

# Foundation for Iranian Studies

## Program of Oral History

SIR PETER RAMSBOTHAM

بنیاد مطالعات ایران

FOUNDATION FOR IRANIAN STUDIES

INTERVIEWEE: SIR PETER RAMSBOTHAM

INTERVIEWER: SHUSHA ASSAR

HAMPSHIRE, ENGLAND: JANUARY 20, 1986

COPYRIGHT © 1988 FOUNDATION FOR IRANIAN STUDIES  
All rights reserved. No part of this work may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopy and recording or by any information storage or retrieval system, without permission in writing from the Oral History Office, Foundation for Iranian Studies

## 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 Peter Ramsbotham in Hampshire, England in January 20, 1986.

Readers of this Oral History memoir should bear in mind that it is a transcript of the spoken word, and that the interviewer, narrator and editor sought to preserve the informal, conversational style that is inherent in such historical sources. Foundation for Iranian Studies is not responsible for the factual accuracy of the memoir, nor for the views expressed therein.

The manuscript may be read, quoted from and cited only by serious research scholars accredited for purposes of research by Foundation for Iranian Studies; and further, this memoir must be read in such place as is made available for purposes of research by Foundation for Iranian Studies. No reproduction of the memoir either in whole or in part may be made by microphoto, typewriter, photostat, or any other device.

بنیاد مطالعات ایران  
Foundation for Iranian Studies

I hereby give and grant to the Foundation for Iranian Studies as a donation for such scholarly and educational purposes as the Foundation shall determine, the tape recordings and their contents as listed below.

Peter Ramsbottom

Interviewee

sin Peter Ramsbottom

Susha Guppy

Interviewer

Susha Guppy

6 March 1988

Date of Agreement

Sin Peter Ramsbottom

Subject of Tapes

#### BIOGRAPHICAL NOTE

Sir Paeter Ramsbotham was born in London on October 8, 1919. He is the younger son of the late Viscount Soulbury, Governor-General of Ceylon from 1949-55.

After an education at Eton and Magdalen College, Oxford, Mr. Ramsbotham joined the British army at the end of 1942, where he rose to the rank of Lt. Colonel. In 1948 he joined the British Foreign Service. Between 1951 and 1953 he acted as the head of the newly formed oil section in the Foreign Office. In that capacity he became closely associated with Britain's relations with Iran during that period, and travelled to Iran for negotiations with the Mossadeq government. In 1971 he was appointed Britain's Ambassador to Iran, a post which he occupied until 1973. He was later on Britain's Ambassador in the U.S. and the Governor of Bermuda.

Interviewee: Sir Peter Ramsbotham	Interview #1
Interviewer: Shusha <sup>c</sup> Assar	Place: Ovington
Date: January 20, 1986	Hampshire
	England

### INTRODUCTION

Sir Peter Ramsbotham was British Ambassador in Iran from 1971-73. He then became Ambassador in Washington, and later Governor of Bermuda. He retired six years ago.

In 1951-53 he was in charge of Iranian affairs at the British Foreign Office, and negotiated with Mossadeq for a settlement of the Petrol crisis. He was part of the negotiations on the Consortium in 1953.

Sir Peter is now 66, and lives in Ovington, Hampshire, England. He is still interested in Persia, in particular with Sufism and Persian philosophy, and keeps up with publications and personalities connected with that school of thought. The following interview took place at his home on January 20, 1986.

Q: This is tape number one, the interview with Sir Peter Ramsbotham, who was British Ambassador in Iran at the time of the sixties and the beginning of the seventies. I'm not sure of the exact dates, but he will tell me during the course of the interview. He was also in charge of the Persian desk at the British Foreign Office during the early fifties, the crisis with

Mossadeq, Petrol, and the negotiations about Petrol and the Consortium. The interview is taking place at Sir Peter's house in England in the country in Hampshire, and Sir Peter is looking very well and very young for his age.

And shall we start with the beginning -- how you got involved in Persia in the first place and when?

Ramsbotham: I got involved in Persia -- Well, I go back, of course, to 1951 when I was head of the Oil Department in the Foreign Office, and that started it. And then the Mossadeq affair occurred, and I went out with the Stokes Mission to Tehran -- I think in August or July, 1951 -- to try and see if we could not make some arrangements with the Mossadeq regime for the Anglo-Iranian Oil Company, to save that situation. But it was not possible.

Q: Why wasn't it possible?

