PREFACE

The US policy towards Iran was consistently influenced by its perception of the geo-strategic and economic importance of Iran, excessive fears of Soviet threat to its interests in the Persian Gulf region, and the consideration that Iran had a vital role in defending American and Western interests in the region. These perceptions and fears shaped the US' 'twin pillar' policy in the late 1960's which aimed to promote a Gulf regional security system under the Iranian leadership. It was done by infusing huge American military and economic aid into Iran to bolster the anti-communist regime of Shah Muhammad Reza Pahlavi. Thus the US was actually making the military and strategic issues the central piece of US - Iranian relations. It helped the Shah to convert his own national security considerations into America's Iranian policy, by promoting a strong pro-Shah faction in the American foreign policy set up over the years. By relinquishing the responsibility for US security interests in the region to the Shah and accepting his judgements and demands for arms without a second thought, Nixon and Ford administrations virtually handed over the control of its policy to the Shah. This was the policy inherited and followed by the Carter administration in 1977.

Since the Shah made all major decisions, no American request stood a chance unless his demands were also met. He demanded that there be no official contacts with the Iranian dissidents and religious radicals, a demand US accepted. The mutual dependency grew over the years and the US became identified with the Shah's allocations of resources, corruption and the torture of its suspected foes and their execution. Meanwhile the fast growing public resentment in Iran against America's disastrous support to overburden the country with inappropriate military hardware ended in financial pressures that cost unemployment, disaffection and political repression which manifested itself through the social, political, economic and historical forces. It resulted in the 1978-1979 revolution of the Iranian people.
under the leadership of the Shi’ite religious leader Ayatollah Ruhollah Khomeini, the collapse and exile of the Shah and a political and ideological transformation of Iran as an Islamic Republic. The Shah’s modernization and secularization policies were replaced with Islamization of the Iranian political system and Iran gave up its role as the guardian of American interest in the Persian Gulf region to emerge as the champion of the Islamic World. Thus the events of the 1978-1979 marked a dramatic watershed in the US-Iranian relations. It was the beginning of an era of troubled and difficult relations between the two countries. This period is remarkable first because of the extraordinary degree to which the two nations lacked perceptive on the cultural basis of each others political motivations and strategies in the international arena, and second, for the degree to which each side was able to use vilification of the other as a political stratagem for domestic political purpose.

US policy towards post revolutionary Iran can be mainly divided into two periods; the 1978-1981 Carter period and the 1981-1988 Reagan period. The earlier phase began in January 1977 when President Jimmy Carter arrived in the White House with an extensive agenda of foreign policy objectives. However Iran was not expected to be a foreign policy problem which needed special attention. Because the administration’s view was that as the central pillar of the US’s Persian Gulf policies, Iran was stable enough to face any external or internal challenges. The Shah’s regime seemed to be firmly in control of Iranian affairs. Therefore, the policy differences between Iran and the new US administration were regarded as relatively minor and manageable. But in the end, it was Iran that dominated the critical last years of Carter presidency and contributed substantially to his electoral defeat. During 1978-1979 period Iran witnessed a sequence of political uprising which culminated in the establishment of an Islamic Republic in Tehran. Subsequently the administration started its search for a new relationship with the revolutionary regime. This attitude was based on the premise that whatever government might be in Tehran, Iran would remain
important for the US and her Western allies because of its oil resources and geo-strategic location. Keeping this view the administration formulated a policy which placed its reliance on Iranian moderate leaders who quickly moved into positions of power after the Shah's overthrow. This turned to be a serious policy miscalculation. This preoccupation with the moderates resulted in the seizure of the US embassy in Tehran and the holding of US citizens as hostages for 444 days. It was the Carter administration's greatest foreign policy crisis.

