PART - II

CHAPTER VII
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The death of Ayatollah Ruhollah Khomeini on June 3, 1989 left many speculations about the future of the Islamic Republic of Iran as well as its foreign and domestic policies. Till 1988-89 the foreign policy of the country was influenced by two factors: 1. Iran-Iraq war; 2. Ideology and thought of Imam Khomeini. Throughout the Iran-Iraq war Iran determined its friends and enemies on the basis of the respective stand on Iran-Iraq war. Those who supported Iraq were regarded as the enemy of Iran and Iran decided not going to extend any concession to such countries in its relations. On the other hand those countries who favoured Iran were considered to be the friends of Iran. Those countries who declared and maintained their neutrality in the war were appreciated and relations were maintained on the basis of mutual interests. Imam Khomeini's direct involvement in the framing of the foreign policy and in maintaining the foreign relations continued till his death. Imam Khomeini who declared American as 'Great Satan' and number one enemy of Iran also tried to maintain distance from the former Soviet Union under the policy of 'Neither East nor West.'
After the death of Imam Khomeini the foreign and domestic policy of Iran was mainly based on who were going to dominate and capture the power in Iran. If power had gone into the hands of radicals who looked at Imam Khomeini's son Ahmad as leader then there was hardly any chance of change in Iran's policy; But if the moderate groups led by Rafsanjani came into power then changes in foreign policy and approach of diplomacy as well as a change in economic policy was expected. Thus many persons speculated that after the death of Imam Khomeini there would be a power struggle in Iran. But despite the dire predictions of many, the smooth transition of power in Iran surprised the world as Iranian leadership and people displayed unexpected unity and alacrity in filling the political vacuum.

Immediately after Khomeini's death, the 80 member Assembly of Experts, empowered to select his successor, elected President Hojatolislam Sayed Ali Khameini as Iran's new spiritual leader by a two-thirds majority. Khameini received pledges of allegiance from the cabinet, the parliament and the military. In a show of unity, the regular defense forces and the Revolutionary Guards jointly did likewise.

Meanwhile, Hojatolislam Hashemi Rafsanjani emerged as Iran's prospective executive. His presidential aspirations had
become quite clear by the fall of 1988. He advocated for a constitutional reforms and strong presidency. Initially the radicals were expected to oppose both Rafsanjani's candidacy and constitutional reforms due to the Rafsanjani's long support for private enterprise, his misgivings about Soviet intentions, his willingness to improve Iran's relations with the West and his periodical remarks about the possibility of resolving U.S. Iranian differences.¹

Despite the apparent intensification in the struggle for power within the Iranian leadership in the months preceding Ayatollah Khomeini's death both 'conservatives' and 'liberals' gave their support to the candidacy of Hashemi Rafsanjani for the Presidency. The presidential election, held on 28 July 1989 was contested by only Rafsanjani and Abbas Sheibani, a former minister who was widely regarded as a 'token' candidate. According to official figures, Rafsanjani received some 15.5 m. (95.9%) of a total 16.2m. votes cast. Abbas Sheibani received 632,247 (3.9%) of the total votes cast. A total of 24m. people were eligible to vote. At the same time, 95% of those who voted approved the 45 proposed amendments to the Constitution, the most important of which

was making the President as Chief Executive and the abolition of the post of Prime-Minister. Rafsanjani was sworn in as President on 17 August 1989. On 29 August, following a three day debate, the Majlis approved Rafsanjani's 22 ministerial nominations. The Council of Ministers was regarded as a balanced coalition of 'conservatives', 'liberals' and technocrats, and its endorsement by the Majlis was viewed as a mandate for Rafsanjani to conduct a more conciliatory foreign policy towards the West, in particular with regard to the Western hostages held captive by pro-Iranian Shia groups in Lebanon; and to introduce reforms designed to stimulate economic reconstruction.

