



National Committee on American Foreign Policy

Where Leaders Meet

The Middle East: Islamic Law and Peace

POLICY STATEMENT ON IRAN AND THE UNITED STATES: THE CHALLENGE OF THE FUTURE

March 2002

March 15, 2002

Dear Reader:

In view of ongoing discussions that are taking place in the U.S. foreign policy community concerning whether the United States should resume diplomatic relations with Iran, the National Committee on American Foreign Policy (NCAFP) looked at this issue once again. After debate and deliberation the NCAFP decided to issue the third and most extensive revision of its *Policy Statement on United States-Iranian Relations*, which was originally published in July 1997. Incorporating the Committee's projections of the effects that the terrorist attacks of September 11, 2001, may have on U.S.-Iranian relations, the current publication has been retitled *Policy Statement on Iran and the United States: The Challenge of the Future* (March 2002) from *Policy Statement on United States-Iranian Relations: Today and Tomorrow* (July 1997, Revised April 2001).

The policy recommendations proposed in the March 2002 publication are the same as those originally published in July 1997. In contrast, the July 1997-April 2001 conclusions have been revised to reflect the changes that have been made in the March 2002 publication. Nevertheless, the original conclusions, which, the Committee believes, are still relevant, have been reprinted in an appendix to this publication.

As it does with all its publications, the NCAFP encourages you to read, reflect on, and discuss its *Policy Statement on Iran and the United States: The Challenge of the Future*.

Sincerely,

George D. Schwab
President



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POLICY RECOMMENDATIONS

1. The United States must articulate its interests in the region of the Persian Gulf Those interests can be summed up as follows:
 - a. to make common cause with countries that oppose terrorism in all its forms,
 - b. to secure free navigation in the Persian Gulf,
 - c. to ensure unhampered trade, including the free flow of oil,
 - d. to prevent the proliferation of nuclear weapons and other weapons of mass destruction, and,
 - e. to encourage the promotion and the protection of human rights as defined in the Universal Declaration of Human Rights.
2. The ultimate aim of U.S. policy toward Iran must be Iran's return to the community of responsible nations.
3. The United States must make clear to the rulers of the Islamic Republic as well as to the people of Iran that it is neither an enemy of Iran nor of the Islamic religion.
4. The United States must also make clear that it will enter into a dialogue with the government of Iran whenever that government demonstrates a commitment to the rule of law at home and abroad.
5. Whenever appropriate, the United States should enter into unofficial communication with Iran. The United States should encourage cultural and educational exchanges, as it did with the Soviet Union despite mutual enmity. In this respect, special broadcasts of news and cultural programs to Iran would undoubtedly enhance the country's receptivity to civil society.
6. The United States must reinvigorate its efforts with friends and allies to coordinate policies, including those pertaining to trade. Above all, the United States should not allow its very real concerns about Iran's international conduct to restrict its options;
7. Under no circumstances should the United States give the impression that it lacks resolve or favors appeasement, for such reactions would be perceived only as weaknesses.

Introduction

Since 1979, when President Carter broke off diplomatic relations with Iran after the seizure of the American Embassy in Tehran and the ensuing hostage crisis, the United States and Iran have been estranged. From the beginning of his rule, Ayatollah Khomeini branded the United States as the "Great Satan." Since 1993 the United States has called the Islamic Republic a rogue or an outlaw state that sponsors international terrorism. It imposed sanctions on Iran and Iraq in what came to be known as a "policy of double containment." In 1996 President Clinton signed legislation designed to



strengthen the sanctions. Six years later, the State Department annual report still includes Iran among nations that sponsor international terrorism.

Nevertheless, the reluctance of European allies to follow the U.S. lead has prompted a number of independent think tanks to reevaluate the U.S. stance toward Iran. In the summer of 1997 the NCAFP Persian Gulf Study Group held a series of meetings on the subject. Outside experts were invited to address the meetings. The results of those discussions were summarized in a report published in July 1997 under the title "Policy Statement on United States-Iranian Relations: Today and Tomorrow." A revised text of this report--confirming almost all the previous conclusions of the Study Group--was published in April 2001.

