

American Influence on Iranian Succession through Arms during the Reagan Administration

Molly Madden

Acknowledgement: I want to thank Professor Mohammad Ataei for helping me conceptualize this paper and for all the feedback and support I have received from him.

Major Department: History Major, Political Science Minor

America's first major interference in Iranian affairs was the deceitful CIA-created coup against Mohammad Mossadegh in 1953. When elected Prime Minister in 1951, Mossadegh nationalized the country's oil industry, upsetting British and American governments. After Mossadegh's overthrow, the US reinstated and supported the Shah of Iran, Mohammad Reza Pahlavi. President Jimmy Carter called the Shah's governance "an island of stability in one of the more troubled areas of the world".¹ The toast was made as the Shah and his secret police the SAVAK abused its people. The US supported the Shah's oppression through measures like CIA training of the SAVAK.² In 1979, the Iranian people overthrew the Shah, leading to the establishment of the Islamic Republic, primarily led by cleric Ruhollah Khomeini. After the Shah left Iran, he was allowed to enter America for cancer treatment, upsetting Iranian students and activists. In November, the students invaded the American embassy in Tehran, in protest of the possibility that America may reinstall the Shah as they did in 1953, demanding as well that the Shah be put on trial for crimes against his people. In total, over fifty American diplomats and CIA agents were held for 444 days.³ In an attempt to retrieve the hostages, America promised that "it would never again interfere in the domestic affairs of Iran."⁴ Regardless of America's vow, starting in the early 1980s, the Reagan administration offered to sell arms to Iran during the Iran-Iraq war. Arms sales to Iran were revealed in 1986, subsequently known as the Iran-Contra scandal. American influence on Iranian leadership was a significant issue for both sides in American-Iranian relations during the Reagan Administration. Americans were upset that the US went back

¹ Professor Christian Appy, "Iran Hostage Crisis," lecture, University of Massachusetts Amherst, April 17 2024.

² Professor Christian Appy, "Iran Hostage Crisis," lecture, University of Massachusetts Amherst, April 17 2024.

³ Stephen Kinzer, *Overthrow: America's Century of Regime Change from Hawaii to Iraq* (New York: Times Books 2006), 202.

⁴ John Ghazvinian, *America and Iran: A History, 1720 to the Present* (New York: Alfred A. Knopf 2020), Chapter 19.

on its word, while Iranians were let down at the thought of their leaders betraying their revolutionary ideology.

The statutes that were broken by the Reagan administration date back to the Carter administration, which was a response to the 1979 Hostage Crisis. Most of the laws created in reaction to the hostage crisis were economic pressure relating to oil or freezing assets. However, the Carter administration implemented a policy not to sell arms to Iran, part of breaking diplomatic relations.⁵ As soon as Reagan entered office, his administration publicly made clear they would continue the arms embargo against Iran. In 1984, the policy was made formal and the US designated Iran a “state that sponsors terror.”⁶ Nevertheless, the American government still went on to offer Iran arms.

The Reagan administration’s timing of contact with Iran reveals very intentional meddling with Iranian leadership. President Reagan stated in his testimony during the criminal trial of his administration’s National Security Advisor John Poindexter for lying to congress and obstruction of justice (Poindexter was found guilty of all five charges but they were later overturned), that by 1986, the international community thought that Khomeini was ill and would soon pass.⁷ Reagan said that he had hoped to form relations with a future leader of Iran and hopefully make Iran more moderate.⁸ National Security Advisor for Reagan, Robert McFarlane, testified to Congress that the administration was okay with arming Iranian groups they had made contact with that were anti-

⁵ US Department of State, *President’s Announcement on Iran*, April 8, 1980. Telegram. From Gilder Lehrman Institute of American History, <https://www.gilderlehrman.org/history-resources/spotlight-primary-source/breaking-diplomatic-ties-iran-during-hostage-crisis-1980>.

⁶ Jeffrey Fields, “US and Iran Have a Long, Troubled History”, *The Conversation*, January 16, 2020, <https://theconversation.com/us-and-iran-have-a-long-troubled-history-129844>.

⁷ “Reagan Testimony in Poindexter Trial, Part 1.” C-SPAN, March 21, 1990. <https://www.c-span.org/video/?11619-1/reagan-testimony-poindexter-trial-part-1>.

⁸ “Reagan Testimony in Poindexter Trial, Part 1.” C-SPAN, March 21, 1990. <https://www.c-span.org/video/?11619-1/reagan-testimony-poindexter-trial-part-1>.

Khomeini and anti-terrorism.⁹ It is worth noting that multiple individuals and factions were contacted by the American government. The official narrative for why Reagan made contact with these groups was in order to aid the American hostages taken in Lebanon by Iranian-inspired (and sometimes supported) Islamic militant groups, similar to Hezbollah during the Lebanese Civil War. Iran created connections to these groups through attempts to “globalize their revolution,” after the revolution, Iran sent the newly formed Islamic Revolutionary Guard Corps to train radicalized Shiites in Lebanon. The Reagan administration hoped to free the hostages with the help of Iran in exchange for munitions. Before the hostages were taken in 1984, in July 1981, the Reagan administration’s Senior Interdepartmental Group decided that selling arms to Iran would benefit the US to keep the Soviets from arming Iran.¹⁰ The timing shows that intentions to sell arms to Iran developed before the Lebanese hostage crisis, meaning the influence over Iranian domestic politics and international position was a more important factor to the US.

