

## **Bitter Friends, Bosom Enemies: How the United States and Iran Missed Strategic Opportunities for Reconciliation**

### Transcript of Barbara Slavin's Presentation

*The following is a transcript of the presentation given by Barbara Slavin in connection with her participation in the meeting entitled "Bitter Friends, Bosom Enemies: How the United States and Iran Missed Strategic Opportunities for Reconciliation," which was held at the Woodrow Wilson International Center for Scholars on October 23, 2007. The opinions expressed here are those of the author and in no way represent the views or opinions of the Woodrow Wilson International Center for Scholars.*

First, I want to thank the Woodrow Wilson center for giving me the intellectual and physical space to write this book. I will always treasure the memory of my summer here and my beautiful office overlooking the square.

There are so many people here to thank but none more than Haleh Esfandiari. She has done more than anyone I know to promote contacts between the United States and Iran and to promote intelligent discourse on Iran. Unfortunately, as she learned first hand, no good deed goes unpunished. Without Haleh, I would not have done a very good job reporting from Iran and I probably would not have written this book. She provided constant encouragement and I am very grateful for her mentoring.

And very grateful – as is everyone else here -- to have her here back with us. That makes this really a joyous occasion. There is a lot to talk about and the best part will come with your questions. But I thought I'd begin this way: Last spring, members of the State I wanted to focus on missed opportunities.

I wanted to focus on missed opportunities. I think that is one theme of the book, although the book also talks about Iran internally, its politics, its constituents, the young people, the Revolutionary Guards, all these other things. But missed opportunities really is the theme. And I thought I'd begin with something I found out last spring when I was just finishing up the book. I talked to some people at the State Department and everybody seemed to be reading a book by Margaret McMillan called Nixon and Mao and it seemed that the word had come down from the seventh floor of the State Department that Secretary of State, Condoleezza Rice, was hoping for a diplomatic breakthrough with Iran like the one that Nixon and Kissinger had with China in the 1970s. And as you may recall, Rice had offered in May of 2006 to meet with Iranians anywhere, anytime, if they would suspend their uranium enrichment program. And last spring I think there was still some hope, some expectation in Washington that this might happen, that Iran would accept this precondition and come to the table.

That hasn't happened, as you all know. Instead, we've seen escalating tensions between the two countries because of the nuclear issue, Iran's behavior in Iraq, and its support for adversaries of the United States and Israel elsewhere in the region. And the chances for a

breakthrough right now don't look terribly good. While there's plenty of blame to go around and certainly a lot of blame on Iran's side, I argue in my book that contradictory and short-sighted policies by the Bush administration undercut a series of opportunities to improve relations between the two countries, particularly in the Bush administration's first term, but also in the second term. I'm not going to go back and rehearse the whole history, everyone in this room is knowledgeable, you all know about the 1953 coup, you know about the 1979 hostage crisis. Iran has clearly been a very difficult country for the US to deal with for a long time. In my book, I call it the "Rodney Dangerfield of nations." Remember the old comedian, he could never get enough respect. There is a big chip on Iran's shoulder and that is for sure. Still, Iran had progressed in the last couple of years to a point where it actually was ready to openly talk to the United States. And of course the tragedy is that once Iran got to that point, the Bush administration was not ready to do it, at least not without preconditions and a lot of demands.

I thought just a little bit of history. I said I won't go all the way back to '79. Let me start with the first Bush administration, the administration of George Bush the father. I interviewed Brent Scowcroft for the book and he told me that Bush I was actually quite interested in trying to improve relations with Iran, particularly after the Iranians engineered the release of the last U.S. hostages in Lebanon. You remember Bush said in his inaugural, "goodwill begets goodwill." And there were emissaries from Iran, people who could come and tell Scowcroft that Iran was interested in opening a formal dialogue. So Scowcroft told me that he told these people, "We're happy to do it. We could have it official, public or private citizen to private citizen. Any way you want it." He said that the two countries went so far as agreeing to have a formal meeting in Switzerland in 1990 but at the last minute, the Iranians got cold feet. Scowcroft's conclusion was they simply weren't ready, the regime was too divided, they were still too insecure to open a formal dialogue with the United States.

