didn't allow it to become a big bone of contention with the Shah. It was handled with some finesse and in such a manner that Kissinger didn't hit the Shah too hard and the Shah didn't hit Kissinger too hard. But they didn't get anywhere. I mean the talks did not accomplish anything.

Q: Okay. Apparently with the enormous increase of petroleum income, the Shah in 1974 doubled the Iranian investment program or nearly doubled it--

Helms: Those figures you'd have to get--

Q: --but those were fairly substantial increases, I mean, in investment?

Helms: Oh, I think there were, yes. No doubt about it.

Q: Was there any concern about the economic effect of those decisions, whether it might lead to inflation, or shortages and so forth?

Helms: I think the Shah himself was aware of the implications of those decisions. One of the things that he attempted to do in handling this was to try and avoid having too much of an inflationary effect. Over time he didn't succeed very well, however. His government at least was well aware of the problem and tried hard.
Q: Was there any concern at the embassy that it might get out of hand in terms of the effect on living standards and so forth?

Helms: Oh, I think that the embassy was certainly concerned about it. I don't know whether you intend to talk to other people who were there at the time, but William Lehfeldt, who lives in Bethesda, was the economic counselor and would know very precisely about those things.

Q: I some questions about I guess Iran and the regional context at this time, in the 1970s. Did the Shah discuss with you his broad foreign policy goals in the Near Eastern region?

Helms: Yes, we discussed these on various occasions. The Shah's foreign policy goals in the region could be described in one word: stability. He said, "I can't possibly improve the living standards of my people, modernize and industrialize this country without stability in the region. It's out of the question. So I've got to have stability." And he systematically went about the job of seeing to it that he had a friendly or at least a working relationship with every country around him.

It started with India where he went to a lot of trouble to make favorable oil sale deals to the Indians in exchange for pig iron and other items of trade. He had a very good relationship with Prime Minister Bhutto of Pakistan and worked with him in a variety of ways including trying to help Pakistan improve its economy.

He tried hard with the Afghans to work out an arrangement on
the Helmand River. The waters of the Helmand, how they were going to be divided, had been a bone of contention for years. He finally effectively settled that matter with the Afghani government. He also offered them loans and trade. The Afghalis didn't necessarily accept the offers that he was making to them. But it was abundantly clear that he intended to get along with them, that he did not intend to have a continuation of the exacerbated situation which had existed before.

With the Soviet Union, he had trade and bought some non-lethal military equipment. He was very scrupulous in abiding by the arrangements or treaties he had with the Soviets. You will recall that the sturgeon catch and the disposal of caviar from the Caspian was supposed to be fifty-fifty between Iran and the Soviet Union. He abided by this to the letter. He had an agreement on hijacking with the Soviet Union. One time when I was there, some Russian pilot flew a small plane across the border and landed in northern Iran. Since under the treaty he was to return the pilot, he sent him back to the Soviet Union. So the Shah was very punctilious in all his arrangements with the Russians.

I remember he had them build a steel factory in Isfahan. At the time that he was going to open the steel factory, he notified the Russians that there would be a ribbon cutting or whatever the affair was and asked them to send a high-level representative. The Russians didn't send a high level representative, at least they indicated they would not do so. And the Shah was very disappointed in this. Then within forty-eight hours of the ceremony, it was suddenly announced that Kosygin was going to come to participate. That obviously
pleased the Shah. But he also thought it was the time to make a point with the Russians. So two Iranian army officers who were in jail on charges of spying for the Soviets were shot at dawn on the day that Kosygin arrived in Iran. The Shah felt that this would give an appropriate message to the Russians that he didn't intend to be pushed around by them. Otherwise everything was correct.

As far as Iraq was concerned, the Shah not only worked out the Algiers Agreement of 1975, which was very important to him actually (and I can come to that on another occasion if you want and describe the circumstances), but he went to some trouble to arrange for Iranian pilgrims to go back and forth to the holy shrines in Iraq. Thus he got a modus vivendi going with Saddam Hussein, who became an increasingly important figure in Iraq with each passing year.

As far as the Gulf states were concerned, Kuwait was much concerned that the Iraqis might grab part of its little country. So the Shah would support the ruler of Kuwait. The Shah and King Faisal, and King Khalid as well, were friendly, but they were like ships passing in the night. They really did not thoroughly understand each other. The Saudis were always concerned that the Iranians might make some move against them. But the Shah never did. And his handling of those three islands (the Tunbs) and the plebiscite in Bahrain and all of these moves were designed to stabilize and pacify the area even if he lost a little something in the process. So you can see that as a geopolitical he was very calculating and skillful. He had no active enemies in the region around him.

