

Foundation for Iranian Studies

Program of Oral History

LEHFELDT, WILLIAM

INTERVIEWEE: WILLIAM LEHFELDT

INTERVIEWER: WILLIMA BURR

WASHINGTON, D.C. : APRIL 29, 1987

and

FEBRUARY 9 and APRIL 19, 1988

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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 William Burr with William Lehfeldt in Washington, D.C. in April 29, 1987, and February 9 and April 19, 1988.

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.

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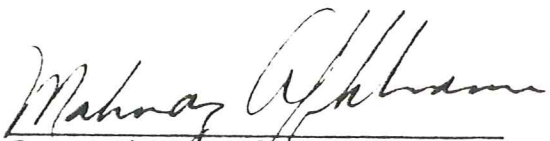
Dear Dr. Grele:

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

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

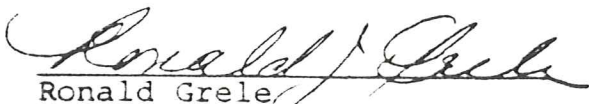
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3. The interviews will be made available for use by researchers at both institutions in accordance with Foundation and University rules and general policies for research and other scholarly purposes with (no) (the following) restrictions.

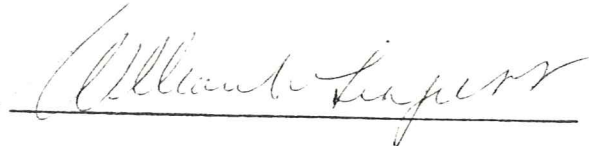


Dr. Mahnaz Afkhami
Foundation for Iranian Studies

Very truly yours,



Ronald Grele
Oral History Research Office



Date July 29, 1987

BIOGRAPHICAL NOTE

William Lehfeltdt served as a member of the U.S. diplomatic service in Iran during the tenure of office of ambassadors Meyer, MacArthur and Helms. He acted as the Embassy's economic officer and analyst. In this capacity he became privy to the workings of the Iranian economy and the pattern of change in its various sectors. In 1974, Mr. Lehfeltdt left Iran, only to return as the Vice-President of General Electric's Headquarters in Iran. Mr. Lehfeltdt's memoirs shed much light upon the workings of the Iranian economy and its determinents, as well as economic relations between Iran and the U.S. in the 1970s.

Correction List

- P.5. Samii should be Sami'i
P.7. Gutshab Bakhtian should be Goshtasb Bakhtiyan
P.7. Ishmail Ghobadi should be Esma'il Qobadi
P.7. Melikian should be Melikiyan
P.9. Amouzegar should be Amuzegar
P.13. Mohammed should be Mohammad
P.14. Samii should be Sami'i
P.14. Hoveida should be Hoveyda
P.14. Fereidun Mahdavi should be Fereyduṅ Mahdavi
P.14. Amouzegar should be Amuzegar
P.15. Hassan Ali Ebtehaj should be Hasan Ali Ebtehaj
P.15. Moghadam should be Moqaddam
P.15. Farman Farmayan should be Farmanfarmaiyan
P.15. Qassem Kheradju should be Qasem Kheradju
P.15. Taghi Mossadeghi should be Taqi Mossadeqi
P.16. Samii should be Sami'i
P.16. Cyrus Samii should be Sirus Sami'i
P.16. Hoveida should be Hoveyda
P.17. Fereidun should be Fereyduṅ
P.17. Samii should be Sami'i
P.17. Farman Farmayans should be Farmanfarmaiyans
P.17. Amouzegar should be Amuzegar
P.19. Ansary should be Ansari
P.19. Cyrus should be Sirus
P.20. Mashed should be Mashhad
P.20. Shivaz should be Shiraz
P.21. Kashami should be Kashani
P.25. Mujahedin should be Mojahedin
P.25. Assadallah Alam should be Asadollah Alam
P.27. Ghorbanifar should be Qorbanifar
P.34. Mossadegh should be Mossadeq
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P.52. Mossadegh should be Mossadeq
P.62. Hassan Ali should be Hasan Ali
P.62. Samii should be Sami'i
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P.68. Abbas should be ^cAbbas
P.68 & 184 Sammi should be Sami^ci
P.70. Lampton should be Lambton
P.78. Khayamis should be Khayyamis
P.78 & 81 Abdol Fath Mahvi should be Abolfath Mahvi
P.84. Tajhi should be Taqi
P.85. ZSand should be Zand
P.86. dohre should be dowreh
P.87. Rashidian should be Rashidiyan
P.93,115 & 169 Irvani should be Iravani
P.104. Qjar should be Qajar
P.105,174 & 195 Farmanfamayan should be Farmanfarmaiyan
P.106. Mujaheden should be Mojahedin
P.115. Tahir Zia'i should be Taher Ziya'i
P.115 & 169 Ladjevardi should be Lajevardi
P.116 & 167 Novzoooor should be Nowzohur
P.123,124 & 147 Moghadam should be Moqaddam
P.124. Cyrus Sammi should be Sirus Sami^ci