The US first contacted Iranian arms dealer Manucher Ghorbanifar through Michael Ledeen, a neoconservative foreign policy analyst, who has consistently advised the US to overthrow the Iranian theocracy, dividing the leadership of the CIA. CIA internal correspondence puts the distrust of Ghorbanifar on display. Deputy Director of Operations for the CIA, John McMahon, called Ghorbanifar “a liar” with a “record of deceit.”¹¹ In the same cable, McMahon also acknowledges the danger of arming Iran against the American ally Iraq in the Iran-Iraq war.¹²

⁹ “Iran-Contra Investigation Day 5.” C-SPAN, May 11, 1987. <https://www.c-span.org/video/?8834-1/iran-contra-investigation-day-5>.

¹⁰ Peter Kornbluh and Malcolm Byrne, *Iran Contra Scandal: the Declassified History*, (New York: New Press, 1993), 213

¹¹ John McMahon, “CIA, cable from Deputy Director John McMahon for Director William Casey, Eyes Only, ‘Present Status in Saga Regarding the Movement of TOW Missiles.’” National Security Archive, George Washington University, January 25, 1986. <https://nsarchive.gwu.edu/document/16591-document-03-cia-cable-deputy-director-john>.

¹² John McMahon, “CIA, cable from Deputy Director John McMahon for Director William Casey, Eyes Only, ‘Present Status in Saga Regarding the Movement of TOW Missiles.’” National Security Archive, George

Ghorbanifar was anti-Khomeini and had connections to SAVAK and Israel, though it is not clear if he was anti-terror (a reason for contact given by National Security Advisor McFarlane) and if he had any political influence in Iran. The internal disagreements within the CIA show that attempts to influence the politics of Iran were a major goal of the US, though the actual success was ambiguous. Lack of agreement led to a failure of talks with Ghorbanifar and a preference of other factions in Iran, as outlined in the CIA's profile of Ghorbanifar.¹³ Disagreement over the trustworthiness of Ghorbanifar led to communication with the future president of Iran, Hashemi Rafsanjani. There are even more groups or individuals that the American government contacted who are less significant. In negotiations with the US, Rafsanjani, through an intermediary, met with National Security Council staffer Oliver North and made political requests for the US. Rafsanjani asked that Arab countries allied with the US stop support for Iraq, respect Iran's setting of its oil prices, and acknowledge Iran's lack of control of the Lebanese hostage crisis.¹⁴ Rafsanjani did not prioritize keeping the US out of Iran or the greater Middle East. It seems Rafsanjani did not want less American influence but to use American power in a way that would benefit Iran.

However, with all the overlapping information, the public was left confused about who America sold the weapons to. The facts of the sales would not be confirmed until 1993 when the United States Court of Appeals for the District of Columbia released "Final Report of the Independent Counsel for Iran/Contra Matters". The report found that the Reagan administration sold the arms to the Iranian government, though at first it was sold through an intermediary,

Washington University, January 25, 1986. <https://nsarchive.gwu.edu/document/16591-document-03-cia-cable-deputy-director-john>.

¹³ Dennis St John, "Manucher Ghorbanifar." CIA, declassified December 19, 2013, <https://www.archives.gov/files/declassification/iscap/pdf/2011-064-doc23.pdf>.

¹⁴ Jake Anderson and Dale van Atta, "The Rafsanjani-North Connection." Washington Post, Nash Holdings, September 17, 1988, <https://www.washingtonpost.com/archive/opinions/1988/09/18/the-rafsanjani-north-connection/da19d0e5-9cee-4bf4-b0f9-dfd69d6fd09b/>

Israel.¹⁵ Reagan and other top-ranking officials in his administration, like McFarlane, admitted only to selling to third-party moderates or anti-Khomeini groups. Selling to the actual government would be the best way to win influence over Iran, especially in a time of need like the Iran-Iraq war.

Accepting arms from America was seen as a betrayal of Iranian revolutionary ideals, even if it was done in desperation. One of the main motivations for the Iranian Revolution, which began in 1978, was to cast out imperialist influence from Iran, both east and west. Ideology was mostly based on that of Khomeini. In the 1980 speech “We Shall Confront the World with Our Ideology,” he said, “You should stand on your own feet and should refrain from relying on foreigners.”¹⁶ The command for self-reliance was not just a single line from a single speech; rejection of American influence and foreign aid was a key belief during and after the revolution in reaction to America's reinstalling and supporting the Shah. Accepting arms from the US is a direct betrayal of this ideology; dependence on the US, especially during times of crisis, was what was being warned against in the “We Shall Confront the World with Our Ideology” speech. Attempts to hold the Iranian government accountable for this disregard for its foundational beliefs were met with state violence. Mehdi Hashemi, a senior IRGC officer who leaked the Iranian aspect of Iran-Contra to the world in 1986, was put to death in 1987. The arms sales were a real test of ideology; it raised questions of how to balance belief with pragmatism. The same country that shouted ‘death to America’ was in desperate need during a war that would end up killing upwards of one hundred

¹⁵ Lawrence Walsh, “Final Report of the Independent Counsel for Iran/Contra Matters,” United State Court of Appeals for the District of Columbia, Internet Archive, August 4 1993, <https://archive.org/details/WalshReport/Walsh%20Report%20volume%201%20Investigations%20and%20Prosecutions/>.

