

# **Foundation for Iranian Studies**

## **Program of Oral History**

COLONEL GRATIAN YATSEVITCH

INTERVIEWEE: COLONEL GRATIAN YATSEVITCH

INTERVIEWER: WILLIAM BURR

CAMDEN, MAINE: NOVEMBER 5, 1988

and

WASHINGTON, D.C.: JANUARY 12, 1989

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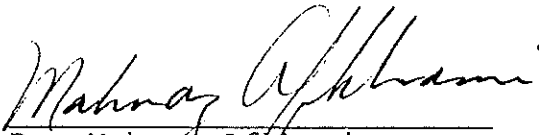
Dear Dr. Grele:

This letter will confirm my understanding and agreement with the Foundation for Iranian Studies Oral History of Iran Archives and Columbia University with respect to my participation in a series of interviews conducted by the Columbia University Oral History Research Office.

1. The interviews will be taped and a transcript made of the tapes. The transcribed interviews will be maintained by the Oral History of Iran Archives and the Columbia Oral History Research Office, and the Hoover Institution.

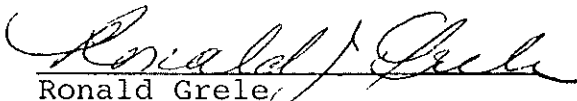
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Dr. Mahnaz Afkhami  
Foundation for Iranian Studies

Very truly yours,



Ronald Grele  
Oral History Research Office



Date 12 November 1989

## PREFACE

This manuscript is the product of a series of tape recorded interviews conducted for the Oral History of Iran Program of Foundation for Iranian Studies by William Burr with Colonel Gratian Yatsevitch in Camden, Maine and Washington, D.C. in November 5, 1988 and January 12, 1989.

Readers of this Oral History memoir should bear in mind that it is a transcript of the spoken word, and the interviewer, narrator and editor sought to preserve the informal, conversational style that is inherent in such historical sources. Foundation for Iranian Studies is not responsible for the factual accuracy of the memoir, nor for the views expressed therein.

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## BIOGRAPHICAL NOTE

Colonel Gratian Yatsevitch was stationed in Iran in the later 1950s and early 1960s as the CIA country director. He oversaw the operations of the Agency in Iran. He moreover, developed close ties with the Shah and a number of Iranian political leaders. He was also prominent in policy-making decisions at the Embassy as well as in Washington. His recollections are valuable for the study of political change in Iran in the 1950s and the 1960s, and the making of the U.S. foreign policy towards Iran in those years.

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# CORRECTION LIST

pp.20-21,146 throughout the text	Esmail Shafai	should be	Esma <sup>C</sup> il Shafa'i
P.24	Teymour Bakhiar	should be	Teymur Bakhtiyar
P.24	Mossadegh	should be	Mosaddeq
P.26	Qzauin	should be	Qazvin
pp.38-39	Iaiason	should be	liason
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P.69	Mogaddam	should be	Moqaddam
P.90	Assadollah	should be	Asadollah
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pp.99,12-28	Qashgai	should be	Qasqa'i
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P.169	Yussef	should be	Yusef



VA

Interviewee: Gratian M. Yatsevitch

Session #1

Interviewer: William Burr

Camden, Maine

November 5, 1988

Q: The following interview with Colonel Gratian Yatsevitch, by William Burr, took place in Camden, Maine on November 5, 1988. The interview is part of a joint project by the Columbia University Oral History Research Office and the Foundation for Iranian Studies.

Colonel Yatsevitch, I have some questions about your early background. Can you tell me where you were born and raised?

Yatsevitch: I was born in the Ukraine, but I was raised in this country and in England.

Q: And where did you receive your education?

Yatsevitch: Harvard.

Q: What were your major studies at Harvard?

Yatsevitch: I started out as a mining geologist and mineralogist and then I went into active mining as a mining engineer.

Q: What firm did you work for?

Yatsevitch: I worked for a group of British companies that operated in the Balkans and that couldn't afford expensive talent.

Q: This was in the nineteen-thirties

Yatsevitch: This was between '35 and '40.

Q: Did you experience World War II? Military experience?

Yatsevitch: Oh, yes. I blew up my mine workings before leaving at the end of 1939, because I was sure that the Germans were going to come in, and went back to Harvard and passed my doctoral exams and immediately entered the Army. I already had a reserve commission in ROTC. Entered the Army and made a career of it.

Q: Where did you serve during the war?

Yatsevitch: During the war I served in the Office of the Chief of Ordnance in Washington. I was eventually in charge of development and procurement of all cannon from twenty millimeter on up to 16 inches in caliber.

Q: Did you continue with that during the war?

Yatsevitch: I did that until 1945, when I went to G-2 and was sent as a Military Attache to the Soviet Union. Apparently OSS had made several requests for my services and my commanding general, the Chief of Ordnance, decided he wouldn't bother me with decisions like that and never let me know. He decided that I was more useful in his Department than I would be in OSS. He never even told me about this until he released me to G-2 in 1945.

Q: Then you went to the Soviet Union in '45?

Yatsevitch: Yes.

Q: And how long were you there?

Yatsevitch: I was there for a year, and from there I went to Bulgaria as a member of the Allied Military Government in Sofia, the Allied Control Commission.

Q: This is still in G-2?

Yatsevitch: I was in G-2 all the time, but the function of the ACC was not a G-2 function, and I was under the command of

commanding officer of the U. S. Element.

Q: What were your responsibilities in Bulgaria?

