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OFFICE OF THE CHIEF OF PROTOCOL  
DEPARTMENT OF STATE  
Washington, D.C.

THE STATE VISIT OF  
THEIR IMPERIAL MAJESTIES  
THE SHAHANSHAH OF IRAN  
AND  
THE SHAHBANOU  
TO  
THE UNITED STATES

MAY 1975

DETAILED SCENARIO



MEMBERS OF THE OFFICIAL IRANIAN DELEGATION

His Imperial Majesty Mohammad Reza Pahlavi  
The Shahanshah of Iran

Her Imperial Majesty Farah Pahlavi  
The Shahbanou of Iran

His Excellency Abbas Ali Khalatbari  
Minister of Foreign Affairs

His Excellency Ardeshir Zahedi  
Ambassador of Iran to the United States

His Excellency Abdolhossein Samiy  
Minister of Science and Higher Education

Mrs. Adele Diba  
Lady-in-Waiting to Her Imperial Majesty

Lt. General Mohsen Hashemi-Nejad  
Chief of the Military Household and  
General Military to His Imperial Majesty

His Excellency Hormoz Gharib  
Grand Master of Ceremonies to His  
Imperial Majesty

His Excellency Karim Pasha Bahadori  
Chief of the Private Secretariat of  
Her Imperial Majesty

Lt. General Dr. Abdol-Karim Ayadi  
Private Physician to His Imperial Majesty

Lt. General Mansour Afkham-Ebrahimi  
Military Aide to His Imperial Majesty

His Excellency Shojaedin Shafa  
Vice Minister of the Imperial Court

Delegation -1-



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- Lt. General Ali Mohammad Khademi  
President, Iran Air Lines
- His Excellency Houshang Batmanghelitch  
Director General of the Ministry of  
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- Her Excellency Mrs. Kowkab Moarefi  
Vice Minister of Social Welfare
- His Excellency Khosrow Akmal  
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- Mr. Hossein Daneshvar  
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- Mr. Kambiz Yazdanpanah  
Director General for Information of  
the Imperial Court
- Mr. Anoushiravan Sadigh  
Director of the Foreign Minister's  
Secretariat
- General Parviz Amini-Afshar
- Colonel Kiumars Jahanbini
- Colonel Ezatolah Malakshahi
- Miss Fereshteh Daftari

Delegation -2-



ACCOMPANYING MEMBERS OF THE IRANIAN DELEGATION

Captain Majid Ershadipour

Mr. Bahman Ladbon  
Member of the Ministry of Foreign Affairs

Mr. Khosrow Zandieh  
Member of the Ministry of Foreign Affairs

Mr. Hormoze Hormozi Estarabadi  
Member of the Ministry of Foreign Affairs

Mr. Abdolgasem Baiglu  
Valet

Mr. Amir Pour-Shoja  
Valet

Mr. Mahmoud Elyasi  
Valet

Mrs. Ozra Tavakoli  
Chamber Maid

Mrs. Ozra Sadehin  
Chamber Maid

Mr. Tatavous Moradi  
Hair Dresser

Mr. Karmelo  
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Warrant Officer Mehdi Safari  
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Warrant Officer Saleh Mostafavi  
In Charge of Aircraft



SUMMARY SCHEDULE

WEDNESDAY, MAY 14, 1975

3:45pm ARRIVE Patrick Henry International  
Airport, Newport-News, Virginia.

4:45pm Her Imperial Majesty  
receives Ms. Sandra  
McElwaine of Vogue  
Magazine.

7:30pm Dinner hosted by the President of  
Colonial Williamsburg, Inc. and  
Mrs. Humelsine at Carter's Grove  
Plantation.

Dress: Business Suit

Overnight: Allen Byrd House

THURSDAY, MAY 15, 1975

9:10am DEPART Allen Byrd House and walk to  
helipad.

9:20am DEPART Colonial Williamsburg via  
U.S. Presidential helicopters.

10:25am ARRIVE the President's Park (Ellipse).

10:30am White House Arrival Ceremony.

11:00am Meeting with President Ford at  
the White House.

Her Imperial Majesty will  
have coffee with Mrs. Ford.

1:00pm Luncheon hosted by the Secretary  
of State and Mrs. Kissinger at  
Hillwood, 4155 Linnean Avenue, N.W.

Summary Schedule -1-



THURSDAY, MAY 15, 1975 (cont'd)

- 4:00pm Her Imperial Majesty receives a delegation from U.S. girls' colleges.
- 3:45pm Meeting with Vice President Rockefeller at Blair House.
- 8:00pm Dinner hosted by the President of the United States and Mrs. Ford at the White House.
- Dress: White Tie
- Overnight: Blair House

FRIDAY, MAY 16, 1975

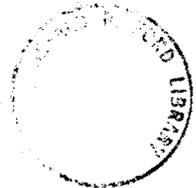
- 8:00am His Imperial Majesty will have a private breakfast at Blair House.
- 9:30am DEPART Blair House enroute Washington Monument Grounds.
- 9:45am ARRIVE Andrews Air Force Base, via U.S. Presidential helicopters.
- Demonstration of AWACS at Andrews AFB.
- 10:55am Her Imperial Majesty departs Blair House.
- 11:00am Her Imperial Majesty visits the Hirshhorn Museum.
- 12:15pm Luncheon hosted by Mr. Dillon Ripley at the Hirshhorn Museum.

Summary Schedule -2-



FRIDAY, MAY 16, 1975 (cont'd)

- 11:45am DEPART Andrews Air Force Base via U.S. Presidential helicopters enroute the Pentagon.
- 12:00noon Military honors ceremony at the Pentagon.
- 12:15pm Meeting with Secretary Schlesinger at the Pentagon.
- 1:30pm Luncheon hosted by Secretary Schlesinger at the Pentagon.
- 2:50pm DEPART Pentagon enroute the U.S. Capitol.
- 3:00pm Meeting with members of the Senate Foreign Relations Committee.
- 4:00pm DEPART U.S. Capitol enroute Blair House.
- 4:30pm Meeting with The Honorable Robert S. McNamara at Blair House.
- 3:30pm Her Imperial Majesty departs Blair House.
- 3:40pm Arrive Georgetown University.
- 4:00pm Award Ceremony.
- 4:45pm Reception.
- Return to Blair House.



FRIDAY, MAY 16, 1975 (cont'd)

8:00pm Dinner at the Imperial Embassy of Iran in honor of President and Mrs. Ford.

Dress: White Tie

Overnight: Blair House

SATURDAY, MAY 17, 1975

10:00am Joint Iran-U.S. Business Council Inauguration at the Blair House.

11:30am Her Imperial Majesty will tape a program for the "Today" show, at the Blair House.

11:00am Meeting with Secretary Kissinger at the Blair House.

1:00pm Private lunch.

3:00pm Press conference at Blair House.

4:00pm Her Imperial Majesty receives a delegation representing Black colleges.

7:15pm Performance by the American Ballet Theatre at the John F. Kennedy Center for the Performing Arts.

Dress: Black Tie

Dinner following the ballet at the Imperial Embassy of Iran. The Vice President and Mrs. Rockefeller are honored guests.

Overnight: Blair House

Summary Schedule -4-



SUNDAY, MAY 18, 1975

10:30am Her Imperial Majesty receives Ms. Marion Christy of the Boston Globe.

11:00am Her Imperial Majesty receives Ms. Susan Waters of "W".

11:30am Her Imperial Majesty receives Mrs. Angier Biddle Duke.

12:30pm-1:00pm His Imperial Majesty appears live on "Meet the Press" at the studios of the National Broadcasting Company.

3:20pm DEPART Blair House enroute Washington Monument Grounds.

3:30pm DEPART Washington Monument Grounds via U.S. helicopters enroute Andrews Air Force Base.

3:45pm ARRIVE Andrews Air Force Base.

3:50pm DEPART Andrews Air Force Base enroute JFK International Airport.

4:30pm ARRIVE JFK International Airport.

4:40pm DEPART JFK International Airport enroute Pocantico Hills, New York.

5:00pm ARRIVE Pocantico Hills, New York.

Summary Schedule -5-



SUNDAY, MAY 18, 1975 (cont'd)

Their Imperial Majesties have a private dinner with the Rockefeller Family.

8:30pm DEPART Pocantico Hills enroute JFK International Airport.

9:00pm DEPART the United States.

WEDNESDAY, MAY 14, 1975

3:45pm Their Imperial Majesties the Shahanshah and the Shahbanou of Iran and members of their party arrive Patrick Henry International Airport, Newport-News, Virginia, via Iran Air Lines Boeing 707.

Welcoming Committee

The Honorable Henry E. Catto, Jr.  
Chief of Protocol of the  
United States

Mrs. Catto

His Excellency Fereydoun Hoveyda  
Permanent Representative of  
Iran to the United Nations

Mrs. Hoveyda

His Excellency Dr. Jahangir Amuzegar  
Minister Plenipotentiary for  
Economic Affairs

Mrs. Amuzegar

The Honorable Nasser Majd  
Minister Counselor, Embassy  
of Iran

Mrs. Majd

The Honorable Mohsen Goodarzi  
Consul General of Iran in  
New York

Mrs. Goodarzi

The Honorable Parviz Safinya  
Consul General of Iran in  
San Francisco

Mrs. Safinya

The Honorable Majid Mehran  
Consul General of Iran in  
Chicago

Mrs. Mehran

May 14 -1-



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# PRESS

## DEPARTMENT OF STATE



May 1 , 1975

No. 249

### PROGRAM FOR THE STATE VISIT TO THE UNITED STATES OF THEIR IMPERIAL MAJESTIES THE SHAHANSHAH OF IRAN AND THE SHAHBANOU

May 14-18, 1975

#### Wednesday, May 14

- 5:00 p.m. Their Imperial Majesties the Shahanshah of Iran, the Shahbanou and their party will arrive at Patrick Henry International Airport, Newport News, Virginia.
  - 5:15 p.m. Arrival Colonial Williamsburg, Virginia.
  - 7:30 p.m. The Honorable Carlisle Humelsine, President of Colonial Williamsburg, Inc., and Mrs. Humelsine will give a dinner in honor of Their Imperial Majesties, the Shahanshah of Iran and the Shahbanou, at Carter's Grove Plantation.
- Dress: Business suit.

#### Thursday, May 15

- 9:20 a.m. Their Imperial Majesties and their party will depart Williamsburg, Va. via U.S. Presidential Helicopters for Washington, D.C.
  - 10:30 a.m. Arrival at the White House where Their Imperial Majesties the Shahanshah of Iran and the Shabanou will be greeted by the President of the United States and Mrs. Ford, the Secretary of State and Mrs. Kissinger, the Acting Chairman, Joint Chiefs of Staff and Mrs. Jones, the Dean of the Diplomatic Corps and Mrs. Sevilla-Sacasa, the Ambassador to Iran and Mrs. Helms and the Mayor of the District of Columbia and Mrs. Washington.
- Military Honors will be rendered.

For further information contact **Mary A. Masserini** 632-0685



-2-

Thursday, May 15 (continued)

11:00 a.m.

His Imperial Majesty will meet with President Ford at the White House.

11:00 a.m. Her Imperial Majesty will have tea with Mrs. Ford, members of the Welcoming Committee and the Iranian party, in the Blue Room.

1:00 p.m.

The Honorable Henry A. Kissinger, Secretary of State and Mrs. Kissinger will host a luncheon in honor of Their Imperial Majesties the Shahanshah of Iran and the Shahbanou, at Hillwood, 4155 Linnean Avenue, Northwest.

4:30 p.m.

His Imperial Majesty will meet with the Vice President at Blair House.

4:00 p.m. Her Imperial Majesty will receive a delegation from U.S. women's colleges.

8:00 p.m.

The President of the United States and Mrs. Ford will give a dinner in honor of Their Imperial Majesties the Shahanshah of Iran and the Shabanou at the White House.

Dress: White tie.

Friday May 16

Private morning.

11:00 a.m. Her Imperial Majesty will visit the Hirshhorn Museum, Independence Avenue at 8th Street, Northwest.

12:00 Noon

His Imperial Majesty will arrive at the Pentagon for a Military Honors Ceremony.

Following the Ceremony, His Imperial Majesty will meet with the Honorable James R. Schlesinger, Secretary of Defense.

12:30 p.m. The Honorable S. Dillon Ripley, Secretary of the Smithsonian Institution will host a luncheon for Her Imperial Majesty at the Hirshhorn Gallery.

-3-

Friday, May 16 (continued)

3:00 p.m.

His Imperial Majesty will meet with Members of the Senate Foreign Relations Committee at the U.S. Capitol, Room S-116.

4:00 p.m. Her Imperial Majesty will receive an Honorary Degree at Georgetown University, 37th and O Streets, Northwest, Copley Lounge.

Following the Ceremony, Her Imperial Majesty will proceed to Cardinals Hall for a reception.

8:00 p.m.

Their Imperial Majesties, the Shahanshah of Iran and the Shabanou will give a dinner in honor of the President of the United States and Mrs. Ford at the Imperial Embassy of Iran, 3003 Massachusetts Avenue, Northwest.

Dress: White tie.

Saturday, May 17

10:00 a.m.

His Imperial Majesty will attend the Joint Iran-U.S. Business Council inauguration at Blair House, Jackson Place Conference Room.

11:00 a.m.

His Imperial Majesty will meet with The Honorable Henry A. Kissinger, Secretary of State, at Blair House.

Their Imperial Majesties will have a private lunch.

4:00 p.m. Her Imperial Majesty will receive a delegation of representatives of American Black Colleges.

Saturday, May 17 (continued)

7:15 p.m.

Their Imperial Majesties will attend a performance by the American Ballet Theatre at the Opera House of the John F. Kennedy Center for Performing Arts.

Sunday, May 18

Private morning.

12:30 p.m.

His Imperial Majesty will appear on "Meet the Press", National Broadcasting Company, 4001 Nebraska Avenue, Northwest.

p.m.

Their Imperial Majesties, the Shahanshah of Iran and the Shabanou will depart Washington, D. C. for New York and subsequently for Iran.

\*\*\*\*\*

# DEPARTMENT OF STATE

May 13, 1975

249A

ADDENDUM TO THE PROGRAM FOR THE STATE VISIT TO THE UNITED STATE  
OF THEIR IMPERIAL MAJESTIES THE SHAHANSHAH OF IRAN AND THE SHAHBANOU

## Thursday, May 15

3:45 p.m.

His Imperial Majesty will meet with the  
Vice President at Blair House.

(originally scheduled for 4:30 p.m.)

## Friday, May 16

Add to the program:

4:30 p.m.

His Imperial Majesty will meet with  
The Honorable Robert S. McNamara, Presi-  
dent, International Bank for Reconstruction  
and Development, at Blair House.

\* \* \* \* \*



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Hair Dresser

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Warrant Officer Majid Azani  
In Charge of Aircraft

Warrant Officer Ali Akbar Mard-Maidan  
In Charge of Aircraft

Warrant Officer Mehdi Safari  
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Warrant Officer Saleh Mostafavi  
In Charge of Aircraft

Delegation -4-



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# background NOTES



## Iran

department of state \* July 1974

**OFFICIAL NAME:** Imperial Government of Iran

### GEOGRAPHY AND PEOPLE

Iran, located in southwestern Asia between the Caspian Sea and the Persian Gulf, shares borders with the U.S.S.R., Afghanistan, Pakistan, Iraq, and Turkey. It is larger than all nine countries of the European Economic Community.

The topography consists mainly of interior desert plains and highlands. These are surrounded by a rugged mountain rimland, 6,000-18,000 feet above sea level (almost one-half the

land area of Iran), which is dissected by deep valleys and gorges and a few plains areas.

Iran's climate is diversified, primarily because of its topography. Annual precipitation ranges from 40 inches along the Caspian Sea coast to less than 8 inches in the interior and the south. Winter temperatures are very low in the north but are warmer in the south. Summers are hot in all parts of Iran except at the highest elevations.

The distribution of Iran's population is strongly influenced by climate and geography. Most Iranians live in the north and northwest with the heaviest concentrations along the Caspian coast, in and around Tehran, and in the provinces of East and West Azerbaijan. About 70 percent of the country—mostly mountain and desert areas—is virtually uninhabited. A large-scale migration of Iranians from rural to urban areas, encouraged by Iran's rapid industrialization and modernization, has occurred. Almost half the

### PROFILE

#### Geography

**AREA:** 636,000 sq. mi. (slightly larger than Alaska). **CAPITAL:** Tehran—pop. 2.8 million (1973 est.). **OTHER CITIES:** Isfahan (540,000), Meshed (530,000), Tabriz (480,000), Shiraz (340,000), Abadan (300,000).

#### People

**POPULATION:** 32 million (1973 est.). **ANNUAL GROWTH RATE:** 3.2% (1973). **DENSITY:** 50 per sq. mi. **ETHNIC GROUPS:** Iranians (Persians), Kurds, Turkomans, Baluchis, Arabs, and Lur, Bakhtiari, and Qashqai tribes. **RELIGIONS:** Shi'a Sect of Islam (93%), Sunni Sect (5%). Small minority religious groups include Jews, Christians, Armenians, Assyrians, Bahais, Zoroastrians. **LANGUAGES:** Persian, Turki, Kurdish, Arabic, English, French. **LITERACY:** 30-40%. **LIFE EXPECTANCY:** 50 yrs.

#### Government

**TYPE:** Constitutional monarchy. **DATE OF CONSTITUTION:** 1906.

**BRANCHES:** *Executive*—Shah (Chief of State), Prime Minister (Head of Government). *Legislative*—bicameral Parliament; 268 member Majlis (Lower House), 60 member Senate (Upper House). *Judicial*—Supreme Court (appointed by Shah).

**POLITICAL PARTIES:** Iran Novin (New Iran—the governing party), Mardom (People). **SUFFRAGE:** Universal over 21. **POLITICAL SUBDIVISIONS:** 14 Provinces, 8 Governorates.

**FLAG:** Three horizontal bands—green, white, and red, with a sun rising over a lion brandishing a sword on the white band.

#### Economy

**GROSS NATIONAL PRODUCT (GNP):** \$26 billion (1973). **ANNUAL GROWTH RATE:** 48.2% (1973). **PER CAPITA INCOME:** \$1,242. **PER CAPITA GROWTH RATE:** 43.9%.

**AGRICULTURE:** *Land* 14%. *Labor* 37%. *Products*—wheat, barley, rice, sugar beets, cotton, dates, raisins, tea.

**INDUSTRY:** *Labor* 27%. *Products*—oil, petrochemicals, textiles, cement, food processing, steel, aluminum, metal fabricating, auto assembly.

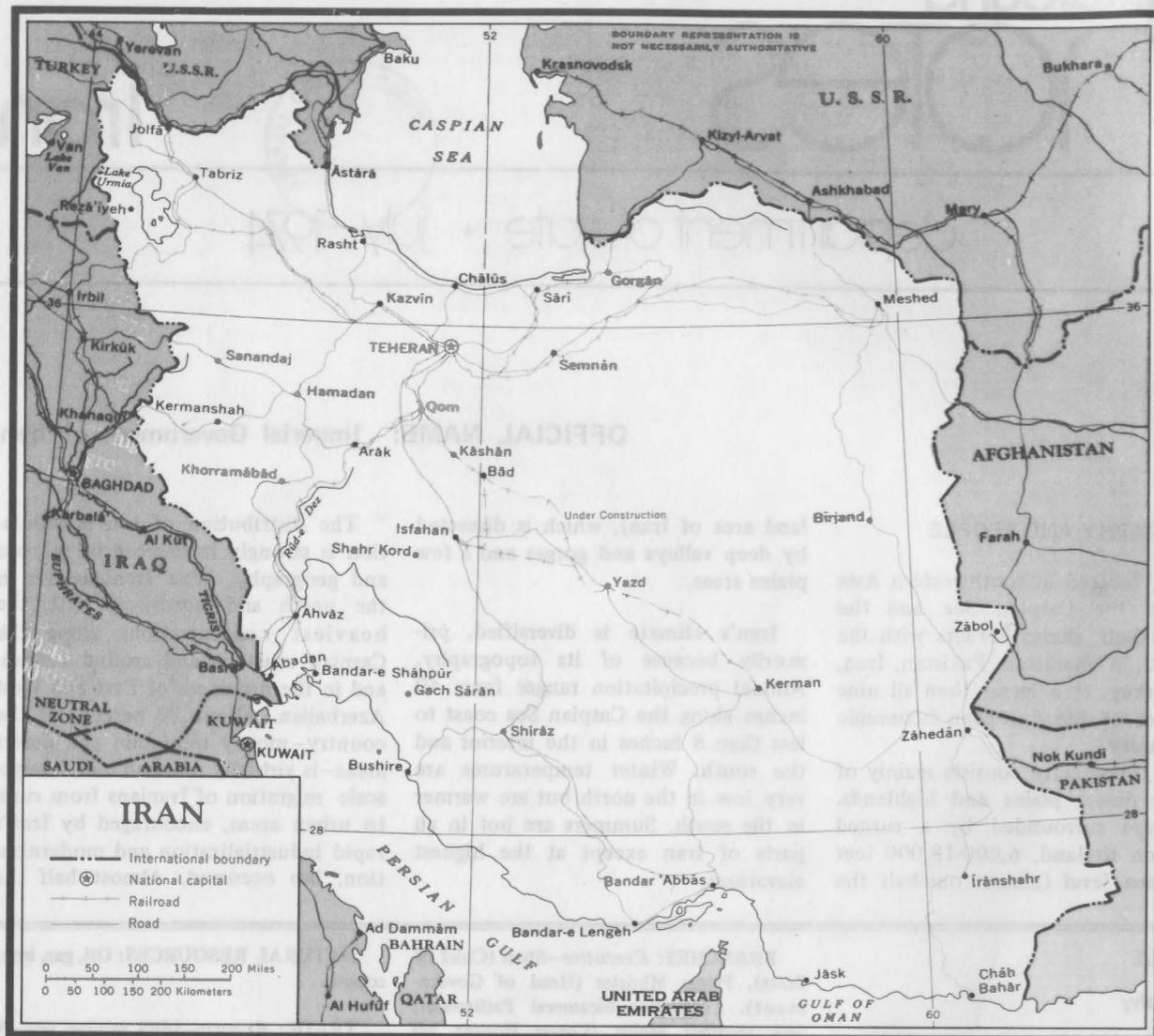
**NATURAL RESOURCES:** Oil, gas, iron, copper.

**TRADE:** *Exports*—\$649 million non-oil (1973); carpets, cotton, fruits, nuts, hides and leather, ores. *Partners*—West Germany, U.S., Japan, U.S.S.R., East Europe. *Imports*—\$3.4 billion non-military (1973); machinery, iron and steel products, chemicals, pharmaceuticals, electrical equipment. *Partners*—U.S., West Germany, U.K., Japan, U.S.S.R.

**OFFICIAL EXCHANGE RATE:** 67.60 rials=US\$1.

**ECONOMIC AID RECEIVED:** *Total*—\$2.8 billion (through 1971). *U.S. only*—\$1.1 billion.

**MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS:** U.N. and affiliated agencies, Central Treaty Organization (CENTO), Regional Cooperation for Development (RCD), Organization of Petroleum Exporting Countries (OPEC), International Atomic Energy Agency (IAEA), International Monetary Fund (IMF), International Bank for Reconstruction and Development (IBRD).



population now lives in urban areas. The population is extremely youthful with almost half under 15 years of age.

About two-thirds of Iran's people are ethnic Iranians who speak related Indo-European languages such as Persian, Kurdish, Gilanis, Mazandharanis, Baluchis, Lurs, and Bakhtiaris. About one-fourth of the population is composed of Turkic-speaking peoples, including Azerbaijanis, Turkomans, and Qashqais. Semitic Arabs, Armenians, Jews, and Assyrians constitute a smaller ethnic group. The 1966 census reported 642,000 nomadic tribesmen.

## HISTORY

Although Iran (historically known to the West as Persia) has been overrun frequently and has had its territorial

composition altered through the centuries, it must be counted among the world's more ancient nations. Invaded by Arabs, Seljuk Turks, Mongols, and others—and often caught up in the affairs of larger powers—Iran has always reasserted its national individuality and emerged from its times of trouble as a political and cultural entity.

Numerous dynasties have ruled Iran during its long history. Iran's first period of greatness was under the Achaemenians (559-330 B.C.), a dynasty founded by Cyrus the Great. After the Greek period (330-250 B.C.) came the Parthian (250 B.C. to A.D. 226) and the Sassanian (A.D. 226-651). The Arab Muslim conquest of Iran was followed by the conquests of the Seljuk Turks, the Mongols, and

Tamerlane. Iran underwent a revival under the Safavid Dynasty (1501-1736), whose most prominent figure was Shah Abbas. After the Conqueror Nadir Shah and his successors came the Qajar Dynasty (1795-1925), which was succeeded by the present Pahlavi Dynasty.

Iran's modern history began in 1906 with the convening of the first Majlis (Parliament) and the signing of Iran's constitution. In 1907 Great Britain and Russia agreed to divide Iran into zones for commercial development, sparking nationalist opposition. Oil was discovered in 1908 at Masjid-i-Suleiman. Struggles between constitutionalists and supporters of the Qajar Shah marked the years before World War I, and the nation was disrupted during the war when it

was a battlefield for British, Russian, and Turkish troops. In 1921 Reza Khan, an Iranian officer of the Persian Cossack Brigade, seized control of the government. In 1925 Reza Khan became Shah and ruled as Reza Shah Pahlavi for almost 16 years. During his reign Iran began to modernize, and the central government reasserted its authority over the tribes and the provinces. In September 1941, Reza Shah was forced to abdicate in favor of his son, the present Monarch, Shahanshah (King of Kings) Mohammad Reza Pahlavi.

During World War II Iran was a vital link in the Allied Supply Line for lend-lease supplies to the U.S.S.R. After the war, Soviet troops stationed in northwestern Iran not only refused to withdraw but backed Communist revolts which established pro-Soviet regimes in the northern regions of Azerbaijan and Kurdistan. Iranian Government actions, supported by the United Nations and the United States, resulted in Soviet withdrawal in 1946.

The ensuing period witnessed a growth of Iranian nationalism that culminated in the nationalization of the British-owned oil industry in March 1951. After a political crisis in 1953 and a subsequent period of political uncertainty, Iran initiated a series of economic, social, and administrative reforms in 1961. These were formalized in a national referendum in January 1963 and came to be known as Iran's White Revolution. The core of this program was land reform, widely considered to be one of the world's more successful.

The period since 1963 has been characterized by rapid modernization and economic growth, internal political stability, and a dynamic foreign policy that has elevated Iran to a leadership role in the region. Iran's success was symbolized by the coronation of the Shah in 1967 and the celebration of the 2,500th Anniversary of the Persian Empire in 1971.

## GOVERNMENT

Iran is a constitutional monarchy in which the Shah plays an active decisionmaking role. The Prime Minister

(Head of Government) and other Cabinet members are appointed by the Shah, with the approval of both Houses of Parliament, for terms determined by the Shah.

The bicameral Parliament is composed of a Majlis (Lower House) and a Senate (Upper House). Parliamentary elections are by direct popular vote every 4 years. At this time all 268 seats in the Majlis and half of the 60 seats in the Senate are filled (30 Senators are appointed by the Shah).

Iran's 14 provinces are administered by Governors-General and its 8 independent Governorates are under the authority of Principal Governors. These officials are appointed by the Shah. The administrative system and the judicial system resemble those of France more than they do British or American models.

The New Iran Party, founded in 1963, remained the majority party in Parliament as a result of the August 1971 elections. Under the Shah's leadership and with the support of the New Iran Party, the Government continues to be deeply committed to an ambitious program of economic, social, and administrative reforms, as well as to industrialization, modernization of other sectors of the economy, and modernization of Iran's defense forces. The opposition Mardom party supports the general goals of the Government.

## Principal Government Officials

Monarch—Shahanshah Mohammad Reza Pahlavi  
 Prime Minister—Amir Abbas Hoveyda  
 Chief, Supreme Commander's Staff—Gen. Gholam Reza Azhari  
 Finance and Economy Minister—Hushang Ansary  
 Foreign Minister—Abbas Ali Khalatbari  
 Interior Minister—Jamshid Amuzegar  
 Minister of State, Executive Director for Plan and Budget Organization—Abdol Majid Majidi  
 Ambassador to the U.S.—Ardeshir Zahedi  
 Ambassador to the U.N.—Fereydu Hoveyda

Iran maintains an Embassy in the United States at 3005 Massachusetts

Avenue, N.W., Washington, D.C. 20008. There are Consulates General at New York City, San Francisco, and Chicago.

## ECONOMY

Iran's modern economic development is one of the more successful in the world. Traditionally an agricultural country, it has achieved significant industrialization and general economic modernization and has one of the

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## TRAVEL NOTES

**Passage**—All incoming travelers must have a valid visa for the duration of their stay and an up-to-date international health certificate listing the required immunizations. Visas may be obtained from the Embassy of Iran in Washington or from one of the Iranian Consulates General in New York, San Francisco or Chicago.

