CHAPTER IV

Relation between India and Iran (1947-1989)
Indo-Iranian Relations (1947-1979):  

A. From India’s Independence to Iran’s Revolution

After India became independent, there arose a great necessity to establish diplomatic contacts with the neighboring countries as well as with major powers in Asia, Europe, Africa and the America. Its strong historical, political, cultural, and economic ties, determined Indian foreign policy perceptions with Iran. Iran was one of the earliest countries to establish ambassador level diplomatic ties with India. Both India and Iran became closer by signing of several bilateral agreements between each other.¹

Indo-Iranian relations have fluctuated in varying degrees. It is normal as bilateral state relations, like those between two individual persons, do not remain static. Nor do they run in straight lines as there are curves and verges. The situation can be visualized by comparing the phenomenon to the process in a cardiogram. Just as the needle draws a zigzag graph with marked fluctuations, relations between the two countries also follow a similar pattern.

At the outset, it may be recalled that by 1947 both India and Iran experienced a complex fallout of the Second World War. Whereas for India it brought about the culmination of its independence movement on a mixed note. India, no doubt, got independence but it was conditioned by, and at the cost of, partition and the emergence of the new state of Pakistan. An inevitable sequel was that independent India lost its age-old territorial contiguity with Iran. India's loss was inherited by Pakistan of about 590 miles of common border with Iran. Since then, it could be said with literal accuracy that Pakistan emerged not merely geographically between India and Iran but it also has stood as one of the determining factors in Indo-Iranian relations. This will be discussed rather at length later²

The Pandit Jawaharlal Nehru, one of the top Indian National Congress and nationalist leaders of India, in 1946, supported the Iranian demand for the withdrawal of Russian forces but he desisted from any direct criticism of the Soviet Union. Since he did not hold any governmental position then, he only added that "the Indian public opinion would strongly resent any aggression towards Iran or Turkey by any power".³
It may be added that the Soviet Union crisis and Nehru's reaction to it preceded India's independence, the implications is that the Iranians, apprehension of the Soviet Union, noted that Nehru's support to them was lukewarm, and that Pakistan was not born. It follows that in subsequent Iranian foreign policy, the Soviet Union loomed large and there was a vague perception that a leading Indian leader, though supportive to Iran, seemed to have a soft corner for the Communist state. Thus, this trilateral equation in the immediate vicinity of the region was a major determinant of Iran's attitude towards India as well. Yet, Iran, without criticizing about the situation, remained well-disposed towards India, and Nehru acknowledged the fact. As a mark of its friendly gesture, Iran participated in the first non-governmental organization Asian Relations Conference held in Delhi in March 1947.

In this forum, the Iranian delegated extended his country's friendship and good wishes for India's own projected independence. In August 1947 when India and Pakistan became independent, a new situation developed in the subcontinent and its effects tended to spill over into some West Asian countries including Iran. The newly independent states got embroiled in the highly contentious issues of the two-nation theory and Kashmir. Right from its birth, Pakistan, in pursuit of its ideology and consolidation of its legitimacy, initiated its dual task of winning friends and influencing people and maligning India, Muslim countries to its west were the first arena of its activity.

Although in Iran there was considerable sympathy for Pakistan in the press and among the people, the government's attitude was determined by geographical, political, strategic and security considerations. Consequently, it seems true that, apparently, Iran appeared better disposed towards Pakistan. This was evident in the facts that Iran was the first country that extended recognition to the state of Pakistan, that it established diplomatic relations with that state by May 1948, that Prime Minister Liaqat Ali Khan visited Iran in May 1949, that the Shah was the first head of state to pay a state visit to Pakistan in March 1950, and that a treaty of friendship was signed between Iran and Pakistan in the same month.

These facts assume particular importance when viewed from New Delhi in the midst of murky relations between India and Pakistan and compared with the state of relations between India and Iran. On this front, it may be observed that, at least for 19 months since 15 August 1947, the relationship between these two countries appeared to be dim although there was a
signing of an Air Transport Agreement in November 1948 and the visit of an Iranian economic mission to India in December 1949 in order to explore the prospects of bilateral trade. Indo-Iranian relations can neatly be divided into four phases of one decade each during the given time frame of 1950s, 1960s, and 1970s.  

1) The decade of the 1950s:

a. Iran-India relations in 1950

The formal diplomatic relations between India and Iran has begun since 15 March 1950. This was stipulated in the treaty of friendship concluded on that day. The treaty, interalia, stated that "there shall be perpetual peace and friendship between the governments (emphasis added) of the two countries" and that their "differences" would be settled "through ordinary diplomatic channels, by arbitration and by such other peaceful procedures as deemed suitable by them." Three points appear significant in this document:

• first, "perpetual peace and friendship between the governments" was envisaged but there was no mention of the nature of relationship between the people of the two countries.

• second, it provided a mechanism to settle the "differences" which were not identified. The statement, though vague, was significant.

• third, was it a coincidence that this treaty synchronized with the Shah's visit to Pakistan and a similar treaty with that country? Or was it an indication that Iran tended to treat India and Pakistan on an even footing?

Text of India-Iran Treaty of Friendship, issues in Tehran on 15 March 1950:

The President of India and his Imperial Majesty the Shah of Iran recognizing the ancient ties which have existed between the two countries for centuries and their mutual need for cooperation in strengthening and developing these ties and urged by their mutual desire to establish peace between the two countries with a view to the common benefits of their people and the
development of their respective countries, wish to enter into a treaty of friendship with each other and to this end have appointed the following persons as their plenipotentiaries, viz:

The President Of India: His Excellency Mr. Seyyed Ali Zaheer, Ambassador Extraordinary and Plenipotentiary. The Shah Of Iran: His Excellency Dr. Ali Gholi Ardalan, Acting Minister for Foreign Affairs, who, having examined each other's credentials and distinguished them good and in due form, have agreed as follows:

Article I:

There shall be perpetual peace and friendship between the Governments of India and Iran and the said Governments shall promote and strengthen such peace and friendship between their respective nationals.

Article II:

The High Contracting Parties agree to appoint diplomatic representatives in the capitals of the two countries, and consular representatives as may be necessary and at such places as may be agreed upon. Each party shall grant to such representatives of the other party such privileges and immunities as are accorded under International Law, so however that neither party shall deny to any diplomatic or consular representative of the other party any special privileges and immunities which it grants to the diplomatic and consular representatives of a similar status of any other State.

Article III:

The High Contracting Parties agree to conduct their commercial, customs, navigation and cultural relations as well as matters relating:

a. extradition

b. judicial assistance between the two countries, and

c. the conditions of residency and stay of the citizens of one party in the territory of the other, based on special agreement between the parties.

Article IV:
The High Contracting Parties agree to settle all differences of any kind between each other through ordinary diplomatic channels by arbitration and by such other peaceful procedure, as they deem most suitable.

**Article V:**

- This treaty shall be ratified by the legislative body of each party and the exchange of the instruments of ratification shall take place in Tehran as soon as possible.
- This treaty shall take effect fifteen days after the exchange of the instruments of ratification has taken place.

Specific record about Iran's recognition of India as an independent state is not available. It may be stated that under international law, recognition was not required as India was not established in 1947, that it already existed as a political and territorial entity that was partitioned, and that, as such, it was Pakistan alone which needed recognition. But another question is that even if India after August 1947 did not require recognition, Iran never recognized British India as an independent state. However, it maintained its cultural, economic and consular relations with India through the British government.

The sentiments of friendship expressed in the treaty of 1950 were hardly reflected in the relations between India and Iran during the following 24 years. The overall relationship, by and large, remained correct, cool, low-keyed, verging on mutual suspicion, and even tinged with hostility. There were some domestic issues in either country on which the attitude of the other became irritant. Besides, there were other extraneous factors which impinged on, and queered, Indo-Iranian relations.  

One year after the formalization of bilateral relations, a historic event occurred in Iran. That was the nationalization of the Anglo-Iranian Oil Company by Prime Minister Mohammad Mossadegh. Although it is generally believed that India extended its support to Iran in its bid to emancipate itself from the clutches of British imperialism, the fact emerges that Prime Minister Jawaharlal Nehru was critically equivocal in his reaction. In his usual briefings to the chief ministers, Nehru wrote the following about the Iranian oil dispute:
“The Iranian government has taken up a very strong and unbending altitude and perhaps it may be criticized to some extent. On the other hand, we must always remember that such disputes had long roots in the past. The Anglo-Iranian Oil Company does not appear to have shown much wisdom in the past. If they had approached the matter sympathetically a year ago or more, probably no crisis would have arisen now. So far as we are concerned, we have kept out of this dispute. But I have ventured to suggest to the Iranian government, as well as to the British government, that it is in the interests of all concerned as well as of world peace to have a peaceful settlement.”

President Rajendra Prasad was more forthcoming and specific in his address to the Parliament. He stated:

... In Iran, behind the dispute about oil, lies a great awakening (emphasis added). I hope that this dispute will be settled amicably so that Iran may prosper and the world may also benefited from her great resources in oil...

b. Iran-India relations in 1951-1953:

The education minister of India, Moulana Abdul Kalam Azad paid a goodwill visit to Iran in August 1951. A party of two Iranian Professors and eight students visited India in April 1952 to study some of the veterinary institutions of India. Two Deputy Ministers of External Affairs went on a goodwill mission to Tehran in 1953, and a press delegation from Iran visited India in January 1953.

c. Iran-India relations in 1954:

In December 1954, a Treaty of Commerce and Navigation was concluded between Iran and India. The Treaty provided for the rights of the nationals of either country in the other and their rights to engage in trade, commerce, and industry and to acquire movable and immovable property. A very important feature of the treaty was its most favoured nation provision. Concessions were shown as far as the imposition of custom duties and charges. The desire for having close relations also found expression in the exchange of visits by dignitaries of the countries.
d. Iran-India relations in 1956:

Just four months after Iran's adherence to the Baghdad Pact, the Shah, of Iran in Feb and March 1956 along with the Shahbanou, paid his first and longest state visit to India. In his talks and statements he did refer to "differences" between India and Iran but he also emphasized the "traditional ties," During his confabulations with Nehru, the Shah tried to assure the Indian prime minister that Iran's closeness to Pakistan was not directed against India and that it was not at the cost of friendship with India. The fact that no joint communique was issued at the end of the visit suggested that there was little consensus of thought between Nehru and Mohammad Reza Pahlavi. Otherwise, both leaders were extremely cordial and courteous between themselves but the bilateral state relations could at best be described as cool and correct.\(^{14}\)

e. Iran-India relations in 1959:

In the same spirit, Nehru paid his return visit to Iran in September 1959 but that cut little ice. The visit, in fact, highlighted the political gulf that existed between the two countries. According to an informed Indian journalist, Nehru's meeting with the Shah was a "near disaster" as the two leaders thought in "very different terms." It was also a demonstration of clashes of personality and vision.\(^{15}\)

One of the irritants between Indo-Iranian relations during this decade was India's close relationship with certain radical Arab states like Egypt and Syria in general and Nehru's fraternity with Jamal Abdul Nasser in particular. Nehru's endorsement of Nasser as the leader of the Arab world and of his policies was not relished by the Shah who felt threatened by Nasserism and Arab radical republicanism.

