

Foundation for Iranian Studies

Program of Oral History

SIR ANTHONY PARSONS

INTERVIEW WITH SIR ANTHONY PARSONS

SOUTH DEVON, ENGLAND, JANUARY 30, &

MARCH 7, 1985

INTERVIEWED BY SHUSHA ASSAR

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Interviewer

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Sir Anthony Parsons

Subject of Tapes

Anthony Parsons

PREFACE

This manuscript is the product of a series of tape-recorded interviews conducted for the Oral History of Iran Program of Foundation for Iranian Studies by Shusha Assar with Sir Anthony Parsons in South Devon, England in January 30 and March 7, 1985.

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BIOGRAPHICAL NOTE

Sir Anthony Parsons was born in 1922 in England. After completing his education in Oriental Studies at Oxford University he joined the British Foreign Office. He served as diplomat in Baghdad, Ankara, Amman, Cairo, Khartoom, Bahrain, and British mandate in Palestine before returning to London as First, Second, Advisory secretaries and finally Deputy Under-Secretary of the Foreign Office. In 1974 he was appointed as the British Ambassador to Tehran where he stayed until 1979 when he became the British Representative at the U.N. Mr. Parsons memoirs include glimpses of the political change in Iran in the late 1970s and the events which led to the Iranian Revolution of 1978-79, and the British policy during the course of the Revolution.

CORRECTION LIST

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P.27	Amouzegar	should be	Amuzegar
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Interviewer: Shusha Assar

Interview # 1

Interviewee: Sir Anthony Parsons

Place: South Devon England

Date: 1/30/85

Q: The thirtieth of January, 1985. A conversation with Sir Anthony Parsons about Iran. Now I'll ask the first question, if I may, which is -- prior to going to Iran, like twenty or thirty years before, you chose to study Arabic and Turkish at the University. Why was that and what made you interested in the Middle East and then, subsequently, in Persia?

Parsons: It goes back a very long way. I was in the Middle East (in the army) in the war and, after the war, I joined the Palestine government. In 1948 when the Palestine mandate came to an end, I returned to England and went back to University because my education had been interrupted by the war. I decided, because I knew Arabic from my service in the Palestine government, to read Islamic studies at Oxford. I chose Turkish as my second language, Arabic being my first language, really on the advice of my professor because he said that Persian was much easier and I could learn it later on and, while I was at University, I might as well do the more difficult of the two languages. But, of course, it was a degree course in the whole Islamic civilization so I studied Iranian history from Islamic times onwards, up to the Middle Ages -- effectively, really, up to

the final collapse of the Abbassid Empire. So, I had a lot of Islamic-Iranian background in my head when I went into the diplomatic service after leaving Oxford. Then, in the early nineteen fifties, I was in the embassy in Iraq and I was there at the time of the Abadan crisis --

Q: Oil?

Parsons: The oil crisis, exactly, the nationalization period.

Q: That's right it's 1951.

Parsons: Fifty-one to fifty-three, I was there. I was in the embassy in Bagdad when our embassy was thrown out of Iran and I remember welcoming the departing diplomats from Tehran who came out by landrovers from Kermanshah and stayed in Bagdad for a time on the way through. I was also still in Bagdad when the Shah left the country for Rome and when he returned. And, by a curious coincidence which has actually, genuinely, nothing to do with Iranian affairs, I was actually meeting people at the airport on the same day when he passed through on both occasions. So I saw him go out and I saw him come back and I vividly remember how on the way out, when he was going to Rome, there was nobody there on behalf of the Iranian embassy to greet him or anything; and how on the way back, the whole Iranian embassy staff was present at the airport. And I remember him walking down the steps of the airplane and they were all at the bottom, and he simply looked straight ahead and

walked straight through without acknowledging their presence in any way. That was one of my first, direct experiences of Iran. But, of course, in Iraq at that time -- I mean the politics of Iraq were very much affected by the oil nationalization crisis, by the Massadegr period and there was great interest in the country and amongst us in the embassy in what was happening in Iran. Well, after that, I then spent four years (from 1955 to the beginning of 1959) in the embassy in Turkey. Very shortly after I arrived in Turkey, Iran became a member of the Bagdad Pact so I saw more of the Iranian embassy staff in Tehran than I did of most other embassy staffs because we were co-partners in the Bagdad Pact. Then, of course, after the Iraqi revolution the Bagdad Pact headquarters moved to Ankara so this connection between the British embassy and the Iranian embassy became even more intense.

Q: Was the Bagdad Pact a kind of precursor to CENTO?