**Currency**—There are no restrictions on bringing currency into Iran. The present exchange rate is 67.60 rials=US\$1.

**Transportation**—Tehran is well served by air with over 60 weekly international flights. Iranian Air, the only airline that operates within the country, has daily flights to Iran's major cities.

Comfortable train travel is possible to Tabriz, Meshed, Khorramshahr, and Shahi, near the Caspian resort town of Babolsar. Bus service connects all the major cities.

Taxis are plentiful in Tehran. Fares are determined by meters. Tipping is not expected. Cars can be rented daily with or without drivers.

**Communications**—Long distance telephone calls may be made from Tehran. A call to the U.S. is about \$17.00 for the first 3 minutes. The waiting period for a call to the U.S. varies from 2 to 6 hours. Cables, TELEX messages, night letters, and international mail also may be sent from Iran. Postage for an international airmail letter from New York City to Tehran is 26 cents per half ounce.

**Health**—Immunizations currently required for traveling to Iran are smallpox and cholera. (These requirements are subject to change.) Other recommended immunizations, especially for those who plan to stay in Iran for long periods, are tetanus, typhoid, typhus, and polio.

City water in Tehran is potable.

world's higher rates of economic growth. The economic boom which started in 1964-65 has not yet faltered, although some problem areas in the economy do exist.

As the world's second largest exporter of petroleum, Iran relies heavily on oil revenues to provide government income and foreign exchange. With the nationalization of the oil industry in 1951, these revenues were almost entirely lost. They were not restored until a settlement was concluded in 1954 with a consortium of international companies: U.S. (40 percent), British (40 percent), Dutch (14 percent), and French (6 percent). In 1957 the Iranian Government and the Italian state-owned oil company (ENI) signed the first joint venture oil agreement. In subsequent years a number of other joint venture agreements were signed with U.S. and other foreign partners by the National Iranian Oil Company (NIOC), largely for exploitation of offshore areas. Several of these areas have produced oil in commercial quantities, but in 1973 oil from the large consortium area still accounted for about 90 percent of total production. As a result of new arrangements reached between the member countries of the Organization of Petroleum

Exporting Countries (OPEC), including Iran, and the international oil companies in 1971 and 1972, Government revenue from oil production significantly increased. In 1973 the agreement of 1954 with the consortium was renegotiated. In May 1973 agreement was reached to replace the 1954 agreement with a long-term preferential sales contract: oil income in Iran was to reach approximately the level determined by the participation agreement signed in 1972 by other Persian Gulf oil producers. NIOC was to take over internal management responsibility within the agreement area with the consortium continuing technical operations under a service contract. NIOC also obtained increasing levels of crude oil for export. A December 1973 decision on prices made by Persian Gulf oil producers caused Iran's oil revenues to increase sharply again.

Iran's oil revenues, which were US\$89.6 million in 1955, were estimated at \$4 billion in 1973 and may reach \$16-18 billion in 1974. The government has devoted some 75 percent of these revenues to economic development, supplementing them with U.S. Agency for International Development (AID) funds (before 1968)

and loans from the Export-Import Bank, the International Bank for Reconstruction and Development (IBRD), other international financial institutions, and other countries.

The first comprehensive and systematic effort at development began in 1955 with the second development plan. Expenditures, however, soon outstripped revenue and by 1960 Iran was faced with a serious balance-of-payments problem and inflation. With the help of the International Monetary Fund (IMF), Iran launched a stabilization program in the early 1960's, and after a period of recession, the current economic upswing began in 1964.

During the third and fourth development plans (1962-66, 1967-73) the economy made remarkable progress. Between March 1965 and March 1973 Iran's gross national product (GNP) rose at an average annual rate in excess of 11 percent in constant money terms. Relative price stability was maintained during this period. The fourth development plan (1967-73) which called for \$6.9 billion in public expenditures and 9.4 percent annual growth rate, attained most of its major objectives and exceeded many. Public investment was concentrated in infrastructure and large basic industry projects, such as petrochemical plants, a steel mill, an aluminum factory, a gas pipeline to the U.S.S.R., and development of water resources emphasizing regional development in such promising areas as Khuzistan in the southwest and the Ghazvin Plain in central Iran.

Iran's fifth development plan (1973-78) initially called for a total development investment of \$36 billion, of which about two-thirds was to come from the public sector. Projected annual growth of 15.3 percent (11.4 percent in real terms) was expected to increase GNP to \$33.4 billion in 1978 or \$851 per capita. This plan is now being expanded significantly because of Iran's greatly increased oil income.

Government income from increasing levels of petroleum exports will provide the main fuel for the continuing boom. Industrial exports other than oil are expected to grow about 30 percent annually. By the end of the plan period, major projects to exploit

other natural resources should be making a growing contribution to the economy. These projects include the use of natural gas, through liquefied natural gas exports and petrochemical expansion, and copper ore. Increased emphasis in the fifth plan will be placed on agricultural development, which has lagged behind projections, labor intensive industry, social welfare, and other programs designed to pass a growing share of the benefits of Iran's progress to the mass of its people.

Iran has entered into many joint projects with firms from other countries which may involve investments of billions of dollars. The largest of these projects involves oil refineries, petrochemical plants, steel, and machine-building industries.

Recently, the strains of rapid growth have become apparent in rising inflation and high demand for skilled manpower. The agricultural sector has lagged in productivity, and several different modes of organizing the agricultural sector are being tried in an effort to replace traditional systems weakened or destroyed by land reform.

In 1973 U.S. exports to Iran totaled \$772 million. U.S. imports from Iran amounted to \$257 million.

## FOREIGN RELATIONS

In October 1955 Iran aligned itself with the West by joining the Baghdad Pact (now the Central Treaty Organization - CENTO), and it has maintained this posture despite considerable Soviet pressure. Iran's political and economic relations with Western

Europe have become closer since 1962, and a number of important trade and aid agreements have been signed.

After several years of strained relations marked by a vicious Soviet propaganda campaign, Soviet-Iranian relations took a more cordial turn in September 1962 when Iran relieved Soviet fears by declaring that it would not permit foreign missiles to be based on Iranian soil. Relations with the U.S.S.R. and East European countries are now normal and involve some economic assistance and an increasing amount of barter trade.

Iran has greatly expanded its diplomatic relations in recent years, establishing relations with the People's Republic of China, East Germany, North Korea, North Viet-Nam, and many non-Communist countries. Iran has improved its relations with most Arab states, particularly since the military withdrawal of the United Kingdom from areas in the Persian Gulf in 1971. Iran has made effective use of its oil wealth by loan assistance to other states, including Egypt, Syria, India, and other South Asian, Middle Eastern, and African states.

## U.S.—IRAN RELATIONS

U.S.-Iranian relations have been close for many years. The United States has sought to cooperate with Iran in maintaining its independence and in making social and economic progress.

As an observer in CENTO, the United States encourages Iran to work closely with other CENTO members

for regional security and to strengthen its economic and cultural ties with its regional CENTO partners. Since the British military withdrawal from the Persian Gulf in 1971, the United States has encouraged Iran to cooperate with Saudi Arabia and other Persian Gulf states for regional security. Under a 1959 treaty with Iran, the United States, in accordance with Constitutional provisions, will take appropriate action, including the use of armed forces, in case of aggression against Iran by a Communist state.

The United States has extended such assistance as sales of surplus agricultural commodities required by the Iranian supply situation, technical assistance for economic development, and military assistance. The U.S. AID Mission was closed on November 30, 1967 and U.S. military grant assistance has since also been terminated. The total U.S. economic development assistance to Iran is estimated at \$713 million since World War II. The United States still maintains a sizable Peace Corps contingent in Iran as well as an active program of educational and cultural exchanges.

## Principal U.S. Officials

Ambassador—Richard Helms  
Minister-Counselor—Jack C. Miklos  
Chief, U.S. Mission to Iranian Army and Military Assistance Advisory Group—Maj. Gen. Devol Brett, USAF

The U.S. Embassy in Iran is located at Ave. Takht-e-Jamshid and Roosevelt Avenue, Tehran.

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THE SHAHANSHAH AND THE SHAHBANOU OF IRAN

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The Shahanshah of Iran

Pronunciation: moe-HAH-mahd RAY-zah PAH-lah-vee  
Form of Address: Your Imperial Majesty  
Place Card: The Shahanshah of Iran

HER IMPERIAL MAJESTY FARAH PAHLAVI  
The Shahbanou of Iran

Pronunciation: FAH-rah PAH-lah-vee  
Form of Address: Your Imperial Majesty  
Place Card: The Shahbanou of Iran

HIS EXCELLENCY ABBAS ALI KHALATBARI  
Minister of Foreign Affairs of Iran

Pronunciation: ah-BAHS ah-LEE KAH-laht-bah-REE  
Form of Address: Your Excellency, Mr. Minister  
Place Card: The Minister of Foreign Affairs of Iran

HIS EXCELLENCY ARDESHIR ZAHEDI  
Ambassador of Iran

Pronunciation: are-deh-SHEER ZAH-heh-dee  
Form of Address: Your Excellency, Mr. Ambassador  
Place Card: The Ambassador of Iran

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Minister of Science and Higher Education

Pronunciation: AHB-dol-HO-sane SAH-mee  
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Lady-in-Waiting to Her Imperial Majesty

Pronunciation: DEE-buh  
Form of Address: Mrs. Diba  
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LT. GENERAL MOHSEN HASHEMI-NEJAD

Chief of the Military Household and General Military  
to His Imperial Majesty

Pronunciation: MOE-sen HAH-she-MEE - NEH-jahd  
Form of Address: General Hashemi-Nejad  
Place Card: General Hashemi-Nejad

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Grand Master of Ceremonies of His Imperial Majesty

Pronunciation: HORE-moze gah-REEB  
Form of Address: Your Excellency  
Place Card: H.E. Hormoz Gharib

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Chief of the Private Secretariat of Her Imperial Majesty

Pronunciation: kah-REEM PAH-sha bah-hah-door-REE  
Form of Address: Your Excellency  
Place Card: H.E. Karim Pasha Bahadori

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Pronunciation: ahb-DOLE kah-REEM ah-yah-DEE  
Form of Address: General Ayadi  
Place Card: General Ayadi

LT. GENERAL MANSOUR AFKHAM-EBRAHIMI

Military Aide to His Imperial Majesty

Pronunciation: MAHN-SOOHR AHF-ham - eh-BRAH-hee-mee  
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Place Card: General Afkham-Ebrahimi

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Place Card: H.E. Shojaedin Shafa

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President, Iran Air Lines

Pronunciation: AH-LEE moe-HAM-mad KAH-de-mee  
Form of Address: General Khademi  
Place Card: General Khademi

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Pronunciation: HOO-SHANG bat-MAN-gelich  
Form of Address: Your Excellency, Mr. Batmanghelitch  
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Pronunciation: KOH-kab MOE-uh-REFF-ee  
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Pronunciation: HEH-DYE-a-toe-la ZOL-fa-GAH-ree  
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THE HONORABLE HOSSEIN DANESHVAR  
Master of Ceremonies of the Imperial Court

Pronunciation: HOE-sane DAH-nesh-var  
Form of Address: Mr. Daneshvar, Sir  
Place Card: Mr. Daneshvar

THE HONORABLE MANOUTCHEHR SANEI  
Master of Ceremonies of the Imperial Court

Pronunciation: MAN-oo-chair SAH-ne-ee  
Form of Address: Mr. Sanei, Sir  
Place Card: Mr. Sanei

MR. KAMBIZ YAZDANPANA

Director General for Information of the Imperial Court

Pronunciation: kahm-BEEZ yahz-DAHN-pah-nah

Form of Address: Mr. Yazdanpanah

Place Card: Mr. Yazdanpanah

MR. ANOUSHIRAVAN SADIGH

Director of the Foreign Minister's Secretariat

Pronunciation: aw-oo-SHEER-a-van sah-DEEG

Form of Address: Mr. Sadigh

Place Card: Mr. Sadigh

GENERAL PARVIZ AMINI-AFSHAR

Pronunciation: PAR-veez AH-mee-NEE - AFF-shar

Form of Address: General Amini-Afshar

Place Card: General Amini-Afshar

COLONEL KIUMARS JAHANBINI

Pronunciation: kee-you-MARS jah-han-bee-NEE

Form of Address: Colonel Jahanbini

Place Card: Colonel Jahanbini

COLONEL EZATOLAH MALAKSHAHI

Pronunciation: ez-a-TOE-lah MAH-lak-SHA-hee

Form of Address: Colonel Malakshahi

Place Card: Colonel Malakshahi

MISS FERESHTEH DAFTARI

Pronunciation: fuh-RESH-teh dahf-TA-ree

Form of Address: Miss Daftari

Place Card: Miss Daftari

DEPARTMENT OF STATE  
Washington, D.C.  
OFFICE OF THE CHIEF OF PROTOCOL

THE STATE VISIT OF  
THEIR IMPERIAL MAJESTIES  
THE SHAHANSHAH OF IRAN AND THE SHAHBANOU

MISCELLANEOUS INFORMATION FOR USE BY HOST ORGANIZATIONS

NAME AND TITLE: His Imperial Majesty Mohammad Reza Pahlavi  
The Shahanshah of Iran  
  
Her Imperial Majesty Farah Pahlavi  
The Shahbanou of Iran

FORM OF ADDRESS  
IN CONVERSATION: Your Imperial Majesty

CORRESPONDENCE  
SALUTATION: Your Imperial Majesty

CORRESPONDENCE  
COMPLIMENTARY CLOSE: Respectfully yours,

ENVELOPE ADDRESS: His Imperial Majesty Mohammad Reza Pahlavi  
The Shahanshah of Iran  
Tehran

Her Imperial Majesty Farah Pahlavi  
The Shahbanou of Iran  
Tehran

Their Imperial Majesties  
The Shahanshah and the Shahbanou of Iran  
Tehran

"IN HONOR OF" LINES  
ON INVITATIONS:

In Honor of Their Imperial Majesties  
the Shahanshah of Iran and the  
Shahbanou

PLACE CARDS:

The Shahanshah of Iran  
  
The Shahbanou of Iran

NAME OF COUNTRY:

Iran

LANGUAGE:

His Imperial Majesty the Shahanshah  
of Iran speaks English, French and  
Persian (Farsi).

RELIGION:

Moslem

DIET:

Being of the Moslem faith, pork and  
shellfish should not be served.

BEVERAGES:

Alcoholic beverages may be served.

SMOKING:

His Imperial Majesty smokes  
occasionally.

SHAKING HANDS:

Upon being introduced, Their Imperial  
Majesties will shake hands.

TOASTS:

The first toast should be made by the  
host to His Imperial Majesty the  
Shahanshah of Iran.

Response will be made in a toast to  
the President of the United States.

Subsequent toasts, if any, may be made  
in declining order of precedence.

**NATIONAL ANTHEMS:**

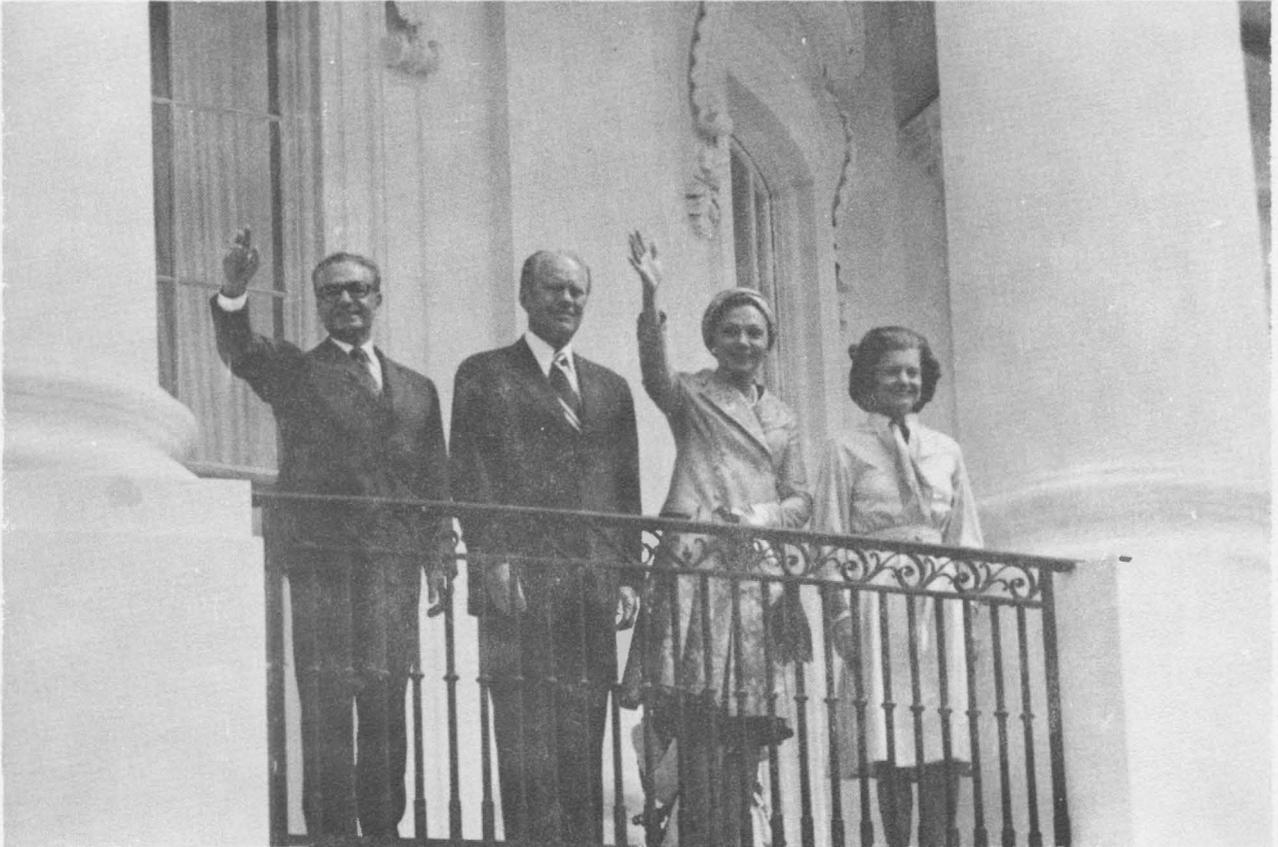
It is not recommended that the National Anthems of the United States and Iran be played unless the sponsoring organization is confident that the orchestra is able to play the Anthems very well. It is not necessary to play the Anthems at strictly social functions or at formal luncheons and dinners, as awkward situations and inconveniences may result. It is not the custom in Washington to play National Anthems at State Dinners. When the Anthems are played, it is customary to play the anthem of the visitor's country first and the anthem of the United States second.

**FLAGS:**

When the flags of the United States and Iran are used, consider the area where the flags are to be placed as the stage or focal point, then place the flag of the United States on the left as viewed from the audience and the flag of Iran on the right.



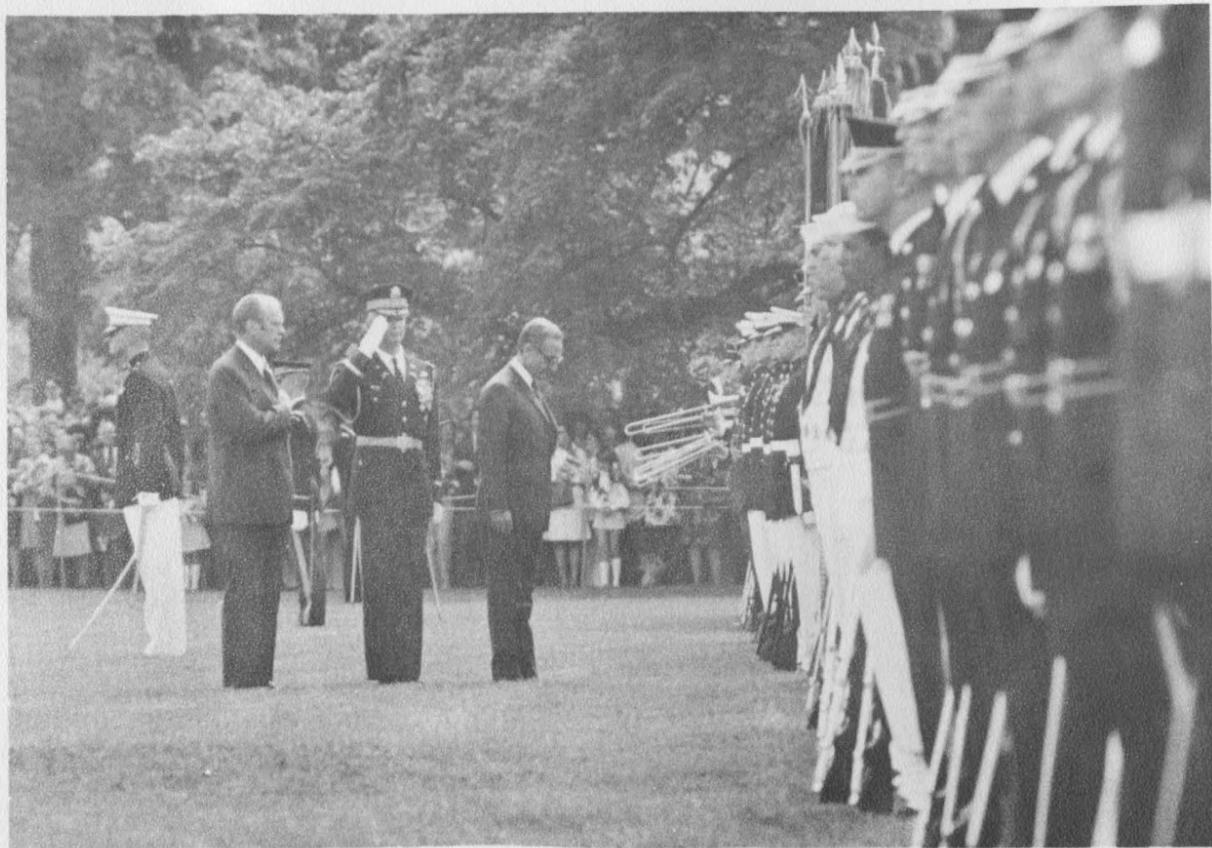
**WITH THE COMPLIMENTS**  
**OF THE**  
**EMBASSY OF IRAN**



*THE OFFICIAL VISIT*  
*of*  
*Their Imperial Majesties*  
**MOHAMMAD REZA PAHLAVI ARYAMEHR**  
**SHAHANSHAH OF IRAN**  
*and*  
**FARAH PAHLAVI**  
**SHAHBANOU OF IRAN**  
*To The*  
**UNITED STATES OF AMERICA**  
**May. 1975**







His Imperial Majesty and President Ford saluting the flag

The four-day state visit, from May 15 to May 18, 1975 of Their Imperial Majesties, the Shahanshah Aryamehr and Empress Farah at the invitation of the President of the United States and Mrs. Ford provided the two countries with the opportunity not only to reaffirm the long-standing and historic relationship of their leaders, but also the deep friendship which exists between the people themselves.

During the four-day state visit, the Shahanshah Aryamehr engaged in discussions with the President and high officials of the Administration.

The visit of Their Imperial Majesties is a further affirmation of the prominent position which Iran now occupies in world affairs. Under the leadership of His Imperial Majesty, the Shahanshah, Iran has met the challenges of the last two decades and has met them successfully. The nation has achieved many of her socio-economic goals in a comparatively short period of time and has maintained her political sovereignty. These achievements have given to Iran a world-wide prestige that few could have foreseen.



His Imperial Majesty with President Ford during welcoming ceremony

TEXT OF PRESIDENT FORD'S SPEECH OF WELCOME

It is an honor to welcome our distinguished guests, His Imperial Majesty, the Shahanshah of Iran, and Her Imperial Majesty, the Shahbanou, once again to our national capital.

The visit of Your Imperial Majesty reflects the cordial, personal and close governmental relations between the United States and Iran through many Administrations.

Ours is an old and tested friendship; it will continue to be so in the future.

Since Your Imperial Majesties last visited Washington, the world has seen many changes, but throughout this period, the United States' commitment to peace and progress for the world

has remained firm. Our commitment to a continuity of relations and constructive cooperation with friends such as Iran has remained constant even while the world has changed.

We continue to build on the longstanding foundations of our mutual interests and aspirations. The United States and Iran have expanded and intensified cooperation on many fronts. Together, we can create an example for others to follow in the new era of interdependence which lies ahead.

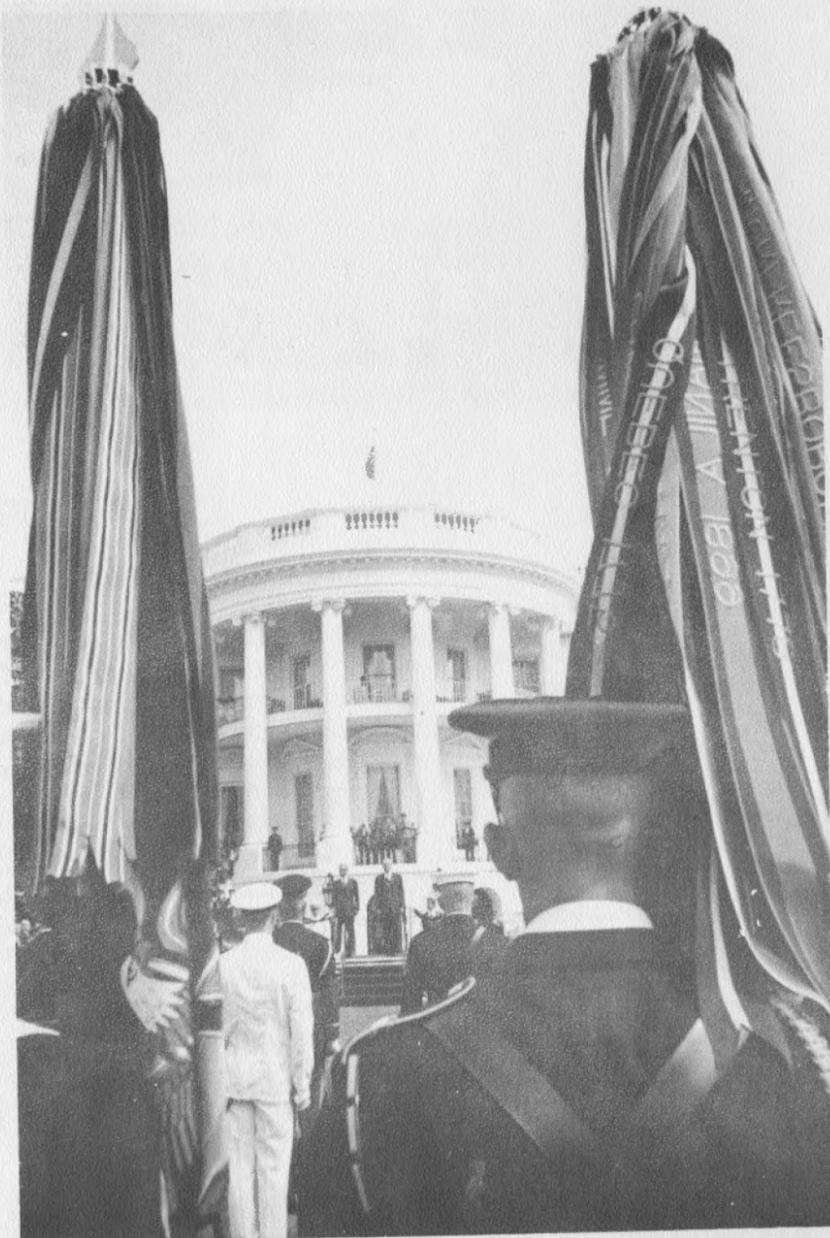
Iran is an amazing country - an ancient civilization that through the centuries, has retained its distinctive national identity and culture. In recent years, Iran has achieved remark-

able progress serving as a model of economic development. Its extraordinary achievements have been inspired by one of the world's senior statesmen, our distinguished visitor, His Imperial Majesty.

I look forward, Your Imperial Majesty, to the talks which we shall have during your visit, to review what has been accomplished by our two nations,

and to explore new dimensions for harmonizing the interests of our two nations, and increasing the cooperation between us in the cause of peace and prosperity for our two peoples and for the world.

On behalf of Mrs. Ford and the American people, and our Government, it is my pleasure to welcome Their Imperial Majesties to Washington.



His Imperial Majesty replying to President Ford's welcoming address during the arrival ceremonies.

**TEXT OF HIS IMPERIAL MAJESTY'S  
REPLY TO PRESIDENT FORD'S  
SPEECH OF WELCOME**

Mr. President, it is indeed an honor for the Shahbanou and myself for being the guests of President Ford and Mrs. Ford. This is not our first visit to your country -- it dates back a long time ago when, for the first time, I set foot on this land of the free and the brave.

