chairman for the U. S. side. See, Carter came in, what, '77? I left-- I mean, Carter came in, that's right, January '77. I left in the summer of '78, so I only had about fifteen months in Washington with the Carter period. And I think the biggest issue at the time, of course, was the limits that Carter wanted to set, yearly limits, with reductions each year, on the sale of conventional arms. That took an enormous amount of time, frankly. Just the papers that flowed, till finally there were the various decisions taken on that.

Q: Okay. Now a moment ago you mentioned something I was going to follow up earlier, but I didn't. The question of the Shah giving military assistance of some sort to Somalia, Chad and Zaire. Was this under the Ford administration or under Carter or both administrations, for that matter?

Naas: Certainly aid to Somalia, to the best of my recollection, had come up during the previous administration, but took a bizarre twist frankly during the Carter administration. As you know, under the law you cannot permit a country to ship U. S. material, unless you yourself would ship that material to Country X, say. And Somalia was not on the list of countries that could receive arms. There was a brief window in there, in which I guess we were thinking of making Somalia eligible. So the proposal was put to the Iranians, would you help Somalia? Yes, sure. I mean, what do they need?

They felt they had an understanding with us, and so they loaded up a couple of airplanes with small arms and various things. The policy changed and we decided not to make Somalia eligible for arms. So a telegram went out to the ambassador-- and I was on the desk at the time, during this. 'Hurry up and go see the Iranians and tell them they

can't ship U.S. arms.'

Well, they claimed that the airplanes were literally on the apron ready to take off. They were loaded. And so the poor ambassador had to go through this embarrassing thing, to say to hold them. In the course of about ten days or something like that, policy said Yes, No, Yes, No.

Q: This was under Helms?

Naas: No, this would be under Sullivan. So the Iranians said they took off all American-supplied stuff and sent a couple planeloads of their own equipment, or equipment they'd received from elsewhere. It was an embarrassing episode.

On the Chad thing, we were looking around wherever we could for some help, because we were in a position of not being able to help Chad very much at the time. Of getting arms, having the Shah provide some help on arms to Chad.

Q: This was in the Ford period?

Naas: No, this was in the Carter period. And again, he was willing to do so if we did so. And we went through a terrible-- I don't know all the details, but all that I know is that I got so tired of reading about Habre and all those people in Chad. The Department has a little procedure once you become an adressee on a particular set of messages, it seems to me you stay there forever. So our Embassy in Chad felt they had to keep us totally

informed. I don't know the details of how much they helped Zaire, but there was help. They went there at our request.

Q: Okay. Now one act of Carter's public diplomacy was what you mentioned earlier, the question of human rights, or the emphasis on human rights was strongly made in his Inaugural address and other public statements. Now from your vantage point at the country desk during '77 and part of '78, how much of a difference did this emphasis have on the way that Carter and Vance actually conducted diplomacy with Iran? What kind of practical implications did it have?

Naas: When you finally got to the last sentence, it had no immediate impact on decisions. The policy, however, and the Iranian perceptions of that policy and the fears of that policy and reaction to that policy had a considerable impact. It had an impact for a period of time. For example, once the trouble started in early-- the major trouble started in early '78--

END OF SIDE TWO, TAPE ONE; BEGINNING OF SIDE ONE, TAPE TWO:

Naas: One of the immediate bureaucratic aspects of the human rights policy, of course, was that on various arms sales the Office of Human Rights Affairs would have a voice, that's a bureaucratic procedure the way things go. Everybody who think they have anything to say gets in the act.

At one time-- this would be early '78, after the serious troubles had started around-- the Iranians wanted to buy some tear gas from us. We went through the most agonizing, bitter, nasty struggle to get authority to ship tear gas to Iran, to sell tear gas to Iran. Almost everybody, including Lucy Benson in Security Affairs, the desk, the bureau, everybody felt that it made good sense. You know, don't shoot people, tear gas them. And we made this argument as strenuously as we could. It was a very, very bitter-- perhaps the most-- almost the most bitter bureaucratic fight I've ever gone through. I was trying to argue the Human Rights people that it's far better for them to break up mobs, and I said, with tear gas than live ammunition. And the fight finally had to be settled by the Secretary of State, which is something. This issue should not be bugging the Secretary of State.

It was finally done and we sold some tear gas. A few months later they wanted to buy some more tear gas, and exactly the same bloody battle was fought through again. Much to the annoyance of the Secretary. He said, you know, I made up my mind a couple of months ago on that, why bother me again?

