

that he expressed it rather boldly, and of course the issue came up immediately. He talked to me before a press conference that I gave in the wake of his, I think it was Business Week article, and he said, "I want you to climb in behind me and support what I said," which I certainly was prepared to do. The questions came up about what the Department of Defense could do to deal with the strangle hold, and I indicated that while we were not planning to do anything, that we certainly had the capability, so on. [pause]. There was, I think, some consideration given to contingency plans for the movement into the Gulf if the need arouse. Indeed, one could not respond to those kinds of thing without taking out the contingency plans and looking at them. When I gave my press conference subsequently, I made certain statements about the United while not wishing to act, that if the President called upon us to act, that the Department was prepared to act, and so forth--which was widely interpreted in the Persian Gulf as a threat. So much of the criticism that had been directed toward Kissinger got deflected towards me, an outcome that he may have welcomed.

Q: But beyond the talk, the contingency planning, was ever serious discussion of this as an option, internally, in the NSC level or otherwise?

Mr. Schlesinger: There was some discussion of it, yes. The fact of the matter was, it was widely viewed--it was a very revolutionary development, as it were, in that it was upsetting the established routine. And the failure of the United States to crack the whip

meant that the whip hand on such matters was passing away from the United States, and there was some discussion of the possibility of a seizure of one of the countries in the Gulf, one of the lesser countries. By and large, idle talk. No one was really serious about that. I think it was more of an expression of frustration.

Q: After the oil price increases which produced an explosion or expansion of Iranian arms purchases--

Mr. Schlesinger: Right. They could afford it.

Q: It was a qualitative increase.

Mr. Schlesinger: They could afford it. They not only could afford the things but they could afford to pay full-cost pricing, as I indicated a minute ago, and would.

Q: Now in the light of the concerns that you already had about arms sales to Iran and the implications for social and economic development, did this increasingly concern you? Did this concern you even more, about the impact on Iran?

Q: Yes. No, not increasingly--it represented a continuation, perhaps, some degree of reinforcement of what had been a nagging worry. But I had the Shah, I hoped, convinced that he needed to keep in mind the balance between the civilian and military side, and the balance within military expenditures, so that his armed forces could

fight. It was a continuing problem because of the weaknesses in country.

I became increasingly concerned about something else, however, something that later became more important--became obviously important later on. And that was, the way that the Iranians and American suppliers were dealing with the lack of technical capability in country was to move more and more Americans into the country, contractor representatives and the like, who could service this equipment. My concern about that was quite simple: that the more Americans that you had in country, living quite well, and as it were taking care of the military establishment--to the extent that you did not have elements of the public sharing in the improvements in living conditions, those Americans would become the object of resentment. I wanted very much to hold down the number of Americans, tech-reps and that sort of thing, in country. And therefore, the fact that the Shah could afford more was not necessarily a good thing from the standpoint of increase in hostility toward the United States. I should emphasize, however, even though we were aware--even though I was aware of that general problem, none of us, I think, were aware of the degree to which hostility to the Americans would rise. None of us would have anticipated at that time the developments of '78-'79. But the general proposition of "the more Americans you have living in country, living high on the hog, the greater potential for anger" was understood by me, and I hope by others.

Now, there's one other aspect that I should mention, and that is that the explosion of resources that the Shah had meant that he could afford to increase living standards within the country, not

necessarily by providing complex equipments, but by food supplies, the basic necessities of life. He should have done that. Indeed, one of the differences between the great success that the Saudis have had in precluding popular passions as their oil revenues rose and the Shah was that the Saudis were very attentive to the Bedouin, to the man on the Street, saw to it that the benefits of that increased flow of revenues to the Kingdom resulted in improved standards of living. The Shah, even though in his early years he had been a social reformer, as in the White Revolution, became quite indifferent to that, and allowed so much of the revenue to be diverted away from the masses that there was this growing resentment. In retrospect, it's plain that what could have been helpful to the Shah became a liability in terms of controlling the country.

