judgment about, particularly when it's a subjective one. I got along well with the Shah. I think he liked me. I liked him. We had no trouble communicating. He was always very good about listening to anything I wanted to talk about. To the extent that this was the case, I think I had influence. In other words, if you can get a statesman, a chief of state or a chief of government of any country to listen to you as the ambassador about what you're trying to convey or whatever policies you're trying to enunciate, sometimes you succeed in making your point, sometimes you don't. But I guess it is fair to say that I would probably have had as much "influence" with the Shah as anybody else who could have been sent as Ambassador.

Q: What were your impressions of the Shah in this period? Had they changed much since the 1950s?

Helms: As nearly as I could observe, there was no very great change, except to the extent that he had become more confident, as the years went by, of his own judgment in what he was doing. He could be stubborn and willful.

Q: List some of the major officials in Iran that you dealt with as Ambassador.

Helms: I dealt with the Shah. I dealt with the Prime Minister, who in those days was Amir Abbas Hoveyda. I dealt with the Minister of Economic Affairs and Finance, who was Hushang Ansary. I dealt with the Minister of the Interior, who at that time was Jamshid Amouzegar.

I dealt with the head of the Plan and Budget Organization, Majid Majidi. He was the one whom I remember particularly. Whether he was head of it the whole time I was there, I don't remember anymore. I dealt with the General Hassan Toufanian from time to time. He was the man who was in charge of weapons procurement for the Shah. He was in charge of weapons procurement from foreign sources, but he also presided over what weapons building ability Iran itself had. I also dealt with Manouchehr Eqbal. I think I have the first name correct although I tend to get a little mixed up between him and his brother. But Eqbal was head of the National Iranian Oil Company. I dealt with him. I dealt with Taghi Mossadeghi, who was the head of the National Iranian Gas Company. I also dealt with the official who was in charge of the National Iranian Petroleum Company, Bagher Mostofi.

Q: A broad range of people.

Helms: A broad range of people.

Q: What kind of influence did these individuals have on the Shah?

Helms: Oh, I omitted probably the most significant of the other contacts I had, the Minister of Court, Assadollah Alam, who was a very important official in Iran and whom I saw a great deal of.

Q: Was he close to the Shah?

Helms: Both he and Eqbal were close to the Shah but also they were the two people I knew of who would talk to the Shah frankly about what conditions were and what was going on. Alam had been acquainted with the Shah from very early days when they were young men together. He was at one time Prime Minister. He had had other cabinet posts as well. He and the Shah were very close. And he would tell the Shah what was on his mind. He was obviously very deferential to the Shah, but when they were in private, I think he was one Iranian who had some influence on him. And I think Eqbal was another.

Q: Did you get the impression that other officials would not speak frankly to him, or many others would not?

Helms: Well, most of the others probably did not.

Q: From your recollections, how would you characterize the domestic political climate when you were Ambassador during the mid-1970s?

Helms: You mean whether it was stable or not?

Q: Well, yes, just your impression of--

Helms: Everybody had the impression that Iran was a stable country in those days. Actually the Shah's writ over the whole of his country had only been established within the recent past. It would have been within the last five or ten years that he finally had established peace and authority throughout the whole country. I

believe the Boyer Ahmadi tribe was the last one to be actually pacified, if you want to put it that way. This comes as a surprise to most people, because I think the prevailing view in the West was that the Shah had controlled all of Iran for a long time and his father before him. But this is simply not true. It's one of the reasons why archaeology and archaeological exploration became a boom industry in the time that I was in Iran: for the first time, those diggers out in the countryside were reasonably secure. They weren't going to be robbed or pillaged or beaten up by brigands. In other words, the central government could provide protection for them at last.

Q: Was it your impression at this time that the Shah had broad and positive support for his system?

Helms: It was one's impression. Certainly, very few people were speaking against the general direction in which the country was going. That there was dissatisfaction, I have no doubt, but it never seemed to be of a character or a size that was very important.

Q: What was the embassy's appraisal of the outlook for the long-term stability? Was there concern about the succession problem for the Shah, once he died who would take over or if he died early--did people worry about those things?

Helms: It was while I was in Iran that the Shah faced the problem of succession. In retrospect, and I want to insert here now something

that I believe to be true, and that is that the Shah sometime, I think it was in 1974, found out from French doctors that he had some kind of a blood disease. What they told him and how they identified the disease, I don't know. But it could be that this was the catalyst for his deciding to set up a regency under the Empress if he were to die before the young Shah came to the age of twenty when he could assume the throne under the Iranian Constitution. Also the Shah is alleged to have given secret instructions in an envelope to the Empress as to who were to be members of this regency council. Obviously, that never got carried out, because he left the country before he died. But it is my impression, in retrospect as I said a moment ago, that the possibility that his health might be effected led him to take these steps.

