pages long, so he put a fair amount of time in to it I guess. But would you have shown it around to [Warren] Christopher or Newsom? It's a cover letter to Ambassador Sullivan, and there's a enclosure. I'm trying to see if you recall if you found the policy relevant at that time or not, or was it discussed or, rather, dropped instead?

Mr. Saunders: It's the kind of thing I would have shown to Vance without making much ceremony of it, for his own thinking and reading. I can't remember whether I showed this particular one to him or not. But we were certainly talking at length about this. As I say it was exactly this kind of thinking that surrounded our conversation with George Ball, and I think was consistent generally with the secretaries thinking.

Q: So Vance was on the same wavelength basically.

Mr. Saunders: I feel so. In a given instance he may have been caught in a discussion with Brzezinski and the president where he might seem to have deviated from that line in some degree, but I would feel that we were all generally at the same wavelength.

Q: During late in the month, in December, after General [Ghoman] Azhari's government fell, or failed rather, the Shah installed [Gholam Hossein] Sadiqi and Shapour Bakhtiar as prime ministers. Do you know if Sullivan tried in any way to influence the Shah's decisions on those appointments? Was there any US role?

Mr. Saunders: I don't think there was any role on instructions as a choice between the two individuals.

Q: Now at the same time, apparently, in late December--from what I've read in Sick's book and other places--Sullivan and a staff were secretly making contacts with high level religious opposition figures in Tehran. According to Sick's book also, he did not tell Washington about these activities. Was that largely true?

Mr. Saunders: It certainly is very clear that after the revolutionary council was installed, when Khomeini came back, that the embassy had indeed been in touch. But I think we figured something like eighty-five percent of the members of the new revolutionary council had been in touch before the Shah fell.

Q: With the embassy.

Mr. Saunders: The embassy had been in touch with them. Come February, March of 1979 we were rather proud of the fact that, in contrast to the usual picture of a group of people in Tehran being out of touch, that the embassy was indeed able, with the new government, to pick up contacts with that kind of individual. So, yes.

Q: That's very interesting.

As a result of these negotiations Sullivan proposed a plan, which Vance approved, to make direct contact with Khomeini in

Paris--the abortive Eliot Mission. Do you remember how Sullivan justified his proposal?

Mr. Saunders: It goes back to the point I was making earlier about the later Huyser Mission. At that point attention really turned to, well first in the Ball recommendations to trying to negotiate some kind of broader political involvement internally. While that didn't pan out there was then a next step in thinking to consider how one might negotiate some kind of transition from the then-present regime to one which would be supported by Khomeini. A transitional regime in which still a number of people in the moderate center and the secular center would have been involved, rather than simply making a cataclysmic leap from the Shah's regime to a Khomeini regime. So the idea of negotiating with the group that was obviously going to be the center of gravity in the new regime took the form of being in touch with Khomeini's crowd in Paris, to see what might be done there. Later on, of course, there was the Huyser Mission, one purpose of which was to see whether the military could be equipped in some way to be the cement that would hold the transition together, encouraging them to--obviously they represented the past but also encouraging them to--reach out and try to establish some role in an incoming regime so that they could be a bridge in a transitional process.

Q: Did Sullivan see it that way, the transitional process? Because I've gotten the impression that he wanted to stitch together a coalition that could replace, or supplant rather, the Bakhtiar government. Was that understood at the time?

Mr. Saunders: Sure. I think so. When the opposition branded Bakhtiar as the Shah's instrument and therefore unacceptable, then the question became whether or not you could negotiate the formation of a government that might be acceptable to the incoming, or the opposition, group and yet still preserve elements of the former regime and provide some kind of order in the transition.

Q: Now according to Sick's account, Sullivan had a plan for the dismissal of the top 100 military leaders in Iran, and the replacement by figures chosen by the opposition. Did he discuss this with anybody in Washington?

Mr. Saunders: I don't remember that.

Q: I mean Sick's pretty hard on Sullivan at times. He suggests at times that he was operating entirely on his own, without instructions from Washington. Is that an accurate characterization?

