to reconstruct the historical context in which the Iran's nuclear program was born. Third, through the declassification of new documents we have the unique opportunity to enlighten history and better understand the present time. That is why I really hope that this work could represent one more little step for further studies about the Iran-U.S. relations and the Shah's nuclear program.

1. *The Shah's nuclear attitude and the role of the United States from 1957 to 1974*

1.1 *Atoms for Peace program and its impact on Iran*

The first step undertaken by Iran in the path of nuclear program was to pledge the Agreement For Cooperation Concerning Civil Uses Of Atomic Energy with the United States, on April 1957.⁹ This document was part of the Atoms for Peace program, a project conceived by president Dwight Eisenhower in 1953 to provide technology and educational resources in the field of nuclear energy for peaceful purposes.¹⁰ In practice, un

⁹ See US DEPARTMENT OF STATE, *Atoms for Peace Agreement with Iran*, in «Department of State Bulletin», XXXVI, 929, April 15, 1957, pp. 629-630.

¹⁰ See *Address by Mr. Dwight D. Eisenhower, President of the United States of America, to the 470th Plenary Meeting of the United Nations General Assembly*, December 8, 1953, in <https://www.iaea.org/about/history/atoms-for-peace-speech>.

der the setting of this program, the United States were supposed to make bilateral bargains with States wanting to develop nuclear civilian programs. It meant that they provided research reactors, fuel and scientific training, with a special regard on non-developed countries.¹¹ To guarantee the civilian use of nuclear capability criteria – and so preventing the conversion for military purposes – in 1956 it was created the International Atomic Energy Agency.¹²

So, through the agreement between Iran and the United States, the latter provided for technical assistance and the lease of several kilograms of enriched uranium.¹³ Some months later, the Institute of Nuclear Science, based in Baghdad, was moved to Teheran. The Shah Reza Pahlavi declared that this was the moment in which he realized how nuclear energy could be important for his Country, so that he took a personal interest to it.¹⁴ In fact, in 1959 he ordered the establishment of the Teheran Nuclear Research Center (TNRC), at Teheran University, and started defining which kind of technology and materials he needed to bargain with the United States.¹⁵ In the end, Iran arranged to buy a 5 megawatt research center implemented at TNRC: in this way, they were able to produce up to 600 grams of plutonium per year in spent fuel.¹⁶ A remarkable quantity, considering that at that time spent fuel was the main source to produce nuclear weapons, through a process called “nuclear reprocessing”.¹⁷

However, in 1968, Iran was one of the first Countries to sign Non-Proliferation Treaty, which was based on three main principles: disarmament, non proliferation and peaceful use of nuclear energy. In particular, it banned nuclear weapons transfer from

¹¹ See A. ROWBERRY, *Sixty Years of Atoms for Peace and Iran's Nuclear Program*, Brookings, December 2013, in <https://www.brookings.edu/blog/up-front/2013/12/18/sixty-years-of-atoms-for-peace-and-irans-nuclear-program>.

¹² See *ibid.*

¹³ See US DEPARTMENT OF STATE, *Atoms for Peace Agreement with Iran*, cit.

¹⁴ See HIS IMPERIAL MAJESTY MOHAMMED REZA SHAH PAHLAVI SHAHANSHAH OF IRAN, *Mission for My Country*, London, Hutchinson, 1961, pp. 307-308.

¹⁵ See ROWBERRY, *Sixty Years of Atoms for Peace*, cit.

¹⁶ See *ibid.*

¹⁷ See A. ANDREWS, *Nuclear Fuel Reprocessing: US Policy: CRS Report for Congress*, March 25, 2011, in <https://fas.org/sgp/crs/nuke/RS22542.pdf>, and WORLD NUCLEAR ASSOCIATION, *Mixed Oxide (MOX) Fuel*, December 2016, in <http://www.world-nuclear.org/information-library/nuclear-fuel-cycle/fuel-recycling/mixed-oxide-fuel-mox.aspx>.

nuclear to non-nuclear States. Moreover, it stated that all the civilian nuclear transfer took place under strict control of the IAEA.¹⁸ In this context, while continuing his nuclear program, the Shah provided to establish the Atomic Energy Organization of Iran (AEOI), to control nuclear energy and create a synergy with the international agencies.¹⁹ He appointed Akbar Etemad as its chairman, a Swiss-trained nuclear physicist who was then charged to develop a nuclear master plan. He is considered today “the father” of Iran’s nuclear program.²⁰