In the wake of September 11, 2001, a number of political and press commentators surmised that a change had occurred in Iran's attitude toward the United States. Indeed President Khatami expressed dismay about the attacks against the World Trade Center and the Pentagon and communicated his condolences to the victims' families on behalf of the people of Iran. Then, at the beginning of the war against terrorism in Afghanistan, Iran pledged assistance in search-and-rescue operations for any downed American pilot on its soil. Moreover, it authorized transit flights of humanitarian assistance to Afghanistan. Later, during a meeting at the United Nations, Iran's foreign minister shook hands with the U.S. secretary of state for the first time since the end of the 1979 hostage crisis. Officials at the White House and the State Department greeted Iran's actions as signs of a desire to cooperate in the war against global terrorism. On the basis of such information and comments, the debate about the relationship between the United States and the Islamic Republic of Iran apparently has been recast on new grounds.

In the 1997 report the advocates of dialogue with Iran were identified as "engagers" and their opponents as "containers." Those appellations have been retained in this report.

The Argument

The New Arguments of the "Engagers"

Many engagers believe that the tensions that have long strained U.S. -Iranian relations are beginning to ease. The tone of speeches given by high-ranking Iranian officials appears to have lost its aggressive edge toward America. President Khatami carefully avoids any inflammatory language. A majority of people, especially members of the younger generation, openly express their sympathy for the United States. In the opinion of the engagers, a balanced relationship between the two countries may gradually develop if the United States seizes new opportunities.

Moreover, the engagers say, Iran and the United States have common enemies arising from the new situation created by the war against global terrorism. In fact, the Sunni Taliban, at odds with the Iranian Shiites, killed some of Tehran's diplomats in Afghanistan. Bin Laden, also a Sunni, is not viewed with confidence by Tehran. At another level, the Iranians (like the Americans but for different reasons) regard Saddam Hussein with great suspicion. It is said that Iran's casualties in the not forgotten, bloody eight-year war that he imposed on them amounted to more than one million dead and wounded.

In the view of engagers, President Khatami has so far succeeded in reintroducing Iran to the world community despite U.S. efforts to isolate it. Indeed Iran recently signed security agreements with Saudi Arabia and improved its relations with Bahrein, Egypt, Jordan, and a number of other Muslim states. Also, it has strengthened its relations with the United Kingdom, France, Germany, Austria, Italy, Spain, and Turkey. In the field of oil and natural gas, it has been discussing deals with China,



Japan, South Korea, and a number of European oil companies. As a consequence some American corporations, especially energy related companies, jointly met with the Iranian foreign minister while he was in New York City to attend a UN meeting. Most of those companies were already lobbying the White House and Congress to drop the U.S. unilateral sanctions against Iran that prevent them from signing agreements with the National Iranian Oil Company.

The engagers add that today Khatami is locked in a dangerous fight with the religious conservatives and other anti-American elements who are blocking his reforms and opposing his openings to the West. In the view of such engagers, this should prompt the U.S. government to help the beleaguered "moderate" cleric by easing tensions with Tehran and abandoning sanctions. Khatami's fall might indeed strengthen the hard-liners and destabilize the Persian Gulf region. Moreover, improved relations with Iran would further isolate Iraq in the region and would therefore satisfy even the most radical clerics of the Islamic Republic.

Since September 11, 2001, the period in which the United States has endeavored to enlarge and strengthen its coalition in the war against terrorism, the camp of engagers has attracted many newcomers, including politicians and business people. The engagers are confident that the inclusion of Iran in the coalition would be very helpful in achieving a final victory over international terrorism and in ending the economic difficulties that beset the United States. Not only has the camp of "engagers" increased its ranks, but an American-Iranian lobby that is in contact with President Khatami's government, as well as some "engagers" in U.S. business and academic circles, is working to broaden such initiatives. The most active lobby is the American-Iranian Council (AIC).

