We had in charge of foreign policy some very tough customers who did not think of the world as a playpen; they thought of the world as a very serious place, and if somebody was giving you trouble, you knocked him off one way or another. Those are the two reasons.

Q: How did fear of communism enter into their calculations about the situation in Iran?

Stutesman: I don't think a lot.

Q: They were not that concerned about the Tudeh party?

Stutesman: I don't think Foster Dulles or Eisenhower gave a damn about the Tudeh Party. They were conscious, of course, of strategic and global considerations, naturally, but I think they were just fed up with this guy Mussadiq. You know, "Push him aside." They didn't want to kill him. "Push him aside and let's move on. Let's stop all this crap."

Q: To get to the oil business.

Stutesman: Yes, okay. I'm sure the oil business an element.Also, Eden and Acheson didn't get on at all well, but Eden and Dulles got along wonderfully.

Q: I thought Eden and Acheson got along well, because I've seen their correspondence at Yale, and it seems very friendly in its tenor. Maybe later on, they--

Stutesman: I don't think so. I think they had a hard time with each other. In any case, the British and Eisenhower got on just fine. After all, Eisenhower spent four rather significant years working very closely with them. So I would say the British, probably by this time, they also had more realistic people in charge of those affairs, and I think it was just a concatenation of people who were prepared to take a new and realistic look at Iran, and they saw Mussadiq as a problem.

Q: In his memoirs, C.M. Wodehouse discusses his visits to Washington, which I mentioned a few minutes ago, and he played up the anti-communist aspect, fear of communism, with the CIA people and State Department people in order to get them to take a stronger interest in the British plan to overthrow Mussadiq. Does that make sense to you that the British might have played up the role of anti-communism to encourage American interests, to support their goals?

Stutesman: Sure. Americans in those years twitched when you said the word "communist," and with some good reason. Certainly the Eisenhower people that came to power on an expression of, almost a suggestion that, the Democrats had been traitors at Yalta and so on, so that sure, that was a good button to push. But again, I'm speaking without any personal knowledge of these men's thinking, but my feeling is that the main thing that happened was you had a whole new crowd in, and the top men were very

tough, very realistic, and did not want to play games with the world, and the other is they faced a table loaded with failed negotiations of all kinds, of good-faith negotiations, and they just didn't want to do any more of that. So the two things came together. The communist element, sure, it was part of it, but I think it can be overexaggerated.

Q: You mentioned earlier that you had gotten a sense that something was going on in terms of American planning to overthrow Mussadiq, and you prepared a paper, a sort of "what if" paper. Do you recall the date?

Stutesman: No. When did Mussadiq fall?

Q: In August of '53.

Stutesman: This would have been in mid-summer of '53, I guess.

Q: That you did this paper?

Stutesman: Yes. And I don't mean that I embarrassed my chief, Arthur Richards, by insisting on being informed, but I must admit I would say, "Come on, is something going on that I don't know about?" And men like Jack Jernegan and Byroade were both friends, as well as superiors, and they wouldn't say anything to me.

Q: Richards wouldn't tell you anything either?

Stutesman: No, no. It was part of the rule. I mean, the line was drawn at the Assistant Secretary, and then it shifted down eventually to the office director, and that was it. But on the other hand, it became increasingly apparent that something was going on. Frazier Wilkins, he's still alive in Washington, who was then an officer in the policy planning council, and he felt that something was going on, and he leaned hard on me, which was his mistake, and I kept saying to him, "Why don't you talk to Jack Jernegan?" who was a personal friend and contemporary colleague. Frazier has never forgiven me for not telling him, and I keep telling him, "Frazier, I didn't know." (Laughs) Anyhow, that's when Upton and I decided that something was going on that could lead to a change of government and somebody ought to be thinking about that.

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

Q: Some months before you got wind of the possible coup plans, the spring of '53, Mussadiq wrote to President Eisenhower, requesting U.S. financial assistance. Eisenhower turned the request down, saying that there would be no aid to Iran until settlement of the oil issue had been made. Who would have drafted Eisenhower's reply? Would you have worked on it at the NSC level or someone in the White House?

Stutesman: I suppose I would have worked on it, but I don't remember. Is this when the argument was, "How could the American people understand our giving you money at a time when you have great resources that you could turn into money?"

Q: That's exactly the tenor of his letter, yes.

Stutesman: I think probably I had a role in it.

Q: His response suggests in some way that the oil issue had great bearing upon his basic attitude towards Mussadiq.

Stutesman: I understand.

