

that I had made back in the late 1950s had continued on into significant roles of responsibility not only within the government but in the private sector as well. They were bankers and lawyers and educator--just across the whole spectrum of society. Which was of enormous benefit to me because of my own responsibilities. I felt basically like I was coming back home, in a certain sense. In other words I didn't have to start from ground zero and gradually build acquaintances or confidences or anything else. It got to the point where we would not infrequently find ourselves in unofficial, social gatherings where we were the only outsiders, and the Iranians accepted us just like another Iranian, we were so well known, and vice versa. Which was very comforting.

Q: Now in this earlier period--when you were meeting these people to begin with, did they ever give you sort of their candid views about how they felt about the Shah and his system? What kind of impression did they give you of their attitudes.

Miklos: I would get some really quite frank discussions of the Shah and or the government in general, even though in many cases they were part of the government. Of the society, of the culture, of the way things were going. Once you gained their confidence, which I was lucky enough to do, they could be quite open. You have to understand the Iranian psyche and personality, and know that they're just certain things that you can talk about and other things you can't, at a certain stage in your relationship. It evolves.

But back to your original question, yes--there was criticism of

the Shah, of his policies, of him personally, of the people around him. Some of them were really quite vehement. Some felt, you know, that really this was not the wave of the future--something else had to be there. Now they weren't talking overt revolution, but more in idealistic or conceptual terms. That, "If we're going to modernize and progress we've got to have a different system than we've got right now. Too much power is under the one man," and on and on. But, as I say there was never talk of , you know, "Let's man the barricades," that I heard.

Q: In terms of the embassy's overall role--this is again in the late 1950s--did it have much contact with opposition figures, like the National Front? Was there much discussion with these people at meetings, casual or planned? Do you recall?

Miklos: Well, much is a difficult concept. Yes. There was contact and discussion. Not in terms of the U.S. government encouraging an alternative to the Shah. It was more in terms of being informed about what was going on, what people were thinking, and what their attitudes were, and where their loyalties were--that sort of thing. It wasn't just the national front. It was a variety of other peoples and movements, or philosophies. The one area that I would have to say we never really had much contact with was the religious side of life. I suspect even to this very day that it probably would have been literally impossible to achieve the kind of rapport or understanding that we achieved with other factions of society. First we were westerners--we had a different outlook, different philosophy,

different language, different almost everything. While I think we would have been pleased if this could have developed, it, I think, was evident to almost anybody who thought about it that unless we were an Islamic scholar, or we had something really in common to discuss it was not possible. We were not Islamic scholars, we were representatives of the United State government. So that there wasn't any real grounds for discussion or contact.

Q: You said that there was contact with opposition type figures, National Front and otherwise. Was this the Shah or his officials expressed opinions about this? Did they have any anxieties or worries about this kind of contact? Even just for informational purposes, did this cause any problems? Do you recall?

Miklos: The Shah--well, the Shah. His government, or members of his government evidently kept a fairly close watch on certainly some of the more prominent members of the opposition, and became aware in one way or another of contacts that they might have with non-Iranians, including members of the embassy. They let us know that they were aware of these contacts, one way or another. I don't think that I can remember any case where they expressed objection to it, they just let us know they were aware. Now, I suppose you could say, "Well, the implication was that by doing this they were expressing dissatisfaction with the fact that these occurred." To a certain extent that's true, that's true. Nevertheless, they didn't in effect say, you know, "You're persona non grata if you persist in this" or anything like that. But, again, in the Persian context it was just

sort-of understood.

You also had the other side of the coin where, I assumed--and I have no direct evidence for this but I assume, that those people were also made aware of the fact that it was known that they had contacts with, among other people, representatives of the American government, of the American embassy. It might have been more explicit as far as they were concerned that this was not something to be encouraged. Now as I say I have no direct evidence of this, but I don't think it's a misplaced assumption.

Q: Now the people in the embassy who were making contacts, they were mostly political officers? Were they basically the political section of the embassy? Or was it broader than that?

Miklos: It was broader than that. USIA had a lot of contacts with the academic community and the students, where you found a lot of dissidents. Our economic people had contact with business people and so forth, some of whom were not enamored with the way things were. Political section, again politicians--opposition active or semi-active opposition and contacts with them. They articulated their views which were not necessarily in accordance with the regime. So there were was a fairly broad spectrum of contacts in various parts of the society. It was not limited just to government--I mean our presence was so massive.

Q: Now you said that in 1959 you were at Stanford doing an M.A. in political science.

Miklos: And economics.

Q: 1959 through 1960. Then you went back to the State Department.

Miklos: Yes.

Q: Working as the country?

Miklos: Desk Officer.

Q: What was your actual position?

Miklos: Well there was the head of the Iranian Desk office. Then there were two of us--one myself, economic officer, and one the political officer, and then support staff.

Q: Who was Desk director at this point?

Miklos: John Bowling.

Q: Okay, John Bowling. Who was the political person that you worked with? Can you recall?

Miklos: This is terrible, I honestly can't remember off-hand. John so dominated the political side of things, and he was very knowledgeable as I mentioned earlier. I honestly can't remember who

was doing political things.

Q: Was Bowling at the embassy in the late 1950s also?

Miklos: John and I were together, I mean we were there at the same time.

Q: What was his position in the embassy at that time?

Miklos: He was First Secretary in the political section.

Q: But he went to Country Desk in 1961 or 1960?

