Q: This will probably come up again, the Iraqi thing--when we talk about the Algiers Conference. But another implication of the meeting was, of course, what has been called the blank check Policy, do you think that it's accurate to call that a carte blanche, a blank check, in terms of the Shah's access to American weapons suppliers?

Mr. Saunders: Well, that's a shorthand kind of phrase but I think it says something. Obviously there's no such thing as a blank check. There were things that he couldn't buy because the U.S. forces were only developing them, or needed them first or whatever. There were all kinds of constraints of that kind. It's probably not an accurate phrase in that regard. In terms of his not being subject to the normal kinds of bureaucratic review, and indeed in terms of instructions not to second guess him, which was quite unusual--even the Israeli's had to come and argue their case for a new aircraft in terms of the Arab-Israeli military balance. Every year they sent somebody at a very high level to make extensive presentations to the intelligence community in sharing assessments of the Arab-Israeli military balance and justifications of various kinds of equipment were made. The Shah was not subjected to that and in that sense was free. I think you'll find in various accounts of this period that the Secretary of Defense felt that there was no point in going back to the White House and saying this piece of equipment doesn't make any sense in the Iranian forces, it's not a piece of equipment designed for a military force of that kind. That kind of argument was not welcomed. In that sense the Shah made the choices without being challenged.

Q: Was there much objection from the Pentagon or other agencies to this form of approach?

Mr. Saunders: Yes, I think so, in the sense that first of all there were people there who were accustomed to trying to gear what the United States sold to a developing country to not only the needs but the capabilities of that country. There were some kinds of American military equipment that look very attractive in the abstract but outside of the maintenence intrastructure of the U.S. Air Force or the U.S. Armed Forces in general would have been a maintenence nightmare. All the training and equipment that went into handling some of this complicated equipment just didn't make it, in the view of American military experts, the best choice, most efficient choice, most cost effective choice, the most usable choice for the Iranian forces. If we didn't have people trained in large numbers to do maintenence on this equipment then you were imposing a burden on the Iranian intrastructure that would have distorted the Iranian effort in ways that didn't make overall sense. I think there were a lot of people around, military experts, who had that point of view. It would chafe them, the notion that the Shah would get a piece of equipment because it looked attractive to him and he had decided he wanted it because it was the latest thing U.S. Air Force had, even though there wasn't much opportunity for its use. Saying here are the functions of this piece of equipment, we understand what your needs are. You could really meet your needs better with this other piece of equipment. That line of reasoning was ruled out.

Q: Did any people in the State Department object to this policy? I was just looking at this document recently that's an abstract of an intelligence report from 1970. It suggests, and this is from the abstract, "there was no immediate military threat to Iran that would justify new inputs of military equipment." So they suggested that there was no military power in the area that could really threaten the Shah's or Iran's position basically. The Shah's military requests were really superfluous. Did people argue those things at length?

Mr. Saunders: It was precisely that point that was put down by the Kissinger approach. That would have had to have been embedded in the approach of the 1970s, the whole effort in the early 1970s, we talked about it before, was to slim down military forces so as to leave resources for economic development. To slim down those forces so that they made military sense given the jobs those military forces would need to do. There was a whole decade, particularly the impetus of the Kennedy period and carried through the Johnson period, and the bureaucracy was full of people who thought that way. We're talking about a fairly early stage in this administration and this had not been knocked out of them yet.

Q: I got somewhere the sense, I forgot where I read it, that at some point, perhaps in the early 1970s, the Shah might have suggested that he would turn to the Soviet Union for weapon supplies if he could not get some kind of unlimited access in the American weapons market.

Did you get any sense that that was the case or that was suggested in some sort of subtle way to the White House?

