The movement that overthrew the Shah and brought Khomeini to power was democratic in nature and aspirations. Some 11 percent of the total thirty-eight million population of the country at some time participated in the movement, compared to 7 percent and 9 percent, respectively, in the French and Russian revolutions.¹ Slogans of the day were unmistakably democratic as well. Between 38 percent and 50 percent of the slogans were directed against the Shah, while between 16 percent and 30 percent favored Khomeini personally. At best, 38 percent asked for an Islamic republic—and none for a clerical regime.² The most common slogan called for independence, freedom, and an Islamic republic. Nearly absent from the scene in these days were calls for “Death to America” and the virulent anti-Americanism of the clergy once in power, as well as “Death to Israel” and the recurrent anti-Semitism that has occasionally reared its ugly head among some in the regime. In fact, Khomeini’s allies and representatives met regularly with officials of the American embassy, promising the “responsible government” they knew their American interlocutors wanted to hear.

In the months leading to the collapse of the Shah’s re-
Hoover Press: Milani

THE MYTH OF THE GREAT SATAN

Khomeini grabbed the mantle of a populist leader. Instead of espousing his true intentions and ideology, he took on the ideological guise befitting the leader of a democratic movement. He “out-Lenined” the Leninists of the communist Tudeh Party and used them to destroy the democratic opposition. As Rafsanjani makes clear in his daily journals, leaders of the party met with him regularly, always with the excuse of “passing intelligence” to the regime about the opposition. But as invariably happens, the killing machine the party had helped oil eventually turned against the party itself. In an attack surprising only in its national and meticulous scope, Tudeh Party leaders and sympathizers were rounded up in every corner of the country. True to its dogma, the party of course blamed the United States and the West for this surprisingly successful roundup, claiming that the CIA and British intelligence had passed on information about the party to the clerics.

Khomeini also outmaneuvered the democrats, who invariably underestimated him—either because they believed Khomeini’s zany ideas were ill-fitted to the complexities of Iranian society, or because they were mesmerized by his charisma and the promise of a share of power. Leaders of the National Front, whose presence in the provisional revolutionary government was intended to reassure the United States of Khomeini’s democratic intentions, were foremost among those deceived by this promise of power. There was, aside from crass political calculations, a historical reason for this befuddlement.

Iranian democrats, as well as the Marxists, were children of modernity, imbued with the spirit of the Enlightenment. To them, religion was either the “opium of the masses” or, at best, a relic of a bygone era when revelation ruled reason.
and humanity wallowed in the Dark Ages. Modernity, in both its totalitarian and liberal democratic iterations, had ushered in the Age of Reason and pushed what remained of religion to the private sphere. Science and rationality would, Enlightenment philosophers surmised, eclipse reason and superstition. In Iran itself, during the Constitutional Revolution of 1905, secular democrats and clerics had united to fight despotism, but after victory the clergy were more or less marginalized. The same, many secular democrats hoped, would happen again, and the clerics would be confined to their traditional religious role.

Khomeini and his cohorts proved adept not only at mastering the complex machinery of state but at marginalizing their democratic and radical allies after victory. More than once, Khomeini and his followers declared, with some glee, that 1979 was “payback” for 1905; the first time the clergy were used by the democrats, and now they used them. But as it soon became clear, the clergy had more than just payback in mind. They had elaborate designs for re-establishing the age of revelation and divine legitimacy and dismissing as flawed the rule of reason in human affairs, particularly in the realm of law and jurisprudence. All they had lost as a result of modernization—from control of the judiciary to control of the educational system—they now reclaimed. The battle for democracy in Iran, in other words, has been not just a political struggle over who rules the country but also a battle between reason and the rule of men and women on the one hand and revelation and the rule of God (and his viceroys) on the other. If in 1905 this battle was revolutionary for its time, there is something absurdly anachronistic about Iran fighting it again in 1979—in an age social scientists call the
third wave of democratization and in the era of the digital information revolution.

In 1905, when these paradigms faced off for the first time, most of the top Shiite clerics sided with advocates of constitutional monarchy, arguing that until the return of the Twelfth Imam (now in “occultation,” or hiding), there can be no “Islamic government.” In this long period of occultation and waiting, constitutional democracy, they said, is the best form of government for Shiites. Only a minority of clerics at the time took a position similar to the one later suggested by Khomeini, i.e., that the goal of Shiites must at all times be to establish an “Islamic government” wherein sharia rules.

During that Constitutional Revolution, the United States had only a marginal presence in Iran. Its entanglement with the cause of the revolution was more personal than political. In the words of one of the leaders of the revolution, a “young American, in the person of young Baskerville, gave this sacrifice for the young constitution of Iran.” Howard Baskerville was a Nebraska-born American missionary-turned-educator who fought and died on the side of Constitutionalists on April 19, 1909, at Tabriz. Thousands of the city’s besieged citizens lined up in the streets to watch the funeral. Baskerville had worked at the American Memorial School run by missionaries in Tabriz—by then the virtual capital for forces advocating a constitutional government. Several of the leaders of the movement had earlier been students in the American school. Though the American consul general tried publicly to dissuade Baskerville from participating in the revolution, the young Christian missionary not only insisted on participating but agreed to lead a particularly dangerous charge against enemy lines.
In those days, and for decades to come, Iran’s democratic movement saw the United States as a distant but reliable ally. It was in fact Iran’s reformist prime minister Amir Kabir who in 1850 first established diplomatic ties between Iran and America. His hope and plan had been to use the new distant ally as a counterbalancing force against Iran’s two colonial nemeses: the Russians and the British. This favorable disposition toward America continued until early 1953, when the United States was involved in the effort to overthrow the popular government of Mossadeq.

In the months leading to the 1979 revolution, the two Shiite paradigms that had faced off in 1905 were once again fighting for domination, this time pitting Khomeini’s radicalism against Ayatollah Kazem Shariatmadari’s pragmatism. Born in the province of Azarbaijan, the predominantly Turkish-speaking region of Iran, Shariatmadari has yet to receive his rightful and lofty place in the pantheon of Shiite clergy who tried to modernize the faith and thwart the rise of Khomeini-style radicalism. On the eve of the revolution, Shariatmadari was the highest-ranking cleric living in Iran. While ostensibly united with Khomeini, behind the scenes he warned the Shah and the United States of the grave dangers facing Iran if Khomeini were to come to power. He paid dearly for his vision and valor. Khomeini, notorious for his inability to forgive or forget even a hint of disagreement or disloyalty, breached one of the most inviolable principles of Iranian history: protecting the relative autonomy of the clergy and the sanctity of their homes and seminaries. He not only put Shariatmadari under house arrest, but ordered goons and paramilitary forces to attack his home and ransack his seminary. He also declared Shariatmadari “unfit to remain an aya-tollah.” He even forced the revered septuagenarian to appear
on television and, in a show reminiscent of the cruelest days of Stalin, “apologize” for his “sins.” Before long, Shariatmadari died—probably as much of heartbreak as of a heart ail-
ment. He was buried in the dark of night, with no public funeral or memorial permitted. Like Baskerville, he died in the fight for democracy. But unlike in 1905, this time the United States was seen by all sides as a key player, in close contact with Shariatmadari, and working behind the scenes to bring about a more democratic government.

In Paris, Khomeini continued to pay lip service to democratic principles. The fact that the Shah and his SAVAK had banned Khomeini’s books for decades made his effort to hide behind this fictitious persona easier. Moreover, Khomeini was nothing if not a disciplined politician. Even his book on the subject of *Velayat-e Fagih* was said to have been compiled by his students from their lecture notes, affording him “plausible deniability.”

*Velayat-e Fagih* claims humans are incapable of sound decisions on their own. Like minors who need the “guardianship” (*Velayat*) of parents, people too need the guardianship of the jurist. It is a theological incarnation of the Platonic idea that the “demos” are incapable of sound political judgment and need the guardianship of a philosopher. If for Plato human reason is the key to this philosophical wisdom, for Khomeini it is revelations in the *Qor’an* and in the *Hadith*—words and deeds attributed to the Prophet and his twelve male progeny, called the Imams—that are the keys to justice in this passing world, as well as salvation in the realm of the infinite.

*Velayat-e Fagih* is equally undemocratic in the way it purports to achieve and maintain its legitimacy. Khomeini posits that legitimacy for this guardianship is divine in origin and
not dependent on the consent of the people. In Iran, he made his theory even more undemocratic by introducing the concept of *maslahat* (expediency) and insisting that his words and *fatwas* on what is expedient at any time trump even the fundamentals (*usul*) of *sharia* and Islam.

About six months after Khomeini’s return home, the American embassy in Tehran reported that he and a handful of clerics in Qom were “now making decisions on all matters of importance.” They were feeding the fractured feuding of the democratic forces, using a rising militant anti-Americanism to neutralize many in the Iranian left. The most brazen mark of this anti-Americanism came in November of 1979, when students occupied the American embassy. These students assumed a role similar to the Red Guard for Mao Tsetung in the Cultural Revolution; their own chosen moniker, “Students Following the Line of Imam,” was redolent of the Chinese madness from 1966 to 1976. The occupation of the embassy was also used by Khomeini to further weaken and eventually dismiss the democratically inclined provisional government he had earlier appointed. In later months, he and his allies also cleverly capitalized on the chaos and crisis caused by Saddam Hussein’s decision to attack Iran to consolidate their hold on power. In November 1979, Khomeini used a pliant Constituent Assembly to pass, not the promised democratic constitution, but a new one founded on his ideas about *Velayat-e Fagih*—a constitution in which he was granted, as Supreme Leader, more despotic powers than the Shah he had just replaced.

As many recent memoirs, reports, and interviews by Iranian political figures of the time have now revealed, it was Khomeini who was most responsible for the prolonged occupation of the American embassy. Moussavi was at the time...
a rising star in the new regime and became Khomeini’s beloved prime minister on October 31, 1981. Now a leader of the Green Movement, Moussavi claims that it was in fact Khomeini “who changed what was initially supposed by the students occupying the embassy to be a three- or four-day event into what he himself called a new ‘second revolution’.” The occupation of the embassy, along with the eight-year war with Iraq, allowed Khomeini to politically liquidate his more liberal and radical fellow-travelers and completely marginalize the opposition. Throughout these machinations, his increasingly strident anti-Americanism was the one constant element of his ideology. To accomplish this, he simply adopted the cold war rhetoric of Stalinism about imperialism, keeping intact the structure, and merely changing the lexicon. Thus, imperialism became “arrogance” (estekbar), the proletariat became the “dispossessed” (mostazafin), and “brother” replaced comrade. There was more than mere expedience at work in this adaptation of Stalinist rhetoric to Islamic ideas. As mentioned in Chapter 1, there are, in fact, a surprisingly large number of similarities between Khomeini’s version of Shiism and the Stalinist iteration of Marxism. Both use the individual as a tool of abstract historic forces; both claim a monopoly of truth; both posit that this truth is the purview of a minority (the clergy in one, the party in the other), and both suggest that access to this “truth” legitimizes the minority’s claim to absolute rule. Both accept a body of texts as sacred and absolute in their veracity and both accept a citation from the source in lieu of—indeed, as more powerful than—any rational argument. Both afford demonic powers to the “Other” and both believe in a messianic vision of history—the Twelfth Imam in one and the proletariat in the other. For both, the
interests of the current generation can be sacrificed by fiat for some distant future “good” and both accept as legitimate—indeed, praise as virtuous—violence in the service of their own ends. For both Khomeini and Stalin, the social contract theory of law and the state are meaningless because, for both, the ruler receives his legitimacy from a source outside—or more accurately, above—society (history for Stalin and God for Khomeini).

