

used to talk those out. He and I would have a one-on-one talk almost every weekend either on Saturday or Sunday morning. And first it was a little a bit of a problem, more theoretical than practical, because we're not very keen about having certain kinds things in Iran where they might be picked somehow by the Soviet Union. But that was not a compelling factor. No, I think it really boiled down to whether we felt the Shah needed that kind of super expensive stuff for purposes of his own reasonable needs and national security. See, he did not need any outside military help against any other neighbors he had except the Soviet Union. Turkey, Pakistan they were no problems. Iraq was not a serious problem in those days. And it was simply, as I said before, infeasible for him to think about any kind of armed force that could defend Iran against a major onslaught by the Soviet Union. So, basically, we felt that his armed forces were largely there for purposes of internal security rather than for external defense or attack.

Q: How much concern, was there much concern about immediate, or near-term, or long-term stability of the Shah's position in this period? Did you think he'd be there for the long term and there'd be no dangers of revolution, or--

Rusk: Now, during the 1960s, we did not think that there was a significant prospect of an internal revolution that would unseat the Shah. There were some problems there with the Tudeh party and some of the Kurds down in the southwestern part of his country. But, we did not think that he faced the prospect of being overthrown. That

all developed later, after I left office.

Q: I've read, one thing did occur after the white revolution was announced in June 1963, there was major demonstrations in large cities involving the mullahs, and some of the middle class elements who were opposed to the Shah. Apparently the religious people played a major roll in these demonstrations. Did that ever come to your attention?

Rusk: Yes, sure, the mullahs had some strong objections to several aspects of the white revolution. For example, they didn't like at all the improvement in the position of women in their society. And the Shah took away from them the racket that the mullahs had run in selling water rights. Of course, in a place like Iran, water is extraordinarily valuable and the mullahs had been collecting on allocating these water rights to various people. And the Shah took that source of income away from the mullahs and cut back on these charges, and then took the income from it into the state treasury. And the mullahs didn't like that at all that really hit them where it hurt. But that was a little side racket the mullahs had going for them and at the time we didn't regret it. Although we knew this would upset the mullahs, by and large our view was that the mullahs were people who ought to be upset. They had foisted upon Iran a pretty severe kind of undercover theocracy that was at times very unpleasant to think about.

Q: I read that in 1966, the Office of Intelligence and Research at

the State Department issued a study suggesting that the U.S. should not be too closely identified with the Shah. Such a course which would also identify the U.S. national interest with the Shah's rule could lead to future difficulties. I've never seen the report, I've just heard it discussed somewhere. Did this report come to your attention, or did these views come to your attention at all? Or views like that?

Rusk: Probably did. I got daily briefing from that bureau. And then during the day they would send me little digests of things that they thought ought to come to my attention. But things like that were coming down the track by the dozens and dozens about countries all over the world. And I don't recall that their report on that subject made a major impact of any sort. You see, the intelligence people are always fearful that something bad is going to happen which they have not anticipated, and so there's a good deal of crying wolf in the intelligence community. And the policy people have time after time to decide whether this is for real, or whether the intelligence people are crying wolf.

Q: Also, you mentioned earlier that there was--during this period there were some deals, negotiations between the Soviet Union and Iran. One such deal was early in 1967 there was a barter agreement whereby the Soviets provided military vehicles in exchange for I think, Iranian oil, or natural gas.

Rusk: Yes, and did the Soviets, did they, by any chance help Iran

build a steel mill, or something?

Q: I think there was some steel mill projects also.

Rusk: Yes, right.

Q: Now, this deal, the barter deal which I mentioned there was a lot of flurry in the press about this agreement in early 1967. Apparently, in December of 1966, a month before you were in Iran visiting, I think it was a CENTO meeting perhaps. Did the Shah discuss these negotiations with the Soviets with you? Do you recall if he--

Rusk: Only in passing.

Q: In passing.

Rusk: I wasn't myself concerned about trade between Iran and the Soviet Union, provided it did not lead to a major Soviet presence inside Iran.

Q: So probably there was concern because this was the first time there was an arms deal between the Soviet Union and a country who had a border that was aligned with the U.S. in some way?

Rusk: Yes.

Q: I guess that was the concern that the press indicated.

Rusk: The Iranians always claimed that their caviar was superior to Russian caviar. And they explained it by saying that when the fish in the Caspian came down into the southern Iranian waters, for the first time they could open their mouths and they could eat better and, therefore, the caviar was better. [laughter]

Q: Yes, apparently on another visit, the following year, in 1967, according to the press, the Shah discussed--this is right after the Six Day War in of spring of 1967.