Miklos: John was there when I got there, so he must have come there in 1960, early 1960.

Q: So you mostly monitored economic affairs when you were working. For three years I guess, until 1963?

Miklos: Right.

Q: One development early in the Kennedy Administration was the formation of a task force on Iran. Were you involved in the task force?

Miklos: Yes.

Q: Do you recall what precipitated its formation? What led Kennedy and Rusk and so forth to decide to set this up and have it do a review of policy?

Miklos: I'm not sure I remember precisely the reasons for it. It may have been a configuration of concerns in the new administration about Iran, about the stability of the country, the direction it was going, its dependency on the United States, its request for assistance. I suppose a perception among some members of the new administration that things indeed were going to pot, and that something had to be done to retrieve the situation. Maybe even that was the basic reason. What factors entered in to that perception I'm not really sure, but I think it is fairly clear that there was that perception in the White House.

In any event there was this mandate came down to form a task force and come up with a solution. First because there was a new administration everybody wanted to get in the act. There were people from the Department of Agriculture, Treasury of--I don't know, the most ridiculous. Everybody had to get in. So you'd call a task force meeting and you would have sixty or seventy people, you know, that'd try and hammer out meaningful and hopefully effective policies for Iran. Well, as is so often the case in situations like that, it boiled down to John Bowling and I and ultimately Phil Talbot writing the paper. I don't know if you've come across this in your research, but there was a paper produced which was then passed on to the White House and National Security Advisor Mac--Bundy if I remember

correctly and I think I do. Which were then, "Okay, this is going to be our policy for Iran." If I remember correctly the difference between--if there was a difference--what the U.S. government's policy toward Iran was before that and what it was in the Kennedy administration was mainly on the economic side and mainly to do with economic "reform." To some extent dealing with the military aspects, but again the broad policy objectives were the obvious ones, you know: national integrity, independence of the country, economic development, social welfare. The flag and mom and apple pie.

Q: That was sort-of the thrust of the approach taken by the task force to uphold those kinds of objectives.

Miklos: The thrust of any administration or any country. Not unique to Iran.

Q: But as you said a minute ago, there was some interest in economic reform.

Miklos: Yes--more emphasis, shall I say on that aspect of it. More hard-nosed, if you will, attitude toward, you know, "Now look. You've really got to get down to cases here and do something about corruption, endemic corruption, about the bureaucracy, about pledging new resources, about establishing priorities, etc."

Q: Was land reform a major part of that thrust? Or no?



Miklos: If I remember correctly, land reform was already something that had been initiated by the Shah. But I think that an element of this plan, if you call it that, was an emphasis on pursuit of land reform, yes. Which was not in conflict with the Shah's own objectives--not at all. As a matter of fact I think that he saw this as a key element of his own approach to modernization, as well as political power. But, so I don't think that he needed an awful lot of--here again my memory is a little weak-- but it wasn't so much the objective. It may have been the means toward the objective, maybe in some discontinuity about--.

Q: In the country task force did they assess or review security policy, or political policy generally? Did anything new come of that end of things, do you recall?

Miklos: Well there was quite vigorous debate about the military side of it, and our relationship and role in Iran's military build-up. With one faction feeling very strongly that there had been too much emphasis in the past on that aspect of Iranian life, and that we ought to cut back severely.

Q: On military aid?

Miklos: On military aid.

Q: Who were the proponents of that, do you recall? Who got the idea, or who might have pushed it? AID?

Miklos: Well, AID I guess to some extent. I don't recall that AID was terribly vociferous on this side. But yes they just philosophically would, and did, want to emphasize the economic side much more than the military side. That's the camp, if you would, for and against that. They would be against the military side. Ken Hansen, who was with the Harvard group as I mentioned earlier, and I guess Dean Mason, or somebody. Anyhow, Ken ended up as--in the new administration--came back, joined the new administration as the Assistant Secretary of the Treasury for International Affairs. He had a very strong bias toward the Plan Organization against the military. So, he was a strong voice in that. Bob [Robert] Komer, who not too many years ago was Deputy Secretary of Defense, policy planning or something like that--I'm not sure exactly the title. A very high position. But anyhow, Bob was in the White House in the NSC in those days. He was a very vigorous opponent of military assistance and of the State Department in general. So those were the key players on one side of the question.

Q: Now in terms of the task force recommendation, did they talk about or make a special emphasis on political reform? Pressing the Shah to take a restrained approach towards his power, pushing towards a more constitutional role for the Shah? Was there discussion of that end of things?

Miklos: Certainly there was some discussion of it in the paper. The paper itself was the kind of paper that you would recognize as a

product of the bureaucratic system where there was this "on the one hand" and "on the other hand" kind of thing. I honestly can't recall what specific recommendation was made in that area. I'm certain there was something that was said, and it had to be in the direction of more participation, broadening the access to the political system, etc. But I think more importantly the question is whether these recommendations--and again I don't remember the precise specifics of it--were acted on or even accepted by the White House. Generally, there was as I remember dissatisfaction in the White House with the recommendations. There was a fair amount of debate back and forth.

Q: Between [MacGeorge] Bundy and the State Department, for example?

Miklos: Well, between State and the NSC and Bundy, yes but just the NSC and Bob and Ken, and so forth. So that you didn't get a crisp, sharp, specifically articulated "One-two-three, this is what we're going to do and go do it" kind of thing. You've got more of, "Well, in general this is the direction we want to go," and "Yes, we'll do this on the military side like sell them a frigate," or "We won't sell 'em that," or "Yes, the level of aid this year will be this if they do that," and on down the line. That's my recollection.