Mr. Saunders: I think Bill Sullivan would put it in terms of, not that he wasn't getting instructions from Washington, but he was getting--as I said--divided instructions from Washington. Instructions which were internally inconsistent, which conflicted with each other. One line was reflected in those moments when Brzezinski dominated the scene were directed toward a military solution. The others reflected the Department's point of view. It was very clear in the communications with Sullivan from the

Department that he knew whose instructions were whose and he didn't have much respect for a certain source of those instructions. Therefore Sullivan would say it wasn't that he was getting no instructions, but he felt he was out there being whip-sawed by two factions in Washington. I think he--being a very senior and experienced ambassador, and having lived in some previous chaotic situations such as Laos in southeast Asia--he decided to position the embassy to cope with a transitional situation or a changing situation, if you want to use that word.

Yes, I suppose you could say he did some things not acting on instructions. On the other hand, he had a mind of his own. Sometimes that's good and sometimes it's bad. It depends, usually, on how things turn out. What happens afterward and how much sniping there is among those involved. In this case there was a great deal of sniping and a lot of this came out. If Washington had been harmonious, and Sullivan had been acting in ways consistent with managing as orderly a change as possible and preserving the American position with the new government, he could very well have come out getting an "A+." So, a man takes his initiative in his hands. He may do so and act very wisely and still be condemned. He may do so stupidly and nobody notices! [laughs] So, in this case I think that any senior ambassador worth his salt is going to look at a situation around him and take a number of initiatives.

If one steps out of this chaotic situation to another one, namely Beirut, even in the 1975-1978 period while there was a civil war, there at least wasn't the total disintegration of central authority that we know in the mid-1980s. There, I think looking at

it from Washington, the only sensible policy was to tell an ambassador that we would like him to operate among factions in Beirut in such a way as to help preserve some kind of coherence around the central authority in Beirut. We in Washington weren't smart enough to tell him how to do that, to whom he should talk, whom he should bring together among the Lebanese factions for meetings and so on.

But I think the same applies in Tehran. You've got a chaotic situation. An ambassador figures that his job is to protect the American position so that whatever happens, when the dust settles, there will still be an American position there to pursue and protect American interest. I think that's what Bill Sullivan was trying to do. Obviously, in putting out his feelers to members of the opposition he was sensing that he was going to have to--he or his successors--were going to have to deal with that opposition at some point in the not too distant future, and the time then was to begin establishing the foundations for that. Since he had already judged that the Shah's regime was on its way out, it wasn't as if he was going to be jeopardizing the Shah by being in touch.

There are lots of different ways to argue. You could have a very serious and sensible debate over this issue, but I think that was Sullivan's rationale and I think it is probably generally consistent with the ethos of the very senior career ambassador-minister level of the foreign service.

Q: That's interesting. Now apparently this planned Eliot Mission, the planning went to considerable length before it was finally dropped, or suddenly dropped.

Mr. Saunders: Yes, right up to the point--as I recall--within hours of his departure.

Q: Did you get a sense why President Carter rejected the plan to send [Theodore] Eliot to Paris?

Mr. Saunders: I never really knew quite what the intricacies were, or of who talked to Carter or to whom Carter talked and why the decision was made, but it seemed pretty obvious that it was one of those decisions made on the basis that that would have seemed a very open casting of the lot with Khomeini. I think Carter had been conscious throughout that it was one thing to make an analytical judgment that the Shah's days were numbered. It was quite another thing for the president of the United States to indicate in a public way that he had made that judgment. I think he felt that it was too open a display of shifting attention.

Now the real argument here, of course, is that if we'd been in touch with the Khomeini camp throughout the year in a normal way at middle levels, then we wouldn't have had to make the judgment at this time. This is a parenthetical statement, but it's another example of how keeping yourself out of contact with people who are ultimately going to have to play a central role in the resolution of a particular situation is a bad idea for a great power. You don't have to like people to talk to them. You don't have to recognize them to talk to them. But invariably if you don't talk to them, you end up wishing you had. In this case we wouldn't have had to have an Eliot

Mission if we'd had Warren Zimmerman[?], as we ultimately did in the embassy in Paris, in touch with the Khomeini camp. If we'd established that channel during the previous summer or spring the channel would have been in place, we could have had an Eliot go to Paris in the normal course of things and elevate the dialogue if we'd wanted to.

Q: Was that a presidential decision?

Mr. Saunders: Yes.

Q: At what point did Washington policy makers--I guess State Department officials, and others--start assuming that the Shah should leave Iran?

Mr. Saunders: Well sometime just about the time--the last week in December, I guess, is about the period when there seemed to be a cascade of judgments reached that that was the probable outcome or necessity. It was at that time, or a few days later, that people began to think of the alternative scenario. There was the idea that maybe the military should capture the Shah, carry him to the south, and then come back to Tehran and put him on the throne again--this familiar scenario from the past.