Although efforts made towards forging close political relations between India and Iran went awry, the commercial relations remained by and large steady though not remarkable. A landmark was the Treaty of Commerce and Navigation signed in December 1954. Oil constituted 80-90 percent of India's imports from Iran. The oil dispute in Iran affected the bilateral trade balance as for four years beginning with 1950-1951, there was a perceptible decline in India's oil imports from Iran. Correspondingly, there was a fall in the quantum of Iran's imports from India.
There was very little in common between India's non-alignment and Iran's alignment with the West. That was the reason why Indo-Iran relations during 1950s, were confined to non-political spheres like trade and commerce.

**Imports and exports between Iran and India in 1950s:**

The Indian exports, which stood at Rs. 364 Lakhs in 1947-48, increased to Rs.598 Lakhs in 1950-51 but went down to Rs.220 Lakhs in 1952-53. During 1954-55 it stood at Rs.609 Lakhs, but again reduced to Rs.428 Lakhs in 1959-60. However, India's imports from Iran always stood at a higher level. During 1947-48 India imported total goods worth Rs.2247 lakhs and it increased to Rs.3714 Lakhs in 1950-51. From 1952-53 to 1954-55 it got reduced to between Rs.250 Lakhs and Rs.420 Lakhs but again registered a growth of 300 per cent in 1955-56 and by 1961-62 it stood at Rs.4735 Lakhs. As far as foreign trade was concerned, India was always at a disadvantage. India imported much more than what it exported. In fact, if one analyses the data of 1961-62, it is surprising that India's imports from Iran stood at 10 fold higher than its exports, to Iran.  

**Table-4.1- Indian exports to Iran and Indian imports from Iran(1947-1962)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to Iran</th>
<th>Imports from Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947-1948</td>
<td>364 Lakhs</td>
<td>224 Lakhs</td>
</tr>
<tr>
<td>1950-1951</td>
<td>598 Lakhs</td>
<td>3714 Lakhs</td>
</tr>
<tr>
<td>1952-1953</td>
<td>220 Lakhs</td>
<td>250 Lakhs</td>
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<tr>
<td>1954-1955</td>
<td>609 Lakhs</td>
<td>420 Lakhs</td>
</tr>
<tr>
<td>1955-1956</td>
<td>-</td>
<td>540 Lakhs</td>
</tr>
<tr>
<td>1959-1960</td>
<td>428 Lakhs</td>
<td>-</td>
</tr>
<tr>
<td>1961-1962</td>
<td>-</td>
<td>4735 Lakhs</td>
</tr>
</tbody>
</table>
2) The decade of the 1960s:

By the 1960s, we witnessed certain changes in the international environment, the repercussions of which affected Indo-Iranian relations. The diversification and expansion of trade during this period tended to bring India and Iran closer and improve their relationship. In 1960s, India was in a position to share its experience and expertise with other developing countries due to the importance that India attached to technical and commercial collaboration with them.  

Due to the changes in the strategic environment, Iran was compelled to redefine and enlarge its role as a regional power. The détente between the superpowers had started and by 1964-65, the US strategic interest in the area had shifted from the land mass of the northern ties to the Indian Ocean. The changing American perceptions had serious implications for Iran. For example, the US policy towards Iran tended to be a little more relaxed and America was reluctant to aid Iran in case of threat from sources other than the USSR. The Shah realized the limitations and conditional nature of external assistance in safeguarding Iran's security and integrity and its basic unreliability.

As a result, the Shah started looking beyond the Persian Gulf and Pakistan for understanding and support in favour of Iran's new regional policy. In other words, Iran began to follow a more independent foreign policy to emphasize both the end of a client relationship to the United States and to restore, as much as conditions permitted, normality in its relations with the Soviet Union. As a consequence, on September 15, 1962, it assured the Soviet government that it would not grant any foreign nation the right of possessing any kind of rocket bases on Iranian soil. Since then Soviet-Iranian relations and mutual cooperation substantially improved and expanded. Hence, the détente allowed more relaxed and uninhibited relationships between countries like India and Iran.

The Shah had also lost faith in CENTO. The trend in Iran was to play down the importance of CENTO, to deemphasize its military side and instead to stress economic and technical cooperation among its Asian members. It was in line with this policy that Iran, Turkey and Pakistan signed a pact establishing the Regional Cooperation for Development (RCD). Initiated by President Ayub Khan in 1964, the RCD was a by-product of the growing
The Economic development and political stability brought more independence in the foreign policy posture of Iran. Iran also started deepening its relations with India. It led to better technical and commercial cooperation and signing of agreements between India and Iran. Despite that, Iran's posture towards India, during this decade was a sort of up and down relationship, for example during the Indo-Chinese war, Iran came out strongly and openly on India's side and condemned China. But the same attitude was not seen during the Indo-Pakistan war in 1965 when, Iran's tilt was towards Pakistan, keeping in view its political, religious, strategic and national interests. The Iranian ambassador however assured the Indian government that its country's friendship with Pakistan would not come in the way of their relations with India. Iran however, did not interrupt its oil supplies to India.

a. Iran-India relations in 1961:

In 1961 India signed its first trade agreement with Iran. An Indian Trade delegation headed by Sri K. R. F. Khilnani, the then Joint Secretary, Ministry of Commerce and Industry visited Tehran in April 1961 to open negotiations with the Iranian government. An agreement was also signed. Iran agreed, as per this to import from India 6000 tones of sugar and India undertook to import dry fruits of value of Rs.15 million and gums, dates etc., of the value of Rs.2.5 million from Iran. Under this agreement, India was to export to Iran, tea, light engineering instruments, diesel engines, pumps, fans, electrical equipment, machinery for textiles and other industries, sewing machines, batteries, Pharmaceuticals, chemicals and medicine. The main items of exports from Iran to India included dry fruits, gums, dates, red oxide, medicinal herbs and plants etc.
These trade pacts resulted in increasing Indian exports to Iran during 1962-63. The value of these exports increased from Rs.4.55 crores in 1961-62 to Rs.6.37 crores during 1962-1963.

Table-4. 2 Indian exports to Iran and Indian imports from Iran(1961-1963)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to Iran</th>
<th>Imports from Iran</th>
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<tbody>
<tr>
<td>1961-1962</td>
<td>4.55 crores</td>
<td>-</td>
</tr>
<tr>
<td>1962-1963</td>
<td>6.37 crores</td>
<td>-</td>
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</table>

b. Iran-India relations in 1962:

At the outbreak of the India-China War, when Prime Minister Nehru apprised all heads of state-government of the great situation, the prime minister of Iran stated on 3 November 1962 that Iran "supported India at a time when she has fallen victim to an aggression." It was reported that the Shah had advised President Ayub Khan to send his troops to help India in the wake of the military debacle in the North East Frontier Agency (NEFA). The rapprochement between Iran and the Soviet Union and Iran's forthright political support against China soothed India's ruffled feelings vis-a-vis Iran. 26.

c. Iran-India relations in 1963:

In May 1963 after the Indo-Chinese war, the President of India Dr.S. Radhakrishnan visited Iran, which led to a further progress in the Indo-Iran relations. 27 In his speech before the Tehran Radio, Dr. Radhakrishnan tried to emphasize on the importance of scientific and technical knowledge and its dissemination particularly for the welfare of the common people in both countries. 28

d. Iran-India relations in 1964:

In March 1964, both India and Iran signed another trade agreement. 29 As per this agreement several Iranian business firms were allowed to import Indian Sugar, coconuts etc., without Any governmental restrictions. The agreement envisaged trade in the ratio of 1:6 in India's favour. 30
At this time During the period between 1961 to 1965-66, there was a decrease in India's trade deficit from Rs.6763.73 Lakhs to Rs.4, 434.17 Lakhs. During the same period, India's exports increased from Rs.698.96 Lakhs in 1961-62 to Rs.937.17 Lakhs in 1965-66. Indian exports included, men, jute manufacture, spices, Iron and Steel, engineering goods, cinematographic. The commodity composition of the Indian exports also remained constant with the exception of steel as a new item. 31

**Table-4. 3 Indian exports to Iran and Indian imports from Iran (1961-1966)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to Iran</th>
<th>Imports from Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961-1962</td>
<td>698.96 Lakhs</td>
<td>-</td>
</tr>
<tr>
<td>1965-1966</td>
<td>937.17 Lakhs</td>
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</tr>
</tbody>
</table>

e. Iran-India relations in 1965:

However, this spell of understanding was short-lived as another extraneous factor spilled over Indo-Iranian goodwill. This was the India-Pakistan War in 1965. On this occasion, Iran extended unequivocal diplomatic, political and material support to Pakistan. Reacting to the Indian forces crossing the international border near Lahore on 6 September, the Iranian Foreign Ministry spokesman described it as "an act of aggression committed b) Indian forces against Pakistan." 32 Two days later, the Iranian government not only condemned the Indian "aggression" but it also promised every possible help to Pakistan. 33 At the UN General Assembly, the Iranian representative argued in favor of a settlement "in accordance with the Security Council resolutions" and "on the basis of the principle of self-determination." 34 On the material side, Iran's help consisted of fuel, gasoline, small arms and ammunition, and medical supplies. 35 The Shah accepted the fact that Iran supplied arms to Pakistan and justified his stand on the ground that had Iran not helped Pakistan the latter would have jumped into the Chinese lap. Moreover, according to him, from the security angle dismemberment of Pakistan would have adversely affected the security of Iran. 36 Prima facie, these Iranian actions appeared unfriendly to India but its other acts brought out the other side. It was reported that the Shah, in private, strongly urged Ayub Khan to bring the hostilities to an end. Iran did not stop its oil supplies to India. According
to a former Indian ambassador, Iran acted as a restraining influence on Pakistan in the latter's disputes with India.  