So you did have that kind of intense feeling going around within the Department, and perhaps outside the Department too. But when it all came down to the final decision, they got their tear gas. When the decision came down in terms of what was going to be shipped to Iran, Iran received just about everything it wanted with few exceptions. It just took longer. The battles for that, as I say, were bitter and difficult, but in the final analysis they got what they wanted. Except I think they were going to receive one less Spruance destroyer than they wanted, two less AWACs than they wanted for their F-4s, and they wanted a special kind of wiring done for a special missile that was coming on line,

called the Wild Weasal, as I remember. They did not get that. But, you know, this is pretty small stuff, a lot of it. But again, what you created in Iran was a sense of uncertainty. They'd ask for a certain number of howitzers, let's say, or armed personnel carriers, and rather than those decision being taken quickly, as they had been in the past, they were long delayed in being made. They went to the White House, where the President personally initialed each sale.

So this led to uncertainty of what are the Americans up to? The Iranians and others had to learn to live with that too. It's just not that we have to do everything they want, but I'm just saying from their point of view, it made them feel quite uncomfortable.

At the same time, in the end, what they basically wanted, they got.

Q: These delays in arms sales, this is sort of a general decision to reevaluate American arms sales policy?

Naas: Yes.

Q: This was taking place under Carter?

Naas: That's right.

Q: It wasn't just Iran, this was a general-- ?

Naas: A general. Where, you know, every month, whatever it was, a great big thick memorandum would go to the President. So, you know, how much is for Iran, numbers, amounts of money. Approved, Disapproved. And in almost every instance, Approved. But the process was very time-consuming and, as I said often to get finally through the Department a general recommendation or position was very difficult.

Q: Now before this issue of tear gas came up in early '78, had there been much discussion within the State Department over how much Vance or Carter should press the Shah to make progress on human rights policy?

Naas: Let me be blunt. If I'd had my way, there'd have been no mention of it at all on the briefing papers. I mean, that may make me to be a terrible person, but, of course, since we knew what Carter was interested in, in the briefing papers there would always be a point or two on human rights.

One of the interesting things is, in the Shah's visit in November '77, after the first meeting with the Shah-- and I think Jody Powell or somebody briefed the press-- there was absolutely no mention of human rights. When I got hold of our press man, I said, you ought to get hold of Jody Powell and tell him there's one glaring lacuna here.

So he got hold of Jody Powell and he said, you know, from a domestic political viewpoint, the President's got to say something on human rights. Which he did the next day. I never saw the precise language, but then Jody Powell, in answer to some question, could say, yes, they discussed the question of human rights in Iran.

I think the President was personally deeply committed to an overall policy of human rights. He was probably far more intelligent and balanced than the people who pursued these policies for him. I mean, he, as a President, you have to-- he was looking at the totality of the relationship, as I was trying to. People who are interested in one particular are not. And so I think he fulfilled-- he did what the Shah expected him to do, but he didn't do any more than that. To the best of my knowledge, he never really pounded the table or made-- again, to the best of my knowledge, made very specific suggestions.

Q: Had the Human Rights Bureau of the State Department been pushing for a more active or more aggressive stance? I mean, during '77, for example? Before the tear gas question?

Naas: Yes. I can't remember too many of the specifics, but-- I mean, Iran was one of the targets. You know, it was Iran, Korea and the Philippines, to get them to clean up their act.

I was very happy to leave the Departmet at that time, but you're not interested in my angst particularly, but it was a very difficult period. I got paid for it, so what the hell.

Q: Now in terms of the basic policy approach, how much continuity was there, say, between Nixon, Ford and Kissinger and Carter and Vance and Brzezinski?

Naas: The end result was very much the same. Practically. The rhetoric changed, the Iranian perceptions changed because of our rhetorical changes. The delays, the nature of the people who were carrying out policy changed. But the end result was damned little change in the thrust of policy, which had started really way back.

Q: Now in May '77 Secretary of State Vance attended a CENTO meeting in Tehran, where he met with the Shah, and there he told the Shah, as you probably remember, that the Administration would support the sale of AWACs and F-l6 jets to Iran at that point. Now in Garry Sick's book, he makes a point that inside the State Department there was some opposition to the AWACs sale to Iran. What do you remember about this question? Vance promised the sale, but there were people in the Department who opposed the sale.

