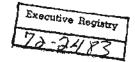
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MAY 1972

MEMORANDUM FOR: Dr. Henry A. Kissinger

Assistant to the President for National Security Affairs

The White House

Washington, D. C. 20520

SUBJECT:

The Shah of Iran's Role as a Regional Leader

- 1. I believe that it may be helpful for the President to be informed of certain unique characteristics of the apparatus used by the Shah of Iran in conducting Iran's foreign policy.
- 2. During the past decade, and particularly during the past five years, the Shah has sought to provide for the security of Iran through the rapid development of that country as a modern industrial state with a rapidly expanding military establishment. He likes to describe Iran as the only strong, stable and important nation between Japan and the European Community. Although Iran efficially participates in the UN, CENTO and the RCD and pays at least its service to King Faisal's concept of "Islamic Solidarity." the Shah is rejuctant to place confidence in regionalism or any collective security errangement with his conservative neighbers.

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3.

4. Since the death of President Nesser, the Shah and King Faisal have viewed Egypt not as the erch enemy but as a potential defector from the Soviet camp in the Arab world. Both the Shah and Faisal have good relations with President Sadat who has gradually been drawn into a closer relationship with Saudi Arabia and, partly through Saudi Arabia, with Iran.

remain convinced, however, that they should support his efforts to reach a settlement and reduce the Soviet influence in Egypt.

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- 5. I recommend that the President include the following points in his discussions with the Shah:
 - a. The USSR obviously has the Gulf and the Arabian Peninsula high on the agenda for its continuing effort to expand its influence in the Middle East and the Indian Ocean.
 - b. The best response to the USSR threat is a coordinated regional effort. The Shah, with his special association with Israel and Turkey in the north and with King Faisal and King Hussein in the Arab bloc, has a unique capability to exercise leadership in the region.



- d. Given the circumstances in the Middle East, the Shah is acting wisely in using secret diplomacy in developing coordinated security programs with his neighbors.
- e. President Sadat probably represents the best leadership we can expect in Egypt. Regionalism independent of Great Power domination offers Sadat the best alternative to his present dependence on the USSR. The Shah and King Faisal should attempt to quietly involve Sadat in matters which can move Egypt toward a role in an independent Middle East region.

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