Q: But at that time, in 1974, you did not know about any medical problems?

Helms: No, I did not. As a matter of fact, I have done a lot of work on this or tried to do a lot of work. I know that he lied to me about it. If it wasn't a direct lie saying, "No, I do not have cancer. I do not have leukemia," or whatever it was, he certainly gave me the impression by devices such as, "Well, I read in Newsweek that I'm supposed to have cancer. Have you ever seen anybody looking healthier than I look right now?" Things of this kind. So as nearly as I've been able to establish, and I may be at some slight difference here with Gary Sick, the only person to whom he confided this information was the Empress. Nobody else knew about it. And

nobody else was told about it. There are allegations just within the last month that some American outsiders in Iran had heard reliable reports that the Shah had cancer. But these have come to light only very recently, and their truth has not been established. If you want to get the entire story on this, the fellow to talk to is Charles Naas, who was in Iran as minister under Ambassador Sullivan, and who was recently conducting a seminar for foreign service students on Iran.

Q: I'm going to turn this over.

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

Generally, in this period in the mid-1970s, there's no real apprehension about the long term outlook in Iran in terms of stability?

Helms: There was not. As a matter of fact, I remember clearly that various American businessmen would come to Iran and would visit me and would ask about Iranian stability. My answer was that if American businessmen are going to do business outside of the United States, they always run a risk with respect to the stability of the country in which they're going to operate, but that, as nearly as one could see at that time, Iran was as stable as any place else. This was the consensus. This was the general feeling among both Iranians and foreigners.

Q: I've read in a book on Iran, the Iranian revolution, that in 1974 the Israeli representative to Iran, Uri Lubrani, predicted the

collapse of the regime at some early date.

Helms: My reaction to that is as follows: I knew Uri Lubrani because he was the unofficial "ambassador" of Israel in Tehran during the latter period of time that I was there, and I have heard this report. Interestingly enough, that report has been refuted in the following manner: One evening some years ago the Israeli ambassador to the United States, Eppi Evron, was at my house for dinner. During the evening he took me aside and said, "I imagine you've been concerned about Lubrani's statements that he predicted the fall of the Shah, and I would like to set that record straight. During the summer of 1978 when I was Director General of the Israeli Foreign Office, I made a visit to Tehran and I talked with the foreign Minister, Khalatbari, and various other officials. They did not seem to be unduly concerned about the riots which had been taking place early in the year. They were more concerned about Russian subversion and things of that kind. At the end of my week's visit there, I sat down with Lubrani and I said, 'Now what about these reports that the Shah may be in some sort of difficulty?' And Lubrani said to me, 'Well, it may be that there's going to be trouble here, but not for the next two years.' And I said, 'Well, why do you say that?' And Lubrani said, 'Well, because my predecessor,' (who had gone back to Israel, had become an Israeli businessman, and then come back to Iran and was doing business in Iran), 'he is coming here these days and signing contracts for two years. So I'm sure that it won't happen for at least two years.'" The importance of this observation was that this individual who had been Lubrani's predecessor and whose name I do not

remember was an Isfahani Jew who had been raised and went to school in Isfahan with several of the ministers of the Shah's government, so that he was as well known and as well wired in Iran as any foreigner could conceivably be. It was later that he went to Israel and became an Israeli. So that his sense or feel for the situation was regarded as important.

Q: In 1975, the Shah abolished local parties and set up a one party system controlled by the Rastakhiz Resurgence Movement, apparently that's the translation. How did the embassy experts react to this development? Did they see it as a positive sign or a negative sign?

Helms: There was not much that one could do about it, whether you agreed with it or you didn't agree with it. It was the Shah's decision to go in that direction. The Shah's rationale was that he had had two parties up to that time, that these parties theoretically vied with each other in the national elections, and that, as the Shah pointed out to me on more than one occasion, the party which always won in the election was the party that had his support. And since that was the case, it seemed rather silly to have two opposing parties. To paraphrase his argument: "Why don't we consolidate the whole political apparatus into one party and since everybody is patriotic and supportive of the Shah and supportive of their country, why don't we have inside that one party two separate wings. We'll have a conservative wing and a liberal wing and we'll put an able man in charge of each one. Then each will vie inside the party for not only the votes but the support of everybody belonging to it." And he

did appoint two fairly strong characters. One was Hushang Ansary and the other was Jamshid Amouzegar.