The Clinton administration came in with a different approach: dual containment – harsh sanctions and isolation against both Iraq and Iran. The White House put a total embargo on U.S. trade with Iran and investment in the oil industry in 1995, after then Iranian President Rafsanjani offered a major oil deal to the U.S. company Conoco. Clinton was under a lot of pressure from a newly Republican-led Congress and also from the American Israel Public Affairs Committee. There were already concerns about Iran's possible nuclear program and also about its support for Palestinian groups that were carrying out attacks in Israel. Besides the new U.S. sanctions, Clinton also signed into law the Iran-Libya Sanctions Act, which threatened sanctions against foreign companies that invested in Iran's oil sector.

Nevertheless, there was some improvement after the election of Mohammed Khatami in 1997. He came in as a reformer. He called for a "dialogue of civilizations" with the United States and Clinton eagerly embraced this. I was very lucky to be in Iran in 1998 when American wrestlers went to Iran. They were the first US athletes in Iran since the revolution and they were cheered I think as much or more than Iranians were in Azadi stadium and I remember also that the American flag was flying. It was the first time that

I'd seen an American flag flying in Iran without it being burned in anti-American demonstration. It was very moving.

Clinton followed up on this "pin down" diplomacy by sending Vice President Gore to see then Saudi Crown Prince Abdullah in May of 1998. The Saudis and the Iranians had patched up their relations and Clinton had a message for Abdullah to give to the Iranians that the US was ready to talk and they even named three Americans who would be on a delegation to meet with Iranians: Bruce Reidel, who was then the top Middle East advisor on the National Security Council; Tom Pickering, who was then Deputy Secretary of State and David Welch, who was then a Principal Deputy Assistant Secretary of State. The Iranians didn't reply. Clinton didn't give up. He sent a letter to Khatami after the Khobar towers incident, which was a terrorist act, 19 Americans were killed in an air base in Saudi Arabia. There were indications rather early on that Iran's Revolutionary Guard corps were implicated in some way. So Clinton sent a letter through the Omanis and the Swiss, asking Khatami for his cooperation. He did reply this time but he said that Iran had not been involved in any way so that didn't go anywhere.

Still the administration continued. There was a slight easing of sanctions on food, medicine and carpets. Madeleine Albright then gave a major speech in March of 2000 where she apologized for the 1953 coup that had reinstated the shah and she also expressed regret that the US had supported Saddam Hussein in the Iran-Iraq war. But she made one mistake, I think a really fatal one, and it's one that the Bush administration has continued to make and has intensified. She distinguished between Khatami and his cabinet and Supreme Leader Ali Khamenei and his appointees. She referred to the latter as "unelected hands." And the Iranians reacted quite negatively to this. As you all know, under the Iranian system, the president is subordinate to the Supreme Leader, that's why he's called the Supreme Leader. And there was no way that Khatami could undertake a major strategic realignment without the full support of the entire Iranian government, certainly not without the full support of the Supreme Leader. And you don't get support from the Supreme Leader by insulting him, by calling him unelected. I mean, he is actually chosen by a body which is elected so it wasn't even entirely accurate in terms of what she said. Still, by the end of the Clinton administration, I would argue that relations between the US and Iran were better than at any time in the previous three decades. Now we come to Bush II.