Correction List, cont'd

- P.125. Sammi should be Sami^ci
- P.129. Mandom Party should be Mardom Party
- P.141. Mossadegh should be Mossadeq
- P.142. Erbal should be Eqbal
- P.145. Nasari should be Nasiri
- P.146. Fereydoun should be Fereydun
- P.159. Sheik should be Sheykh
- P.164 & 165 Daryoush Homayoun should be Daryush Homayun
- P.185. Muharran should be Moharram
- P.196. Ishmail Gohbadi should be Esma^cil Qobadi

ALM

Interviewee: William Lehfeldt

Date: April 29, 1987

Interviewer: William Burr

Place: Washington, D.C.

Q: The following interview with William Lehfeldt, by William Burr, took place in Washington D.C. on April 29, 1987. The interview is part of a joint project by the Columbia University Oral History Office and the Foundation for Iranian Studies.

I have some questions about your background, first. Where were you born and raised?

Mr. Lehfeldt: I was born in Livingston, California, raised there, went through high school there.

Q: Where did you receive further education?

Mr. Lehfeldt: Well first I went in to the U.S. Army for three years during the War. That's where I received a lot of education. Then after I got out I went to Georgetown University School of Foreign Service for the purpose of getting in to the diplomatic service, which I did. I started in 1950 as a diplomatic courier, then went to United Nations Affairs and then finally passed the Foreign Service

exam in 1952.

Q: So you were at Georgetown in the late 1940s?

Mr. Lehfeldt: Yes. 1947 through 1950.

Q: Back to the War. Where were you stationed during the War?

Mr. Lehfeldt: I was in the infantry in Europe.

Q: What were some of your diplomatic assignments during the 1950s?

Mr. Lehfeldt: I started out on loan to the AID program in Afghanistan, primarily, well I was the only administrative support for the mission director, and at times I even acted as mission director.

Q: Was that the International Cooperation Administration, the ICA?

Mr. Lehfeldt: Point IV.

Q: So that was the Technical Cooperation [Administration].

Mr. Lehfeldt: Technical Cooperation--TCA.

Q: And after Afghanistan?

Mr. Lehfeldt: After Afghanistan I moved on to Bilbao, Spain as Vice Consul and then Consul. Then went to Harvard for graduate economic studies at the Littauer Center, (the glove manufacturers), which is now the JFK School of Public Administration. After that I came to Washington to the Office of South Asian Affairs where I was first on the India-Ceylon-Nepal desk, and later on the Afghanistan-Pakistan desk.

Q: What kind of work did you do--just general political and economic, military?

Mr. Lehfeldt: Well, I'm the last of the old time generalists, I'm afraid. In South Asian affairs I was the political desk officer for Ceylon and Nepal and an assistant for India. Later I was the economic desk officer for Afghanistan and Pakistan, although there was very little difference at that time. From there I went to Argentina, to Buenos Aires, as petroleum officer, where I stayed for about a year and then moved up country, to a city called Cordoba, where the revolutions begin, (one almost started recently), to open a consulate.

