

Macy: Hoveyda, right. Of course, he had been Prime Minister for ten or eleven years by the time we were in the picture. But I cite that not to elevate our mission in your eyes, but to indicate the kind of leadership connections that were involved with what we were doing.

I would say that after that signing in May of 1978, it clearly became evident that it was going to be very difficult to accomplish anything more. We remained on; I reduced the number of consultants. I came back myself in September. Amuzegar had resigned in August. I continued to have contact with him. I did not meet his successor. But we continued to have meetings with people that we knew in the ministries. We continued to provide consulting material until toward the end of September, early October, when the strikes began. I remember so vividly talking with Mr. Salehi, who was head of the planning organization, and he had to terminate our conversation because he had to go and meet with the employees who were striking. He had no preparations to deal, and the employee committee was made up of some of his top people, people who were really managers themselves. The same situation happened in S.O.A.E. Alimard spent more and more of his time attending meetings with his employees, to talk about their problems.

The problems were economic to a degree, but they were turned from matters of economics -- such as wages and benefits -- very quickly to political issues and a continuation of it, so that the ministers were heavily pressed to make concessions to employees, so that any sense of central leadership with respect to wages and benefits was lost, because each Minister would negotiate what he felt was necessary. So you began to get conflicts between ministers, as to which ones had given more and which ones had given less. But even so, I had the impression when I departed -- late in October of 1978 -- that I would return. In fact, I set the date: January 4th, I would return to Iran.

There were increasing numbers of riots that claimed many lives in September. I

valuable as someone who could give us an intellectual background of what we were dealing with.

Well, I don't want to fill your tape with the recital of all of these activities. They are documented in several hundred export documents that were addressed to various people in the Iranian government. Where those papers are now, I don't know. I have copies of them all, and they're in the Lyndon B. Johnson Library in Austin. I go at least once a year and do some research with them: I view that as a very important part of my experience.

Now, the question has been asked me by many an American, "Didn't you realize that the government that you were serving was no longer a government that was popular in the party? Weren't you wise enough to see the size of the discontent?" The answer is "no" to both questions. From the vantagepoint of our observations, there was no indication of potential collapse. I'd say that on the contrary, we were heartened by moves that were, according to us, leading to a greater democratization. In fact, I recall the Shah saying to Mr. Lilienthal, in one of the audiences that we had, that he was moving toward democratization. He used that word. There were moves to provide a greater degree of citizen activity, particularly at the local government level, to permit more in the way of delegation in the Ostandaris to make decisions with respect to the Ostans in which they operated. We saw this in the tremendous drive to provide education. In fact, we were concerned that the drive had been accelerated to too great a degree. Where were the faculty members to man the posts for these academic institutions that were being planned? Or the existing ones that were being expanded. We endeavored to do everything we could to assist in designing ways and means by which those resources could be obtained.

In a number of instances, there were other foreigners involved in assisting in the development of educational institutions. We were very heartened by the increasing degree of participation by Iranian women in public life, private life; the numbers that were going to the

remember allegations that the military and the police had fired on the protestors. Just what the true story was, I never learned. But there were increasing indications that it was going to be very difficult to sustain stability. But we felt that the government was still strong; after all, it had this very substantial military that they could call upon.

You may ask, did I have any connection with the U.S. government during any of this? I did have a connection in the sense that from time to time, I met with our ambassador. I had known Richard Helms here in Washington, and we were close friends, so I saw him socially. But I felt under no obligation to report any details on what we were doing. I had a less congenial relationship with his successor, William Sullivan, but I met occasionally with his deputy. But in no way were we pursuing a mission dictated by the United States. We were there as professionals who were advising the government, in the hope of assisting that government to increase its effectiveness in providing services to the Iranian people.

All of this came to a conclusion when I received a cable from the Development and Resources representative in Tehran, indicating that he had been advised by Dr. Alimard that I should not plan to return, and he was giving notice that the contract for Phase Three was terminated. That event, which took place on December 24th, 1978, for all intents and purposes, concluded the assignment. However, we did submit a report for Phase Three. We had been providing monthly reports on our activities, to Alimard, which indicated what we had done, which consultants were on board for that particular month. So it was a matter of consolidating those reports and getting him a final report.

