Relations Between the U.S. and Iran

by

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USAWC STRATEGY RESEARCH PROJECT

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In the mid-20th century, the U.S. was a close ally and friend to Iran. The U.S. support for Iran was part of its strategy to monopolize Iranian oil production. In 1979, however, major internal dissent erupted, supported by radical Islamic cleric who wanted all U.S. influence out of their land and the Shah was quickly overthrown. The U.S. was immediately consumed by the horrible insult Iranians imposed on U.S. when they held over 60 Americans from the U.S. Embassy hostage for more than a year. Since then U.S. - Iran relations have remained very tense and hostile. The U.S. is concerned by the potential negative influence a radical Iran could exercise as a regional power. The objectives of this paper are as follows: (1) To analyze the main factors and interests that shape U.S. and Iran’s policies towards each other (2) To examine the current issues that contribute to the tension in relations between the two countries (3) To analyze the possibility of reconciliation between the two countries.
Relations Between the U.S. and Iran

Cracking “the wall of mistrust” between Iran and the U.S. requires a new conceptual understanding of the conflict and this study is dedicated to understanding this. There are several key issues. They include energy security (oil) which has been a main focus for the U.S. in the Middle East. The U.S. has also been the policeman looking after Middle East oil production. One of the most important factors has been that the U.S. is looking after the safety and security of Israel from neighboring countries. The U.S. is concerned by the potential negative influence a radical Iran could exercise as a regional power. These factors and major issues have resulted in hostility between the two nations, even though they started off as friends in the twentieth century. In searching for an explanation of the enduring hostility between the U.S. and Iran, we need to go beyond the traditional understanding of a rational actor. Historical, geopolitical, and structural factors provide the context and set the constraints for the operation of psychological factors, but the real conflict is a product of misperception and misunderstanding. This thesis seeks to examine the key factors and interests that influence the policy of each country towards the other, and to investigate the current contentious issues that widen their differences and reduce the chance of reconciliation any time soon.

Section One: Scope of Study

Problem Statement

This paper examines the development of U.S. – Iran relations since the Islamic Revolution that overthrew the pro-U.S. regime of Shah Reza Pahlavi in 1979. Iran’s position as an Islamic Republic and anti-U.S. views made Iran hostile to the U.S. Prior to the fall of the Shah, U.S. friendship with Iran enabled it to have access to cheap
Iranian oil. It supported the Iranian government despite the domestic unpopularity of the Shah’s repressive regime. However, after 1979, the two countries have remained locked in a hostile relationship. The U.S. has been vocal in its criticisms of Iran to the extent of labeling the Islamic Republic as part of an ‘axis of evil’.¹ The Islamic Republic of Iran’s response has been equally critical of the U.S., especially in the Middle East, calling the U.S. the ‘Great Satan’. Why after such a long-standing good relationship with Iran did the U.S. suddenly see Iran as a foe following the fall of the Shah of Iran? The U.S. still very much had economic interests, yet the relations deteriorated after fall of the Shah.

Significance of Study

The relations between U.S and Iran are a significant factor in determining security in the Middle East. We can consider the security environment in this region as hostile and as such any crisis or conflict could have a serious impact on peace and stability of the region. This research hopes to contribute to the study of U.S.-Iran relations in years to come. This research will provide an additional literature and knowledge in the area of economic and security ties while attempting to fill in the gap where works on security relations are lacking, especially after Iran Islamic Revolution. This research will provide some empirical data that can be used as a guide or platform for further study in the future for those who are interested in the related field.

Scope of Study

The geographical scope of this study is the Middle East and will focus on U.S. and Iran relations, especially post-1979 to present.
Research Question

In examining the reasons behind the deteriorating relationship between the U.S. and Iran, this paper will seek the answer to these questions:

- To what extent is Iran a threat to U.S. dominance in the Middle East?
- What are the contentious issues in Iran–U.S. hostility in the Middle East?
- What are the external and internal factors that caused such a drastic shift in U.S. policy towards Iran?
- How does Iran respond to U.S. criticism?

Assumption

Healthy U.S.-Iran relations can be achieved if both countries are willing to compromise. Only a win-win strategy with a proper roadmap can help resolve U.S.-Iran disputes. The roadmap should include proposals for diplomatic contacts and reopening diplomatic posts. The U.S. and Iran should interactively design careful negotiation strategies and detailed procedural measures for resolving specific problems such as the nuclear matter, as well as Iran’s support for Hamas and Hezbollah, whom the U.S. views as "terrorists" and Iran views as "freedom fighters". The negotiations will require that both governments establish issue-specific institutions or forums of regional/global scope and importance.

Organization of the Sections

This research paper is divided into five sections. Section One covered the background and provided an overview of the area of study. This was followed by explaining the Theoretical Framework, Assumption, Research Methodology, and Significance of the Study, Scope of Study. Section Two will discuss the U.S. and Iran before the Islamic Revolution of 1979. Section Three will analyze U.S. –Iran relations
post 1979 addressing contentious issues causing hostilities. Section Four will examine the possibility and challenges of reconciliation. Finally is the Conclusion in which the trend of these relations and findings of research are highlighted.