Ayatollah Montazeri, once a close ally of Khomeini and the spiritual father of the opposition movement until his death in December 2009, has not only apologized for saddling the nation with a despotic concept of Velayat-e Fagih but has repeatedly tried to offer a new reading of the concept, one that he claims was the original intent of the framers of the constitution.

Montazeri repeatedly declared that the only legitimacy of the leader comes from the people. This stands in contrast to the claims of Khamenei and his sycophantic allies, who now claim that the leader is “discovered” and not “elected” by the Council of Experts and that his “acquired divinity” is his sole source of legitimacy and cannot be challenged or ended by mere mortals. In language reminiscent of Jean-Jacques Rousseau’s “Social Contract,” Montazeri argued that politics is “the business of the people” and that the leader receives his power primarily through a contract with the people. But it was not Montazeri’s relatively benign iteration of Velayat-e Fagih that was put into practice by Khomeini and his successor Khamenei. Instead, both men have seen the concept as a mandate to interfere in every detail of the state and to rule not only with an iron fist but with a totalitarian claim to an absolute monopoly of divine truth. For both, fighting the Great Satan is the seal of their sacred mission.
Iran’s democratic dream was once again delayed. Revolutionary terror tried to deracinate the democratic flowering that blossomed briefly after the revolution. In the months after the Shah’s fall, there was no censorship in the country. Hundreds of papers and magazines, each presenting a different perspective, were published. Books banned for the last thirty years suddenly flooded the market. In cities and villages, no less than in governmental or private offices, committees elected by the people took over the daily management of the machinery of power and management. Political parties were free to operate. A “hundred flowers” were abloom (reminiscent of China in 1956), and it was precisely their power and promise that frightened Khomeini. Gradually, and often violently, Khomeini dismantled the democratic machinery, replacing it instead with a complicated and despotic clerical structure. The committees that had been democratically elected by the people were replaced by committees dominated by clerics appointed by Khomeini, invariably housed in mosques. Before long, these new committees were placed in charge of surveillance and suppression. In the country, as in each institution, a dual power structure emerged. There was a provisional revolutionary government, and its appointed ministers advocated normalized relations with the United States. Real power, however, was invariably in the hands of anointed “imam’s representatives” (namayandeye imam), and for them anti-Americanism was emerging as the pivot of their revolutionary rhetoric. The regime’s killing machine began by executing members of the ancien régime. When faced with criticism of the kangaroo courts, summary trials, and speedy executions, the Khomeini who a few months earlier had promised the rule of law in a democratic Iran now declared in brazen disregard for both, “All one needs do with criminals
is to establish their identity, and once this has been estab-
lished, they should be killed right away.”

The power and authority of these courts and committees were ensured by the growing strength of the newly created Islamic Revolutionary Guard Corps. Instead of dismantling the predominantly royalist army, much of it armed and trained by the United States (which would have created five hundred thousand unemployed, armed, and trained potential foes of the regime), Khomeini kept the military intact and simply retired, exiled, or executed nearly the entire class of generals. Younger, more zealous officers were placed in command positions. At the same time, more and more money and power were placed in the hands of the IRGC. Ironically, in spite of the clerical regime’s anti-Americanism, U.S. policy had, at least inadvertently, played a crucial role in preparing the ground for the rise of Khomeini to power. More than any, the three administrations of John F. Kennedy, Richard Nixon, and Jimmy Carter played pivotal roles in pursuing policies that eventually led to the fall of the Shah and the rise of clerical power. In the heat of the hostage crisis, Montazeri, by then the second most powerful cleric in Iran after Kho-
meini, suggested that the regime should release the American hostages before the November presidential elections in the United States. We owe much of our success, he told Kho-
meini, to Carter’s human rights policy, and releasing the hos-
tages before the election will not only repay the debt but make it less likely that a Republican will become president. Kho-
meini rejected the idea outright. The hostages remained in custody for four hundred forty-four days and were released minutes after Ronald Reagan took the oath of office. Was it fear of Reagan that caused the strange timing of the release, or was it part of a secret deal between some in the Reagan
campaign and the clerics in Iran to delay the release of hostages until after the election? After months of investigation and millions of dollars, a special committee of the U.S. House of Representatives, entrusted with the task of investigating whether there was such a deal—a so-called October surprise—came away unable to conclude unanimously that any such deal was made. And even if there had been, it still remains a mystery why the hostages were not released soon after the election in November 1980 but rather were held until just minutes after Carter left office in January 1981. Could it be that the timing was signature Khomeini politics and a cruel attempt to embarrass and dishearten an already defeated Carter?

Even though Carter had suspended diplomatic ties between Iran and the United States, Iran’s geo-strategic importance ensured America’s intense interest in political developments in Iran even after the release of the hostages. If up until World War II Britain and Russia were the dominant outside forces in Iran, after 1941 the United States became the clearly dominant outsider.

The Persian malady of conspiracy theories—attributing every major event in the modern history of the country to some pernicious and pervasive foreign force, whether the British, the Freemasons, the Communists, the “Zionist-American” conspiracy, or now the American design for a “velvet revolution”—has only added poignancy and confusion to the debate about America’s role in Iran’s domestic politics.

Belief in conspiracy theories, or “heated exaggerations, suspiciousness, and conspiratorial fantasy,” is founded, as American historian Richard Hofstadter has argued, on a “paranoid style of politics.” Such beliefs and theories are themselves an enemy of democracy. They posit and produce a

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passive citizenry, willing to accept that forces outside society shape and determine the political fate of the community. A responsible citizenry, cognizant of its rights and responsibilities, is a foundational prerequisite for democracy. But conspiracy theories absolve citizens of responsibility for their own action and fate, placing all the blame on the “Other.” The anti-colonial rhetoric of the Left, with its tendency to place all the blame on the “Orientalist” West, helped nurture this nativist tendency to forego self-criticism and instead blame the “Other.” And after World War II, and particularly after the onset of the cold war, America was invariably this guilty “Other.”

Ironically, this conspiracy proclivity played an important role even in fomenting the 1979 revolution. The United States was imagined to be an almost omnipotent outsider that not only controlled the Iranian economy and the military but also played a determining role in shaping the contours of political developments. Khomeini was reported to have religiously listened to the nightly news broadcasts of BBC, Voice of America, and Radio Israel. On the other hand, American embassy officials reported numerous meetings with the Shah, other regime officials, and members of the opposition at which the main subject was America’s allegedly formative role in supporting and encouraging the opposition. This theory remained potent, despite the U.S. government’s many steps to reassure the Shah and regime officials of its continued support. As Austrian-British philosopher Karl Popper has argued, an indispensable characteristic of all historicist anti-democratic theories is that they are not falsifiable. Any attempt to offer empirical or rational proof against the theory is already “explained” and dismissed by the theory—and conspiracy theories become forms of historicism when they reduce the com-
plicated flux of history to the machinations of one actor or conspirator. In the mind of the Shah and other advocates of conspiracy theories, American attempts to deny their alleged omnipotence were in themselves “proof” of the veracity of the conspiracy theory. Attacks by leaders of the Islamic Republic against “American machinations” in Iran today and their refusal to accept U.S. denials of interference in Iran’s domestic affairs are at least partially a continuation of this proclivity.

As American embassy officials knew, the exaggerated power they possessed in people’s minds was a two-edged weapon. It gave a misleading impression of America’s ability to influence, but it also afforded Americans more of a chance to “offer advice and see them effectively implemented.”

And so, by the time of the 1979 revolution, no country was deemed as powerful in Iran as the United States—blamed by the royalists for the revolution and for betraying the Shah, and considered a foe by the new regime, accused of conspiring to bring back the Shah and fomenting a civil war. As a U.S. embassy memorandum written on the eve of the revolution made clear, “the ‘secret hand’ theory which is deep in the Iranian grain . . . blames the U.S. (among others) for Iran’s many problems.”

In spite of this clearly exaggerated perception, the policies of different American administrations were crucial in different moments of post–World War II politics in Iran. The controversial George Ball Report stated the obvious when it observed in 1978, “All parties are looking to the United States for signals.” If the resolution of the crisis was, according to Ball, now dependent on U.S. policy, he was no less unequivocal about the role of the United States in creating the crisis: “We made the Shah what he has become. We nurtured his love for grandiose geopolitical schemes and supplied him the hard-
ware to indulge his fantasies.” Ball went on to say that once the Nixon Doctrine “anointed [the Shah] as protector of our interests in the Persian Gulf,” the United States became dependent on him. “Now that his regime is coming apart under the pressures of imported modernization,” not only must the United States unambiguously end the Nixon Doctrine but it must pressure the Shah to give up much of his power and “bring about a responsible government that not only meets the needs of the Iranian people but the requirements of our own policy.”8 Surely Nixon and his doctrine played a role in the genesis of the crisis that led to the 1979 revolution. What Ball failed to point out was the no less critical role the administrations of Kennedy and Dwight D. Eisenhower played in creating the dynamics that eventually helped beget the crisis.

Though Iran’s relations with America began in the mid-nineteenth century, it was only after the Second World War that the United States began what the eminent scholar James A. Bill has called its entanglement with Iran—one consistently fraught with incident. In 1922, there was an attempt by the Iranian government to invite American oil companies to invest in Iran, but the effort came to naught. The death of an American citizen in 1924 at the hands of an angry mob, apparently insulted by his decision to take a picture of a religious site, created tensions between the two countries. In the late thirties, the mistaken arrest of an Iranian diplomat in Washington temporarily ended diplomatic ties between the two nations. Reza Shah, ever watchful of a slight by Western powers, considered the arrest not just a breach of diplomatic protocol but a grievous affront to him and the Iranian nation.

In these same years, the work of a few other Americans was reinforcing the positive image of America in the minds
of Iranian nationalists. There was the work in the twenties of American financial advisor Dr. Arthur Millspaugh, who was given a free hand to clean up the notoriously corrupt and inefficient bureaucracy. His direct, even brash, demeanor allowed his corrupt enemies to undermine his efforts. Sometimes even honest Iranian officials found it hard to tolerate his behavior. There was also archeologist Arthur Pope, who enjoyed the support of Reza Shah and his son, Mohammed Reza Shah. His study of Iranian art led to the preparation and publication of his magnum opus, *Survey of Persian Art*. With the help of other American archeologists and universities, Pope and his wife, Phyllis Ackerman, were involved in uncovering and celebrating parts of Iran’s pre-Islamic past. Their work went hand-in-hand with the attempts of the Pahlavi dynasty to create from these shards of memory and history a new national identity for Iranians founded more on the pre-Islamic grandeur of empire than on the influences of the Islamic millennium.