Q: Did you get a sense of where President Kennedy stood on Iran in general and the Shah? What he thought should be policy?

Miklos: Well it's interesting--it was interesting. As I said, my

perception was that he and the Shah didn't like each other at all.

Q: What gave you that impression?

Miklos: Well various comments that I heard from various sources. Including, I think, a public comment--at least one that became known--when he called him a tin pot Dictator. That wasn't necessarily well received in Tehran. Apparently their personal animosity before Kennedy was every President grew out of some macho-lady conflict. I say apparently--I have no direct knowledge of this.

Q: It was alleged.

Miklos: It was a story. In any event, you got a very strong sense one way or another from the White House that it was really no great love affair. But I must say this for Jack Kennedy, he came to understand--far faster than most of his advisors--that the world was much more complex than they were suggesting to him, and that things were much more difficult, and solutions were much harder to find than might have appeared to be the case. I was gratified at one stage of my life in the service of government--I think it was a speech made in Seattle, something like that--where he said publicly, he said in effect "Let's face it American citizens. We don't have all the answers." I thought "Well thank God, the President of the United States realizes that is the case." Because we often pretended like indeed we did have all the answers.

There was a lot of rhetoric at that time, a lot of to-ing and fro-ing. In the end, what we ended up with was in my view a fairly pragmatic policy. While they said, you know, "We ought to have a plan for the next five or ten years," in fact what we were doing, and what we ended up generally doing was sort of on a day to day basis. We have broad general goals, but the specifics and the details were, you know, "We'll deal with it as we go along." That's what we did.

Q: At the same time as the task force was doing its planning and thinking, in the spring of 1961, the Shah appointed a liberal as Prime Minister--Ali Amini. Since that appointment was made, in the course of the years it's been alleged the Shah made that appointment under American pressure--from the State Department or the White house, one way or another. Did you get that sense at the time, that there was some pressure to appoint a new prime minister, a reformer?

Miklos: I know that is a familiar story. I wouldn't argue that at one level or another and in various forms or another that there wasn't an argument being made by the American government that he ought to appoint a liberal, forward looking statesman as prime minister. That Amini's name was ever specifically suggested I doubt. Although it might have been sort of on an illustrative list of people who had impressed us as people that might serve the Shah well in implementing and forwarding his own program. It would be put in those terms, I think. If we ever said anything on the subject it would be like that. But that he was appointed prime minister under duress and at the behest of the American government I do not believe

at all. Having observed how we operate in foreign affairs, at least in that part of the world, over many many years, I just do not believe it.

Q: That's interesting, though, that the Shah in the late 1960s said on a Newsweek interview that he, in fact, said that that was the case, that he'd been--

Miklos: I know. I know. I can't deny that, you know, he may have gotten that impression one way or another, from whomever. But I think that that's a distortion of what really happened.

Q: I had the impression that Kennedy got to know him either in the 1950s--I mean he was ambassador for Washington in the mid-1950s.

Miklos: Who?

Q: Ali Amini. I guess Kennedy got to know him.

Miklos: Yes. Yes. He spoke that sort of liberal language. Which he wasn't at all, actually--he was very much an autocrat in the cast of the Shah if not more so even Reza Shah. I don't mean to denigrate him, he's a perfectly honorable man, but he was a true Persian in that sense. From an aristocratic family, a wealthy land owning family and so forth. That was his background, and that's the way he acted and thought. When he talked with the Western world why he could, you know, use the language and rhetoric of the western

liberal. But in practice he was just as autocratic as any of them!

Q: You mentioned earlier, one of your activities in the Department was working with the IMF stabilization program, working on that issue. You mentioned the task force. What else were you involved in during this period 1960 to 1963. At the country desk, what were some of the major issues that came up?

Miklos: Well, nothing particularly stands out in my mind. It was just sort-of the ongoing day-to-day business of the grinding bureaucracy, fighting bureaucratic battles on this front or that front. Trying to get aid levels at whatever they were, servicing the embassy and the ambassador in the sense of providing them with information about what was going on in Washington. Being sure that their thoughts and recommendations were funneled in to the decision making process, that they got to the notice of the right people.

One specific issue I was wrestling with was a claim by our government against the government of Iran for a Lend Lease debt that we felt that Iran owed I forget the exact sum of money--X million dollars. We were determined to collect it. This was for equipment, mainly military equipment that was left-over, basically, left-over in Iran after World War II. We'd given it to Iran, but we put a price tag on it and it was sort of in effect, we said "Well this is a loan, and it's time for you to repay this loan the value of this equipment." Well, I really don't want to bore you because it is in a way boring [laughs] but all of the ramifications of this and how

it impacted our aid program and should we take it out of the aid, and dealing with the Iranians on this and saying "Pay up your bill."

Q: Did they finally settle on terms?

Miklos: No. I thought when I left Iranian affairs in 1963 that I'd seen the last of that problem. Not true. When I came back to become County Director in 1969 the problem was still there. When I went to Iran as DCM in 1974 the problem was still there. And when I left Iran in 1978 the problem was still there! I on occasion had to make a demarche when I was either Charge or DCM in the 1970s to the Iranian government about this issue which by then was niggling compared to all of the other things that we had going. I vividly recall one occasion where I went in to see the Minister of Finance Hushang Ansary and made representation about this outstanding debt that we wanted paid. It was a fairly tough message--toughly worded. I didn't really like it myself, and I knew it wasn't going to go over well at all with Hushang Ansary, or any other Iranian for that matter that heard it. But I did my duty and Hushang was also a good friend of mine, but we were dealing as official to official and he rather coldly told me well, he heard my message and they did not accept our basic premise, that nevertheless they would study the matter.