Q: That was discussed at the White House?

Mr. Saunders: Yes.

Q: Was Brzezinski an advocate of that?

Mr. Saunders: It certainly intrigued him. I don't want to put thoughts in his head or words in his mouth, but--I forget what his book says on that point, but--it certainly was an idea that I remember being discussed around the Situation Room table.

Q: Was there much of a US effort to directly or indirectly encourage the Shah to leave the country?

Mr. Saunders: It was a very touchy thing. There came a point when the answer to your question would be "yes," but it was down toward that very last four or five days. Then I think we did weigh in to urge it. But, we were very late in the game in urging it, simply because of the proprieties and the complexities of making a judgment like that on his behalf.

Q: Now, did you have any hand in the decision to send General Huyser to Tehran?

Mr. Saunders: No. No. That was one of these things that came out of the White House complex, and that was managed between the White House and the Pentagon. The communication with Huyser was through the Pentagon rather than the State Department. Communication with Sullivan was through the State Department directly, so. [laughs] In some places you had Huyser and Sullivan sitting together in the

communications room at the other end, Sullivan sort of typing his messages to us and saying, "Huyser tells me that he's instructed too" and coming back with his comment and so on. Not exactly one of the best moments of American policy making coherence.

Q: Now apparently Huyser's options included something called "Option C," I guess the idea of supporting, encouraging a military coup if Bakhtiar fell or was threatened by the opposition. Was there any support in the State Department for pushing that option?

Mr. Saunders: No. I think the focus of the State Department on that exercise would have been more in terms of encouraging the military, for instance, to reach out to the Khomeini camp, see whether <u>it</u> could work out its own accommodation with them again, so that you would preserve that core of solidity in the Iranian body politic but make it the bulwark of a new regime, rather than having it be demolished.

Q: Now did you or your colleagues have any--how much of a chance did you think that Bakhtiar had in January? What were the assessments of his prospects for continuing his position?

Mr. Saunders: Well, less than even but not as low as ten percent. I think people felt it was more a question of how long he could last, rather than whether he could become the center of a governing authority over a longer period of time. We felt his days were clearly numbered it became quite apparent that the opposition by that time held the upper hand and wasn't going to have any of him.

Q: So you realized you couldn't carry your support to any great lengths for Bakhtiar.

Mr. Saunders: Yes. Since he was there, our purpose was to see whether he could be used--used is the wrong word--see whether he could be the figure in a transitional arrangement of some kind.

Q: Now I guess around mid-January, January 22, Sullivan cabled that if Bakhtiar fell the US should not support a coup, and instead encourage the army to reach an agreement with Khomeini as the alternative to supporting Bakhtiar--which I guess diverged from official policy which was to support Bakhtiar in some way. Did this message have much influence?

Mr. Saunders: Again this is drawing on hazy memory about one message. I think by that time events were moving with such momentum and speed that a telegram would not have had a tremendous impact.

Q: When Khomeini returned to Iran, I guess around February 1 of 1979, and he appointed Mehdi Bazargan as prime minister, which made it sort of a dual power situation in the country. How did you and other officials assess the situation? What kind of offense do you think the United States had in this context?

Mr. Saunders: A Bazargan government would have been seen as at least preserving in the Iranian government some kind of representation from

an understandable political center, at least a group of secular people who had a tradition which people understood. That would have been regarded as preferable to a entirely Islamic group. I think it was not long after that that it became apparent that the embassy could be in touch with that kind of government and if it had Khomeini's support, and since it represented a middle ground the United States should try to work with it.

Q: You mentioned earlier that Sullivan was having to carry on negotiations with some of the people around Bazargan. Did the State Department officials discuss at this time the possibility of negotiating with Bazargan to sort of facilitate an orderly transition? I mean, apparently Sullivan was doing that on his own. But did people in Washington encourage that in any way by this point? Or was it sort of waiting to see what would happen?

Mr. Saunders: I think it's one of those cases where the events were moving quickly, and you saw what your ambassador on the ground was trying to do and it was very difficult from Washington to get ahead of the momentum of events on the ground. It was they who tended to sweep the situation along. The ambassador stayed in touch with it. I don't remember at that point there being a significant policy debate about alternatives. The alternatives were overwhelmed by rapid developments on the ground.

Q: Now early in the month, I guess around February 3, General Huyser returned to the United States and he and President Carter met with a

number of officials at the White House. Were you present at that meeting?