Ramsbotham: Already it had gone too far. Mossadeq was an old-fashioned Persian nationalist, aristocrat from the countryside. He had been brave in standing up to Reza Shah, but his was a sort of nationalism that we didn't understand in Britain. He had no concept of running the economy of a country the size of Persia and didn't really understand the practical issues -- for example, how to dispose of the oil if he nationalized it, because all the tanker trade was owned by the Anglo-Iranian Oil Company and Shell

and the American companies. So there had to be some compromise arrangement. This was just a hard fact. But he simply didn't understand that at all. And he was advised by an engineer -- Hasibi -- (who turned up in my day in Tehran later on). He was a second-rate oil engineer of NIOC, and had complete technical sway over the whole proceedings. So it was hopeless. And I won't go into all that, because that was another chapter. All this is being revealed now, and the records are available. The thirty year rule now makes it possible for people to study that period. Roger Louis and other people are writing books on the subject. So all that's available now to the public. That was my first connection with Persia.

And then, years later, when I was British High Commissioner in Cyprus in 1969 in the time of Makarios, Ted Heath came out, I remember, on a visit. I'd worked with Ted Heath in the Foreign Office before, as head of the European and NATO Departments, in trying to get Britain into Europe, so we knew each other well. And he offered me the job of British Ambassador to Tehran. I was about fifty at the time. I think one of the reasons why I was offered the job was that the Shah had strong antipathy to anything Arab. I know he loathed Nasser and had deep suspicions of any British who was associated with the Arab world -- people like Anthony Parsons when he was younger -- who had been in Bahrain or who had held positions in the Arab world, particularly in the Gulf. He regarded them as "Arab lovers," as he used to call them, and he wouldn't have any of them as Ambassador to his



country, because he felt they'd be biased in favour of the Arabs. So there were one or two of these people far better equipped than I was, who would have been right for that job as Ambassador, but who were debarred, in a sense, by this attitude of the Shah. So I was very lucky. All my career I've been very lucky, and I think I got that job for that reason.

Q: But before, if you will forgive me, I would like to go back to the Mossadeq time, simply because of the attitude, as you say, before that kind of nationalism, and that you couldn't understand then, but hope we would understand know in view of what happened since around the world.

Ramsbotham: Yes. We have a nationalism which is in various forms to be found almost anywhere, where you either find direct colonialism -- such as in Egypt, Africa, and other places, where the British presence was physical -- or indirect colonialism as the Persians saw it -- where the British presence wasn't physical. I mean, the Persians have never been colonized in that genre, although they have been invaded successively throughout their history. And, of course, their reactions come out very well in Denis Wright's book on the "Persians in England" -- these strong feelings of frustration and humiliation that they can't get their act in order, because these efficient, strong, smart, self-satisfied, rich people are running their country behind those high walls on Ferdowsi Avenue, which wasn't true in my day

anyway. It used to be true. It's still believed today, incidentally. And you'll find highly intelligent Persians who believe several incompatible things at the same time. But half a belief is that, for some extraordinary reason, the British have been maneuvering Khomeini in ways which will suit the British interest. Why or how, I don't know. A very poetic people and imaginative -- and they will invent highly complicated, totally false reasons to support the view that it's the British who still run things behind that high wall. That's one of the reasons why we had to open the gates at Ferdowsi Avenue and make the compound visible from the road outside to satisfy and allay that suspicion.

Q: At the time of the MOssadeq, you really did fight him tooth and nail?

Ramsbotham: We fought him tooth and nail primarily because we feared at the time -- and who can say we were right or wrong -- that to have had the oil investments -- the biggest thing we had -- nationalized without proper compensation, would have triggered off a whole series of similar attempts all around the world.

Q: But it did, did it not?

Ramsbotham: No, it didn't, because we defeated him in the sense that he was never able to sell that oil.

Q: Yes, but I mean, for instance, Nasser later nationalized the Suez Canal.

Ramsbotham: I don't think Nasser was influenced by the Persian experience. I don't think that made all that difference for Nasser. I think he would have reacted exactly the same way. I doubt whether -- Who can say? Well, anyhow, it was the fear and the concern that might be the case that made us go on. We really offered, from the western point of view, perfectly reasonable terms. We conceded the principle of nationalization. We had to anyhow. We had a labor government then. The principle of nationalization didn't worry us. We accepted nationalization. But what we wanted was a practical arrangement whereby the flow of Persian oil into world markets -- obviously for Britain, but also the world generally -- could be assured. (Kuwait was coming up. If it hadn't been for Kuwait, we would have been in the same soup.) It was very important that the flow of oil should go on, and it wouldn't have gone on unless some arrangement had been arrived at whereby the tankers could take the oil away. We kept on saying to Mossadeq, "You can't eat your oil. You can nationalize it. You can do what you like with it, but you can't eat it. You've got to dispose of it. There has to be some arrangement with those who have built up this vast network of movement of oil around the world." And we would have accepted, and we offered him a management agreement -- that was the scheme

-- whereby he would have the nationalization and enter into a management agreement with AIOC.

