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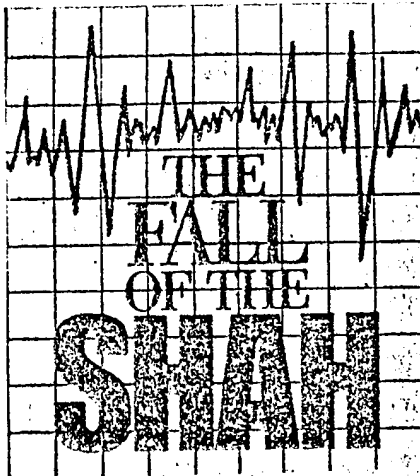
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THE WASHINGTON POST
25 October 1980

Carter Held Hope Even After Shah Had Lost His



First of a series

By Scott Armstrong
Washington Post Staff Writer

During the revolutionary turmoil that pulled down the shah of Iran, President Carter clung to the belief that the shah could be saved, even though the shah himself had lost faith in his own power, a five-month investigation by The Washington Post has found.

Two months before the shah fled to exile, when Iran was aflame with protest, the president's national security adviser personally telephoned the Iranian ruler, urging him to use military force to smother the revolution.

A few weeks later, the president was advised to abandon the shah by an outside foreign policy expert whom he called in for counsel. Tell the shah to take a long vacation, the president was told, and begin preparing for a new government in Iran. The president said he couldn't do that to an important allied leader and wouldn't.

Indeed, in that same period, State Department sources say they worked to soften the draft of a message from Carter to the shah, urging again the

use of force against the domestic opposition, although the White House insists that no such message was ever sent. Secretary of State Cyrus R. Vance and his top aides feared such a message would lead only to considerable bloodshed and possibly civil war, turmoil that could only worsen America's position in the future of Iran.

The president held to his hope, even when most of his top foreign policy advisers were urging him to ease the shah off his throne and begin the transition to whatever political forces would follow in power. In the final weeks, the U.S. ambassador in Tehran, once one of the shah's staunchest supporters, cabled his exasperation to Washington. The president's attitude, he said, was "short-sighted and did not understand where the U.S. interests lie."

One month later, in any case, the shah was gone, permanently exiled. While the American president was surrounded by conflicting counsel on whether the peacock throne could be saved, one person, ironically, who knew with certainty that the shah was doomed was Mohammed Reza Pahlavi himself.

The shah, notwithstanding his reputation as a bloodthirsty tyrant, disregarded eleventh-hour advice from Washington to get tough with street demonstrators and opposition leaders. He was convinced in his own mind that force could not prevail for long. He knew that he was slowly dying of cancer and was anxious to leave behind a stable nation that his young son could rule. Finally, confused by conflicting signals from the United States and pressured by European leaders to abdicate, the shah in his last month in power moved to accommodate the moderate opposition, to live with some dissent and relinquish some of his vast powers.

These are hidden details from a long and complicated history, the slide of events which led to the fall of the shah and the establishment of a hostile government in what was once America's most reliable ally in the Persian Gulf. Today, perceptions of that tragic event are confused by quick assumptions about precisely what happened. President Carter, for instance, is widely accused of abandoning the shah prematurely. In fact, Carter still hoped to preserve the shah's power long after intelligence reports and top foreign policy advisers insisted, as a matter of realism, the United States must assist the orderly transition to whatever political forces were going to displace the peacock throne.

This much is certain: The fall of the shah involved a bitter though collegial contest among the president's key advisers, contending for control over foreign policy and veering back and forth in their prognoses for events, stalemating policy with their disagreements.

Zbigniew Brzezinski, the president's national security adviser, appears intransigent in this account, stoutly resisting the "unthinkable" outcome that lay ahead, demanding the toughest policy line and ultimately prevailing over others who saw the future more clearly.

Vance, preoccupied with other matters, arms talks with the Soviet Union or the Egyptian-Israeli peace talks, was strangely inattentive to the alarm bells within his own department until it was too late to make a difference.

And the U.S. intelligence community, once again, seems badly out-of-focus in perceiving the realities of popular discontent within an allied nation. Some in government did see the picture in Iran clearly, but their perceptions simply did not get through to the president and his policymakers, especially if their distasteful warnings collided with the established official view.

Still, this is not just diplomatic history. The events in Washington and Tehran that presaged the triumph of the Iranian revolution remain with us still as unresolved complications in the hostage crisis and the future of relations with Iran. Until one knows all the things that went wrong then, one may not fully appreciate why the hostility and deep differences continue between the two nations today.

CONTINUE

From the time he took office, Carter gradually became more and more tied to the shah. Pledging as a candidate that under him the United States would no longer be arms merchant to the weak, Carter as president had to find loopholes to assure the shah that he would receive more of this country's advanced weaponry than he could practically use.

The president who surprised the world with his human rights pronouncements soon found himself overlooking human rights violations in Iran. And, in the end, the president who undertook a monumental effort to achieve peace between Egypt and Israel was standing by an embattled regime that finally fell, not to a foreign army, but to mobs of angry citizens in the streets of Iran.

Early in the hostage crisis, Carter asked for a full compilation of the government documents covering the long history of the U.S. involvement in Iran's internal affairs. But when the study task force asked for specific presidential records, including that personal message drafted one month before the shah's fall, the White House refused to turn over any more papers to the study group and the top-secret project was suspended.

Holding onto the shah was a preoccupation in the autumn and winter of 1978-79, but the story really begins in the first year of the Carter administration. Beginning today, in a series of six articles, The Washington Post will describe the questions and complications that preceded the present impasse with Iran. As in all such inquiries, this account can make no claim to omniscience. This history of the fall of the shah and the U.S. role in it does not presume to be the total record.

The president and his closest foreign policy adviser, Brzezinski, have refused the scores who have assisted — from the White House, the National Security Council, the Defense and State departments, and the CIA — are some who have colored their views with statements clearly designed to serve the interests of their institutions or themselves. Others seem to resent Carter and Brzezinski's treatment of former secretary of state Vance, and still others, able to tell only that part of the history with which they are familiar, appear to be rendering incomplete accounts. In only a few places, however, does one person's view of events conflict sharply with that of another.

Much of this series is based on more than 1,000 pages of documents obtained by The Washington Post. They comprise a small portion of the "Iran papers," collected by the State Department study group, which describe U.S. relations with Iran from 1941 to last November when Iranian militants took hostage the employees of the U.S. Embassy in Tehran.

A Prediction

More than a year before the shah's collapse, in the fall of 1977, Theodore Moran, a young economist on the State Department's policy planning staff, drafted a secret, internal memorandum suggesting a new strategy for dealing with the massive new arms requests from the shah of Iran. It was based on an analysis of publicly available economic data and press commentaries, and it was totally at variance with the conventional wisdom. It turned out to have accurately predicted the events, to come.

Iran, Moran wrote in a memo dated Nov. 2, 1977, "will face rising social and economic tensions unless it reorients government spending." Now putting 25 percent of all public funds into the military, the shah "will have insufficient financial resources to head off mounting political dissatisfaction, including discontent among those groups that have traditionally been the bedrock of support for the monarchy."

"We both have a common interest in moderating and modulating the Iranian military buildup, not because this administration wants to yield to congressmen who do not like the shah, not because the United States is unable to trust Iran with our most sophisticated weapons but because we have a national interest in insuring the stable and robust evolution of a strong and dependable ally."

"We do not want to simply deny the shah particular pieces of military equipment (and have him feel hurt or turn elsewhere). Rather we want him to slow down and stretch out the buildup of his military forces, to give him more time and more resources to build a cohesive, prosperous (and nonrepressive) domestic base for his defense effort."

Moran pointed to the failure of the shah to provide adequate housing, transportation and energy to the people of Iran. The shah envisioned Iran as becoming an industrial power on the level of France by the year 2000, but Moran saw it as an unfinished Third World country, squandering its wealth on weaponry. In addition to direct military spending, the shah was devoting as much as 70 percent of his public housing budget on the armed forces. Oil revenues, which normally would have covered these extraordinary costs, were no longer sufficient to cover Iran's balance of payments.

"The shah and his advisers cannot avoid making the difficult tradeoffs among spending priorities that other developing countries, even richly endowed developing countries, have always had to make," Moran wrote.

While the shah was the object of continuing public controversy, a ruler accused of tyrannical repression, of leading the Organization of Petroleum Exporting Countries to its historic oil-price increases in 1973, he was not in the autumn of 1977 the cause of great worry in the State Department. Other major matters led the agenda at State: the arms negotiations with Russia, the Israeli-Egyptian peace talks, among others. The conventional wisdom on all levels — except for Moran and a few others — was that the shah was a stable ally and the U.S. could count on him in the Middle East.

The president was about to have his first personal meeting with the shah, 10 months after his inaugural. In a secret briefing paper prepared for the meeting in November 1977, the regional specialists in the State Department advised that during the last decade, "the shah gained full political control of his country for the first time in his long rule. Not having to be concerned with an opposition or recalcitrant legislature, he tends to look well into the future and to assess current events against broad historical trends."

Moran passed his memo on to his supervisor, Anthony Lake, the chief of the planning and policy group, which was responsible for evaluating such strategic concerns. Lake signed it and sent it to Vance. The analysis was rejected. It went against all other reports that were in hand.

Moran tried another approach. He had written his doctoral dissertation at Harvard University under the guidance of Samuel Huntington, a friend of Brzezinski's. Huntington and Brzezinski had been coauthors and Huntington was

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currently a consultant to Brzezinski on U.S.-Soviet relations. Since one of Huntington's areas of expertise was social unrest in Third World nations, Moran believed Huntington would appreciate his own appraisal of the situation in Iran.

The two met and Huntington heard Moran out. But he did not agree to pass the young desk officer's views on to Brzezinski. Huntington said he was too busy on a project of his own — a study on how the United States could capitalize on Soviet economic problems — to get involved.

Moran continued to push his view in the State Department. There were others in the ranks that believed the United States was taking another step down the wrong path, but the upper levels of the department were in agreement that the "shah was very firmly in power," as the secret memorandum for the president put it. Moran, who is now a professor at Georgetown University, got the distinct impression that he was considered "bizarre" by the department hierarchy for even suggesting that the shah's future was insecure.

At that point, the fervent critics of the shah were mainly on Capitol Hill, questioning the regime's repressive policies and especially the continuing abundance of U.S. arms sales. Many at State regarded the congressional critics as merely uninformed, a public relations problem. After Congress required a detailed study on the impact of the arms sales on regional stability, one classified, internal memorandum at State, dated Nov. 2, 1977, summarized options for evasive tactics.

Since Congress would likely criticize the shah's request for an additional 140 F16 fighter planes, Alfred Atherton, assistant secretary for the region, suggested at a meeting that sale of the planes could be secretly approved but the public announcement phrased "so the shah will understand the sale is approved but we will tell Congress that 'no decision has been made.'" The Defense Department demurred. It suggested approval of the sale but, instead of deceiving Congress, the sale should not be submitted to Capitol Hill "until timing is propitious."

In fact, Moran's view was supported in one corner of the State Department — an ally who would have surprised Moran had he known about it. Ambassador William H. Sullivan, recognized generally then as an enthusiastic supporter of the shah, disagreed with Moran's bleak prognosis for the regime. But he discreetly recommended to Vance that the way to rein in the shah's more egregious spending habits was to begin more joint U.S.-Iranian

planning. It was the only way to recoup the leverage over the shah that had been lost when his oil revenues made him virtually independent of U.S. influence.

But Sullivan's analysis, like Moran's, was rejected. Either one would require, closer, short-range identification with the shah's regime. It became apparent to Sullivan that no one in the administration wanted to get that much closer to the shah.

Meeting the Shah

It was not until the president and the shah met for the first time, at the White House in November 1977, that Jimmy Carter fully appreciated that he must have a special relationship with the shah of Iran. Until then, Carter seemed ready to maintain cordial terms with Iran but at the same time he was willing to impose, when necessary, sharp reminders of his advocacy of human rights throughout the world and his desire to limit the sale of arms. These policies, originally at least, were meant to apply to the shah's kingdom as much as elsewhere.

The human rights criticism, in fact, had hit home. Ambassador Sullivan reported on July 18, 1977, only six months after Carter took office, that "the United States' policy in human rights has been a central feature of nearly every conversation I've had with senior Iranian officials on whom I've called during my first six weeks in Iran." Sullivan said he had discussed it twice with the shah, once at length with the empress, and with most of the shah's cabinet members.

"The assumption appeared to be that we are opposed to monarchical systems of government and seek to have them replaced by democracies," Sullivan complained. This, he said, he had set straight.

But Sullivan was unhappy with the commentary that was coming out of Washington on Iran. Much of it "seems to focus on the fact that the shah is 'autocratic' or 'undemocratic,'" he reported. "This is interpreted here as an attack upon Iranian institutions and obfuscates the fact that we are concerned about practices rather than personalities or systems of government," Sullivan said.

The Carter administration and the shah were at odds over the question of armaments as well. Carter had promised to keep the worldwide sale of U.S. arms from growing any larger but, as he prepared to meet the shah, the president had on his desk a request from Iran that would put him over the limit

by many billions of dollars each year for the rest of his term.

But Iran was not just any country seeking weapons, and the shah not just any power-hungry leader. The president's briefing paper cited a record of assistance provided by the shah to the United States over the years that was unique. Few nations anywhere had been as loyal as Iran, and few leaders as willing to assist the United States as the shah, the designated peacekeeper in the Persian Gulf and Indian Ocean.

The shah had intervened militarily on behalf of the United States in Oman. He had provided jets on short notice when the United States needed them in Vietnam. He had secretly provided weapons to Somalia for use against Ethiopia when the United States asked him to. He personally persuaded South Africa, which was almost totally reliant on Iranian oil, to stop shipping oil to Rhodesia when the United States supported an embargo of that nation.

The shah had established peace with neighboring Iraq at the request of the United States although such a move was unpopular among many in Iran; he personally brokered the resolution of conflicts between Afghanistan and Pakistan. He had agreed to consider being the secret conduit to provide arms to Chad when the United States asked him to.

The shah provided U.S. bases along his border with Russia so that the CIA could monitor Soviet missile programs and troop movements; he had helped U.S. counterespionage against Soviet operations in the region. He helped assure an adequate flow of oil to the United States and he alone in the Middle East supplied oil to Israel.

Going into their meeting at the White House, Carter wanted even more assistance from the shah. He asked for and got the shah's pledge to try to freeze oil prices when OPEC met in December.

In addition, the shah answered many of the president's concerns about human rights violations in Iran. According to records obtained by The Washington Post, the shah explained that what appeared to be violations stemmed from an Iranian law outlawing the communist party in Iran. Iran's law, the shah noted, was similar to U.S. statutes prohibiting membership in groups that planned the violent overthrow of the government.

The shah said that he, too, was a human rights advocate. He had personally broken the traditionally rigid male dominance in Iranian society. He had opened the ballot, the classroom and

the work place to women, who previously had been severely restricted by Islamic custom. If Iranian politics were not totally open, then a little patience was in order, the shah said. The president was inclined to grant it.

From before that first meeting, the shah was regarded by Carter with such trust that, according to the briefing memorandum, the shah was kept informed of secret negotiations and closely held policy decisions that were shared normally with only the closest allies. The shah was told the most intimate details of the SALT talks with the Soviet Union; he was told of U.S. negotiations aimed at keeping France from supplying Pakistan with material to develop a nuclear reprocessing capability — despite U.S. assurances to France that no other government would be told of the sensitive talks.

In return for his friendship, the shah wanted to continue the "special relationship" under which President Nixon in 1972 had ordered that the United States would agree to sell Iran whatever the shah requested from the arsenal of advanced weapons systems.

The president told the shah that he would continue to have the U.S.'s unconditional support but, given the limited resources of each country, that support must be more systematic. Therefore, he asked the shah to prepare a five-year plan for military expenditures, one that would help regularize the purchases. State's bureau of political-military affairs had suggested that this "upbeat language" would hold off a full commitment to the shah's shopping list and at the same time "not anger him or spoil his visit."

Washingtonians may remember that day for a different reason. The shah and the president, along with their wives and a small entourage, stood outside the White House for a brief arrival ceremony. Across the street, at Lafayette Park and on the Elipse to the south, the shah was being denounced by Iranian students wearing masks and cheered by Iranian supporters. The demonstration turned bitter, and police lobbed tear gas canisters into the crowds.

The gas wafted into the eyes of the president and the shah. They wiped their eyes, and the president made a small joke about the incident.

Dissent From the CIA

After that first meeting between the shah and president, the polite argument over arms sales, in effect, continued at the bureaucratic levels. As the various agencies of national security began to meet to prepare the "Military Balance in Iran" report required by Congress, another contingent of dissent emerged from an unexpected quarter — the Central Intelligence Agency.

Junior CIA analysts attending the meetings joined in arguing that the Iranian military could not absorb any additional modern equipment. The Iranians simply did not have the trained manpower to operate or maintain what they had already received. Half their people flunked out of helicopter school, the rest had the equivalent of a sixth-grade education. They barely had the pilots to operate their sophisticated F5 aircraft. In order to operate the even more sophisticated F16s the shah wanted, those pilots would have to immediately shift to the F16s. And each new advanced-weapon system took the few skilled technicians away from industry.

Virtually the entire Near East bureau of the State Department disagreed. Henry Precht, the director of the regional affairs desk concerned with Iran (and later the head of the Iran desk), was critical of the shah but he believed the current U.S. policy dictated more arms. A tenacious bureaucratic infighter, Precht challenged the CIA presentation.

The CIA analysts held their ground. State promised a bureaucratic battle. The matter would be taken to Vance. The director of the CIA would be called.

A week later, the CIA opposition to the draft folded. The young analysts would say nothing more on the subject.