~Q: Was there any concern that this effort to sort of centralized political life further would maybe lead to political dissent or political discontent or dissension?

Helms: I think it would have been easy to say at the time that this was not a very sensible move if one was looking at it from the standpoint of a political scientist or a practicing politician. On the other hand, the Shah was extemporizing. There isn't any doubt about it. I guess his thought was that maybe this thing could be made to work. But when one looks at the Iranian scene in retrospect, it is quite clear that many Iranians did not like some of the things the Shah was doing. Certain of his changes made problems for them from the standpoint of their religion and also from the standpoint of what they believed to be their way of life.

I think one of the things that made Westerners--and I'm not talking about just Americans; I'm talking about British, French, Germans and so forth--somewhat myopic, if you like, about the Iranian scene was not that they didn't have good information about what the mullahs were thinking or what the bazaaris were doing, but rather that it did not occur to them the extent to which there was broad antipathy to the whole Western life style. In other words, they associated largely with Iranians who had adopted the Western life style and enjoyed it and liked it and had been educated outside the country, who spoke these languages, who wore the clothing, who saw

that this was perhaps a more emancipated, better way of life. The Shah had done a lot for women's rights. In other words, if you were a Western educated individual, there was a lot to be said for the direction in which the Shah was going. But if you were not, and you were still illiterate, and listened to the mullahs in the mosque and lived in a remote village in the Zagros Mountains, this whole trends might have seemed to you not only foreign but antipathetic. It has become quite clear since the revolution that a great many Iranians--and I don't know the percentage; there's no point in trying to use figures on this--simply did not like the Western life style and don't want to see it duplicated.

This raises, of course, one of the most interesting questions about modern day Iran and that is: how do Persian culture and Islam fit together? How do you accommodate these two? Right now Islam would seem to have the upper hand. But there is also a Persian tradition and culture which tends to run counter to certain beliefs of the Muslims, and, therefore, there's bound to be some tension between the two.

Q: Under Kennedy and Johnson, embassy officials I guess had fairly routine contacts with figures in the opposition movements, like the National Front and so forth. Did this practice continue when you were ambassador? Were there occasional contacts with maybe junior officials in the embassy?

Helms: There were, but the interesting thing is that whatever, your contacts may have been, you would have found that they would not lead

you to an accurate conclusion. It is good to look at this problem in retrospect, because it helps to illuminate what was going on at the time. For example, if one had contacts with (Karim) Sanjabi or (Shahpour) Bakhtiar or any of these people, (Mehdi) Bazargan, who emerged after the Shah left, they would have had little to contribute at the time. They had interests. They had aspirations. But they were powerless. When they came to power, how long did they last? Not very long. They were swept aside, too. And the scholars in the United States, the James Bills and Marvin Zonises and others, they were all of the belief that the National Front would be the salvation of Iran. Well, sure enough, they got their wish and it lasted just a matter of weeks. So I don't think this question of digging deep, of talking here, of talking there, would have led an intelligent clear-sighted person to the conclusion, which eventually came about, that the mullahs would take over and make an Islamic republic out of the government.

There was a lot of criticism at the time that I was ambassador from the academics in the United States that we didn't dig deep enough, that we weren't allied with the right people, that we weren't encouraging the National Front and we weren't doing this and weren't doing that. When it was all over, they were just as wrong as everybody else, perhaps for different reasons.

Q: But in any case there were occasional--like officials of the embassy would meet with opposition figures from time to time during this period?

Helms: Yes.

Q: What was the Shah's reaction to that? Had he heard about these things or was he displeased or what?

Helms: These were connections that we easily made socially or without any particular fanfare. How much of it the Shah knew about, I don't know. Whenever the Shah confronted me with something that he didn't like, it was usually something that had been well established, that some Iranian had complained to the Prime Minister and said, "Here's what this young man from the embassy said to me." Otherwise, there was no particular criticism and if the Shah was aware of these things or wasn't aware of them, I don't know.

You know, it's a very unclear picture as to the extent to which a) SAVAK was well informed about what was going on in the country, and b) whether the chief of SAVAK kept the Shah properly and accurately and adequately informed about what was going on. This was to me a really open question. I think you can get different answers from different people. But my impression was that SAVAK was not nearly as good as it was cracked up to be.

