



### CONTRADICTIONS IN U.S. FOREIGN POLICY: THE IRAN–CONTRA AFFAIR AND WESTERN INVOLVEMENT IN THE MIDDLE EAST

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# Abstract

This paper examines the Iran–Contra affair (1985–1987) as a case study of contradictions in U.S. foreign policy, focusing on how the scandal undermined American credibility in the Middle East and what it reveals about broader Western involvement in regional conflicts. During the administration of Ronald Reagan, senior officials secretly facilitated arms sales to Iran—despite an official embargo and Iran’s designation as a state sponsor of terrorism—and diverted the proceeds to support the Nicaraguan Contra rebels in violation of congressional restrictions under the Boland Amendment. These covert actions directly contradicted publicly declared commitments to counterterrorism, the rule of law, and democratic accountability. Using a qualitative historical research design based on a systematic review of declassified documents, congressional records, presidential speeches, and peer-reviewed scholarship, this study reconstructs the sequence of events and evaluates competing interpretations in the literature. It identifies two dominant perspectives: one viewing the affair as a continuation of longstanding Cold War interventionism driven by strategic and ideological priorities, and another portraying it as a significant legal and moral breach that exposed executive overreach. The analysis argues that the Iran–Contra affair both reflected enduring patterns of U.S. realpolitik and significantly damaged U.S. foreign policy credibility, particularly in the Middle East. By negotiating covertly with Iran while publicly condemning terrorism, the administration weakened its moral authority and fueled perceptions of Western duplicity in regional conflicts. Ultimately, the affair highlights the persistent tension between declared democratic principles and strategic interests in U.S. foreign policy. It serves as a cautionary example of how covert intervention and executive circumvention of legal constraints can erode public trust, international legitimacy, and long-term diplomatic influence.

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## 1. Introduction

The Iran–Contra affair (1985–1987) was a landmark foreign policy scandal in the Reagan administration, revealing a sharp divergence between America’s public pronouncements and its covert actions in the Middle East and Central America. In late 1986, media disclosures showed that high-level U.S. officials had secretly arranged “illegal backing” of Nicaraguan Contra rebels while conducting “illicit” arms sales to Iran. These operations directly clashed with official U.S. policy: Iran was officially branded a state sponsor of terrorism and was under an arms embargo, and Congress had explicitly forbidden funding the Contras (Boland Amendment). As Onate-Madrado (2022) observes, the two prongs of the affair – arms to Iran and funding Contras – “violated domestic and international law” and “*directly contradicted President Reagan’s vow never to negotiate with terrorists*” (par. 1). Once the scheme became public, it “*jeopardized the credibility of the Reagan administration and of U.S. foreign policy,*” damaging America’s standing on counterterrorism and international law (par. 1). In fact, rather than rallying public support, the scandal caused a sharp decrease in support for President Reagan, as revealed by public opinion research.

This episode illustrated the complex interplay between the United States counterterrorism goals and its *actual* geopolitical strategy. On one hand, Reagan had publicly vowed “to oppose terrorism throughout the world” (Reagan, 1986, par. 5), but on the other hand his administration engaged covertly with Iran – accused of sponsoring Hezbollah’s kidnappings in Lebanon – to secure the release of American hostages. The Iranian arms shipments were officially justified to free U.S. hostages in Lebanon, but the profits were diverted to fund the Contras in Nicaragua. In other words, Washington traded with a previously framed hostile regime while simultaneously waging a proxy war against Latin American communism. This double strategy caused international and domestic uproar: by late 1986 the Iran–Contra affair had already become “*the biggest scandal since Watergate*”, raising talk of impeachment (Byrne, 2020; Pearce, 1988). The conflicting aims – opposing terrorism in rhetoric versus enabling it in practice – undermined America’s moral authority in the Middle East. Scholars have noted that the affair marked a turning point in U.S. relations with Iran and revealed the limits of presidential discretion in foreign affairs (Onate-Madrado, 2022; Brody & Shapiro, 1989).