Mr. Saunders: No. I suppose Vance was, but I wasn't.

Q: I guess one result of the meeting, from what I've read, was that Secretary Vance cabled Tehran that the US was firmly committed to supporting Bakhtiar and that it supported any actions that support Bakhtiar's position. I mean it was a really strong statement to the embassy in favor of supporting Bakhtiar, basically. Did you at that time think that was a workable approach, if that was effective policy?

Mr. Saunders: No. I think our sense was that he would be replaced. He wasn't viable after a certain point.

Q: Did you discuss this with Vance? Did he disagree with you about this issue?

Mr. Saunders: I don't remember any disagreement. I have trouble reconstructing any particular discussion. You have to remember that in fast moving situations like that you end up having a half a dozen quick discussions a day, you know on the phone or running up to his office. It's a sort of ongoing dialogue where you may discuss and drop options or reach consensus on options without ever papers having been written, or without your feeling there's every been a major policy discussion.

Q: Now in the following weekend, the weekend of February 8, there was a mass revolt inside the Iranian military which threw its support to Bazargan and Khomeini. Were there discussions at the White House, the State Department, that weekend, as to what to do next?

Mr. Saunders: I'm sure there were. Again I can't bring them back to memory. This was a period of several months, of one event one meeting one discussion after another, on a almost quarter-daily basis. So the fact that meetings don't stand out in recollection doesn't mean there wasn't intense activity. It just means that the situation was serious but no one meeting may have stood out over others.

Q: Do you remember what kind of an approach that the State Department took towards this development? With the military throwing its support to the revolutionaries, what kind of approach did the State Department develop towards this transfer of power?

Mr. Saunders: I think generally there was the thought that we were going to have to try to find a way to do business with the new center of power in Tehran, and attention turned to how to go about that.

Q: How would you characterize the policy approach that the US took during the course of 1979 towards the Khomeini regime?

Mr. Saunders: There were several moments, starting at the moment in early February when we had to address this question the first time, when we asked ourselves whether we could do business with the new government, whether we had an interest in trying to do business with the new government, whether the political situation would make it viable for us to sustain a diplomatic presence in Tehran, whether that could be done with at least no more than a reasonable amount of risk to the people involved. At each stage--and I think that February was one point, some time in April or May was another point, there may have been one or two lesser points, but certainly late October after the Shah was admitted for medical treatment in Washington was yet another point--again and again we visited the basic question, should we try to stay there or not. Generally the feeling, which I think is normal in a situation like this, is that we're be better off present then absent in an important country during a formative period after a traumatic change. So we tried to stay there.

Even after the embassy was taken over on February 14th we decided that we would stay there. As one of the people who was later taken hostage said to me after he came home, that by November we'd been up this hill and argued this thing out enough times that, sure you knew what the dangers of trying to stay were--you knew what the limited advantages of trying to stay were--but on balance you had come down on staying so many times that it would have taken a jarring situation to cause you to decide to leave.

Q: Did you participate in any talks with Iranian officials before

November 1979? Did you attend any meetings at the UN or other forums where discussions were held?

Mr. Saunders: Yes. There were a number of discussions. As the spring wore on it became apparent that there were a lot of areas where we could do business one way or another, practical things with the new government. As the embassy stayed and its contacts developed it became possible for us to do a number of things. One of the major things that needed to be done was to bring some kind of rationality to the military supply program, which of course under the Shah had been massive. The new government in Iran was not inclined to continue the procurement at the levels that the Shah had pursued, and yet all this stuff was in some point of passage between manufacture and the United States and Iran--title had passed, payment had been made, etcetera. So there was just a massive problem there. The Iranians--the new Iranians in Tehran--didn't know what was there, and didn't have a clear picture what the system had been and so on.

So there were a number of meetings, for instance, among military specialists in Iran and here, and even in New York during the year General Assembly session in the fall, about issues, trying to derive some kind of understandings about what categories of stuff they didn't want, and so on. So I remember sitting in the living room in the Iranian mission in New York when I was up there. Vance saw the foreign minister, I met with him privately with some others. Some of them I saw in the office in Washington during that year. We tried to operate as governments in normal communication in a not totally normal situation.

Q: Now in his book, Gary Sick is fairly critical of Henry Precht for arguing during the summer of 1979 that the position of Iranian moderates is fairly strong, and that the US should pursue a policy of normalization. Now to simplify Sick's argument, he suggests that because Precht's position was influential, the Carter administration did not take steps to strengthen embassy security. Now how much of that interpretation would you accept, from your recollection?