Section Two: The U.S. - Iran Relationship Prior to the Islamic Revolution in 1979

Development of the U.S.-Iran Relationship

The U.S. has had relations with Iran ever since the last quarter of the nineteenth century. American Christian missionaries have been in Iran even longer than that. But the United States’ significant engagement with Iran dates only from WWII. The relationship was generally close, but it was punctuated first by the involvement of the CIA in the coup of 1953 which overthrew a popular prime minister, Mohammed Mosaddegh, and then by the Islamic Revolution of 1979. This brought an end to the good relations between these two countries with Iran now calling the U.S. the “Great Satan” and the U.S. calling Iran a member of an “Axis of Evil”.

As Saul Bakhash has noted, the U.S.-Iranian relationship was similar to the U.S.-Saudi relationship, in which the U.S. dealt with one ruling family. In Iran, the U.S. dealt with Mohammad Reza Shah Pahlavi, who came to the throne in 1941 for almost four decades. On the American side, the interest in Iran was due in large part to the country’s strategic location, between the Arabian Gulf and the Soviet Union. Iran was also important because of its oil. The U.S. considered Iran during the Cold War both at risk of Soviet expansionist influence, and as a potential ally against the Soviet Union. And as Bakhash explains, “Finally, as Iran grew wealthier from oil revenues, it increasingly became a market for U.S. goods, arms, industrial equipment, technology, investments, and, during the oil boom years after 1973, the employment of American technicians, advisers, specialists and the like.” Major powers have long sought to build
alliances with Iran to extend their influence, such as efforts by Russia (and then the
Soviet Union) and Britain in the 19th and early 20th-century, when Iran considered the
U.S. as a potential protector against such external reach. Also Iran considered the U.S.
useful in advancing, as Bakhash explains, “the Shah’s dreams of grandeur; the idea that
Iran could and should be a great power, at least in the region.”

In 1953, under orders from President Eisenhower, the CIA organized a military
coup that overthrew Iran’s democratically elected Prime Minister, Mohammed
Mosaddegh. The coup has been called "a crucial turning point both in Iran's modern
history and in U.S. Iran relations." Britain, unhappy that Iran nationalized its oil industry,
came up with the idea for the coup and pressed the U.S. to mount a joint operation to
remove Mosaddegh. Many Iranians argue, "The 1953 coup and the extensive U.S.
support for the shah in subsequent years were largely responsible for the shah’s
arbitrary rule," which led to the "deeply anti-American character" of the 1979 revolution.

Until the outbreak of World War II, the United States had no active policy toward Iran.
When the Cold War began, the United States was alarmed by the attempt of the Soviet
Union to set up separatist states in Iranian Azerbaijan and Kurdistan, as well as its
demand for military rights to the Dardanelles in 1946. These fears were enhanced by
the "loss of China" to communism, the uncovering of Soviet spy rings, and the start of
the Korean War.

The British established the Anglo Iranian Oil Company (AIOC) in the early 20th
century. Britain and Iran split the profit 85% and 15% respectively. When Prime Minister
Mosaddeq started to nationalize the AIOC in 1951, the Iranian Parliament and its
population supported the nationalization of the AIOC. After months of negotiations with
Britain over control and reparations of the oil company, and the Iranian economy collapsed.

When the negotiation didn’t seem to be working, Britain expressed its dissatisfaction over Iran’s oil nationalization issue to the U.S. Britain was actually planning on invading Iran but American President Truman said he had a better idea. He made sure that Britain withheld their intention and he assured Britain that the U.S would extend their help discreetly by using America’s intelligence team, the CIA. America made claims to assure Iran that the oil dispute would be settled soon with “a series of innovative proposals” by giving Iran a “significant amounts of economic aid”. Mosaddeq visited Washington, and the American government made "frequent statements expressing support for him.” At the same time, the United States honored the British embargo and, without Truman's knowledge, the CIA station in Tehran had been "carrying out covert activities" against Mosaddeq and the National Front "at least since the summer of 1952".

