

Yatsevitch: I think he felt that at one time Nasser was conducting quite a dynamic program in the Arab world, to advance the Arab world and the Sunni world, I suppose. And having that continuous problem with Iraq, with the river and the boundaries and all that, and with Khuzistan as a nice rich oil prize, I think he assumed that Nasser would make that one of his objectives in building a greater Arab alliance. Not an Arab state, but a system of states.

Q: Did you find a real basis for that speculation?

Yatsevitch: I dare say, no.

Q: But you did not convince him either, I guess. Was the Shah convinced by your efforts to counter this?

Yatsevitch: No. He hung onto his fears very tenaciously, I'm afraid. And his suspicions. It was not very easy to convince him about that.

Q: Do you recall particularly Rusk's visit to Tehran?

Yatsevitch: Yes, I do. But no particular details.

Q: You would have briefed him?

Yatsevitch: Yes.

Q: Did he have much interest in Iran that you could see?

Yatsevitch: I don't think so. I think it was just sort of his mission at the moment, but I don't think there was any particular devotion to that area, interest in that area.

Q: Did your discussions with the Shah include talk about CENTO and its prospects?

Yatsevitch: Yes.

Q: What was the Shah's assessment of that organization, of CENTO?

Yatsevitch: I think that he felt that CENTO did not really enjoy the full American support that he expected, that he felt that the CENTO alliance was more of a sort of a political thing, without much military backbone behind it from our side.

Q: Did your work include CENTO affairs or interests? Your work as station chief?

Yatsevitch: Only insofar as it bore on the Iranian political picture.

Q: One of my interview subjects, Charles Naas, mentioned that when he was in Turkey as assistant to the ambassador, he did some CENTO work and it included intelligence exchange between the various embassies, the U. S. embassies involved in CENTO. They would discuss intelligence issues from time to time. The assistants would meet, including some CIA people, some State Department people, would discuss these on a regional basis from time to time. Did that occur while you were--

Yatsevitch: It did, and we had an officer, not connected with me at all, whose mission was to deal with CENTO matters in the manner which you describe. He was an officer in the political section of the embassy.

Q: That was more of a State Department basically?

Yatsevitch: He was totally State Department.

Q: Now over the years it's been suggested that Israel had developed intelligence links with Iran. Or vice versa, that Iran had developed--

Yatsevitch: Yes.

Q: That there was mutual exchange of information and so forth. Were you apprised of these developments when you were in Iran?

Yatsevitch: Yes. I learned about them. I learned about them there. As I mentioned earlier, I decided to become acquainted with the chap who was, in essence, the Israeli ambassador to Iran. I'd have an occasional general discussion with him. Of course was able to follow things from within SAVAK too.

Q: So you learned a fair amount about the parameters of his cooperation?

Yatsevitch: Right. Yes. From SAVAK.

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Yatsevitch: Through the technical cooperation that SAVAK was able to develop with the Israelis, the Israelis installed a very effective telephone tap system in the central telephone exchange in Tehran, which made it possible to monitor foreign telephone conversations and a lot of the internal telephone conversations within Iran. This system was one of the most up-to-date ones at the time that was possible, and there were several-- by several I

mean perhaps two or three--Israeli individuals around, who provided instruction on how to use this and who initially sort of supervised the work, until the Iranians could learn to do this themselves.

Q: And then SAVAK ended up running it basically?

Yatsevitch: They ended up running it. I think one common point of interest between the Israelis and SAVAK was the general suspicion of the Arab world on the part of the Shah.

Q: So they'd share information on what they knew about Arab intentions in the region?

Yatsevitch: Yes, that's right. It may be that the Israelis fired up his suspicions about Nasser's plans for the area.

Q: They would have had a motive, I suppose, to do that?

Yatsevitch: Yes.

[TAPE RECORDER TURNED OFF]

Q: When did you leave your post in Iran?

Yatsevitch: I left in October of '63.

Q: How would you describe the political situation in the country around the time of your departure?

Yatsevitch: It was still generally stable, but with an under-current of this trouble with the National Front. There was always that lurking as a possible threat in the background.

Q: But you saw the Shah's position as fairly secure?

Yatsevitch: Yes. I would have estimated it at that time, and did estimate it, to be quite secure.

Q: Now I think earlier in the interview you talked about some of your conversations that you had with executives in the Consortium, regarding their analysis of Iranian stability. This would not have been a problem at this stage? You would have agreed with them that the situation was stable?

Yatsevitch: Yes.

Q: As opposed to, say, in the late fifties?

Yatsevitch: That's right.

Q: Now I've read that when the Shah heard about the news of President Kennedy's assassination that he reacted with some-- he was not displeased to hear this news, that Kennedy was out of the picture. Did you hear anything to that effect when you were in Washington?

Yatsevitch: I just don't remember. I just don't remember. But it wouldn't surprise me that he'd have a slight feeling of relief.

Q: Now with Johnson becoming President in late 1963-- let me put it this way, how much continuity was there between the policy approaches taken to Iran by Kennedy and Johnson? Was there any change in emphasis when Johnson-- during the year or so after--

Yatsevitch: I would say no. I don't think any changes in U. S. policy were noted by me at that time.

Q: Did the interest in internal reform diminish or change in any respect?

Yatsevitch: No.

Q: The kind of pressure for reform?

Yatsevitch: It continued. It continued as before.

Q: Now you returned to Washington after your tour of duty in Iran?

Yatsevitch: Yes.

Q: And you said you had broader responsibilities at that stage?

Yatsevitch: Yes.

Q: But you continued to follow developments?

Yatsevitch: I followed developments, yes.