While the amendments to the Constitution increased the power of the presidency, it was anticipated that Rafsanjani's leadership would be challenged by several factions, including Ahmad Khomeini, son of the late Ayatollah Khomeini, and by the Minister of the Interior, Ali Akbar Mohtashami, and the Minister of Intelligence, Muhammad Muhammadi Reyshahri, both of whom were known to be advocates of a doctrine of 'permanent revolution'. Both Mohtashami and Reyshahri were excluded from the council of Ministers that the Majlis endorsed in August 1989, but political tension between 'conservatives' and 'liberals' remained high throughout the remainder of the
Also important was the removal of Mir Husain Moussavi, whose office of Prime Minister was eliminated Moussavi can best be characterized as a hard-line technocrat who advocated a static economy. In foreign relations he had been supporting the expansion of ties with the Soviet Union and other countries of Eastern bloc and Third World, while opposed the normalizing of relations with the United States.

Foreign Minister Ali Akbar Vellayati was retained in the new government. Vellayati a pragmatic realist, as well as a shrewd politician had survived with many twists and turns of Iran's politics. Vellayati had proved his competence since his injunction in 1984 adopting some measures of normalcy into the conduct of Iran's foreign relations. He had also worked hard to improve the quality of the foreign ministry staff by educating and training the inexperienced revolutionary youths, who had replaced the old diplomatic personnels. A few hard-liners were included in the cabinet, but even these were not particularly extreme.

The difficulties facing Rafsanjani in framing Iran's foreign policy into a new direction were evidence even before he became president during the crisis generated by Israel's

abduction of Sheikh Obeid and Hezbollah's assassination of Colonel Higgins. To Rafsanjani's conciliatory remarks directed to the United States, not only Hojatolislam Mohtashami but also Ahmad Khomeini responded by warning against any departure from Imam Khomeini's uncompromising stand. Even Ayatollah Khameinei, declared that he might oppose Rafsanjani in case of any deviation from the Imam's revolutionary principles. This verbal assault on Rafsanjani's position reflected the fact that the transition in Iran was still in a stage when every issue was discussed in the context of the Ayatollah Khomeini's political legacy. 3

Foreign policy is the area where the unity of Iran's political leadership is to be most severely tested. It is also the area where the radicals are likely to put extensive pressure on Rafsanjani. Although the radical faction had lost ground since the death of Khomeini, it would be a mistake to interpret their official eclipse as evidence of lack of influence. Although their most prominent representative were excluded from the new cabinet or refused to serve in the new system. But their point of view is still represented within the bureaucracy and in the military, especially the Revolutionary Guards, as well as in major segments of the

Thus, while Rafsanjani had a chance to shift Iran in a more moderate direction. But he could face serious difficulties if he tried to move too far, too soon, beyond the agreed consensus. Although he had emerged as the most powerful figure in Iran, his authority was not unchallenged particularly in the parliament. Rafsanjani resigned as commander in chief of the military after his election as president, explaining that he wanted to concentrate on economic issues. After his resignation Ayatollah Khomeini assumed that position. His resignation, as it was viewed by many observers, came under the pressure from his opponents and allies who never wanted to see him become too powerful.

The broad consensus that allowed the smooth transition of power in Iran was reached in the spring of 1989 after a remarkably open debate for nearly a year and some interesting gyrations following Iran's acceptance of a cease-fire in its war with Iraq. The principal points of the debate was the destruction of Iran's economy, worsening living conditions and growing public disaffection during the last three years of the war. This situation demanded concrete and swift decisions and would no longer permit a policy of drift and paralysis.
The question of economic principal was centered on the respective roles of government and the private sector, plus the acceptable level of foreign financing of Iran's post war reconstruction and thus the acceptable level of its foreign borrowing. Closely related was the question of the relative importance of professionalism and revolutionary commitment in economic management. Further the contention was the choice of Iran's economic partners and its impact on Iranian policy.

In social policy, meanwhile, debate centered on the rigidity of application of certain Islamic moral codes and even, to some extent, their interpretation.

In foreign relations, the basic principle of non-alignment, illustrated by the slogan "neither East nor West" was not challenged. But there was sharp debate on the choice of Iran's principal partners, especially the extent to which Iran should improve relations with the West. The issue of Iran's ties with the United States was particularly controversial --whether there should be any effort to normalize relations. 4

The terms moderate and radical were frequently used in connection of Iranian politics. Those Iranian who are called moderates have a traditional interpretation of Islam that

4. Ibid.
emphasizes such principles as the sanctioning of private property. Thus, they are opposed to government control of the economy and support a central role for the private sector. In social matters, they favour a less rigid application of Islamic moral codes a more liberal interpretation of Islamic rules. They emphasized competence and professionalism in the running of the country and, with certain exceptions, they favor the return of Iranian technical experts living in exile.