This paper examines the Iran–Contra affair as a case study of contradictory U.S. foreign policy. It asks how these covert dealings and their fallout “*undermined U.S. foreign policy in the Middle East*” and what they imply about broader Western engagement in regional conflicts. The research question guiding this analysis is: *How did the Iran–Contra Affair (1985–1987) undermine U.S. foreign policy in the Middle East and what does it reveal about Western involvement in regional conflicts?* To answer this question, the upcoming analysis systematically reviews both Western and non-Western perspectives – drawing on declassified documents, historical accounts, and scholarly analyses – to assess how the affair exposed tensions between America’s counterterrorism objectives and its strategic interests.

## 2. Methodology

This study uses a qualitative historical research design based on a systematic literature review. It synthesizes primary sources (such as declassified documents, speeches, and official reports) with secondary peer-reviewed scholarship on the Iran–Contra affair and U.S. Middle East policy. By combining a systematic review of documentary evidence with critical analysis of peer-reviewed

scholarship, the methodology seeks to reconstruct both the factual sequence of events and the divergent interpretations that have emerged in the literature.

### **2.1 Data collection**

The primary sources of the study are as followed:

- Declassified government documents such as the National Security Archive’s Iran–Contra briefing books and the Tower Commission Report (National Security Archive, n.d.; Hamilton & Inouye, 1987).
- Congressional records, including transcripts of the Boland Amendment debates and Irangate hearings, which shed light on legislative constraints and executive responses (Jenkins & Brink, 1987).
- Presidential speeches and memos, notably Reagan’s 1986 Address to the Nation, to capture the administration’s public rationale (Reagan, 1986).

Secondary sources consist of peer-reviewed journal articles and monographs that analyze the affair’s legal, political, and moral dimensions. Key studies include:

- Rubenberger (1988) and Morales (1994) on Cold War interventionism and strategic priorities
- Onate-Madrado (2022) on international legal challenges and public opinion
- Brody and Shapiro (1989) on the affair’s impact on presidential approval
- Koh (1988) on executive authority in foreign policy.

Sources were retrieved via academic databases (JSTOR, ProQuest) and cross checked against bibliographies to ensure comprehensive coverage. The selection of sources focused on academic literature that either emphasizes continuity in U.S. interventionism (e.g., Rubenberger, 1988; Morales, 1994) or highlights the scandal’s legal and ethical breaches (e.g., Pearce, 1988; Brody & Shapiro, 1989). However, reliance on declassified records may omit still-classified materials, and English-language scholarship underrepresents non-U.S. perspectives (Onate-Madrado, 2022). Despite this, this current study provides a proper foundation for examining how Iran–Contra exposed contradictions between America’s public principles and its covert actions.

## **3. Literature Review**

The Iran–Contra affair has generated a substantial body of scholarly analysis, reflecting its complexity and far-reaching consequences for U.S. domestic and foreign policy. Researchers have examined the episode through multiple lenses, debating whether it represented a predictable continuation of Cold War interventionism or an unprecedented breach of law and international violations. This literature review synthesizes the principal interpretations advanced by historians, political scientists, and policy analysts. It identifies two dominant perspectives: one viewing the affair as an extension of long-standing strategic priorities, and another portraying it as a scandalous departure from established norms. Additionally, scholars have explored the impact of the affair on U.S. credibility abroad, particularly in the Middle East, and considered its broader implications for the recurring tension between declared democratic values and covert geopolitical pursuits. By

mapping these debates, this review situates the Iran–Contra affair within the wider scholarship on American interventionism and the contradictions of Cold War foreign policy.

