

Miklos: I don't think that it was a very narrowly focused mission; it was more in the context of his area-wide command responsibilities, to be knowledgeable about what was going on in his area-wide command, and part of it was visiting around. This went on all the time, not just with Huyser but with other generals.

Q: During the mid-1970s, the State Department's Inspector General prepared several reports on the U.S. Embassy in Iran, evaluated the embassy and its job, its various responsibilities, and made various suggestions for internal reform. This 1974 report, the I.G. noted that the State Department wanted information on the political views of the military leadership of Iran, and the report noted that Armish-MAAG was not forthcoming in providing information on the political views and the various personnel that made up the Iranian high command. Did this situation change much when you were DCM in Tehran? Did Armish-MAAG become more forthcoming about providing information, or was it a constant kind of a problem?

Miklos: It was an ongoing problem. I was constantly pushing for a better system of evaluating the Iranian military, their political orientation, their organization, and their loyalties, for the obvious reasons. We really just never got very far, and I pushed Henry Precht on this very hard, and every new MAAG chief and deputy head of section that came in, I would talk to them

about this. This was just a continuing effort on my part.

We would get some information, but it wasn't systematic; it wasn't regular; and it certainly wasn't satisfactory from my point of view or the ambassador's point of view.

Q: Did you get the standard response that this was not their business to provide intelligence? Was that their usual response?

Miklos: No. Well, they didn't give me that response face to face, but certainly one got that feeling. And to a certain extent, I can understand this thought entering their mind, that we're not here to do this, that if we engage in this sort of, in effect, intelligence activity, that it could jeopardize our mission here. This is not the primary purpose, etc., etc. And we tried to think of ways that we could accommodate each other's felt needs. But as I say, in the end it was never fully satisfactory by any stretch of the imagination.

Q: The '76 report by the I.G. recommended that the embassy analyze the economic impact of arms sales so they would have the ability to provide information to the Iran Government on the costs and economic implications of its various arms purchases. To what extent was this recommendation implemented? Was that what Henry Precht would have worked on, as far as his job?

Miklos: Yes. Well, Henry and the economic officers, the

economic section. This is an enormous task, just to collect reliable raw data before you even begin to make this kind of analysis. If you were to do it right, you were really talking about staffing up the embassy with maybe 50 to 75 people who could go out and develop this information, not an easy task in and of itself, and then to bring it in and do some kind of coherent analysis. We all recognized that if this kind of analysis could be done, it would be very valuable, a very useful thing, but frankly, this was pie in the sky, as far as I was concerned. Yes, we ought to make some effort to do so, to the best that we could with limited resources available, etc. But you could make some fairly broad, obvious statements or reach some fairly broad, obvious conclusions, which we did, that if you were going to acquire X number of Iranian military battalions or divisions equipped with X type of equipment, that the drain on trained manpower would have an effect on the civilian economy. I mean, just by definition, there weren't that many educated, trained people in the country. There were a lot of people, but not educated, trained people. But to go very much further than that was very difficult.

Q: That's interesting. During the late 1960s, early 1970s, the Shah raised in public and in newspaper articles, in The New York Times--and he also raised this question in private--the whole issue of the U.S. naval base in Bahrein. He argued against any military presence in the Persian Gulf by the big powers, the

Soviet Union or the U.S. Did the Shah bring this question up in private discussions, whether the U.S. should continue to maintain its small naval presence at Bahrein? Or was it more a statement for public consumption, perhaps, statements about big powers in the Gulf?

Miklos: I can't recall our ever really discussing this or this ever really being a critical issue between Iran and the United States. It was a point that he made, obviously; it was in The New York Times. But I would have to say that if you wanted my impression, it was more for public consumption than something he was really, terribly serious about, although he did argue that in keeping with the Nixon doctrine and with Iran's own growing capabilities, that there would be less need than there might have been at one time for an outside military presence.

Q: This is another question that's come up over the years. It's been alleged from time to time that the Shah contributed to Richard Nixon's presidential campaigns during the late Sixties and early Seventies. Did you ever hear anything that would lend credence to that allegation?

Miklos: I've heard the story. I mean, when Nixon was out of power and traveling, I think, for Coca Cola, but when he visited Tehran, why, the Shah received Nixon and paid attention to him and that sort of thing.

Q: This is the early Sixties, after the presidency.

Miklos: Yes, before he came back on the national scene, you might say. There's no doubt in my mind that that left a favorable impression with Nixon. He appreciated that. And as I said, the stories of contributions floated around for years, but I have no knowledge that this was ever, in fact, true.

Q: Another allegation has been made that Nixon and Kissinger agreed, perhaps tacitly, to let SAVAK operate more freely inside the United States. Did you ever hear about a tacit agreement along those lines that would let SAVAK operate more freely in U.S. territory?