Q: What was his objection?

Ramsbotham: His objection was that he just did not want anybody from the AIOC around. He offered individual contracts, and nobody would accept them or particularly wanted them. And he just wanted to get them out. He wasn't interested or concerned with economic factors, which was our main concern. I have no doubt that AIOC had been acting as absentee landlords, although they were meticulously correct in their treatment -- I mean, Abadan in those days, if you were a Persian working there, you were working almost as a servant of the company in your own country. All that were the facts of life, if you like. Whether things could have been done differently and whether the consequences would have been different if they'd been done more tactfully, who knows. I doubt it. I mean, I think the Persians would have invented a scapegoat, which was the AIOC, regardless of circumstances, because of the point you make, that this feeling of quasi-colonialism, indirect colonialism, bred a sense of frustration with themselves -- the fact that they were inefficient, that they had grandiose ideas but couldn't actually run things on their own, whether we were there or not. I think it didn't matter much before the impact of the industrialized west, because you couldn't live that sort of life in Persia in

the eighteenth century or seventeenth century. But I think the felt the same as Nasser and we brought our own destruction, if you like. We exported to them the picture and the image of Western efficiency, the way things should be run in an economy based on this, that and the other and all the western standards. And they couldn't even manufacture anything. I mean, a factory in Persia in those times, without western help, didn't work. It was the frustration and humiliation of proud people, who had every right to be proud. We were running around in woad in Britain when Persia was a great empire. They conquered all their invaders and absorbed them. They had this immense pride in their culture and their civilization. And one of the reasons why the Shah fell eventually -- I've always said this -- was that he began importing not just the American goods and British goods, but also all the vulgarity of the dollar. Because when a stronger civilization impinges on another -- you can see this through Greek history and Roman history too -- it's the ugly and vulgar side that gets exported -- not always, but often. In point of fact, large parts of America are almost Victorian, if you go to the Midwest, the Bible belt. But it is the brashness and the tinsel of the East Coast and West Coast that gets exported by greedy people who have traveled. Voyagers and exporters are by nature greedy -- apart from the fifteenth century Franciscans and Catholics who exported the Christian Word to Asia. But normally, explorers bring greed with them. And that's what the Shah absorbed, and that's what brought him down.

I think some of this was also probably true at the time I was there with Mossadeq -- but I was too naive and ignorant then to notice it, but I'm sure it was true later in my time when I was there with the Shah. Unlike a lot of Muslim countries, the Mullahs in Persia -- there are a lot of exceptions, of course -- were genuinely in touch with their villages and with their people. They weren't as some of the Buddhist priests in modern countries who have gone corrupt and political. The majority of them were genuinely representative and fathers of their people in their villages. To a large extent, they shared it with, of course, the village head and other people. And I think they felt strongly that this western vulgarity was impinging on their culture. And they were right, to a large extent. And I think that was also the seed of what I call the old-fashioned nationalism. A lot of that was felt at the time of Mossadeq by the people who supported him. The tragedy was that it was so mixed up with negative feelings of humiliation, of revenge, of frustration that they couldn't get anything done -- like a child who feels frustrated because the father of the family pervades everything, and he just can't get himself understood, and he can't get anything done. There was that feeling very strongly -- and made worse, of course, and compounded, by the vulgarity of what they were importing from us.

Q: Another thing that interests the country or its interest in the future is that you managed to get this unbelievable blockade

going all around. I mean, when you look at today, that America can't get the support of her partners who depend on America for their defense --

Ramsbotham: Libya?

Q: Against Libya. You managed -- who were not the biggest power -- because Americans by far are the biggest power -- managed to make everybody just turn against Mossadeq and --

Ramsbotham: But I think it was easier in those days. There was only a group of big oil companies who commanded between them most of the oil tanker trade we're talking about. Our main problem was with the Japanese, and there was a famous case which we took to the Hague. Hartley Shawcross did very well. He led all that legal side. And the American companies played along, because the last thing they wanted was to have a precedent created with Mossadeq's nationalism, with inadequate compensation which would interact with their interests in Venezuela and other parts of the world. Now it's different. There are so many companies. I mean, OPEC is only about half the number of oil countries in the world. To start with, everybody has their individual tanker trade. It's quite different now, I think. But it was, nevertheless, remarkable. I'm not sure people thought we'd do it as well as we did do it. I don't think I did. And it was rather deceptive, because it looked as though sanctions were something

that could be made to work, and I never thought they could. I think that was an exceptional period.

