

Q: That was probably in the Energy Section, I guess, right?

Bolster: Yes. The Energy Office was very small at that point and just really getting organized in the mid-sixties. I went to that office later, in the end of '69, worked on energy issues for the next two and a half years. And that was a time when we were having a lot of influence under Jim Akins, who was the very active director at that time.

Q: Did you make any trips to Iran while you were at INR? Did you go back and visit at any point?

Bolster: Never. In fact, this was one of the advantages under the system of having someone who'd been in the country, is that you didn't have to go back out there to have a quick familiarization trip and then come back and feel you can write effectively about the country. You already had that experience and you could just keep up on the basis of what you knew with all the new facts coming across your desk and not need to make a trip.

Q: Now in late 1967 the British made their announcement that they would by the end of 1971 or so withdraw their military presence from the Persian Gulf. Did this decision in late 1967-

68-- did this prompt any discussion at INR about the implications for the U.S. and Iran?

Bolster: Oh, yes. Sure.

Q: Do you recall any of the issues that were discussed or what kind of implications were drawn out? Did you do reports on it?

Bolster: Well, sure, there was a lot of analysis about what would happen in this situation, with the British plan to withdraw and with everyone assuming that the United States could not afford to really do everything the British had been doing out there. There was a lot more intention to beef up the power of people in the area, to make them able to provide the stability that was needed. CENTO was still a factor at that time. It was considered to be important. RCD, the so-called Regional Cooperation for Development, by Turkey, Iran and Pakistan, that was getting a lot of attention in the individual countries.

So there was a great feeling that our policy was finally paying off. After all the years of supporting the Shah, he was coming to a point where he could provide a certain amount of stability in the area for the era when the British were going to withdraw. That one of our policies in the whole area had been to encourage countries to be able to run their own affairs.

I don't remember exactly when that was taking place, but the

whole development of the United Arab Emirates-- you know, these seven sheikdoms were getting together and forming the UAE. That was a major development, which came later, but another example of the idea of people in the local area having to take more responsibility for their actions.

Q: So this idea of having the Iranians play a sort of stabilizing role in the region as the British leave, this was being discussed before Nixon was President in a sense? This was what was later called the Nixon Doctrine.

Bolster: Yes.

Q: This was probably being discussed before he was--

Bolster: Well, I would say yes. Right. I mean, this was sort of-- you know, we'd always said that CENTO was a defensive bulwark that we supported. Of course first the Baghdad Pact and then the Iraqi government was overthrown, so it became later CENTO. And CENTO, of course, over the years became somewhat less effective. It was more difficult to get the countries to agree on issues, and the idea of the U.S. backing was becoming a little less popular. But still CENTO and RCD, these two institutions, were developing more self-sufficiency on the part of the countries in that area, so this was the thought, that

when the British left maybe they would be able to take on more responsibilities there.

Q: Were there any people arguing that the U.S. should play a larger role to replace the British? Were there any people taking that point of view? Or was that sort of discussed and dismissed?

Bolster: Well, it's hard to recall exactly, but my impression is that people felt we'd be hard pressed to do everything the British had been doing out there, given all our other responsibilities. In the Pacific and-- so, I mean, you know--

Q: The Vietnam War was going on then.

Bolster: Yes. Right.

Q: Now at what point did you stop working on Iran, during the late sixties?

Bolster: In 1968. Mid-1968. Because then I went to an economic course over at the Foreign Service Institute, which lasted twenty-two weeks. It was equivalent academically to a minor in economics at a university. Intensive, all day long course work for twenty-two weeks, with a tremendous reading list and a big

shelf of books to read and, you know, quite a rigorous course.

And then after that I went into this Office of Fuels and Energy for two and a half years and worked in a very interesting period, because that was all the time when OPEC was feeling its power. Which, I think, ironically has been laid at the door of Fuels and Energy and even at the door of Jim Akins. You know, saying that the State Department showed OPEC how it could use its power by predicting that they were going to have this kind of influence. And I think it's totally misplaced, because OPEC was already beginning to feel its power.