Parsons: Indeed, what happened was that, in 1955, first of all the Turks and the Iraqis signed a kind of mutual security pact between the two of them. No, I think that was in 1954. In 1955 the Anglo-Iraqi bilateral treaty, under which we were entitled to keep military bases in Iraq, ran out or was about to run out. Clearly in the political atmosphere of the time to renew an old fashioned bilateral treaty of that kind with an Arab state was out of the question. And so out of the Turkey-Iraqi initiative arose this multilateral Bagdad Pact which was, first of all, Turkey, Iraq and Britain. The United States never joined as a full member but they

joined all the committees of the Pact. It had a military committee. It had an economic committee. It had a counter subversion committee, et cetera, et cetera like all these pacts do. The Americans were members of everything but not actually, formally, the pact itself. A serious attempt was made to persuade other Arab states to join -- Nasser's Egypt and Jordan, in particular. Nasser's Egypt turned against the thing as did Syria. Jordan --

Q: Why?

Parsons: It became a polarizing influence, really. Nasser's Egypt was aiming for non-alignment, total independence of Western imperialism and Nassir saw the Bagdad Pact, as a disguised means of perpetuating Western, particularly British, imperialism and sphere of influence in the Arab World. So, very quickly, the Pact became a polarizing influence in the Arab world and the Arab countries lined up, really kind of Bagdad Pact supporters -- pro West; Bagdad Pact opponents -- pro non-alignment. We made an attempt to bring Jordan into the Pact in 1955 or early 1956 (I forget which now) which lead to violent riots in Amman and King Hussein just couldn't have got away politically with joining it. The only two subsequent adherents to the Pact were Iran in, I think, mid 1955 and Pakistan. Now it only became CENTO when, after the Iraqi revolution, Iraq obviously withdrew from the Pact. The Pact at the time had it's headquarters in Bagdad, so the headquarters moved to Ankara. It could obviously no longer be called the Bagdad Pact since Bagdad had pulled out of it and was violently hostile to it. I was still in Turkey. And so

we had the terrible problem of finding a new name. Eventually it was decided to call it the Central Treaty Organisation, but it was, in effect, the old Bagdad Pact minus Iraq.

Q: Iraq. So that was Iran, Pakistan, Turkey?

Parsons: Britain --

Q: Britain

Parsons: And America in all except name.

Q: That's right.

Parsons: So this -- Because they were in Ankara at the time, I mean there were ministerial meetings every year, there were committee meetings going on the whole time, and this created a very close relationship between the British and the Iranian embassies there. And it was at that time, in Ankara, that I got to know very well, first of all your brother

Q: Nassir --

Parsons: Nassir --

Q: Assar.

Parsons: And, secondly, Amir Abbas Hoveyda. We all became very, very close friends. So, really, through all that period - from my university days, through Bagdad, through Ankara - I had acquired a pretty good working knowledge of Iran without actually having served in the country itself. Thereafter, I was Political Agent in Bahrain in the Persian Gulf from 1965 to 1969. And of course this was at the time, still, when the British were in a protective relationship over Bahrain, and we were responsible for Bahrain's external defense and foreign affairs. So I was, in effect, the kind of mini-Ambassador to the state of Bahrain and, at the same time, the sheikh's Foreign Minister and Defense Minister, put it like that. I need hardly say to you that the principal foreign policy problem of Bahrain was the fact that it was claimed as the fourteenth province of Iran. So this also gave me a considerable focus, as it were, in Iranian affairs. I mean this was my main foreign policy preoccupation.

Q: Before you move on, just to clarify, is it true that the Bagdad Pact was a British idea?

Parsons: The Bagdad Pact was -- Well, many people have different views. The principal concern of Turkey, at the time, was defense against the Soviet Union. Turkey was, of course, a member of NATO. Turkey was very anxious for geographical reasons to bring Iraq into the general pattern of that kind of northern tier defense against the Soviet Union because, after all, a Soviet move through Iraq would complete the encirclement of Turkey. So the idea of a

Turko-Iraqi security pact was, in effect, a Turkish initiative really designed to secure themselves in relationship to the Soviet Union. Now it happened at a time when we, the British, who needed bases in Iraq (mainly for communications to the Far East) not to India, of course, India was already independent, but we still had major possessions and responsibilities in the Far East. We were worried that when the Anglo-Iraqi treaty ran out, which entitled us to have these two Royal Air Force bases in the country (one at Habbaniyah west of Bagdad, one at Shu'aiba in the south near Basra), we would have no means, as it were, of maintaining our bases. So it was very convenient for us that this Turko-Iraqi agreement had taken place which, we felt, we could build on in order to create a multilateral relationship which would enable us to retain our bases in the country. And, also, since we were also members of NATO help to reinforce this Turkish notion of building up what the Americans ultimately came to call the northern tier of western defense against the Soviet Union. So it was a convenient diplomatic move, from everybody's point of view. Our intention originally, you see, was to bring in as many other Arab countries as we could, to put the Arab countries more in a defense posture vis-a-vis the Soviet Union rather than simply quarreling amongst themselves and focusing on nothing but Israel. But we were unsuccessful with Nasser. We were unsuccessful with the Syrians. The French were never very keen on the Bagdad Pact. They, too, saw it rather as a perpetuation of British influence in the area. And it did become a polarizing element. You know, if you were pro-Pact you were a western stooge,

