

Foundation for Iranian Studies

Program of Oral History

M. GORDON TIGER

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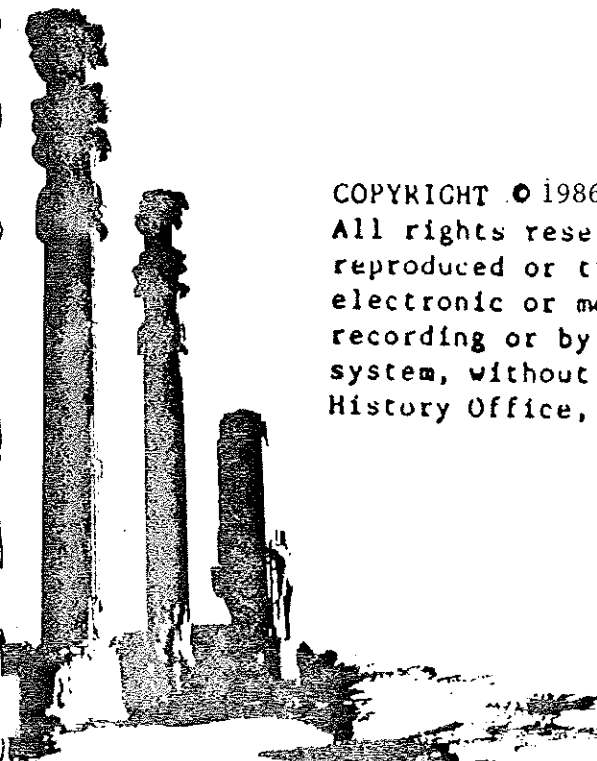
Foundation for Iranian Studies

INTERVIEW WITH M. GORDON TIGER

WASHINGTON, D.C. MARCH 20 &

APRIL 10, 1985

INTERVIEWED BY WILLIAM BURR



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IRANIAN-AMERICAN FOREIGN POLICY ORAL HISTORY PROJECT
THE REMINISCENCES OF
M. GORDON TIGER

Foundation For Iranian Studies

Oral History Archives

and

Oral History Research Office

Columbia University

1986

Form H

Dear Dr. Grele:

This letter will confirm my understanding and agreement with the Foundation for Iranian Studies Oral History of Iran Archives and Columbia University with respect to my participation in a series of interviews conducted by the Columbia University Oral History Research Office.

1. The interviews will be taped and a transcript made of the tapes. The transcribed interviews will be maintained by the Oral History of Iran Archives and the Columbia Oral History Research Office.

2. I hereby grant, assign and transfer to the Oral History of Iran Archives all right, title and interest in the interviews, including the literary rights and the copyright, except that I shall retain the right to copy, use and publish the Work in part or in full until the earlier of my death or January 19 99.

3. The interviews will be made available for use by researchers at both institutions in accordance with Foundation and University rules and general policies for research and other scholarly purposes with (no) (the following) restrictions.

Mahnaz Afkhami
Dr. Mahnaz Afkhami
Foundation for Iranian Studies

Very truly yours,

Ronald Grele
Ronald Grele
Oral History Research Office

M. Gordon Tiger
Date March 22, 1986

Preface

The following oral history memoir is the result of two tape recorded interviews with M. Gordon Tiger conducted by William Burr on March 20 and April 10, 1985. This interview is one of a series on Iranian-American Foreign Policy in the post World War II era conducted as part of a joint project between the Oral History of Iran Archives of the Foundation of Iranian Studies and the Columbia University Oral History Research Office. Similar projects have been undertaken in England and France.

Mr. Tiger has reviewed the transcript and made only very minor corrections and emendations. The reader should bear in mind therefore that what he or she is reading is essentially a verbatim transcript of spoken, rather than written, prose.

BIOGRAPHICAL NOTE

M. Gordon Tiger's association with Iran began in 1958 when he was assigned the task of analysis of Iran's economy at the State Department. Between 1960 and 1962, Mr. Tiger was posted in Iran as the Embassy's economic and financial analyst. Upon his return to the U.S. in 1962 he became the officer in charge of Iranian affairs and head of the Desk of Iran at the State Department, a job which he retained until 1965.

Mr. Tiger's memoirs are highly instructive with regard to the economic situation in Iran during the 1950s and the 1960s. In addition, his recollections shed much light on the evolution of U.S. policy towards Iran during the Kennedy and Johnson administrations.

CORRECTIONS

- P.8 line4 "Mossadegh" should be "Mossadeq".
- P.9 line3 from bottom: "others kinds" should be "other kinds".
- P.11 "Q: Fiscal reform as well as monetary reform ..."
- P.12 line3 from bottom: "home" should be "time".
- P.14 "Mossadeghist" should be "Mossadeqist".
- P.14 "Mossadegh" should be "Mossadeq".
- P.15 "Mossadegh" should be "Mossadeq".
- PP. 27-28 "Ghotbzadeh" should be "Qotbzadeh".
- P.28 "Mossadegh" should be "Mossadeq".
- P.35 line6 from bottom: "But mostly we wanted to them ..." should be "But mostly we wanted them...".
- P.36 line8 "balance of payments".
- P.38 line5 from bottom: "trust" should be "thrust".
- P.42 line3 "assistance" should be "assistant".
- P.45 "Mossadegh" should be "Mossadeq".
- P.54 line5 "to be" should be eliminated.
- P.56 line2 "officials" should be "official".
- P.63 line3 "Mossadeghist" should be "Mossadeqist".
- P.63 line3 "Mossadegh" should be "Mossadeq".
- P.66 "Ghotbzadeh" should be "Qotbzadeh".
- P.71 "Ghotbzadeh" should be "Qotbzadeh".