In foreign policy, the moderates favour an attitude towards the outside world that is less confrontational than the radical's view. They favoured improving Iran's ties with the West, including, the United States. Initially the moderates were quite suspicious of Soviet interventions and did not favour close relations with the Soviet Union. But later on their views were altered because of changes in Soviet policy on a number of issues important to Iran, such as Afghanistan and the Iran-Iraq dispute, and because of consistent Soviet efforts to improve relations with Iran. 5

By the spring of 1989 a more moderate consensus was emerging on the broad outlines of Iran's economic policy. Economic reconstruction and some alleviation of the people's financial hardship surfaced as the government's first

5. Ibid
priority. And it became clear that economic reconstruction would require harnessing the domestic base of capital and some foreign borrowing. There is, indeed, a fair amount of Iranian capital that could be invested -- provided the government were to give the private sector a freer hand and create a safer environment for business: curbing the activities of revolutionary committees, developing legal safeguards and increasing the confidence of the business community there would not be sudden changes in government policy. Thus it was agreed that the private sector should play a large role and that some foreign financing is inevitable. Given the Iranians' bitter memories, going back to the nineteenth century, of the loss of political independence through foreign indebtedness, it was decided that this borrowing should be limited to specific projects with a capacity to generate foreign exchange earnings.

In exchange for concessions on economic policy, the radicals seemed to have exacted a price in foreign policy. This trade-off was reflected in the severing of Iran's diplomatic relations with Britain in March 1989, in strains in Iranian-West German ties, in the radicals change in Soviet-Iranian relations and in the expansion of Iran's economic and trade relations with other East European countries and China.
Of these developments, the dramatic improvement in Soviet-Iranian relations is particularly noteworthy. It has concluded far-reaching economic agreements with that country, including joint exploration for oil in the Caspian Sea and in northern Iran. It was a departure from Iran's historical aversion to Russian involvement in oil exploration in Iran's northern province. In exchange the Soviet Union called for the withdrawal of Iraqi troops from Iranian territory and supported an ultimate resolution of the Shatt al-Arab dispute along the lines of the 1975 agreement. *

What was important in the new Soviet-Iranian relations was that this policy had the blessing of the Ayatollah Khomeini who met with Soviet Foreign Minister Eduard Shevardnadze in February 1989, and thus a closer relation could not be challenged as being against his wishes. Even Rafsanjani, despite his earlier misgivings, had to regularize his relations with Moscow by visiting the Soviet Union in June 1989 shortly after Khomeini's death.

With the post-Khomeini transition, the Rafsanjani-Khameini team has emphasized the urgency of economic

* In 1975 an agreement was signed in Algeria between Iran and Iraq which provide a relief to their prolong dispute over Shatt-al-Arab. According to the agreement Shatt al-Arab was divided between the two on the basis of Thalweg line principle. This agreement was unilaterally abrogated by Iraq in 1980.
reconstruction, as reflected in Rafsanjani's speech to parliament at the time of submitting the list of his cabinet for approval. He asked the Majlis whether Iran could be independent without productivity and he answered his own question: so long as Iran had to import its wheat, meat, machinery and even skilled manpower from abroad, it would have neither economic nor political independence. Rafsanjani also said that economic reconstruction would require social reforms—including cultural regeneration, respect for law, educational excellence, greater freedom of expression and more equal treatment for women. He called on those exiled experts who were not "traitors" to return home under "his personal guarantee." 6

While Western support was regarded as vital to Iran's economic reconstruction by Rafsanjani and his supporters. Many Iranian leaders had fear that it would lead to the erosion of Islamic values and the betrayal of the Revolution. Rafsanjani's fundamental problem on assuming the Presidency was to find a way of gaining Western support without alienating the 'conservative' faction within the leadership, which remained too powerful to be directly confronted. The urgency of the need for economic reform was demonstrated by increased incidence of popular protest against food shortages and high prices in early 1990. In May 1990 an 'open letter' was addressed to Rafsanjani by 90