Only State's human rights office continued to oppose the massive sales, but without any effect. The language of the report on Iran was modified to fit the official view. A public show of support for the shah would be the policy; all sales would be explained to Congress and defended.

Another Chance

Today, Ted Moran's memorandum is part of the huge file that has become the record of this nation's relationship with Iran. Here and there may be found other documents — not many — that had the prescience to say that the United States' policy in Iran was headed toward a fateful turn, that the active elements for disaster were present.

Moran was depressed but not overwhelmed. A colleague in the State Department likened the high-level spurning of his advice to the bureaucracy's handling of the Vietnam war: Factual analysis was put aside when it conflicted with high-level government policy.

Moran agreed.

They should both resign in protest, the colleague suggested.

No, Moran said, they'd get another chance to change the policy.

inset photo and chart, The Washington Post; above photo, Associated Press disrupted his welcome. Above, U.S. flag burns at Tehran embassy.

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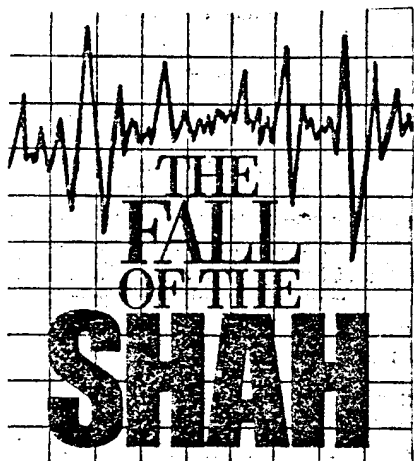
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Failing to Heed the Warnings of Revolution in Iran



Second of a series

By Scott Armstrong
Washington Post Staff Writer

President Carter and the shah of Iran ushered in the new year of 1978 together at a lavish party in the splendid Niavaran palace in Tehran.

Carter danced with the shah's wife, Queen Farah, and the shah's twin sister, Princess Ashraf. Later he conferred with King Hussein of Jordan, whom the shah had thoughtfully invited to discuss the U.S. negotiations for a Middle East peace.

"Iran," the president began his toast, "because of the great leadership of the shah, is an island of stability in one of the more troubled areas of the world."

For some reason, Carter put aside the "cool but correct" remarks that had been suggested by Ambassador William Sullivan and delivered a glowing, highly personal toast. He referred to the shah as a man of wisdom who was loved by his people.

"There is no leader with whom I have a deeper sense of personal gratitude and personal friendship," Carter said. Sullivan later described the presidential toast as "far out."

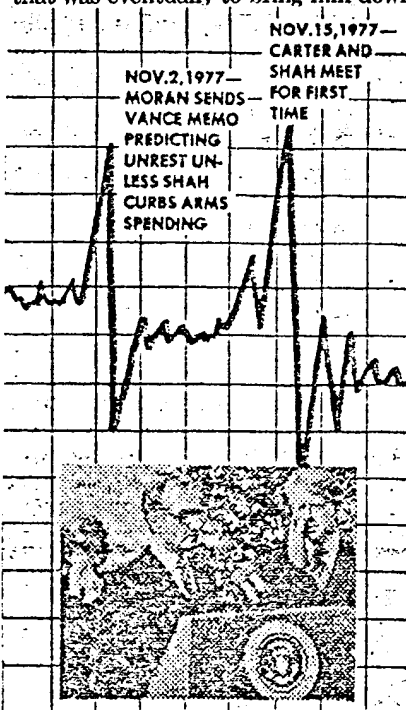
If Carter was more effusive than Sullivan might have wanted, who could blame him? The shah only weeks earlier

had made good a pledge to stall an oil price rise by the Organization of Petroleum Exporting Countries and he seemed to be more cooperative on the question of limiting the weaponry the United States would sell to Iran.

The evening was, no doubt, one of great moment for Carter, still in office less than a year. For the shah, he was now dealing with his eighth U.S. president.

It was the second and last time they were to see each other.

Within a week, the shah was enmeshed in a chain of domestic unrest that was eventually to bring him down.



IRAN, From A1

On Jan. 7 in Tehran, an article presumed by the U.S. Embassy to have been prepared secretly by the shah's government appeared in one of the city's two major dailies. It attacked an exiled mullah, Ayatollah Ruhollah Khomeini, a revered religious leader living in exile in Iraq. The article said that 15 years earlier Khomeini had led, on behalf of landlords and communists, a series of massive, antigovernment protests against land reform and the enfranchisement of women.

But, in fact, the protests were not over reform at all but over government decisions to allow the U.S. military — a growing presence in 1963 — to have immunity rather than be subject to local law. Khomeini said such statutes were illegal under Islamic law and were the shah's "capitulations" to foreign domination.

The 1963 protests led by Khomeini eventually resulted in riots and bloodshed. First, Khomeini was arrested. Unrest continued and later in the year the ayatollah was exiled to Iraq. But, before he was gone, the shah's troops had invaded his theological college in Qom and killed one cleric. As violence continued, the shah finally unleashed the military against the clerics and there were thousands of deaths.

Fifteen years later, the resentments were still strongly felt in the community of Shiite Moslems who followed the exiled Khomeini. So when the anti-Khomeini article appeared on Jan. 7, 1978, there was an immediate reaction. A crowd estimated at 5,000 gathered at a Moslem shrine in Qom to protest both the article and the imprisonment of another ayatollah, Seyed Mahmud Talaghani, who had been jailed the previous summer.

When the crowd emerged from the mosque, the shah's troops fired on it, killing 20 people or more. Whether the decision to fire was the shah's or the act of a rash commander or frightened troops is still open to question. But the shots fired then gave focus to the popular discontents that became in time an unstoppable groundswell of revolution.

Turmoil Begins

The Morning Summary of Intelligence produced by the CIA on Jan. 14 noted "a growing restiveness in Iran over the past several months" and attributed it to the same economic sources of dissatisfaction noted the previous fall by some analysts in the State Department — and rejected by the State Department hierarchy.

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The Morning Summary returned to the same subject 15 days later, reported that the shah's Islamic opponents were in their strongest position since 1963, and described the policy dilemma that the shah faced as he chose between control and liberalization of the society. Like many items touched on once or twice in the Morning Summary and not regularly repeated, it passed virtually unnoticed.

In accord with Moslem tradition, Shiite groups gathered across the country every 40 days to mourn those who died at the mosque in Qom. In February, at the first such mourning, troops again fired into the crowd, this time in Tabriz, in the province of Azerbaijan near the Soviet border. More than 100 people were killed.

From then on, relentlessly and predictably, every 40 days ever larger gatherings of mourners demonstrated in provincial cities, always to be met by military resistance, confrontation that often ended in riots and bloodshed.

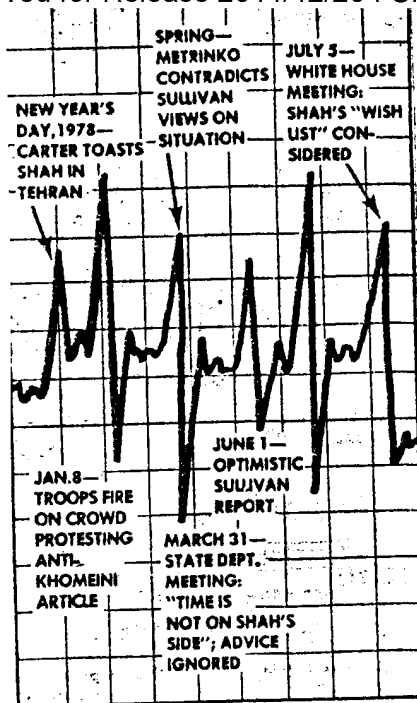
In Tabriz, in the first government response to official violence, the shah fired the local chief of SAVAK, his secret police. He gave every impression of being intent on riding out the protests, maintaining that they were led by a small group of religious fanatics with the occasional support of communist opportunists. A coalition of "the red and the black," the shah called it.

As the protests spread, however, the young U.S. consul in Tabriz, Michael Metrisko, who is now a hostage, began to sense that something far more than a religious protest was taking place. Metrisko spoke Farsi, the native tongue, as well as Turkish, and, as the only American official in Iran's fourth largest city, he was in touch with many elements of Iranian society whom U.S. diplomats rarely knew — merchants, students, workers and the clergy.

From February on, Metrisko's reports were in sharp contrast to those of his colleagues in Tehran. Where embassy officials saw the small circle of "red and black" malcontents that the shah spoke of, Metrisko perceived an ingrained hatred of the shah spreading throughout the society.

The mosques, Metrisko wrote, provided the foot soldiers of protest; but the merchants of the bazaar, a bourgeois power group in Iran, were now financing opposition to the shah and working with the mullahs.

These "bazaari," as they were called, were still smarting from an anticorruption campaign initiated against them in 1976 by the shah. Their discontent meant to Metrisko that dislike for the shah was much more resonant than



anyone in Tehran seemed to recognize.

In addition, Metrisko reported that many Iranians with ties to the shah were secretly removing their money and valuables from the country. His detailed findings did not agree with what the embassy in Tehran was reporting. Metrisko's memos were regularly held up, when Ambassador Sullivan suggested that he talk to a broader spectrum of Iranians, including supporters of the shah, and prepare a more coherent overview. These longer reports were generally sent as "airgrams," a lower priority message with less likelihood than a cable to be read at the top levels of State. Metrisko, according to former associates, saw this as a gambit to stall and dilute his dissenting views.

Thus began a pattern that was to be repeated through the final four or five months of the shah's reign: One U.S. agency or an arm of it would paint a rosy picture of the shah's future, only to be contradicted by another agency or an arm of the same agency. Occasionally the same analyst would conclude that the shah was done for, and then, a while later, reverse himself and maintain that the shah's future was secure.

At the same time, back in Washington, several American academics were spreading similar reports to intelligence analysts in the State Department. The shah, they said, was in deep trouble. He was losing the support of traditional followers. George Griffin, an intelligence analyst, was disturbed enough to organize a meeting of middle-level staff to review the warnings, but few high-level staff even attended. James Bill, a political scientist from the University of Texas, told them bluntly: "Time is not on the side of the shah of Iran."

"The government can now only respond with more and more coercive force and military control and repression," Bill said. "The large groups of individuals already alienated by the regime will in turn become more demanding and desperate in their response. And they will be joined by others — the only common denominator to their cooperation being opposition to the regime. As this occurs, the shah will have lost the will and capacity to use his traditional tactics of political control. Unless something is done again to break this wildly spinning vicious circle, the future of the current actors in the Iranian political drama can only be a grim one. And the American future in Iran can in no way be considered bright."

Reports on SAVAK

The embassy in Tehran saw no such portents. The shah was entrenched and could brook all rebelliousness. Besides, support for the shah had become a matter of institutional theology after the president's decision the previous fall to continue the close relationship. Sullivan did pass on to Washington new reports of harsh activities by SAVAK.

SAVAK had been responsible for bombing the homes of lawyers and teachers identified with nonviolent political opposition. Well-known dissidents were being beaten by gangs called the "Underground Committee for Vengeance" and the "Resistance Corps," both believed to be arms of SAVAK or the police and operating with the explicit approval of the shah. The government had "exiled" several religious leaders by prohibiting them any contact with their followers and forcing them to live in other parts of the country.

Sullivan, a 30-year veteran of the Foreign Service, with experience at some extremely difficult assignments, felt strongly that it was naive for the State Department to push the shah on human rights violations, and his reporting left little doubt as to the conclusions the embassy had drawn. The shah was attempting to liberalize the society, but he could not afford to lose control over the process. Dissident groups were referred to as "students and other miscreants," freedom of expression was said to be an "aspect" of "permissiveness."

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bles that spoke of the shah as firmly in power, the ambassador realized that his knowledge of the political opposition was sharply limited. Since the 1960s, when the shah expressed irritation at a young political officer at the embassy (William Miller, now staff director of the Senate Intelligence Committee) who helped an opposition group draw up its internal constitution and later at CIA contacts with political dissidents, most U.S. intelligence information in Iran came through SAVAK. Sullivan made various efforts to overcome this handicap, but without much success. The ambassador knew that, despite its reputation for ruthless efficiency, SAVAK, like many secret police organizations, was not considered very effective.

SAVAK, for instance, referred to all "leftist" groups as "communists," particularly if any of their membership had Palestine Liberation Organization or Libyan training; SAVAK constantly confused the two principal terrorist organizations in Iran, "the People's Sacrifice Guerrillas," and "the People's Strugglers" with the Tudeh party, which had not advocated violence against the government as had its Maoist offshoot, but SAVAK seemed unable to distinguish between the two.

Moreover, "for years, SAVAK has maintained that the communists have no centralized structure and that it is led by men of low caliber, but it concedes that the party has as many as 1,000 members active in areas such as Tehran, Tabriz, Azerbaijan, Abadan, Shiraz, and Esfahan," the CIA concluded in a top secret memo. But the CIA was not "confident that SAVAK has the capability to penetrate or determine communist underground. Over the past few years, SAVAK has managed to round up only a very few 'party members.'"

Unfortunately, SAVAK's diagnostic difficulties did not end with communists. They also seemed unable to distinguish between the various types of noncommunist opposition groups, frequently confusing them with "communist groups" and always confusing them with each other.

SAVAK could never infiltrate subversive groups, was unsophisticated at analysis and its information gathering was largely limited to what could be obtained through torture.

So Sullivan, acting on his own, instructed his political officers at the embassy in Tehran and CIA station per-

sonnel to expand their activities and to pick up direct intelligence from both the religious and more moderate opposition elements in Iran. The embassy staff felt, in any case, that however spotty their information was, it was still much better than the intelligence estimates from Washington, which seemed to them simplistic in the extreme.

On June 1, Sullivan forwarded a report on "the internal scene" in Iran. Drafted by the embassy's political counselor, George Lambrakis, the report was two weeks in the preparation and it rambled over 11 single-spaced pages.

Overall, its thrust was one of optimism for the shah. "The embassy soundings among religious leaders," the report said, "suggest an underlying basis of loyalty to the monarchy and to the independence of Iran as the shah envisions it, but increasing unhappiness with the breakdown of communication from the religious leadership to the shah."

These conservative religious leaders, the report said, "view themselves as the backbone of the opposition to the spread of communism in Iran."

Despite that conclusion, the paper focused on what had become a growing uncertainty among the populace, and expressed concern for the future.

The shah had gradually ordered "considerable relaxation of press censorship, a tolerance of political criticism and of minor manifestations of dissent, and a more genteel system of police controls. . . .

"The shah has staked his prestige on a degree of permissiveness and civil rights and freedom of expression which has drawn oppositionists into the open, but he has displayed a measure of uncertainty in indicating how he intends to deal with them.

"It is obvious," the report went on, that the shah is "having trouble keeping Pandora's box partly open. His original experience in encouraging freedom of expression led to vitriolic attacks on the government and built expectations of more serious reform than what he perhaps had in mind when he started."

Sullivan's cable confirmed the reports of extensive violence against dissidents and blamed the shah's government for setting off "a brush fire of religious opposition" that "rehabilitated Khomeini in the eyes of religious leaders."

For the first time, the embassy in Iran reported that economic problems were causing chaos — a view that the State Department had rejected in 1977.

Affluence resulting from the 1973-74 quadrupling of the price of oil had led to double-digit inflation, caused mass migration from the countryside to the cities, served to break up the traditional Islamic family and cultural patterns of the society, and had raised expectations throughout the populace. Furthermore, widespread corruption in high places was universally recognized and despised. While such corruption "unfortunately permeates the traditional Iranian social system," it nevertheless made many in the society "cynical," according to the report.

In a piece of analysis that reflected the shah's views, Sullivan noted that by providing broad access to education in an attempt to build a "prosperous middle class" that would support him and his dynasty, the shah instead had created a growing cadre of critics without any political voice in the society.

The shah had failed, the report said, "to provide clear operational guidelines for his administrators and security people in dealing with dissenters. . . . The shah's new directives to his security forces, such as instructions to desist from torture. . . are disorienting."

"Those in charge of security are being told that they will be held responsible for any major new outbreaks, but are also being prevented from using the time-honored methods of arrest, long imprisonment and manhandling — if not worse — to get at the threat."

"The [recent] rioting. . . which elicited the government's announcement of a crackdown of street demonstrations was the first of a possible series of steps backing away from liberalization. . . ."

"The Chinese experience of letting a thousand flowers bloom and then chopping them down, would be pertinent," the memo noted.

"The violent and the nonviolent, Khomeini extremists and small groups of terrorist guerrillas, all represent diverse interests which would not combine against the government if the government were clever in keeping them divided." The shah had succeeded in wiping out "left-wing elements" in the past with the support of conservative segments of the society.

The shah was at a crossroads, the report said. Sullivan assumed that the shah would not give up real power. He "will not permit events to escalate to the point where national security, as he sees it, will be threatened."

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What was needed, in Sullivan's view, was for the shah to perform adroitly; to keep the opposition divided, "to open better channels to the religious leadership and... to act on some of their complaints. If done deftly, this should go a long way to assuage them and lead to a breakdown of opposition unity."

But Sullivan added a disclaimer. It is, he wrote Washington, "too early... to be definitive on the direction the shah will take."

Divided Views

It was not long before the shah's earlier report suggesting the shah was in deep trouble, now had a new idea — a zero-based analysis of the U.S.-Iranian relationship. They would accept the shah as a fact of life but proposed to start from scratch and analyze every aspect of the relationship. For example, instead of giving the shah additional planes to protect his air force from being wiped out in an attack, why not give him reinforced, attack-proof hangars? Moran's boss, Anthony Lake, head of policy planning, approved the project. Before the two could get very far, they were told by Lake to stop.

