

## **A Gance at US Policies Toward Iran: Past and Present**

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Iran's unique strategic location has historically attracted involvement of great powers.<sup>1</sup> Iran's position on the north shores of Persian Gulf with full control over the Strait of Hormuz, the chokepoint that most of the Middle East oil supplies have to pass through, is tactically very important. The Persian Gulf region's strategic importance is because it contains more than two-thirds of the world current oil resources and links three continents of Europe, Africa, and Asia. The US took control of Persian Gulf when the British left in 1971.<sup>2</sup> The economic and political reasons for the US presence in the Persian Gulf region is safeguarding flow of oil and securing the State of Israel.<sup>3</sup> Import of inexpensive oil from the Middle East is economically vital to the US. and its allies.<sup>4</sup> This article briefly reviews how US policies toward Iran in recent years have been unfolded and examines the present administration's policy in the light of current developments in the two countries' relations.

### **Past US Policies**

In 1970s, the US policy was to protect its interests in the Persian Gulf region by using the Shah as a proxy to patrol the region. The US sold arms to the Shah to build his military force against the Ba'thist's regime in Iraq, which at the time was the former Soviet Union's ally. This policy was part of the broader balance of power strategy to contain the former Soviet Union. The Iranian revolution led to downfall of the Shah's regime in 1979 and the emergence of the Islamic regime hostile to the United States. Moreover, taking of the American hostages from the US embassy in Tehran, in November 1979, further worsened the two countries relations. Consequently, the Iranian hostage crisis played a major role in President Carter's loss in his re-election campaign in 1980.

The subsequent Reagan administration's strategy was to balance the powers of Iran and Iraq in the region. In September 1980, Iran – Iraq war began in which US supported Iraq to counter the

emerging Islamic regime in Iran. Reagan felt that Iran's revolution could spread to those neighboring countries friendly to the US. Hence; the balance of power strategy was turned in favor of Iraq. Although US publicly sided with Iraq, privately on occasions switched side with Iran to achieve certain foreign policy objectives. In one occasion in 1986, Iran was provided with arms in exchange for release of American hostages from the hands of Hizbullah guerillas in Lebanon, which had strong ties with Iran. In another occasion, in the Iran-Contra scandal, the Reagan administration sold arms to Iran, with its proceeds used to support Nicaraguan guerillas. The successive senior Bush administration followed the strategy of balance of power in favor of Iraq till 1990, at which time it had to change the course because of Iraq's invasion of Kuwait. Since defeating Iraqi troops in 1991, the US has patrolled the Persian Gulf by using its own troops.

When Clinton administration came to office in 1993, it inherited a legacy of the balance of power policy that had failed to serve US interests in the Persian Gulf region: mainly due to the Iranian revolution, the subsequent hostage crisis, and Iraq invasion of Kuwait. Because both the policies of playing one country versus another and the American military presence in the Persian Gulf had failed to maintain stability in the region, the Clinton administration felt that US should no longer support either Iran or Iraq; instead, both should be contained to deter their military capabilities. This policy became known as "dual containment" strategy;<sup>5</sup> and was implemented by means of economic sanctions in the case of Iraq and by some selected economic measures in the case of Iran.<sup>6</sup> The Clinton administration was not opposed to the Islamic regime; it merely wanted to change the regime's behavior, which was considered as a threat to US interests in the region.<sup>7</sup>

When the dual containment strategy was initiated in May 1993, the US was Iran's largest trade partner. At the time Imports from Iran into the US were prohibited but American oil companies were buying about 1/3 of Iran's oil export for reselling in markets outside the United States. Additionally, American companies were exporting oil equipment and spare parts to Iran. The US imposed economic pressures on Iran by delaying its debt restructuring; halting new credits for its development projects, preventing its arms deals, and refused to export to Iran dual use technologies. These selective economic pressures, however, did not change the Islamic regime behavior as the US wished. As a result, the Republican-domi-

nated Congress in 1995 demanded the Clinton administration to tighten pressure on Iran by imposing full unilateral economic sanctions. Consequently, on May 6, 1995, President Clinton invoked an executive order banning all trades, finance loans, and financial services to Iran. The US's unilateral economic sanctions however became ineffective due to the lack of Europeans and Japanese cooperation. Consequently, the sanctions resulted more business for the European and Japanese firms in the absence of the American firms.