However, the economic collaboration between India and Iran continued, despite certain political differences over Afghanistan and Pakistan. On 17 January 1965 the oil and Natural Gas Commission (ONGC) of India in partnership with the Philips' Petroleum Company of the United States and AGIP of Italy, enforced into agreement with the National Iranian Oil Company (NIOC). The National Iranian Oil Company itself suggested the participation of the American Oil Company because the financial outlay necessary to work on the concessions was beyond the resources of India. Under the agreement an offshore area comprising four blocks in the Persian Gulf was assigned to the contracting parties for the exploration of oil and natural gas and for developing these, if discovered. The total area covered was 2250 square kilometers. This experiment opened a new chapter in the oil industry of India".  

One of the important agreement signed by India and Iran to collaborate building and operating a refinery in Madras (Chennai) was reached. In pursuance of this agreement the Madras Refineries Ltd., was incorporated under the Indian Companies List on 30 December 1965 with a capital of Rs.13.50 crores. The NIOC held 13 per cent of the investment in the Madras Refineries, the AMOCO another 13 percent, with the remaining 74 per cent by the Government of India. The PAN American Oil Company was a subsidiary of the standard oil company.  

The refinery was designed to process 2.5 million tones of crude oil per year. The refinery had several auxiliary process facilities for handling products like LPG, asphalt and sulphur. The refinery also designed to have its own power station to meet the requirements of power under normal conditions of running. the entire crude oil required for the refinery was to be supplied from the Darius Off-shore fields near Khark Island in Iran. India signed an agreement with Iran for the purchase of crude oil for the refinery. These Indo-Iranian collaborations in the oil sector laid strong foundations for future ventures. Apart from this, several Indian companies entered collaboration with their Iranian counterparts. These were mainly in the areas such as Trailer industry, manufacturing of pipes, electrical motors, pumps, cycle manufacturing plants, spare parts and automobile components etc. The major Indian companies who started such
collaborative ventures were, Mahindra and Mahindra, Electric Construction and Equipment Company, Calcutta, Hind Cycles Ltd., Bombay, Kamam Metals and Alloys Ltd., Bombay etc.  

The other important collaborative venture was that of Madras Fertilizer Plant at Manali. This was a Public Sector Undertaking with 51 per cent share Government of India ownership with Iranian collaboration. Joint ventures showed clearly that by the late 60's the economic co-operation between India and Iran had reached greater heights.  

f. Iran-India relations in 1967:

In April 1967 one of the major steps taken by Mrs.Gandhi was to send Mr. M.C. Chagla the then Minister for External Affairs to Iran. This is considered to be a major step by India to improve the bilateral relations with Iran. Followed by this, in Nov. 1967, both Iran and India agreed to extend the trade agreement for a period of 3 years ending on 10 March 1970. It was signed by B.D.Jayal, Joint Secretary, Ministry of Commerce and leader of Indian Delegation on behalf of India and Mr.R.S.Tehrani, Deputy Minister of Economy, on behalf of government of Iran. The main agenda of the trade agreement focused on the expansion and diversification of trade between the two countries.  

g. Iran-India relations in 1968:

The Shah of Iran made a special gesture by stopping at the Palam Airport in Delhi on his way home from Thailand and Malaysia In January 1968. This occasion was utilized by Mrs. Gandhi to impress upon the Shah that its relations with Pakistan should not come in the way of his country's traditional friendship with India. Subsequently Sri. Ashok Mehta visited Iran and held serious discussions with the Iranian leaders on extending bilateral economic co-operation. Mr. Morarji Desai who was the Deputy Prime Minister and the Finance Minister made a significant visit to Iran from 14 to 19 July 1968. Later, the Minister for Industrial Development and Company Affairs, Fakhrudin Ali Ahmmad visited Tehran to cement India's friendly relations with Iran further. During the visit of Fakhrudin Ali Ahammad, it was decided to exchange a few teams of experts to locate areas of further economic collaboration for establishing joint ventures in the two countries. India had also agreed to send a tern of experts in the field of small-scale industries.

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h. Iran-India relations in 1969:

the Shah of Iran visited India in the month of January 1969, for a period of 12 days, which further cemented the relationship between Iran and India. During this visit it was decided to appoint joint commissions on economic, trade and technical co-operation headed by the Ministers of the two countries. It was decided to plan and implement specific schemes for co-operation through exchange of technology, joint industrial ventures and the expansion of bilateral trade. Through discussions and consultations, Shah realized that India was certainly marching ahead to a modern age. Shah was greatly impressed by India's achievements in several areas including science and technology. The Iranian leaders felt that there existed great possibilities of cooperation between the two countries and they emphasized on the optimum utilization of these immense possibilities.

The first meeting of the Joint-Indo-Iranian Commission was held in Tehran from 18 to 21 June 1969. The terms and reference of the Joint Commission had a wider range. It discussed the entire gamut of Indo-Iranian economic relations with an open mind. After thorough discussion, the Commission identified three specific projects to work upon. The first one was a joint venture to make ammonia jointly by the Fertilizer Corporation of India and the National Iranian Oil Company. It was proposed that the share of India in ammonia projects of a capacity of 2 to 3 lakh tones per year would be one fifth of the total equity participation in the form of the supply of machinery and equipment for the project and that the major production of ammonia, thus produced in Iran, would be available to the fertilizer projects in India.

In 1969 this joint venture was beneficial to both the countries. For example, Iran had petroleum by products in abundance, including ammonia, India on the other hand, was in need of fertilizers to take forward her green revolution for food sufficiency. Another area where Iran wanted Indian technical expertise was the production of railway wagons. Hence, both the countries reached an agreement to explore the possibilities of setting up a plant for making railway wagons in Iran.

Therefore, a high-level co-coordinating and implementation committee was set up to ensure the effective implementation of the decisions taken from time to time to plan continuous widening of the areas of joint-ventures and co-operation. It was subsequently decided to set up
joint working group and five committees on petro-chemicals, petroleum industries, trade, transport and technical co-operation. In fact during the period from 1966-67 to 1970-71 India's exports to Iran increased from 1,031.09 Lakhs of Rupees to 2,663.76 Lakhs Rupees. During the same period, India's imports from Iran increased from Rs.3,049.98 Lakhs to Rs. 9,163.52 Lakhs clearly, the trade deficit increased from Rs.2,018.33 Lakhs to Rs.6,499.76 Lakhs. Thus the balance of trade was not in favor of India. The following were the items exported to Iran during 1966-67 to 1970-71.\(^{56}\)

- Cinematographic Films
- Tea
- Engineering goods
- Jute manufactures
- Spices and
- Iron and Steel

Table-4. 4 Indian exports to Iran and Indian imports from Iran(1966-1971)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to Iran</th>
<th>Imports from Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-1967</td>
<td>1031.09 Lakhs</td>
<td>3049.98 Lakhs</td>
</tr>
<tr>
<td>1970-1971</td>
<td>2663.76 Lakhs</td>
<td>9163.52 Lakhs</td>
</tr>
</tbody>
</table>

The first consequential external development during the 1960s which contributed to a better understating between India and Iran was a subtle change in the Iran-Pakistan; equation. The specific factors in support of this assumption were the following. First, the Shah was highly skeptical of Pakistan getting closer to China. In order to show his disapproval he directed his minions in the Foreign Ministry to make certain moves which were anti-China but, at the same time, significant gestures in favor of India. These included Iran's disapprobation of China's ultimatum to India during the latter's war with Pakistan, and cautioning China that it should not meddle with Indo-Pakistani issues.\(^{57}\) Second, by the 1960s, Iran realized the limits of its trade with Pakistan. Significantly, it was found that India was a bigger market and trade with it was five times more than the Iran-Pakistan trade.\(^{58}\)
The second external factor which contributed to a convergence between India and Iran during the decade were a series of stresses and strains in India's relations with the Arab states. The lukewarm, rather low-key, response of the Arabs at India's trying times in 1962 and 1965 disillusioned the Indians in general and their policy makers in particular. "Ungrateful" was the word widely expressed and there was an urge for a fresh and hard reassessment of the policy towards the Arab states. In the meanwhile, Prime Minister Nehru died and Indian foreign policy acquired a new edge. The defeat of Nasser and the demise of Nasserism which were banked upon by India as upholders of progressive, revolutionary and secular values created a sort of vacuum in India's Arab policy. Now, India had to reckon with the so-called "reactionary" group of states who emerged dominant in the region, These included Saudi Arabia and Iran.59

Along with the aforementioned external factors which facilitated an understanding between India and Iran one could also point at a new consciousness at the domestic level in both the countries. That pertained to economic development processes which highlighted the element of complementarity between the economies of the two countries and opened the potential prospects of immense cooperation for mutual benefit. In 1960s, India had developed considerable expertise in planned development and a degree of sophistication in certain sectors of economy, and it was prepared to share its experience and expertise with sister developing countries. This desire was reflected in the new thrust in its foreign policy.

The Ministry of External Affairs started putting more emphasis on economic, technical, and commercial relations with other countries.60 An economic division was created in the MEA in 1961 which was entrusted with the task of implementing the technical and economic cooperation programs, Thus, India introduced the thrust of economic diplomacy in its foreign policy by providing economic and technical assistance, joint ventures, bilateral transfer of technology, and enhancing its trade with developing countries. This policy received a boost after Mrs. Indira Gandhi became the prime minister in January 1966.61

At this time, Iran though of building up an indigenous industrial infrastructure and diversifying its economy and foreign trade. As regards the last item, more important than the fluctuations were the changes that occurred in the composition of exports of India and the pattern of trade. Iran experienced critical shortages of skilled manpower, raw materials, and industrial infrastructure facilities. It was precisely in these fields that India was in a position to meet most
of Iran's requirements and that too on comparatively cheaper rates. Thus, in this background of mutuality of need and capability, Indo-Iranian relations during the 1960s should be analyzed.