Rusk: Yes.

Q: Now, apparently, according to the press the Shah discussed Iran's role in the Arab-Israeli conflict. Did you encourage the Shah to play any special role in trying to mitigate the conflict, or the crisis?

Rusk: My general view was that if anybody or any source could find any kind of way to improve that situation in the Middle East between Israel and its Arab neighbors they were welcomed to try. So the fact that the Shah might have made some effort in that direction didn't bother us. Of course, he learned what the rest of us had learned, that is that this was such a frustrating unyielding set of problems that nobody's been able to make much of a dent on it. Matter of fact, the agreement between Begin and Sadat at Camp David has been

the only significant step toward peace out there since, in this post-war period.

Q: Apparently also during these same talks the Shah discussed with President Johnson and you the Vietnam situation. Did--

Rusk: Yes, he was--

Q: --he discuss this with you?

Rusk: He was interested in it and privately supported us, wished us well. He did not take a strong international position on it because it was more or less beyond his baillywick, his sort of range of responsibility. But I think he would have been glad to see us succeed in Southeast Asia.

Q: But he had no criticisms, he was basically a strong supporter?

Rusk: That's right. That's right.

Q: Okay, okay. Now the same year, in 1967, the Shah--the British announced their intention to begin phasing out their military presence in the Persian Gulf area. Do you recall if they discussed this decision with you and McNamara before they announced it?

Rusk: Well, the British did discuss this with us. From their point of view, they put it largely on economic grounds. We very much

regretted British pull-out from east of Suez because we had been left with so many responsibilities in this post--war period where we were expected to bear these responsibilities relatively alone. . And we knew that the American people would not like the idea that we've got to carry these burdens more or less all by ourselves. I remember, for example, at the time that Iraq was threatening Kuwait with an invasion. It was the British who played a key role in staring down the Iraqis, giving some assurance to Kuwait. And they had certain naval forces in the Gulf there at the time. So we didn't like the idea of there being a vacuum there, or that somehow the British would do to us in that area what they had done to us much earlier in Greece by saying, "We've got to leave. You've got to take the responsibility." Our basket was full. So both McNamara and I had some serious misgivings about the British withdrawal from east of Suez, and we expressed those very strongly to the British but to no avail.

Q: Did you discuss with McNamara, or President Johnson the implications for U.S. policy of that decision? What kind of things--

Rusk: Oh yes. Oh yes.

Q: What kind of things did occur to you at the time?

Rusk: Well, the American people can do a great many things as members of a party. But I think the American people are getting a little tired of having to do things like that all by ourselves. You

see, we have taken almost six hundred thousand casualties in dead and wounded in support of collective security since the end of World War II and it hasn't been very collective. We put up ninety percent of the non-Korean forces in Korea, eighty percent of the non-Vietnamese forces in Vietnam. So in an area like the Middle East, we wanted all the flags flying, and not to have these responsibilities descend upon us in a kind of a unilateral fashion, because we knew that there were very definite limits as what the American people would stand on things like that.

I remember, if I can jump forward a little bit, just to illustrate the point, during the Carter years, Mr. Carter had made a rather strong statement about having to use military in the Persian Gulf. And shortly after that I was talking to a well known German political leader and he was clapping his hands over the statement. I said, "Of course, you realize that if any American forces are involved in that area, they would have to be accompanied by British, French, German, Italian, Dutch, and other forces." And he said, "Oh, we can't do that." I said, "Well, then forget it, because the American people are finished with going around doing these things all by ourselves." Well, I think that's a very important point that we and some of our allies must keep in mind. You see, we can't draft farm boys out of Kansas and steel workers from Pittsburgh and go off and do things that benefit other nations without any participation by those other nations. That time is gone in my judgment.

Q: So in 1967 and 1968, the option of the U.S.--

Rusk: We wanted the British flag flying east of Suez.

Q: There was no thought of the U.S.--no discussion of the U.S. replacing the replacing the British role in that region? No one threw it out in discussion?

Rusk: No, we certainly weren't ready to make any formal acknowledgment of that as we did in Greece earlier.

Q: Uh huh.

Rusk: But the British were under very heavy budgetary pressures and they went ahead with it, with their withdrawal.