Naas: Again these would be the human rights people. AWACs would have very little to do with human rights. It would come from that group of people, basically surrounding Les Gelb in Political Military Affairs.

Q: He would have been critical of it? Or he was critical of it?

Naas: I can't remember whether Les personally was. But, you know, the people around him took seriously the President's-- the clear desire of the President to cut down on the sale of arms. And that was one of the big points the President made. So they took this very seriously.

So there was that kind of opposition, but I think the argument was fairly persuasive to the Secretary, that this made sense, military sense, and it made great political sense, that for the administration so early on to deny the sale of such an important, sensible piece of equipment would have sent all the wrong signals to Iran.

So, as I say, you know Vance in his own way and Carter in his way and Brzezinski, as I say brought basically the same geopolitical view of Iran's importance and the importance of the Shah. They came into office with this understanding. It's a question of how to balance that understanding and the various commitments in the sense that the President had made in his campaign and his previous speeches on human rights and cutting down on arms sales.

Those were difficult times for these people, because some of the actions we took were not consistent with the rhetorical points. It was very difficult for the President and Vance, I think.

Q: Now one of the arguments that was made against the AWACs sale was that it was not just a defensive system that could be used for defensive purposes and increase the Shah's ability to intervene throughout the region. How did you respond to that kind of an argument that, I guess, was made by the critics, some of the critics of the sale, in the Senate and elsewhere?

Naas: I was going to say that various people up on the Hill, particularly in the Senate Foreign Relations Committee, were gravely concerned that somehow AWACs might be used against Israel. This was the major issue that was put to me. It turned there was

not that capability. You know, that was one of the arguments that we went back to them on, saying that there is not that capability from Iran. There was always that just-- an awful lot of it was that kind of concern, of individuals who were very closely attached to or concerned about Israeli security. It was that sort of how do we know, (just as life turned out since then) how do we know that a successor regime will not be unfriendly as compared to the regime we now have. And I think one of the arguments made is that, look, you've got a regime which couldn't be more friendly to Israel, and now is not the time to upset that relationship. The other concern that one got on the Hill, and certainly early on worried the technical specialists within DOD, of frankly the possible compromise of sensitive equipment.

Q: CIA was also concerned about this?

Naas: Yes. The whole series of people who look at the shipment abroad of technical-- you know, whether it's civilian high tech or military high tech. And there was grave concern by a lot of other people, but don't ask me to get technical. Various changes were made in the equipment, or various things were not put in that our AWACs had. I think there was a general feeling that even if a plane was taken to the Soviet Union, while the loss would be considerable, there were various technical adjustments which would not affect the basic efficiency of the platform, that we could protect ourselves. This is always a concern, I mean, of shipment of various kinds of missiles or equipment.

Q: Well, apparently Stansfield Turner made that argument. In public. In a public letter. How did it come about that he would make a statement that would undercut Carter and Vance's
policy? Was this sort of a lack of coordination or-- ?

Naas: There was a lack of coordination frankly. Basically I suppose at the White House, on the NSC level. But Turner did have a memo from his own technical people expressing their concerns, and as a good leader he used this paper in that hearing up on the Hill, which really created one hell of a basic problem. Here you have the head of CIA who is essentially talking against-- or expressing concerns about the very policies that the President has adopted. Within a day or two he reversed himself, as it was shown to him that technically it wasn't this bad.

That was a bombshell. I remember reading that in the paper and I thought, my God, here we go again.

Q: Now James Bill suggested-- I think he suggested it at some point-- that Carter among others wanted to pursue the sale of AWACs, partly to encourage the Shah to take a more cooperative approach on oil price questions. There was sort of a political aspect to the AWACs sale. Was this your understanding of the issue?

Naas: Oil prices, of course, at that time were always on the leadership's mind, and God knows the files may eventually show that some of my memos or other people's memos mentioned oil prices with respect to larger issues. More likely the phrasing would be along

the following lines the sale of, or the doing this or that, with Iran continues the long relationship from which we've all benefited, and would put us in a better position to talk frankly about oil prices.

Q: Sort of for the political atmosphere basically? Yes.

Naas: Yes. That within this political atmosphere we're better able to talk to them. I don't recall anybody ever saying we ought-- seriously, in terms of either the Department or some of its people, or in the Pentagon I never heard it-- we ought to tell him that if he doesn't cut his oil prices down, we won't sell the AWACS to him..