Q: This is in the early 1960s?

Mr. Lehfeldt: Early sixties, mid sixties. I left there in 1964 and came back to Washington as chief of Latin American personnel. Which I did for a couple of years, and then moved on to Naples, Italy as deputy principal officer. What do you think that prepared me for?

Five years as economic counselor in Tehran! [laughs]

Q: Actually, you had to be a generalist?

Mr. Lehfeldt: Yes.

Q: So what circumstances led to the assignment in Tehran? Was it your choice?

Mr. Lehfeldt: No. It was the farthest thing from my mind, but Nick Thacher, who was the DCM [Deputy chief of mission], and Armin Meyer, who was ambassador, both knew me and I should say since I guess they had a hard time finding anybody any better, they took me.

Q: What time of the year was this?

Mr. Lehfeldt: This was in the summer of 1969.

Q: Meyer was leaving, actually.

Mr. Lehfeldt: Yes. Meyer departed by the time I got there. But Nick was there, and then Doug MacArthur came.

Q: What were your general duties as economic commercial counselor?

Mr. Lehfeldt: Well, we still had the residuals of the aid program to work with and try to clean up. My then financial officer, the late

Ed Prince, and I along with Ambassador MacArthur and the then head of the Plan Organization, Mehdi Samii--who is in London now--did the last review of the Iranian economy that was called for by our US-Iran agreements, aid agreements. It was rather perfunctory by that time. It was embarrassing to both of us. We had no aid program, we had no reason to meddle in their economy by then.

Q: What was the name of the Plan Organization official?

Mr. Lehfelddt: Mehdi Samii. S-A-M-I-I.

Other duties were reporting generally on the developments in the Iranian economy. I had a petroleum officer, civil aviation officer, financial officer, a whole raft of commercial officers, including a commercial attache. We tried to cover the waterfront.

Q: Did your duties change over time?

Mr. Lehfelddt: Well, to the degree that we had no aid responsibilities yes, they did change. To the degree that the commercial responsibilities were accented more, and we added a trade center in Tehran, yes they changed. But not markedly.

Q: Did you do any work on arms sales issues, for example economic aspects of arms sales, or--

Mr. Lehfelddt: To some degree. We did a good deal of analysis on debt service ratios because in the early 1970s, that was the hallmark

of how much the nation could stand. We had sort of a rule of thumb that if they used over twenty percent of their foreign exchange earnings to service their debt then they were at the limit, outside limit. Those parameters have changed these days.

Q: These arms sales were planned in to the Eximbank [Export-Import Bank] credits?

Mr. Lehfeldt: Eximbank credits in those days, yes.

Q: Who were some of the people who worked in your offices? Who worked on petroleum issues, for example?

Mr. Lehfeldt: First, there was Bob Dowell. He was succeeded by John Washburn, who in turn was succeeded by David Patterson. David was still there when I left the embassy in 1974.

Q: Who was the finance officer?

Mr. Lehfeldt: Finance officer first was Ed Prince. Then Alex Rattray, who's now Consul General in Frankfurt. He was succeeded by Walter Lundy, who is in African Affairs now. Walter was the man that when I left he in turn was succeeded by the fellow who's presently ambassador in Paraguay--I can't remember his name. (Clyde Taylor)

Q: Did you have any Iranian nationals that worked for you?

Mr. Lehfeldt: Yes we had primarily, well, we had two in the economic section. Gutshab Bakhtian and, oh what was the name of the other one? I guess the rest of them worked in the commercial section. Bakhtian was the only one who really worked for the economic section. In the commercial section we had Ishmail Ghobadi, Ike Pirnazar, David Kashani, Mrs. Melikian--I'm sorry. That's not quite right, but it's Arpik and--oh my word. Why is it their last names don't come to me? But they won't right now.