Mr. Saunders: Oh, I think our friends, the Shah included, periodically raised that kind of thing. I think, as a matter of fact he did buy some equipment from the Soviet Union at various times along the way. So you had to cope with it. On the other hand, given his aspirations to build the kind of forces he was going to build, it would have been a logician's nightmare for him to go very far down the route of such substantial diversification of equipment: different supply systems, different warehouses full of stuff, people having to be trained in different ways, having two aircraft on the line or two sets of ordinances on the line at the same time. What do you do in the heat of some kind of military action to make sure you get the right stuff at the right place. I think an underlying point is that you can count on common sense to prevail, and for the Shah to make his demonstration to up the ante from the United States but not to go that route any wholesale way.

Q: Also at the time this decision was made oil prices were starting to go up a bit, not like in 1973 but there was some upward push. Would balance of paymens considerations have influenced this approach to some extent?

Mr. Saunders: Yes, I think that plus Iran's general economic success in the years at the end of the 1960s and the beginning of the 1970s caused the Shah to be in a better position, certainly than he was in

1965.

Q: I mean in terms of the U.S. recycling money spent on oil for Iranian arms purposes. Would that have played a role in that decision on Nixon's part--?

Mr. Saunders: It was a general part of the Nixon administration's policy not just geared to the oil-producing nations themselves, but more broadly to sell American military equipment as a way of overcoming the trade deficit.

Q: Did you visit Iran, at all during this period, the early 1970s or mid 1970s?

Mr. Saunders: I was there in the summer of 1969, I guess July. I was there in 1972, on the visit we've been talking about.

Q: The 1969 visit, do you recall the circumstances?

Mr. Saunders: Yes. Nixon made an around-the-world tour in July 1969 that started in the Pacific when he was on the carrier that picked up the astronauts when they returned from the first landing on the moon. Then he went on to Vietnam, India, Pakistan, and I was in South Asia for the visit to India, Pakistan. He did not go to Iran on that trip. He flew from Pakistan to Rumania as I recall. I stayed behind and visited Pakistan. Then I went to Iran and made my first visit there, just to become acquainted with the country. That was my first

direct exposure to Iran.

Q: Did you go outside of Tehran or was it mostly in Tehran?

Mr. Saunders: No, I went down to Isfahan.

Q: What kind of impression did you get of the conditions of the country at that time?

Mr. Saunders: Well, on the basis of that short of visit I wasn't trying to be an expert. At that time I followed Iran very closely. I was interested in its development. In my 1972 visit I went to Kuwait and into Iran through Abadan and visited some economic irrigation projects and so on in that area before I went up to Tehran. I think the impression I had--of course, because I was shown the projects that were progressing, that reflected Iran's economic development efforts--was that I saw a country where there were projects being built--I certainly wasn't shown a country in deep trouble. The impression I had from those visits was the exposure to what I would call the third and fourth echelon of Iranian society. What we would call the sub-cabinent level. The people I remember--admittedly in small numbers but still highly talented people at that level. Some of them had been western educated and had returned to Iran in the late or mid 1960s to participate in designing the development effort or managing it. A lot of those people were tremendously effective or in any case they seemed so. The number of people I met like that at a Tehran dinner party was small and I never

had any illusion that there were vast hordes of these people, but I had a sense of a country getting its act together.

Q: Do you recall anybody in particular that you met, any Iranian officials that you found striking or interesting?

Mr. Saunders: Nobody that I remember at this point. I remember during the 1972 visit when I arrived with Kissinger we saw all the appropriate ministers of the government.

Q: In that May 1972 visit did you ever see a record of the discussions with the Shah. Was there ever a written record that was circulated at your level?

Mr. Saunders: It wouldn't have been circulated. I may have seen something at the time. I can't remember.

Q: Do you have any account of the meetings or did Kissinger talk to you about it?

Mr. Saunders: I think enough to go in and do the job, again, I don't have any precise memory of how that came about. I think I have a feel for the way the meeting went.

Q: In Gary Sick's book he mentions that somebody told him that at the meeting the Shah was asked by Nixon to be my protector in the Persian Gulf. Do you hear anything to that effect?