In 1969 after Mrs. Gandhi became the prime minister, there was almost a flurry of high-level visits between India and Iran. As many as four senior Indian ministers including the deputy prime minister/finance minister, Morarji Desai, visited Iran. In the meantime, the Shah made a gesture when he made a stopover at the Palam Airport in January 1968 and Mrs. Gandhi impressed upon him that Iran's friendship with Pakistan should not come in the way of Iran's traditional ties with India. A notable watermark in politico-economic relations between India and Iran was recorded when the Shah paid his second 12-day visit to India in January 1969.62

In January 1969 the Shah of Iran made certain bold and frank statements which reflected his new-found confidence. While reiterating his "independent national policy," he also asserted Iran's role as a regional power. He made it clear that the Central Treaty Organization (CENTO) had lost its military significance. While acknowledging India as a big country in the South Asian region he pointed out that "a historical responsibility towards smaller nations of the region rests on her."63 The Iranian monarch also talked about the tremendous possibilities of cooperation between the two countries and suggested that "we must seek and develop it to the maximum possible extent."64

The visit also satisfied the Shah that India fitted remarkably well into Iran's plans to diversify its economic relations. In fact, the Shah came to India with a politico-economic mission in a bracing climate. While the joint communiqué reflected a great deal of political understanding between Mrs. Gandhi and Mohammad Reza Shah the substantial outcome of the visit was the establishment of a joint commission for economic, trade, and technical cooperation. It was to implement specific schemes through an exchange of technology, joint industrial ventures, and expansion of bilateral trade. The principal objectives of the commission, inter alia, were to undertake joint studies of resources, expansion of bilateral trade, cooperation in different sectors of economic growth, closer contacts between financial, industrial and commercial institutions, exchange of specialists and use of training facilities available in either country to mutual advantage.65
3) The decade of the 1970s:

By the early 1970s, both Iran and India had emerged as important regional players. Iran had emerged as a powerful actor in global oil politics and a military force in the Persian Gulf, whereas India had emerged as the strategically predominant power in South Asia. Though Iran's support for Pakistan during the 1971 crisis had once again adversely impacted upon the warming trend in Iran-India relations, Indian Foreign Minister, Swaran Singh's visit to Iran in July 1973, helped dispel some of the mutual apprehensions.66 Pakistan's successful wooing of the Gulf Arab states further prodded Iran to cultivate friendly ties with India. On India's part, improvement in its relations with Iran was a means to neutralize its support for Pakistan so, a new era of mutual engagement commenced.67

Economic considerations were also there, pushing the two states closer. For India, which was in dire need of foreign capital and credit facilities for its massive industrialization programme, close relations with petrodollar-rich states like Iran could be immensely beneficial. Besides, it could also export its surplus reservoir of skilled manpower to earn foreign exchange. As the Shah had set before himself the task of industrializing Iran, there was a clear complementarily of interests. Iran could buy Indian technology, raw material, and manpower as it had surplus capital, particularly after the oil price hike in 1973.68 The change in Iranian thinking vis-a-vis India was evident in an interview by the Shah to The Times of India in July 1973, wherein he stated that he wanted to pursue a "policy not only of peaceful coexistence but also of active cooperation with India because it was evident to him that there could be no stability in Asia without it."69

a) Iran-India relations in 1970:

In 1970, a second meeting of the Indo-Iranian joint commission was held which resulted in the signing of a protocol on long-term trade and joint industrial ventures. The agreement planned the supply of one million tones of liquid ammonia needed for pushing fertilizer production, 54 million worth of phosphoric acid and nearly 90,000 to 100000 tones of sulphur a year. In return, India was to sell 492 railway wagons. Thus, Indian imports from Iran over seven years period were decided to be worth $120 million while the wagons were to earn nearly $5 million for India. The agreement also provided for a five-year study of Indian railways and a
feasibility study for setting up a joint venture to manufacture railway wagons in Iran. It also revealed that joint traffic surveys were to be undertaken to find out whether Indian goods could be transported to Europe and the Soviet Union over the land routes in Iran.

By the end of the same year, a third meeting of the joint commission was held in Tehran. At this meeting, which was held on 28-30 Dec. 1970, it was decided to make an agreement for the import of sulphur and phosphoric acid. The meeting also appreciated the investigation of the possibilities of greater exchange of expertise and components between industries.  

In the beginning of the 1970s the degree of understanding reached between India and Iran was again dented by a repeated external factor, namely, the second India-Pakistan War in 1971. As in 1965, Iran's response was negative as well as positive so far as India was concerned. Iran again provided diplomatic, political, military and logistic support to Pakistan. While Iran's help to Pakistan was significant, what it chose not to do was also notable. Its positive gestures could be interpreted as deliberate signals to reassure India.

Iran's support to Pakistan should not be seen only within the India-Pakistan prism as other dimensions were also present such as Iran's close relations with the United States whose president was patently opposed to the emergence of Bangladesh, the Indo-Soviet treaty (August 1971), and the reported deployment of Soviet troops along the border with Iran. The Shah explained his stance not in terms of hostility towards India but as a defense posture to preserve Iran's territorial integrity and buttress its security against the perceived Soviet designs, the dismemberment of Pakistan, and subsequent developments like the Iraq-Soviet treaty (April 1972), the republican coup in Afghanistan (July 1973), and the secessionist movements in Baluchistan and Sind provinces of Pakistan were interpreted by him as parts of a larger Soviet design to encircle Iran, So, he emphasized on his "Look East" policy. In this frame of mind, bolstering of the residual state of Pakistan was Iran's top-most priority.

By the 1970s, both India and Iran emerged as important powers within their geopolitical areas. They could approach each other with a greater degree of confidence. By the beginning of the 1970s, in Iran's view Moscow-Kabul and New Delhi-Baghdad axis was in the offing. Such an alliance could not only weaken Pakistan, but also help Moscow to have a chain of centres of influence from Delhi to Baghdad to Aden and increase its pressure on Iran. Hence
the Shah began to seek new ways of strengthening Iran's capability to pursue more assertive regional behaviour, one of which was to conduct balanced relations with all the three South Asian countries, India, Pakistan and Afghanistan. In order to keep up the balance of power and the territorial integrity of Pakistan, Iran supported Pakistan during the Indo-Pakistan war of 1971. Even then it did not take a very harsh attitude towards India and resisted the Pakistani pressure to activate CENTO, nor did it indulge in any direct provocation against India. Later, the Shah made it clear, "We will never assist Pakistan if they start an aggressive war against India…I am sure India is not going to start a war for the sake of it. We will support no country in an aggressive move.”

After the fourth Arab Israeli war of 1973, OPEC doubled the price of oil in late 1973, and then doubled it once again in early 1974. The income earned from this provided Iran a position for boosting joint development projects with other countries. Iran felt that India was a major regional power in South Asia. In order to strengthen its own position in the region, normalisation of relations with India must be achieved by establishing strong political and economic links with this country. As a result there was a phenomenal increase in the economic collaboration between India and Iran. For India, having close relations with Iran could neutralise the latter's support to Pakistan.

Though, both India and Iran had their postures, the former vis-a-vis the Arabs and the latter vis-à-vis Pakistan, it was tacitly agreed that neither side should allow these to come in the way of their developmental interests. Iran continued to be a member of CENTO and its fallout RCD. It also continued to arm itself and maintain close ties with Pakistan. The Shah had been most anxious to ensure stability on its eastern border. As a result, he agreed to give economic aid to Pakistan inspite of its pro-Arab stance and its sharp criticism of Iran, for example, efforts in Pakistan to convert Persian culture to Arab culture. Bhutto also described the Persian Gulf as the Arab Gulf. The Shah was now thinking in economic terms and sought India's economic cooperation for providing Iran with industry, goods and services. Visits of leading statesmen to each other's country stabilised the economic bonds and promoted political understanding.

b) Iran-India relations in 1971:
The year 1971 saw significant shifts in the balance of power in the Indian subcontinent and Southwest Asia where India and Iran emerged respectively as dominant actors. After the war, India's security environment greatly improved and it acquired a greater degree of confidence in foreign policy. New Delhi got rid of the rather unhealthy preoccupation with Pakistan and the Indo-Pak power balance. Thus, India could afford to formulate its policy towards other countries independent of the "Pakistan factor." This assumption was applicable to Iran as well. For a couple of years, relations between India and Iran remained frozen. The reasons mainly were:

- difference in perceptions regarding the superpowers' role in the Persian Gulf and the Indian Ocean;
- unprecedented arms purchases by Iran from the United States in the midst of congruity of their strategic objectives;
- India's thinking that the United States was using Iran as a conduit to channelize its political and military support to Pakistan to continue its confrontationist posture;
- Iran's apprehension regarding India's alleged "designs" against the truncated state of Pakistan; and Iran's attempt to bolster Pakistan after the 1971 war being interpreted by India as an effort to change the power equation in the subcontinent.
- Iran's conclusion that India was in league with the Soviet Union in the perceived design of splitting Pakistan into a group of pro-Soviet and pro-Indian successor mini states.

C) Iran-India relations in 1973:

Indo-Iranian Relationship reached its zenith particularly since 1973. A major breakthrough was achieved between two countries during Foreign Minister Swaran Singh's visit to Iran from 9-12 July 1973. During the visit, widely regarded as the "turning point" in Indo-Iranian relations, Swaran Singh held discussions with Iranian leaders including an audience with the Shah. As a result of the visit which was aimed at highlighting the mutuality of interests between India and Iran, a new protocol for trade and technical co-operation was signed, and it was decided to hold the fourth meeting of the Indo-Iran joint Commission, which had not met since December 1970.
The visit not only helped in widening mutual co-operation between the two countries, but also marked the evolution of a mature relationship based on political understanding. The Iranian Foreign Minister was understood to have told the consultative committee of the Parliament later that "India could not write off Iran or vice versa because of the arms build up by the country and its close relations with Pakistan. Even though Iran is a friend of Pakistan, there is scope for expanding commercial and economic relations." He also added that "it (the visit) greatly cleared up the atmosphere and proved to be the starting point of fruitful co-operation between the two countries." A new trend was seen towards the emergence of a mature relationship independent of the two countries respective strategic interests, as was evident from the statements of the Foreign Ministers of both the countries. 82

"Iran’s friendship with Pakistan and India's friendship with Iraq like Iran's close association with the United States and India's treaty relationship with the Soviet Union need to be viewed as something incompatible with the desire for better relations. The drastic changes in the mutual relationship between Iran and India could be seen in the context of various developments in the India as well as in the Persian Gulf, with the emergence of Bangladesh in 1971, and consequence dismemberment of Pakistan, New Delhi had been able for the first time since 1947 to rid itself at its rather unhealthy pre-occupation with Pakistan and the Indo-Pak power balance.

This pre-occupation had kept India tied down to the sub continent and prevented it from playing an effective role in the wider area of international affairs commensurate with its size, geo- strategic location and potential resources. This state of affairs had admirably suited some external powers, since it had adversely affected India's aspirations to become an autonomous decision-making 1974. It had also prevented India from emerging as a "subject" rather than a mere "object" in the arena of global politics. 83

After 1971, when the futility of Pakistan's search for power-parity had been demonstrated beyond doubt and India had emerged as the pre-eminent power in the sub continent. New Delhi could afford to see and formulate its policy towards other countries relatively independent of the "Pakistan factor." This did not, however, mean the complete elimination of the "Pakistan factor" from Indian foreign policy considerations. In fact, Pakistan still looms large in the Indo-Iranian equation. Nevertheless it did mean that other factors were
also given their due weight in the assessment of bilateral relationships. As India, more sure of itself than before, could now afford to take in its stride the close relations between Iran and Pakistan and not allow that equation to distort its assessment of Iran and the economic and political dividends that New Delhi could achieve by developing close relations with Tehran.

