

Economic Stimulus or Need for Power?

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Abstract

Tensions between the United States and Iran have developed for decades since the 1950s. With a constant change in United States foreign policy, the United States looks at different objectives with Iran has changed over the years. The current conflict between the United States and Iran could be blamed on numerous conflicts in the past based on the previous objective of the United States and their international relation theories and objectives. The evidence of the United States utilizing the Iranian conflict for economic benefit through the enriched Iranian lands, complete with significant supply of oil has led the United States to prioritize and intensify its conflict with Iran. As the conflict intensified and prolonged, a shift to regional and world security forced the United States to take a new approach to ensure security and power within the Middle East.

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The Islamic Republic of Iran has a unique history when reviewing their notable history within the international relations sphere. Specifically, the relationship between the United States and the Islamic Republic of Iran (Iran), has continued to grow in a conflicting manner frequently. With Iran's central location within the Middle East, located near a key point of the Strait of Hormuz, Iran has found itself in conflicts with countries due to its political and economic policies. Because of this, a recent Gallup poll showed that 79% of Americans view Iran in an unfavorable way (Iran n.d.), with this only continuing to rise as tensions between the countries increase. While some argue in favor of the country in light of the newest conflict between the two countries, a majority of Americans see Iran as a threat, problem, or distasteful as a whole. Continuing, Iran and the United States' growing conflict began long before its current state, developing over time through regional and global conflicts. While some argue that there is some specific event that caused this conflict to mature into what it is today, the conflict has seen many key events that play into it, however there are two theories that best explain the ultimate reasoning for this conflict. Therefore, the current conflict is best explained by the class system theory, with some key points of the realism theory, through the United States ability to profit from conflict within Iran, as well as attempt to strengthen global security, specifically within the region.

The Early Beginnings of the US-Iran Conflict

While many people today only think of the current regional war between the United States, neighboring states, and Iran to be the only and main piece of the conflict, the roots of the conflict continue far before the 2026 regional war. Late in the 1940's and into the 1950's, the United States was in a continued arms race with the Soviet Union known as the Cold War. With

the west fearing possible confrontations with the Soviet Union, the United States took every action to limit their sphere of influence and hold an upper hand against the Soviets. Meanwhile, in Iran, Britain had continued to sustain control of Iranian oil, where the Anglo-Iranian Oil Company held control of Iranian oil where they controlled and profited from Iran's vast amount of oil through the country (Cannon 2021). During this time, Iran contractually profited 16% of the profits from the Anglo-Iranian Oil Company, which controlled all of Iran's oil production (Council on Foreign Relations, 2025). As this continued, the people and government of Iran continued to become aggravated with the British control of their oil supply and the significant exploitation of the profits from the oil sales. Because of this, Mohammed Mossadegh began the National Front, a party that looked to depart from the monarchy and separate from Britain / Anglo Iranian Oil Company. This specifically became a concern, as a primary objection of the National Front was nationalizing the precious resources within Iran (Brew, 2019). As this developed Mohammed Mossadegh grew extremely popular with the people of Iran and soon in 1951, he was elected as prime minister of Iran under the condition that the Majlis nationalized the oil industry. As promised, the industry was nationalized by the Majlis immediately before Mossadegh officially won the election by a considerable amount. Upon this motion of nationalization, relations between Iran and Britain soured, quickly starting the newest regional rivalry within the middle east.

As oil was nationalized and held for Iran's use and sale, Britain began to panic, and looked to the United States, its NATO (National Atlantic Treaty Organization) ally for help. Believing that unimpeded access to oil would be required in the event that NATO forces entered into a conflict with the Soviet's, Britain approached United States President Truman for assistance in intervention with Iran (Cravens, 2016). Throughout 1952, Britain continued to request assistance

from US forces in an attempt to invade Iran and overthrow Mossadegh, however Truman declined due to the ongoing conflicts against communism, specifically in Korea. Instead, President Truman sent an envoy to Tehran, Iran in an attempt to negotiate. As these talks failed, the United States hosted Mossadegh in Washington, however he refused, insinuating that Iran does not want to do business with Britain in regard to the oil industry (Council on Foreign Relations, 2025). Later in 1952, the United States Presidential elections provided Britain with a new ability to persuade a significant foreign leader to oust Mossadegh from Iran. As the “tough on communist” Eisenhower won, Britain used this opportunity to convince the United States to help overthrow Mossadegh. Initially skeptical, as Eisenhower did believe in the current prince minister, his stance flipped, approving an operation to overthrow Mossadegh from the Iranian government, known as Operation Ajax.