6. Ibid.
prominent clerics, professionals and retired soldiers associated with the Liberation Movement of Iran. The 'open letter' criticized government politics, complained of massive corruption and regretted Iran's international isolation. It led to widespread arrests, which appeared to indicate that Rafsanjani was unable to control his 'conservative' opponents. Divisions within ruling circles were exemplified by the dispute between Rafsanjani and his opponents over whether to accept western aid following an earthquake in Gilan and Zanjan provinces in June 1990, in which more than 40,000 people died. After some initial hesitations, Western aid was accepted which was regarded as an important victory for Rafsanjani.

It was difficult to resolve Iran's economic problems without changes in its foreign policy. Although Eastern-bloc countries, China and some other countries could afford Iran a small range of choice, ultimately the economic and technological backwardness of these nations and their financial difficulties make them unappealing partners. Thus, Iran's economic recovery required access to Western capital and technology, which was not possible without some prior political understanding with the West because, in the face of Western opposition, even the Soviet Union might not be willing to sell Iran the arms it desperately needs to match

its neighbors but Iran's relations with the West could not improve too the point of allowing significant financial transfers and rearmentment without a break through in its relations with the United States. The moderates recognized this fact, but this was also the area where they were most vulnerable to radical pressure and censure. There was also the bitter memories of the Western hostages.

How the United States would regard the post-Khomeini Iran, while the moderate alternative was more than a mere possibility or a vision for a far distant future? As moderates were limited by the dynamics of Iran's domestic politics from taking bold actions to improve relations with the United States. Domestic politics also imposed some limit on the U.S. ability to make gesture towards Iran that would strengthen the moderate trend and enable it to resist radical pressure and reciprocate by meeting U.S. concerns.

The most significant constraint on the United States was of course, the unresolved hostage problem. Morally as well as politically, the United States found it difficult to take any positive steps towards Iran as long as its citizen were held captive by pro-Iranian factions in Lebanon. Yet this reluctance create much more difficulties for Iranian moderates to gain support for a policy of ending hostility with the United States.

It could be argued that the West's cool response to Iran's overtures in the past, especially during the summer and fall of 1988, helped weaken the moderates position even
before the outbreak of the Rushdie affair. For example, Iran was disappointed in its expectation that, after it accepted the cease-fire and improved its relations with most Gulf states, the West would be less favourable towards Iraq. Iran soon discovered that it could not hope for any preferential credit facilities from the West, including West Germany, which, among European countries, had the best relations with Iran.

The basic U.S. attitude toward Iran throughout 1988-89 has boiled down to a single proposition: in the post cold war era Iran was no longer important and if the United States waits long enough the Iranians will have no choice but to come back on American terms. The changes in Tehran created new opportunities for U.S. to end hostility with Iran. But Washington did not response positively.\(^8\)

The experience of the last several years offered some guidelines for a balanced U.S. approach that would stand a better change of encouraging moderation in Iran and of helping to end U.S. - Iran hostility. The following points are fundamental. First, the United States cannot hastily dismiss Iran as an unimportant element in the Middle East. Its size, population, resources, and ethnic, religious and cultural links in the Persian Gulf and South and Central Asia make it important. The great-power competition in that area long predates the cold war. In this context Iran's policies will have an impact in either helping or hindering

\(^8\) *Ibid.*
U.S. regional interests. As the changes in Iran's Afghan policy created some difficulties for United States.

Second, the United States should not be too confident that economic difficulties and military needs will force Iran to return on Americans terms. There are other Western countries with whom Iran can develop economic relations. The North and South Korea, China, Japan and other third world countries may also meet the Iranian needs.

Third, the expectations of a collapse of the Islamic regime after the Ayatollah Khomeini's death had also disappointed U.S. and the prospects of one of the opposition groups gaining power is not possible. Yet there is a moderate alternative in Iran, and the country's acute needs and the death of the Ayatollah Khomeini have strengthened its hand. During the last few months, Iran has been working to create conditions in Lebanon that could facilitate the release of hostages, especially by curbing the most extreme members of Hezbollah. It has, for example, improved its ties with the more moderate Shia organization in Lebanon -Amal- and it has been reported that 70 of the most extreme Hezbollah members are being held in Iran under the pretence that they are pursuing religious studies in the holy city of Qum. Under these circumstances, it was difficult for the moderates to gain support for their policy without offering some concrete and tangible benefits.