Mr. Saunders: The first thing is that from Precht's point of view since the judgment had been made by late spring a couple of times that we would be present rather than absent, and the purpose of our being present was to try to help serve a variety of interests including those of businessmen who needed to sort out their projects in Iran and so on, that it was going to be necessary to do certain things to slightly increase the staff in the embassy. The other side of the problem was that come late summer there were going to be a number of Iranian students coming back to the United States, and you needed certain counselor services to service their applications and so on. So, the inclination of the person having to manage that relationship was to provide the embassy with the capacity to perform those services in both directions. At the same time, the embassy had been taken over in February, once. You couldn't ignore the dangers to the people there and the security problem. At some point we went to a policy of having people go out on temporary duty on a volunteer basis to fill in rather than trying to assign people permanently to the embassy.

So there was consciousness of a security problem and an effort to talk about it. Other than reducing the size of people and hardening the embassy in very unusual ways, I don't know what more could have been done that would have prevented what happened in November. The embassy was hardened internally and the measures obviously didn't stand up to the attack in November. On the other hand the problem in November was that the Iranian government wasn't prepared to provide protection, as it had during the February 14th takeover. Obviously there were mistakes in judgment made in retrospect. But if you go back and talk to the people who made these judgments, if you talk to people in the embassy, they would have said "Yes it was a very dangerous situation, but once we had made the judgment to stay you accepted the fact that the judgment had been made to stay in the light of obvious dangers. Those dangers were reviewed in the couple of weeks before the embassy was taken over."

But I think what Gary faults are the decisions to build up the staff of the embassy somewhat so that there were more people there. I think some of the hostages probably were bitter that those decisions had been made. For instance that the counselor section had been opened and fully staffed. There may have been mistakes in judgment.

Q: Did you play any role in the discussions that led to the decision to admit the Shah, in October I guess?

Mr. Saunders: Well, most of the communications came in to the Department on that subject to David [?] , the under-secretary

for political affairs. We were very much involved, I think. Henry Precht had written a memo way back as early as February or March--I can't remember when--after the Shah initially left Iran saying that, if the Shah came in to the United States then--and that was long before we had any notion of the impending medical problem--that there was a danger that Americans would be taken hostage against the return of the Shah to Iran. I think those memos had a very strong influence because indeed we urged the Shah not to come. I think that weighed on President Carter's conscience. So, by the time the prospect of bringing the Shah to the United States arose there was a history of memos that argued against his coming. So, to that extent we played our role. Obviously the recommendations were overruled, other considerations prevailed.

Q: Did Vance talk with you at this time, with you or Precht, about the decision?

Mr. Saunders: Sure.

[End cassette one, side one]

[Begin cassette one, side two]

Mr. Saunders: We were discussing this almost daily. It was a case where our bureau had made a recommendation, and urged that all other options be explored. But, as I say, other considerations prevailed.

Q: Had you yourself been subject to any of the pressure that was

coming?

Mr. Saunders: No. Most of it, all the approaches, came to --and probably to Vance too, as well.

Q: Kissinger didn't call you, for example.

Mr. Saunders: No. He knew where power lies in the State Department and didn't bother to call the assistant secretary. [laughs]

Q: What was your general role in the hostage crisis decision making and policy making areas?

Mr. Saunders: As assistant secretary I was the director of what we came to call the Iran working group. In every major crisis the department normally ends up establishing a task force in the operation center, either under the leadership of the office director or somebody from the front office. In this case I was titularly the director. The day to day operations were in the hands of Henry Precht. That working group, I suppose with the exception of some others in the 1960s, probably ended up holding a record for being in existence longer than most.

What we did was to assemble all the people involved in the crisis in the operation center, in work rooms there where they could all be in physical proximity to one another. They were the principal sources of memos written and intelligence gathered, and that analysis provided to the working group and the White House. But, all that

came through me. I spent some time up there every day.

Q: Gary Sick discusses your role in some of the negotiations, your working with Hamilton Jordan and so forth. Anything you want to add to that?

Mr. Saunders: Well the full account of that is in the book that I co-authored with the Council on Foreign Relations. The full account is there. I'm not sure we really want to repeat that here.

Q: I haven't looked at that yet.