Since then, my association with Iran has been largely through those with whom I had contact in Iran, when they have come to the United States. I have had no correspondence with those living in Iran. I have been involved in assisting where I could, and where it was legitimate, to facilitate the entry into the United States for those who were seeking to depart Iran. Many of the ministers and deputy ministers with whom I had association were executed;

for what, has never been clear for me. We had a problem of evacuating our people from Khuzistan. Our embassy did not give us any advice except to stay where we were, but there was rising violence. There was an assassination of an official of the oil company in Ahvaz. So around January 10th, we moved our people out.

One point I should assert here, in view of that comment, and that is that in November of 1975, after the completion of Phase One of what we called the Public Management Assistance Program, I was elected by the board of directors of Development and Resources as the president of the company, so that from that time until March of 1979, I served in that capacity as well as the project director of Public Management.

Q: That was after Mr. Lilienthal, or --

Macy: No, Mr. Lilienthal was chairman. There had been previously a president, Mr. Gordon Clapp. But after Clapp died in 1963, there hadn't been one. So I had overall responsibility. I should not leave the impression that I lived continuously in Iran, from February 1975 to November 1978, because I was a commuter. I made fourteen round trips during that period of time. When I was back in the United States, I had an office in Washington, but I spent a good deal of time in New York, where the headquarter offices of Development and Resources were located; and in Sacramento, where the professional staff was largely located. So I had triangular trips in the United States: to Washington, New York, Sacramento, and back to Washington.

With the conclusion of all of the D and R work in Iran -- and at that time, there were six projects -- the company was very severely affected. Revenues were virtually cut off. Mr. Lilienthal and I concluded that although we could probably resuscitate the organization over time, that it did not appear to be advisable to try to do that. The company had become a subsidiary of IBEC, International Basic Economic Corporation. It was a corporation that was

established by Nelson Rockefeller, back thirty years ago. His son, Rodman Rockefeller, had become the head of that organization. When Development and Resources had been in financial difficulty in the late sixties, largely due to the U.S. commitment to the Vietnam Report, the company was acquired by IBEC. So our conclusion in February of 1979 was that with our expulsion from Iran, the future health of the organization was very doubtful, and Mr. Lilienthal and I resigned, and the corporation was taken over by IBEC and liquidated, so that today there is no Development and Resources Corporation, as such. Its continued activities are conducted under the aegis of the International Basic Economic Corporation. I have maintained communication with a good many people with whom I worked -- as I have been very pleased to continue with you -- and I have become involved in a new organization in the United States to assist Iranians that have come to this country. This is called the Iran-American Friendship Foundation. It has a board which is made up equally of Iranians and Americans, and we have endeavored to support projects designed to make adjustment to the peculiarities of American culture for those who have come from Iran. This has been assistance in education, in medical and dental services, in the ways of taxation with respect to insurance provisions, and -- I guess most importantly -- with respect to the entire issue of entry and the various immigration conditions that have to be met. Also, we have tried rather vainly to do something about the refugee situation, particularly in Pakistan, Turkey. It's a limited effort. It's helpful in preparing a directory of Iranians, largely through searching names in phonebooks. There are at least 600,000 in the United States, with clusters here in Washington, southern California, and Texas. We have been in touch with those other communities, as well as here in Washington.

The American government attitude toward Iran has never coincided with the attitude that Lilienthal et al. had. We sought, in 1977, to have an audience with President Carter to communicate directly, rather than through the State Department, our experiences and conversations with the Shah and his ministers, because we thought the insights might be special. We were thanked for our offer, but we were advised that they had plenty of

information, coming through official channels.

A number of people have asked me, was I consulted at any time during the hostage situation in 1979. I was not, and neither was Mr. Helms. This was handled entirely by those who were officially responsible in the State Department. And certainly, I have had no communication, nor have I been asked for advice, by the present government of the United States with respect to Iranian matters. Through the Iran-American Friendship Foundation, meetings have been arranged with some of the officials in the State Department and in the Immigration and Naturalization Service, and the Justice Department, but those have not been at my initiative; they have been usually through one of our board members or through a prominent lawyer.

I have endeavored to assist, personally, some of your former colleagues in their search for employment. I am honored to have them believe that I am a friend and can help them, even though my resources and assistance are rather limited because I'm not identified with employment opportunities, as I used to be. I recognize that it's very difficult for people who have had positions of great responsibility in their own country to come to this country and find that there is no way in which they can continue their preeminence in a particular field, and they must start over again. But that is frequently the case, and many very able people have waited months and months and months for an opportunity to do work that they have to do in order to remain alive. It's very poignant to see significant, high-ranking officials from Iran's former government, driving taxi cabs.