Finally, in these years before World War II, Dr. Samuel Jordan created what became easily Iran’s most influential high school for much of the twentieth century. Like Baskerville, he was a graduate of Princeton’s Theological Seminary. He lived more than four decades in Iran; like other missionaries before and after him, soon after his arrival in Iran he gave up Christian proselytizing in favor of modern pedagogy or, more specifically, “character building.” Some of Iran’s first schools for girls, nursing schools, and modern hospitals were built by these missionaries turned pedagogues. None of these institutions can compare with what Jordan and his wife, Mary, created in 1889, initially called the American College of Tehran. They ran this institution for almost forty years, giving it up only when the government of Iran took over all missionary
schools in 1939. The Jordans’ motto was elegantly simple and poignant: “the young Oriental, educated in Western lands, as a rule gets out of touch with his own country . . . We adopt the best Western methods to the needs of the country, while we retain all that is good in their own civilization.” In their attempt to combine the best of Iranian and American cultures, they advocated “the dignity of work . . . the virtue of service . . . democracy, and the equality of women.” They published the first bilingual student magazine in Iran, as well as a magazine specially dedicated to women’s questions. The school was later renamed Alborz. Although Jordan was forced to give up his stewardship of the storied institution in 1939, a disproportionate part of Iran’s elite continued to be trained there. In many other cities, from Shiraz and Isfahan to Tabriz and Hamedan, American missionaries established schools and hospitals, creating an increasingly more positive image of America in Iran.

World War II changed everything in Iran, and its relationship with the United States was no exception. In the mid-thirties, Nazi Germany began a concentrated effort to find a foothold in Iran and the rest of the Muslim world. The Nazis tried to convince Reza Shah that they considered the populations of Iran and Germany to be members of the same master race. Thus, Iran could be a partner in Hitler’s designs for a thousand-year Reich. At the same time, the Nazis told the Islamic clergy that Hitler was a devout convert to Islam and was keen on expanding the faith. Some clergy, “encouraged” by German operatives, went so far as to claim that Hitler was the Twelfth Imam, the missing messiah. Posters with pictures of Hitler on one side and Shiite Imams on the other appeared around the country. German spies were also busy creating a network of armed militia they could eventually
use if Nazi forces advancing in the USSR reached the Iranian border. The militia would be the fifth column Germany needed to topple the government should it try to resist a Nazi takeover of Iran and its oilfields.

But even more than fifth columns and Reza Shah’s pro-German sympathies, the Soviet and British governments were concerned about securing Iran’s transnational railroad, arguably the most crucial link to supply the Soviets’ beleaguered Red Army. It is a measure of U.S. stature in Iran at the time that when, in August 1941, British and Soviet forces finally attacked and all but overnight occupied Iran, Reza Shah sent an urgent plea to President Franklin D. Roosevelt and asked for “efficacious and urgent humanitarian steps to put an end to the aggression.” Roosevelt took some time to respond, and when he did, offered little comfort to Reza Shah. The key passage of Roosevelt’s response turned out to be the last sentence, where he declared that the Soviet Union and Britain had both promised to leave Iran as soon as hostilities ended.

Even before the Soviet-British attack and the urgent plea to Roosevelt, Iran had tried to get the United States interested in Iran by offering to buy eighty American war planes, asking Standard Oil to explore for oil in Iran, and offering American companies generally an opportunity to invest in Iran. It was, of course, all to no avail. But on the eve of the Second World War, the U.S. alliance with Britain and the Soviet Union was strategically far more important than any short-term investment opportunity in Iran.

Before long, the United States had more than three thousand soldiers stationed in Iran, all primarily involved in the work of making the railroad run efficiently. By the end of World War II, Iran was called the “Bridge to Victory” in
reference to the millions of tons of material and weaponry that went through Iran to the USSR.

From the first days of the war until the arrival of General Patrick Hurley, Roosevelt’s special emissary to Tehran, there was ongoing tension between the British ambassador, Sir Reader Bullard, and the U.S. embassy over treatment of the Iranians. Bullard had a tendency to behave like a bully and talk like a colonial master. His dispatches from Tehran reek of haughtiness; the American ambassador and Hurley both found Bullard’s discourse and demeanor objectionable. By the time Roosevelt arrived in Tehran for the famous Tehran conference, Hurley had already developed some strong ideas about the contours of future U.S. policy in Iran.

After discussions with Roosevelt, Hurley was entrusted with the task of formulating the president’s ideas for a new experiment in democracy promotion in Iran. Known as Hurley’s Report, the new policy viewed Iran as “a country rich in natural resources,” poised to become an independent nation ruled by a government “based on the consent of the governed.” It could become an experiment in helping Muslim nations become more democratic. Noble American blood, Hurley said, must not be shed to prop up the moribund British empire or to help realize the hegemonic designs of ascending Soviet imperialism.

Nothing came of Hurley’s Report. The State Department dismissed Hurley’s proposals as “baloney” and the death of Roosevelt and onset of the cold war together created a new dynamic in America’s relations with Iran. Many scholars have in fact suggested that the dawn of the cold war came to Iran in the form of the Azerbaijan crisis. As the end of World War II neared, Stalin succumbed to the desires of his infamous chief of police, Lavrentiy Beria, who had insisted for some
months that the Soviet Union must secure rights to the enormous oil and gas reserves beneath the northern provinces of Iran. In a memorandum dated July 6, 1945, Stalin ordered the “organization of a separatist movement in Southern Azerbaijan and other provinces of Northern Iran.” Stalin wanted to use the separatist movement and the continued Soviet occupation of parts of Iran as bargaining chips for the oil rights to Iran’s northern region.

Attempting to create a legal obstacle to the Soviet Union’s insistence on these rights, Dr. Mossadeq, an influential member of the parliament at the time, sponsored a bill that made it illegal for the Iranian government to negotiate any oil deal while hostilities lasted. The Tudeh Party—created after the fall of Reza Shah by pro-Soviet Marxists in Iran—opposed Mossadeq’s bill, unless it included an exclusion clause about what the party ideologues shamelessly called the “Soviet Union’s legitimate rights” in Iran.

Iran filed a complaint with the United Nations, becoming the first nation to ask the Security Council to intervene in a crisis. Britain and the Soviet Union, for different reasons, were against Iran pursuing its U.N. complaint. The Soviets knew they would be the losers in the debate and the British worried that discussions about northern oil rights might eventually jeopardize Britain’s monopoly rights in the south. The United States, on the other hand, vigorously supported Iran’s request that the Security Council take up its complaint against the Soviet Union.

After a while, the United States directly demanded that the Soviet Union evacuate Iran’s territory. President Harry S. Truman claimed that he had issued an ultimatum—the first and only one in the era when the United States enjoyed the monopoly of nuclear weaponry in the world. Scholars have
suggested that Truman was actually referring to a stern message, not an official ultimatum, delivered by the American embassy in Moscow, making it clear that Soviet occupation of Iranian territory was not an acceptable option. Stalin’s army did withdraw from Iran, under a combination of factors: pressure from the United States, opposition by Iranian nationalists, and the promise of a concession by Iran’s prime minister at the time, Almad Qavam al-Saltaneh. Iran thus became the only case in the years immediately after the Second World War in which the Soviet Union withdrew from a territory occupied—or “liberated” in the parlance of the time—by its Red Army.

In the Azerbaijan crisis, the United States played an instrumental role in preserving the territorial integrity of Iran. Yet it is an often forgotten moment in the history of U.S.-Iranian relations. Instead it is the U.S. involvement in the overthrow of the Mossadeq government that has left its lingering effect.

Many factors have made it almost impossible to objectively analyze America’s role in the overthrow of Mossadeq in 1953. These include the anti-American zeal of the cold war and the influence of Iran’s Tudeh Party in shaping intellectual discourse in post-war Iran. Another factor was the CIA’s self-adulating account, in which it took credit for what happened in August 1953—followed by its claim to have lost all documents relevant to its role when ordered by Congress to release them! Then there was the remarkably bombastic account of Kermit Roosevelt, the CIA operative in charge of what was called “Operation Ajax” in Tehran—an account, incidentally, that he published only when the Shah’s regime was about to fall. Before then, for years, he used the good offices of the Shah to enrich himself as a middleman for American com-
panies doing business in Iran. Still more factors include Mossadeq’s near-mythic stature in Iranian history and the refusal of British intelligence to release its documentation on the event. The Shah insisted that what happened on August 19, 1953, was a “national uprising” in his support; Mossadeq’s supporters claim that what happened that day was brought about by a small band of prostitutes and pimps, helped by a handful of officers all bribed by the United States. Finally, there is the Islamic Republic’s clever abuse of a self-serving tale of the Great Satan overthrowing a popular and democratically elected government. All these factors have combined to make it almost impossible to “historicize” the debate and permit a cool and impartial analysis of the degree of American responsibility for the fall of Mossadeq. But even a cursory look at events and existing documents reveals the many flaws in the tale that is still so popular.

When Mossadeq nationalized Iran’s oil in 1951, he considered the United States an ally in what he knew was his own collision course with Great Britain. In fact, it was the Truman administration that blocked British plans for a military takeover of the oil fields and the refinery in the city of Abadan. For two years, the United States made every effort to find a negotiated solution to the crisis between Iran and Britain. Both the Shah and Britain, more than once, came to the conclusion that Mossadeq was in fact working in collusion with the United States. By late October 1952, the Truman administration came to the conclusion that Mossadeq would not compromise and that the United States should accede to British suggestions that the two countries work together to overthrow his government.

If by then the United States was willing to contemplate the idea of a coup, it was because of several changes in Iran
and around the world. Stalin was dead and, in the words of an advisor to President Dwight D. Eisenhower, the United States needed to “assume a firm and steady hand everywhere throughout the world.”

Iran’s dire economic situation—the result of its inability to carry and sell oil directly—was further complicated by Mossadeq’s diminishing popularity at home. His alliance with the clergy had collapsed by 1953. On the one hand, Mossadeq had rejected the demands of Ayatollah Abol-Gassem Kashani, the leader of the Islamist forces, for more influence on the government—including the right to appoint some ministers and the enforcement of more Islamic laws. Among the clergy’s demands were restrictions against members of the Bahai faith. Bahais have been the bane of Shiite clergy for over a hundred years. The origins of the faith go back to the teachings of Mohammed Bab in mid-nineteenth-century Iran. For his claim of offering a new prophetic vision, Bab was put to death on the orders of Shiite clergy. From these early teachings of Bab the Bahai faith emerged in the twentieth century. Some scholars have considered the new faith the much anticipated “reformation” in Iran. Shiite clergy, on the other hand, have refused to ever engage Bahai as a religion, dismissing it instead as a “Zionist/imperialist” cult, created to undermine Islam. To his credit, Mossadeq resisted all of these pressures and stood up to the clergy. On the other hand, many factors combined to weaken Mossadeq and render him politically vulnerable: the dire economic situation, the dubious support of the Tudeh Party with its changed attitude toward Mossadeq (from an “old vulture of American imperialism” to the lion-hearted leader of the anti-imperialist struggle), and the increased radicalism of some of Mossadeq’s supporters (foremost amongst them Dr. Hossein Fatemi, the fiery foreign minister and journalist).
One of the events that made Mossadeq constitutionally vulnerable was his decision to dismiss the parliament through a referendum, an act which Iran’s constitution rendered of dubious legality. More important, as many of his advisors reminded him, with no parliament in session the Shah would have the right to dismiss the prime minister and make a recess appointment for his replacement. Mossadeq had believed that the Shah would not dare dismiss the popular prime minister. He was wrong.