Mr. Saunders: I wrote three chapters in that book. I think you'll find the full account of the Jordan related negotiations as well as the philosophy and strategy behind our political diplomatic efforts throughout the crisis.

Q: Including the decision about the hostage rescue mission?

Mr. Saunders: Gary Sick wrote a chapter in this book as well. That is laid out there.

Q: Were you involved in that decision at all?

Mr. Saunders: No. Carter told Vance he didn't want anybody from the Department involved. Obviously the questions that Vance was asking of us, particularly of Henry Precht who was the expert in detail

matters, indicated that something was going on. We pretty well knew what was planned, but--I made sure Vance understood our views on a rescue mission but I never asked Vance specifically what was going on. I knew, probably, that Carter had told him not to tell anybody. Our relationship was very close, and I didn't want to put him in an embarrassing situation to have to deal with that question head on. So I never asked the question, I simply told him what our response would be if the question were asked about a rescue mission. Quite clear from his later resignation and his explanation of it that his position reflected ours. So we felt that we had done our duty in making all the analysis we could available to him on that issue without ever being directly involved in any of the specific planning, or even necessarily knowing what the details of the plan were.

Q: I have a few follow up questions to try to finish this up with.

When Henry Kissinger was framing policy on arms sales and other issues concerning Iran--he was at the White House--how closely did he consult the State Department when he made major policy decisions, the so called "blank check" decision.

Mr. Saunders: Well the first point to be made is that throughout the administration--and I think we talked about, for instance, some of the early decisions on the military procurement review and so on--there was an ongoing dialogue about the subject of sales to Iran. So Kissinger was operating from a base of extensive bureaucratic analysis and writing on the subject of arms sales. So he was not operating without an analytical base, or without a bureaucratic base.

The second point to be made I think is, evolving through the first Nixon administration was the gradual knocking down of arrangements to inject the US officials into a review of Iran's procurement policy. It wasn't a new idea that the White House was opposed to "excessive" American bureaucratic involvement in the Shah's decisions. So that was a part of the background.

The third point is, when we actually got to the June 1972 meetings, which were supposed to have been the moment from which the blank check policy dates, I think it was more an articulation of a position that Kissinger had been holding to and leading up to. Now the fourth point is that the actual exchange between Nixon, Kissinger, and the Shah during the Tehran meetings was something that they did in that meeting. But to say that is not to say that they were operating with no base, totally out of touch with the bureaucratic environment. They had a long lead up, as I've said.

The fact is that they happened to disagree with the recommendations of the bureaucracy and ultimately made a judgment, made commitments to the Shah, which would not have been consistent with the recommendations of the bureaucracy. But, I sound as if I'm trying to defend what they did. I'm trying to put what they did in the real world context of two leaders who had recommendations and had a different point of view and overruled the recommendations and made their own commitments, rather than two leaders who had their own far out ideas and articulated them in a meeting with another leader with no analytical base. They knew what they were doing and they did it, even though they knew that most of the bureaucracy would recommend that they not do it.

Q: Would Rogers have been in that position as well? Secretary Rogers?

Mr. Saunders: He would have been in the position of being left out, if that's what you mean, I would think.

Q: Now you mentioned also, I think, in an earlier interview that after 1969, that under Nixon and Kissinger, contacts with opposition figures declined considerably. Now was this the result of a policy decision? What accounted for that?

Mr. Saunders: I don't think, again, that you would see "a policy decision" on this issue. It was rather the evolution of an attitude. It's not so dissimilar from the attitude which became described ultimately as the blank check policy. It evolved over a period of time. I'm sure that given Henry Kissinger's predilection for not involving ourselves, again, "excessively" in the internal affairs of the Shah's body politic, that there would have been a period of repeated instances where people would have put a damper on too much contact with the opposition. The Shah himself contributed to this by periodically telling the ambassador during discussions that he was aware that Foreign Service Officer X had been down to the bazaar and had been talking to so and so, and it would really be better if foreign service officers didn't talk to people like that. You get a series of episodes like that. It's a gradual application of the brakes, rather than going to the president with option A and option B

and deciding on option B, which is stop talking to the opposition.

I think Gary Sick probably does as good a job as anybody, in this respect as in others, in the several pages that he has on not only the tendency to diminish contacts, but what that does to the analytical community inside the US government in terms of giving us less incentive to stay in that business and causing them to drift off to other things.