Mr. Saunders: I heard that story before but I can't remember where. It probably wasn't from Kissinger.

Q: During this period, the early 1970s, the Shah was involved in a number of regional and local interventions in the Persian Gulf. There was also the Kurdish affair. There was also that he gave support to the sultan of Oman who was trying to suppress a guerilla movement in the country. Did the U.S. give any assistance for that kind of activity that you recall?

Mr. Saunders: There would have been encouragement and whether or not we provided certain bits of equipment to Iran and so on or supplemented the Iranian capacity to do so I'm not sure whether there was direct consultation between the MAAG in Tehran and the Iranian forces on how to do that I don't know. It was certainly regarded by Washington as a very important demonstration of how the Nixon doctrine could work. The Shah was encouraged to do that.

Q: Also I think I read in Sick's book that at some point in the 1970s the U.S. requested the Shah to provide weapons to Somalia for use against Ethiopia. Was this something that occurred in the Nixon-Ford period or later?

Mr. Saunders: I just can't remember. The other major operative of course with the Shah was as part of the effort in Vietnam to show a number of different flags. In other words to make it clear that this

just wasn't an American war. It was a war by members of the free world who were concerned about communist takeover. Iran committed itself to do that.

Q: I read they provided medical assistance. Anything beyond that?

Mr. Saunders: I can't remember exactly what they did. There was one point though where they were going to provide a squadron of aircraft but I'm not sure that was the case. I'm probably wrong in my recollection. This may have even been in the late Johnson, before the period we're talking about now.

Q: You mentioned last meeting that you thought that the policy under Nixon and Kissinger, late 1960s early 1970s, there was declining interest in maintaining any kind of contact with local political elements inside Iran that might be hostile or unfriendly to the Shah. Did you recall if you had that sense at the time, that this was sort of an official approach?

Mr. Saunders: Very much.

Q: I read also that the corollary of that was that the U.S. became more dependent upon the SAVAK for local internal intelligence information about conditions inside Iran. Was that the case?

Mr. Saunders: I suppose that's true, although I think the main liason with SAVAK was for purposes of keepings tab on Soviet

intelligence activities rather than internal. I doubt that we would have had any kind of formal exchange on internal Iranian affairs. Through SAVAK we may have absorbed some knowledge simply by rubbing [6"elbows. I think whatever we learned about internal Iranian affairs would have come from the embassy. Again, I'm not sure of the extent to which the CIA ran other agents on its own. We closed down that operation. I think we saw Iran through the eyes of the Shah and his government, with the exception of those people in consulates and so on who cut their own independent dealings and would occasionally voice views that were at obvious odds with the views of the government.

Q: Do you recall that occurring earlier, say in the early 1970s, any striking incidences of that?

Mr. Saunders: One of the people who was actually in the embassy in the 1960s and who had this view was Bill Miller. I don't know whether you've heard of him.

Q: I've heard of him.

Mr. Saunders: He'd be interesting on all of this because he was out of government or out of the executive branch, out of the foreign service by the period we're talking about. But I think, probably preserved his contacts with the dissident elements in Iran well into the 1970s or well into the period of the Revolution. As a matter of fact he was the person who was selected when the hostages were taken.

I remember that two people were picked by Carter to go and see if they could talk with Khomeni and Bill was one of them. The other was Ramsey Clark.

Q: How long were you with the NSC senior staff. You were with the State Department at some point?

Mr. Saunders: July, 1974.

Q: July, 1974. Late in 1973 there was the oil price explosion. As you said earlier, the economics people in the White House generally handled those matters. Was there any discussion though, was there any efforts or discussions of efforts to put pressure on the Shah or on other OPEC countries to restrain pricings or find ways to--?

Mr. Saunders: During the Kissinger period, as Secretary of State there was a fundamental problem of getting oil prices under control in some way. There was just a fundamental difference of interest between the Shah who wanted to maximize revenues for his own internal development and the U.S. who wanted to see some lowering of prices. Again there was a feeling that the blank check in a way applied in this area as well in the sense that there was no inclination to take on the Shah head-on on that issue. I'm not sure anybody quite knew how to do that if indeed there was an inclination to do so.