The United States, relying on the contacts earlier established and nurtured by the British, planned to support the Shah’s effort to fire Mossadeq and appoint General Fazlollah Zahedi as his replacement. Mossadeq, forewarned about the Shah’s plans, arrested the officer who delivered the letter of dismissal. No sooner had the Shah learned of the arrest than he fled the country in a small plane, landing in Baghdad. Every indication on the eve of August 18, 1953, was that the planned attempt to replace Mossadeq had failed. The Shah left Baghdad for Rome, where he began contemplating life as a gentleman farmer in Connecticut. The U.S. ambassador, Loy Henderson, hoping for plausible deniability, had left Iran for a holiday a few days before the coup attempt.

The United States called it Operation Ajax. For the British, it was apparently more personal. They called it Operation Boot. Kermit Roosevelt was dispatched to Iran with plans for regime change, plans that Eisenhower called the stuff of dime novels. On August 18, after the State Department and the CIA concluded that the attempt to topple Mossadeq had failed, Henderson rushed back to Tehran and was taken directly from the airport to see Mossadeq, who showed a “certain amount of smoldering resentment.” His many jibes “hinted that United States was conniving with British in an
effort to remove him as Prime Minister.” Nevertheless, he went on to have an hour-long discussion with the ambassador. Mossadeq denied having seen any royal decree dismissing him as prime minister—a false claim, as he had in fact seen the decree when he ordered the arrest of the man bearing the message—and went on to claim that “for some time now” his position had been “that the Shah had no right” to call for “a change of government.”

But on August 19, suddenly and unexpectedly, the tide turned against Mossadeq. The U.S. embassy reported an “unexpected strong upsurge of popular and military reaction” to Mossadeq. This upsurge, in the embassy’s view, was caused at least in part because “people of all classes were disgusted at the bad taste exhibited by anti-Shah elements” and also by their worry about “at least a temporary alliance between Mossadeq and Tudeh.” Moreover, the people had “become thoroughly tired of the stresses and strains of the last two years.”

Followers of Mossadeq of course blamed only the CIA.

Whatever the cause, and whatever the role of the CIA and the American embassy in changing the tide, the Shah was returned to power but stigmatized as a ward of the United States. The United States became more and more involved in the day-to-day affairs of the country. The Eisenhower administration provided millions of dollars of aid to the new government, hoping to allow it to quickly improve the economy and thus assuage remaining popular resentment against the overthrow of a popular government. The fact that the Shah insisted on putting Mossadeq on trial not only increased tensions with the opposition but further tarnished the U.S. image. Mossadeq used the trial to mock the Shah but he also lambasted the U.S. and British governments for interfering in the domestic affairs of Iran.
In politics, image is reality. After August 1953, the United States was seen as the Shah’s patron, held responsible for every decision he made. The most sensitive issue was of course the oil negotiations. Ultimately, a consortium of oil companies, whose shares were more or less equally divided between the United States and Britain, signed a long-term contract with the Iranian government. A year after those fateful August days, Vice President Nixon traveled to Tehran. Despite being met with student demonstrations, he began a life-long close friendship with the Shah at this point.

As early as 1958, the CIA and the State Department were convinced that unless something drastic was done in the realm of politics and the economy, Iran was heading toward a revolution. In September 1958, the National Security Council met to discuss a new “Special National Intelligence Estimate” which claimed that the Shah’s regime was “not likely to last long.” It was decided that the United States must work hard to “convince the Shah that the most immediate threat to his regime lay in internal instability rather than external aggression.”\footnote{14} He must, in other words, reduce his “preoccupation with military matters” and focus more on social development.

The intelligence estimate asserted that the main opposition to the Shah was “the growing educated middle class,” discontented with “Iran’s antiquated feudal structure and the privileges of the ruling classes.”\footnote{15} They were further angered by the corruption of the military, political, and civil service authorities. Nepotism and charges of corruption against members of the royal family and the Shah himself were also causes of dismay. Such charges were so rampant at the time that the U.S. embassy organized a joint committee with members of the British embassy to look into the allegations and estimate the size of the Shah’s fortune. The picture they drew was not
complimentary to the royal family. The report said that the Shah, as well as his family, had numerous investments in nearly every sector of the economy. All of this led the United States to propose a series of far-reaching changes in Iran. The Shah was to be pressed for prompt, “meaningful political, social, and economic reforms.”

It was further decided that should the Shah resist these proposed changes, the United States would take immediate steps toward “developing appropriate contacts with emerging non-communist groups.” The United States was convinced that unless there was a controlled revolution, creating more democracy and a market economy, a radical revolution—one that might benefit the Soviet Union—would be inevitable. Despite many developments over the next eight years, the Shah’s precarious position remained remarkably the same. In 1966, the State Department’s Bureau of Intelligence and Research “pointed to basic difficulties for the Shah . . . The realities of the future will not include the indefinite polarization of one-man rule; in some fashion that cannot yet be discerned, it appears likely that the Shah will confront a choice between allowing greater participation in government or seriously risking a fall from power.” This 1966 prognosis showed remarkable prescience, particularly when contrasted with the CIA’s analysis in 1978, concluding that Iran was not even in a pre-revolutionary stage. This failure to foresee the Islamic revolution of 1979 must be considered among the more serious intelligence failures of the twentieth century. It can be at least partially accounted for by the 1965 decision of the U.S. government to succumb to the Shah’s pressure and cease all contacts with members of the opposition in Iran. An auxiliary of this policy was a drastic reduction in the number of intelligence officers working in Iran. It is estimated that
by the early seventies their number had returned to pre-war figures.

The 1958 analysis led to a series of U.S. proposals to the Shah. They were planned by a diverse group of scholars and statesmen from such places as Harvard, the Rockefeller Foundation, and the World Bank, as well as agencies within the U.S. government. They altered the economic and political face of Iran and the foundation of the Shah’s basis of support. A market economy replaced the semi-feudalism of the post-war years. It was hoped that the authoritarianism of the period would also give way to a more democratic polity, with the Shah assuming more and more the role of symbolic figurehead stipulated in the constitution.

One measure of America’s anxieties in 1958 about the future of Iran and of its desire to convince the Shah of the urgency of the situation was the U.S. embassy’s decision to keep silent when it was informed by an Iranian general that he intended to organize a coup against the Shah’s authoritarianism. The coup leader was Valiollah Qarani, at the time the head of military intelligence. His accomplices were a group of more than thirty other officers, government officials, and journalists. They planned to seize power, force the Shah to play a merely symbolic role, and appoint as prime minister the Shah’s old nemesis, Ali Amini. The coup attempt failed—most probably because British intelligence informed the Shah. Nonetheless, not only was Qarani given a surprisingly light sentence but, within two years, as a direct result of U.S. pressure, Ali Amini was indeed appointed prime minister, with a mandate to bring about reforms and a rapprochement with the Shah’s opponents. It is important to note that, in addition to members of the secular opposition, Qarani was in close contact with the Shiite clerical leadership. Grand Ayatollah
Kazem Boroujerdi, at the time the unquestionable leader of the clergy, was working behind the scenes to reduce Qarani’s sentence. When the State Department talked of middle class and moderate opposition to the Shah, it meant primarily the National Front created by Mossadeq in 1949 and suppressed after the events of August 1953. Ironically, although the United States had been involved in the overthrow of the Mossadeq government, starting in the late fifties it began to see Mossadeq’s followers as the necessary agents for a more democratic Iran. Starting in 1959, the United States put the Shah under increasing pressure to reconcile with this group. In 1978, on the eve of the revolution, those pressures were renewed and reached fever pitch. Unfortunately, the National Front leaders failed to capitalize on these opportunities both in the early sixties and on the eve of the revolution. It was Khomeini more than anyone else who used this American proclivity to his own benefit. The fact that his appointed prime minister and nearly every one of the ministers of the 1979 provisional revolutionary government were from the ranks of the Freedom Movement—the religious element of the National Front—testifies to Khomeini’s ability to sense what the United States wanted, his knack for tactical compromise, and, finally, his confidence that he could wrest power from the liberals when he was ready.

If a coalition between the Shah and the National Front failed, it was not all the fault of the National Front. The Shah too was adamantly against the idea of reconciliation. Even in 1978, faced with the end of his dynasty, he was less than enthusiastic about forming such a coalition. In June 1978, in a private meeting with Western diplomats to describe his decision to liberalize, he engaged in “vitriolic denunciations of
the old National Front” and made it clear that it was beyond “the lines of political acceptability.”18 Still later, when he had no choice but to beg from a highly weakened position for a coalition with those same leaders, he refused to accede to the key demands of the only two National Front leaders who would agree to cooperate with him. The first was Gholam Hossein Sadiqi, arguably the last serious chance for the survival of the monarchy. The Shah said no to Sadiqi’s request to stay in Iran but out of politics. Shapour Bakhtiyar was the next leader willing to forgo past animosities and enter a coalition government to save the country from what he called the “coming dictatorship of [clerical] sandals.” The Shah undermined Bakhtiyar’s chance of survival when he declined the request of General Fereydoon Jam, a key member of the proposed cabinet, to turn over the operational command of the armed forces. The Shah in fact “stubbornly insisted not only on retaining his role . . . of commander-in-chief . . . but also on controlling the military budget.”19 Thus, the only officer who could have potentially held the military together and under the command of a Bakhtiyar government left Iran in disgust. It took the military thirty-six days before it turned against Bakhtiyar and tried to make its peace with the mullahs, who seemed poised to take over the reins of power. It was in 1962 that the Shah told the American ambassador that a National Front government “would be a precursor of communist takeover,” as that organization has been “badly infiltrated by communists.”20 When American officials raised the issue of the National Front’s membership in a new coalition government, the Shah stated, “flatly . . . he could not live with a National Front Government whose first act would be to abolish SAVAK.”21 The leaders of the National Front, the Shah went on to say, have “no purpose except to come to
power.” In 1978 the Bakhtiyar government did abolish SAVAK, but this gesture was no longer enough to appease the movement.

Aside from the hackneyed argument that the National Front would pave the way for communism, the Shah also informed American officials on numerous occasions that in Iran the king had “always been the center of power.” He genuinely believed that the monarchy was “the only form of government that can bring Iran into the modern world” and that if this transition were to be realized, he must rule with an iron fist, preferring “economic progress and social reform” over “the flowering of democratic political institutions.” In 1961, cognizant of the Kennedy administration’s keen interest in introducing reforms in Iran, the Shah told the American ambassador that if there were to be any meaningful reform in Iran, it had to come under the aegis of the Shah and no one else. He also made it clear on numerous occasions that “he would abdicate rather than accept [the] position of a figurehead.” That was why in 1961 the Shah found appointing Amini, rather than sharing power with the National Front, the lesser of two evils; the Kennedy administration did believe that Amini’s appointment was the only step available in the direction of more stability and democracy in Iran. Even after the revolution, while he was in exile, the Shah held on to his belief that the National Front leaders were either dupes or tools of communism. In his *Answer to History* he repeated his mantra about the role of communists in running not only the Front but the clergy as well.