Q: I have some questions about the development of the coup plans which have come to light in Roosevelt's book and some of the articles I've given you, but you've already answered them to some extent when you discussed your non-relationship to the principals involved in this. I guess I can ask you this, though. What were your impressions of the political situation in Iran, based on your reading of the cables coming back from Tehran? What was your impression of what was going on during the months before Mussadiq was overthrown?

Stutesman: You are asking me to be pretty precise about something a long way ago. My feeling is that, first of all, I and the men I worked with had complete confidence in Mr. Henderson and his staff in appraising the situation and in reporting on it. I think probably we felt that Mussadiq was losing the confidence of a lot of Iranians, but that's about as far as I can go now.

Q: From what I've read in Roosevelt's account and elsewhere, when Mussadiq arrested Colonel Nassiri, when Mussadiq learned that he was about to be arrested or overturned by Zahedi, and when this first coup plan failed, the Shah fled the country to Iraq, I think.

Stutesman: And then Rome.

Q: And then Rome. That's right. Do you recall this turn of events, what your reaction was when you heard about this effort to oust Mussadiq?

Stutesman: No, I don't. I obviously was informed. That sort of thing I would have been informed on. Just a story. The poor Iranian ambassador at Rome was a man who had been the chief of protocol of the court, and he had received instructions from Mussadiq not to meet the Shah, so he didn't meet the Shah. But a young business man there who was an Iranian, just a very nice fellow, went out to greet the Shah. After the Shah returned to power, that little guy in Rome was given a high position at the court,

Q: When the first effort failed, the CIA people regrouped, in their efforts to work with their contacts in the bazaar and elsewhere to develop crowds that would take a role in moving against Mussadiq. I guess they went to the military, to Zahedi and his people, and they were able to implement a successful coup which led to the overthrow of

Mussadiq. After this had happened, did you learn more about the CIA's role in this episode in the following months or year when you were at the desk?

Stutesman: Oh, yes, it all opened up a good deal, and also the CIA withdrew from at least visibly active involvement. What happened after the coup, after Mussadiq fell and the new government was formed was an intense concentration on helping the new government to get established, giving the new government a chance to breathe and, as I say, an instant supply of money, and giving the Shah support, and then also working on them to develop ways to get income from the oil.

I realize I seem to be describing the oil settlement in terms of providing income to the Iranians, and you, it seems to me, generally are suggesting that the Iranian oil settlement was a way of supplying profit to the oil companies. Both points of view are correct, but my feeling is the American Government at that time was primarily concerned with supplying income to the Iranians.

Q: As a basis for stability.

Stutesman: Yes, and less concerned with making a deal for the oil companies. The two are inextricably connected, but if you have to give way to one side or another, my recollection is that the weight ran more to, "Okay, Mussadiq's gone, there's a new government there, there's a new chance. Let's help it work." Of course, also they could pretty much push the British to the side. I mean, we were in the lead now.

Q: I want to take a few steps back to the question of the coup and the CIA's role in the coup. On the basis of the information that you had been able to get at the desk in the following year or two, could you say how important the U.S. role was in the overthrow of Mussadiq was? Was the U.S. role decisive or incidental? How would you characterize that?

Stutesman: I've heard it described in a number of different ways by Mr. Henderson, by Kim [Kermit Roosevelt], by others. I believe that its success is evidence that it was based on natural forces. There were broad forces which supported the idea of a more stable government, a government which could open up connections again to the West, and the Shah was popular. I do not think, however, that it would have happened then without outside instigation. And the two go together.

Q: A few months after the coup, Vice President Nixon met with the Shah in Iran during the course of a long trip through Asia.

Stutesman: I'd forgotten that.

Q: Did his visit have any special political significance, the Vice President stopping to see the Shah during the course of a tour of the Near East and the Far East?

Stutesman: I don't remember that at all, but I think it's a good idea, and certainly the Shah must have gotten a good deal of self esteem out of it.

Q: A show of political support by the U.S.

Stutesman: Oh, yes. A senior official. I mean, the President's the only next one in their eyes.

Q: A number of historians and analysts have argued that during the years of '53 into the early 1960s, that the Shah and Iran were in sort of a tutelage relationship with the United States. The U.S. was sort of like a tutor in terms of developing Iranian institutions, sort of a subordinate relationship between the two countries. From your vantage point in the State Department, how true was that, that Iran was kind of a client state, was in a subordinate relationship with the United States?

Stutesman: I think that client state description is exaggerated.

Q: Okay.