Later, in 1996, members of Congress, led by Senator Alfonse D'Amato Chair of the Senate Banking Committee, designed the strategy of extraterritorial sanctions to curtail Iran's income from oil and gas production. The US Congress passed the Iran-Libya Sanctions Act (ILSA) to discourage foreign oil companies from investing in Iran's oil and gas development projects. Congress believed that the financially weakened Iran would be unable to fund development of weapons of mass destruction and support terrorism abroad. As was intended, the ILSA hurt Iran's oil and gas sector for nearly two years. Many foreign oil companies were interested in investing in Iran's oil and gas fields, but they could not act because of the danger of losing their access to the US market. Subsequently, under pressure from the EU, in 1998, Clinton decided to waive ILSA for the European companies. As a result, the extraterritorial sanctions became ineffective.

Ultimately, because of the American companies' criticisms of the policy, the Clinton administration had to ease sanctions. On April 28, 1999, the administration ended sanctions on food and medicine to Iran, Libya, and the Sudan. The official reason for the waiver, as stated by Under Secretary of State Stuart Eizenstat, was that food and medicine generally do not contribute to a nation's military capabilities and/or support for terrorism.<sup>8</sup> And later, in March 2000, US lifted import sanctions on some key Iranian non-oil goods including carpets, dried fruits, and pistachios.

During his election campaign in 2000, candidate George W. Bush vowed that he would lift the sanctions on Iran. However, in contrary to his earlier words, in August 2001, after Congress extended ILSA for another five years, he signed it. At present a bill is under consideration in the House to tighten ILSA. The bill, which is called Iran-Libya Sanctions Act Enhancement and Compliance Act (ILSA – ECA), is supposed to remedy the existing weakness of ILSA. By and large, because the US sanctions have not been effective to change the Islamic regime's expected behavior. Some critics have

recommended that the US should pursue a different policy toward Iran.

### **US Present Policy**

The tragic events of September 11, 2001, prompted President Bush to adopt a new strategy to deal with potential US enemies. This strategy was recommended by the neoconservatives of his administration, mainly Defense Secretary Donald Rumsfeld and Deputy Paul Wolfowitz, and the Defense Policy Board Chair Richard Perle. This strategy is based on a hegemonic intention of the US to reconfigure the Middle East and install regimes that are pro-American and democratic and conform to international human rights standards.<sup>9</sup> The neo-conservatives believe that diplomatic negotiations and economic sanctions have been tried during 1990's and have not achieved pro-American stability in the region. Therefore, they think the US should abandon its containment policy through non-military means and adopt a new policy to take advantage of the US superiority in military technology. They propose to find and destroy by preemptive military strike any threat against the US before it can be materialized.

In January 2002, President Bush in his State of the Union address labeled Iran along with Iraq and North Korea, as "an axis of evil." This slogan implied the Bush administration policy toward Iran until July 2002. Since then, it appears that the administration policy is to support the Iranian People for a major change of power in Iran. On October 28, 2003, the Bush administration formally made clear the details of its policy toward Iran.<sup>10</sup> In a testimony before the Senate Foreign Relations Committee, Richard L. Armitage, the Deputy Secretary of State, said the US policy is "to support the Iranian people in their aspirations for a democratic, prosperous country that is a trusted member of the international community." To implement this policy the only definite action stated was broadcasts into Iran of the US radio and television Farsi language programs: Voice of America and Radio *Farda* (Tomorrow) to communicate the administration's views to the Iranian people.

In 2003, Senator Sam Brownback, a Kansas Republican, to financially support the US-based Iranian ethnic stations, introduced a bill in the US congress. The bill, however, was not passed. At present, there are several Iranian stations in Los Angeles, California broadcasting into Iran.<sup>11</sup> Some of these stations strive to promote re-establishment of some form of monarchy rule in Iran. The

Iranian government has accused the US for bankrolling some of these stations and on occasions has tried to block their signals to Iran. Although the pro-monarchists are few in numbers, they have a big voice through these stations. They dream of the return of the monarchy regime, headed by the eldest son of the last Shah, to power. Iranian political observers, however, think that re-establishment of monarchy in Iran is not realistic and that the US should not support these groups. Most Iranian expatriates believe that the West should promote formation of a secular democracy in Iran instead of a monarchy or a hybrid of the existing Islamic regime. In 2003, a group of Iranian expatriates prepared a blue print of a secular republic for future Iran that is in formation, similar to the modern democracies in the West.<sup>12</sup>