The effort to force a democratic marriage of convenience between the Shah and the opposition began in earnest with Amini. Supported by the Kennedy White House, Amini did in fact create the semblance of a coalition government. Lapsed
communists and inactive members of the National Front joined a few other members of the secular opposition to form a new cabinet. Amini insisted on having more power and independence than previous prime ministers, and in this he had the full support of the U.S. embassy in Tehran. Iran’s dire economic situation—the government’s desperate need of a loan of $35 million—afforded the Kennedy White House a powerful bargaining position. Even then, Amini still did not have complete freedom to form his cabinet. The most controversial member of his cabinet was easily Hassan Arsanjani. Like Amini, Arsanjani was an old hand in Iranian politics but, unlike Amini, he had been unabashed in his criticism of the Shah. He was a charismatic orator, a muckraking journalist, a self-styled socialist by avocation, and a lawyer by vocation. In the Amini cabinet he was in charge of land reform and the ministry of agriculture. If Qarani had succeeded in his coup attempt, Arsanjani was slated to lead the same ministry.

The Arsanjani appointment became far more important when it became clear that implementing land reform would be the centerpiece of Amini’s plans for the “controlled revolution” he had come to lead. Among the reforms suggested by the United States, land reform had a pivotal role. The Amini plans also fit more or less perfectly with what the Shah himself had been suggesting for some time. A few years earlier, the Shah had tried to have legislation passed allowing the government to undertake such reforms but the clergy, led at the time by Ayatollah Boroujerdi, objected strenuously, and the bill was tabled. The death of Boroujerdi and the appointment of Amini together created the right moment to commence the much-discussed land reform, a reform primarily intended to end absentee landlordism.
There is something of a consensus among scholars and politicians, landlords and peasants that Arsanjani’s radicalism and charisma, his ambitions and his political acumen made existing plans for land reform far more radical than initially intended. When American embassy officials showed concern about Arsanjani’s increasing radicalism, Amini reassured them by suggesting that such rhetoric was initially needed for “taking the wind out of the sails of the National Front.” At an appropriate time, Amini assured the American ambassador, “he would accept [Arsanjani’s] offer to resign.”

While many in the regime supported Amini’s changes—eventually called the White Revolution or the “Shah and People Revolution”—there was considerable opposition to it. The opposition came from the landed gentry who were losing their properties, from the clergy who objected to any policy that questioned the sanctity of private property or allowed women the right to vote and enter the political domain, and finally from the military, who believed Amini would cut the military budget and pave the way for Soviet influence. At least two generals—Hadjali Kia and Teymour Bakhtiyar—contacted the White House and sought America’s support for a coup in favor of the Shah and against Amini. President Kennedy personally instructed the U.S. government to use all means necessary to discourage these two generals “from initiating any action against the Amini government.”

On the other hand, many of Iran’s moderates and supporters of democracy dismissed the Amini-Shah changes as cosmetic. Radical forces believed the Shah neither willing nor able to make any serious reforms. Yet another figure questioned the wisdom of the land reform from the perspective of long-term economic and political development. He was known as a planning and economic prodigy, and thus his
democratic vision has been eclipsed by the substance and stern style of his management of banks and economic plans. His name was Abolhassan Ebtehaj. Ever since his appointment as director of the Plan Organization in 1955, he had survived in power simply because of the Shah’s continued support. By 1961 Ebtehaj’s luck had run out and he ended up in prison.

Even in prison, Ebtehaj never shied away from expressing his often unique, sometimes contrarian views. When he learned about the Shah’s plans for land reform and his upcoming trip to the United States, he decided to write a pithy “personal and confidential” letter from prison to his “friends in America,” hoping to convince them to stop the Iranian government’s plans for land reform. Ebtehaj was easily the most relentless advocate of an Iranian market economy, a viable middle class, a capitalist class sure of its investments, and democracy as a smithy wherein these forces could best interact and form.

In his letter, Ebtehaj offered ten reasons why the proposed land reform was detrimental to Iran’s long-term capitalist and democratic development. Under a “capitalist system of free enterprise,” he wrote in his letter from prison, “it is not right and just that a person may own any number of factories . . . but [be] denied the right to own more than a certain amount of farm land.” He agreed that absentee landlordism was a curse and a problem for Iranian agriculture and the economy, but he suggested searching for ways to overcome “the drawbacks . . . without resorting to sequestration.” Instead of confiscating property, he offered a “land reform brought about through a system of taxation, where farms would be taxed, based not on actual but optimum yields.” He proposed a simple but sophisticated system of taxation that would ultimately bring about the desired changes in the country’s ag-
ricultural system without undermining the idea of private property.28

Ebtehaj’s critique is particularly important in its contrast with the Shah’s willingness, indeed eagerness, to use the discourse of revolution and the practice of forced sequestration to promote his own political ends and his vision of development. Before long, the Shah would begin to talk incessantly of the White Revolution, and all manner of “sequestration” became part and parcel of the different principles of his revolution. The Shah had a pseudo-socialist, “statist” vision of the economy wherein the state could and should become an economic leviathan. As Ebtehaj had predicted, not long after land reform, the Shah proved willing to forcefully expropriate the country’s only private television company, the first private university, and the country’s richest private mine. By the mid-seventies, industrialists were ordered by royal fiat to give at least fifty percent of their companies’ shares of stock to their workers. In the months before the revolution, he used an army of university students who were deputized to punish, even imprison, those who allegedly contributed to inflation. He threatened to use the military to bring down prices.

Both members of the “bazaar”—the traditional heart of trade in Iran and a source of support for the clerical and democratic opposition—and members of the modern industrialist class were disgruntled with these erratic economic policies, subject to the whims of a single man and changeable overnight by royal decrees. A speech to the senate by Gassem Lajevardi, a scion of one of the most important industrialist families in Iran at the time, embodied this disgruntlement. Lajevardi discreetly demanded more stability and accountability in economic policies, asserting that such stability was
the only way to guarantee and thus encourage long-term investment.

The speech was important from a different perspective. There was an unwritten contract between the Shah and Iran’s entrepreneurial class, particularly those from the ranks of the modern sector. The entrepreneurs would not engage in politics and would accept the Shah’s absolute leadership in return for pro-business policies by the government. For two decades, buoyed by rising oil prices, the covenant worked. Iran witnessed impressive socio-economic growth. In fact, it was among the fastest growing developing economies in the world. But the covenant came back to haunt the regime and the entrepreneurial class when the system went into crisis. The entrepreneurs in 1978 were either critical of the Shah or politically impotent and unable to successfully defend the regime or their own investments. Did the Shah’s constant conjuring of revolutionary rhetoric make the idea of revolution an accepted part of Iranian political discourse? Did the implicit covenant with the private sector undermine their ability or their resolve to come to the Shah’s defense when his regime went into a crisis in 1978? How much did these grandiose promises—e.g., of a rising standard of living, of surpassing Germany and Japan—fuel the population’s rising expectations and contribute to the classical J-Curve, of expectations rising faster than the government’s ability to satisfy them? In other societies, the word “revolution” brings to mind cataclysmic changes. By 1978, the word had been a constant part of Iran’s political vocabulary for almost two decades. By then, the idea of expropriating the assets of successful businessmen had almost become “normal.” When, in the months after the revolution, the regime confiscated the properties of fifty-two of Iran’s largest industrialist families, the decision caused but a
ripple in the media. The idea of the state confiscating a family’s private property had not been a novelty for a long time. At the same time, it was a measure of the Shah’s resilience as a politician that, in spite of the great chasm that separated his vision from the policy pushed by the United States since 1959, he not only stayed a close ally of the United States for the next seventeen years but also forced even the Kennedy administration to rethink some key elements of its policy. At the end of a state visit to the United States in 1962, in a joint press conference with the Shah, Kennedy insisted that “a modern political leader” must work “not just with the upper elements of society” but also “with the ordinary mass of people.” The Shah in return accepted the premise but added that “firm action is necessary and he was sure that the United States would not insist on absolute constitutional legality within Iran.” Kennedy responded by accepting that “special situations” sometimes exist in different countries and that in Iran “the Shah was the keystone of . . . security and progress.” Diplomats who had met with the Shah both before and after this trip reported that his despondent, anxious mood before departure changed to one of buoyancy and self-confidence after his return from America.

The irony is that ultimately the Shah’s success in defying U.S. pressure for democratization proved to be his undoing. Had the Shah remained a constitutional monarch, as American policy had proposed during much of the Shah’s reign, instead of becoming a modernizing but authoritarian monarch, as the Shah became in the seventies, he might have been able to save his throne and the monarchy. As early as 1975, Richard Helms, one-time head of the CIA and then U.S. ambassador to Iran, wrote in his end-of-tour report, “The conflict between rapid economic growth and modernization
the myth of the great satan

vis-à-vis a still autocratic rule . . . is the greatest uncertainty of Iranian politics.” Helms went on to say that “alas, history provides discouraging precedents” for a peaceful resolution of this conflict. “I can recall no example of a ruler willingly loosening the reins of power.”30 By the time the Shah was willing to make some democratic concessions, he was already deemed too vulnerable and weak by his opponents. By then, Khomeini had emerged as the leader of the opposition and he wanted nothing short of an end to the monarchy itself.

During the height of his days of power, the Shah had followed a scorched-earth political policy, making it impossible for the moderate opposition to survive; the only group that was allowed to organize was the clergy. In every city and town, every village and neighborhood, there was a mosque. The Shah allowed them to exist, indeed encouraged them to grow, in the belief that they would prove a bulwark against the Left, who remained in his mind the main threat to his regime. All genuine political parties were declared illegal. Instead, the Shah, under pressure by the American government, willed into existence first a two-party system and then something called the Progressive Circle—this group eventually became a political party (Iran Novin, or New Iran). In those days, a circle of friends—dowreh—was a de facto form of organization. One of the most powerful such dowrehs was formed by graduates of American universities. The entire group more or less joined the Progressive Circle. The group’s founding members were Hassan Ali Mansur and Amir Abbas Hoveyda, with the former openly boasting of the support he enjoyed “from our American friends.”

Mansur became prime minister in 1964 but was murdered after a year in office. During his tenure, the parliament passed a Status of Forces Agreement with the United States;
it was in defiant opposition to this bill that Khomeini was catapulted into the center of Iranian politics. The State Department had been against the idea of demanding a SOFA from Iran, arguing that such a bill smacked of colonialism. But the Defense Department refused to send American advisors to Iran without such an agreement and the Shah personally pressured the parliament to pass the SOFA. When Khomeini continued his opposition to the bill, he was exiled first to Turkey and then to Iraq. In retaliation, his supporters assassinated Mansur. Hoveyda took over the reins of the cabinet and remained prime minister for thirteen years. All his political life, Hoveyda was under attack by the clergy for his alleged Bahai affiliations. In reality, his father was a devout member of the Bahai faith, but neither of the sons—Amir Abbas and Fereydoon—became Bahais. Both were, at best, agnostic in matters of religion. Fereydoon was a prominent intellectual, film critic, and novelist, and a founding member of the famous French film magazine *Cahiers du Cinema*. After the revolution, Fereydoon escaped to the West, where he wrote scathing critical commentaries and books about the clerical regime and the Shah—the latter of whom, in Fereydoon’s view, had heartlessly left Amir Abbas in Iran and in prison. The Shah, according to Ambassador William H. Sullivan’s memoirs, dismissed Hoveyda only when he thought that the United States was no longer happy with Hoveyda’s tenure. When he fell into the hands of the clerical regime, Hoveyda was executed after a summary trial conducted by the infamous “hanging judge” Sadeq Khalkhali. The CIA chief in Tehran, Gratian Yatsevitch, who had played a crucial role in creating and strengthening the Progressive Circle in the early sixties, initially intended it to “take the wind out of the sail” of the National Front and other moderate opposition forces.
who refused to make peace with the Shah. Sadly, neither Mansur nor Hoveyda proved willing or capable of playing that role, and both ended up executed by Islamic forces.