Stutesman: Both the best and the worst of American foreign policy involvement came into play here. The best is, of course, the generous, idealistic American attitude toward helping other people. The worst is the sense of assuming responsibility for whatever happens. In other words, the sparrow falls in the forest it's our fault and our responsibility. The vast aid programs which developed in Iran, in a sardonic way, I would say that they had very little effect except in one regard which they were not

proposing as an objective. What they did was, they employed at middle management levels young men and even some women who were educated and who were honest and who were thereby protected from the corrupting influences of regular Iranian society and Iranian government, and were allowed to grow and to develop and also worked toward idealistic objectives. I don't think of that as making Iran a client state at all. I think it may have developed, long after I'd left the desk, into false relationships between us and Iran.

But while I was on the desk, our involvement with Iran was extraordinarily idealistic. It was a desire to help, and in the helping, we used these really good young people who otherwise might have been damaged or wasted. Am I sounding passionate? Anyhow, I feel that way.

Q: That's interesting.

Stutesman: I also think you have to be careful to divide the first years of the Shah's accession to power after the fall of Mussadiq from what happened later. It's a progression, and there's a connection, but the first years, there was no secret police of any significance, there was no serious repression that I knew of, at least of political opponents. It was a halcyon period.

Q: One of the main goals of the State Department after the coup was to settle the petroleum dispute. You mentioned earlier the basic goal was to provide Iran with income as a basis for a more stable political situation and also a way to tie the oil

companies into managing resources in a way that would provide income to both parties. The first step of this process were Anglo-American discussions during the fall of '53. They were designed to lead somehow to settlement that would work for all parties concerned. Did you take part in any of these discussions?

Stutesman: Yes. Herbert Hoover, Jr., as you know, was brought into play by Eisenhower. Mr. Hoover was a man of great distinction in the oil community. He had a reputation for absolute probity. His firm--at least I was told the story--his firm was so trusted by the oil companies that two competing oil companies would both contract with him to perform surveys in the same general area. He was a man much affected by his own experience as the child of a prominent person. This caused him, among other things, to be deeply suspicious of anyone getting close to him. But at the same time, it meant that he could move easily in the world of power. He had grown up in it and he was used to it. I think he was probably a much better single person moving as an independent consultant and working on individual things as a person than he was as an Under Secretary of State, where he had to deal with a great organization.

While I was desk officer, he was hired to be the catalyst and the leader of the American negotiations, which were successful in his point of view and, as far as I'm concerned, my point of view. Then he became Under Secretary of State. When he got settled ther he found himself surrounded by the Secretariat, and Mr. Hoover said, "Well, now, who are these people who are reading my mail and are around me?"

"I don't see anybody like, say, well, like John Stutesman." Of course, they didn't know who in the hell I was.

The next thing I knew, I got a phone call from somebody, saying "We'd like to have you transferred to the secretariat. Mr. Hoover has expressed an interest in you."

I said, "Okay." And that was that. I was shifted off the desk and put up in the secretariat.

I tell you all that partially because it amuses me how life is affected by things, but also to show you that Mr. Hoover and I worked closely together and I had a close involvement with him.

Now, how involved was I in the negotiations? Well, I was as involved as a staff officer can be with the additional responsibility of running the Iranian desk. Did I understand major world oil policy? The answer is, no, certainly not. Did I spend a lot of time worrying about whether Texaco and Standard Oil of California were able to get together? Not at all. But I was present, as I told you, when this group of senior people were placed in a room after the attorney general cleared it. Brownell, was he the attorney general?

Q: That's right. Herbert Brownell.

Stutesman: These names come back. I didn't travel with Mr. Hoover. He didn't take people with him. He was a very private person. But I carried his bag a great deal in Washington for him going from here to there.

Q: Was Howard Page of Standard Oil of New Jersey, I think, involved in the discussions?

Stutesman: Perhaps. I don't remember.

Q: You don't remember him at all? Did Loy Henderson play a role in the outcome?

Stutesman: Certainly, working from the Tehran point of view. I don't remember Mr. Henderson being called back. The records would show if he was. My own feeling is that he ran the show in Tehran. He and Mr. Hoover got on very, very well.

Q: In terms of the issues, how difficult was it to convince the British to yield their position running Iranian oil through AIOC and accept a multinational consortium where they would only have a share? Was this a typical problem?

Stutesman: Of course. Yes. And Hoover did a splendid job. Looking back, I would say that the main stick we had was the British Government, which really overwhelmed the AIOC and forced the AIOC to come to terms. The range of reasons for that range from the British diplomats who probably resented the old AIOC control over their policies in Iran, to a very sensible realization that the oil company could not return to its old situation, and that the thing to do was get the best they could out of it.

Q: Interesting. How was it that the French and Dutch companies were also brought into the picture? The French company and Royal Dutch Shell also had a share in the consortium.