Q: One issue that came up in 1962 apparently, I recall, was a new approach taken to military aid, I think, whereby the U.S. would tie military assistance and economic aid generally, I think, to efforts by the Shah to cut back on the size of his army, to keep it to a



certain level of 100,000 men. Do you recall? Were you involved in formulating that approach, or implementing it in one way or the other? Apparently it went up to the NSC level, it was discussed by the NSC. It was in Spring of 1962.

Miklos: I certainly was not involved in deciding that a numerical limitation ought to be placed on the size of the military force. I obviously was made aware of it, and participated in implementing the policy to the extent that I discussed this with whoever I was in contact with.

The approach also evolved, and I'm sorry I can't remember the precise chronology here, but in our getting involved in depth in a budgeting process if you will whereby our aid program was--the size of our aid, the amount of our aid, both military and economic--was part of the larger judgment about the overall economy and Plan Organization budget, and so on and so forth. This was supposed to be a logical element in Iran's overall program of military and economic development. When they would tell us what they wanted to do, we would make a judgment about what our aid ought to be. This held true to a greater or lesser extent until about 1971 or 1972. This was a fairly long-term program and posture that we took vis a vis our economic and military system throughout.

Q: Giving credits as well as grants?

Miklos: Yes. Very intimate association with the whole process, obviously. We were in the country's budgeting process.

Q: Did you, when you were helping implement this program, did you work closely with Iranian officials at the embassy that were involved with these same things? Did you meet with them?

Miklos: Their embassy had little or nothing to do with it, no. Our business was through our embassy, and through our embassy with the appropriate elements of the Iranian government in Tehran. We did little or no serious business with the Iranian embassy in Washington. There were one or two people that I vaguely remember that really were in a position to do any business, for that matter. Ardeshir Zahedi, son of the Shah, was ambassador then, and he was subsequently.

Q: In the early 1960s?

Miklos: In the early 1960s.

Q: Then he came back later on?

Miklos: He came back later on--he was ambassador twice. Foreign minister, and then came back as ambassador. I discussed some business with Ardeshir, but really not very much. The really, really serious business was not with the embassy in Washington, it was through our embassy in Tehran.

End Cassette 2, Side 1

Begin Cassette 2, Side 2

Q: You were talking about the Shah's--the concerns of the Kennedy administration--that the Shah's ability to absorb military weapons, military purchases that he wanted to make. Were those concerns expressed at that point?

Miklos: Oh yes. This was one concern, there was a continuing concern with all of the administrations, as a matter of fact. I think that in the Kennedy days and up until the Nixon days, there were other concerns in certain parts of the U.S. government about the role that the military would have in Iran, what it's true needs were in terms of defense, and so forth. So it wasn't just the absorptive capacity or it wasn't just the financial resources available, but there were a complex of considerations. But certainly one of the over-riding ones that we made with the Shah--and indeed that we made with many of his advisors and so forth, which was accepted to a certain degree--was, you know, "How rapidly can you take this stuff on once you have it." Not only the question of just learning how to use it but maintenance, which was a very critical part. Then the management of the back-end of weapons systems, the spare parts and replacement, etc. So again, when you get in to it that's why it's more than just a simple question of needs or desires or capabilities. There are a lot of other aspects to it.

Q: In any case, during the Kennedy administration the policy was to closely monitor what the Shah would buy, how much he would spend on military, things like that? The thrust of policy?

Miklos: Well, closely monitor in the sense that our response to their request were contingent upon our assessment of their total governmental activity, which got in to the economic development field and questions of taxes--well, government activity! That we would make a judgment about our response to their request on the basis of our analysis of what was happening elsewhere in the economy as well as in the strictly security field. So we were almost, you might say, part of their budgetary planning process on a post-facts basis--not on an on-going basis but on a post-facts basis. We'd say, "Okay, here's what they've set aside for this and this and this. This is where the gap is. How much of it are we prepared to fill?" We weren't going to do anything until we had this analysis completed.

Q: Did the Shah accept this grudgingly, this procedure?

Miklos: Well obviously it was accepted because we did work with the Iranian government officials in developing the kind of information we needed to come up with our own analysis. What his directions were to his ministers, you know, I have no way of knowing. The assumption is that, you know, he said "Well, give the Americans what they're asking for." I don't recall that we ever hammered out in detail--and as a matter of fact I rather doubt that we did--what it was that we wanted the Iranian government to provide us, or what we intended to do. I think that our approach was--to the Shah--was a broader, more generalized, you know, "Your Majesty, in order for us to be responsive to your and your government's requests we feel obligated

to our own people and to our Congress to be able to answer questions about the legitimacy of what we're going to be doing here. To do this, why, we have to have information about what your budgetary resources are, and the sources of those resources, and what your expenditure patterns are, and so forth. If you'd be good enough to direct your Ministers and their subordinates to cooperate with us, why, it would be gratifying."

Q: During the months after this military aid program was worked out, the Shah--towards the end of 1962--announced his White Revolution program in early 1963, had a national referendum on a six-point program for land reform and military reform, and so forth--educational reform, administrative reform and so forth. What was the US's, the State Department's response to it, the U.S. government's response to this sort-of sweeping reform program?