Once in power, members of the Progressive Circle, particularly Hoveyda, not only made no effort to promote democracy but also became great facilitators of the Shah’s increasing authoritarianism. As the price of oil jumped and the social fabric of Iranian society changed with stunning rapidity, increasing the need for a more democratic polity, the Shah became more and more authoritarian. The rapidity of these changes fueled his grandiosity and his belief that he was anointed to defy the age-old dictum that modern middle classes want a share of power. The faux moderates of the Progressive Circle became his sycophantic servants and the real moderates, whether inside the National Front or among the ranks of Iran’s burgeoning middle class, eventually joined the opposition.

Iran’s economic heyday was a period in which the middle class saw its greatest prosperity but in which millions of peasants, unable to eke out a living from the small pieces of land they had received during land reform, swelled the ranks of the rapidly rising urban masses. It coincided with the Nixon administration and his Nixon Doctrine. The United States faced an apparently intractable enemy in Southeast Asia. U.S. domination of the international financial system, codified in the Bretton Woods agreement of 1944, was being challenged by a resurgent Europe and Japan. The Shah, according to the Nixon Doctrine, was the designated guarantor of security in the Persian Gulf. The U.S. government was ordered to no longer try to limit the Shah’s purchase of military hardware—a constant point of contention between the Shah and successive U.S. administrations—nor to continue to pressure him
for more political liberalization. But in reality, even the Nixon Doctrine has a history different from the cold war narrative offered by the Soviets and the Iranian clerics or leftists.

Since 1965, when the Shah first learned of Britain’s plans to leave its bases in the Persian Gulf, the Shah insisted that Iran must replace it as the hegemonic force in the region. Britain was opposed to this idea but Nixon had close ties to the Shah and had been particularly impressed when both he and Ardashir Zahedi, one-time ambassador to the United States, continued their support of Nixon even after his defeat in California’s gubernatorial campaign. When he travelled to Iran in 1966, at a time when he was truly in the political wilderness, Nixon met with the Shah for four hours and was impressed with his ideas about turning Iran into the policeman of the Persian Gulf. Those were the days of the Vietnam War, and the United States believed its forces were over-extended around the world. Economic pressures emanating from a slowdown in the U.S. economy and French President Charles de Gaulle’s threat to cash in his share of Eurodollars and demand gold for them—as promised in the Bretton Woods agreement—made the Shah’s ideas more appealing to Nixon. In Tehran in 1966 then, the idea of the Nixon Doctrine began to germinate.

Two primary examples of how the Nixon Doctrine worked in these years can be found in the cases of Dhofar and Iraqi Kurdistan. In the early seventies, in the feudal kingdom of Oman on the Arabian Peninsula, there was a communist movement based in the province of Dhofar that received assistance from both China and the Soviet Union. This armed insurgency came to control a sizeable portion of the country, leading to a threat that the crucial waterway of the Strait of Hormuz would be literally under the communist
The Shah secretly sent in Iranian forces, which (aided by small forces from Great Britain, Jordan, and other countries) successfully defeated the communist insurgency. Absent the Iranian military, either U.S. or British forces would have had to take up the challenge.

In Iraq, too, the Nixon Doctrine and the Shah’s new sense of empowerment and hegemony had unanticipated consequences. After the new Ba’ath regime came to power in 1968, it openly flirted with the Soviet Union. The Russians were using their influence in the Iraqi communist party and in some of the Kurdish circles in Iraq to try to create a new alliance between the Ba’ath and these opposition parties. The Shah worried that such an alliance would create a Soviet foothold in Iraq, thus providing a first step toward domination of the Persian Gulf. He convinced the Nixon administration and the Israeli government to commence a joint operation, implemented by Iran, wherein Iraqi Kurds were armed and aided to become a nuisance for the new Iraqi government. This covert operation channeled millions of dollars to Iraqi Kurds fighting the Ba’ath regime. It ended only in 1975, with no warning to the Iraqi Kurdish parties, when the Shah suddenly decided to sign an agreement with Saddam Hussein, by then the strongman of Iraqi politics.

As the Nixon administration decided to cease all pressure on the Shah to limit his military budget and as American pressure for democratization all but disappeared, the Shah, buoyed by his victories in increasing the price of oil, became more and more authoritarian. Prudent moderates, advocating reform and democracy, as well as radical advocates of change from every political persuasion, were shunned and barred from politics. The Shah believed that the clergy—with the exception of a few Khomeini supporters—were his reliable
allies in the fight against both communists and secular nationalists. His scorched-earth policy gave the clergy and their vast, nimble network of organizations an opportunity to grow and to monopolize the public domain. When, in October 1969, moderate religious leaders sent a message to the Shah and to the U.S. embassy that they were worried about the situation in the country and angry at Khomeini for putting them in the difficult position of choosing his radicalism or being branded reactionary mullahs, the Shah and the embassy both chose to ignore their warnings. More than once, the Shah ignored similar warnings from the moderate clergy about everything from the Shah’s sudden decision to change the calendar and make it a “royal” rather than Islamic calendar, to new laws about women and family protection.

The more the Shah and the American embassy ignored the moderate clergy, the easier it became for Khomeini and his radical allies to gain and consolidate hegemony over religious forces in Iran. As a result, when the regime went into a crisis in 1977, the clerical network, soon dominated by Khomeini, turned out to be the only force capable of offering itself as a viable alternative to the Shah. By promoting economic changes that created a new, wealthier, educated middle class, the Shah inadvertently created the forces necessary for a democratic transition. The millions of peasants who had converged on the cities as a result of the land reform became the foot soldiers of this revolution. His scorched-earth political policy, however, denied these forces either a share of power or an opportunity to organize within the limits clearly set out by the constitution. When, in December 1978, George Ball concluded that the United States should urgently seek “to open a disavowable (sic) channel of communication” with the opposition, it had no choice but to negotiate with
Khomeini and his entourage. Iran’s fledgling democratic opposition was in a similar bind. Its alliance with Khomeini was indeed a marriage of strange bedfellows, but it was in many ways the unavoidable consequence of the Shah’s contradictory policies.

What made the work of the opposition easier was the Shah’s sudden decision to scuttle the two-part party system he had created under American pressure and instead create a new one-party system. Called Resurgence, the party was a stillborn monster and an immediate source of discontent, even ridicule. The fact that key party ideologues were from the ranks of lapsed Stalinists made the organization behave like a pseudo-Stalinist monstrosity of bad ideas and even worse politics. Some think the idea came to the Shah from Sadat in Egypt. Others point the finger at a group of five mostly American-trained technocrats who suggested the one-party system based on American political scientist Samuel Huntington’s prescription for political development in developing countries. Whatever the source, the idea was a political liability and added to the already brewing sense of discontent. Even then, in spite of the Shah’s newfound independence and numerous public arguments with the United States over the price of oil, the opposition still succeeded in labeling him a “lackey of the United States” and blaming the United States for his policies.

By then, the Shah was full of grandiose ideas about his own wisdom and about the political and economic poverty of the West, particularly America. More than once he lashed out against the frailties and faults of liberal democracy. The fact that many American politicians joined their Iranian counterparts to pile sycophantic praise on the Shah only added to his belief in his own divine destiny. Of these sycophants, none could match Nelson Rockefeller, who compared the Shah to
Alexander the Great and added wistfully that "we must take His Majesty to the U.S. for a couple of years so that he can teach us how to run a country."  

Not long after the creation of the Resurgence Party, the Carter administration came to power. Jimmy Carter broke with the Nixon realpolitik and strongly espoused the idea that American allies like the Shah should show more genuine respect for human rights. Moreover, in the last years of the Nixon administration and through much of the Ford administration, Iran and the United States were fighting a quiet war of diplomacy over the price of oil. Eventually, the United States made a covert pact with Saudi Arabia to bring down the price. Some scholars have even claimed that the drop in the price of oil precipitated the fall of the Shah. Just as Iran’s revenues were drastically reduced with the falling price of oil, the Carter administration put pressure on the Shah to democratize and liberalize. The timing could not have been worse: the Shah was sick and the economy was in a downturn. The normal instabilities that accompany any authoritarian regime’s attempt to democratize only augmented the destabilizing effects of the economic crisis. By 1978, Iran’s GNP growth in real terms dropped to 2.8 percent. This recessionary slowdown was exacerbated by unusually high inflationary rates caused by reckless government expenditures. Like much of the West, Iran faced the strange hybrid phenomenon of “stagflation.” Some in the U.S. Congress began to worry about Iran’s budgetary priorities (and the fact that, in line with the Shah’s views, precedence was given to military matters over social needs). These anxieties led to the idea of “linking Iran’s human rights performance with arms transfer.”

It is hard not to wonder what might have happened in Iran had Congress developed such a matrix a decade earlier, when Nixon
was giving the Shah carte blanche to buy any non-nuclear weapons system he desired. But in 1978, such a matrix was just one more indication to the Iranian opposition that the Shah’s position was precarious and vulnerable in America, deemed by many as the omnipotent force in Iran. As Montazeri, second only to Khomeini in the early days of the Islamic revolution, wrote in his memoirs, Carter’s human rights policies were in no small measure responsible for the resurgence of opposition to the Shah and the victory of the Islamic revolution. Many other memoirs from the same period reaffirm this claim about the role of U.S. policy in unleashing a dormant democratic opposition. The Shah’s deteriorating emotional and physical condition combined with these other factors to create the perfect storm that was the revolution.

The Soviet Union was watching these developments rather closely. In the Shah’s problems, they saw opportunity. Their handmaiden, the Tudeh Party, eager to become the legal and loyal opposition to the Shah in the mid-sixties—right after the Shah had signed an economic deal with the Soviet Union—suddenly became more militant in its criticism of him. In the months leading up to the 1979 revolution, the Shah’s cold war fears were augmented by a series of events that convinced him that the Soviet Union was out to overthrow him. In 1977, the Iranian secret police (SAVAK) arrested a two-star general who had been, for almost three decades, a paid agent of the KGB. For much of his political life, the Shah had had an exaggerated view of the KGB’s power in Iran. The arrest of Ahmad Mogharebi only exacerbated these fears. Events in 1978 caused even greater dread in both the Shah and the U.S. government.

On November 19, 1978, Soviet leader Leonid Brezhnev threatened an invasion of Iran if “anti-Soviet” elements were
to gain the upper hand in the country. The statement was, in short order, followed by a confidential letter from Brezhnev to President Carter “suggesting that because the Soviets have a long border with Iran, they should enjoy a special position of influence.” Ever since 1917, Soviet leaders had tried to turn Iran into another Finland, where “anti-Soviet activities” constantly threatened to trigger a Russian invasion. They used Article Six of the 1921 Soviet-Iran agreement—or, more accurately, their self-serving interpretation of that article—as the legal basis for their attempted “Finlandization.” Iran had initially agreed to the article only in the context of the tumultuous situation in the years following the 1917 revolution. The article in fact allowed Soviet intervention only if White Russian forces used Iran as a base of attack on the newly established Bolshevik government. But in subsequent years, the Soviets had their own “expanded” interpretation of the article and used it many times to threaten an attack. The 1978 Brezhnev letter to Carter was only the latest example of this tactic.