The same split in views that prevails now, three months after the shah's death, prevailed then. For many American leaders, the shah was a longstanding ally of the United States; if not a puppet, then at least a willing and most helpful partner in maintaining crucial American interests. On the other hand, he was seen by many others as a corrupt tyrant, an oppressor of his people, a megalomaniac who saw weapons as toys.

The internal debate, was not over whether the shah could survive, but whether the United States, now led by a president who had promised to take the United States out of the arms business, should be supplying him weapons that, in some instances, were difficult for the American military to operate.

On July 5, 1978, Secretary of State Cyrus R. Vance chaired a policy review meeting on Iran at the White House. In attendance were Brzezinski, Secretary of Defense Harold Brown, CIA Director Stansfield Turner and Newsom. The specific subject for what seemed like the 100th time was arms sales but the underlying issue, as Sullivan had complained, was whether the United

States should continue such close ties with the shah.

It was not a discussion the participants wanted to hold, and they rapidly learned that Sullivan's staff was in contact with the opposition. He took it up with Sullivan, asking whether such meetings were a sign of waning support for him by the United States.

The shah explained to Sullivan that he had recently been assured in a telephone call from Nelson Rockefeller that the United States was behind him and to expect a call from the White House confirming that. Shortly afterward, the shah said, the president's national security adviser, Zbigniew Brzezinski, telephoned.

What was American policy, the shah asked Sullivan. The ambassador assured him that he still had U.S. support. But the message from the shah was clear — any American contact with opposition groups would be interpreted as a shift in loyalty.

In July, Sullivan, back in Washington on home leave, took up the matter with David Newsom, the undersecretary of state for political affairs, the day-to-day chief of all ambassadors for crisis situations. Newsom is said to have agreed with Sullivan that the contacts were valuable and should be continued, regardless of the shah's objections.

By midsummer, the seeds of concern about the shah's future were flourishing at the State Department, but had hardly been noticed, if at all, by the chief policymakers. Instead, the discussions about Iran had to do almost exclusively with arms sales to the shah.

Two young analysts who were more skeptical, human rights deputy assistant secretary Stephen B. Cohen and Theodore Moran, who had written and came to a decision that cut it short. Arms sales to Iran ought to continue, they agreed, because they contributed to the national security of the United States and the only question was how much.

They were, however, faced with a serious dilemma. The shah had requested \$15 billion in equipment over the next five years. But, following a campaign promise, the president had limited U.S. arms sales early in his administration. Effectively, he had said that total arms sales could never exceed what they had been the previous year.

With a \$3 billion per year average, the shah's request would cut deeply into the overall allocations of arms sales. In order to keep the grand total under the previous year's total they would have to cut back the arms to be sold to Israel, Taiwan, Korea, Saudi Arabia and possibly Pakistan, Vance's briefing

memo for the meeting said. In effect, they would be jeopardizing other highly regarded security commitments.

The administration would find a way to get around the president's ceiling on arms sales, in all probability by persuading the shah to spread out his purchases over a longer period.

That left only one issue that the meeting failed to resolve — the shah's desire to obtain the F4G, a highly sophisticated aircraft known as the Wild Weasel. The president would have to decide that one himself.

Four days later, Newsom arrived in Tehran to meet with the shah and talk with U.S. Embassy officials. The undersecretary told the shah that the United States appreciated his difficult but successful efforts to "achieve a more open domestic political debate while maintaining public order."

The shah responded with what had become his standard theme. "I want to turn over to my heirs a kingdom that is politically modern as well as technologically modern. I am going to try to undertake such political reforms but I know there is risk in doing so."

Newsom informed the shah of the presidential decision — no Wild Weasels for Iran, at least for the present.

Afterward, Newsom met with most of the embassy staff at the home of Charles Naas, deputy chief of the mission. The consensus was that the shah's position was secure. Tehran was alive with a different story, a rumor that the shah was dying of cancer.

Recognizing the importance of being in touch with popular sentiment in Iran, the State Department during the summer of 1978 put out a personnel notice seeking to recruit people who spoke Farsi. No one signed up.

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White House Objects to Report

Following publication of the first of The Washington Post's series of articles on U.S.-Iranian relations, the White House issued this statement:

The Washington Post's report on relations with Iran in 1978 and 1979 contains serious errors of fact and of interpretation. In misstating the facts, the report also misrepresents U.S. policy, the deliberations involved in its making, and its implementation. The sources for the report appear to have been individuals with only peripheral access to, or involvement in, the actual

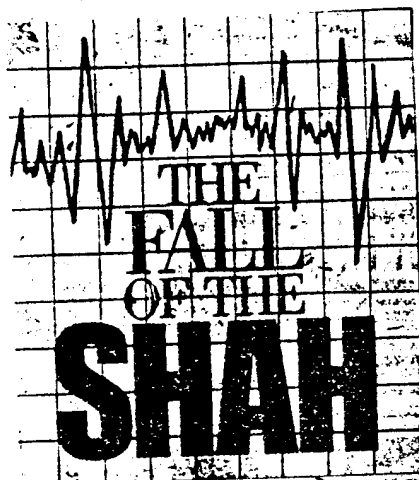
process. Reliance on them makes the report largely a compendium of guesswork and gossip.

Because of the sensitive nature of our relations with Iran, however, the White House has not commented on similar reports in the past. It does not intend to alter that policy to respond to The Washington Post report in detail. At an appropriate time, and in an appropriate setting, following the return of the hostages, it will be possible to discuss our relations with Iran, both authoritatively and completely.

THE WASHINGTON POST
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THE WASHINGTON POST
27 October 1980

U.S. Urged 'Crackdown' on Opposition



Third of a series
By Scott Armstrong
Washington Post Staff Writer

On Aug. 19, 1978, one of the most tragic theater fires of the 20th century took place in Abadan, a city in the heart of the rich oil-producing region of western Iran, now the object of attack and counterattack in the war with Iraq.

With the doors locked from the outside and firefighting equipment slow to arrive, nearly 500 people were killed, burned to death, suffocated or trampled.

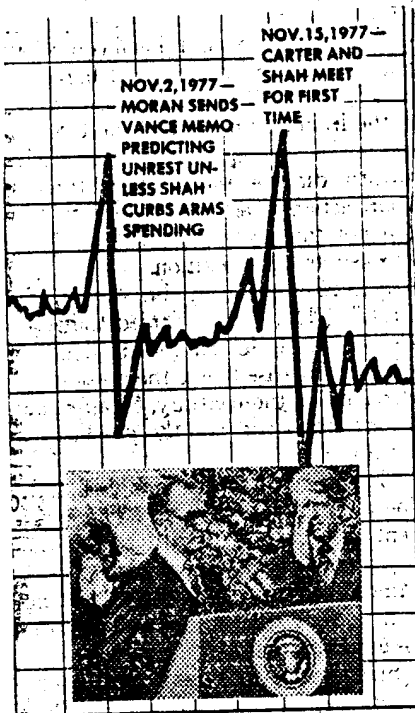
The Iranian government charged that the fire was caused by arson, set by Islamic fanatics who were opposed to liberalized rules that allowed theaters to stay open longer than in the past.

But the opposition claimed that while the film was being shown, several anti-shah activists had run inside seeking to elude agents of SAVAK, the Iranian secret police. They charged that the agents, after securing the shah's personal permission, had locked the doors and burned the movie house down.

In 1978, opponents of the shah did not need proof to hold him responsible for the most terrible of deeds. Soon after the fire, his regime's culpability for it was taken almost for granted. The terrible disaster further united the many disparate groups in Iran who wanted the shah out of power.

At about the same time, the important in-baskets in Washington had yet another draft of the CIA's National Intelligence Estimate on Iran. Entitled "Iran: Prospect Through 1985," the report declared: "Iran is not in a revolutionary or even 'pre-revolutionary' situation."

At the State Department, an intelligence analyst on Iran, George Griffin,



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wrote a dissenting footnote to the draft. While the CIA estimate agreed with the conclusions drawn by Ambassador William Sullivan, the embassy staff in Tehran and the State Department leadership, to Griffin it seemed simplistic and wrong. Not only had press reports been painting a different picture of life in Iran, but embassy cables and intelligence reports since June had cited a growing alliance between the Islamic traditionalists and the other, growing dissident segments of Iranian society.

Griffin consulted an old hand on Iran, Kermit Roosevelt, the CIA agent who had coordinated the U.S. participation in the 1953 "coup" that kept the Pahlavi dynasty in power. Roosevelt told Griffin that the shah was, in fact, a weak man, a "defective personality," who would fold under pressure in a "failure of will."

Faced with disagreement, the CIA analyst in charge of the draft withdrew it from circulation. The issues would be reexamined again later.

The Opposition

What most of these opposition groups in Iran shared were two goals: the removal of the shah from power and an end to what they perceived as foreign domination of Iran. It was perhaps the failure of American analysts to recognize the extent of the second of those goals that led to so great a misunderstanding of what Iran would be like after the shah was toppled.

Chief among the shah's opponents, of course, was the Ayatollah Ruhollah Khomeini. Sent into exile in 1963, Khomeini was living in Iraq, in the city of Najaf, the home of the most sacred Shiite Moslem shrine. Khomeini is now regarded by many in the West as leading Iran back into a religious dark age, but in 1978 he used the most modern of technological devices — the tape cassette — to smuggle his message of revolution back into Iran.

Constantly railing against the shah and urging Iranians to rid themselves of foreign influence, Khomeini's taped diatribes in the closing months of the year could be heard in nearly every mosque in the country. By the time of the Rex Cinema fire, Khomeini was the recognized symbol of resistance.

The theater fire in Abadan seemed not only to unite dissident groups in Iran but to have a deep, unnerving effect on the shah as well. Sullivan had just returned from Washington where he had lobbied on behalf of the shah's pared-down "wish list" of \$10 billion in U.S. military hardware. To Sullivan, the shah suddenly seemed filled with self-doubt, a man who believed that nothing could work, who was no longer able to analyze events. The shah, according to Sullivan's reports to the State Department in Washington, was becoming unhinged.

According to one report, the shah told Sullivan that he had tried to suppress dissent with repression and that hadn't worked; he had tried to put in place a civilian government and that hadn't worked either.

Bitterly, the shah asked whether he should appoint a corrupt civilian government that would turn the populace against it and make it clamor for a more authoritarian military government with himself back in full command. "I have to demonstrate the bankruptcy of the moderate option," the shah told Sullivan, "so people will see that a government is necessary to pre-

Sullivan what the United States government wanted him to do, and Sullivan passed the question on to Washington.

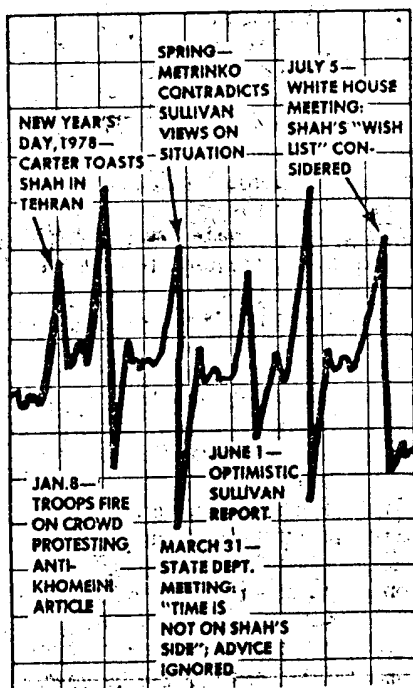
On Sept. 4, the largest demonstrations yet broke out across Iran. Three days later, the shah declared martial law in Tehran and 11 other cities.

On Sept. 8, Black Friday as it came to be called, the shah's troops fired into a crowd of demonstrators at Jaleh Square in Tehran. By the government's account, 86 people were killed; the opposition put the toll at more than a thousand. The demonstrators had not learned of the newly imposed curfew.

Jimmy Carter got news of the Jaleh Square massacre at Camp David, where he, Anwar Sadat and Menachem Begin had begun meeting to negotiate a peace between Egypt and Israel.

Carter was briefed on the incident by Harold Saunders, assistant secretary of state for the region. Secretary of State Cyrus R. Vance, according to a number of department sources, knew few of the details because he was nearly totally absorbed in the Egyptian-Israeli discussions and in nuclear arms limitation talks with the Soviet Union.

According to accounts of Saunders' briefing for Carter, the shah was still firmly in control of Iran. The skepticism that was beginning to spread among low-level State Department aides had not worked its way up. When Saunders finished, the president's national security adviser, Zbigniew Brzezinski, joined the briefing and declared that the shah needed a strong statement of U.S. support — it would boost his morale and that of allies in the region. Sadat had already called the shah to pledge his support and suggested that Carter do likewise. The president agreed.



shah's willingness to use force as a good sign. Sullivan noted that the declaration of martial law was an indication of renewed self-confidence on the part of the shah, and predicted that, despite reports of morale problems in the army, the shah and his military could handle the situation.

The Pentagon agreed, with its Defense Intelligence Agency issuing a report at the time that said the shah is "expected to remain actively in power over the next 10 years."

Unrest mounted in Iran during the rest of September and into early October. Faced with the new violence in Tehran, the CIA's National Intelligence Estimate was quietly laid aside. Viewpoints would have to be reconsidered. The State Department would redraft it.

The shah appointed a new, more moderate prime minister and decided to take action against Khomeini by formally asking the government of Iraq to expel him, to move him further from Iran. Agreement came quickly; Khomeini had been stirring up Shiite Moslems in Iraq as well.

Immediately, however, the shah took back his request. As dangerous as Khomeini was in Iraq, he might prove to be more dangerous in a European capital where he could get world press attention and maintain even better communication with Iran through more modern, long-distance telephone connections.

In early October the aging ayatollah, denied admission to Kuwait and Syria, went to France, taking up residence in a suburb of Paris.

The shah renewed his attempts to defuse turmoil and divide the moderate opposition from the radical Shiites through reform, promising amnesty for 1,500 prisoners. But on Oct. 24, virtually every city in the nation was hit by massive outpourings of protest, calling for the ouster of the shah or the return of Khomeini.

Sullivan, only recently so optimistic about the shah, once again feared that events were getting beyond control. In October, a small Pentagon group, led by Deputy Secretary Charles W. Duncan Jr. (now secretary of energy), met in Tehran with the shah and his military leaders and was informed that Iran was now willing to scale down its arms request — "postpone," not "cancel" — because it would be unable to pay for it all. Sullivan told Duncan that the shah was in dire straits but still might act decisively to resolve his problems.

The Pentagon group had just left Saudi Arabia where the royal family was deeply concerned about what it perceived as a failure by the United States to support its allies in the Persian Gulf.

Union was sure to capitalize on chaos in the region unless the United States would make a show of strength. What the Saudis wanted, it was clear, was U.S. military intervention on behalf of the shah.

The Saudis' concern seemed exaggerated and their requests — for U.S. assistance with covert subversion in South Yemen — reckless. But as an absolutely vital ally, the Saudi perception of U.S. assistance was as important as the reality of it.

The shah's problems were internal, however — and did not fit the Carter administration's criteria for direct intervention, since there was no real threat from outside.

Iranian generals began talk of taking matters into their own hands on behalf of the shah. Some wanted to "round up 10 mullahs and shoot them," one of Sullivan's aides said at a staff meeting, and 300 army officers had petitioned their leaders for permission to crack down on demonstrators.

Gen. Manuchehr Khosrowdad, the commander of Iran's air force, wanted to clear the streets once and for all. If intimidation didn't work, then mass arrests and bloodshed would.

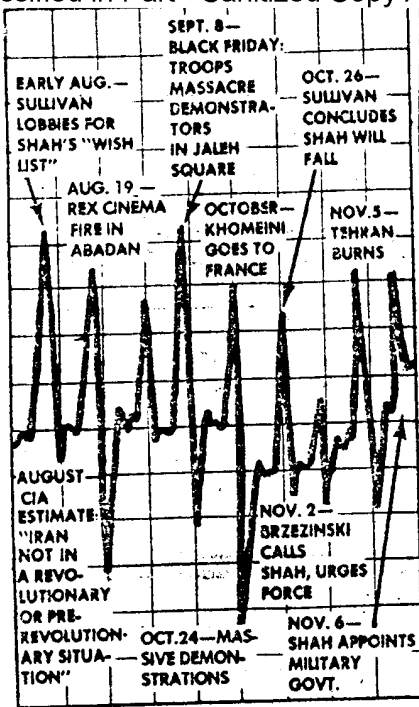
When Sullivan and British Ambassador Anthony Parsons went to call on the shah, they found the shah unnerved once again, incapable of action, unwilling to make decisions, ravaged by the deaths in the streets.

Less the arrogant emperor and more like a befuddled bureaucrat, the shah pleaded for advice. Who should he appoint to what positions? Should he install a military government? Should he allow the military to use force, should he crack down? More and more "crack down" came into play in conversation.

The shah told Sullivan and Parsons that his ambassador to the United States, Ardeshir Zahedi, was urging him to take a hard line, to crack down as the troops had done the month before at Jaleh Square. According to the shah, Zahedi had come to Tehran with the word of Brzezinski that the Carter administration would support every action necessary to preserve order in Iran. But where was the direct U.S. support that was due him, the shah wanted to know.

The shah told Sullivan to ignore Zahedi. He was, the shah said, trying to relieve the dreams of his father, a key figure in keeping the shah on the throne in 1953. The shah was uncertain about what to do, but he had come to a decision about what he would not do. There would be no "crackdown." If he

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killed thousands of his countrymen, he would have to rule by force for the rest of life and would be unable to pass the throne on to his son.

According to some accounts, it was at this point that Sullivan and the United States first learned that the shah had cancer. By then, Sullivan already knew that the shah believed he had no more than a few years to live.

Violence continued to grow. In Amol, near the Caspian Sea, dissident student groups took control of the city. For the first time, the shah's families and friends spoke of a revolution in progress.