It had been founded in 1961, I think, and at first it had almost no power, but gradually they were getting people who were trained in the States and had come back to work for OPEC. They were learning more and they were gradually understanding the kind of power that they had and they were beginning to exercise it. And all we did in the Office of Fuels and Energy was to more or less tell everyone who should be listening that OPEC had some power and that we should start to adjust to this and learn how to cope with it. And because we were taking that position, it was in some quarters considered that we were in effect telling OPEC how to exercise its power.

And I think that's totally wrong, because they had no need of us telling them. In fact, we were beginning to be whipsawed between two producing areas. The first price breakthroughs, where they were increased, came in Libya. And then as soon as

those were accepted, then the Shah and the others in the Middle East would demand a similar increase, and then Libya would ask for more and then the others would ask for more, and it just came prancing upward in an alarming fashion. They obviously felt very quickly that they had a lot of power.

Q: The work you did at that Office, was it U.S. and Iran, or was it other countries?

Bolster: It touched on Iran, but I was not working on Iran per se. In fact, I was working more on European issues in that office. Jim Akins had been in Baghdad and was very well checked out on Middle Eastern issues, so he more or less ran some of these particular issues himself, because as head of the office he felt he had to be in the forefront of this whole new development. And there were a lot of tremendous issues, including anti-trust issues. You know, the question of to what degree could American firms work together for negotiating vis-a-vis OPEC countries.

Q: That's what John J. McCloy was working on with the Anti-Trust Division of the Justice Department?

Bolster: Right.

Q: Getting a waiver or something?

Bolster: Because in the past there'd been this injunction against any kind of effort by the oil companies together to set prices. And yet here we were in a situation where OPEC was rapidly becoming unified and demanding these price increases and they were playing the companies off one against the other. If you don't increase the amount of money we get from your oil, we're going to stop taking from you and take from this other firm. And, you know, it was essential to get the oil companies together to try to resist this tremendous upward movement on the prices.

Q: But that didn't happen though, did it?

Bolster: Yes, they did give them waivers to get together and prepare uniform positions that could be presented to OPEC countries. I think without that prices would even have gone further, because the OPEC people were very adept at playing one supplier against another. And Occidental [Petroleum] was often, you see, the maverick in Libya. I mean, Armand Hammer was known as an individualist who would do things his way, and when he felt it was necessary to give a bigger take to the host government, he did so, and then right away everybody else was put in a position of having to match that. In that area. And then they whipsawed us over into the Middle East, where those producers demanded the

same thing as the North Africans got, with appropriate adjustments for the different types of oil. It's a very complicated issue.

Q: To what extent did the oil companies really try to forge a united front vis-a-vis the whole of OPEC? Didn't they try that for a while? Wasn't that what McCloy was proposing? Then the idea was sort of that they had an entire united front of all the companies vis-a-vis all of OPEC? Wasn't that sort of dropped? I haven't thought about this for a while, so I might be wrong about the details.

Bolster: Well, I think there was a feeling that companies had to get together to at least exchange a lot of information, so that they would all be aware of the latest developments, because if that anti-trust rule was taken literally, then the companies could not get together to discuss any kind of issues together. So they had to at least get together to exchange information and know how everybody else was going to be impacted by this.

But they couldn't present a totally united front, because they all had sectorial differences. Some were more into refining, some were more into production, and some were in both. And some were looking for crude to buy, others had crude from their own resources in tremendous amounts and they were looking for markets. So there was a limit on how much they could



coordinate exactly their policies, but they certainly had to be allowed to get together to present united fronts in some of these specific negotiations, where certain groups would be invited in to talk to-- like the consortium members in Iran. They formed a group that had to be allowed to meet together, because if not, there would be no way they could negotiate against the Shah, because the Shah had all the resources of OPEC and NIOC and so on at his beck and call and he would come forth with these tremendous demands, you know, and the consortium would be hard-pressed to come up with its position to answer all these. Because no sooner would they start to meet some demands part way than the Shah would make a whole new series of demands. It was a very exciting time.

