

Q: Alton Jones. He was a friend of Eisenhower's.

Stutesman: Alton Jones was a name that kept coming up. He was clearly prepared to buy Mussadiq's oil. I think Thornburg and his associates, whoever they may have been, would have been prepared to move some of that oil. Again, I come back to my feeling that Mussadiq was encouraged by channels, by connections that I know nothing of, to believe that the Americans would take care of him. You could never persuade me that there were not people who would buy Iranian oil; there obviously were. Mussadiq, in other words, may have been working on a perfectly reasonable assumption, except for his misunderstanding of the American-British relationship.

Q: That's very interesting. Do you recall if any U.S. oil company representatives passed through Tehran during this period? You mentioned Thornburg.

Stutesman: Thornburg was living there, and he was not, as far as I know, representing an American company. He was a bucaneer.

Q: Was he advisor to an American consulting firm working with the Iranians?

Stutesman: Perhaps so.

Q: But besides Thornburg, were there any other people that passed through Iran that you know of?

Stutesman: I know Jones came through, but I couldn't tell you when. And I couldn't tell you whether I was in Washington or in Iran at that time. I have no doubt that others came through, but I don't know.

Q: Did you get a sense, when you were in Tehran or back at the country desk in Washington, whether U.S. oil firms had much interest in taking part in the long-run development of Iranian oil resources?

Stutesman: I've thought about that a lot since those days, partially because of historians like you. It's an amazing coincidence that the Americans were able to move in profitably, but claim that they had nothing to do with Mussadiq coming to power. However, my personal opinion, based on what knowledge I have, is that the American major oil companies did not in any way suggest to Mussadiq that they would pick up whatever Mussadiq could drive the British off of. So I stand on my belief that the American oil companies did not mount any kind of conspiracy to get the British out of Iran. I do think that Mussadiq expected them to take care of him.

Q: He felt that they would encourage them to take over from the British?

Stutesman: Mussadiq worked in the belief that the Americans would not allow Russia to control Iran. The Americans were the new power and owed nothing to the British, Mussadiq felt that if he kicked out the British and threatened the Americans with Russian hegemony, that we'd rush in. He wasn't that far wrong; we did in the end. But I don't think that there was any kind of American oil company conspiracy. It was just a remarkable stroke of luck for them.

Q: Yes. In September '51, Loy Henderson replaced Henry Grady as ambassador. You talked a little about Henderson earlier, but how would you characterize Henderson?

Stutesman: First of all, I have to make clear that my personal involvement with Loy Henderson extended over a number of years. I served with him in Tehran on his staff, and I was desk officer while he was ambassador, and then a few years after that, I was stationed in Paris at that time, he called me back to be one of his special assistants in Washington, and I served him for three and a half years. So I'm not only a great admirer, I also am very fond of him.

Having said that, I go back to when he arrived in Tehran, he was a complete, really a dramatic change from Mr. Grady, without in any way trying to say one was better than the other. The fact is, without any question, that Mr. Henderson was a more certain person in dealing with the quagmire and walking across the bog of Iranian politics. Mr. Grady had laid the groundwork. Grady had done a great deal of hard honest work, trying to negotiate with Mussadiq.

By the time Henderson came, it had been clear that almost all avenues had been exhausted. So Henderson came in, in my view, with an instruction to do what he could, but mainly to set up lines of communication to Mussadiq and to the Shah, upon which we could build something new. Of course, that's what he did. I don't think he had instructions when he arrived, to develop an overthrow of Mussadiq; I really don't think that. Your records perhaps could show that I'm wrong, but I don't think that's what he came instructed to do. I think he came instructed to try to restore some steadiness to a situation which was a very difficult situation.

Q: That corresponds to what I've read, that there was no aim at that point. How effective was he in working with Iranian officials, with Mussadiq or the Shah, among others?

Stutesman: Loy Henderson was one of the great classic diplomats of all time. He was a man of astonishing honesty, sincerity, gentleness, and a wonderful mind. He was just an extraordinary man. He treated the Shah with absolute sincerity and respect. He never gave the Shah any sense of looking down on him, nor treating him as a less than emperor of emperors.

