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U.S.-IRANIAN RELATIONS: REBUILDING THE PILLAR

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## SUMMARY

In 1970 Iran and Saudi Arabia were identified by U.S. President Richard Nixon as the two "pillars" of United States foreign policy in the Persian Gulf. On February 1, 1979 the relationship between the governments of the United States and Iran experienced a complete reversal when Ayatollah Ruhollah Khomeini returned to Iran. Subsequent relations between the two governments remained cold and distant throughout the 1980s.

The second major war in ten years is now raging in the Persian Gulf. What will the Persian Gulf look like in the aftermath of the war? Any discussion of this question must include the role to be played by the government of Iran. The United States now has an opportunity to reverse its relationship with Iran and rebuild the pillar of United States foreign policy in the Gulf.

## ISSUE DEFINITION

The United States must retain its influence in the politics of the Persian Gulf because of the strategic significance of that portion of the world. This influence will be severely limited unless the United States and Iran return to a bilateral relationship wherein the two governments can deal with issues directly, instead of through third parties and press releases. One school of thought states that this relationship cannot be achieved until Iran softens its approach to "the Great Satan." Until that happens, the United States must refuse to deal with the Islamic Republic of Iran. The other school of thought recommends a more magnanimous approach to U.S.-Iranian relations. Although very tedious and time-consuming, the United States should accept the fact that it must take the lead in making an overture that may ultimately result in warmer relations between the two countries.

## BACKGROUND AND ANALYSIS: U.S.-IRANIAN RELATIONS SINCE 1979

U.S.-Iranian relations have remained extremely distant since the takeover of the U.S. Embassy in Tehran on 4 November 1979, and the subsequent 444-day period of the U.S. hostages. Immediately following the takeover, the United States froze all Iranian assets in the United States, instituted an economic embargo against U.S. exports to Iran, and stepped up diplomatic pressure world-wide against the government of Iran.

The Ayatollah appointed Mehdi Bazargan as the provisional Prime Minister on 5 November 1979. Bazargan's overriding priorities were to terminate the subservient de facto alliance of the shah's regime with the United States, and to place the relations of the two countries on a plane of equality. Iran would pursue a foreign policy of nonalignment: "neither east nor west."<sup>1</sup>

### United States Policy During the Carter Administration

The Carter administration was prepared to continue enforcement of the Carter Doctrine by establishing political relations with the new regime in Iran. Robert Cutler was nominated as the new U.S. Ambassador to Iran, a move which was acceptable to Tehran.

In May 1979, the U.S. Senate passed a resolution condemning Iran for the execution of a Jewish merchant convicted of corruption. Iran interpreted this resolution as a continuation of the Zionist-Imperialist policy of the United States. As a result, Tehran refused to receive Cutler. An early opportunity to begin rebuilding the pillar was lost.

In late October 1979, the shah was admitted to a New York hospital over intense Iranian objections. On 4 November, the United States

embassy was seized. The Carter administration initially considered blockading Iranian commerce and bombing selected Iranian targets in response to the takeover of the embassy. Both ideas were rejected because the administration did not want to push Iran closer to the Soviet Union.

The Carter administration, confused as to what to do next, turned to a course of action originating in Tehran.<sup>2</sup> Between January and April 1980, the Carter administration chose to follow the recommendations of Khomeini's close advisor, Sadeq Ootbzadeh. The goal of this course of action was to convince Khomeini that the United States had changed its attitude with respect to Iran. It was felt that this would be enough to earn the release of the hostages. The three-part policy stated that an international tribunal would be established under United Nations auspices to hear Iran's presentation of the shah's crimes, the Carter administration would publicly agree not to interfere in Iranian affairs and deal with Iran on the basis of equality, and that after the shah's departure from the U.S., the U.S. would remain silent while Ootbzadeh orchestrated an attempt to arrange the shah's extradition to Iran.

By the end of April, it was apparent that this strategy would not work. The Carter administration hoped that a more threatening posture toward Iran would earn the release of the hostages. Accordingly, the Iranians were warned that if the hostages were not released, the U.S. would blockade all Iranian oil shipments through the Persian Gulf. This announcement was closely followed by the failed attempt to rescue the hostages, the resignation of Secretary of State Cyrus Vance, and the replacement of Vance by Edmund Muskie. Despite the setbacks, there was still hope. Khomeini delivered a speech on 12 September in which he called for a settlement of the hostage crisis. This settlement

would serve as the basis for subsequent U.S.-Iranian negotiations in the foreign policy arena. On 22 September, however, Iraq invaded Iran. Khomeini was convinced that this invasion was orchestrated by the United States.<sup>3</sup> As a result, the end of the Carter administration saw another missed opportunity. The United States was no closer to improved U.S.-Iranian relations than it had been when Khomeini assumed power.