Q: You had a number of nationals?

Mr. Lehfeldt: Yes we did.

Q: They did research jobs?

Mr. Lehfeldt: Research jobs and on the commercial side they did an active job in preparing WTDs--World Trade Directories--distributors lists, contact lists. They would often times go out with American businessmen, just accompanying them on calls and serve as translators, although that was above and beyond the call of duty.

Q: Besides the ambassador, leaving the ambassador aside for now, who were some of the influentials at the embassy outside the economic section?

Mr. Lehfeldt: Well always, of course, the political counselor and the DCM, who in my first days there was Nick Thacher and the

political counselor was Jack Armitage. They were in turn succeeded by Jack Miklos as DCM and Don Toussaint as political counselor, and later Andy Kilgore as political counselor.

Q: Did you ever know the chief of Armish-MAAG around that time?

Mr. Lehfeldt: Yes. Major General Hamilton Twitchell.

Q: Twitchell--he was still there?

Mr. Lehfeldt: He was there. He was succeeded by Williamson, Butch Williamson, who in turn was succeeded by, Rock Brett? Brett, no. No, Brett wasn't--Brett was air force. There was a bad patch in there when there were funny changes. I can't remember the name right now.

Q: I guess MacArthur was the person actually who you worked for.

Mr. Lehfeldt: Yes.

Q: What was he like to work for?

Mr. Lehfeldt: Unvarnished?

Q: Yes, as much as you--

Mr. Lehfeldt: I got along with him very well. A lot of other people

did not. Partly because his competence in things economic was not well developed, let's say. He relied on me both for information gathering and for interpretation for his purposes. He developed, it seemed to me, a good deal of confidence in me. I learned early on if I wanted to argue with him I would argue with him in private--not at a staff meeting or in public. That was the way to handle the gentleman. We were together, sometimes at three or four o'clock in the morning on his bed, reporting on the Tehran oil negotiations of the early part of the 1970s. My colleague in the British embassy Donald Murray and I went to meet the oil men. It could be Lord Strathalmond, Willy Fraser, Chuck Percy from Exxon, Al Decrane from Texaco, Bill Tavoulareas from Mobil, or a combination of them, or only one of them, when they finished their day's negotiating with OPEC representatives, led by Jamshid Amouzegar. Then Donald and I would debrief them--or "take what it was they wanted to give us" is a better way of putting it--and I would go back to the embassy, prepare a message, and then he wanted me to come over at any time of the day or night and we'd go over the message and get it off. He always put his imprint on it. Always.

Q: Tell me. How effective do you think he was as ambassador?

Mr. Lehfeldt: Not very. His relations with the American community were parlous at best. He was scared stiff of the Shah. He had a couple of interests that people pandered to--hunting primarily. I just don't think he measured up as a very good ambassador in the sense that he could stand up to the Shah, interpret what the Shah

meant, interpret what the government meant, and sort of put it together in an amalgam that was useful as a policy guide in Washington. Similarly when it came to the oil men he, I'm afraid, offended them badly in the first few meetings when they came to call on him. With the result that they never really trusted him. So, there was a relationship surely, because of the position he held. But there was no friendship and no confidence.

Q: He seemed to have an imperious manner to me.

Mr. Lehfeldt: Yes. But that was because he affected that to look as much like his uncle as possible. Which his wife always made fun of. She being from a political family herself.

Q: Yes--the Barkleys.

Now Joseph Farland took over for MacArthur I guess in 1972.

Mr. Lehfeldt: Yes. He was there nine months. They rushed him up from Pakistan so there would be an ambassador in place when Nixon came, Nixon and Kissinger came. In May.

Q: Was he appointed to be a long-term ambassador? Was that the original purpose?

Mr. Lehfeldt: He was to be a long-term ambassador, yes. But he was a failure. He, on the other hand, had great relations with the business community.

Q: He was a coal industrialist, from coal mining?