Given the lack of other realistic and more palatable options, the continuation of President Rafsanjani's
pragmatic evolution could be of value to the United States. For example, in view of the radicals's determination to undermine to Rafsanjani or at least to censure him, it is inappropriate for the West to demand bold actions from him without offering much in exchange.

A return to the artificial intimacy that the Shah's Iran enjoyed with the United States is neither possible nor desirable for either country. But there is no sound reason why normal and fruitful relations cannot be restored, based on mutual respect. A measured and cautious policy that tries to help the moderates of Iran can do U.S. interests no harm, and may hold the potential of yielding positive results.9

RELATIONS WITH U.S.A.

Iran-US relations remained at a low ebb during 1989 and early 1990 despite some show of gesture and good efforts to normalise relation by both the sides. Continued anti-US feeling in Iran and the associated strength of the radical Islamic political forces resulted from the US refusal to make a more comprehensive effort to compensate Iran for the shooting down of an Iranian airbus in the Gulf by the United States Vincennes warship in July 1989 and delay in releasing some $12,000 million Iranian assets frozen since the 1979 Iranian revolution. On May 17, 1989, Iran formally applied for the aircraft compensation case to be referred to the International Court of Justice (ICI) at The Hague. The

application called for a ruling to order US payment of compensation "in accordance with the injuries suffered by the Islamic Republic and the bereaved families".\textsuperscript{10}

In a surprise announcement on July 17, the US State Department offered to pay compensation of between US $100,000 and US $250,000 for each of the 290 people killed in the shooting down by the US cruiser Vincennes of an Iranian Airbus over the Gulf on July 3, 1988. The USA had justified the cruiser's action, claiming that the Airbus had behaved like a hostile Iranian jet fighter. However, a Pentagon (Defence Department) inquiry leaked to the press in early August 1988 acknowledged that inexperienced members of the Vincennes crew were responsible for the shooting down of the airliner. A State Department spokesman said on July 17 that the compensation was offered "in accordance with the humanitarian traditions of our nation" and did not imply US liability for the "accident". In addition payments would not be made through the Iranian government. But only through an "appropriate intermediary". An IRNA report on July 21 said that the Iranian government will consider the acceptance of the compensation only after Washington is 'judicially and legally condemned for its crime'.\textsuperscript{11}

In the meantime, reliable and authoritative sources placed further blamed on the Vincennes for the shooting down of the Airbus. An unpublished but widely quoted UN

\textsuperscript{10. Kayhan International, Tehran, May 18, 1989.}
\textsuperscript{11. Keesing's News Digest, July 1989, p-36834.}
International Civil Aviation Organisation report of May 1989 referred to the involvement of the Vincennes in a series of provocative incidence in the Gulf before and after the Iranian incident. Commander David Carlson of the US frigate John H. sides, which was in the Gulf at the same time as the Vincennes, wrote in the September issue of the US Naval Institute journal Proceedings that the airbus was shot down "for no good reason" and referred to "pathetic post-incident attempts to place the blame (for the incident) on the victims."12

A letter by 200 US members of Congress on September 5 calling for the Bush administration to abandon hopes for a moderate leadership in Iran and instead to recognize the country's resistance groups, was condemned by the, Majlis Speaker, Ayatollah Mehdi Karrubi, who said that the US administration would "take the wish of overthrowing the Islamic Republic to their graves".13

Reports in early September indicated that the Bush administration had been conducting an ongoing but indirect correspondence with the Iranian regime.