Since that day, and even before, very solid relations of friendship existed between our two countries.

In the old days, we were looking to America as our friend and also the friend of all people who were striving for liberty and dignity. That feeling of my country towards yours and your people is today stronger than ever.

We would like to let you know that this friendship will never change on our part because it was based not on selfish interest, but more on the basis that we share common ideals.

I am sure that you will stand for those ideals as we will stand by them.

As you mentioned, Mr. President, the world is changing and very rapidly -- sometimes for the better, and sometimes, I hope not, for the worst. But in that changing world, those who remain faithful to the principles of human dignity and human liberties will have, in a spirit of interdependence, to try to, if necessary, create that new world.

The new world must not be created by just a succession of events, but it must be created by the good will of countries deciding to create that world on

a basis of more equality and justice.

My country will be alongside the United States in the creation of that new world. I am sure that during the privilege of my meetings with you, Mr. President, and the talks that we will have, we shall forge the way for this better world in the most harmonious possible way between our two countries.

I bring the greetings of the people of my country to the great people of America, wishing you the best of luck in ever more prosperity and happiness.

Thank you, Mr. President, for your very kind invitation.

TEXT OF PRESIDENT FORD'S SPEECH AT A DINNER GIVEN IN HONOR OF THEIR IMPERIAL MAJESTIES AT THE WHITE HOUSE, THURSDAY, MAY 15, 1975

Your Imperial Majesties, The Shahanshah and Shahbanou:

I warmly welcome Their Imperial Majesties to the White House this evening, and I am sure by the reception that has been indicated here that everybody joins me on this wonderful occasion.

Your visit is, of course, a tribute to the long legacy of a very close and a very cooperative tie between Iran and the United States, and I hope on the other hand, that you will think upon this as a visit between old friends.

I am the seventh President, Your Imperial Majesty, to have met with you on such an occasion. The facts speak volumes for the continuity and the duration of our bilateral relations and the importance that we attach to the broadening and the deepening of

those ties and those interests of peace and progress throughout the world.

These are objectives to which the United States remains deeply committed. These objectives Iran shares with us.

Our nations have thus brought together a very unique relationship working together cooperatively for the past several decades on the basis of a mutual respect, and I am looking forward to continuing this great tradition with yourself and this country and your country.

It is, as I see it, a living and a growing tradition. Recently our common bonds have acquired a new scope as Iran, under Your Imperial Majesty's wise leadership, has made extraordinary strides in its economic development and its relationships with other countries of its region and the world.

The progress that you have made serves as a superb model to nations everywhere. Iran has moved from a country once in need of aid to one which last year committed a substantial part of its Gross National Product to aiding less fortunate nations.

Iran is also playing a very leading role in what we hope will be a very successful effort to establish a more effective economic relationship between the oil producers, the industrialized nations and the developing nations.

As an indication of Iran's economic importance to the world scene, I am impressed that civilian, non-oil trade between the United States and Iran is expected to total over \$20 billion by 1980.

The present period will be seen by historians as a very major milestone in Iran's ancient

and very glorious history. The leader whose vision and dynamism has brought Iran to this stage, His Imperial Majesty, is clearly one of the great men of his generation, of his country, and of the world.

Just as Iran's role and potential goes far beyond its own border, so, too, His Imperial Majesty is one of the world's great statesmen. His experience of over 30 years as Iran's leader has been marked by dedication to progress and prosperity at home, and significant contributions to the cause of peace and cooperation abroad.

We deeply value our friendship and our ties with Iran, and we will remain strong in that friendship, and now, and for the future.

In an interdependent world, we remain deeply grateful for the constructive friendship of Iran, which is playing a very important role in pursuit of a more peaceful, stable, and very prosperous world, and we, for our part, remain constant in our friendship with this great country.

We pledge ourselves to insuring that our ties are creatively adjusted to meet the pressing problems and changing realities of the present world.

On a more personal note, let me add that Mrs. Ford and I have felt great pleasure in welcoming Her Imperial Majesty, the Shahbanou of Iran, on this visit. Your Imperial Majesty's dedication to progress within your country is widely known, as is your warmth and your beauty and your graciousness. Your presence is a high honor for us on this occasion.

Ladies and Gentlemen, I welcome our distinguished guests, Their Imperial Majesties, and I ask that you join me in proposing

a toast to Their Imperial Majesties, the Shahanshah and the Shahbanou of Iran.

TEXT OF HIS IMPERIAL MAJESTY'S REPLY TO PRESIDENT FORD

Mr. President, Mrs. Ford, distinguished guests:

It is difficult to find words to express our sentiments of gratitude for the warm welcome that you, Mr. President and Mrs. Ford, have reserved for us today.

I wanted to come to this country that I knew before to meet the President of this country, for whom we have developed, since he assumed this high office, a sentiment of respect for a man who is not shrinking in front of events; and may I congratulate you for the great leadership and the right decision that you took for your country, and may I add for all the peoples who want to live in freedom.

This is precisely what this world needs -- courage, dignity and love of the other human being. We are proud of being a good and, I believe, a trusted friend of the United States of America, and this will continue because this friendship is based on permanent and durable reasons -- these reasons being that we share the same philosophy of life, the same ideals, and I could not imagine another kind of living which would be worth living.

Your country has been of great help to us during our time of needs. This is something that we do not forget as what Iran can do in this changing world and this world of interdependency. In addition to our continuous friendship with you, we will try to be of new utility and help to other nations which would eventually need that help.

I have got to look to the future of the world -- with all the seriousness of the situation -- with hope because without it, it will be very difficult to work and to plan.

In that future, I know that we are going to walk together, work together, to uphold the ideals in which we believe, for a world which will be rid of its present difficulties, a world which will not know again the word of famine, illiteracy, sickness and diseases.

Thank you again, Mr. President, for the warm sentiments of friendship that you have shown towards my country and my people. I only can reciprocate the same feelings for yourself and the great people of the United States, and in doing so I would like to ask this distinguished audience to rise for a toast to the health of the President of the United States of America, of Mrs. Ford and the people of America.



Her Imperial Majesty and Mrs. Ford during the arrival ceremonies



Her Imperial Majesty receives delegation of representatives of American Black Colleges



His Imperial Majesty meets with President Ford



His Imperial Majesty proposing a toast during the State Dinner at the White House



President Ford during State Dinner at the White House

TEXT OF THE SECRETARY OF STATE'S  
WELCOMING ADDRESS AT A LUNCHEON  
GIVEN IN HONOR OF THEIR IMPERIAL  
MAJESTIES ON THURSDAY, MAY 15, 1975.

Your Imperial Majesties,  
the Chief Justice, Ladies and  
Gentlemen:

This evening at the White House, the President will speak for all of us in a formal toast but I want to take this opportunity to welcome Their Imperial Majesties who have visited the United States almost as often as I have. We have had many opportunities to exchange ideas with His Imperial Majesty. There are many countries with which we have close relations but there are only a few leaders in the world with whom it is possible to speak on the basis of a global policy and to understand all the relationships of security, economic progress and the necessity of good government. We have always attached the greatest importance to our friendship with Iran as a country and to the advice and counsel that we have received from His Majesty.

Five Presidents have welcomed His Majesty to this country and the progress of Iran in this period from when it was the first recipient of the Point 4 program to today when it conducts one of the largest programs of this kind in the world, is, or should be, an inspiration to many countries.

We always talk about the problems of the world and we always benefit from His Majesty's views about the problems of world development and therefore it is a special pleasure for me and for all of us to welcome Their Majesties to the United States. I would like to propose a toast

to Your Majesties and to the friendship between the United States and Iran.

Text of His Imperial Majesty's reply to the Secretary of State

Mr. Secretary of State, the Chief Justice, Your Excellencies, Ladies and Gentlemen, it is a pleasure indeed to be once again among good friends for this is what the American people have always been to our country.

As the Secretary of State has mentioned, our association has seen developments from the time that we were in a poor state of affairs and that, due to the Second World War and the occupation of our country by foreign troops, I am sure that you all know what foreign occupation means. We have had that experience for a few very dark years. A foreign occupation not only ruins your country in an economic way but it destroys the morale or morals, everything that represents your nationhood and your pride. I wish that this would not happen to any country but I must say to any country that does not want to be occupied -- there are some who pretend not to be willing to be occupied but do nothing about it. Until these days that our friendship has continued to grow, the responsibility of your country has also continued to grow and eventually our responsibility today is starting to be something of

importance.

To be able to keep those friendly relations but also to have the benefit of your wide world experience, we cherish the visits to the United States and the talks and contacts that we have with your leaders. In this case, it is two years now that I have a personal close relationship with the Secretary of State, a relationship based on mutual

respect, friendship and I might say comprehension of the problems.

Therefore, it is to thank the Secretary of State for his friendly remarks towards my country and myself and to wish the American people ever increasing prosperity that I would ask you to rise with me for a toast to the President of the United States of America.



Their Imperial Majesties on arrival in Washington

His Imperial Majesty and President Ford with H.E. Ardeshir Zahedi and White House staff



Her Imperial Majesty receiving an honorary degree from Georgetown University on Friday May 16, 1975

It is a great pleasure to be with you this afternoon on the campus of one of the world's outstanding universities. I want you to know that I fully realize that in bestowing this distinction upon me, Georgetown University has sought to equally honor the remarkable achievements of the government and the people of Iran.

I come here at a time when the world is in the process of accelerated change in every realm of idea, as well as in every field of action. Caught in this situation, most human societies are evolving into a new age of political, social, economic and cultural existence. Our epoch has even been characterized by some scholars as one of major crisis in which all the achievements of humanity are at stake.

In undergoing formidable changes, our world has also entered an era of interdependence among peoples and nations, to an extent never before witnessed in the entire course of human history. These growing bonds, in turn, make it imperative that we tackle the manifold problems facing us today in a spirit of cooperation.

We cannot embark on the process of building a new world without each individual becoming conscious of the stakes involved. Therefore, we are faced with an immense task of fostering education and knowledge. In this connection, the role that universities must play appears to be clear. A university can be the center of the intellectual endeavors necessary to create patterns of thought which will result in common action on the part of mankind. Georgetown University has always been in the forefront of such developments and I am sure that it will continue to remain a vibrant center of academic excellence.

Today we find that despite the crucial element of interdependence the world, nevertheless, continues to be plagued by enormous and manifold disparities. And this is as true at the international level, as at the domestic level. At the national level, one can cite the differences evident between the rural and urban areas; between the underprivileged and those enjoying a marked degree of affluence; between men and women; and between different generations. At the

international level, perhaps the most striking and potentially the most dangerous phenomenon of our epoch is the widening gap between the developed and the developing regions of the world. This has prompted a great contemporary historian to remark that we live on the same planet without being contemporaries.

Even a brief examination of the present world economic order is sufficient to reveal that a veritable chasm separates the developing countries from the advanced nations and that this process will lead, by the end of the century, to a wider gap between the rich and the poor countries.

It is therefore obvious that if the world is not to collapse and dissolve into anarchy, we will have to reaffirm and intensify efforts to achieve a more just and equitable economic order.

This idea of social justice both at the national and international level should constitute our first priority.

While I stress the importance of the material aspects of development, it is not my desire to minimize in any way the qualitative dimensions of life.

We would indeed be committing a serious blunder if the pursuit of our development goals were confined to the limits of the purely quantitative aspects. The spirit that moves within man and impels him ever forward to greater achievements cannot be contained so narrowly. And here let us draw upon a certain well known concept, by noting that what we need is not only the achievement of a higher gross national product (GNP). It is also necessary to work to optimize the "gross world happiness" (GWH). For behind the rumble of the dynamos and the clatter of the mills, we must listen and pay heed to a more important and persistent rhythm - the beating of human hearts.

Let me now turn to another of the contradictions of our time, namely the imbalance between the rural and the urban areas. Although differences between towns and villages have existed since time immemorial these contrasts have become progressively more accentuated since the advent of the industrial revolution. The result has been that today

even in some of the more advanced countries, the agricultural population is subject to various frustrations.

However, the problem is more acute in the developing nations, where the peasantry invariably represents the poorest part of the population.

Let us remember that the process of modernization often, at least initially, bypasses the rural regions. It is left to all of us then to do everything possible to redress this grave imbalance and to secure fairness for both the world's rural and urban regions.

Another area where gross inequities persist is in the status of women. The emancipation of women, in law as well as in fact, is the precondition for the enjoyment of equal opportunities with men. Unfortunately, many biases and faulty perceptions exist in this connection.

Since education has such a prime role to play in accelerating the process of emancipation, it is tragic to note that women are also discriminated against when it comes to educational opportunities. This is especially true when the sheer physical facilities in a country are inadequate or when the family budget cannot support the education of both boys and girls. Whenever the meager resources of a community or a family come under pressure, it is the woman who must bear the brunt of the resulting deprivation. Although such biases are prevalent throughout the world, they are most evident in the developing nations. An unfortunate result of this has been that of the estimated eight hundred million or so illiterate people in the world, the majority - roughly sixty percent -- are women.

But this is not all. Even the solid indispensable contributions that women make in the family context, as wives and mothers or as working citizens, are often completely ignored in national statistics.

Moreover, in many countries, women are virtually excluded from development planning and are not given the requisite support by way of modern methods to upgrade the quality of their work and their productivity. By thus assigning, at best, a marginal role for women in national economic development, a vital segment of human resources remains neglected.

In our view, the relative roles to be played by women and men should be such as to enable to family to adjust to economic, social and cultural changes, and to ensure the dignity and equality of both partners, thus helping to create conditions which are congenial for the healthy development of children.

This brings me to another problem of our time - that facing our youth.

It is true that the majority of the world's young people experience frustrations of one sort or another. But one should keep in mind that the problems confronting youth in the more affluent societies are different from those prevailing in the less developed countries.

On the one hand, the youth in the more advanced countries are basking in material comfort and their problem is perhaps more one of lack of participation in the mainstream of the decision-making process. This, one might say, is often the root cause of the alienation which the younger generation in these countries have displayed -- sometimes in rather vehement fashion.

On the other hand, the majority of the world's youth, located in underdeveloped countries, today seem to be suffering from a different problem. Their existence is a perpetual struggle to keep body and soul together.

The fact of the matter is that they have to be given the opportunity to identify with the development goals and activities of their countries.

Mr. President, ladies and gentlemen, taken together these enduring disparities contain within themselves the seeds of disruption and destruction of human values. This makes it all the more necessary to wage total war against poverty, ignorance, illiteracy and social injustice in order to expand knowledge and to promote a better standard of life for all humanity.

Thus, in developing countries, the development strategy must be so devised as to embrace the entire population and not just a few selected segments of it. Otherwise the enterprise is not

worthy of our effort. Two centuries ago, the father of modern economics, Adam Smith, had already emphasized this basic truth when he wrote "No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable."

Development, therefore, should be based on balanced economic planning conceived within a global framework, incorporating also the cultural traditions and needs of societies. And here, I am proud to say, this is the approach we Iranians have chosen to follow in our society.

Within the last twelve years, we have embarked on an unprecedented program of social, political and economic reform designed to transform the nation into a modern, progressive and equitable society. These fundamental reforms have four primary objectives: complete transformation of the rural sector; structuring the nation's industrial effort so as to ensure economic equity and social justice; preserving and protecting the balance between men and nature; and laying the groundwork for a democratic and just society where the attainment of individual dignity and liberty is the real ultimate goal of economic development.

To achieve these goals, a series of sweeping reforms have been introduced. I believe that the results of our efforts thus far demonstrate that we have embarked on the right path.

While advancing at a very swift pace, we are also fully aware of the possible adverse by-products of rapid development. The far-reaching changes obviously have a significant impact on the social fabric, and might create conflicts with traditional patterns of life. Hence, while being instrumental in eroding old imbalances, they might also create new ones. Thus, we have labored hard to ensure that while we gather the fruits of our efforts, we will at the same time attempt to avoid the pitfalls. It is for this reason that our Revolution draws inspiration from the permanence of our traditions and our national culture.

But we know that a tradition does not remain vibrant except through perpetual spiritual renaissance. We also are aware that without independence, territorial integrity and national sovereignty, no effort aimed at the radical uplifting of human conditions could be

expected to lead to a more just society and a more harmonious world order.

At the same time, we believe that in order to halt the drift of mankind into disaster, fundamental changes in the economic relations between nations are long overdue. We must stop the incredible waste of our planet's scarce resources and begin the process of redressing the balance in the one-way flow of real resources from the less developed to the rich countries.

In this regard, Iran has acted consistently. While rapidly enhancing the standard of living of its people, it has paid due regard to the problems of the developed, as well as the developing countries. But one should bear in mind that such efforts cannot continue in isolation. Other nations, and especially the leading industrialized countries must join ranks in understanding mankind's legitimate aspirations.

Humanity has, indeed, reached a very critical juncture in the course of its long history. For the first time, men are confronted with a basic choice between a planetary policy of survival and selfish, short-term goals which can only precipitate a general disarray.

We shall be able to avoid chaos only if both developed

and developing countries choose the course of reason, namely, cooperation with a view to building a world on the foundations of justice and equality.

It is, therefore, the duty of every nation and of every individual to take up this formidable challenge. And when we pause to reflect that the future of mankind hangs in the balance, we can really do no less.

Mr. President, ladies and gentlemen, on our part, we Iranians are aware that such understanding and cooperation cannot take place without welding together the main forces of the new social reality that is, people and knowledge. We have brought together, in our endeavors for development, all our people, men and women, old and young, farmers and industrial workers, scientists and laymen. We have combined the knowledge of modern science with the accumulated wisdom of our traditions.

It is in this spirit that I accept with pride and gratitude, as a representative of all my people, and on their behalf, this academic distinction which you have decided to confer on me.



Her Imperial Majesty receives a delegation from United States Girls' Colleges on Thursday May 15, 1975

HER IMPERIAL MAJESTY'S INTERVIEW  
WITH BARBARA WALTERS THE TODAY SHOW  
MAY 22, 1975

Barbara Walters:

The Empress of Iran, Farah Diba was a young Iranian student of architecture when she met the Shah. She became his third wife at the age of 21. Now 36, she and the Shah have four children, the Crown Prince who is 14, two daughters and another son.

She is also involved in all aspects of her country's domestic life, from new housing to schools for the blind, unwanted children, to philharmonic orchestras. She travels extensively to villages and solves as many problems as she can.

Barbara Walters:

It's a pleasure to see and talk with you again, Your Majesty. You are now Regent to the throne, which means that should your husband die before your eldest son, who is now 14, reaches the age of-- is it 20? Is that...

Her Imperial Majesty:

That's right.

Barbara Walters:

That you would rule Iran. I wonder how you're being trained for that? Do you go to school and do you sit in on foreign policy meetings? How is that being accomplished?

Her Imperial Majesty:

Of course, I hope that this will never happen. But one must think about it. But I won't be alone. There are all these people around me, the people who are working for Iran that will help me. And of course, after all these years, I have become familiar with the problems of our country. I've been very much involved in different activities. I see our Prime Minister; I see many of our ministers. I talk to my husband and he talks to me. So it is that kind of schooling.



Barbara Walters:

But if something did happen to your husband, are you totally knowledgeable, for example, about the oil situation? Would you be able to set prices?

Her Imperial Majesty:

Well, of course, I can't, not like that, because my husband is in a very particular position. After all his experience of 30 years, he is the one who knows more about oil and our economy than anyone else in our country, sometimes even more than the experts in the world. But if something like this happened, there are surely experts in every field, in economy, in oil, to decide.

Barbara Walters:

You have a staff of one hundred yourself and you get to meet with the Prime Minister; you're involved in medical and cultural, scientific aspects of your country, what do you spend most of your time on? What's your priority?

Her Imperial Majesty:

I think that my greatest priorities are the things that must be done now because in a few years it will be too late because some of the work we can have some time and do it later, but some other things must be seen as emergencies -- like our children, like education. Like the building of our country. I am very much interested in urbanism and in our environment. These are things that,

if we don't think about them today, it will be too late.

Barbara Walters:

Are you torn, as many women are, between your duties and your desire to be with your children.

Her Imperial Majesty:

Yes. This is a problem and I think it happens to all the women that have to take care of their family and at the same time have another responsibility. Because sometimes, really, I don't have as much time as I want to see my children and this makes me very guilty. I am torn because work will never finish. There is always more and more work every day. But the children grow up and one day maybe it's too late and you don't have this relationship that you should have with your children. But I try to explain to them that what we are doing is for the good of future children, for themselves, and there is so much to be done in our country. Some of the time they understand and some of the time they just can't.

Barbara Walters:

Your Majesty, can you cook?

Her Imperial Majesty:

No, unfortunately I can't cook. I wanted to be able to do it and I did a little bit of cooking when I was a Girl Scout, but this is because my mother never let me go into the kitchen. She said you have to go and play your piano and study. So, I am afraid I can't.

Barbara Walters:

Are you ever disturbed by the contrast between your own life style, with three palaces, your other homes, and the fact that there is still so much poverty in your country? Does it seem a conflict to you?

Her Imperial Majesty:

Of course it does. But it does not only for my own country but for the rest of the world. One cannot be indifferent to what is happening

in the whole world. And fortunately, in our country, we have the possibility to change, like we have changed many things. The reforms we have made for the last 12 years have been to raise the standard of living of our people. And I say to myself that one person in our position can give to many, either spiritually which is your love for the people, your care, your energy, your time but also materially. I think that the first one is more important. How much materially could I personally help? I do it for my conscience and maybe these people don't know about it. I have a huge budget from the Government in my Bureau and I help people on important national projects. But you know, the palaces, they are not so incredible. There are many beautiful palaces in the whole world which are much nicer than what we have. But it is the representation of a country. I mean, we have to have a proper, elegant place to receive our guests when they come from outside. And for us two rooms would be enough. I mean you have an office to work and a bedroom to sleep. The rest is just because you have to receive people; you have to have-- to give dinners and so on.

Barbara Walters:

While you have been in this country, a group called the Iranian Students Association has picketed the White House and here at Blair House and they have accused the Shah of being autocratic. They say Iran is a police state, that there are 35,000 political prisoners. What is your answer to that?

Her Imperial Majesty:

Well, you know, first of all 35,000, it's so easy to say a number. It's of course completely untrue. We don't have a place to put so many people at the same time. But these are of course for political reasons. The picketing they are doing is to make the American people maybe understand them, or to make them sympathetic to their cause. But the actual

thing behind it is a political reason. We are a free country, we are a monarchy, and most of these young people are communists. They are Marxists, so whatever we do they will be against Iran and our system.

And why all this is happening in our country which is more developed than any other countries which call themselves "revolutionary" or "socialistic" -- the programs we have in our country are more socialistic than some of the socialist countries. But these people, I mean, these communists, they don't want us to have these programs. And some of these young people unfortunately, because they're incited by foreign people, have started some kind of guerilla bombings, killing people. And these cannot be, in my point of view, political prisoners, if they are killing someone.

Barbara Walters:

If someone does disagree with the Shah's position, can he express criticism?

Her Imperial Majesty:

Well, it happens now the new system we have created is going to give a chance to all levels of our society to come into the party and to criticize different programs, or say this...

Barbara Walters:

To your political parties?

Her Imperial Majesty:

To our political parties, to our newspapers.

Barbara Walters:

You can criticize in the newspapers?

Her Imperial Majesty:

Yes, of course you can...

Barbara Walters:

They can criticize the Shah personally, or you?

Her Imperial Majesty:

Personally, of course they don't do it. I mean, they don't say that you are mistaken, but if they criticize the program or the organization, it's the same.

Barbara Walters:

Your Majesty, you and your husband have tried particularly hard to bring the women of Iran into the 20th century, and he has given you trust and power, yet recently in an interview with the Italian journalist Oriana Fallaci-- you're smiling-- you know what I'm going to say, I think-- your husband said "in a man's life, women count if they're beautiful and graceful and know how to stay feminine." And he went on talking about women "you may be equal in the eyes of the law but not in ability. Women have not produced anything great. Nothing." Would you comment, Your Majesty?

Her Imperial Majesty:

Yes, of course I admit that I didn't like it at all when I read this but my husband then later had an interview with Betty Friedan and he explained about it. And you know how Oriana Fallaci is and the way she tries to, you know, create a situation to make someone angry or to make someone say something like that. But I'm sure that this is not the way he really meant it. Because who has given this equal right to our women?

Barbara Walters:

Were you angry with him when he said it?

Her Imperial Majesty:

Of course I was.

Barbara Walters:

What did you say to your husband when he said this?

Her Imperial Majesty:

Well, I said, well, thank you very much. After all these years... But I mean, you know, one always expects to have a reward from

someone. Either it's the people or a friend, or your husband or someone. It is true that one works for what one believes in and you don't have to expect always thanks and rewards but as a human being always if someone tells you that you have done a good job, it gives you courage to continue. But really I was saying that it is he who has given us equal rights, who was able to do it and our women, of course, worked for it. But he did it because we have made those big reforms. In a country like ours, those are big changes to happen so simply and for people to accept it. And for instance, crowning me as an Empress, this is not just a personal feeling for me. It is something that he wanted to show the importance of women in Iran.

Barbara Walters:

You were the first Empress to be crowned.

Her Imperial Majesty:

Yes. And also appointing me as a Regent, when we were talking about-- these are all the signs, the positive signs that he doesn't mean that.

Barbara Walters:

Could you describe your husband for us, so that people see him through your eyes. We see him, you know, in parades and formal occasions.

Her Imperial Majesty:

Yes. And people really, sometimes do not see the other side of him. It's easy to say that but he always looks very serious in pictures. He has a wonderful smile, when people-- he's a very human, very simple-- people don't know that. Because a king, with his titles, living in a palace. But, for instance, for the dress he wears, he doesn't even care what he is wearing. You know, I have sometimes to tell him that he has to change his suit or he has to be careful. But really he doesn't care. And people will not believe me. They don't know this side of him. He is a person after all, with

all the experience of a person in his position has after 30 years. He is like a help and a strength for all of us.

Barbara Walters:

Your Majesty, while we talked of women's rights, there is an Iranian passport law that says that Iranian women cannot leave the country without their husband's permission.

Her Imperial Majesty:

Yes. This is not a new law, this is an old law. And this has created some problems. But this is something that, well, in our society and in our traditions, it's still a little bit difficult to change because people...

Barbara Walters:

You couldn't change it? You couldn't influence...

Her Imperial Majesty:

Just like that, it is not possible. People are afraid that it might ruin the family life. We shouldn't forget that it's only 12 years since we have had these changes. We're a very old country; we're a very religious country. We are an Islamic country. So, it's very easy for these people to say that Iran does not have the same laws that America has...

Barbara Walters:

We have a few laws I'll tell you about some day that we'd like to...

Her Imperial Majesty:

Yes, and it's not easy just to say that we can change it from one day to another. But we have done the most important, really effective things and these are things that should be changed.

Barbara Walters:

I thank you, Your Majesty, for your time. It's a pleasure to see you again and we welcome you to our country.

Her Imperial Majesty:

Thank you very much.

PRESS CONFERENCE OF HIS IMPERIAL MAJESTY THE SHAHANSHAH ARYAMEHR

WASHINGTON, MAY 1975

His Imperial Majesty: I would be very happy to answer any questions which you might have.

Q: Your Majesty, the American Government gave its blessings to your plan to aid Pan Am several months ago. Yet there is no final agreement. Can you tell us what is the reason and are you hopeful that you will get an agreement soon?

A: Well first of all, little things remain to be solved with Pan Am itself. But then we have got to have agreement of gas and then I think that there will be no more obstacles.

Q: Early in May, Your Majesty, what did you mean when you said that you wanted no American forces in the Gulf particularly in Bahrein. Can you say anything on this?

A: Well we have an expression that in Arabic they say "La Elaha Ellala" that means there is no God but God. We say in this expression that if you start to say only the beginning, it will mean there is no God. I said we want no American presence provided there is no other presence as well.

Q: Is there another presence Your Majesty?

A: Well they come and go.

This Iraqi port at Um Al Gasr, is it a Soviet facility?

A: The Iraqis say that it is not. And now we have an interest we wish to develop. This is that Iraq also shares our point of view that there should be some kind of security arrangement in the

Persian Gulf among the littoral states to prevent any local disturbance or threat as well as an outside threat. So this is quite important.

Q: How do you conceive, Your Majesty, the defense of the Persian Gulf? Do you conceive it as an Iranian responsibility or do you think it should be done from Saudi Arabia?

A: Well we obviously have always proposed that it should be a joint responsibility of all the littoral states of the Persian Gulf. It happens that our country is the largest one with 32 1/2 million people, but this doesn't mean that we want a privileged position. Everybody should participate with equal rights, but some countries are strong and some countries are less strong.

Q: Does Your Majesty foresee a Persian Gulf defense organization of any kind?

A: Eventually, we are not against that.

Q: No steps are being taken in that direction?

