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THE CONTINUING NEED FOR A U.S. OPENING TO IRAN

INTRODUCTION

The furor engulfing the sale of U.S. arms to Iran has obscured a fundamental issue: the need to craft a policy for dealing with revolutionary Iran.¹ That country looms large as a major source of instability in the Middle East and as a prospective regional superpower in the Persian Gulf. The spillover effects of its Islamic revolution and its war with Iraq threaten Western interests and the interests of Middle Eastern states aligned with the West. Finally, Iran is the chief geostrategic barrier that shields the vital oilfields of the Persian Gulf from direct Soviet pressures. Since ancient times, Persia has been a strategic prize that no major power could ignore; that Iran remains so today should be no surprise.

Ronald Reagan boldly took acceptable risks to initiate a strategic dialogue with Iran. Teheran's traditional suspicion of the Soviet Union makes Iran a natural ally for the U.S., although the revolutionary excesses of the Iranian revolution have made such an alliance impossible in the short run. Reagan's long-term goal of renewing a working relationship with Iran was correct, though its execution was flawed. In particular, the opening to Iran became intertwined with efforts to free American hostages in Lebanon. As a result, U.S. anti-terrorism policy was undermined, and Iran concluded that it could extract concessions from the U.S. without moderating its anti-American foreign policy and withdrawing its support of terrorism.

1. See James A. Philips, "U.S. Policy and the Future of Iran," *Heritage Foundation Backgrounder* No. 194, July 8, 1982.

The U.S. is no different than a host of other major powers through the ages; it cannot afford to write off Iran. Washington thus should leave the door open to Iranian leaders but make it clear to them that this door must swing both ways. Iran needs the U.S. more than the U.S. needs Iran. A genuine rapprochement is impossible unless Teheran recognizes this fact and concludes that its attempts to export its revolution hurt its own interests. This is unlikely until a more internationally responsible faction consolidates political control in post-Khomeini Iran. To encourage the emergence of such a faction, Washington should:

- 1) Brandish carrots along with the sticks to prod Iran to consider the potential benefits of an American connection. Such carrots could include intelligence data on Soviet military and subversive activities.
- 2) Broach the possibility of coordinated Iranian and American support for the Afghan resistance.
- 3) Offer American economic and technical assistance in rebuilding Iran's economy, particularly its oil industry, if Iran ends its war with Iraq in a manner that does not threaten other gulf states.
- 4) Offer to recognize the irreversibility of the Iranian revolution and limit U.S. support of opposition groups if Iran ends its efforts to destabilize pro-Western Middle Eastern governments.
- 5) Offer to restore the flow of U.S. arms supplies if Iran reaches a negotiated settlement with Iraq and ends efforts to export its revolution and support terrorism.
- 6) Underscore the costs of terrorism by privately warning Teheran that future Iranian-supported terrorism will provoke a U.S. tilt toward Iraq in the ongoing war with Iran and possibly airstrikes against targets related to the Iranian war effort.
- 7) Notify Iran that it must take the initiative in improving relations. An American initiative is likely to be seen as a sign of weakness, especially if it is linked to discussions about hostages. The release of hostages should be a precondition for serious talks about a rapprochement, not a goal of such talks.

THE POLITICS OF THE IRANIAN REVOLUTION

The loose ad hoc coalition that overthrew Shah Muhammed Reza Pahlavi in 1979 was broad but shallow. Revolutionary groups drawn

from all parts of Iran's political spectrum cooperated on the basis of a negative consensus of opposition to the Shah but did not share a common vision of Iran's future. Ayatollah Ruhollah Khomeini functioned as a patriarchal unifying figure who inspired solidarity during the early days of the revolution but increasingly provoked opposition, once installed as the Velayat-e Faghih, the supreme religious guide. Latent cleavages in the revolutionary movement soon surfaced and the movement dissolved into rival camps: the Islamic fundamentalists, the moderate secular nationalists, and the radical leftists.