But to come back again, when you took me back to Mossadeq. When I came to Persia in early 1971, my knowledge and experience was nil except for that earlier two months in 1951. It was twenty years later, and a lot had happened since then.

Q: That's right, but when finally the blockade worked and there was that final fiasco and the Shah went and came back, they say -- and I don't know anything about it -- but they say that, of course, the Shah came back with the help of the Americans. And was Britain also helpful in restoring the Shah?

Ramsbotham: Well, I think so. There's an awful lot written on that. And Roger Louis, who has produced a great work on the subject which will be published soon, has it all, because he's got all the records now. There's not very much I could add to that from the records which won't be in Louis' book. And Monty Woodhouse has written on it, and he played a part at the time and a number of people and the Rashidiyan brothers and all that period. I had gone by then. I went to be Head of Chancery at our Delegation in New York, so I'd left all that.

But I did play a part in inventing the Consortium arrangement, which has lasted.

Q: How?



Ramsbotham: For those who are reading the records (just released for the public), I was working in the Foreign Office in 1952 with Roger McKim -- now Lord Sherfield, who was my senior at that time. They say

I was one of the architects of the original concept of the Consortium, which did save us in the end, but B.P., as it came to be, retained effectively most of the oil it needed for its trade capacity by having that large percentage of the Consortium arrangement, which lasted. It must have been a good arrangement. It lasted until the Shah's demise. It lasted twenty-five years or more, and it was certainly going when I was in Persia. We had troubles with NIOC and Eqbal and all that. But it worked very well. I'd had my experience as head of the International Oil Department of the Foreign Office and that did stand me in some good stead, I think, with the Shah.

Q: And who was -- aside from you -- instrumental in the shaping of the Consortium, on the British side?

Ramsbotham: I remember Joe Addison, who lives in my village here in Alreton. He was the legal advisor then to AIOC, and he had a lot to do with it. There were various people who shaped it. And then, of course, the Americans came in and -- a whole crowd of people -- but I've forgotten the details of that one -- I only knew how it worked. It was one of those successful things. It lasted over twenty-five years. Anything that lasts twenty-five

years must be good -- well, like NATO, you know. It must be all right by sheer definition of longevity.

Q: So when you went back to Persia, what did you see that had changed?

Ramsbotham: I hadn't really thought of it for twenty years, so I was unable to assess. I came back at a very interesting time really, because the Shah was, I suppose, at the very height of his powers in 1971. And his oil revenues were probably at their height too, although he always wanted more. And he was very rich, and there was a lot of money in Persia then, and he hadn't imported inflation to the extent that he did later. That was the real tragedy of Persia -- by being too greedy and asking too much for the oil price, and having enormous amounts of wealth to invest in new manufacturing and so on. One of the tragedies was that he was going so fast. He was moving too quickly for the Persian people, in trying to Westernize and industrialize the country. He had these grandiose ideas of Persia becoming the Middle Kingdom, so to speak, an equivalent of Britain in that part of the world, the pivotal country between Japan and the West. He had ideas of moving out into the Indian Ocean, which is why he wanted to buy Nimrod, the British sea surveillance airplane, and why he developed Chah Bahar. It was actually unnecessary to develop Chah Bahar -- you know, right down on the coast opposite the Oman, on the Persian side of Pakistan on the

Gulf. He planned an enormous great naval base in Chah Bahar. All that was stopped, of course, when Khomeini came in. All these grandiose ideas were, in a sense, fantastic but possible, at least, to conceive because of the wealth that was coming into the country. And with the wealth came these adventurers, British businessmen, American businessmen, all doing their proper thing - getting money. I was one of those who was associated with the sale of the Chieftain tanks. It practically leveled up Britain's balance of payments, it was such an enormous amount of money that we got for it. In fact, we denuded BAOR to let the Shah have all those tanks. I had to find a brigadier from our R.B.G.F. to lend him, in order to help him make them work. All that was a bewildering period of building an industry too quickly. And with all those changes -- new factories here and everywhere -- you are impinging rapidly on an age old society -- a very distinguished one -- I mean the Persian society; in its essence and culture, more distinguished than anything we'd produced in Britain, in terms of certain values. And to impinge on that so quickly in that way. I saw a lot of Asadollah Alam. We used to have breakfast together on the lovely tree-lined avenue of his house. Towards the end of my two and a half years, I'd see the Shah quite often, and he occasionally would talk to me of his worries about Persia, and the home state -- not that he wanted my advice, but it was someone to talk to. He was rather rhetorical when he would say, "Why are my people so ungrateful?" This was after, say, the student riots at Tabriz University; that sort of