IB

Interviewee: M. Gordon Tiger

Date: March 20, 1985

Interviewer: William Burr

Place:

Q: Did you have background in Middle Eastern affairs?

Tiger: No, I didn't have any background in Middle Eastern affairs. I was taken into the foreign service on the lateral transfer program in 1957. My first assignment was as financial officer in Iran in 1958. I had no background in the country at all. I started studying about it when I heard about my assignment.

Q: What was your sort of general background before?

Tiger: I was in the intelligence and research department of the State Department. I was working mainly on the Soviet Union and Eastern Europe, mostly on the economic side.

Q: Your training was not as an economist?

Tiger: Not really, no. But I had my work experience as an economist. My training was the general classical training.

Q: Okay. When you first came to Iran in the embassy, what were your major duties at the embassy?

Tiger: My major duties were to monitor the financial activities of the country including the budget and the management of financial affairs by the major banks and the Ministry of Finance and similar organizations.

Q: Did those duties change over time?

Tiger: No, they were about the same. I occasionally had to substitute for people that did other things, such as follow the petroleum industry. We had a petroleum attache off and on. But sometimes we didn't and then I would substitute for him. I would also sometimes carry on the work of the economic development officer. We were rather well staffed at the time. It fell to my lot, as a matter of fact, to prepare the quarterly economic reports and the quarterly economic summaries, which were analytical pieces about the progress of the economy. As a financial officer, this was just one of my duties. This covered everything. I consulted with the other officers and did those. This was an important requirement at the time. It no longer is.

Q: So you prepared those all the way to the Kennedy Administration? Those reports?

Tiger: No.

Q: When you were in Iran?

Tiger: No. Well, the first two years of the Kennedy Administration. Then I returned to the State Department. I was officer in charge of Iranian affairs from 1962 to 1965 to the end of the Kennedy Administration and through part of the Johnson Administration.

Q: We'll go on to foreign economic development matters later, but I thought we might sort of cover--how do you characterize the Shah's regime that you saw when you worked in Iran the early 1950s?

Tiger: I characterize it as fairly tentative at the time I was in Iran. In other words, I found that the Shah, while he had been restored to his throne after his brief flight in 1953, was still feeling his way and groping and didn't really have a cohesive philosophy of government and also felt a little bit weak with regard to the dominant families in Iran. He didn't feel that he could manage them completely.

Q: So there were other centers of power?

Tiger: Yes, there were other centers of power. There was the clergy all along. That was a center of power. And then there were the rich land owning families.

Q: Did you ever meet him when you were there?

Tiger: Only in the most formal sort of a way at the so-called "salaams" on his birthday and on Iranian Nowruz, the New Year.

Q: Like at official receptions?

Tiger: There were official receptions in which various members of the diplomatic corps went and paid respects to him at the city palace. And that's the only time. I did not ever have conversations with the Shah. But I learned a good deal about conversations with the Shah from the first ambassador who was there when I was there, Tom Wailes.

Q: Thomas Wailes?

Tiger: Yes, Edward K. Wailes. And later from Julius Holmes. He was the ambassador after Wailes.

Q: What were the kinds of conversations that you had sort of second-hand knowledge? Did you get a sense of what made the Shah tick?

Tiger: Yes. I thought that he was a man very much impressed with his position and very much obsessed with his role in history. He hired an American, you may know about, Wilhelm, to write an autobiography, so to speak, of the Shah, which was called Mission for My Fatherland.

Q: Who was this American?

Tiger: Wilhelm was his name. I forget his first name. But he was a man whom we knew over in Iran, a man who was impressed with the Shah as a world figure.

Q: Sort of a PR expert or something like that?

Tiger: No. He was sort of an historian, I believe. Donald Wilhelm was his name. And he wrote this "autobiography" for the Shah in which the Shah spoke of his mission as he saw it. And he was at that time, I think, developing a sort of messianic mission of bringing his country into the modern world. He had a lot of ideas about overcoming backwardness in Iran and aligning Iran more to Europe than to Asia. He had a sort of contempt for the Arab world and a feeling of kinship or of desired kinship with European powers. He also had developed over the course of time--this is not so much during my time in Tehran but during my time as desk officer--he developed a sense of his mission as the foremost military power in the Middle East, particularly at the time of the British withdrawal from east of Suez. He felt that he should be the surrogate in there and this was conveyed to me, when I was Iran desk officer, by the ambassadors of the time.

Q: So he had that sense in the early 1960s that that was his function--

Tiger: Yes. Yes.

Q: Well, before the British withdrawal, in other words?

Tiger: Yes.

Q: That's interesting. We'll go on to that later on when we talk about some of the arms sales problems.