if you were anti-Pact you were a respectable nationalist, as it were. So that was the kind of background to the Pact.

Q: We can now move forward to where you were a British Agent, in other words, in effect Foreign Minister of the Bahrain government.

Parsons: Right.

Q: As it were, which was claimed as the fourteenth province of Iran. So what was the position of the British. Did they want Iran to have Bahrain or not?

Parsons: No. We'd been in a protective relationship with Bahrain since 1820, and we had always resisted the Iranian claim. We took the view that Bahrain was an independent state and it was an independent Arab state and we had always taken that view. Through the nineteenth century the dispute over the claim, which became an Anglo-Iranian dispute, because we were looking after Bahrain's foreign policy, flared up and flared down. And, I think it was in the 1850's, it led to a break in diplomatic relations. And it was always on the table between us. Negotiations went on and went off and went on again and went off again, right through, really, until the final days. And, by 1968, when we had announced that we were going to withdraw from the Persian Gulf (withdraw our military presence from the Persian Gulf), terminate the protective treaties by 1971, it was really the principle stumbling block for the future stability of the Persian Gulf because there appeared to be no

possibility of a peaceful settlement. We all realized that, if we removed our protection, terminated the treaties and the claim was unsettled the Shah would have an extremely difficult choice. He would either have to make a unilateral climb down, which wouldn't have been very popular internally in Iran, or he would have to prosecute his claim by force, which would

Q: Invade.

Parsons: Invade Bahrain, in effect, which would have meant, of course, a complete destruction of the whole stability of the Gulf because it would have led to a conflict with Saudi Arabia and it would have led to an absolutely irreparable breach, really, between Iran and the whole Arab world and might even have drawn the great powers in if there had been military action of that kind. So, in my last year in Bahrain this was a matter of enormous preoccupation on everybody's part. Well then at the end of 1968, I think it was, the Shah performed an act of major statesmanship. As I remember -- I can't remember the exact dates, I can't remember his exact words but he was on a state visit in India --

Q: That's in 1968?

Parsons: 1968. Yes, it was towards the end of 1968 as I recall it. He was on a state visit to India and he gave a press conference at the end of his state visit and he included in his statement to the press conference a passage on Bahrain. And what he said was, in

effect, that "Bahrain always has been part of Iran and I have no doubt in my mind that it still is but two hundred years have passed since we were able to exercise our sovereignty and it may very well be that the population has changed in the meantime, that the views of the people have changed and if the views of the people are ascertained in an acceptable manner, acceptable to the international community as a whole, I am prepared to accept their views as regards the future, whatever they may be. Now this was an act of enormous statemanship. There's no question about that.

Q: In other words, people belong to who and where they want to belong.

Parsons: Where they want. It was really a kind of tacit support for the principal of self determination. Now this opened the door to a peaceful settlement. Up to that point, the Iranian claim had a most damaging effect both on the politics of Bahrain and on the economy of Bahrain. Politically it was a source of continual neurosis. I remember on one occasion, this is quite a true story, I was driving somewhere near the airport in Bahrain which is just alongside a big Arab town Maharak and I suddenly found that there were hundreds and hundreds of people in the street all around my car, rushing towards the airport with sticks in their hands and carrying stones and all the rest of it. So I stopped one of these people in the street and said "What's happening?" and he shouted out, "The Persians have landed. The Persians have landed. We're going to resist them." So I said, "What are you talking about?" and

I looked up and there I saw on the runway at the airport an airplane with a large lion on its very large tailfin. In fact it was an airplane of British-Caledonian Airways which have the Scottish Lion on the thing.