As Operation Ajax came to fruition, the United States Central Intelligence Agency and Britain's MI6, began to work together to overthrow the Iranian official. Through their covert operation, the coalition sought to destabilize the Iranian government through methods of chaos and restoring power to pro-western Shah Mohhamad Reza Pahlavi. Utilizing fake protests, riots, and fake newspaper propaganda, the coalition of CIA and MI6 operatives made it appear that Mossaegh had lost all control of Iran (Leonhardt, 2015). Following these events and numerous violent protests, Iranian general Fazlollah Zahedi who was employed by the CIA surrounded the prince minister's home with 35 Sherman Tanks, which are American made. Following Mossadegh's capture, he was exiled and sentenced to life in prison, as Shah Mohhamad Reza Pahlavi was reinstated, quickly rewarding Britain and the US with 40-60% of the oil production control (Soler, 2020). While Operation Ajax was originally seen to be a complete failure, the persistence of Eisenhower allowed for a successful conclusion to the operation.

Life in Iran Following Operation Ajax

Following Operation Ajax and the uprising of Shah Mohhamad Reza Pahlavi, the United States quickly formed a positive relationship with Iran, viewing them as an asset when fighting communism from penetrating to other countries. Swiftly after the Shah resumed his leadership in Iran, he signed a deal giving the United States and Britain 40% of Iran's oil production for 25 years in 1954. In response, Eisenhower signed the "Atoms for Peace" initiative, providing Iran with nuclear technology and enriched Uranium (Roos, 2026). Within one year, the United States had already formed a close alliance with the now friendly Iran.

A friendly rapport between the countries continued to flourish in the 1950s, with numerous treaties forming between the two. In 1955, numerous western countries had begun to join a coalition together to prevent the spread of communism throughout the world. Formed originally by Turkey, Iraq, the United Kingdom, and Pakistan, Iran quickly signed on with US influence. While the United States was not officially a part of the pact yet, President Eisenhower and his administration were a silent architect of the coalition (Yeşilbursa, 2020). This coalition established a significant partnership between Iran and the west and enabled increased surveillance abilities for the United States to continue to monitor Iran. Through the pact, it allowed for the United States to establish surveillance on Iran's border with the Soviets. Shortly after, in 1957, with assistance from the CIA and Israeli Intelligence Services, the Shah established SAVAK, a secret police force that ensured the security of the Shah from internal political dissent. For the United States, this ensured that communists could not attempt an internal, hostile takeover of the Iranian government (Little, 2011). Through the 1950s Iran established itself as an anti-communist government and a close ally with the United States.

Tensions Rise as Stability Struggles

Entering the 1960s, it began to become obvious that the stability of Iran was questionable. As John F. Kennedy entered the White House, he especially grew concerned with the stability of Iran, believing that if intervention was not utilized, the Shah could be out quickly. Due to this, Kennedy invited the Shah to Washington, informing the Shah to look towards modernization and embrace reform. Nine months following the Shah's meeting with Kennedy, he unveiled an agenda of reforming policies, known as the "White Revolution". This revolution which preached "land reform, industrial growth, women's rights, and better schools", was popular for some in Iran, but was heavily criticized by many including landlords and clerics. Ruhollah Khomeini, the 61-year-old Ayatollah, refuted the Shah's revolution, calling it "westoxification", however he was quickly exiled by the Shah to Iraq with American support. As Nixon moved into the White House, it seemed to be a continued success for Iran even though visible struggles were seen during the Kennedy administration. As oil prices boomed, Iran brokered a deal with Nixon to purchase non-nuclear weapons and equipment from the United States, however the country followed into economic struggles due to a rise in inflation due to their economic boom. As struggles continued within Iran, dissidents began to appear protesting entities like SAVAK and the Shah's pledge to the west (Collier, 2013). This continues as the exiled Ayatollah Khomeini continues to spread fearful propaganda against the western-backed Shah. It was beginning to become apparent that the stability of Iran was in greater question than previously imagined. It was then in question what could potentially happen if the Shah maintained a somewhat repressive regime.

The Tables Turn: The Iranian Revolution

As the Carter Administration settles into the White House in the late 1970s, Carter sets a main goal of advocacy for human rights within his foreign policy. Knowing about the Shah's repressive policing efforts that was formally assisted by an American agency, Carter grew distasteful of the current situation in Iran. However, things remained stable until police murdered over 20 pro-Khomeini protesters in the Holy City of Qom, which formed a group of all types of people from Iran, all advocating for the same cause, the Shah cannot control the government and Iran anymore. Tensions continued to rise as 400 more protesters were murdered in the capital city of Tehran, making it clear that the Shah did not have long left before he would be murdered himself as he is overthrown. Shortly after, on January 16th, 1979, the Shah and his family fled Iran for Egypt (Collier, 2013), giving up his seat as the Shah of Iran.