Moreover, leaders of the Soviet-backed Tudeh Party who had been living in Eastern Europe or the Soviet Union for three decades were returning to Iran in 1978, reviving the old party apparatus. From the first moment of their arrival, the party leaders supported Khomeini and the most anti-democratic, anti-American wings within the clergy and the rest of the opposition. The party used its extensive propaganda apparatus to promote anti-American and anti-democratic slogans.

Carter’s human rights policies convinced the Shah to release almost all of Iran’s four thousand political prisoners. Nearly every one of these newly released prisoners had long experience in underground organizational techniques. Dozens
had been trained by radical Palestinian groups and knew the methods of terrorism—romanticized in those days of Fanon and his “apotheosis of violence” as the admired art of urban guerrilla warfare. The prisoners’ release strengthened the opposition and weakened the resolve of the regime and SAVAK, but also weakened the prospects of democracy in Iran. Most of these recently released prisoners were schooled in Stalinist models of Marxism and dismissed liberal democracy as a “frivolous” and “fraudulent” bourgeois gimmick. Even forces loyal to the Mojahedeen-e Khalq-e Iran (MEK), though ostensibly following an Islamic ideology, were in fact supporting an eclectic mix of Leninism and their own version of Islamic “liberation theology.”37 The handful of clerics in prison at the time—from Ayatollah Montazeri and Mahmoud Taleghani to Ali Akbar Hashemi Rafsanjani—were also freed and invariably joined the ranks of Khomeini supporters. Nothing united these disparate forces as much as their shared opposition to “imperialism,” particularly that of the United States.

Another factor was the Confederation of Iranian Students, created as the result of the arrival of thousands of Iranian students in some of the top European and American universities. Until then, educational sojourns to the West had been a privilege limited to the children of the elite. But indispensable to the Shah’s modernization plans was a large, trained technocratic class, and Iran lacked the educational infrastructure to train such a class. Sociologists have called the late fifties the age of the technocrats, and American policy in Iran strongly advocated that new young technocrats must gradually take the place of traditional politicians. Starting in the late fifties, inexpensive bus, train, and eventually plane service from Iran to Europe and America became available and students from all social classes began to arrive in the West. The
Shah made the mistake Russian czars made in the late nineteenth century. Hoping to avoid the “dangerous” ideas of the French Revolution, czars insisted on sending their students to Prussia, where they learned Marxism. The Shah saw Marxism as his main enemy, and thus insisted on sending Iranian students to democratic Europe and America. The more radical elements used their newfound freedom in Western democracies to create the Confederation of Iranian Students—an international organization that became a formidable foe of the Shah throughout the sixties and seventies. Instead of liberal democracy and the market economy, these students were enamored of new and old Leftist ideas. Che Guevara and Mao Tse-tung, not Jefferson and John Stuart Mill, were their champions.

In the seventies, the Confederation became a powerful source of propaganda against the Shah, advocating for either Khomeini or yet another “proletarian revolution.” Dominated by the Left and structured along the lines of the “United Front” suggested by Stalin in the thirties—communists leading the largest number of democratic forces in a common battle—the Confederation of Iranian Students was instrumental in turning the students’ democratic aspirations into a force for radicalism, highly critical of the United States. As the Shah’s regime showed incipient signs of collapse, leaders of the Confederation returned to Iran. There they joined forces with Khomeini supporters and, united by their anti-Americanism, advocated not a democratic transition but a radical revolution. Before long, at least two hundred members of the Confederation were executed by the new Islamic regime’s firing squads. The student movements’ Leftist tendencies and Khomeini’s ability to pitch his ideas in a language that made them part of the “anti-imperialist discourse” made
it easier for this strange alliance of modernizing students and a de-modernizing clergy to exist.

An unfortunate romance developed—and continues to exist to some degree today—between Leftist Iranian intellectuals and the clerical regime that came to power in Iran. Some of the most renowned Western intellectuals also fell prey to this strange romance. The regime’s egregious breaches of democratic rights were often overlooked by these Western Leftists because of its alleged “struggle against imperialism.” French historian Michel Foucault’s brief infatuation with Khomeini as the embodiment of a radically new “critique of modernity” is arguably the most risible and tragic example of this romantic folly.38

At the same time, the Confederation was a constant source of tension between the Shah and the United States. From the organization’s first days, when activists like Sadeq Qotb-Zadeh lived in the United States, its oppositional activity was deemed by the Shah as a sure sign that the CIA and American officials supported the group and meant to use it to undermine his authority. In 1962, for example, the Iranian embassy demanded extradition for Qotb-Zadeh; Attorney General Bobby Kennedy refused the request, suggesting that Qotb-Zadeh and other activists were not communists, as claimed by the Shah, but nationalists demanding democratic change in their country. The visa status of Confederation activists in the United States remained a source of tension between the Shah and the United States for much of the sixties and seventies. The Shah’s government tried to get these students extradited by having the Iranian embassy refuse to renew their passports. Without a valid passport, Iran assumed, the United States could not renew the students’ visas and must throw them out of the country. The Kennedy admin-
istration successfully pushed for passage of a special law that allowed the United States to renew the visas of Iranian students whose passports had not been renewed by the Iranian embassy in the United States. The Shah and his royalist supporters considered this unusual exception, allowed for critics of a dependable ally of America, as a sure sign that America was in collusion with the opposition.

Even this unusual constellation of stars was not enough to end the Shah’s regime yet. In the last two years of his rule, in each moment of crisis, the Shah arguably made the worst possible choice. He showed weakness when he needed to be strong, and he feigned power when he in fact had none. The reason for this remarkable series of errors was not tactical but strategic, rooted in his view that the revolution was a conspiracy of foreign powers. He sometimes focused his wrath on the United States, other times on oil companies, and always on communists. Compounding the Shah’s gross mismanagement and misunderstanding of the crisis was also the Carter administration’s gross mishandling of the crisis.

In his last book, Answer to History, written long after he had been dethroned, the Shah argued with surprising certainty that the revolution was indeed a conspiracy of oil companies and communists. He argued that to “understand the upheaval in Iran . . . one must understand the politics of oil.” He claimed that as soon as he began to insist on a fair share of oil wealth for Iran, “a systematic campaign of denigration was begun concerning my government and my person . . . it was at this time that I became a despot, an oppressor, a tyrant . . . This campaign began in 1958, reached its peak in 1961. Our White Revolution halted it temporarily. But it was begun with greater vigor in 1975 and increased until my departure.”
In the critical months leading to the revolution, his fear that the United States was behind the revolution, along with his own insecurities, begot in him an urgent need for signs of support from the United States. Unfortunately, the messages he received from America were contradictory. For example, when the American ambassador, Bill Sullivan, was told by concerned Iranian officials that “a personal message of support for the Shah from President Carter” would go a long way to improve the king’s mood and ability to rule, the ambassador rejected the request, “saying that such a message would be unusual and inappropriate [at] the present time.”40 The response depressed the Shah; but a few weeks later, when he was told that he would be in fact “receiving a telephone call” from the president, “the Shah was clearly delighted,” and according to Sullivan, “his chin moved from his knees to at least his chest.”41

In reality, there were profound differences in the messages the Shah was receiving from the White House, the National Security Council, the CIA, and the State Department. For many years, it had become something of a ritual that the CIA station chief in Tehran would regularly meet with the Shah. What he was telling the Shah in the last months of 1978 remains altogether a mystery. The stark difference between directives from the State Department and the National Security Council created a vacuum wherein Sullivan seemed to have followed his own “foreign policy.” While Brzezinski, Carter’s national security advisor, supported an “iron fist policy” to establish law and order, followed by concessions to the opposition, the State Department insisted on the continuation of the liberalization policy. The Shah, caught between these conflicting words of advice, by disposition indecisive in times of crisis, and weakened by the onset of cancer, swung
from one extreme to another, invariably to disastrous results. On the other hand, Khomeini, dangling a tactical but tantalizing democratic platform, used each of the Shah’s moves to his own benefit.

Of the many problems plaguing U.S.-Iranian relations in the last thirty years, the most elemental problem is the one most easily overlooked or ignored: the United States plays by the normal rules and logic of diplomacy while the clerical regime plays by its own idiosyncratic rules. Trying to deal with the regime only through traditional channels of diplomacy is akin to fighting an agile terrorist insurgency with the ponderous might of a regular army. While it is clear that there is no military solution to America’s “Iran problem,” it is no less clear that a new paradigm, equipped to counter the Iranian regime’s self-serving rules of conduct, needs to be developed. The Iranian regime’s agility is rooted in its despotism; the ponderous pace of American policy is the price society pays for democracy. The challenge is to match Iran’s agility without sacrificing the principles of democracy.

In the last three decades, the history of U.S. relations with Iran has been the history of an asymmetrical diplomatic, military, and economic confrontation. Every year the clerical regime has sent hundreds of its trusted intelligence and IRGC officers to train in Western universities, particularly those in England and Canada. They return home with some knowledge of the inevitable tensions that exist within democratic societies and they use this knowledge to better navigate their way around U.S. foreign policy. At the same time, in America, the bitterness of the 1979 hostage crisis seems to have been the culprit in reversing a long-held tradition of making ample public funding available to study the culture and society of a nation that promises to pose a challenge. Though successive
administrations have referred to Iran as the greatest challenge facing America, before September 11, 2001, the number of centers and programs studying Iran in fact diminished in this country. Along with the fact that the United States has no embassy in Tehran, this dearth of impartial scholarly inquiry and knowledge has diminished America’s effective power by creating an epistemological knowledge imbalance with the regime. This favors the clerical regime, allowing it to use the tensions in America, and between America and its allies, to its own ends. At the same time, the rifts within the Iranian regime, and between the regime and the people, remain misunderstood and therefore untapped by the United States. The knowledge vacuum in Washington has been filled by neophytes and expatriates with political agendas of their own.

The result of this today is a diplomatic disparity between the regime, with its double talk and outright lies, and the United States, trying to play by the traditional rules of diplomacy. Tagiyeh, a Shiite concept allowing the faithful to lie in the service of faith, provides clerical leaders with a theological cover for their lies and obfuscation. Democracy is a system of checks and balances, of ultimate reckoning, and of a potential political price for every policy decision. Many careers were lost or damaged in America as the result of what came to be known as the Iran-Contra affair. In Iran, it is still not clear who was involved in the decision to initiate those negotiations. We know that Rafsanjani, Khamenei, and Moussavi were involved behind the scenes but never participated directly in the negotiations. The regime has kept a pragmatic silence on this. None of the leaders paid any price for any role they might have played in the episode. Only in recent months, Rafsanjani and Moussavi have come under attack for their “soft” approach to the United States. In fact, the only
person who paid a price (with his life) was a staffer in Ayatollah Montazeri’s office, who leaked to a Lebanese paper the story of the regime’s hypocrisy, engaging in its rhetorical anti-American and anti-Israeli flourishes while at the same time secretly dealing with both countries. When Montazeri—at the time the designated successor to Khomeini, and ostensibly the second man in the political hierarchy—asked Rafsanjani, then speaker of the Majlis, why he and his allies had decided to enter into these covert and startling negotiations, the only response he got was, “How did you find out about the negotiations?”