American-Iranian Lobbies

Founded in 1997, the American-Iranian Council became active at the turn of the century. It engages in close relations with the Iranian government of President Khatami, with many American Iranians who support the Islamic Republic, and with American politicians and business people who are eager to reestablish political and economic relations with Tehran. In the Council's view, "the political tensions of the past decades have caused harm to both states," and "in the long term, Iran and the United States must work together ... to promote democracy, political stability, economic development, and business relations." According to its founders: "Today there is a generation of Americans and Iranians who are free from the agonizing memories of the past. If the gulf between the two governments can be bridged, this new generation of Iranians and Americans will be able to put the past behind them and start afresh. The one million Iranian Americans are a natural bridge for the purpose." The Council seeks to "promote constructive dialogue and increased understanding and to provide a framework for cooperation and positive change."

In December 2001 AIC organized a major conference on "Revisiting U.S.-Iran Relations" in New York City and a fund-raising gala dinner in Washington, D.C., to honor Dr. Madeleine Albright. In her speech the former secretary of state "apologized" for the harm done to Iran by U.S. policies¹ and expressed the hope that relations between the two countries would be reestablished soon. Actually Dr. Albright more or less repeated remarks that she had made as secretary of state in 1999 after President Clinton's observations at a "millennial" event.²

American-Iranian groups hostile to the Islamic Republic reacted by criticizing Dr. Albright's position. In the view of those groups, which are generally hostile to the present Iranian regime, not only did the United States not "harm" Iran, but it often helped the besieged country, especially during and after World War II. (They refer to 1946 when the Soviet (Red) Army was driven out of the provinces of Azerbaijan and Kurdistan and the United States gave financial aid to promote the economic development of Iran.) These American-Iranian groups maintain that if anyone is obligated



to apologize, it is the present Iranian government that has "murdered" some Americans and has held others hostage and encourages the perpetuation of what has become a daily slogan: "Death to America." American Iranians opposed to the theocratic regime add that a softening of American policies toward Tehran would be dangerous at a time when younger generations, who appear to be favorably disposed to the United States and to represent a majority of the people, are taking to the streets and shaking the foundations of the regime. In the opinion of these American Iranians, any friendly gesture toward Iran in the present context would be construed by the Iranian silent majority as American approval of the repressive regime in Tehran.

To that argument American Iranians favorable to the Islamic Republic of Iran retort that as demonstrated by the last elections, the majority of Iranians, including the younger generation, support President Khatami and his "reformist" faction; the United States should therefore begin a dialogue with the present Iranian government. American Iranians opposed to the rule of the mullahs consider President Khatami part of the ruling clergy. They have concluded that not only has he not delivered any of his promised reforms after six years in power, but he has also acquiesced in the imposition of harsher measures of repression on opponents and even members of parliament.

The Arguments of the Containers

The arguments of American containers are slightly different from those of American Iranians opposed to the theocratic regime. American containers state that according to the latest State Department report on the "Patterns of Global Terrorism," Iran is characterized as "the most active state sponsor of terrorism." Moreover, in the annual list of human rights violators, Iran occupies a high position. Therefore, Iran should not be rewarded by the lifting of sanctions or given any other favor.

The containers, alluding to recent riots and demonstrations against the theocratic regime in Tehran and other cities, have concluded that the Iranian authorities are out of touch with the Iranian public. The majority of Iranians are struggling very hard to feed their children while the government is pouring hundreds of millions of dollars into its nuclear program and other programs involving weapons of mass destruction. In addition, when it doesn't promote terrorism, Iran provides a haven for well-known terrorists such as the American murderer of a former Iranian diplomat in Washington, D.C., and for Imad Mughniyeh, a founder of Hezbollah and the mastermind behind the 1983 attacks on the marine barracks and the American Embassy in Beirut, as well as many other anti-American terrorist operations. Incidentally, Mughniyeh has the same American price tag on his head as that appraised for Osama bin Laden: 25 million dollars.