Quickly after the Shah fled to Egypt, Ayatollah Khomeini returned to Iran on February 1st, 1979, where he was met with extremely positive response from the Iranian people. With the state pleased for Khomeini to be back in Iran, Khomeini and his closest supporters form the Islamic Republic of Iran, through removing the monarchy and establishing this new republic (University of Chicago Library, 2011). The response from the Iranian people was extremely favorable with many showing pride and admiration for their new Supreme Leader, Khomeini. Ayatollah Khomeini continued to reverse the old Iran into the republic he was forming. One of the main platforms that Khomeini stood on, was how America was "the great Satan" (Collier, 2013), and continued to preach anti-America and anti-western values. While US diplomats attempted to make negotiations with Iran's newest leaders, they faltered, as most Iranian citizens followed, denouncing America in all aspects.

Following the establishment of the new Islamic Republic of Iran, Iranian citizens continued to grow aggravated at the American people. As unrest towards Americans continues to grow after President Carter allowed for the former Iranian Shah to seek medical attention in the United States for his cancer. This decision prompted a group of students to storm the American Embassy in Tehran, ultimately taking 66 Americans hostage. While some hostages were released shortly after being kidnapped as they were seen to have “already been subject to American oppression” (Iranian Hostage Crisis, 2010), it left 52 hostages in Iranian custody. While the United States attempted both diplomatic and economic sanctions in response to Iran taking over 50 Americans hostage, Ayatollah did not budge, keeping the Americans hostage.

As American sanctions failed under the Carter Administration, President Carter ordered a military operation to extract the 52 remaining hostages, codenamed Operation Eagle Claw. The operation planned to utilize 132 soldiers from both the Army Rangers and Delta Force. The plan consisted of an elaborate overnight operation utilizing numerous aircraft to extract the hostages out of Tehran and bring them back to safety with all 132 soldiers (Vergun 2025). However, the operation plan received significant backlash within Carter’s Administration, leading to the resignation of his Secretary of State. Despite this backlash, Carter went through with the operation that then failed due to a dust storm, killed 8 US servicemembers (Iranian Hostage Crisis, 2010), and was aborted. The operation was deemed a failure, leaving all 52 hostages remaining in Tehran until further notice. The hostages were held continuously throughout the rest of Carter’s term, which ultimately weakened his presidency. The hostages would then be finally released on the day of Ronald Reagan's Inauguration. Despite the hostages being returned, the United States began to see a dramatic change in their relationship with Iran as the Mullahs began to rise into power, controlling the new Islamic Republic of Iran.

A New Government: The Islamic Republic of Iran

With a new republic formed out of a dismantled Iran, the Islamic Republic of Iran began to grow through the 1980s. Soon after their new regime formed, Iran entered into a regional war with its neighboring country, the Iran-Iraq War. A conflict started due to Iraq's ambitions to expand its borders while Iran struggled to control initial chaos internally (Muslim Network, TV, 2026). Iraq, who wanted more control over Shatt Al-Arab, a major water riverway which was the border for the two countries. This then prompted Iraq to move into Iran and control their oil supply. This operation continued for two years until Iraq attempted to make a peace agreement with the Iranian government; however Khomeini refused and continued the war until 1989 (History.com Editors, 2009).

While the regional war was primarily between Iran and Iraq, the United States took a silent stance within the conflict. The United States never publicly joined a coalition against Iran within the conflict; however they were quick to provide military and intelligence aid to the Iraqis. However, while the United States was assisting Iran, a scandal broke out within the Reagan Administration, where they had been selling Iran weapons during the Iran-Contra affair, ultimately arming a terrorist state (Liu, 2018). As the war began to settle down, and America recovered from a scandal within their administration, the United States and Iran still remained on negative terms.

Relations within Iran continued to stall as the Clinton Administration moved into the White House. Bill Clinton, who was never a supporter of affairs with Iran, began creating a harsher, no tolerance policy when working with Iran. Soon into his first term, Clinton banned US trade and investment into Iran in 1995. Following this 1995 ban, Clinton passed a law that prohibited any investment into Iran's energy sector (Independent Council for Iran/Contra

Matters, 1993). However, soon after Clinton put the ban in place, Iran's major oil partnerships were disrupted with US companies. While this created some brief economic issues for Iran, they recovered quickly, shifting their production with countries who did not follow the United States ban (Southerland & Devroy, 1995). This only continued the souring of the US relationship with Iran, however strengthened America's position within the middle east.