In his dealings with Mussadiq, one of the first things he did was to drop me as the interpreter and persuade Mussadiq to have Saleh accompany him, so that the negotiations could be in Persian. We still did not have a Farsi speaker on the regular embassy staff, although CIA, had several.

Q: How did he manage the embassy compared to Grady or Wiley?

Stutesman: I don't remember exactly when we moved from the old German embassy. In any case, a building was constructed in the embassy compound, which was given the name of Henderson Hall. It was a very unoriginal architectural creation, but Henderson worked in that office and his staff was in that building. He was a fine leader. He had very good relations with the CIA chief, Roger Goiran, usually. I'll tell you one story to illustrate that. In order to soothe Mr. Henderson's deep suspicions of the CIA, which any sensible ambassador would hold, the people in Washington said to him, "Loy, any time you want, you can call for the 'chron' file of our telegrams." This is a tremendous concession to a State Department officer. He accepted that as a very fine gesture of respect and confidence. One day months later, he didn't have much to do, and so he called for the file.

Q: What was the file called?

Stutesman: The chronological file, the "chron" file of telegrams of, say, the past couple of months. So the secretary in the CIA office, which was in the same building, knowing the standing instructions, simply trotted it down. Mr. Henderson began to leaf through it, and about the fifth or sixth telegram was one saying, "Don't show to Loy." (Laughs)

Anyhow, he had excellent relationships with all the people on this staff. He had inherited a Point IV program run by a remarkable man named Bill Warne, who came out of California. He may still be alive, I don't know, and who, I think, had been

brought in by Grady. Grady had been very active in developing aid programs. Bill Warne and the ambassador got on. And then I know this happened. Warne wanted to do something--I don't remember what it was, some program--and Mr. Henderson wouldn't say no, but he did point out several potential pitfalls, some problems and let Warne make his own decision. Warne went ahead and did it, and it turned out to be a disaster--a small disaster, but a disaster. Of course, ever after that when Mr. Henderson made a suggestion or a comment, Warne paid a great deal more attention. That's the way that Mr. Henderson ran things. He was an autocrat, a very definite person, but he would always give you a long lead and let you work on your own. A wonderful man.

Q: At this stage, the embassy staff was expanding considerably.

Stutesman: Oh, God yes. By then, when I was desk officer, I couldn't even guess how many Americans were there. We had military missions and aid missions. And the staff was just blossoming. I would say the political section had at least four people in it, and pretty soon they began to have Farsi speakers.

Q: What accounted for the expansion of just the embassy staff, leaving aside the Armish-MAAG and so forth?

Stutesman: The embassy staff expanded in direct correspondence to the interest of Washington in Iran. In 1949, as I say, Washington really felt, "Let the British run it. We've got much bigger things to do. We have Europe and the Far East and so on."

Q: You were a junior officer at this stage, but did you get a sense of what Henderson thought about Mussadiq in the nationalization issue generally?

Stutesman: Of course, by this time I was looked upon as somebody who had a real working knowledge of Mussadiq.

Q: That's right.

Stutesman: So I have a distinct memory of sitting in the office when Mr. Henderson would make his report. He'd come back from working with Mussadiq, and he'd make his report both to us and to Washington. He did it frequently in the form of dictating a report, and as he dictated, we could ask questions or make comments. My recollection is that Henderson's first attitude toward Mussadiq was one of treating him openly and continuing to try to work out some negotiated settlement with the British which would meet British and American concerns.

It seems to me I was either in the passage of home leave and going to the desk as Henderson's attitude changed. I don't remember the exact date of my moving to the desk, but as I say, I was on the desk while Acheson was still Secretary.

The decision to overthrow Mussadiq was made, I believe, by [Walter B.] "Beedle" Smith, who was then Under Secretary and who, as you know, had come from the post in CIA, and who had been Chief of Staff to Eisenhower, so that you had a very tight family relationship there. You had Eisenhower as President, John Foster Dulles as Secretary

of State, his brother Allen as the head of CIA, and Smith having been the closest associate of Eisenhower during the war and having been the deputy in CIA, now as the deputy in the State Department. So when "Beedle" spoke, he spoke not only with direct instructions, but also with a deep understanding of what his principals were thinking. I certainly was not present, but I've been told this by someone who was present, that CIA officers were in his office discussing Mossadiq, and "Beedle," who had a very bad stomach problem, may have clutched his stomach and groaned, or he may have said, "Dump him." (Laughs) But I have a feeling the decision was made that easily and that quickly, and then CIA went to work.

