

speeches, and taking care of any issue that comes up about the country raised by anyone in the United States. Answering letters. People come in with problems which they want the desk to resolve. There are so many everyday activities on the country desk that people there really have fairly little time to sit down and really analyze what's going on in the country.

The country director system was designed to overcome that, to have one person at a fairly senior level who could devote the time. Because he had a staff to do the sort of daily work, he could devote the time to think ahead about issues with the country. And that worked to some extent, but he kept getting tied up too into actual problems. How are we going to get a lower interest rate for these F-4 purchases or how are we going to satisfy the Shah's latest demand for this or that?

And the INR person then really has the luxury of time to look at everything that's coming across his or her desk and make some conclusions. Perhaps be a little innovative in how he or she views what's happening, and write papers which may or may not be totally the party line and may perhaps try to give some new thought or new concern, new interpretation into the facts everyone has seen.

So I think it's a very useful purpose. I had good relations with the desk. I went to their meetings, frequent meetings, to hear about operational things that were going on. But I also had the freedom to write my own views on things to

some extent. I mean, you had to obviously ground it very much in facts, but if you could show maybe a slightly different interpretation of the facts than the desk was getting, I think it gave people a little more perspective on the country, because you could see two somewhat different views.

Of course INR was sensitive to the problem of not wanting to be always the voice of gloom and doom. You know, predicting revolution or catastrophe just in order to some day be right. I think we produced pretty balanced material in general, and I think the study on political dynamics, for example, holds up pretty well, when you look at it in view of later events.

Q: Now who else in INR was working on Iran?

Bolster: I was the only one. There was more or less a regional person, under whom I served.

Q: Who was that?

Bolster: Phil Stoddard when I first came back, and then later Iran was moved under South Asia, under Tom Thornton. But in both cases, these were people who were very good analysts and well experienced in problems of the general area, and I felt very comfortable in discussing everything with them and, you know, sending my drafts through them. I felt no pressure to take any

particular point of view. I was free to analyze events as I saw them. Of course there was an editorial process and not everything I would write in my first draft would get through to the top, but at least I felt it was a good, constructive relationship.

Q: At this time, 1966-1967, who were the influentials in Washington when it came to policy towards Iran? Who were the various officials that you worked with?

Bolster: Well, the Country Director was Ted Eliot, and we had very good relations, because I had, of course, been in the Embassy in the Political Section when he was in the Economic Section. And when he came back and became Country Director, as I say, I was invited to meetings and so on. We often disagreed on things, you know, openly, in meetings and so on, but on a personal basis we got along very well.

That was sort of in the breaking-in period of the Country Director system, because before that we had an area office system. The thought was to have all the policy issues centered in one person, who would have a much more effective way to argue policy issues, because he or she would be aware of all aspects of one country's affairs. So we had a Country Director for Turkey, a Country Director for Iran, et cetera.

And it was a new system and so it had to prove itself, but

I think it proved itself in the sense that issues were debated by someone who saw all aspects of the problem. I did feel on occasion that this was to some extent part of that same chain that I mentioned, where the Shah told the Ambassador what his demands were that week and the Ambassador referred them back to Washington. And to some extent the Country Director was judged in his effectiveness as to how many of these things he could get done. An efficient Country Director could take all these demands and push them all through in one way or the other and get all the things that the Shah wanted. I thought that was a little too automatic, but that was the way the system worked at that time.

Q: Who at other agencies were working on Iran that you'd meet with? People at AID or Defense? Do you recall any names?

Bolster: Well, we'd have a weekly country team meeting and there would be typically a dozen or fifteen people there.

Q: Once a week?

Bolster: Yes. Representing all different agencies. AID, Defense, Treasury, Agriculture-- I mean, it was really a major-- Commerce. Whatever issue came up, there would be two or three people at least who would have different views on it or have something to contribute. So it was quite a good discussion

group. And Ted Eliot would typically run down a whole series of issues that were hot that particular week and sort of tell people what was happening and get coordination. In case some people weren't totally aware of some part of it or how it might affect their agency, they would then hear about it at that meeting and they could go back and tell their people. It was quite a good coordinating mechanism and I think worked very smoothly.

Q: Do any names stand out among people who were involved in those meetings?

Bolster: No. No, they really don't.

Q: Now how closely did the analysts at INR-- yourself included, of course-- work with their counterparts at the various military intelligence agencies or CIA? Was there much exchange of information with them?

Bolster: Well, there was some. It was not institutionalized, but there was some, yes. You occasionally would call up somebody and ask them about something that you had seen that they had written. But everyone had their own special focus. If there was a discussion of some new weapon that the Shah was getting, usually DIA would do quite an analysis of that in one of their publications. You'd have a picture of the weapon and you'd have

an assessment of how they could use it and so on, because that was their specialized function.