Miklos: I'm not sure I understand what "more freely" means.

Q: I'm not really sure.

Miklos: Let me just put it this way, that, of course, Iran was very much aware of the fact that we had CIA people in our embassy, or perhaps even not directly connected with the embassy in any overt way, and that if we were going to be very difficult about SAVAK presence in the Iranian Embassy, then they were going to have to take a closer look at the symmetry between our embassy and their embassy and staffing. Sort of in that context, I can't

remember any specific conversation, although I think I personally had one with the foreign minister at one stage, and I don't even remember how it came up, but I remember that there was some discussion of this. It was in that context. And there may have been other messages back and forth. I just don't remember all the details, but yes, it was a question that came up.

The implication of the allegation that you may have heard was that somehow or another, the so-called "brutal and licentious" SAVAK was given free reign to go out and brutalize the poor Iranian students was nonsense.

Q: Maybe the idea that there was more SAVAK activities in terms of monitoring students' activities might have expanded in the Seventies compared to the Sixties. I don't know.

Miklos: As I think I've mentioned before, the American press and public, in general, has given a great deal more credit to SAVAK capabilities than I think any objective observation or analysis warranted. They were not omnipotent by any stretch of the imagination. I personally don't know, although it may well be that CIA did know how many SAVAK people were in the United States, and I certainly would not want to suggest that some of these people did not kept tabs or tried to keep tabs on some of the more vocal Iranian student dissidents, although some of those students were getting rather long in the tooth, and sending back reports to headquarters, there was this demonstration or that,

and these people were identified as being leaders, sure. But to make a quantum leap somehow or other from that, to the President and Kissinger explicitly saying, "We know what you're doing and this is okay," no, no, absolutely not.

Q: In the book I was reading, it was suggested there was a quid pro quo the U.S., what had happened in return for expansion of intelligence facilities in Iran, in terms of monitoring missiles, the monitoring facilities that were already there were allowed to expand or something like that. But that doesn't make sense?

Miklos: No. No, no.

Q: The fall of '72, as the Paris peace talks on Vietnam were proceeding, the Pentagon implemented a plan called Enhance Plus, to quickly build up military strength in the Thieu regime in South Vietnam.

Miklos: Right.

Q: Under Enhance Plus, the idea was to try to accumulate as many weapons as possible around the world to feed into South Vietnam.

Miklos: Right.

Q: Under Enhanced Plus, the Shah turned over about 35 fighter

planes to go into South Vietnam.

Miklos: That's right.

Q: I guess October '72, thereabouts. Some documents have come out about this.

Miklos: Yes. I don't remember the timing, but that was certainly true. Unlike some of our other so-called allies, I mean, Iran was gratifyingly responsive to our requests, and they sort of did it on faith, you might say, because we said, "We need these, and send them right away. We'll get around to replacing them in the future." There had to be some assurance that we weren't depleting what, at least on a very long term basis, they had rather painfully built up as their own military defense system. But he responded, in my view, magnificently.

Q: Did you have any role in helping coordinate this? You were at the country desk at this stage. Or was it more a Pentagon question?

Miklos: I was in the loop, as the saying goes. (Laughs) But I don't remember the details. I remember what happened in the sense of the request and the response and then how gratifying it was, particularly in terms of comparing it to the lack or the very slovenly response of some of the other countries that had



the same kind of equipment.

Q: Was he later compensated for the 35 jets? How did that work out?

Miklos: I don't remember, but I have to believe that somehow or another, compensation was involved. I don't think it was money; I think it was replacement in kind.

Q: This question relates to political opposition. In his new book on Iran, James Bill mentioned a national intelligence estimate (NIE) that was produced by George Harris of the State Department's INR division in 1975. Apparently, the NIE generated some controversy because it contained a fair amount of information on the internal opposition to the Shah, the role of the clergy, and the links of the clergy to the secular opposition, the National Front people, intellectuals, and so forth. Do you remember much about this particular study that might have generated any discussion at the embassy, or controversy at the embassy at this time?

Miklos: This particular NIE, no. NIEs are produced in Washington, and generally vetted there. The best that I can remember about any of these was that I insisted, or attempted to insist, from my vantage, that before any NIE was published, so to speak, that the embassy ought to have an opportunity to make a

comment on it. I do not remember an NIE that suggested in any persuasive way or dealt with at any length the question of the Iranian clergy and this political activities, no. Now, it may be that there was one drafted back in Washington, floating around Washington that I never saw, that discussed this, but I can't remember.

Q: I think he suggests that it went back to the embassy, and there was some criticism of the report at the embassy.

Miklos: I can remember getting some NIEs and looking at them, not just me personally, but . . .

Q: The political officer.