Tiger: One of the biggest things that occurred during my time, which I know much less about than the political officers, was the question of Iran's adherence to the CENTO pact. This occurred during my time and this was what caused a tremendously angry reaction from the leader of the Soviet Union, Khrushchev.

Q: Due to the development of the CENTO agreement itself?

Tiger: Yes, and particularly Iran signing of it after--Khrushchev claimed--that Iran had promised that it would not sign the agreement.

Q: What year was this?

Tiger: About 1959, I believe, or 1960. I can't quite remember. It was not exactly in my field but it was one of the most striking things that occurred during my time. This was when Khrushchev made the famous "Ripe Plum" speech saying that at the proper time Iran would fall into his hands like a ripe plum.

Q: I'll ask you some more questions about that shortly. In terms of

the Shah's system, as American officials perceived it at the time, did they think that the Shah had broad and positive support for his rule, in the late 1950s? Did they assume there was broad, positive support?

Tiger: No, I don't think so. I think it was assumed that people went along with the Shah because it was a welcome change from the disruptions that occurred over the oil nationalization crisis. But I don't think that there was any widespread support. It was always assumed that when there were crowds brought out on the streets they were brought out by promises of free Coca Cola and stuff like that, that there was no popular enthusiasm for the Shah.

Q: Well, what were the major problems do you think in that respect?

Tiger: Problems?

Q: In terms of lack of support, that can be perceived at that time, in the late 1950s?

Tiger: I think there was a broad sense of grievance already about the ostentatious living style of the Shah and his family and their freedom from accountability. There were a lot of stories rife at the time about the activities of his family, particularly his twin sister (Princess) Ashraf. I think that most people believed them.

Q: Who gave the Shah support? What were the social groups that gave

the Shah political support in Iran at this time?

Tiger: I don't know. I don't know the answer to that. I would presume that it was the powerful classes who felt that he was keeping things under control. They were glad that Mossadegh did not prevail. I believe that's probably the case.

Q: That was the impression here?

Tiger: Yes.

Q: The groups that you said had some influence restrained his power in some way over land at least and so forth?

Tiger: Yes, they also restrained his power. They, in a sense, kept him from doing things that many of us believed that he really wanted to do, such as land reform and the things that he really came to in about 1961 when he launched what he called his White Revolution.

Q: That's right.

Tiger: We felt that he was being restrained from doing those things, that he really wanted to do it but that powerful interests were against it. Then he felt that he could be an example. At the same time, it was a little hard for him to convince people that he was on the up and up in terms of the desires because everybody knew he had a huge fortune. He had even a bank, the Bank Omran, which was

administering his fortune on top of the foundation which he billed as a philanthropic institute but really was more like an organization for the management of his estates.

Q: These are all things that were known at this time?

Tiger: Yes, they were well known.

Q: Did you have much contact with educated middle class Iranians at this time?

Tiger: Yes, a great deal.

Q: Did they give any impression as to their sentiments about the system?

Tiger: Yes. They were highly critical of the system.

Q: What kind of people were they?

Tiger: There were many American-educated technocrats, you might call them, in the government. They were doing their duty in the government but they were quite quick to talk about what they thought was wrong. There were that kind of people.

There were also others kinds of people in the government, very old fashioned obscurantist-type people. One such became Minister of Finance during my time. I can't remember his name. He was an

ex-military man and a very, very old fashioned man. He more or less sided with the Shah and mistrusted the bright, young, Western educated Eurocrats and technocrats.

We had kind of a running problem with the Iranians. We came in with our Point-4 technical assistance programs. And the Iranians professed to like them very much and certain classes of them did. But they were doomed to failure in a good many directions, particularly as regards things like land reform, tax reform, banking reform, because the posture of the Iranian officials was more or less to accept the technical assistance in principal and then just not follow it up. A great deal of disillusionment occurred on the part of some of our very well-prepared and very hard-working technicians.

Q: The Point-4 officials?

Tiger: Yes, yes.

Q: They were trying to present programs of banking reform--

Tiger: Yes.

Q: Arms reform and so forth?

Tiger: Tax reform. The tax reform was the main one.

Q: What was their objective in that respect?

Tiger: Their objective was to institute--

Q: Did you work on them?

Tiger: No, I didn't work on them. I was on the embassy side. I knew the people who did and they were very fine people. And I felt often that they were being naive in thinking that the Iranian bureaucracy was really following their advice. In the end, they found that they were not. Because they were trying to institute a progressive system of taxation which would tax the holdings of the powerful class and there was no way that the people who were running the Ministry of Finance could do that.

Q: It wouldn't be possible.

Tiger: It was not possible in the prevailing system in Iran.

Q: Fiscal reform as well monetary reform you said?

Tiger: Yes. They were trying to do all those things. Very difficult, until, of course, the Amini period when the Shah felt pushed in the direction of making reforms and felt that this was his historical mission and then reacted very well.

I must say, at that point, the United States observers felt a great sense of uplift about the situation in Iran. This was what was going on mainly when I was Iran desk officer back in the States from 1962 to 1965. It was a period of considerable optimism about the

Shah's program on our part.

There were then academicians who came to see us periodically. We had meetings with academicians who didn't agree with us at all and who felt that we had made a great mistake in restoring the Shah in 1953 and even went so far as to suggest that we should put him out at this point.