Now the Algiers Agreement of 1975 the Shah regarded as important
for this reason: he felt that his father had made two treaties during his time as Shah that were demeaning to the sovereignty of the country. One was permitting the British to control and run Iranian oil production and the second was the treaty that he made in 1938, I believe it was, with Iraq about the border between Iran and Iraq at the Shatt-al-Arab. As he used to put it, "The demeaning aspect of that arrangement which my father had made in putting oil production in the hands of a British company was done away with by nationalization in the days of Mossadegh so that balance was redressed. But I wanted to correct this matter of the border between the two countries. You know the English are responsible for having given us this unfavorable treaty." So this was why in 1975 he encouraged Saddam Hussein, under the cover of an OPEC meeting in Algiers, to sit down for two days of negotiation during which they finally worked out what became known as the Algiers Agreement. The first day, as I understand it, they got nowhere. The second day, they quite quickly made the arrangements that finally eventuated.

I would put in parentheses here for the record that I once asked the Shah how the conversations had been conducted, because there were only three people in the room for those two days. There was Saddam Hussein representing Iraq. There was the Shah representing Iran. And there was Houari Boumedienne of Algeria as the moderator. The Shah replied with a smile that he spoke French to Boumedienne, that Boumedienne spoke Arabic to Saddam Hussein, that Saddam Hussein spoke Arabic back to Boumedienne, and that Boumedienne spoke French back to the Shah. This was the way this whole arrangement was negotiated.

As a result, the border between Iran and Iraq was moved back to
the "Thalweg" which the Shah considered to be the proper line under international law. (Usually the "Thalweg" is the borderline between two countries on either side of a river or a body of water, whatever the case may be.) So it was agreed that in the Shatt-al-Arab the border would be moved back to the "Thalweg." Negotiations were scheduled to go on between the two sides about the land border. A joint committee was put together to work that out in the proper fashion. The Shah agreed to withdraw his support for the Kurds and Saddam Hussein agreed to open the border to pilgrims. There were certain other things that were worked out in greater detail as time went on. The fact of the matter remains, and very interestingly, that both the Shah and Saddam Hussein stuck to the letter of their agreement. While the Shah was in Iran there was never any real problem about it. The problems came later.

Q: Before we get into 1975, was it 1975 the Algiers [Agreement]?

Helms: Yes.

Q: Apparently, in terms of the Kurdish question, support for the Kurds in Iraq, I read somewhere that Iranian troops passed the Iraq border in efforts to give military support to the Kurds?

Helms: I don't think that's true.

Q: Oh, that was not true?
Helms: I never heard that. The one thing I do know is that the Iranians used 105 millimeter guns to shell Iraqi troops confronting the Kurds. They'd shoot over the hills from Iranian territory. And so I believe the Iraqis had considerable military losses as a result of the shelling and they were most anxious to have it stopped. This is why Saddam made the deal.

Q: There was a fear of war at this point?

Helms: There wasn't a fear of war. It was because Iraq was losing soldiers by the shells from these guns. Nobody was admitting that the shelling was taking place.

Q: Was there any U.S. personnel involved in this whole effort to support the Kurds? Any working in Iraq?

Helms: I don't know.

Q: You don't?

Helms: I just know that the countries which I mentioned earlier were providing materiel of one kind or another in support of the Kurds, but whether any of their nationals ever got up to the border areas, I don't know.

Q: What happened to the Kurds who were involved in this effort that the U.S. was giving support for?
Helms: Well, Mustafa Barzani was the principal Kurdish leader. He later came to the United States and died here of cancer. I think that his two sons are still involved in Kurdish affairs either in Iran or Iraq. I think that's about enough for today.

[tape interruption]

Helms: I think the last thing I want to mention today is that if you're trying to get a picture of what was going on in Iran during this period, you should take advantage of the fact that Iranian officials of that time are located physically in the United States and are easy to get at. For example, General Hassan Toufanian lives right here in this area and he knows more about weapons procurement and why the Iranians bought this weapon system versus that system than any other living person. And I would strongly suggest that somebody sit down with him and give him a chance to present his side of the story. He's dying to talk to people. I could arrange an interview, I'm sure, if it was done on a scholarly basis as you're doing it. And I would think that whoever is running this project would be very interested to have that kind of information. I don't think he's ever talked to anybody about all these things. The relations with Israel, that Iran had with Israel, is a very interesting story in itself.