Q: [Laugh]

Parsons: The people of Maharak had seen this from their homes and imagined it was the lion of Iran and had rushed to repel the invaders. I tell this story as an illustration of the tension which the claim produced the whole time. Economically, you had a situation where no foreign firm which wanted to do business throughout the area including Iran was prepared to have its headquarters in the obvious center of communications and the most civilized place to live in on the Arab side of the Persian Gulf, namely Bahrain. Because if you had your headquarters in Bahrain, you couldn't do any business with Persia. So it was both extremely damaging to the economy of the country and extremely damaging, really, to the stability of the country. Well, going back again after the Shah's statement, the Iranian government and ourselves, on behalf of the Bahrainis, consulted the Secretary-General of the United Nations. Now by that time, by coincidence, I had been transferred from being Political Agent to being Counsellor in the United Kingdom delegation to the U.N. in New York, just at the time when we were making our first approach to the Secretary-General to follow up the Shah's initiative in Delhi. Well having been four years in Bahrain, my boss, the Ambassador, delegated the actual

negotiating to me, naturally enough. So, for a year or so until May or June, 1970, I was negotiating with the Secretary-General's Number Two, Ralph Bunche, who was the person responsible for peace and security problems and with the Iranian Permanent Representative in New York, Mehdi Vakil, in order to work out a formula which everybody could agree under which the United Nations' Secretary-General could send a team to the island to actually find out what the wishes of the people were. Well, it was a difficult negotiation but by the beginning of 1970 we got agreement and a senior official of the U.N., an Italian Under Secretary-General, went with a small team to Bahrain and he consulted all the clubs and institutions and organizations and trade unions and everybody that he could find. He came back and reported in full to the Secretary-General and, of course, ninety-nine percent or ninety something percent of the population had said that they wanted to be an independent Arab state. The Secretary-General submitted this report to the Security Council and a Security Council resolution was debated. Iran was present. A Bahraini delegation was sitting in the background. We were up front, as it were, representing Bahrain. The resolution was adopted unanimously and that was the peaceful settlement of this two hundred year old claim. It's one of the classic, textbook successes of the United Nations. A peaceful settlement of a really, very deep rooted and very intractable dispute and -- I've emphasized this point that it started, entirely by the Shah's move that he made in Delhi, by this statesmanlike move he made there. Because, by that time, I personally as Political Agent, as advisor on foreign affairs to the sheik of Bahrain --

I'd reached a point of despair when I thought the only thing to do was for Bahrain simply to apply for U.N. membership, hope that it would get the votes so that Iran would not be able to collect the necessary vetoes and votes to stop them, get in somehow and simply face it out like that and hope that Iran would be deterred simply because Bahrain was a member. Well now, that would obviously have been an extremely unsatisfactory way to do it but I couldn't see an alternative at the time. And, I must say, it gives me pleasure to say after all these tragedies that have happened, that the Shah opened the door.

Q: It's wonderful. How would this compare, let us say, to the Falklands?

Parsons: A not dissimilar case but in the Bahrain case it all worked, you know. It was a classic U.N. operation. You know people don't know much about it. In fact, I was lecturing last night on the United Nations to a group of about two hundred overseas graduates of London University and I brought this one out. I told this story in illustration, of how the U.N. can play an extremely valuable part provided the parties themselves are prepared to behave sensibly in settling very difficult disputes. Because, after all, this dispute had been going on since 1785.

Q: Yes, but of course, as you say U.N. can only act if the people involved are civilized enough to agree with such proof --

Parsons: That's right.

Q: Of self determination

Parsons: Exactly. The real point of the thing was that the Shah worked out, in his own mind, that either of the two choices with the claim unsettled were really unacceptable (the two choices lying ahead of Iran); and that the only valid thing for him to do in terms of his own public opinion was to put the thing in the hands of the international community so that he could accept the will, as it were, of the international community as a member in good standing of that community; which, of course, defused in a way the internal political problem of giving up the claim. And it was an act of great faith, there's no doubt about it.

Q: Yes. So let us carry on from there then. So that's the beginning of your involvement.

Parsons: That, in a sense. Yes, that intensified my involvement and, of course, I was very much personally involved in the thing right up to May or June, whenever it was, in 1970 when the Security Council finally laid the claim to rest. Well then, at the end of 1970, I was transferred back to the Foreign Office and I was Assistant Under Secretary responsible for our relations in all the Middle East, amongst other areas of the world, for the next three years. Well, Iran came within my area of responsibility and, of course, by that time Iran had become, I suppose, one of the say

fifteen or twenty most important countries in the world to Britain in terms of British interests.

Q: And what were those interests?

Parsons: Well, to start with, of course, we were still formally allies in CENTO. CENTO may not have been a very effective pact but we were military allies.