Q: Who were these people?

Tiger: Donald Wilbur was one of them and Manfred Halpern was one.

Q: These are people you consulted on Iranian affairs?

Tiger: There was a regular arrangement whereby they could come in and consult with the Department. I think it was mainly on their initiative. They wanted to do it. And we agreed to it.

Q: Can I ask some more questions on 1950s before we get to the Amini period?

Tiger: Yes.

Q: Again, in the Eisenhower Administration or his late administration, you suggest sort of that the Shah had a legitimacy problem at that home. What were the implications for foreign policy or this kind of problem if it were seen by embassy officials at this time? The sense of the sort of fragile basis for the Shah--was that a great

concern?

Tiger: Yes.

Q: Was it talked about quite a bit?

Tiger: It was a concern and it was hoped that there was some way in which the Shah could establish himself as a more enlightened ruler so that he would have the backing of his country and that there wouldn't be any problems about instability. We didn't think there were great problems of instability at the time. We thought that there were enough checks and balances so that the system could roll along for quite some time. But we nevertheless felt that there was an underlying fragility because it was not a popular regime. It was not a severely repressive regime at that time, the way it became in the 1970s, but it was not a popular regime.

Q: Were there concerns about repression on the part of the embassy officials?

Tiger: Not so much of repression. There was some concern among some people then and later about repressions of tribal peoples and particularly of Kurds, but it wasn't felt that this was a central problem. I remember there was one CIA assessment, which we all thought was rather way out, in which it said that if the Tudeh Party, the Communist Party, and the tribals in the South and the Kurds and the dissidents in the Northeast who were dissatisfied and people like

that, would ever all get together, that would be really bad for the Shah. But we didn't see much chance of this happening.

Q: This was an assessment in the late 1960s, around 1960 or so?

Tiger: It was in the early 1960s I would say. It was an assessment on the part of the CIA we felt was overdrawn. As I look back on it, perhaps it was not. But it didn't seem possible that there could be this kind of--oh! and they included the clergy in this, too. In other words, if all of the various elements who felt grievances against the Shah could make common cause, that this would cause a lot of trouble for the Shah, which is quite true. We didn't see the possibility of such elements as the Tudeh (Communist) Party and the clergy and the Kurds getting together and making common cause. It didn't seem possible.

Q: Were the ingredients that they discussed like Mossadeghists, Nationalists? Or did they see that--

Tiger: I didn't get that--

Q: Mossadegh's supporters--

Tiger: What about them?

Q: Did they see them as a potential part of a coalition that could--?

Tiger: Well, this was--yes, I see what you're talking about. I suppose when I said the Tudeh Party, I was sort of including them, although that was too broad.

Q: How would you sort of characterize as you saw it, say, around the late 1950s, 1958-9 maybe almost 1960, how would you characterize the Eisenhower Administration's approach to Iran as you understood it? What was the general policy approach towards Iran and the Shah? Do you remember what the policy was?

Tiger: They were pro-Shah. They felt obliged to the Shah. They, after all, had been instrumental in helping him overthrow the Mossadegh threat. And they felt that they had to back him, that there was nothing else in Iran. I think this was what my feeling was at the time, too, that there really wasn't any other viable force in Iran. The great difference between us and the academicians that I referred to before--there are many others besides the two that I mentioned--was that they felt that the Mossadegh episode was more or less like the Nasser episode of Egypt, that Mossadegh was a genuine leader with genuine popular support and a viable one for the future and that we came in and because he couldn't see the way clear to solving the oil dispute, we engineered his downfall, and put the Shah back in, and that this was a terrible mistake. We thereby thwarted the Iranian Nationalist Movement, which was inevitable anyway, and was due to come, and it was an awful mistake. We felt that the comparison between Nasser and Mossadegh was overdrawn, that Mossadegh

was not that popular a leader, that he did not have a real program, and that he was not a viable person for the future of the country, regardless of the oil situation.

Of course, the oil thing was very, very important. I don't think that I understood that myself quite clearly until such time as I reflected back in the late 1970s and realized that the solution of the oil problem in Iran had led to some very fundamental decisions in the management of our own country. I didn't realize really how important it was. I credit, myself, the vast shift of resources from public transportation to interstate highways to that point. I can't emphasize in my own mind how critical and crucial that was; I can't overemphasize it.

So I believe that perhaps there may have been some element of wishful thinking in our support of the Shah. It was understood that the Shah was in many ways--until he launched this reform program--a weak reed, but it was not thought that we could have done it any other way.

You may know that there was a prime mover in this whole business of the restoration of the Shah named Kim Roosevelt. It would be very interesting if you could interview him. I don't know if he would allow himself to be interviewed. A fairly shadowy figure.

Q: We found him.

Tiger: Yes. But he certainly had a lot to do with it, and Allen Dulles, too. And Loy Henderson who was ambassador at the time.

Q: Well, speaking of Kermit Roosevelt. Could you see much sense of CIA activity in Iran at this time, late 1950s.

Tiger: Yes, yes definitely.

Q: What things occur to you at the time it was going on, of the CIA involvement.