Miklos: Well, there was mixed feelings about it. Some people in Washington felt that this was just a p.r. operation, and/or a son to the Americans who were pressing for reform and progress. Others felt that it was unrealistic, and grandiose, and certainly too ambitious. Yet others thought that this was an enlightened framework for moving forward toward goals that both we and Iran, you know, felt were desirable. So, you know, you can't really characterize and say, "Well the Washington reaction was this or that"--it was mixed. But I think--well, no response was called for, really. But I think that by and large certainly I personally and most of the people that I dealt with at my level in Washington, in the State Department itself, felt

this was a reasonably good thing.

I remember personally I had some reservations about the agricultural land reform program because of the inherent limitations on its implementation. That you had to think of this as a very long-term thing, that you can't do it overnight, that there are all kinds of things involved. When you remove the landlord from the set up, then you have to have a number of things to replace what the landlord--land owners, I should say. They were by and large land owners--did. They provided the financing, and the seed, and the water, and the technology to the extent that it existed, the marketing facilities. Now, you take them away from that and you have to have something to replace it. This is a very complicated, difficult thing to do. Requiring a lot of organization, requiring institutions, requiring manpower. And requiring natural resources. So, you know, if you want to say even I was dubious about it, I was dubious about that aspect of it for those reasons. Not that I didn't think in the long term this was the right thing. Just in terms of its effectiveness and the timing.

Q: I have the impression that during this period, early 1963, there was some debate in Washington as to how far the U.S. should support the Shah, and I guess put some pressure on the Shah to go forward with the land reform program. That there was some debate over whether the U.S. should press the Shah to go further with these programs or not. Whether they should take a more rigorous approach to reform?

Miklos: Well, there were people in our government--speaking specifically of government--who I would characterize as more idealogues than really practical practitioners of the process of development and modernization, who felt just conceptually these were good things and they ought to be done, and they ought to be done right now. "All you bureaucrats that are, you know, talking about the impediments or the limitations, and so forth, you're just unimaginative and unresponsive, and you know, get out of our way! This wasn't necessarily a prevailing opinion but it was a strong one. There were those that said, you know, "We ought to tell the Shah to do this! We have to tell the Shah to do that!" And sort-of a rather long laundry list of things that we ought to tell him to do. Our counter-argument was, "Well, what if he doesn't agree? What's our fall-back position? First you've antagonized him, we know that for sure. If he doesn't agree then what do we do? If we retreat, why then we've tarnished our flag and this is not going to rebound to our benefit." So there was this kind of debate back and forth, almost unceasingly.

Q: Probably, I guess, Kenneth Hanson and Robert Komer, especially, argued that the embassy in Iran, and Ambassador [Julius] Holmes in particular, were taking a passive approach to the problem of reform, that they were not taking an active, interventionist role as they should. How did Holmes respond to those kind of arguments, do you know? Did you get a sense of his feelings of those criticisms?

Miklos: He basically said that "This is not the way that you conduct

diplomatic affairs, or formulations between two sovereign states." That we could seriously damage our long-term objectives and goals there by taking this approach. Furthermore, if we were seen to be, or the perception gained credibility, among the Iranians themselves that this was basically an American enterprise, that it would be discredited from the outset. There would be no chance at all of it having any success. Very much against this. I recall one instruction that was basically drafted by Bob Komer, or whoever in the NSC, but I think probably by Bob, telling Julius Holmes, Ambassador Holmes, that "You do this that and the other thing vis-a-vis the Shah." I don't know if Phil Talbot told you about this--I remember the incident well. He showed me the message, and I said, you know, "You can't sign off on that and send that to Julius Holmes." In effect he said, "Well, I mean I just don't really have any option."

Q: It was a White House order?

Miklos: Yes. So the telegram went, and we got a very strong message back from Julius, who's no patsy, about the impropriety of the contents of the message as well as the tone. It was a bad scene. In effect he said, " Don't tell grandma how to suck eggs." [laughter]

Q: Now shortly after these events, I guess in June of 1963, there were demonstrations and sort-of uprisings in many cities across Iran against the Shah's reform program. This is June of 1963. Were you still at the Country Desk at this point, June of 1963?



Miklos: No. I had left by then. Just left--think I left in April or May. Of course I was very much aware of what was going on. So, while I wasn't on the Desk, I knew a lot of the issues and personalities involved. Basically what it was was the clergy's sort of last confrontation with the Shah. Certainly the last of any significance before 1978. They had very serious misgivings about his so-called Shah People Revolution, or White Revolution I think he called it in those days, on sort of two basic grounds. One was of course that it directly affect their power and influence, which derived from their ownership of land and income from those lands. The fact that some of that was going to be taxed, which hadn't been the case before. It diminished greatly their influence over the educational system and process in the country. It introduced into the society Western concepts and people that were sympathetic to those concepts--Western custom and practice if you will, including a more democratic life for women in the country, women's lib wasn't the term we were familiar with in those days, that that was the import of some of the things that he proposed. This deeply affected and offended their sense of propriety and morality; them meaning the fundamental religious clergy. They were joined by some of the bazaaris that were heavily influenced by the clergy but felt that some of their own self-interest would be affected by this. So there was this confrontation. The Ayatollah Khomeini was very much a part of this at the time, and subsequently as we know was supported.