A: Well, we are starting the consultations. If the consultations lead to such an arrangement, that will not be against our policies.

Q: Will the consultations be with all of the Gulf States such as Iraq, Saudi Arabia, Oman and others?

A: It should be, yes.

Q: Your Majesty, your proposal for indexing the commodity prices was rather strongly turned down this week by the Secretary of State. Can you tell us if you have renewed discussions on that during your visit here?

A: Well yes, obviously. I won't insist on my proposal because it came from me, but the price of

oil should be indexed with something. If not to the index of 20 to 30 commodities, then to the world inflation index. It must be indexed with something anyway.

Q: Your Majesty, may I follow that up? You indicated that since the price of some other things were going up, it was quite possible that there would be an increase in oil prices in Sept. Can you anticipate the price rise that might come up?

A: How much, I could not say. But I would not be surprised if there would be an increase in the price of oil because, in fact, we have lost between 30 and 35 percent of our purchasing power lately because of world inflation. There are other reasons, too. The world monetary system is daily a little shakier and not very clear.

Q: I do not want to monopolize this, but do you think that oil prices will go up by that amount of 30 to 35 percent?

A: No, I do not think so.

Q: Your Majesty, when you were here last year, you were fairly gloomy about the fact that we have no conservation policy or program on oil. Are you still as gloomy?

A: Maybe you are consuming a little less, but because you are progressing and your industries developing, your consumption is increasing. As a matter of fact, you have been importing more oil than ever before. And I am afraid that you are producing about 9 million barrels a day. "About," I said. I do not want to try to be precise. Eventually you will have to import likewise. The question that I would like to stress is that you will have to find new sources of energy because oil unfortunately is a depleting one. It will be finished in 25 to 30 years' time. If we continue to exploit it at this present rate, the world will be faced all of a sudden in 25 years'

time with the possibility of having no access to energy. In the meantime, you will have to replace the energy generated by oil with other sources of energy and you have that capability in the United States. You have your coal mines with fantastic reserves. You have shale oil, and tar sand. The coal you can gasify and liquefy, and obviously you can develop your atomic energy and new sources of energy unknown to us such as fusion which is a fantastic field, solar energy or what you can get from the seas. And it is in our interest that the U.S. develops all these internal resources.

Q: Did you find any sympathy with your position when you talked with the members of the Congress?

A: Which position?

Q: That we ought to be conserving oil and exploiting alternative sources?

A: I think that nobody could really oppose this because it is in your interest to have access to new sources of energy.

Q: I did not mean opposing it but doing something about it.

A: You mean governmentally or privately?

Q: Government.

A: What is the status of the government in the prospection and exploitation of these resources? I am not very familiar with it. Can the government act or must the private people act?

Q: I think the government and our system create the climate for it.

A: Well I hope that this will come. I am not trying to take evasive measures. We have not discussed this in that light. But I think that there is no other way. There is no other way.

Q: Your Majesty, you have a joint Iranian-United States Commission which earlier this year, I believe, has discussed a very large agreement under which the United States might provide Iran with nuclear power stations. Can you tell us something about your discussions on this, whether you are about to buy some power stations for atomic energy?

A: Well, this is the follow-up of the discussions that we have had. We are planning to build power stations corresponding to 23 to 25,000 megawatts of energy electricity and between 8 to 10,000 megawatts will be certainly obtained from the U.S. and I think that your industries will be capable of providing these power stations in addition to what you need yourselves or to what other countries might order in the United States.

Q: Could you perhaps tell us about other development projects in Iran about which you have been discussing here?

A: In the atomic plan?

Q: Those to be considered by the U.S.-Iranian Commission. Have you reached any decisions on them during this visit?

A: No, we have not even talked about that because it is going on very smoothly. There is no obstacle. There is no problem.

Q: Your Majesty, while you have been in this country, world attention has been focused on the Gulf of Siam for most of the week. What is your opinion on the impact of this whole action and the American response in your part of the world as a whole?

A: Well, I should be asking you really this question. I think that this has been a very healthy development as far as people will

know that you can just accept things to a certain point and not beyond the point where not just your own dignity but the peace of the world will be threatened.

Q: Your Majesty, I would like to ask you if you favor the resumption of the Kissinger shuttle policy in the Middle East?

A: Personally, I was really upset when it failed and this I will evidently put the blame on the government of Israel because they have been hesitating and they have been eventually internally too weak to take a decision. They might regret not having been more cooperative during Dr. Kissinger's shuttle. Personally, I would obviously be in agreement with anything that could be fruitful to finding a solution. So if this could be done again, I would be very happy with it. Otherwise we have Geneva.

Q: When you said that Israel might regret not having cooperated with Kissinger, would you be referring to the danger of another war?

A: This is always an unfortunate and very grave possibility.

Q: I take it you do not feel much will happen at Geneva.

A: Well either that or we might have a decisive and final solution to all the problems at one time. Which might be good, at Geneva eventually.

Q: Your Majesty, there has been some concern about agreement with Iraq concerning the Kurds. I wonder if you can tell us how you see the consequences of that agreement benefiting your country?

A: Well not only benefiting my country, but benefiting our region because the Kurds, which belong to our stock and are of the same race

that we are..I don't say that because I am racist at all. This is the country, our country has never been racist. We have always been a haven for all people, different creeds, different religions. But they could not have resisted much longer. It would have been a prolonged massacre of people. And only it finished sooner, but we opened our doors to those who wanted to come somehow. Our doors are again open to those who wanted to return. And our old disputes with the Iraqis have been settled. Now we have the Iraqis cooperating with us in trying to keep the security of the region. I think that this is a very positive aspect of this agreement. There is no more bloodshed. No more Kurds are being killed, which is another positive aspect. I know that some people have said that we have sold them out or that we have stabbed them in the back, but this comes especially from people who have never done anything for the Kurds.

Q: Do you think this also helps to resolve the problem that Iraq is causing with Kuwait?

A: It might well if we have an agreement for the security of the Persian Gulf. That is an agreement that is going to embrace all the countries of the Persian Gulf.

Q: Your Majesty, what is the status of the agreement on cooperation on nuclear energy between Iran and the United States?

A: You know that we have signed a Nonproliferation Treaty. We were among the first countries to sign it. This is our policy. We have voted for all measures to be taken against proliferation. We have even proposed that our part of the world should be declared void of atomic weapons and this will be our policy.

Q: Your Majesty, what I meant was that there have been reports that

you will be purchasing nuclear plants from the U.S., but first there has to be an agreement between the two countries. I wonder what is the status of that and why it has not been signed yet?

A: Well, this follows the course of all the other items. If there are some small difficulties left, they will be ironed out. I don't see really any difficulty. If you mean that eventually there is a question of using the uranium for fabrication of the atomic bomb, this is not our policy at all.

Q: Your Majesty, in your discussions with Iraqi leaders, you have the impression that the door is perhaps open for better relations between Iraq and the United States?

A: Well, there are always such possibilities. This agreement paved the way for this or anyway a settlement of the Middle East situation will also pave the way for that. This is up to your government and the Iraqi government to decide. But certainly it is not going to hurt.

Q: In your talks with Mr. Schlesinger, have you discussed the purchase of Boeing 707s, Lockheeds and that kind of thing?

A: Well definitely, as long as there is not an agreement on world disarmament, our country like any other country which has decided to defend its integrity and sovereignty, we have to follow the pattern of all other countries which are doing the same things which maybe unfortunately arming themselves.

Q: Your Majesty, concerning the demonstrations in this country during your visit, I would like to know how you feel about these and specifically about being called a U.S. puppet?

A: Well it is up to you to decide whether I am your puppet or not, I don't think I am. We are not the puppet of anybody. Our relations with you are based on mutual respect and equality of rights and we could not have anything else but that.

Q: Your Majesty, when talking about your interest in military weapons you implied in general that it was only natural for your country to want to defend itself. I wonder if you could possibly be more specific about any specific weapons which you are interested in or about to buy.

A: We will buy what is needed for us and short of atomic weapons, we are going to have one of the most advanced armed forces in the world because it is needed and that includes everything except or short of the atomic weapons.

Q: Your Majesty, did you make any advance toward that goal on this visit? Did you get any Promises?

A: Oh, this is a continuous process. It is not a question of getting promises. I think it is to your advantage to sell. First of all, it helps your balance of payments, secondly, if we don't buy here, we will buy elsewhere.

Q: Any specific weapons?

A: Everything

Q: Your Majesty, against whom do you perceive these weapons might be used?

A: Well, that's a very delicate question. Why does the United States arm itself, why does France, why does England,

why does Germany, why does any other country in the world? You can't say that there is a specific enemy. I hope that we will never have an enemy. We don't want to create enemies. We will try our best always in diplomacy to win friends and to have no enemies at all. But you see when you are in a position of responsibility, you can't take any chances. Our country has had 3,000 years of written history. It is not going to end today. It must continue.

Q: Your Majesty, in view of your criticism, I take your criticism of Israel for not being more cooperative with the last round of negotiations, have you changed your view at all on permitting Iran's oil to be sold to Israel?

A: Not at all. It's not a question of our oil being sold to Israel. We are selling our oil to the oil countries. When it is loaded in a tanker, we don't mind and we don't care where it goes.

Q: Your Majesty, you say that Kurds are being killed. We have had press reports of at least 39 executions. There have been reports that Jalal Talabani of the left wing element of the Kurds are still playing in the hills. You should tell us what you know about such questions and ---

A: I don't think I do. I think the hills ..... As far as I know, Jalal Talabani is not in Iraq.

Q: Your Majesty, the last time you were here, you were comparing Iran as a world power to France on several occasions. Now you say you think that Iran has become one of the major world powers, if I understood you. How large an armed force do you foresee Iran having?

A: To meet any possible dangers that might arise, as I said, short of atomic war, because we are not going to be equipped with atomic weapons. So generally, those who are not equipped with atomic weapons need a little more in the way of conventional armies than those who have atomic weapons.

Q: Are you referring to atomic weapons, Your Majesty? That seems to be the in thing among..

A: Well, first of all we think that to use atomic weapons could eventually lead to the end of the world. You have to do it because there are atomic weapons in the world. But you too are trying to limit the atomic weapons. Look at SALT I, and maybe SALT II. Secondly, against whom do you want me to use my eventual atomic weapons? I couldn't use them against our northern neighbor. They would always have such a tremendous edge on us that we couldn't even be compared. For the rest, and any other possible danger, I think we could meet it with our conventional weapons.

Q: Sir, how far do you foresee your navy reaching out to protect the movement of your oil? Not only the Persian Gulf, or the Indian Ocean as well, to the Straits of the Red Sea, the Hormuz How far does it go?

A: It will go according to the importance of our country and to the situation in the Indian Ocean. If we have a security agreement there, our role will be more limited than it is now. As long as we do not have any such agreement in the Indian Ocean, our navy must expand and develop according to our trade and the importance of our country, as is true in the case of every other country. They develop their navies in accordance with their needs.

Q: Are you concerned about Eritrea and Berbera and the developments there, and the Soviet use of those ports?

A: We have also declared that our hope is eventually to see the Indian Ocean as a zone free from external clashes or presence. I don't know if this will happen or when it will happen but until that day, we have no choice but to assure the defense of our interests in the Indian Ocean. And I have got to remind you that our country, in less than ten years time, will have an import market of \$40 billion a year. Most of that will come to our southern ports and so can only come through the Indian Ocean or the Suez Canal. So you can see how much interest, vested interest we have in the security of the Indian Ocean and in free navigation through the Suez Canal, the Red Sea and the Arabian Sea.

Q: Your Majesty, what specifically do you think you have accomplished on this visit to Washington?

A: Well, as I said, we are fortunately such close and good relations that every visit is just a continuation of what already exists. Obviously, I think every time that there is another additional reason to believe that our relations have been strengthened still further.

Q: Have you detected, Your Majesty, any change or evolution in American policy in the Middle East?

A: That depends since when. I think that the older people in the Middle East would like to see America adopt an even-handed policy in the Middle East. And I think that you started on this course some time back. We believe that this is the only possible solution, for you to adopt such a policy. That will be in the interest of all, really.

Q: In your discussions here in the past several days, did you get the impression at all that policy is moving in that, toward that direction?

A: As I said, that policy was initiated some time back and I wish that it will continue.

Q: Your Majesty, let's return to the oil prices for a minute. There have been lots of discussions here about the fact that there's a glut in the world demand for oil, putting downward pressure on the price. What is going to happen and secondly, in the meeting in September you said, if I remember correctly, that you didn't expect the price to go up by 30 to 35%. Can you give us your estimate on this point?

A: With regard to your first question, the glut is more propoganda than reality. This came at the time of a very mild winter in Europe and at a time when all of those factories were not running because of strikes or some internal difficulties. As soon as this phase of the economy in some countries ends, there will be a renewal of activity and the consumption of oil will resume its normal trend. I hope that it will be less than before because that point was absolutely based on very cheap oil which was very unjust and unfair. Secondly, there will not be a glut because OPEC decided there would be rationing of oil if necessary and that an amount of oil equivalent to the needs of the world will be permitted to be extracted. And when you mention the price of oil, I would like to draw your attention to the fact that the price of oil must at least be equivalent to the cost of any other source of energy. There are reasons for this, one being that oil will be depleted in 25 to 30 years time. Secondly there is the fact that we get 70,000 derivatives from

oil. The added value of each derivative is something staggering. In some cases, it is maybe 100 times the price of a barrel of oil. So I think that, for these reasons, you have got to face the fact that the price of oil should correspond to the cost of any other source of energy. Thirdly, there should be no glut of oil. Fourthly, if all of these industrialized countries could put their houses in order and start working, you would for the present have a need to increase your consumption, at least until you could find or produce other sources of energy.

As to the percentage, I couldn't say at all. That must be discussed among the OPEC members taking into consideration everything, one of them being that we have got to be careful what effect the price of oil could eventually have on the developing countries or the poorer countries.

If we now look at the figures for Western Europe, oil has been responsible for 2% of their inflation. Their inflation is running at an average of 14% and they are selling their goods to us at 35% more, so not only are they not losing money on this but they are making money at our expense. Especially, they are making money at the expense of the poor and developing countries of the world. So, we have got to take all these things into consideration.

Q: In examining the impact of the price of oil on development, suppose you are forced to cut back your production, won't that have a severe effect on the development of your own country?

A: I don't know about severe but we wouldn't be in a position any longer to help others. In the first year of surplus oil revenues -- I don't know how wise we were but this is what we did -- we

contributed up to 7% of our GNP to help other countries. First regional countries like India, Pakistan, Egypt and some other countries of the region, then many African countries and we have even lent money to countries like France and the United Kingdom. But obviously even if we had the same revenue from oil, we could not continue to help because now we can use it. If we had to reduce our production, we would not be in a position to help others any more.

Q: There does not seem to be much appreciation of this point of view in your discussions with the President and Secretary Kissinger. Could you tell us if there was any progress made in terms of your ideas for indexing and for a system to keep the price of oil from rising?

A: As I said, I am not going to insist on my proposal for indexing on 20 to 30 commodities. This might be difficult and a very complex problem to pick up these 20 to 30 commodities. Their prices might fluctuate and it would be very difficult. So, I am not going to insist on that. But the price of oil must be indexed to something. This we will have to work out and both sides, the Americans' and ours, are for the resumption of the Paris talks, stalled just 2 to 3 weeks ago. We are for the resumption of those talks.

Q: Are you in favour of the resumption of these talks just to discuss energy or do you support the Algerian proposal for a commodity conference?

A: No, I think that even your people have accepted the idea and concept of discussing everything. Obviously there are things that could be discussed first. You cannot discuss everything at the same time and decide about everything on the

same day but the general principle of discussing the whole problem of the Third World and commodities has been accepted now.

Q: Your Majesty, do you find any sympathy at all here for your position on indexing?

A: Well, you could say yes and you could say no. But, as I told you, I am not going to insist on the question of indexing because if it is really too difficult, then I will accept any other solution which will keep our purchasing power. As a matter of fact I am only interested in that.

Q: Do you find sympathy for that idea?

A: Well at least they cannot tell me to my face that you have got to lose your purchasing power and we have got the right to increase our prices.

Q: Your development needs at home, will they include further major investments in the United States like the PanAm investment?

A: If we have the money, yes. As I said -- may be it is trivial but I will repeat what I said before. We are not interested in real estate or buying a restaurant in Las Vegas. I hope too that we could be of help to you. For instance, our investment in PanAm is not lucrative. In fact, we are even going to lose money, at least for the next couple of years. Why do we do it? First maybe it is sentimental. We would hate to see such an old established company as PanAm go down. It would really be a pity. Secondly, we can use their know-how and technical knowledge.

Q: To use in developing your own commercial aviation?

A: If necessary.

Q: Your Majesty, is there any possibility that PanAm would obtain fuel from your country at prices lower than at present?

A: I don't see why lower. But, if they could put their house in order, I think it could once again become a very competitive airline. We could eventually have some kind of arrangement for passengers and that kind of thing.

Q: Your Majesty, do you foresee your government going into joint oil ventures with other countries and other privately owned oil and gas producing companies throughout the world?

A: Yes, we might sign an agreement with ENI of Italy. We have signed an agreement for exploration of oil in the North Sea with the British. We have signed something with the Danes as well and our policy is to go downstream with all those who would like to have us. With Italy, we are going to go downstream, down to the pumping station. I would even like to go further, to be a partner in the petrochemical plants if they want us. So it must be a two-way street. We will allow them to come into our country and it is natural if we go into their country too.

Q: Might you also be interested in buying into TWA and having a merged airline?

A: The question hasn't really been raised. I don't think TWA is doing too badly but we might buy some of their planes which are idle on the ground. They have a few of those.

Q: Your Majesty, would you be interested in investing in New York City?

A: Are you the man who wrote that article? To own New York City would be a very appealing proposition.

Q: Your Majesty, we have spoken of Western borders. What are your relations with the new government of Afghanistan and how do you feel about what has taken place there?

A: It is a cardinal policy of my country to have the most fraternal ties with the Afghans. We are of the same stock, almost the same language and we have offered them credit for their development plans. We do whatever we can to be of help to their country which is landlocked. They need sympathy and comprehension.

Q: Your Majesty, you have mentioned a number of times that once things get back to economic order again, there will be a greater demand for oil. But it seems that these industries are in trouble because they cannot afford the oil and I wonder how one gets out of this cycle they seem to be in. What is your thinking on possibly trying to do things in concert.

A: I cannot really accept your views because you said that they cannot afford the price of oil. When they are selling their goods at 35% higher prices, they can afford the price of oil. They are making money even at that price.

Q: Your Majesty, under the new oil depletion allowance regulations that have been passed by the United States Congress, the small, independent and medium sized oil and gas companies which do the bulk of the drilling in the United States will be severely affected. Oil economists believe that these companies will run short of cash in the next year or two and that the domestic drilling will fall off. Last year for example, domestic drilling in the United States was down 5%. Should there be that kind of capital shortage,

and that kind of drilling response, do you believe that it will be possible that Iran will be interested in joint ventures with American oil and gas producing companies here in the United States?

A: Well, to be frank, I have never thought of that. I do not think that, we have yet been approached on that subject. If you have a general policy of being self-sufficient in energy, you will have to look into every aspect of the problem. You will have to ask what you have to do to be self-sufficient.

Q: It may be years before technology reaches the point where we have alternate sources of energy. In the meantime, our domestic consumption is up, our domestic drilling is down and we are reaching a point where oil economists feel in the next two years, our energy crisis will be far worse than it was last year.

A: Well eventually, you will either have to import more oil or you will have to give enough incentive to produce it locally.

Q: Your Majesty, I understand that after here, you will be stopping over in Paris. What will you be doing there?

A: Well, First of all I have reached an age that I have got to take a break in these long voyages, although we gain time going east. And I always stop in Paris. Coming over here I also stopped in Paris. But to be frank, stopping in Paris always gives me a chance to meet the French President with whom I have excellent personal and friendly relations and obviously we have many things to discuss with the French with whom we have very extensive trade relations now.

Q: Will it have to do with the resumption of the energy conference?

A: Probably, most likely.

Q: Your Majesty, you spoke very highly a few moments ago of President Ford's action in the Gulf of Siam. There is a contrary view, as you know, that what the President did was an indication of weakness on the part of the United States, that a truly mature, strong power would not have reacted in the manner that it did, sending in the Marines at very short notice. This was the spasm of a giant growing weak. Can you tell us why you do not accept that and why for you it represents the strength of American policy?

A: Well, first of all, when you are in a responsible position, you have got to act in that way. You cannot just act on speculation. This was a kind of self-inflicted punishment imposed on the United States by its people and also by those outsiders who thought that evacuating Viet-Nam or "letting down the South Vietnamese" was a sign of weakness on the part of the Americans. This called for a prompt, responsible response from the United States which is needed as a power in this world that you cannot fool with. This is why I said that action was necessary and I am very happy that you did it and I am very happy that it was so successful.

Q: Has the recent action by the United States given you greater confidence in the United States?

A: I have always had confidence in the United States. I am among those people who thought that what you did in Southeast Asia was the only thing to do, I mean when you decided to evacuate the place.

Q: Your Majesty, in the first statement since you had your meeting with President Ford, there was mention of a substantial increase in trade between Iran and the United States. Can you tell us what kind of things you

are likely to be buying from the United States this year. Do you have any rough figure in dollars?

A: Well, we have talked about \$15 billion in 5 years time and I think that it will be more than that. Probably about \$20 billion.

Q: Your Majesty, can you tell us about the state of your relations with Russia?

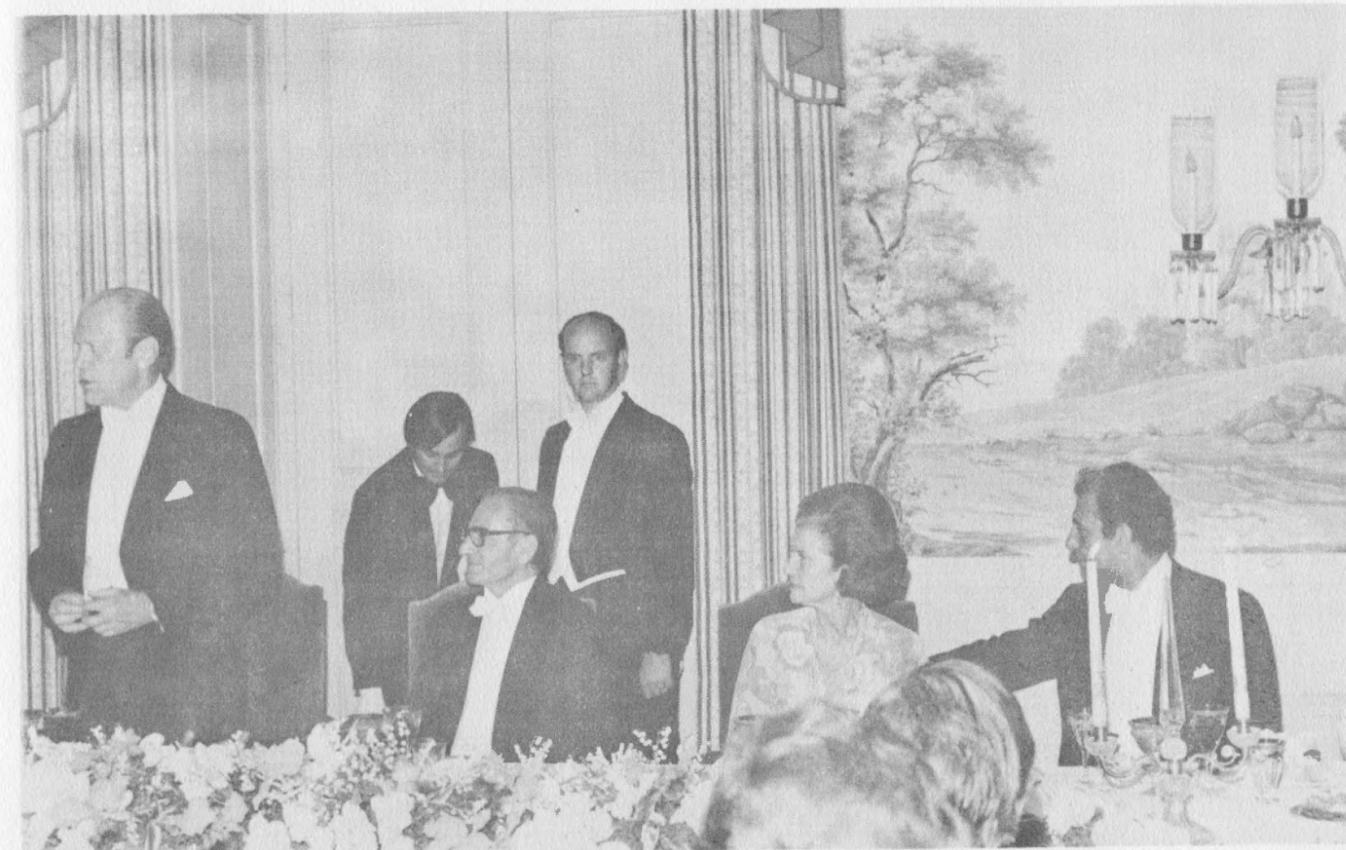
A: Excellent. As two neighborly countries having 2,500 kilometers of common borders, our relations with the Soviet Government are quite excellent. And our trade is augmenting every day and we even made a deal which is almost

unique. That is to swap gas. We deliver gas at our border. The Germans buy it at the Irano-Soviet border and it is swapped for Russian gas at the Czechoslovak border with the Federal Republic of Germany.

Thank you very much, Your Majesty



His Imperial Majesty with President Ford



Their Imperial Majesties with President and Mrs. Ford at Imperial Embassy of Iran reception

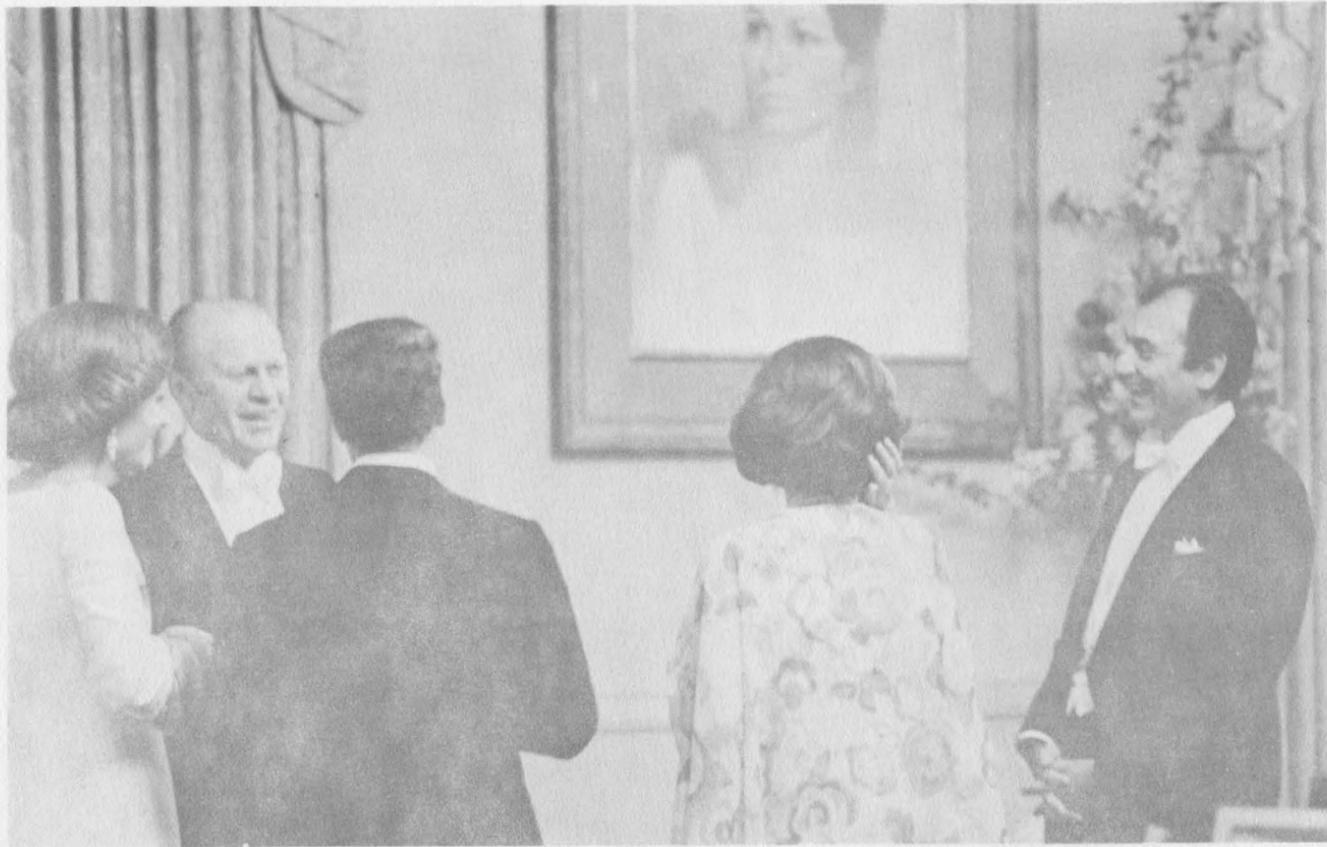
THE OFFICIAL RECEPTION OF THEIR IMPERIAL MAJESTIES THE SHAHANSHAH ARYAMEHR AND THE SHAHBANOU IN HONOR OF PRESIDENT AND MRS. FORD

The official reception of Their Imperial Majesties the Shahanshah Aryamehr and the Shahbanou in honor of President and Mrs. Ford on Friday, May 16, 1975 was held at 8:00 P.M. at the Imperial Embassy of Iran. Among Their Imperial Majesties' honored guests were the Chief Justice of the United States and Mrs. Burger, the Secretary of State and Mrs. Kissinger, the Dean of the Washington Diplomatic Corps and members of the United States Senate, White House and the media.