[end of interview one]
Interviewee: Richard Helms       Date: July 24, 1985
Interviewer: William Burr

Q: The second part of the interview with Richard M. Helms took place on July 24, 1985.

When you talked to the Shah did you get the impression that he feared the Soviet Union or was he more concerned about the political strength of revolutionary nationalist movements in the region, various nationalist forces? Was he concerned about those or the Russians more?

Helms: I never got the sense that the Shah was frightened by the Russians. After all, Russia and Persia have been neighbors for lo these thousands of years. I truly think that the Shah believed that his policy vis-a-vis Russia was one that was designed to keep the peace between the two countries. So that in point of fact if he had any concerns about who might take him on at war or fight with him, if you like, I think he felt the most likely candidate would be Iraq, even though he had made genuine efforts to keep the peace with Iraq. As I indicated earlier, the Shah's theme in this period was to have stability in the area and he worked very hard at this and very pragmatically at it. And he intended to keep stability as best he could with all of his neighbors.

Q: So he didn't see the Soviet Union as a basic threat in any
immediate terms?

Helms: Not in that sense. And he was realistic about it. He said, "You know, my intention is that if the Soviets were to attack Iran, I will pursue a scorched earth policy." Now whether he would have been successful in getting his people to go along with the scorched earth policy, I don't know. But that was his intention, because having been invaded by the Russians twice, not only in World War II but also in years earlier, he had no intention of turning his country over to the Soviet Union.

Q: Did his assessment more or less correspond with those of American officials who looked at these things in terms of his assessment of the Soviet Union as not really a major threat?

Helms: Well, I don't know what Americans really thought about it. I don't think they thought it was very realistic that he should follow a scorched earth policy. And they didn't think he'd have a chance of fighting the Soviet Union if their troops actually invaded the country. A lot of people just laughed at him in the United States government. On the other hand, United States officials aren't always right about these things. And I'm inclined to think if the Russians had attacked, the Iranians might very well have made at least an effort to defend themselves. But at least I think they were going to destroy everything in the Russians path if they could arrange to do so. At least, that was the Shah's policy.
Q: But let's say in terms of the contemporary period or the immediate future as people looked at it back in the early 1970s, the major concerns seemed to be more like regional problems as opposed to any great power conflict in the region? It's hard to separate those things out.

Helms: I think so. Obviously there's been a great debate going on in American governmental and academic circles over the whole issue of whether the Shah should have tried to re-arm himself, whether he should have bought sophisticated and expensive equipment from the United States. I've been reading recently Gary Sick's book entitled All Fall Down and the debates are set forth in that book and, I think, reasonably accurately. The only thing that the Sick book overlooks, and maybe it's because it did not deal with this particular period, is that when the Iraqis finally did attack Iran five years ago, if it had not been for the weapons that the Shah had bought during the period that he was in power and for the stockpiles of spare parts that he had hidden around in various parts of his country, the Iranians probably would have been overwhelmed.

Q: In terms of the Shah's interest in playing a major role in this region as sort of a guarantor or stability, did he require much U.S. encouragement or was encouragement really unnecessary?

Helms: I don't know whether he required it, but he got it in 1972 from President Nixon. I think that that is clear. President Nixon wanted him to try and be the strong and stable power in the Persian
Gulf area because when the British had moved out under the rubric of "We're going to reduce our influence 'east of Suez'" and pulled out of the Trucial States, it obviously created a vacuum in that area.

Q: Okay. Now in 1973 the Shah took sides in a civil war in Dhofar Province in Oman. It might have been earlier than 1973. But at least 1973 was one phase of that activity.

Helms: That is correct.

Q: Did he discuss his moves with you? Did he discuss this with you at all?

Helms: No, in the sense that he did not discuss the moves before he made them. But when I saw him and inquired from time to time about how the war in Dhofar was going, he would generally inform me as to what the Iranians were doing, of his effort to support Sultan Qabus in his fight with those rebels. Also, quite aside from that, he felt this was excellent training for his forces particularly the Air Force and pursued this assistance to Qabus with genuine--what's the word I'm looking for--well, a real assertiveness. He wanted to help, but he also saw a utility in this activity in terms of the training of his own people and therefore he kept right after it. He had a reasonably close relationship with Sultan Qabus. In fact, I think he tended to regard him sort of as a "son." He saw no conflict in his own mind of supporting him and seeing to it that these rebels did not either divide up his country, take part of it away, or cause him to
be defeated, if you like.