I think we had, in State, less contact with DIA than we did with CIA, because their role was very limited. CIA would be more into a lot of different issues. They later on began to develop and design in the seventies excellent publications on energy matters--oil, natural gas, et cetera. At that time we would interact on a lot of political and economic issues, but I wouldn't say it was a frequent occasion.

Q: The CIA did analyses from time to time on the internal situation in Iran.

Bolster: We got all those.

Q: What did you think about them in terms of their quality? Like during the sixties, I guess. Were they useful or were they well done?

Bolster: Well, they were all useful, because there was an act of faith in INR that everything is grist for the mill, you know. You never shut off any source of knowledge, even if it was highly prejudiced or whatever. That was the one place in the whole building where everything could be moved across your desk and looked at and analyzed. So I think that was-- within that basic

premise I think the CIA reporting was very good.

We always looked carefully at the source, because most of the reports were pretty much raw intelligence, you know. Mr. So-and-So gave the following analysis of this subject. And then they would describe him just in very basic terms. A businessman, trained in France, whose reporting has generally been accurate in the past. Just something like that.

So you tried to analyze the source carefully to see whether the material he was giving you in this report fit in or not. You know, some of their stuff was very, very good. Then some stuff was sent in because it had just been sucked up in this giant intelligence gathering machine, and it wasn't considered by the people collecting it to be worthless, but it may have been, for example, less reliable. And sometimes you got a flavor of that, that this source has occasionally provided reliable material or useful information or something. Then you got the impression, well, maybe they didn't think much of him as a source, and you'd read it and you'd see why, because sometimes these guys were reporting grandiose stories and rumors about what was happening, which were just loosely based on fact.

So sometimes you had to be really selective as to how you used the material, because it might be really off the wall. And particularly, I would say, stuff that they got from some of the SAVAK people was often highly exaggerated. The sort of coffee house rumors that they picked up here and there, and it was just

sucked up by SAVAK and then in turn passed by SAVAK on to the Agency, and some of that was pretty worthless.

Q: Which brings me to another question that's come up since the revolution. One issue that has come up is the degree to which U.S. Intelligence agencies became dependent upon the SAVAK for their sources of internal information, as to opposition to the Shah and so forth. I guess Alan Goodman has made that argument in an article he wrote, that the U.S. became too dependent upon the SAVAK for information as to what was going on internally in Iran. Was that becoming actually true in the sixties or the following years? You mentioned one instance of that, where it wasn't passed on, but did they really rely upon SAVAK for information as the decade progressed?

Bolster: I don't think so. I think that's unfair, because as few people in the Embassy in our Political Section as came back to Iran-- and that was very few people-- there were a number of instances in the other Political Section where people came back to Iran after being there years earlier and provided the kind of continuity, and also, since they knew where to go for information from their previous experience, they could go back and follow up some of the same people. They could see when things were being exaggerated. I think they still relied a great deal on a lot of sources. I think that's an unfair criticism. I mean, sure,



SAVAK passed on information, but I think everybody in the Agency was well aware of the weaknesses of SAVAK. So I don't think that we became overly dependent on their analyses of things.

I mean, I can speak fairly authoritatively on that, because I knew some of the people there from previous tours or got to know them quite well there in my first or second tour. And I think they were quite objective in judging information that was passed on to us by SAVAK.

Q: Now you mentioned earlier the paper you wrote on the political dynamics of Iran and Bill Miller's role in writing that. Who's the other person you mentioned?

Bolster: Larry Semakis.

Q: Larry Semakis. You mentioned that the Embassy was pretty critical of the paper and the argument that the U. S. should sort of distance itself from the Shah somewhat, more than it had in the past. What was the response of people like Eliot and others at the State Department? How did they evaluate your paper or your arguments?

Bolster: Well, I think you'd have to ask them, to really know what--

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Q: But did you get feedback? You know, responses.

Bolster: Not from the desk, no.

Q: He didn't mention that in an interview. He mentioned that it was a critical paper, but he didn't really go into it.

Bolster: I think there was probably a sense in some circles-- and that would include the Country Director for Iran--that INR was sort of the duty Cassandra, you know. INR was the place where officers would be able to write down critical analyses of things that were happening in the various countries. Sort of to balance, if you will, the more upbeat kind of writing you get from the Country Desk, and that this was just sort of our role and if you cried wolf long enough, then at some point, you know, it might be true.