In Tehran, 10,000 students at the university marched in protest; in the south 30,000 oil field workers walked off their jobs.

The shah continued to offer concessions. He dismissed 34 senior SAVAK officials who had been accused of torture and other abuses. At what was said to be Sullivan's suggestion, he agreed to grant amnesty to the political prisoners on his birthday, Oct. 26. He said there would be no future political arrests.

"Feeding the crocodiles," Sullivan called it, unconvinced that the shah's reform gestures, which transferred no real power, were sufficient to quiet the opposition. Sullivan concluded that the shah's new prime minister, Sharif-Emami, was doomed and once more the shah would turn to him for advice.

The shah was under pressure from home to get tougher, to appoint a military government and turn it loose on the opposition. Gen. Hossein Rabii, who feared most of all the threat of communist subversion, complained to an embassy official: "His majesty is simply not being himself. He has got to assert himself or we'll make him assert himself."

By the end of October, the news coming out of Iran had begun to divide the Carter administration. One viewpoint, shared by desk officers throughout the government familiar with daily events in Iran, maintained that the shah could not survive. The other camp, most forcefully represented by Brzezinski at the White House, believed the shah could stay in power and that the United States must make every attempt to keep him in power.

But Sullivan was concluding that the shah could no longer guide events as the all-powerful ruler. Leaving the Iranian military to its own instincts, he feared, would mean chaos — either bloody repression or mutinous troops. When Sullivan cabled the State Department asking for advice, he made two suggestions: Urge the shah to begin to truly accommodate his moderate opposition by allowing the creation of a real parliament and prime minister, retaining for himself only foreign policy and the military. And suggest that the shah leave the country for at least long enough to allow the new administration to restore order.

Sullivan's request for instructions were urgent. He talked directly with David Newsom, undersecretary for political affairs and the No. 3 man at State, who was typically passive. Newsom told Sullivan of the difficulties of getting instructions cleared through the White House and Brzezinski.

But Vance and some of his aides were struck by the picture Sullivan had painted. Sullivan was on the scene; his views should be considered.

On Oct. 27, when Iranian experts from all departments met at State for an all-day session, the consensus of Farsi-speaking analysts was that neither more liberalization, which Persians would perceive as weakness, nor repression, would save the shah. Someone suggested a straw poll. Of 30 or 40 people there, only four believed that the shah would be on his throne a year later.

Aides to Vance met with Brzezinski's Iran specialist, Navy Capt. Gary Sick, to respond to Sullivan's request for advice. Sick said that Brzezinski wanted stronger language making it clear that the shah should not capitulate in any way to his opposition. Nevertheless, Brzezinski, through Sick, agreed on sending Sullivan a cable suggesting that the shah should be encouraged to relinquish some of his domestic authority and leave on vacation.

It seemed, for the moment, to be a major shift in U.S. policy, albeit a secret one. But it lasted only for a moment.

The Pressure

On the day that cable was sent, the president received the shah's son, Crown Prince Reza Shah, at the White House. The young Iranian was a student at the U.S. Air Force Academy, and it was his 18th birthday. He was accompanied by Zahedi, now back in Washington.

"Our friendship and our alliance with Iran is one of our important bases on which our entire foreign policy depends," the president said in a public statement during the meeting.

Zahedi, who had learned that new secret instructions were on their way to the U.S. ambassador in Iran, was already busy trying to regain lost ground for the shah with a new expression of support from Carter. He got in touch with Brzezinski to complain. He warned other powerful American friends of the shah as well, including David Rockefeller, Henry Kissinger and John J. McCloy.

Rockefeller and Kissinger began calling contacts in the press and on Capitol Hill to bring pressure on the administration, warning that an Iran without the shah would rapidly turn communist.

McCloy went further than that. The former high commissioner to Germany after World War II, former president of the World Bank and chairman of the Chase Manhattan Bank, McCloy, at 83 years of age, was a partner in the law firm that represented the shah, Milbank, Tweed, Hadley & McCloy, one of the most prestigious law firms in the United States.

In letters and phone calls, McCloy urged Vance to support the most hard-line aid for the shah, and to make it known that such support was coming. According to one State Department source, McCloy made it clear to Vance that he had also been in touch with the president.

According to one source with access to intelligence information, Zahedi opened another line of pressure, less subtle, to force a stronger endorsement from the president. Zahedi arranged for someone to contact Barbara Walters of ABC News and reveal Sullivan's new doubts about the shah and that U.S. support seemed to be declining. When Walters called Zahedi on the story, he at first seemed reluctant to talk

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— then depicted the shah as debilitated by his lack of U.S. support. Sullivan was portrayed as taking a "go easy" line, meeting behind the shah's back with the opposition. The report warned of a communist takeover, in which oil supplies might be lost, U.S. arms might fall into the "wrong hands."

"Without the belief that Jimmy Carter will support him, the shah sits and waits," Walters reported on the evening of Nov. 2, which, it turns out, was one of the most accurate news accounts during this period.

The White House issued a denial. The president was not abandoning the shah. This is part of what Zahedi wanted to happen. The other part was a private communication from the White House, guaranteeing that Washington would not get cold feet if the shah embarked on military action to take over the oil fields and break up demonstrations. Zahedi wanted the shah to know, with certainty, that the United States would not shrink away if the TV news began showing American-made tanks rolling against Iranian citizens.

In fact, the president had not yet made up his mind about how far to go in supporting the shah or deserting him. He was not sure whether Sullivan's analysis made sense. And Brzezinski was offering an alternative view of the revolution in Iran, one which ultimately persuaded Carter to stand by the shah — to the very end.

With a background as a lifelong academic before joining the Carter administration, Brzezinski mustered serious intellectual arguments in behalf of his position. Revolutions are not won by the will or might of revolutionaries, Brzezinski maintained. Instead, they succeed because of the absence of an effective authority in control.

Brzezinski had copied and gave to Carter a few pages by historian Crane Brinton, who argues that successful revolutions are marked commonly by the ineptitude of the government's use of force rather than the skillful use of force by the opposition. While a majority of the populace may be unhappy and wish the existing government overthrown, only a minority takes part in the actual clash of forces. The government, that is, overthrown is one which does not exercise tight control over its troops, which has military commanders of little intelligence, which loses its troops to the opposition.

Brinton went even further: People are generally so conservative, routine-loving and obedient that virtually no government is likely to be overthrown from within until it loses its ability to use its police and military powers against the small cadres who make revolution.

In addition to this argument, Brzezinski added the weight of reports on Iran coming in from elsewhere in the government. Some in the State Department now wanted to ease the shah out of power, Brzezinski noted, but for months, even as the crisis in Iran grew, the department's own analysts said the shah could make it through the unrest.

Secretary of Defense Harold Brown, concerned about Saudi Arabia's uneasiness, had become a partial ally of Brzezinski's. Brown said he favored letting the shah solve his own problems — but if it took military action against demonstrators to solve them, then so be it. Brown advised the president to make it clear to the shah that the United States would stand behind him no matter what he did.

According to one National Security Council staff member, Brzezinski felt that Brown's opinion would weigh heavily with the president. Carter, the source said, considered Brown and Vance to be equally cautious in outlook. With Vance hardly involved in Iranian problems at all, Brown's views, the source said, were even more important than they would ordinarily have been.

By early November, Brzezinski told Carter that the question in Iran was no longer how the shah could move to compromise with his opponents but rather how he could restore his collapsing authority. The only way to keep the United States out of Iran in the long run, Brzezinski reportedly said, was for the shah to act decisively by turning his troops loose to quash dissent.

Shortly after the Walters broadcast, Brzezinski reported that Zahedi had called, upset over the television report, according to a White House source. The president had been publicly challenged to say whether he stood by the shah.

The Advice

Carter told Brzezinski to call the shah and relay his support.

Brzezinski interpreted his instructions broadly. Since the beginning of the administration, his staff had repeatedly dissuaded him from recommendations for military involvement or covert action in Africa and Latin America. At this moment, Iran was the place to take a stand.

Brzezinski called that evening. According to a U.S. official who said he was familiar with the conversation, Brzezinski told the shah that Carter supported "whatever steps the shah deemed necessary to keep the peace." Brzezinski urged the shah to "crack

down" on demonstrators, according to several sources familiar with the conversation. He told the shah that Carter understood that force would have to be used; and that human rights considerations were no longer of the highest priority. Brzezinski, according to one State Department source, pressed the shah to turn his government over to the military to conduct the crackdown.

Then Brzezinski called Sullivan in Tehran and informed him of his conversation with the shah.

Sullivan, feeling undercut and embarrassed, sent an angry cable to Washington, where aides to Vance were as dismayed as the ambassador was. They could not understand why Brzezinski would approve a policy of accommodation as recommended by Sullivan and then personally countermand it in a conversation with the shah. Several phone calls to Sick, Brzezinski's aide, however, confirmed that the call had been made and that Brzezinski had urged a crackdown.

Vance was also unhappy when he learned of Brzezinski's call. From almost the outset of the Carter administration, the secretary of state, according to aides, had largely ignored news reports of a constant battle for control of foreign policy between himself and Brzezinski. From his point of view, those aides said, no such battle existed. He had reprimanded his staff when they complained of power grabs by Brzezinski. This time, the aides said, Vance was truly upset. Word spread quickly through the State Department that Iran policy was now being run from the White House.

On Saturday, Nov. 4, Sullivan and British Ambassador Parsons went again to see the shah.

And the shah seemed puzzled. What was the U.S. policy? What did Carter want him to do, the shah asked Sullivan. Was it Brzezinski's advice to go ahead and unleash the Iranian military against the demonstrators? Or did the

president wish something more moderate? As the shah described Brzezinski's call, he said he was not inclined to follow the advice from the White House adviser. The shah doubted that force would be effective, and again noted his conviction that his son could not rule in the future if thousands of Iranians were to be killed.

At the embassy in Tehran, however, some support for the Brzezinski position was emerging. Sullivan's deputy, Charles Naas, told a visiting team from Washington that those demonstrating against the shah were just students and religious fanatics with a large smattering of communists among them. In Naas' view, there was a "silent majority" in Iran which abhorred the demonstrations and would support a "crackdown."

of the type the shah's father had employed — when he had 25 mullahs hanged. "Human rights are no longer a problem," Naas said.

Gen. Philip Gast, the head of the U.S. military assistance group in Tehran, had a similar appraisal. All that was necessary was to concentrate on the infrastructure and management problems within the Iranian military. A member of the State Department team visiting at the time was surprised by Gast's "can do" talk. It seemed to conflict with the fact that Gast's office in the Iranian military headquarters had been without heat and electricity for a week.

On Nov. 5, the shah's attempts to bring members of the moderate opposition into his cabinet became stalled when Karim Sanjabi, a leader of the National Front, demanded along with Khomeini that the shah step down.

On that day, the worst wave of violence to date broke out. Demonstrators burned buildings and automobiles and attacked the British embassy. Tehran was aflame. Beginning to see conspiracies everywhere, some aides in the American embassy blamed the attack on the Iranian military. Sullivan thought the U.S. Embassy had been left alone because army leaders knew of the American call for repression.

That night, the shah met once more with Sullivan and Parsons. Despite his own best judgment, the shah said, he would have to let the military take command because even the moderate opposition, in the form of the National Front, had refused to deal with him.

The shah, Sullivan said, appeared composed and resolute for the first time in a long while. The shah said he had got a phone call the previous evening from Nelson Rockefeller, who told him to be tough, and that Kissinger, through Zahedi, had suggested that it was time to round up and rearrest all the political prisoners who had been released.

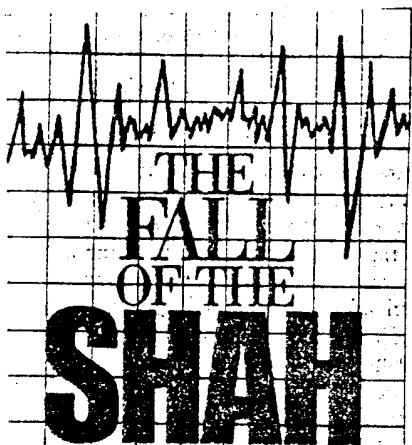
The shah said he would urge his military government, under the command of Gholam Reza Azhari, to rule with restraint. Some opposition leaders would be rearrested but not those of the National Front. The press would be closed for a few days because "soviets" of reporters had taken control from publishers and editors. The city would be quieted by flooding streets with troops and tanks. In contrast, some of his generals were talking about "hanging 10 mullahs or burning 10 mosques."

The shah said he was making a further attempt to split the moderate clergy, represented by the Ayatollah Shariat-Madari, away from Khomeini.

And finally, the shah told the two ambassadors, he was sure of one thing: If a military government failed to restore order, he was finished.

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28 October 1980

Vance Deflects a Call for Toughness



Fourth of a series

By Scott Armstrong

Washington Post Staff Writer

On Nov. 9, 1978, U.S. Ambassador to Iran William Sullivan sent an eyes-only cable to the secretary of state in Washington urging a major policy change toward the embattled shah. The revolution in Iran was growing, the shah seemed doomed, and the dominant figure emerging was the 78-year-old Ayatollah Ruhollah Khomeini, whose character and outlook were virtually unknown to American policymakers.

Sullivan, once an enthusiastic booster of the shah, was now a convert to dire forecasts. He titled his cable: "Thinking the Unthinkable."

Others in the State Department who had persuaded themselves that the shah's new military government had prospects for success were jarred by Sullivan's pessimistic message. In it he postulated that if the new military government of Gen. Gholam Reza Azhari failed to subdue quickly the growing turmoil, the shah would probably not survive. With that in mind, the United States should begin contingency planning. Because U.S. interests were fundamentally to preserve the independence of Iran as an ally and because

Iran was surrounded by a constellation of potentially hostile nations, a strong, effective, pro-American military was fundamental.

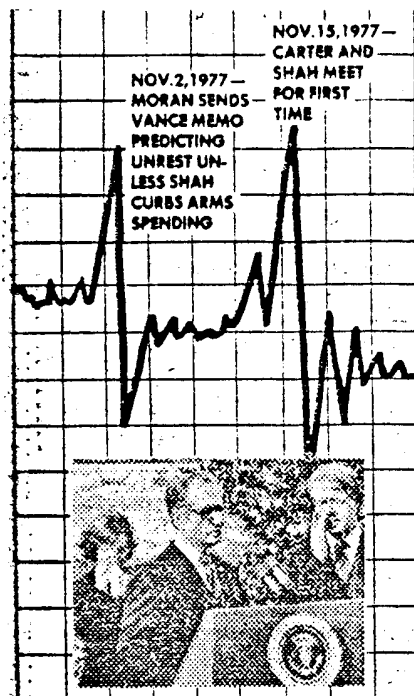
Therefore, plans should be made for putting the armed forces in touch with whatever new government was likely to emerge. Because any new government would not likely survive for long without Khomeini's approval, Sullivan urged Washington to prepare to meet secretly with opposition representatives most closely associated with the ayatollah to find out what he would accept to keep Iran's armed forces intact.

Sullivan believed that the first person to approach would be Mehdi Bazargan, an engineer who enjoyed Khomeini's blessing and was well regarded by all factions of the opposition — the clergy, the bazaaris, the National Front and the workers. Unlike most of the other members of the National Front, he was untainted by old jealousies and inter-necine rivalries. One of Sullivan's political officers had met with him the week before. His views on social reform and civil rights were suited to Sullivan's notion of an appropriate head of state.

Because such an approach would be tantamount to a desertion of the shah, the substance of discussions with Bazargan would have to be totally secret. If the shah learned of it, it could be precisely the signal that would cause him to give up all hope. That, in turn, could leave a disastrous vacuum.

President Carter's reaction to Sullivan's cable was severe. He met with national security adviser Zbigniew Brzezinski and canceled the rest of his appointments for the day.

Why had he not been told that events in Iran were to the point where the U.S. ambassador was ready to abandon the shah? What was going on in the State Department, in the CIA, in



IRAN, From A1

the National Security Agency, in the Defense Intelligence Agency? Aside from a few references about the unhappiness of religious groups and radical opposition members with the shah, no one had warned him that things were this serious.

The president scrawled out a note to Brzezinski for each of his advisers — Secretary of State Cyrus R. Vance, Defense Secretary Harold Brown, CIA Director Stansfield Turner and the head of the National Security Agency, Adm. Bobby Inman. Why had intelligence on Iran been so inaccurate? Or was Sullivan simply wrong?

On the afternoon of Nov. 13, Carter met with Brzezinski, his White House chief of staff, Hamilton Jordan, and Turner.

Turner offered an explanation. CIA resources had been cut so badly that they could not cover both the Soviet threat in the region and domestic politics. In addition, he mentioned the decision in the 1960s to rely on SAVAK, the shah's secret police, for information about the domestic political opposition in Iran. But mainly Turner blamed the mysterious aloofness of the Shiite clergy. The embassy political staff had been largely handling those contacts, he explained, and they had totally misinterpreted events. In short, the failure of intelligence was principally Sullivan's fault.

Mixed Reports

Through November and into December of 1978, American intelligence reports and appraisals of the situation in Iran continued to be marked by what had become a steady pattern: the outlook for the shah was stable one day, his collapse imminent on the next. Brzezinski remained constant on the need to stand by the shah; advisers in the State Department were split.

Despite Sullivan's strongly worded cable, many members of his own staff in Tehran were unaware that their boss had lost confidence in the shah's chances of survival. They continued to send in reports that conflicted with Sullivan's own appraisals and, anxious not to create panic by broadcasting his own drastic shift in position, Sullivan did not stop them.

On Nov. 15, for instance, embassy political officer George Lambrakis and a visiting intelligence analyst from the State Department filed an encouraging report on their visit with the head of the 400,000-member teachers' union. They told Washington that this moderate opposition leader "would dearly love to follow conciliatory course which would permit shah to remain and reign, not rule, but government has closed down all efforts he and his group have made to publish or be politically active." The cable warned of a "crypto-communist" organization, a rival for teachers' loyalties.