Mr. Lehfelddt: Well yes, sort of. His wife's family was, and he was a lawyer "of counsel" to [Walter] Surrey and [David] Morse here in Washington. He'd worked many many years in the Republican vineyards fund raising, so he was rewarded with a lot of ambassadorships.

At any rate, he was there for about nine months, and was very popular in the American community. He was a lightweight, no question about that. He had no, apparently could build no rapport with the Shah. I have heard it said and I don't know that I can confirm this, but his recall was as much a desire expressed by the Shah as it was a need by Mr. Nixon to find a place for Ambassador Helms.

Q: That's very interesting. That's very interesting.

Mr. Lehfelddt: Yes. I can't prove that.

Q: So Helms comes in early 1973, I guess?

Mr. Lehfelddt: Yes.

Q: How would you characterize him as ambassador?

Mr. Lehfelddt: Well he was very knowledgeable. He had a background that was unparalleled as far as I could tell, in any ambassador I worked for in Iran or knew about in Iran. He was preoccupied with

some of his legal problems at home. And of course all of the Watergate nonsense that took place after he left. He was dragged in--kicking and screaming oft times--but he had to worry about that too. He and the Shah got along very very well indeed. He knew how to interpret the Shah, knew how to deal with him, had long experience in it, and of course with his unparalleled connections in the US government. Whether he had the confidence of the US government or the attention I don't know, but he at least had the connections to get something done when it needed to be done. I had the greatest admiration for him, not to mention affection. I think he made an impressive record in Iran. Let me I guess add this at this point--if there were any directives from him that we stop trying to find out anything, I never saw or heard them.

Q: In terms of what's going on in the country generally, and politically.

Mr. Lehfeldt: Yes. Or the opposition or anything else. That simply didn't take place on my watch.

Q: So he was much easier to work for than MacArthur, I take it.

Mr. Lehfeldt: Yes, in a different way. I had no trouble working for MacArthur. Other people did, but I didn't. He was not as easy in some respects to work for because he had a knowledge and a willingness to go off and do things himself without naturally checking whether it was what I wanted to do or not. It didn't matter

whether I wanted to do it or not. Sometimes advice was not sought. But that was a rare occasion. What else can I say about him?

Any time I got in trouble with an Iranian government official--and I did. When I say trouble, I was backed up. If you'd like an example--after the oil price increases and money started rolling in, one of the preoccupations of the U.S. government--naturally--was the recycling of petrodollars. It fell to my lot, on instructions from Washington, to go over to see the then head of the central bank, Dr. [Mohammed] Yeganeh, to break the news that the US government was not going to support a couple of World Bank loans to Iran that they had in process, and that indeed we would like to suggest to the government--to the Iranian government--that they start putting their oil money in places where it would whirl around the world and help some of those nations especially that had no oil and were badly off and could use some funds somehow. Well this upset him greatly. He rushed to the palace to tell the Shah all about it, and the shah got all over Helms. But, after venting his spleen a little bit, the next thing we knew the Shah had announced a grandiose scheme to loan money at low interest to developing nations and so forth and so on, if you recall that episode. So, you know, these episodes had their effect, or these initiatives had their effect. The personal equation may be a little difficult at times, but it was easy in that sense to work with Helms because he understood what had to be done.

Q: Very interesting.

Who were your principal contacts in the Iranian government?

Who were the people you worked with the most?

Mr. Lehfeldt: Perforce, the one I worked with most was Mehdi Samii. He was variously head of the central bank, head of the Plan Organization, special advisor to the Prime Minister, head of the Agriculture Development Bank, a whole series of things of that sort. He always had a special relationship with Prime Minister [Amir Abbas] Hoveida and the court, indeed. I respected him as a good technocrat. He gave good solid unvarnished advice. We became close and I think still are close, good friends. He was one.