The containers maintain that the recent seizure of a ship filled with 50 tons of Iranian arms bound for the Palestinian Authority highlights Iran's active opposition to peace in the Middle East. Moreover, they reiterate that in a sermon delivered on December 14, 2001, Hashemi Rafsanjani, former Iranian president and current chairman of the powerful "Guidance Council," stated that the "vast Muslim world" could easily survive nuclear war while "tiny Israel" would be completely destroyed. For his part, Iran's supreme leader, Ayatollah Khamenei, speaking recently about Israel, said that "this cancerous tumor of a state should be removed from the region." The containers add that Iran is also arming and funding the Lebanese Hezbollah and encouraging it and other fundamentalist organizations to conduct terrorist and military operations against the Jewish state.

Therefore, the containers contend, rather than engage with Iran, the United States should pressure its allies to cooperate actively in isolating the Iranian government. They also point out that the Iranian clerics in power continue to denounce the United States as the "Great Satan," noting that they commemorated publicly and with pomp on November 4, 2001, as they have every year since 1979,



the seizure of both the American Embassy and the 53 diplomats as hostages for 444 days. Speaking of the recent antigovernment riots and demonstrations, the containers remark that the pro-American feelings of the opponents of the regime underline the contradiction between American ideals of democracy and individual freedoms and American policies toward Iran. They affirm that it is the lack of American involvement with Tehran's government that explains the Iranian people's expression of sympathy toward the United States. Indeed in Muslim countries where Washington supports and helps autocratic governments, the people hate the United States. A warming of relations with the clerics in power in Iran would not help the reformers. On the contrary, it would prolong the life of the theocracy and the grip of the hard-liners. Time is on the side of the modernizers, not the religious establishment. Having defeated the mullahs in Afghanistan, the United States would put itself in an untenable position if it were to court those in Tehran.

The containers add that Iran has not abandoned its quest for nuclear armaments and other weapons of mass destruction (nuclear, chemical, biological, and long-range missiles). In their opinion, beginning a dialogue now would apparently yield no positive results, for it seems that neither the supreme leader (Khamenei) nor the president of the republic (Khatami) can deliver. Indeed they lack the religious rank and authority to question decisions made by Ayatollah Khomeini who not only branded the United States the "Great Satan" but also signed the edict calling for the murder of the British writer Rushdie.

Toward a Balanced Policy

As the revised 1997 "Policy Statement" prepared by the NCAFP Persian Gulf Study Group indicates, a third group of experts emerged in addition to the "engagers" and the "containers." Those experts proposed a more nuanced and flexible approach to relations with the Islamic Republic of Iran based on "political realism." To be sure, their views have also changed in the wake of the September 11 attacks on the United States. Although some of their opinions reflect notable differences, one can find common threads of agreement among them.

Most of them acknowledge the fact that since the 1990s, the Iranian people in general and the younger generations in particular have been longing for individual freedoms, more moderate, leadership and even some kind of separation of government and religion. Those aspirations, which led to the success of Khatarni in two successive presidential elections, were apparent in 2000 and prompted the Clinton administration to seek ways to support and strengthen their credibility. The then secretary of state, Madeleine Albright, made overtures to the Khatami government and offered to ease some economic sanctions as a first step. This political gesture was not reciprocated.

Again, immediately after September 11, the Islamic Republic at first seemed to offer help in the war against terrorism. In addition to pledging assistance in search-and-rescue operations for downed American pilots, it promised support for the installation of a coalition Afghan government in the period after Taliban rule. Yet it continued to send arms to the Lenanese Hezbollah and to the Palestinian Authority as well as to some warlords in Afghanistan, forcing Washington to deliver a strong warning to Tehran.

Consequently, it seems that friendly gestures toward the Islamic Republic of Iran will not be reciprocated. The real decision makers are the hard-line clerics around the supreme leader Khamenei and not the "reformers" in President Khatami's cabinet.