Now, they obviously did not work without involving Mr. Henderson. They changed the chief of station in Iran. Roger Gorian, I think, objected. In any case, he was transferred.

Q: That's interesting, because from the records I've seen, he left in the fall of '52 before the AJAX plan was even--other people have said that same thing, that he objected. But I'm not sure.

Stutesman: What did he object to?

Q: I don't know.

Stutesman: I don't have it from his mouth, so maybe it's better if I don't even mention it. He's certainly worth talking to and, as I say, he's healthy and sharp down in Florida.

But they changed the chief of station. Henderson, I believe--now I understand there have been interviews with him on this general subject.

Q: Yes.

Stutesman: But I believe that Mr. Henderson had a deep reluctance to have a covert operation displace a chief of state. I think he had a long-term reluctance and a long-term sense of uneasiness about what this might do to the future. At the same time, I think that he faced a situation where there was very little alternative to the departure of Mussadiq.

I was on the desk, and as you probably know, I'm sure you know that you have the desk and then you have GTI, which is Greece, Turkey, and Iran, and the head of that was Arthur Richards, who had been my DCM in Tehran and now was my chief again in Washington. Above that you have the Assistant Secretary for Middle East Affairs, who was Hank Byroade. Then directly above that you have the Secretary of State and to the extent he involves his top people, under secretaries. The line was drawn at the assistant secretary level in terms of discussions of plans to overthrow Mussadiq. I think at a stage, Arthur Richards was informed, but the line was clearly drawn at the assistant secretary level and never got down to me. However, I don't tell you this to protect myself.

(END OF SIDE TWO, TAPE ONE; BEGINNING OF SIDE ONE, TAPE TWO)

Stutesman: I don't tell you this to protect myself, but to add that being an alert person, it became easily apparent to me that something was going wrong in Washington policy circles and, to some extent, in our actions in Iran, which could only be part of a program to become increasingly offensive to Mussadiq.

There was a very fine man named Joe Upton, who was in INR, which is the intelligence and research side. He had worked in Iran as an archeologist, I believe he had perhaps been involved in OSS during the war, and he was a very wise and thoughtful, gentle person, unhappily long dead. I sat down with Joe Upton and said to him--and I don't recollect the details, but basically I said to him, "Joe, obviously something is going on, and I have an uneasy feeling that if, indeed, there is to be an overthrow of Mussadiq and the development of a new government, no one is putting any attention on what we do then, that the work right now is all, as far as we know, on the issue of how do you overthrow Mussadiq."

So he and I sat down and drew up what we called a "what if" paper. What if Mussadiq fell? What would we do then? What would be required? We didn't do this in an attempt to smoke out our superiors, but more than that, we were concerned that, in fact, something could happen and then everybody would stand around with their thumbs up their ears and say, "Oh, well, what now?"

Q: And for some consequences.

Stutesman: Yes. I have no idea what happened to the "what if" paper in terms of Department's archives, but it was a formal paper which we submitted to Arthur Richards

and which went on up the line. Indeed, after Mussadiq fell, I was present at a meeting in Dulles' office, the Secretary's office, and at that time he had Phleger, who was his legal counsel, and Dulles didn't do hardly anything without the legal counsel involved. And Byroade, I remember, and Arthur Richards, and the policy people.

Q: The policy planning staff people?

Stutesman: There were, I'd say, ten people. They were sitting around and, indeed, they were working to some extent from my paper. I remember there was some discussion. Dulles was not very interested, in my recollection. But the question was how much money to give to Zahedi. I think Byroade asked for, say, 20 million, and somebody else said, "Oh, God, we don't have that. We don't have anything."