[TAPE RECORDER TURNED OFF]

Q: During the sixties, the CIA would produce on an occasional bases National Intelligence estimates on Iran, as well as other countries. Did you have input into those memos?

Yatsevitch: Yes.

Q: They were produced by the Intelligence Division in the



Agency?

Yatsevitch: That's right, but--

Q: But you would read them in advance?

Yatsevitch: They collected information from anybody who might have anything. So there was a general review of those.

Q: Now I've read that over the years there was always a certain amount of tension between the CIA's Clandestine Operations Division and the Intelligence Division in the sense that the people in the Intelligence Division who worked on country reports were not always sure they were getting all the information that was available on their particular subjects. Was this a problem that you--

Yatsevitch: No. I would say that there was no problem of that kind to my knowledge. I think that the relations were perfectly smooth.

Q: But I guess the question that came up was that sometimes the people in the Intelligence Division were denied information as to the source of a piece of information.

Yatsevitch: That's possible.

Q: And that they were not sure that-- if they did not know what the source was, they were not sure how to judge information validity.

Yatsevitch: That's chronic in all situations of that type, when two organizations are involved. But that was not a factor of any real importance, I think, as far as the value of the papers was concerned.

Q: Now I've read that in 1964 the U. S. and Iran negotiated a new agreement on U. S. monitoring sites, intelligence facilities in northern Iran?

Yatsevitch: Yes.

Q: Did you have any role in those negotiations? Would that have been in your bailiwick?

Yatsevitch: In '64? I just knew about them.

Q: That would have been someone else?

Yatsevitch: Yes.

Q: That could have been more a State Department matter in some respects, in terms of--

Yatsevitch: Right. It's possible that the ambassador became involved in that.

[TAPE RECORDER TURNED OFF]

Q: Now when there were negotiations conducted over these listening facilities in Iran, was there a quid pro quo involved in these agreements? What would the Shah have gotten out of his decision to allow the U. S. to continue maintaining these facilities?

Yatsevitch: I think all I can say about that is that he would have had whatever early warning indications-- he would have benefited from whatever early warning indications were provided by these facilities.

Q: He might have gotten part of the take in some respects? In certain circumstances?

Yatsevitch: Right. In some form.

Q: Now according to Allen Goodman, who wrote an article a few years ago on the intelligence community in Iran and other countries, he said that it's widely charged that the U. S. government agreed not to spy on the Shah in return for his agreement to permit the intelligence community to operate two listening posts, designed to acquire information on Soviet missile tests.

Yatsevitch: I would say that's absolute nonsense, but it's not a thing that I have personal knowledge of.

Q: But you don't find it plausible?

Yatsevitch: No. I think it's implausible.

Q: Now during the period between '63 and '69, I think when you retired from the government, did the agency continue its contacts with the political opposition in Iran, as far as you knew?

Yatsevitch: As far as I know, yes. Yes, as far as I know, it did.

Q: Do these contacts cause any difficulty for the embassy or the ambassador? Would there be tensions over that?

Yatsevitch: I don't recall whether the ambassador tried to discourage them or not. I just don't remember.

Q: Now it's also been suggested in recent years that at some point or the other the CIA became more dependent upon SAVAK for information on the opposition to the Shah. Was that the case when you were with the government?

Yatsevitch: Certainly not to my knowledge. It certainly was not the case up to 1963 and '4, and I just very much doubt that it was the case after that.

Q: Now during the first months of '65-- at some point, I forget the month-- Prime Minister Ali Mansur, who was Alam's successor, Mansur was assassinated, and then there was an almost successful attempt on the Shah's life shortly thereafter. And apparently these developments made the Shah more security conscious than ever before. Did these developments lead to any expansion in the Agency's technical assistance to SAVAK, or did SAVAK just--

Yatsevitch: SAVAK made their own effort to expand their coverage.

Q: Now after Mansur's death, Amir Abbas Hoveyda became prime minister. Had you known Hoveyda in earlier years?

Yatsevitch: Yes. I used to see a lot of him.

Q: What were your impressions of him?

Yatsevitch: He came out of the oil company, you know. That was his background, I think. He was with the oil company for quite a while, after having been in the Foreign Office. He was just a competent bureaucrat. Not a very inspiring personality. But he was a serious, competent bureaucrat.

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Yatsevitch: Hoveyda and Mansur collaborated for quite a number of years in trying to create some sort of an acceptable alternative to the unacceptable National Front, and tried to gain the support of the same type of educated and intellectual people that the National Front had appealed to. They used to meet in the house next to mine and I would sit in at lunch once in a while with them. So Hoveyda really was the-- I think the intellectual force behind it, and Mansur was the front man. Both of them got to be prime ministers eventually and both met a sad end.

Q: Indeed. I have a few more questions about conditions in Tehran when you were stationed there. Where did you live in Tehran? Did you live in the north part of the city?

Yatsevitch: I lived in the north part of the city. I think I must have lived at an altitude of about maybe six thousand feet, whereas the city was about four thousand feet. So a different climatic zone from Tehran and overlooking the smog, the way people live in the hills around Los Angeles. Yes, I lived in the north part of the city.

Q: And how much traveling around the country did you do when you lived in Iran?

Yatsevitch: I crisscrossed the country by every means of transportation in the beginning, from pedestrian to aircraft to horseback and donkey. It was possible fortunately to really get into the country, and hence I think the general acceptance which I enjoyed, which really led to the situation where people began to forget that I was an American. In spite of cracks like the one you read about, about having perhaps helped provoke those student riots. Some Quashqa'i said that I had introduced SAVAK to some new method for dealing with some tongue-tied people who won't answer questions, et cetera. It was the Iranians who could teach us things like that, rather than vice versa.