Stutesman: Well, clearly, the reason was that the Iranians had to have less than 50% English, and the Dutch were brought in because Shell is a Dutch company, or was a Dutch company, but also the British influence was considerable within it, I think. So that the Iranians who, believe me, were never fooled by an of these things, the Iranians, nevertheless, clearly were willing to put across to their people the idea that the British had been reduced to less than 50%, whereas the English were able to say, "Well, okay, maybe, but in fact, we have more than 50% of a hand in this." I'm looking way back and I haven't thought about these things in a long time. I don't study the literature on it. But that's my reaction to how the Dutch--and who else?

Q: Also the French.

Stutesman: That's funny. I don't remember the French being in it at all.

Q: They had a minor, small percentage of the consortium.

Stutesman: I don't remember that.

Q: According to some declassified NSC documents from late '53, early '54, the Department of Defense was taking the position that if the British had not come to a settlement with Iran on the issues we've talked about, that the U.S. should act independently in Iran to reach a settlement on the oil question, ignore the British,

basically. What problems would have led the Pentagon to take such a position? Does this ring a bell?

Stutesman: It doesn't ring any bell at all, and I find it very foolish. Herbert Hoover, Jr., would no more have allowed that to happen than he would have fallen out the window.

Q: Of course, there wasn't, but that was the Pentagon view, apparently. It was thrashed out at the NSC level.

In early January '54, the executive secretary of the NSC, James Lay, Jr., NSC executive secretary, presented a report to the council on U.S. policy towards Iran, which was called NSC 5402. It discussed issues such as economic and military aid to Iran, the oil settlement. Various parts are still sanitized, so I don't know what else was discussed, probably the CIA role in the country, intelligence issues. I'm not sure. Were you a member of the working group that would have drafted this report to that council?

Stutesman: I would have been, and I don't remember that particular paper, certainly not by number. Many days I would spend sitting in the outside room of the NSC. The men I went with were Frazier Wilkins, and there was a red-headed Foreign Service officer, I can't think of his name now, very good, very effective, and another man. In any case, I would frequently be the first point for the development of a new paper. In other words, the request, the decision for a revised paper would start with the desk. That's typical. The council discussion would always start a staff level. I'd sit behind the State Department principals, and frequently speak. Then I would be asked to leave and

they would deal with, say, the CIA paper or something like that. So what I'm trying to describe to you is there was always a breakoff at my level of separate arguments.

Then I have a feeling that there might well have been times when they'd bring in the specialist on the oil, maybe, or something, and whether I was there or not would not have anything to do with secrecy; it would have to do with whether I'd go on back about my business. Chance are I would stay.

But if you ask me about a particular paper, the answer is I don't remember.

Q: But you played a role in drafting on a routine basis.

Stutesman: Yes, routine. Routine, yes. I mean, that's the basic way. As I say, I distinctly remember day after day going with these fine officers from the policy planning group and, for that matter, before going, sitting down and working over the papers with them.

Q: Were these meetings of the Operations Coordinating Board, the OCB, that you would have been going to?

Stutesman: Yes.

Q: That was like a subgroup of the NSC, the technical level, I guess.

Stutesman: Yes. Then I can also remember--I hadn't thought about this--at that time in the Department, the U.K. desk, which had another name, I've forgotten, but anyhow, the director . . .

Q: British Commonwealth office? European Affairs, something like that?

Stutesman: Hayden, was that his name? Anyhow, there was a man there who was almost notorious for his insistence on being involved in any policy paper or, for that matter, even instructions to the field which related in almost any way to the British interests. Well, of course, the British interests were so extensive, so pervasive, that it meant that this guy was constantly getting in your hair on things that really were not of great consequence to the King or Queen of England. So he was a thorn, I remember that. He was a problem in getting papers up to the Secretary or to the NSC in regard to Iran, because, as I remember, he took a sterner view of British interests in Iran than even the British Government. That's an aside. But I do remember actively being involved in development of policy papers which went all the way up to the NSC.

Q: According to one of the updates of this NSC report, it was updated on a quarterly basis, perhaps, every three or four months, from April '54, which I've seen, Herbert Hoover, Jr., and Loy Henderson were trying to educate--that's the word that's used in the document--trying to educate Iranian leaders as to the realities of the international oil business. Do you know how they went about this educational mission? It's briefly discussed in this document, but not really described.

Stutesman: My answer has to be, no, I don't know specifically, not because I was cut out, but because I don't remember. But both of those men, whom I knew so well, their view of education always was to be persuasive. They were never patronizing, either of those men, to any Iranian or to other people. Both of them believed that successful negotiations depended on mutual trust and on honesty, basic honesty. Many times I've been involved with both of those men when they would tell the other person things which showed up weaknesses on our side or things that the other person should be concerned about dealing with us. Never, of course, betraying, but making clear that a proper settlement had to be based on understanding and trust. So I think that's what they mean by education. But in terms of what papers or what techniques, there wasn't anything covert about it, I'll assure you that.