The Shah intended to build an Iranian nuclear industry with capacity to produce 23000 Mw of electricity. He planned to train expert all around the world, in fact he endowed \$20 billion to MIT for this purpose. He engaged searches for uranium mines both in Iran and elsewhere and announced his intention to obtain new nuclear plants within 10 years to be implemented in the South of the Country.²¹

In early 1974 Iran started to widen its nuclear horizon, by bargaining capabilities with other Countries, like France. In fact, they finalized an agreement which envisaged an Iran’s \$1 billion loan to Commissariat à l’Energie Atomique (CEA) to build an uranium enrichment plant in France in return for 10% stake in the plant and French assistance in uranium prospecting.²²

1.2 *The U.S.-Iran “special relationship”*

The year 1974 was a crucial one for nuclear issues in the region. In fact, on May 18, India made its first successful nuclear test, that feed the fears for destabilization in the re

¹⁸ See *Iran Nuclear Chronology*, James Martin Center for Non Proliferation Studies, Monterey Institute of International Studies, 2011.

¹⁹ See ROWBERRY, *Sixty Years of Atoms for Peace*, cit.

²⁰ See M. ZUBEIDA, *The Man Who Turned Iran Nuclear*, British Broadcasting Corporation, March 28, 2013.

²¹ See MILANI, *The Shah’s Atomic Dreams*, cit.

²² See MARWAH - A. SHULZ, *Determinants of the Nuclear Options*, cit., p. 190.

gion. In fact, in an interview given in June, Reza Pahlavi commented «Iran would one day possess the nuclear weapon and sooner than it is believed».²³

This declaration made the U.S. worrying about a nuclear weapons program undertaken by the Shah, mostly without informing them. In fact, it caused a “tempest” in the United States, so that the Congress delayed the approval of enriched uranium supply contracts.²⁴ That is why some days later Iranian government spokesman Gholam Reza Kianpour strongly denied the Shah’s declarations. However, it remarked that the Shah’s comment was referred to a policy revision in case other non-nuclear Nations had developed nuclear weapons.²⁵

The arguments between the U.S. and Iran came just in a period of turmoil for the U.S. domestic policy. In fact, president Richard M. Nixon was going to dismiss presidency because of Watergate scandal, leaving it to Gerald R. Ford. Indeed, between Nixon and Reza Pahlavi there was a friendship-like relation, developed in the 50’s.²⁶ Moreover, under Nixon’s administration, Iran was considered as a pivotal Country in the Middle East region, and it was one of the best Western allies.²⁷

In fact, for the United States the Middle East was one of the hottest areas of conflict with Soviet Union. But considering that after Vietnam the Country couldn’t engage directly in a new war, they needed to guarantee stability in the Gulf region by backing a local power.²⁸ Iran was perfect to suit this role, because Shah was both interested in the maintaining of the *status quo* and he was reluctant towards communism and Soviet Union. That is why in 1969, when the Shah visited the United States, they negotiated an

²³ U.S. Embassy Paris Cable 15305 to Department of State, *Interview with Shah*, June 24, 1974, Unclassified, in The National Security Archive - The George Washington University, online by W. BURR, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc01a.pdf>.

²⁴ See US Embassy Teheran cable 5389 to Department of State, *Iran’s Intentions in Nuclear Matters*, July 1, 1974, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc01d.pdf>.

²⁵ See US Embassy Teheran cable 5192 to Department of State, *Shah’s Alleged Statement on Nuclear Weapons*, June 25, 1974, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc01c.pdf>.

²⁶ See V. VANTAGGIO, “*L’asino con la pelle di leone*”. *Gli Stati Uniti e i sogni di gloria iraniani (1969-1972)*, in A. DONNO - G. IURLANO, a cura di, *Nixon, Kissinger e il Medio Oriente (1969-1973)*, Firenze, Le Lettere, 2010, p. 185.