In 1953, the US Central Intelligence Agency (CIA) and British intelligence services (MI 6) played a major role in strengthening the Iranian monarchy by orchestrating the downfall of the nationalist Prime Minister, Mohammad Mosaddeq. The U.S installed Mohammad Reza Shah Pahlavi, and the democracy that existed in Iran was crushed. The Shah led 25 years of tyrannical rule (supported by CIA) that resulted in the killing of thousands of Iranians who opposed the U.S. puppet government. With the outbreak of the Islamic revolution in Iran in 1979, one of the main slogans in this time was ‘neither East, nor West but Islamic Republic’. Perhaps for this reason, in February 1979, President Carter announced his wish to work with new rulers in Iran.
Obviously, Iran was the “most formidable barrier between the Soviet Union and the Arabian Gulf”\textsuperscript{10} and it was able to break the US containment policy against the Eastern superpower as well as destabilize the global geopolitical system and equilibrium of “two geostrategic realms”.\textsuperscript{11} In this time, the United States constantly pursued the containment policy and extended it towards the Persian Gulf as a region vital region to the U.S. U.S. concerns were heightened by the Soviet invasion of Afghanistan, as a strategic threat for the U.S. geostrategic realm; this was stressed as the ‘Carter Doctrine’ in the 1980 State of the Union by President Carter.\textsuperscript{12}

U.S.-Iran Relations Before 1979

The diplomatic relationship between Iran and the US existed as early as 1856 and this relation was good until 1979. It ended when the Islamic Revolution ousted Shah Reza Pahlavi from his thrown. Political relations began when the Shah of Iran, Nassereddin Shah Qajar, officially dispatched Iran’s first ambassador, Mirza Abolhasan Shirazi, to Washington D.C. in 1856.\textsuperscript{13} In 1883, Samuel Benjamin was appointed by the United States as the first official diplomatic envoy to Iran, however Ambassadorial relations were not established until 1944.\textsuperscript{14} The U. S. government gave technical expertise and aid. The process of Iranian modernization brought the two countries together. The United States was seen as a more trustworthy Western power, and the Americans Arthur Millspaugh and Morgan Shuster were even appointed as treasurers-general by the Shahs of the time. During World War II, Iran was invaded by the United Kingdom and the Soviet Union, both U.S. allies, but relations continued to be positive after the war. President Carter once critiqued the Shah’s poor human rights record. This in turn resulted in the Shah changing his style of administration towards liberalization. Carter, in turn, better appreciated the strategic importance of Iran both in
the Middle East and for the United States in general: the U.S.-Iran alliance helped balance Soviet influence in the region. The Iranian people, on the other hand, grew weary of repression and corruption, which the Iranians believed were inextricably linked to the United States. Some Iranians wanted a sense of stability and order and called for the traditions of Islam. Many Iranians looked to Ayatollah Khomeini for guidance and leadership in their opposition against the Shah. Khomeini regarded the Shah's regime as corrupt and illegitimate and referred to the U.S. as the "Great Satan." At the request of the Iranian prime minister, the Shah left Iran on January 16, 1979. On February 1, 1979, Khomeini became the new leader of Iran.

On November 4, 1979 a group of Iranian students stormed the American Embassy in Tehran and took 63 American hostages. The specific grievance of the student hostage-takers focused on the Shah and his relationship with the U.S. In October 1979, U.S. officials learned the Shah was diagnosed with cancer. The Shah requested entry to the U.S. for medical treatment; President Carter rejected his request. After a vigorous campaign led by influential supporters of the Shah in the U.S. the Shah was admitted into the United States. The arrival of the Shah to the U.S. started Iranian unrest, which led to the invasion of the U.S. Embassy. It evoked memories of the 1953 coup and aroused fear that the U.S. was planning another coup to restore the Shah to power. In short, for the students who took over the Embassy, for the Iranian revolutionary officials who supported them, and for much of Iran, the taking of the Embassy was a response to the 1953 coup against Mosaddeq.

Factors affecting Iran-U.S. Relations Before 1979

The interactions of the United States and Iran were constructive for both sides, especially for Iran between 1906 and 1953. The first considerable contact between the
two countries occurred via the “Iranian Constitutional Revolution” between 1905 and
1908. Many Americans supported constitutionalism and democracy movements in
Persia. For example Howard Conklin Baskerville, an American teacher in a Christian
religious school in Tabriz, Iran, died fighting for Iranian democracy and liberalization.
Baskerville's support had a significant impact on the development of the 1906
revolution. The establishment of the Majlis and the legalization of electoral system were
made with the help of American support to Iran was the first steps towards
democratization.

The United States also played a critical role for Iranians at the end of World War
II by putting an end to the Russian pressures and interventions imposed on Iran. The
Tehran Declaration was written in December 1943, when Franklin D. Roosevelt,
Winston Churchill and Joseph Stalin met in Tehran. They also recognized that the war
casted unique economic difficulties for Iran. In promoting Iranian development, they
also promised to preserve Iran’s unity and independence. Within six months of the end
of the war, they also affirmed to withdraw all of their troops from Iran. This last article
was also stated in the Potsdam Conference Declaration in 1946: “all Allied troops must
be withdrawn from Tehran right away.” The Soviet government, however, violated both
declarations and acted independently. Immediately after the Potsdam Conference, the
Soviet press launched a massive campaign against Iran, supporting the creation of
separate Azerbaijani and Kurdish states. The Soviet Union’s further actions posed a
threat to Iranian sovereignty. It then fell to the United States to solve the problem. With
the help of the Truman administration’s deterrent policy against Russia, the Iranian
government purged Russian troops and the communist ideology out of Iran.
Furthermore, the U.S. government adhered to the Tehran Declaration established at their original meeting and offered $7.8 million in lend-lease assistance to Iran.\(^{21}\)