The most obvious aspect of this asymmetry has been in the military domain, where the clerical regime has found it convenient to help insurgents in places like Iraq, Afghanistan, Lebanon, and Yemen to challenge either the United States or its proxies. The message the regime has tried to send to the United States and Israel has been simple, though not necessarily credible: attack Iran and you will be attacked by Iran’s proxies and clients. The two reported examples of the United States trying to conduct a similar asymmetrical war involve support for the Pakistani group, Jondollah, and an effort to maintain the Mojahedeen-e Khalk-e Iran in Iraq, and use them as foot soldiers in such a battle. Created in the mid-sixties, the MEK combined elements of radical Marxism with its own interpretation of Shiism. MEK leaders were Shiism’s “liberation theology” proponents, with the added component of terrorist activities. In the early eighties, they engaged in an effective but bloody terrorist war with the regime, wherein thousands of their members and hundreds of regime officials lost their lives. In the years before the revolution, MEK had also assassinated a number of American citizens working in Iran, making it a hard sell in this country. Nonetheless, the
fact that MEK had worked with Saddam Hussein against Iran and engaged in brutal acts of terrorism in its early days made America’s support for it a propaganda bonanza for the clerical regime in Tehran.

The economic asymmetry between the two countries has been caused by several factors. The regime uses thousands of front companies and holding companies, as well as criminally greedy individuals, to conduct its business around the world. It uses everything from the traditional system of hawala—in which millions of dollars are transferred across national boundaries with absolutely no paper trace and none of the normal forms of financial transfer—to these dummy companies to conduct some of its most nefarious financial transactions. Traditional financial forensics can only go halfway in unraveling the intricate web of institutions and transactions used by the regime. The reported discovery of billions of dollars worth of hundred-dollar bills and gold bullion in a truck on the Turkish border, and the existence of one account with more than a billion dollars in it in the name of Mojtaba, one of Khamenei’s sons, are only a few examples of these financial shenanigans.

Moreover, the greed of corporations—many in Europe and a handful in America—has helped the Iranian regime bypass the intended pressures of the American-U.N. embargo. While American corporations lost a market worth billions of dollars, their competitors walked away with windfall profits. The regime in Iran used the embargo not only as an excuse for its own incompetence but as fodder for its continued anti-Americanism. Chinese, Russian, and Indian companies have further enabled the regime to counter the effects of the embargo.

But long before there was any talk of an embargo, the
clerical regime had cleverly managed to create a crucial asymmetry in its relations with the United States. The use of the myth of the Great Satan put the United States in a defensive mode from the beginning.

The Carter administration had, although inadvertently, aided in the success of the Islamic revolution. And in January 1979, in a still unpublished letter, Khomeini wrote to Carter promising a peaceful transition of power if the United States discontinued its support for the Shah and Bakhtiyar, the last prime minister. Once in power, however, Khomeini began to use anti-Americanism as a major tool of hegemony, both domestically and among the Muslims of the world.

In the months after the fall of the Shah, the Carter administration went out of its way to maintain cordial (if not close) relations with the new regime. It signaled willingness to respect all past agreements between the two nations and even rescinded the offer of safe sanctuary it earlier made to the Shah and his family before they left Iran. Bringing the Shah to the United States, officials now told Carter, would jeopardize U.S. diplomats and interests. Before becoming seriously sick, the Shah had confided to the British government that he had no desire to settle in the United States. He said he disliked “the American way of life” and was particularly embittered by what he considered America’s key role in the collapse of his regime. And thus the Shah became, in the words of Henry Kissinger, “the flying Dutchman.”

After several months of humiliating wandering around the world, when the Shah was shunned by virtually every country except Sadat’s Egypt, the Shah’s health deteriorated. His physicians recommended that he be allowed into the United States for an urgently needed medical operation. The Carter administration for a while rejected this request. But many
prominent Americans, from David Rockefeller and Henry Kissinger to Richard Nixon and Senator Charles Percy, pressured Carter to change his mind and admit the Shah on humanitarian grounds. Before making the final decision, Carter went out of his way to reassure the Iranian regime that admitting the Shah had no political connotation and there were no plans “to repeat the events of August 1953.” He assured the Iranian regime that the Shah’s stay in the United States would be temporary and only for medical purposes, and that he and his family would be barred from any political activity. The Iranian regime went so far as to demand that a physician of its choosing should examine the Shah and confirm the seriousness of his condition. The United States responded by indicating that an independent, trusted team of American physicians had in fact examined the Shah and confirmed the urgent need for an operation.

This extraordinary attempt to accommodate the new revolutionary regime in Tehran was anything but reciprocal. Every day in the Iranian press some new “dirty secret” of U.S. involvement in Iran was exposed. The pro-Soviet Marxists used their influence in the media and the cultural domain to offer some theoretical varnish to this clerical xenophobia. One day it was the picture of the now-empty bunkers used by U.S. intelligence officers to house their anti-Soviet listening centers. The next day it was another revelation about America’s nefarious ties with the Shah and his dreaded secret police. Although the clergy, particularly Khomeini’s one-time mentor, Mostafa Kashani, had played a key role in the fall of Mossadeq by joining royalist forces in 1953, there was no end to Islamic regime recitations about America’s “original sin” in the overthrow of the Mossadeq government.

The fact that the Shah had built a strong army using
mostly American weapons and planes was another often-cited American sin. The fact that innumerable archival documents show clearly that for much of the post-war years the United States tried to temper the Shah’s grandiose military plans was conveniently overlooked. Even later, when the same much-maligned arsenal proved indispensable in fighting Iraq’s attack, there was no change in the vehemence of the rhetoric against America’s “military-industrial complex.” In fact, the United States was directly blamed for the Iraqi invasion of Iran. Without an American green light, the whisper went, Saddam would have never dared attack Iran. Other conveniently forgotten truths include the fact that Khomeini had, weeks before the Iraqi invasion, executed about half of Iran’s air force officer corps on the charge of alleged conspiracy in a coup attempt—a coup that was apparently first “reported” by members of the Tudeh Party; that he continued to incite Iraqi Shiites to revolt against Saddam; and that many members of Iran’s opposition told Saddam and the United States that Khomeini’s regime was about to fall and disgruntled Iranians would welcome an Iraqi invasion. Blaming America was the most convenient “explanation” of a destructive war that was begun by two men’s megalomania and continued needlessly because of Khomeini’s desire to end Saddam’s rule in Iraq.

Lamentable aspects of U.S. policy in this period helped the regime in its propaganda. The decision by the Reagan administration to publicly side with Iraq, and even provide it with intelligence on Iranian military plans, while at the same time covertly selling airplane parts and missiles to Iran in the Iran-Contra Affair, provided Khomeini and his successor all the ammunition they needed to continue their anti-Americanism. Another U.S. blunder came when Saddam Hussein
used chemical weapons against Iranian soldiers and civilians and the United States did little to condemn this egregious act. In fact, America’s ominous silence about the Iraqi use of chemical weapons—despite the opposition to this silence by figures like Secretary of State George Shultz—had an important, albeit unintended, consequence of lasting impact.

Among America’s sins, in the eyes of Khomeini, was its help in the development of a nuclear program for Iran. It had all begun with Eisenhower’s Atoms for Peace in 1959 and the gift of a small research reactor for Tehran University. In fact, for a decade, all but nothing was done with the reactor. Iran’s nuclear program began in earnest only in the early seventies, when Iran was flush with cash and the Shah increasingly saw himself as a world leader. By then, having a nuclear program had become, in his mind, the sine qua non of progress and prominence. With little advance planning and no public discussion, he ordered the commencement of a $2-billion-a-year nuclear program. The United States, European nuclear powers, Israel, and South Africa were all active proponents of Iran’s nuclear program. Companies competed ferociously for the chance to be part of Iran’s nuclear future. By the time of the revolution, a partially completed nuclear reactor in the city of Bushehr, a number of contracts with companies around the world, and hundreds of Iranian students studying nuclear physics at the best universities around the world were the only tangible result of this program.

As Khomeini never tired of repeating, the Shah was a “lackey” of the United States and it was the master’s order that Iran should buy “this useless nuclear junk.” Khomeini ordered the suspension of all work on the program. Even the Bushehr nuclear plant, in spite of Iran’s investment of billions
of dollars toward its completion, was suspended. Use it as a silo to store wheat, Khomeini reportedly ordered.

He changed his mind in less than five years, when the world did nothing to condemn Saddam’s criminal use of chemical weapons against Iranians. The nuclear program was commenced, but this time covertly. In 1991, when Iran’s secret program was finally exposed, the regime claimed it had chosen the covert path because it worried about an Israeli or American attack on Iranian nuclear sites. In the words of Hassan Rouhani, for many years Iran’s lead negotiator in nuclear talks with Europe and the International Atomic Energy Agency, Iran had been trying to “do a North Korea.” It wanted the world to face a fait accompli. In the four years after Rouhani’s 2006 speech was made public, the regime has continued to follow the same strategy and it has, remarkably, succeeded in befuddling the world. When the speech was made, Iran had only a hundred fifty centrifuges running. Today it has more than seven thousand. In February 2010, the regime announced that it intends to enrich uranium up to twenty percent. In a report issued by IAEA soon after this announcement, the organization indicated its “concern” about the regime’s nuclear plans and its work on missiles capable of carrying nuclear warheads.

It was of course not just guile and duplicity or clever double talk that allowed the regime to succeed in its strategy even after the world knew what it was attempting to do. In its efforts it was helped by the newly assertive foreign policy of Russia and China and by the greed of many European countries and companies. The latter continued to do business with the clerical regime even after it was found to be in violation of its Nuclear Non-Proliferation Treaty (NPT) obli-
gations and after the United Nations had imposed sanctions as punishment.

In the pursuit of its nuclear strategy, the regime played another card successfully. It accused the United States of hypocrisy and of arbitrarily picking on Iran. The United States, according to this narrative, had encouraged the Shah to have up to twenty nuclear reactors; yet now that the Islamic revolutionary regime was in power, the United States was arbitrarily barring Iran from exercising its rights under the NPT. But as with so much else in the regime’s self-serving narrative of history, the United States’ initial encouragement of the Shah is the only kernel of truth in this story. In fact, as soon as the United States learned of the Shah’s unusually heavy investment in uranium enrichment activities in Iran and around the world—particularly South Africa and France—it tried vigorously to dissuade the Shah from pursuing that path. By then there were signs that Iran was pursuing dual-use technologies that could potentially be used in the development of a nuclear bomb. The Shah wanted to have the technological know-how to develop the bomb as soon as “anyone in the neighborhood” went nuclear. The Ford and Carter administrations made every effort to dissuade the Shah from this trajectory. Surprisingly, successive U.S. administrations have allowed the Iranian regime to maintain its lie, whereas recently declassified documents from the State Department, Defense Department, White House, and Department of Energy show the details of tense and sometimes rancorous negotiations between the Shah and the United States over the wisdom of Iran’s enrichment activities.