Tiger: The CIA was in many cases closer to the Shah than our ambassador was. There was a station chief of CIA at the time, a Colonial Gratian Yatsevich who was really very much of an activist as far as American policy and policy making was concerned. He had access to the Shah. He had greater access to the Shah than our ambassadors did.

Q: Is that so?

Tiger: This was more or less condoned by Wailes but not by Holmes when he arrived. Holmes stepped in and curtailed it, I think, successfully.

Q: What kind of a result did the CIA influence on the Shah or access to the Shah have in terms of Iranian affairs. Is there any kind of influence?

Tiger: I can't say really. I can't say what the influence was.

Q: And what occurred. You weren't really involved in those discussions?

Tiger: No, I was not involved in the discussions. But I have a hunch that the thrust of the contacts was to try to reassure the Shah and to keep him on an even keel, going along the same line, a hand-holding project. And I don't believe that any influence at all was exerted in the direction of reform or popularization of the government. I have no knowledge that this was part of the approach at all. I don't know whether that could be called cynical or what. But it was just, maybe practical would be a kinder word.

Q: A short term stability interest.

Tiger: Yes.

Q: Not a long term view?

Tiger: Yes. Now, I must say that our own was that way, too. And as matters turned out, it was also that way. We can say, looking back on it, as far as the 1953 action was concerned, that it did buy twenty-five years of stability. It was perhaps not for naught. And I don't think it could truly be said that it was in and of itself the cause of the debacle in the late 1970s. But it was not a long term policy. It was not a policy of Olympian wisdom, such as that which was urged upon us by the academicians. I don't know that theirs would have worked either.

Q: What was their assessment of American interests in Iran in the late 1950s? What were the major considerations?

Tiger: Oil.

Q: You'd say oil was a predominant factor?

Tiger: Yes.

Q: Were there strategic or political factors accompanying the oil?

Tiger: There were some. There was, I would say, the recognition of certain connections of Iran with the Middle East problem, Iran being the only Muslim friend of Israel. For a long time, the Israelis had an unofficial consul in Iran. And the Iranians took technical assistance from Israel in the matter of the development of the phosphate deposits in Lake Rezaiyeh, which was something that the Israelis had a great deal of experience about because of their Dead Sea operations. And there was in general a rapport with Israel which irritated Arabs a good deal. As a matter of fact, Iran did not have a good relation with Arab states at all. The current war with Iraq is only the last episode in a long standing dispute with Iraq over lots of things. And there was not common ground. Iran tended to take a dim view of Arabs. Iran might have made more common cause with a Pakistan, if Pakistan had been differently constituted. But the Pakistanis viewed Iranian overtures in their direction as

take-over attempts because of Iran's superior wealth and so forth. It was the Pakistanis who were skittish about Iran.

Q: But all in all, you think that the petroleum was the bottom line interest in terms of--the Shah of Iran to?

Tiger: I think so. I think that the major interest was the solidification of the victory of 1953, namely the solution of the oil crisis. I would think so. Maybe I'm simple minded about that.

Q: That was your impression from your--

Tiger: But I can't think of any other benefit. Later, there came to be another benefit, a rather Machiavellian one, namely that since Iran was getting a lot of money from us and since we were beginning to have a balance of payments problems in the early 1960s that we should get the money back by selling Iran military equipment. This was the thing which I experienced when I was desk officer and which I was very much opposed to and was completely unable to fight it because there was such powerful interests in our government pushing it, mainly McNamara.

Q: Before we get to that, though, you said you worked on petroleum issues once in a while in the late 1950s. Did you get any sense that the consortium companies had any kind of visible or active role in discussing American policy towards Iran or any other matters. Did you see their influence in any way, the petroleum company, the

consortiums?

Tiger: A little bit. It was beginning then. I can't remember the exact year in which OPEC was started.

Q: 1960, 1961?

Tiger: I think so. When that started, the consortium began pressuring the United States government, particularly American oil companies, very much to keep the Iranians from pressing for price increases in oil. And they--particularly again when I was on the desk. I had a more overall view of policy when I was on the desk than I did when I was out there because I was looking at everything and only partial things at the other times. The consortium companies--I can't remember which ones. I think Exxon was one of the major ones.

Q: Mobil, Exxon.

Tiger: Caltex. They pressed very heavily on us to exert whatever influence we could on the Shah to make him desist from raising the oil price. This, again, was small potatoes compared to what came in 1973, as you know. But still, we did not feel, I did not feel that we had that kind of influence on the Shah. Nor did I feel that there was any way of convincing them of that. They would tell us to try to persuade the Shah that it was counterproductive, that the oil companies would stop doing business there. And this did not seem

very likely to us at all. So I don't think that they got what they wanted from us on that.

Q: In terms of the Shah's initial role in OPEC?

Tiger: No. The Shah wanted to get as much money as he could out of oil. And there was hardly any way to persuade him not to do that. Nor did I feel it was sensible to try to persuade him.

I think that there was some notion on the part of the oil companies that because of the Shah's gratitude toward us over the 1953 affair that he perhaps was handing over some of his sovereignty to us. I never believed this was the case.

Q: When you talked to the Iranians in the late 1950s, early 1960s, did you get a sense that they were satisfied with the status quo in oil? Did you get much discussion about that?

Tiger: Yes, insofar as they thought the price was too low, they were dissatisfied.