Q: Apparently the British decision caused the Shah some apprehension, because in the middle of 1968 he came to Washington to request for larger credit, larger military sales credits, like, a six hundred million dollar package that he based--with annual installments, annual sales apparently.

Rusk: Well, I think the Shah was concerned about the British withdrawal from east of Suez. After all, the British were members of the CENTO treaty. But I suspect also that the Shah used that as a point of leverage to get more military equipment from us, so it was a combination of things.

Q: Was there any discussion of the option that became policy under

the Nixon Administration? Setting up the Shah as like a regional gendarme. Was that an option that was discussed in 1968, 1969?

Rusk: We really didn't think of it in those terms and certainly we would not talk about it publicly in such terms during the 1960s because that would put the Shah in a very difficult position. He was not a satellite of the United States, and we didn't want him to be a satellite of the United States. We were prepared to cooperate on matters of common interest, but you don't humiliate somebody by talking about them as the American gendarme.

Q: Well, not in public. But, yes. Not so much in those terms, but having assumed greater responsibilities in the region. Stabilizing the region, in the military and political-

Rusk: Well, the very presence, the existence of Iran was itself a stabilizing element in the region. An important country with important resources and with a key location, and it was associated with Turkey and Pakistan. No, it was an important country for us. And I'm among those who regretted that the situation developed as it did much later with the Ayatollah Khomeini and so forth.

Q: Now, when you saw the Shah from time to time from the early 1960s to the late 1960s, did you see any change in him? Did he change much over the years?

Rusk: Oh, I think that as he got older he became more and more

caught up in the pomp and circumstance of his job. The sense of glory. He had that big, what, 2500 year celebration of the dynasty there or something-

Q: I think it was his coronation, I think, or something like that.

Rusk: But, he tried to tie himself into the glories of the past and things of that sort. I think that sort of thing grew as he grew older.

Q: Now one issue that did cause some controversy between the State Department and the Shah in the late 1960s was a dispute between the Shah and the oil companies over the level of income that Iran received from oil exports?

Rusk: Yes.

Q: Did the Shah and his representatives bring this up to you? Bring this up with you from time to time?

Rusk: Oh, that was talked about from time to time as I indicated earlier. The Shah would decide how much money he needed for a given year, and then he would turn to the oil companies and say this is what you've got to produce. This is what you've got to bring me. And this, of course, put a lot of pressure on the oil companies. Meanwhile, during the 1960s, we still were in the position of being rather tight about oil imports. See, during the Eisenhower

Administration, allegedly on the grounds of national security, we put severe restrictions on imported oil, and stepped up the development of our own oil here in the United States. From a security point of view, the theory was that imported oil had to come across oceans and oceans had submarines in them and this was a risky source of supply. Well, you'd think that if you're thinking about national security, you'd want to use up other people's oil first and keep your own oil in the ground. But these things got turned around, and during the 1960s there were times when I had to wrestle pretty hard with Stewart Udall, Secretary to the Interior, and certain other people in Congress to get some extra allocations of oil import for Venezuela, or for Iran, or for Saudi Arabia or whatever it was. So these oil companies in Iran were sometimes under great pressure from the Shah to produce more income, with an American market which was very difficult for them to get into in any sizable amounts.

Q: Did you or President Johnson take any special stance on this pressure, supporting the Shah as opposed to the State Department, or trying to conciliate them or mitigate the tension?

Rusk: We tried on occasions to make adjustments but those adjustments were quite small in character.

Q: Did the Shah ever make any, in terms when he put pressure on the oil companies, do you know if he ever made any veiled threats that he would nationalize them, or seize oil fields if they did not comply?

Rusk: Apparently--

Q: I had gotten the impression that there were some.

Rusk: That was always in the background. That was always in the background as a possibility, and both we and the oil companies were aware of that.

Q: Did he ever discuss with you his ideas about what kind of role oil should play in Iran's economic development over the years?

Rusk: Well, we were interested in his concern to prepare Iran for the day when the oil reserves ran out. He gave a good deal of thought to that and made some investments looking in that direction. We thought that was only sensible because, I forget now what the figures were at the time, but there was talk about Iranian oil only lasting for maybe thirty years, that kind of thing. And, so, the Shah was aware of that contingency and was very much interested in what Iran could do to prepare itself for the day when there was no longer any major oil reserves there.

Q: After you left the State Department in early 1969, did you have any contact with the Shah, or Iranian issues in the following years?