It's ironic now to remember that Iranian officials actually wanted Bush to win because they were remembering his father fondly, and they thought that Bush, and Dick Cheney as oil men, would be much more sympathetic to a reconciliation with Iran. They thought Gore was more beholden to pro-Israel groups in the United States and that he would be more resistant somehow to improving relations. Initially, there were a few promising signs from the Iranian point of view. Richard Haas, who was the Director of Policy Planning for Colin Powell, and was a veteran of the first Bush administration, tried to limit the extension of the Iran-Libya Sanctions Act to only 2 years instead of the full five years and the administration backed him up on this but Congress shot it down and extended it for the full five years. Then came September 11. Iran, virtually alone among Muslim nations, showed real sympathy for the United States. There were candlelit

demonstrations in the streets of Tehran. Khatami came to the United Nations in November of 2001 for a delayed meeting of the UN General Assembly, and he let an American diplomat know that he was going to be bringing an unusually large delegation with him, a group that included intelligence and Revolutionary Guard experts on Al Qaeda. Basically, the Iranians were suggesting that they would be ready to begin a counter-terrorism dialogue with the United States, something enormously important at that time. Khatami also asked permission to visit Ground Zero – he wanted to express his condolences for the victims of 9-11. But the State Department did not push forward on either of these requests and I think that was the first opportunity right there to begin to change the strategic picture for the United States that was lost. Still Iran cooperated with the United States in Afghanistan. It had its own interest in getting rid of the Taliban, which had been a threat to Iranian interests there. It played a significant role in overthrowing the Taliban – it had Revolutionary Guard Quds force commanders present when Kabul fell in November, 2001. And Iran was also very helpful on the diplomatic front in terms of setting up a new government for Afghanistan, and supported Karzai. Actually, Iran was the one to put into the document at the Bonn Conference that Afghanistan should have a democratic government that respected human rights. How's that for ironic? A senior Iranian diplomat described for me the mentality of the Iranian government at that time, why they were so helpful. He said, "The general impression was that this was a national tragedy for the United States and success in addressing that tragedy was extremely important for the US public in general and the administration in particular. There wasn't another moment in US history when there was more of a psychological need for success on the US part. That's why we consciously decided not to qualify our cooperation on Afghanistan or make it contingent upon a change in US policy, believing erroneously that the impact would be of such magnitude that it would automatically have altered the nature of US-Iranian relations."

The Iranian cooperation with the US was very popular in Iran. I went to Tehran in December 2001, and I was struck that Iranians from all walks of life, once they found out I was American, would come up to me and express condolences and say how much they admired the United States. Politicians and parliamentarians also went on the record saying that now was the time for the US and Iran to restore relations and this was usual. On previous trips there had been some people who had said that but it wasn't something that was commonly expressed as it was in December 2001.

What I didn't know at the time and I only learned of in 2003 was that there actually was some diplomatic movement. The US and Iran had begun secret high level talks in Europe. They grew out of negotiations and discussions about Afghanistan and they had a kind of cover. It would begin with a meeting at UN headquarters in Geneva, or at the Paris apartment of Lakhdar Brahimi, he was the UN Special Envoy for Afghanistan. And then the Americans and the Iranians would adjourn, all by themselves to a local hotel and they would sit in the lobby or they would go to a private room and they'd have non-alcoholic drinks and potato chips and they'd talk about practical issues that involved first Afghanistan, later moving on to Iraq. On the US side, the talks were headed by Ryan Crocker first, now our ambassador in Baghdad, later by Zalmay Khalilzad, who was our ambassador in Baghdad and is now our ambassador at the UN. At the time, both were

based in Washington. Ryan was at the State Department and Khalilzad was on the National Security Council. On the Iranian side, there were several senior officials. The final one was Javad Zarif, who as you all know, became Iran's UN ambassador and is now, unfortunately for all of us and for Iran, back in Tehran. As I said, these were practical talks, they weren't talks about some grand bargain. They covered issues such as how to manage Afghanistan after the fall of the Taliban, what to do about al Qaeda members fleeing Afghanistan and later on, what the US should expect if it overthrew Saddam Hussein. The United States gave the Iranians lists of al Qaeda members who were fleeing Afghanistan and Iran found some of them and extradited some of them but it held on to some senior al Qaeda people including a son of Osama Bin Laden. And the Iranians demanded in return that the US hand over leaders of the Mujahideen-e-Khalq, an Iranian opposition group which was harbored by Saddam Hussein, fought against Iran in the Iran-Iraq war, and has been under US protection in Iraq since 2003, since the overthrow of the regime there.