The Majlis on October 31 approved a draft bill authorizing the Iranian President to take measure for the arrest and punishment anywhere in the world of US citizens found guilty by the Iranian judiciary of anti-Iran terrorist activity. The bill, which was rectified by the Council of

Guardians two days later, followed approval of US legislation allowing US forces to arrest "terrorists" anywhere in the world. 14

Negotiations at the United States-Iran Claims Tribunal in The Hague (Netherlands) on November 2-3 ended with a US agreement to pay over to Iran US $567,000,000 of the money it was claiming. Announcing the decision at a White House press conference of November 7 the US President, George Bush expressed the hope that "Iran would use what influence it has" to secure the release of US hostages held by pro-Iranian groups in Lebanon. Bush dismissed speculation that the payment was connected to the hostage issue, however, saying that it was intended to "clear out the underbrush" of financial claims between the two countries and was in the light of "some positive statements" made by the Iranian government in the recent period. 15

It was revealed that the US $567,000,000 was part of a US $810,000,000 sum held by the USA to guarantee US bank claims against Iran. The remaining US $243,000,000 was to be transferred to a Netherlands account to settle outstanding claims filed by the two countries with the International Court of Justice (ICI) which sat in The Hague. Responding to the US decision on November 9 the Tehran Times stated that "Iran held assured the US that it (would) use its good offices with Islamic groups in Lebanon to do all it (could"

14. Ibid.
to help free the hostages, provided (the US) showed good-will". However, there appeared to be "little sign of genuine goodwill Yet". The Deputy Foreign Minister for Euro-American Affairs, Mahmud Va' ezi, declared on the same day that the US government should "release the Iranian assets which have been illegally frozen for over 10 years" if it wished to demonstrated its "good-will".16

On May 13, 1990, after months of sporadic negotiations, Iran and the United States signed an agreement to settle more than 3,100 US financial claims arising from the 1979 Iranian revolution. The agreement was reached by the Iran-US Claims Tribunal in The Hague (Netherlands), established in 1981 under an accord which ended the imprisonment of 52 US embassy personnel in Tehran, which constituted the only formal diplomatic link between the two countries.

Under the terms of the settlement Iran agreed to pay $550,000 to settle individual US claims each of less than $250,000, for property seized, contracts voided or debts unpaid since 1979. The Iranians would also pay a further $55,000 to cover 15 outstanding loans made by the US Agency for International Development (USAID) to finance Iran's foreign currency needs prior to 1979. Tentative agreement was also 108 Iranian small claims, mostly by naval cadets forced to leave the US after the revolution.

The agreement opened the way for negotiations on Iran's claim for $11,000 million arising from US military contracts which were abrogated after the revolution.

Both the sides rejected that the agreement had been influenced by Iranian assistance in securing the release of two US hostages in Lebanon in April. Most observers hoped that the slight improvement in Iranian-US relations embodied by the deal was a positive development for the six US hostages who remained in captivity.17

The US State Department announced on February 8 that it was concerned about the possibility of a terrorist attack directed against US citizens or installations to mark the February 11 anniversary of the 1979 Iranian revolution. Later the same day an Iranian spokesman rejected the warning as a "baseless" attempt to discredit Iran.18

In March 1991, US President Bush told Arab Journalists in Washington that as a "big country" Iran "should not be forever treated as enemies by all the countries in the region". Reported US efforts to seek direct talks and a limited rapprochement with Iran were highlighted by Bush's comment that his country wanted "better relations" and "no animosity". Furthermore, in December 1990 a decision by the US administration to allow US oil companies to purchase Iranian oil was officially announced in detail on March 14, 1991.19

In May 1991 an US State Department spokeswoman said that "normal relations between the USA and Iran would serve the interests of both countries". The comment was reportedly prompted by conciliatory statements made by government ministers during an international oil conference held in Isfahan on May 27-29 and attended among others by representatives from US oil companies. However, on June 3 the Iranian spiritual leader Ayatollah Ali Khamenei rejected the prospect of normal relations with the USA, saying that it could "never take place" while "the US continues to impose its will upon other people and nations".

Iranian oil sales to the United States, which ceased in 1989 were officially resumed on June 11 following approval by the US Treasury for US oil companies to purchase 2,500,000 barrels of Iranian crude oil worth an estimated US 35-40,000,000. Iran's earnings from oil exports worldwide rose by 28 percent to US $16,500 million in the year ending March 20, 1991.