One of the projects that we had at the Iran-American Friendship Foundation was to deal with petition from a group of Iranians, most of whom were general officers or colonels -- or the equivalent in the navy -- who were driving taxi cabs at Dulles Airport, and were facing difficulty with the concessionaires and the managers of the services. We were able to raise some questions with people in authority, and that situation was straightened out. Again, it was a

tragedy, to see a man of higher stature, having to resort to that kind of employment in order to have the resources to care for their families. But these are some of the human tragedies of a revolution, and that's what Iran has been.

I have no judgments to offer at all as to what the future holds. I'm eager to see a condition where there can be a greater compatibility between Iran and the United States. I'm gloomy about the prospects, in view of some of the recent developments, but I have no inside information that would be of benefit to anybody in respect to this. I realize that there are many different groups of Iranians, even in this country -- different in the sense that they do not have a common political objective for the future. Clearly, whatever action is taken must be action by Iranians, not by Americans.

And so, my friend, that's my story. I've gone on, probably, at too great a length, but I would be happy to illuminate any aspect of this that requires more length than I've already delivered; or, I'd be happy to pursue any line of questioning that you think would be beneficial for the record.

Q: Well, John, your rendition of this thing has been so encyclopedic, so very much to the point and concise, you've made my job very easy. However, I would like to ask you a couple of things. In some of the deals with people you've met, both the Americans living in Iran and Iranians with whom you've come into contact at various levels of responsibility -- you've already talked about David Lilienthal. David Lilienthal is particularly important in my mind -- particularly important because he has been associated with Iran for a long period of time. Again, I would like to go into this with you. A country like Iran is faced with a number of judgments by various kinds of people. I remember when I was younger, quite a number of people, on the left in particular, attacked Lilienthal, ascribed very different sorts of things to him. Do you think it was wise for the Iranian government -- or for any government, for that matter -- to seek assistance from someone like Lilienthal, who was coming from a different

world-view, a different culture; but a man, nevertheless, with his stature.

Macy: I believe that was a very wise move, because -- in my judgment -- what Lilienthal was able to achieve at the Tennessee Valley Authority had a high degree of transferability. I do not like the term, "technological transfer." I don't mean that. But he had an experience in working with people in that valley. It was a depressed valley when the project was undertaken. He went around and he sat on the front steps of stores and talked to the citizens. He had them participate in action in respect to certain policy changes. He had really established an institution that was recognized around the world, as having a significant impact on American thought.

I remember, for example, when I was in China in 1946. I happened to go to one of their beautiful belltowers in Nanking. I went in the door, and inside, on the walls, were a number of photographs that looked very American. On closer examination, I realized that this was a pictorial representation of T.V.A. And it was not a U.S. information project; it had been set up there by some Chinese group. There were so many foreign visitors to T.V.A. that they had to set up a special office to carry this. These were reflections of Lilienthal's strength as a humanist as well as a planner and engineer. I can't imagine any other American who would have been better qualified to pursue what we called integrated development. Because you didn't fill a dam alone; what you did was deal with total conditions in the valley that was to be served by that particular dam. I know that there was controversy about [] and the exclusivity that they had, and questions as to whether they should have been more competition, but my feeling was -- and still is -- that it was very wise to have done this. I know I've questioned whether it was necessary for Lilienthal's company to stay there as long as they did: Wasn't it feasible for them to have withdrawn?

Q: Let me interrupt again. The Development and Resources Corporation -- was it established to deal with Iran?

Macy: No, it was established to deal with projects of an economic and development nature across the world. In fact, there were projects in Colombia that were designed prior to the first contract in Iran. But I must say that the contract in Iran became the largest and most important, and the nearest to Lilienthal's heart. But he went to many other places. He went to Iran to see if anything could be done in the way of economic development there, once the shooting stopped. He went to western Australia. He went to other Latin American countries. He was in Africa. Not all of these visits resulted in contracts, but he was drawn upon as a wise man with respect to development. One of the values that you have in Lilienthal is the fact that he maintained a journal. I assume that your foundation has a copy of, or copies of, his journal. They are now in seven volumes. The final volume was put together after his death, by his widow -- volume seven. It covers the years from 1969 to his death in 1981: twelve years. It's an enormous book. But throughout his life, he recorded -- not every day, but almost every day -- his observations about that particular day. He reveals insights and personalities that are fascinating. His judgments were remarkably reliable, going back and looking at it again. One of the volumes is dedicated to the Shah. There was a postcard of the Shah in his office, that showed Lilienthal's books on the bookcase beside him.