Yatsevitch: I was responsible for intelligence in general, and I looked after the economic and commercial interests of the United States and Greece. In the final stages I was in command of the U. S. Delegation to the A.C.C. and closed out the Mission when the Peace Treaty with Bulgaria went into effect.

Q: And how long were you stationed in Bulgaria?

Yatsevitch: Four years. I was the first military attache after the peace treaty was signed and I stayed on until the end of '49.

Q: And then after that?

Yatsevitch: After that I became Director of Laboratories at the Detroit Tank Arsenal, but that was very brief.

Q: The Detroit-- ?

Yatsevitch: Tank Arsenal. An outfit that specialized in the design and development of tanks and other fighting vehicles.

Q: We were involved with Chrysler, as I recall it. The operation was under the direction of the Ordinance Department, i.e. the Commanding General of the Arsenal.

Yatsevitch: We were involved in the operation of that I think were Ford.

Q: And after the Tank Arsenal?

Yatsevitch: After the Tank Arsenal I came down to Washington and I was assigned at that time to the CIA.

Q: So this is 1950, '51?

Yatsevitch: '50. Beginning of 1950.

Q: How long were you in Washington at that station?

Yatsevitch: Three years, I think, and then I went to Turkey. I came back from Washington and got into scientific research and the development of special weapons briefly, including nuclear, chemical and bacteriological. Then back to special store duty in Washington and on to Iran.

Q: The division of the CIA you were in, was that the Clandestine Division or Intelligence?

Yatsevitch: Clandestine operations.

Q: Can you talk generally about your responsibilities in that period?

Yatsevitch: Well, my interests were the Balkans and the Middle East.

Q: Did you do work with emigre groups or-- I guess that was one of the agency's interests in the period, was working with emigres?

Yatsevitch: The Agency worked with emigres at that period.

Q: Then you said you were in Turkey for a couple of years?

Yatsevitch: I was in Turkey I think for two years. Then from Turkey back to Washington and then to Iran.

Q: This special weapons project you mentioned, was that for the Defense Department or that was non-agency?

Yatsevitch: Definitely non-agency. Straight research and development work. I worked with people like Edward Teller and various other high grade scientists.

Q: Interesting. Now how was it you were assigned to the station chief position in Iran? How did that come about?

Yatsevitch: I don't know how one can answer a question like that. It was somebody's opinion that I had background on the area and that I was in a position to deal with the kind of people that I had to deal with.

Q: Had you been to Iran before?

Yatsevitch: No, I hadn't. I hadn't been to Iran before. Turkey was my closest approach, but I had a good understanding of the Middle East, to which I was really introduced through the Balkans; five years in Yugoslavia, four years in Bulgaria, two years in Turkey.

Q: What can you say about your duties and responsibilities as a chief of station? How would you describe them?

Yatsevitch: Well, I don't think that I'm in a position really to say anything. I think that the duties and responsibilities of

chiefs of station is a classified matter.

Q: Could you make a general statement or you just want to leave it at that?

Yatsevitch: I can probably just leave it at that.

Q: O.K. Were you formally assigned to the military mission?

Yatsevitch: No. I was never with the military mission in Iran. I was on detached service for quite a number of years and performed diplomatic duties.

Q: Were your headquarters physically located at the embassy? Your offices?

Yatsevitch: I had my offices in the embassy. I was a special assistant to the Ambassador. That was my function.

Q: I've read that the CIA station in Iran generally had around ten or so employees. Was that the case in the late fifties and early sixties?

Yatsevitch: I cannot know if I can respond to that question.



Q: Okay. Now in terms of the actual interests of the agency in Iran, now Richard Helms has been quoted, to the effect that the agency's main interest in Iran was the Soviet Union. Now how true was that during your period?

Yatsevitch: That was a major interest in Iran, but naturally the general responsibilities were to support U. S. policy within the country and keep track of what's going on.

Q: Did Soviet intelligence have a large presence in Iran in this period?

Yatsevitch: I would say a moderate presence.

Q: To what extent was tracking the activities of Soviet intelligence officers part of the responsibilities of your staff? Was that a moderate element or essential-- ?

Yatsevitch: It was an important function.

Q: Did you know basically who the Soviets' agents were?

Yatsevitch: Yes. I think that we were able to identify them.

Q: Did they know who you and your staff were basically? Was it sort of a mutual awareness of each other's presence?

Yatsevitch: I don't think so. I hope they didn't, but you can't tell.

Q: I guess from the mid-fifties forward-- I'm not sure about the exact dates-- the U. S. had installations in northern Iran that monitored missile tests and electronic signals coming from the Soviet Union. From what I understand, the CIA had some role in these monitoring facilities. Did you have oversight responsibility for them or was that somebody else's responsibility?

Yatsevitch: I don't think I can answer that.

Q: O.K. I thought it was a good question. [Laughter] How much contact did you have with CIA Director Allen Dulles? For example, did he visit Iran from time to time during your years there?

Yatsevitch: As I recall it, Dulles-- no, Dulles didn't visit Iran, Iran itself. I had a lot of contact with him otherwise, but he never did visit Iran.

Q: How much interest did he have in Iran?

Yatsevitch: He had a great deal of interest. He was very interested in Iran.

Q: Did you meet with him in Washington when you came back to Washington?

Yatsevitch: Oh, yes, I'd see him in Washington.

Q: Did he seem very knowledgeable about the subjects at hand?

Yatsevitch: I would say yes. For somebody at the apex of the pyramid I think he was quite knowledgeable and interested.