Q: That was the main problem. There was still not much pressure on prices at this time, though. Wasn't there an oil glut in the early 1960s, late 1950s?

Tiger: Yes, but what was happening is that the major producers that formed OPEC came together and by cartel-type operations were able to do something about raising the price a little bit, controlling

production and raising the price. So this was kind of the wave of the future. It didn't seem to us to be terribly important at the time. But I remember that the Shah was then saying, at one point in the early 1960s, he said that he was hoping that Iran's oil areas would some day in the near future, in the next few years would approach a billion dollars a year. Everybody thought that that was really "pie in the sky." It was really amusing to think that by the time his regime actually came to an end there, he was making--what?-- about fifty billion. I don't know. They were making about 750 million in my time on oil.

Q: Did you get a sense of what the Shah's objectives were, what the Shah's goals were in terms of raising petroleum prices, what he wanted to do with that surplus income?

Tiger: Yes. He, I think, generally wanted to raise the Iranian standard of living, Iranian rate of literacy, Iranian welfare in general. And he genuinely wished to do that. He said in his dictated autobiography and he said on many occasions to our people that there is no honor in being the monarch of a poor, downtrodden, ignorant, illiterate country. He wanted to be the monarch of a colorful, militarily powerful, advanced, enlightened, et cetera, country. He didn't want any democracy in there.

Q: So that assumed that some of the income would go into an arms build-up of some sort?

Tiger: Oh, yes, very much so. When, to people in the United States in the U.S. government who cautioned him against spending too much on arms and neglecting his welfare program, he would make the point that when the country had only one source of wealth, and that was already approaching a billion dollars, he asked the question: Did it not make good sense to spend at least part of that on protecting this one source of income? He pointed out that the Arabs were very jealous of the oil.

Most of the oil in Iran, as you know, is in areas contiguous to Arab countries. And at that time, the Iraqis were already taunting Iran. There were a great many Sunni Arabs in the areas where the oil was refined, at least, around the Khuzestan region. And they liked to refer to Khuzestan, which was Iran's main oil refining country and oil producing too as Arabistan, and indicated that they thought it ought to be "liberated." This the Shah used as evidence that his source of wealth was in danger and that security was a terribly important problem for Iran. So this is what encouraged our people to look upon Iran as a good source of help for our balance of payments.

There was at the time a very powerful and persuasive arms salesman in the Department of Defense named Henry Kuss.

Q: This was when you were desk officer?

Tiger: Yes. Well, I believe he was there also when I started out in Iran. And when McNamara, particularly when McNamara took over the Department of Defense, Kuss persuaded McNamara that this was the way they should approach the Iranian problem. We did not think so, we on

the desk.

Q: This was a nice foreign market for arms to some extent?

Tiger: Yes. Yes, and I particularly tried to use whatever small influence I had to avoid this kind of relationship with Iran. I thought it was not a good economic idea, not a good political idea either, and not good for our mutual relations. My assistant secretary was then Philip Talbot. And I made that point to him all the time. One time he told me that he agreed with me but that Secretary [Dean] Rusk had called him and told him that McNamara had called Rusk and said that he had heard that some of Rusk's people were getting in the way of this arms sale that was so terribly important for the welfare of the United States and please tell them to get out of the way. So that was that. I could not go any further than that.

Q: What year was that?

Tiger: That would have been about 1963 or 1964. At that time, it was such small potatoes compared to what Nixon and Kissinger finally did that it was really too bad. I think that that had a lot to do with the debacle, not so much with the debacle in Iran, but with the complete debacle of U.S.-Iranian relations. It was a very malign development.

Q: Maybe we can pursue this later on. When you served with the two

ambassadors Thomas Wailes--

Tiger: Wailes.

Q: And Julius Holmes. How influential were they in the policy-making process in Washington, in terms of shaping the direction of American policy towards Iran? Did they have much influence or very much weight that you could see?

Tiger: Well, no. I don't think that Wailes was an original thinker by any means. I think he was a very fine man, an excellent person and a subtle person in many ways. And I think that he did what he could, but I don't think that he was a strong originator of policy. I think Holmes was perhaps more so. Holmes was even more intelligent and also more devious. He kept his eye on what the relationship should be. But I believe that he went along pretty much with the thrust of relations with the one exception of the arms sale. I don't think he thought they should be that high either. But he did not feel that we should push the Shah too hard toward reforms. At that point, he was waging a terrific battle with the Kennedy administration in general.

The Kennedy Administration was very hard on the Shah, particularly Bobby, and even after Jack's assassination Bobby was. And one of their principal advisors on that subject was a man named Kenneth Hansen, who had been the chairman of the Ford Foundation's Harvard group in Iran. Hansen was a self-styled liberal thinker and mostly a pusher-arounder of people, I would call him. And he got

himself this rather influential position in the Bureau of the Budget. I'm not sure exactly what that position was. But from that position he sniped at our policy with regard to Iran, particularly the policy of giving aid to Iran. He thought that we should perhaps squeeze Iran and thereby force the Shah into reform initiatives by his government. I think that he was rather a misplaced zealot, myself. I don't think that his views, if we had done them, that they would have come to much. I believe also that it was a great embarrassment for anybody who was on the desk to have this going on in the first place. The Shah was well aware of it and impressed badly by it. He was the one--well, it was not so much he; it was Bobby Kennedy who encouraged the anti-Shah students in their activities in the United States, which was a great embarrassment at the time.