On October 7 the Iranian government released Jon Patlis 54, an engineer who had been sentenced to 10 years on spying charges in 1987. Patlis, an employee of a US engineering company, had worked at Iran's main satellite ground station at Assadabad. It was claimed that he had confessed to be spying for the US Central Intelligence Agency, but the US

authorities had always denied that he had any official connections.23

On December 2 the United States paid to Iran US $260,000,000 in compensation for Iran by the USA following the 1979 revolution. A further US $18,000,000 was paid by the USA into a security account in The Hague from which payments could be made as arbitrated by the Iran-US Claims Tribunal. Press reports noted that both sides denied that the December 2 settlement, which had been under negotiation for 18 months, had any connection with the recent releases of US hostages in Lebanon.24

RELATIONS WITH U.K.

Diplomatic relations with the UK were severed in February 1989 following the imposing of a fatwa by the late Ayatollah Khomeini which called on Muslims to kill the Indian-born British writer, Salman Rushdie. This development took place at the time when relations between the two countries had only just been normalized after almost a decade of tension. The UK, along with other EC members, had first imposed trade sanctions on Iran and reduced diplomatic representation in protest against the taking of US hostages in November 1979.

The UK government expelled a number of Iranians in relation to their alleged involvement in anti-Rushdie

activities in the UK. Three Iranians were expelled in June, two more in December and further nine at the beginning of February 1990.

The Rushdie affair continued to present obstacles till September 1990 to the restoration of diplomatic relations with the United Kingdom, despite statement by both sides indicating their willingness to restore relations. The Deputy Foreign Minister responsible for Euro-American affairs, Mahmud Va'ezí, offered on August 22, 1989, to restore relations if the UK government convinced Iran that its intentions were "genuine" and that if would "respect Islamic principles and values". A UK Foreign Ministry spokesperson responded on the same day by saying that it was for Iran to make the first gesture and that the UK would "not accept Iranian intervention in (its) internal affairs".25

On November 20, 1989, the UK Secretary of State for Foreign and Commonwealth Affairs, Douglas Hurd, expressed his desire to "have a better relationship with Iran" and said that a decision by the relationship with Iran" their influence in the release of hostages in Lebanon would be a great help.26

Mr. Kourosh Fouladi, an Iranian citizen, was sentenced a 10 years prison for the charge of a failed car bomb in London in 1980. Mr. Fouladi was released after passing seven

years of imprisonment in September 1989. However after his released he claimed that he had been "subjected to various forms of brutal, physical and psychological torture" by the U.K. police and security forces. The suggestion of the leading Iranian political figures and head of the judiciary, Hojatolislam Mohammad Yazdi that Roger Cooper, a British businessman, who was in prison in charges of spying, should be released, received a negative response from Iranian press and from the Majlis.27

On February 1, 1990 nine Iranians were ordered to leave the UK by February 9, on the grounds that their conduct was "not conducive to the public good". Among them was the London bureau chief of the Iranian state news agency, JRNA. In reaction the Iranian government announced on February 20, 1990 that it was "closing the British Broadcasting Corporation office" in Tehran.28 In the same month, however, President Rafsanjani described the fatwa that had been pronounced against Rushdie as an exclusively Islamic issue and it should not to interfere with the re-establishment of normal relations between Iran and the United Kingdom. While trade between the United Kingdom and Iran was reported to be increasing. In may 1990 it was reported that the United Kingdom was involved in indirect contacts with Iran concerning four United Kingdom nationals held hostage by pro-Iranian groups in Lebanon, and the United Kingdom

announced that it was prepared to resume direct talks with the Iranian Government. In June 1990 however, Ayatollah Khamenei declared that the fatwa could never be repealed.29

A joint statement issued by Iran and the United Kingdom in New York on September 27, 1990 announced that full diplomatic relations between the two countries had been resumed "on the basis of mutual respect". The statement which was issued shortly after a meeting between the UK Foreign Secretary, Douglas Hurd and the Iranian Foreign Minister, Ali Akbar Velayati in New York, came after months of intense negotiations between officials of the two countries.30 The main reason behind it was that due to the Gulf crisis U.K. wanted to improve relations with the countries neighbouring Iraq.