Q: I recall people like Secretary of the Treasury Simon suggesting that the U.S. use weapons sales as sort of a club to get the Shah to

restrict oil prices or to get him to take a more moderate approach within OPEC and reflect the U.S.'s views on that matter. Do you know that that was discussed, using the weapons as a way to induce restraint?

Mr. Saunders: I could see that issue being raised in that way but I can't say chapter and verse.

Q: When you went to the State Department in 1974, what were your duties? You were with the Intelligence Division?

Mr. Saunders: For about a year and a half I was deputy assistant secretary in the Near Eastern Bureau, who was responsible for the Arab-Israeli peace process and our relations with the countries in the Arab-Israeli area. I wasn't doing Iran anymore during that period. Then December lst, 1975, I went to be Director of Intelligence Research in the department which gave me global responsibilites. That put me back in touch with Iran. I stayed there until April, 1978.

Q: So that's 1975 to early 1978 basically?

Mr. Saunders: Yes.

Q: Was there much discussion or did this come to your attention say in the mid 1970s, the question of the impact of military sales on the Iranian economy? Apparently there were people in the Pentagon like

James Schlesinger who were trying to find ways to rationalize the arms sales process to Iran. Was this something that people in your division worked on or wrote reports on, analysing it or monitoring the impact of arms sales, or making recommendatins?

Mr. Saunders: I don't remember any particular study of that. I'm sure that there were ongoing looks at the Iranian economy and the role of military sales in that. So in the bureaucracy there was more inclination to raise the question of the impact of sales on economic development.

Q: I guess in the mid 1970s, 1975 or 1976, the Kurdish Affair was wrapped up at the Algiers Conference. Did the U.S. play any kind of a role in that settlement.

Mr. Saunders: No. That was very much done by the Shah and left us vulnerable to fairly sharp criticism of leading the Kurds on and then letting them down. As a matter of fact, I got a number of calls from time to time, not in any very large way but from time to time that were rather bitter about our letting the Kurds down. Whether they were in support of the initial program or not, they felt it was a rather cynical exercise.

Q: This all came as a surprise to Kissinger and I guess Nixon and Ford, the settlement?

Mr. Saunders: Yes. I think the idea of the settlement was seen as

having overriding advantages and quieting down a fairly important area of the world.

Q: Now late in the Ford administration, or maybe I should ask first, with the transition of power from Nixon to Ford, was there any shift in the Iran policy?

Mr. Saunders: I can't think of any shift. Ford's period was relatively short and he had other preoccupations.

Q: Late into the administration there was increased congressional concern, public criticisms about human rights problems in Iran. Did your division review those kinds of problems or look at those problems and studies? Do you recall that coming up as something to look into--maybe late in Ford or early under the Carter period?

Mr. Saunders: It was more pronounced in the early Carter period because there really was another look at Iran at the beginning of that period in a variety of different ways, some of them forced on the administration by the Congress and others internally generated by the administration because of its human rights emphasis. I tend to associate the next moments of internal adjustments as the early Carter or the late Ford.

Q: Before we get to that, there's one other thing about Ford I wanted to ask. Apparently, maybe this had come to your attention or not, but around mid 1975 James Schlesinger was more and more

concerned about the arms sales to Iran and requested that the NSC do a new review of the Persian Gulf Policy, generally on arms sales to Iran in particular. Do you recall working on that or playing some role?

Mr. Saunders: I don't remember playing a role.

Q: We'll go into the Carter period. I have one other question that occurred to me. When Marcos was deposed last year, it came to be known that he had given contributions to American political candidates, I guess during the 1960s and 1970s--congressional people, maybe presidential candidates. Do you know if that was ever raised about the Shah taking part in any kind of political activities here in terms of fund raising?