Some experts are now wondering whether the "dialogue" sought by Iranians linked to Khatami as well as by American engagers will ever be possible without basic changes in Iran. As one



commentator stated bluntly in a recent column, helping Iran to achieve "moderation" requires a "careful reading of whether the Iranian people are yet ready to depose the ruling clerics."³

Political realism doesn't mean intervention in the internal affairs of other countries. The "nuanced and flexible" approach of the "third" group of experts aims at striking a balance between two imperatives. From a geopolitical perspective, Iran is an important country that must be included in any arrangement involving the security and stability of the Persian Gulf, the Caspian Sea, and the Middle East region notwithstanding its future political and religious orientations. On the other hand, the United States must continue to be careful not to ignore the desires of the majority of Iranians (and specially the youth that represent more than 60 percent of the population) and precipitate their alienation from a democratic and secular society.

To formulate such a balanced policy it is necessary to consider the obstacles to normalizing relations between Iran and the United States. Those obstacles can be summarized as follows: Iran's promotion and support for international terrorism; its acquisition of weapons of mass destruction; its opposition to and scuttling of peace efforts between Arabs as well as Palestinians and Israelis; its intervention in the internal affairs of regional countries; its gross violations of human rights; its refusal to revoke an edict imposing a death sentence on Rushdie.

Until now Iran, like many other countries of the region, has denied most of the allegations discussed above, claiming that they are unfounded accusations. But September 11 has completely transformed the international environment. The war against terrorism, in which many countries in all regions of the world are cooperating with the United States, is an all-encompassing operation that will continue for a long time. Its success depends on the lack of tolerance for exceptions: All states will be expected to abandon giving help or shelter to terrorists irrespective of their goals and ostensible justifications. Iran cannot ignore or reject the notice that President Bush served on the international community in behalf of the United States in his address to Congress after the September 11 attacks: Iran must abandon its policies toward the terrorist organizations of the Middle East and the Persian Gulf or "suffer the consequences."

At any rate, the experts say, for its own sake Iran needs to reintegrate itself in the international community as a reliable member in good standing. It cannot ignore the advantages of normalizing its relations with the United States. Indeed a development of that kind would allow Iran freer and easier access to international capital markets. Moreover, Iran needs highly advanced U.S. technology to achieve the modernization of its lagging economy.

Conclusions

Since the resolution of the 1979 "hostage crisis," the United States has offered to enter into talks with representatives of the Iranian government provided that Iran renounces its support for terrorism and its quest for nuclear weapons. Dialogue should be encouraged by all possible means. But it should be conducted according to carefully defined terms that cannot be misconstrued as signs of weakness on the part of the United States.

The Iranian authorities have never given clear evidence of their willingness to enter into such a dialogue. Unofficial private intermediaries have never been able to give reliable overviews of expectations, and Iranian officials always maintained that they had no desire to engage in official dialogue with the U.S. government. On the contrary, Iran is continuing to provide assistance to terrorist organizations and is pursuing its quest to obtain weapons of mass destruction. Instead of improving, its poor human rights records has in some cases persisted and in others worsened.



The relationship between Iran and the United States has unfortunately remained in a state of stalemate for many years. The hopes triggered in 1998 by the landslide election of President Khatami, a relatively "moderate" midranking cleric, were not fulfilled despite some moves on the part of the Clinton administration. Iranian officials continued their anti-American rhetoric.

September 11 has changed the situation to some extent. In the war against international terrorism, the geostrategic position of Iran should make it an important player in the all-out war against international terrorism. Obviously, Iran cannot continue to give refuge to terrorists and other kinds of political murderers and extremists without paying a price; it cannot continue to fund organizations such as the Lebanese Hezbollah or send arms openly or covertly to them as well as to the Palestinian Authority or Afghan warlords without suffering consequences.