At the same time, Iran's regional environment also underwent a change following the British withdrawal from the Arabian Peninsula and the Persian Gulf and Iran's ambitious bid to assume British's responsibilities in the region. The emergence of Iran as the more and dominant partner was further confirmed when following. The oil embargo and the subsequent increase in oil price. Iran began to cultivate regional supremacy. In order to achieve its goal in the Gulf, it was imperative for Iran to ensure a stable eastern flank so that its energies did not get diverted at this critical juncture, Iran was, therefore, willing to go out of its way at this stage to under write Pakistan's integrity and to augment Pakistan's strength.

It was not till Foreign Minister Swaran Singh's visit to Iran in July 1973 that some of the mutual apprehensions harbored by India and Iran against each other were dissipated. Swaran Singh convinced the Iranians that, for its own reasons, India had as much stake in the territorial integrity and political stability of Pakistan as Iran had. In return, the Iranian leaders assured the Indian foreign minister that Iran would exercise its influence on Pakistan for a peaceful settlement of all outstanding problems in the subcontinent.

The softening of the Iranian posture towards India was already evident in the interview that the Shah gave to the Times of India in early July 1973. He stated that not to speak of his encouraging intransigence on the part of Pakistan, he was imploring it to pursue a policy not only of peaceful coexistence but also of active cooperation with India because it was evident to him that there could be no stability in Asia without it. Subsequently, the Shah and Foreign Minister Abbas Ali Khalatbari deemphasized the so-called threat to Pakistan's integrity and emphasized the internal subversion aspect. Moreover, as a definite gesture of goodwill, he dispatched his twin sister, Princess Ashraf, on a 15-day visit to India.
There were some reasons for Iran's interest in normalization of its relations with India.

- First, Iran realized that in the midst of the new power equation in the Persian Gulf and South Asian regions if its aspirations to emerge as the preeminent power in the Persian Gulf were to be achieved, it must evolve a cordial working relationship with the major power in the contiguous region.  

- Secondly, Iran wanted to demonstrate to Pakistan that if Islamabad could diversify its relations in the Persian Gulf, Tehran was equally in a position to cultivate its ties in South Asia.

- The third reason was Iran's hope that closer relations with India might reduce the latter's political, economic and military dependence on the Soviet Union whose "pincer movement" could thus be blocked.

- The last positive incentive to improve ties with India was the remarkable unity of the Arab states in the October 1973 war. In its wake, he changed his strategy. Besides befriending the alienated states — Egypt and Iraq — the Shah also thought of opening up with India.

Conversely, India also saw some merit in improving its relations with Iran. The contributory factors were as follows: Pakistan's success in wooing the Persian Gulf Arab states was a cause of concern. India considered Iran, in contrast to the Arab states, as a "responsible country, unlikely to encourage aggression by means of arms transfer." By 1973, New Delhi acknowledged Tehran's sincerity in desiring a stable eastern flank and its resultant interest in seeing a rapprochement between India and Pakistan. India realized that if the United States had been helping Iran it was not necessarily because of some diabolic desire to needle India but that it was part of overall US interests in West Asia. It dawned on India that improvement of relations with Iran could neutralize the latter's support to Pakistan. In addition, there were two common international factors which facilitated bilateral understanding.
First, it was the superpower detente which rendered the existing security pacts superfluous and made the prevailing Indian and Iranian policy postures outdated.

Second, the October 1973 war paved the way for reconciliation between Iran and Iraq which, in turn, removed an irritant in the way of India's developing close relations with Iran as well as Iraq.

Besides, a major motivation on both sides to improve their bilateral relations was economic in character. India realized the potential of beneficial links with Iran. As India was in need of foreign capital and credit facilities for its massive industrialization program, it looked for aid and investment from petrodollar-rich states like Iran. It wanted to reduce its dependence on developed countries who asked for a price. Next, India had developed a surplus reservoir of skilled manpower which it wanted to export so as to earn foreign exchange. There were clear complementarities of interests as the Shah had set before himself the task of industrializing Iran. In attaining this objective he was inclined to buy Indian technology, raw material and manpower as he had surplus capital, particularly after the oil price hike in 1973.

A third factor was that industrialized countries like Britain, France, West Germany and Japan were haunted by the vision of approaching recession. So, they explored the prospects of pooling their vast technological skills in certain selective spheres in collaboration with oil-rich nations like Iran and skilled manpower-rich countries like India for the development of the Third World. Such countries, therefore, showed special interest in the evolving pattern of Indo-Iranian relations. 97

d) Iran-India relations in 1974:

The exchange of visits culminated in the visit of Mrs. Gandhi to Iran in April 1974 and the Shah's return visit in October that year. These visits marked the evolution of mature relationship based on political understanding pointing this out Kayhan International and its editorial commented that "suspicious entertained on both sides a year ago have blown away. There is feeling that concrete interests both of trade and of state, bind the two nations together. "The speeches of the Prime Ministers of both countries reflected this understanding speaking at a
banquet given in her honour on 29 April 1974 Mrs. Gandhi said, "it was short sighted to seek exclusive relationship, friendship with one group of countries should not mean hostility for another."98

The Iranian Prime Minister stated that "no cloud of suspicion or misunderstanding can make the atmosphere of Indo-Iran relations."99 The Shah also spoke of his sincere desire to establish the closest possible relations with India. He even went to the extent of saying that he could not find better goodwill and better understanding during any conversation with any other responsible leader at any country than India.100

These visits also helped in fostering economic co-operation between the two countries. They resulted in the preparing of a blueprint for economic co-operation covering a wide range of fields, Iran sought to provide cushion to the spoke felt by India as a consequence of oil price hike by stepping up imports from India besides extending soft loans for the development of the production capacity of the Kudermukh Iron ore project, setting up an aluminium plant for export to Iran, and for the setting up of an Indo-Iranian joint shipping line with the initial of 500,000 tonnes.101 India on this part, agreed to push up the export of the much needed iron and steel. It was also agreed to provide technical personnel, engineers, professors and doctors for service in Iran.102

The increasing Indo-Iranian collaboration was well evidenced by a number of joint industrial projects such as an aluminum plant in India and a petroleum and power station in Iran, the formation of a joint chamber of commerce, the conclusion of a five year trade deal (September 1974) and twenty years contract for the purchase of 7.5 million tones of iron ore a year from India.103

The economic factor combined to impact Iran for seeking a better relationship with India with oil price hike; Iran's oil revenue had a hike. The Shah confidently declared "in the next 10 years, Iran will be what Britain is today and that in the next 25 years, Iran will be among the most industrial countries in the world." India appeared on attractive economic partner. According to Iranian Prime Minister, Amir Abbas Hoveyda, "the sky is limit of our co-operation." Iran, he said is looking forward to a "much more flourishing trade with India and is interested in having assured supplies at a number of commodities."104
As one of the most developed of the developing countries and due to the complementary nature of the economic of the two India was well set to supply the inputs for Iran's development programmes with goods such as iron ore and building material, technical manpower and equipment. Equally, economic factors also implied India towards seeking a rapprochement with Iran. For India, in view of the fact that Iran supplied one-third of its oil supplies, the oil crisis necessitated a rethinking about its relations with Iran. It is noted here that oil crisis shifted the focus of India's Middle Eastern priorities from Egypt to the Persian Gulf region, more so as it was felt in New Delhi that oil would not flow in merely for the asking. Close concentrated and sustained contacts with the countries of the region would be necessary. As result of this realization, India's relations with Iran acquired added significance. Iran, was hoped, would supply an assured quantity of oil on confessional rates and deferred payment basis. Besides, a furiously industrializing Iran could also provide a market for India's consumer goods, technological equipment and skilled manpower.

The economic factor which tended to bring India and Iran closer was the oil price hike crisis after the October 1973 war. Iran's annual revenues from oil went up by four times. The Shah could now grant (or withhold) price concession and long-term, low-interest foreign exchange loans and as well encourage joint development projects as had been negotiated with India. The whopping increase in oil price slashed India's bargaining strength. In fact, it became incumbent on India to ensure the major source of oil supply from Iran. Moreover, India was also interested in seeking credits on favorable terms and investment from Iran.

It was in this background that the tripartite agreement among India, Pakistan and Bangladesh (April 1974) paved the way for a major breakthrough in Indo-Iranian relations heralded by the visit of Mrs. Gandhi (the second by an Indian prime minister) to Iran during April-May 1974. The fact that Mrs. Gandhi chose to visit Iran while both houses of the parliament were in session indicated the importance she attached to that country. This was the first time when one could find "a meeting of minds between the shall and the Indian prime minister."

The most notable outcome was the removal of the lurking apprehensions and misunderstandings and a consensus that bilateral relations should not be exclusive and that either country's relations with third countries should not affect their bilateral relations. During
the visit, along with a memorandum of understanding, a basket of agreements, mainly in economic fields, were signed. "The economic gains to India and Iran from the latest accords are obvious, but it is the political assumptions behind them which are far more significant."  

The Shah's follow-up visit (his third) in October 1974 was an evidence of mutual warmth, understanding, and a fast evolving relationship. The most important feature of the visit was the declaration by the Shah that Iran "shall never assist Pakistan if it started an aggression against India." Giving reasons for this perceptible change, he mentioned that, first, Iran was a "firm friend" of India and, secondly, Iran's cardinal policy was to work for peace between India and Pakistan.  

The Iranian Government also convinced India that its huge arms acquisition from the United States was primarily related to the defence of Pakistan of the Persian Gulf and protection against the regional revelries. During this visit to New Delhi in September 1974, the Shah categorically stated, "his government will not supply arms to Rawalpindi. He also said: "there is no need for the countries in the region to remain at loggerheads and they stand to gain by co-operation."

Thus, from being a partisan of Pakistan, Iran now turned into a promoter of Indo-Pak rapprochement. The Shah also floated his proposal for an Indian Ocean community. That was a manifestation of his high flying ambitions expressed in different forms during that period. Those included his fantastic ideas about Tamaddon-e Bozorg (great civilization), making Iran the fifth most powerful state in the world by the end of the century, and that Iran's vital interests were not confined to the Persian Gulf but they also extended to the Indian Ocean.