Q: If there had been a Soviet threat, for instance --

Parsons: We'd have had to have done something about it. And if there had been any regional problem, really, involving Iran directly, Iran could have called on CENTO as a body to do something about it. So we were allies in CENTO. We were very conscious, indeed, of Iran's general geo-political importance in the strategic sense because of her geographical position. We were, at that time -- I suppose in the early [nineteen] seventies right through the [nineteen] seventies before the North Sea was fully exploited, we were getting, I would say, between twelve and twenty percent of our total oil supplies in this country from Iran, which is an awful lot. In the early mid-seventies, in commercial terms Iran was buying in military terms, I think, something like thirty percent, thirty-five percent, of Britain's total global military exports, which is not a very well known fact. It's a great deal, and by that I mean global military exports including to the United States, to other European countries. I mean the whole world. So Iran was buying thirty-five

percent of our total defense sales overseas. Iran in civil terms, was our twelfth largest export market in the world. After Western Europe, the United States, Canada, I think Iran was actually our largest export market. By 1978 we were exporting about one thousand million pounds sterling a year of civilian goods to Iran, whereas, to take a comparison, I suppose to -- Well, one figure that sticks in my mind at the time, our exports to Libya, for example, were something like forty million pounds a year.

Q: And it was one billion.

Parsons: Exactly. It was very, very big stuff indeed. Of course there was an additional factor in this. Then, a lot of our business with Iran was extremely important from the point of view of employment in Britain. For example, the Peykan car which, at the time, was Chrysler, United Kingdom and is now Talbot, United Kingdom -- In my day the Peykan contract represented fifty-one percent of the total operation of Chrysler, U.K. So, if the Peykan contract had collapsed, Chrysler, U.K. would have collapsed because it couldn't have carried on with only fifty percent of its operation. This meant that, together with the people who were directly employed and the outside suppliers to Chrysler, U.K., the Peykan contract was probably directly responsible for the employment of say forty thousand workers in Britain. Well now, if you add that to the Leyland contract for trucks and so on, the military contracts, a number of other things: there were certain small firms by 1976, 1977 of whom eighty percent of their total product, both domestic

and for export, was going to Iran. So, I suppose, that Iran was directly or indirectly responsible, in one way or another, for the actual employment in Britain, of between say a hundred thousand and a half million people. A lot of people. So it was a very, very important country, indeed. And so, in the early [nineteen] seventies when I was the Under Secretary, I had a great deal to do with Iran. To start with, of course, this was in the closing days of our --

[end of side one of tape one]

Q: So, it was the closing days of --

Parsons: Yes. At this time it was the -- And this is 1971. These were the closing days of our negotiation of our termination of the protective treaties over the small Arab states in the Persian Gulf. So, we had a great deal of negotiating in the Foreign Office with the government of Iran on that.

Q: Was the decision for you to terminate your presence in the Persian Gulf somewhat influenced by the fact that you thought Iran was now big enough to look after everybody in those little places, if need be?

Parsons: I think that it was the other way around, in a sense. Looking back on it with hindsight now, from the mid [nineteen] sixties onward there was a growing current of public opinion in

Britain that having this kind of post imperial presence east of Suez stretching right out to the Far East was an anachronism; that we ought to find ourselves a new role. We should contract our responsibilities and really become part of Europe. This was a movement in public opinion. In 1967, there was a financial crisis and the devaluation of the pound, considerable cuts on the defense budget, and a political decision was taken for those immediate reasons. But it was against a background, I think, of a growing move against extended post imperial presence to the east of Suez. A political decision was made to terminate our relationships both in Singapore, Far East and in the Persian Gulf. Well, the Conservative government, of course, then came in a couple of years later and confirmed this decision. By that time, I think, we all really had in mind that both Iran and Saudi Arabia had become much stronger in the meantime and that between them they should be able to at least see these very small states through the early years and the storms of early independence on their own. So this was a kind of consolation to us, that we weren't just going to leave a vacuum; that between the two sides, Saudia Arabia and Iran, which were on good terms, of course, at the time; that they would be able to stabilize the situation on the Arab side of the Gulf for so long as necessary and, in fact, it happened that way. And, don't forget, after all, that there was a war in Dhofar, in western Amman. And, in 1972, when the sultan of Amman was in danger of actually losing that war, mainly through shortage of manpower, the Shah sent three thousand Iranian troops which again stabilized the military situation down there, so, I mean, he demonstrated within a year of

our actual leaving the Gulf that Iran was an effective force for stability in that region.

Q: So you left in [nineteen] seventy-one?

Parsons: Well, I stayed on -- I remained as Under Secretary for Middle East Affairs until the end of [nineteen] seventy-three. And, during that time, I had a great deal to do with Iran. I mean over commercial matters, economic matters, over oil, political matters, CENTO matters, Gulf affairs, and all the rest of it. It was one of the most important countries and, I suppose, that in my Middle Eastern responsibilities, the two most important elements were one, the Arab-Israel problem and secondly, our relations with Iran. Then, in the autumn of 1973, I was told that I'd been appointed Ambassador to Tehran. I was delighted. And I arrived in Tehran at the beginning of 1974.