Now whether the Shah ever felt that kind of bargain, I don't know. And, of course, during his visit with the President, he did agree to withhold any increases six months. It happened to suit supply and demand at the time too. I think he saw it as a genuine gesture, political gesture to Carter, to agree. I think in retrospect, from the Shah's point of view, it was a terrible error.

Q: Yes, you mentioned that last time. In terms of the domestic political implications.

Now at first Congress-- Turner-- rejected the AWACs proposal. Then later on they approved it. What was your role on the effort to turn Congress's opinion around? I guess this is the summer of '77, right?

Naas: I think I mentioned in the previous discussion, I used to say, is there a life after AWACs? In the role leading up to where we stumbled, my role was basically working very

closely with the DSAA people at the Pentagon, to make sure that the Secretary of State or anybody else from State who was testifying, and Pentagon officials would all be reading from the same Bible. We ensured that our briefing books were consistent.

And I did the usual thing. My office did. I wrote a lot of it myself. I did a lot of what we call the Q&A sort of thing. And you'd break them up into-- you know, say one section would be "threat to the region." You'd get a lot of potential questions and answers. Iran's ability to handle technically-- a lot of questions, but basically the Secretary saying, "We have confidence they can. They've handled the F-4 program and the F-5 program, their transportation aircraft they can handle, but my colleague from the Pentagon is better able to discuss this."

So that's the kind of thing that I was heavily engaged in. Preparing the Secretary's book and the people who would go with him, on all this kind of-- some of it fairly technical stuff, which I first had to understand.

Q: Did you engage in any lobbying activities, like meet with Congressmen and talk about-- you know, argue the case?

Naas: That's a difficult area. There's certain limits on what one can do in this sort of thing. Through friends, I met with a number, a small number of staffers who were not involved in the AWACs sale as such, who weren't on the right committees, et cetera, and pointed out my problem and asked for their advice on how one best counters the kinds of criticisms they were going to come up, or how does one get over that this sale is to our advantage. I did that sort of thing, yes, and tried to get together some material which

would show Congress frankly how many jobs this would mean, what companies would benefit from it. And one always had in mind the fact that, say, if Raytheon was involved, that people from Massachusetts ought to understand what that did for Raytheon.

But the best advice I got was the most difficult to use frankly. That was to look at jobs and look at income. The foreign policy issues and the strategic issues have to be fought out on their own terms, but what really hits a Congressman is does this means twenty thousand continuing jobs in his district. We never used a lot of that stuff. Whatever lobbying went on after the sale, I was not heavily engaged in. I worked with our political-military affairs people, Henry Precht, who was up there, who replaced me as Country Director, and with the Pentagon to draft the various assurances that we had to get from the Iranians and then give to Congress-- to take to Congress. I think there were five assurances or six. I've forgotten the details of it now.

Q: Now in November '77, as you mentioned and discussed earlier to some extent, we talked about the Shah's visit to the United States with President Carter. What kind of special preparations did this visit require?

Naas: Sort of the usual, frankly. The President always receives a number of basic briefing papers. One is a statement saying the Shah at this time is-- and you describe as best you can the state of mind, et cetera, and then lay out the issues that he is interested in. And then, of course, laying out for the President the issues that we're interested in. Now he knows a lot of this, but he's got to be reminded of them. So it's that kind of briefing paper that goes forward. And again, we wrote all of those sort of things. And then the State

Department gets invited guest lists and protocol arrangements, that sort of thing.

So any head of state visit like that involves pretty much the same kind of reaction in the Department. You have to be very frank with the President in some of these memorandums and say, we don't expect much substance to come out of this visit, because we have no basic issues. This is essentially a courtesy and So-and-So will appreciate very much whatever courtesies and warmth you can show, and knowledge of-- and an awful lot of visits are like that. They're purely protocol.

But the visit of the Shah was not protocol. Although our main argument was-- I mean, the basic argument, of course, is that there are only so many state visits the President can take in a year in terms of his time-- was that the Shah had visited Washington with I guess every President except Roosevelt, and he saw Roosevelt in Tehran, and that it has become clear that he feels a visit would be useful. Then we go on to say, Iran, you know, is one of the most important-- blah, blah, blah, and we think that as soon as it's convenient for you to have a such a visit-- . That's the way you start out basically. Get him interested, and then they agreed. We'd start back and forth agreeing to a date. Then the process starts of thoroughly briefing the President. Writing speeches for him, writing toasts for him, writing toasts for the Vice-President, that sort of thing.