The United States continued assisting Iran during World War II. However, despite America’s good intentions, mixed implementation of political, economic, and military aid created a negative impact on the Iranian people.\(^{22}\) Negative feelings toward the U.S. government’s policies increased further when it became known that the U.S. was heavily involved in the 1953 overthrow\(^{23}\) of Iran’s democratically elected nationalist Prime Minister, Mohammad Mosaddeq. Mosaddeq had been well known as an elder statesman in Iranian politics with a long record of opposing both the Pahlavi Dynasty and the foreign oil companies.\(^{24}\) As a result of the U.S. actions taken to facilitate regime change in domestic Iranian politics, the U.S. government’s reputation among Iranians became sullied. The United States went in short order from being an ally of Iran to Tehran’s enemy.\(^{25}\) The post-war Iran’s situation was changed by the 1953 “CIA-Supported coup” in several basic ways. Firstly, the British and Russians were taken over by the United State as the dominant superpower in Iran, becoming the leading foreign power both economically and politically. Secondly, earlier hopes that the United States might help in supporting a more democratic government in Iran declined. Thirdly, the pro-Western Mohammed Reza Shah was increasingly prepared to engage in repressive and dictatorial acts. The ‘CIA and Mossad-backed SAVAK’, an Iranian domestic security and intelligent service, began repressive operations including murdering, jailing and torturing, quickly becoming a nightmare for the anti-Shah people.\(^{26}\) Although the Shah showed a growing interest in modernizing Iran’s economy and society, his desire to have a militarily strong Iran, combined with fewer economic
resources, increased Iran’s economic dependence on the West and heightened the disparity between Iran’s elite and public.\textsuperscript{27} The Shah’s repressive and autocratic rule and American support for over twenty-five years of the Shah’s dictatorship, fuelled anti-Shah and anti-American (government) feelings among the public.\textsuperscript{28} As a result, under the charismatic leadership of Ayatollah Khomeini, masses of people launched an opposition movement against the Shah and the West. This movement ultimately toppled the Shah of Iran in 1979 and established a religious-based, xenophobic, and aggressive regime in Iran.

Many Iranians justified the seizure of U.S. embassy and taking of hostages as a rational act, namely as a response to the U.S. enabled 1953 coup and the ensuing five-plus decades of oppression.\textsuperscript{29} The embassy seizure served a political purpose and excused Iran’s actions as self-defense. As such, U.S. retaliation would be needless and unprovoked.\textsuperscript{30} However, Washington’s response was harsh. In the following years, the Reagan administration violated the Algiers Accords, signed by both the United States and Iran on January 19, 1981, to resolve the hostage crisis, and imposed economic sanctions on Iran many of which are still in effect as a response to the U.S. embassy seizure.\textsuperscript{31}

While the 444-day hostage crisis altered American perceptions and strategies toward Iran, the events experienced during and after the 1953 coup had generated even greater Iranian opposition against the West and Western ideas.\textsuperscript{32} Resentment toward U.S. foreign policies further increased throughout the Iran-Iraq war (1980–1988). Reactions toward Saddam Hussein’s September 1980 invasion by the international community were unexpected by Iran. The U.S. support for Iraq during the war made
matters worse. An invasion of Iran by Iraq, Tehran believed, would only materialize if prompted and encouraged by Washington. Consequently, the negative American sentiment in Iran, which began with the overthrow of Mosaddeq, gradually increased during the Mohammed Shah period and reached its climax throughout the interwar period.

Section Three: U.S.-Iran Relations Post-1979; Issues of Contention

The U.S.-Iran Relations after Islamic Revolution

The year 1989 was the beginning of a transition period in the world’s geopolitical developments. This was also a time of change in Iran’s domestic and foreign policies. This started with the death of Ayatollah Khomeini. This point marks the beginning of an Iranian transition from primarily revolutionary principles to the more rational thoughts in confrontation with the world. Iran’s foreign policy shifted away from ideological concerns towards national interests. Indeed, President Rafsanjani wished to do so “by pursuing a ‘good-neighbor’ policy rather than by exporting the Iranian revolution”.