So I think there was some feeling that we purposely indicated that the Shah had some weaknesses and that the country was not as shining an example of democracy as some people would have it, and that this was just sort of intrinsic in the role and that I had fallen into this role of writing a lot of negative things about Iran. It was just two different views and I don't think it gave Ted any particular problems. Whereas it did give the Ambassador problems, because he felt that this whole paper had come out and was really quite negative about the Shah's power

and questioned whether we should be as close in our support of the Shah as we were.

Q: But there was no similar feedback from higher-ups in the State Department? Say, at the Assistant Secretary level?

Bolster: No. They were just too busy. People at higher levels probably never even read that report, because at any given moment there are hundreds of pages of material coming into the Department from the Embassy. There are all different kinds of problems being analyzed, some of them just spur-of-the-moment issues, some deeper analytical pieces. But people just don't have enough time for that. You know, there's a whole wide world out there with lots and lots of problems, and unless they're really serious, they tend to get just into the Out Box and put into the file.

Q: Someone like [Armin] Meyer, for example. You said he was rather critical apparently of the paper. Was it Meyer directly or was it the Political Officer who was speaking for Meyer? Do you recall the circumstances?

Bolster: Yes, Meyer wrote a letter directly to the head of INR, complaining about it.

Now wait now, wait now, let me back up. I know he wrote a

letter complaining about my prediction that the Shah would buy Soviet arms, no matter what terms we gave him.

The other-- there was feedback from the Embassy on the political dynamics report, in that-- I think that may have been institutionally unclear as to just who-- and it may have been shared by Herz and Meyer, I don't know. But the other one, I think, got a direct reply from Meyer, saying that this prediction that the Shah would go to the Soviets was unhelpful to the Embassy's efforts to try and get the best terms that it could for the Shah, to keep him buying American. Which I felt was unfair criticism, because this was an internal document. It wasn't published. It was an internal document for U.S. government use, so there was no way that this was going to get to the Iranians.

Q: But in terms of this political dynamics report, the question was that you were criticizing in a sense the linchpin theory?

Bolster: Yes.

Q: And that led to the negative response?

Bolster: Yes.

Q: Why do you think people like Meyer-- I think Meyer, it was not an ideosyncratic point of view in terms of the linchpin

theory. What made people like Meyer so committed to that approach? I think Meyer was speaking-- people like Rusk[?] probably held the same position, I suppose, in practice. What made people like that so committed to this idea of the linchpin? Why was the Shah so important?

Bolster: Well, I think it came down to sort of a bottom line analysis, that "After all was said and done, the Shah is still the man in charge there, and he has his faults, but he's trying to do some good things. He has some ideas for how to develop his country, so we might as well go with him, because there's no alternative." I think that's the way it came down. And if you argued the issue, probably they would end up saying, "Well, it's nice to have these concerns about our long-range policy toward him and so on, but for now he's all we have, so let's go with it and go on to the next problem."

Q: And they saw him as essential for stability in the region, like in terms of oil and security and so forth?

Bolster: Yes.

Q: All the various considerations of interest that get talked about all the time?

Bolster: Yes. Even though in the seventies, you know, that argument rang pretty hollow, because here the Shah was leading the fray of all the producing countries, who wanted more and more for each barrel of oil. So we were confronted with this odd situation, where the man that we had backed, because he provided stability and a guaranteed source of oil and so on and all these good things, he was leading the opposition to get more and more from us for every barrel of oil. The only way that we still were getting what we wanted was that he was turning around and using that oil money to buy billions of dollars worth of military equipment from the United States. So that's the petro dollars were being recycled in the Shah's case. He'd turn right around and award big contracts to obtain items from the United States.

Q: Now in your political dynamics paper you mention that Iran in some way is politically unhealthy and possibly subject to future episodes of political instability and problems. Did you feel that would be the case as long as Iran was ruled on the basis of sort of royal absolutism? Did you view that as sort of a basic problem or was it something else?

Bolster: Yes, that was my conclusion, basically because the Shah could not allow any institution to grow up that had any independence whatsoever, because everything had to be kept at a low enough level that he could run things and not be threatened.

And any institution that became somewhat independent was a threat to him personally and therefore had to be undercut.

So any organization, whether you take the Central Bank or the Land Reform Ministry or NIOC, whatever, the Majlis, all these institutions had to be kept at a level where they could have some independence of view on occasion, but still, when the chips were down, they would always do what the Shah wanted. And so there could be really no institutional development under that kind of rule, because the Shah controlled everything down to such a level. He personally passed on-- according to what I've been told-- personally passed on the assignments of every military officer, from Captain on up. Wherever they were going to go in the country, he had to personally approve all these lists of transfers of officers.

[END OF SIDE TWO, TAPE ONE]

[BEGINNING OF SIDE ONE, TAPE TWO]

Q: You mentioned the political dynamics paper and the paper on arms sales. What other kinds of things did you work on? Other kinds of long papers or short papers? Anything that sticks out in your memory? Some of the research papers that you put together during this period?