His Imperial Majesty called "for a toast to the health of the President of the United States of America and Mrs. Ford." The President then toasted Their

Imperial Majesties and cited the long standing mutual friendship of the two nations.

After dinner, Their Imperial Majesties and their guests were entertained by a group of Iranian musicians and dancers who performed the traditional dances and music from some of the various areas of Iran.



President and Mrs. Ford with Ambassador Ardeshir Zahedi  
at the Imperial Embassy of Iran



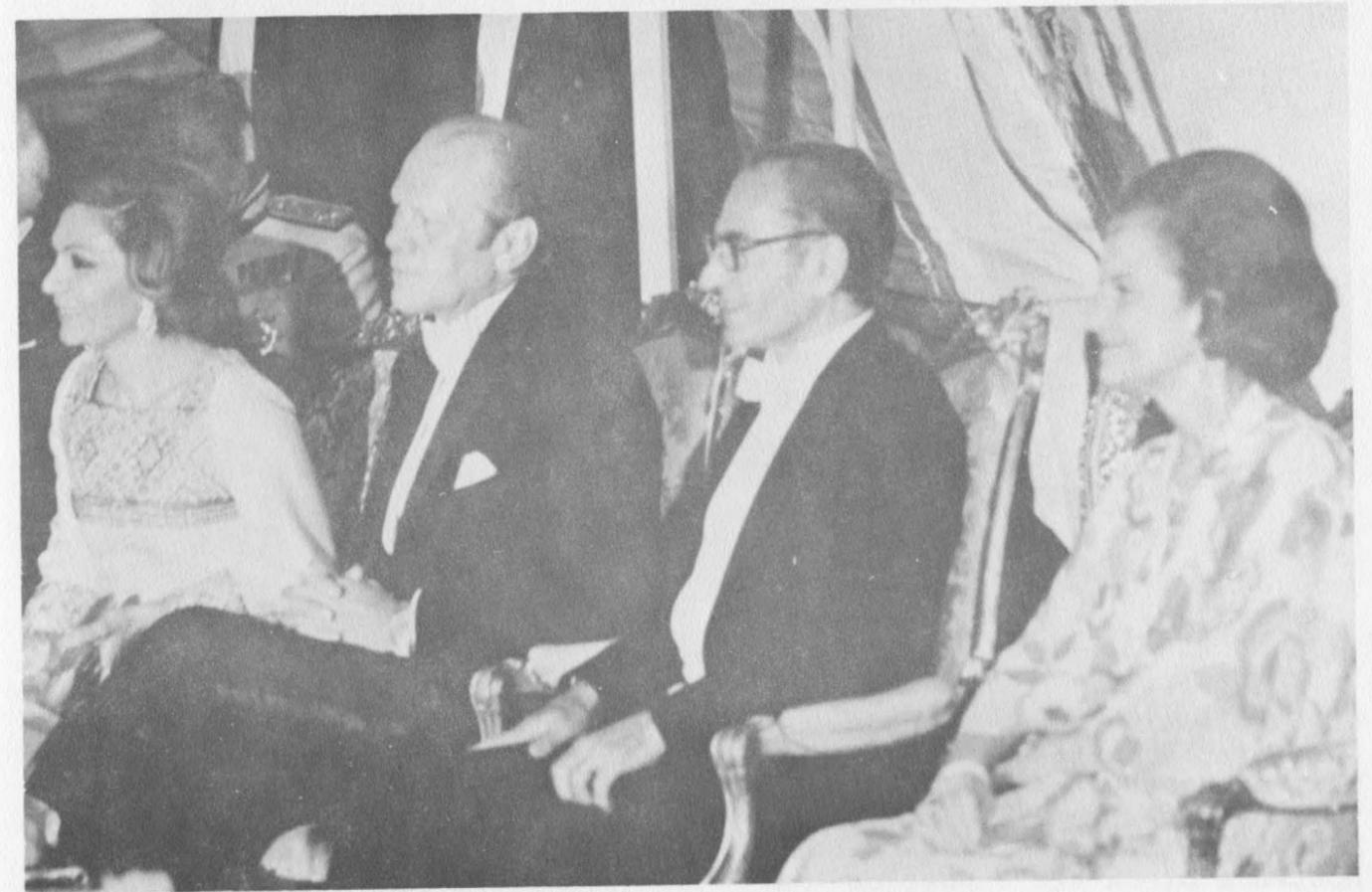
Her Imperial Majesty and Mrs. Ford as Ambassador Ardeshir Zahedi awaits



Their Imperial Majesties and President and Mrs. Ford in receiving line at the Imperial Embassy of Iran reception

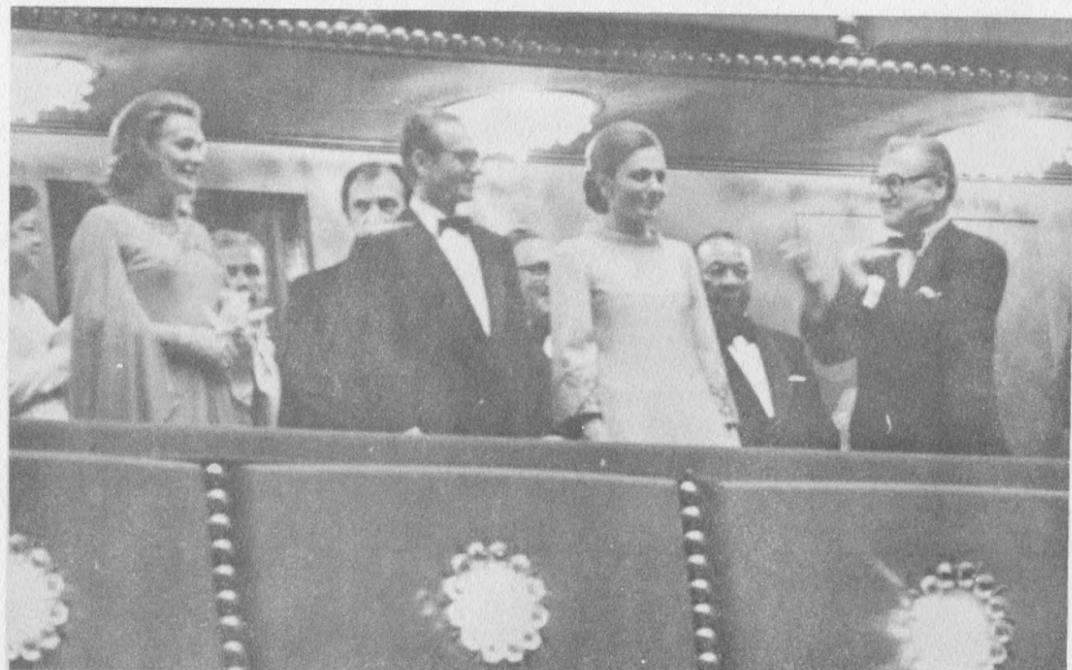


His Imperial Majesty and Ambassador Ardeshir Zahedi



Their Imperial Majesties with President and Mrs. Ford watch Iranian folk dancing during reception at Imperial Embassy of Iran

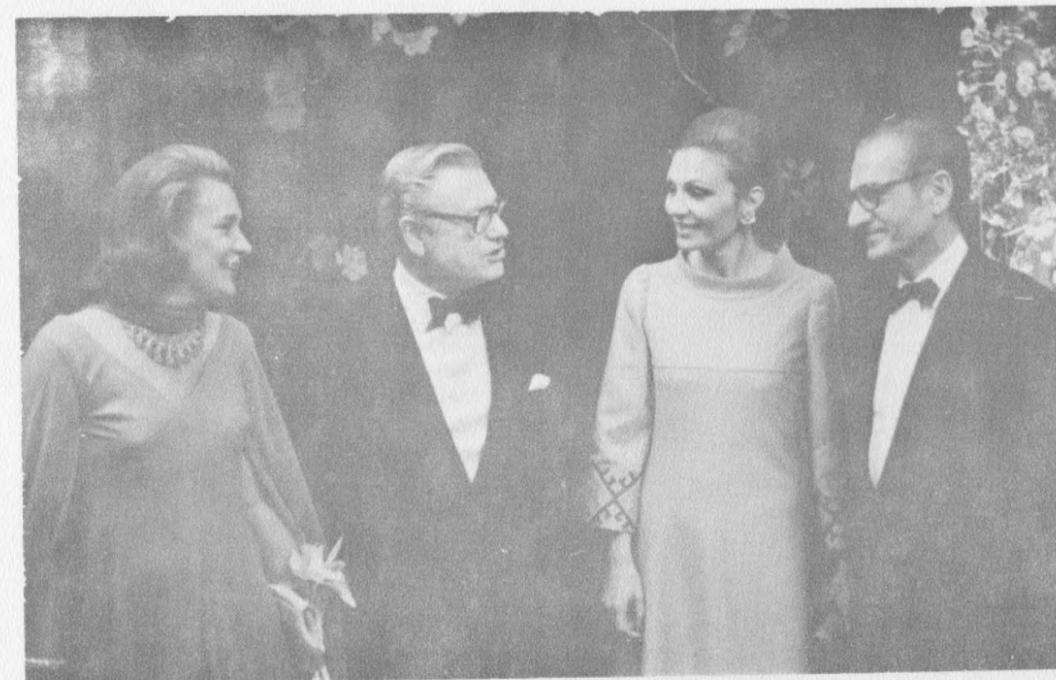
THE OFFICIAL RECEPTION OF THEIR  
IMPERIAL MAJESTIES THE SHAHANSHAH  
ARYAMEHR AND THE SHAHBANOU IN HONOR  
OF VICE-PRESIDENT AND MRS. ROCKEFELLER



Their Imperial Majesties with Vice President  
and Mrs. Rockefeller and Ambassador Ardeshir Zahedi

Following a superb perform-  
ance of the American Ballet  
Theater at the Kennedy Center,  
The Imperial Embassy of Iran, on  
behalf of Their Imperial Majesties,  
hosted a black tie dinner on the  
evening of May 17 in honor of Vice-  
President and Mrs. Rockefeller.

Representatives from all branches  
of the United States government,  
members of the diplomatic corps  
and prominent personalities from  
the fields of entertainment and  
journalism attended the gala ban-  
quet in the inner court of the  
Iranian Embassy.



Their Imperial Majesties with Vice President  
and Mrs. Rockefeller at the Kennedy Center



Their Imperial Majesties with Vice President  
and Mrs. Rockefeller at the Kennedy Center



His Imperial Majesty at the Imperial Embassy of Iran after Kennedy Center performance



Vice President Rockefeller with Ambassador Ardeshir Zahedi at the Kennedy Center



## MEET THE PRESS

Our guest today on MEET THE PRESS is His Imperial Majesty, the Shah of Iran, head of the world's oldest monarchy. The Shah is in this country on a State Visit. We will have the first questions now from Bill Monroe of NBC News.

Q: Your Majesty, many Americans appreciate the close political relationship between Iran and this country, but on the economic front you have been the leader in the creation of an international oil monopoly that has quintupled prices in three years. Yesterday, I believe, you were talking about raising oil prices again. Why shouldn't Americans look on Iran's activity in the oil cartel as the application of tough and unfriendly economic pressure?

A: Mr. Monroe, we have got to go back to eventually, 1947. In 1947 the posted price of oil in the Persian Gulf was \$2.17. In 1959, unilaterally, the price of oil

was brought down by the companies to \$1.79. In that period of time the prices of goods and commodities increased almost by 300 per cent. The price of \$1.79 stayed unchanged from 1959 to 1970. Again, during that period of time, the price of commodities went up and up. When the price of oil was fixed, it was obvious and natural that those oil producing countries, in some cases their only source of wealth, which is also a depleting one - as a matter of fact, if we continue to produce oil at this rate, in 25 to 30 years time it will be exhausted. They could not continue to see that - like their blood - their blood was sucked and they had to buy other people's commodities every year at a greater price. What happened was the normal, natural reaction of what was inflicted upon us by the so-called industrial countries of the world and we are only defending our interests and I can tell you that if the price of oil even

today, was not low, you would already have developed other sources of energy. Why aren't you doing something in that other field? You have not started to mine your coal mines. You are hesitant even in developing your atomic energy resources; in solar energy not much is being done, and so on. This is because there is no incentive in developing the other sources of energy.

Q: Sir, since the oil-producing countries have formed an oil cartel to apply concerted pressure to the consumer nations, would you not look on it as natural for the consumer nations to form a counter cartel in self-defence?

A: Well, a cartel is not really to blackmail you, or to put pressure on you. It is just to defend our interests.

Q: Why?

A: Since the increase in the price of oil, this has been responsible for only 2 per cent of the industrial nations inflation. I am not talking about Western Europe. The average inflation in Western Europe was about 14 per cent in 1974. They sold their goods to us at about 75 per cent more in price. So, as a matter of fact, not only were they not losing; they were even gaining money. That is why most of these countries have built up once more their gold reserves or foreign exchange reserves to even sometimes more than the level when we raised the price of oil. These are old figures that I am quoting from Western sources. So it is not a cartel directed against them, it is just to defend our interests. But if you try to form the same cartel, nobody could say anything about it, but that would lead to confrontation. You cannot afford confrontation and we do not want confrontation. What we want is a dialogue and probably this is going to be resumed.

Lawrence Spivak:

You have just met Bill Monroe of NBC News. The other questioners on our panel today are Robert Keatley of the Wall Street Journal; Joseph Kraft of Field Newspapers Syndicate; and Carl T. Rowan of the Chicago Daily News. We will continue the questions now with Mr. Keatley.

Q: Your Highness, do you expect the price of oil to go up again this year and if so, by how much?

A: We have lost about 35 per cent of our purchasing power, Mr. Keatley, because of world inflation, first; the very shaky world monetary situation and also the loss of the purchasing power of the dollar, because we are paid in dollars. At the last session of OPEC, we had decided to give the world a chance to curb their inflation, to check it, to put their house in order and to start to work and not just to strike. That period will be terminated in September, so in September we are going to meet again and decide what to do. The facts are that we have lost 35 per cent of our purchasing power.

Q: Does that mean you want a 35 per cent increase in oil prices?

A: Probably not. Probably this would be all of a sudden too much of an impact. But be sure that we are going to defend our interests.

Q: There is much talk about a consumer-producer conference to discuss oil matters. What useful results can come from that conference?

A: If all of us understood that eventually we need a new world, a new order, based a little more on justice and cooperation and the concept that the world is indivisible. You cannot be happy if the rest are not only not happy, but miserable. And on the other side, to forget the past even if that past was sometimes a bitter past.

Also they should know that if they want to progress and develop they need the help of the industrial countries. I have often said and always repeat that we do not want the destruction of the old world; we need that world in order to develop. The only thing is what system must be devised for the new cooperation needed between the rich and the poor; the developed and the undeveloped.

Moderator: Mr. Kraft.

Q: Your Majesty, I would like to shift the questions from the price of oil and your revenues to the question of your expenditures. A lot of your critics say that Iran is chiefly interested in national prestige and to some extent, personal prestige of the ruler and that is why you're spending so much money for military purposes and that is why you're buying famous companies like Pan American and that is why you're spreading your influence around in the Middle East and India and that is why you have to keep raising the price of oil over and over again because there is no limit on that kind of prestige. What do you say to those comments?

A: Well, knowing myself, I take these things not very seriously. Because why do I want that prestige, to achieve what? If I need prestige, it's to achieve a greater sense of security, happiness, progress for my country. I can do it without that kind of prestige.

Q: Let's look at the military side. I think your defense expenditures have increased by something like 2000% in the last ten years. What is the threat that calls for that kind of an increase.

A: Well, I wish I could be very frank on these subjects. We have had three thousand years of written history and we are not going to lose our independence today because we

have a tomorrow even more thrilling than our past. And that tomorrow is not in conquest of land but in establishing a society which we hope will be flourishing in every way, that will be a society which will not be copied from others. It will be based on our proper judgement and our genius and anyway you will see what we are going to do. The question is that I cannot debate openly under threats that we believe can eventually happen. But we cannot even permit an eventuality to happen. What is the use of regretting later that if we had forecast it and prepared ourselves, this would not have happened. We would have been in control of the situation. What we are doing is exactly what a sovereign country does for what it thinks is needed for its defense, the United States, the Soviet Union, say China, France, England, Germany. You can only ask me this question in the light of this question being asked of those countries.

Q: Your Majesty, some Indian officials have said that the increase in oil prices set back India's development by 25 years. We know that last year the poor countries suffered a crippling foreign exchange deficit of \$26 billion. In the face of this, how can you ask for another increase in oil prices.

A: First of all, this has got nothing to do with my views on India. We are friends. With its 600 million people, India uses maybe 16 to 17 million tons of oil. Take the Netherlands with 12 million people, they are using more than 30 million tons of oil. In addition to this, we are furnishing some part of the oil consumption of India and we are subsidizing it. We are taking only a portion of the price of the oil and the rest will be paid over the years. Our help

to India will be over 1 billion dollars, the same to Pakistan, the same to Egypt, the same to some other countries of the Middle East. We have even extended credit up to \$200 million to Indonesia in order to make a fertilizer plant. We are helping many African countries. The first year we had some accidents in our revenues and I think for the first time in the history of a country, we have contributed up to 7% of our GNP in aid or credits to outside countries or even to the advanced countries of the world like England and France. But why don't you also envisage that we have to buy wheat at four times the price. We used to buy vegetable oil for much less than \$100 a ton. We bought it up to \$1,200 last year. We used to buy sugar for \$60 or even less just a few years back. The price of sugar went up to \$1,700 last year. These kinds of questions are completely one-sided. Just to see whether the price of oil is expensive, I will ask you this question once more. If it is expensive, you would have already found new substitutes for this sort of energy.

Q: Well, Your Majesty, you are aware that in the face of worries about Japan and Italy going Communist, even of France, both the Secretary of State and the President of the United States have made comments to the effect that the industrialized countries might resort to force if they are faced with economic strangulation and that is force to take petroleum. Are you at all worried about the prospect of this?

A: Not at all because strangulation would happen if the source of supply were cut. The supply is not cut. And I will remind you of one thing. They buy this oil at this price. The French Government's taxes on oil bring

in a revenue for their Treasury on a barrel of oil superior to what we get for that depleting source of oil for our country. And these are official figures. I am not just saying things like this. Their economy has flourished since the increase in the price of oil because they pay, I mean it counts for only 2% in their inflation and they are selling their goods for 35% more. Japan in the last year has recovered and is doing very well again. Look at Germany which is doing very, very well indeed with an inflation of 7% and a reserve of gold and foreign exchange worth \$40 billion.

Q: Your Majesty, in an interview last year, you were reported as saying that in 25 years, Iran would be the 5th largest world power and that your achievements will be what you can contribute to civilization. What is it you would like to contribute to civilization?

A: Maybe I was referring to our own civilization. Our society will be based on very high moral and social justice inclinations. The wages and the revenues of every individual will be enough to cover their expenses. Many of their expenses will be subsidized by the State. Studies will be free until the end of the university level and more if necessary. We will provide food even for the children during their school hours. Every kind of insurance will be taken care of, everything that could happen to them during their lives. So that from the moment that they are born until the moment that they die, they are covered by various kinds of insurance, by measures taken by the government or by society to provide them with the most decent kind of life that is possible. But all this will be within the

framework of human and personal liberty and freedom and not just to put them in a box and put a label on them and say that now you are declared happy people. No they will also have to work for their happiness, to contribute to their happiness and to feel their happiness because they have worked for it.

Q: Your Majesty, in the light of what you have just been saying, what is your answer to the charges that have been made in the American Press that you have a secret police organization, that it is ruthless in suppressing political opposition, that there are some 40,000 political prisoners in Iran and that hundreds of political opponents have been killed and tortured to death. How do you answer those charges?

A: Well, these charges are not only in the American Press. We see that in many places and obviously it is very easy for me to say that this is purely Communistic propaganda that has reached the ear of some and also has been printed. First of all, we don't even have 3,000 political -- not political prisoners because they are all terrorists. They openly say that they are Marxists. Some of them say that they are Islamic Marxists. So you can see what they are. They have killed people. At random they have come out in the streets with machine guns, with hand grenades. They have machine-gunned everything and they have even killed children, 2 and 3 and 5 years old. And the people went after them, simple people, taxi drivers, street sweepers. In disgust they have run after them and some of these poor people have been cut down to pieces by those terrorists. We are not going to allow that in our country. If you like it or not, this is our country and our society and our society is not going to put up with terrorists. As I say, it is not a question of being

political opponents. They are just Marxists who, knowing that they have no place in our society, they cannot sell their ideas. We are taking measures and steps which in some cases are far more advanced than some socialist countries of Western Europe. They have nothing to give to our people. This is why they resort to terroristic activities. So you can believe me when I say that we don't have even three thousand people in gaol. This is the truth and a terrorist should not expect better treatment than they get in my country. We are not going to put up with those people.

A: Well, that's funny. The same people were saying that the pro-Government party was the "yes" party and the Opposition Party was the "of course" party. On the contrary, everybody is in this party. Do you know that there are 6,700 candidates for our future elections in three months time. For each constituency, the party will present 2, 3, 4, even five people; five candidates to the people. The people can choose. This is really how the maximum freedom is starting in our country. They can choose, they can pick out among the people those whom they like or they trust. And you can believe this, that the majority of our people believe in what is now the fundamental principles of this political party.



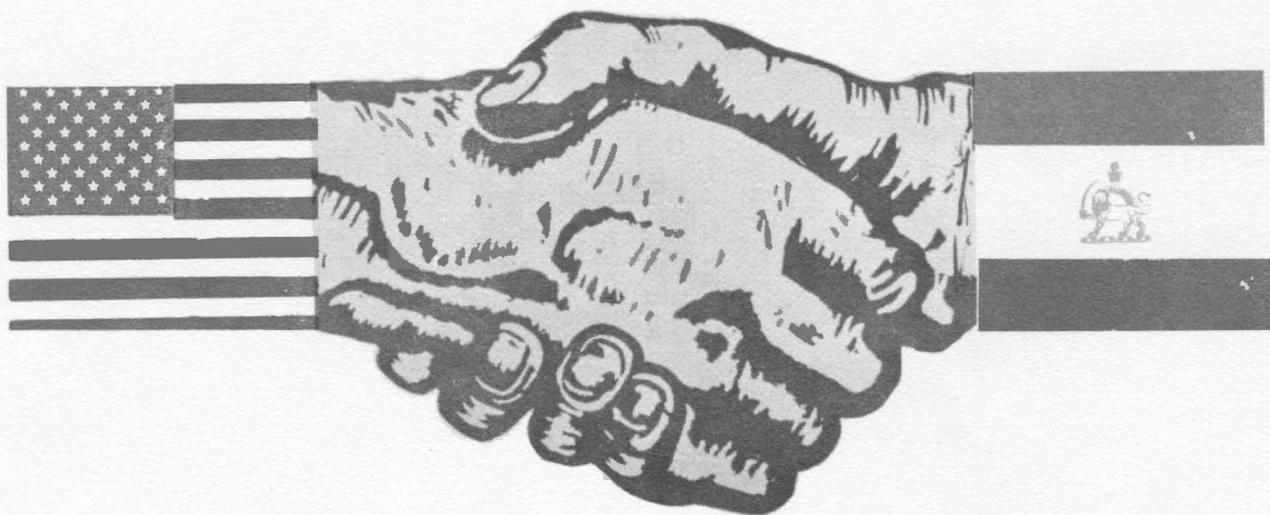
IMPERIAL EMBASSY OF IRAN  
WASHINGTON, D. C.

