

## Memorandum of Conversation<sup>1</sup>

Washington, April 13, 1962, 11 a.m.

- SUBJECT
- United States-Iran Relations
- PARTICIPANTS
- The President
- The Shah of Iran
- Robert S. McNamara, Secretary of Defense
- Abbas Aram, Foreign Minister of Iran
- Hosein Ghods-Nakhai, Iranian Ambassador to the United States
- Julius C. Holmes, United States Ambassador to Iran
- Phillips Talbot, Assistant Secretary of State, NEA
- William S. Gaud, Assistant Administrator, AID/NESA

The President and the Shah examined the draft Joint Communiqué<sup>2</sup> and agreed that it should be released later in the day.

The Secretary of Defense handed the Shah a list of military assistance items reflecting the United States offer to the Shah<sup>3</sup> which had been conveyed orally by the Secretary of Defense to the Shah on the preceding afternoon. He explained that there had been certain changes, and that some C 47 aircraft and some additional ammunition had been added.

The Shah examined the list and observed that it should include some SS 11 anti-tank missiles. The President instructed the Secretary of Defense to look into the matter in order that the President could discuss it with the Shah the next day at Camp LeJeune.<sup>4</sup>

The Secretary explained that ammunition reserves had been calculated on the standard 30-day NATO reserve level. The Shah indicated doubt as to whether a 30-day level was adequate for Iran, which is far away from sources of supply. The Secretary said that he had checked the question with General Norstad, who felt the 30-day level was adequate: Iran would be built up to a 30-day level before the NATO countries reached that goal.

The President referred to a conversation the previous evening with the Shah,<sup>5</sup> and stated that he was interested in the police situation, which was a difficult problem in many countries. The United States would make an analysis of conditions in European countries and elsewhere and would take the matter up with the Shah again. The President might take this function of building police capabilities out of AID and make it a responsibility of the Defense Department. The President and the Shah agreed that it is an important problem.

Speaking of the economic development program in Iran, the President said that, like the Shah, we are pinning great hopes on the program, and that we desire to help. In order that we can contribute and in order that we can assist in getting together a consortium of other contributing nations, it is important that the details of the Plan be put into the best possible shape. The formation of a Consortium is not easy; the effort failed once in the case of Pakistan, and another attempt was necessary. Great care is therefore necessary.

The President said that nothing contributed so much to the Shah's prestige as Iran's economic development program. The President congratulated the Shah

for having found such an excellent Prime Minister and for supporting him in his efforts. We are very interested in cooperating with Iran in the field of economic developments as far as our resources would permit; it is very important to get the other Western nations to help Iran.

The President noted that he, the President, could leave his present job and the United States would go on, but Iran would collapse if the Shah were to leave his post. The President assured the Shah that he had the support of the United States.

The Shah acknowledged the importance of this point, and noted that he had been working for twenty years at the task of building a strong anti-Communist society through social reform and economic development. But even if the USSR did not exist, he would still have a duty to work for the progress of the Iranian people. The Shah remarked that he felt responsible to the majority of his people and he cannot belong to the few. The President interjected that the few can take care of themselves. The Shah replied that this was true, although things were being made a little harder for them now.

The President told how Franklin Roosevelt was still regarded almost as a god in places like West Virginia, because Roosevelt, though a rich man, had worked for the interests of the common people. Referring to the current trouble with the steel companies, he said it was necessary to identify ourselves with the small people, and he was aware that the Shah had done precisely this. This particular thunder must be taken away from the Communists. He wanted the Shah to realize the depth of his feelings on this subject. Life is a burden, but unless the Shah survives, Iran and then the whole Middle East would crumble.

The Shah stated that this concept was the goal of his life, and that he had devoted his life to this end. He gathers strength from seeing that Iran is moving forward. To succeed on the economic side Iran needs time and security. These last elements will be provided by the bilateral agreement with the United States and by the existence of revamped armed forces which will give Iran the prestige it has needed. The Iranian people expect strength from their government. Iran needs an honest, first-class army with a decent standard of living. With such an army Iran can resist Communist pressures and build the country into a showcase so that other peoples can see that it is possible to work with the West and get more effective support than countries such as Egypt receive.