So Dulles said, "How about 10 million?" And everybody said okay. So you have these, to me, not atypical decisions. I think that "Beedle" Smith decided to dump Mussadiq in a brief interview with some CIA officers, and I think that Dulles decided to start passing money to Zahedi in a very casual meeting. That doesn't mean that a whole lot of people weren't working constantly, like me, but again, I come back to these concerns that there was some very carefully calculated policy. I really don't think that our policy on Iran was worked out, certainly not on the basis of any conspiracy, but on the basis of sort of, "Well, Jesus, what do we do now? Oh, okay, let's get rid of him. Now--oops, well, now, okay, we've got to give him some money. Well, why don't we give \$10 million. Okay." And then the workers go to work, Henderson and some of the others.

Having said that I believe he was deeply reluctant, Henderson's role was nonetheless to carry out policy, and he very carefully developed an attitude and helped to sponsor an attitude in Iran that Mussadiq was leading the country to ruin and to Communist control. Whether Henderson believed that or not, I don't know, but that's certainly the way he worked. He did it, including removing himself from the scene. I don't remember the exact timing, but it seems to me that he was out of Iran.

Q: On vacation, I think.

Stutesman: Yes. Of course, it's so unlike Henderson to take a holiday right in the middle of a crisis. All of these things were worked out. I don't think these were things that he and [Kermit] Roosevelt cooked up in a back room; I think these are things that Mr. Henderson and Roosevelt and others worked out. But there was no doubt in my mind that there was a carefully developed, coordinated State Department-CIA plan leading toward the eventual overthrow of Mussadiq.

Q: This all raises a lot of questions, but I want to back up a little bit. In the period when you were still in Tehran, 1951-52, how much concern was there in the embassy about the influence of the tudeh, local Communist Party or movement?

Stutesman: A great deal. In a curious way, more when I first arrived than when I left. Because in 1949, when I arrived, it was very fresh in all our minds that the Communists, Russians, had attempted to hold on to Azerbaijan after the war, and that it was only

through a struggle in The United Nations that they were forced out. In my dispatch on the Shah, I have as an enclosure a letter written by Ambassador George Allen that letter is a marvelous description of how the Shah reached a point where he took a decisive action which led to the fall of Qavam, which had an effect on the Azerbaijani problem, and which supported the idea that the Shah could be a reliable leader and a reliable pro-Western leader.

So that when I arrived in '49, the Tudeh was still viewed as a danger, because it had been damn near successful in dismembering a part of Iran. Whether that was an accurate appraisal of the actual strength of the Tudeh, I don't know. I remember that when the National Front came in, there were concerns that the Tudeh was an influence within the National Front, then there were concerns that the Tudeh was in opposition to the National Front, then there were concerns that the Tudeh would be the heir of the National Front. I don't remember any serious details, certainly not scholarly study, of those issues. There may be some in the CIA files, but I don't remember any in the State Department.

Q: One document I've seen referred to was an October '52 CIA analysis estimating that the Tudeh lacked the capacity to overthrow the government.

Stutesman: Oh, yes.

Q: That was a commonly held assumption?

Stutesman: Oh, yes, at that time.

Q: Historians have argued that the embassy tended to overestimate the Tudeh's strength in the country, and also overestimated the degree that at some stages the Tudeh was cooperating implicitly or tacitly with National Front. Was the Tudeh's strength overestimated in some ways in reports back to Washington?

Stutesman: As my last comment indicated, I don't really remember the embassy being especially concerned about the Tudeh after the National Front came to power, except for the sense that in a complete disarray, the Tudeh could become heirs of power. But there I think the concern ran more to the Soviet neighbor and the Soviet influence than it did to a serious nationwide deeply ingrained Tudeh force. That's my feeling.

Q: From what I've read in this article which I'll show you later, apparently the CIA had penetrated the Tudeh party at the very highest levels. Was this something that you knew about?

Stutesman: No, I didn't.

Q: In the fall of '51, Mussadiq had about six weeks in the U.S., where he represented his case on nationalization to the U.N. and met at great length with Acheson and George McGee to continue discussions on the oil question and work out a basis for compromise with the British, and the newly elected conservative government in Britain

rejected the compromise that McGee and Mussadiq worked out back in Washington. They were staying at the Shoreham Hotel and many discussions were being held there. I guess the British rejected the compromise because it still left nationalization intact, and the British Government rejected any prospect of agreeing on the question of nationalization. Do you know if Acheson tried to apply any pressure on Eden and the British conservatives to get the British to accept some kind of a compromise plan that would be worked out in Washington at this stage?