Q: That same month, April '54, the U.S. and British began negotiations with the Iranians over the consortium plan. The talks were held in Tehran. Did you go to Tehran any time for this in '54, '55? Did you return to the country for any meetings or discussions?

Stutesman: I did go. As desk officer, I went back to Iran on at least one occasion, and I couldn't tell you the year, but it had nothing to do specifically with negotiations. It was simply going back and working on the ground with people about a myriad of problems. [William] Rountree was DCM then, I remember that. Henderson, of course, was ambassador.

Q: So Henderson and Hoover go to Tehran to meet with the Iranians and discuss the consortium question. Ali Amini was the head of the Iranian negotiating team. Had you met Amini in Tehran?

Stutesman: He was another member of the Qajar aristocracy which had survived the Shah, had an abiding hatred of the Shah in terms of family relationships. But he was a very, very good representative of his country and very knowledgeable.

Q: He became ambassador shortly after the consortium question was settled. Was this while you were still at the country desk?

Stutesman: I don't know. Now that you mention it, I do remember that Amini was eased out of the country, given an embassy, the way we occasionally do with people the President doesn't want around, given an embassy to honor him and to move him the hell out of the country so that he wouldn't be there in the carrying out of the settlement. I don't remember why. I don't remember if they were concerned he would be an impediment.

Q: In any case, I think the Iranians, from the Shah at the highest level down, did not like the consortium arrangement because it still left control of oil in the hands of foreign countries.

Stutesman: Oh, sure.

Q: How difficult was it to convince the Shah and Amini, as well, to accept the consortium arrangement?

Stutesman: I don't think it was that difficult. They struggled, but the actual progress of the negotiations was, of course, difficult, but I don't think the Iranians thought they could do any more than get the best they could. I don't really think that the Shah or Amini or anybody else thought that they could get anything resembling a non-foreign control. They did, however--and you have to tell me if I'm correct--get in that agreement some kind of understanding that it was a contract with a term.

Q: I think you're right.

Stutesman: And after all, what's a couple of years, ten years, whatever it is. I've forgotten. Whereas the negotiation of the AIOC agreement of--what was it, 33 or something, was going to hold them for another 50 years or something. (Laughs) So I think the Iranians were going for a settlement. They knew they had to get a settlement. Two, they were going for as much money as they could get; and three, they were going for a term. And they got it.

Q: They could change the rules later on.

Stutesman: But I mean, weren't the American companies literally going to be moved out after a period of time?

Q: I'm not sure. It was sort of an open question, I think.

Stutesman: In any case, it was an open question. At a minimum, it was not conclusive. Anyhow, that's my reaction looking back. I could be mistaken.

Q: Shortly after the talks ended, the U.S. gave the Iranian Government another grant in aid, some time in the fall of '54, the summer of '54, perhaps. I'm not sure. To what extent did the U.S. link acquiescence to the consortium plan with additional assistance?

Stutesman: I have no idea. I don't know.

Q: One of the last issues to be settled was a question of which U.S. companies would play a part in the consortium. The smaller companies, independents, originally wanted, I guess, a 33% share in the consortium on the grounds that they had supported the boycott of Iranian oil for the most part, and they should be rewarded for their observation of the international boycott against Mussadiq's oil. How much support did the independents have in the State Department? Was there much sympathy for their position at State?

Stutesman: I don't remember. I just don't remember.

Q: Apparently, Ralph K. Davies played a major role in getting the independents some share of the consortium.

Stutesman: Did he, really?

Q: It was a minor share, but they got a share, like 4% or 5%, something like that.

Stutesman: Was Alton Jones around there? Why am I so familiar with that name? Was he involved with this? He was an independent, certainly.

Q: I think he might have had a share of the share. I'm not sure. Did you know Davies or have contact with him?

Stutesman: No.

Q: You just know the name.

Stutesman: I know the name.

Q: After the consortium agreement was reached late in '54, the Shah came to the United States for a state visit, to meet with Eisenhower and Dulles, among others.

What was your role in the preparation for a state visit? What kind of role did the country desk play?

Stutesman: I'll answer it by telling you a story about when the Shah came, not incognito, but not on a state visit. He and his new wife, the German girl, the Bakhtiari girl, I can't think of her name, a beautiful woman, they came and they had a good time up in New York. (Laughs) He walked into one of those big car sales places up near Columbus Circle. He's not a very impressive-looking man in civilian clothes, and he had a rather shabby-looking aide with him. The salesman didn't even come over for a while. Some salesman came over, and the Shah, by this time, had looked around the showroom enough, and he said, "I'd like that, but in a sort of orange color, and I'd like two of those." (Laughs) And then he got arrested, speeding on the New Jersey turnpike, and we had to fix that up.