Mr. Saunders: I don't ever remember even any allegations about that.

Q: We'll move on to the Carter years. This might not have come to your attention directly since you were in Intelligence Division through early 1978, but did you get any kind of a sense what the implications of the human rights emphasis of the Carter years were on practical policy towards Iran in 1977, early 1978, what kind of a difference that made in terms of specific diplomatic developments?

Mr. Saunders: Yes. The consequences of the statements that were made obviously were to create a real tension and uneasiness in the relationship between the new administration and the Shah's regime.

This was obvious and Carter had to spend a lot of time trying to put that relationship back intact. If I can say a word that reflects, my own view point rather than an analysis of anything--it seems to me that the fundamental issue that pervades this entire period from the late 1960s on was the question of how the Shah might broaden his political base and expand the decision making institutions in Iran, as I said last time. The issue of human rights belonged it seems to me in a discussion of that kind, not in a public identification of Iran as a place where there were political prisoners and not in a pressure by the administration to let people out of jail, admirable as that might have been. The question that really was for discussion was the one the Shah himself was thinking about, that was how to liberalize the political activity, rather than change things, so as to broaden participation. It seems to me that while there were certainly good reasons for Carter to have come to office thinking about the importance of the human rights dimensions of our policy, somehow the translation into the practical politics of a relationship such as that with Iran got somehow defined in such a narrow way as to create problems for the administration rather than to create relationships within which the human rights issues might have been pursued. The Shah obviously had on his mind at the time the question about liberalizing his government. Now if we'd gone and had those discussions with the Shah privately, Carter might have established a very creative relationship early in the game and would have had possibly more chance of accomplishing human rights objectives than the approach that was taken.

Q: It was mostly to sort of focus on repressive measures as opposed to the polical composition of the regime.

Mr. Saunders: Accenting the international approach to Iran rather than an approach that showed concern for the underlying political objectives of human rights which were to broaden the participation in the system and ultimately encompass opposition elements in the system, which would diminish the practice of putting political opponents in jail.

Q: Did you get a sense that Secretary Vance or Carter directly raised these issues in private with the Shah and tried to suggest that he relax repression or use of torture or was it much more subtle than that somehow or was it not even raised at all in private? I think that Carter in his memoirs suggests that he did raise it at one meeting. I'm not sure how common that was or routine.

Mr. Saunders: Certainly the subject of dialogue, how that took place I've forgotten. I think that also there was an effort to reassure the Shah that we weren't gonna be bulls in a china shop siding with the political opposition at the expense of the Shah's government. Ultimately we had to convey that assurance. Of course by the famous Carter visit to Tehran, I suppose the administration was well on its way to doing that, but by that time it was the eve of the year in [6"which it all happened.

Q: How much continuity would you say there was between the approach

that Carter and Vance took in practice and the approach Kissinger had developped? Was there a fair amount of continuity in the basic thrust or was there more discontinuity?

Mr. Saunders: I think there was more continuity than discontinuity in the major relations. The discontinuities that were introduced came from a number of different arenas. We've been talking about the human rights aspect in which problems were generated by administration statements but at the same time, sometime in that first year there was the whole episode of the sale of intelligence aircraft to Iran and deep congressional reservations about everything from the amount of money being spent on military equipment by the Shah to the question or whether or not Iran really needed this sophisticated kind of equipment, and whether or not we were justified in providing advanced and fairly sensitive equipment that could have been compromised if they fell into the wrong hands; which, of course, they did. There was a real congressional opposition to sales. I think this was building up a head of steam for awhile in opposition to, reaction to the so-called blank check occurrance. So you had the Shah observing that part of Washington reacting to Iran, then he observed the administration's comments about human rights. If you're looking at elements of discontinuity, if we put ourselves in the Shah's shoes for a moment I think you would have observed some rather significant elements of discontinuity even though the basic intrastructure of the Military Systems Program was very much ongoing.

Q: You mentioned the question of the AWACS sale a minute or two ago.