In the past, the US economic interests in the Persian Gulf region had higher priority relative to its principles of democracy and human rights. The US has publicly vowed for democracy; while tacitly it has bolstered the monarchy regimes in the region. The US desire for monarchy rule is based on the theoretical idea that such regimes can be better controlled and manipulated. In the case of Iran, the US jointly with British brought down the democratically elected government of Mohammad Mosadeqh in 1953 restoring the Shah's despotic rule.<sup>13</sup> Also the US has continuously propped up the Saudi Royal dynasty and the Gulf monarchies despite their worst records of human rights abuses. In 2002, the title of Bahrain's ruler Sheik Hamad was officially changed from Amir to King, while the US has strong presence in this Sheikhdom.<sup>14</sup> Moreover, the US initially contemplated to restore Mohammad Zaher Shah rule in Afghanistan although, it prematurely failed at its earliest stage.

After the US led invasion of Afghanistan in October 2001 and Iraq in March 2003, some have speculated that Iran might be the next US target. So far, the US has not threatened to use military force against Iran. Political observers think that, because the US policy of supporting Khatami's faction has not led to any change in Iran's policies, the US has shifted its policy to support the Iranian people for a regime change in Iran.<sup>15</sup> The neoconservatives even have received the backing of Hossein Khomeini, the grandson of the late Ayatollah Khomeini for a regime change in Iran. Recently, he was brought to Washington by the neoconservative think tank American Enterprise Institute. In a televised press conference in September 2003, he criticized the Islamic regime and demanded "the US to become more involved in Iran." He touted establishment of modern

democracies in the Middle East; earlier, he had even hinted that he did not mind the US military intervention to change the regime in Tehran.<sup>16</sup> Nonetheless, Iranian political observers believe any US military involvement in Iran will be a mistake because the US will lose its current popularity among the Iranian people. Based on some polls taken in Iran in 2002, most Iranians favor good relations with the US.<sup>17</sup>

The US major concern is Iran's possible development of nuclear weapons, which can seriously endanger American interests in the Persian Gulf. This concern became more serious in February 2003 when Iran disclosed a bit of information about its nuclear program, which was far more advanced than originally had been thought. On February 9, 2003, President Khatami surprisingly revealed that Iran had discovered and extracted uranium in Iran and that it would use it to produce nuclear energy for Iran's nuclear power plants. Khatami has since emphasized that it is Iran's legitimate right to obtain nuclear energy for peaceful purposes. Iran is a signatory to the treaty on the non-proliferation of nuclear weapons. In June 2003, Mohamed El-Baradei, the Director General of the International Atomic Energy Agency (IAEA), visited Iran to investigate the matter. In his report, El-Baradei stated that Iran had not fully met its obligations under the Nuclear Non-Proliferation Treaty because it failed to disclose some of its sophisticated nuclear facilities.<sup>18</sup> The revelation indicated that the US sanctions policy had not been effective to avert Iran from pursuing development of nuclear technology.

As it appears, the Europeans favor gradual transition of the present Islamic regime to a more modern government. They fear a regime change in Iran because it would endanger their oil contracts with Iran. In fact, the three foreign ministers of Britain, France, and Germany simultaneously went to Iran to warn the Islamic regime of a possible US military strike on Iran's nuclear facilities in case of its noncompliance with the IAEA's demands. In October 2003, the regime conferred with the ministers and agreed on "full transparency" over its nuclear activities. Furthermore, it agreed on to sign up for the supplemental protocol of the Nuclear Non-proliferation Treaty (NPT). The European foreign ministers hinted to the clergies that lack of cooperation with IAEA would lead to referring the matter to the U.N. Security Council. In that case, the US could have pushed for U.N. sanctions, arguing that failure to punish Iran would undermine the credibility of NPT.

Aside from the Iran's nuclear activity, the clergy regime

has admitted that it holds some Al-Qa'ede members, including some of its senior figures. No doubt, these issues can prompt possible US military action against the regime. Lately however, the regime has kept low profile regarding some of the issues of U.S concern, namely, development of nuclear weapons, support of the militant groups opposed Israel and the Shiea uprising in Iraq. Also Libya's cooperation for dismantling its WMD is a factor in forcing the regime to be more cooperative with the US demands. The US probably will not act against the regime if it is assured that Iran will not pursue development of nuclear weapons.