Q: Those charges have been made over the years, the question of the CIA's role in providing--

Yatsevitch: It was strange. And some of them directed at me personally. But that, of course, is all absolute nonsense. It is not the mission of our secret service, any more than it's the mission of MI-6 to do things like that.

Q: Did you acquire much in the way of Farsi speaking skills?

Yatsevitch: Quite a bit, but not with the complete fluency that some of my officers had. But I could talk small talk. I lived among the tribes and had complete access all over the country, even in areas that were special military zones, such as the tribal zones of the Quashqa'i and the Bakhtiari tribes, that were considered delicate and subject to possible subversion from the outside. The Shah gave me a pretty free hand.

Q: You said your officers had fairly good Farsi skills. Did they get training in Washington or when they arrived in the country?

Yatsevitch: In Washington. They were specifically prepared. I suspect that the reason I was rushed out was because it was



necessary to have someone to deal with the Shah, and since I already had some experience with dealing with other kings, I think that I was-- also my general background in Turkey and the Balkans, I sort of had an affinity for the understanding of the area.

Q: You said you had been rushed out in '57? Relatively?

Yatsevitch: Well-- yes, relatively.

Q: Usually people get more background briefings and so forth before they arrive?

Yatsevitch: Yes. And more language preparation.

Q: This is true for station chiefs as well as officers?

Yatsevitch: Well, less true of station chiefs. We tried, of course, to give language training to the station chiefs too.

Q: Back to the period in the mid-sixties, when you were in Washington. You would read the cable traffic coming from Tehran?

Yatsevitch: Yes, I would see as much as I wanted to.

Q: You made periodic visits to Iran after '63?

Yatsevitch: Oh, yes.

Q: And you met Meyer?

Yatsevitch: Yes. But after '63 I was mostly totally in Iranian circles when I went back.

Q: I'm not sure if I follow you. Iranian circles there?

Yatsevitch: I didn't get involved with our embassy very much in that sense. I had my circle of Iranian friends and contacts and so on.

Q: I see. Now one foreign service officer, who worked on Iran during the nineteen-seventies, suggested that after about '68, when Meyer was ambassador, it became unspoken policy at the embassy to curtail reporting those critical of the Shah in any profound way. Does that ring true?

Yatsevitch: Yes, that was definitely true.

Q: Any particular incident? Experience?

Yatsevitch: I can't think of any particular incident, but I think it was based on the hope of sort of maintaining a happy relationship with H.I.M., making no waves.

Q: But in general though during this period of the late sixties, did you take it for granted that Iran was on a fairly stable course of development?

Yatsevitch: Yes. Yes, I took it for granted that Iran was fairly stable. Although there were the usual mutterings about-- a great deal of general dissatisfaction and increasing concern about corruption, which really seemed to be getting worse, and the character of the people who were surrounding the Shah, in his personal social life as well as his business life. Many Iranians felt that nobody dared present him with a piece of information that he might not like and the rush was to come up with things that would please him, which would result in a pat on the head, you're a good boy, and everything would be happy. Although there were many Iranians, important Iranians, who realized that there was a great danger in this, the withholding of information. And a lot of information was probably withheld by SAVAK and certainly by people like the chief of the Supreme Staff, the sort of head of the Joint Chiefs of Staff in the Iranian armed forces, and people like that. And all these withheld information that they thought might lead to

unpleasantness.

Q: They were fearful of disturbing the Shah's frame of mind?

Yatsevitch: Yes, exactly. Which gave him a feeling of a kind of security, a kind of a false security. And yet he rather suspected all the time, that perhaps, we were not the sincere and loyal friends that we claimed to be, and that's when he started to buy military equipment from the Soviet Union. It started with motor vehicles and shifted to some small anti-aircraft cannon, I think, anti-aircraft artillery.

Q: Of course this all dates from the mid-sixties, right? I think the military vehicles deal was made in '65 or '66.

Yatsevitch: I think probably about '66 when the vehicles started and some of the real weaponry came in. And, of course, that gas pipeline deal was a big thing.

Q: The steel mill for a gas pipeline?

Yatsevitch: Yes. Which led him to feel that he enjoyed great credits from the Soviet Union, not realizing that they were passing off on him something with 1920s technology in the 1960s.

Q: It was not really a low-cost operation?

Yatsevitch: Absolutely.

Q: Did this deal, the steel mill for natural gas-- did this elicit much criticism in Washington? Apart from the economic side.

Yatsevitch: In Washington? Yes. In Washington, yes.

Q: I think I read that there was some effort to dissuade the Shah not to go ahead with the steel mill deal. I think the embassy or others made some efforts on this?

Yatsevitch: I think we did in the embassy, but he said that-- you know, his line was that Iran is advancing, it had to be independent and have a steel mill. To be a country of any significance, you had to have a steel mill.

Q: So sort of an economic nationalist perspective?

Yatsevitch: Yes, precisely. The grandeur of the Persian Empire that he was hoping to restore.

Q: A few minutes ago you mentioned that you'd heard-- it was your sense that the economic corruption was getting worse in the country and you heard many reports along those lines. Was this in the late sixties?

Yatsevitch: Yes.

Q: That you were learning this?

Yatsevitch: Yes, in the late sixties and seventies.

Q: I think you said earlier you retired from the government in 1969?

Yatsevitch: Yes.

Q: And you kept up your connections with Iran in the following years?

Yatsevitch: Yes. I worked in Iran after that.

Q: In what capacity?

Yatsevitch: As a promoter, to put together international consortia for major civil engineering projects, and in

reinsurance, in shipping. Iran had their requirement for grain at a time when they were still getting subsidized grain from us.

So I became involved in that and that allowed me to keep in touch with all the key personalities , old friends and new ones.