### 3.1 U.S. Foreign Policy: Strategic Priorities and Cold War Interventionism

The existing literature on the Iran–Contra affair offers two broad views of its significance. Some scholars emphasize continuity in U.S. foreign policy: they argue that the affair was not an anomaly but rather a predictable outcome of enduring American strategic priorities. For example, Rubenberg (1988) and Morales (1994) point out that since the Cold War the U.S. repeatedly intervened abroad to secure access to raw materials and to support pro-American regimes. In this view, the Iran–Contra arrangements fit the pattern of projecting U.S. power and influence (to curb communism or protect allies), even at the expense of legal and ethical norms. Onate-Madrado (2022) notes that Cold War-era hardliners in the Reagan administration saw Nicaragua’s socialist Sandinista government as an existential threat to U.S. interests. According to this interpretation, these “Cold War warriors” were determined to “roll back communism around the world through whatever means necessary,” whereas Congress and the American public by the mid-1980s were increasingly skeptical of military interventionism (Onate-Madrado, 2022, par. 1). The Iran–Contra affair, therefore, reflected a clash between an interventionist administration and domestic opposition. This scholarly perspective stresses that Reagan’s team was motivated by security concerns and economic interests (e.g. control of oil markets, influence over client states). The arms-for-hostages deals, and Contra funding were consistent with a longstanding U.S. goal of establishing pro-American regimes in strategic regions (Rubenberger, 1988; Morales, 1994).

In contrast, other analysts treat the Iran–Contra affair as a departure or scandalous break in U.S. policy, highlighting the contradictions and lawlessness it entailed. They emphasize that the operation directly violated U.S. laws (the arms embargo on Iran and the Boland Amendment forbidding Contra aid) and contravened stated American principles. The investigative reports and media coverage of 1986–87 underscored how dramatically the affair diverged from Reagan’s public rhetoric. As one commentator put it at the time, Reagan’s arms deals with Iran “abandoned anti-terrorism policies” and undermined the administration’s own pledge never to negotiate with terrorists. Pearce (1988) and the National Security Archive similarly describe the affair as unprecedented lawlessness by top officials, highlighting the Tower Commission’s findings that key actions were concealed from Congress. These accounts stress that when the affair became public, it generated critical polarization between the executive and legislative branches (Byrne, 2020). Draper (1991) even calls it a “*crisis of confidence*” in the government, since the public learned that the president had secretly broken both domestic and international norms. Empirical studies confirm the public’s reaction: Brody and Shapiro (1989) show that, rather than boosting Reagan’s popularity, the revelations caused a sharp drop in his approval.

### 3.2 Regional Perceptions and the Costs of Covert Policy

A key theme in the literature is how the affair eroded U.S. credibility in the Middle East. Scholars note that America’s portrayal of Iran as a menacing, terrorist-backed state was contradicted when secret arms shipments occurred (Draper, 1991). Onate-Madrado (2022) emphasizes that once “public cognizance” of the deals occurred, it gravely harmed Reagan’s standing abroad. In Iran’s view, the scandal confirmed longstanding suspicions that U.S. policy was based on self-interest and subterfuge (Siekmeier, 2015). Similarly, Lebanese and Nicaraguan narratives highlighted the duplicity: Washington was seen as a power willing to manipulate conflicts for its own ends

(Siekmeier, 2015; Park & Kosicki, 1995). In these ways, the affair is interpreted not simply as a domestic political drama, but as evidence of the broader pattern of Western intervention in regional disputes. Morales (1994) and others observe that during the Cold War, Western powers often justified intervention (or collusion with unsavory groups) as necessary for stability or ideology – a logic clearly visible in the Iran–Contra affair.

Overall, the scholarship suggests two broad takeaways. First, the Iran–Contra affair exposed glaring inconsistencies in U.S. policy: public commitments to counterterrorism and legal constraints were sacrificed to pursue secret objectives. Second, it underscored a continuing tendency of Western powers (especially the U.S.) to intervene covertly in geopolitically important regions. The affair exemplifies how declared principles (rule of law, support for democracy) can be overridden by strategic concerns – a theme echoed in analyses of other Middle East conflicts (Morales, 1994; Rubenberger, 1988).