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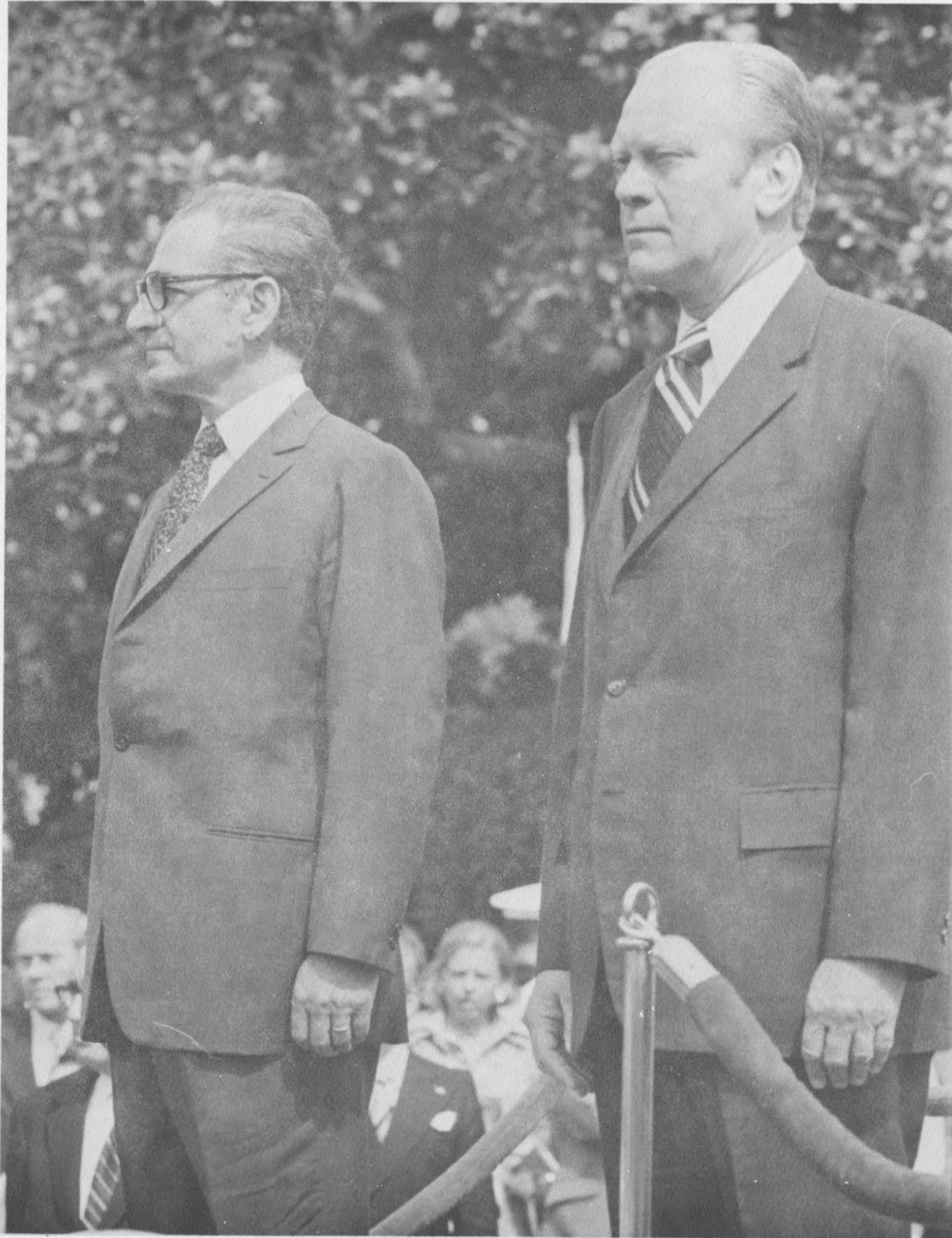


*THE OFFICIAL VISIT*  
*Of*  
*Their Imperial Majesties*  
**MOHAMMAD REZA PAHLAVI ARYAMEHR**  
**SHAHANSHAH OF IRAN**  
*and*  
**FARAH PAHLAVI**  
**SHAHBANOU OF IRAN**  
*TO The*  
**UNITED STATES OF AMERICA**  
**May .1975**





The Royal Family

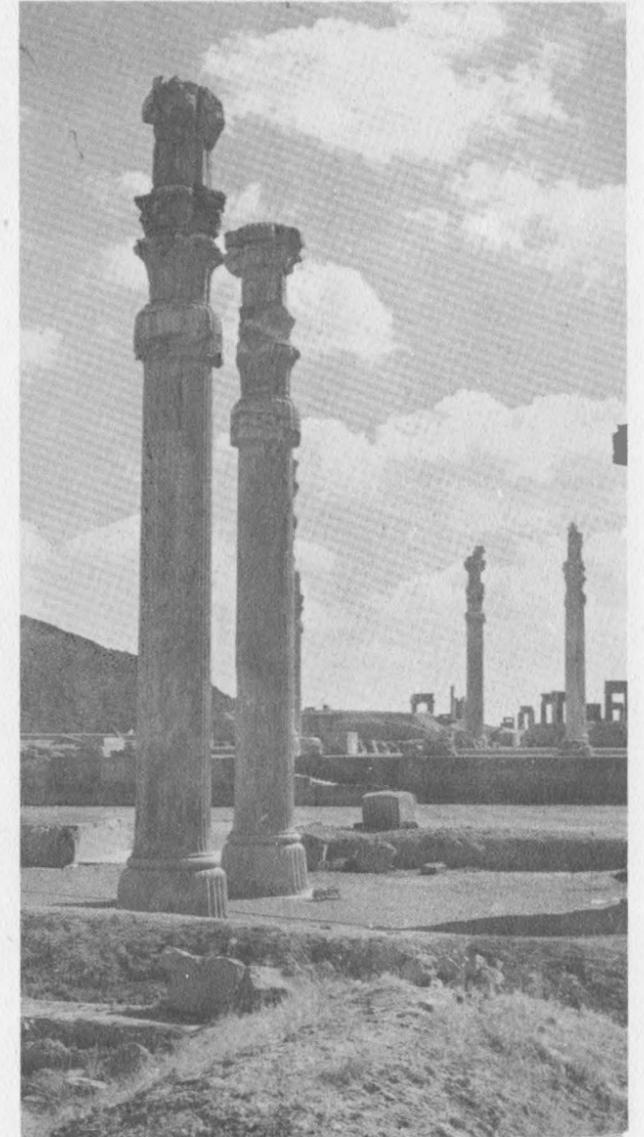


His Imperial Majesty and President Ford during welcoming ceremonies at the White House

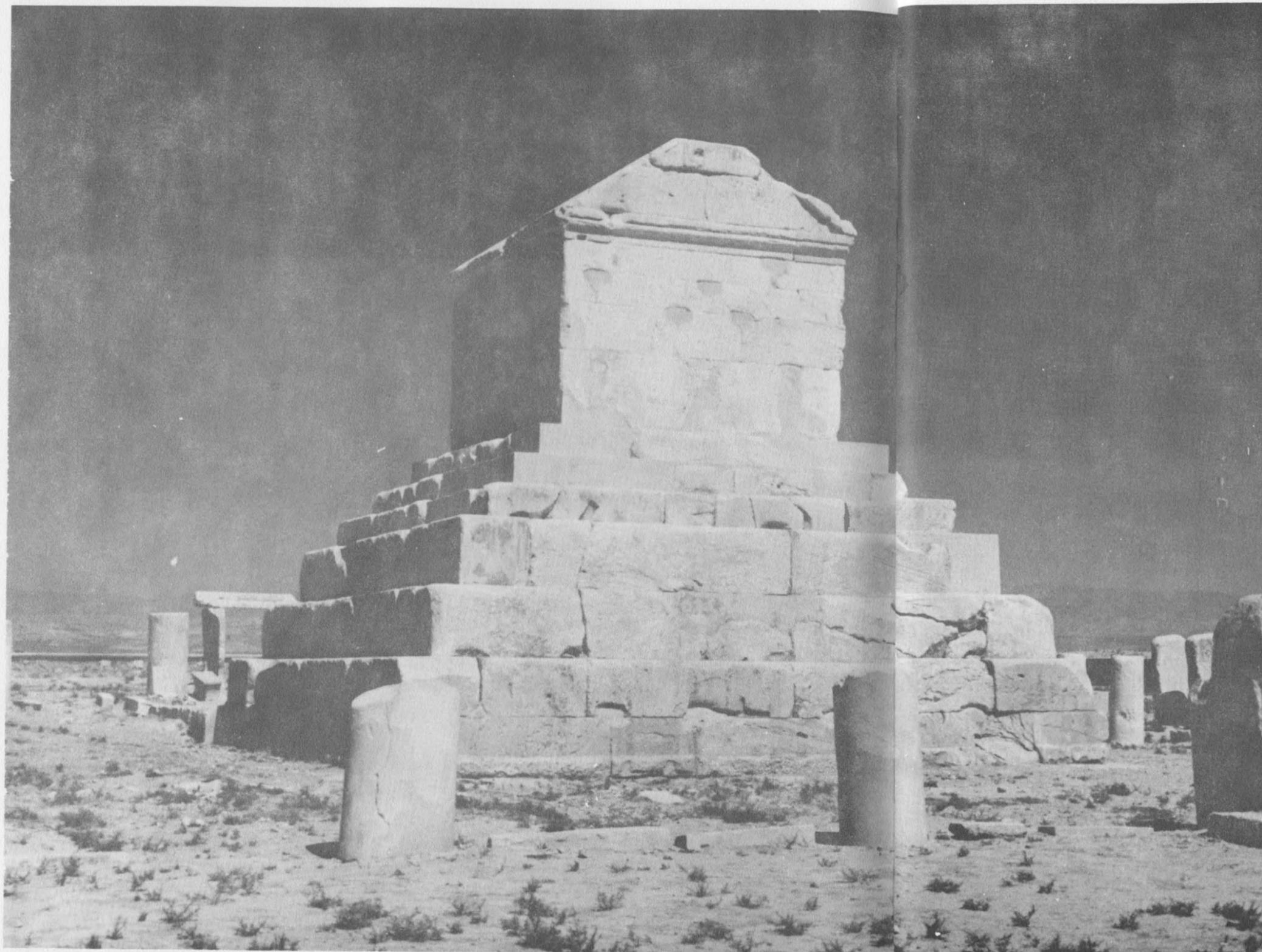
## THE MONARCHY AND THE REVOLUTION OF THE SHAH AND THE PEOPLE

In 1971, the people of Iran celebrated the 2500th anniversary of the founding of the Persian Empire by Cyrus the Great. The monarchy of Iran, since that time, has seen many changes and challenges. But since the time of Cyrus, the Shahanshah - the King of Kings, the traditional and official title of the sovereigns of Iran - has always personified the national unity and integrity of the country. The Iranian nation has always made the Shahanshah its focal point. His role has been that of the founder of a new dynasty, rejuvenator of its people and nation. He has been the harbinger of change and the creator of the new order. Most importantly, the Shahanshah has been the leader and guide of his people. These are precepts which Reza Shah the Great exhibited and which His Imperial Majesty the Shahanshah Aryamehr fully embodies.

In 1925 the Pahlavi Dynasty was formally established with the enthusiastic approval of the Iranian Parliament and people. Reza Shah the Great's 16-year reign was marked by a strong sense of mission. He made Iran realize the gap that separated her from the modern world and how much there was to be done to fill that gap. The 20th century had dawned on a dormant nation and there was no time to be lost. The first task was the restoration of national unity. Reza Shah the Great thus began by extending the rule of the central government to cover the whole country. This was an arduous and exacting task, which claimed the energies of the nation for over a decade. Parallel



with these efforts a series of social reforms was launched, and the first attempts at giving Iran a sound economic infrastructure were made.



Cyrus Mausoleum - Passargad, Shiraz

The Second World War brought Iran's nascent development to a halt and the subsequent invasion and occupation resulted in the forced abdication of Reza Shah in favor of the young Crown Prince, Mohammad Reza Pahlavi. Although Iran was faced with grave problems at the time of his accession, His Imperial Majesty realized that Iran's potential for greatness must be realized and that the impetus for the mobilisation of the nation's resources would have to come, as it always had, from the head of the state - the Shahanshah.

I

"When I took the throne at the age of twenty-one, I found myself plunged into a sea of trouble."

H.I.M., Mission For My Country

In the thirty-four years since his accession to the throne, H.I.M. the Shahanshah Aryamehr has done much to calm the "sea" that first faced him on September 17, 1941. Iran, 1941, was a nation still in a feudalistic era; a nation divided by the great powers into "spheres of influence," a nation rich in oil whose wealth was being drained from her. In 1975, Iran is a nation of farm co-operatives, agro-industrial units, individual land-owning farmers; a nation with a rapidly growing industrial base, a unified nation and the bastion of stability in the Persian Gulf - a nation where oil wealth is being used primarily for domestic investment and which is experiencing the highest growth rate in the world.

The post-war world has not seen a development story that compares with Iran's. What Iran has accomplished, it has had to do from the bottom. There were no pre-existent technological and educational infra-structures to serve as foundations for construction or reconstruction as in post-war Germany and Japan. Many nations entered into the second half of the twentieth century with constraints similar to those which faced Iran

- a basically illiterate and rural population, stagnating internal economies, primary-goods oriented export sectors, non-existence of any significant social welfare programs. Iran was classified as undeveloped. It was a nation where economy and destiny were apparently in the hands of the wealthy few. A nation for whom the status quo appeared to foretell the future.

## II

"By nature of my responsibilities as Shah and the oath I took to protect the rights and honour of the Iranian nation, I cannot remain a neutral onlooker in the struggle against the forces of evil, but have taken up the banner myself. So that no power can reinstitute the regime of slavery among the villagers, and plunder the nation's wealth for the benefit of a minority, I have decided as executive, legislative and judicial head of state, to refer these reforms to a referendum. In this way, henceforth, no individual or group will be able to cancel out, for their private interests, the results of this reform, which will free the farmer from the yoke of feudalism, ensure a brighter future, based on justice and progress for the noble working class and a higher standard of living for honest and hard-working civil servants, members of the guilds and craftsmen."

With these words, in 1963, His Imperial Majesty the Shahanshah Aryamehr made known his intention to lead Iran out of the stagnant era which had gripped it. The referendum of the 26th of January, 1963, produced what has come to be known as the Revolution of the Shah and the People.

Webster's dictionary defines revolution as "a sudden, radical, or complete change" and the program which was instituted without doubt was a revolution. The twelve points were addressed to almost every facet of Iranian life in an effort to give Iran the "big push"

necessary to extricate itself from the morass of years of unproductive activity. The land reform program was to be one of the main pillars of the new Iran. H.I.M. believed that only a truly radical reform, investing the cultivators with the freedom and the responsibility of land ownership, could lastingly and effectively benefit the rural classes and ultimately the nation as a whole. Without an active and productive agricultural sector, Iran could not hope to remain economically sound and exhibit a healthy growth. His Imperial Majesty began by disbursing his own personal property. Furthermore, the landlord-peasant system had to be uprooted. To this end, distribution has been completed in over 50,000 villages and 17,000 estates. Knowing that the land reform program could not succeed without the necessary supporting infrastructures, H.I.M. established three rural corps as national service forms that could effectively mobilize the nation's educated youth. Iran still had an 80% illiteracy rate at the time of the Sixth Bahman (26th of January) proclamation in 1963. Half of the country's youth up to the age of six had no access whatever to classroom instruction. Without a literate and educated populace, the revolution would not endure. In April, 1963, the first contingent of the Literacy Corps went into the field. It achieved dramatic results. The number of rural school children rose 85% in four years; secondary school attendance increased by 51%, and vocational school enrollment climbed by 65%. Of the Literacy Corps, His Imperial Majesty the Shahanshah has said: "The achievements of the Literacy Corps make up one of the most glorious chapters of the Iranian revolution." The result has been to reduce the illiteracy rate to less than 40%.

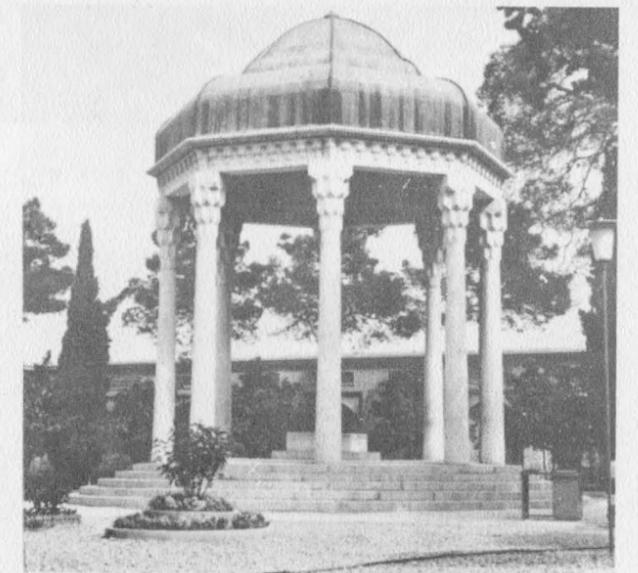
The productivity and welfare of the agricultural sector, which was to be the vanguard of the revolution, had to be insured. The rural population had to be deliv-



Tomb of Nadir Shah - Mashad



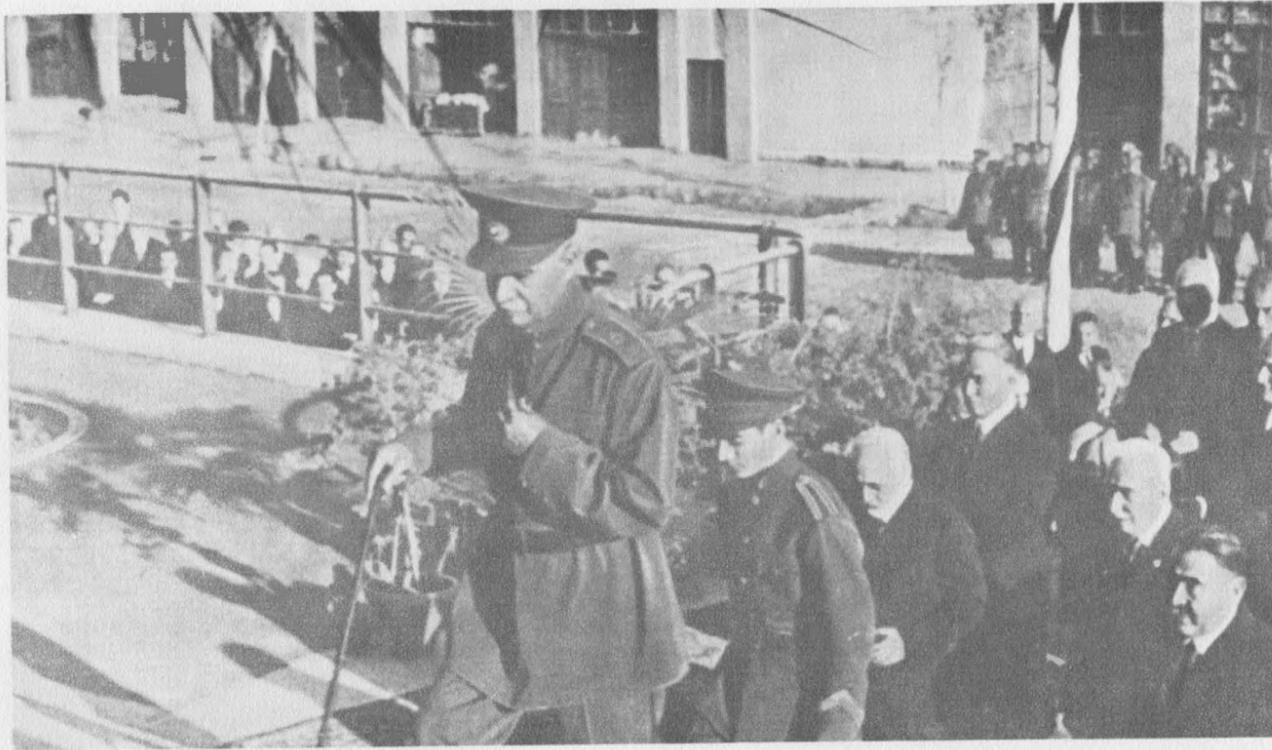
Takhte Korshid, Gulistan Palace - Tehran



Hafiz Mausoleum - Shiraz

ered from the ravages of smallpox, diphtheria and whooping cough. Their children had to be protected from the high infant mortality rate which was then extant. The task of providing medical care and facilities to the rural population was given to the Health Corps - the third pillar of the revolution. Made up of surgeons, pediatricians, pharmacists and cardiologists, the Health Corps established a network of permanent clinics supported by a fleet of mobile units capable of meeting the needs of thirty to fifty

villages. Through its contribution to the work force and productivity of the villages the Health Corps has given a great gift to Iranian society. His Imperial Majesty knew well that land distribution alone would not fully guarantee the success of the revolution in the agricultural sector. Whatever changes occurred would have to be supplemented by the proven agricultural methods of the West which had not been available to the farmers under the previous land tenure system. The agricultural sector had to

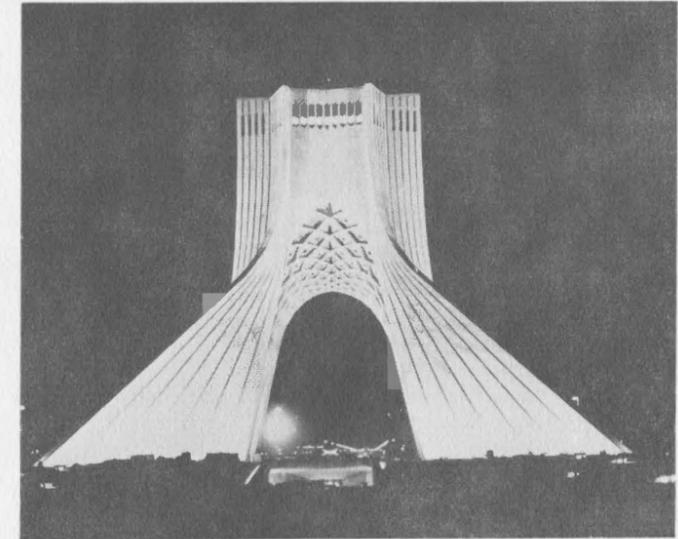


H.I.M. Reza Shah the Great with Crown Prince  
Mohammad Reza Pahlavi



be capable of generating the necessary output that would guarantee the successful take-off of Iran into a sustained growth era. The fourth pillar of the revolution, the Agricultural Development and Extension Corps went into the rural areas with pesticides, fertilizers and farming techniques - the weapons of the world's "Green Revolution" - to help the farmers achieve their full productive potential.

Although these four points can be seen as the mainstays of the revolution, there are eight other principles which have brought about a transformation of equal importance. Each of the twelve points have been designed to insure the success of His Imperial Majesty's plan for a modern Iran.



Shahyad Monument



Elizabeth II Boulevard, Tehran



H.I.M. Shahanshah Aryamehr distributing title deeds of lands to representatives of the people.

The forest lands of the nation were brought under public ownership to insure the efficient management of this precious national resource. Investment opportunities were created with the public sale of shares in state-owned enterprises. Workers were given an added incentive to increase their productivity, through the profit sharing arrangements enacted under the program. By royal decree, by October 1978, 99% of all state-owned large industrial unit shares, except key heavy industries, will be sold first to workers and staff of the units, and then to the farmers, and thereafter to the general public.

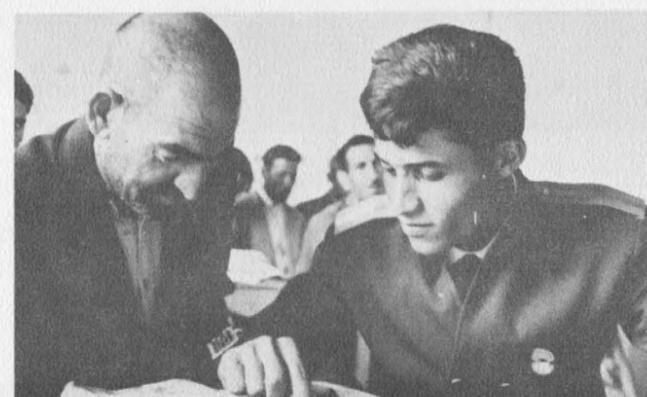
Women were freed from their centuries old secondary role in society through the enactment of the amendment to the electoral law which granted universal suffrage to all Iranian citizens. Houses of Equity were established in the villages to allow for the local

hearing of minor cases in an effort to bring the rule of law to the nation's villages. The water resources of the nation were nationalized to insure their efficient use and just allocation to those who are in need of it. The urban areas were also to undergo change and an extensive reconstruction programme in urban and rural areas was enacted to improve the living standards of the whole nation. The government apparatus which was to oversee the great transformation of the country had also to be overhauled and in line with this a complete administrative and educational reorganization and revitalization

The nation began its metamorphosis and, like a giant awakening from a long sleep, Iran began to regain its historic dynamism and greatness.



Rural School in Shiraz



Fighting illiteracy



Members of Extension and Development Corps teaching agricultural methods

### III

" I am more leftist than any leftist."

His Imperial Majesty

The glory of the Revolution of the Shah and the People lies in its results. The provisions were not announced and then quietly abandoned. His Imperial Majesty dedicated himself to the success of the Revolution and availed himself of every opportune moment to reiterate its aims. Within ten years of the 1963 declaration, the per capita income of Iran grew by 350%. The economy is now exhibiting a growth rate of over 40% whereas ten years ago this was barely over 3% per year. A seemingly completely different nation has risen since the Sixth of Bahman.

Iran has now developed the capacity to defend herself and has assumed a paramount role in the peace and stability of the Persian Gulf area. It has proposed that this region should be free of super-power influence and that the Middle East should be a nuclear free zone. The nation that once depended on foreign aid is now extending aid to other countries. The nation which once exported only oil and primary goods is now being courted by industrialists and finance ministers. The nation that was once forced to accept the dictates of those who would exploit her resources is now championing the cause of primary resource exporting nations in their efforts to receive a just return on their wealth.



Tea Planting - north Iran

There are many reasons for the emergence of Iran. But there is clearly one factor, one main ingredient without which Iran's development story would not have unfolded. It is not a mystery factor - not an unknown quantity - not the x-factor of development economists. Iranians and those familiar with Iran know that this factor is the leadership and courage of His Imperial Majesty, Mohammad Reza Pahlavi Aryamehr, Shahanshah of Iran. The overwhelmingly clear fact is that whatever position Iran holds in the world today is due to the actions of His Imperial Majesty, who has personalized the revolution in Iran. The nationalization of Iran's natural resources and petroleum industry, the land reform program, the emancipation of women - all are actions which self-proclaimed radicals would espouse. It is His Imperial Majesty who made the decisions to launch Iran into a new age and it was his will and courage which thwarted the reactionary elements both within and foreign to Iran which sought to subvert the revolution.

The revolution into which His

Imperial Majesty led Iran was one that he felt had to be based on the most advanced principles of justice and human rights. The changes which took hold in Iran had to be radical but not anarchical. Order and respect for property and the individual have been maintained. The energies of the economy and of the people have been channeled constructively into safeguarding the hard-won gains of the last twelve years. The body politic has been welded into one cohesive unit under the banner of the National Resurgence Movement to implement the will and programs of the Revolution of the Shah and the People. The revolution is an ongoing process - His Imperial Majesty has instilled a life into Iran which will never again be stilled.

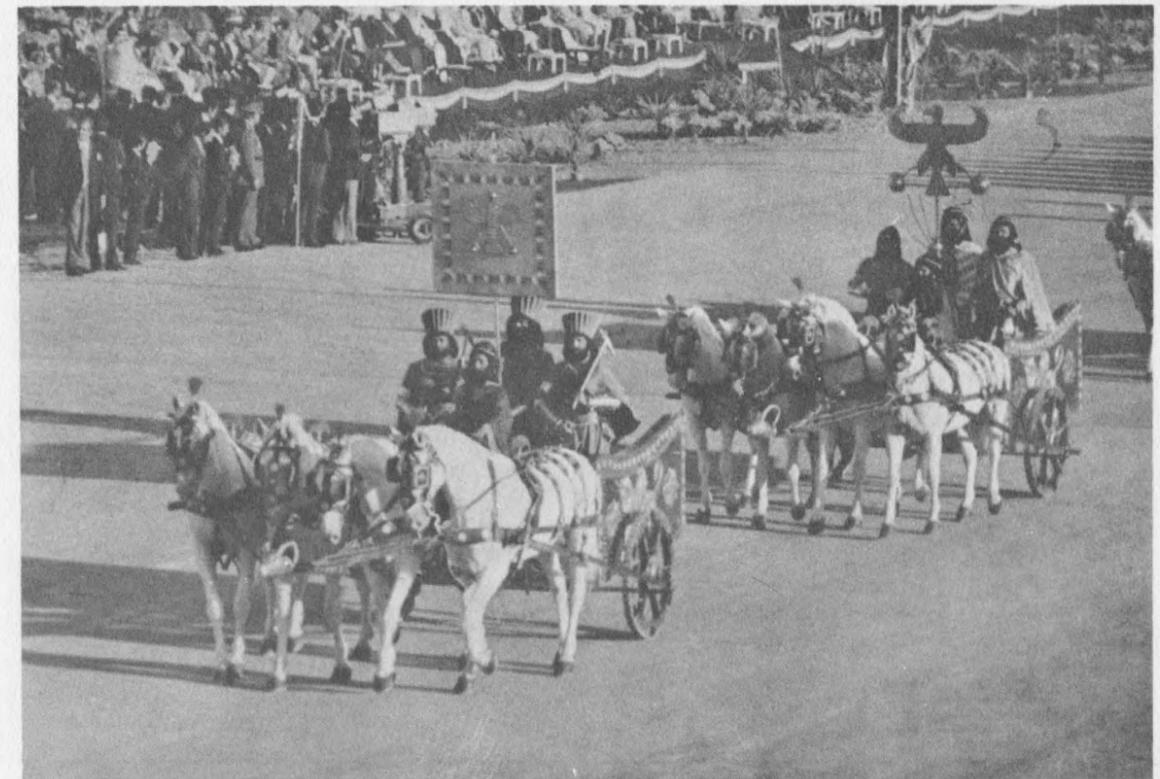
"Christensen, the Danish orientalist, has rightly said that a real king in Iran is not so much the political head of the nation as a teacher and a leader. He is not only a person who builds roads, bridges, dams and canals, but one who leads them in spirit, thought and heart." H.I.M., The White Revolution of Iran.



Health Corps services in rural areas



Students receive training in a vocational school - Tehran



The parade begins as Achaemenian charioteers drive past.

# RELATIONS BETWEEN IRAN AND THE UNITED STATES



Their Imperial Majesties with President and Mrs. Ford greeting well-wishers from the balcony of the White House during welcoming ceremonies



Their Imperial Majesties on arrival in Washington



His Imperial Majesty with President Ford



His Imperial Majesty and President Ford with H.E. Ardeshir Zahedi

"Our association has been of a very longstanding."

"We are close friends. We share many common ideals and also, I think we have many common interests."

"We have always been aware of the keen interest and friendship and cooperation of the United States of America. We are grateful for that. We won't forget that."

(Excerpts from His Imperial Majesty's statements during his official visit to the United States, July, 1973)

The themes of friendship, cooperation and mutual respect form the keystone of the close relationship between Iran and the United States. While contacts and diplomatic relations were established in the nineteenth century, ties were strengthened and intensified after World War II due to the increased prominence of each country and a growing convergence of common interests. Today the multitude of diplomatic, commercial, military and personal ties existing between Iran and the United States illustrates the mutual understanding on both the governmental and individual levels shared by both countries.

Within this framework, bilateral relations are expected to continue to progress and intensify in the future for the benefit of both nations.