Q: Now did Deputy Director for Plans, Richard M. Bissell, make any visits to Iran when you were stationed there?

Yatsevitch: No. No, I don't recall Diek coming there at all.

Q: Did you meet with him in Washington?

Yatsevitch: Yes, I'd see him in Washington.

Q: And did he have much interest in the issues particularly?

Yatsevitch: I would say probably not. He had a general interest, but no-- he didn't focus on Iran as a primary interest.

Q: According to a recent book, two of the agency's main experts on Iran in the intelligence divisions were Earnest Oney and Charles Rudolph. Did they visit Iran from time to time?

Yatsevitch: Oney, yes. The other chap I don't recall.

Q: Rudolph? Now, periodically the CIA would work with other agencies in producing national intelligence estimates on various countries, including Iran. Did Oney work on those? I assume he did.

Yatsevitch: I cannot answer that.

Q: Did you find those papers useful for your work? How useful did you find the papers coming out of Washington?

Yatsevitch: Oh, yes. Oh, yes, sort of general guidance.

Q: Did you have any input into them yourself? Did you review them before they were actually published?

Yatsevitch: I just don't recall doing that in Iran. I used to review papers like that in Washington all the time, but in Iran I don't recall.

Q: Of course you were stationed in Iran sort of in the final years of the Eisenhower administration. How would you describe the administration's general approach to Iran in those years?

Yatsevitch: The administration I think was anxious to build up a friendly influence in the Middle East, which would be an important key element in CENTO and provide sort of a major influence to oppose any Soviet efforts to establish themselves in the area.

Q: Now when policymakers thought about U. S. interests in Iran, how important was Middle Eastern oil in their assessments or calculations of American interests?

Yatsevitch: I think oil was very important. Oil and the strategic location of Iran were, I think, perhaps the most important factors.

Q: Was Iranian oil considered to be important as such or was it more its position?

Yatsevitch: I think the oil itself was considered important. After all, it was also important from the point of view of the American oil companies and in a sense provided our government with a sort of indirect source of revenue too, and of influence.

Oil was very important. Although at times I was bit astonished by what seemed to be a certain political naivete on the part of the oil people.

Q: In what sense?

Yatsevitch: Well, I thought that they were really a little bit insensitive to or unconscious of trends in the countries-- in Iran.

Q: What trends particularly did you have in mind? Internal political trends?

Yatsevitch: Internal political trends. Yes, internal political trends.

Q: Such as?

Yatsevitch: The prospects for long-term stability. The elements that might endanger long-term stability. I think they gave the

impression of having a kind of an oversimplified concept.

Q: You mean they took it for granted their position was secure?

Yatsevitch: Yes.

Q: And that you couldn't be so sure about it?

Yatsevitch: Right.

Q: I hope to get into that as we go along. Did you have contacts with the executives from the consortium?

Yatsevitch: Oh, yes, I used to meet top figures in the consortium quite often and I had a lot of contacts within the consortium.

Q: From all the companies, the U. S. companies as well as the European?

Yatsevitch: The U. S., Dutch, British.

Q: Did you give them briefings from time to time? Did they request briefings or was it very informal?

Yatsevitch: I didn't give them briefings. We just generally had discussions as people interested in the area.

Q: Do you recall any of the names of some of these individuals?

Yatsevitch: No. Offhand I don't think I can recall.

Q: When you were in Iran, besides the consortium figures that you were discussing, did you find that there were any other private individuals in the U. S., perhaps in the world of banking and financial industry, who were influential in promoting close ties between the U. S. and Iran?

Yatsevitch: One name comes up, Russell Dorr.

Q: He was an attorney?

Yatsevitch: No. He lives in Annapolis and was with Chase Manhattan.

Q: The name is familiar, but I can't place it.

Yatsevitch: He was a good, sound influence with the Iranians. Otherwise I don't remember. I can't think of anyone at the moment.



Q: Did figures like John J. McCloy or David Rockefeller make any visits?

Yatsevitch: McCloy did. I used to have chats with him when he came. It was normal to stop by my office and have a long chat.

Q: Was he with Chase still-- or after-- ?

Yatsevitch: With Chase.

Q: He was there on banking business basically?

Yatsevitch: Yes.

Q: I have some questions about the Shah. How well did you get to know the Shah during this period?

Yatsevitch: I got to know him so well that one time at a luncheon-- we were sitting around the table at an out-of-doors luncheon somewhere, and in order to control the general character of the conversation, he liked to play word games at lunch. That discouraged people from coming up with personal requests and things like that. So we did word charades. And he came up with one, saying "My first is the second of a Chinese philosopher. My

second is half a fly. And my third is a bad woman in English." So everybody was straining to come up with a clever answer. The queen popped up with "I know. The Chinese philosopher is Sun Yat-Sen. That is Yat. Half a fly of a tsetse fly, is "tse," and a bad woman in English is a 'vitch', isn't she?" So it is "Yatsevitch" [Laughter] Which I thought was rather clever. Yes, I spent many, many hours with him. I certainly liked him and I think he must have liked me as we had many frank conversations.

Q: How frequently did you meet with him if you can generalize?

Yatsevitch: I think about once a month.

Q: Did you have to clear your meetings with the ambassador before you held them or was it on your own initiative or the Shah's initiative?

Yatsevitch: It was the Shah's initiative, but I always had to tell the ambassador about it, of course. Courtesy demanded that.

Q: How would you characterize the Shah as a person?