thing. He didn't expect me to tell him, but he wanted to ask, because all around him were yes-men. So one did have that opportunity to hear him talk about his problems. And I used to say, or at least I remember saying, "Your Majesty, it's the penalty of your own success, and you have to pay that penalty." This is what I meant by "moving too quickly." And I remember telling him a story (he seldom took advice, but he was a good listener). I'd just come back from Chah Bahar, and I remember being struck by headlines in the local paper -- this is an English translation -- "Monarch Gives New Water Supply to the such and such Village," and this was not true. I'm sure the Monarch didn't know anything about that village; but no credit was given to the local governor of the province or to anybody else. Everything went to the Monarch. Not even Hoveyda got any credit for anything. It was always the Shah did this, the Shah did that. And I remember saying to the Shah, "I think that's splendid, but if things go wrong, you'll get all the blame even though you're not responsible for all these things." I didn't say this quite as bluntly as that, but the gist was, wouldn't it be better just to encourage people to be recognized for their achievements -- encourage your provincial governors and people like that to take credit for a lot of these things that are being done in this country? And on the theme of "it's the penalty of your own success," either he or Asadollah Alam -- I can't remember -- indicated to me that one of the reasons why he was moving so quickly in the industrialization of his country, and

modernization, regardless of the social tension and the religious and other factors which were bound to react in one way or other, was that he didn't really trust his oldest son. I think he felt that the second son had what it takes to be a Shah, had the strength, ruthlessness, whatever the factors are.

Q: You mean the brother, the second brother?

Ramsbotham: The younger brother.

Q: Ali Reza, second brother was Ali Reza? They were tiny. He could not have known.

Ramsbotham: Oh no, they weren't tiny. He was about fifteen. I'm talking about 1973.

Q: But he's only twenty-four now, so he can't have been that old.

Ramsbotham: Perhaps he was eleven or twelve.

Q: About ten or eleven.

Ramsbotham: Ten or eleven.

Q: Ten or eleven, but that's -- You can't judge somebody --

Ramsbotham: Well he did, and I think you can. I think a father or a mother really can judge at about eleven. Anyhow, at that time, his son -- I think he was eleven or twelve -- was rather spoiled. He had a great palace with modern toys and engines. The Shah thought he hadn't got it in him to be the Shah and that maybe the younger one might have, who probably was a little bully or something like that. And that was the reason why he was moving so quickly at this time. The Shah told me that it was his intention, when he was sixty-five, not to give up altogether, but to recede into the background and hand over some of the reins to his son. But he wanted to achieve so much and put everything in order so that, when that time came, it would be exactly as he wanted it, which is why he was going so quickly -- because he was already, what, fifty-four, fifty-five. The Shah was two weeks younger than I was, and he had very little humor. He often reacted much too quickly. He would react strongly if Panorama (one of the BBC Persian programs) was at all critical of Persia -- The BBC was often critical of Persia, as they were critical of England or America or anything else; you know how things were. But he would never understand that it wasn't the British government behind it, and that the Persian side of the BBC wasn't full of anti-Shah people. He would never accept that. Denis Wright had the same experience, and no doubt, Anthony Parsons likewise. Sometimes I would get a message from Asadollah Alam, "Come at once to the Palace please." And I would find the Shah furious because of the transcripts of some BBC program, or this,

that, and the other. And I remember one particular occasion when he was quite unreasonable about the thing. He had just received some transcript and was angry and threatened to break some contract with Britain. You know, he was always threatening retaliation for things that he didn't like. I remember saying to him another time, "Would you please, first of all, before you react or sack somebody, ask for me. I'll come anytime you like. Before you do anything, let me have a chance to see whether the transcript is correct or not. It may be somebody from the Embassy in London like Afshar (who was a poisonous chap, I don't mind saying for the record) -- you know, doing it on purpose to make things difficult. And first of all, let us look quietly at these texts together to see how serious they are. Then let me investigate and see why this is so, and then if it happened or it is really unfair, and let us discuss it, instead of taking precipitate action." And I think, on one of those occasions -- I think it was my birthday or his birthday -- I remember saying, "Your Majesty, I'm your senior by two weeks. Allow me to give you respectful advice." A smile came into his face, and everything was all right. But one could only do that occasionally, because he didn't respond really to humor and jokes and things of that kind -- not very well. It was a pity, because one could have got on so much better if he had occasionally.

Q: And it may sound rather idealistic of me to suggest this, but if you knew that he was going too far or that he was going wrong

in any way and so forth, was there no way you could have indicated that, or were British interests paramount, and you said, well, you know, "as long as we sell the Chieftain Tanks."