The President told the Shah that he wanted the content of their exchanges to be perfectly clear, in order that there should be no feeling later that their meaning had been misunderstood. Therefore he wished to remark that he did not believe it was possible to make Iran a showcase immediately. Even here in the United States, we still have many problems, such as unemployment. We have fiscal limitations, and we cannot give as much as the Shah would wish. But we will do the best we can and will press other countries to help. He emphasized that the United States is far from being a showcase—we still have

unemployment, educational problems, and many other problems yet to be dealt with.

The Shah said that by the term “showcase” he had meant only a comparative improvement. He wondered why Iran’s efforts looked better now than they had in the past.

The President surmised that this interest and support for Iran was due partially to the fact that Iran has picked its enemies and partially to the fact that it has picked good people to work on the main problems. The situation in Iran is obviously improving.

The Shah agreed and remarked that he is not by nature a dictator. But if Iran is to succeed its government would have to act firmly for a time, and he knew that the United States would not insist that Iran do everything in an absolutely legal way.

The President agreed that there are always special factors that have to be taken into account in different countries. We are aware that the Shah is the keystone to the arch in Iran. Iran’s progress will depend on continuing recent efforts—it will be necessary to keep the heat on those who do not accept the national interest and take their money out of the country.

The Shah said that some people had become unjustifiably frightened of the stabilization program and had taken their money out of Iran.

The Shah asked if it would not be possible for Iran to take more advantage of PL480 assistance, and noted that Iran needs substantial supplies of wheat now. Mr. Gaud said that Iran’s request for 100,000 tons of Title I wheat represented no problem, and that a further request, which he understood was coming along, for 100,000 tons under Title II would be given prompt consideration.

The Shah pointed out that PL 480 wheat was also important in that it generated local currency which could be used, among other purposes, to provide low cost housing for civilian and military employees of the government. The President suggested that we might consider devoting all the local currency generated by the forthcoming wheat shipment to such housing rather than spending it on a variety of scattered projects. He said AID should check on the possibilities. He also asked AID to assist the Iranian government in obtaining information on recently-devised methods of producing inexpensive housing, such as had been used in Brazil and Venezuela.

The Shah spoke of his interest in utilizing special Army battalions to further civil economic development programs. Ambassador Holmes mentioned that we had a Corps of Engineers headquarters in Iran, and that there are plans to expand civic action programs there.

The President asked if the Shah had any advice as to how the United States should cope with its problems and responsibilities. The Shah replied that he

felt the United States was doing very well indeed, and that the Communists will be defeated in this way.

The President said that as a politician he would like to emphasize that national leaders must identify themselves with the common people. The President said that he knew this was the Shah's course, and that politically it is the most successful course.

The Shah replied that he had been working at this very problem for many years, and that it is his life. For example, he had been jailing people for corruption for two years, but that it was only being noticed now.

At this point Mrs. Kennedy and Caroline entered the office for a brief visit with the Shah before he had to leave for his Press Club speech.

<sup>1</sup> Source: Department of State, Central Files, 611.88/4-1362. Secret. Drafted by Bowling, Talbot, and Gaud on April 20; cleared by the Department of Defense on April 23 and by the White House on April 25. According to the President's Appointment Book, the conversation lasted from 11:02 a.m. to 12:03 p.m. (Kennedy Library)

<sup>2</sup> For text of the final Joint Communiqué, see *American Foreign Policy: Current Documents, 1962*, pp. 778-779, or *Public Papers of the Presidents of the United States: John F. Kennedy, 1962*, p. 327. The Joint Communiqué was discussed during a meeting between Talbot and Foreign Minister Abbas Aram on April 12 at 5 p.m. (Memorandum of conversation; Department of State, Central Files, 611.88/4-1262; for text, see Supplement, the compilation of Iran)

<sup>3</sup> See Annex A to [Document 248](#).

<sup>4</sup> According to the President's Appointment Book, on April 14, the President met with the Shah and Vice President Johnson at 2:24 p.m. during his tour of the U.S. Marine Corps base at Camp LeJeune, North Carolina. (Kennedy Library) No record of the conversation has been found.

<sup>5</sup> During the evening of April 12, the Shah and Empress Farah hosted a State banquet for President and Mrs. Kennedy at the Iranian Embassy in Washington. No record of conversations held during the banquet have been found.