Yatsevitch: An extremely intelligent fellow with a very good memory. The kind of chap who would, I think, occupy a major job in the economic scene in any country as a top level figure. I

found him always agreeable to deal with. Sometimes, in talking with somebody like myself who was not an official representative, he could afford to rant and rave and raise personal problems in a way that he could not in front of an ambassador, who was an official personality. I found him extremely ambitious for Iran and for the establishment of Iran as the dominant power in the area, and, in fact, I think he was willing to become a real Shahanshah for the entire reason. That means Shah of Shahs, including Pakistan and Afghanistan, among the countries that would come under the empire. He had grand exaggerated ideas of that kind.

But he was also very much interested in modernizing the country and developing an industrial base that would permit Iran to survive as a well-to-do nation after the oil ran out. This was a frequent subject of conversation with him.

Q: Even in this early period?

Yatsevitch: They became more frequent later, I would say. I first met him in the summer of 1957, but by 1961 or '2 he talked a lot about what happens when the oil runs out.

Q: By the way, you arrived in Iran that summer, '57?

Yatsevitch: Yes.

Q: Just so it's on the record. How much research work did the agency do into looking into the Shah's background, the Shah's family's background and so forth?

Yatsevitch: Well, I knew a lot about his background. A great deal, because the man who really fired my interest in Iran was an old Iranian general, who was a military attache in the Soviet Union when I was there. Despite differences in age and so on, we became very close friends, and his stories about Iran led me to aspire to get posted to Iran eventually.

Q: Do you recall his name?

Yatsevitch: Yes. His name was Esmial Shafai. He was an extraordinary man, because he had been a personal of assistant of Reza Shah's, and he conducted a lot of Reza Shah's negotiations with the Russians in the early days of 1920-25, with the Bolsheviks. He had been through one of the Imperial Russian military academies, where many of the Iranian officers of that generation were sent, because Iran didn't have any military academies. In those days you entered the army and came up through the ranks but if you were destined to be an officer, you came up through quite rapidly and were sent to a foreign military academy. So did Reza Shah. That's why people talk of Reza Shah having been nothing

but a sergeant. He had ot come up through the ranks. Well, that was the only way to become an officer, for a while you had the rank of sergeant. Well, that was the only way to become an officer, for a while you had the rank of sergeant. So then they were sent to the Russian imperial academies in those days, under the Qajar dynasty.

The Shah's father, lived in General Shafai's family as a boy. He was orphaned at an early age. I'm talking about Reza Shah. His father was a major in the Iranian Army and his mother was one of the refugees from the Caucasus, from the Russian occupation of the Caucasus during the forty or fifty year period when guerrilla warfare went on in the Caucasus and the great Shamil who conducted the resistance for some 40 years.

Reza Shah was just no non-commissioned officer who made himself Shah. He was a commissioned officer and he was a brigadier general. He had several wives and the Shah was the son of one of them who was not a Qajar. Some of the other wives were members of the Qajar dynasty and therefore barred constitutionally from the throne, as is the case with all of the Shah's brothers.

Q: Now in this time, the late fifties, did the agency do much reporting on the Shah and his family and the power structure of Iran?

Yatsevitch: Oh, I think so.

Q: Did the agency have any contacts in the palace to provide information on what was going on internally, in terms of internal decisions being made by the Shah and his people? Did you have contacts?

Yatsevitch: Yes. Once you establish a good personal relationship, people begin to forget who you are and you begin to get into the circle and be accepted as a friend.

Q: How would you describe the Eisenhower administration's general approach to the Shah as a ruler? For example, to what extent was it assumed that the Shah was indispensable to stability in Iran?

Yatsevitch: I think it was assumed that the Shah was indispensable. That was the assumption at the time.

Q: Did you share in that thinking?

Yatsevitch: Yes. I think I believed that it was correct. It was correct, because I think that the Iranians are a mixture of peoples who really are more or less dependent on an authoritarian type of government at this stage of their evolution. They are a

nation of individualists and can be individually great successes, but when it comes to teamwork, not quite so strong. And so it takes some strong person to pull them together.

Q: And that was the basis for that assumption, that analysis?

Yatsevitch: You know, you had tribal elements that were still ambitious and somewhat at odds with the Shah at times. He had to treat them with a firm hand. And I think that the church too-- the church never really accepted happily-- or reconciled itself to the idea of a secular ruler for Iran. They looked back to the days of Imam Reza, so there was always that problem with the clergy. That's one reason why Reza Shah cracked down on the church so hard.

Q: Now around the time you arrived, the Iranian state security organization, the SAVAK, was being set up, and some years later Kermit Roosevelt, who I guess was in the Near East division of the agency at that time, acknowledged the CIA had some role in helping to create and develop SAVAK as an organization. Can you elaborate upon that? What was the agency's role in the development of SAVAK?

Yatsevitch: Well, I don't know what I can say about that.

Organizations like SAVAK are essential for any country and with a friendly country, I think one probably finds it useful to give them what help one can, help and advice and guidance.

But from the agency's point of view SAVAK had an aspect to it which is really different from CIA's function. SAVAK was a sort of combination of FBI, and CIA. SAVAK's competence in maintaining the stability was naturally intact.

Q: In terms of internal security?

Yatsevitch: Yes. Political action, counter intelligence, etc.

Q: Was the assistance provided mostly just funds or actually technical assistance? You know, individuals would come over and get examples of how these programs could be set up?