Iran also started their political and economic activities immediately beyond its northern borders, where 15 independent countries were forming as new neighbors. This region also became a new area of conflict between Iran and the United States, so that Iran-U.S relations converted to the new form. There also appeared some new competitions, with new and old competitors, due to existence of natural resources, especially the Caspian Sea energy resources. Simultaneously, Washington started reinforcing the absorption of oil companies and investors among Iran’s new northern neighbours, and tried to increase U.S. influence in the region, particularly to by-pass Iranian and Russian territories. Obviously, the most remarkable point of contrast between Iran and the U.S. in this region was related to the energy resources of this
region. Evidences show that U.S. policies in the Caspian Sea region focused on trying to stop Iran from its role of developing oil and gas resource exploitation in the neighboring countries, and also preventing the construction of major new oil and gas pipelines across Iran.\textsuperscript{39} But on the other side, Iran stressed on a ‘North-South strategic axis’ in opposition to the ‘East-West strategic axis’ to prevent U.S. presence in this region.\textsuperscript{40}

In addition, responding to some allegations about Iran’s development of weapons of mass destruction, as well as supporting terrorist groups especially in the conflict between Palestinians and Israelis. caused some more sanctions on Iran in the 1990s by the Clinton administration, regardless of the Iranian government itself being a target of various anti-government elements, such as “monarchists” and “Mujaheddin-e Khalq” (known also as MEK), allegedly supported by the U.S.\textsuperscript{41} In this decade also, and immediately after the Cold War, the most notable American policy was toward the Middle East, particularly, the Gulf War.\textsuperscript{42} It was the most important event in the region in the early 1990s. Around this time, President G. H. W. Bush began to speak of a ‘New World Order’. One of the most important reasons, also mentioned by him, returned to importance of the Persian Gulf’s Oil reserves as the “vital economic interests”.\textsuperscript{43} Although Iran kept a neutral stance in this war, in 1992 the Iran Non-Proliferation Act was passed by the Clinton administration.\textsuperscript{44}

Clinton, moreover, founded the “dual containment” policy towards Iran and Iraq.\textsuperscript{45} This policy pursued isolation of two Middle Eastern strong countries politically, military, and economically and tried to limit support by Iran to Hamas and other radical anti-Israel organizations.\textsuperscript{46} However, perhaps in this time, the closest relations between two
countries come with the first term of Khatami’s presidency. He emphasized creation of a “crack in the wall of mistrust”, and “contact between Iranian and American citizens,” and tried to reduce talk of confrontation between Islam and West civilizations. It was this idea which for the first time had been published by American political scientist Samuel Huntington, and influenced the U.S. decision makers, becoming an important part of geopolitical discussions in international relations and political science. Khatami, afterwards, in November 1998, proposed the theory of “Dialogue among Civilizations” as a response to “Clash of Civilizations.” Khatami’s approach became well known, after the United Nation determined the year 2001 as the “Year of Dialogue among Civilizations”. Iran, furthermore, clearly changed some ideological priorities in its foreign policy, which had remained from Ayatollah Khomeini’s period. For example, in September 1998 President Khatami declared that the Salman Rushdie affair was "completely finished". The trend of relation between the two countries was improving so fast that the U.S. President, Clinton on April 12, 1999 explicitly declared that:

I think it is important to recognize that Iran, because of its enormous geopolitical importance over time has been the subject of quite a lot of abuse from various Western nations.

Nonetheless, the United States continued its hostile policy against Iran, particularly in insisting on its accusation concerning human rights, terrorism, and improvement of WMD capacity by Iran, which were obstacles to improving Iran-U.S. relations.

In summary, we can view the U.S.-Iranian relationship since WWII in four phases. First, from 1941-53, Iran sought a protector and friend; the Shah sought to attract the U.S. into a closer relationship. Second, from 1953 to the late 1960s (post-overthrow of Mosaddegh), with the restoration of the Shah as the result of a coup
engineered in large part by the CIA and British intelligence, was a period in which Iran was very dependent on U.S. protection, support, and aid. Iran and the Shah’s dependence of the U.S. grew; it was clear that the U.S. was the senior partner in the relationship. Third, in the period 1973-79, the relationship became much more of a partnership. The Shah was more stable at home, wealthier, and better at handling his foreign relations. He even began to make demands. Fourth and finally, since 1979, the two countries have been adversaries and have had no direct political and diplomatic relations at all. In scholarly literature, criticisms regarding overall U.S. foreign policy generally focus on the post-Cold War era and newer American foreign policies toward Iran, namely “American militarism”, the “dual-containment policy” and the “rogue state doctrine”.

The George H. W. Bush administration used a rogue state doctrine in order to address the threat represented by aggressive rogue states (although the assumption of rogue state aggressiveness, whether justified or not, is still a controversial subject in the literature). As a consequence of rogue state doctrine, the Clinton administration implemented a dual-containment policy pursuing a strategy that sought to isolate Iran, in part by attempting to limit all third-party assistance to the country.

Restrictions were tightened in 1995 along with the implementation of the Iran Sanction Act (ISA), originally called the Iran-Libya Sanctions Act (ILSA).