Q: Yes. And, of course, your book takes it up from there. But -- So, we could really talk about what happened then. Now, if you had so much interest in Iran, it also works the other way. Iran must have had a lot of clout with you, because of this they could say, well, if you don't behave yourself, you can stop Peykan and give it to somebody else, and you would be in dire straights. So, how did you work that out? And, given the Shah's magnanimity, and you must accept that he wasn't going to do anything petty like that but, at the same time, it must have made you more cautious as you say in the

book. So how did you run the show, as it were, in a kind of tightrope situation?

Parsons: Well, this was, of course, difficult. Before answering the question in detail -- I do recall a time in 1975, in the autumn of 1975 I think it was, or maybe in 1974, I forget which. There was a financial crisis within Chrysler, U.K. I am speaking specifically about the Peykan. Chrysler, U.K. needed a large government subsidy in order to keep going. There were a number of members of the cabinet here in England, at the time, who were in favor of not producing this subsidy and letting Chrysler, U.K. go bankrupt and disappear.

Q: This is during the Heath government?

Parsons: No, No. This is during the Wilson government.

Q: The Wilson.

Parsons: I think it was [nineteen] seventy-five.

Q: Yes. Because the Heath government went in [nineteen] seventy-four.

Parsons: The Heath government went in early [nineteen] seventy-four. Now, I remember seeing the Shah about this and he made it quite clear, very understandably, that if the British government

allowed Chrysler, U.K. to collapse, this would mean that at least for eighteen months there would be no volume cars, i.e. family cars, in Iran. And, he told me very plainly that, if the government did let it collapse, we could not expect to be granted any other industrial contracts in Iran. I reported this to London, of course. And it was, I think, a major factor in the fact that the government did inject more money into Chrysler, U.K. and kept it going. So, there was this kind of relationship, as you suggest. My objective really as Ambassador, as I've said in my book, was, first of all, to bury the past. We had this unequal relationship with Iran over a century or so. It had left considerable scars and folk memories and all that kind of thing. I felt that the only way in which we could have the kind of close and really meaningful relationship that both of us needed with each other was to get absolutely right away from this historical incubus. So, I was determined right from the beginning that there would be no time in which the Shah could accuse me with any justice of -- Or anybody could accuse me with any justice of running an embassy which was behaving in any way differently from, say, our embassy in Paris or our embassy in Rome or our embassy in any country with which we have a good and normal relationship. So, by that token, all my predecessors, of course, my two or three predecessors, had been the same. We conducted no intelligence operations in terms of Iran itself, spying on Iran, as it were. I know nobody believes this but it does actually happen to be the truth. I cultivated the best possible relationship that I could with the Iranian government and its political establishment in all its senses. It was not too difficult for me because,

fortunately, the Prime Minister Amir Abbas was a very old, personal friend of mine. I'd known him for nearly twenty years. We'd always kept up together. And so, my relationship with him was very easy. From my past time as Under Secretary, I had met and got to know quite well a number of people high up in the government, including the Shah, whom I'd met four or five times, I suppose, at meetings and so on. So, it wasn't a difficult arrival at all. I used to see the Shah regularly. This is long before the revolution, of course, in my first four years. I used to ask for an audience not on a specifically regular basis but, I suppose, roughly every two to three weeks. And, I would discuss with him, say, four or five problems which were on my mind which were directly related to our relationship, in order to keep it on an even keel. The price of oil, the relationship between, say, inflation and commodity prices, the problems in the Persian Gulf, whether things were going all right in the United Arab Emirates, Soviet Union, Afghanistan, various bilateral things, anything important that was on my mind I would discuss with him. And so we did, fairly rapidly, get onto fairly intimate terms. I think we got on well. I think he was -- As you remember for example, he had a much more forward policy towards the Arab world at the time. He knew that I had twenty years or so experience in the Arab world. I think he valued that in a way. He used to cross question me a lot about, you know, the situation in Amman, the situation in the Persian Gulf, the situation in Egypt, et cetera, et cetera. Arab/Israel, all that kind of thing. He was, of course, passionately interested in foreign policy, as a man, apart from being interested as a ruler. I'd been a foreign policy

