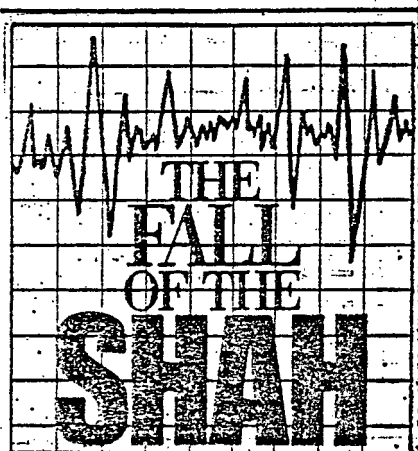


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ON PAGE A1

THE WASHINGTON POST
29 October 1980



Iran Crisis Finally Forces Itself on Vance

Fifth of a series
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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.

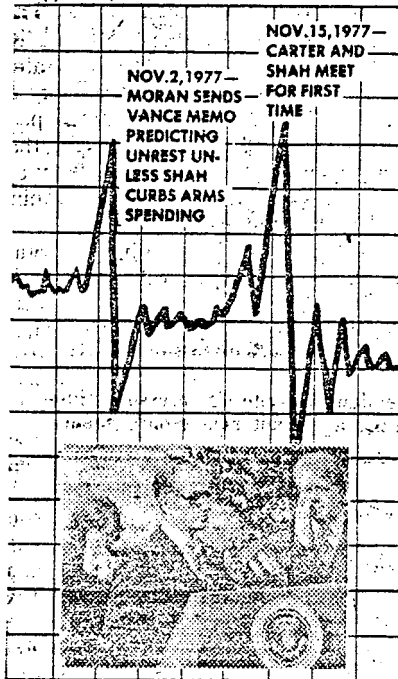
Vance's style was to put all other matters out of sight and concentrate on his main goals. He ran the State Department with that in mind, setting in place people in whom he had great confidence and relying on them to look after their regional interests.

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.

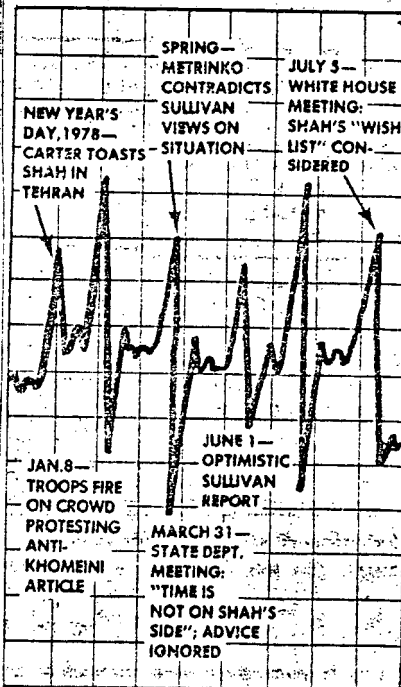
He spoke to W. Anthony Lake, the head of the policy planning group, and Arnold Raphael, a young Foreign Service officer who had served in Iran and was Vance's senior executive assistant. Both were said to be sympathetic but told Precht that the tone of his memos were too demonstrative. They cautioned 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.

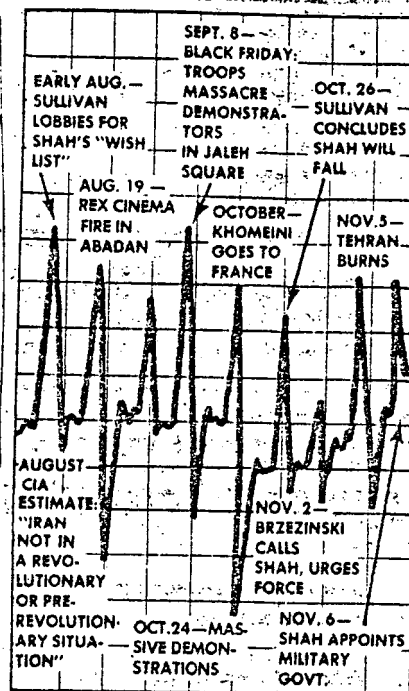
CIA Director Stansfield Turner suggested, meanwhile, a program of covert action — a campaign of “black propaganda” that would confuse and divide the shah’s opponents by portraying Khomeini as an unwitting pawn of the left, espousing anti-Islamic goals. Members of Khomeini’s entourage in Paris would then 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,

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. Irahim 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.

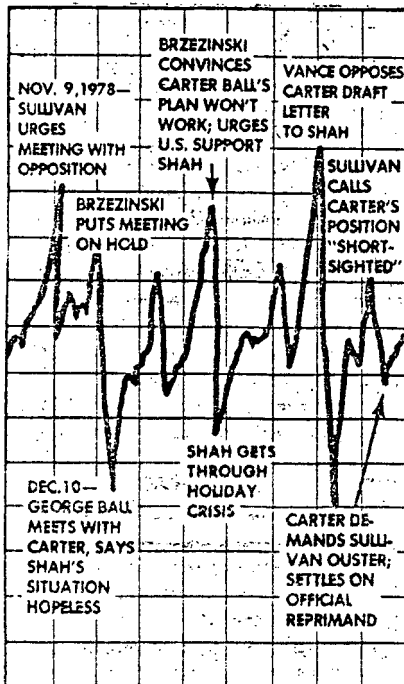
On Christmas Day, the U.S. Embassy was attacked.

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 Ardeshtir 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?

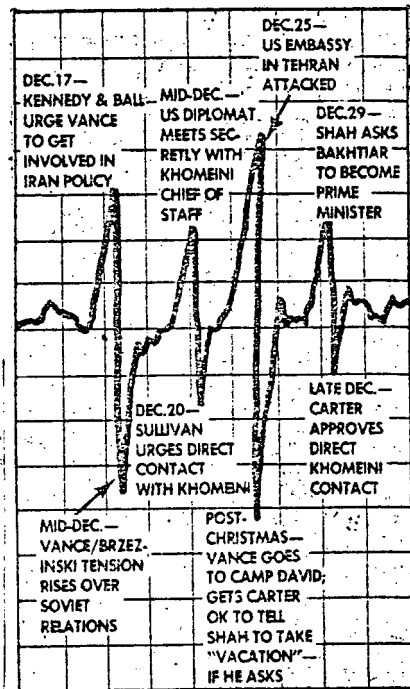
Brzezinski had a new line of argument as well. Bolstered by a study by Schlesinger, he maintained that the potential loss of Iranian oil under a hostile regime would have dramatic impact on Europe, Japan and Israel. Under the Camp David agreement, Israel was being asked to give up the oil fields in the 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?"