Miklos: Yes. And our saying, "That's baloney," or, "We certainly don't agree with this," or, "They're off on that as far as we're concerned," and sending our comments back. That's just part of the process.

Q: I have some questions on the economic and trade issues. At our first meeting, you mentioned the Harvard team that, with the support of the Ford Foundation, worked for the \_\_\_\_\_ organization around the Fifties and early Sixties. Did the Ford Foundation have other projects that were going on in Iran in the Sixties and Seventies?

Miklos: I vaguely recall they had some small projects, sort of standing independent projects with the Iranians, but I'm sorry, it's vague, and I might even be getting it confused with Ford in India or some other place. It did not loom large in my mind.

Q: What about other foundations, like the Rockefeller Foundation? Did they have much of a presence in Iran that you can think of?

Miklos: No. This goes back, again, to the early Sixties, as I recall. They did a housing project in North Tehran at the time, and I think they were involved in some construction activity other than that, but I, again, don't remember details. But again, it wasn't a big thing.

Q: Also at our last meeting, you mentioned that when you were DCM, you participated in the discussions of Iran's atomic energy program, the discussion going on from, I guess, the mid-Seventies through '78. Who else at the embassy was involved?

Miklos: Our science attache.

Q: Do you have his name?

Miklos: We had at least two.

Q: They'll be in the embassy list. I can always look it up.

Miklos: Yes. The science attache and myself. I'm trying to remember. I don't recall the ambassador ever really getting--I was sort of the senior point man on that. And then there were a number of people coming out from Washington.

Q: From the AEC [Atomic Energy Commission]?

Miklos: No, there was a guy in the State Department, and there may have been somebody from the AEC that was with him, sort of a team that would come out from time to time, or the Iranians would see this team in Washington. Heavy negotiations.

Q: Who were some of the Iranian officials who were involved in these discussions? Do you recall any names?

Miklos: Again, I don't remember the names, but the position, of course, was the head of the Iranian Atomic Energy Commission. I don't remember that that was even the name, but the equivalent, and a couple of his deputies that I talked to. I can't recall discussing this with anybody else in the Iranian government. We dealt with him. They seemed to have that portfolio, so there wasn't any need to really, as far as we could tell, discuss with anybody else.

I do remember talking with the Shah briefly about some aspect of this, of his talking to me, but it was quite a short conversation. It had to do with our policy and how they saw it, or something like that.

Q: According to some of the documents that I've seen, one of the critical issues related to nuclear proliferation, apparently the Shah wanted the right to reprocess spent nuclear fuel, and the U.S. wanted control over reprocessing to some extent. How was this issue handled?

Miklos: Again, there was a lot of back-and-forth about this in consideration of various options, alternatives, a question of whether we would reprocess it and bring it back to the United States, reprocess it; did we even have the facilities to do that, or could we do it; or would it be done in Europe; would it be done under AEC auspices. A lot of back-and-forth. Again, I don't remember all the details, but the basic policy issue was to be sure that this fuel was accounted for in an acceptable fashion to both sides, that there wasn't any diversion.

Q: Do you recall any other issues that were involved in this discussion, besides the question of proliferation?

Miklos: There was always the question of the control of the fuel, I mean, from the very beginning, who was going to provide

it, how it was going to be handled, where it was going to be used, how it was to be accounted for afterwards, whether it was going to be stored, reprocessed, on and on.

Q: That was the central issue?

Miklos: That was the central issue, yes.

Q: My understanding is that the 1975 trade agreement that included the nuclear power plant program that was announced that year, was the work of the U.S.-Iran Joint Commission which was created in 1974. I'm not sure about that. I remember that in 1975 a large trade agreement was announced, and it included the nuclear power plant's construction. It was a multi-million dollar trade program. Can you talk about its origins?

Miklos: Yes. Kissinger had the idea--this doesn't apply just to Iran, but sort of a global concept--that if you developed multiple ties, a skein of ties between the United States and country A or a region, that this contributed to a much healthier environment, a much more secure environment, a better understanding, on and on. Insofar as Iran, I think India and several other countries were concerned, the way to go about this was to have a Joint Commission which would have economic components, and you would develop these various components through trade and sales and technology transfers, so on and so

forth. The Commission would have experts.

So this was sort of a Point Four program, but not funded exclusively by the United States or even manned by the United States; this would be a joint effort. The Joint Commission would have members on both sides of equal standing, and chaired--as a matter of fact, I think we had three or four Cabinet-level, the Secretary of State and/or the Iran Minister of Finance Hushang Ansary, whatever his position was, I've forgotten now. We would meet one time in Washington and one time in Tehran.

This so-called "trade agreement" really was almost notional, in that, "Here are all the good things we hope to do," and then down to the peasants to work out the details.