²⁷ See *ibid.*

²⁸ See *ibid.*, p. 189.

oil-for-weapons agreement.²⁹ Moreover, in 1972 Nixon and Kissinger fled to Teheran, fostering their “special relationship” by concluding the accord and discussing about the past and future of the Middle East.³⁰

According to Kissinger, Washington’s foreign policy objectives toward Iran were mainly two. First, make the Shah sharing American strategy; in fact, this was guaranteed by Teheran’s consensus toward Nixon Doctrine. Second, fostering Iran’s efforts in contrasting the Soviet Union, also through cooperation with other Arab neighbors.³¹

In a parallel way, Reza Pahlavi’s purpose was to maintain peace and stability in the Gulf region. He also wanted to reinforce Iran’s role in the world, acting as a mediator in the Middle East major conflicts.³² This explains why Iran was so tenacious in developing a forward-looking nuclear program, which in 1976 covered \$1,3 billion, meaning it was the second biggest public economic institution in the Country after the national oil company.³³

2. The Shah’s nuclear program and concerns raised by Ford’s administration (1974-1976)

2.1. Misunderstandings and stalemates: the U.S. veto on reprocessing

After the Indian nuclear test, the Congress became more reluctant in conceding nuclear exportation capability agreements. Moreover, the U.S. government really wanted to prevent proliferation risks in the region and, after the Shah’s June declarations, it became suspicious towards Iran. However, in 1974 the United States had to conclude an agreement with Iran about its nuclear peaceful program, as part of Non-Proliferation Treaty project. In a memorandum, the Assistant Secretary of Defense for International

²⁹ See *ibid.*, p. 196.

³⁰ See *ibid.*, p. 227.

³¹ See *ibid.*

³² See *ibid.*, p. 229.

³³ See MILANI, *The Shah’s Atomic Dreams*, cit.

Security Affairs suspected that the Shah's requests to the U.S. would provide a capability to produce hundreds of nuclear weapons.³⁴ This was especially dangerous taking into account a sudden regime change. That is why it was recommended to take all the necessary measures to ensure that the U.S.-supplied nuclear materials in Iran were safeguarded for peaceful uses only.³⁵

In these circumstances, some experts proposed to Henry Kissinger a nuclear agreement with Iran that would contain some special requirements. In particular, they were supposed to be tight controls about reprocessing, fabrication and storage of the U.S. material and also plutonium produced from the use of the U.S. supplied material. Moreover, it implied the request of the U.S. first option to "buy back" produced plutonium and the IAEA safeguards over all nuclear material and facilities entering the Country.³⁶ Furthermore, they underlined that Iran was already purchasing nuclear capability also with France and Germany. This meant that having a hard line in concessions for the agreements would have induced the Shah to deal with others.³⁷ So, the purpose was to prevent proliferation not only by cutting concessions, but mostly by creating a safeguard system.

In the earlier months of 1975 all the government's agencies worked to find a joint solution over Iranian nuclear program. In particular, it must be reached a common line before the Shah's visit in the U.S. later on May. In the end, they converged on Kissinger's line, that was flexible on fuel supply issues but hard on reprocessing. In fact, the Secretary of State strongly opposed the implementation of a national reprocessing plant, pro-

³⁴ See Assistant Secretary of Defense for International Security Affairs to Secretary of Defense, *Nuclear Energy Cooperation with Iran (U) - Action Memorandum*, n.d. [late June 1974], Confidential, in The National Security Archive - The George Washington University, online by W. BURR, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc02.pdf>.

³⁵ See *ibid.*

³⁶ See Executive Secretary Samuel R. Gammon to Sidney Sober, Bureau of Near Eastern Affairs, and Thomas Clingan, Bureau of Oceans, International Environmental, and Scientific Affairs, *Nuclear Energy Agreement for Cooperation with Iran*, December 11, 1974, enclosing memorandum to Secretary Kissinger from Alfred Atherton, Bureau of Near Eastern Affairs and Nelson F. Sievering, Bureau of Oceans, International Environmental, and Scientific Affairs, *Nuclear Energy Agreement for Cooperation with Iran*, December 6, 1974, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc04.pdf>.