So Lilienthal's own views were very widely disseminated. Although the book did not have a great deal of circulation, he placed it in locations where it would be beneficial. So in answer to your question, I have no doubt about his capacity, his sincerity, his commitment. There are some who say he was blinded by the glamor of the Shah and not sufficiently critical of it. I disagree with that, because from his accounts, he frequently made some very tough points.

Q: Did you ever talk to him about what he felt about the Shah?

Macy: Oh, yes, that was a frequent topic of our conversation. When I was in Iran, I would write every three or four days a personal letter to Lilienthal, indicating what was transpiring; asking

him certain questions. He would respond, and he was very good.

[end of side one, tape one]

Macy: My own direct exposure to the Shah was really very limited. I met him on two or three occasions with Mr. Lilienthal, after the two of them had had extensive conversations on matters of mutual interest. Mr. Lilienthal would frequently describe to me, after these sessions, the content of these coverage, and for the most part, he recorded them in his journal. My own meetings with the Shah gave me very positive impressions of him. He was articulate, he was positive; he used words of reform which convinced me of his sincerity in moving in that direction; but I confess at times he seemed a bit distracted, which is understandable. And in the final session, in 1977, I was a bit distressed by his physical appearance. He seemed to have aged a great deal, and he didn't seem to have the same physical vitality that he had had in earlier times. Obviously, a certain amount of the time was ceremonial, but it was a recognition on his part of the nature of the work that we were doing with respect to administrative reforms. He offered supportive comments.

I recall at one time he cautioned me about being patient with the processes of change. He recognized the need to bring about acceptance of many of these changes, before they could be used. It was obvious to me that he and Lilienthal had established a great deal of personal rapport, and that there was freedom on the part of both men to speak their minds in matters. As far as my meetings with Hoveyda were concerned, when he was Prime Minister -- I guess the most notable was the time Dr. Reining and I appeared before the entire Cabinet to discuss the nature of our administrative reform recommendations. This occurred in 1976. We were introduced by Amin Alimard, and we were given some twenty minutes. We had very supportive observations from the Prime Minister and a few comments from ministers with whom we had worked. In the private sessions with Hoveyda, he reiterated his own desire to achieve these changes. He commented on every occasion about his high regard for Mr.

Lilienthal, and his belief that we were a major contributor to the progress in Iran.

I recall that in 1976, he inquired of me as to what I thought would be the outcome of the American election, the contest between Mr. Carter and Mr. Ford. I apprised him that I thought Mr. Carter would probably win. He did not seem particularly pleased about that prospect, but we did not pursue that subject any further. He was candid in saying that some of the members of his Cabinet, some of the ministers, who were skeptical and not particularly enthusiastic about administrative reforms. I appreciated that he used candor. It was a forewarning of a possible termination of our activities, but I didn't recognize it as such at that particular time. I was distressed when I learned of his change of assignment. I went and called upon him in his office in the Ministry of Court, so that we continued to receive advice from him and then before I departed he had been arrested and sentenced to prison. And then of course he was one of the first victims of the revolution.

Q: Let me ask you something. You were still in Iran, as you just said, when he was arrested. Is that right?

Macy: I think he was arrested in October.

Q: What did you think about that? I mean, he wasn't tried yet.

Macy: Based upon my knowledge, it was incomprehensible. Why a man who had given eleven years of loyal service in a very difficult position, would so suddenly be cast aside. I guess I assumed at the time there must be evidence against him of which I was not aware. Certainly, there were no observations from him in any of the meetings that we had that he was anything other than the enthusiastic loyalist, and he believed that he was pursuing the policies set down by his Imperial Majesty. So I was puzzled, distressed. It seemed to me that this did not constitute due process. It certainly didn't constitute support for someone who had been as

loyal as he had been.

And of course, I was just devastated when he was executed. He had no opportunity to defend himself. Even if some of those charges were confirmed, proven, there was no justification in his execution.

And I gather that his brother, who was the Iranian ambassador to the U.N. -- whom I never met -- was particularly irate about what happened.