Another I worked with a good deal--now let me see, there were a whole batch of them. But Fereidun Mahdavi, who was then deputy director of the Industrial Mining and Development Bank, later became Minister of Commerce and was the organizer of what I call the, I don't know, Chinese students price control committees during his reign as Minister of Commerce. He was a factor in bringing about the revolution, from my view.

Jamshid Amouzegar, who was Minister of Finance. I, in a variety of ways, worked with him. I single handedly negotiated with him on the Iranian debt question with the United States for several years.

Q: This is the lend-lease debts?

Mr. Lehfeldt: Yes, the lend-lease debts. Which he was totally opposed to paying. But I, after Chinese water torture I guess, got him to give me a million something or other--a million three as I recall--on account, and was going to give me more money. Then I made

a mistake. [laughs] He was always very prickly on the subject to begin with. I made the mistake of suggesting that, you know, the US government really had no legal requirement to do some of these things we did after the war. Because after all the Iran agreements were with the Soviet Union and with Great Britain, and we were simply a sub-contractor to Britain. With that he went straight through the ceiling and said, "I'm not gonna give you another penny!". [laughs] But I see him, I mean we're still friends--I see him here in Washington once in a while.

Another one--Hassan Ali Ebtehaj, who was a senior statesman, head of the Iranian's Bank. Reza Moghadam, who was deputy head of the Plan Organization. Khodadad Farman Farmayan.

Q: So a wide range.

Mr. Lehfeldt: A wide range. Sure--a wide range of personalities. They were in and out of the government, some of them. Let me see. [Abol-]Qassam Kheradju, who was head of the Iranian Industrial Mining and Development Bank. Reza Fallah from NIOC [National Iranian Oil Company]. Taghi Mossadeghi from the gas company, whom I still see--socially at least. There are some others I know. Dr. Taher Zia'i, the head of the Chamber of Commerce.

Q: You got to know a number of these people personally as well as--

Mr. Lehfeldt: Oh yes. Personally, socially, and officially on business purposes.

Q: Did you get a sense of what people privately felt about say the Shah, the Shah's system?

Mr. Lehfeldt: Yes. For the most part in that time frame, and I have to divide from then to the second half in my stay in Iran. There was a great deal of pride in what was happening and what could happen if properly carried out. There was a great deal of satisfaction--scarce resources were being managed prudently. This comes from Khodadad Farman Farmayan, from Mehdi Samii, Cyrus Samii, and a couple of people I hadn't mentioned earlier. Reza Amin, who was head of Aryamehr University at the time. Farhang Mehr, who was the head of the Pahlavi University in Shiraz, also head of the Melli Insurance Company for a long time. He was a Zoroastrian and head of the Zoroastrian community in Iran.

They felt very proud of what they were accomplishing educationally, technically, and industrially. They were less proud of the ultimate effects of the land reform and the way agriculture was being treated. They knew they had problems. But they felt that given time--and this was something the prime minister said every once in a while--that "If you give me another ten years or so, we will overcome our problem and we'll last. But if I don't have another ten years"--this was well in to the end of his prime ministry--

Q: Hoveida?

Mr. Lehfeldt: Hoveida. "--I don't know whether we can make it last

or not." So that, sure, they questioned. A lot of these people came out of the opposition--Fereidun Mahdavi, Tudeh, Mehdi Samii. If not Tudeh, one of the parties aligned with it. A lot of them came back from abroad, from positions of trust abroad, to take part in the reformation of Iran. Not because of their love for the Pahlavis, but rather their patriotism and their strong sense of duty to their family and their country. There were even some from the old Qajar families, as Farman Farmayans, who looked at the Pahlavis as upstarts. If you got enough Farman Farmayans together privately, they would talk about those sergeant's kids, and so on. [laughs]

Q: Did they express concern about the lack of political institutions that could outlast the Shah? Was there concern about the political dimensions of development?