³⁷ See *ibid.*

posing either the U.S. participation in a bilateral project or a multinational reprocessing plant.³⁸

After the visit of the Shah, the agreement was still not achieved. Indeed, they reached a consensus over the purchase of eight U.S. nuclear power reactors and investments in a private uranium enrichment facility to be built in the United States.³⁹ But the Shah and his representatives raised concerns over suppliers involvement in reprocessing process. In particular, they said Iran was unable to respect these conditions “for reasons beyond its control”.⁴⁰ However, Deputy chief of mission Jack Miklos wasn’t trustful about Iran’s rejection of multinational reprocessing process. He had some ideas about that. From one hand, he said that maybe the Shah looked at nuclear power plants as a symbolic means to reach the standards of the industrialized world. From the other hand, he remarked the danger about Reza Pahlavi’s desire to preserve nuclear weapons option.⁴¹

The U.S. and Iran officials then met in Vienna. Washington’s negotiator proposed to Etemad the consent of both parties before reprocessing of US supplied fuel could be initiated. The Iranian physicist considered this like a U.S. veto and rejected firmly the proposal. He was also reluctant in accepting multilateral reprocessing proposal.⁴² Moreover, few days after the meeting, the Shah released a new interview at Business Week Newspaper, in which he claimed that the U.S. were asking for safeguards “incompatible” with Iranian sovereignty.⁴³ Not only he remarked that those worries were pointless, given that Iran was a NPT signatory, but also that France and Western Germany didn’t put so

³⁸ National Security Decision Memorandum 292, *Us - Iran Nuclear Cooperation*, April 22, 1975, signed by Henry Kissinger, Secret, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc05d.pdf>.

³⁹ See Department of State Briefing Paper, *Peaceful Nuclear Cooperation*, May 1975, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc06.pdf>.

⁴⁰ See *ibid.*

⁴¹ See Teheran Embassy cable 5939 to State Department, *Multinational Nuclear Centers: Assessment of Iranian Attitudes towards Plutonium Reprocessing*, July 17, 1975, Secret, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc07.pdf>.

⁴² See State Department cable 254826 to Embassy Teheran, *Nuclear Agreement for Cooperation*, October 25, 1975, Secret, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc09a.pdf>.

⁴³ See Teheran Embassy cable 11089 to State Department, *Shah’s Interview by Business Week Given Prominent Coverage by English Language Kayhan*, November 13, 1975, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc09b.pdf>.

many obstacles to reach the fuel supplies agreements.⁴⁴ The U.S. officials commented that the interview was a clear message from the Shah: he intended to link the stalemate in the nuclear U.S.-Iran issues to their economic relations.⁴⁵ This worried in a high way the officials, underlining that the nuclear agreement deadlock was going to poison the U.S.-Iran relations, that is why it was essential to overcome it.⁴⁶

A travel to India of Deputy Chief of Mission Miklos served to meet Etemad. They discussed about the dangers of reflected larger problems in the U.S. - Iran relationship and consequently converged on the necessity for the latter to visit Washington, in the second part of that year.⁴⁷ At the same time, Etemad wanted to remark that Iran's interest on nuclear power was strictly related to economic reasons. In fact, he reassured Miklos, they were committed to the NPT and were willing to even foster safeguards related to that.⁴⁸ However, the point was that there was a red-line in safeguards terms that wouldn't have been trespassed, especially if it was made by nuclear-have nations.⁴⁹

At this point also president Ford intervened to overcome the stalemate. He approved recommendations for a meeting in Teheran between a high-level American team and the Shah with his advisors.⁵⁰ In this context the U.S. official reiterated the fact that the Shah wouldn't have accepted a U.S. veto on Iranian reprocessing.⁵¹ At the same time, he seemed willing to explore alternatives to national reprocessing under the aegis of a joint leadership.⁵² Among them, they were considering the United States "buy back" spent

⁴⁴ See *ibid.*

⁴⁵ See *ibid.*

⁴⁶ See *ibid.*

⁴⁷ U.S. Embassy Teheran Cable 73 to State Department, *Iranian Nuclear Policy*, January 6, 1976, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc10.pdf>.

⁴⁸ See *ibid.*

⁴⁹ See *ibid.*

⁵⁰ See National Security Adviser Brent Scowcroft to President FORD, *Letter to the Shah*, n.d. circa February 19, 1976, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc11.pdf>.

⁵¹ See Memorandum from Deputy Secretary of State Charles W. Robinson to Henry Kissinger, *Meeting on Nuclear Negotiations with Iran*, April 14, 1976, Secret/Exdis, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc13.pdf>.