Q: In your meetings with him, did you get a sense of what accounted for that greater indifference to that--

Mr. Schlesinger: Well, this was an autocrat! Increasingly with the passage of years, he knew best what was good for his country, and it cut off commentary from below. He had another problem: he was too bright! He was, probably, one of the best minds in Iran

[laughter]--as I say, unchecked by contact and quarreling with other minds capable of--so he tended to build these castles in the sky and nobody bothered, nobody could break in to tell him that there's kind of a great deal of restlessness out there. And of course, to the extent that restlessness came up, it could always be presented to him as the work of agitators, Soviet-influenced people, and that sort of

thing--some of which was true, but there was a lot there to feed on.

Q: You mentioned a minute ago about your concern about the growing number of American technicians in Iran. Did you have the capacity to control the influx, or was that beyond your control, basically, as Defense Secretary?

Mr. Schlesinger: I could not control it. I could influence it to some extent and hoped to influence it to more extent, but that was driven by the Shah. And while I could have in principle laid the wood to the contractors, I don't think that the expenditure of political capital would have been worth it, even if the outcome were better. But with the shortage of trained people in the country, it was not obvious to me that denying American personnel in Iran would be beneficial on balance, because it would mean that these weapon systems wouldn't work until even more available Iranians were used in their care and maintenance.

Q: I've read that members of the Joint Chiefs of Staff became concerned after 1973 that the expansion of arms sale to Iran would have a negative impact on the readiness of the U.S. military. Was this a concern that came to your attention? This is mentioned in the Senate report, also.

Mr. Schlesinger: No. That's one of those things that people think of in retrospect. What was true is--

Q: This was in '76 that they were saying this.

Mr. Schlesinger: I understand.

Q: In the midst of it.

Mr. Schlesinger: I understand. What was true was that after '73, that the rapid draw down of U.S. inventories for the benefit of the Israelis created a good deal of problems within the military establishment. But the purchases by Iran were much more measured, so that while there's always concern, it was very modest. And you must bear in mind that the Services themselves were making up the delivery schedules, and the Services, as we referred to a few moments ago, were very active in promoting sales--to the extent that one stated later on that "these dreadful sales might interfere with the delivery of equipment to our own units," that tends to be just a trifle hypocritical. I did not notice the Air Force, for example, saying: "A serious impact on the availability of F-15s leads us to conclude that it's best for the Navy to deliver F-14s to Iran," or the Navy saying: "It's too much for us, let the Air Force handle this one." No--that's the kind of--there's a smidgen of truth in that, but only a smidgen, and it certainly didn't bother the military establishment by and large.

Q: Now, through the arms sales to Iran, there were a number of instances which reported that U.S. weapons salesmen paid off Iranian officials to expedite, to cement deals. Did reports about this come

to your attention periodically in the game?

Mr. Schlesinger: Yes. I think I talked to the Shah about that. And I got the standard answer for that: that there was no corruption inside of the country--which he himself just might have believed. It was against our policies, it was against the policies of the Department of Defense. We leaned against that as much as we could possibly do in the abstract, and in the concrete. If we caught somebody, we would have punished him. But, once again--in retrospect, at least--you're attempting to control something that can't be controlled. It's sort of like controlling the drug trade by talking to Colombian officials. When you have that demand, as you have in the United States, supply will be forthcoming. When you have the demand in Iran, it's very hard to control by actions taken by this government.

Q: Now it's been argued that Kissinger, at the State Department, tacitly discouraged or suppressed criticisms of the arms sales problems out of fear that it might jeopardize congressional support for the program itself.

Mr. Schlesinger: I think that's--

Q: You think it's exaggerated.

Mr. Schlesinger: No, I think that's perfectly true. I don't see anything exceptional about that: the United States Government had a

policy of supporting the Shah; Kissinger was thoroughly committed not only to the policy but for the rationale for the policy. They certainly don't like to see a lot of criticism that might effect or undermine the policy. I don't see anything exceptional about that. I think that within the administration that there was some tendency for the senior people at state to be blind to real problems--balance, problems of balance, basically--because they were so committed to the policy. I think that that's a more serious matter, though perhaps not a more novel matter than that they didn't want a lot of criticism that would interfere with congressional support. I've never noticed any administration that was eager to have criticism that spilled over into a loss of congressional support for the policies [laughter] that the administration had embraced. And that's--just take that as a given.