**e) Iran-India relations in 1975:**

In February 1975 The most important was the agreement to collaborate in the field of atomic energy. The communiqué issued, following the visit, stated that contacts would be made "between the atomic energy organizations in the two countries in order to establish a basis for cooperation in this field". Iran and India signed a nuclear cooperation agreement in February 1975. Thus, the visit set the stage for cooperation in the fields other than the economic one.
In 1975, also, there were a number of visits. The Minister for External Affairs of India visited Iran in November 1975 to attend the fifth meeting of the Indo-Iran Joint Commission for trade, economic and technical collaboration. A significant outcome of this visit was the finalization of the 360 $ million agreement for the exploitation of Kudremukh iron ore project, which was the landmark in the development of Indo-Iran relations.\(^ {117} \)

f) Iran-India relations in 1976:

The May 1976 The evolving Indo-Iranian understanding received a further boost by the visit of the Iranian prime minister Abbas Hoveyda, to India, followed by President Fakhruddin Ali Ahmad's visit to Iran in the following month.

In the following year, after elections, the Janata party formed the government in India. It was headed by Morarji Desai. The foreign policy of the new party had three components viz personal rapport, economic accommodation, and political neutrality and non-interference in internal affairs of other countries. Such a policy further convinced the Shah about India's policy of peaceful coexistence. The Janata leadership not only dispelled the lingering misgivings outside about India's nuclear policy but also demonstrated its genuine concern for strengthening peaceful ties with neighboring countries.\(^ {118} \)

All this was soothing to Iran. In addition, the Shah's vision of a common market fitted in the framework of the Janata government's policy to serve India's national interests by-building an infrastructure for regional cooperation in the area "extending from Iran to Indo-China." Not only for these variables but also on account of the vast economic scales, India had developed in Iran, the Shah established a close and warm rapport with Prime Minister Desai as he had done with Mrs. Gandhi.\(^ {119} \)

g) Iran-India relations in 1977:

Other important visits included Prime Minister Morarji Desai's visit to Iran in June 1977 and from Iran, the Shah and Shahbano's visit to India in February 1978. These high level visits concentrated on matters of common interests and multifaceted economic cooperation. There was
also close similarity of views on major international issues such as disarmament, the West Asian problem and the maintenance of the Indian Ocean as a zone of peace.¹²⁰

h) Iran-India relations in 1978:

Shah of Iran paid a four-day visit to India on 1 February 1978. It imparted further dynamism to the process of constructive cooperation between India and Iran. An important outcome of the visit was the availability of the much needed rupee resources to India for execution of projects in the country in which Iran was interested. The coup in Afghanistan (April 1978) and the establishment of a pronouncedly pro-Moscow government in Kabul again accentuated Tehran's long-standing fear of encirclement. The Shah shared his fears with Foreign Minister Atal Behari Vajpayee during the latter's visit to Tehran in May 1978. Vajpayee turned down Iran's request for Indian backing to a possible Iranian-Pakistani front in case Afghanistan posed a threat. Yet, the two countries agreed that the developments in Afghanistan should not be allowed to adversely affect their bilateral relations.¹²¹

A significant dimension of growing understanding and cooperation between India and Iran was that it fitted with the US policy in South Asia. Closer and stronger relations between these two countries, it was hoped, would be beneficial to the Western countries on two counts: India could be drawn into a more Western-oriented economic relationship; and it could thus be weaned away from the Soviet Union.¹²²

As noted earlier, a number of developments in the 1970s created fresh incentives for both India and Iran to farther promote their economic interactions for mutual benefit. It was under this thrust that notable agreements on the Kudremukh Iron Ore project, the Mangalore Port, the Karnataka Alumina Plant, the paper plant, the Rajasthan Canal Command Area, and the Iran-O-Hind Shipping Company were signed. The brightest prospect for economic interaction between India and Iran appeared in the field of trade. Iran's capacity to absorb Indian exports was demonstrated by the fact that while the value of Iran's exports in 1974-75 was less than double its exports in 1973-74, the worth of Indian exports to Iran increased five-fold during the same period. However, despite this periodic rise in India's exports to Iran, the value of commercial exchanges continued to be fractional when compared to the global trade of either country.¹²³
i) Iran-India relations in 1979:

The overthrow of the Shah and the emergence of the Islamic Republic of Iran in 1979, under the leadership of Ayatollah Khomeini were viewed as positive developments. India viewed the revolution in Iran as a reflection of Iran's quest for identity and national self-assertion and a desire to charter an independent course without Big Power influence. An unofficial good will delegation led by Sri Ashok Mehta, visited Iran in 1979 and established contacts with the new Iranian leader who reciprocated the good wishes from India. The present Prime Minister A.B. Vajpayee, (then India's Minister of External Affairs) said, "We are waiting for the day when we can welcome Iran in the Non-Aligned Movement." More significantly, "India viewed the revolution in Iran as a reflection of Iran's quest for identity and national self-assertion and a desire to charter an independent course without outside big power influence."

The Iranian Revolution (also known as the Islamic Revolution or 1979 Revolution; Enghelabe Eslami refers to events involving the overthrow of Iran's monarchy (Pahlavi dynasty) under Shah Mohammad Reza Pahlavi and its replacement with an Islamic Republic under the leadership of Ayatollah Ruhollah Khomeini, the leader of the revolution.

Demonstrations against the Shah commenced in October 1977, developing into a campaign of civil resistance that was partly secular and partly religious, and intensified in January 1978. Between August and December 1978 strikes and demonstrations paralyzed the country. The Shah left Iran for exile in mid-January 1979, and in the resulting power vacuum two weeks later Ayatollah Khomeini returned to Tehran to a greeting by several million Iranians. The royal regime collapsed shortly after on February 11 when guerrillas and rebel troops overwhelmed troops loyal to the Shah in armed street fighting. Iran voted by national referendum to become an Islamic Republic on April 1, 1979, and to approve a new theocratic constitution whereby Khomeini became Supreme Leader of the country, in December 1979.

The revolution was unusual for the surprise it created throughout the world: it lacked many of the customary causes of revolution (defeat at war, a financial crisis, peasant rebellion, or disgruntled military); produced profound change at great speed; was massively popular; which was heavily protected by a lavishly financed army and security services; and replaced a
modernising monarchy with a theocracy based on Guardianship of the Islamic Jurists (or Velayat-e Faqih). Its outcome – an Islamic Republic "under the guidance of an extraordinary religious scholar from Qom" – was, as one scholar put it, "clearly an occurrence that had to be explained". The leader of the revolution and founder of the Islamic Republic, Ayatollah Ruhollah Khomeini, was Iran's supreme leader until his death in 1989. He was followed by Imam Ayatolah Ali Khamenei.

Following the 1979 revolution in Iran, the Islamic revolutionary regime of Ayatollah Khomeini dramatically reversed the pro-Western foreign policy of the regime it overthrew. Since then Iran has oscillated between the two opposing tendencies of revolutionary ardour (promoting the Islamic revolution and struggling against western non-Muslim tendencies abroad) and moves towards pragmatism (economic development and normalization of foreign relations). After the Imam's death in 1989 more pragmatic policies came to the fore. Relations improved with its non-Revolutionary-Islamic neighbours — i.e. all its neighbors particularly Saudi Arabia.

On February 11, Imam Khomeini declared a provisional government. On March 30, 1979, the provisional government asked all Iranians sixteen years of age and older, male and female, to vote in a referendum on the question of accepting an Islamic Republic as the new form of government and constitution. Through the ballot box, over 98% voted in favour of replacing the monarchy with an Islamic republic. Subsequent elections were held to approve of the newly-drafted constitution. Along With the position of the Supreme leader, the constitution also requires that a president be elected every four years, but only those candidates approved indirectly by the council of Guardians may run for the office. Imam Khomeini himself became instituted as the Supreme Leader for life, and officially decreed as the “Leader of the revolution” on February 4, 1980. Abol Hassan Banisadr was elected as the first president of Iran.

**Iran's Foreign Policy with India after Islamic Revolution of Iran:**

In Iran, under the leadership of Imam Khomeini, the perception of foreign policy changed drastically. The core message of the new regimes foreign policy was 'neither East, nor West, Islam is the best.' "The super powers" Khomeini told, "Are responsible for all world corruption." For this reason Muslims "should mobilize the oppressed and chained nations so that
the super powers can be pushed out of the scene and the governments can be handed over to the oppressed.”

The main guiding principles for the conduct of Iranian foreign policy were:

- Rejection of dependence on either the West or East.
- Identification of the United States as the Principal enemy of the Islamic Revolution.
- Struggle against superpower and the "Zionist Power."
- Close relations with all oppressed people, especially those in Muslim countries.
- Liberation of Jerusalem and opposition to pro Israel states.
- Anti imperialism and
- Support everywhere the oppressed people
- The new regime's foreign policy has been clearly outlined in Articles 152, 153 and 154 and pattern of the Constitution of the Islamic Republic of Iran.

Article 152

"The foreign policy of the Islamic Republic of Iran is based on the negation of all forms of domination or submission there to, the preservation of the independence and territorial integrity of the country. The defense of the rights of all Muslims, non-alignment before dominating powers and mutual peaceful relations with non aggressive states.”

Article 153

"No contract is to be concluded involving foreign domination over the natural or economic resources, the culture, the army of other domains of Iranian nation"

Article 154

"The Islamic Republic of Iran aspires for the property of man in the whole human society and recognizes independence, liberty and the rule of justice and truth as rights for all people of the world. Hence, while refraining from any kind of intervention in other nations internal affairs. The Islamic Republic of Iran supports the truth seeking struggles of the oppressed against the oppressors in every part of the world."
Apart from this, the export of its revolution also became the cordial principle of Iran's foreign policy. The doctrine of the expert of the Islamic Revolution aims simultaneously at three interconnected goals in Iran's foreign policy namely paving the way for the establishment of the world government of the messiah, promoting populist, independent Islamic governments in other states and protecting the first and only such state and government in Iran. At the same time, Iran also made it clear that the "export of the Islamic Revolution" must be accomplished by example of and propaganda.  

From Iran’s Revolution to 1989:

4) The decade of the 1980s:

For quite some time after the Islamic revolution in Iran, India's interaction with Iran remained minimal. The 1980s showed a downward trend in visits from both the countries. The overall relations were described as smooth, but Iran's preoccupation with Iraq in the Iran-Iraq war and the new regime's penchant to take up Islamic causes; its stand on the Kashmir issue, and Indian Muslims led to strains in Indo-Iranian ties. India's response to Iran's attitude was muted because of a number of factors, including the importance New Delhi attached to economic ties, acknowledgement of Iran's role in the Gulf, Central Asia, Afghanistan and also due to convince that realists ruling Iran wanted to do business and maintain good state to state ties with India.  