Q: In terms of actually keeping tabs of what was going on with the public?

Helms: Yes, that's right.

Q: I've gotten the impression from my reading again that the U.S.

intelligence in the 1970s tended to rely upon SAVAK for domestic intelligence information. Is that something that rings true with you?

Helms: I think that probably they did to a certain extent get some information from SAVAK as to what was going on domestically. But actually the Agency's targets in Tehran were much more focused on the Soviet Union. Now you could say that that was a mistake, that it should have been focused on domestic affairs inside Iran, but these are matters of opinion and judgment. The Soviet Union is the prime target of intelligence interest for the United States, and that's all there is to it. It continues to be to this day. And it's known as the hardest target of all and the hardest one to get information on. Therefore, it requires that the best resources be deployed against it. When you come down to it in the end, some decisions have to be made about your priorities in the intelligence business. Some might say that you should be spending your time reporting fully on Iran, but Iran is not going to damage the national security interests of the United States by a nuclear attack or anything of that kind. Therefore, it is just a question of how much money and time you can spend on such a target with limited resources.

Q: In terms of when people listened to the domestic political situation in Iran in the 1970s, was there any special interest in the activities of the Mullahs or the Ayatollah Khomeini? Did people know about his role?

Helms: People knew about Khomeini. This was particularly true after the Algiers Agreement of 1975, when Iranian pilgrims were again permitted to visit the holy shrines in Iraq at Kerbala and Najaf. Some pilgrims brought tapes back from Khomeini, and one began to hear reports of their being played in the mosques and circulated clandestinely. So that as a political factor, people were aware of him. But that he was going to have the influence he eventually had, no one would have forecast that including Khomeini himself.

Q: I have some questions about OPEC, the oil price increases of 1973, 1974. Did the Shah ever discuss with you or explain to you his sort of philosophy about the world of oil and petroleum in Iranian economic life?

Helms: Yes. There were various discussions. But I think a coherent description would be to say that, for years starting at least at the time of the 1953 nationalization by Mossadegh of the Anglo-Iranian Oil Company, the Shah was desperately trying to get a little bit more money for the oil he was selling. And the oil companies were being very tough with him. He couldn't even get a half a cent a barrel raise. For years, he smarted under this. He felt they were being grossly unfair since he was having a tough time upgrading the living standards of his population. The only real asset he had was this oil. So when the time came that there was a possibility of getting increased money for a barrel of oil, he obviously was in the vanguard of those trying to get it. There isn't any doubt about this. It is fine for the United States or the West, if you like, to complain

about the sharp rise in oil prices at the time, but if they will look back historically at the way they treated the Shah and various others in that part of the world, I think a fair-minded person would see that there was a lot to be said on both sides of this question. Governments shy off these issues by simply saying, "Well, these were oil companies. And they ran their business the way they wanted to. And they couldn't be controlled by the governments," and so forth. The Shah used this argument against the West when the time for the rise in oil prices came. On one occasion he shook his finger at me and looked me right in the eye and said, "Now I hope that you're not going to try to get the United States government involved in this question of oil prices. After all, we have dealt for years with these companies. That's the way your government has told us that we have to do it. They have not been very forthcoming. But I want to deal with the oil companies now as I have in the past. And I don't think it is proper for you to intrude into this as a representative of the United States government." That was a position he consistently held.

Q: I have some questions about the oil embargo, the boycott of Israel and the US. I guess apparently after the 1967 oil boycott--

Helms: After the what?

Q: After the 1967 boycott of Israel, the oil boycott

Helms: There was no boycott in 1967. It was in 1973.

Q: Well, there was a temporary oil embargo in Israel wasn't there of OPEC?

Helms: Well, that one only lasted six days. They could hardly have put a boycott into effect in six days.

Q: Especially when Iran could not participate in it.

Helms: Well, there was the 1973 oil boycott that OPEC brought against Israel. And Iran did not participate in that boycott. That was the only one I'm aware of.

Q: I thought there was in 1967 a short boycott.

Helms: Well, I think you'll find that there probably was not. In any event, in 1973 OPEC did boycott Israel but the Shah did not participate. He said, "No. I sell my oil as I have always sold my oil and anybody that wants to buy it and can pick it up and take it out of here is welcome to do so. And I decline to get involved in any effort of this kind."