Yatsevitch: I don't think I can answer that. But the head of SAVAK at that time was General Teymour Bakhtiar, who was a good personal friend of mine and was a very competent officer, a member of the Bakhtiar tribe, a senior Khan of the Bakhtiar tribe, who actually played an important role in helping to depose Mossadegh by bringing his armoured brigade from Qzauin to Tehran to attack the Mossadegh forces. He was a French educated man and a rather bold, strong figure and independent thinker. In fact, that was why, subsequently, the Shah feared him and asked him to



leave Iran for a while. This so upset Bakhtiar that, I think, it really affected his reason. I think he became very bitter and opposed to the Shah.

Q: But you worked fairly closely with General Bakhtiar?

Yatsevitch: I'd see quite a lot of him. He made it possible for me to make tribal migrations and that kind of thing. When you get well plugged into a country, you do those things.

Q: How closely did the Shah follow the development of SAVAK? Did he have a strong interest in it?

Yatsevitch: Yes, he had a very strong interest. And it was really quite-- certainly by Iranian standards, quite a superior organization, with carefully selected superior officers. It was among one of the highest grade governmental organizations in Iran initially. At the beginning they got the cream of the officer corps.

Q: My impression is that a special U. S. group worked closely with SAVAK? Is that the case? There was a team of people who worked?

Yatsevitch: Well, I don't think it's possible for me to give an answer.

Q: Now several books and articles have mentioned that SAVAK also monitored the activities of foreigners in Iran. Did this monitoring activity include the embassy and the station and its officers?

Yatsevitch: Yes. I think they tried to monitor everybody.  
[laughter]

Q: Did that create any difficulties? Diplomatic problems or otherwise?

Yatsevitch: No, nothing that wasn't overcome at that time, that caused any serious problem.

Q: Besides the liaison with SAVAK, did the agency have any liaison with other parts of the Shah's security apparatus, such as the Special Forces or the Counter-Intelligence Corps? Or is that more a military question, for the military attache and the MAAG, to deal with?

Yatsevitch: I think good relations were maintained with

everybody. Certainly I personally knew everybody, at least certainly at the top level. Yes, I don't think the MAAG had any function of that kind at all.

Q: In terms of intelligence?

Yatsevitch: Absolutely. It was off limits for them. Or was supposed to be.

Q: I've read that over the years some people at the embassy tried to encourage the MAAG to provide information on the various military people, the Iranian military people that they were dealing with, to get more background on the Iranian military.

Yatsevitch: One does that with everybody. Always happens to everybody. They are in contact with these characters every day, so naturally they were a good source of information.

Q: But they did not cooperate?

Yatsevitch: Well, they were always helpful. Naturally the embassy collects information on all personalities of significance and the MAAG officers, without engaging in intelligence activities, (they're not supposed to you know)

provided information on what they knew about the various people they encountered in the military.

Q: So they were cooperative to some extent?

Yatsevitch: Oh, yes. Yes. I presume the DIA also was tapping them for what they could too.

Q: I think so. Now when you arrived, Selden Chapin--

Yatsevitch: He was my first ambassador.

Q: He was ambassador to Iran?

Yatsevitch: Yes.

Q: What do you remember about him as ambassador?

Yatsevitch: Well, Selden was a very nice, gentlemanly person. He always seemed to be a little bit ill at ease with the Shah for some reason, so that I think since I was an assistant of his, he would often ask me to do things with the Shah that he himself was reluctant to do.

Q: Can you give examples of that?

Yatsevitch: Oh, I can't give any specific examples off hand. He was perfectly happy to have me in close contact with the Shah and serve as his instrument in doing a lot of the business.

Q: But again you can't think of any examples

Yatsevitch: I can't think of any specific examples, no.

Q: How well did he work with other Iranians, other diplomats, foreign ministry people and so forth?

Yatsevitch: I would say he was not impressively successful, in spite of being a very nice person. He had a collection of upper-class Iranians whom he knew socially and so on, but he was not a very outstanding ambassador, I would say. Not a very strong one.

Q: Now his successor in 1958 was Edward T. Wailes?

Yatsevitch: Wailes, yes.

Q: Who was ambassador through late 1961, as I recall?

Yatsevitch: Yes.

Q: How effective was Wailes as ambassador?

Yatsevitch: I would say he was more effective than Chapin. It's a little difficult to describe people like that. I would say he was eclipsed by someone like Julius Holmes, who was a strong ambassador. Julius Holmes was a real ambassador, in the full sense of the word. But Wailes was quite normally effective.

Q: Did he rely less upon you than Chapin had?

Yatsevitch: Somewhat less. Quite a bit less. Certainly we had an excellent relationship and I think he made full use of whatever contacts I had in Iran and whatever personal relationships I had. I felt very fortunate, because I think that we reached the point where so many Iranians really forgot that they were talking to a foreigner. Somebody among the exiles in Washington was saying the other day that "really it became so that we never considered that we couldn't talk freely in front of you about anything."

END OF SIDE 1, TAPE 1; BEGINNING OF SIDE 2, TAPE 1:

Q: Did you want to continue with your observations?

Yatsevitch: No.

Q: How much information did you share with the ambassadors and the political officers of the embassy generally?

Yatsevitch: Oh-- all the time. All the time.

Q: Was information ever withheld from them or was that not even an issue that came up?

Yatsevitch: Nothing from the ambassador. Occasionally from the rest of the embassy staff, the senior staff, but nothing was withheld from the ambassador.

Q: How would you describe the political situation in Iran during the late fifties?