Iran-Iraq War:

On September 22, 1980, Iraq invaded Iran with the aim of seizing control of the strategic Arvand Rood, gaining control of Khuzestan's oil fields, and establishing a puppet government in the occupied territories of Iran. In fact, Iraq provoked and supported by governments that had lost their economic advantage and political influence in Iran - was among those who attempted to exploit situation in Iran in the aftermath of the Revolution. Within months, however, Iraqi troops had come mired in intense combat in the Khuzestan province. And, within less than two years, the Iranian military forces along with a mobilized popular army had pulsed most of the Iraq forces from Khuzestan. Withstanding the outrageous Iraqi invasion,
the international community failed at the time, to identify Saddam Hussein as the aggressor, and did not help to restore peace in the region.\textsuperscript{138}

The re-flagging of Moreover, the pro-Iraqi position of the U.S States, the former Soviet Union, and some countries of the Arab world enabled Baghdad to continue its aggression. By initiation the "tankers war" in the Persian Gulf in February 1984, the Iraqi regime sought to internationalize the conflict in order to intensify the pressure on Iran to accept negotiations on Iraqi terms. Meanwhile, in gross violation of international law, Iraq resorted to widespread use of chemical weapons and ballistic missiles against Iran. In 1987, the Security Council adopted resolution 598 in which, for the first time, the question of responsibility for the conflict was raised. Iran did not reject the resolution because, from the beginning of the Iraqi aggression, Iran had been calling for the identification of the aggressor and its punishment.\textsuperscript{139}

the Kuwait oil tankers by the US and the Soviet Union in spring 1987 and the US attacks against Iranian oil installations in the Persian Gulf as well as the US covert and overt assistance to Iraqi on intelligence matters during 1987-88 represented the sharpest tilt by the superpowers, particularly the US, towards Iraq. The shooting down of an Iranian civil airliner by the USS Vincennes in the territorial waters of Iran in the Persian Gulf in which more than 290 innocent civilians were killed added a new dimension to the war. The continued Iraqi use of chemical weapons and missiles attacks against the civilian areas coupled with the super-powers' support for the Iraqi war efforts proved that Iraq and its supporters had decided to spread the war at any price. Therefore, on July 18, 1988, Iran officially declared its acceptance of resolution 598, and subsequently the cease-fire became effective. In 1991, Mr. Javier Perez de Cuellar, then UN Secretary-General, in implementation of paragraph 6 of resolution 598, declared Iraq as the responsible party for the conflict.\textsuperscript{140}

\textbf{Iran-India Relations after the Islamic Revolution in Iran:}

As Raza Shah Pehlavi’s dynastic rule succumbed to the Islamic Revolution in Iran, a new phase of estrangement in Iran-India relations set in. Although the Revolution was greeted favourably in India and was viewed as a “reflection of Iran’s quest for identity and national self-assertion,”\textsuperscript{141} there were new and persistent differences between the two countries regarding various regional and international issues.\textsuperscript{142} It was due to these differences that relations between
the two states remained inhibited, notwithstanding the fact that India was among the first countries to recognize the revolutionary government of Ayatollah Khomeini. The Soviet invasion of Afghanistan in 1979 was the one issue where Iran and India had diametrically opposed positions. Iran, which had always felt threatened by Soviet Communism, was much more critical of the Soviet occupation of Afghanistan than was India, which traditionally had very close relations with the Soviets.

In addition, with the establishment of clerical rule in Iran, the country veered off the path of secularism and the new dispensation in Tehran felt little motivation to cultivate ties with a secular country. Iran’s clerical regime’s penchant to take up Islamic causes, its stand on the Kashmir issue and the condition of Indian Muslims led to strains in Indo-Iranian ties. India was also apprehensive of Iran’s revolutionary regime’s policy of exporting the Revolution and destabilising the Arab Gulf regimes. The 1980-1988 Iran-Iraq war added yet another irritant to the already complicated Iran-India relations, as India struggled to protect its oil interests in Iraq while preserving its oil supply relationship with Iran. However, it is important to note that despite these numerous challenges and significant sources of political difference, the two states continued to cooperate with each other economically in the 1980s, and to a lesser extent in the industrial sector.

After the Islamic Revolution, the economic structure of Iran has steadily undergone drastic changes. The events taking place in the aftermath of the victory of the Islamic Revolution, the imposition of the 8 year long war of attrition by Iraq, the increasing need for funds to meet the war expenses, the slump in oil prices, the shortage of foreign exchange as a result of international economic sanctions against the country emigration of skilled manpower, the influx of Afghan refugees to Iran, the government's extensive interference in the activity of the private sector by nationalizing many production units and isolation of the private sector, were among the major factors which had adverse effects on Iran's economy. Bani Sadr, who was the then President of Iran said, "India could play an important role in protecting Afghanistan from foreign invasions." Naturally, Iran turned towards India for its political support to face super power influence in the region as well as economic embargo by the West. Dr. Ali Akbar Velayati, the Foreign
Minister stated that the strengthening of political relations between Iran and India would ensure stability in the region and keep super power influence out of this.\(^{149}\). Iran regarded India as one of the important non-aligned countries in the region, which could challenge the West. Abolhasan Banisadr, the former President of Iran stated thus:\(^ {150}\)

India and Iran could cooperate and help each other reversing the dependence on the West. As far as Iran was concerned, India had become a model in its struggle against imperialism and colonialism. India looked upon itself and the rest of the emergent Afro-Asian region as force for peace and not as an instrument of power politics in the hands of great powers.

Apart from this, Iran understood that India being the most advanced country technologically in the developing world, with its own atomic power project, space satellite programmes and foreign investments in Africa, South Asia and elsewhere while contributing its own technology and manufacturing skills. Thinking on these lines, Iran always placed Indian technology next only to that of USA and the USSR.\(^ {151}\)

**a. Iran-India relations in 1980:**

In the month of June 1980, the Iranian Commerce Minister, Reza Sadr visited India as the head of a high-level delegation. This was the first big delegation sent out by Iran after the revolution. Reza Sadr said, "Iran had chosen to send the delegation to India not by accident but by design." The high level visiting delegation included seven deputy ministers dealing with various economic subjects, this mission also had a meeting with the Engineering Export Promotion Council and visited certain industrial units manufacturing tractors, diesel engines and electronic motors. The delegation kept an open mind and tried to identify the areas where it could safely depend on supplies from Indian sources.\(^ {152}\)

The Deputy Minister of Industries and Mines of Iran said that, "the delegation was looking around for new source of supply for components and raw-materials. It would also welcome technical know-how for setting up small scale industries". For such ventures, the visiting delegation identified a number of sectors where Indian collaboration might be needed for the implementation of Iran's developmental plans. These ranged from the Indian consultancy arrangements to the employment of Indian technical personnel for training schemes in Iran.
Indian consultancy services have been acceptable to Iran since the middle of the sixties of the last century.  

At the this time During these deliberations, Iran presented a long list of items ranging from food to cement, drugs and spare-parts. Iran also specified an exhaustive list of goods and services that Iran was willing to procure from India. In the meantime, India also expressed its desire to expand the area of collaboration with Iran.

Ali Akbar Velayati, the Foreign Minister of Iran in 1980, said that strengthening of political relations between Iran and India would ensure stability in the region and keep super power influence out of this. In fact unlike Pakistan and India, Pakistan and Afghanistan, Iran and Iraq, Iran and the Soviet Union, they had a number of perception with India. They had a number of percept ional similarities in terms of foreign policy as well as policy towards the Asia- Africa countries. The new Iranian dispensation was well disposed towards India as discussed earlier.

Abolhasan Banisadr, The President of Iran in 1980, said: "India and Iran could co-operate and help each other reversing the dependence on the west." Apart from this, India is also one of the most advanced countries in the developing world having its own highly developed atomic power project, space satellite programmes and foreign investments in Africa, South Asia and elsewhere while contributing its own technology and manufacturing skills. India's progress in the field of agriculture, industry and technology, space and oceanic research was well known. It has developed its own technical know-how and intermediate technology, which is ideally suited for the rapid industrialization of other developing countries. In return, Iran assured India to continue supply of oil production; from six million barrels to about three million barrels a day of that it needed one million barrels for domestic consumption.

Ali Akbar Mainfar, Oil Minister of Iran in 1980, said that India is high on our priority list for oil supplies and will always get special consideration. He also said that because of our good relations with our Indian friends, we kept a reasonable amount (five million tones) for India this year.

b. Iran-India relations in 1982:
The visit of Ali Akbar Velayati Foreign Minister of Iran in 1982 to India served to create an impression of development of mature bilateral relationship between Iran and India. Ali Akbar Velayati himself in this regard expressed the Iranian view. He said that Iran wished to expand and consolidate relations with India. Further, he added that Iranian leaders had found that conditions in India were favourable for India's co-operation in the reconstruction of the Iranian economic. He made a frank appraisal of Iran's policy, and noted with satisfaction the Iranian effort to expand further relations with India. Besides, a great degree of identity of views was reflected between the two governments on international matters.

In their bid to strengthen mutual co-operation, both sides decided to set up a new Joint Commission to expand their bilateral co-operation in the fields of economy, trade, industry, culture, science and technology. The decision formed part of Joint Commission at the end of the Iranian Foreign Ministers visit to India on 2 May 1982. The two countries laid particular emphasis on the maintenance and development of cultural and educational relations between them. Both sides also agreed that cultural agreement should be signed at an early date to put such contacts on an institutional and regular basis. The Iranian Foreign Minister at the end further added that Iran had considerable expertise in the field of oil and it was prepared to help India.

In their joint communiqué, both Velayati and P.V. Narasimha Rao, the then External Affairs Minister of India expressed serious concern about the situation in Afghanistan and urged all the concerned to work towards a settlement, which would ensure self-determination for the people of Afghanistan and also non-interference by outside forces. Another important development was that both the countries talked about the role of the non-alignment movement and its reassertion. The Non-alignment Movement was an independent non-bloc factor and a positive force to strengthen peace and security in the world.