This was the sort of evidence that Brzezinski regularly called to the president's attention — a dispatch suggesting that the shah was not in as much trouble as the State Department was claiming and that communist influence was a major threat.

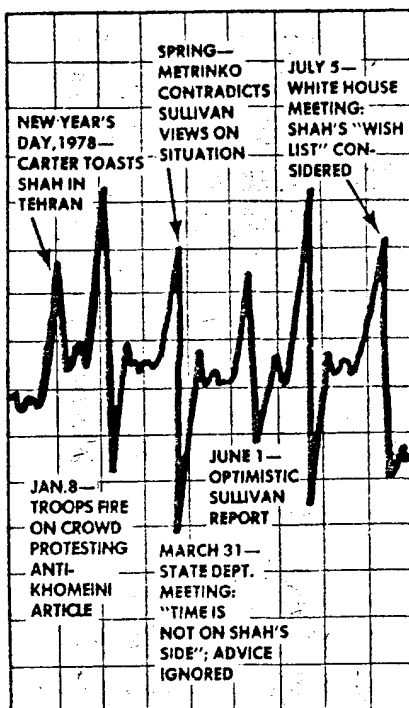
The shah had his own supporters chiming in on the Washington debate. King Hassan II of Morocco, a strong ally of the shah who was himself locked in conflict with Soviet-backed guerrillas, arrived in Washington and urged the president to give the shah his complete support, including military intervention on his behalf if necessary. How else could other allies be assured of U.S. support, Hassan asked.

The president took Hassan to be intimating that if the shah did not receive full U.S. support, Hassan and others could be expected to work against the administration's Arab-Israeli peace initiative. Carter sidestepped Hassan's suggestion, but assured him that all allies could count on the United States in time of crisis.

The same day, the president asked Senate Majority Leader Robert C. Byrd (D-W.Va.) to stop in Iran on a trip he was making to the Middle East and North Africa at the end of the month. Byrd's son-in-law was Iranian and the president could count on Byrd for a candid appraisal of the shah's position.

Later that day, the president also asked Treasury Secretary Michael Blumenthal to stop in Iran and make his own appraisal.

Sullivan had still not received a response to his "Thinking the Unthinkable" cable. He continued the contacts



with the opposition on his own authority. Each week he authorized contacts with opposition members that were closer to the clerics and harsher on the shah. But his reporting still drew no response from Washington.

Lambrakis filed another hopeful report on the possibility for a moderate solution to the crisis:

"There are a variety of elements in the population who would dearly like to see some sort of compromise solution which would keep the shah and avoid a total victory for the Khomeini forces. Many of these people are convinced communists will eventually manage to take over any successor government despite their relatively low posture in the opposition. Others want to avoid what they see as religious fanaticism."

The cable, signed as a matter of protocol by Sullivan, closed with an observation. "All recognize [the] key role to be played by the armed forces whatever the outcome of the present situation might be."

When Blumenthal lunched with the shah Nov. 21, he was a bit taken aback. The State Department briefing papers had told him the shah "remains in firm control and has stated categorically that he will not step down." But Blumenthal found the Iranian leader sullen and listless. As the cabinet officer tried to reassure the shah about American attitudes, the shah seemed not to hear.

When Blumenthal's gloomy report reached Washington, Undersecretary of State David Newsom decided to try again at the White House. He assembled three analysts who had recently briefed him on their tour of Iran and sent them to enlighten Brzezinski's staff on how bad things really were. The group, accompanied by Iranian desk officer Henry Precht, met with Brzezinski's deputy, David Aaron, and the NSC specialist on Iran, Navy Capt. Gary Sick, in the situation room of the White House.

The group from State explained that the question was not who was opposed to the shah, but who was for him, because that list was much shorter. But Aaron seemed unconvinced. He wanted to know who was organizing the trouble. It was clearly a small group that could be mollified or eradicated.

After the State Department group had spent an hour describing the total deterioration of support for the shah, Aaron interrupted Precht to ask a question.

"Tell me, Henry, exactly who is the opposition?" Aaron asked.

"The people, David, the people," Precht responded tartly.

The State Department team left totally discouraged. They felt the White House was losing touch with reality in Iran.

Sullivan's cables from Tehran, meanwhile, took on a sarcastic quality that did not increase his influence at the White House, as he noted the comings and goings of Ardeshtir Zahedi and the out-of-channel communications by Brzezinski. Who is the American ambassador, he wondered at one point.

From the White House viewpoint, Sullivan's ego undercut his effectiveness as an advocate for U.S. policy. One White House staffer said the president was tired of Sullivan's "smart-ass attitude and smart-ass cables."

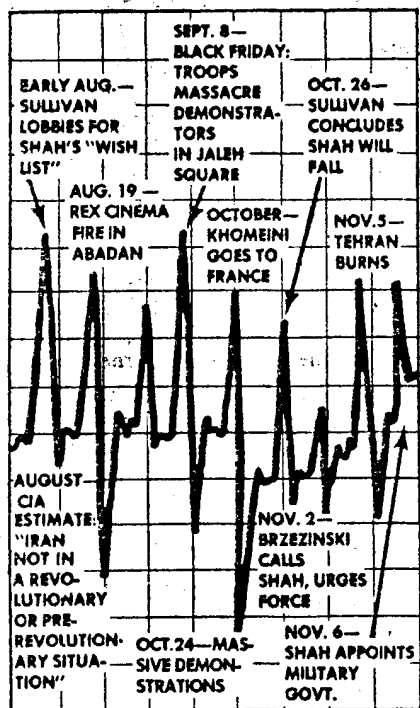
But Byrd's personal report did not brighten the picture either. He informed the White House that he found the shah impotent to alter the course of his slide.

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11th-Hour Efforts

While the president absorbed these reports, tremendous international pressure was being applied for a last-ditch effort to keep the shah in power.

The principal allies of the United States had an enormous stake in ensuring that Iran remained stable. Japan, Israel, South Africa and several of the Western European nations were heavily dependent on Iran for their oil. Khomeini had announced that after the revolution Israel would get no oil from Iran and that all contracts with foreign firms would be canceled. That created a special scare in Japan, which was building a huge petrochemical complex in Iran. French firms had even larger contracts for construction of nuclear power plants. (Strikingly, the shah planned to make Iran independent of oil and develop a nationwide network of nuclear power plants by the turn of the century.) In all, the western European nations were said to have begun



work on contracts calling for \$12 billion in development at the time of the fall of the shah.

Because of their need for oil and their investments, some in the State Department felt, the Western powers believed the most likely method of maintaining stability was to keep the shah propped up.

In the same period, Energy Secretary James Schlesinger was worrying, not only that crippling strikes in the Iranian oil fields might interrupt the flow of oil, but would create another, more serious problem for the shah. Without oil revenues he could not pay for the recently promised wage increases. Without the wage increase, there would be more strikes. And intelligence reports warned that oil workers were now planning strikes over political demands, not wages and benefits. In short, economic collapse could bring down the shah.

Decision Time

From all the competing voices, the president had to choose. What was the reality in Iran? And what could the United States do at this point to gain control over events?

When Blumenthal returned at the end of November with his personal report, he also had a business-like suggestion for resolving the internal debate: get an outside opinion.

Blumenthal told the president he had been shocked by the shah's demoralized appearance. He said Sullivan had told him to expect the shah to be downcast, but, at the same time, State briefing papers were declaring that the shah could regain control of events. Blumenthal questioned whether the latter opinion was sound. He advised the president to seek an outside appraisal, and recommended that Carter appoint George Ball, a former undersecretary of state and now a partner in a New York investment house, to conduct it.

Blumenthal's advice was seconded by Brzezinski, who told colleagues he was sure Ball would see things the same way he did. Ball arrived in Washington immediately and Brzezinski installed him in the Executive Office Building where he began sifting through all the intelligence reports he could find.

Ball, then 68 years old, had known many among the Iranian elite for 30 or 40 years and had traveled frequently to Iran. Years earlier, he had heard firsthand of the frustration with corruption under the shah and had thought the shah's penchant for advanced weaponry to be irrational.

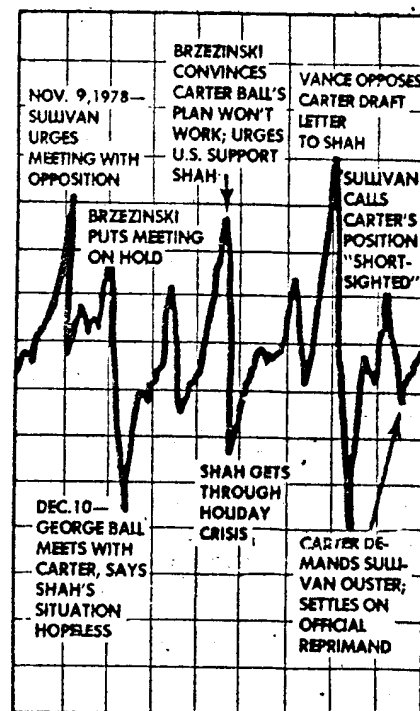
Whatever new evidence Ball needed to reinforce his suspicion that the shah's days were numbered, he got from a series of confidential briefings from analysts at the State Department and elsewhere. The portion of Sullivan's cable traffic that Ball was allowed to see yielded a similar view. Iran analysts from State passed on other cable traffic and memoranda that they knew Ball had not yet seen. Even Brzezinski's own aide, Sick, agreed that the shah

From the reports he read and conversations with administration aides, Ball rapidly came to the conclusion that the shah could not be saved. He seized on the possibility of installing the National Front in power, despite the CIA reports citing the weakness of the Front.

On Nov. 30, the CIA issued a top secret intelligence report on the shah's opposition, dealing mainly with the National Front, which it referred to as "a wide range of parties from moderates to radical leftists but not communists." The Front was described as too divided, probably to provide Iran with effective administration.

Correctly, the CIA noted that "it is Khomeini who has the largest backing among the demonstrators and rioters who have plunged Iran into chaos," and that "most leaders of the Front have moved closer to the hardline views" of Khomeini. "It is the religious leadership that can bring out the demonstrators and mobs, not the National Front." But the CIA added that the Iranian military would "play the pivotal role in future political developments in Iran."

Ball chose to ignore the CIA warning that "ideological and personal feuds,



some decades old, weaken its cohesion and have damaged its ability to negotiate during the current disorder. The National Front has not put forward a formal program other than calling for the return of the 1906 constitution [which would make the shah a constitutional monarch with limited powers], a top secret intelligence memorandum said.

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it was also the safest alternative. For Ball, the National Front consisted largely of constitutionalists, human rights advocates, committed to self-determination over Iran's oil assets, and nonaligned in their foreign policy. No doubt the rhetoric of anti-Americanism would outstrip any statements of support for U.S. values. But Ball reasoned that American support for their independence would swing them back into the U.S. camp.

The Iranian specialists at State were pleased that Ball also concluded that the shah could not continue in full authority; they were disturbed at Ball's recommendation that the shah retain his throne and control over the military. The CIA had just reported that Khomeini would never accept that arrangement. Brzezinski was unhappy for other reasons.

Citing recent intelligence predictions that Iran would almost certainly be overwhelmed by violence during the Moharram holidays and the shah probably would be toppled, Brzezinski stressed that such bleak reports could not be trusted. The violence hadn't occurred. The shah hadn't fallen. His point was supported from an unexpected quarter — Sullivan cabled that the shah had survived the worst. "The immediate political crisis has passed," it said, according to sources.

At a presidential news conference Dec. 12, Carter expressed the same outlook. "I expect the shah to maintain power in Iran and for the present difficulties to be resolved," the president said. "The predictions of disaster that came from some sources have not been realized at all. The shah has our support and he also has our confidence." The president added critical remarks about Khomeini and Soviet ambitions in the region.

When Ball asked for a meeting with the president, Brzezinski was slow to push the request through, apparently hoping to delay the report's arrival on the president's desk until he had had an opportunity to append his own remarks to it. Ball could not turn to Vance, who was in the Middle East desperately pushing for a peace treaty, but, wise to the ways of White House politics, Ball arranged his own appointment.

Finally, on Dec. 13, Ball met with Carter. He told the president that the shah, like Humpty Dumpty, could never be put together again because there had been a "national regurgitation by the Iranian people." Even the professional and middle classes were now against him. What the United States had to do, Ball said, was work out the transfer of power to "responsible hands before Khomeini comes back and messes everything up."

Ball recommended that a "Council of Notables" be established, consisting of prominent citizens from all sections of the opposition except the Marxist left. The council, not the shah, would pick the leaders of a new government. Ball offered a list of 40 to 50 "notables," mostly elderly, moderate leaders from the early 1950s, when the National Front was at its most powerful.

Ball warned that Brzezinski's hard-line "crackdown" approach could not succeed. Army troops might refuse to fire at demonstrators, he said, leading to the disintegration of the military. If the military did hold together, then there would be massive, bloody confrontations leading to prolonged civil war.

One way or the other, Ball told Carter, the shah should be told he ought to leave the country for awhile and begin to share power with others. It was the only way he could avoid letting the country fall into the hands of communists and religious extremists. Ball did, however, recommend that the shah could continue as regent and as commander-in-chief of the armed forces.

"I can't tell another head of state what to do," Carter responded.

"You can tell a friend what you think," Ball retorted. "One of the obligations of friendship is to give advice, particularly to a man who is cut off from the normal sources, who is surrounded by syncophants and out of touch with his people."

Carter wouldn't budge. Ball departed for a Florida vacation.

A Proposal

Afterward, Brzezinski, unhappy with Ball's recommendations, once again made his case for standing by the shah. The shah had made it through the most dangerous holiday period; he could ride out the protests. The "Council of Notables" made no sense, Brzezinski said, because the National Front leaders were weak, had no popular support and no respect from the military leadership. The result, Brzezinski said, would be a crumbling at the first push from Iranian communists or an aggressive move by the Soviet Union.

Furthermore, Brzezinski said, only the military could meet a threat from Khomeini, and, from all appearances and intelligence reports, the military was still intensely loyal to the shah. What the shah needed from the president was a clear signal that the United States would back him to the end. That would serve a double purpose: It would let the allies know that the United States kept its commitments, and it might prod the shah to seize the opportunity to crush the opposition.

According to sources in the State Department, Brzezinski then drafted a letter for the president to send the shah, which unambiguously urged him to use force to put down the demonstrations. The letter, three sources said, spoke of issues of greater importance than liberalization of Iranian society.

A draft of the letter was sent to Vance for State Department comments; key aides to Vance were shocked by it. The result of the letter, one aide feared, might have been "1,000 deaths." Others thought in terms of tens of thousands of deaths.

Vance spoke to the president immediately, according to these sources, and said he wanted to be sure that Carter understood that language of the draft would likely be interpreted by the shah as an invitation for massive violence against his people. According to State Department sources, Vance told Carter that the idea was dangerous on several counts. If the shah accepted the advice, a confrontation with civilians could turn into a lengthy civil war or lead to a breakdown of the Iranian military, if troops balked. Vance feared these possibilities could only play into the hands of Iranian communists and perhaps the Soviet Union as well.

And if the shah did not accept the advice, but abdicated, the letter could create a disaster for U.S. interests should it fall into the wrong hands.

Carter, according to State Department sources, told the secretary of state that he was willing to take the responsibility. He felt it was important for the shah to know that the United States was unambiguously behind him. According to these sources, the president believed that the shah had a new lease on life and should take advantage of it immediately.

Vance suggested changes in the draft to make it slightly more ambiguous, which were accepted. The White House now says the message was never sent.

At one point in early 1980 during the hostage crisis, Carter asked for the compilation of a documentary history of U.S.-Iran relations, in preparation for Iranian demands for an accounting on the U.S. role in the Persian Gulf nation. But when the study task force asked for presidential documents, the White House refused certain documents, including the draft letter. The gathering and analysis of the "Iran papers" was shifted to Brzezinski's office and suspended. Vance's copy of the revisions is now missing from his office files at the State Department.

In any case, advice from Washington had no impact on the shah's decisions. He did not order any crackdown.

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A Retort

In Tehran, Sullivan was not consulted about the draft letter, but he was infuriated by Zahedi's representations of U.S. policy, by the president's refusal to approve contacts with the opposition, by Brzezinski's persistence in backing the shah.

Having pushed for overtures to be made to Khomeini's representatives and for Washington to ease the shah out of power, Sullivan fired off a cable home saying that the president's policy was "shortsighted and did not understand where the U.S. interests lie," according to a State Department source.

For months, State Department officials had warned Sullivan that he was on thin ice with the White House, that Brzezinski and to a lesser extent the president felt that his cables were impudent and improperly critical of the National Security Council and Carter. The new cable got Carter's attention.

"Pull him out," the president ordered

Vance, according to State Department sources.

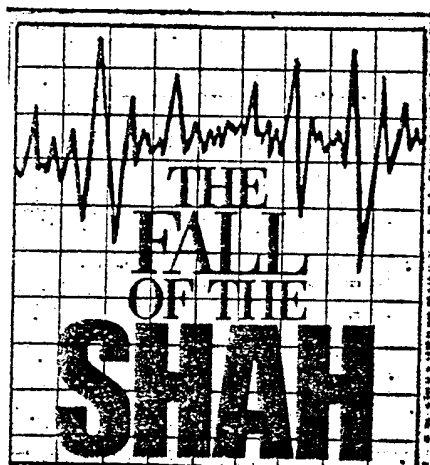
Vance objected. Firing Sullivan would make it appear that the United States was deserting the shah.

Carter was adamant; he said he wanted Sullivan's "ass."

Vance suggested that, instead, undersecretary Newsom be sent to

Tehran to give Sullivan an official but private reprimand. Finally, the president relented.