Yatsevitch: The late fifties was a period of growth and I think that there was a fair amount of, I would say, a generally optimistic atmosphere in the country because greater prosperity was actually in sight, was developing. I'll give you an illustration. When I first came there, you know they have the mourning holidays called Moharram, when everybody puts on black shirts and people keep themselves in mourning black.

Well, after Moharram, in the middle fifties, about '58 or so, you saw many people wearing those black shirts right on after this mourning holiday, because they didn't have any other shirts.

Well, during the late fifties, you found that people began to acquire more ordinary shirts, so that that period of making use of these one-purpose shirts noticeably declined. You could see this in the coloration of crowds.

So there was obvious growing prosperity. People began to have bicycles. People began to have little radios. All this, I think, was giving people a certain lift at that time, optimism. And there was a lot of work under way; big projects, dams and highways and all that kind of thing; the Plan Organization activities.

Q: So you saw the political situation as more or less stable, because of the economic prosperity?

Yatsevitch: Yes. I think that with the development of a middle class, which grew enormously under the Shah-- there was truly a great expansion of the middle class. But middle classes cause trouble anywhere. A growing middle class means growing aspirations and greater personal demands. That began to develop in the sixties.

There was also that element of "progressive" intellectuals,



socialist leaning intellectuals, but in the late fifties they certainly were not significant.

Q: Was Cottam on your staff at this point? I think he was there in the mid-fifties, '58 or so.

Yatsevitch: Yes.

Q: So there was a brief period when he was on your--

Yatsevitch: Right.

Q: Was he interested in those groups at that point too?

Yatsevitch: Yes.

Q: Any debate over that within the station, over who should be supported?

Yatsevitch: Well, there were naturally discussions on questions like that, yes.

Q: Also George Cave was with you, I think, at this period

Yatsevitch: Yes.

Q: Did he do political reporting as well?

Yatsevitch: Yes. A very effective, man.

Q: Now back to this question of political stability. How strong was the Shah's position at this point in the late fifties?

Yatsevitch: I think that he had the total support at that time of the armed forces and the national gendarmarie and the police structure. His position was strong. Also because at that time economic activity was developing, so that people were getting jobs, interesting jobs in the Planning Organization and other government agencies, the Khuzistan Development Project and major projects of that kind.

Q: How confident was he about his position? The Shah about his position?

Yatsevitch: Yes. Well, I would say that's a difficult thing to estimate. He gave the impression of feeling quite confident, but he was always pushing for increased military assistance and that kind of thing, building up a greater military capacity. I think that reflected not so much lack of confidence as ambition.

Q: Did you see vulnerabilities in his position at this point, in the late fifties?

Yatsevitch: Well, weaknesses in his reasoning, but not vulnerabilities. I would say weaknesses in his reasoning.

Q: In terms of what kind of weaknesses?

Yatsevitch: These ambitions really went beyond the logical prospects for the future.

Q: In terms of resources, resource availability?

Yatsevitch: Yes.

Q: How visible was the opposition to the Shah at this point? Say '57 through '59, '60? Late fifties?

Yatsevitch: How visible? They certainly were not a prominent political force of any kind, not a powerful political force, but I think they were known to everybody. They weren't an underground force. The only underground was the Tudeh, I would say, at that point.

Q: Leaving aside the question of Tudeh for a minute, how much contact did the agency's staff have with some of the opposition figures at this time?

Yatsevitch: Quite a bit, I think. I think that the Shah was really quite worried by it.

Q: By your contacts?

Yatsevitch: He was afraid that perhaps they might win more American support than he was getting. Yes, he was concerned about that.

Q: The contacts with the Mossadegh organization, the National Fronters.

Yatsevitch: Right. The Hesb-e-melli, as it's called in Persian. The  
National Front.

Q: Did the Shah express apprehension about these contacts in meetings with you?

Yatsevitch: Yes.

Q: How did you respond to his concerns?

Yatsevitch: That he should be happy rather than distressed about the fact that somebody was keeping aware of what these people were doing. He knows what U. S. policy is, that it is to support him, and that kind of thing can only help support him better, if somebody knows what's going on.

Q: Was he convinced by that?

Yatsevitch: Half convinced, I would say. [Laughter]

Q: Now how much concern did you have about the influence of the Tudeh, the local Communist Party?

Yatsevitch: Not too much. I think that they'd been really dealt with quite effectively by General Bakhtiar. He smashed them, and I don't think the Tudeh was seen as a threat.

Q: Now according to one recent account, by the early nineteen-fifties, U. S. and British intelligence had agents at the highest levels of the Tudeh organization. Was this still true in the late fifties?

Yatsevitch: I think so. Yes.

Q: So you were well apprised of their interests and activities?

Yatsevitch: I think at that time they were really inconsequential.

Q: Now in the spring of 1958, some months after you arrived, General Valiullah Qarani, among others, was arrested and charged with planning a coup against the Shah. How much did you learn about this episode?

Yatsevitch: I really don't recall too much. I don't recall much about that. The thing, I think, was fairly inconsequential and I don't think that the plot was very serious, had any remote chance of succeeding.

Q: Did you know Qarani? Had you met him?

Yatsevitch: I knew him, but I didn't know him well personally.

Q: Someone suggested that he had a vision of himself as an Iranian Nasser. Does that make sense in any way?

Yatsevitch: I think he could have pictured himself as such, but I think it was rather a ludicrous image that he had of himself.