Rusk: Not really. My view was that when you're out you're out. And I did not, I have not tried to play the role of a grandstand quarterback. I never pick up the phone and volunteer advice to my

successors. Sometimes they'll call me but, no, I enjoy being a private citizen without any continuing responsibility in some of these things.

Q: Did you wish to make any comments on the developments of the late 1970s, in the light of your experiences in the 1960s, about the revolution in Iran?

Rusk: Only one that probably isn't worth very much. It's my impression that at a crucial moment the Shah lost his nerve and could not bring himself to make the decisions that would have to be made if he were to maintain his own position. To begin with, he should probably should not have allowed the Ayatollah Khomeini to come back to Iran. He had the force and the power inside Iran to maintain his position but he did not use that force, and whether American advice to him was not to use it, or what, I don't know. But I think the situation was more controllable if he had acted firmly--not to let this revolution take over.

Q: Thanks very much for the interview and your time.

Rusk: Well, I enjoyed it. Thank you very much, Mr. Burr.

Q: Well, okay. One more question. When you made decisions on Iranian issues from time to time, who were your major advisors in the Department?

Rusk: Well, I tried to delegate as much as I could to my own colleagues. Something like three thousand cables went out of that Department on each working day to our posts and to governments all over the world. Of those, and they're all signed by the Secretary, even though the Secretary might see six or seven of them before they go out. The rest of them go out on the basis of authority and responsibility delegated to hundred of officers in the Department to get on with the day's business. So I relied very heavily upon the Assistant Secretary for Near Eastern Affairs and upon our ambassador in Tehran. Now, I always reserve the right to make the final judgments as to which decision should be taken to the President to get his guidance. But I had a pretty competent associates along with me during this period, men like Phillips Talbot, Armin Meyer and people like that.

Q: Did Averell Harriman have any role in decisions on Iran at any point? Or George Ball?

Rusk: George Ball did. George Ball was the Under Secretary and was my alter ego and he was also--I leaned on him very very heavily for all economic matters.

Q: Like oil questions.

Rusk: Yes. And so he played a very important part in my relations with Iran. But I think on the whole, during the 1960s, the State Department operated pretty well on Iranian questions. I don't recall

major controversies within the Department or between the Department and either McGeorge Bundy, or Walt Rostow over at the White House on these issues. Once in a while, there would be some eager beavers who would want us to demand and force the Shah to do this rather than the other. But I tried to resist that because I didn't think that that was our job.

Q: Thank you.

Rusk: Okay.

[end of side two; end of interview]

RUSK, DEAN

Name	Page
Ala', Hosein,	3
Amini, ^C Ali,	11-12
Azarbayjan Crisis of 1945-46,	2-5
Baghdad Pact,	6-7
Ball, George,	45-46
Begin, Menachem,	35-36
Ben Bella,	18
Bundy, MacGeorge	46
Byrnes, James,	3
Camp David Accords,	35-36
Carter, James E.	38
CENTO,	6-7, 13-15, 22-23, 34, 39
De Gaulle, Charles,	16
Dulles, John Foster,	17
Eisenhower, Dwight D.,	6, 14-15, 41-42
Events of 1963-64,	32
Fulbright, J. William,	12
Harriman, Averill,	45
Herter,	6
Hiss, Algar,	1
Holmes, Julius,	19-20
Humphrey, Hubert,	12
Johnson, Joseph,	1
Johnson, Lyndon B.,	7, 16, 26-30, 36
Kennedy, John F.,	6, 7, 10-11, 13-21, 26, 27
Khomeini, Ayatollah Seyyed Ruhollah,	40-44
Komer, Robert,	25
Leyland, John,	3
McNamara, Robert,	30-31, 36-37
Meyer, Armin,	19-20, 45
Nasser, Gamal ^C Abd,	18
NATO,	14, 29
Nehru, Jawaher La ^C 1,	18
Nixon, Richard M.,	40
Nkrumah,	18
Pahlavi, Mohammad Reza Shah,	7-36, 39-44, 46
Pahlavi, Queen Farah,	10
Revolution of 1978-79,	44
Rostow, Walter,	46
Russell, Richard,	27
Sadat, Anwar,	35-36
Stalin, Joseph,	3, 4
Sukarno,	18
Talbot, Phillips,	7-8, 45
Tito, Joseph,	18
Truman, Harry,	1
Tudeh Party,	31-32
U.S. News and World Report,	12
Udall, Stewart,	42
Wailes, Thomas,	19
White Revolution of 1963,	9-10, 12, 20-21, 23, 25, 27-28