In earlier conversations, I talked about the problem that we faced in 1978, ultimately, not just as an intelligence failure but rather as a problem in the larger context of perhaps of a policy approach that limited our ability to evolve ourselves in the political life of Iran. This is the kind of thing that I meant.

Q: Exactly.

Now, I've gotten the sense from reading articles about this during the 1970s that SAVAK operated somewhat more freely in the United States than it had earlier. My impression might be wrong. But did Nixon and Kissinger make any agreements that might have allowed that to happen?

Mr. Saunders: I wouldn't think so. There were various periods when the opposition among the student community--the Iranian student community in the United States--was more vociferous then others. My recollection would be that at the time Nixon came to office there was a relatively good period in the relationship between the Shah's regime and the student community. I can't remember the exact year, but it was some time 1967, 1968 that I can remember having a lunch in

the State Department for visiting sub-cabinet level officials from Iran who were in this country visiting graduate schools where Iranians were being trained to offer specific jobs to named students back in the economic development programs in Iran. The idea was to let people know that they had a role to play in the development of Iran. The idea was to co-opt them. This was after the White Revolution had been launched and so on. So in that period I would have thought there was, perhaps, less need for the kind of activity you're talking about. Later on, of course, there was an upswing in it again when we moved toward increased disillusionment with the Shah.

I remember having to look into this at one point. There were charges, in I suppose Jack Anderson or somewhere, that the United States had turned loose SAVAK that--again, you can never be sure in the United States government that you understand all the wheels that are turning. In communities such as those that deal with internal security it's a very private kind of operation. I generally came to a conclusion that the worst of those charges of American collusion with SAVAK were not well founded.

Q: Now when you were director at the Department's INR [Intelligence and Research] division--intelligence division--during the mid 1970s, who were the officials who worked on Iran? Do you have like a country desk equivalent at that division that worked on Iran?

Mr. Saunders: Yes. We had a Near East-South Asian office, which was under the direction of Phillip Stoddard, who is now at the--and will

for a few more days anyway, I guess--be at the Middle East Institute here in Washington. Then within that there would have been a small sub-office that would have dealt with the collection of states in the Middle East that included Iran. We--oh boy, the name just went out of my head. But we had a foreign service officer who was the principal Iranian analyst who had served in Iran and--oh, I can see his face but I'm losing his name. We did have a group there who was doing that kind of analysis under Stoddard's direction.

Then we did something else, too, which I think we may have talked about before. We brought a group of half a dozen Iran scholars in to the Department under a program that we often used for a variety of purposes. If we had started doing that in the Iran office then the Bureau would have been responsible for bringing those people together.

Q: This is awhile before the revolution.

Mr. Saunders: It was probably about March of 1978. As the forty day cycle of demonstrations went on, we began reaching out to the scholarly community as well.

Q: During the mid 1970s to the late 1970s, I guess the Shah tried to influence political developments in Afghanistan by trying to bring that country in to sort of an Iran directed security system. Did he coordinate this effort with the United States in any way, with some kind of formal coordination?

Mr. Saunders: I think coordination would probably be too strong a word. Consultation would probably be a more accurate word. In the exchanges with the Shah it was certainly discussed as a common concern, but there may have been some CIA coordination or even cooperation that I'm not aware of. It certainly would have been discussed but the Shah would have been allowed to follow his own instincts with regard to another problem like that in the Gulf, of preserving stability in that region.

Q: In terms of this Afghanistan thing, was the shared goal sort of a pro-Western tilt by Kabul, or would that be putting it too strongly?

Mr. Saunders: That's probably too strong. The basic policy in Afghanistan during this period was to assure a Western presence in Afghanistan--a significant Western presence in Afghanistan. The Afghans themselves recognized that they were on the borders of the Soviet Union and needed to have a working relationship with the Soviets. But, what they had sought for a number of years was a counterbalancing Western presence. So I think it was not--we didn't care about the tilt, we did care about the presence.

Q: I think the last time you mentioned the names of several counselor officials--Isfahan and other cities in Iran--who believed by the second quarter of 1978 that the Shah was more or less doomed. Do you recall any of the names of those people?

Mr. Saunders: Well the one that I had in mind, and with whom I have

talked about this since it all stopped, is a man named David McGaffey, who after the Iranian episode was all over did a tour teaching political analysis at the Foreign Service Institute, and so was in that academic context that I went to speak to some of his classes. We had the discussion of how one comes to the conclusion that there's something qualitatively different in a changing political situtation. He was one who said that he early, early started working from the assumption that the Shah was finished, and was shocked to find that we in Washington were working from the premise that the Shah was in trouble but could prevail. So he was one.