#### Policy during the Reagan Administration

The foreign policy objectives of the United States had remained constant: to earn the release of the hostages, to contain the Soviet Union, to preserve the security of Israel, and to ensure the free flow of oil from the Persian Gulf. The Reagan administration continued to key on these objectives.

The hostages were released shortly after Reagan's inauguration, but political relations between the United States and Iran failed to improve. The administration saw the spread of the Islamic Revolution as a severe new threat, especially to the security of Israel. The initial stalemate in the Iran-Iraq War was welcome because it stifled that threat, at least temporarily.

Lebanon was the focal point of U.S. Middle East foreign policy early in the Reagan administration. The Iranians maintained a "mentor/client" relationship with the radical Shia Moslems in Lebanon.<sup>4</sup> This group increased the tempo of terrorist attacks in the region. The U.S. responded with a threat to punish the mentor. Iran was warned that continued attacks could result in severe U.S. retaliation. Despite the release of the hostages, the opening salvo of the Reagan administration was a hard-line approach to the government of Iran.

The withdrawal of both the U.S. and Israeli forces from Lebanon was interpreted by the Iranians as a weakening of the U.S. position in the Middle East. In Iranian eyes, the subsequent U.S. concern for the moderate Arab states confirmed this opinion.

A direct result of this U.S. concern was the stance adopted by the United States that Iraq could not be allowed to lose the war. By mid-1986, firm anti-Iranian foreign policy had been implemented in Washington. A boycott of all arms sales to Iran was initiated, and relations with Iraq improved greatly.

Many in Washington questioned the wisdom of this policy. Iraq enjoyed relatively close ties with the Soviet Union. More importantly, because of its status as the true nation in the Gulf, its population base, and its oil reserves, Iran, not Iraq, was the real prize in the Persian Gulf. Yet to the amazement of many, no serious attempt had been made to exploit the moderate Iranian factions which may have welcomed closer ties with the West.

In fact, the administration was attempting to establish ties with the Iranian moderates through the covert sale of arms to Iran. This effort, ultimately to become known as the Iran-Contra Affair, demonstrated that the confusion in U.S. Persian Gulf policy which had existed during the Carter administration was still present in the Reagan administration: the U.S. was tilting toward both Iraq and Iran. Badly burned by the covert connection to Iran, the U.S. assumed a severe tilt toward Iraq and the moderate Arab states.

The Reagan administration saw all foreign policy in terms of east-west relations. Conversely, the stated foreign policy of the Iranian government was characterized as "neither east nor west." The Reagan administration failed to recognize that a new political order had emerged in the Persian Gulf with the Khomeini regime, one that didn't

neatly fit into the east-west model. This misperception sounded the death knell for any opportunity to improve the relationship between the governments of the United States and Iran.

#### The Bush Approach

Two factors indicate that the Bush administration appears to have grasped the concept of new political rules in the Middle East and the Persian Gulf to a degree exceeding that of the two previous administrations:

- President George Bush has repeatedly referred to a "new world order." Implied therein is a recognition that the countries of the Gulf must be treated differently than in the past. Any reference to a policy which recognizes that there are differences among the countries of the Persian Gulf is certainly welcome in Tehran.

- In a speech delivered to the American-Israeli Public Affairs Committee in May 1989, Secretary of State James Baker stated that "Israeli interests in the West Bank and Gaza. . . can be accommodated in a peace settlement. . . [the Israelis should] reach out to the Palestinians as neighbors who deserve political rights."<sup>5</sup>

The current Persian Gulf War will severely complicate the U.S.-Iran foreign policy situation for the Bush administration.

#### RECOMMENDATION

Waiting for Iran to demonstrate a more pro-western attitude, or relying on foreign policy courses of action originating in Tehran has not worked. Accordingly, the United States must become more active in cultivating the U.S.-Iranian foreign policy agenda. Formation of a long term, effective relationship with the government of Iran is possible through the adoption of a policy based on the "six Rs":

1. The U.S. must reestablish diplomatic relations with the government of Iran. If the foreign policy objectives of the United States are to be properly safeguarded, formal channels of communication are a must.