The Islamic fundamentalists inexorably developed a hammerlock on Iranian politics because of their superior capacity to inspire and mobilize the urban masses. Under Khomeini's uncompromising leadership, the fundamentalists ousted their rivals in a series of purges. The secular provisional government of Prime Minister Mehdi Bazargan fell in November 1979 when it proved unable to protect the U.S. Embassy from the revolutionary excesses of Khomeini's followers. Abolhassan Bani-Sadr, an Islamic socialist elected President in January 1980, found his authority undermined by Islamic hardliners who exploited the confrontation with the U.S. as a means of attaining political primacy.²

The Islamic Republican Party (IRP), the clerically dominated spearhead of the fundamentalist camp, meanwhile, used its control of the Majlis (parliament) to whittle down Bani-Sadr's powers until he fled into exile in 1981. Since then the IRP has consolidated its control over Iran and institutionalized the revolution. After successive purges of secular moderates, radical leftists, and other "Westoxicated" elements, as they are derisively called by Khomeini, Iranian domestic politics now are essentially a dialogue between various factions of the radical fundamentalist camp. There are no "moderates" in the ruling regime. Such men were discredited and discarded long ago. Those who survive consistently have advocated hard-line anti-Western positions. Their differences are tactical in nature and are issue-specific, with kaleidoscopic ad hoc coalitions shifting according to the question at hand.

The most divisive issue in Iranian politics is the question of who will succeed the ailing 86-year-old Khomeini. His heir apparent as the revolution's spiritual leader is Ayatollah Hussein Ali Montazeri, 63, a populist who advocates moderate domestic policies (such as expanded civil liberties and a strong role for free enterprise) while pushing for an aggressive revolutionary foreign policy. Although he is Khomeini's protege, Montazeri lacks Khomeini's personal magnetism, political acumen, and theological credentials. Following Khomeini's

2. See James A. Phillips, "Iran, the United States and the Hostages: After 300 Days," Heritage Foundation Background No. 126, August 29, 1980.

death Montazeri's authority probably will be challenged by some of the Grand Ayatollahs, who generally disapprove of the pervasive political role played by clerics within the revolutionary regime.

Ayatollah Montazeri also is likely to face a political challenge from younger clerics who have carved out political bases within the revolutionary government. Montazeri's chief rival for political supremacy is Hojatolislam Ali Akbar Hashemi Rafsanjani, 52, the shrewd Speaker of the Majlis, the dominant branch of the Iranian government. An adroit political infighter, Rafsanjani is Khomeini's representative on the Supreme Defense Council, which oversees Iran's war with Iraq. To bolster Iran's war effort and undermine Iraq, Rafsanjani has championed discreet openings to the West and is believed to have been involved in negotiations with the U.S. and France concerning hostages held by pro-Iranian Lebanese terrorist groups.

Last September, Rafsanjani reportedly appealed to Khomeini to curb the activities of militant revolutionaries, whose efforts to foment Islamic revolution and support terrorism hurt the war effort by jeopardizing Iranian efforts to secure foreign arms supplies.³ Rafsanjani was concerned particularly with the actions of Mehdi Hashemi, an official in the Office of Liberation Movements who maintained liaison with foreign Islamic groups.⁴ On October 12 Hashemi was arrested in a crackdown that eventually jailed over 200 Montazeri supporters.

Rafsanjani had scored a double victory. Not only did he remove an irritant to Iran's relations with Syria, Saudi Arabia, and the West, but he simultaneously undermined the political position of Ayatollah Montazeri, his chief rival for political power. Montazeri's followers struck back by leaking news of U.S.-Iran contacts to the Lebanese newspaper Al-Shira'a on November 3 to embarrass Rafsanjani. That same newspaper later published a defense of Hashemi, complaining: "There are now two opposing logics in Iran, the logic of the state and the logic of the revolution."⁵ Unlike Bazargan and Bani-Sadr, Rafsanjani gained Khomeini's support for his statist logic and

3. Christian Science Monitor, December 12, 1986, p. 18.

4. Hashemi was responsible for an abortive attempt to smuggle firearms into Saudi Arabia aboard an Iranian airliner carrying pilgrims to Mecca in August 1986 at a time when Iran was trying to secure Saudi cooperation in raising oil prices. He was suspected of the October 2, 1986, kidnapping of a diplomat from Syria, one of the few Arab states friendly to Iran. In addition to his disruptive activities, Hashemi may have been an appealing target for Rafsanjani because he was a supporter of Montazeri, to whom he was related by marriage. The New York Times, November 4, 1986, p. A10.