Stutesman: I have no personal knowledge of that. I may have been aware of it, but I don't remember anything like that. I don't remember preparing any papers which he would have used in talking to Eden.

Q: Apparently by around January 1952, from what I've read, Acheson was concluding that it was likely that no settlement would be reached with Mussadiq. Was the thinking at the embassy around this time, early '52, pretty much on the same lines, that it would be very likely that there would be no settlement?

Stutesman: January, 1952? When did Eisenhower come?

Q: This is still a year before the Republicans coming in.

Stutesman: When did Harriman come out?

Q: 1951. So this is seven months later, I guess.

Stutesman: Again, my recollection, without any reference to notes or anything or a chronology, is that Acheson and his senior advisors, Nitze was one of them, they never quit trying to negotiate with Mussadiq. That's my recollection. Again, it's possible that I'm looking back with a long telescope, but I recall my feeling that it was almost pathetic, these very senior men, they got so excited. They were all like children and they'd get all excited, wonderful, you know, and they'd be out there, gonna solve a world problem. Again, I may just make this up as I think back, but my own recollection is that they were pathetic, these men, compared to someone like Henderson, who was so steady and so long-term. If Mr. Acheson did feel that it was a useless proposition, he certainly, it seems to me, did not stop his people, Hank Byroade, whom I like. Hank Byroade was a good chief. But these guys would get together and they had a thrill. It was like fighting the war for them.

Q: I read that also around the same time, late '51, early '52, that Ambassador Henderson was trying to get the Shah to replace Mussadiq with someone who was more readily agreeable on a compromise on the oil question with the British. Did you know about what Henderson was thinking at this stage?

Stutesman: I don't remember that. I think it's very natural that Henderson would have discussed with the Shah the possibility of getting somebody in. Does it say who his candidate was? Was it Zahedi then?

Q: No, it was easier. It was somebody else. Hussein Ala, I think.

Stutesman: Everybody loved old Hussein Ala. He was a sweet man and had done such a good job on the Azerbaijani issue. Anyhow, my answer is that I don't really have the knowledge of it.

Q: When did you leave Iran for your assignment in Washington?

Stutesman: It had to be in '52. I was there nearly three years, mid '49 to early '52. In any case, I was in Washington on the desk while Acheson was still Secretary, so it had to be in '52 at the latest.

Q: So you returned to Washington to serve as desk officer? Was that immediate?

Stutesman: I was transferred directly from Tehran. I had home leave, and then went to the desk, where I held the great title of Officer-in-Charge of Iranian Affairs.

Q: Who else worked at the desk? Did you have an assistant?

Stutesman: Yes, there was somebody in the economic section. And there was somebody else who was in my own office. I'm ashamed to say I don't remember any names. But looking upwards, it was Arthur Richards who was my boss. The partnership

between me and Arthur Richards had been formed in Iran and just kept on going on the desk. I don't think I had much of a staff. There was an economic section in GTI, and there was a man in that section who dealt with Iranian affairs. It seems to me his name was Bernie Crowell.

Q: Around this time, '52, early '53, who were the other agencies working on Iranian issues? For example, the Defense Department, Treasury, or Justice, because they had an interest in the question of anti-trust and oil companies. Or CIA, for that matter.

Stutesman: At my level, desk officer, my partner in INR was Joe Upton, and, of course, INR is direct liaison with the intelligence community, the CIA. Nonetheless, at the same time I had both old friendships and also official relations with Roger Goiran, who was then the CIA director for Middle East covert action, and John Waller, who was his assistant, dealing primarily with Iran. I knew Kim Roosevelt, but I was in no way involved with him at that time. So informally, I would be in touch with the two CIA principals at my bureaucratic level, and also socially I saw them.

You asked about the military. I don't remember having much in the way of a connection to Defense Department people. They certainly were represented from time to time in large groups, but in terms of day-to-day or even weekly contacts, I don't remember picking up the phone and checking in with somebody in the Defense Department. Obviously, Henderson had military attaches and there was a military mission.