Q: So you were working at that through 1971, I guess?

Bolster: Yes.

Q: And then you went to Wisconsin [University of] from there?

Bolster: Yes. For a one-year research and writing fellowship.

Q: That was at the Land Tenure Center?

Bolster: Well, I went to something called the Center for

Development, which was a Rockefeller program that brought middle-level officials from various governments to the University of Wisconsin for a sort of undergraduate to graduate level academic exposure, along with a number of American students. So we had people from India, Sri Lanka, Cyprus, a lot of developing countries, and then American students as well, all together in this Center for Development.

But then while I was at Wisconsin, I audited some courses at the Land Tenure Center and used their library, because I was very interested in that subject and that's what I eventually wrote a paper on as a result of that, about the economic and political imperatives of land reform.

Q: Then what was your next diplomatic assignment?

Bolster: Then I went to India for two years. 1972 to 1974.

Q: Did you work on economic issues there or were you a political officer again?

Bolster: At the beginning I was Executive Assistant to the Ambassador. Before I ever got there, the Ambassador that I was supposed to go to work for resigned his post. Senator Keating, who was Ambassador. He resigned and went back to the States and then we had a charge d'affaires. I worked for him and then I

worked at the beginning for Moynihan, when he came out as Ambassador.

And then I felt that I really did not want to stay in this particular kind of front office work, because it was very tiring and very demanding. Tremendous number of hours spent. So I moved into the Political Section and completed the rest of my tour there, working in the Political Section as Number Two to the Political Counselor.

Q: What kind of issues did you work on in the Political Section?

Bolster: Well, a great variety of issues really, because we were a fairly small political section and yet had this tremendous country to cover. So there was more than any one person, or even any five people, could report on, so we were always trying to cover the most important things that were going on. External as well as internal. So it was a mixed menu of activities.

Q: And what brought you back to Iran?

Bolster: Well, they needed somebody in the Embassy to be the Number Two man in the Political Section again, because they had someone assigned out there who did not know Farsi and they felt that they should have a Farsi speaker available. There was also

another person in the Political Section who had had Farsi training, but the fact that I'd been there earlier gave me a certain amount of perspective on the changes that had occurred in the country. So that was felt to be desirable.

I had mixed feelings about going back to Iran. I mean, on one hand it was interesting to see it eight years later, you know, and to again return to some of the same contacts that I'd had before and so on, But in other ways it was a disappointment, because the country had become so much more frenetic in its pace in the intervening ways. I thought of it as sort of a Klondike mentality. Everybody was out to get as much money as they could. There was very little of the old Persian give and take and talk and meditation and so on. Everything was done, as I say, at a frenetic pace. And the traffic was just impossible, the pollution was awful. So a lot of things that I'd recalled from before had deteriorated. The quality of life had deteriorated considerably.

Q: To what extent had you kept in touch with the situation, with developments in the country, since you had left INR?

Bolster: Well, I'd kept fairly well aware of everything going on, because, of course, the Foreign Service tends to share its reporting quite widely, and any kind of a wider analytical piece, like an analytical airgram covering a large issue, will be sent

to a number of posts that may be interested in that same issue. So in India I would see a great deal of the reporting on Iran. Not sort of operational traffic as to who was coming out to visit and all that sort of thing, but anything that was more regional in scope or larger in its analytical ambit would be sent to the Embassy in New Delhi for information.