5. Cited by Shaul Bakhash, "Iran and Americans," New York Review of Books, January 15, 1987, p. 15.

apparently has survived his potentially compromising dealings with the "Great Satan," as the U.S. still is called by most Iranian officials. On November 20 Khomeini protected him by calling for a halt to criticism of contacts with the U.S. to secure arms, implying that this met with his approval.

Although Khomeini has worked to reduce frictions between his two former students, blatant bickering between the rival camps means that Khomeini's death is likely to be followed by an open and possibly violent power struggle.

IRAN'S DESTABILIZING FOREIGN POLICY

Khomeini does not see himself as a leader of a nation but as the divinely inspired spiritual leader of fundamentalist Islam, a faith that recognizes no national boundaries. He holds out the model of the Iranian revolution as a solution to the problems of the troubled Moslem world, which he perceives to be polluted by Western secular values and influences. Iran is trumpeted as a "redeemer state," the champion of the world's oppressed peoples in the struggle against oppressor states and classes.

Iran has mounted an extensive campaign of subversion against "un-Islamic" Moslem states that have been targeted because of their pro-Western alignment or their secular political systems. Although inflammatory Iranian radio broadcasts urge radical revolt throughout the Moslem world, in practice Iran has exerted its revolutionary influence primarily among its Shiite co-religionists, thus far with little success. Iranian attempts to spark a fundamentalist Shiite revolt in neighboring Iraq contributed to the September 1980 Iraqi invasion of Iran. An Iranian-orchestrated coup attempt in Bahrain was crushed in December 1981. Civil disturbances among Saudi Arabia's 400,000 Shiites, possibly inspired by Iran, were quashed between 1979 and 1980.

Iran's most successful effort to export its revolution has been in war-torn Lebanon. The large and poor Lebanese Shiite community, radicalized by the Lebanese civil war and Israel's 1982 military intervention, has been fertile ground for Iran's revolutionary fundamentalist ideology. Iranian mullahs with suitcases full of money have been reported in Lebanese Shiite villages. A force of as many as 1,000 Iranian Revolutionary Guards stationed in Lebanon's Bekaa valley provides training, logistical support, and even operational planning for a wide variety of Lebanese Shiite terrorist groups.⁶ Pro-Iranian

6. See Alvin Bernstein, "Iran's Low-Intensity War Against the United States," Orbis, Spring 1986.

Lebanese Shiite groups bombed the U.S. Embassy in Beirut in April 1983 and the U.S. Marine barracks in Beirut that October and kidnapped scores of Americans, including the passengers of TWA flight 847 in June 1985. Although Iran helped obtain the release of the TWA hostages and three others held in Beirut, eight Americans remain hostage in Lebanon.

The revolutionary dynamic in Iranian foreign policy is balanced by the growing pragmatism imposed by the Iran-Iraq war. Because Iran's hostility to the U.S. precluded the flow of U.S. spare parts to maintain the effectiveness of the Shah's American-made arsenal, the Islamic Republic was forced to offset Iraq's superior military hardware with its superior numbers. Iran waged a brutal war of attrition designed to wear down the Iraqis through human wave assaults launched by fanatic troops, many of whom arrived at the front carrying their own coffins.

A military stalemate developed, caused in part by Iran's isolation, which hampered its ability to secure foreign arms. And at the same time, Iraq benefited from its military ties to the Soviet Union, financial support from the Arab gulf states, and access to sophisticated French arms. To reduce the advantages that Iraq enjoyed from this international backing, Iran began to improve its relations with Arab, West European, and Soviet bloc states. Khomeini blessed the idea of breaking out of diplomatic isolation in an October 1984 speech. Hojatolislam Rafsanjani, one of the architects of the new policy, made high profile 1985 visits to Japan and the People's Republic of China.

Iran's growing pragmatism was spurred by rising anti-war sentiment. Anti-government demonstrations erupted in pro-Khomeini working-class neighborhoods in Teheran in April 1985, protesting the government's inability to protect civilians from Iraqi bombing raids. The following year, Cabinet members and the influential Association of Seminary Teachers of the holy city of Qom separately asked Khomeini to seek a nonmilitary solution to the war.⁷ But Khomeini adamantly opposed any compromise with the Iraqi regime of Saddam Hussein and remains irrevocably committed to "war until victory." Khomeini's implacable hostility toward the Hussein regime led Khomeini's lieutenants to place a high premium on obtaining more modern weapons, which would lower Iran's civilian and military casualties, thereby retarding the growth of anti-war feeling.