Q: So you went back to Iran in '69 or was it a year or so later?

Yatsevitch: I went back to Iran in 1970, I think. It must have been 1970. When I arrived, at the foot of the steps leading up to the airplane was a car from the palace to receive me and take me to my hotel. It was a very nice reception. So I would say that I was always welcome in Iran.

Q: How long did you stay in the country at that time?

Yatsevitch: Oh, these were all trips of ten days or so.

Q: So you actually didn't settle down? I thought you said you moved there.

Yatsevitch: No, I lived in Washington. And I think the last time I was there might have been 1977.

Q: So you made periodic business trips basically?

Yatsevitch: Yes.

Q: But you were doing Iranian business up through '77?

Yatsevitch: Probably about three times a year maybe, that frequency.

Q: Did you maintain contacts at the embassy during those years?

Yatsevitch: Yes. I always called on the ambassador whenever I came and I dealt with the economic councillor.

Q: William Lehfeldt?

Yatsevitch: Yes, Bill. And the political councillor.

But there wasn't very much that the embassy could do for me. I had better contacts than the embassy, in a sense. I could get more done for myself.

Q: You had your own lines of communication?

Yatsevitch: Yes.



Q: What were your impressions of political and social conditions in Iran during the seventies? For example, how stable did you think the situation was?

Yatsevitch: It looked stable, but there was more talk among my personal friends about dissatisfaction than there was when I left after being in Iran on duty. In the seventies there was more talk now among the kind of friends that I had who would not have talked this way earlier, who were obviously beginning to sense potential trouble.

Q: What were some of the issues that brought dissatisfaction? The question of corruption, I suppose? Was that one of them?

Yatsevitch: That, I think, was almost foremost, and favoritism to court hangers-on and relatives. And the unbridled activity of the twin sister and her eldest son, Shahram, who was very active in the business world. He actually came to see me one day, ready to help me in any way, but he was a major five percenter and I did not need him.

Q: Her son?

Yatsevitch: Yes.

Q: Did the officials at the embassy have much concern about these questions? Did they understand the dimensions of dissatisfaction with the dynasty among the upper middle-class people that you knew?

Yatsevitch: I would say that they certainly didn't talk about it much. It was not a major topic of conversation in meeting with old embassy friends.

Q: Richard Helms, for example, did he sense that there was a problem?

Yatsevitch: I think Helms perhaps did talk about that, more than the others. But I think by the time Helms got out there, the system had so evolved in the State Department that even Helms was a bit limited by it, I think.

Q: In his scheme of action to question policy?

Yatsevitch: Yes, that's right.

Q: And you met the Shah during the course of the seventies on occasion?

Yatsevitch: Yes.

Q: How much had he changed since the years when you first met him? If he had changed at all.

Yatsevitch: Oh, I think he was a little bit more -- grander. But still very, very pleasant. Of course, when I finally saw him in Mexico -- he was a broken man, but during that period of '75, '76 he seemed sure of himself. In retrospect I think he was worried, but at the time I didn't sense that very much. It's so easy to get feelings in retrospect and a little hard to keep those from the feelings you actually had at the time.

Q: Retrospectively, looking back, what did you see in the Shah that sort of led you to think now that there were some-- that he thought there were some problems, that he was apprehensive in some ways? What were the signals that you picked up? If you can pin them down.

Yatsevitch: It's difficult to pin them down. It's his actions really. Sort of more SAVAK repression and interference than there had ever been before. I think that was one sign. And then--

Q: He was uneasy about that in some ways?

Yatsevitch: No, he found it necessary to require it. And his sort of seeming-- enough concern about military people, to have relative nonentities in command spots, where he could keep his finger on them. Afraid of some action by them.

Q: He had capable people in those positions?

Yatsevitch: Yes.

Q: So that was a sign of his insecurity definitely?

Yatsevitch: Yes.

Q: I don't have any further questions. Do you have any concluding comments that you'd like to make?

Yatsevitch: Well, just as a matter of historical interest, I think that the Shah made tremendous advances. He pushed the country into the twentieth century vigorously and quite successfully, but eventually lost it all through being under-

mined by personal weaknesses, which led to the selection of a collection of sycophants around him. Failure to select people of top quality for command positions, people to whom he could

delegate authority. And in this way he let the whole thing slip out of his hands.

Q: I have one question I want to ask. You mentioned a few minutes ago that you saw the Shah in Mexico after he had been deposed. What were the circumstances of that meeting?

Yatsevitch: I just asked if I may come down and see him, and he said, yes, by all means. He was an old friend. He received me very warmly, he and the queen, and I think he sort of regards me as-- or regarded me-- as a sort of personal friend of the Pahlavi family, because I literally knew all the members of the family. Some of them would come to the house quite often and that sort of thing. Naturally the Shah doesn't visit people's homes, but the various princes were often around my place. So I had a kind of a nice entree to him. I knew he was in some distress in Mexico and just went down to have a chat.

Q: Did he make any comments about the U. S. role in the revolution of '79, '78-'79?

Yatsevitch: He said that he just couldn't understand why we brought that about. He feels that we could have helped him stop it, if we chose. He had some sort of serious misgivings about General Huyser's visit to Iran, which he said was a total mystery

to him. He said that Huyser didn't have the courtesy to call on him first when he came to Iran, to tell him that he'd arrived and tell him what his mission is, as would have been polite in the case of any senior official coming to Iran, and he feels that somehow he restrained the military forces from taking the kind of harsh decisive action that might have knocked this whole thing on the head.

Q: He thought that?

