

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

Washington, April 13, 1962, 8:30 a.m.

- PARTICIPANTS
- The Shah of Iran
- W. Averell Harriman

I had breakfast alone with the Shah at 8:30. He seemed pleased with the contacts he had had, including of course his talks with the President, but somewhat unhappy in his discussions in the Pentagon. He wants more aircraft. He said that if the decision was made because we didn't have the money, that was one thing. If it was made for strategic reasons, he felt he should get the additional aircraft. When I told him that the Pentagon had been much impressed with the Shah's own military knowledge, he said, "Well, that's natural--I have military training". He said he himself was much impressed with the knowledge of Secretary of Defense McNamara, who, he pointed out, had only been in the Defense Department a short time.

He said he was hopeful that real land reform would now be forthcoming in Iran, and that following the financial stabilization period through which they were going, the country could again expand its industry. Unemployment was increasing because of the stabilization program.

I emphasized to him the importance we placed on his economic development program, as well as his improving his own position with the intellectuals and students in Tehran. I expressed the point of view that his security was based on the support of the United States, not his own military establishment. His greatest danger came from communist infiltration, rather than overt military attack. He took this in good part, and discussed his hopes in the field of economic development. He mentioned the Lilenthal development in the Karun valley.

He asked many questions about world affairs, such as the situation between the Soviet Union and Red China, and other developments in Asia. I tried to leave at 9:15, as I knew he had an engagement at 9:30, but he kept me until nearly a quarter to ten. He seemed anxious to talk over all the matters that were on his mind, both domestic and international.

He told me he was going to be in The Hague on May 1st and asked whether it would be helpful for him to mention the West New Guinea question to the Dutch Government. I said I thought it might be helpful and agreed to let him know, through his Ambassador in Washington, just what the situation was at the time of his arrival. I underlined how important we felt a peaceful settlement was to the future of Indonesia and I explained the pressure the Soviet Union was putting on Sukarno to use force in which event the Soviets and Red Chinese would give Indonesia assistance whereas we would of course express strong opposition to an aggressive act in the Security Council.

<sup>1</sup> Source: Department of State, Central Files, 788.11/4-1362. Confidential. Drafted by Harriman.