#### **4. Discussion**

The evidence and interpretations above make clear that Iran–Contra significantly undermined U.S. foreign policy credibility in the Middle East. By secretly negotiating with Iran – a country publicly blamed for sponsoring terrorism – the Reagan administration negated its own tough anti-terror stance. Onate-Madrado (2022) stresses that this breach of principle “directly contradicted President Reagan’s vow never to negotiate with terrorists” (par. 1). When news of the arms deals became public, it created outrage and distrust. Domestically, the affair generated institutional backlash: Congress and the courts were forced to reassert oversight (Koh, 1988). Internationally, U.S. moral leadership was weakened.

At the same time, the Iran–Contra affair reveals that the Reagan administration was operating on a logic of security-driven realpolitik that was consistent with earlier U.S. foreign policy actions. The motives behind the affair illustrate that counterterrorism rhetoric coexisted with a bigger agenda: containing communism and maintaining access to strategic resources and allies. This continuity is highlighted by scholars like Rubenberger (1988), who notes that U.S. foreign policy has historically prioritized geopolitical and economic interests (e.g. oil, markets, bases) and routinely intervened to preserve them. The diversion of arms profits to anti-communist Contras – in defiance of Congressional prohibition – fits a pattern of covert operations undertaken when legal avenues were closed. Onate-Madrado (2022) points out that Congressional law (the Boland Amendment) “blocked federal funds” for the Contras, yet White House officials sought “extralegal sources of revenue” to continue support.

Thus, the Iran–Contra affair both contradicts and confirms aspects of U.S. policy history. On the one hand, it violated the norms of transparency and rule-following that the U.S. claimed to uphold - as in Reagan’s own speeches (Reagan, 1986). On the other hand, it mirrored long-standing Western involvement strategies: the use of proxy forces, covert arms transfers, and manipulations of public opinion have appeared repeatedly in U.S. interventions (Morales, 1994; Rubenberger, 1988). In the Middle East specifically, this incident foreshadows later controversies: for example, U.S. relations with Iran remain shadowed by distrust, and the use of client militias has continued in conflicts from Afghanistan to Syria. In sum, the affair shows that Western powers often act out of a mix of ideological concern and self-interest, sometimes at odds with their professed values.

By examining both sides of this complex episode, the study underscores the broader lesson that Western involvement in regional conflicts is rarely straightforward. U.S. engagement in the Middle East – framed as a fight against terrorism or communism – has frequently entailed compromises and covert maneuvers (Park & Kosicki, 1995; Morales, 1994). The Iran–Contra

affair is thus emblematic of a period when Cold War imperatives and realpolitik overrode strict legal and moral considerations. This case also highlights the importance of accountability: unchecked executive action proved capable of betraying public trust.

## 5. Conclusion

The Iran–Contra affair revealed deep contradictions in U.S. foreign policy and signaled the complexities of Western intervention in the Middle East. On one level, it was a dramatic scandal: senior officials secretly breached laws and policy declarations, creating a public relations disaster for the Reagan administration. On another level, it was a clear continuation of traditional U.S. strategy: the pursuit of power and influence by any means, including covert operations and alliances with unappealing partners. The affair therefore undermined U.S. credibility on counterterrorism while confirming a persistent pattern of interventionist behavior.

Ultimately, Iran–Contra was not merely a rogue operation but a moment when competing goals – anti-terrorism vs. anti-communism, legality vs. expedience – became openly irreconcilable. The extensive scholarship on the affair emphasizes that it forced a re-evaluation of the balance between executive authority and legal restraint (Koh, 1988; Onate-Madrado, 2022). Moreover, the episode exemplified how easily “national security concerns” can slip outside the constraints of law. As such, it offers enduring lessons: policymakers and scholars must be vigilant about the hidden contradictions in foreign policy, and about the ways Western powers can become entangled in the very conflicts they claim to oppose.

By analyzing the Iran–Contra affair through diverse sources, this paper has shown how the episode undercut America’s stated mission in the Middle East and illuminated the broader dynamics of Western intervention. It underscores that conflicts like these are driven by more than ideology or rhetoric alone; they often reflect deeper strategic and economic motives. The affair thus remains a cautionary example of the perils and paradoxes of international engagement.

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