Then he came to Washington, and there were no particular plans. Of course, I was involved with meeting him. He said, "I'd like to ride." So he and I rented some horses at Rock Creek Park, and went riding in Rock Creek. Christ, when I think about it today, the Shah of Iran and the terrorists and all this stuff, here the two of us were, just riding along in Rock Creek Park, chatting away.

I took him dancing. My wife and the Shah and Soraya, that was her name, we went dancing in one of the big old hotels there. All I did was call up and got a table. I didn't tell the maitre d' who was going to be there. Soraya dances very well, I'll tell you that. It was all very cheerful. Kim Roosevelt got very upset, because he felt that we

ought to be doing more. So he got Herbert Hoover, Jr., to have a little soiree. When I think about it, it's all so pastoral, so halcyon.

Q: A level of informality that wouldn't have existed 20 years later.

Stutesman: Oh, my God. As to the state visit, the formal visit, when you have a formal visit, the desk is involved in writing toasts and, of course, position papers, but the actual ceremonial stuff is handled by the protocol office and all of that. Frankly, I don't even remember it. I doubt very much if I was much involved. As I say, when he was there informally, he and I rode together and danced, you know. When he was there formally, he was the Shah of Iran, and I doubt if the desk officer even got invited, except to a large throng or something like that. (Laughs)

Q: Did you do much work on the military aid program?

Stutesman: No.

Q: After the coup in '53, the CIA worked closely with Iranian military. I guess the Tudeh Party had a fairly large presence in the Iranian Air Force and the Army. They had their own people working covertly in the armed forces of Iran. The CIA worked with military intelligence in Iran to purge these people out of positions. Did you know much about this effort?

Stutesman: No. I remember once getting a phone call from, I suppose, the Air Force. I'm not sure, from one of the armed services, either Air or Army, saying about a couple of young officers on training in the United States that information had turned up about them, and the government of Iran wanted them returned promptly. This Defense Department person said they felt they had to have State Department clearance. I said, "Ship 'em back," and hung up.

Years later, somebody in the State Department came to me and said, "We always remember how clear and firm you were on that." I had forgotten all about it. "And how that sort of thing today would be bucked all the way up to the President of the United States and the ACLU would get involved in it."

I said, "I don't know. I thought it was a clear question and I answered it, and that was the end of that."

But nobody said to me, "Prove that they're Tudeh," or anything like that. Maybe they were. Maybe they were just stealing money, for all I know. Anyhow, that's about all I know. That's a long answer to your question.

Q: You said earlier that at this stage the SAVAK had not been created. They weren't created until '57, I think.

Stutesman: It was not a police state when I was involved.

Q: But do you know if there was any liaison between the CIA and the Iranian military intelligence or connection being formed that would have led to SAVAK being created later in the Fifties?

Stutesman: I really don't. The first mission we had there was to the gendarmarie, which you can argue is a police force, because it was concerned with internal controls, and we sent General Schwartzkopf there. Then they squeezed him out, and the gendarmarie was still going when I was there, but that closed down. I'm quite sure they were more in the role of highway policemen than they were secret police. Perhaps it was tied into intelligence in the long run, but it was simply not a police state when I was involved with Iran.

Q: I understand that some of the nationalist politicians, like Fatemi, were executed months after the coup. There was some repression.

Stutesman: Fatemi--that's not repression exactly, is it? I mean, Fatemi called for the death of the Shah, and I think when the Shah came back to power, he killed him. And Mussadiq was tucked away in his farm and kept under police control. I don't think of that as being in the category of a police state controlling its population by police forces. I think the Shah killed, as far as I remember, only one man. He only killed Fatemi, didn't he? Did he kill others?

Q: There might have been some executions among the Tudeh officers that I mentioned earlier, but beyond that, I'm not sure.

Stutesman: But in terms of National Front, he certainly didn't molest Saleh or Kashani. In fact, some of them remained in the Majlis, didn't they?

Q: I'm not sure. In negotiations with the Soviet Union during '53 and '54, Zahedi and the Shah moved away from Mussadiq's policy of neutrality, in terms of the Cold War. In negotiations with the Soviet Union, they were accused of making concessions over issues such as the territorial frontiers and World War II debts. In part of the NSC paper that I've seen, Iran had taken a "provocative" approach towards the Soviet Union, in terms of taking a much more hard line on these questions of borders and war debts and so forth. To what extent did the State Department encourage Zahedi to take a tougher position in these negotiations? Was there any encouragement at all?