Yatsevitch: Yes. But he felt that also Britain had a role in this and France, and he just couldn't understand why, what we got out of it. But, as you know, all the Iranians blame everything on foreign maneuvers. So that was it. And the queen felt the same way. So from that point of view we-- that part of the visit wasn't a very happy one, were being criticized for encouraging this. There was a time when the crown prince, now the young pretender to the throne, had learned to fly a helicopter here, during Air Force training, and he wanted to give his parents a thrill by flying over the villa that they rented in Cuernavaca and not telling anybody in advance. He was flying quite low and the Mexican guards which the Shah employed all started shooting at it with their sub-machine guns thinking that it was somebody bent on an evil mission. [Laughter]

[TAPE RECORDER TURNED OFF]

Q: Now my last question. In a recent book James Bill proposes that U. S. policy in Iran during the post-war era was a combination of an intelligence and a policy failure. For example, he argues that because Washington considered the Shah to be indispensable and invulnerable, American officials stationed in Iran generally were not disposed to send in reports that were critical of the Shah and Iran, and this tendency to downplay bad news about the Shah in Iran reinforced the view in Washington that the Shah was invulnerable, which in turn strengthened the tendency to downplay the regime's weaknesses by officials in Tehran. Now how much validity do you see in this analysis of the combination of policy and intelligence failure?

Yatsevitch: Of course any event that occurs unexpectedly reflects an intelligence failure. There's no doubt about that. But at the time that I was in Iran, at no time was I conscious of any efforts to either suppress or to downplay unfavorable information or unfavorable incidents. At that time I felt that we had a useful interest in Iran, from the point of view of American interests, and we tried to develop our relationships accordingly, in order to promote our national interests as we saw it then. But certainly there was no effort to keep from Washington such unfavorable information as we had about the

royal family itself and the key personalities in government or the general course of events in Iran.

Q: Of course it may well have changed in the following years then.

Yatsevitch: It could well have changed in the following years, for purposes which at that time perhaps seemed like valid short-term interests, but that certainly was after my time.

Q: O.K. No further questions. Thank you very much.

Yatsevitch: Well, I hope this was useful to you in some way. All this happened quite a long time ago. My memory of detailed events isn't as clear as it would have been if we'd had our conversation ten years ago.

Q: O.K. Thank you.

END OF SESSION



VA

Interviewee: Gratian Yatsevitch

Session #2

Interviewer: William Burr

Washington, D. C.

January 12, 1989

Q: The second part of the interview with Colonel Gratian Yatsevitch took place in Washington, D. C. on January 12, 1989.

Now in the last interview you mentioned that you had been more or less rushed out to Iran in the summer of '57, because the Agency needed someone who could deal with the Shah. Did your predecessor have some trouble in dealing with the Shah of Iran?

Yatsevitch: No. I don't think so, but I think it was possible to develop a closer and warmer association with him, a more intimate association.

Q: Than had been developed already?

Yatsevitch: Yes.

Q: Was there some important problem in the Agency's relationship with the Shah that made a quick replacement necessary?

Yatsevitch: No.

Q: It was just the general problem of contacts?

Yatsevitch: Yes. With the rotation of personnel.

Q: You also mentioned during our last interview that you had some Farsi skills. Now when you were mingling in Iranian society on a routine basis, what language did you use in ordinary circumstances?

Yatsevitch: Predominantly English and French. Sometimes I had to have-- with some of the old, old people, who were educated in the imperial Russian military schools and universities and who worked with Reza Shah, some of those I had to speak to in Russian, because before World War II there was a quite strong cultural Russian influence. The Qajar dynasty had recourse to Russian educational facilities on quite a large scale, and, as you know, Reza Shah myself was an officer of the Cossack Division, from about the year-- I don't know, 1900 or something like that?

Q: Do you recall the names of some of those Generals who you associated with, who you'd speak Russian with?

Yatsevitch: Yes. General Yazdan Panah was one. General Esmail Shafayee, who was a close associate of Reza Shah's, was another.

General Arfa was another. A man named Zand, a civilian and former Minister of War and also in the diplomatic service, was another figure in that group. General Yazdanpanah. It was a collection of old-timers, who were interesting because they provided a certain historical continuity.

[TAPE RECORDER TURNED OFF]

Q: Now at our first meeting you also briefly discussed the reaction of the Consortium, the Oil Consortium, to the Shah's negotiations with Enrico Mattei and Standard Oil of Indiana. Now one issue that concerned some U. S. officials and the Consortium's members was that Mattei and Standard of Indiana agreed to give the Shah seventy-five per cent of royalties, going beyond the fifty-fifty arrangement on the Consortium agreement. Did American members of the Consortium make any appeals to the U. S. government to put diplomatic pressure against any seventy-five/twenty-five agreement?

Yatsevitch: I'm unable to say. If the matter came up, it was handled strictly on the diplomatic side and certainly did not involve me in any way. So I really can't answer that question. There was concern, I know, and a certain flurry of activity in the embassy because of that, but it really wasn't a matter of great interest to me personally, so I didn't get into it.

Q: Now in James Bill's recent book on Iran, he mentions that the Shah sometimes worried about the role of the Agency in Iran. Did anything the Shah or other officials ever say to you, back in the late fifties or early sixties or even later on, ever suggest any uneasiness about the Agency's role in Iran particularly?

Yatsevitch: On the whole I think that the Shah gave every impression of being happy about the Agency's function, but he was somewhat troubled by interest on our part in dissident movements. He was troubled by that, because of, probably, a nagging concern that we might be supporting them without his knowledge.

Q: I remember we discussed this the last time.

Yatsevitch: So there was always a problem in explaining to him that if there is any interest on our part, it would be useful to him too, because we were supporting him in general and he might be a beneficiary of some information not otherwise available to him.