Q: I've read that in late '73, you met with the Shah, I guess in Iran, to discuss some of the applications of buying high-tech U.S. weapons.

Mr. Schlesinger: No, I didn't go to Iran. I can't remember--my recollection is of two trips that the Shah made to the United States, one in '73, and the other maybe in the Spring--

Q: '75.

Mr. Schlesinger: Spring of '75. In the Spring of '75, I wound up being his official host for part of his trip, and took him to his



aircraft and so forth, because the President and Kissinger were out of town at the close of the trip, and I was the most senior official present. But my recollection is that it was only on those two occasions that I visited with the Shah. I did not go to Iran.

Q: In-between those two years?

Mr. Schlesinger: I did not go to Iran at all. That brings you down to 1978, when I thought of going to Iran, during the collapse. But no, I did not go to Iran. I have not been to Iran since the Ayatollah took over.

Q: Okay.

Mr. Schlesinger: I had many opportunities, needless to say. The Shah was quite eager to have American Defense Secretaries visit in his country.

Q: Now, probably during '73 or early '74, I'm not sure about the chronology, you appointed Richard Hallock--

Mr. Schlesinger: That's right.

Q: --as your representative in Iran.

Mr. Schlesinger: Well, I don't remember the precise details. As you know, Hallock had been at the RAND Corporation--may know--Hallock had

been at the RAND Corporation. I discovered that he was working for the Bureau of the Budget when I arrived at the Bureau of the Budget. If recollection serves me, I brought him over from the Bureau of the Budget to the Department of Defense sometime after I became defense secretary. Hallock had worked quite closely with the Turkish General Staff on these very problems that I've been describing to you: the problem of making sure that a forestructure can fight, as well as merely having been equipped, without the appropriate balance between sustaining capabilities, logistics, forestructure, trained manpower and so forth. One of the problems that you have with the underdeveloped countries--in fact, the developed countries--is that their hunger for hardware gets to be so compelling that they don't bother with all of the complimentary capabilities that they need. And when I offered to provide to the Shah, on that first trip, when I urged the Shah to have in mind a group that would study these things, I offered to provide some personnel. I don't remember that the Shah accepted on the spot--as I indicated earlier, he sort of acquiesced in a general concept. And then either then or later, indicated he would like to have some support. It was then that I sent Hallock out, presumably to do the same kind of mission that he had done in working with the Turkish General Staff. And the basic purpose of that was to preclude the weapon sellers from inundating the country. That purpose became all the more pressing after the oil embargo, because there was so much cash sloshing around that the eagerness to acquire some of that cash became phenomenal.

Q: Did you sort of monitor Hallock's efforts, while he was there?

Mr. Schlesinger: I monitored them in part. He would drop back every once in a while. I don't remember when we sent him out there--must have been '74. When he came back he would drop in and see me, but I think that I didn't have all the time to deal with one country, one that I, that was not central to my interests. My interests tended to center on NATO, which was the more principal job as far as I was concerned. Other countries I regarded as of much less critical importance. I turned it over generally to Martin Hoffman, who was for sometime special assistant to the general Counsel of the Department, and had been with me at the Atomic Energy Commission. So he followed that much more closely.

Hallock did a great deal of complaining about the greedy people from industry who were trying to acquire some of the Shah's wealth, the country's wealth, so that his later developments in his career, given all of his preachments on this subject, simply astonished me when they came to light.

Q: Which ones?

Mr. Schlesinger: They came to my attention--what's that?

Q: While he was in Iran?

Mr. Schlesinger: They came to my attention when I was Secretary of Energy. It turns out--I don't remember the details precisely, you can find out from the Department of Defense, I presume. But he had

signed a contract with the Shah, and had gone on the Shah's payroll, which was quite explicitly prohibited. He had signed a contract for a firm that he was running. In view of all of his preachments on the subject, I found that stunning.