Stutesman: I don't remember, but I can say that Loy Henderson, whose memoirs, you know, have recently been published, but they only deal with his experience in Russia, Loy Henderson was a very clear-eyed man when it came to the Soviet Union.

(END OF TAPE TWO, SIDE TWO; BEGINNING OF TAPE THREE, SIDE A)

Q: You were speaking of Loy Henderson and the Soviet Union.

Stutesman: Loy was very clear-eyed in regard to the Soviet Union, and would never miss an opportunity seriously to encourage people to be cautious about the Soviet Union and stand up for what they considered to be their rights.

Q: I should have asked you about General Zahedi earlier. Had you known him or met him in Tehran before he left?

Stutesman: I knew his son, Ardeshir, who was then one of these young men being given work in our aid programs, and he was a cheerful fellow, not much different in age from me, a little younger, I guess, educated, of course, in the United States. I knew the father socially, but that's about all.

Q: In the mid-1950s, the Eisenhower Administration had a strong interest in developing a regional military alliance system among the so-called northern tier countries, Pakistan, Iraq, Iran, and so forth. That interest led Eisenhower and Dulles to support the Baghdad Pact which came to fruition in the fall of '55. How much interest did the policy makers have in Iran to joint such a pact?

Stutesman: Mr. Dulles is, to me, a perfect example of why you should never have a lawyer as Secretary of State. He was actually stuck on the question of alliances. A man of his experience and knowledge should have realized that getting a foreign state to sign a contract was very different from getting another merchant to sign a contract to sell you goods. But somehow, it became terribly important to him to have these alliances and

pacts. My own personal attitude then, and still is, is that it was not a very useful exercise, and that the people being cajoled went along primarily because they thought, "Well, I can turn this into some profit, getting more arms or something." But the Iranians and the Turks had no particular desire to be in alliance, and the thing, as we know, fell apart. The same thing out in Southeast Asia.

Also, of course, this terrible effect that the reconstruction of Europe had on us, which I hope has passed, but the idea that we were responsible for the return of Europe to prosperity, of course, has perverted so much of American doctrine. We weren't. We provided the defense of Europe and we provided some seed capital, but it was the Europeans who created the miracle; it wasn't the Marshall Plan. The Marshall Plan was an essential element, and you see these poor saps in the Kennedy Administration going down in South America, going to Bolivia, where I was assigned, and deciding that if you just put enough money in and aid programs, that the Bolivians would become a new Puerto Rico. Well, they didn't. And the same thing--I'm digressing a lot--what happened with Dulles and his alliances was, I think, just a lot of hot air and a good deal of expense to us, but it satisfied some inner need of Foster Dulles.

Q: My impression is that as the Baghdad Pact planning was proceeding in Washington and the Near East, that the Shah announced his decision to join the pact before Dulles was quite ready for Iranian membership.

Stutesman: (Laughs) That's wonderful!

Q: Did you get a sense that Dulles wanted the Shah to move a little slowly on joining a pact?

Stutesman: I don't have the slightest memory of that.

Q: Again I've read that he was concerned that they joined the pact too quickly, that the Soviets would see this as provocation.

Stutesman: I see.

Q: In terms of a country on their border joining an unfriendly alliance. Again, this might have been as you were leaving the Iran desk.

Stutesman: I just don't remember. I remember being essentially scornful of these pacts, but that's all, for the reason I gave.

Q: Some of the NSC papers that have been declassified from this period make the point that internal social and political reform was a condition for long-term stability in Iran. What kind of reforms did the U.S. have in mind? Do you recall discussions of the need for reform in Iran as a basis for stability?

Stutesman: I don't. Partially this is because I didn't then and still don't think that reform is an essential element of our involvement with a foreign country, because so

frequently our idea of reform is casting them in our image, which is a terrible way to treat other people. So I don't really remember that.

Again I come back to my point of employing fine young men and women in Iran at a time when they would not otherwise have had that kind of employment, and directing them toward idealistic goals. But certainly I don't remember any instructions to Henderson to go down and tell him to let women vote or take the chadors off or anything like that. I don't remember anything like that.

Q: It might be more like administrative reforms, budgetary policy changes and things like that.

Stutesman: Oh, sure. Anti-corruption. Sure, I can see that. I remember more discussions like, well, should we build railroads which run from India towards Iraq, or railroads which run from the Persian Gulf to the Caspian, that kind of thing I remember being involved in. Those are long-term considerations. I don't remember the discussion of whether or not to send the village boys to school or not.

Q: In early '54, a new majlis was elected, and apparently the vote was manipulated in some way. The outcome was there was a Parliament that was controlled generally by landlords and old aristocrats, the more conservative supporters of the Shah. Was there much concern about the political election of the Parliament, that a very conservative Parliament might cause problems in the long term?