After the 1981 Algier's agreement which brought the hostage crisis to an end, the Reagan administration adopted a confrontationist policy towards Iran. It deliberately projected itself as an adversary to the Iranian Islamic regime by favouring Iraq in the Iran-Iraq war, labelling Iran as an exporter of international terrorism and Islamic fundamentalism, which it feared would bring economic, military and political disaster to the US interests in the Persian Gulf and beyond. When all the attempts to cow down Iran were frustrated, Reagan administration tried to open up some kind of communication channel with the moderate factions of post-revolutionary Iranian leadership. It was an attempt to build up a new relationship through covert arms sales to Iran. But it only brought another foreign policy crisis known as the Iran-contra affair, which in turn resulted in Persian Gulf reflagging initiative in June 1987. This policy vacillations led to a direct maritime military confrontation between the United States and Iran in 1988.

These policy approaches from Carter period onwards raise some important questions. Why did the Carter administration's efforts to develop a new relationship ended in a crisis? What were the flaws in Carter's policies towards post-revolutionary Iran? What compelled the Reagan administration to support Iraq in the Iran-Iraq War? What were the factors that forced the administration to search for a new relationship by deviating from its own declared policy of arms embargo against Iran? Why did both the administrations attempts to develop new relationship
ended in the beginning of new crises? Was it a pointer towards the recurring failures in the administration’s policy approaches? What were the shortcomings of the then prevalent U.S. policy and what were the main barriers to reshape the US - Iranian relationship?

**Hypothesis**

The objective of the study is to examine the hypothesis that the Carter and the Reagan administration’s followed the same established policy of arms sales to Iran, without any reassessment or rethinking of the drastically changed Iranian situation. Their own images of Iran were based on the perception they had inherited from their respective predecessors, marked by ignorance about Iranian political, social and economic dynamics, interagency disputes, intelligence failures, errors of judgments, flights of wishful thinking and questionable notions about Iranian policy attitudes. The Carter and the Reagan administrations confronted the crises on their respective periods without any serious reappraisal of their own failed policy in Iran.

For the US, it was a crisis set in the complex Iranian political context where three different purposes converged: to get the hostages out; to defend its honour and interests in the region and to further long term strategic goals. The real problem was that when these were sought to be achieved it turned out to be mutually incompatible. What might have achieved one purpose would have failed in others. Later efforts to solve the crisis only exacerbated and extended it. This was because the administrations’ decisions were highly influenced by political considerations, bureaucratic infighting in the foreign policy setup and the vested interests of private individuals. In an unprecedented interplay of considerations and personalities the administrations lost its control over its own policies. It not only undermined the strategic position and international credibility of the US but also contributed to a profound change in the US and Iranian domestic alignments and attitudes.

The adoption of Islamic system in Iran added a new dimension to the
misunderstanding and the conflict of Interests. The differences both the nations experienced became essentially a cultural one too. Each nation led by their governments constructed a mythological image which served to demonize the other party. Paradoxically each fulfilled the worst expectations of the other playing true to the image being created of it. For Iran, the US became ‘Great Satan’ an external illegitimate force which continually strove to destroy the pure, internal core of Islamic revolution. For the US Iran took another demonic form, that of ‘crazy out law’ nation whose activities were illegal, unpredictable and irrational. It resulted in the formulation of wrong notions and policies.

**Methodology**

This study is primarily a critical analysis of the US policy towards post-revolutionary Iran, especially during the Carter and the Reagan periods. It tries to understand and assess the factors which influenced United States policy towards Iran by examining the epoch making events in US - Iranian relations, such as the Iranian revolution, hostage crisis, Iran - Iraq war and Iran-Contra affair. This study is based on a survey of available United States Governmental Documents, Congressional Records, Hearings, Iran-Contra Investigation Committee Reports, Tower Commission Report, Final Report of the Independent counsel for Iran-Contra matters, memoirs of the Presidents and their Secretaries of State, Defense, National Security Advisers and other participants of the foreign policy making. It also depends on secondary source materials such as books on the subject, articles in journals, periodicals and newspapers.