⁵² See *ibid.*

fuel rods option. In this way, Washington could have exercised an influence over Iranian decisions on national reprocessing.⁵³

2.2 “Buy back” option as a glimmer for a draft agreement

Stated the priorities for the Shah, Brent Scowcroft, the National Security Adviser, asked his staff to prepare a document about the approach that the U.S. negotiators could take in light of Etemad’s visit in Washington.⁵⁴ They evaluated many options. First, there was the “buy back” option, that had to be discussed with the Iranians. Second, a bi-multinational reprocessing facility, fostered by consultations before decisions regarding reprocessing plans. Third, Iranian reprocessing facility with more safeguards clauses under the aegis of the IAEA and sending of U.S. personnel.⁵⁵ Scowcroft made an analysis also evaluating that the sticking point of the agreement, for the Shah, was the U.S. necessity of a joint reprocessing venture.⁵⁶ That is why he proposed to president Ford to basically negotiate on the “buy back” option. If this would have revealed unsuccessful, the alternative would have been bilateral measures with fostered safeguards under the control of IAEA.⁵⁷

Indeed, the visit of Etemad gave a first series of hope, given the fact that he accepted the basic principles of an agreement, especially the “but back” option⁵⁸. That is why some days later Energy Research and Development Administration staff (ERDA) and the State Department prepared a draft agreement to be discussed and then finalized with Iranian officials. The text was based on two major concepts: controlling reprocessing

⁵³ See *ibid.*

⁵⁴ See David Elliott - Robert Oakley, National Security Staff, to B. Scowcroft, *Nuclear Negotiations with Iran*, April 16, 1976, Secret, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc15.pdf>.

⁵⁵ See *ibid.*

⁵⁶ See B. Scowcroft to the President, *Negotiation of a Nuclear Agreement with Iran*, April 19, 1976, Secret, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc16.pdf>.

⁵⁷ See *ibid.*

⁵⁸ See State Department Cable 132760 to Embassy Teheran, *Iranian Nuclear Power Agreement*, May 28, 1976, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc18a.pdf>.

and reinforcing safeguards.⁵⁹ In relation to the first aspect, the United States proposed that at anytime Iran had considered reprocessing, it would have informed Washington to give its consent; moreover, the latter would have bought back spent fuel.⁶⁰ In case of Iranian refusal of that, the U.S. proposed an alternative, that was transferring spent fuel to another Country, under mutually safeguards. In regard of the second aspect, Washington underlined further safeguards imposed by the IAEA, plus additional arrangements against proliferation; among them, there were a series of direct U.S. control on the many steps of implanting plants.⁶¹

In addition to the draft, it was attached a note, to underline the circumstances of the negotiations and the special aspects of the Iran-US relationship. It considered the possibility, in case all the other options would have failed, of national Iranian reprocessing, but only with direct participation of fuel supplier nation or nations.⁶²

After an attentive evaluation of the draft, on June 22 Etemad gave the Shah's response to the draft.⁶³ In the name of Iran's right to control the entire nuclear fuel cycle, he refused the U.S. veto on Iranian reprocessing of U.S. supplied spent fuel. In alternative, Iran could have accepted a partial U.S. participation as a minority voter. However, the "buy back" option was still in charge.⁶⁴ The discussion then continued during Kissinger's visit in Iran for a joint Us-Iran Economic Commission.⁶⁵ Etemad reiterated Iran's right of developing a full-fledge autonomous nuclear program, without being discriminated. Moreover, he remarked the fact that the U.S. should be interested just in as

⁵⁹ See State Department Cable 135220 to Embassy Teheran, *Nuclear Power Agreement with Iran*, June 2, 1976, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc18b.pdf>.

⁶⁰ See *ibid.*

⁶¹ See *ibid.*

⁶² See *ibid.*

⁶³ See U.S. Embassy Teheran Cable 7485 to State Department, *Iranian Counterproposals for Atomic Energy Agreement*, July 23, 1976, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc21.pdf>.

⁶⁴ See *ibid.*

⁶⁵ See Teheran Embassy Cable 7886 to State Department, *Nuclear energy Discussions*, August 3, 1976, Confidential, with annotations and cartoon by Pentagon official, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc22.pdf>.

sureing fuel supply, while reprocessing was an internal question.⁶⁶ A U.S. official answered back that the notes to their draft conceded Iranian reprocessing, but anyway Washington needed to finalize an agreement based on “practical and legal limits”.⁶⁷ At this point, Iranian nuclear agreement stalemate broke also synergy among agencies positions.⁶⁸ In fact, according to Ambassador to Iran, Richard Helms, there was still a glimmer through which continuing a positive negotiate. Nevertheless, a Pentagon’s Office of International Security Affairs (ISA) official raised concerns about the concessions made by the U.S.⁶⁹