Q: This is while he was working for you at DOD? He was in Iran--

Mr. Schlesinger: No. I don't remember the exact time. It was after--I think it was after. He brought the subject up in the Spring or Summer of '75, and Hoffman and I simply told him that that was totally unacceptable. So I assumed that it had gone away. I don't know when he may have signed that contract, but it didn't come to my attention again. It may be that he signed the contract prior to my departure from the Pentagon, or just after. But in any event, he was doing that knowing that that was in violation of Department rules and explicit instructions, and indeed quite in conflict with what he had professed to be ethical behavior over the earlier years--before he came, I presume, in contact with the temptation of all that money.

Q: He was promoting his clients?

Mr. Schlesinger: What?

Q: The book that discusses this said that he promoted, was promoting his former clients, like Northrup.

Mr. Schlesinger: That's very interesting, and I have letters--

Q: The road is paved with good intentions, talks about Hallock in Iran.

Mr. Schlesinger: It was for me a distressing thing because, first of all, I was the victim--ultimately the victim of deception by somebody whom I had know personally. And also just the corruption of the man--what I now take to be the corruption of the man. Since this stuff came up I very carefully avoided any further investigation into the matter, but I--

[end of side two: beginning of side three].

Mr. Schlesinger: --he had a son who was quite ill for an extended period of time, and medical bills were beginning to sink in, and it may have been that that was when he decided to go awry, or what I would regard as awry. I'm sure that in his own mind, he's justified it all. By that time, of course, I had had a long involvement with Kissinger, and I had pointed out that we needed to have a more orderly process in country, and that what we ought to have was a defense representative in country, who would be able to--what shall I say? Bring the various service MAAGs [Military Assistance Advisory Group] closer together. And that the Secretary of Defense representative at NATO was a useful adjunct, and I suggested that we have that. Well, it took about six or nine months to persuade Henry that that was appropriate. First of all, he normally resisted this kind of thing simply for bargaining purposes, and secondly he was not

eager, I think, to have any dilution of State Department dominance--a point of view that I can understand, but the fact of the matter was the we needed more on the spot representatives of what are called the highest policy positions--highest policy perspectives. And he--I don't remember when Van Marboorg[?] went out there--

Q: It was September 1975.

Mr. Schlesinger: It was after that fall of--he was our man in Vietnam for extricating equipment from Vietnam. It was after the fall of Vietnam in April of 1975 that he became, in a sense, available. We had some months of argument. He went out there--you say, in the beginning of, the Fall--

Q: 1975.

Mr. Schlesinger: Yes. And his relationship with Hallock was very good, and then they got to squabbling with one another. And I don't know the details about it--happily since it all occurred after I left the Pentagon, I didn't have to listen to a great deal of commentary on it.

Q: I have some questions about the events that lead up to that decision, to send Van Marboorg[?] Now in spring 1973 you met with the Shah; in 1975 you met with him again. Were there any discussions with high-ranking Iranian officials about arms sales and their implications?

Mr. Schlesinger: General Toufanian was in--I can't tell you how many times, it might have been four times, it might have been eight times. But he--I remember that he was, in a sense, a regular visitor. That is, not every other month, mind you, but he came in with some regularity when he came to the United States, and that I would see Toufanian. But I did not--I would reinforce, if I recall correctly, the points that I made to the Shah, but I did not get into any detailed discussions with Toufanian. The decisions in that country were not made by General Toufanian; in general, they weren't made by anybody but the Shah himself.

Q: I read that the Assistant Secretary of Defense for ISA [International Security Affairs Office] Pentagon, Robert Ellsworth, became concerned about the issue of arms sales to Iran during the 1974-75, apparently in March 1975.

Mr. Schlesinger: That's correct. Well, it is correct that Ellsworth was concerned--I don't recall any dates in particular. Ellsworth talked to me; he was driven by one of the senior civil servants in the ISA, Glen Bligsted [Blitgen] or some such name, I can't remember the name. But indeed, Ellsworth was concerned--I don't see any reason why he shouldn't be--but I shared the concerns, as I've indicated.