I've even forgotten whether he was the Army G-2. I think he was G-2 in the Army.

Q: SINK [?]

Yatsevitch: Yes.

Q: I've read that one of the reasons that he was arrested was that he had prepared a long report charging Teymour Bakhtiar, among other military leaders-- charging them with corruption. Did you hear anything about that? That he had information on certain individuals that made him somewhat dangerous?

Yatsevitch: I just don't recall. They were all rivals-- the Shah had this group of people in power positions, all of whom were inclined to cast aspersions on each other in their jockeying for position and for the Shah's favor. Eventually the Shah had to can the entire lot. I seem to remember there was a period when several of them were locked up.

Q: Now apparently, from what I've read, the Shah accused the U. S. of complicity with the alleged coup plot. Did he bring this up with you?

Yatsevitch: I don't even recall any serious crisis developing about that question. We talked about it, but he didn't accuse us if he brought it up, it wasn't in such a forceful way as to impress me as being something serious in his mind as far as we were concerned.

Q: Now according to a report to McGeorge Bundy that was written in 1961, during the late nineteen-fifties-- this is a quote: "Several key conservative generals had at one time or the other approached the British and the U. S. for help in plots to overthrow the Shah with some civilian help." Did any generals make veiled approaches towards you about this issue?

Yatsevitch: No. Nobody did to me, and I think I would be the kind of person they would come to. They talked about corruption of the others and I think that was about it. But that was probably the basis for the arrest of several powerful figures and the exile of Bakhtiar.

Q: Now some months later, in July of '58, a military coup overturned the monarchy in neighboring Iraq?

Yatsevitch: Yes.

Q: Were you in Iran at that time?



Yatsevitch: I was in Iran at the time, yes.

Q: What kind of impact did that coup have on the Shah's frame of mind?

Yatsevitch: I think it shook the Shah, shook the Shah quite badly. He was thoroughly worried by that and I think began to examine his own structure, his own apparatus, to see what threats might be residing within his own structure.

Q: To what extent did you share that concern? Or did you think he was exaggerating the problem?

Yatsevitch: I thought that as far as Iran was concerned, he was exaggerating the problem. It was after that event that his former son-in-law, Ardeshir Zahedi, decided to sleep outside the Shah's door to protect him in the event of a coup, a dramatic gesture by Ardeshir. Put a mattress outside the Shah's bedroom door and slept there. [Laughter] But the coup did shake the Shah.

Q: From what I've seen of the embassy's telegrams from that summer, the summer of '58, after the coup in Iraq, the embassy seemed to be more worried about the internal opposition to the

Shah. Not only from the National Fronters and most of that grouping, but also from conservatives as well as the officer corps. What do you recall about the political atmosphere in the country around that time?

Yatsevitch: Lots of agitated discussion of the situation, but I just don't recall that we were really terribly concerned in the embassy at that time.

Of course after that I think that we began to do a lot of thinking about what the Shah could do to improve his image in the country, and how one could undertake a series of programs that would impress the people with the fact that something useful was being done, and that's when things like the land reform came up and the education corps and the medical corps and using army units for building roads to isolated villages and building schools and hospitals in rural areas.

Q: But as far as you could tell-- there was this mention about the officer corps in these telegrams that I saw, there was concern about their attitudes. As far as you could tell, the officer corps was basically loyal to the Shah?

Yatsevitch: I think so, yes.

Q: Now in the months after the coup, the U. S. increased its military supply programs to Iranf?

Yatsevitch: Yes.

Q: And there was also negotiation of a bilateral defense agreement, which I think was signed in early '59. Now apparently the text of this agreement, this bilateral defense agreement, fell short of the Shah's expectation. I think he expected stronger guarantees for his internal position.

Yatsevitch: Yes.

Q: Did he discuss this point with you, his feelings about the agreement and what it should involve?

Yatsevitch: He must have done, but I don't recall the details. He was always concerned about support, that it was not firm enough and definite enough. I think he expected us to commit ourselves to come in with full force if he were threatened in any way, and I think that later he was concerned that we didn't support Pakistan more about Kashmir and so on. But I just don't have a clear recollection of discussions on that question.

Q: Now the agreement itself was signed during a CENTO meeting that was held in Pakistan in early '59?

Yatsevitch: Yes.

Q: And while the meeting was taking place, a Soviet delegation arrived in Tehran to negotiate a non-aggression treaty with the country?

Yatsevitch: I remember, yes.

Q: And this non-aggression treaty would include an Iranian promise not to negotiate an agreement, a bilateral agreement, with the United States. But soon after the Soviets arrived, the Shah said he was ill, and the Prime Minister left town, leaving no one for the Soviets to talk to?

Yatsevitch: Yes.

Q: What did you make of these developments? Do you recall much about it?

Yatsevitch: I recall that situation and I think it was just an evasive maneuver by the Iranians, not to get pushed into that type of commitment.

Q: Did the Shah discuss his purposes in inviting a Soviet delegation with you?

Yatsevitch: He talked about it, but I think the Soviet invitation was their suggestion. They must have asked through their ambassador that they be invited and that kind of thing. But I really can't say authoritatively anything about that.

Q: To what extent did you or other onlookers worry that the Shah might be exploring the possibility of non-alignment?

Yatsevitch: Well, we were thinking about that, yes. That was a concern.

Q: But not terribly strong?

Yatsevitch: Not terribly strong, because I think we felt that he was already too dependent. But I think that thought was put out. He talked in a way to suggest that, because I think he hoped that would provide even more military aid.