Q: How was the initiative taken to arrange this visit? Did Carter say a visit should occur and invite the Shah? Or was the Shah fishing for an invitation?

Naas: Well, it was made clear. All you need to do is, say, have the Minister of Court-- and I forget whether he did. He probably did, but I don't remember specifically-- in

talking to our ambassador, say now the Shah has seen every other President and we do hope that before too long. And so the word gets around. And the ambassador here, Zahedi, would note to various people that it would be useful if the Shah could come by. And so when the State Department is told that there are so many state visits going to be permitted in a year, then the internal struggle starts between the bureaus, to start out with, how many they'll get, and within the bureau whether the Shah should be received before-- other Heads of State. And you thrash those out yourself and then make recommendations to the President.

Q: Were you present at any of the meetings between the Shah and Carter?

Naas: No. Usually at such meetings the only persons present would be the two principals, plus the Secretary of State and the American ambassador. And that would be just about it.

Q: So it would be a very small group?

Naas: Yes. Now I must say if a working issue came up, some other people might be called in, but that's basically your layout.

Q: Now as you mentioned before, one of the issues that came up--

Naas: Let me go on. What often happens on these visits is actually you have-- it's dual layered. People mill around on, ten or twelve people including, the Secretary of State. And the President might have a half hour, three quarters, maybe an hour, one on one, or just the Foreign Ministers present. Depends, but-- . And then they would come in to the larger setting and tell people briefly what they discussed, what they had decided. And it would be sort of a-- a favorite phrase, the tour d'horizon, by which the Shah would talk to the rest on how he saw the world, et cetera, et cetera.

Q: Okay. Now you mentioned earlier that one of the U. S. goals during this meeting was to get the Shah to agree to take a moderate position in forthcoming OPEC meetings on oil prices. Was this sort of settled before the Shah arrived in Washington?

Naas: He had made his decision to do so before or at about the time he arrived. As I recall, he had been in South America or the Caribbean or some place before he came here, and he made a number of statements, which clearly signaled us that he was receptive. And then, as I recall, either the night he met the President or the night before he met the President, he made the announcement. So that took a nettlesome issue immediately off the agenda. You know, right away he had already agreed at least for the next six months we'll not have any increase. I forget when the OPEC meeting was due but once Iran agreed there'd be no increase, that took care of it. You know, as the major swing supplier in OPEC at that time.

So he was smart. In terms of his relationship with a new administration, it was a very shrewd move. If he had listened to Carter's talking points about the terrible impact of

higher oil prices on our economy, he would have been forced to go into his extremely detailed and knowledgable counter-arguments. So he just took it off the table. At least a much more pleasant discussion.

Q: During the weeks before the visit, had you been meeting with Iranian diplomats to discuss this question of oil prices? How was the issue handled in negotiations before the visit?

Naas: No. The Shah, by and large, did not use his Embassy in Washington in that way. Most things on oil were taken up in Iran. The U. S. government line was known. When you were meeting with Iranian diplomats, you would use it. You know then they may report it, but it's not going to have much impact. The Shah made up his own mind, period, on oil.

Q: Now another aspect of the meeting was a plan to get the Shah to take a more systematic approach towards arms purchases from the U. S. I guess there was talk about a five-year plan of purchases?

Naas: Yes.

Q: Now around this time Theodore Moran of the State Department's Policy Planning Staff had written a paper, arguing that the U. S. tried to get the Shah to curtail military spending, so more resources could be allocated for domestic economic modernization

and development purposes. Otherwise, Moran argues, Iran would fall into the social and economic crisis, unless the Shah curtailed his arms spending. Did you see Moran's paper at that time?

Naas: I did. I saw it in draft and, perhaps to my regret, I vigorously opposed certain parts of it. I felt that it was reasoning from the general to the specific, that there was not sufficient-- that he had not come up with sufficient evidence and detail. I remember one particular argument I had with him. I don't know, he must have been thinking of the great Chinese Revolution, in which he talked about, you know, unrest in the countryside. And I remember very angrily saying, it really doesn't matter what the hell happens in the countryside, but it matters very, very much what happens in the cities. If Iran is going to have problems, it's going to be in Tehran and Isfahan and a few other cities. Forget the countryside as such.