## The Start of Contacts and Diplomatic Relations

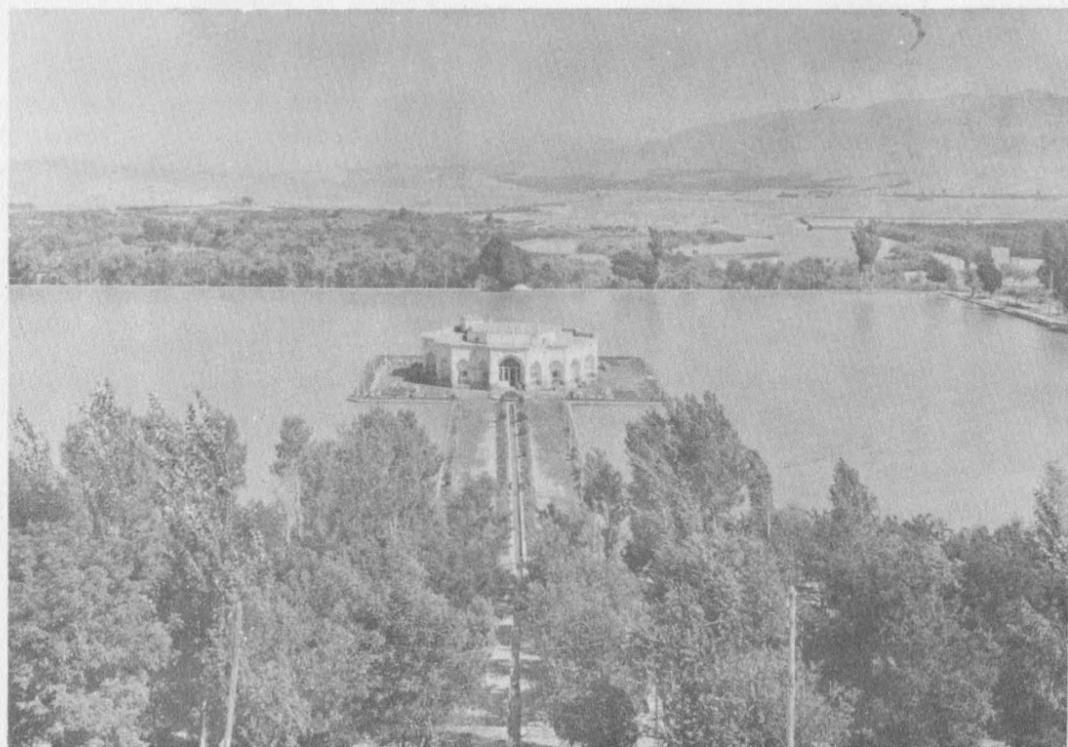
Before the first American missionaries arrived in Iran in 1832, the Iranian and American people had only vague notions about each other. In that year, two American preachers, Reverend Smith and Reverend Dwight arrived in Iran to make a study of Christians in Azarbaijan, the north-western region of Iran. Upon their return to the United States, the two clergymen published the results of their re-

search in a book entitled "Inquiries."

In 1834, Reverend Justin Perkins and his wife arrived in Iran to begin construction of a church, hospital and school, which together became the first permanent Christian mission in the country. The Mission of the Nestorians, was opened in 1835 by the Reverend Perkins and Dr. Isahel Grant, who represented the Board of Foreign Missions of the American Presbyterian Church.

The mission served thirty to forty thousand Nestorians in the Lake Urumiah region (now Lake Reza'iyeh) in Azarbaijan. The school provided local children with an elementary education as well as instructions in carpet weaving and iron-smithing. By providing medical care, education and spiritual guidance, the mission created a favorable impression of Americans in Iran which laid the foundation for expanded contact and friendly relations in the future. Despite opposition to the mission's conversion activities and also from Nestorian patriarchs who felt that their authority was being challenged, the number of missions continued to expand in the Urumiah region so that by 1871 there were forty-eight mission stations in various villages. Missionary activities were expanded to other regions in northern Iran in the 1870's and 1880's and their protection became a primary responsibility of the United States Legation when Iranian-American relations were established in 1883.

Diplomatic contact between Iran and the United States began in 1851 when George P. Marsh, the American Minister Resident in Istanbul negotiated a treaty with the Iranian charge d'affaires in Turkey. At this time, however, the Iranian government took no action and the treaty did not materialize. Negotiations were re-opened in 1854 by Carroll Spence, Marsh's successor



Shah Pond, Tabriz - Birthplace of Iran's Constitution

in Turkey. In December 1856, the Iranian negotiator Amin-Al-Molk and Mr. Spence signed the Treaty of Friendship and Commerce in Istanbul. The eight point agreement was a typical "most favored nation" agreement of the period, and provided for diplomatic and consular representation in addition to the commercial clause and extra-territoriality.

On June 13, 1857, the Heads of State of Iran and the United States, Nasir-Din-Shah and Franklin Pierce signed the treaty. According to this agreement, each country was entitled to have a Consul General and three consuls. Iran was thus permitted to send a consul to Washington, New York and New Orleans and the United States was similarly entitled to have consular representation in Tehran, Bandar Boushahr and Tabriz.

Franklin Pierce's successor, President Buchanan, advised Congress that the treaty would "prove

beneficial to American commerce," and he urged the legislators to make the necessary appropriation for the establishment of a legation in Tehran. Congress did not follow the President's suggestion and the matter was not reconsidered for the next twenty-five years.

Although the economic and political inter-relations between the two countries was minimal at this time, the Americans are unofficially credited with the construction of various educational institutions and hospitals in different parts of Iran such as in Kermanshah, Hamadan, Tabriz, Rezaieh, Rasht, Meshed and Tehran. The establishment of Alborz College was a significant gain in the field of cultural exchange between the two nations. This college progressed greatly under the leadership of Dr. Samuel Martin Jordan, who is recognized as one of Iran's greatest friends.

The United States agreed to open a legation in Tehran in 1883 to protect American missionaries in Iran and promote trade and friendly relations between the countries. On February 14, 1883, U.S. Secretary of State Frelinghuysen informed Samuel G.W. Benjamin that he had been appointed Charge d'Affaires and Consul General of the United States in Tehran. Within several years, the United States established consulates in Bushehr and Tabriz, chiefly to protect the Christian missions of these two regions. After a four-year delay, the Iranian government appointed Sadr-Al-Saltaneh and a party of ten experts to represent Iran in Washington. After a difficult journey of over two months the delegation arrived in Washington and was received by Secretary of State Byrd and President Cleveland. While the United States Legation in Tehran succeeded in preserving the interests and rights of the Christian missions, commerce between the two countries progressed slowly. Prior to World War I, American foreign policy was based on the Monroe Doctrine which, in part, precluded the United States from involvement in Eastern Hemisphere affairs. Accordingly, the United States government remained aloof to the growing Anglo-Russian rivalry for Iran and also resisted pleas by the ruling monarch Nasir-Din-Shah for large-scale American investment in Iran to develop the country and counteract European influence.

Two major events which began in 1907 clearly illustrate United States policy regarding Iran. During the Constitutional Crisis 1907-1909, when the ruling monarch Mohammad Ali Shah tried to undermine the newly promulgated Constitution, United States policy was that of strict non-intervention. When a popular uprising against the monarch's corrupt rule resulted in his abdication in July, 1909, United States Secretary of State Knox instructed the American Charge d'Affaires in Tehran "to notify the Minister for Foreign

Affairs of Persia the legation (American) is ready to enter into full relations with the government of the new Shah and to express to him the wishes of the American government for the prosperity and tranquility of Persia under this rule."

One American who actively participated in the latter part of the Constitutional Crisis and died as a hero in the eyes of Iranians was Howard C. Baskerville. He was a graduate of Princeton University and taught at the American mission school in Azarbaijan. Despite a warning given to Baskerville of American neutrality, he continued to oppose the corrupt rule of Mohammad Ali Shah and spoke in favor of constitutional government. Upon the request of the State Department, the Board of Foreign Missions instructed Baskerville to cease his support for the Constitutionalists or return to the United States. The teacher refused and continued his support of the Constitutionalists. On April 20, 1909, Baskerville died in a battle between the Constitutionalists and Conservatives. About 3,000 people attended the funeral and the Constitutionalists praised Baskerville as a hero of the Iranian people.

The second major event of 1907 was the Anglo-Russian Convention which sought to partition Iran into Russian and British zones of influence. Obviously, the Iranian reaction to this policy met with widespread hostility illustrated by the demonstrations which took place throughout the country. There was, in addition, disappointment in Iran that the United States continued its policy of non-involvement, since it had been hoped that another foreign country might be induced to help Iran resist the two prevailing powers.

#### The Shuster Mission

In 1911, President Taft responded to an Iranian request to employ

several American financial advisors in a private capacity to organize the collection of taxes and supervise the country's expenditures under the purview of the Ministry of Finance.

W. Morgan Shuster, a prominent Washington lawyer and financial expert, was chosen to lead a mission of three to Tehran. However, Mr. Shuster soon became embroiled in the Anglo-Russian rivalry which forced his departure after only nine months in Iran. While the Shuster mission did not change America's non-interventionist policy, Iran did gain considerable United States public support because it was recognized that a small nation was being pressured by two powerful imperialistic countries.

#### Post World War I Relations

The neutrality of Iran was violated in World War I by Russia, the Ottoman Empire, Germany and Britain. In order to safeguard Iranian territorial integrity for the future, the Iranian Minister, Mehdi Khan, asked the United States Secretary of State in December 1917 for "assistance of the United States Government in securing for Persia representation in the peace conference which will convene at the termination" of the war.

However, the United States was unable to obtain British acquiescence for Iranian representation at the Paris Peace Conference because Britain insisted that Iran had remained neutral in the War and also because of the secret Anglo-Iranian agreement of 1919. The treaty, which guaranteed a British presence in Iran to assist in military and financial matters, was opposed by the United States because of the secret manner in which it was composed. In practical terms, the agreement did benefit Iran when British forces intervened in 1920 to prevent a Soviet takeover of Azarbaijan. A subsequent attempt by the U.S.S.R. to

overrun the province of Gilan finally ended with the signing of the Soviet-Iranian treaty of 1921 whose provisions included non-interference by either country in the internal affairs of the other, exclusion of a third-party influence in Iran, and the cancelling of the Russian commercial concession in Iran.

An idealist nationalist leader and Army General, Reza Khan Pahlavi became Prime Minister and Minister of War in 1923. He immediately started an ambitious program of reform and rehabilitation, for the people were dissatisfied with the leadership of the Qajar rulers.

On December 13, 1925, the Majlis formally proclaimed Reza Pahlavi Shahanshah of Iran. On December 16, President Calvin Coolidge telegraphed the new Shah:

"It affords me great pleasure to express my sincere congratulations on this occasion of Your Majesty's accession and my best wishes for Your Majesty's good health and happiness. It is my earnest hope that during Your Majesty's reign, the friendly relations now existing between Iran and the United States of America and between the peoples of our two countries will be still further strengthened. I shall make it my pleasant duty to cooperate with Your Majesty to that end, and I am certain that Your Majesty will find in Hoffman Philip, newly appointed Minister of the United States to Iran and now in route to Your Majesty's Capital, a diplomatic representative eminently fitted to further that cooperation."

In keeping with his aim to safeguard Iran's sovereignty and dignity, Reza Shah ended capitulation agreements with all the European powers and the United States in April, 1926 and launched a multi-facet social and economic program to modernize Iran.

#### The Two Millspaugh Missions

In November, 1921, Hussein Ala, the Iranian Minister in Washington requested several competent American advisors to assist various Ministries of the Iranian Government. The following June, Secretary of State Hughes suggested that Dr. A.C. Millspaugh, economic advisor of the Department, might be suitable for the position. Dr. Millspaugh accepted the offer and in November, 1922, he led the nine man delegation to Tehran. As with the Shuster Mission, each member of the delegation was under a private contract with the Iranian government. During the five-year duration of the mission, the administrative section of the Ministry of Finance was re-organized and the system of tax collection was improved. Again, in June 1942, the United States State Department was requested by the Iranian Minister in Washington to recommend another American financial advisor for Iran.

Dr. Millspaugh and seven associates signed a five-year private contract with the Iranian Government. The task of the mission was to solve the long-standing financial problems of Iran; in brief, to reverse the trend of expenditures exceeding government revenues. Despite the difficult war period of 1942-44, the mission established a successful price control program, an income tax law and sought to reduce expenditures in all ministries. However, opposition to Dr. Millspaugh's economic power forced a premature termination of the mission and he left Iran on February 28, 1945. Approximately one-third of the mission members followed Dr. Millspaugh's lead. Those who remained became advisors to the Iranian Government.

#### Temporary Break in Diplomatic Relations

In March, 1936 Iranian-American relations were temporarily severed by Reza Shah after the Iranian

Minister to Washington, Ghaffar Jalal Ala, was illegally detained in a Maryland police station despite his diplomatic immunity. At the end of 1938, Wallace Murray, head of the State Department's Middle East Section, traveled to Iran to issue an official American apology for the incident. In January, 1939 diplomatic relations were restored between the two countries.

#### World War II and the Post War Period

The scope and depth of U.S. - Iranian relations greatly intensified during World War II. American policy until the second World War was non-interventionist, although friendly relations and some commerce between the two countries existed. From the Iranian perspective, America was viewed as a growing foreign power whose economic and political achievements were much admired and whose strength might somehow be used to eradicate the foreign presence from Iranian territory.

World War II was a particularly difficult period in contemporary Iranian history. Iran was involved in another war in which it had no desire to enter and which brought about renewed foreign intervention. The most immediate effect of World War II on Iran was the second occupation of Iranian territory by Britain and the Soviet Union in September, 1941. The British and Soviet representatives attributed the invasion to the failure of the Iranian government to expel Germans from the country. The presence of foreign troops occupying Iran was an affront to the patriotic Reza Khan, the Shah of Iran. Therefore, in September, 1941, Reza Shah the Great abdicated in favor of the Crown Prince Mohammad Reza Pahlavi, the present Shahanshah of Iran.

Harriman and the United States Ambassador in Tehran, Morris, had an audience with Iran's new Monarch, His Imperial Majesty the Shahanshah. Ambassador Harriman spoke of President Roosevelt's "personal interest in Iran enhanced by the information and understanding he (President Roosevelt) had obtained at first hand during his visit a year ago."

Immediately following the War, Iran was confronted with continued Soviet occupation of Azarbaijan in violation of the Tripartite Treaty of January, 1942, the Tehran Declaration of 1943 and the Foreign Ministers Meeting in London in September, 1945. After continuing pressure from Iran, the United States and the United Nations, Soviet troops evacuated Tabriz in May, 1946. Subsequently, Iranian Prime Minister Qavam sent units of the Imperial Army of Iran to re-establish law and order in Azarbaijan. United States Ambassador to Tehran, George Allen, stated at the time:

"It is the well-known policy of the American Government to favor the maintenance of Iranian sovereignty and territorial integrity.. The announced intention of the Iranian Government to send security forces into all parts of Iran, including any areas where such forces are not now in control, for the maintenance of order, seems to me (Allen) an entirely normal and proper decision."

In 1951, President Truman inaugurated the Point IV Program in which Iran received economic assistance of \$23 million per year. In addition, an American military mission was established in Tehran to advise and assist the Iranian government on national defence policies. During the 16-year duration of aid, the United States provided surplus agricultural commodities required by the Iranian supply situation, technical assistance for economic development, and military assistance. The United States AID Mission was closed on November 30, 1967 and the United

States Military Grant Assistance Program has since also been terminated. The total United States economic development assistance to Iran is estimated at \$713 million since World War II and military during this period was \$1.373 billion.

Iran joined the Baghdad Pact in October, 1955, which provides for the collective defense of the signatory nations based on Article 51 of the United Nations Charter.



Upon the withdrawal of Iraq in 1958, the Pact was renamed the Central Treaty Organization (CENTO). Although not a full member, the United States became a member of its committees and attended the ministerial council meetings.

With the development of the principles of peaceful co-existence and understanding in the international community, and growing cooperation irrespective of political ideologies or economic systems, the military aspects of CENTO have been minimized in favor of greater emphasis on economic and social aspects, particularly scientific, technical and economic cooperation.

On March 5, 1959, the United States entered into three bilateral agreements of cooperation signed separately with Iran, Turkey, and Pakistan. Under this agreement the signatory parties undertook to cooperate for their security and defense in the interest of world peace and expressed their determination to resist aggression. The United States promised to provide

assistance, including the use of armed forces, as might be requested and mutually agreed upon, subject to the United States Constitution. Iran obligated itself to use military and economic assistance for the purposes intended in preserving its independence and integrity; and the United States reaffirmed that it would continue such mutually agreed upon assistance. The agreement was effective on the date of signature and could be terminated by either party through written notice one year in advance.

Finally and most importantly, His Imperial Majesty the Shahanshah has personally fostered the growth and development of Iranian-American relations. In the context of Iran's independent national policy in foreign relations the Shahanshah has conferred with every American president since his meeting with President Roosevelt in Tehran in 1941. As the following table indicates, His Imperial Majesty has visited each American president in the United States at least once during his reign.

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OFFICIAL AND STATE VISITS TO THE UNITED STATES OF AMERICA  
BY HIS IMPERIAL MAJESTY MOHAMMAD REZA PAHLAVI ARYAMEHR,  
SHAHANSHAH OF IRAN

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|                               |                                |
|-------------------------------|--------------------------------|
| November 16-November 20, 1949 | President Harry S. Truman      |
| June 30-July 2, 1958          | President Dwight D. Eisenhower |
| April 11-April 14, 1962       | President John F. Kennedy      |
| June 5, 1964                  | President Lyndon B. Johnson    |
| August 22-24, 1967            | President Lyndon B. Johnson    |
| June 11-June 12, 1968         | President Lyndon B. Johnson    |
| March 31-April 1, 1969        | President Richard M. Nixon     |
| October 21-October 23, 1969   | President Richard M. Nixon     |
| July 23-July 27, 1973         | President Richard M. Nixon     |
| May 15-May 18, 1975           | President Gerald R. Ford       |

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In addition, Presidents Dwight D. Eisenhower and Richard M. Nixon met with the Shahanshah in Iran on official state visits. The Shahanshah firmly believes that personal visits at the highest levels are an important adjunct of foreign relations and facilitate cooperation and understanding among nations. This has certainly been the case in Iranian-American relations.

A primary example of cooperation today between the United States and Iran is the recent \$15 billion economic agreement signed in Washington, D.C. on March 4, 1975. The agreement was reached at the second session of the United States-Iran Joint Commission, whose co-chairmen are the Iranian Minister



President Richard M. Nixon's visit to Tehran, May, 1972.

of Economic Affairs and Finance, Mr. Hushang Ansary and the United States Secretary of State, Dr. Henry Kissinger. The major Iranian development projects include eight large nuclear power plants, totaling 8,000 electrical megawatts, with associated water desalination plants; 20 prefabricated housing factories; 100,000 apartments and other housing units; five hospitals with a total of 3,000 beds; establishment of an integrated electronics industry; a major port for handling agricultural commodities and other port facilities; joint ventures to produce fertilizer, pesticides, farm machinery and processed foods; super high-

ways; and vocational training centers.

Bilateral cooperation in the development of petrochemicals and in joint economic and business ventures will also result from this agreement. Commercial trade (excluding oil) between the two countries is growing rapidly and should surpass \$1 billion this year.

In addition, United States - Iranian ties extend to the military, educational and cultural fields. Iran purchased about \$4 billion worth of U.S. arms for defense in 1974, which makes America the largest supplier of Iran's military needs.



With President Lyndon B. Johnson



Iranian Minister of Finance and Economic Affairs, Hushang Ansary meets with President Ford at the White House. Seated either side are H.E. Ardeshir Zahedi, Ambassador of Iran to the United States and Secretary of State Dr. Henry A. Kissinger

In the past year, Iran has extended financial grants to two major American universities and established working relationships with seven others. Grants of \$1 million each were given to George Washington University in Washington, D.C. and to the University of Southern California in Los Angeles to develop programs especially suited for Iran's rapid emergence as a major world economic power. There are more Iranian students presently studying in the United States than in any other foreign country, well over 14,000 according to official estimates. Cultural ties between the two

nations are facilitated through the Iran-America Society established in 1925, the American Institute of Iranian Studies, the cultural sections of each nation's Embassy and through various exchange programs.

Clearly, the wide range of contacts and history of bilateral relations have reinforced the long-standing bond of friendship between Iran and the United States and there is every reason to anticipate increasing cooperation in the future.

## THE FOREIGN POLICY OF IRAN

The Revolution which began in January of 1963 not only signalled the start of a new domestic order but it also transformed Iranian foreign policy. Out of the Revolution of the Shah and the People grew Iran's Independent National Policy. In May, 1968, His Imperial Majesty the Shahanshah Aryamehr defined it with these words:

"We call our present policy a national independence policy. This means that we do what will best serve the interests of our country and nation."

Basic to this policy is Iran's belief in the non-interference in the domestic affairs of other countries and in the national sovereignty, independence and territorial integrity, and equality of rights for all countries.

The basic principles of Iran's policy are:

### 1) Peace

Iran categorically rejects "war" as a national policy. To this end His Imperial Majesty has supported and will continue to support the causes which foster peace.

Iran's willingness to allow the people of Bahrein, an island which belonged to Iran, to choose their own destiny by allowing a referendum to take place on this island under the auspices of the United Nations which led to this country's independence, is an eloquent reminder of the peaceful pursuits of Iran's foreign policy. Another vivid and significant example is the Shahanshah's proposal

for the establishment of a nuclear free zone in the Middle East. On December 10, 1974, by a vote of 128-0 with no abstentions, the General Assembly commended Iran and Egypt's idea of establishment of a nuclear-weapon-free zone in the Middle East and called for countries there to promise now not to make or acquire nuclear weapons. The resolution said all parties concerned in the Middle East should "proclaim solemnly and immediately their intention to refrain, on a reciprocal basis" from producing or acquiring nuclear weapons, and called upon them to "accede to the treaty on the non-proliferation of nuclear weapons."

Iran is doing all it can to reduce world and regional tensions. While on a state visit to Australia, in September 1974, His Imperial Majesty made known his hope that a "zone of peace and collaboration" would be established in the Indian Ocean:

"The main purpose of what we are suggesting for the Indian Ocean and its natural extension, Australia, is to have a zone of peace and collaboration between the riparian states of the Indian Ocean and extended as far as Australia. If we have a zone of peace and collaboration - I am not going to put a name on it such as Common Market, or Commonwealth of Nations of that part of the world - if we have that kind of collaboration we shall have stability, peace and security.

Probably peace could be best established in the world if all countries kept their influence, their power, within the limits of their territory. That is one

way of marching towards world disarmament."

In October, 1974, His Imperial Majesty further stated the general objectives Iran has for the region of the Indian Ocean:

"I believe that this region of ours, and to start with, the northern countries riparian to the Indian Ocean, and extending to Indonesia in the east, and further south to Australia, could easily complement each other and by doing so, establish a zone of stability - I hope prosperity - which, as a result, together we could make this a going proposition. Evidently the trade between ourselves and the shipping lanes must be secure; but as this will not be an enclosed region, we will trade as well and more than ever before with the rest of the world.

For those shipping lanes will be secure for the rest of the world also at the same time. The ultimate goal would be that in reality - both for economic purposes, for political purposes and for security purposes - there would be no need for the presence of the outside powers other than the countries I mentioned.

If such an organisation, or whatever you want to call it, is formed, it must be on the basis of complete equality among the members and a real search of complementing each other. It is very clear that on our part, we have absolutely no desire to try to exploit others. As a matter of fact, we are now denouncing every kind of exploitation."

The Shahanshah has also applied this policy to the Persian Gulf area and has said:

"We are declaring our frontiers "borders of peace and cooperation." The seas are open to all -- obviously, I must add, for innocent passage and traffic. What I wish to see is that, in the first instance, no outside power beside

the riparian states of the Persian Gulf should really try to come inside the Gulf, and if they come they should be called innocent passage for trade and for good purposes."

His Imperial Majesty, the Shahanshah Aryamehr, has sought and continues to seek the peaceful settlement of all international disputes. While in Algiers in March, 1975, His Imperial Majesty met with Vice-Chairman Saddam Hussein under the good offices of President Hourai Boumediene and the two leaders announced agreement on a plan to end the long-standing border disputes between Iran and Iraq. Thus, tensions in an area already fraught with volatile situations, were reduced. Upon his return to Tehran, the Monarch said:

"I hope that the accord will lead to the future of friendship, good neighbourliness and cooperation between two Muslim countries and that both countries will benefit from its results."

With regard to the Middle East, His Imperial Majesty was the first Head of State to condemn the acquisition of territory by force and since then Iran has also consistently supported the U.N. Resolutions 242 and 338 on the Arab-Israeli conflict while calling for its implementation. Iran has also declared that Cyprus' sovereignty and the rights of the Turkish minority must be preserved on the basis of binding treaties.

Although Iran's desire for peace has been repeatedly emphasized, His Imperial Majesty has also stated that Iran's policy of national independence must be reinforced with strength and determination:

"We are not an atomic power; we do not intend to become an atomic power. But, nevertheless, I think that the deterrent there will be that a responsible country like mine, not only with our



H.I.M. Shahanshah Aryamehr with Queen Elizabeth II during her visit to Iran



H.I.M. Shahanshah Aryamehr and Pope Paul VI



H.I.M. Shahanshah Aryamehr receives the President of Zambia at Saadebad Palace



Their Imperial Majesties with King Hussein and Queen Alia of Jordan



H.I.M. Shahanshah Aryamehr with King Khalid of Saudi Arabia



Their Imperial Majesties with President Sadat in Egypt.



H.I.M. Shahanshah Aryamehr is greeted on his arrival in Moscow by officials of the Soviet Union



Their Imperial Majesties with President Giscard D'Estaing and Mrs. D'Estaing on official visit to France



H.I.M. Shahanshah Aryamehr and H.I.M. Empress Farah in New Dehli, India



H.I.M. Shahanshah Aryamehr receives Prime Minister Zulfikar Ali Bhutto of Pakistan



H.I.M. Shahanshah Aryamehr with Vice President of the Iraqi Military Command, Saddam Hussein

past history and this and that, but with our present and future, the best guarantee for peace will be this emerging power of Iran as an industrial, advanced country, a socially advanced society, an advanced agricultural country - a sophisticated country at that - with also enough military power to make understood that we mean what we say and that we have the means of meaning what we say. But I must reassure all, that what we say will be always within the framework of the United Nations Charter, within decency, within reason, and I hope wisdom."

### 2) International Cooperation

His Imperial Majesty has repeatedly stated that the widening gap between rich and poor nations poses a serious threat to the security of the world and that it is the moral responsibility of those who can to take steps to bridge this gulf. With this view Iran has concluded a number of bilateral aid agreements with the developing nations of the world. In His Majesty's own words:

"Our aid to India will be, I think, in the order of one billion dollars; we have extended nearly the same amount to Pakistan. Our aid to Egypt is perhaps a little over one billion dollars; to Syria 150 million dollars. I cannot give a precise figure for Sudan, but we will do whatever we can. With regard to countries which have complete confidence in us, such as Tunisia, Morocco, Senegal, Zaire and perhaps other African countries, our bilateral aids will exceed three billion dollars. This is an extraordinary assistance when the 32 million population of our country is taken into account."

Iran has also recognized its role and obligation to the world community and His Imperial Majesty has proposed that a neutral development fund be established under the auspices of the United Nations.

"We have proposed to the United Nations the creation of a new international institution where, for instance, the oil-producing countries will be represented, the most advanced and wealthy industrial countries of the world will be represented too: 12 of the oil producing countries, 12 industrial countries and also, 12 representatives of the developing countries - all of them on a board with equal voting rights. And they will take advantage of the banking services of the World Bank and the International Monetary Fund in order to raise first about \$2.5 to \$3 billion per year for three to five consecutive years and then lend easy-term money, for instance 25 to 30 years period, for 2½ per cent interest rate to countries whose projects will be ratified by this 36-member board. So, the increase in the price of oil, although we have to pay so much more for all the commodities that we need - but still we are thinking of the less developed or developing countries and the needy ones."

### 3) Co-existence

The Iranian Revolution recognizes the respect which each nation must hold for the integrity of its fellow nations if world peace and security are to be maintained. His Imperial Majesty has made numerous efforts to develop and maintain friendship with all nations of the world regardless of their social and political systems.

"My country does not want to dominate any other country. We don't need it. It's not in our character and I can say it loud and clear that this is not part of our policy."

Iran maintains cordial relations with the Soviet Union and the Peoples Republic of China - relations based on mutual respect and reciprocity. Iran also has relations with both Bonn and Berlin, Seoul and Pyongyang.

His Imperial Majesty and the Vice-Chairman of the Iraqi Revolutionary Council, Saddam Hussein, recently agreed to end the dispute that had ruptured relations between the two neighbors for many years.

These developments, considered to belong to the realm of the impossible not so long ago, now constitute new realities in our region. They come as a fresh confirmation of Iran's consistently held view that Iranian and Arab nationalisms need not be mutually exclusive. In a region and among nations fighting for the elimination of all traces of the colonial presence forward-looking movements of nationalism could, indeed, be complementary.

Iran enjoys on a bilateral basis and within the context of RCD and CENTO the closest ties of amity with Turkey and Pakistan. There are many religious and cultural similarities among these nations and the events that affect them are of enormous importance to Iran. The long dispute which has existed between Pakistan and India has always been of concern to Iran as it has been to all nations who abhor the effects of war. His Imperial Majesty has stated:

"On Pakistan I can say this: that the integrity of Pakistan - what remains of Pakistan - is vital for us. But we are not encouraging Pakistan to adopt aggressive, hostile attitudes towards India. On the contrary, we would like these two countries to be friends, to cooperate. There is enough difficulty and evil to cope with (rather) than to think of making war. So, our policy is not at all aggressive or encouraging warfare, but just warning that the disintegration of Pakistan could not be tolerated by Iran."