You asked me about my impressions of Amuzegar. It's difficult to be objective, because I found him to be a very attractive, and interesting personality. We had many common interests. I felt he had a global outlook; I thought he could be a tough-minded negotiator in the negotiations for increased oil prices. I was sympathetic to that move. I believe there had been an exploitation of Iran by the foreign oil interests. It was high time that a higher rate be charged. I think that in many ways, that was his finest hour, in the negotiations of that arrangement in 1973-74. I did not see it at that time, although it was obvious in subsequent conversations with him that he was still reflecting on that. I was present at the time he was taken hostage in Vienna, and related to me the experience that he had had. He proclaimed that it was his religious faith that had stayed with him throughout the entire session. My impression was that he behaved in a great courageous fashion and he believed that when his time had come, it had come, and that's what was expected. He went without sleep for many, many hours, went without food for many hours. On reflecting on it afterwards, he was distressed that there had been such an inadequate effort on the part of the international police to find the hijackers and bring them to some kind of justice. He was presiding at that particular meeting of OPEC, when the hijackers came into the hall and overcame whatever security guards the Austrians had, and took over.

I met with him after his term as Prime Minister. He left me with the impression that he

had had a very limited jurisdiction in the government.

Q: This is still in Iran?

Macy: Back in Iran. I'm talking about the period from 1977-78, after he had relinquished the prime ministership; he was a private citizen, and I went to call upon him, and had a long, very candid session. He felt that he had been required to shoulder the blame for a number of events that had taken place during that period of time, where he had no control over the outcome, because he had no supervision over the military. He quoted the Shah as having told him that his primary mission was that of an economic leader for the country, and that other parties were taken care of by security matters.

I have kept in touch with him since he came to the United States. He came in late 1978, shortly after I returned, because his wife was in serious health conditions and had to come here before him for medical treatment. She was in such distress that she called upon him to come. He came, and it was fortuitous, in my judgment, because he might very well have had the same treatment as Hoveyda. We communicate occasionally, in the times since then; I am also well acquainted with his brother, Jahangir Amuzegar, whom I have known over the same period of time. He and his wife have been here in Washington since the 1960's. I have an ongoing personal relationship and I'm a great admirer of Jamshid Amuzegar.

I must say that I have generally detected a universal admiration for him, not only among Americans, but among other national leaders with whom I have had contact over the years. He is very highly regarded by the members of IPSAN. Recently, I have been at the United Nations to fulfill a consulting assignment for them, and those who have been there for any length of time recall Jamshid Amuzegar's leadership of that particular period. He is one of the world's outstanding internationals, and he produced a very affirmative impression for Iran in the work that he did in the International.

I came to know Ansari not as well, but quite well. I was entertained at his home -- a very sumptuous home, I must say; a lovely house. I have not had any communication with him since he came to the United States, but I do know his brother who lives here, Cyrus.

Q: You've been in touch with him since he was in the Ministry of Finance, is that right?

Macy: Ministry of Finance, and then I had a couple of meetings with him when he was the president of the oil company. We discussed the possibility that our consulting activities might be of some service to him. They didn't materialize, because very shortly after that, the oil company went on strike, and he left the country shortly thereafter. So I did not follow up on that. Most of the contact was during his tenure as Minister of Finance.

Q: What sort of an administrator was he like? What sort of a politician or statesman?

Macy: I thought he was very ambitious, that he had very broad knowledge of relevance, that he was a modern official. He had had a very substantial amount of association with people in other countries; he was a knowledgeable economist. As an administrator, I felt that he relied on others, and sometimes people were not as strong as they might be. He articulated a policy of administrative reform, but those who had the assignment to carry it out did not appear to be as competent.

Q: Tell me this -- I wanted to ask you, you are in many ways unique in terms of your experience, particularly in the United States, dealing with the very often highest level of personnel administration, as you were just saying, with the process of selecting individuals for various positions which requires a great deal of understanding. Not only in the United States, but you have been dealing with the United Nations, with other countries, and so on. You came into contact with quite a number of Iranians in various positions of leadership at various levels. Could you give me an assessment, how did you find

them altogether? I mean, how did they strike you as a group of people who were engaged in doing something?