Treasury, again, I don't remember any particular involvement with Treasury at my level, although at very senior levels, obviously, there would be representatives from Treasury, particularly when you were talking about oil.

The Justice Department, the only time that I saw a direct involvement--and I have no idea of the date--there was a summons by the President, and I think by this time Herbert Hoover, Jr., was Under Secretary, so I'm talking about that time. Anyhow, there was a gathering of senior representatives of American oil companies in the State Department, and they met in a conference room up in the Secretary's area, and I was present. I know that there was a great deal of prior clearance with the Justice Department, which had to be satisfactory to the oil companies before they stepped in the same room. That was done, but that was not done at my level.

Q: How would you describe your responsibilities as a principal officer?

Stutesman: Desk officer.

Q: Desk officer.

Stutesman: Principal officer would be a term for somebody overseas. I was officer in charge.

Q: That's what I meant, exactly.

Stutesman: First of all, it meant that that's all I thought about, aside from my family. It meant that on a daily basis I dealt with all reports from the embassy, all requests for response from the embassy, and all directives sent to the embassy, either by doing them myself or by clearing them. It meant that I was a source of information to anybody senior to me in the Department, which included most of the Department, although by then I had risen rather quickly in the service, but I was still a desk officer. I was the source of information to people in the Security Council. They'd have meetings in which they would work on the Iranian policy issue. I would be called to supply papers and to provide information to people working at that level, or I would be constantly summoned up to the Secretary's office.

Then, of course, during the night, in those days what we had in the State Department were watch officers. A telegram would come in, which the watch officer would think was significant enough to call me and waken me, and I would get in my car and drive down and read it. If I thought it was important enough, I would even wake a senior officer up, but generally I wouldn't. I would then go to work on it first thing in the morning. That's what I did.

Q: During this period, the CIA wrote estimates on the Iranian situation. I have one here, a Xerox copy, "The Prospects for Survival of the Mussadiq Regime in Iran," dated October 14, 1952, produced, I guess, at their offices in Washington. Do you know who wrote the estimates, who on their staff would write these? They're called national intelligence estimates, NIEs.

Stutesman: No. I wasn't on distribution.

Q: You weren't? Who in the State Department followed closely the oil policy issues?

Stutesman: I think, for one thing, Walter Levy was on a continuing consultant basis. For another thing, of course, the very senior people such as Phleger, who, after all, had been the legal counsel for Sun Oil here, maybe Standard of Cal, and then the economic section, the Assistant Secretary for Economic Affairs. Those were people who dealt with that sort of thing. I don't remember any oil company officer either calling me or coming to see me, but when they had their meetings and when we worked out policies, I would, of course, be informed, or any instruction that went to the embassy, I'd get a copy or indeed it would pass through my hands.

When I talk to you about not being on the distribution list for CIA data, that's not unusual. The CIA, after all, supplies its information, first of all, to its own principals, but then through controlled channels to the State Department. So there would be a senior officer in the INR, intelligence research area, who would then presumably make the decision whether or not it would reach me, I guess.

Q: Maybe Upton would see it, perhaps, because he was in INR.

Stutesman: Perhaps, although not necessarily. I'm not saying I didn't see some of their stuff, but I certainly was not on a routine distribution. In other words, it wouldn't come

direct across to me; it would pass through their controlled channels, which I think is correct.

Q: Do you recall who Iran's ambassador in Washington was at this stage, when you were desk officer in 1952?

Stutesman: I don't.

Q: Did you have much dealings with their embassy?

Stutesman: I remember social relationships more than I do official relationships. Yes, of course we did. We had all kinds of conversations, but not on policy issues. I don't think that we, the State Department, used the Iranian ambassador much as a channel to Mussadiq.

Q: Mostly just through Henderson?

Stutesman: It was through Henderson, yes.

Q: In February 1952, the World Bank vice president, Robert Garner, headed another attempt to reach a settlement on the oil issue, and he traveled to Iran and met with Mussadiq and the embassy staff, and tried to reach a compromise. Do you know how closely Garner coordinated his efforts with the State Department?

Stutesman: I don't know. Was Grady still there?

Q: It would be Henderson in early '52.