Ramsbotham: I regret to say, I think very much the latter -- that when I had those chances and when I would say, "it is the penalty of your own success" and that sort of thing, or when I urged him not to have his name attached to everything; I was speaking entirely in my own as someone who had got to know him quite well. I hadn't been there all that long, but I had got to know him quite well. But when I was speaking on behalf of the British government, I couldn't do that. And it was only much later and I think twenty-five --  
[end of side one, tape one]

Q: So when you talked on behalf of the British government, you were saying, you just let him be, as it were.

Ramsbotham: In a sense -- that's right. In the first place, at that time, he was at the height of his power. And I might mention a moment -- the French doctors -- I wanted to express the motives, and he'd been sick and came out -- and it was his skin cancer, I think -- came just at the time when -- it's before I left, and that was the beginning of it. And then I think that may have started his internal doubts and debilitations. But I don't know. Most of the time I was there, he was at the height



of his power and didn't want to accept -- not even from his own advisors -- criticism of what he was doing in the country. He wouldn't have accepted it from the British at that time -- without resenting us and taking it out on us in other forms. One could rightly say, why should we? The British government's responsibility to the British people was to maximize their interests. And the balance of payments and all those things, where trade with Iran was very valuable. Why risk it by giving gratuitous advice, if you like, to the Shah when he might resent it and react accordingly? It wasn't worth their while at that time. It was much later, towards the end of Tony Parson's time, when the British and American governments were urging him to conduct constitutional reforms. But when I was with the Shah, twice he tried to start an opposition party, which was a ludicrous thing to try to do. And when I was leaving, Mehdi Sami<sup>c</sup>i, of all people, who's such a splendid man, was asked to do this. I think he's one of the most sensible Persians I know. He may not be a strong personality. He's quiet and all that, but he's about the most sensible that's around in London today -- balanced, I should say -- at least he was -- I'm not sure he hasn't gone off a little bit too far with Bakhtiyar and his people. But poor Mehdi was asked to start an opposition party. He could run a bank better than anybody, but that wasn't his thing. We were not there, giving advice to the Shah on that. I would talk around it. I would give advice -- it might be with Hoveyda or Asadollah or someone, but not with the Shah. With the

others I'd give my personal advice. But with the Shah, by and large, I was answering or he was talking to me. If I had something official to say to him, I would say it on instructions. Now I might have contrived my own instructions by asking for them. I'd say, "I propose to say this, that or the other." Sir Alec Home was very good and gave me a fairly free hand. But on the whole, well, one didn't advise the Shah, or did the American Ambassador. There were three American ambassadors when I was there. I don't think they would have given that advice either. Maybe we should have done, but it wouldn't have been much good.

Q: I wasn't thinking that you should have done it out of the kindness of your heart.

Ramsbotham: No, no, I understand that.

Q: As a long term interest.

Ramsbotham: As a long term interest. Well, maybe we should have done. I think we saw these things and nobody doubted them. And I think that the way we did it, if we did it at all, would have been through these people like Asadollah Alam. I would have done it with Asadollah, hoping that he would have a chance. But you see, the Shah really didn't encourage him to advise him too much on those things. He didn't take advice. At least, if he did, he didn't really listen to it or want to listen to it. He was a

very suspicious man. He didn't trust people. So I never had that chance. But the only advice I gave to the Shah, which could have saved a situation -- at least I think it could -- I never really proved this -- was right at the end of my time when the oil price hikes started -- OPEC price hikes started -- and it was in two Tranches. At the end of 1973 -- at the time of the Arab Israel war, the OPEC countries took advantage of it, and the Shah definitely led them, although he pretended he hadn't -- to jump up the oil price. And then in January 1974, I think it was, or a month or two later, they jumped the oil price up again, and they quadrupled it -- almost quintupled it -- and nearly caused a breakdown of the world economy as a consequence. Since then you know what happened. The oil dollars slushed around the world in enormous amounts and it took all wit and strength of the international banks to absorb that rise in oil prices, and we had to have oil rationing and all those things. A number of countries were nearly ruined through it. And, of course, the Shah and Persia and other OPEC countries enjoyed quadrupled amounts of revenue all at once. It seemed very nice for them. But all the Shah really succeeded in doing was to create inflation for the first time in Persia, because he was importing goods. His policy of getting rich quick, of accelerating the industrialization of Persia, the modernity of Persia, which we have just talked about, that policy was just beginning. Remember, he had to spend large sums -- which he was quite able to do with his new money, on imports for his industrial plans.

But what we was importing was also doubling, tripling in price, because he'd forced it on the world. So he was importing his own inflation, and he started -- it was after I left this was happening -- a large and growing inflation in Persia, which was beginning to upset the bazaar, on which, as you know, since Mossadeq's day, the power of the Shah's regime had always depended along with such other factors as the mullahs. The people who had been his supporters began to have grave doubts about their future, because the middle classes weren't used to such a sudden surge of inflation. This was probably one of the factors that brought the Shah down, through his own acts. It was rather like a Greek play, you know. You could find parallels in Aeschylus, with all that happened to the Shah, if somebody tried to analyze and write a book on it.