professional all my life. So, I suppose we had that in common and it made it quite easy to form a close relationship with him. We also, of course had the whole military thing because not only, you see, were we selling a lot of military hardware to Iran, but we were also cooperating in a number of other ways. We were raising for the Shah a Marine force, you know, half sailors/half soldiers. We were training what we call a junior leaders battalion which is taking the best young non-commissioned officers and training them so they can be more senior and eventually become officers and take on leadership duties. We had a naval mission in Bandar Abbas which was cooperating with the Iranian Navy and training them jointly, and joint exercises and all that kind of thing. We had a number of military links which were quite apart from actual sales. So there was always a lot to discuss in that regard. We had a very broad spectrum of relationships. In the cultural field we had British teachers in all universities in the country. We had a team of about thirty British academics in the university in Tabriz who had formed a special unit for teaching of English language at the higher level. I suppose, if you put it all together -- By the middle of the nineteen seventies there were probably twenty thousand British subjects in Iran, very few of them engaged in military activities, doing everything under the sun. It was a very large commun[ity]. Far larger than we'd ever had in Iran in our "imperialist" days. We were involved in just about every aspect of the country's life. And so there was always a great deal to talk about. Of course, we had problems of the kind you mentioned. I used to get threats, you know. If the BBC said something that the Shah didn't like, I would

get warnings that there might be a kind of retaliation against our interests in one way or another. But we knew each other well enough, after a time, that we could really talk these things out and discuss them very practically.

Q: We will come to the BBC situation and all that during the course of this because that's quite an important subject, obviously, both in your book and also generally the way people think about it. But at the beginning when you went there in [nineteen] seventy-four, that was the year, I believe, that the Shah quadrupled the price of oil. And if you saw him every couple of weeks or so and talked freely with him, couldn't you tell him what effect it would have on Western economy? That sudden change, not doubly, but quadruply, and how it would backfire and produce the economic recession, so to speak, that it did produce a couple of years later in Iran itself.

Parsons: Well, this was, of course, in my first month. The dramatic event took place on the twenty-third of December, 1973, which was a month or so before I arrived. I was still in the Foreign Office at that time. Of course, this was a subject which, you know, preoccupied my first series of audiences with the Shah, right up through, really, a great deal of 1974. And we had some very difficult arguments. I did point out to him, not necessarily on instructions from London, (I'd studied the whole subject very carefully myself) that this was bound to produce recession in the West. It was bound, also, to produce inflation and that this inflation was bound to be passed on to the countries concerned.

That whatever contract he made with us today, because of this inflation, by the time the contract came to be fulfilled, it would be five times the cost, and so forth. I used to point out to him what an appalling effect this price rise was having on the poor countries, like Africa and that kind of thing. They just simply didn't have foreign exchange to buy anything since they were having to pay so much for oil. My object being, really, to try to restrain him from pushing it up even further. Because he had the conviction, of course, with some justification that the West had had it very easy for a very long time.

Q: That's right.

Parsons: Had been able to create all this prosperity on the basis of cheap oil. Whereas, the suppliers had not been able to create comparable prosperity and that this was now the time of the suppliers. I remember saying to him on one occasion, sometime in early 1974, that he should not forget that when the Japanese conquered southeast Asia in 1941 and cut off the Western World immediately from its supplies of rubber, the Western World did not collapse. It very quickly produced substitutes for rubber and rubber became unimportant. And that he must recognize that with the resources and ingenuity, particularly of the United States, that the Western World was not simply going to fall to its knees because of this price rise, that it would soon start exploiting more difficult oil, substituting, conserving, et cetera, et cetera. And, eventually, OPEC would find itself in a less strong position. Well,

of course, in that particular sense I proved to be right. Now more than fifty percent of the oil on the market is non-OPEC oil and with conservation and substitution and everything we're in the state we're in now. To be fair to the Shah -- We used to have hour long discussions of this, each arguing very strongly on different sides. He always listened. He always, you know, took my points, argued logically, and so on. He never told me to "shut up and go away" or anything like that.

Q: So you didn't manage to persuade him?

Parsons: No. But I think he did realize, of course, by -- Well, let me start at a different point. I think to start with, you see, he believed, as he told me straight out, almost at my first audience, that his vision of transforming Iran into a modernized industrialized country had, up to that point, been inhibited not by political will or by lack of resources in the country or manpower but simply through lack of money. When this final obstacle was removed there was nothing to stop him from fulfilling his vision. By the middle of 1975, I think he had realized that it was much more complicated than that.

Q: That Rome wasn't built in a day.

Parsons: Right. That if you try and build Rome in a day, as it were, you do get into terrible trouble. He appreciated the fact that there were appalling blockages in the ports, that there wasn't

enough skilled manpower in various sectors of the economy, that overseas inflation was passing itself on to Iran and producing appalling inflation within the country, and that the whole thing was, as it were, fouling up. I think his momentum carried him forward, really, until about the time, I suppose that Jamshid Amouzegar became Prime Minister when, I think, he did realize that he had to go in for a policy of retrenchment. But, of course, by that time he had raised the people's expectations so high that they simply weren't prepared to have retrenchment of that kind.