As it turned out, Newsom was too busy to make the trip. Sullivan stayed on the job, unaware that the president wanted him fired, as events in Iran headed toward the climax.

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29 October 1980

Iran Crisis: Finally Forces Itself on Vance

Fifth of a series
By Scott Armstrong
Washington Post Staff Writer

Cyrus R. Vance became secretary of state for Jimmy Carter believing that his single greatest objective would be to work for a nuclear arms limitation agreement with the Soviet Union. By December 1978, as the reign of the shah of Iran was coming to an end, Vance was still essentially preoccupied with the complex negotiations with Russia.

A disciplined workaholic, Vance was often in his office past 11 p.m., munching on a Roy Rogers cheeseburger, formulating tactics to use on the Soviets — and sometimes even on colleagues in the Carter administration — to keep the SALT talks on course.

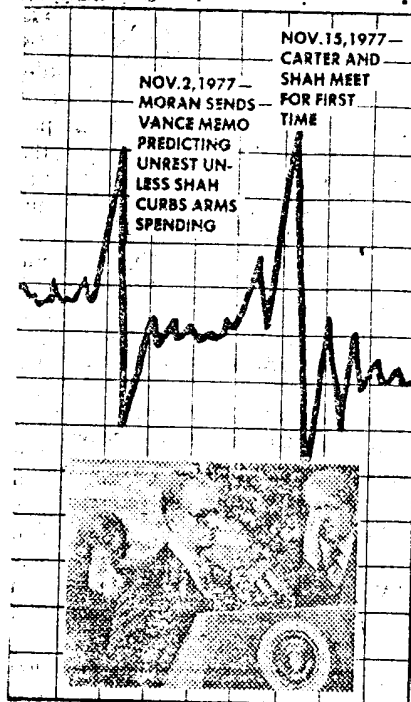
Vance's style was to put all other matters out of sight and concentrate on his main goals. He ran the State Department with that in mind, setting in place people in whom he had great confidence and relying on them to look after their regional interests.

The system was good for State Department morale and functioned smoothly in most instances. But it had

specific shortcomings. Often aides from State were outranked at meetings with the hierarchy of other agencies of government. Assistant secretaries and their deputies, trying to put forth the State Department position, were no match for national security adviser Zbigniew Brzezinski or Defense Secretary Harold Brown in matters over which there was disagreement. And on Iran, there had been growing disagreement.

During the fall of 1978, low- and mid-level State Department aides tried repeatedly to get Vance's ear on Iran; failing that, they urged his ranking assistants, Deputy Secretary Warren Christopher and Undersecretary for Political Affairs David Newsom, to impress upon Vance the urgency of the situation.

Vance, however, had added a second-high priority which preoccupied him — the peace talks between Egypt and Israel. After the Camp David meeting among Carter, Anwar Sadat and Menachem Begin had ended in preliminary accord in October, Vance was working on the important follow-through negotiations between the two nations.



Christopher, or "Chris" as virtually everyone at State called him, was regarded as extremely intelligent, precisely in tune with Vance's reasoning, a subtle persuader, though something of a procrastinator. In major areas apart from SALT and the Middle East treaty, Christopher was, de facto, the secretary of state.

Newsom was the most sophisticated of career diplomats, soft-spoken, meticulous, wary, accustomed to staying within the limits of established policy and practice. Newsom was the chief operating officer of the Foreign Service, who oversaw the flow of diplomatic events that rose to major importance. When assistant secretaries for the various regions of the world saw a situation developing beyond the limits of established policy, they usually took it to Newsom. Both men, Christopher and Newsom, had Vance's complete confidence. But neither man was the president's secretary of state.

Between SALT and his Middle East duties, the secretary of state was often out of the country. Aides said Vance preferred things that way, finding the capital a city where he could get little done. Away on a long trip with only a few assistants, he had no staff meetings to worry about, no White House meetings and few social or protocol functions.

Beneath Christopher and Vance, the structure of analysts who were expert on Iran had been sounding alarms over the shah's future for many months, with varying degrees of intensity. In the fall of 1978, for instance, Harold Saunders, assistant secretary for the region, had reviewed for a staff meeting all of the different groups aligned against the shah, from the semi-feudal landholders to the rural peasants, from the democratic opposition to oil field workers, from the merchants to the Shiite clergy.

The departmental press secretary, Hodding Carter III, asked a question. "Hal, you've just listed every group in the society. Who's for him?"

"The military," Saunders replied tersely.

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By early December, Henry Precht, the desk officer in charge of Iranian affairs, was particularly frustrated. Convinced for months that the shah's regime was in a state of collapse, Precht saw the United States gliding along with the same policy, unaware of the implications for the future when the shah was displaced by a new government.

Precht complained to his boss, Saunders. He said the measures being taken by the shah — discussions with moderate opposition leaders about participating in the government — were too little and too late. Even the latest recommendation by Ambassador William Sullivan, calling for the shah to relinquish control of domestic authority and temporarily leave the country, was not enough, Precht said.

He urged that the shah be told to abdicate and begin transferring control to an opposition coalition acceptable to the United States and to the Ayatollah Ruhollah Khomeini, who would no doubt take charge in a new regime. To do otherwise would leave the United States without any voice in the ultimate outcome.

Saunders listened politely but disagreed. The shah might be in difficulty but time was on his side. In the face of presidential decisions to support the shah, Saunders could not recommend an abrupt shift.

Precht then took his argument to the seventh floor, the corridor of power in the State Department, where the offices of the secretary of state, the deputy secretary and the undersecretary for political affairs are located.

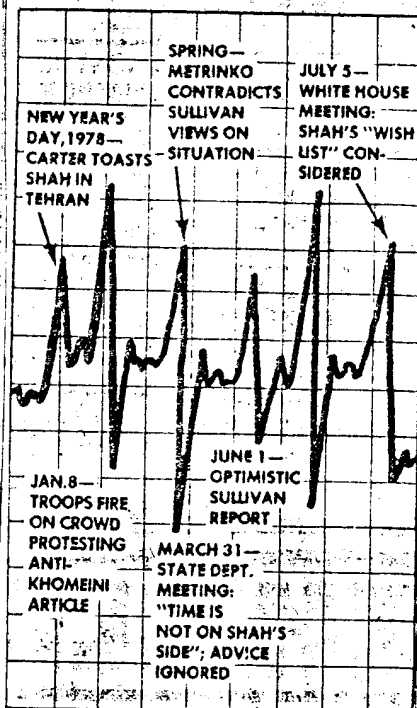
He spoke to W. Anthony Lake, the head of the policy planning group, and Arnold Raphael, a young Foreign Service officer who had served in Iran and was Vance's senior executive assistant. Both were said to be sympathetic but told Precht that the tone of his memos were too demonstrative. They cautioned him to present his case more objectively. They said the secretary — "Mr. Vance," as the entire staff referred to him — was not receptive to emotional appeals.

But whether the appeals were emotional or calm, Vance, according to a number of his aides, showed no inclination to get deeply involved in discussions about Iran. Lake had tried personally at a recent meeting of assistant secretaries to propose a full-scale re-

evaluation but Vance had interrupted. There would be no reevaluation, Vance said curtly. The president had made up his mind: the U.S. policy was to support the shah.

Piling up on Vance's desk were pleas from Precht, from Sullivan in Tehran and from Lake and Raphael as well, generally asking that the secretary try to budge the president from his support of the shah. Precht's arguments, bolstered by a task force that had just returned from Iran, finally persuaded Newsom and Christopher. But the secretary was the only one with enough stature to convince the White House.

While Vance was in the Middle East negotiating, the news "leaked" from the White House that SALT negotiations were proceeding so well that an agreement would be finished by year's end and President Leonid Brezhnev might come to Washington for a summit in January. Vance and a handful of others knew better — the president had sum-



moned him home for the announcement of normalization with communist China, an event that was sure to upset the Soviets and postpone the SALT agreement.

Vance favored normalization, but not at the expense of a SALT treaty. Brzezinski's accelerated schedule for normalization was undercutting Vance's efforts. There were other disagreements on U.S.-Soviet relations. Vance was beginning to feel crowded by Brzezinski.

Warnings of Urgency

On Dec. 15, when Vance flew back to Washington from Cairo, he encountered the issue of Iran and finally heard warnings of urgency, some from outside the administration, which moved Vance to take Iran onto his list of most important issues. One came from Sen. Edward M. Kennedy (D-Mass.) whose office had been approached by an unhappy aide at State, asking for help in arousing Vance on the Iranian crisis.

Two days after Vance's return, Kennedy met with him, ostensibly for a briefing on Iran. According to sources familiar with the meeting, Kennedy listened politely to Vance but thought the secretary had little idea of how strongly the people of Iran had turned against the shah. The senator recommended that Vance look carefully at the recommendations that George Ball had just made to President Carter a few days earlier, urging Carter to back away from the shah and help form a transitional government of Iranian moderates.

Later that day, Vance read Ball's report and called the investment banker at his vacation home in Florida. To Ball, Vance seemed ignorant of what had transpired in his absence, not focusing on Iran sufficiently. To Vance, the presence of elder statesman Ball certified Iran as a crisis worthy of his attention.

Ball warned the secretary of state that the situation in Iran was critical, that the shah could not last, and that Carter and Brzezinski were being unrealistic in their hopes for maintaining the status quo.

The president, Ball said, was listening only to Brzezinski and perhaps to Brown, whose views on Iran seemed uncharacteristically hawkish. Ball urged Vance to become personally involved. He backed Sullivan's proposals for immediate communications with the opposition, so long as the contact was made in a way that allowed the government to deny it. He said the shah should be encouraged to relinquish real power.

When Vance finally turned his attention to Iran, the situation was relatively tranquil. The president and Brzezinski seemed to think that since the shah had gotten through the religious holiday that the CIA had predicted would be his most crucial test, the worst was past.

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At the State Department, those who felt the shah was doomed — with the exception of Precht and Sullivan, who both continued to hammer away for more drastic concessions from the shah — were content to sit back and wait. It was just a matter of time until the shah fell.

Soon the opposition began to escalate its activity with massive national strikes.

Vance was ready to move, but it was not his style to go directly and ask the president to undo a previous decision. Once Vance lost an argument and the president decided, he respected it. His aides thought this was an unfair

disadvantage because Brzezinski never seemed to give up on his positions.

And Vance had another potential adversary on the subject now. Energy Secretary James Schlesinger, former CIA director, former secretary of defense, had weighed in with his own proposal — send a high-level envoy such as Brzezinski or Brown to meet with the shah, bolster his resolve and perhaps show him how to take control over the domestic unrest. Schlesinger had studied CIA profiles that described the shah as weak, frozen in fear. Brzezinski liked the idea but suggested that Schlesinger himself be the envoy.

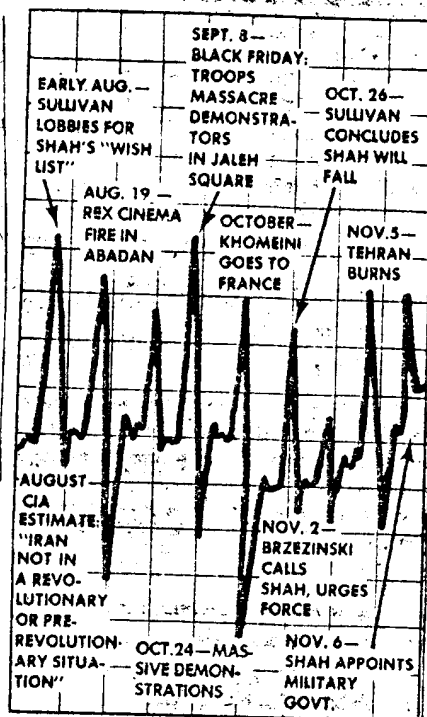
CIA Director Stansfield Turner suggested, meanwhile, a program of covert action — a campaign of “black propaganda” that would confuse and divide the shah’s opponents by portraying Khomeini as an unwitting pawn of the left, espousing anti-Islamic goals. Members of Khomeini’s entourage in Paris would then be exposed as the sources of these accusations — “SAVAK agents” secretly working for the shah. Although the plan was discussed at one cabinet-level meeting and met no objections, it was apparently put off.

Contacting the Ayatollah

On Dec. 20, the general heading the shah’s military government suffered a mild heart attack and told Sullivan he could not continue. The shah was too indecisive to last much longer.

Sullivan, convinced the military would splinter unless arrangements were worked out with the opposition, cabled Washington with an urgent suggestion. A high-level envoy should be sent to meet directly with Khomeini in Paris.

With complicating developments in the Middle East, China and SALT, Vance had still had little time to discuss Iran with the president, but he now argued against Schlesinger’s proposal for a high-level envoy and instead for the



State Department position that the United States must establish direct contact with Khomeini. Recent reports from Tehran, Vance said, described support for Khomeini, not only in the Islamic clergy, but in the mercantile centers and general population. He was the symbol of emerging national independence and the United States must begin dealing with him.

The president agreed, at least partly. He would postpone the idea of a high-level envoy to see the shah. Instead, they would urge the shah to accommodate the opposition, but retain control of the military. But Carter was less sure of Sullivan’s plan to begin contact with Khomeini. Everyone, even Ball, had noted the virulent anti-American rhetoric from Khomeini. The president was concerned that the shah might see any U.S. approach to the ayatollah as desertion. Other allies in the region, especially Saudi Arabia, would have the same reaction.

Vance pointed out that it could be done discreetly, probably with the shah’s knowledge and support.

Carter was not ready for such a bold step.

On Dec. 22, Vance was in Geneva negotiating with Soviet Foreign Minister Andrei Gromyko, when he received a telephone call from Brzezinski. Brzezinski said that he and Turner had convinced the president to reject one of the items Vance had already negotiated with Gromyko. Vance objected that the change was not worth jeopardizing the entire SALT agreement; he wanted to discuss it directly with the president. Carter was on his way to Plains, Ga., for Christmas and was unavailable, Brzezinski said.

Vance returned empty-handed to Washington on Christmas Eve — for the first time wary of Brzezinski.

While the secretary of state had been gone, the State Department had established contact, almost accidentally, with Khomeini’s people. Precht, earlier in the month, had gone to a television taping of the MacNeil/Lehrer Report and met Dr. Ibrahim Yazdi, who served, roughly speaking, as a chief of staff for the swirl of mullahs and technocrats surrounding the ayatollah. They dined afterwards with their host, but Precht was reluctant to discuss anything substantive because U.S. policy at that point prohibited any contact with Khomeini’s representatives. He proposed Yazdi as a contact point, if the president approved.

Later in the month, the top political officer in the Paris embassy, Warren Zimmerman, was authorized to meet with Yazdi, a 47-year-old Moslem who was educated in America and worked for years as a cancer researcher at Baylor University, while coordinating the radical Islamic Students Association in the United States. Yazdi was regarded as a moderating influence in the Khomeini entourage.

From other sources, the United States learned that the revolutionary group had laid more groundwork for a takeover of Iran than intelligence reports had suspected. Khomeini’s agents had successfully infiltrated SAVAK, the shah’s secret police.

The CIA, in contrast, had been unable to establish whether Iran’s generals were moving toward accommodation with the shah’s opposition. One secret report said the senior officers held National Front leaders in contempt as “coffee-house politicians susceptible to communist penetrations and influences but the junior officers may be more susceptible to the Front’s appeal.” The CIA knew little about the potential for a relationship between the generals and the ayatollah.

Zimmerman asked Yazdi about the ayatollah’s potential relationship with the Iranian military, a crucial question for American policy makers who saw the Iranian generals as the enduring center of pro-U.S. influence. Yazdi was unable to enlighten him. In many areas, the ayatollah was an enigma, but especially on questions of hypothetical situations that did not yet exist. Only contact with Khomeini himself could help.

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Demands by Military

In Tehran, the shah's position continued to deteriorate. The demonstrations were becoming more frequent.

The shah had attempted to entice two opposition leaders into some form of coalition government. He released them from jail and proposed that he retain only his title of monarch and control over foreign policy and the military. They turned him down.

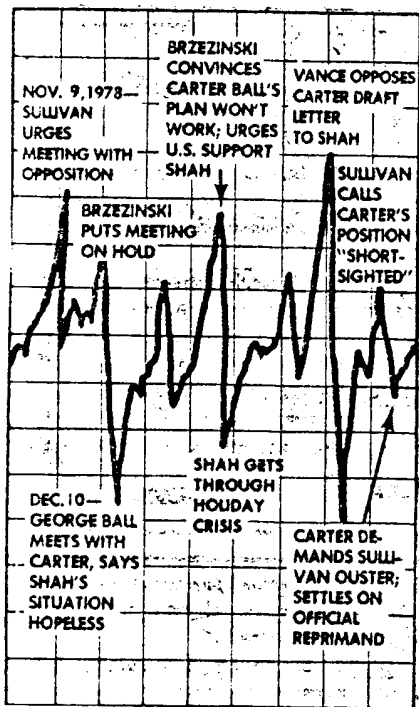
On Christmas Day, the U.S. Embassy was attacked.

The message was clear to Sullivan, the shah was losing control.

The shah's military leaders began clamoring for action. They demanded that he appoint one of their own, Gen. Gholam Ali Oveissi, to head the government. Oveissi was perhaps the toughest of the generals; since October he had been urging the shah to put down the demonstrations with force. Oveissi was also the choice of Iranian Ambassador Ardeshir Zahedi who, at Brzezinski's suggestion, had returned to Tehran to bolster the shah's resolve.

The shah, as he had done so often in crisis, turned to the United States for advice, calling in Sullivan. What should he do? Should he appoint a civilian government with opposition participation? Should he finally agree to crack down?

Communicating on a special secure



telephone line, Sullivan relayed the question to State, where aides thought the ambassador sounded "frantic." As he had several times before, Sullivan urged direct communications be made with Khomeini himself.