In addition to American militarism, two U.S. foreign policies, the rogue state doctrine and the dual containment policy, seem to have heightened tensions, fueling Iranians’ fierce nationalism, characterized by intense suspicions and absolute resentment of foreign influences. Not only ‘conservatives’ but also ‘reformers’ in Iran have perceived American foreign policies as meddling with Iranian interior affairs.
Jahangir Amuzegar’s illustration regarding the rise of Khomeini clearly presents this resentment “Ayatollah Khomeini climbed to the Peacock Throne not on the wings of Quranic angels but mainly by championing freedom from U.S. interference”.\textsuperscript{59}

\textbf{Contention Issues in U.S.-Iran Relations}

Despite the cooperation of the 40s, 50s and 60s, it was the overthrow of the U.S. Embassy in Tehran, 1979 and the subsequent 444-day hostage crisis which severed American and Iranian relations. However, the tensions with U.S. - Iran are perpetuated by the current conduct rather than events that occurred 30 years ago. Today it’s Iran’s “nuclear program” and support for international terrorism, which the US considers to be the major the obstacles to the resumption of U.S.-Iran relations. Currently, Iran’s nuclear program might be the single greatest impediment to the resumption of U.S.-Iranian relations. According to the U.S., Iran has been developing a clandestine nuclear weapons program under the guise of an effort to acquire atomic energy. Iran maintains that their program is peaceful. Nevertheless, the U.S. cites inconsistencies in Iran’s claims and failure to meet AEIA requirements. This case is currently being played out.

\textbf{Iran and Nuclear Issues}

The United States perceives Iran's quest for nuclear energy as a threat to its interests in the Middle East and to the success of the existing non-proliferation regime. The media are constantly filled with allegations that Iran is pursuing a nuclear weapons capability in the same manner as its neighbor Iraq had before the 1991 Gulf War. The United States’ suspicions that Iran is pursuing a nuclear weapons program increased following the conclusion of the Gulf War. The Gulf War uncovered Iraq's considerable progress toward the production of nuclear weapons. Iraq's progress fuelled America's long-standing concerns that Iran is also building a bomb, despite its legal standing as a
non-nuclear weapons state under the terms of the nuclear Non-Proliferation Treaty (NPT). Furthermore, Iran is known to have chemical weapons, which it used during its war with Iraq, and has been building a considerable conventional military since the end of the war in 1988. The United States government has determined that like Iraq, Iran must be prevented from developing nuclear weapons capability. The United States, however, has chosen a policy to stop Iran’s nuclear ambitions that undermines all aspects of the non-proliferation regime, which in the long-run could be more harmful than the uncertain possibility that Iran is attempting to develop nuclear weapons.

**Prospects and Challenges in Improving U.S.-Iran Relations**

In more recent years, U.S. administration officials’ characterizations of Iran as a “rogue” state, and their allegations regarding Iran’s efforts to acquire WMD and promotion of terrorism worldwide, coupled with the Iranian regime’s insolent response toward the U.S. as a retaliatory measure, have comprised some of the major reasons of rising animosity between these two nations. 60 These factors that are source of mutual hostility between both countries have also been leading considerations in U.S. and Iranian foreign policies, priorities, and objectives in the region. It appears that reestablishment of relations will not occur anytime soon. There are numerous obstacles preventing the normalization of relations between these two countries. One main obstacle to re-establishing relationship with Iran is the U.S. State Department’s concern about what it calls “Iran’s support of terrorism,” particularly Iran’s support for anti-Israel groups. Another is the U.S. claim of Iran’s pursuit of weapons of mass destruction (WMDs). The U.S. is unlikely to lift sanctions against Iran unless it believes that Iran has ceased all activities in these areas. Yet despite continuing strained relations, the United States continues to willingly engage in discussions with top Iranian officials.
The U.S. is not alone as it faces domestic difficulties preventing broad movement toward reconciliation. Conservative groups within the Iranian political system refuse the normalization of relations with the U.S. while the reformists, such as Iranian president Muhammad Khatami, cannot afford to embrace the U.S. too warmly for fear of being labeled as tools of the U.S. by their rivals. Despite these divisions, the reformists in Iran and the U.S. State Department, encouraged by the oil and agriculture companies who have economic interests in the re-establishment of relations, have tried to bridge the gap between the two countries. For example, Secretary Madeleine Albright and President Bill Clinton made a point to hear President Khatami of Iran’s address to the UN during the millennial summit. In addition, when Iran’s Foreign Minister Kharazzi was in the U.S., he met with Secretary Albright as well as several members of Congress. All this initiative is moving towards the normalization of relations but today the situation is almost the same. On July 13, 2011, U.S. Defense Secretary Leon Panetta claimed that Tehran is arming insurgents who have played a role in attacks on American soldiers in Iraq. In June of that year, attacks by suspected Shi'ite insurgents killed 14 U.S. soldiers in Iraq. He said U.S. forces in Iraq would act against Iran's arming of Shi'ite militants who were blamed for such attacks in Iraq. Iran dismissed such U.S. claims.