¹⁶ Ruhollah Khomeini, “We Shall Confront the World With Our Ideology,” Middle East Report, MERIP, June 1980, <https://merip.org/1980/06/khomeini-we-shall-confront-the-world-with-our-ideology/>.

and eighty-eight thousand Iranians.¹⁷ Iran's lack of acknowledgment of the effects of the war on its ability to carry out its ideology is another betrayal of what motivated the revolution. If the arms sales had not been revealed, Iran would have allowed America to influence their government even if they continued being openly anti-American. The possibility of the sales not being revealed raises questions of what would have happened if the secret dealings with America had been secret for longer, would Iran have softened its anti-West sentiment and allowed minimal American influence?

America heavily sought to influence Iranian domestic affairs through its sales of arms to the Iranian government during the Reagan administration. The timing of US interest before the second hostage crisis, and rumors of a deathly Khomeini, show that the US wanted to take advantage of the chaos in Iran to shape its future. American contact with multiple Iranian groups shows the US's dedication to meddling in their affairs, while Iran was unable to keep up its goals of casting out Western manipulation by accepting weapons from the US.

¹⁷ Payman Salamati et al. "Mortality and injuries among Iranians in Iraq-Iran war: a systematic review," *Arch Iran Med*, 9 (Sep 2013): 542-550, PMID: 23981159.

Works Cited

- Anderson, Jake and Dale van Atta. "The Rafsanjani-North Connection." *The Washington Post*, Nash Holdings, September 17, 1988, <https://www.washingtonpost.com/archive/opinions/1988/09/18/the-rafsanjani-north-connection/da19d0e5-9cee-4bf4-b0f9-dfd69d6fd09b/>
- Appy, Christian. "Iran Hostage Crisis." lecture, University of Massachusetts Amherst, April 17 2024.
- Fields, Jeffrey. "US and Iran Have a Long, Troubled History." *The Conversation*, January 16, 2020, <https://theconversation.com/us-and-iran-have-a-long-troubled-history-129844>.
- John Ghazvinian. *America and Iran: A History, 1720 to the Present*. New York: Alfred A. Knopf, 2020.
- "Iran-Contra Investigation Day 5." C-SPAN, May 11, 1987. <https://www.c-span.org/video/?8834-1/iran-contra-investigation-day-5>.
- Khomeini, Ruhollah. "We Shall Confront the World With Our Ideology." *Middle East Report*, MERIP, June 1980, <https://merip.org/1980/06/khomeini-we-shall-confront-the-world-with-our-ideology/>.
- Kinzer, Stephen. *Overthrow: America's Century of Regime Change from Hawaii to Iraq*. New York: Times Books, 2006.
- Kornbluh, Peter and Malcolm Byrne. *Iran Contra Scandal: the Declassified History*. New York: New Press, 1993.
- McMahon, John. "CIA, cable from Deputy Director John McMahon for Director William Casey, Eyes Only, 'Present Status in Saga Regarding the Movement of TOW Missiles.'" National Security Archive, George Washington University, January 25, 1986. <https://nsarchive.gwu.edu/document/16591-document-03-cia-cable-deputy-director-john>.
- "Reagan Testimony in Poindexter Trial, Part 1." C-SPAN, March 21, 1990. <https://www.c-span.org/video/?11619-1/reagan-testimony-poindexter-trial-part-1>.
- Salamati, Payman, et al. "Mortality and injuries among Iranians in Iraq-Iran war: a systematic review." *Arch Iran Med*, 9 (Sep 2013): 542-550, PMID: 23981159.
- St John, Dennis. "Manucher Ghorbanifar." CIA, declassified December 19, 2013, <https://www.archives.gov/files/declassification/iscap/pdf/2011-064-doc23.pdf>.

US Department of State. *President's Announcement on Iran*. April 8, 1980. Telegram. From Gilder Lehrman Institute of American History, <https://www.gilderlehrman.org/history-resources/spotlight-primary-source/breaking-diplomatic-ties-iran-during-hostage-crisis-1980>.

Walsh, Lawrence. "Final Report of the Independent Counsel for Iran/Contra Matters." United State Court of Appeals for the District of Columbia, Internet Archive, August 4 1993, <https://archive.org/details/WalshReport/Walsh%20Report%20volume%201%20Investigations%20and%20Prosecutions/>.