Bolster: Well, we did some papers in INR on arms transfers that

were fascinating. We studied how arms that were purchased for one country would end up being transshipped to other places and end up in totally different countries. That was a lot of fun, tracing how arms moved internationally. There was Interarmco and there were various dealers that worked in this field. Samuel Cummings down here in Alexandria [Virginia], who runs-- he's changed his firm's name since then, but it's still one of the major arms sales companies in the world. And there are so many other companies and ways in which arms move, and we traced a lot of this. It was sort of a regional policy more than an Iran centered issue. It was about how arms moved through that whole area of the world.

But on Iran I did a lot of analysis of political developments as they came along, but nothing really stands out that much in my mind at this point.

Q: Now during this period the Shah made a few visits to Washington. I think there was one in '67, I think one in '68. Maybe others, I don't recall. Did INR analysis play any role in the preparation of material for these visits? Background material or whatever? Was that more or less for the Country Desk to do?

~~Bolster:~~ It was more for the Country Desk to do, but occasionally we'd have some input. On one occasion, some



material that I wrote was included sort of at the last minute by Bill Miller, who at that time was working the Secretariat, and he managed to get some of this material into one of the briefing books that, as I recall the situation, had been refused earlier and then eventually got into the book. But, you know, it was really pretty small stuff, because briefing books are practically never read in toto anyway. People don't have time. You know, they need the book as a reference in case some issue comes up that they're not fully up to speed on. They can quickly turn to a certain page and get the facts.

But, no, INR's role was very minor in any of this preparation.

Q: I've heard during most of these visits the Shah came with requests for more Eximbank credits to finance arms purchases. Did you at INR play any kind of a role in evaluating these requests at your meetings to discuss whether the U.S. should provide more money or not?

Bolster: No.

Q: Or what the pros and cons were?

Bolster: No.

Q: That was not in your--

Bolster: No, that wasn't. That was an operational issue that was totally in the hands of the Country Director.

Q: Was it discussed at the Country Team meetings?

Bolster: Oh, yes. Sure. But I would not have felt free to comment on the specific issue of how to structure the loan or whatever. This was an operational issue that I was able to hear by being at the meetings, but it wasn't one I was expected to comment on.

Q: Was there much agreement or disagreement over these requests at these meetings? Was there much controversy? Or were they just pretty much passed on routinely?

Bolster: As I recall, there was quite a sense that the ground-work had been carefully laid in advance.

Q: At the Embassy?

Bolster: Well, not just the Embassy, but by the Country Director, that he had worked things out with the appropriate people in the other places in Washington that were involved, like

Exim or Treasury or whatever. Commerce. That the bases had all been touched and the meeting was more or less to tell the rest of the group how things were going to be done. There would be occasional disagreements on this or that. There were certainly disagreements when we had these annual reviews. There'd be differences between the various agencies as to how much they thought the Shah could afford to spend on this or that. But on practical issues like the terms for some loan or whatever, there was really very little discussion at these meetings.

Q: In terms of the differences between agencies on the larger questions, like how much the Shah could afford to spend, my question is, the Defense Department was somewhat more critical of larger credits for arms purchases and that State was somewhat more lenient. Is that correct?

Bolster: Well, I think so, because the Defense Department people would analyze strictly in terms of what they thought the Shah needed, and some of his requests they thought were overblown and grandiose and unnecessary and so on. We would tend to be on the other side, because we would want to meet the Shah's demands to the extent we felt we could, based on other agencies' possible disagreement here in Washington.

And then you had other influences. I think Treasury was genuinely concerned about the sense of priorities in Iran and how

much they could afford, given the debts that they had. You know, this was still before the big oil revenue period. I mean, oil revenues were coming in, but they were one of many factors. The price of oil was still fairly low at that point. So, you know, there was a lot of question as to whether the Shah's priorities were right, and a lot of people felt that he should spend more on road building, airports. All kinds of infra-structure questions were being given inappropriate or insufficient attention while he was running off planning all these great things to buy--toys that could be paraded on Armed Forces Day and Azerbaijan Day and so on. So there was a lot of that feeling that I think drove other people's questions about whether they should have all they wanted.

Q: Another area of contention, I think, between the U. S. and the Shah, was the Shah was trying to get-- this was a question of petroleum production and prices. There was a consortium that ran the oil industry and Iran was trying to more or less hold back production to get stable prices and profits, whereas the Shah was trying to get them to increase their production, so he'd get more revenues to finance his various weapons purchases and so forth. Did you do any papers on this, any research on this aspect of oil price production issues in the sixties?

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Bolster: No.