Some of the others were people who ultimately became hostages, people who were pulled back from the consulates in to the embassy when the consulates were shut down, and then remained on the ground and were still there during the crisis.

Q: I have no further questions, unless you want to make a general concluding comment about US-Iran relations.

Mr. Saunders: [Michael] Metrinko was one of those people--

Q: Metrinko.

Mr. Saunders: Yes. I'm having trouble with names this afternoon, but there was another man who had done a Peace Corps stint in Iran, as had Metrinko, had married an Iranian and therefore was really plugged in to Iranian society.

Q: This is Michael Metrinko?

Mr. Saunders: Mike Metrinko is the first one. The second one is a name, again, I'm struggling with. I can see the person but I can't dredge up the name. So there were several people like that who were still in Tehran at the time they became hostages.

The people in the political section in the embassy, by November 1979, would have claimed that they saw this--not the particular hostage taking episode--but they saw the gradual loss of control by the government over a period of months immediately before the hostage takeover. That's different from the period we're talking about, the demise of the Shah, but the point is the same in both cases. That you can find people in the consulates or in the embassies during the revolution before the hostage crisis who claim to have seen a fundamental shift in the ability of central authority to control, be it the Shah or the Bazargan government, yet because of basic judgments that were made by ambassadors or by Washington, felt that their analysis didn't get through.

Q: In Sick's book he suggests, to a great extent, that wishful thinking among many officials in Washington--the more senior officials, particularly that led to slowness in responding to the developing crisis in Iran. Does that ring true, that it was a problem of wishful thinking in some respects?

Mr. Saunders: I think it's more complex than that obviously. I

think that's really too simple an explanation. There's no question that as human beings policy makers would hope that major problems that might materialize wouldn't materialize. But when people looked at this problem they asked the question, "Would the Shah prevail?". The analytical response from the embassy was, "Yes we think so." So, that was a part of the picture. Another part of the picture was the fact that when senior Americans had seen the Shah, had talked to the Shah, not very long before there seemed to be a man in control, and so their image of the picture was that the Shah's in control. None of them saw the Shah that Sullivan was talking to by August, who was a man who had retreated within himself and maybe even, almost, given up. Perhaps there had been bad news on his cancer, who knows what.

So, the image of the Shah as leader was an out of date one, at least by mid-year. So that would have been a factor. As we said in earlier discussions, the preoccupations with other things--Camp David, Southern Africa, and SALT, and so on--would have been a factor in causing the leaders to be slow in picking this up. There was a lot of analytical attention to the problem during the year. I think whether it was the scholars being brought in by the Bureau of Intelligence and Research to discuss this, whether it was the ambassador coming back from Tehran to discuss this, whether it was the Bureau of Intelligence and Research writing in the daily intelligence report within the department, certainly in the first six months of the year nobody from any of those three analytical camps really came up with the judgment that something was qualitatively so different in this situation that we now had to think of an Iran without the Shah.

In April or May or June of 1978, the problem was really how to think about a potential transition in such a way as to make the transition more compatible with our interests, less disruptive, less destructive of the past, more evolutionary, and so on. If somebody could have identified that as the policy question in March, when we first called the scholars in or when we were writing the early thesis on the forty day cycle of demonstrations, then we would have been performing a major policy service. We didn't, and in that sense we were derelict. We didn't give the policy makers the chance to make the choice. I suspect if we had, the policy makers would have made the same choice they did, which was "Well, that seems overdone. It doesn't look so bad, and besides the ambassador says it's okay." So by July, I can't imagine a set of pressures on the policy makers that would have caused them to say, "We've really got to pay attention to this. We're in deep difficulty and we've got to work this out." Now, obviously that would have been very important as a way to prevent crisis, just as the way to prevent fatal cancer is to detect it early and do something about it as soon as you find it. We didn't detect the cancer. We detected an illness, but we didn't see it as a cancer. It's the toughest analytical question there is, and maybe this is certainly one of the best case studies one could have to examine why we dont' do better at it.

Q: Well thanks very much for your time.

Mr. Saunders: Thank you. I wish you well. You always regret that you can't--after a decade--can't remember more precisely what seemed

at the moment to be the only thing in your life. But, it's incredible to realize how fuzzy memory gets after a period of time.

Q: I think it's almost inescapable.

[End of interview]