Q: Would lead to apprehension on the U. S.'s part, which would lead to more assistance?

Yatsevitch: Yes. I think he used that device quite often.

Q: Now according to an embassy cable from a few years later, ambassadors from the U. S. and other NATO countries-- this is a quote-- "blocked the proposed Soviet-Iran agreement." Do you recall whether this happened?

Yatsevitch: I don't, don't recall.

Q: I guess this question speaks to the point you made a minute ago. In a January '59 cable, ambassador Wailes argued that the Shah was trying to blackmail the United States when he engaged in talk with the Soviets. Did you see it that way?

Yatsevitch: Right. Yes. And this, in essence, is what I mentioned earlier. I think he used that device fairly often.

Q: Now from the documents that I've seen, it seems that by mid-1960 or so concern in Washington about the Shah's position had increased considerably. According to a June 1960 NSC paper, because of widespread dissatisfaction among the middle classes at the Shah's system of personal rule, the possibility of internal upheaval cannot be dismissed. To what extent did you share this concern yourself?

Yatsevitch: I thought that that put it a little bit strongly, more strongly than the situation at that time justified. With this growing middle class, there were more and more people who wanted to have a say in what was going on.

Q: When these NSC papers were prepared, did you see the early draft versions? Were they sent to Tehran for your review?

Yatsevitch: They probably were, but I just can't remember.

Q: Now according to the same embassy report, one of the sources of discontent with the Shah was that-- this is a quote--

"business activities, general irresponsibility, and in some cases outright corruption of some members of the royal family, civil service, and high military command," that all of these problems led to discontent among the middle classes. How much of these problems did you know about yourself? The question of corruption among the Shah's family, or alleged corruption?

Yatsevitch: I knew. Yes. I once raised the question with him directly about members of his family engaging in this sort of five per cent deals and so on, and he said, "Well, they have very limited allowances from me and they just have to go out into the business world on their own." That was a Persian type of reply.

So he was obviously aware that other people felt about the royal

family's taking advantage of his position. Generally there was a lot of discontent about that, about the corruption around the court and so on, which was really quite bad.

Q: Did you report on this back to Washington? You sent reports on these matters to Washington?

Yatsevitch: As far as I remember. Yes.

Q: One interview subject told me that he believed that the Shah encouraged a certain amount of financial corruption, because then he could hold something over those who were engaged in it. Does that ring true in some ways?

Yatsevitch: Yes. That's right. I think it was a method of acquiring control, and this happened with senior military figures and government figures in general.

Q: Now again this question of the attitude of the military surfaces in 1960. This embassy paper also noted, "The dependability of the army support of the Shah remains somewhat uncertain." Ridgeway Knight of the State Department commented upon that statement. He said that there was more cause to worry about a military coup than a popular anti-Shah revolution. To what extent would you have agreed with that kind of an



assessment, say by '60?

Yatsevitch: I think that that was a correct evaluation at the time, because the Iranian officer corps was quite broadly based, quite astonishingly broadly based, and that among the more junior officers there were a lot of people from the social circles where feeling against this would be very strong, against the corruption of the court and the highly placed people.

Q: So military officers had sort of reformist inclinations because of their apprehension?

Yatsevitch: Yes, that's right. And this broad base for the army was quite a special situation. In part, as people like that advanced, junior officers advanced, they came up into the higher levels, where corruption became possible. But the more junior people I think felt strongly about this.

Q: Did your staff have conversations with military people that gave them these ideas about the role of the junior officers?

Yatsevitch: Yes.

Q: Now one of the conclusions that the NSC paper made, that the Shah, if he was to preserve his throne, the Shah needed to deal

with corruption, move on social and economic reforms, like land reform, fiscal reform, and also allow more scope for freedom of political expression. But the embassy officials also agreed that if left to his own devices, the Shah was not likely to move quickly enough. From your own observations, how much interest did the Shah have in these kinds of internal reforms? Say in the late fifties or early sixties?

Yatsevitch: He seemed to have a real interest, but not a pressing interest. Land reform was a real interest of his and I think that he felt that there was a lot of public relations value to traveling around the country handing out deeds to peasants who knelt before him and kissed his shoes, that kind of thing. I've been on trips with him like that and actually seen that sort of performance. But I think that he really didn't appreciate the importance of the other aspects of the program. And they never created a proper support base for the land reform act, which I think is almost chronic in most countries where land reform is taking place.

Q: Now the NSC analysts observed that the U. S. had to tactfully convince the Shah to move in a constructive fashion, but not to press it so hard that he would turn against the United States. To what extent did you or ambassador Wailes make suggestions to the Shah about the need for internal change?

Yatsevitch: The suggestions were really made quite forcefully. Quite forcefully. And I think he was impressed and things started to happen after that.

Q: When you talked to the Shah about the issues, did you sort of raise the problems and say what kind of direction he should take? Or how specific were you about the question of internal reforms?

Yatsevitch: Well, one really talks about what are things that one might do. You know, you don't say you should do this, but what are the things that might have quite an impact, stress what you think might have an impact and he gets the idea.

Q: But he became more receptive to these suggestions over time?

Yatsevitch: Yes.

Q: Now in the same period, in 1960, the Christian Science Monitor ran a story about reported contacts between U. S. embassy officials, U. S. oil companies, and opposition leaders and members. Around the same time of this Christian Science Monitor story, Walter Lippmann wrote a rather critical article about the Shah and Iran's prospects. Now from what I've seen of the