2. The U.S. must recognize that the era of its domination in Iran is over. There is a Middle East maxim that "nothing makes things worse than American efforts to make things better."<sup>6</sup>

3. The U.S. must be realistic. Improved relations with Iran will take time. As a result of the perceived "rape" of Iran during the tenure of the shah and the long-term anti-Iranian rhetoric from several U.S. administrations, the U.S. will likely be *persona non grata* in Iran for some time to come. A benevolent U.S. approach to the Persian Gulf region after Saddam Hussein is dealt with will go far in altering this perception.

4. The U.S. must respect the Iranian desire for non-alignment and for a policy based on the principles of Islam. Iranian Foreign Minister Ali Akbar Velayati has stated that "the objectives of the slogan [neither east nor west] is the negotiation of alien domination and not the snapping of communication."<sup>7</sup> Khomeini himself said that "we do not want to live in a country which is isolated from the rest of the world."<sup>8</sup> Toning down anti-Islamic rhetoric and dropping attempts to "modernize" the Iranian society to western standards would pay great dividends for the United States.

5. As a manifestation of a sincere desire to advance the relationship, the U.S. should assist in rebuilding an Iran torn asunder by the Iran-Iraq War. This could be accomplished while at the same time decreasing direct United States involvement in the Persian Gulf. Currently, more than 70% of Iran's imports and over 50% of its exports come from and go to Canada, Japan, and Western Europe.<sup>9</sup>

Encouraging Asian and European involvement in the rebuilding of Iran would clearly benefit the United States by taking advantage of economic ties that are already in place.

6. Lastly, and certainly most difficult, the United States must take the lead in resolving the Palestinian question. The Iranians are not Arab, but they are anti-Israeli. As long as this issue remains unsolved, the American-Israeli coalition will stand as a symbol of anti-Islamic sentiment by the west, regardless of how many other effective practices are implemented. Leadership toward a solution of the Palestinian issue will mark the United States as truly interested in the concerns of all Middle East states.

Adoption of the "six Rs" demonstrates a deep understanding of the Iranian side of the issues. They mark President George Bush's call for a "new world order" as something more than western political rhetoric. Such a policy recognizes Iran as a member of this new world order, and not just a thorn in the side of the U.S.-Israeli relationship. Any initiative which respects the rights of individual states of the Persian Gulf to determine their own foreign policy attacks the perception that the sole concern of the west with respect to the Persian Gulf is the free flow of oil. Additionally, a solution to the Palestinian question will reduce tension and conflict in the Gulf to the point where the historical status of the United States as a benefactor can truly come to the fore.

The "six Rs" have some weaknesses. They reduce the American span of control over day-to-day issues by calling for Japan and Western Europe to serve as a "front" for U.S. attempts to thaw the freeze which currently exists over U.S.-Iranian relations. The long-term nature of the policy commits the United States to a course of action that must stand up to the changing winds of American public opinion

and the health of the budget. Finally, if improperly managed, this policy places the valuable U.S.-Israeli relationship at risk.

The costs and the risks are worth the effort. Improved relations with Iran carry with them improved relations with the other members of the Middle East community. The improvement in these relations bodes well for the world's energy future and for a long-term peace in the wake of the Cold War. Rebuilding the pillar is essential. The United States must be prepared to accept the fact that once rebuilt, the pillar may not look exactly like the old one. Appearances aside, however, the new pillar may well be much stronger.

<sup>1</sup> Nikki R. Keddie and Mark J. Gasiorowski (ed.), *Neither East nor West: Iran, the Soviet Union, and the United States* (New Haven: Yale University Press, 1990), p. 14.

<sup>2</sup> Richard W. Cottam, *Iran and the United States* (Pittsburgh: University of Pittsburgh Press, 1986), p. 220.

<sup>3</sup> Cottam, p. 225.

<sup>4</sup> Cottam, p. 242.

<sup>5</sup> Daniel C. Diller (ed.), *The Middle East* (Washington, D.C.: Congressional Quarterly, Inc., 1990), p. 66.

<sup>6</sup> Ralph A. Cossa, "Iran, Soviet Interests, U.S. Concerns," *McNair Papers* (Number 11), p. 86.

<sup>7</sup> R.K. Ramazani, "Iran's Foreign Policy: Contending Orientations," *The Middle East Journal*, Vol. 43, Number 2 (Spring 1989), p. 212.

<sup>8</sup> Ramazani, p. 216.

<sup>9</sup> Ramazani, p. 213.