Prospect and Challenges: U.S. Perspectives
In 1999 and 2000, the U.S. made many efforts to expound its utility in opening a dialogue channel with Iran by making some apologies for wrongdoings, and by removing some trade sanctions. Also some members of Congress met with their Iranian counterparts and tried to encourage them to consider renewed relations. But some members of the U.S. Congress did not agree, for example Representative Tom Lantos. According to Haytham Mouzahem,
Representative Tom Lantos (Democrat, CA) said that Tehran has failed to reciprocate gestures made by the Clinton administration: lifting the trade ban against Iranian caviar, nuts, and carpets. Lantos said, The United States reached out an open hand, only to be met with a clenched fist. Lantos, a leading member of the House International Relations Committee, said that he would support the renewal in August of the Iran-Libya Sanctions Act, which calls for sanctions against firms that invest more than $20 million a year in Iran’s oil and gas sector.61

Iran responded that the U.S. gestures must be realized in such actions as the United States lifting sanctions, and stopping hostile measures against the Islamic regime. But the U.S. did not do so. Haytham Mouzahem explained, “On 13 March 2002 President George W. Bush signed an order renewing the ban on trade and investment with Iran pending an overall review of the policy, saying that the Islamic Republic continued to pose a threat to U.S. interests.”62

Prospect and Challenges: Iran’s Perspectives

From the standpoint of Iranians, the most important obstacles to the normalization of relations with the U.S.-Iran are the sanctions, and frozen Iranian assets in the United States. In many cases the Iranians are accused that they support terrorism.

Nejad-Husseinian said that the Bush renewal of trade sanctions against Iran was disappointing, but Tehran notes other statements and signals and regards them with cautious optimism. Any change in the relationship, he added, must be
initiated by a major overhaul of the U.S. perception of Iran and subsequently of the U.S. policy toward Iran. As for the U.S. call for direct negotiations about Iranian opposition to the Middle East peace process, support for terrorism, and weapons of mass destruction proliferation, it is not realistic. Washington should be more concerned about Israel's weapons of mass destruction and state terrorism.63

Iranian Foreign Minister Kamal Kharrazi said that Tehran welcomed the policy review, but "the problem is that the American side has so far continued to follow a hostile policy. If it changes its policy, we have no problem."64
Common Interests, but Lack of Common Values for U.S.-Iran

In a speech in 1998, Secretary of State Albright pointed out that there are areas of common interest between the U.S. and Iran.\textsuperscript{65} Fifteen years later these remain relevant. For example, both have a stake in the future stability and peace in the Gulf. Both countries share concerns about instability and illegal narcotics being exported from Afghanistan. First, Iran has long been host to as many as two million refugees from the Afghan civil war. Second, thousands of Iranians have been killed in the fight against drug traffickers and Iran is now a world leader in the quantity of illegal drugs annually seized. Both countries have an interest in reducing trade in illegal narcotics. And there are other potential common interests, such as encouraging regional political stability and regional economic development.

Summary

U.S. –Iran relations have remained very tense and hostile over the past three decades. The U.S. is concerned about the potential negative influence a radical Iran could exercise as a regional power. These factors and major issues have resulted in hostility between the two nations, even though they started off as friends. For almost a decade, the U.S. has been concerned with major issues that harm the image of Iran. It may be that the actual reason the U.S. did this was to ensure that Iran is isolated by other countries. U.S. accused Iran of having a reactor to make nuclear bomb, thus going against the Non-Proliferation Treaty which Iran has signed. Iran also was accused of supporting terrorists to harm U.S. allies. Iran refused to support Middle East peace efforts, and has not only refused to recognize Israel but has been openly very hostile to Israel. Several actions taken by U.S. are also not welcome by Iran, for example the
incident of the civilian airplane shot by U.S. Navy in the Straits of Hormuz and also the 
sinking of Iran’s Navy vessel by the U.S. Navy. The issues of Iran’s frozen assets are 
still not resolved as well as the economic sanctions by the U.S. and United Nation 
Security Council. These issues have deepened the problem towards U.S. but out of the 
several issues stated above, nuclear has been the main issue that resulted the hostility 
today. The U.N. Security Council has put six sanctions on Iran, due to Iran’s failure to 
observe the rules set by IAEA. In 2010 Iran admitted that sanctions have delayed Iran’s 
enrichment program. The United States has also made use of the inspection provisions 
contained in United Nations Security Council Resolution 1929 to work with partners to 
deny Iran access to items it was obtaining and to draw attention to the extent of Iran’s 
evasion of sanctions.

And yet, despite the deep political gap that separates Iran and the United States, 
they have repeatedly tried to communicate. These two powers who are wary of each 
other have made significant overtures to each other at least nine times since the end of 
the hostage crisis in 1981. First was the U.S.-Israeli initiative in 1985 (better known as 
the Iran-contra affair)and then in May 2006, Secretary of State Condoleezza Rice made 
a conditional offer of direct talks. In between, there were official attempts at dialogue 
from the administrations of George H. W. Bush and Bill Clinton, collaboration between 
Tehran and Washington following the invasion of Afghanistan in 2001, and, more 
recently, three high-level Iranian communications on the nuclear issue. There has also 
been a steady stream of unofficial "Track II" meetings between former Iranian and U.S. 
officials, as well as persistent but unverified rumors of covert meetings. Also the Obama
Administration has made some gestures toward Iran, though it remains to be seen how the next stages of the U.S. Iran relationship will unfold under President Obama.