I guess part of my opposition to the paper-- as I say, I probably should rue this-- was simply that I saw it as another effort to make a basic change in the relationship, and I felt that that was wrong, as I saw it. Much the way I saw human rights and various other things as one issue, and that was sort of coming from a-- pardon me, the liberal academia approach. It was not a bad paper at all. And history has shown that he was closer to the mark, except for the countryside, than a lot of other people were. I haven't seen him since those days to tell him that.

Q: I think he's at Georgetown now? I think.

How much debate or discussion was there within the government over what kind of approach Carter should take towards arms sales at the meetings with the Shah? Was there much discussion over what kind of a-- you said there was a five-year plan apparently that was discussed?

Naas: Yes, there was-- and I can't follow-- my memory doesn't permit me to follow in detail how this developed, but there evolved a general consensus, which I certainly did not oppose, that Iran had been buying so much that it would be useful if-- and particularly useful domestically in the United States-- if we had a clear understanding over a five-year period, of what was terribly important and what wasn't important. You know, it was implicitly-- I'm not sure whether it was explicitly-- implicitly understood that he was still going to get what he wanted or something very close to that. He might have to go to other countries for some arms, and the general feeling was okay. But it was an effort to get some rationality. Also this would have permitted the administration to implement its over-all policy of arms sales of cutting down the amounts. You could shift a billion from '78 to '79, from '79 to '80, so that the President's over-all objectives could be achieved as well.

So there was that general consensus. How it developed, the whole process-- endless meetings and discussions and papers and that sort of thing. The Pentagon was very much in favor of it too. And they were having a very difficult time -- you know, handling this huge program -- so they wanted to get some rationality. They could say, well, three years from now we'll get an order for M-1 personnel carriers. No problem with that. In fact, I don't think-- as I recall, the Shah did not have that much problem with the concept.

Except to the extent that it had a resonance of our efforts in the sixties to do exactly the same thing on a much smaller scale. Of having yearly meetings in terms of their needs, their capabilities, their training. So I think that was about the only problem that it had that resonance of here we go again, in which the United States is trying to sell me or us on how to run our armed forces and what we should buy. I think he had no basic problem with it, except in that it brought back to him, and Iranians, that period in which we were very much involved. As I recall, in one of the things he said, well, those things I can't get from you, I'll get elsewhere, and the general feeling was, fine. No problem.

Q: Now also discussed at this meeting I guess was the question of Soviet influence, Soviet influence in Somalia, which we discussed already, and in Ethiopia as well. Was there any-- what was the extent of the Shah's interest in the Ethiopian question?

Naas: I think we discussed this before.

Q: Was it the same as Somalia basically?

Naas: Yes. He saw Somalia as a-- despite the nature of that Siad Barrer regime, as a counterpoise to Ethiopia, and therefore-- one of the interesting things is that the Shah-- I said this before. When we see the type later, we can edit some of it out. But when Americans talked to the Shah on international affairs, they quickly found a very broad parallelism, if not congruity. If Carter would talk about a particular subject, or the President before him, the Shah was there ahead of him probably and would then pick it

up and carry on. Because our world views, our Weltanschaung-- I keep using it, because I love it-- were very similar. He for his reasons and us for ours.

Q: Okay. I guess what this meeting was was a question of arms sales and I guess the regional issues, such as Ethiopia and Somalia, and the oil price question. Were these the main issues discussed at this conference?

Naas: Yes. To the best of my memory. I don't remember any other issues. We wanted to make sure the President said something on human rights, and there was the idea of getting the Shah to come down with an over-all five-year objective. The oil prices. And in any meeting with the Shah, or most heads of state. He has what I said before, the tour d'horizon, in which each person discusses his view of the world, of the problems, the points at issue. And, of course, you can use a head of state visit to perhaps get the visitor to start thinking about an issue that hasn't bothered before. But it was the sort of thing that, you know, at almost every level in the State Department you do with your counterparts at your level. You sit down at lunch and just talk. The President would be very well briefed on what Iran's policy would be, what we would like to see it be, and what he's going to say. If you're a fairly astute country director-- I'm not just speaking about myself-- with a fairly astute country director, a President should rarely be caught flatfooted.

Q: Now about the same time as this meeting was taking place in the fall of '77, there was growing opposition activity in Iran. The campuses were in ferment. There were protests in the Bazaar against the Shah's economic policies. How much did you know about these

developments at that time?

Naas: Oh, the embassy would report all of it. So, yes, we were very much aware of the tensions that were created by the attempts to take the steam out of the economy, and the attack on Bazaaris and arresting some of them for inflating-- say gouging and that sort of thing, and the efforts by Amuzegar-- was Amuzegar in then?