Q: He cared a lot for what the British thought of him, what the BBC said --

Parsons: We used to have frank talks about his attitude towards Britain -- I mean, when I got to know him, I talked to him as openly as I'm talking to you now. I remember saying to him once -- We were having some rather difficult discussion about, perhaps it was the BBC or something that had been said in the British Press or something of that kind. And I remember saying to him, "If I were you, Your Majesty, I would in my heart always hate the British with a very, very, strong hatred. If I were you," I said, "I would never forget what happened to my father. I would never forget how I came to the throne. I would never forget the things that Britain had done to my country and to my family. If I were in your position I would always entertain a very powerful, emotional dislike for the British. And," I said, "I'm sure you do." And he laughed and he said, "Well, yes, of course that is true. How can one forget.

But," he said, "I also have an intellect as well as a heart." I can remember him saying those words. And, he said, "I can, you know appreciate the very many good and great things about your country." I know what the context was. It was quite interesting. He'd given a television interview (I think it was in [nineteen] seventy-four or [nineteen] seventy-five) in which he'd said some extremely disagreeable things about Britain. How lazy we were. How we were declining. You know, how we were finished, et cetera, et cetera. Well, I didn't ask to see him because of that interview but I happened to be having an audience a few days later and so I did say to him, "Your Majesty, you really shouldn't say those things." I said, "You're entitled to say what you like but we do need each other."

Q: And also because you put up the back of the press.

Parsons: Well, that's exactly what I said. I said, "You know, we do need each other." I said, "Of course, we need you, as you know. But you also, in a sense, need us." And I said, "If you do talk like that in public, you will seriously alienate British public opinion and British public opinion does actually have an effect on government policy." Then I went on to say, "I don't really blame you because, if I were in your position, I would hate the British very strongly, et cetera, et cetera." What I've just said. And he did laugh. And he said, "Yes. I agree with you. Of course emotionally," he said, "I can never forget. But," he said, "I do have an intellect as well as a heart. I can appreciate what is good

and great in your country." And then he made a very interesting remark which I've never forgotten. He said, "I believe that any other country in the world which has had as many economic problems as Britain has had in the last twenty-five years, would have had half a dozen coups d'etat by now. But," he said, "there is a basic stability in your country which is perhaps unique in the whole world." That wasn't in my book. I've never forgotten him saying that. We often used to discuss this. This whole question of his attitude towards the British. It used to come in the BBC context and many contexts. And quite often, when we'd finished talking about specific points of business at my audiences, we would just chat, you know, and this would come up. But the one thing I did make an absolute rule for myself was, because of the past, that I was not going to start discussing Iranian internal affairs. I used to say to myself - if the French Ambassador called on the Prime Minister and started to talk about the British domestic situation, he would be shown the door. And there's no more reason why I should do that with the Shah of Iran and expect not to be shown the door.

Q: Quite right. Yet at the same time, if the French Ambassador became friendly with Mrs. Thatcher, let us say, and they were having dinner together, they would discuss -- And I'm sure that she wouldn't mind if you said, for instance, "I do believe you're going a little bit too far with such and such thing." Or, "This is having this kind of effect on policies and other countries." You see, as a friend it's quite different as an envoy.

Parsons: Well, you know, I'm not sure. I think we're regarded in the rest of the world as not being terribly touchy as a nation. But I'm not so sure. I think, it would be perfectly all right for the French Ambassador, as a friend, to talk about the miner's strike for example, now.

Q: That's right.

Parsons: And discuss and ask Mrs. Thatcher what it's doing to the country and how she thinks it's going to be solved. But I must say, I think, even as a close friend if he started to advise her on how he thought that the thing should be settled --

Q: She would balk.

Parsons: Well, let me give you an Iranian example, a very good example. A story which you must very well know of, the famous dinner party at No. 10 [Ten Downing Street, Residence of British Prime Minister] when Amir Abbas Hoveyda was over here on his official visit with [recording interrupted] Now this, as far as I can remember was in either 1972 or 1973. I was still Middle East Under-Secretary. Amir Abbas Hoveyda was invited as an official guest. The Prime Minister, who was then Edward Heath, gave a dinner party for him at No. 10 and, as is natural in these circumstances, invited Harold Wilson who was the leader of the opposition. When it came to the after dinner speeches, Amir Abbas said something on these lines, certainly nothing more controversial. He said,