Conclusion

The U.S. intervention in Iran after the Islamic Revolution was mainly due to nuclear issues and Weapon of Mass Destruction. In the early era of U.S. – Iran as far back as 1953, America was a close ally and friend to Iran. The U.S. support for Iran under the regime of Shah Reza was part of its strategy to monopolize the Iranian oil productions. In 1979, however, major internal dissent erupted, supported by radical Islamic clerics who wanted all U.S. influence out of their land. The Shah was quickly overthrown, and over 60 Americans from the U.S. Embassy were held hostage for more than a year.

Since then Iran has been an enemy to the U.S. Indeed, two countries that were once close friends and allies now see each other, respectively, as the “Great Satan” and a member of an “Axis of Evil. But there is more to this relationship than name-calling. Several important issues determined U.S.- Iran relations have been discussed. This includes the energy security (oil) which has been the focus for the U.S. in the Middle East. The U.S. also has been like a policemen looking after the Middle East oil productions. One most important factor for the U.S. is looking after is the safety and security of Israel from neighboring countries. So far, these approaches, official and proposed, fail to map out a U.S.-Iran relationship that the United States should want to emerge at the end of successful negotiations over these problem areas. The U.S. is concerned not only with Iranian behavior, but also with the strategic position – importantly including global alliances – of Iran; this includes Iran’s relations with Russia and China. If Iran were an ally (or at least not an enemy) it would have a strategic value.
for the U.S. as a powerful nation in the region, and one located in the middle of one of the world's most energy rich regions, namely, the Caspian Sea and the Arabian Gulf. Also Iran could be a significant economic partner for the U.S.

According to the American Iranian Council (AIC), if the U.S. is serious about improving its relationship with Iran and then build a strategic partnership with it, it must undergo a "paradigm shift" in its vision, thinking and policy toward Iran. Such a paradigm shift would required the highest level of leadership, namely from President Barak Obama. The AIC advocates that the U.S. needs to “offer more sensible assumptions about Iran’s power and purpose, a better understanding of Tehran’s concerns and interests, and a mutually acceptable definition of problems in the relationship. The paradigm shift should also involve removing the decades-long "neither-peace nor-war" freeze in relations and defining a desired relationship.” The U.S. will need to make clear that it does not seek “regime change” in Iran, and the U.S. and Iran will need to iron out differences over definitions of “terrorism.” Lastly, argues the AIC, “A new U.S. policy toward Iran should envision Iran as a future strategic partner, not just as a "well-behaved country" or a "client state." Such a policy will surely be acceptable to the Iranian government and attractive to its people.”

At the heart of this paradigm shift proposed by the AIC is that the U.S. would view Iran as a strategic partner rather than a threat. And another way to look at this is that cracking “the wall of mistrust” between the U.S. and Iran will eventually require a new conceptual understanding of the conflict.
“There are no permanent allies, no permanent friends, only permanent interests.”

This is a cliché which often describes relations between nations. This is because it is the interest of a nation that is the primary influence on its behavior in a given situation. Nations’ alliances and hostilities can shift with their interests. Modern history has several examples to prove the above stated point. “There are no permanent allies, no permanent enemy’s only permanent interests”.\(^7\) With that stand, we believed that U.S.-Iran relations can be resolved because they will always have permanent interest for energy and political security in the Middle East.

Endnotes

\(^1\) The term is initially used by the former United States President George W. Bush in his State of the Union Address on January 29, 2002 and often repeated throughout his presidency, describing governments that he accused of helping terrorism and seeking weapons of mass destruction. Bush labelled Iran, Iraq and North Korea as the axis of evil.


\(^8\) ibid, pp. 243.


14 Ibid, pp. 52.

15 The term was originally used by Iranian leader Khomeini in his speech on November 5, 1979 to describe the United States whom he accused of imperialism and the sponsoring of corruption throughout the world.


17 Ibid, pp. 155.

18 Ibid, pp. 42.

19 Yonah Alexander and Allan Nanes*The United States and Iran: A Documentary History* Frederick,Md. : University Publication of America, 1980, pp.143.


21 Ibid, pp. 42.

22 Ibid, pp. 43.

23 Statements of Former U.S. Secretary of State Madeleine. WHEN? WHAT SOURCE?


28 Ibid., pp.142–145.


41 Ibid, pp. 165.


58 Amuzegar, *“Iran’s Crumbling Revolution,”* pp. 48.


62 Ibid, pp. 3.


70 David Brown, Palmerston and the Politics of Foreign Policy, 1846-1855 (Manchester: Manchester University Press, 2002), pp. 82-83.