Iranian officials, operating through a facade of Iranian, Saudi, and Israeli arms dealers, contacted American officials in search of these weapons. Establishing a covert working relationship with the U.S. was a means to an end--total victory in the war with Iraq--and

7. Shaul Bakhash, "Trouble in Tehran," The New Republic, December 1, 1986, p. 16.

not an end in itself. The Iranians responsible for contacts with the U.S. were the same men that supported the seizure of the U.S. Embassy in 1979 and worked to prolong the hostage crisis to undermine the moderate Bazargan and Bani-Sadr governments. They are not seeking rapprochement with the U.S. but a means of prosecuting the war against Iraq without jeopardizing their hold on political power by incurring an unacceptably high level of casualties, which anti-war opposition leaders could exploit. The bloody Iran-Iraq war boosted the "logic of the state" (the need to obtain modern U.S. arms) over the "logic of the revolution" (unceasing hostility to the "Great Satan").

The ascendancy of this "logic of the state" made it reasonable for the U.S. to deal with Iranian pragmatists. What was important was not that they were "moderate" or "radical," but that they sought to open lines of communication with Washington.

THE SOVIET THREAT TO IRAN

In addition to the destabilizing consequences of the Iranian revolution, Washington rightly has been concerned about the opportunities that Iran's chaotic revolution presents for Soviet expansion. The revolution not only transformed Iran into an anti-Western state but it held out the long-term prospect of a pro-Soviet Iran. The late Soviet leader Leonid Brezhnev declared that the Iranian revolution was an "anti-imperialist revolution" worthy of Soviet support. Moscow sought to ingratiate itself with Iran by siding with it in the hostage crisis, offering Teheran economic and technical assistance, warning Iran of the impending Iraqi attack in September 1980, and halting arms shipments to Iraq after the Iraqis invaded.

The small but well-organized Tudeh party, Iran's Soviet-controlled communist party, sought to ride in Khomeini's wake and kidnap the Iranian revolution as the Bolsheviks kidnapped the Russian revolution in 1917. The Tudeh worked to reinforce the radical anti-Western impetus of the revolution while infiltrating key revolutionary institutions. Weakened by years of suppression by the Shah's regime, the Tudeh bided its time, gained strength as its exiled members streamed back to Iran, and prepared for the post-Khomeini struggle for power.

Khomeini made the first move to break with the Tudeh after Soviet-Iranian relations deteriorated when Moscow resumed arms shipments to Iraq after Iran invaded Iraqi territory in 1982. The defection that year of Vladimir Kuzichkin, a Soviet KGB officer in Teheran, provided Western nations with information on KGB and Tudeh activities in Iran that was passed on to the Iranians. Then in early 1983 more than 1,000 Iranian communists were arrested, including more than 100 military and police officers. In May 1983, eighteen Soviet

diplomats were expelled, and the Tudeh was dissolved after its leaders admitted conducting espionage for the Soviets. Since 1983 remnants of the Tudeh have taken refuge in Afghanistan.

Now that its Tudeh fifth columnists have been purged, Moscow may fall back on an old option--the support of Iranian separatists. In 1920 the Soviets occupied Iran's northern province of Gilan to establish a Persian Soviet Socialist Republic. Moscow subsequently abandoned Gilan in exchange for the one-sided 1921 treaty with Iran that gives the Soviets the right to intervene in Iran if a third party occupies Iran or uses Iranian territory as a base to attack the Soviet Union. Although the annex to the treaty specifies that this pertains only to attacks and threats from anti-Bolshevik White Russian forces or from states supporting the Whites, the Kremlin unilaterally has interpreted "third party" to mean any foreign power.⁸ Moscow stubbornly insists, moreover, that the treaty remains in force despite repeated Iranian declarations that it has been abrogated. This ominous threat is made real by the presence of 24 Soviet divisions on Iran's border.