Q: Now did Richard Nixon make any visits to Iran when you were stationed there?

Yatsevitch: Not when I was stationed there. The only people who visited Iran were-- as I recall, were Eisenhower and Johnson, I think.

Q: And the Eisenhower visit was very brief, as I recall?

Yatsevitch: Eisenhower's visit was brief, yes. Johnson's was a longer visit.

Q: Now in February 1960, Assistant Secretary of Defense John Irwin wrote to Livingston Merchant, who was then with the State Department, a letter, and the letter he wrote, and I quote, "Military aggression from or supported by the Soviet Union represents the dominant military threat against Iran." Would you have agreed with that assessment at the time?

Yatsevitch: Yes. In general that's correct. I think CENTO was a product of that concern.

Q: Would you have thought that, say, a military attack by the Soviet Union against Iran was a matter of low probability or high probability?

Yatsevitch: On a scale of one to ten, I thought it would be

about five perhaps. [Laughing]

Q: Really?

Yatsevitch: Maybe not quite that high. Of course the Iranian capabilities were not terribly great at that time and the Russians might have walked in any time, if they wanted to.

Q: Was there some concern that the Soviets might have had an incursion in response to some diplomatic problem in Iran or some kind of social upheaval? What were the scenarios that people envisioned that could have elicited a Soviet attack?

Yatsevitch: I think internal upheaval perhaps.

Q: With the Soviets supporting one side or the other?

Yatsevitch: Yes. Right.

Q: Now in view of your background in weapons development, did the Shah ever ask you for any advice on particular weapons systems that he was considering purchasing?

Yatsevitch: We talked about them, but I think it would be

remember me from Germany. But the ambassador generally said, "Here's a chap. Do you want to talk to him?"

Q: You didn't know McCloy during World War II, when he was OWI? Did he come by and inspect your operations?

Yatsevitch: No. I was in the Soviet Union then, so--

Q: This was before the war. I mean during the war, when you were with the office of the Chief of Ordinance.

Yatsevitch: Oh, no. No, no. No.

Q: I raise the question about McCloy because he was an interesting figure.

Yatsevitch: Right. He was a major figure.

Q: Now as station chief, did you-- I'm not sure you can talk about this, but we'll see. Did you ordinarily report directly to the director of Central Intelligence or the chief of the Near East Division of the Agency? Or was it a combination of the two?

Yatsevitch: I suppose that the answer is perhaps a little bit analogous to what we might say about ambassadors. Ambassadors

are supposed to represent the President. So theoretically they report to the President, but actually instructions to the ambassador go out often written by some junior in the Department, who puts the Secretary of State's name under it and sends it out.

[Laughs]

Q: So people sign things they don't write?

Yatsevitch: Right. So I think that is analogous to my situation. Of course the Chief of Central Intelligence Agencies, was the person, I reported directly to, but there's an intervening hierarchy that handles all the details.

Q: Was communication in the form of telegrams?

Yatsevitch: Well, I suppose there's no reason why one shouldn't comment on that. No, there was an awful lot of cable traffic.

Q: Did the station ever produce long reports or studies on various aspects of Iran or was it mostly the short letters and papers?

Yatsevitch: No, no. Generally studies are produced by stations. It's part of the system. Specific items of special interest may



require a little research and the preparation of a monograph on that matter.

Q: Do you recall the subjects of any in particular that might be of interest?

Yatsevitch: I don't think there's anything that I can mention.

Q: Now at our last meeting you said that the figures in the Kennedy administration, such as Robert Kennedy, supported an effort--I guess in the very early sixties--to circumscribe the role of the Shah, but that the embassy did not support that generally.

Yatsevitch: I'm not sure that "circumscribed" would be the right word. I think they favored dissident elements that they would consider more democratic, the National Front type situations.

Q: You felt that Robert Kennedy was more sympathetic to the Front?

Yatsevitch: Oh, yes. I personally, sure they were.

Q: That's interesting. Do you think his brother would have agreed, I wonder?

Yatsevitch: I don't think so. But I think that Robert Kennedy exercised a lot of influence.

Q: Now I get the impression that there was some interest in Washington in building up the power of the Prime Minister. We talked about the Amini case.

Yatsevitch: Yes.

Q: The Amini case last time. And in that way that would somewhat limit the power of the Shah, in the sense that there would be a strong Prime Minister.

Yatsevitch: I think the general thrust was to prevent a developing and hardening dictatorship. I think that's what it was all about.

Q: What were your views on this effort, on these issues at the time?

Yatsevitch: My view was that there weren't any personalities capable of exercising adequate influence if the system were changed. So I felt it a mistake to try to thrust these

personalities to the fore, with some obvious American support especially.

Q: Did you report your thinking to Washington?

Yatsevitch: Oh, yes. But, as you know, in intelligence work one often reports general information without-- in addition to expressing one's own personal views too.

Q: So you always could make your own policy recommendations?

Yatsevitch: Right.

Q: At least on paper?

Yatsevitch: Yes. And one can have different views in one's own organization. You don't sort of muzzle anybody, you see.

Q: Were there some people in the Agency who were more favorable to the Kennedy view, for example? Or the Robert Kennedy view?

Yatsevitch: I think so.

Q: Were there more in Washington than the station?

Yatsevitch: Well, in Washington and in the station, yes. Yes.

Q: So there was debate and discussion over these questions, I take it?

Yatsevitch: I don't know if you know the name Richard Cottam?

Q: That's right, you mentioned him the last time. Of course he was there-- late '58 he was gone, wasn't he?

Yatsevitch: No. But, you know, he was a continuing supporter of those elements in Iran. I mean, even now, as a professor of wherever he is-- Pittsburgh-- he still holds forth on those views.