Advice for Carter

On the afternoon of Dec. 28, Vance, now immersed in the Iranian situation, went to see Carter at Camp David, where the president was spending a few days in retreat.

Vance found that even as the shah's strength was declining, Carter's support for him was increasing. Brzezinski had continued to present a compelling case.

Even if the shah was going to fall, Brzezinski argued, it was important to show the world that the United States stood by its friends in deep crises. Only by maintaining unwavering support for the shah, Vance was told, could the United States assure the Saudi Arabian leaders that it would not desert them if a crisis arose. Already feeling threatened by the Soviet Union and perhaps by internal unrest as well, the Saudis had privately hinted that they were rethinking their position toward the United States. Intelligence reports indicated that Moscow was about to portray the Camp David accords as anti-Arab, hoping thereby to entice the Saudis into a better relationship.

Indeed, the reasoning went, if the United States was perceived as having sold out the shah, the continuing Egyptian-Israeli peace negotiations might be undermined as well. How could Anwar Sadat and Menachem Begin take pledges of support from Carter at face value if the United States dropped the shah?

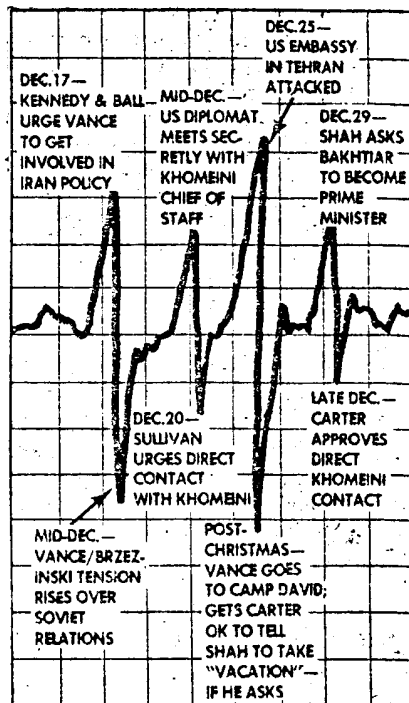
Brzezinski had a new line of argument as well. Bolstered by a study by Schlesinger, he maintained that the potential loss of Iranian oil under a hostile regime would have dramatic impact on Europe, Japan and Israel. Under the Camp David agreement, Israel was being asked to give up the oil fields in the Sinai, so the Iranian source (50 percent of Israel's oil) was even more significant. It could scuttle a Middle East peace accord. Schlesinger also had urged that the shah be told to unleash his military.

Vance reiterated the arguments he had mastered in the last month. Unless America acts quickly, he told the president, it would have no voice in the future of Iran, for it was not the shah but Khomeini who was now the dominant force. Iranian oil production had been cut substantially because of earlier labor unrest, and new strikes were looming. Israel was already looking for new sources of oil and could sign a supply contract with Mexico.

The shah, Vance said, must be encouraged to abdicate. If he refused, he should be told to leave the country and let things quiet down. It could be called a vacation, Vance said.

Carter told Vance, as he had told Ball less than two weeks earlier, that he did not want to tell another world leader to abdicate. Vance said the shah seemed to be begging for advice, and that the British were about to tell him to take a vacation. At a minimum, the United States should not block that effort.

Carter finally agreed. The shah would be encouraged to bring moderate opposition leaders into his government and give them real power over domestic affairs. If the shah asked again, he should be told that the United States had "no objection" to his leaving Iran. Carter was not yet ready to approve direct contact with Khomeini, however. The president said he wanted to know that the shah agreed too.



Sharing Power

In Tehran, after Sullivan received these new instructions, he cabled back almost immediately, saying that the shah was considering the appointment of a moderate opposition member, Shahpour Bakhtiar, as prime minister, and that the shah agreed that the United States should probably establish contact with Khomeini.

Bakhtiar's selection reassured the White House. He was described as a slightly right-of-center opposition lead-

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er. A junior officer in the Mossadegh administration 25 years before, Bakhtiar was portrayed in the CIA's intelligence memorandum as "another advocate of an activist policy... something of a loner... close ties to the workers and the students... a rough and blunt man with considerable political shrewdness and ambition."

Bakhtiar, "although an avowed socialist, is usually associated with the right wing of the National Front," the CIA reported. This faction would "probably favor a compromise settlement and might participate in elections."

The White House optimism overlooked the CIA's month-old estimate that the National Front, because of divisions and quarrels, would probably "be unable to produce an effective administration and a realistic government program."

On the other hand, the CIA had missed some calls, too. It incorrectly predicted that Bakhtiar would be one of those least likely to settle with the shah.

At the embassy in Tehran and in the State Department, there was much less enthusiasm for Bakhtiar because those analysts assumed he would fail, only postponing a U.S. reckoning with Khomeini. Sullivan and Precht thought the shah should be negotiating with Mehdi Bazargan, leader of the "Freedom Movement in Iran," whom the CIA dismissed as "a narrow-minded religious fanatic with a flare for demagogic rabble-rousing." Sullivan thought that Bazargan would probably be Khomeini's first prime minister once he took power (a prediction that proved accurate). Of those closest to Khomeini, Bazargan was the most likely to preserve a relationship with the United States.

Sullivan relayed Washington's official reaction to the shah and inquired about the proposed U.S. approach to Khomeini. The shah agreed that it was probably a good idea, particularly if the military was to be held together. The generals would need assurances about the future.

Vance, still at Camp David, took the question back to the president. Brzezinski was still opposing the idea, but Vance prevailed. Carter approved the mission to Khomeini.

Who should go to see the ayatollah? Vance's staff, thinking of Khomeini's background as a teacher of philosophy, wanted someone with stature as a scholar and preferably a strong Christian background. Ball's name was considered, but ultimately Vance chose a retired diplomat, Theodore Eliot, who had served in Iran, spoke fluent Farsi and understood the nuances of Shiite beliefs, and was an intellectual and a moralist.

Eliot came back to Washington for briefings on the mission. For a brief time, at the close of 1978, it seemed that the secretary of state had regained control over foreign policy toward Iran.

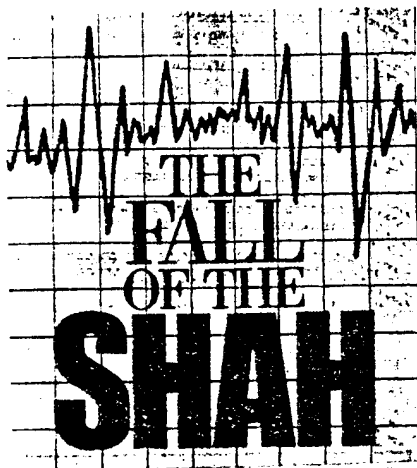
In Tehran, British Foreign Secretary Lord George Brown, a friend from the early days of the shah's reign, arrived secretly and told the shah he had to relinquish control of his country. He should leave for a two-month vacation, Brown said, to do otherwise would be to risk chaos. He had to give a new government time to succeed. Brown was warm but direct with his old friend. The shah, for the first time, agreed that he must leave Iran.

Later that day, the shah formally asked Bakhtiar to take over as prime minister and form a new civilian government.

Explaining to Sullivan that he had decided to leave the country, the shah, who had once given himself the title of "King of Kings," stopped at one point and asked: "Where will I go?"

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U.S. Rejects Coup Options



Last of a Series

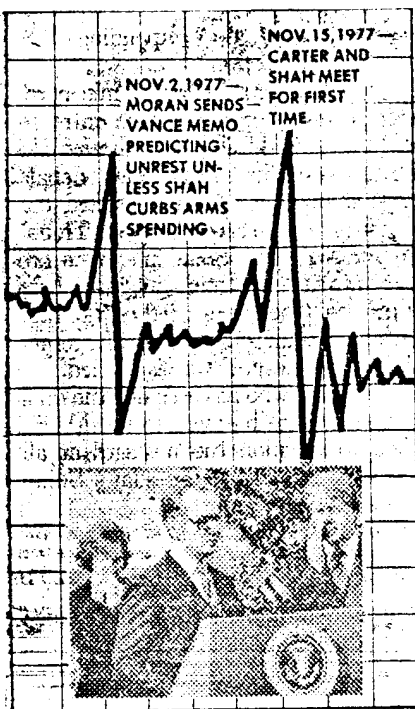
By Scott Armstrong
Washington Post Staff Writer

On New Year's Eve 1978, Iranian Ambassador Ardeshtir Zahedi threw a party for the western reporters gathered in Tehran to cover events as they approached their climax in 1979. Zahedi toasted the prospects for the shah's new government formed by Shahpour Bakhtiar and said it was "ready to roll," stocked with such well-qualified people that the opposition forces would accept the new regime.

One year before, Jimmy Carter had raised a New Year's toast to Shah Mohammad Reza Pahlavi as an "island of stability." Now the shah was yielding authority to Bakhtiar and would leave the country for a while, in the hope that things would settle down and the revolutionary forces would be satisfied.

Zahedi was, nonetheless, already undermining the Bakhtiar regime by emphasizing the continuity of the shah's regime. Bakhtiar begged Ambassador William Sullivan not to weaken his chances further by a public U.S. endorsement. Sullivan forwarded the request to Washington but it was ignored. The next day, Bakhtiar received a public blessing from the White House.

For the American government, the new administration in Tehran offered fragile hopes and, once again, for President Carter, it brought a swirl of con-



flitting advice and increasingly limited choices.

Originally, Carter was told by his national security adviser, Zbigniew Brzezinski, to stand by the shah to the bitter end. Brzezinski had been supported by the secretary of defense, the secretary of energy and a number of influential American friends of the shah.

But Carter's secretary of state, others in the State Department and some whose private counsel he had sought had argued that the United States must begin to establish relations with the political forces displacing the Peacock Throne, including even the aged ayatollah, Ruhollah Khomeini. According to Americans who had called on the ayatollah exiled in France, Khomeini might be willing to work out a peaceful transition.

The shah remained only as an important symbol. The underlying question, the one crucial goal left for American policy makers, was to make certain that the Iranian military remained intact and powerful, able to insure that the Iran of the future would continue with a pro-American outlook.

What was the best strategy for accomplishing that? To stand back and hope the Bakhtiar regime succeeded, without obvious help from America? Or should the United States put all of its hopes on Iranian generals who, after all, led forces equipped with the very best in American military hardware? With proper encouragement from Washington, could the generals still seize control of the troubled nation and enforce order, perhaps even restore the shah to power? Or should the generals be urged to begin negotiations with Khomeini on a peaceful solution?

The argument continued, in one form or another, through the first two fateful months of 1979. The entire world now knows the outcome. What is less well known is official Washington's lingering hopes for a different climax, in which a friendly, cooperative government remained in power.

Nearly everyone in the foreign policy apparatus agreed that the 400,000-man military was the central element in guaranteeing a U.S. future in Iran, but even the military, once thought to be fiercely loyal to the shah, was becoming a question mark. Some leaders wanted Khomeini's blood, but others were thought to be making overtures to him.

As arrangements were being made for the shah to leave Iran and for Bakhtiar to take the reins of a new government, one general, air force chief Manuchehr Khosrowdad, asserted that once the shah left, the communists were sure to take over. He said that no figure from the old National Front, such as Bakhtiar, was acceptable as a leader. Khosrowdad spoke openly of plans for a "coup" to keep the shah in power.

Bakhtiar moved to make himself acceptable to the military, but was unable to persuade Gen. Fereydoun Jam to return from exile as defense minister. Talk of coups continued. Khosrowdad and Gen. Gholam Ali Oveissi wanted a push that would destroy all opposition to the shah. Gen. Hossein Rabii and some of the younger generals were prepared to let the shah go but they wanted to wipe out his opposition and leave Bakhtiar fully in charge. Some wanted the military to take full charge, and keep the shah as a figurehead.

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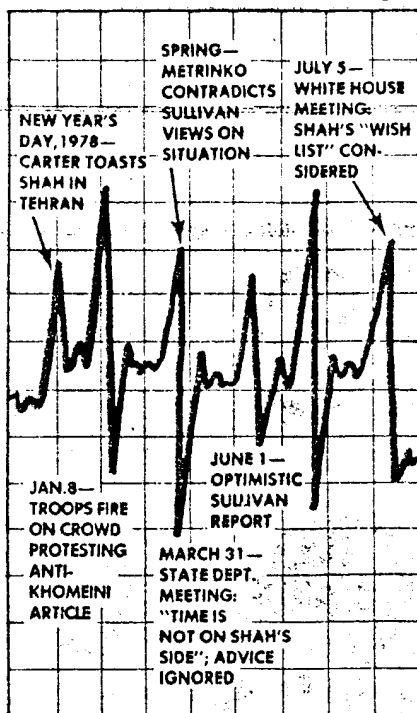
Each scenario by the generals required U.S. support, and, one by one, the military high commanders turned to the United States for assurances. Meanwhile, throughout, Iran troops were being restrained less and less in dealing with demonstrators.

Back in late December, Brzezinski had proposed that the USS Constellation with its 80 aircraft and 5,000 sailors and aviators be brought into the area to demonstrate a U.S. presence and commitment. The national security adviser was articulating his "arc of crisis" thesis on Islamic unrest which reversed an interagency analysis originated by the State Department. Even if the State Department argument was correct that the Soviets were not the cause of the domestic ferment in Islamic countries, the United States must still act to insure that Russia would not capitalize on it.

Secretary of State Cyrus Vance argued that bringing forward the Constellation would simply reinforce the Soviet radio broadcasts to Iran that were predicting U.S. military intervention on behalf of the shah. Defense Secretary Harold Brown came down in the middle — the carrier would be useful for evacuating Americans from Iran if that was needed but he too appreciated the provocative nature of the gesture. In the end, Carter sent the Constellation to the western Pacific and held it near Singapore.

President Carter had other problems on his agenda, including political problems. Press Secretary Jody Powell prepared a memo noting that January was supposed to have been a month of triumphs, but complications with SALT negotiations and the new Israel-Egypt treaty and the shah's troubles were beginning to mar the image of progress. The commitment to the shah was being widely questioned, the course of events in Iran being read as weakness. Powell had no remedies to propose, but sent a copy to Brzezinski.

At the State Department, Vance and his deputies generally tried to block the more provocative suggestions coming from Brzezinski and the National Security Council, but usually they regarded Defense Secretary Brown as an ally in caution. Vance was surprised, therefore, when Brown took the initiative and proposed an entirely new approach of his own.



The United States needed to know more about the shah's military high command, Brown noted. So he recommended sending a general of our own to Tehran, one with sufficient rank to impress the Iranian top brass. Brown's specialist, Robert J. Murray, who is now undersecretary of the Navy, picked Gen. Robert (Dutch) Huyser, deputy commander to Gen. Alexander Haig in charge of U.S. forces in Europe. Huyser had been in Iran to coordinate joint NATO and Iranian defense plans. He knew the members of the Iranian military hierarchy personally, and Brown thought he could act as a consultant to the generals.

Haig objected strongly, saying that Huyser was not qualified for a political mission and threatening to resign if Huyser was sent. At the White House, Haig's objections were ignored. Haig was to retire shortly anyway, and his frequent criticism of the Carter administration was finding its way into the press regularly.

Brown told the president that he should put aside an earlier idea of sending a Cabinet-level envoy to bolster the shah; if anyone went, it should be Huyser. Carter approved the choice.

After instructions were brokered back and forth among departments, the general was told to assess the situation in Iran and make two requests of the shah's high command: Above all else, it should hang together, and, if at all possible, it should avoid a "military solution" and negotiate with the shah's opposition.

Huyser arrived in Tehran on Jan. 3. Almost immediately, he found that seven Iranian generals were set to take over the government as soon as the shah left. He met with all seven individually and then as a group. They expressed fear that Bakhtiar would not be strong enough to protect their interests and, in the face of more violent opposition, their lives. They planned to restore order.

Huyser argued that the only way the military could remain intact was to support Bakhtiar. The United States would stand by the generals, he said, only if they stood by Bakhtiar. They had no choice.

Several of the generals — Oveissi, Khosrowdad and Rabii — were difficult to dissuade. They had no faith in Bakhtiar; he would accommodate the opposition at their expense. They felt that only the military could block an eventual communist takeover. The military, they said, was prepared to wipe out the opposition leadership and, if necessary, to kill 100,000 Iranians.

They would not need Bakhtiar, they could put the shah back in power, if they chose, or run the country themselves. What they needed, they told Huyser, was the support of the United States.

Huyser was convinced the Iranian generals were afraid that a new regime would initiate investigations into corruption. Like many officials close to the shah, they had prospered handsomely under him. Huyser told them they would be allowed to leave the country if they chose, but that the United States was not ready to support military action. He warned that if they did act, they would be on their own. To avoid the turmoil that could lead to the dreaded communist takeover, they must support Bakhtiar.

Huyser stayed at Sullivan's embassy residence while in Iran. Unhappy with his assignment and receiving death threats almost every day, the general remained cloistered with Sullivan most evenings, arguing about the strength of the Iranian military.

Huyser was persuaded that the generals were powerful and could be kept together in charge of a unified force. But Sullivan was skeptical. He said that the military was on the verge of collapse, and that ordinary Iranian troops would probably not respond to commands to shoot their countrymen.