Q: That was he, Bobby Kennedy, who encouraged them at the time?

Tiger: Bobby Kennedy encouraged them, yes.

Q: Where did you hear about this? This is new to me.

Tiger: Robert Kennedy was very opposed to monarchs in general, and to Shahs. So was his brother. Robert insulted the Shah one time by scheduling a trip to Iran and then canceling at the last minute. Things like that upset the Shah greatly, any kind of personal snub. Then he met, at a conference in Aspen in about 1962 or 1963, a group of dissident students, some of whom were no longer students. They were well into their late thirties. One of them was (Sadeq)

Ghotbzadeh, who became the information minister, who was the great supporter of Ayatollah Khomeini. Another one was Fatemi, who was the nephew of the only member of Mossadegh's cabinet who was executed, the Foreign Minister Hosein Fatemi. These people had a meeting at Aspen and Bobby Kennedy went out and endorsed them publicly. This was a source of considerable embarrassment.

Q: Did the State Department have to intervene that situation?

Tiger: The State Department tried but it was not very easy. The only thing the State Department was ever able to do--and I was personally involved in this--was to call in Ghotbzadeh and Fatemi, the two ringleaders, and warn them, have the director of immigration and naturalization, a man named Ray Farrel, warn them to cease their anti-Shah activities or they would be deported because they were out of status. Now, this happened--it was arranged well before the assassination. But the date was set for after the assassination, December 1963. So they were very surly at this. I was present at this. And they looked at me and said, "We know that you have been able to do this against our friends in the Justice Department only because Robert's brother Jack was assassinated and he has lost his power." Then, at that time, the only thing that we could do was to put a worldwide advisory watch on all of them as far as re-entry was concerned. Ghotbzadeh left the country and tried to get a visa to get back in from Damascus and didn't, couldn't get in. So he was out. And that's when he joined the Ayatollah Khomeini in Baghdad. So, that's the way that happened.

Q: You mentioned this thing about a Harvard group in Iran?

Tiger: Yes.

Q: What was that all about?

Tiger: This was an advisory group. The Ford Foundation financed advisory group to the Planning Commission of Iran--the Plan Organization they called it, the Five-Year Plan Organization of Iran--to help them. It was a technical assistance project and many of the bright, young, Western educated Iranian technocrats were in that group. They had very, very good ideas, no question about that. I had some friends who were in that group. Hansen was the leader of that for a time.

Q: Was this the late 1950s and early 1960s?

Tiger: Hansen came in about 1958.

Q: Besides the ambassadors, who were the major players in Washington under the Eisenhower Administration in the late 1950s that were making policy in Iran. Were there a bunch of people that you knew about who were working in the State Department in Washington or National Security Council? Did you get a sense of who was making policy?

Tiger: I'm not sure I can answer that. I know that Dean Rusk, when I was back on the desk, did not have a very great interest in the subject. He thought that the Foreign Minister was stupid and said so after every meeting that he had with him. It was a man named Hosein Ala. He just didn't think much of him. Are you interviewing Iranians by the way?

Q: That's not part of the project. This project is to interview American officials in the State Department and--

Tiger: Because I know some Iranians who are here who were involved in things at that time.

Q: Yes. That's another project, I guess. Did you have any involvement or special knowledge of discussions that led to the 1959 bilateral agreement with Iran, the defense agreement that was drafted in 1959?

Tiger: No. That was the agreement which invoked the wrath of Khrushchev. I was mixed up when I said that it was the CENTO adherence. It was the bilateral. Because the Iranians had been pressing, as I recall, to the effect that CENTO alone did not provide them with sufficient security guarantees and they pressed for this bilateral agreement.

[end of side one, cassette one; beginning side two, cassette one]

Q: You were talking a minute ago about the 1959 defense agreement

with Iran, some of the concerns that led to it. What were the major Iranian interests?

Tiger: I'm not sure I recall those. I think that the Shah felt that he was vulnerable to Soviet pressure. And he wanted some assurance from the United States because of his being so close to the United States and because of the oil agreement having been engineered by the United States and being so much in the U.S. interest, U.S. and English.

Q: You didn't personally take part in the official discussions?

Tiger: No, I didn't.

Q: You didn't hear very much about that?

Tiger: No. No. I think that the political people at the time-- probably somebody like John Bowling would be good to interview about that time. He is down in Alabama, I believe. He was a political-military officer at the time, I think.

Q: Who were the major political officers at the embassy, the political figures that dealt with military security affairs that you recall?

Tiger: Charlie Stelle was one. But he's dead. And Martin Herz is also dead. But he was later. In my time, it was Stelle. I believe

that--

Q: Charles Stelle?

Tiger: Yes, S-T-E-L-L-E. The two DCM's who were there when I was there are both alive and living in Washington. One is Frazier Wilkens and the other is Stuart Rockwell.

Q: Who was the first person?

Tiger: Frazier Wilkens.

Q: Was he under Eisenhower?

Tiger: Yes, yes.

Q: And then Rockwell was under Kennedy and Johnson, I guess?