Q: Were there others who held views similar to Cottam? At the station or in Washington? After he had left?

Yatsevitch: To a lesser extent. Less intensely, shall we say.

Q: I have another question on another issue. In October '52, did the Cuban missile crisis have any particular impact on relations with Iran, that you can-- ?

Yatsevitch: I think that-- I really don't have any clear,

organized thoughts on that, but I think it had a sort of heartening effect on the Shah, that the United States was a formidable and determined force in the world.

Q: What was the atmosphere at the embassy like at that point, in October '52?

Yatsevitch: I really don't recall if there was anything unusual about it. I think that most of the embassy staff were entirely sympathetic with the action that was taken. I think there was real concern that it might result in an outbreak of hostilities, but on the whole I think that our government's actions were welcomed heartily by everyone.

Q: Did the Shah put his forces on alert or anything like that?

Yatsevitch: I don't think so. I don't think so.

Q: Was there much concern that if the situation escalated there might be an attack on neighboring Turkey or perhaps even on Iran?

Yatsevitch: I think purely sort of theoretical conversation.

Q: I think you said at the last meeting that actually at the end of '63 you were back in Washington, where you worked on a range of issues that included Iran?

Yatsevitch: Yes.

Q: Now to what extent did your work in Iran from '63 to '69 include inter-agency contact and collaboration?

Yatsevitch: To a considerable extent, yes.

Q: Who were some of the other officials in other agencies that you might have worked with? Can you think of any names? Any people who had particular influence or who were particularly--

Yatsevitch: Well, we worked with State and Defense.

Q: Do you recall the names of any officials who were very effective in representing the views of their agencies or its particular influence when it came to Iran policy?

Yatsevitch: I think it would take a little study on my part to identify personalities with any special impact.

Q: Now in 1964 the State Department more or less induced the government of Iran to ratify a status of forces agreement, which gave the U. S. government exclusive criminal jurisdiction over all its military personnel in Iran.

Yatsevitch: Yes.

Q: Most of the Armish-MAAG people, among others. Now discussions of this agreement had begun in 1962, but the Foreign Ministry of Iran stalled because the issue was so sensitive internally.

Yatsevitch: Right. Especially among the more liberal elements, the more educated liberal elements in Iran.

Q: Before you left Iran, did you have any discussions with the Shah about the agreement? Did that ever come up in your discussions?

Yatsevitch: Purely conversationally.

Q: Did he express anything about the agreement?

Yatsevitch: I think he felt that it put him in a somewhat difficult position, but that's about all that I can recall.

Q: Now many Iranians objected to the agreement, because it reminded them of the capitulations to the British and the Russians during the nineteenth and early twentieth century. How did your Iranian acquaintances express themselves about this agreement, when you talked about it with them? Did they have problems, those kinds of problems, seeing it as harkening back to an earlier period?

Yatsevitch: Yes. Sure. Some of them felt that it was a sort of surrender of sovereignty, I think, but something that perhaps was unavoidable.

Q: I've read that some officials in Washington tried to soften the terms of the agreement. I guess State Department officials particularly tried to soften some of the operations of the agreement.

Yatsevitch: Yes.

Q: But the Defense Department and the White House more or less refused to compromise on the issues. Did you play any role in the internal debate?



Yatsevitch: No. I was not involved at all. But I think the general position was that since troops are out there, certainly most of them not of their own free will, it's difficult-- it's particularly hard on them to put them under the jurisdiction of a totally different legal system and one where perhaps some innate local resentments might result in unfair handling of cases.

Q: Now when the agreement came to public attention during 1964, there was a public outcry against it, to which the Ayatollah Khomeini added his voice. Now had your officers done any studies of possible public reactions to the agreement?

Yatsevitch: I just can't recall what we did about that. I think it involved the embassy more than it involved us. We fed pertinent material into embassy channels on what was an overt political question really. So I think the embassy handled all the reporting on that, including our sources and their's. Which is kind of a logical way of dealing with overt problems.

Q: Now on October 25th, 1964, Khomeini made a vehement speech against the agreement and within a week or two he was exiled to Turkey. Do you know if there was any U. S. role in the decision to exile Khomeini, for example?

Yatsevitch: No.

Q: Was there any suggestion by the ambassador that it might be good for relations?

Yatsevitch: No. No. No, I don't think that the ambassador made any recommendations on that score.

Q: Also in our last interview session, you mentioned that you thought that some of the late sixties and early seventies ambassadors to Iran were not particularly strong?

Yatsevitch: That's my feeling.

Q: Possibly because the policy makers who were rather complacent about Iran's status and the situation in Iran generally. Now to what extent could the same thing be said about the station chiefs who served in Iran in the later sixties, early seventies?

Yatsevitch: I think there was much less complacency about the situation, because their people were in contact with dissident elements to a greater extent.

Q: Now also last time I asked you about the relationship between the CIA's clandestine division and the intelligence division of

the agency. I have one more question about that. In his recent book, James Bill declared that at least after the mid-1960s, communications between officers in the field and the intelligence analysts in Washington were not always very good. And to quote, he says that "the analysts considered the reports submitted from the field to be very weak. At times they felt that surely those officials stationed in Iran must be better informed than the reports indicated." The quote ends. "The case officers in Iran, however,"-- and this is a quote again-- "did not hold the analysts in very high regard, describing them as book worms or academic types." End quote. Did you see any evidence of this problem when you were in Washington?

Yatsevitch: No. I was certainly-- until 1969 I would have been in the middle of that kind of thing. I think there's sort of inclination to feel that-- among operational people to feel that the analysts are somewhat academically inclined and unrealistic about some of these things, but I don't think there's anything very-- nothing very serious there, at all.