If Iran really wants to rejoin the international community now, it doesn't need to engage in a dialogue. It can show its desire by taking a number of decisions, including adopting measures in accordance with its constitution to ensure respect for human rights and to eradicate all discrimination based on sex, race, ethnicity, and faith. At the international level, Iran should implement measures that indicate its disavowal of and support for terrorism, take no action against Middle East peace efforts, and make a credible pronouncement that it has decided not to acquire nuclear weapons. Then the United States should respond to the Iranian position by taking steps to settle outstanding claims between the two countries, to release remaining Iranian assets, to lift sanctions, and to propose other acts designed to normalize relations. Later, after such preliminary steps have been taken by both sides, the two countries should commence a continuing and direct dialogue aimed at promoting economic and cultural cooperation in the interest of the Iranian and the American people.

If Iran does not disengage itself from supporting terrorist activities, it may become a target of the forces that are striving to eliminate international terrorism; in that case it would harm its own assets and its population. The United States has recently told the highest Iranian authorities to refrain from intervening in the post-Taliban affairs of Afghanistan. The capture of a ship loaded with Iranian arms bound for the Palestinian Authority as well as the frequent visits of Hezbollah leaders and operatives to Tehran are telling occurrences that could not be hidden. It seems that a time of reckoning has come.

It can only be hoped that the Iranian authorities do not doubt the resolve of the United States to win the war against international terrorism and will be willing directly or indirectly to cooperate with the United States and its allies. If that proves to be the case, most of the hurdles in the way of dialogue and normalization between the two countries would be removed. Given the forces of reason and moderation that have arisen among the Iranian population and in some political and religious circles, it seems that a change in the policies of the Iranian government concerning militant Islamic fundamentalist organization is possible. The NCAFP should seize all 10 opportunities and launch a special program designed to meet the challenges of the future facing the United States and Iran in their relations with each other.

Notes

1. Since the 1979 revolution and the seizure of the U.S. Embassy, during which 53 diplomats were taken hostage and held for 444 days, Tehran's propaganda has claimed that the United States committed "crimes" against Iran.
2. "Remarks at a Millennial Evening: The Perils of Indifference."
3. George Melloan in The Wall Street Journal, January 15, 2002.



APPENDIX

Conclusions to *Policy Statement on United-States Iranian Relations: Today and Tomorrow* (July 1997, Revised April 2001)

1. U.S. concerns about the current conduct of the Islamic Republic of Iran fall into four categories: state sponsorship of and assistance to international terrorism; encouragement of dissidence in and between Muslim governments friendly to the United States in particular and to the West in general; opposition to and disruption of the Middle East peace process; covert plans to develop nuclear and other weapons of mass destruction.
2. The policies of the United States and its allies have not produced any noticeable change in the international conduct of the leaders of the Islamic Republic. U.S. economic sanctions, although not supported by the European Union, have created domestic hardships for the present Iranian regime, including rising unemployment, skyrocketing inflation, and the loss in value of the rial versus the dollar.
3. According to many observers, the last election in Iran indicates that a majority of the population wants change: a loosening of the rigid religious restrictions imposed by the Islamic Revolution, the modernization of social codes, especially those pertaining to women and youth, and in general a more open society. Intelligence and other information at our disposal suggest that a majority of the population of Iran is not only favorably disposed to many things Western and American but would also welcome improvements in relations between Iran and the United States. It is also clear that the present leaders of the Islamic Republic, although still castigating the United States, are looking for ways to improve economic relations.
4. Relations between the United States and Iran must be considered in terms of both the short- and long-term goals of American foreign policy, first, with respect to the Persian Gulf countries and, second, with respect to global concerns. In this regard Iran has been a cultural, a political, and a national entity for three thousand years. Moreover, its geostrategic location means that it cannot be ignored in any definitive arrangements concerning the security and economic development of the states bordering the Caspian Sea and the Persian Gulf. Therefore, Iran should not be indiscriminately linked with Iraq in a policy of "double containment."