The establishment of a socialist government in Afghanistan, another nation with whom Iran has deep and common bonds, has not de-

teriorated relations but on the contrary, as His Imperial Majesty stated:

"In fact we are now willing and we have offered more to Afghanistan than ever. What is important for us is to have a strong, independent and progressive Afghanistan, that's all."

In September, 1974, Their Imperial Majesties, the Shahanshah and Shahbanou visited Singapore, Malaysia, Australia, New Zealand and India and established a new dimension in Iran's foreign policy. The greater interdependence of the world's nations requires the recognition on their part that their security and well-being must lie within their own capabilities. To this end, His Imperial Majesty in reply to a speech given in his honor by the President of Singapore, said:

"May I seize this opportunity to present the idea of a kind of wide regional cooperation; a cooperation that could bring together countries like Iran, the sub-continent of India, Pakistan, Bangladesh, Thailand, Burma, Malaysia, Singapore and Indonesia which form in the northern and eastern tier of the Indian Ocean. All these countries complement each other. Most have some kind of resources but the interest of all is the same; security. Economic intercourse can bring these countries together in an effort to make their own lives better, but at the same time the achievement of this objective will contribute to the stability of our world. The common goal of having peaceful, innocent, but secure navigation will be one of the factors that we should consider now for the future. I think that we shall find very little hesitancy on the part of all those who will comment on that, for the future is never something that one will regret. If you let go occasions of cooperation that could have been, while you have the

time and the opportunity to bring people together, cement ties and assure cooperation and stability, then history and the people who come after us will reproach us for not having tried."

"In the words of Abraham Lincoln, we act 'with malice toward none; with charity for all; with firmness in the right, as God gives us to see the right'."

H.I.M., Mohammad Reza Pahlavi Aryamehr, Shahanshah of Iran, The White Revolution in Iran

Perhaps Iran's foreign policy may be best summarized as follows:



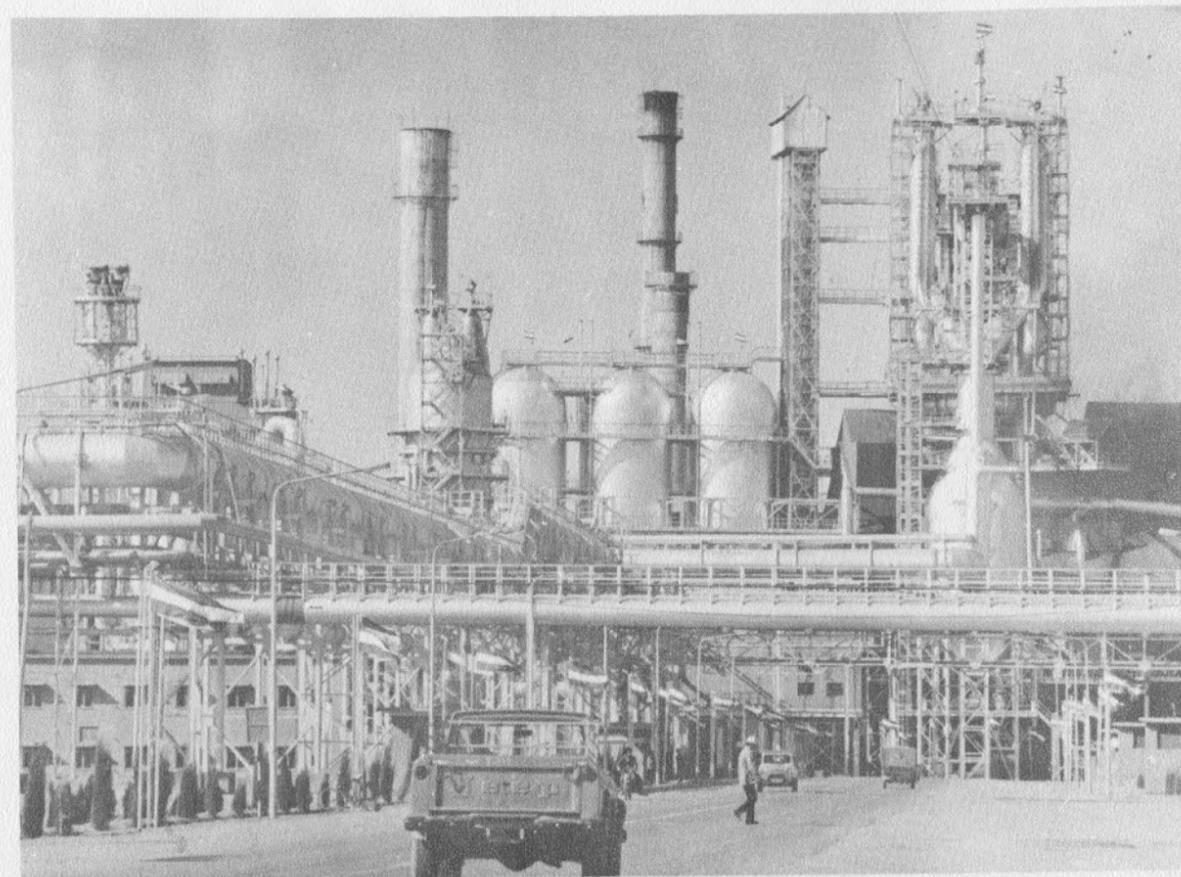
## ECONOMIC GROWTH AND RESPONSIBILITY IN IRAN

Since 1961 Iran has become the 13th most prosperous country in the world and has excelled all members of the international community in the pace of its development. The abridged chart below should serve to indicate as well as to project the rapid growth which has led to an economic transformation of unprecedented magnitude in Iran from the end of World War II to the end of the current fifth development plan:

Early in the course of the third Five Year Plan, His Imperial Majesty, the Shahanshah of Iran astutely pronounced that there was no pride to be gained from being

the Sovereign of an under-developed nation. It was with this idea in mind that the Shahanshah of Iran set out with great determination and high ideals to fill as well as to overcome the continuing gulf that separated Iran from the more economically advanced countries of the world. Today, as Iran fast approaches the threshold of an industrial state, all Iranians can once again witness the culminating process of one of their Sovereign's most cherished objectives which is to restore to Iran the greatness and respect first enjoyed nearly two and a half milleniums ago with the founding of the Persian Empire.

| <u>PLAN</u>                                   | <u>BILLION<br/>RIALS</u>        | <u>MAIN OBJECTIVES<br/>AND TARGETS</u>   |
|---|---------------------------------|--|
| First Seven Year<br>Plan (46-53)<br>1         | 21                              | Development of<br>industry, agriculture,<br>communications and<br>infrastructure |
| Second Seven Year<br>Plan (1955-61)           | 84                              | Development of<br>industry, agriculture,<br>communications and<br>infrastructure |
| Third Five Year<br>Plan (1962-67)             | 348                             | 6% per annum growth<br>in GNP  |
| Fourth Five Year<br>Plan (1968-72)            | 810                             | 9.4% per annum<br>growth in GNP  |
| Fifth Five Year<br>Plan, revised<br>(1973-78) | 4,634<br>(\$690,000)<br>million | 25.9% per annum<br>growth in GNP   |



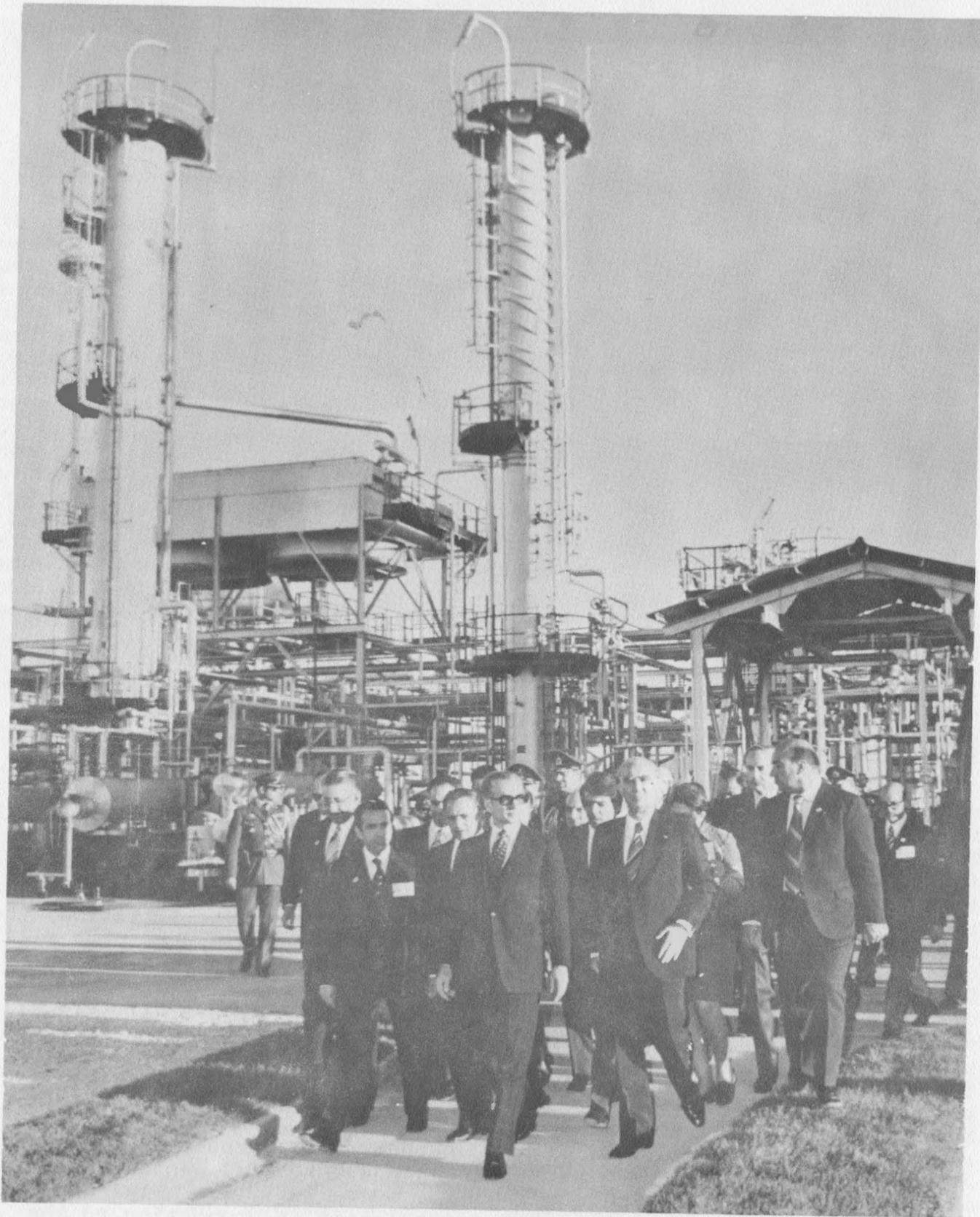
Aryamehr Steel Mill Complex - Isfahan

### The Fifth Five Year Plan

The Fifth Development Plan underwent major revisions until it was approved in August of 1974. The original version had provided for an outlay of nearly \$36 billion, but as a result of the several fold increase in oil revenues between 1973-74 projected investments were nearly doubled to \$68,900 billion. The total amount of funds earmarked for this plan approximates three times the sum total of the previous four development plans implemented in the past quarter of a century. Between March 1973 and March 1974 constant rate of growth was estimated at 34% and in the past year to March of 1975 this rate of growth was increased to 43%. The current plan has dramatically changed the quantitative as well as qualitative twenty year perspective of Iran. With oil revenues at \$21 billion, initial financial constraints on

meeting prescribed long-term goals have been overcome. The result is expected to triple per capita GNP at fixed prices from \$556 in 1972 to over \$1,521 in 1977.

With the emphasis on decentralization and industrialization, the current fifth five year plan will lead to a greater urbanization of Iranian life, the eradication of the last vestiges of illiteracy, implementation of all-encompassing social programs, expansion of national health and nation-wide free education opportunities. During this period Iran's population is expected to increase at an annual average rate of 2.9% to 36 million people by 1977. The rates of urban population in proportion to the rural areas will increase from 42.7% to 47.3% reflecting the increasing participation of the work force in the industrial growth of Iran.



H.I.M. Shahanshah Aryamehr inaugurating new oil refinery in Iran



Kharg Island export terminal capable of berthing 10 oil tankers of up to 500,000 tons.

As His Imperial Majesty pointed out to a new session of Parliament on October 5, 1974; "During the fifth development plan, particular attention will be paid to heavy industries, such as steel, chemicals, petrochemicals, mechanics, electronics, vehicles, etc." Investment in industrial development will exceed \$5 billion, and reach nearly \$1 billion in mines. \$5.7 billion has been allocated to transportation and communication and some \$2.5 billion in credit has been appropriated for the past two years in the field of housing.

The result of these investments and the application of the current fifth development plan has brought about in Iran the fastest growth rate in the world and should raise real GNP from \$17,300 billion in 1973 to \$54,600 billion in 1977.

#### Oil as a Factor

Although Iran is clearly determined to diversify its economic and productive base, and make optimal use of its natural resources, oil continues to serve as its main source of income and foreign currency. Last year, Iran's oil income amounted to \$21 billion. Iran's crude oil reserves stand at an estimated 60 billion barrels with allowances made for at least 15 to 20 billion barrels in secondary reserves. Iran is currently the fourth ranking oil producing nation in the world behind only the United States, Soviet Union and Saudi Arabia in total production. Oil production for 1974 averaged 6.15 million barrels a day although this figure decreased slightly in the last two quarters of 1974 and the first quarter of 1975.



Jian Assembly Plant - Tehran

Until very recently, oil was considered a source of fuel which could readily be exploited and used without due regard to its market or intrinsic values. The oil producing states had been forced to accept the dictates of the international oil companies so far as their ability to control, sell and market their oil. With the establishment and growing cohesion of the Organization of Petroleum Exporting Countries and the subsequent change in the world economic and political order, the Shahanshah of Iran set the theme at the Tehran Conference in 1971 by signing a new contract with the Consortium and by laying the foundation for a new price structure of oil based on economic considerations and determined by the cost of other sources of energy. Furthermore, on January 23rd, 1973, the struggle

over Iran's oil resources came to a dramatic conclusion when the Consortium acceded to the Shahanshah's decision to take full control of Iran's oil resources. It was pointed out that in view of the unique advantages of oil with its over 70,000 derivatives, oil as a finite and exhaustible commodity could no longer be sold at artificially depressed and outrageous prices and that its price had to reflect the cost of alternative sources of energy. It might be worth mentioning here that the price of oil, set at \$2.17 per barrel in 1947, was reduced to \$1.79 by 1969, while the price of manufactured goods imported by the OPEC countries had increased 300 to 400 per cent. Moreover, in order to safeguard against depreciation of the value of oil and to counter-balance inflationary trends in the

West, the Shahanshah of Iran has proposed a linking of oil prices to a basket of 20 or 30 commodities imported by the OPEC countries. This system would provide necessary protection against general price increases in the industrialized countries and act as a hedge against the deterioration of major world currencies. In general, therefore, Iran's oil policy today is directed towards establishing a proper balance between the price of oil and those of the industrial products. Stable oil prices are only acceptable when the purchasing power of oil producing nations is not subject to erosion.

During the course of the past year, Iran's oil industry made some noteworthy achievements. Aside from the increase in oil revenues which reflects the lawful, national interests of Iran and is earmarked towards creating a prosperous nation better able to play an effective and constructive world role, in the past year two new oil fields were added to the repertoire of oil installations in Iran.

The country's oil refineries operated at maximum capacity. Construction of a second Tehran refinery approaches completion. Expansion of the first Tehran refinery is underway. Preparations have also been made for the construction of refineries in Tabriz and Isfahan. The funds accrued from Iran's oil wealth are directed towards obtaining the capital machinery, know-how and creating the infrastructure necessary for a broadly based social and economic system. In view of the national as well as international ramifications of the sudden shift in terms of trade caused by the rise in the price of oil, Iran has not only assumed a dynamic role in the transformation of its own socio-economic base but has acted as a responsible and constructive member of the family of nations in helping other countries readjust to the new circumstances.

His Majesty's proposal for the creation of a neutral international organization or development fund comprised of 12 industrialized, oil producing and developing countries, to be used to render assistance to third world countries was the first initiative undertaken by any Head of State to seek an international solution for some of the current difficulties. This plan has been acclaimed by the majority of the members of the world community and was labelled by Robert McNamara, President of the World Bank, as even more significant than the Marshall Plan.

Additionally, Iran has committed \$1 billion to the International Monetary Fund and \$1.6 billion to the United Nations oil facility. The extent of Iran's growing international assistance and contributions is crystallized by a number of bilateral arrangements. In this regard, Iran has committed in the form of credits and aid \$1 billion to Egypt, \$1.2 billion to Great Britain, \$1 billion by way of pre-deposit for a \$6 billion economic agreement with France, nearly \$600 million to Pakistan, \$1 billion to India, a considerable amount of aid dollars to Afghanistan on the conclusion of present feasibility studies and has also rendered assistance to Jordan, Syria, and Morocco, to list only some of the countries with which agreements have been arranged. Iran has also undertaken to broaden its scope of activity by including a number of African countries, namely Ghana, Kenya, Senegal and Lesotho in its desire to assist them to meet their economic needs.

This brief portrayal of Iran's international role as a creditor nation which has earmarked over \$8 billion, nearly 7% of its GNP to aid other countries of the world, a percentage of national income unprecedented in contemporary history, is a living testimony to the effective responsibility it has displayed on the world scene.



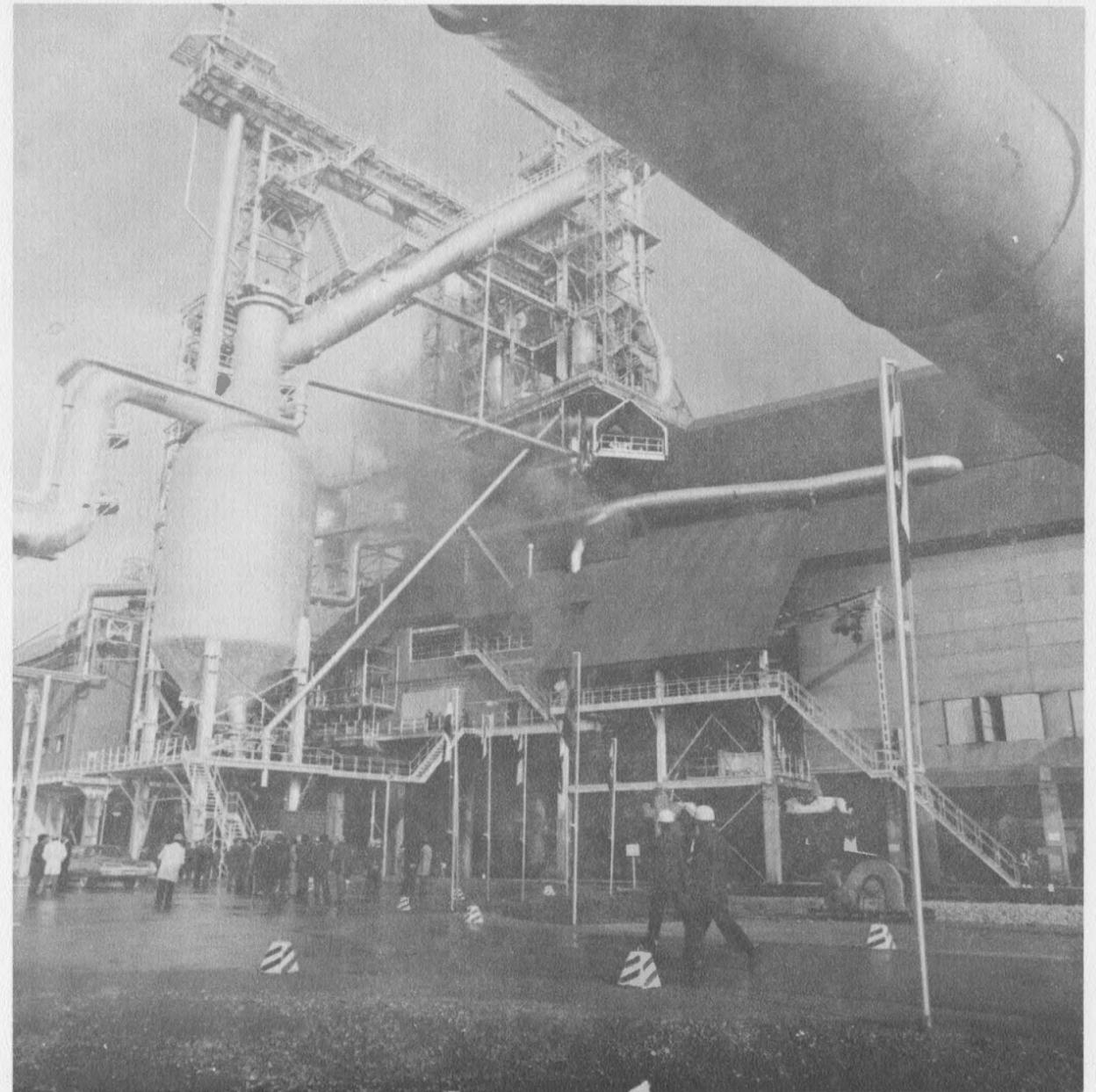
Gas Production Plant - Sarakhs, northeast Iran

In the context of Iran's expanding horizons, the Shahanshah has not only sought to revolutionize the economic standards and social well-being of the people but has also made salient contributions to the world community to help meet the new demands and exigencies of our changing times.

Agriculture, Industry, Gas, Petrochemicals and Nuclear Energy as other Components of Iran's Rapid Strides

Under the current fifth five year plan, total credits in the

agricultural sector will amount to \$5 - \$6 billion. With the successful implementation of the land reform program initiated by His Imperial Majesty, agricultural cooperatives, which were initially created to assist rural workers and farmers to enjoy the freedom and fruits of their labor, are being consolidated into larger agro-industrial units. This policy is geared towards harmonizing development with the industrial and service sectors so that productivity will be increased and a higher measure of prosperity



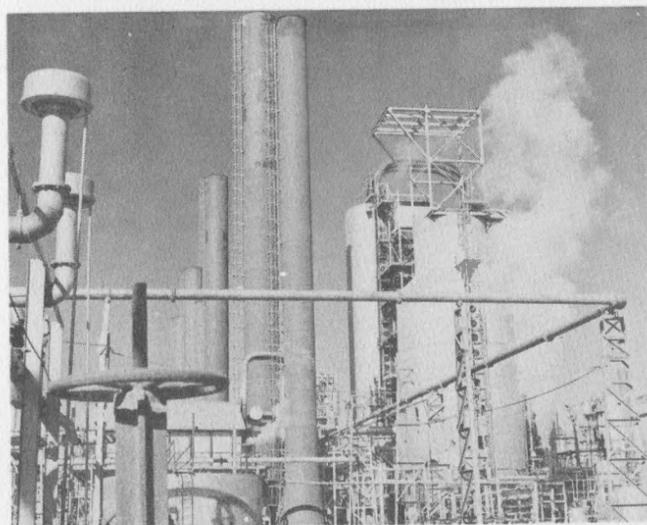
Aryamehr Steel Complex - Isfahan

brought about in the rural areas. This year alone, nearly \$2 billion has been allocated to the agricultural sector.

During the first year of the fifth development plan, industry and mines contributed nearly 20% to the overall 34% growth of Iran's GNP. The overriding objective is to build a strong and sophisticated industrial base as for example Iran's current demarche in the field of electronics.

In this regard, the development of export oriented domestic industries will be stressed. Large-scale public and private investment will be earmarked for this purpose amounting to nearly \$13 billion. In steel, the government is planning to raise production to 15 million tons a year by 1982. Total investment in mining is also expected to be \$1 billion in the Fifth Plan.

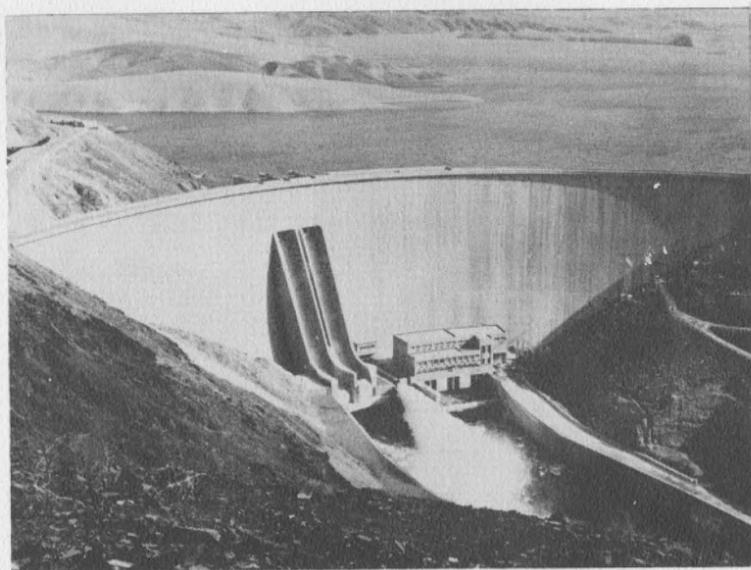
Natural gas which was feared



Oil Refinery - Abadan



Traditional costumes of Iran



Shah Abbas Kabir Dam - Isfahan

and wasted until a decade ago is now a pillar of Iran's oil and petro-chemical industry. Iran, next to the Soviet Union, possesses the second largest gas reserves in the world and has an estimated gas reserve of between 250 to 600 trillion cubic feet. Production is expected to reach 4.9 CM in 1975 and 5.8 CM in 1980. A 1,100 kilometer trans-Iranian gas trunkline from southern Iran to the Soviet border has been constructed which transported 1.6 billion CM of gas to the Soviet Union last year. In the next ten years, over \$10 billion will be spent on the development of gas related industries. Early this year, an agreement for the construction of another pipeline to export 13 billion CM of gas to Europe by the year 1981 was concluded between Iran, West Germany and the Soviet Union.

In the year 1974, new and vastly ambitious targets were also set for the expansion of Iran's petro-chemical industry. Capital investment to the tune of nearly \$8 billion took place to make it one of the key components in Iran's national industrialization programme. As the value of crude oil as an export item is only a fraction of its worth in the form of up-graded products, it is therefore the policy of the government to make optimal use of its oil and gas resources in the field of petrochemicals. Use of oil as a chemical feedstock is also irreplaceable. In the field of organic chemistry it is the basic ingredient in a wide range of products. Even so, at present little more than seven per cent of petroleum consumed is used in the manufacture of petrochemicals. It is predicted, however, that within 20 years more



Modernized farming - Dezful

than half of petroleum consumption will be in the form of petrochemical feedstock. Iran hopes to acquire 10 per cent of the world market in this field by the early 1980's.

The peaceful use of nuclear technology is another source of energy to which Iran attaches great importance. Under the guidance and direction of His Imperial Majesty, Iran has concluded agreements with West Germany, France and the United States for the purchase of two, five and eight nuclear reactors respectively. With the advent of the nuclear age and growing depletion of current sources of energy, it is strongly felt that Iran must incorporate this advanced technology for the generation of its growing electricity needs, the creation of desalinization plants and the development of a futuristic source of energy to supplement and if necessary replace existing sources. In this light, it should be emphasized that Iran is a signatory of the Non-Proliferation Treaty and, aside from being the first country to seek the establishment of a nuclear free zone in the Middle East, has consistently supported the concept of nuclear free zones in other regions of the world. Moreover, His Imperial Majesty has on a number of occasions emphasized that the idea of Iran

having nuclear weapons is ridiculous and is inconsistent not only with Iran's peaceful objectives but with today's geopolitical realities.

It is within the context of its expanding economic horizons and perspective and for the purpose of fostering mutual economic benefits and greater intercourse among the nations of the world that Iran has concluded recently a number of highly significant economic agreements including a \$15 billion package with the United States, a \$6 billion agreement with France, a \$2.5 billion arrangement with the Soviet Union, a \$3 billion agreement with Italy and more than a \$1 billion agreement with Great Britain.

These agreements, hand-in-hand with Iran's multibillion dollar contributions and financial commitments to a number of international organizations and industrialized as well as developing countries, are indicative of the dynamic role and constructive responsibility Iran has demonstrated on the world scene. It is hoped that by this means the nations of the world will find a suitable framework to increase their cooperation and understanding with a view towards meeting the changing conditions of our environment.

GROSS NATIONAL PRODUCT

|  |                       |
|--|-----------------------|
| Current (est.)                               | \$43.6 billion        |
| Annual rate of growth<br>(1968-69 - 1972-73) | 11.2% (in real terms) |
| Projected growth<br>(1973-74 - 1977-78)      | 25.9% (in real terms) |
| Composition (1974-75 est.)                   |                       |
| Agriculture                                  | 12%                   |
| Oil and gas                                  | 44%                   |
| Industries and Mines                         | 16%                   |
| Services                                     | 28%                   |



IMPERIAL EMBASSY OF IRAN  
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