Macy: Like any cluster of people, they had diverse skills. They had diverse motivations. But I found all of them very loyal to his imperial majesty. I did not detect dissent on their part. I found them to be technically qualified in their field, but short on management experience, what I would call the management of the human material and resources that were available to them, to carry out the job. I felt that they, as a group, tended to be less supportive of de-centralization than I would have thought was desired. They tended to hold too many minor decisions to their own desk, and so it was in many cases they were seriously overworked. There seemed to be a limited trust of those that were with them, even though, in many cases, these were individuals they had selected, and who had been recommended to the Shah. I found most of them had been educated abroad or at the University of Teheran. I found them interested in and didn't know where they were going. It was gratifying to me to find so many of the top officials, those who had been in government for a significant period of time, or who had been students of government, so that there was a long-term preparation. I've already mentioned the fact that many of them had been in K.W.P.A. and advanced up to the level of the ministries as a result of their experience. There were a good many of them who viewed their responsibilities as of major magnitude. They were not inclined to work together as a team, but that again tends to be the case in any bureaucracy. But I would generally give them high marks. Certainly, I would feel that they had the capacity to grow; they had the capacity to govern; and that there was inhumane, in light of the responsibilities they had.

The result was that a good many of the deputy ministers felt quite insecure, and didn't know where they were going. It was gratifying to me to find so many of the top officials, those who had been in government for a significant period of time, or who had been students of government, so that there was a long-term preparation. I've already mentioned the fact that many of them had been in K.W.P.A. and advanced up to the level of the ministries as a result of

their experience. There were a good many of them who viewed their responsibilities as of major magnitude. They were not inclined to work together as a team, but that again tends to be the case in any bureaucracy. But I would generally give them high marks. Certainly, I would feel that they had the capacity to grow; they had the capacity to govern; and that there was a growing tendency on the part of most of them to accept not only the development of objectives but the political objectives as well.

Q: On a number of occasions, you've referred to the idea of decentralization, deconcentration, delegation of power; that sort of thing. If I'm not mistaken, you seem to suggest that even though the idea seemed to be accepted, that there seemed to be a certain amount of difficulty in implementing it.

Macy: The failure of the implementation.

Q: Is there any particular reason in your mind as to why this was so, why this failure of implementation?

Macy: It was too drastic a change, insofar as the history of Iran was concerned. You know the history so much better than I, but my impression is that through the years, decentralization has led to fragmentation, and a strong Shah has had to come back and put all the pieces together and exercise control, and that there was some reluctance to give more control, more power, to the Ostandars or more power to the local governments. This was an adjustment that was going to take time, and so there was no reason to be impatient, except that the conditions were such that if there was not a greater degree of delegation these seemed to me that there was going to be a generation of opposition. On deconcentration, we were focusing on the point that Tehran had become over-concentrated, and that there should be possibilities for moving some of the ministerial activities out of the city. We even explored the concept of an alternate capital, as in the case of Brasilia. One of our consultants was a public administrator from Brazil, who came

and helped us to develop some consultation along that line.

We were very much interested in seeing more decision making rested at the local level as an effective core.

Q: I hate to interrupt you, because you're --

Macy: I'm probably rambling a little bit.

Q: No, no. You're doing just marvelous. This idea of something like Brasilia, an alternate capital --

Macy: Or Islamabad.

Q: Was this seriously contemplated by anyone in Iran, or is this something that seemed a possibility for a suggestion?

Macy: We were encouraged to consider it, yes. And we had found that prior to our time, there had actually been royal edicts to move certain activities, such as agricultural research, out of Tehran, but it never came to pass. So when people say that the Shah had absolute power, there were certain areas where the absolute nature of it did not apply, because the bureaucracy had no desire to move. There was clearly a resistance for any movement on the part of the political leadership in Tehran itself, but there were serious physical limitations upon the growth of Tehran. The problem of water was a major issue with which we were dealing. The forecasts of water demand, where a projection of population growth, was really very threatening. We even raised the question as to whether that enormous area that was going to be the model city in

Tehran should be built there or should be built somewhere else. This was going to increase the density of that particular area and the further concentration of government at the nation's capital.

So these were central themes that we were planning. The people in Interior, for example, were very much in accord with us. We had developed, with them, certain plans as to how this would proceed. But when it was discussed with the Ministry, generally there were too many objections to it to have it proceed.

Again, it seems to me that at some future time, these issues have to be raised again. We were not trying to impose a kind of federalism that we have in the United States. That would have been inappropriate. But there could have been -- particularly in few, in fact, of the Ostandars there could have been a greater degree of delegation.

For example, to change the color of taxicabs, it necessitated a decision in Tehran on the part of one of the ministries. It seemed to us that this was the kind of basic decision that could be reached locally, without having that degree of centralization.