Because, for one thing, the Indians were showing a lot more interest in regional issues. There were visits back and forth by the Indian President to Iran and the Shah to India. There were Indians being sent by the thousands, sent or drawn by the-- I should say sent by the Indian government as technical assistance people or drawn by the economic prosperity of the Persian Gulf area to serve in private positions there. There were thousands of Indians and Pakistanis all over the Gulf area, who were out there to really sort of seek their fortunes. Because at home India was just filled with well-qualified people and they just couldn't all find gainful employment, unless they had some government angle or whatever. So a lot of them ended up going overseas, with the UN or with private entities or whatever, to find jobs where there was money.

So there was a lot of contact back and forth between the Persian Gulf area and India in those days, and a lot of issues that we analyzed in regional terms for Iran would be shared with India and vice versa.

Q: What was your appraisal of the policy approach that Nixon and Kissinger had taken since 1969, the policy approach to the Shah and Iran generally? By the time you arrived, say?

Bolster: Well, I felt that it was true that the Shah had begun to show quite a geopolitical sense in how he approached things in our area. As you may recall, he'd sent troops into Oman to help the Sultan there put down a rebel group that was supported by Communist-influenced Yemen, South Yemen, the People's Democratic Republic of Yemen. If you read a lot of his policy pronouncements, the Shah was quite far-thinking about his general attitude toward the whole Persian Gulf and Indian Ocean and he had a lot of good ideas.

So in that sense I agreed with the Nixon doctrine. I thought we were well advised to foster independence and stability in these countries, so that they could run that area's affairs in a reasonable way. And the Shah was concerned about Communism, he was aware of the Soviet threat. But where I felt uncomfortable was the degree to which we just embraced the Shah. I mean, it was so total that it always gave me a queasy feeling when I heard him being extolled as the democratic leader and a far-sighted man who's done such a tremendous revolutionary job in Iran for meeting his people's needs. As if the White Revolution, which I generally admired and supported, had all been accomplished. It was as if the whole thing had been done and therefore we could

bask in the reflected glory that this man we'd supported all these years had finally accomplished all these wonderful revolutionary goals that he set out to do.

In fact, that's why I wrote one of the pieces I did here, this airgram 31 here in February 1975, "The Shah People Revolution". I tried to analyze the development of the 12-Point Plan from the very beginning, and I had trouble selling my thesis about this historical development, which was that the National Front was the first group that really talked about an effective land reform program. And in fact-- I believe I'm correct-- that they even had something similar to the Literacy Corps in mind in some of their pronouncements. I mean, there were some very forward-thinking people in the National Front.

When I tried to sell that in the Embassy, I had some reluctance on the part of Jack Miklos, who felt that the National Front had never accomplished anything and they were just a bunch of people out of power who wanted to grab power, and, you know, this never was a serious alternative to the Shah.

My position, as I stated in this airgram, was that the Shah had cleverly seen the appeal that some of these National Front policies, that they advocated, had, and had simply absorbed those policies in his own way and formed his own policy of the White Revolution, which he started in a small way with just a few reforms, and then, as we saw, expanded to finally be a 12-point program. I thought he'd cleverly used some of these. And yet my

conclusion here was that as important as his reforms were and as laudatory as many of them were, they'd by no means been accomplished. And some of them were just being ballyhooed to the point where they were acts of faith, as if they'd--

Q: More public relations type things?

Bolster: They were more PR than they were actual accomplishment, yes. Now I had documented in my village studies that I did back in the sixties-- I'd documented the improvement of living conditions in villages under land reform. I continued to take that position in here that land reform had basically been a benefit and that the Literacy Corps, Health Corps, some of these had-- Houses of Justice-- had really been important steps ahead, but that a lot of other things were just pretty much window-dressing and really had not accomplished a great deal, and that to speak of them as if they were all fait accompli was really selling a bill of goods and convincing ourselves that the Shah had done more than he really had done.

I was amazed when Carter came into office and visited Tehran and made a similar effusive comment about the Shah, this wonderful person who had accomplished so much for his people and brought democracy to-- I mean, it was such an over-reaction and a fulsome embrace that I just felt terribly uncomfortable with it.