Q: It may well have been an issue in the seventies.

Yatsevitch: I think it could well have been. I'm sure it's a problem that undoubtedly-- or it became a problem in the

seventies, I think, but by that time I was already out of the clandestine services and was engaged purely in my contacts with old friends in Iran and not with any specific political objectives.

Q: Now after our last meeting you said that the FBI aspects of SAVAK operations were a lot of interest to the CIA. I'm not sure if I understood that. Were you saying that the internal political surveillance, the monitoring work of SAVAK, was not of interest to the agency?

Yatsevitch: Oh, no. I think everything SAVAK did was of interest to the agency. Oh, indeed. After all, what SAVAK did and how they behaved had some impact on the internal security of Iran itself, and so we were naturally interested in following that. I think there was some deterioration in the quality of SAVAK with the passage of time. When SAVAK was new and was really a highly elite organization, they were able to draw on the cream of the officer corps and foreign office types and so on in setting up the original organization, and then little by little, when FBI type responsibilities became greater, I think that draws a different kind of person. Perhaps I'm being unfair to the FBI.  
[Laughs]

Q: I don't know. So also the last time you mentioned the

problem of economic corruption in Iran during the sixties and seventies.

Yatsevitch: Yes.

Q: Did you have personal problems with that when you were getting involved in business in '69?

Yatsevitch: Problems? Problems or evidence?

Q: You mentioned the problem of economic corruption. When you went into business in Iran after '69, did you personally encounter the problem as an obstruction to your efforts to do business in Iran?

Yatsevitch: I personally did not. I think that was because I was terribly well acquainted, so that it wasn't necessary. But people who were trying to break into the picture, of course, were confronted with that all the time.

Q: It was more a problem for newcomers?

Yatsevitch: Yes. You know, people like Princess Ashraf's son, Sharam, coming in and saying, look, if you want to work in this

country, you'd better let me make arrangements for you. And he'd get a big slice of kickbacks or commissions.

Q: Now when the revolution came in '78-'79, did the State Department or the Agency get in touch with you to see if you had any contacts that could be of us?

Yatsevitch: Yes.

Q: Can you comment upon that in any detail?

Yatsevitch: Well, I had some consultations and my reactions were requested and I provided them, and that was that.

[TAPE RECORDER TURNED OFF]

Yatsevitch: Now we're talking about Persians.

Q: Could you provide the names of any of your major Iranian contacts and acquaintances that you developed during the course of the late fifties, sixties and seventies?

Yatsevitch: Mahmoud Faroughi, who was ambassador to the United States and who was a career diplomat in the Iranian Foreign

Service and who lives in the Washington area, would be a prime and reliable person to provide wise comments on the situation. A very superior type of person and totally free from any shadow of corruption and impropriety of any kind. That's one who's in this area.

For interesting and perhaps somewhat slanted comments would be General Toufanian, who was head of military procurement and who likes to-- well, maybe this is a little improper, shut off the machine.

[TAPE RECORDER TURNED OFF]

Yatsevitch: Other people-- I think Sharif Emami in New York might be a person with some interesting comments to make. You're interested purely in the United States?

Q: It might be a little larger. People who had role in the U.S.-Iran relations, but also with the British. I think there's also interest in that.

Yatsevitch: Yes. Of course Ebtahaj in London, Abolhassan Ebtahaj, is a very high-grade individual, but I think his comments would be sort of slightly self-aggrandizing comments. But of interest and pertinent in many ways. He's a sound person.

And even Abdor Reza Pahlavi, the Shah's Harvard educated

brother, with whom I spoke the other day on the phone. He would have some interesting things to say, because he was not totally devoted to his half brother, the Shah. He lives in Florida,

Q: Any other names, or are those the principals?

Yatsevich: I think Hushang Ansary-- I don't know if you've already talked to him, but as you may know, his last job was head of the oil company and before that he was Minister of Economy, and has come out of Iran with a vast fortune. But a very intelligent, sharp man, He could be interesting to talk to. He lives in New York, as you may know.

Q: Any of the people who worked in SAVAK in the earlier days, can you mention their names? That you were acquainted with?

Yatsevitch: Persians?

Q: Yes.

Yatsevitch: Well, I don't know who is around here. You would get some interesting comments from Yussef Mazandi in Los Angeles, who as you must know is a newspaperman. He was a correspondent



for UP and that sort of thing for years and years. He's been an observer at the scene, but I think that he was able to ingratiate himself with the Shah by handling the news the right way from the Shah's point of view.

There's a gentleman here, Admiral Ardalan, who's a younger individual, who's a very sound and highly ethical person, who has some interesting views to express. I don't know if you've ever heard of him.

Q: I think his name has come up once or twice.

Yatsevitch: But Ardalan-- he comes from a Kurdish family and was directed by the Shah to establish an electronics industry in Iran, and so until the revolution he worked on that, and now is employed by Westinghouse. It would take a little longer for me to think up some other names.

Q: That's helpful. That's very helpful. I've no further questions.

Yatsevitch: In London there's a very good person, an industrialist, named Reza Rastegar, who is a high-grade person. He comes from one of the two big mining families in Iran. One is the Rastegars and the other is the Rezais.

Q: So you had business dealings with him? A business relationship with him?

Yatsevitch: Just have had a long social relationship with him. They're just close personal friends. They're rather superior people. Educated, intellectual.

Otherwise, off-hand I can't think of anyone at the moment.

Q: That's very helpful. That's a helpful list of names. I've no further questions for now. Thank you for your time again.

Yatsevitch: I hope this can be useful for your purposes.

Q: Yes. Thank you.

END OF SESSION

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