

understand the problem at that time. This business--I never could understand why the government sort of said, well, let the oil companies work this out with the OPEC countries.

Q: Why do you think that was the case? Do you have a clue as to what the decisions were in Washington?

MacArthur: I have no clue. Because it was so illogical for anybody who's dealt in power politics. By power politics, I mean the power was all in the hands of the OPEC people. The other guys, there was nothing they could do. If you don't have somebody behind you saying, "Wait a minute now; if you're going to do that, we're going to have to rethink some things, too," they're going to go ahead and shove you around. If they have a monopoly position and we are oil short as we were in the subsequent period, they can go ahead and do it anyway. But at that time that was certainly not the case. But after we let it happen in Libya, of all places--because not only the Shah in Farsi was getting beaten to death by the (Soviet) Voice of Free Iran, the Saudis and all the others were being called lackeys of the imperialists that in the broadcasts coming from Batum and East Germany, beamed on the Arab countries in Arabic. They were being called running dogs who had given into the American and European imperialists, and all the rest of it.

Q: Now, later that year, in September of 1971, OPEC resolved to begin negotiations with the oil companies over the issue of nationalization of the ownership of the holdings in their own

countries. Did you discuss this with the Shah, the question of nationalization, that year, 1971?

MacArthur: I'd have to think back. Offhand, I just don't remember. We recognized the right of every country to nationalize--that's a national right--facilities and things that are within their domain but with fair compensation. But I don't recall any particular discussions about that. There probably were, and there are probably telegrams. Maybe they've been declassified.

Q: Yes, I don't know. Okay. I just have sort of a final question that might lead to your reflections on this whole question of U.S.-Iran relations. Some people said the Shah emphasized and had a great interest in economic modernization, but never paid attention to the political modernization problem, of constitutional government or expanding democracy in his country. Was that something you ever discussed with him, the question of political modernization?

MacArthur: Well, as I mentioned earlier, I had discussions with him in general terms, not under any instructions from Washington, but about the future. He said to me he was trying to build up and create an opposition--because when he was gone, if you didn't have an alternative form of government, demagogues came out of the woodwork and so forth. He helped create the opposition party in the Iranian Parliament, precisely because he felt that eventually you had to have an opposition party, an alternative if authority became unpopular. In the modern world you had to have a safety valve. But having said

that, I think he understood this as a matter of principle, but he never gave any actual evidence by his actions of getting ahead with it. He would tell the parliament what he wanted, and it was a rubber stamp parliament. So while nominally there was the small opposition group that you mentioned--the Front--as a practical matter it was a facade. He was absolutely hooked on the modernization and education, and particularly industrialization, and as I say with Japan as a model. Not understanding the difference between the most homogeneous and most literate people in the world, the Japanese, who lived in their islands for centuries and developed their own way of doing things, and his country, which was not only 75% illiterate but had half Persians and the rest divided between five great minorities, the Arabs, the Kurds, the Azerbaijani Turks, the Turkomens up in the northeast corner, and the great Baluchis who stretched down the whole length of the Iran-Pakistan border. Half of Iran was divided in minorities, five minorities; half the population consisted of five minorities, and half was the relatively homogeneous Persian--so-called Persian--population.

Q: Would you like to make some general reflections?

MacArthur: I think the Shah was a man who had all the right intentions for his country. I think he had ambitions for his country, and not himself. He was not a corrupt man himself. He had no need to be corrupt; he had everything that he needed and more. But he did tolerate corruption in his family, in his immediate family. His downfall, as I say, was basically caused by a whole

series of things, high among which was his total lack of understanding about that terrible economic mistake he made. Just as responsible, for a man who had no formal education and who had educated himself but who knew nothing, was his total dependence on yes men. Because he had such a strong authoritarian voice, he surrounded himself only with people who said yes to him. There was a bit of an alienation between him and his younger brother, Prince Abdor Reza, whom I admire and respect. He was a distinguished agronomist, set up the first agricultural stations in Iran to develop agriculture. But he and his brother were estranged for a considerable period, because he disagreed with his brother about certain things that he knew more about, in his educational background. So the combination of yes men, no attention to detail--when your government doesn't know, and you have no idea, whether you've committed to \$450 million or a billion dollars of arms purchases, you can see how difficult the situation was. But he was a man who wanted the best for his country, who wanted to develop a form of democratic society, who enfranchised women, who secularized schools and said everybody must be educated, who started a trade union movement, who did a great deal to improve health standards through the Health Corps and the like. He tried to do a lot for his country, and, unfortunately for I think everybody, he fell short and went down because of certain shortcomings of his own, some personal, and some simply total lack of knowledge and experience and understanding of economic realities.

Q: Thank you very much.

[end of interview]

MACARTHUR, DOUGLAS II

Name	Page
Alam, Amir Asadollah	31,32,58
Amuzegar, Jamshid,	36
ARMISH-MAAG,	22
Azarbayjan Crisis of 1945-46,	8-9,27-29
British Petroleum Company (BP),	56
Central Intelligence Agency (CIA),	9-10,52,54
Churchill, Winston,	4,8,13
De Gaulle, Charles,	13
Dubcek, Alexandre,	16
Dulles, John Foster,	7,9,11,13
Eisenhower, Dwight D.,	6,11,13
Esso Corporation,	56
Events of 1953,	9-10
Farsiu, General,	32-33
Feysal, King of Saudi Arabia,	51
Hammer, Armand,	59
Helms, Richard,	53
Henderson, Loy,	7
Herriott, Edouard,	5
Hitler, Adolf,	8,28
Hoover, Herbert Jr.,	10
Hoveyda, Amir ^C Abbas,	43
Hume, Lord,	50
Irwin, John,	59-60
Johnson, Lyndon B.,	15,38,42
Kennedy, John F.,	14,38,42
Kishi, Nobosoki,	12
Kissinger, Henry,	24,25,41,53
Lotfollah, Prince of Egypt,	27
Luns, Joseph,	23
Molotov,	28
Mossadeq, Mohammad,	7-11,29
National Front,	38-39
Nationalization of Oil of 1950-51,	7
NATO,	6,7,9,13,23
Nixon, Richard M.,	16,18,23,25-26,41, 42,44,46-47,53,59
Occidental Petroleum Company,	59
OPEC,	35,36,54-56,59-62
Pahlavi, Mohammad Reza Shah,	8-11,16-22,26-31, 33-38,40-54,56-64
Pahlavi, Prince ^C Abdol-Reza,	64
Piercy, George,	56
Qabus, Soltan of Oman,	50
Qazzafi, Colonel Mo ^C ammar,	59
Revolution of 1978-79,	35-38,40
Richardson, Eliot,	53
Ridgway, Harry,	6
Rogers, William,	16,22-24
Roosevelt, Franklin D.,	4,8,13,35
SAVAK,	33

MACARTHUR, DOUGLAS II

Name	Page
Sazeman-e Cherikhay-e Fada'iyān-e	
Khalq-e Iran,	40
SEATO,	12
Sisco, Joseph,	22
Spaak, Paul-Henri,	14,15
Stalin, Joseph,	8,28
Strathalmond, Lord,	56
Tehran Conference of 1943,	8,28
Togo, Admiral,	2
Treaty of Rome,	14
Truman, Harry,	6,12,28
Tudeh Party,	7,29
Uriu, Admiral Baron Sotkichi,	2
Von Ribbentrop, Joachim,	5
Weygand, General Maxime,	4
White Revolution of 1963,	29-34,36
Zahedi, Ardeshir,	18
Zahedi, General Fazlollah,	9