It may be recalled here that during the days of Shah, US presence in the Diego Garcia Islands of the Indian Ocean was appreciated by Iran because Iran was part of the CENTO. However, in the changed circumstances, both Iran and India jointly insisted that the super power presence in the Indian Ocean constituted a threat to peace and increased tension in the region. Both the countries insisted on the implementation of the 1971 UN declaration declaring Indian Ocean a zone of peace.
Regarding the developments in West Asia, both the countries expressed their concern about the Israeli occupation of Golan Heights as it violated the basic principles of international law. On the Iran-Iraq issue, he statement only aid that the Iranian side had briefed the Indian side.  

One aspect of interaction between India and Iran in 1982 was the less-publicised cooperation in the nuclear field. After West Germany halted work on Iran’s Bushehr nuclear reactor project in 1980, Iran asked for India’s help in completing this project. Indian radio reported on October 1, 1982, that India would send a group of nuclear engineers and scientists to Iran in November, who would inspect the Bushehr nuclear power plant to study the problems.

**c. Iran-India relations in 1983:**

P.V. Narasimha Rao the Prime Minister of India visit to Iran from 18 to 22 July, 1983. He made a significant statement, "The great achievements of the past should make us humble and little aware of our responsibilities to ourselves today and to our history. We have to build on the sound foundation laid by the previous generations."

He led a high power delegation, including K. Natwar Singh, Secretary in the Ministry of External Affairs and several other officials of that ministry, as well as the officials of the ministers of Information and Broadcasting, Steel and Mines, Finance, Commerce, Education, Culture and Industry. During his visit to Iran P. V. NarasimhaRao also called on Seyyed Ali Khamanai, the President of Iran, Mir Hussain Musavi, the Prime Minister, Hashemi Rafsanjani, the Speaker of the Majlis, Asgarowaladi, the Minister of Commerce, Behzad Nabavi, Minister of Heavy Industries and others.

The visit of P.V. Narasimha Rao to Iran in July 1983 was an important step towards strengthening and furthering bilateral relations between Iran and India. He and the Indian delegation were accorded warm reception. The two foreign ministers had several rounds of talks, which were held in an atmosphere of friendship, and mutual understand. They also referred to the deep historical and cultural relations between the people of Iran and India and emphasized their anti imperialist and anti colonialist freedom struggles.
At this meeting, both ministers agreed to the similarities in political approaches and views formed a firm basis for establishing on institutional frame work for intensifying economic, trade, scientific, technical and cultural cooperation between two countries and giving them practical shape. In addition to this, both sides also emphasized their firm belief in the continuing relevance and significant role, at the non-aligned movement in the establishment and strengthening of the international peace and the need for further consolidating and strengthening in this movement.

The two countries agreed to expand bilateral economic relations and signed an agreement on 19 July 1983 setting up the Iran-India joint commission. Besides, the modalities had been worked out in details for cooperation in the field of education, the exchanges of films and radio programmes for cooperation between the national information media of two countries and provision of Visa and accreditation facilities for media representations on reciprocal bases. A detailed time schedule for the implementation of the cultural exchange programme for 1983-84 had been worked out.169

the Minister for External affairs of India P.V. Narasimha Rao” visit to Iran also paved the way for lifting iron ore from the Kudremukh plant, talking to reporters on his return from Iran, P.V. Narasimha Rao said that there had been some progress regarding the Kudremukh project, though some issues remained to be finalized. The visit resulted in forging closer bonds and in widening the areas of cooperation between the two countries.170

d. Iran-India relations in 1984:

In December 1984 the second session of the Indo-Iranian Joint Commission was held. Both Iran and India, reiterated their firm belief in the important role of the non-aligned movement in the establishment and consolidation of international peace and security. Both India and Iran discussed the possibility of expanding bilateral trade and taking the total turnover too much higher level. This was highlighted when Sheikh-ul-Islam, Deputy Foreign Minister of Iran visited India in he same year.171 The Iranian Minister emphasized that better economic and commercial relations between the two countries would contribute to the economic independence of India and Iran. He also pointed out that it was Iran's policy to purchase as much as possible from India.172
In this regard, a joint statement was also issued at the conclusion of the second session of the Indo-Iranian Joint Commission. At the outset the statement recorded the deep regret of the government and the people of the Islamic Republic of Iran at the association of Mrs. Indira Gandhi. Dr. Velayati expressed the confidence that the new government in India would continue to follow her ideals in the policies of independence and modernization. The statement also recorded appreciation of the Indian Government for the Iranian sympathy. Many efforts were made by both sides to accelerate the two-way understanding and cooperation. The rapprochement, however, was limited.\textsuperscript{173}

In the second session of the Indo-Iranian Joint Commission two separate paragraphs were used to express the views of Iran and India respectively on Afghan situation in their joint statement. While condemning the presence of foreign occupying forces in Afghanistan, called for the unconditional withdrawal of the occupying forces and demanded self-determination for the Afghan people.\textsuperscript{174} India on the other hand, reiterated para 114 of the Political Declaration of the 7\textsuperscript{th} Non-aligned Summit and reiterated paragraph 115 through which the non-alignment movement had extended its support to the constructive steps taken by the UN Secretary General for political settlement of the situation in Afghanistan.\textsuperscript{175}

d. Iran-India relations in 1985:

In January 1985 Indo-Iranian bilateral relations reached a new height. A document signed at Tehran on 7 January at the end of four-day meeting of the Joint Commission of the two countries. A agreement was signed between Iran and India in further intensifying the area of cooperation. According to the agreement, India would assist Iran in various fields including setting up of job-intensive rural industries, satellite communication, textile and agricultural implements factories. The emphasis was an industrial co-operation, the commission also agreed to set up joint ventures in the two countries to tap their domestic and international markets.\textsuperscript{176}

In January 1985 at Tehran the Joint Commission of the two countries, Iran invited Indian companies to help to set up cement and textiles plants. The Iranian government was also keen on import substitution by setting up 18 large cement plants each with a capacity of two thousand tons per day, besides several small plants. India accepted an Iranian suggestion to buy cement produced at Indian assisted plants, the agreement was silent on oil related trade but it said this
would be governed by market trends and that a petroleum delegation was scheduled to visit Tehran by March to renew India’s-contract for oil purchase from Iran, a traditional supplier.177

f. Iran-India relations in 1986:

By 1986, the Indo-Iranian bilateral relations reached a new height. Iran's Foreign Minister Dr. Velayati for the third time visited India. He was accompanied by a high-level delegation. The two ministers reviewed activities of the Joint Commission and prospects for co-operation in the future. It was agreed that the fourth session of the Indo-Iranian Joint Commission would be held in Delhi at the end of 1986 or 1987 as per mutually convenient dates to be finalized through diplomatic channels. It was agreed that official media should project each other in constructive manner.178

Text of India-Iran Economic bilateral cooperation, issues in Delhi on August 1986:

- It was decided that the fourth session of the Indo-Iranian Joint Commission would be held in Delhi at the end of 1986 or early 1987 as per mutually convenient dates to be finalized is through diplomatic channels.

- A high level and comprehensive Iranian economic delegation will visit India in early September to negotiate an oil linked trade deal and to work out banking arrangements to facilitate lifting at Iranian oil by India and counter purchase of India's goods by Iran.

- Iranian side expressed interest in the import of commodities in the import of commodore, meat corn and different types of steel. Indian sides took note of the request and it was agreed that the list of commodities will be provided in advance and finalized during the visit of the economic delegation to India.

- Secretary (Steel will visit Iran in September 1986 to review progress relating to Kudremukh iron ore project.)
• Both sides agreed that there are good prospects for industrial collaboration and cooperation between the two countries particularly in the fields of power, steel, transport, telecommunications and railways. An Iranian delegation would visit India to explore cooperation in cement industry. 179

g. Iran-India relations in 1987:

Behzad Nabavi Minister for Heavy Industry In December 1987 a high level Iranian industrial delegation visited India and met J. Vengal Rao union Minister for Industry, and Narayana Dutt Tiwari, the Finance Minister. 180 A memorandum of understanding was signed at the Indo-Iranian talks on industrial cooperation, transaction research and training. Both the parties agreed that it would consolidate economic relations and open new vistas in heavy industrial sector. A Memorandum was signed wherein transfer of technology and supply of equipment and machinery, consultancy and technical services in the areas of machine building diesel engine manufacturing, equipment for refineries, power plant, cement and sugar were discussed and agreed for mutual co-operation., Iranians also discussed about public and private sector areas like automobiles and components, machine tools, power engines, castings, forging and foundry items. 181

h. Iran-India relations in 1989:

In September 1989, a memorandum of understanding was signed to overcome consular and visa related problems. At the this time a Memorandum of Understanding was signed to overcome consular and visa related problems by External Affairs Joint Secretary Naresh Dayal and Iranian Ambassador Ibrahim Rahimpur. Here efforts were made for speedy grant of visas to teachers going to teach in Indian schools in Iran and also to doctors in Iran. 182

The Iranian leader Ayatollah Khomeini died in 3 Jun 1989, prime Minister Rajiv Gandhi at his death stated, "Iran lost a spiritual leader of the magnetism and charisma, imam Khomeini was a revolutionary of great eminence and of great conviction. It is a grievous loss for the people of Iran and is shared by the people of India. Imam Khomeini extolled the high values of Islam. He exemplified the Shiite ethics of self-denial. He protested against the rampant Westernization
and materialism, which have destroyed traditional values. The outpouring grief at the passing away of Imam Khomeini is measures of the stature and the affection and the devotion that his countrymen gave him. In Khomeini's place in history is assured.183

The between 1947 and 1979 relations between India and Iran witnessed numerous fluctuations. Broadly, there was convergence as well as divergence. The relationship has been analyzed in the context of the new international relations order which emerged after the Second World War. Since both India and Iran belonged to the subordinate state system, their bilateral relationship was marred partly by issues of development in either state and partly by external factors. Geography, natural resources, economy, national cohesion, national awakening, new ideologies, cold war, strategic thinking, and perception of national leaders were the main inputs which determined bilateral relations between India and Iran.

In addition, and most important of all, certain other extraneous factors such as the Soviet Union, the United States, Pakistan and Nasserism queered the pitch although there had been no indigenous point of conflict between India and Iran. Yet, the redeeming feature has been that even in the midst of trying conditions, resilience was evident and both sides showed keenness to plug the fissures and to improve their bilateral relationship irrespective of either country's relations with third countries.

There is acknowledged complementarity in the economies of the two countries, providing immense scope for mutual benefit and cooperation. However, economic compulsions seem to have been subordinated by political considerations. The broad conclusion is that from different angles there is pressing need for serious and consistent efforts for mutual rediscovery and fresh understanding in the midst of diverse, changing, and complex conditions. 184
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