We also thought in the educational area that there was too much centralization of power, with respect to the university system. Rather than have the Ministry of Higher Education as the supreme authority, there should be greater delegation to the administrative heads of the institutions. We felt that the centralization was excessive as far as the schools were concerned. There should be more participation on the part of people in the design of the schools and the arrangements that were made. After all, the population was really very diverse, and different patterns were appropriate in different places. So you see, through all of our advice, there was this urging that there be a greater degree of decision-making outside of the ministry headquarters, that this would result in more acceptable policies, and would expedite the process. The fact that teachers were recruited and qualified centrally, seemed to us to be far

too much control from the center.

Q: Well, John, I'd like to thank you very much.

Macy: Thank you. It's been very pleasant to recollect all of these experiences that occurred a few years ago.

Q: It's really been a pleasure listening to you. Certainly very informative.

Macy: I hope this is going to be helpful.

Q: I'm sure it's going to be very helpful. As a matter of fact, I think it's going to be the basis from which a great number of other interviews may be designed with other people who've had some experience in Iran.

Macy: I'm sure you'll find that there are different perspectives from mine, from other Americans who were involved. I think, for example, that Donald Stone -- who was one of the wise men in public administration -- who was in Iran many years prior to my time, who claims that he could see the authoritarian domination of the government of Iran and any kind of administrative reforms. I would never be that pessimistic. Since my experience in Iran, I've been on two other foreign assignments, related somewhat to the same purpose. I was in Portugal, and as you know, it's the poorest country in Europe. It has been through a revolution in throwing off an authoritarian regime, in an effort to establish a democracy. They called upon the United State A.I.D. mission for advice on how they could reorganize their administrative structure to facilitate their democratization. The A.I.D. agency here in Washington asked me to head a team to go there and look at it. I had two of my colleagues who had been in Iran with me: Alan Post and Frank Sherwood. We spent three weeks in Portugal and visited various parts of the country, and went out to the Azore Islands to look at their problems of

decentralization. This resulted in a report that went to the Prime Minister. I have not followed what happened since then, but there have been occasional visitors from Lisbon, and we have talked about what they are going to do along the lines of this administration.

Then, in 1981-82, I did a consulting assignment in Haiti, which is the poorest country in the western hemisphere. But there, it was more specialized. I was looking at their capacity to deal with natural disasters: floods, hurricanes, fires, and the like. Again, I was doing it under the auspices of the United States government. But I kept my hand in with this, and certainly I learned a great deal from the Iranian experience that I applied in these two ventures.

Q: Well, the best of luck.

Macy: So you see, you at least participated in the education of an American bureaucrat. [both laugh]

[end of interview #1]

MACY, JOHN

Name	Page
Agriculture, Ministry of,	14
Ayman, Iraj,	18
Alimard, Amin,	17,20-22,29
Amuzegar, Jahangir,	32
Amuzegar, Jamshid,	15-17,20,31-32
Ansari, Hushang,	17-18,31-33
Atcheson, Dean,	5
Carter, James E.,	24,30
Clapp, Gordon,	23
Ebtehaj, Abol-Hasan,	13,16
Eisenhower, Dwight D.,	8
Energy, Ministry of,	14
Finance, Ministry of,	33
Ford, Gerald,	30
Gladieux, Bernard,	16
Helms, Richard,	22,24-25
Horseman, John,	17
Hoveyda, Amir ^c Abbas,	21,29-30,32
Hoveyda, Fereydun,	31
Humphrey, Hubert,	11
Iran-America Friendship Foundation,	24,25
Johnson, Lyndon B.,	10,13
Kennedy, John F.,	9-10
Lilienthal, David E.,	4,13-16,19,24,26-30
Lutz, Carl,	16
Morse, David,	13
National Iranian Oil Company (NIOC),	16
Nixon, Richard M.,	11
OPEC,	31
Oppenheimer,	6
Pahlavi, Mohammad Reza Shah,	19,28,29,32,34
Plan and Budget Organization,	14
Post, Allen,	38
Reining, Henry,	15-16,20,29
Ribicoff, Abraham,	9
Rockefeller, Nelson,	24
Rockefeller, Rodman,	24
Roosevelt, Franklin D.,	1
Salehi, Morteza,	21
Sami ^c i, Mehdi,	14
Sherwood, Frank,	16,38
Sheykhoslamzadeh, Shoja ^c - eddin,	17
State Organization for Adminstration and Employment Affairs,	16-19
Stone, Donald,	38
Sullivan, William,	22
Tyler,	6
Young, Philip,	8