At the same time these talks were proceeding, the Iranians prepared an agenda for negotiations dealing with all the issues between the two countries: nuclear issues, Iran's support for Hezbollah and Palestinian groups. There are a lot of myths about this proposal so I thought I would puncture a couple of them. First of all, it was an Iranian proposal. It was not a Swiss proposal. It was written by Sadegh Kharazi, who was Iran's ambassador in France at the time, nephew of then Foreign Minister, Kamal Kharazi, and a relative by marriage of Ayatollah Khamenei, the Supreme Leader. He got Tim Guldemann's help in putting it together and in transmitting it to the United States but it was an Iranian proposal, vetted by the top leadership of the Iranian government. It also had some input from Javad Zarif, who edited it, and the edited version with the last minute changes are printed in the annex to the book, in case you want to take a look. Another myth is that Tim Guldemann, the Swiss ambassador in Iran, who helped transmit this, was formally reprimanded by the Swiss government. That is not so. John Bolton, who was then an undersecretary of state, complained to the Swiss and Guldemann did get a verbal tongue lashing from Jim Larocco who was a deputy assistant secretary of state at the time. Larocco said, why are you bringing this here, you know no one in Washington is interested. The bottom line was this: the US had declared "mission accomplished" in Iraq and it thought it didn't need anybody's help and there simply was no interest. In my book, I quote Condi Rice as saying that she never even saw the proposal. I find that hard to believe but that's what she says. In any case, there was no interest in Washington in taking this up. Another, in my view, huge opportunity missed. I mean you can imagine if the US and Iran had started to talk at that time when Iran had no centrifuges spinning in Natanz, when Khatami was still the president of the country, not Ahmadinejad, and the US situation in Iraq of course was much more favorable than it is today.

Meanwhile these talks that I spoke about in Europe, they broke off. I feel a little guilty, I wrote about them on the front page of USA Today and then there were bombings in Saudi Arabia which the US blamed on al Qaeda detainees in Iran. No proof was ever put forward that these detainees were in any way responsible for the al Qaeda attacks in Saudi Arabia. My personal view is that the US used this as an excuse to break off the talks because the talks had been so secret that the Americans were told not to even keep

notes. And it's possible that some parts of the Bush administration didn't know that these talks were even taking place. Of course once it was written about it was out there and so all the neocons could take potshots at it and I remember watching Condi Rice on CNN, we were overseas with Powell when the story came out, and she looked so embarrassed that the US had been caught talking to evil, you know. So they shut them down and so there goes another opportunity. I quote Bruce Reidel, who worked for Bush I, Clinton, and into Bush II, as saying that "the irony was that Clinton pressed so hard to begin a dialogue and got nothing, Bush 43 has had opportunities to talk, and even talks themselves, but didn't want them." There were other overtures as well, even after Khatami left office and Ahmadinejad came in. There was a new national security advisor, Ali Larijani, who tried very hard to set up backchannel talks with the US in the winter of 2005-2006. He gave me an interview in which he called Steve Hadley a logical thinker. And he authorized his deputy, a man named Mohammed Javad Jaffari to start up a backchannel dialogue with the US, with Hadley, or a designated emissary of Steve Hadley. But the White House didn't reply. So first Larijani and then Ayatollah Khamenei himself went public in March 2006, they accepted a previous US proposal for talks just on Iraq. This was a US proposal. But Bush administration decided no, it's not a good time. It was getting prepared to talk to Iran about the nuclear issue but with preconditions and they thought to talk about Iraq would be a distraction. They also were worried that the Iraqis, I think Khalilzad was very worried that the Sunnis in Iraq, in particular, would think that the US and Iran were going to form a new government for Iraq over the heads of the Iraqi people. Of course, as it turned out, the Iranians did choose the next Iraqi government. It was the Iranians that kicked out Prime Minister Ibrahim Jaafari and got the compromise over Nouri al-Maliki so it really didn't make any difference that the US and Iran weren't talking about it at the time. But the US refusal to accept Larijani and Khamenei's public overture had domestic consequences which are still being played out today. It humiliated Larijani and Ayatollah Khamenei, it strengthened Ahmadinejad and other Iranian neoconservatives who argued that the Bush administration would never take yes for an answer and that the best thing that Iran could do would be to accelerate its nuclear program and get all the way to bomb capacity as fast as possible because then the US would treat it with respect and would sit down and negotiate with it.