Q: You said during our break that you heard later on about some of the decision making process when the Shah had decided to go for a

policy repression against the demonstrations. What did you learn?

Miklos: Yes. Well I learned subsequently--apparently the Shah was not really--what shall I say? He was struggling with how to deal with these demonstrators and demonstrations and what policy to follow. It was I believe his Minister of court at the time--at least he was certainly one of his closest advisors--Mr. [Asadollah] Alam, who argued successfully it turned out, that this was a very serious matter, that it was a direct challenge to the authority of the Shah, and that he had to in effect fish or cut bait or whatever the term is. That his only solution if he was to survive was to call out the military and face these people down. Which he did. There was naturally some bloodshed, and although the numbers involved remain in dispute, there were some people killed and others wounded. But he carried the day, the military obviously remained loyal. He would really never look back after that, in terms of confrontation with the Mullahs in any direct sense until 1978.

Q: Did you learn about this affair from Alam himself or one of his associates?

Miklos: One of this associates, yes. As a matter of fact, I think it was then-Prime Minister [Amir Abbas] Hoveida who told me, who was also a close personal friend of mine.

Q: Now in terms of the over-all decision making process under Kennedy, did you get a sense that Rusk had much interest in Iranian

affairs, or much involvement at all at any given moment?

Miklos: No, I did not get the impression at my low level that the Secretary was closely involved or interested in Iranian affairs. In those days it was left basically to Phil Talbot and some other people at that level in the State Department. Defense played a--in so far as the military program is concerned--they had a very strong voice in affairs.

Q: Did you deal with any people at the Pentagon who worked on Iran? Do you recall any names?

Miklos: We're talking the early 1960s now? I'm sorry I can't remember names. I did deal with them, all right, because the economic and military systems things were interrelated.

Q: Was Henry Kuss around then?

Miklos: Well this is a name I certainly know. Was it then or later.

Q: Also in the 1960s I think he was involved in arms sales issues with the Pentagon, pretty early in the administration. Henry Kuss, I think. And through Johnson, and then until the end of Johnson. I might be mistaken.

Miklos: Well it's certainly a familiar name. There were several people that were involved then, and subsequently, that I came in to

contact with. I'm sorry the chronology escapes me at the moment. Kuss was certainly involved at one point or another, I just don't remember the point.

I remember one example. Under the previous administration, the United States had agreed to provide Iran with a couple of frigates, as I recall. They had been retro-fitted at some expense for Iran. The new administration came in to office.

Q: This is from Carter to Reagan?

Miklos: Eisenhower to Kennedy. We're in that period. I argued almost every way I knew how that, you know--if the administration decided they didn't want to send the ships or give the ships to Iran, that they would go back on this commitment of the previous administration. I argued the politics of it, the morality of it, the everything else. Nothing seemed to matter. I finally wrote a memo which we sent over to [Robert] McNamara in effect saying, "Look. We spent X million dollars on this. These things are configured to Iranian specifications, you know. Nobody else is going to take them. We're just throwing this money down the drain." Money was the answer. Komer said, "Well, if McNamara is on board, O.K." It was all very grudgingly done, but it was on that basis. Not on the basis of, you know, what you think of national interests or of keeping the previous administration's commitments, or anything else. It was just the fact that we'd spent this money, and in other words it was going to be a waste! That's how some of these things work.

Q: So you say in terms of decision making, Talbot was a key figure. Were there other high level officials who played a role? Was Harriman much involved in Iranian issues at any point?

Miklos: Well as I said, and I again can't remember the name but, there were a couple people over at Defense--whoever was head of ISA in those days and one step below that, that had the Near East-South Asian watch for ISA. The services sort of got in and out of it a little bit but not too much. Even once in a while you'd get the Joint Chief's attention for a while. But, you know, on an on-going basis no. ISA, Assistant Secretary in the Pentagon, the IMF, the guy who was responsible for Near East-South Asian affairs of the Export-Import Bank--we got a lot of money from the Export-Import Bank in those days. AID and the section, again, that dealt with Near East and South Asian affairs. Department of Agriculture to the extent that the PL480 programs were important, and they were in those days. Although that tended to be at a somewhat lower level, generally not the Assistant Secretary but the Deputy. Who else? Within the Department itself, of course the regional bureau we talked about, and the Deputy Assistant Secretary for Economic Affairs.

Q: Was Chester Bowles ever involved in Iranian issues?

Miklos: No, not in any sustained way at all. But he did dip in and out once or twice in Iranian Affairs. I recall discussing Iranian affairs with his assistant Sam Lewis, who was carrying out Bowles' instructions. My impression was not so much intervention in the

direction that policy was going, but more, you know, "What's going on?" Find out what, you know, ask the regional people "What's happening in Iran?" or what the Shah is doing, that kind of thing. Rather than saying, you know, "We ought to be doing this," or "You ought to be doing that." Although I think Harriman had fairly strong views about military assistance. Meaning that he thought the Shah maybe was going too far too fast.

Q: Did George Ball have much of a role in any of these issues? Under Kennedy?

Miklos: I can't really recall his playing a significant role. Was it McGee? Wasn't George McGee around?

Q: I think he had some post in the State Department.

Miklos: Ball and McGee said, "Well, if it gets involved with oil then I can't really get involved, because"--

Q: Of his background in oil?

Miklos: Yes. So he tended not to be--what was McGee's position? It was something.

Q: He was an Assistant Secretary, or Deputy Secretary.