I read that a number of people in the State Department weren't that opposed.

ALM

Interviewee: Harold Saunders Place: Washington, D.C.

Interviewer: William Burr Date: April 8, 1987

Q: The third part of the interview with Harold Saunders, by William Burr, took place in Washington, D.C. on April 8, 1987.

Now, to continue with the Carter period. I ve read that William Butler of the International Commission of Jurists met from time to time with the Shah to discuss human rights issues in Iran. When you were with the INR [Intelligence and Research Bureau] or later on at the Near Eastern Affairs division, did you know whether he coordinated his activities with the State Department, and if he did, how closely he worked with State?

Saunders: The precise answer is I don't know directly. My sense is that the word coordinates is probably a little too formal, I think he was. The evidence to that is not anything that happened in 1979--or excuse me 1977, when Carter first came in--but later on during the hostage crisis I remember we thought about him in that context a fair amount. Some of my colleagues in the Bureau seemed to know him, seemed to know him reasonably well. So I suspect they were in contact, but what that contact amounted to I don't know. I can't believe that he wasn't in contact with the Human Rights Bureau as well as the Near Eastern Bureau.

Q: I was wondering if you had any sense if his efforts might have been, sort-of, a partial substitute for direct diplomatic pressure by the U.S.

Saunders: I doubt the coordination would have been that strong. This is an international, I mean, an organization which had its own independence. It may have acted in ways that were, in fact, complimentary to the administration's policy, but I don't think that they would have been seen as substituting.

Q: Okay. In early 1978, when you were still at the INR division, anti-Shah demonstrations in Iran occurred on a nation-wide basis after police opened fire on student protesters at Qom religious center. Do you remember if those events generated much discussion at your division?

Saunders: Yes. They certainly did. We paid attention to them right from the start, and then of course we went in to the forty-day cycle of demonstrations after the initial ones. I may have my timing off by a few weeks, but I think it was probably in March that we called in, for the first of a series of meetings, a group of about half-a-dozen American-Iran specialists from the academic world to talk about what was indeed going on in Iran. That group came back certainly one, maybe two, more times in 1978. Not necessarily in exactly the same membership but with about the same composition, with a few coming and going. After the hostages were taken we had them in

several times, I can't remember how many now, to talk about obviously a different subject which was to help us understand the mentality of a Khomeini and the group around him--Shia Islam, and so on. So, INR started right away to write about and analyze these questions. I think it's fair to say that as of that point in March when we had the scholars come in, I think it's fair to say that nobody--the scholars or the government analysts--anticipated the rapidity with which the process of accumulating resistance to the Shah would materialize. People knew something was qualitatively different about what was going on, but the thought that it would snowball the way it eventually did, that the Shah would be gone by the end of the year, I don't think anybody was saying in March. One of the scholars today may have covered their rear-ends by citing something they wrote back then--but that's neither here nor there. The point is that we were watching it, we knew something different was going on. Certainly as late as late June, early July, our ambassador when he was back on summer leave was asked the analytical question about what this was doing to the regime, and the answer at that time for him was that the Shah was having difficulty but the Shah would prevail.

Now it's interesting to look behind that--that was the ambassador's message to Washington in early summer of 1978. I obviously have talked to a lot of the people who were serving in Iran both in the embassy and in the consulate. There were people in the consulate at that time who said later on, and I think quite honestly, that they were operating from the assumption by this time in the second quarter of 1978, that the Shah was done for. One of them told me one time he was shocked to come back to Washington at some point

and find that the State Department was working from the assumption that the ambassador articulated, namely that the Shah was in difficulty but the Shah would prevail. So you have a case here of people operating from different assumptions. But the person who reported from the assumption that the Shah was done for acknowledges that he never articulated the working assumption. He reported what was going on, but he never, for some reasons--either because the ambassador had a different view, or it didn't occur to him to say, "My basic premises have changed." He was reporting what was going on, and wherever it was--Isfahan or Tabriz, or wherever.