Q: Including those negotiations over the nuclear power plants.

Miklos: It was sort of under that umbrella.

Q: Was the creation of the Joint Commission in '74?

Miklos: Again, I don't remember exactly.

Q: Thereabouts, I think. In response to the problem of recycling petrol as the Shah was accumulating more and more American dollars from oil exports. Would the Joint Commission be a way to deal with that question, by expanding American commercial exports?

Miklos: In part. Obviously, we were aware of this and hoped to get a good share of it one way or another, I mean, legitimately.

Q: To what extent did the Commission's achievements live up to its original expectations?

Miklos: I don't think that it lived up--again, I think you have to ask, "Whose expectations?" Broad general objectives, you know, were high-minded and sounded fine, but when you tried to put meat on these bare bones, it was hard going.

Q: Let me turn the tape over.

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

Q: Did you work on the Joint Commission when you were in Iran as DCM?

Miklos: I worked on both ends. The Joint Commission may have come into full being in the formal sense after I was in Tehran, but it came up before I was there, when I was still country director.

Q: According to some of the other interviews that I've done and



some of the documents that I've seen, the Iran desk, as well as the embassy, spent considerable time giving assistance to U.S. businessmen. When you were country director up to '74, what kind of help did you give U.S. investors and traders who were interested in tapping the Iranian market?

Miklos: Mainly information about the conditions, environment there, what we knew Iranians had in mind, where opportunities might be, how they might fit in with these perceived opportunities, that type of thing. We didn't, and were not able to, say, "You go and talk to Joe Smith in the Ministry of X or Y, and this is what will happen." No. A broader, more general type of thing. I can't say that--you suggest that we devoted an enormous amount of time to that.

Q: A fair amount, I guess.

Miklos: It went on, but certainly not to the exclusion of a lot of other things.

Q: To what extent were most of the businessmen who came by for advice and assistance associated with large corporations, Fortune 500 types, or was it always a wider range?

Miklos: It was mixed. You didn't really get Fortune 500 companies that were not in the military industry. You had a few.

Petrochemical industries, for example, there were some people there, and certainly construction, because Iran was doing so much in the way of building. You got a lot of that. But the more prosaic sort of trade or consumer product kind of thing, you'd get people doing that, or suppliers, that sort of thing, but not major, major companies in any very impressive numbers.

Q: At the embassy level, what kind of assistance would the embassy provide? Was it mostly information?

Miklos: Yes, although we were able to be helpful to American representatives who came there who had a concrete proposal or a concrete problem. There might be an occasion where there was a dispute between an American company and some element of the Iranian Government that they'd had a contract with that somehow wasn't working out. We would attempt to provide good offices in dealing with this problem, making appointments in some cases, sometimes even accompanying the American representative to his meeting with whoever in whatever ministry, to see if we could be of some assistance. That was one kind of thing we did.

Q: Do you recall any examples of that?

Miklos: Not off the top of my head, but it went on. Our economic-commercial section would help American businessmen in suggesting contacts that they might make, the Iranian companies

they might approach in their particular field. We also promoted trade fairs, which we put on, of American products, and got a number of representatives of various American firms to bring things there and display them. While I was there, I think annually, now that I think about it, we had an American trade fair display either stand-alone or as part of a global trade fair exercise, with other countries represented, as well. We were quite active in that area.

Q: Also during the 1970s, David Rockefeller and James Linen of Time-Life, I think, and other U.S. corporate leaders organized investment seminars on Iran.

Miklos: Right.

Q: Some meetings were held in Iran, some in New York City.

Miklos: Yes, yes.

Q: How close did the embassy work with the organizers of the seminar?

Miklos: I don't know how to characterize it. We were involved, let me say that. There was a lot of contact, though, directly between the Iranian side and the American side, with the embassy not really necessarily getting involved. They put on these

shows-- seminars, I shouldn't say shows-- themselves. They were funded either on the American side when they were in the United States, or on the Iranian side when they were in Tehran. They did get some very senior people on both sides--Pete Peterson was one of them, [Robert] Abboud came, that's when he was head of Chicago Continental.

Q: Or was it First National Bank of Chicago?

Miklos: Something like that. A very impressive guy who seemed to know a hell of a lot more about Iran than a lot of other people. (Laughter) I'm sorry, that was just an aside. But some very able senior people.

Q: Did these seminars have any practical results?

Miklos: I think, basically, it was an educational process in the end. For example, there was a certain amount of discussion, I recall, about developing capital markets in Iran as an international center, and the Iranians saying, "Look, we haven't even got a national capital market developed yet to our satisfaction. We really can't make the leap into the international area until we get our own house in order." That kind of thing. There were many other subjects discussed, but my overall impression was that it was educational on both sides.