Tiger: Rockwell may have come before the Kennedy changeover. I think maybe Wilkens was there for the first year and a half of my tour and then Rockwell came.

Q: So they were involved in--

Tiger: They both became ambassadors after that and they're both now retired and living in Washington.

Q: So they were involved in political discussions and so forth?

Tiger: I think so, yes. The ambassadors are both dead that were in that situation. So they wouldn't know. This CIA figure, I suppose, would know, too.

Q: What was his name again?

Tiger: Yatsevich.

Q: I've read that during the course of 1959, maybe early the 1960s, there were either rules or discussions about rules to cultivate contact with opposition figures in Iran. Did you hear anything about that?

Tiger: Yes, the Shah didn't like it. It was not only that. Whenever the embassy would seek to maintain contact of any kind with political opposition in Iran, even what we considered was the most innocuous opposition, the Shah would complain. He'd call the ambassador or more likely Yatsevich and complain. The word would come back that we were to cut it out. The Shah took the position if we wanted to know anything about political affairs of Iran, he would tell us.

Q: Were these efforts to cultivate or discuss--to help have discussion with opposition leaders. Was there any request from Washington to do those sort of things?

Tiger: No. It was considered perfectly normal. Any embassy-- naturally, the government that an embassy represented would like to know what the political opposition is thinking. Just the same as any embassy in Washington dealt with the Democrats was well as the Republicans.

Q: It was sort of a routine business.

Tiger: Yes. Now, there was certainly no effort that I knew about to try to foment anything among opposition leaders.

Q: The contacts still continued despite the Shah's objections?

Tiger: I think they waxed and waned. I think that there was generally a willingness on our part to withdraw because we knew how very much in charge the Shah was and it was very difficult to do anything without his cooperation. The Shah was, even then, quite paranoid on subjects like that.

Q: So he was not very excited about these kinds of contacts basically?

Tiger: Yes.

Q: In terms of economic conditions, you were working in economic affairs in Iran in this period. Now what concerns did you and other

officials have about economic conditions in Iran in the late 1950s?
What were your major concerns?

Tiger: Our major concern was that the Iranian government, economic management, was spendthrift and kind of feckless. They were very slow to institute any kind of import controls. And when people got money, they could import anything they wanted to. The balance of payments turned very sharply against them. They seemed to think that, having oil money, they could do anything they wanted to. They also were not very much concerned with the general standard of living. But people who got money would just import anything they wanted to. As a result, they were always going broke and had to be bailed out. We were trying to get them to institute rather a more effective means of management, monetary control and so forth.

There was an IMF team that came over there at the time, that sort of threw up its hands. Then they hired a very competent and very renowned Belgian monetary economist to set up a central bank for them. They never had a central bank before, like our Federal Reserve Bank. A man named Cracco--he did that.

But mostly we wanted to them to manage their affairs better, to collect taxes so that they could run their country, to control their imports so that they wouldn't run out of foreign exchange, and that sort of thing.

Q: To what sense are American foreign aid programs, are they designed to help solve these problems?

Tiger: They were--you mean the technical assistance programs?

Q: Yes, I guess so.

Tiger: The technical assistance programs were designed to do that. But what really happened was that financial aid had to come in the form of bailout. There were also some project assistance. We built dams for them and things like that under aid programs.

Q: But was most of the aid toward, like you said, bailouts. Was that like balance payments?

Tiger: Most of it was bailout. Yes, it really was. Particularly the aid that came in at the time when Amini came in because we viewed it sort of like a payoff for letting a so-called liberal--I know that my office director when I got back from Iran to go to the Iran desk was John Bowling who had been desk officer before me. He disagreed with me on that. He claimed not to understand that. But I never understood Bowling really. I don't know whether he was being square with me or not. He was this political officer who was quite influential. He was very, very pro-Shah and tried very hard to keep our government backing the Shah no matter what the Shah did. He was a very strong-minded person, a very persuasive person. He did not agree with me that we did everything on a bailout, particularly in favor of Amini. But I'm quite sure I'm right.

Q: Did you know the upshot of the policy?

Tiger: Yes, I do. I think that was the upshot. We had great hopes for Amini. There were some of us who tended to think of him as--the expression was even used--the Franklin Delano Roosevelt of Iran. We thought that he was somebody who held a great deal of hope for the country. He really did sort of start a reform movement. It's as if--he appointed the Minister of Agriculture who actually instituted and carried out, implemented, land reform which nobody ever thought would be done, a man named Arsenjani. It was almost as if--I put it at the time--that the Shah kept saying he wanted to have land reform and Amini said, "Well, I hear you talking. Here's the man who's going to do it." And he got him. Arsenjani had a brief and rather disastrous career.

It was a strange sort of time. We had a person (Amini) who could really implement something and he did. He was given his head because the Shah needed this kind of thing. But at the same time the Shah ran into trouble from the other elements who didn't like land reform. Then there was a token give away of the Shah's land itself to spur it, but in the end the Shah really didn't give away much of his wealth.

Q: How did he come to American attention? Did they sort of like press the Shah?

Tiger: I'm not sure. I don't remember. I think so. But I can't really say that for sure. I think Bowling would know a lot more about that than I, and even Yatsevich.