Stutesman: Henderson. Again, knowing Mr. Henderson, he would not have let Garner just travel around loose. He would have been closely involved. But I don't remember any particular experience that's worth telling about.

Q: During this period, the U.S. was still providing to Iran Point IV technical assistance.

Stutesman: That's right.

Q: Plus Military Assistance Program, MAP aid, as it was called then. But there was no general-purpose economic assistance, no balance of payment support or whatever. Did Mussadiq make many requests for aid to the U.S. for general support?

Stutesman: I don't remember any. I have no idea. Again, I just keep hitting this drum, but it's basic to all of this, in my opinion. Mussadiq wasn't counting pennies; Mussadiq was counting on the United States to buy his oil, to protect him from the Russians, and to kick the British out. I'm just convinced of that. But whether the old man ever said, "I'd like to have another 10 million to build roads," or something, I don't remember anything like that. His people may have mentioned it. Certainly he had around him

some pretty grasping types who may have wanted money, but I don't remember Mussadiq really discussing seriously with us economic aid.

Q: By June of '52, from what I've read, Henderson was giving quiet support to Ahmad Qavam as replacement for Mussadiq.

Stutesman: Yes.

Q: Would it be fair to assume that he was doing this with the full knowledge of the State Department, the higher-ups like Acheson or Acheson's deputies?

Stutesman: Oh, certainly. Henderson never made a significant move without having it either cleared in advance or informing them. But again, I don't remember. I was startled when you told me that Qavam was even in the play then. He was an old geezer by then.

Q: You had had contact with him when you were in Tehran?

Stutesman: Yes, socially.

Q: In July of '52, Mussadiq had a struggle with the Shah over control of the military. Mussadiq briefly resigned as prime minister and was temporarily replaced by Qavam for five or six days. Qavam was only temporarily in power, because there were massive

street protests in Tehran, forcing Qavam to resign, and Mussadiq was put back in power, reappointed. Again, this might have been at a higher level of discussion at this stage, but did the U.S. Government have any plans or proposals to support Qavam politically or financially so he could keep his power as prime minister?

Stutesman: As far as I know, there was nothing in place.

Q: During the early 1950s, maybe in the late 1940s, the CIA had a covert program in Iran called BEDAMN, which the article I gave you by Gasiorowski discusses. Probably the basic purpose of BEDAMN was to counter the influence of the Tudeh and the Soviet Union in Iran. Did you know about this program's existence? It's only come to light recently, apparently.

Stutesman: No, I did not, but I did know, of course, that there were American intelligence personnel in Iran. I also knew then, and still know, that a good deal of our work in Iran was really directed north to the neighbor there. One of my great happy memories is that there was a man, an Army officer, but on the intelligence side, named Alex Gagarine. I think he's still alive, but I think he's in Brazil, an American out of a great Russian family, of course. He retired. He lived in Washington for a while. They gave a Russian Easter party, and Archie Roosevelt was there. He's the man whose wife was or may still be Chief of Protocol in the State Department.

Q: That's right. Selwa.

Stutesman: At one point during the rather bibulous occasion, Gagarine and Archie Roosevelt put their arms around each other and sang the Azerbaijani "national" anthem, remembering their happy days when they were intelligence officers, American officers, up there in Azerbaijan, helping to get the Russians out. So sure, I knew of American intelligence operations in Iran, but as I say, I always thought of them, except for the business with Mussadiq, I always thought it was primarily concerned with external affairs. And certainly while the British were running Iran, the American intelligence agencies were not, I am convinced, were not trying to overthrow or control any governments in Iran. The British would have squashed it.

Q: Apparently, after the British were forced out in late '52, their embassy staff had to leave Iran, their intelligence people had to leave the country lock, stock, and barrel. By this point, by the fall of '52, apparently the BEDAMN program also started to target the National Front. The idea was, so I've read, to create or exacerbate internal divisions in the Front, to separate its leadership from its mass social base, and the ultimate goal apparently was to undermine or destabilize Mussadiq's government. Was there any word in Washington about this kind of a program?

Stutesman: I wasn't personally familiar with it. It makes sense to me. I think it's very reasonable that what you've said is true, but I don't know.