Q: Did the U.S. give him any support or any aid in this effort?

Helms: Not of which I'm aware. And I don't think so. I don't think he needed it. I think he had what he wanted and he used his own equipment and his own people.

Q: Apparently the Shah also gave military support to the right wing militia in Lebanon during the mid-1970s?

Helms: What militia?

Q: In Lebanon.

Helms: I'm not aware of this. What was that supposed to be? Who were these right wing people?

Q: Well, the people, I guess the Murani militia in Lebanon.

[tape interruption]

Helms: I think the Shah was sympathetic to the Maronite Christians. But I don't recall, aside perhaps from some money he might have given, any tangible support to the Maronites.

Q: He didn't discuss it with you at all?
Helms: I used to talk with him about meetings that he would have with Lebanese leaders, and he may have given some money. I don't remember all that accurately. But I recall no arms, nothing of that kind.

Q: Now when you were ambassador was there any special effort to foster Iran-Saudi Arabian relations under the Twin Pillars Doctrine? How was that policy pursued by the U.S.?

Helms: The U.S. really didn't have much influence on Iranian-Saudi relationships, because it was agreed, I think, by the Shah as well as by King Faisal that these two countries were friends of the United States and that they should not be at the daggers drawn. The only unfortunate part about the whole thing was that when the Shah and Faisal met on at least one occasion, they simply talked past each other. King Faisal was always talking about the great Zionist conspiracy and would talk endlessly about this. The Shah would get bored with hearing him. King Faisal didn't want to bother to hear what the Shah had to say. And then underlying the whole relationship was the basic suspicion that Arabs have about Persians and that Persians have about Arabs. This had not been helped by the controversy over the status of Bahrain in earlier years or of the disposition of the Tunbs Islands in the Persian Gulf. So there was always a latent suspicion between these two countries even though they actually had no antipathy the one toward the other in terms of war-like attitudes. They were always together in OPEC talking about oil prices and the whole problem of oil. Otherwise they didn't collab-
orate much, but they didn't quarrel with each other much either.

Q: Was there any U.S. effort to sort of mitigate the suspicion or to encourage collaboration?

Helms: Oh, I think the United States made some small efforts but they weren't very effective.

Q: I read that in the 1975 Sinai Disengagement Treaty there was a clause that Iran would guarantee Israel's oil supplies in a crisis.

Helms: Yes.

Q: Did the embassy take place in any aspect of that discussion, any phase of the negotiations concerning Iran's role?

Helms: Iran had a consistent, straightforward oil policy. The Shah's policy was that he sold oil to anybody that was prepared to buy it. And he continued with this policy right through the 1973 War. So that when this issue came up, the Shah's reply, as I recall, was that if the Israelis would pay for the oil, they could have it.

Q: So it was pretty straightforward.

Helms: So even if that was a part of the agreement, I do not recall any particular controversy about it. I think it was just part and parcel of what the United States knew Iran's policy to be.
Q: That's fairly straightforward.

Helms: Yes.

Q: Now, I have a few supplementary questions to the last meeting. Now, at one point you said, in response to one of my questions, that except for a few key individuals like Amir Assadollah Alam that most of the Shah's cabinet did not speak frankly with the Shah on most occasions. You had that impression.

Helms: When I say speak "frankly," I think they spoke "frankly." What I meant to convey was that they were not about to argue with the Shah and they did not like to bring him bad news.

Q: Why do you think that was the case? What was the problem?

Helms: I think that they were generally concerned that if they argued with him too much, he would find somebody else to take their place.

Q: In terms of bad news.

Helms: In terms of bad news, I'm referring to the fact that I don't believe that he was adequately and accurately informed about what was going on in his own country by the head of SAVAK or by his other ministers particularly in the latter days after Alam became so sick
that he couldn't be helpful and finally died. Alam and Eqbal, as I pointed out, were two who kept their ears to the ground, had resources to find out what was going on in the country independent of SAVAK and who might have alerted him to the fact that the opposition was more serious than apparently he believed.

Q: Okay. Now according to some analysts of the revolution, the Shah fell because he had character deficiencies, a psychological inability to compromise, personal insecurity, indecisiveness and so forth. From what you saw of the man when you were Ambassador, does any of that ring true?