Miklos: No, he was higher than Assistant. He was deputy at some

level. Some position.

Q: Yes. No--he was a high official.

Miklos: He was a high official. Sorry I can't remember George's rank in those days.

Q: So, anyway. So 1963 through 1969 you were posted in South Asia--Bombay, as you said before, and then after Bombay you were at Colombo. Then you went back to the State Department I guess in the fall of 1969 as Country Director. How did that come about that you were appointed Country Director?

Miklos: Well, of course there was a new administration. The then-Country Director Ted Eliot had been selected to become the Executive Secretary of the Department, and the question obviously arose as to who was to replace him. I know that Ted, among others, recommended to Joe Sisco that I be considered as a promising candidate. I happened to be on leave after two years in Ceylon, in Washington. Joe asked me to come in. We talked, and as I recall it was either our first or second meeting why he said that he would like me to come and replace Ted, who was going to be going up to his new job--which at the time wasn't public, but that's neither here nor there. So I said, you know, I was gratified to get back to Iranian affairs. I was very interested in the country and the people, and liked it. I had only one caveat, which was that I was going to leave

our then-Ambassador in Ceylon in sort of a lurch. We had some on-going things there which I was quite intimately involved in, and I felt that I had to sort of wind that down before I came back. So there was a couple months gap.

I think I came on board in any effective way in September. We had a new ambassador from Iran being appointed, or just arrived. Had a new American ambassador just--I had been on board I don't know, a couple weeks, and Joe Sisco called me up to his office and he said--the fellow was sitting on one of the chairs in his office--and he said, "Jack, I want you to meet our new ambassador to Iran, Doug MacArthur." I thought, "What have I done to deserve this." Because Doug--I don't know if you've heard this or not--but Doug had quite a reputation in the professional foreign service as a terribly difficult man, with a ferocious temper. He had cut a pretty wide swath in his days. He played cards with Eisenhower, you know, he was a pretty big man! [laughs] As well as being, I think, if not our most senior, very close to our most senior career diplomat. I was sort-of told to take Doug in hand. [laughs]

Well, I must say to his credit, he was just marvelous. A sturdy professional. He listened. Obviously he had questions and opinions of his own. We got along famously virtually from moment one. Went to appointments that I made for him, said his piece, and learned. Was not the Douglas MacArthur of the corridor reputation that he had, as far as I was concerned--far from it.

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Q: Was he influential in making policy, or making recommendations on policy?



Miklos: Sure, to the extent that ambassadors are. Doug, probably, a little more than some others, other than Dick Helms, just because of his past--his past association, reputation, positions he held. I mean he'd already been ambassador to about three countries before Iran, three or four countries--Japan, Belgium. Where else? One or two other places I've forgotten now. As I say if not the most senior certainly near that as a career ambassador. There are only a handful of those to this day in our service. More than a handful but not very many more. And married to the daughter of the vice-president of the United States--wowie [Laura Louise MacArthur, daughter of Alben Barkley].

Q: Besides MacArthur, who were some of the major officials in the State Department under Nixon--State Department and elsewhere--who were involved in Iranian issues. Now did Joe Sisco have a major role?

Miklos: Joe was of course the, in institutional terms, the person of senior rank most responsible. He was Assistant Secretary for Near East and South Asian affairs including Iran. But Joe was so deeply immersed in the Arab-Israeli issues and problems, and formulations of policy toward that country and negotiation that he didn't spend--wasn't able to spend--very much time on Iranian affairs. So, I would spend more time dealing with, reporting to and getting guidance from, help from, the Deputy Assistant Secretary Roger Davies, who in the course of time I replaced. But Roger was a senior deputy in those days, and he was the one that I dealt with the most.

I did talk with Joe specifically and substantively on several occasions, I can remember, about the political situation in Iran and about military sales to Iran. But it was not on any regular, sustained basis.

Q: Did you get a sense that William Rogers had much interest in Iran? Or was that again on the periphery, as far as he was concerned?

Miklos: I know you're going to talk to Ted Eliot, and I'm sure Ted can give you a much better insight than I can, because of his past association with Iran, as to the degree to which Rogers had an interest in Iran. My perception, from my vantage point was that, you know, it was just one of many many many things that he had to worry about. He was not uninformed about it, but I don't feel that he was--except again as any Secretary of State is bound to be, with all of the responsibilities that he had, sort of in and out. If there was a major issue, then he was involved, but most of the time, no.

Q: Under Nixon there's a shift in power towards the White House away from the other departments, especially towards the NSC and Security Advisor [Henry] Kissinger. Did this shift in authority of power have much impact on your role in the State Department, or how much you knew what was going on in terms of high level policy? Can you measure that?

Miklos: Well, it was soon evident that if one wanted to get things done, you had to be sure that the NSC was on board. Now, I was

fortunate in that a long time friend of mine, Hal Saunders, was in the NSC and covered Iran and other countries. We had an excellent relationship, As you probably know Hal later came over to the State Department, eventually was Assistant Secretary of Near East and South Asian Affairs himself. But in those days, to the extent that the White House and the NSC was involved, I worked very closely with Hal, and fortunately had an excellent rapport, and saw things very much the same way by and large. I didn't have a problem, in other words, with the NSC. I suppose part of the explanation quite beyond this personal relationship with Hal was that I didn't have a problem with Kissinger's or Nixon's general outlook and approach toward Iran. In the context of the world environment in those days and so forth, I thought that it was a very wise, sound approach. From my parochial point of view and my limited responsibilities, Iran was playing some kind of role in our overall regional policy and certainly our policy toward Iran reflected that. That is why, you know, as I say I had no problem. As a matter of fact I relied heavily in my bureaucratic battles on NSC support. When push came to shove, as it did from time to time, I knew that I could go to the White House. I can remember specifically that I was getting an awful lot of flak from certain elements in defense on a part of our military program. I said, "Now look." I said, you know, "We can hassle about this for the next four months, but sooner or later it's gonna go to the White House and you know what the answer's gonna be. I know what the answer's gonna be. So why don't we just save four months of time and agree right now." And that was that.