Following the Clinton Administration and into the new millennium, Iran continued to develop as a republic, strengthening their power within the middle east. Briefly after 9/11 Iran complied with US forces in the retaliation of the terrorist attacks in New York City, however this relationship was short-lived. Moving past 9/11, Iran strengthened itself as a power, through their enrichment of uranium designed for a possible nuclear weapon. Although this was attempted to be done covertly, it was discovered Iran was enriching uranium while developing a possible nuclear weapon. Following an escalation with Tehran, many western powers placed embargoes on Iran in response, which led to Iran's compliance with the United States, signing the Joint Comprehensive Plan of Action, which stalled Iran's nuclear development while loosening the tariffs and embargoes placed on the republic (Sinha, 2026). The Obama Administration utilized this deal in an attempt to disable Iran's nuclear capabilities, requiring Iran to comply with specific inspections of sights. However, during the Biden Administration, the agreement took a turn and failed as Iran began enriching and developing uranium once again.

The Conflict Today: Trump V. Iran:

Early into President Trump's second term as US President, he specifically rallied for a no tolerance policy with Iran's nuclear capabilities, frequently stating in rallies and speeches, "We cannot allow for Iran to hold a nuclear weapon". As Iran did not heed Trump's request early into his presidency, Trump invoked his right as Commander-In-Chief to conduct military operations

within Iran. Just six months into his presidency, Trump executed Operation Midnight Hammer. During the operation 7 American B-2 Spirit bombers dropped numerous “Bunker-Buster” bombs over several nuclear sites throughout Iran. The operation was deemed a significant success by the United States (Roth, 2026), while Iran disagreed only citing minor, repairable damages to their facilities. In response, Iran launched retaliatory attacks on several US bases throughout the middle east, however all were intercepted.

Soon after Operation Midnight Hammer, Trump continued to attempt persuasion of Iran's Supreme Leader to suspend Iran's nuclear program. After only one year of refusal, the United States conducted a joint operation with Israeli forces named Operation Midnight Hammer, the United States most extreme military operation against Iran in history. This operation used nearly every type of military asset that the United States holds, attacking numerous buildings, ultimately killing Iran's Supreme Leader Ali Khamenei and numerous other high-ranking Iranian officials. (Rubinstein, 2026). This military aggression was the most significant aggression seen within the history of US-Iranian relations and ultimately paints a picture for what type of theory could be seen within this conflict.

Class System within the Middle East

In order to ultimately describe the reasoning for why the United States is currently engaged in a long-form conflict with Iran, one must understand the history indicated above, and how that plays into the current conflict we see today. The theory of the class system examines how states often look at relations through an economic lense, and how one can control a significant portion of the global economy. Historians have seen the class system theory used by numerous republics, states, and countries throughout our world's history, but how does it apply to this conflict? The United States began engaging with Iran in the early 1950s through their fears

of the Cold War. With western nations quickly being suspended from Iran's oil production rights, fear grew quickly throughout the western nations, ultimately provoking conflict to ensure power remains in the hands of the west. While the United States was not currently concerned with security of the middle east at the time, significant concerns had grown over the economic control of some of the most expensive land in the world. Enriched with oil with other precious resources, control of Iran's land provides cheaper oil costs for entire nations. Because of this, the United States utilized covert operations to swiftly overthrow the one person who stood in their way of maintaining control of Iranian oil, Mossadegh. As they quickly engaged to eliminate this barrier in their conquest for control of oil, the United States directly supported the theory of the class system within their actions. These actions repeated throughout the development of US-Iranian relations, constantly ensuring that the west held domestic power over Iran's oil production. Beyond the United States' direct involvement with Iranian economics, they continued this Marxist approach through their involvement in the Iran-Iraq war, ensuring that Iraq could provide more control over Iranian land, while also profiting from the continued conflict in the uncovered Iran-Contra affair during the Reagan Administration. These actions, directly correlated to numerous US Presidents and their foreign policies, displayed the United States' continued approach to the class system theory.

A Realistic Approach: The Realism Theory

While the approach to the class system theory is promising, one may argue that the United States - Iranian conflict is directly caused and correlated to the realism theory. The realism theory, which prioritizes security and power at both a national and regional level can be argued significantly within the conflict. The United States has prioritized economic benefit from Iran early, however following came security within the region. As uranium became much more

accessible within the world and the increase in terrorist attacks throughout the world, security and power of the middle east became a significant priority of western nations. This led to the United States taking an authoritative stance within the middle east, conducting numerous military operations in an attempt to eliminate Iran's potential threat to the United States and neighboring countries through their development of nuclear weapons. Therefore, the United States taking the enforcement approach displayed their significant use of the realism theory, causing the current conflict within Iran.

Conclusion

The United States and Iran have been involved in a prolonged conflict throughout numerous years that has been continued due to multiple factors. The United States who continued to look for economic benefits from other countries during the Cold War, leading to their Marxist approach to Iranian foreign relations ultimately leading to their current conflict today. Therefore, already in a poor relationship due to their prolonged conflict, the United States utilized the realism approach to ensure security within the region and the world. Overall, the United States and Iran are involved in a prolonged conflict due to the United States continued Marxist and realist approach to the regional conflict.

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