Helms: It may be that there were elements of all of those things. It may be that none of them really was definitive in the end. It is so easy for academicians to think up reasons why certain events have occurred because of personality failings and so forth. I think in the Shah's case that this is a most difficult thing to be definitive about. There isn't any question that when he took over in his early twenties from his father in World War II that he certainly was an indecisive young man, overwhelmed by his responsibilities. He had a very difficult row to hoe, if you like that American expression, and it took him some years to develop, to grow into his responsibilities, to become Shah in the way that he felt a Shah ought to conduct his business. The question that he was indecisive, as some people say, in the latter months of his reign, i.e. in 1978, can well be answered by the fact that he was confronted by a series of problems that would have made almost anybody indecisive, particularly if you believed as
he did that he should not slaughter his people in the streets.

In saying this, I'm not defending the Shah. I'm attempting to clarify. Recently I wrote a letter to Sir Anthony Parsons, who was the British Ambassador in Iran at that time, and he wrote back saying that he had not noticed in 1978, until the very end, much indecisiveness on the Shah's part and that at the end he was confronted with so many difficulties that there was really very little he could do about them. Now which story is right and which is wrong, I don't know. It can certainly be said that the Shah believed in his rule, that he wanted to keep all the details of the country's affairs in his hands. He even pressed on the promotion of the officers in the Army, Navy and Air Force. In short, he was a meticulous, hard-working ruler.

When it came to flexibility, I'm not sure what they mean when they talk about flexibility. He did show flexibility in letting up in terms of repression and civil rights, although some students of the scene have said that he never should have done this, that that was what let the cork out of the bottle and from there on he lost control of events. I'm sure that for a long time historians will differ as to exactly what the Shah's problems were in 1978 in dealing with the evolving situation. Books are already starting to appear, taking sides one way or the other. I don't think that I can contribute any meaningful insights into exactly what did go astray.

In any event, I want to give you, to make a part of this interview, an article which I was asked to write, I think it was in the summer of 1979. It was certainly after the Shah had left his country. It was an article written for the Institute for the Study of Diplomacy at Georgetown University. It was in a little booklet
which contained a symposium on "Contacts with the Opposition." I give this to you, because that it presents the views that I held at a time much closer to the date of the Shah's fall than in 1985. It might be of some marginal interest in the context of this interview.

Q: Okay, thank you.

Along the same lines, some analysts have suggested that the Shah's personal affinity with Nixon and Kissinger had something to do with the strengthening of U.S.-Iranian relations during the 1970s. Did you feel that was an important factor at all to be considered in terms of comparison with strategic and economic considerations?

Helms: I rather thought that Nixon, who had known the Shah for many years, from the time that he was Vice President of the United States, believed that he was handling the affairs of his country with some skill. There was no one else to turn to in the Persian Gulf area. After all, Iran has the largest population in that region. It has a border that stretches for miles along the Persian Gulf. It has control of one side of the Strait of Hormuz through which all the oil tankers have to pass entering and leaving the Persian Gulf. In short, he was a likely fellow for them to identify as the one who could be helpful under the terms of the so-called Nixon Doctrine. He could maintain some stability and some--what shall we say?--pro-American intercourse in that area.

Q: I guess the argument was that the Shah had sort of like a personal affinity with Nixon and Kissinger themselves. And that led
to sort of him to identify more closely with the U.S.-Iran relationship. Is that something you can--?

Helms: It is very difficult to identify affinities, so-called, between chiefs of state or chiefs of government. This is one of those myths that grows in the minds of students, I think, largely, because they believe that the personal relationship is really in the end the only thing that counts. And I can promise you that in the case of Richard Nixon even in the United States of America he had no close friends or associates. And the Shah had no close friends or associates either. That kind of person doesn't go in for that. Therefore, they were certainly not "bosom buddies." They simply saw an identity of interest. They were both good geopoliticians. They were pragmatic. And they made arrangements of mutual interest.

Q: That was a point made by one of them. John Stempel made that point in his book at some point. I thought you might want to comment on it.

Helms: That's all right. John Stempel is a very bright and able foreign service officer, but that doesn't mean he's right in their case.

Q: Okay. I have some questions about how the embassy worked and your role in the embassy during the 1970s. When you were ambassador, what tasks took up most of your time on a sort of day to day basis? What kind of things did you work on the most? What things took up