Mr. Lehfeldt: There were always those concerns. But, you know, the various experiments that took place in the five years I was there at the embassy, with the Mardom Party. The head of that was a friend of mine, who was killed in an automobile accident up in the Caspian. Then the Rastakhiz party, which everybody made fun of. I remember one election day I was over seeing Jamshid Amouzegar, and I made a crack about, "Why aren't you out voting today." He says, "I am not political. I have never belonged to a party and I never will." Well he ended up as the head of the damn Rastakhiz Party, because the Shah told him to. So yes there were concerns but, they had never enjoyed democracy before--really never had in Iran. The system was making progress fitfully. There were leads and lags as there always are,

but on the whole I think they were reasonably satisfied. But of course they all had friends who had run afoul of SAVAK somewhere along the line. So, they were realists!

Q: When was the first time you met the Shah?

Mr. Lehfeltd: Oh, I guess when I went up with MacArthur for a presentation of his credentials--seven o'clock in the morning in a white tie and tails. [laughs]

Q: Did you ever have conversations with him?

Mr. Lehfeltd: These were always very formal occasions when I was permitted near the Shah. That was one of the things that happened with the marriage of the Shah and [Empress] Farah. I know from friends who were in Tehran in the immediate post-war days and as late as the early 1950s, the court was very informal. Third secretaries from the Turkish embassy or the American embassy would play tennis with the Shah. But by the time I got there the formality of the court, caused as much by security requirements as by the growing numbers of young princes and so forth, and lackeys who were trying to protect him from his public, and the genuine need to protect him as a matter of fact, made it impossible for ordinary intercourse. If that's the right word there.

Q: What were your general impressions of him, just from afar.

Mr. Lehfelddt: From afar he was--I had a number of impressions, filtered through by various people and from my own observations. He was bound and determined to appear imperial. Indeed, he said as much to a newsman that I know when they were together on an airplane flight to Geneva or to Switzerland once. "I have to act like a Shah. I have to act imperial. My people expect it. That isn't my nature, but that's what I have to do." You get a sense of the emptiness of the imperial life from another Iranian friend of mine who was often at the court. When I was involved in some negotiations involving an American company with Hushang Ansary and the development of the Sar Chesmeh copper deposit which was then, you know, an enormous deposit. They played a game called Botticelli up in the court. Do you remember how that goes? I'm not quite sure I remember either. They occupied several hours of time at the court playing Botticelli with the Queen and the Shah and the various hangers on. One of the questions apparently revolved around the Sar Chesmeh copper deal--I can't remember what it was. But my friend Cyrus said that, you know, this is the way it often is. Sit around and make small talk, and while away their time. Get all dressed up with their jewels and gowns, the children and so forth and so on, and just very sterile.

Q: Now in terms of the state of the country as a whole--Iran as a whole--in this period, what were your impressions of the conditions and--

Mr. Lehfelddt: Of the reach?

Q: Yes.

Mr. Lehfeldt: Well Tehran, of course, was spoiled. Tehran got everything first, and got all the best. It was necessary. If you're traveling around the rest of the country, the level of availabilities of the necessities of life and some of the good things of life were almost entirely dependent upon how wealthy you were. Which is not unusual. The poorer people in Tehran were infinitely better off than the poorer people, let's say, in Mashed or Tabriz or Ishafan or Shivaz. Now this changed. You could see the change, you know, it was almost palpable, especially as compared 1969 and 1978. You could go off in the farthest village in Iran in 1978 and something would have happened in the village that reflected the increased wealth. It might even only be a portable radio that they started to like to carry around. The Iranian version of the ghetto blaster, I guess. Or, plastic dishes of one sort or another, or plastic slippers. A whole variety--some nonsensical, but some very utilitarian things that in 1968, 1969 simply were not available to the average Iranian. That doesn't mean there was any equitable distribution of the wealth--I'm not saying that at all. Just that the trickle down theory works if you don't expect too much of it.

Q: When people looked at the country in a political sense, did you see it as basically stable in the early 1970s?

Mr. Lehfeldt: Well that was an article of faith. That was--I don't know whether Ambassador MacArthur gave you his "island of stability