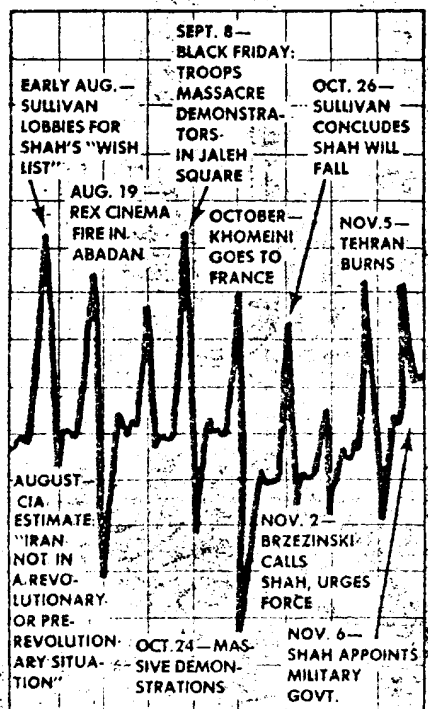
Each evening, after dining with Sullivan, Huyser called Washington, where it was still afternoon, and spoke to Defense Secretary Brown or the chairman of the Joint Chiefs of Staff, Gen. David Jones. He reported that the shah's command structure was intact, that it could reasonably rely on 80 percent of the troops for support, and that if the generals were unleashed they could crush the opposition.

Brown and Jones, in turn, told the president that the military could be used at any time on behalf of Bakhtiar or the shah or on behalf of another leader. The military option should be kept open.

But, at the same time, Sullivan reported to his superiors at State (or on occasion to Brown and Jones at the Pentagon) and presented a conflicting view. Sullivan was skeptical that the Iranian military would do anything in a crisis but fold. The time for a successful "crackdown" had long since passed.

Caribbean Meeting

On Jan. 5 and 6, Carter met in Guadalupe with French President Valery Giscard d'Estaing, British Prime Minister James Callaghan and West German Chancellor Helmut Schmidt. The French president recommended



sending an envoy to urge the shah to leave Iran immediately.

Carter, uncomfortable with the French proposal, said he would not encourage the shah to go or stay, but that he would work with the British to facilitate the shah's departure in the near future. Callaghan and Schmidt agreed with Carter.

The Guadalupe meetings lasted two days. Carter and Brzezinski stayed on for a third day and discussed Iran further, particularly the encouraging reports coming from Gen. Huyser. Brzezinski put heavy emphasis on Huyser's report that the Iranian military commanders remained powerful. He urged that plans to use force not be discarded.

Brzezinski again argued against communicating with Khomeini, saying it would be perceived as a rejection of the new Bakhtiar government and might panic the Iranian military leaders. The generals would never back Bakhtiar if the United States made a move toward Khomeini, and no meeting between U.S. officials and Khomeini could be kept secret, Brzezinski warned. Khomeini would announce it or leak it privately to show that America was capitulating to him.

Only a few days earlier, Vance had persuaded Carter to swing over and give permission for the private contacts with Khomeini. Now Brzezinski persuaded him it was a bad idea. There was no rebuttal from Vance; he was unaware of the discussion. The secretary of state was upset when he learned of the reversal but accepted it. Sullivan thought it was insane.

Regime Collapsing

In Tehran, the situation was growing more confusing each day. The Bakhtiar regime, installed on Jan. 3, was already falling apart.

On Jan. 12, Sullivan turned down an aide's request to meet with Ayatollah Mohammad Beheshti, the principal Khomeini contact in Tehran, on the grounds that it would violate the president's instructions against bargaining with Khomeini.

The next day, however, as things rapidly deteriorated, Sullivan desperately sought information on how Khomeini viewed the military. Without checking with Washington, he gave his approval to contact Beheshti.

The embassy aide met with Beheshti (today head of the Islamic Republican Party, he was confused by the CIA with a merchant in the bazaar in a secret report published only six weeks earlier). The mullah was offered a deal. The United States would guarantee that there would be no coup or military crackdown if Khomeini would appeal to strikers to return to their jobs and call an end to the demonstrations, allowing Bakhtiar to rule.

Beheshti was direct. He said Khomeini would not bargain until the shah left Iran. If the United States could guarantee that the shah would abdicate — and if he did actually abdicate — then and only then would the strikes and demonstrations end, he said.

Beheshti said the shah's generals were not a real threat. They could have had a coup earlier or they could stage one later on — except, he said, no coup would succeed. The revolution would prevail regardless of the military.

Sullivan passed on Beheshti's views to Washington, figuring the offer was not entirely rhetorical. The proposal was discussed over breakfast by Carter, Vice President Walter Mondale, Vance, Brown, Brzezinski and presidential aide Hamilton Jordan. The answer was no; Carter would not ask the shah to abdicate.

On the night of Jan. 13, with the shah set to leave Iran any day, with the Bakhtiar government near collapse and with some Iranian generals on the verge of taking action on their own, Huyser once again filed his report to Washington, speaking to Harold Brown. When they were done, Brown immediately called Brzezinski.

Defense Secretary Brown reported that the arguments for the "military option," as he called it, were mounting quickly. Not only would it reassure allies on American steadfastness but it would solve another problem.

For one thing, Brown said, Huyser was no longer sure he could prevent a coup. At best, Huyser felt he could stop some officers from taking part, and the result of that would be for the action to fail. The United States would then be in an absurd position — it would surely be blamed for starting the coup, when in actuality it would have been responsible for the coup's lack of success.

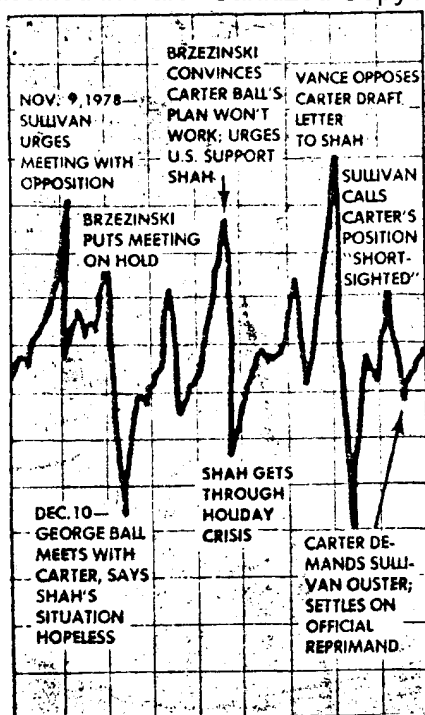
It made sense for Huyser to give the officers a go-ahead, Brown told Brzezinski.

Brzezinski then called Sullivan and Huyser at the ambassador's residence. Huyser assured him that the military could round up all the opposition leaders. Whether the commanders could be restrained from shooting them immediately was another question. One way or the other, further mass demonstrations would be unlikely, Huyser said. Sullivan, once again, took the opposite view.

For Brzezinski, it seemed only a question of timing and tactics. Should the military be unleashed with the shah in or out of the country? Should it be done to secure the Bakhtiar regime or done later to restore the shah as regent?

Sullivan pointed out that no one outside the White House believed the Bakhtiar government could stay in power, and that the shah's chances were even more hopeless. He said that everyone had given up on the shah — Vance, CIA Director Stansfield Turner, every ally — even the shah had given up on the shah. But Brzezinski wanted one more try.

Sullivan insisted as well that the military was too confused to be effective. It would self-destruct. Let the shah leave and then see what happened, Sullivan suggested. Brzezinski, for the time being, seemed mollified.



Since no one knew how Khomeini viewed the Iranian military, Vance authorized Paris embassy officer Warren Zimmerman to renew his secret contact with Khomeini's de facto chief of staff, Dr. Ibrahim Yazdi. So volatile was the struggle for influence around Khomeini that Yazdi insisted Zimmerman meet him secretly at an inn away from Khomeini headquarters. Each time Zimmerman contacted Yazdi, he used a pre-arranged signal, identifying himself as a reporter named Shoemaker (his mother's maiden name).

In a series of seven conversations, Zimmerman posed questions to Yazdi, who relayed what he said was Khomeini's answer in their next meeting. Khomeini would sell oil to any buyer at the "just" price, Yazdi reported. He would allow U.S. investment, although he would be antagonistic toward the United States. But he would be even more antagonistic to the "atheistic" and "anti-religious" Soviets.

Yazdi had unsettling news. While Khomeini knew little about the Iranian military leadership, he was extremely hostile toward it.

The Shah Departs

On Jan. 16, 1979, the shah left Iran. There were massive demonstrations

and dancing in the streets of Iranian cities. Originally planning to go to the United States, where he was to reside at the estate of Walter Annenberg in Palm Springs, Calif., the shah's flight was re-routed to Aswan, Egypt, where President Anwar Sadat had invited him for a stopover.

Faced with continuing chaos in Iran, Vance and Brzezinski finally agreed on something — the United States should maneuver to keep the shah in Egypt. Vance felt that the shah's presence in the United States would intensify anti-American feeling in Iran and serve to further damage the Bakhtiar government.

Brzezinski, however, felt the shah was still the key to rallying the Iranian military and that it was best for him to be nearby when the time came.

Indeed, Vance and Brzezinski were still offering the president fundamentally different ideas about what the future looked like in Iran. Brzezinski emphasized, as he had in the past, the threat of a communist takeover if Khomeini's religious fanatics should attain power. Vance, in contrast, argued that despite increasing concern over leftist radicals in neighborhood and worker organizations, Khomeini himself was staunchly anti-communist. The ayatollah might provide the best bulwark against a communist regime, even the possibility of cooperation with Washington.

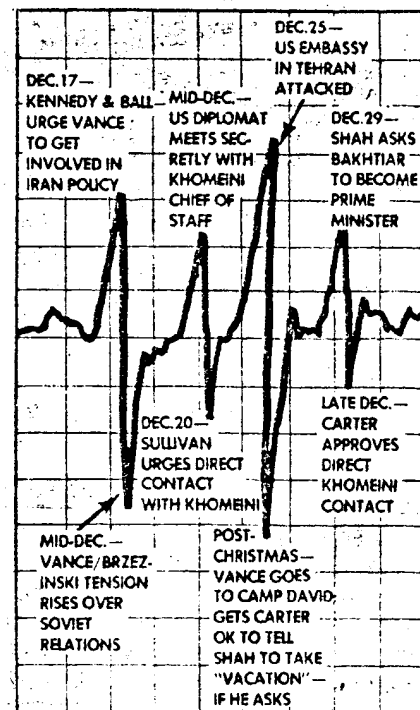
Even after the shah's departure, Brzezinski's staff continued to discuss the possibilities for military action to keep the Khomeini forces from taking power. They had been in touch with Iranian generals who only awaited a favorable signal in order to launch a takeover of the government.

On Jan. 17, the day after the shah left Tehran, Capt. Gary Sick, Brzezinski's specialist on Iran, summoned State Department and CIA aides who had recently returned from Iran to the White House to see whether any of the various ideas for coups had any chance of success.

Brzezinski's aides were not prepared for the response they got. Support for the shah did not exist in Iran, they were told. In all probability, it would never exist. The key to weakening Khomeini's grip on the country was to let him take power. The populace would then learn that Iran's problems were not so easily solved. In the meantime, it made no sense to install or support a provisional government — no one who might be able to lead Iran would seriously attempt to take power without backing from Khomeini. The country was his.

The United States, these analysts believed, should concentrate now on cultivating moderate Islamic clergy, such as Ayatollah Sayed Kazem Shariatmadri, and other middle-of-the-road elements in Iran, looking toward a coalition of military, social democrats, moderate clergy and supporters of the shah that would counter the more extreme groups surrounding Khomeini. This would take time, they added, because reliable links with these groups had been lost in the years that the CIA had depended on the shah's SAVAK for intelligence on Iranian dissent.

When Khomeini ran into trouble, this coalition of moderates could form the nucleus for a future government friendly to America. In addition, once the shah was gone, there was the potential for considerable internal strife from the various ethnic and regional groups, with whom the United States



had lost contact during its years of close identity with the shah.

Meanwhile, Harold Brown at the Pentagon had a new idea to offer his personal representative, Gen. Huyser, who was pleading for permission to leave the country because of the death threats against him. Brown thought that restoring order in the southwestern oil fields was a priority and he proposed that Huyser organize a military takeover of the oil fields. With strikes in every sector of the economy from the civil service to the oil fields, Bakhtiar was presiding over a frozen society, his credibility rapidly evaporating. If the generals could get things running again, it would strengthen confidence in the regime.

CONTINUED

Huyser tried to persuade the generals to proceed with Brown's mission, even if it meant putting troops at work on oil wells, but he couldn't get agreement. As soon as Huyser convinced one general, another would back off and insist on an alternative project.

Philip Gast, head of the U.S. military assistance group in Tehran, arranged a meeting with Medhi Bazargan, a member of the National Front who was close to Khomeini, and asked him for help in ending the strikes. Bazargan was unsympathetic.

Meanwhile, Gen. Haig continued to advise the Joint Chiefs at the Pentagon that the military should be pushed into action, with or without Bakhtiar. If the military did not move soon, before Khomeini's return, it would be too late. Secretary Brown again queried his man in the field: was now the time for a military takeover?

But Huyser was beginning to change his mind about the Iranian generals, having failed to get effective help on the oil fields. The military, he reported, had the power to take over the country — but not the governmental expertise to run it. It would be better to back Bakhtiar. He was propping up the generals more than the other way around.

Khomeini Acclaimed

On Jan. 31, Ayatollah Khomeini arrived triumphantly in Tehran, greeted by tumultuous demonstrations.

After a final effort to insure the military's loyalty to the shaky government, Huyser finally got permission to return home.

Events began escalating out of control. Sullivan cabled that the fall of Bakhtiar was imminent.

At State, they worried what to say publicly. Bakhtiar was no longer viable, but to say so would precipitate his immediate fall. Huyser was briefing President Carter, Brown and Vance, insisting the military command was still intact and ready to put down demonstrations if Bakhtiar gave the orders. But elsewhere in government, sources were telling reporters that the regime was doomed.

When that story appeared on the evening news, Jody Powell promptly denied it. The president does not believe the Bakhtiar government will fall, Powell told CBS.

From the White House viewpoint, it was another instance of leaks making policy. Once the word was out to the press, the administration had to live with the results, whether the president liked it or not.

Carter told his appointments secretary to get a list from Brzezinski of the top State Department people and have them at the White House the next morning. Sixteen top-level officials appeared in the Cabinet Room the next day.

After praising Vance, Carter turned to his real concern. Leaks. He could no longer let those who had lost the policy arguments carry on their battles in the press, the president told them.

"This leaking has got to stop and what I am going to do is this," Carter said. "If there are any leaks out of your area, whatever the area may be, I am going to fire you. Whether or not that's fair, and I can see where some of you might not think it fair, this has just got to stop. So, Leaks from your area, regardless who's at fault, and you're fired."

Leader Appointed

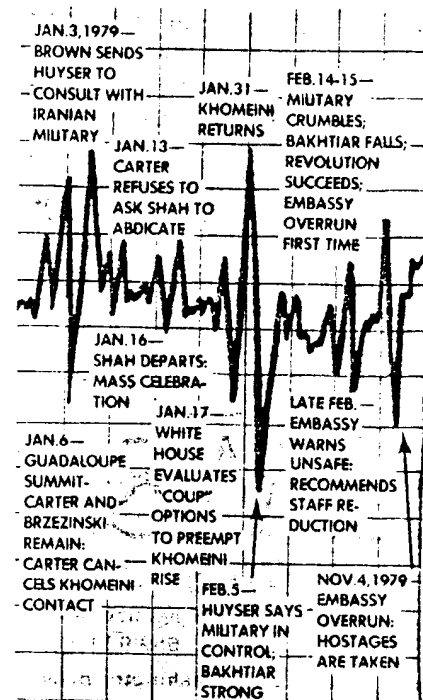
Later that same day, in Tehran, Ayatollah Khomeini appointed a prime minister for his provisional revolutionary government. It was Bazargan (as Sullivan had earlier predicted). Gen. Rabii, reminding everyone that the military did not wish to be left out of the final arrangement of power, had helicopters and aircraft flying over Tehran.

Bazargan recognized that he must establish authority over the military and he began meeting with some of the generals. Gen. Jam, whom Bakhtiar had failed to entice into his government, was offered a cabinet post. Gen. Gharabaghi talked with the revolutionary prime minister, then went to see the failing one, Bakhtiar. The general said the military's only hope of acting cohesively was to shift allegiance to Bazargan.

Bakhtiar now turned to Sullivan for advice. So the ambassador cabled Washington for instructions, proposing that he tell the fading prime minister to begin the peaceful transition to the new regime.

But the word came back: stay with Bakhtiar, tell Gharabaghi to withdraw his resignation, the United States still supports the shah's prime minister.

Three days later, a group of air force officers and enlisted men mutinied, took control of some tanks and attacked the headquarters of Bakhtiar's armed forces. Nineteen American military advisers were trapped inside. They were freed at 5 a.m. the next morning, only after Bazargan and Yazdi personally arrived to rescue them.



Gen. Rabii was preparing to launch a coup and take control of the government in the name of the military. Sullivan got a call from Washington that night, relaying a message from Brzezinski. Would a military coup succeed? Could they hold power against the revolution?

The ambassador responded with an unprintable expletive and asked: do you want me to translate that into Polish?

With no clear lines of authority, no reliable estimate of whose troops were loyal and whose had joined the revolution, Rabii and the others quickly declared their neutrality after only mild resistance. Most were arrested. The revolution had won.

Two days later, the U.S. Embassy in Tehran was overrun by supporters of Khomeini. Again only personal intervention by Yazdi freed the Americans.

On Feb. 27, Sullivan sent a cable to Washington saying that the embassy could no longer be protected, that anti-American sentiment was at a fever pitch. At least four of the most experienced Foreign Service officers stationed in Iran wrote memos saying that, considering the risk of attack, there were too many people stationed at the embassy. One suggested that the staff be reduced to six officers and a vicious dog.

The embassy staff was reduced to 40 or so, though it later grew again in size. On Nov. 4, 1979, revolutionaries, heeding a plea from Khomeini to rid the country of U.S. influence, overran the embassy and took hostage all of the Americans inside. Fifty-two of them are still there.