Q: In November '52, C.M. Wodehouse, whom you mentioned earlier, of the British S.I.S., was sent to Washington to seek U.S. support for a tentative plan to overthrow Mussadiq. He discusses this in his memoirs. Apparently Wodehouse met with some State Department officials. Would this again have been with the people at the assistant secretary level that he would have met with? Did you know about his arrival in Washington?

Stutesman: My guess is, in his memoirs, when he says State Department officials, he means CIA.

Q: He discusses it as a separate category from CIA, so I guess he went to the Department offices.

Stutesman: Because it's like Kim, you know. Kim Roosevelt had to withdraw the first run of his book because the British objected to some of his references. My answer is no. I knew Wodehouse in Iran, and I may have seen him socially when he came to Washington, although I don't remember it, but certainly I was not involved in any negotiations or discussions.

Q: Around this time, before the British were expelled, they were working with the Rashidian brothers and General Zahedi in a plan to overthrow Mussadiq. The British had this ongoing circle of people that they were working with, with the aim of

overthrowing the prime minister. Did you know the Rashidian brothers when you were in Tehran?

Stutesman: By name. They were merchants in the bazaar and they were known as influential people, but no. Again, you're asking me about things which had to do with covert activities, and believe me, junior officers in an embassy don't--

Q: They were not in the loop, as they say these days.

Stutesman: No, and they shouldn't be.

Q: In January '53, there was a final effort to work out a compromise. This effort had been made under Acheson and was presented to Mussadiq early that year as one of the last acts of the Truman Administration as it was leaving the scene. Mussadiq turned down the plan which the U.S. had offered. Apparently, one of the reasons that Mussadiq turned the plan down was that the British insisted that compensation for nationalization would take into account not only the value of AIOC's properties in Iran, but also the future earnings that AIOC would be deprived of through nationalization, future profits based upon its long-term contract with the government of Iran. Was this question discussed at the desk, this question of the compromise plan and the British insistence upon future earnings being compensated for?

Stutesman: I'm sure it was. That's not the sort of thing that would have been kept in a special category. But I don't remember.

Q: Did you do any work on this compromise plan yourself? Would you have been involved in drafting it?

Stutesman: Yes.

Q: Putting it together?

Stutesman: I suppose so, but I don't remember. Day-to-day work would range from the most pedestrian thing, like somebody trying to locate an American child taking a bus across Iran, to working on National Security Council issues. But I just don't remember.

Q: At the time that the Eisenhower Administration was coming into power early in '53, how would you characterize the approach that Eisenhower and Dulles took to Iran in this very early stage?

Stutesman: I've already indicated one specific thing. If I can reduce it to the question of attitude toward Mussadiq, rather than attitude toward Iran, I can speak with some authority. There, as I indicated, I believe that the decision was transmitted by "Beedle" Smith to the CIA officers in an official fashion in "Beedle's" office, to dump Mussadiq,

and that Smith was at that time speaking for not only his President and his boss, but also his former boss, Allen Dulles.

Q: How would you explain the basis for this hostility to Mussadiq?

Stutesman: I think two bases. One is a more realistic, at least in my opinion, a more realistic assessment of whether you could negotiate with Mussadiq, or whether you had to just sweep him off the board. That's one aspect. Another aspect is the Republicans who came in, I mean, Foster Dulles was one of the most disagreeable, tough-minded people I've ever known, and I knew him pretty well. I delivered the top-secret morning report to him. This is when I was in his Secretariat. Every morning I would hand it to him personally for a year, and he never said "good morning" to me or anything. I might have been the air. Many other people have made these comments. This is a man who was a very realistic, a very cold fellow. And Allen Dulles, who had a lot more charm, nonetheless was also a very cool customer. And President Eisenhower, after all, commanded one of the great coalitions in military history and, despite his grin, could be a very tough boy. Those men, with "Beedle" Smith, those four men, those are very tough customers. They're a quantum leap from people like Nitze and Byroade, who just loved the excitement. The world was their playpen, and they were so happy just moving things around. That didn't happen again until Kennedy brought in his crowd of young people, and they treated the world the same way, with equally--no, more--disastrous results, because I would say Acheson's work stood to the test of time very well. So that's the other basis.