So far, the Bush doctrine of preemptive warfare has been applied in Afghanistan and Iraq, its two neighbors to the East and West of Iran. The US led occupation of these countries has created chaos in the Middle East and has not yet provided security for the US or its allies in the region. As it appears, due to fatalities and troubles that the US led coalition has faced in the occupied countries and the opposition of the Europeans to a regime change in Iran, a likely scenario is that the clergy regime will compromise with the US and remains in power. Under this scenario, the regime will be forced to go through substantial metamorphosis to conform to the modern world. Another probable scenario would be the overthrow of the clergy regime by an internal uprising of the Iranian people with the international support. Under such scenario, the emergence of a secular government in Iran is likely, especially because the Islamic regime has become unpopular among the Iranian people. The emergence of such a government in Iran will weaken Islamic fundamentalism and will help to modernize the region. The least likely scenario would be a regime change by a US led military move to Iran and the placing of a puppet government in power. Under such a scenario, more chaos and instability in the region will be the likely outcome.

### **Endnotes**

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## Discussions

### **Mahmood Monshipouri**

This is a good historical review and balanced account of the quarter-century ups and downs in the relationships between the two countries of Iran and the United States. I found the concluding section of the paper more refreshing. However, there are questions about the content of some of the issues discussed in the paper.

The author claims that, "the Iranian hostage crisis played a major role in President Carter's loss in his re-election campaign in 1980." I am not quite so sure about this. The US economy was in bad shape, with inflation running wild and unemployment figures quite high. Two anti-American revolutions—in Iran and Nicaragua—did not help either. Mind you that Carter lost a close election in 1980. In fact, in times of crisis and turmoil, Americans have a tendency to rally behind their leaders. The Soviet invasion of Afghani-



stan, for instance, led to the expression of the Carter Doctrine, which won wider public appeal at the time. The economy proved to be the key in defeating Carter. The author claims that candidate George Bush during his election campaign in 2000 vowed that he would lift the sanctions on Iran. Unless the author substantiates this bold statement with evidence, I am not convinced that candidate Bush could have typically taken such a controversial position, given the group of neo-cons surrounding him. Unless the author links his concluding remarks with the rehashing of this historical account, I am not satisfied with the title of the paper, which is in many ways “less appealing and catchy.” In fact, the concluding remarks could have touched upon “lessons learned” after a quarter-century or “what lies ahead” so that the reader would have found something to grasp to after reading the essay. Prof. Torbat’s account, please don’t get me wrong, is educational and logically consistent in terms of explaining US foreign policy toward Iran. It requires a novel ending that can tie all these loose ends, while arriving at a policy position worth pursuing. In this basic sense, the essay falls short. Overall, a fine paper that deserved to be read by those who are interested in a systematic understanding of the foreign relations between the two countries under discussion.

#### **Akbar Torbat**

Thank you very much for your thoughtful comments. The following is my response.

On the issue of the “Iranian hostage crisis,” most analysts agree that it was an important factor that contributed to President Carter’s failure in his re-election. For example, see [[http://www.msmt.widener.edu/zang/jira/Iran\\_hostage\\_crisis.htm](http://www.msmt.widener.edu/zang/jira/Iran_hostage_crisis.htm)], which has this statement: “Most analysts believe Carter’s inability to solve the hostage crisis played a large role in his defeat.” Similar comments are available in other documents. I, however, agree that economic related parameters such as inflation and/or interest rates were also contributing factors in his loss of the election.

On the issue of “lifting the sanctions,” it was reported in the media that the new presidential candidate planed to lift sanctions on Iran because of strong pressure from the oil companies who were supporting him. This was confirmed when, in June 2000, Republican vice-presidential candidate Dick Cheney, the chief architect of the Bush administration and a high profile “neo-con,” called for “an end to investment sanctions against Iran.” He wanted Ameri-

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can energy companies to be allowed to operate along with the other firms from the rest of the world in Iran.

Regarding the title and the conclusion, a modified title such as "A Glance at US Policies toward Iran: What will be next? And/or what lies ahead?" Could have been a more appropriate title for a longer article focusing on the two countries future relations. The paper in that case would elaborate on future scenarios, which are not the task of a short paper like this. Furthermore, as you are aware, our ability to predict the future in social science is very tentative and imprecise.

I hope that, I correctly addressed the issues you raised.