Q: I wanted to ask you about the study that you mentioned. Blitgen did a study on the question, apparently?

Mr. Schlesinger: That's right. I don't remember the details, but in general, the study raised the right questions, was addressed to the right questions.

Q: I've read one thing: that apparently the study by the International Security Affairs Office recommended that an office, in ISA, be set up to deal exclusively with Iranian affairs issues involving arms sales. Is that the case? Do you recall if that's the case?

Mr. Schlesinger: I don't recall. I wouldn't be surprised. That tended to be the general solution.

Q: A new office?

Mr. Schlesinger: A new office.

Q: Anyway, the result of these decisions was apparently the decision to send Van Marboorg[?], as a representative, I guess.

Mr. Schlesinger: There are a number of things mixed in together, apparently. Hallock's reports that there should be an official representative of the Secretary of Defense there rather than an unofficial one who was on as an advisor--and Hallock had been given instructions he was there as an advisor, that he was not to give instructions, and he did not abide by that, but he was in an advisory



capacity rather than the policy capacity--and that one really needed to have somebody else out there. The services, quite naturally, were quite suspicious of Hallock and his role. By having a formal Secretary of Defense representative out there one could avoid some of those difficulties.

Q: What were Van Marboorg's general instructions?

Mr. Schlesinger: His general instructions basically were what I've already indicated to you: that we are not engaged in attempting to fatten up our balance of payments; these people are supposed to pay full cost in view of their earnings; that the services are supposed to be there to provide real assistance to the host country rather than simply to facilitate sales; and that the services aren't to be engaged in dog fights, and go out there and support--there was, of course, some concern, I think, on Dick Helms's part. He got to like Van Marboorg after a while, I believe, although you have to talk to him, but initially, he thought that this might somehow just detract from the role of the Embassy and the Ambassador, a point on which I think I reassured him when he visited me in the spring of 1975. He either embraced or acquiesced in the arrangement, and later on thought that it was very helpful to him. But of course, you ought to talk to Helms on that rather than to me.

Q: I thought that that's a good point--that apparently after Van Marboorg arrived, the Chief of MAAG, General Vandenberg, was quickly relieved from his post. Do you recall hearing about that?

Mr. Schlesinger: I recall that, and I forget just what the problem was, but my recollection was that it was a personal problem.

Q: Rather than a policy issue?

Mr. Schlesinger: It may have had a policy element, but my recollection is that it was a personal problem.

Q: Okay.

[end of tape]

Interviewee: James Schlesinger

Date: June 27, 1986

Interviewer: William Burr

Place: Washington, D.C.

Interview #2

Q: The second part of the interview with James Schlesinger by William Burr took place in Washington, D.C., on June 27, 1986. The interview is part of a joint effort by the Columbia University Oral History Research Office and the Foundation for Iranian Studies.

Dr. Schlesinger, in the last interview, you mentioned that there was a special relationship between Richard Nixon and the Shah that had some impact on U.S. policy towards Iran. How do you explain that relationship?

Schlesinger: Well, I thought I'd mentioned that.

Q: That was after the interview that you mentioned it.

Schlesinger: It seems to me that while Nixon was out of office, after he'd been defeated in 1960 and possibly after he was defeated for the governor of California in 1962, he did some traveling around the world. And one must recognize that for a defeated politician courtesies are most welcome. In the case of the Shah, he gave Nixon considerable hospitality as opposed, let's say, to some of the nations in Europe. As a consequence, Nixon was steadily grateful to the Shah and felt a personal bond.

Q: Okay. That explains that.

I have one question about the arms sales issue which I forgot to mention last time. During your tenure as Secretary of Defense, were you subject personally to pressures from firms who were trying to sell weapons to Iran? In other words, did executives from firms try to convince you or persuade you to expedite certain sales or accept certain sales?