During his stay in Iran, Kissinger had the chance to speak directly with Reza Pahlavi. There are some details of this conversations in the State Department memos.⁷⁰ The Secretary of State remarked that the U.S. couldn’t accept an Iranian national reprocessing. That is why with the agreement they intended to provide alternatives to that, like the “buy back” option, binational reprocessing or the involvement of a third Country. Indeed, the U.S. favored the “buy back” option.⁷¹ The Shah objected with two arguments: first, he saw in the “buy back” option a commercial risk for Iran. That is why in case they had converged on this option, the U.S. should have taken some compensation measures. Second, Iran wasn’t trustful about Washington as a reliable supplier, because of the many bureaucratic processes imposed on nuclear fuel exportations.⁷²

These were the last direct negotiations taken by Kissinger and, in general, they were the last under Ford’s administration. In fact, on November 1976 Ford lost the elections and Jimmy Carter came to power. In the previous months, not only the negotiations

⁶⁶ See *ibid.*

⁶⁷ See *ibid.*

⁶⁸ See *ibid.*

⁶⁹ See *ibid.*

⁷⁰ See Memorandum for the Secretary from Charles W. Robinson, *Nuclear Negotiations with Iran*, August 13, 1976, Secret/Nodis and Memorandum for the Secretary Secretary from Charles W. Robinson, *Nuclear Negotiations with Iran*, August 18, 1976, Secret/Nodis, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc23a.pdf>; and <http://nsarchive.gwu.edu/nukevault/ebb268/doc23b.pdf>.

⁷¹ See *ibid.*

⁷² See *ibid.*

came to a halt because of electoral campaign, but also there was a conflict between the U.S. and the Shah because of high petroleum prices.⁷³

However, among the issues of the electoral campaign nuclear proliferation played an important role. To respond Carter's criticism over Ford's policy, on October the president released a statement on nuclear policy. He called for a change in domestic nuclear policies, but at the same time he declared it was unacceptable to tolerate national reprocessing. By this way, he underlined the necessity to impose even more restrictions on reprocessing to avoid the associated risk of proliferation.⁷⁴

3. Carter's Nonproliferation Policy and the agreement achievement

After Jimmy Carter won elections, Iran waited for announcements about the new non-proliferation policy. In the meanwhile, some many changes in Teheran Embassy were alternating, mostly the resignation of Ambassador Helms, who wasn't suddenly substituted.⁷⁵ So that it had been ensued a top level void for some months. Moreover, no Carter's announcement was released before next April. However, Iran's government preempted any U.S. decision. In fact, during a press conference on February 1977, the head of AEOI Etemad declared that his government had given up with national reprocessing plans and would have rather opted for binational and multinational choice. Nevertheless, he underlined the fact that it wasn't fair that some Nations continued to dictate nuclear policies to others.⁷⁶

Even though the statement sounded like an important turning point for the U.S.-Iran nuclear negotiations, it was coldly welcomed by the U.S. Embassy in Teheran. In fact, they suspected that Etemad's words weren't backed by facts, because some Oak Ridge

⁷³ See A.S. COOPER, *Showdown At Doha: The Secret Oil Deal That Helped Sink The Shah of Iran*, in «Middle East Journal», LXII, Autumn 2008, pp. 582-585.

⁷⁴ See G.R. FORD, *Statement on Nuclear Policy*, October 28, 1976. Online by G. PETERS - J.T. WOOLLEY, *The American Presidency Project*, in <http://www.presidency.ucsb.edu/ws/?pid=6561>.

⁷⁵ See COOPER, *Showdown At Doha*, cit.

⁷⁶ See U.S. Embassy Teheran Cable 1232 to State Department, *Nuclear Power: Comments of Head of Atomic Energy Organization of Iran (AEOI)*, February 7, 1977, Unclassified, in The National Security Archive -The George Washington University, online by W. BURR, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc25a.pdf>.