I remember that after the 1973 war was over, Kissinger came to Tehran in an effort to get the Shah's help in ending this boycott. The Shah was obliging. He sent his top oil man, the man who represented him on OPEC, Jamshid Amouzegar to Saudi Arabia with a special message for King Faisal. And he also sent a special message to the Egyptians, to Anwar Sadat, with whom he was very friendly,

asking him also to end the boycott. So the Shah was cooperative with the United States in trying to end this boycott of Israel.

Q: Yes. I had the impression that during the embargo itself, Iran did not raise its production of oil to offset the effect, intent of the Arab embargo.

Helms: I don't know what the figures show. I do not want to try to answer that. I don't know.

Q: Sure, okay. Now, during the embargo, the OPEC countries made dramatic increases in their prices, November, December of 1973, I think. The Shah was in the vanguard of this movement as you said earlier.

Helms: It was in December 1973 that they finally "jacked" them up.

Q: What was the U.S. diplomatic response at that point?

Helms: The diplomatic response was to try to bring pressure to bear on the Shah not to raise the prices. This is what the State Department was trying to do. But the Shah simply ignored the request.

Q: Did you bring this up with him in discussions?

Helms: I was involved in delivering these messages to the Shah, but he was having none of that. He said in effect, "Well, I've tried in

the past to get oil price rises and the American and British companies wouldn't give them to me. Now I've got them and you're going to have to live with them."

Q: Now why do you think the Shah was so insistent upon huge price increases. Did he have any particular objectives in mind?

Helms: Yes. He had very clear objectives in mind: 1) he wanted to bring his country into the twentieth century; 2) he wanted to industrialize it; 3) he wanted to buy arms for his armed forces; 4) he wanted to raise the standard of living of his people. In short, he wanted this money for various purposes which he had had in mind for years about his country and which he wanted to see happen in his lifetime. In other words, he would say that he wanted to bring Iran up to the living standard of Western European countries in ten years or twenty years, I've forgotten the exact figure he used. It was a praiseworthy aim, but manifestly impossible to fulfill.

Q: Of those objectives, did any have a particular priority? Did arms purchases have the biggest priority in his mind or were they all pretty equal from your impressions at the time?

Helms: I think that they were all pretty equal. What he wanted was enough money so that he could do the things that he wanted to do. I don't think he spent a great deal of his time saying, "I get this for that, and this for that." I think he wanted enough so that he could do all of these things at the same time, and he was almost able to in

the end.

Q: In the Nixon Administration, was there any discussion in the Administration that you heard about of efforts to find ways to induce the Shah to roll back prices or to change his policy, to restrain him in OPEC in some way?

Helms: It wasn't just the Shah. It was the Saudis and the whole OPEC cartel. After all, the biggest producer was Saudi Arabia. And I know that Ambassador James E. Akins, who was there at the time, attempted to make a case for the fact that the Saudis were restrained in these matters. But I've never seen the evidence to support this contention. In other words, the Saudis would blame the Shah and the Shah would blame the Saudis and it would go back and forth. But the fact remains that they all profited from it.

Q: Apparently William Simon proposed at this time that the U.S. use it's control over arms sales as a means to induce the Shah to try to get him to change the OPEC policy in some way. Was this--?

Helms: I don't know whether Simon advocated that or not. I know that Simon was not one of the Shah's favorite Americans, because he made some disparaging references to him when he was Secretary of the Treasury. This was a rather difficult matter for an ambassador to handle, these disparaging references. But aside from that, I have no doubt that Simon had various ideas. But carrying out those pressure tactics, I think, would have been a very poor idea from the stand-

point of the U.S. position, not only because of the 1972 decisions that were made by President Nixon about the Shah's role in the Persian Gulf, but if the United States had clamped down on arms sales, the Shah would have been confronted with the necessity of buying them elsewhere. There seems to be a myth in this country that we're the only people who sell arms. Let me point out that the French sell them and they're glad to, and the British and Germans and the Italians and the Russians and possibly others. So it is possible to buy arms without the United States. And we become, as a country, a little bit myopic from time to time in the feeling that nobody could live without us. That isn't true.

Q: In the fall of 1973, I guess, Kissinger met with the Shah to discuss international economic implications of petroleum price increases. I guess he went to Tehran and talked about these things with the Shah. Do you recall that visit?

Helms: Yes, I recall the visit certainly.

Q: Were you present there?

Helms: I was present.

Q: What was the upshot of the discussion? What did Kissinger say?

Helms: I think it was quite clear that Kissinger was going to get nowhere with this argument and didn't get anywhere with it and he