Schlesinger: No, because I had very little to do with the defense industry. I tried generally to avoid seeing them and I only saw them when I had something that I wanted them to do with regard to weapons systems. For example, the F-16, F-100 engine combination, after we made that choice, I saw the senior executives. But I did not expose myself. I didn't have the time to waste to listen to their blandishments regarding their wares.

The only pressure I got was from the Congress and most notably from Senator [Stuart] Symington who was on the Armed Services Committee and was indignant that I had not pushed the F-15 on the Shah. As I indicated, I did not think I would have taken the F-15 if I had been the Shah, if you'd asked me my own judgment about that. I did not think that the complex logistical trains that were required by both the F-15 and the F-14 were worth it. Therefore, I urged the Shah to avoid taking on two new sophisticated aircraft.

Q: So in terms of pressure, the only people in the services who would feel this pressure were middle level people in the Defense Department who dealt more with the officials?

Schlesinger: Pressures might be felt right up to the top of the services and, indeed, in many cases, will be felt by the civilian secretaries of the service departments. I made it a rule that we were not going to use arms sales as a way of balancing the balance of trade and that arms sales should not be for commercial reasons but instead should be for very carefully analyzed strategic reasons. The services were not so constrained by other Secretaries of Defense and they sometimes pressed sales purely for commercial reasons.

Q: Now sometime in the mid-1970s, I'm not quite sure of the date, some high level U.S. military officials made what the Shah took as a U.S. commitment to use a proposed naval base at Chah Bahar. Apparently this conversation caused a small flap in the State Department because it was U.S. declaratory policy to have limited naval deployment in the Indian Ocean, with the exception being Diego Garcia, apparently. Do you recall this incident or these discussions?

Schlesinger: I recall it vaguely. Generally speaking, Henry Kissinger, when he was Secretary of State never chided the Department of Defense for its vigor in expanding our capabilities, particularly in the Indian Ocean. I'm sure that there may have been reservations elsewhere in the Department of State, but it was not Kissinger's policy to try to seek the demilitarization of the Indian Ocean or anything like it. Some of the people who worked on the regional desks may have felt that to be desirable and may have felt some pressure from the states in the region that tended to support it. After the 1973 war in the Middle East, it was clearly the joint desire of both Kissinger and

myself to expand our base structure in the Indian Ocean. That was the reason for Diego Garcia. Most of my recollections go along those lines.

With regard to the specific question that you raise I do recall, though vaguely, that the Navy chose to exhibit some initiative of its own that was not well coordinated with government policy as a whole and, to the extent that it was an objection to the Navy's initiative, it was more in terms of its failure to coordinate with the government as a whole than any disinclination on the part of the government at the highest level to acquire additional base rights. We were quite concerned in that period and particularly after 1973 we were quite concerned about our base capacity versus the Soviets'.

Q: One of the captured documents taken from the embassy discusses this issue. It suggests that there was some concern about having an overt stance towards expanding naval capacities.

Schlesinger: I'm sorry?

Q: The documents suggested that there was some concern about having an overt stance of standing naval capacities.

Schlesinger: What documents were these?

[tape interruption]

Q: Now what do you think the significance of those discussions might have been between the Navy and the Shah regarding the Chah Bahar base?

That's the part we missed a minute ago--you explained what the nature of the Shah's understanding of commitments might have been.

Schlesinger: Well, the Shah understood full well that any discussion between military officials and the Shah had only limited relevance, that the decisions were dominated by the civilian authorities in the United States. The Shah, based upon his own experience with his own military subordinates, knew full well that the military subordinates could not commit Iran and he would assume that the same thing was true for the United States. I have no doubt that there were exploratory conversations on the part of naval officers with their Iranian counterparts regarding the availability of bases in the Indian Ocean during periods of emergency. Indeed, I vaguely recall those conversations. But that is quite different from a commitment as is implied here. A commitment by the United States to use certain facilities. Commitment is the wrong word. If they were seeking an option on those facilities, that would have been quite appropriate. And indeed I expect that that indeed was the case.