National Laboratory officials proved that the Esfahan Nuclear Technology Center (ENTEC) had all the characteristics for future reprocessing development.⁷⁷ Anyway, his declaration was followed by the U.S. reassurance that the negotiations would have been resumed as soon as Carter's nuclear proliferation policy review had been finalized.⁷⁸

On 7 April President Carter finally released the first announcement on nuclear proliferation.⁷⁹ He stated three main points. First, he wanted to delay commercial reprocessing in the U.S. to discourage other Countries from doing it, in the name of nonproliferation policy. Second, he invited other nuclear exporting Countries, like France and The Federal Republic of Germany, to follow the U.S. path, in the effort to avoid reprocessing facility spread. Last but not least, he reassured client States about the reliability of the U.S. as a supplier State. For this reason, he announced a series of bureaucratic reforms in order to simplify commercial relations in the nuclear field.⁸⁰ The reactions over Carter's statement were proven "quite negative" by Victor Tomseth, the U.S. Consul in Shiraz. Just in the following days he attended the "Persepolis Conference on Transfer of Nuclear Technology", sponsored by the Iranian government. In this context, he had the chance to meet some businessmen not only from Iran but also from all over the world. So, he witnessed a spread delusion over the new U.S. nuclear policy.⁸¹

To reassure once again the Iranian partners, the Deputy Assistant Secretary of State for Near Eastern Affairs, Sydney Sober, fled to Teheran. He discussed with Etemad

⁷⁷ See U.S. Embassy Teheran Cable 1437 to State Department, *GOI/AEOI Plans for Isfahan Nuclear Technology Center, ENTEC*, February 14, 1977, Secret, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc25b.pdf>.

⁷⁸ See State Department cable 42988 to Embassy Teheran, *U.S. - Iran Bilateral Agreement for Nuclear Cooperation*, February 25, 1977, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc26.pdf>.

⁷⁹ See J. CARTER, *Nuclear Power Policy Statement on Decisions Reached Following a Review*, April 7, 1977. Online by G. PETERS - J.T. WOOLLEY, *The American Presidency Project*, in <http://www.presidency.ucsb.edu/ws/?pid=7316>.

⁸⁰ See *ibid.*

⁸¹ See U.S. Consulate Shiraz Airgram A. to Department of State, *The Persepolis Conference on Transfer of Nuclear Technology: A Layman's View*, April 18, 1977, Confidential, in The National Security Archive - The George Washington University, online by W. BURR, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc27.pdf>.

about the aftermaths of Carter's declaration on the Iran-U.S. nuclear agreement negotiations. Sober praised Iran's good willing in giving up with national reprocessing, as announced by Etemad on February. Moreover, he remarked that starting from that point, the future negotiations would have been facilitated. From Teheran's point of view, Etemad called for a better cooperation in sharing nuclear technology, as required by Article 4 of NPT. Sober then concluded renewing the delay about the resume of the U.S.-Iran nuclear negotiations to the time Congress would have finalized nuclear energy legislation.⁸² Also the new U.S. ambassador to Teheran, William Sullivan, that was appointed in June, reassured the Shah about imminent negotiations resume. He announced that they have been scheduled to begin on 25 July. Indeed, the Shah himself tried to make pressures by saying he was ready and hopeful about the selling of reactors.⁸³

Unfortunately, from June 1977 to May 1978 there is a gap in declassified documents. Hopefully in future it will be clarified what happened in this lapse of time, so that the present essay could be useful also to define the context. However, we know for sure that president Carter visited Iran in December 1977. From Teheran he made his famous declaration about the close friendship between the United States and Iran and the strategic importance that the Persian Country covered in the Middle East: «Iran [...], with whom we share such great responsibilities for the present and for the future [...], is an island of stability in one of the more troubled areas of the world».⁸⁴

It is likely that during the meeting they had agreed on the main points for the future nuclear agreement and that this contributed to expedite the negotiations. In fact, on May

⁸² See U.S. Embassy Teheran Cable 4313 to State Department, *U.S.-Iran Nuclear Cooperation Agreement and U.S.-Iran Energy Discussions*, 16 May 1977, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc28.pdf>.

⁸³ See U.S. Embassy Teheran Cable 5397 to State Department, *Audience with Shah*, 20 June 1977, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc30.pdf>.

⁸⁴ PUBLIC PAPERS, *Jimmy Carter*, 1977 (Washington, 1978): 2220-2221. Quoted in F.L. LOEWENHEIM, *From Helsinki to Afghanistan: American Diplomats and Diplomacy, 1975-1979*, in G.A. CRAIG - F.L. LOEWENHEIM, eds., *The Diplomats 1939-1979*, Princeton, NJ, Princeton University Press, 1994, p. 649.