You know, I just felt that we should have been able to accept



the Shah for what he was, a complex person with a lot of good intentions, but also a lot of failings and a very poor sense of how to organize his own country.

I always said he was a much better geopolitician than he was a political leader of his own country, because he was never really at home with his own people. I don't think. You know, he went to school in Switzerland and he had this world vision all the time. He was constantly talking about world issues and large developments in the world. When it got down to his own country, he oftentimes showed that he just didn't really know how to proceed, even in such things as the Resurgence Party, which he decreed when he saw that the Iran Novin Party-- which had had a little bit of independence and had attracted some people who, although they knew it was sanctioned by him, still felt that there were some independent points of view could be pushed as members of the Iran Novin Party-- even that was considered to be a little too risqué. So he wanted this Resurgence Party, which was going to include practically the whole country.

And it was just a terrible idea. You know, you either were in it and it meant nothing or you were out and it could mean that you'd even be forced to leave the country. So practically everybody joined it, and what did that mean? It was so inclusive it didn't really have any importance to it. It was just sort of a union card to get any kind of a job, to just be a member of the party.

Q: And stay out of trouble?

Bolster: And stay out of trouble. And it meant nothing to join it, because you had to join it effectively. So, you know, the claims of membership and so on were just unimportant, because with no alternative, everybody just joined it and continued to talk against the Shah and so on as they had before.

So it really was a silly activity, and yet it took a tremendous amount of organizational ability and a lot of money to organize great congresses and meetings and hurrahs.

Q: Actually, do you have a sense that it might have been counter-productive politically in some ways? I guess Rastakhiz led a lot of-- to control prices in the bazaar and so forth.

Bolster: Yes, there was a whole anti-corruption issue which focused on the bazaar, and they had these teams going around singling out people who had over-charged and bringing action against them and so on and closing their shops. I mean, it was all a big ploy, because Iranians would tell me, "Here the Shah's coming down hard on a few bazaar merchants for over-charging, and yet his twin sister Ashraf is making millions every year from all her contacts."

She controlled the trucking industry and she had all kinds--

her husband controlled all the hotel reservations for any meeting that took place in Iran. Bushehri [Mehdi]-- he controlled the travel agency that made all the arrangements for these groups to visit. So every time there was any kind of international meeting in the country, they'd fly in on Iran Air or some other airline, and then they would stay in either Pahlavi Foundation hotels or in other hotels, all arranged by this man, Bushehri. And Ashraf was getting this tremendous rake-off in the trucking industry every year, because everybody in the whole country who was in the trucking industry had to fork over part of their money to her.

I mean, it was just-- there was such corruption by the family that every time anything came up, whether it was an airport construction or a road-building project, a chemical plant, anything, everyone always tried to find out just who it was in the royal family who was benefiting. There was always a prince or a princess or somebody who was getting a piece of the action, because that's how you got approval for things. You managed to get someone with the right connections in the group that was sponsoring the project and then it would get the royal assent and you could go ahead with it. If you didn't, it was very hard to get things approved.

So there was so much corruption of that type, and yet they were singling out a few poor bazaar merchants for over-charging for a pair of shoes.

Q: By the way, when did you arrive in Iran? When in '74 did you settle in Tehran?

Bolster: It would be about June or July.

Q: Around this time Richard Helms was Ambassador to the country?

Bolster: Right.

Q: What was your appraisal of Helms as Ambassador?

Bolster: He was really a brilliant guy with a lot of energy. He really was indefatigable in his activities in Iran. He was always interested in what was going on, always willing to see people, going on trips all over the place. He just had a very inquiring mind and he just could never get enough information. He read widely. He talked to a lot of people. He and his wife both were very interested in everything Iranian and made an awful lot of trips around. She has written about it in a book, as you know. He was very fair with people.

I remember one incident particularly, where I had proposed that we start a refugee program to allow some of the Kurdish refugees to come to the States. This was after we'd pulled the plug on our aid and then the Shah had pulled the plug on his aid