There were people in the Department of State who had the feeling that the United States should limit its presence in the Indian Ocean, that it should emphasize the demilitarization of the Indian Ocean, but that was never the attitude of the Secretary of State. Kissinger and particularly after the 1973 war, strongly supported efforts to establish an appropriate base structure in the Indian Ocean. Diego Garcia was perhaps the most notable example, but it was not well-placed with regards to a Persian Gulf conflict. Therefore we sought bases elsewhere.

Q: Okay.

Now in May of 1975, the Shah visited Washington, President Ford and Secretary Kissinger and so forth. Did this visit have any special significance that you can recall?

Schlesinger: Well, the significance of the visit, I think, was primarily in terms of getting to know the new American President. I suspect--I do not know; if I knew at the time, I've forgotten--that the notion of the visit originated with the Shah, that he had a close and intimate relationship with Richard Nixon, that he barely knew President Ford. It was important to him to come visit the United States in order to have a personal relationship with Ford. He'd want to do a reiteration of the closeness of the American-Iranian relationship and the backing by the United States for the rule of the Shah.

Q: Were there any specific issues within that general context? Arms sales issues or otherwise?

Schlesinger: I believe that they were. You'll have to remind me of what they were specifically. As you know, the Shah was something of a philosopher of geo-strategy and he spelled out once again and in more glowing terms his concerns about what was happening to the northeast of Iran, the prospective dismemberment of Pakistan, what he feared was growing Soviet domination, as he saw it then, of Afghanistan and the like. And he was very much imbued with his own role as the protector of the region. As you know, during that period, his self confidence



continued to grow. His sense of self importance continued to grow. He had the view of his role as stabilizing the region, although he felt the vulnerabilities of his own country because of Soviet penetrations in Afghanistan and Pakistan.

Now, in the course of it, he, of course, discussed the new equipment that he wanted to buttress his position.

Q: According to a New York Times article that I saw, he wanted to buy four or five Boeing 707s with airborne warning and control systems as well as A-10 attack bombers and F-14 fighters. A number of each of them. Did he discuss this purchases with you?

Schlesinger: I'm sorry. What was the list?

Q: Boeing 707s and AWACs.

Schlesinger: Yes, that indeed was on the list. What were the others?

Q: A-10s attack bombers as well as F-14 fighters.

Schlesinger: Well--

Q: That was already an issue.

Schlesinger: Yes. The question was the traditional F-14 and the answer was that there was no problem about that. The A-10s, I have less recollection of, but the A-10 was designed as a close air-support

aircraft and if the Shah wanted to buy them that was fine with us. Indeed, it seemed to us to be more relevant to his purposes than some of the fancier equipment that he normally wanted to buy. The A-10 was not a state-of-the-art aircraft.

And finally, the AWACs issue would have caused, and, indeed as we can see in retrospect, did cause much greater concern. But the decision of the earlier period indeed continued to prevail. If the Shah wanted to buy four or five AWACs, he was going to have them.

Q: Did you agree with that or did you have doubts or reservations personally?

Schlesinger: Once again, I have a very thin memory after all these years but my recollection is, indeed, that I made some vague passes at discouraging him, making sure that he understood that these were very expensive equipments. Having done that in a perfunctory way, I think I subsided, but my recollection might be quite wrong on that. Well, it's not quite wrong on that but my recollection may be a little bit off on that.

Q: These sales all went through basically?

Schlesinger: Yes. They were going through and, as you know, they reached a peak in a peak in the Carter period. As I recall, Admiral Turner protested vigorously about the sale of AWACs to the Shah. But it was during the Carter period that these issues came to a culmination in the form of contracts. At that time, they were only verbal promises

that if indeed you want the AWACs you can have them.

Q: What was the overall tone of these discussions? Were they fairly friendly?

Schlesinger: Very friendly.

Q: Okay.

Were there any rumors at this time about the Shah's health? The New York Times has suggested that there was concern that he looked weak or not as healthy as he had in earlier years.