In 1941, in fact, the Soviets invoked the treaty to occupy northern Iran and establish communist puppet governments in the Iranian provinces of Azerbaijan and Kurdistan. Although those governments collapsed under Western pressure in 1946, the Soviets have maintained ties with Kurdish and Azerbaijani nationalist groups. The Iranians suspect that Soviet overflights of Iranian Kurdistan have been designed to provide aerial intelligence and to airdrop supplies to Kurdish rebels, who have battled the Iranian government since 1979.

In November 1982, Geidar Aliev, now a member of the Soviet Politburo, told Western journalists that it was his "personal hope" that Soviet Azerbaijan would be united with Iranian Azerbaijan in the future. Recently, a intensifying propaganda campaign aimed at Iranian Azerbaijanis has portrayed the Soviet Union as the champion of the language and culture of "southern Azerbaijan," a lost part of the national homeland.⁹ The presence of restive ethnic groups straddling the border gives Moscow a lever to intimidate the Iranian government or even a means of dismembering Iran.

Despite Iran's traditional suspicion of Russian expansionism and Iran's hostility to the atheism of communism, the growing pragmatism of Iran's "open window" foreign policy has begun to thaw

8. Stuart Goldman, "Soviet Policy Toward Iran and the Strategic Balance in Southwest Asia", Foreign Affairs and National Defense Division, Congressional Research Service, Library of Congress, October 7, 1986, p. 5 and p. 54.

9. "Soviet Steps Up Propaganda in Azerbaijan", Radio Free Europe/Radio Liberty, Soviet East European Report, October 10, 1985.

Soviet-Iranian relations. Iran particularly has been interested in improving economic ties. An Iranian economic team visited Moscow in July 1985, and last August Iran agreed to resume exporting natural gas to the Soviet Union. This may have been a quid pro quo for a Soviet decision one week earlier to reduce oil exports to Europe at Iran's request. The two countries signed a protocol on expanding trade last December.

U.S. POLICY AND IRAN

Iran has been called the "China of the 1980s"--a revolutionary state that gradually is normalizing relations with the outside world and reintegrating itself into the international order. The U.S. should encourage this and seek a working relationship with Iran. But Washington must not sacrifice important American interests in regional stability and the fight against terrorism. A healthy Iranian-American rapprochement must include Iranian commitments to end its attempts to export its revolution and its support of terrorism. Such commitments cannot be made so long as Ayatollah Khomeini wields power, given his unswerving determination to impose his Islamic vision on the Moslem world.

Khomeini, like China's Mao Zedong, is a revolutionary ideologue who inspired his followers to make enormous sacrifices in pursuit of unreachable utopian goals. Khomeini's demise, as Mao's, probably will trigger a shift toward normality. The Iranian revolution has been propelled for nine years by the adrenaline released by opposition to the Shah, the 444-day-long hostage crisis with the U.S., and the war with Iraq. But now Iranians seem exhausted.

Post-Khomeini Iran thus must reconstruct its long-neglected economy and social fabric. While Khomeini disparaged economics as a subject "fit for donkeys" and bellowed "We did not make a revolution to lower the price of melons," his successors lack his charismatic appeal, and if they hope to stay in power, they will be forced to address Iran's economic problems. At some point, the urban poor, the core of the IRP's power base, will begin to judge Iran's political leaders by their material accomplishments, not by their rhetoric about future goals.

Until a pragmatic leadership emerges in Teheran that can survive the predictable charges of "selling out" the revolution, any U.S. initiative for a rapprochement with Iran will fail. The Carter Administration's efforts to establish contact with Iranian moderates such as Bazargan and Bani-Sadr only made it easier for hardliners to undermine them. The exposure of the Reagan Administration's contacts with Rafsanjani led the wily speaker of the Majlis to ridicule any notion of rapprochement and portray the affair as strictly an arms for hostages deal. Washington would be better off maintaining channels of

communication with factions within the ruling regime while waiting for one of them to consolidate its grip on power.

Although there is little the U.S. can do to elevate one faction over another, it can underscore the costs of the "logic of revolution" to the rival factions. Washington should warn Iran's leaders privately that anti-American terrorism by pro-Iranian Shiite groups in Lebanon could tilt the U.S. toward Iraq in the war and prompt U.S. air strikes against targets related to the Iranian war effort, not merely reprisals against Iranian Revolutionary Guards in Lebanon's Bekaa Valley. The war with Iraq is Iran's highest priority and therefore the most sensitive point on which the U.S. could apply pressure. Iraq is no friend of the West, but American actions that aided Iraq would reassure jittery Arab gulf states and would not push Iran into the arms of the Soviets since the Soviets are Iraq's chief military backer.