So, you know, here we are. It's not 2003, it's not 2006. We're in a much worse position. Iran, as I said, has accelerated its nuclear program, and has perhaps already passed the red line. I mean they know how to make centrifuges and they know how to spin them, maybe not terribly well, but certainly they're getting there. Iraq is, well the administration may say that the surge is succeeding, but it's still certainly a very violent place. Iran has vastly increased its influence there and the situation in the rest of the region doesn't look too bright either. We have Hezbollah, an Iranian client, doing extremely well in Lebanon, in a position to be the power broker there and half of Palestine is under control of another Iranian proxy, Hamas.

So for Condi Rice to think of herself as a potential Henry Kissinger, seems a bit of a stretch. The policies, the situation is quite different. Nixon and Kissinger had a clear strategic vision of how they wanted to change the geopolitical map, play China off against the Soviet Union and distract attention from the US debacle in Vietnam. Bush,

unfortunately, has been unable to prioritize. You know, he wants to stem nuclear proliferation but he also wants to promote democracy and as a result I think he has had trouble achieving either. He's trying to compensate now by increasing economic pressure on Iran and the sanctions are having an impact although I would argue that Ahmadinejad's own economic mismanagement has had a bigger impact in terms of undermining the Iranian economy despite these incredible oil prices. And the sanctions and the threats of military action haven't stopped Iran's nuclear program at this point. Bush has been forced by domestic opinion to agree to begin to draw down our forces in Iraq, which is only going to give Iran more room for maneuver there. And at the same time that Bush is demanding that Iran behave better in Iraq and suspend the nuclear program, he's still calling for regime change. You know, he's saying that as you stood for your own liberty, America stands with you. And Dick Cheney said something similar just this past weekend in a speech that he gave. I don't remember Nixon or Kissinger urging China's oppressed millions to rise up against the very regime that the US was courting at that time. Now, obviously there are differences. China wasn't threatening Israel and China was already a nuclear power when the breakthrough came and the US didn't try to change that status but there are similarities. The US is bogged down in another unpopular war and needs outside help to extricate itself. I would argue that the US still faces a much greater threat from suicidal Sunni fundamentalist terrorism than it does from Iran. And as I pointed out, Iran is a major player in all of these other conflicts in the region and I find it difficult to believe that the US is going to be able to bring peace to the Middle East at large without some sort of accommodation with Iran.

Iran's attitude is certainly negative. I was in New York -- my last task for USA Today before going to the US Institute of Peace was to run around after Ahmadinejad when he was there for the General Assembly. And I asked one of his top officials why don't you accept the Rice proposal, suspend uranium enrichment, let the talks begin, Condi says she'll talk to you about anything and he said, "We think Rice is lying." Iran simply doesn't believe that this administration wants relations with it. Their view is that Rice is just going through the motions to solidify international opinion against Iran, that it really doesn't want talks at all, and I'm not sure frankly that there's anything that this administration can do to change that impression short of dropping preconditions for talks and completely changing its language about Iran in a way that I just simply don't foresee.

If we're ever going to get there, this administration or the next is going to have to, in my view, accept the Iranian government as a whole, stop trying to pick the parts that it likes you know, Larijani but not Ahmadinejad, Khatami not Khamenei, and deal with it. I mean, that's the model that has helped improve the lives of millions of Chinese and I think it's the only thing that might help Iran too. In the meantime, I'm afraid the United States and Iran are going to remain bitter friends and bosom enemies.