But we nearly prevented this disastrous development of events. And if I'd had American support, we might have done so. At that time, I was seeing quite a lot of the Shah, and Dick Helms, the former head of the C.I.A., who had recently arrived as U.S. ambassador, became a good friend of mine. Of course, Americans had more power than we British had in this sort of thing. But the State Department, because of the Sherman Act and all the anti-trust legislation in America, were hesitant in giving instructions, so to speak, to their oil companies. They kept away from that. We were less inhibited -- particularly as the British government had a share in BP. We didn't have the Sherman Act, so we could give advice to them and discuss these

things more closely. That was one inhibition that Helms suffered from. Also that he was new and, I suppose, the Shah hadn't known him so well. So he never got the instructions I hoped he would get. I wanted him to get instructions similar to those I got for myself, with which to go to the Shah. The Shah had been arguing with me, "I must raise the oil prices, because it's the only way in which I can match the inflation of other countries, and also, it's the only way in which I can find the right level for the price of our oil, which should find its equivalent price in Western community prices." He had a whole basket of prices, based on coal prices elsewhere to justify the increase in prices for Persia. I said to the Shah, having got my instructions, "Look, if we can't dissuade you from quadrupling the oil price, at least consider that you would be much better off if, instead of doing it now, you did it over, say, four years. Spread your price rises over four years. It would be better for you. You won't be importing inflation at the rate you will be importing inflation. You won't damage the whole economic structure of the Western world, which is what you are about to do, and you would be far more statesmanlike" and so on. But he would not listen. I think this was one of the significant "if's" in history. I may be wrong, one gets ideas at my age when looking back without the records -- but if Dick Helms had obtained the same instructions, and if the Americans hadn't been inhibited by other factors -- the Sherman Act and so on -- and we'd gone in together very, very strongly, I don't see why we shouldn't have persuaded the Shah to

accept our advice. But he said, "I can't. It's gone too far. It's not just me. It's OPEC and Algeria and Venezuela and so on." But I think he could have done it. And we would have changed economic history in the 1970's.

Q: First of all, was it simply the Sherman Act that prevented the Americans from giving, or were they just simply difficult to persuade?

Ramsbotham: I don't think we even tried to persuade them. I don't remember our Treasury doing very much. It all went so quickly. But, looking back on it, I can't see why, if we had really lined up together, we would not have succeeded; because the Shah wanted money quickly.

Q: Now, when you say that he confronted you with a set of facts and figures and that kind of thing --

Ramsbotham: They were clever.

Q: And they were clever, as you say. Somebody must have prepared those, because, I mean, he wasn't an economist. He wasn't a petrol expert. Somebody must have helped him. He must have had advisors.

Ramsbotham: Hoveyda would have helped him. Hoveyda had grown

up, you see, in IPC and in NIOC, and he knew about oil.

Q: Did you put your project to him -- to do it over four years?

Ramsbotham: No, I did it entirely with the Shah. Hoveyda wasn't in on it. I don't know who helped him. The Shah did his own negotiations with the Oil Consortium for many years. He was expert on it. They would come to St. Moritz, if he was there, or to Geneva to negotiate with him; people like Howard Page, the head of Esso and one of the ablest negotiators I've ever met, would sometimes come and have lunch with me afterwards. The Shah was a match for these people. He knew the details. One of the last negotiations before I left Persia related to the gas mounds where you get gas out of the ground rather than oil. It was a complicated negotiation and the Shah conducted it single-handed. He may have had Eqbal with him, but Eqbal didn't know as much as the Shah knew. The Shah was a remarkable man. He had almost total recall -- personal recall. He worked twelve hours a day. He was an extraordinary man in that sense -- unbalanced in many respects -- but in terms of factual knowledge, remarkable. I was involved with the Chieftain Tank agreements with the Shah. I hadn't been in Persia very long, and the Shah would have me up to one of his palaces and we'd go through all this, the big red books with the details of the Chieftain Tank; and he read all the small print. There was one disaster. In the specifications that had originally been made before my time, there were some factors

allowing for the tank to operate in the hot deserts of the south, which had not been built into the tanks that we had in BAOR. It was highly complicated electrical machinery. And he discovered somewhere there that we hadn't made this specification or hadn't made the allowance for it, and he practically blew up and canceled the whole thing. But I had the experts with me and they hadn't spotted this, and the Shah could talk to them all. I remember one day I arrived for an audience and he said, "Tell me, what is the sprocket horsepower of the Chieftain Tank?" I had hardly heard of a sprocket horsepower, you see. By this time I was wiser, and I would say, "Your Majesty, you know I am hopeless at these things. You tell me." He liked that. He liked that, because that's what he really wanted -- to show off, you see, his knowledge of all these things. So I always did that with him and never tried to argue a technical detail. But he had that extraordinary power. He was his own commander in chief.