17, 1978, the State Department sent a draft agreement to the U.S. Embassy in Teheran.⁸⁵ As for the 1976 draft agreement, the main purpose was to avoid proliferation risk. That is why it was stated once again the U.S. veto right on fuel supplied by the U.S. reprocessing. However, Carter's administration opened some alternatives to this limit. In fact the U.S. supplied spent fuel could be stocked in Iran, in the U.S. or in a third Country which respected the international laws about nuclear rule. In this context, it was added that reprocessing could have taken place in one of this Country, meaning a Western Europe one. Anyway, the "buy back" option was abandoned.⁸⁶

Some months later, the United States specified that reprocessing in Western Europe had to be considered as a last resort option. Indeed, Teheran refused this interpretation and furthermore they claimed that the U.S. specify non-discriminatory treatment clauses for Iran.⁸⁷

Apparently the agreement was finally achieved with the consent of all parts. Indeed, not only President Carter had not yet approved it, but also it hasn't been formally signed by any of both parts. Moreover, on August 15, an article appeared on "Kayhan International" raised concerns over the real consent showed by Iran's negotiators about reprocessing clause. In fact, in the editorial there were many assessments about renegotiation of the nuclear deal with Washington.⁸⁸

The last diplomatic document about U.S.-Iran cooperation in the field of a nuclear agreement regarded the resignation of Etemad as the chief of AEOI, in September

⁸⁵ See State Department cable 125971 to Embassy Teheran, *U.S.-Iran Nuclear Cooperation Agreement*, May 17, 1978, Confidential, in The National Security Archive - The George Washington University, online by W. BURR, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc31a.pdf>.

⁸⁶ See *ibid.*

⁸⁷ See Department of State cable 226045 to Embassy Canberra, *Provisions of U.S.-Iranian Nuclear Agreement*, September 6, 1978, Secret/Limited, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc31b.pdf>.

⁸⁸ See U.S. Embassy Teheran Cable 7863 to State Department, *Reassessment Activities in Iran*, August 21, 1978, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc32a.pdf>.

1978.⁸⁹ Moreover, the Embassy official remarked that «Nuclear activity [...] has come to an halt».⁹⁰

Conclusions

Even though Etemad resignation could have looked like part of a ministerial reshuffle, it was indeed the first sign of a political turmoil that was going to run over the Shah's court and Iran. In fact, a few months later, the Islamic Revolution, driven by Ayatollah Rouhollah Khomeini, overthrew Reza Pahlavi. Among the many anti-Western provisions made by the Ayatollah, there was the end of any U.S.-Iran relations. Moreover, the new Islamic Republic ordered to stop Iran's nuclear program, which was considered the creation of the Shah.⁹¹

Indeed, in the following years Ayatollah Khomeini changed his mind, by restarting Iran's nuclear program, but this time with the help of other nuclear powers. In particular, according to Ariana Rowberry from Brookings Institution, Iran's nuclear program was supported by Pakistani engineer Abdul Qadeer Khan, China and Russia.⁹² That is why in the last decades the world had to face the Iranian nuclear issue.

However, as abundantly demonstrated in the documents analyzed, the Western, and in particular the U.S., were far from accepting Iran nuclear program with any terms. In fact, since 1974 they were suspicious about a possible nuclear weapons program. As proven, they made everything to avoid nuclear weapons proliferation in the Middle East, especially by limiting the reprocessing, that was considered at that time the main means to achieve nuclear weapons.

We can conclude that since then, even though Iranian regime change, there has been little changes in the United States non proliferation policy toward Iran. For this reason,

⁸⁹ See U.S. Embassy Teheran Cable 9154 to State Department, *nuclear Activities in Iran*, 21 September 1978, Confidential, *ibid.*, in <http://nsarchive.gwu.edu/nukevault/ebb268/doc32b.pdf>.

⁹⁰ *Ibid.*

⁹¹ See PATRIKARAKOS, *Nuclear Iran*, cit., p. 73.

⁹² See ROWBERRY, *Sixty Years of Atoms for Peace and Iran's Nuclear Program*, cit.

the accusations to the Western about duplicitous attitude toward Iran's nuclear program before and after the Ayatollah came to power are pointless.

Nevertheless, nobody can deny that the U.S.-Iran nuclear agreements contributed a lot to the contemporary Iran's nuclear facility. But, as already stated by Rowberry, the United States and the Western weren't the only nuclear powers exporters.