Q: I should have asked this earlier. In terms of your role as Country Director, what were your basic responsibilities? As Country Director for Iran, what were the basic responsibilities?

Miklos: Without giving you a job description, which in itself tends to be sort of a little nebulous. Country Directors were--are still--sort-of the key person in the U.S. government to look to in terms of our relations with any individual country. Because he's the one who sees all the cables that go in and out. Writes a lot of them himself, or his staff does. So he's a source of information. As you know, particularly in Washington, information is power. So, you're responsible for keeping your superiors involved and informed to the degree that you make a judgment about what is or is not important. You're servicing the ambassador and the embassy in the field, being sure that their thoughts and recommendations are acted on within the bureaucracy. You're constantly doing battle with other elements of the U.S. government that have something to do with our relations with Iran--whether it's the CIA or the Department of Atomic Energy, the Pentagon, or Commerce--whatever. So, you're spread out and have relations with the "Washington community," as we now call it, in almost every respect, where you have a country like Iran that has so many ties with the United States, so many reciprocal interests. You deal with the Congress, you deal with staffers, and so forth. It's not an easy task.

Q: But, you pretty much saw the cable traffic that came out of the State Department or came in on Iran. You reviewed it all as it

came--at least the more major telegrams on the policy issues.

Miklos: Yes.

Q: Or you helped draft them as they were issued.

Miklos: Yes. This also not only involved cables with the State Department, but other agencies sending messages to the embassy.

Q: So they had to consult you before they could get your signature.

Miklos: Yes. I had to sign off on them, and raise hell if they didn't pass it by me. Occasionally somebody would try that, but not too often.

[End Session I]

ALM

Session #2

Interviewee: Jack Miklos

Date: July 31, 1986

Interviewer: William Burr

Place: Oakland, CA

O: The second part of the interview with Jack Miklos, by William Burr, took place on July 31, 1986.

Mr. Miklos, how would you characterize Nixon's policy towards Iran during the early years of the administration. Was there much continuity from earlier periods--basically a continuous policy?

Miklos: Certainly the basic posture of the United States continued. That is to say we remained interested in helping preserve Iran's independence and territorial integrity, bolstering its economy. This meant continuing an aid program. It meant continuing military assistance, military advisors. It meant, I think, trying to add some depth and scope to the relationship in cooperative areas. For example, atomic energy was an area where we began to develop closer ties. Other than that I don't think--certainly at the very beginning of the Nixon administration I don't recall any significant departures from that general, broad policy direction.

O: I read that in 1969 Henry Kissinger had the NSC prepare a report

on the U.S. response to the British decision to pull out of the Gulf. Do you recall that report?

Miklos: Yes. Well, he requested a report from the State Department and really not just exclusively from the State Department, from the US Government, all the people involved. Inevitably--I suppose, inevitably--it turned out that we ended up writing it. We included myself and Vincent Lee(?) on one side, and Bill Brewer--who was at the time Country Director for the Arabian peninsula--on the other side. We tried to foresee what the impact would be of British withdrawal at least of the Suez, and its implications for the United States. And to predict with some accuracy what the internal developments would be, particularly in the Emirates, but also of course with respect to Saudi Arabia and Kuwait, and Iran.

Q: Did you make any particular recommendations on policy that you recall?

Miklos: This paper was a long, agonizing process--I recall that distinctly. Actually as I recall, it was set in motion before I arrived, so I entered the process sort-of mid-flight. It still took another about four, five, or six months to finally complete. I'm trying to recall the general thrust of the recommendations, and I'm not being very successful at doing that. I think there was some implication that we were going to have to contemplate the necessity of playing a more significant military security role in the area than we had in the past. I don't recall that we said specifically what we

thought that ought to be. We may have but I just don't remember it. I do think we said fairly explicitly that we would probably have to help all of the countries in the area, to the extent that we could and to the extent that they desired to enhance their own military capabilities , since the British shield was--at least in so far as the Arabian peninsula was concerned--was no longer going to be present.

Q: One issue that came up in 1969, I think, had to do with military credits. Under Johnson credits had been limited to 100 million dollars a year, I think--credit tranches provided for sales of arms. I guess it's the middle of 1969 the Shah wanted to increase the credit tranches, wanted to get approval from the U.S. for that increase. Do you recall anything about what the upshot of the U.S. response to that was? That might be pretty detailed. Maybe we should skip the question.

Miklos: Well, I can't say that I do recall that, at least in specific detail. Again, there was sort of constant pressure from Iran to increase both on the military side as well as the economic side in those days, so that an incremental increase would not be something that stood out in my mind per se. It was just more along a continuum, or I guess an extra dimension to that continuing demand. I guess I really can't recall much beyond that.

Q: I think one reason that the Johnson administration put a limit on credit was they were afraid of the class strain on the domestic