So, there was a lot of analytical turmoil in the first half of the year. But, one thing it illustrates is the difficulty for any analyst of current affairs, be he or she academic or government, in putting a finger on a particular moment and saying "Things have changed and will never again be the same. Something different is happening here. We have to shift all of our premises. We have passed a point of no return of some kind." It's one of the toughest analytical questions. It's easier for the historian to do than the person living through the event. Of course the senior policy maker, like the President, has a double problem. He has the fundamental analytical problem of just deciding when things have changed. But then for a President to begin operating on a new set of premises, or for a President to be known to be operating on a new set of premises, becomes in itself a factor in the situation. Picture the word going around Tehran that Jimmy Carter had written off the Shah. That would be a political force, or factor, in Tehran.

Well anyway, against the background of the analysis, the

analytical activity in the first half of the year, if one moves to the second half of the year I think one could note on a calendar July 1978, let's say, through January 1979. Just note when individuals reached the conclusion that we had passed the point of no return, and that the Shah was really done for within some foreseeable period of time. Some people who were early on the calendar include the Director of Iranian Affairs in the State Department, Henry Precht. Some people who might be quite late on the calendar would be somebody like Zbig Brzezinski. Of course the formal position of the embassy changed explicitly on whatever that date was, November Fourth or whatever, when Bill Sullivan sent his telegram entitled "Thinking the Unthinkable."

Q: I have a copy of it right here.

Saunders: What was the date?

Q: November Eigth, I think.

Saunders: November Eigth. Anyway. Just take that spread out there, and you can plot other individuals on the calendar. I don't do that at all to criticize anybody. Just the fact that it was the second half of 1978, not the first half of 1978, when people began to realize that we looking to a future without the Shah.

Q: I wanted to go over some of the things you mentioned in the last ten minutes, or so. When these events started breaking out--the

forty-day cycle early in 1978--how did people interpret them? What did they think was going on? Just a major crisis that could be resolved in time?

Saunders: As I said, I think as the cycle began to repeat--and that didn't take very long--I think people looked at those demonstrations, not just the recurrent nature of them but the quality of the demonstrations themselves, very early and said, "This has a different smell to it than things that have happened before. More different kinds of people seem to be involved. Seems to be broader than the dissatisfactions with one group in one town. It seems to have some resonance that reaches more widely. Therefore it doesn't look like anything that we might have seen recently. It has broader significance.". I think that was implicit in the analysis right from the start. As I say, people did not automatically--I've just plotted how people moved to the conclusion that the Shah was done for. They did not do that by and large, I think, in the first half of 1978.

Q: Who were some of the academic experts that came in? Was James Bill one of them?

Saunders: James Bill was one of them. I can't remember all their names. But, Marvin Zonis who was a second--at Chicago. I'm drawing a blank at the moment but he's at Brown University--I don't remember the other three off-hand.

Q: Okay. Changing the subject slightly. In February, I guess, in

1978 you were nominated for Assistant Secretary of State for Near Eastern Affairs?

Saunders: I guess--I can't remember when I was nominated. I was sworn in on April 11. It would have been some time in February.

Q: So you started working in the office in April, basically.

Saunders: Yes. I was sworn in on April 11 and started working April 12.

Q: What circumstances led to your appointment at that division?

Saunders: It was sort-of natural evolution. In the later Kissinger, well 1974-1975, I was Deputy Assistant Secretary in the Near Eastern Bureau, at that time with a focus on the Arab-Israeli peace process. I was flying on the Kissinger shuttles, participated on all the shuttles in the mediation of the three Arab-Israeli agreements in 1974 and 1975. As 1976 approached it looked as if it were going to be a relatively quite year--election year. New negotiations in the Middle East were going to await the post-election period. Bill Hyland moved from being Director of Intelligence and Research back to be Deputy to Brent Scowcroft as NSC advisor, and Kissinger appointed me to INR. Then came the transition from Kissinger to Vance. Phil Habib was the Under Secretary for Political Affairs, and remained so under Vance. His idea, which Vance agreed with, was that [Alfred LeRoy] Atherton wouldn't stay in the Near Eastern Bureau forever,