Q: Yes.

Naas: To cut back on the budget and really get a fresh look at Iran's resources. The embassy reported-- I'm not sure exactly when-- is that the subventions that used to go to the religious leaders had been cut out. I can't remember anybody raising a huge red flag over this. But, yes, we were aware of it. And then Finance Minister Ansari-- I guess he'd become head of the oil company by that time, some time in '77, -- he was a political opponent of Amuzegar-- did the same thing with oil money, the NIOC money that used to go to the religious leaders. "I can do it too" kind of thing.

So I think all of this stuff was reported. But, you know, none of us sat down-- at least I didn't-- and drew the appropriate conclusions.

Q: Now later that year, in the winter of '77, President Carter returned the Shah's visit by stopping in Tehran after a visit to Poland. Was there much substance to this meeting? Did it have much substance in terms of the issues?

Naas: No, they'd seen each other six weeks before. In fact, it was the most difficult briefing I ever had, to sit down and try to figure out, because I couldn't figure out what the hell they were going to talk about. So they didn't have much to talk about. It was essentially a social occasion. He arrived there one day and left the next, as I recall. So they had a lavish party, which went off in great style. And the children, the Shah's children, got engaged in it. And I guess about the biggest substance was that King Hussein was visiting at the time, visiting the Shah, and this permitted Carter to-- during the evening to sort of go off and talk with King Hussein for a while. But there was really no substance at all.

Q: Well, I guess, as I think about it, I guess there was an agreement, some kind of a ten billion dollar arms package. Was there something like that? There might have been some agreement about that?

Naas: There may have been. It's just-- you know, it struck me as they got to Tehran, had the party, left the next day.

Q: Who wrote the famous toast for the state dinner? Who wrote the Carter-- ?

Naas: The only thing is I feel that he must have written it himself. The desk always provides a toast for every occasion, and I'm sure that the one that we wrote for him was flowery and all that sort of thing. It did not have some of the more famous phrases in it, which were put in by him or Jody Powell or somebody who went along with him. I was

taken aback by it himself, frankly, when I read it. You can't lay that one on me, unless you can find the document some place with my signature on it. [Laughter}

Q: Just curious. Right after Carter's visit, a Tehran newspaper ran an article that attacked Ayatollah Khomeini, and this article sparked demonstrations in Qom that led to violent repression, which in turn led to cycle demonstrations and repression, which touched off the revolution. Demonstrations in Tabriz and other cities against the repression, and in Qom the forty-day cycle of mourning and then demonstrations. What was your initial reading of these developments? Are you still in Washington at this point, right?

Naas: I was still in Washington at this time. I don't recall the embassy reporting the text of the attack on Khomeini for several days. They may have. I just may have been busy on other things.

I would like to say-- and I may say this several times as we go through this process-- that I was not terribly attuned and perspicacious and so on. Did I see this as the opening battle of the revolution? I didn't. And I don't think anybody in Washington particularly, of the January and even on the February reactions of the forty-day cycle, saw this as sort of the opening shots. Certainly the embassy didn't. Again, the embassy reported voluminously what happened.

Q: Do you recall any discussions with official from the INR about these events, about what kind of interpretations they had of these?

Naas: I don't recall any, but George Griffin and I would probably sit down-- every couple of days he'd drop by the office for one reason or another, we'd sit and chat. But whether we ever sat and really discussed it, I can't remember. I do wish I'd kept a diary of this whole period, but I didn't.

Q: Now in March of '78 James Bill gave a presentation at the State Department, in which he argued that the U. S. did not have a bright future in Iran. Were you present at his presentation?

Naas: I helped organize the presentation, yes. Frankly, this particular session was largely organized for my benefit. I mean, it was known at the time that I was going to Iran as DCM.

Q: As early as March?

Naas: Right. Well, before that actually. And I asked INR, which had the money and the organization, to bring Jim and some people in just to frankly talk about the religious opposition as much as anything, because I felt that I just didn't know very much about it and I didn't have a feel for it. So I wanted Jim and a few others to come in and just talk at me basically.

END OF SIDE ONE, TAPE TWO; BEGINNING OF SIDE TWO, TAPE TWO:

Q: Now you mentioned that you were aware that you would become DCM fairly early in '78. How did it come about that you were appointed?