Stutesman: I imagine there was. I don't remember. Roy Melbourne, of course, would be a terrific source on that sort of thing. He's down in North Carolina now.

Q: That's right.

Stutesman: He was chief of the political section, and he's written about it. He's a very scholarly man and probably has kept some notes.

Q: During the year or two after the fall of Mussadiq, when you were still at the country desk, how strong was the Shah's position in Iran? To what extent was he ruling as opposed to merely reigning?

Stutesman: My first statement is that he was unchallenged, and my second statement is that he was growing in self-confidence. And a leader who lacks self-confidence ain't much of a leader, so he was developing his self-esteem and his self-confidence, and he was beginning to take actions that he could carry through. I don't want to put down the British ability to control. They certainly proved their ability to do that. Nonetheless, I think the British treated the Shah, when he was a youngster--after all, they put him on the throne--they treated him almost in schoolmasterish ways, and he couldn't do things that he should have been able to do. The British would say, "Oh, you shouldn't do that." And we had a certain schoolmasterish attitude, too, I think. But by the time I left the desk, the Shah was in command, and whether he was making mistakes or not, I don't know, but he was in command and he certainly built on that.

Q: For example, in April of '55, he fired Zahedi as prime minister and put his own more compliant person in. He put Hussein Ala.

Stutesman: Sweet old boy. That goes to my point, at least. That proves it.

Q: Yes. At the time you left the Iran desk in the summer of '55, according to the chronology I've seen, what was your outlook on the political situation in the country?

Stutesman: I wouldn't say I felt relaxed, but I don't remember that there was any threat to the Shah nor threat to our negotiated oil settlement, and certainly no Russian threat, no external threat. I must say I had the feeling that I was leaving the country when it was getting less and less interesting. (Laughs) I'd been there in the real excitement, and we'd come to a conclusion which I thought was beneficial to both Iran and to the United States.

Q: You mentioned that at the Iran desk, you went to the secretariat at the State Department. Did you do any work that related to Iran in the following years?

Stutesman: No. In the secretariat, you just focus on the Secretary.

Q: But in terms of subsequent assignments?

Stutesman: No. While I was in the secretariat, after four years, you generally go aboard again, and I went to see a man that I'd known in China, a senior man who was Assistant Secretary for European Affairs, [Livingston] Livy Merchant. I called and went down to see him. I said, "Livy, I did China and I did Iran and the desk, been promoted, and I've got a wife and two children. I've done well, I've served my country well in these tough places. Now do you think there's any chance--I speak bilingual French--do you think there's any possibility of being assigned to a post where they speak French, perhaps in Western Europe?"

And he said, "John, I'll look into it." So I was assigned to Paris and I was there two years, and then Loy Henderson called me back to Washington to work as special assistant, but not on Iranian affairs. So I never had any further involvement with Iranian affairs, nor with the Middle East, for that matter, somewhat to my disappointment, but I never did.

Q: Any comments you want to make on what happened in Iran in the following 25 years in terms of the consequences of the coup of '53 and its implications for U.S.-Iran relations?

Stutesman: The only thing that comes to my mind is that I became very troubled--I'd already retired--when there were strong arguments in the press and among people in the United States that the Shah was a bad person and was bad for Iran, and that we had, as the United States, made a terrible mistake in supporting him. I realized then that I knew very little about what had happened in Iran since 1955 which led to such an

unsavory situation. But I still believe that we did the correct thing, both for Iran and for our own world interests, by helping the young Shah to re-establish his power when Mossadiq fell.

The question of the overthrow of Mussadiq, and in this paper that you gave me, the one you sent me--

Q: The article David Painter wrote.

Stutesman: He makes clear that there was a progression in the United States Government policies based upon the experience in Iran, and that Guatemala came along soon after and eventually, to our utter horror and dismay, the Kennedys killed Diem. Even though we did the right thing by supporting the Shah, I cannot lose a deep, lingering doubt, which I know Loy Henderson had then and always had, that it was unwise for us to intervene clandestinely, and I am confident that it was unwise for us to make that a shining example of how we could handle the world for the rest of time, because obviously you can't. Guatemala worked, and that, again, substantiated the idea that if you had the proper people in, you can fix things up. Of course, it doesn't work that way. So I have those two reactions.

But in terms of the Shah specifically, I think the Shah was a good thing for Iran, certainly while I was there. I think he worked toward good long-term objectives. Obviously he lost that ability toward the end, but he was a good bet, and it did last 20 years.

Q: Thank you very much for your time.

[END OF INTERVIEW]

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