that I had the continuity of involvement in the peace process, and therefore I should stay in INR--because Atherton was being kept on as Assistant Secretary for Near East--as the logical successor. That is indeed what happened. The reason, actually, during that period when I was Director of Intelligence and Research, I traveled to the Middle East on each of Vance's trips, I participated in all the policy making in the Middle East. So I kept my involvement while having this other set of responsibilities. Early 1978, of course, was the period after Sadat's visit to Jerusalem, and it became apparent that we needed somebody to pay full-time attention to taking that initiative and turning it in to another round of negotiation. So Roy Atherton was the logical person to be moved out of the Assistant Secretary's job to become ambassador at large--which he did, and I moved in behind him. So, the occasion for it was really nothing more than the formal beefing up of the Arab-Israeli mechanisms to deal with something that the President had given very high priority to dealing with the Palestinian-Jordanian-Egyptian problems. Of course we went on then, relatively quickly after that, to Camp David--the Egyptian-Israeli peace treaty.

Q: Okay.

Now when you were Assistant Secretary of State, I guess in the early months of your tenure--maybe say spring of 1978 through the fall, or so--this is probably hard to answer, but how much time did you put in to Iran compared to say, the Near East peace settlement issues.

Saunders: You've got to remember we also had in the same Bureau the change of government in Afghanistan--another major turn-around. If you look at the priority time, the priority time went in to the Arab-Israeli peace process. The other thing is that the Iranian problem still seemed like an analytical problem that summer. So we paid attention to it. Well, no question we should have paid more attention to it, but I'm not sure what we would have done differently. But we should have paid more attention to it. Gary Sick's book outlines very well when the first formal meetings were held, and obviously that was much later than it should have been. Your question really becomes doubly cogent after early September--July, August we were talking a lot about it among ourselves, the analysis was being done, people like Henry Precht were beginning to say this was really very different, and we talked about what we should do about it. But of course everything got notched up another rung on the ladder, actually, while we were at Camp David because the Jaleh Square riot and the shootings that took place while we were at Camp David--Carter called the Shah from Camp David and so on. But we were at Camp David and the period thereafter we were engaged in the negotiation of the Egyptian-Israeli peace treaty. During that period the persons who really paid much more full-time attention to it were my principal Deputy Bill [William] Crawford and Henry Precht, who was the Director of Iranian Affairs. I can remember coming back from Camp David and having discussions with them about the need to look more sharply at options, and so on. I think the bureaucratic mechanism within the Bureau, or anyway again cranked up to a new level of activity in that period--although in October 1978 I

I don't remember particular meetings, but certainly right from the start when I was still on the Intelligence Bureau it was part of the daily memo that we sent up at appropriate points. I'm sure we would normally have done a memo after the meeting with the scholars. The subject of almost continuous reporting.

Q: Did you get a sense of what level of concern they had about the issues before the fall?

Saunders: I think it's about the same as everybody else's. That there was something different going on here, and that--of course everybody had questions for ambassador Sullivan when he came back on home leave that summer. Again, you must remember his statement, "Yes there's something different going on. The Shah's in trouble, but the Shah will--he'll make it!". I think the way the world operates when a Secretary of State hears his ambassador to Iran say, "Well, it's going to be rough but you don't have to have meetings about the impending fall of the Shah right now.", you know, I think that contributed a great deal to--. If he'd had a different message--I'm not saying this to blame Bill Sullivan because he faced the same problem everybody did. That is, when do you begin to call it differently? Of course he suffered from that problem I spoke about the President suffered from. If an ambassador changes his assessment, says "The Shah is done for," that's going to get around too and that's going to be a factor in Tehran.

Q: During August 1978, in a classified memo which I've seen, there