Washington should also offer carrots. Political intelligence on communist activities within Iran and military intelligence on the disposition of Soviet forces across the Soviet and Afghan borders could be furnished to Teheran to demonstrate the benefits of an American connection. Iranians also would be interested in receiving intelligence on the quantity and quality of Soviet arms transferred to Iraq.

Afghanistan may be another possible area for U.S.-Iran cooperation. In late December, Iranian Foreign Minister Velayati met with the leader of a Saudi-backed Afghan resistance group. This may be a sign that Iran is interested in playing a more supportive and cooperative role in forcing a Soviet pullback from Afghanistan.

As the faltering Iranian economy becomes a more pressing domestic political issue, Iran will become increasingly interested in obtaining Western aid to restore its crumbling infrastructure, boost agricultural production, rebuild bombed cities, and ease housing shortages. Most valuable to Iran may be U.S. technology to maintain its oilfields, reconstruct its oil refining and export facilities, reactivate computer systems, and retool factories idled by spare parts shortages. Washington should make it clear that such assistance will depend on Iran's moderating its hostile foreign policy.

Another American lever is the matter of recognizing the Iranian regime. While Teheran now sneers that U.S. recognition is irrelevant, Iranian leaders may not be so self-assured in the post-Khomeini era if the government's popularity declines in tandem with Iran's standard of living. Iranians traditionally have viewed their domestic politics as being dominated by foreign powers. This eventually may lead the government to seek restored relations with the U.S. if only to limit American support for opposition groups.

American arms are a trump that should not be played until Washington is certain that they will not be passed on to terrorists or used to attack American friends in the Middle East. Arms transfers should be ruled out until the Iran-Iraq war is resolved, preferably by negotiation, and Iran reaches an accommodation with the other gulf states. The U.S. cannot afford to abet an Iranian victory over Iraq because that would give Iran control of Iraqi oil production, afford it dangerous influence over world oil prices, and enable Iran to rebuild its economy without moderating its radical foreign policy. Not only would Iran be tempted to continue its advance into the Arabian Peninsula but Islamic fundamentalists in Egypt, Jordan, Tunisia, and Morocco would be encouraged to rise up against pro-Western governments.

Washington should inform Iran that its door is open but that Iran will have to make the first move. Teheran has developed an exaggerated sense of its own importance and bargaining strength with Washington. Khomeini crowed in 1985: "It is clear that if we take one step toward the United States, they will take 100 steps in return." This Iranian conceit can only have been reinforced by Washington's mixing together the efforts to open a strategic dialogue with efforts to free American hostages in Lebanon. Washington must make it clear that it will punish, not reward, terrorists who take Americans hostage and the states who sponsor them. Iran must be convinced that it cannot extract concessions for using its influence to free hostages, while escaping blame for the seizure of those hostages in the first place. More important, the U.S. must not allow its foreign policy to be taken hostage by groups that hold American citizens hostage.

The bottom line is that Iran needs the U.S. more than the U.S. needs Iran. The Soviet Union has occupied Iranian territory twice in this century, and Iran may need American help to avert another Soviet occupation in the future.

CONCLUSION

The Iranian revolution remains in flux with several ad hoc factions jockeying to fill the vacuum that Khomeini ultimately will leave behind. In the past, Washington has reached out to moderate factions, only to discredit them in the process. In the future, Washington should maintain discreet contact with various factions seeking to succeed Khomeini, wait for one of them to consolidate its power, and encourage the ruling faction to adopt pragmatic policies that are less threatening to Western interests.

Iran is already headed in this direction because of its internal economic problems and the exigencies of its war with Iraq. An Iranian victory in this war, however, could revive the flagging political

fortunes of hard-line revolutionaries and heighten the destabilizing aggressiveness of Iranian foreign policy. The U.S. should work to contain the Iranian revolution by working to undermine Iran's war effort to the extent that Iran supports terrorism against Americans and exports subversion to pro-Western Middle Eastern states.

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