Naas: I had hoped, from the Iranian Country Directorship--since it was, without bragging, one of the more responsible and busy country directorates in the Department. As I say, I had a mild hope that I might get a small Embassy out of it as ambassador. But it became clear to me that that was going to be quite difficult and that I should be-- it was my time to go overseas, and that rather than hanging around and looking and waiting and hoping for such a small embassy, that I should be looking for an important DCMship.

I'd known Bill Sullivan many years and so I just told Bill-- I said, "by the way, Jack [Miklos] is due out in the summer and I'd like to put my candidacy in for the job." And he said, "I thought you weren't going to go out again until you had an embassy." And I reflect, "Well, it doesn't look like I'm going to get it and I can't think of a better job than DCM in Tehran." He said, "Okay, you've got it." And I said, "What shall we do?" He said, "I'll tell personnel that I want you." And that's it.

An ambassador has sort of ninety-nine per cent decision over who will be his DCM. So once he said the job was mine and told personnel, it was mine. Strangely, after I'd accepted the job, I was asked if I wanted to be an ambassador to a particular country, small country. And I told the people at that time that I'd already committed myself and that frankly the job in Tehran would likely be more interesting and a fuller job than ambassador to that particular country. It turned out I wouldn't have got it, because a lot

of other political things had happened. Had I been offered that particular embassy a few months before I'd made my mind up on Tehran, I would have accepted that and who knows what would have happened.

Q: You said you knew Sullivan from some years before. What were the circumstances?

Naas: I just knew Bill around the Department. He went to Fletcher School, as I did. We weren't there at the same time. I got to know him primarily when he was special assistant to Averell Harriman.

Q: On Laos?

Naas: No, here in the Department, when Harriman was Assistant Secretary-- I guess it was called Far East Affairs in those days. And we had-- Harriman was particularly interested in SEATO and, of course, Chinese actions, which involved Pakistan in a couple of instances. And so I was fairly active in meetings, you know, here and there with Harriman. Basically his note-taker. Writing the briefing paper and then taking notes and doing the final reporting telegrams out of the Department. And I was Pakistan desk officer in those years. And I got to know Bill quite well there. Never intimately, but we knew each other. So when he arrived years later as ambassador designate to Iran, as country director it wasn't two people getting to know each other for the first time. You know, we just immediately hit it off and went to work.

Q: When did you actually arrive in Tehran?

Naas: I think it was May 5th or May 8th, 1978.

Q: How would you describe your duties as DCM? You talked a little bit about this earlier, but--

Naas: A DCM's role in a mission is entirely up to the Ambassador's operating style. Some ambassadors -- a lot of political ambassadors particularly -- will want the DCM to be his principal political adviser. Most ambassadors really want their DCM to be chief executive officer, to manage the mission. To worry about personnel, worry about local wage rates, make sure the Political Section is turning out, make sure that the Economic Section is working effectively, is giving guidance to the consulates, is giving guidance to the Consulate General, and is working with the administrative staff, particularly in terms of helping them set priorities. Maybe, if you've got a good administrative officer, just simply agreeing to his priorities for the new budget. I never got into details with the budget, but the administrative Counselor would sit down and say, here's what we've got to do in the next year. And I'd say, maybe that should be number five rather than number four.

And a DCM is always very much involved, or should be-- I can't say that I was the best in all of this -- just looking after the morale and the training of younger officers. And frankly one of my tasks in Tehran, as the time went on, was making sure that as many of the younger officers had a sense of knowing what was going on, though obviously many, many times I could not tell them, or even senior officers, the way the ambassador felt about

certain things.

But we hired a very good staff assistant at that time, a young lady, and she would come to me and say, "Mr. Naas, I think it's time you sat down with all the junior officers again." I'd say, "Fine, set it up."

Q: Who was your assistant?

Naas: Laurie Tracy.

Q: She was a Foreign Service officer?

Naas: And still is, yes. She was staff assistant to the ambassador, and in a sense to me. I think I mentioned Bill Sullivan told me that he would be chief political officer, that I shouldn't spend too much time on those things, but manage everything else for him. If I were present, every report that the political section wrote came through me. And I frequently asked to see them in draft. But then I would never make any major changes. If I had any thoughts, I would pencil them in on the draft. They'd go into the ambassador and then he would decide whether it went out in that style or whether it should be changed or not. But, as he said, he wanted me to be thoroughly informed of what was going on in the embassy, but spend my time on other issues.

Q: Who were some of the principal officers at the embassy around the time you arrived?