I remember very well in 1973. They had the Shah over to London. I must tell you the story of how I got the Queen to invite him to Windsor Castle and what happened. The Shah came over to London. And I came over, of course, too. Peter Carrington was Minister of Defense. And we sat in the bowels of the Admiralty -- you know, directly underneath the Admiralty there -- and all the top secret things were flashed onto the screen -- the latest armored cars, guns, some turrets, etc. It was like a man shopping at Harrod's. He just sat there, and said, "I think I'll have one of those or one of those." We were



pleased. All we wanted was to sell our arms, like the French, selling to a very rich man, who bought them up, even though we knew he probably couldn't use them properly, because the army wasn't sufficiently efficient to use these highly sophisticated weapons and things like that. But then we'd have a training team that would go out. America was in on it on a larger scale with its Air Force. They had an airplane monopoly with the Shah. But the Shah knew what he was about. He didn't have someone over his shoulder telling him what to do. I don't think he brought anyone with him. He was his own expert with his Navy. The Shah took precautions. Every few hours he sacked the top four admirals in the Persian Navy in order to ensure his personal control, and he was ruthless. He treated them badly, but he did this on purpose so that there should never be a revolt. I think the Shah had a particular suspicion, because every few years he got rid of Raffi<sup>c</sup> or whoever it was. One commander, Raffi<sup>c</sup>, arrived one day and found a chap at his desk and a taxi to take him away. It was that sort of thing which the Shah thought guaranteed him loyalty and total command. I don't think he was so concerned with the Army, because I think he had his own people at the top there. Just as he had Nasiri, who was his own comrade in the past -- about six people he really trusted -- only six, if that -- Shapur Reporter, because he played with him as a boy, you know, and his father --

Q: Shapur?

Ramsbotham: Shapur, you know. Do I mean Shapur? Yes. Reporter.

Q: Oh yes. Who was in the Press Office in London. Shapurian was it?

Ramsbotham: No. Shapur. We made him a knight, God knows why. He was the right-hand man of the Shah throughout the whole of these proceedings when I was there. His father was a Reporter, he was Parsi, a Zoroastrian. His father was a Times reporter. The Shah trusted him. Asadollah Alam he trusted again for childhood reasons. They'd grown up together. Egbal, who stuck by him through thick and thin, and Nasiri -- maybe one or two others. But those are the only people he actually trusted as far as he could trust anybody. So he trusted SAVAK, and the Army. He had somebody trustworthy there. The Navy he didn't trust much. The Air Force was under his own son-in-law, of course, because of -- Fatemeh, who had married the head of the Air Force.

Q: Brother-in-law, you mean?

Ramsbotham: I meant brother-in-law. The Shah knew all the detail. And he was a good pilot himself. When I helped to sell the Concorde -- the three options of a Concorde -- to the Shah, he took the controls himself, and flew us down through the Persian Gulf.

Q: So you flew to the south?

Ramsbotham: We flew to the south. This was part of the process whereby we -- the British government -- sold three options of the Concorde to the Shah, who had the money. That day, we flew to the south. <sup>c</sup> Abdol-Reza was on board and Gholam-Reza, I think, and myself and Michael Hazeltine, their own Minister of Aviation, who'd come out with the Concorde -- the first time, the Concorde had flown as a prototype aircraft as far as Persia especially for the Shah to see. So we left the airport -- where, you know, the Shah built for himself a sort of Royal Pavilion -- and off we went. And dear old Trubshaw, a marvelous man, who was the pilot, handed the controls over to the Shah, who was a good pilot himself, and he flew at mach two -- or whatever it was -- beyond the speed of sound. We had to start turning to come back almost before we got to the Persian Gulf, it was going so quickly. We came back and we landed, and Trubshaw it was -- a great big fellow, wrapped up in a Union jacket -- couldn't have been more English. We arrived and we went to the Royal Pavilion. There were the journalists, Persian journalists -- very dutiful. They had to be. The Shah was used to questions like: "Did you enjoy your flight, Your Majesty?" "Yes, it was very enjoyable." "Would you like to fly again?" "I would like to fly again." -- that sort of thing. Well, the Shah had forgotten, and I, perhaps, hadn't told him, that there were two British journalists