Schlesinger: Let me say with regard to the prior question, I think I mentioned that I was the Shah's host in that period because the President and Kissinger for some reason or other had to go out of town, so I escorted him during his last day here and took him to his chopper and the like. Now, I do not know whether the Shah might have felt that the new President and the Secretary of State were not giving him his due deference under those conditions. I can only speculate on that, since he certainly did not raise the subject with me. But in regard to friendliness, he may have inferred that that reflected a somewhat scaled down degree of intimacy with the United States as compared with the Nixon period.

What was the next question?

Q: Was there concern in this period about the Shah's health at all?

Schlesinger: No. The Shah at that time looked quite vigorous on the occasion of that visit. I think that in 1978 none of us knew of the nature of the Shah's ailment, even though he had been treated by French doctors. I'm wondering why we didn't know that he had been treated by French doctors. But in 1978 Blumenthal, for example, who had known the Shah for many years, visited there in I think late October or early November of 1978 and he was shaken by the Shah's appearance. But I think that he attributed it more to the political conditions and the shock that these political conditions had on the Shah's well-being than to any serious health condition. So in 1975 there was no--

Q: The reason I mention it is that there is an article in the Times that I saw from that year that suggested that the Shah looked drawn and worn compared to earlier periods. It was interesting to see that.

Okay. I read sometime that in the summer of 1975 General [Hassan] Toufanian--there were reports that he had plans to develop tank production capacities in Iran, tank-building factories. Did he ever discuss these plans with you?

Schlesinger: I don't recall. As I mentioned last time, the administration was inclined to back activities in terms of co-production. I do not positively recall that but we would have had no objections to that. As you know, there was talk at Bell Helicopter of co-production. There was talk about co-production of the Tow Missile. I would have been much more concerned about that because of the greater sophistication of the technology, and I resisted the co-production of the Tow Missile co-production, though unsuccessfully. If the Shah had

wanted to produce tanks, we would not have fought it. I have no recollection of that. That was the kind of thing that we would have preferred to sell directly for balance-of-payments reasons.

Q: Last time you mentioned the study that Glen Blitgen did of Iran and arms sales, basically. I read in Gary Sicks' book that you took that report and used it as a basis for a letter to President Ford requesting an NSC review of arms sales to the Shah and to Persian Gulf countries generally, apparently.

Schlesinger: Well, I don't recall precisely what I did at that time. I certainly was sufficiently concerned about the evolution of U.S.-Iranian relations that I made representations to the White House during 1975. To what extent that reflected the views of the Dick Hallock, the concern that we had about getting a special defense representative in the country, to what extent it represented the report by itself, all of these things were reflected in a broad concern within the department that we put relations with Iran on a systematic basis rather than simply following what I'll call the visceral impulses of the Shah.

Q: Now, Sick also suggested that Henry Kissinger stalled any effort to get a response to his request for a NSC study. Does that ring a bell?

Schlesinger: Well, that certainly rings a bell because there was an extensive period of no response. It was not the sort of thing that Kissinger welcomes in general and more particularly, even for those things about which he felt neutral, he normally delayed consideration

as a way of building up bargaining position and political capital for a future negotiation. So I do recall that Henry was not immediately responsive, but that was par for the course.

Q: Sick suggested that this was part of an overall struggle for power and influence between you and Kissinger. This Iran issue was just one facet of that? Was that plausible?

Schlesinger: Well, I think he's over-dramatizing it. I think that we had different views on a number of subjects. I tended to react to particular issues: the downfall of the Greek Colonels or in relation to what was going on in Iran. It was specific issues that worried me. Kissinger may have tended to view things in this manner; he may have regarded this as part of a broad-based struggle for power. Certainly not in my view. To the extent that there was the competition of influence, I tended to be primarily concerned about maintaining control within the Department of Defense and to influence the arms control talks with the Soviet Union which impacted directly on the central mission of the Department of Defense. These other areas, they were really much more episodic and to treat it as part of a struggle for power is to make it far more grand than is actually the case. There may have been much more of a struggle for power or a competition for influence, I would prefer to say, in the issue of U.S.-Soviet relations as it impacted on arms control. That would be the end of it. That was the central concern that I had.

Q: One project that emerged in the mid-1970s was the IBEX Project, to