In a statement on September 27, 1990 the Iranian News Agency (IRNA) said that the decision to renew diplomatic relations with the UK was based on Iran's acceptance of "remarks by British officials announcing respect for Islam, Moslem values and sanctities". The statement was believed to have been a reference to a letter written by Hurd on August 1, 1990 to the British Conservative MP, Sir Peter Blaker, underlining the UK government's respect for Islam and adding that "we understand that the novel, The Satanic Verses, was found deeply offensive by people of the Islamic faith". It was also understood that the Iranian government's

willingness to resume diplomatic relations and to end Iran's
diplomatic and political isolation vis-a-vis Western states
also paved way for the restoration of relations.31

Although the UK government had insisted that full
diplomatic relations would only be resumed after the
withdrawal of the death sentence on Rushdie and the release
of the British businessman Cooper, imprisoned in Iran. But
the restoration of relations did not involve any formal
undertaking on either of these issues by the Iranian
government.

One of important development in UK-Iranian relations
which took place in 1991 was the release of Roger Cooper, a
British businessman on April 1, 1990.32

The United Kingdom Foreign Secretary Douglas Hurd
welcomed Cooper's release as "an important step" in UK-
Iranian relations. Reports suggested that a visit to Iran by
a high-ranking European Community (EC) delegation might have
facilitated Cooper's release. Two weeks earlier, on March
15, 1991 Mehrdad Kowkabi, an Iranian student held in the UK
for 15 months, had been deported after a court dropped
charges of arson against him. The government's decision to
release Cooper was criticised by a sections of the Iranian
press with close links to radicals. The daily newspaper
Jomhuriye Eslami of April 3 reproached the judiciary for the

unexpected released" of Cooper and "the failure to provide the public with information."\textsuperscript{33}

**RELATIONS WITH OTHER WEST EUROPEAN COUNTRIES**

Immediately after the pronouncement of death sentence against Rushdie, the countries of the E.C. imposed economic sanction against Iran and announced to severe diplomatic relations with Iran. Unfortunately this development took place at a time when there was a clear chance of the improvement in the prolong tense relations of Iran with these countries. After the end of Iran-Iraq war, these countries had a good chance to improve economic links with Iran and contribute in the reconstruction process of Iran. Since this decision was taken in haste the situation compelled these countries to reconsider the decision. Then on 20 March 1989, in a meeting of the European Community, Foreign Minister, it was agreed to relax sanctions against Iran and members should be allowed to re-install their ambassadors in Tehran. Among the first diplomats to return to Tehran were those from Italy, Ireland, Spain, Greece, France and Denmark.\textsuperscript{34} Consequently Iran's relations with most of the Western countries began to improve. Although Rafsanjani's statement in May 1989 advocating the killing of five Westerners for every Palestinians killed in occupied territories drew a strong criticism from the ministers of

\textsuperscript{33} Keesing's Records of World Events, April 1991, P-38169.  
\textsuperscript{34} Keesing's Records of World Events, 1989, P-36537
the European Community. An official statement of E.C. on May 8, 1989 stated that the call "violated the most elementary principles and obligations governing the relations between sovereign states".35

A decision by the governments of France and West Germany to return their ambassadors to Iran in early June 1989 was welcomed by the Iranian press, with Kayhan saying that Iran would "give a positive response to this positive political move".36

A break through in Franco-Iranian relations was represented by a visit on September 17-18 1989 to Iran by the secretary-general of the French Foreign Ministry, Francois Scheer, who held talks with Mahmud Va'ezí, the Deputy Foreign Minister of Iran. According to Tehran radio, Va'ezí emphasized to resolve the political problems between the two governments and to normalize and expand relations. He also wished the French government "to make every effort to settle the financial difficulties between the two countries as soon as possible". This was a reference to the Iranian demand for the return of a $1,000 million loan made by Iran to France in 1974. Although France had already repaid $630 million, Iran was claiming an extra $1,000 million in interest payments.37

A joint Italian-Iranian memorandum of understanding signed on January 22, 1990, included an agreement by Italy to suspend limitations imposed on financial and capital guarantees for projects and transactions with Iran.38

West Germany announced on January 27, 1990, that it envisaged the granting of special credits for short-term and "semi-long-term" transactions and that West German companies were prepared to finance Iranian capital projects.39

The economic and diplomatic sanctions imposed by E.C. on Iran in February 1989 after the issuing of fatwa for the death sentence of Salman Rushdie, was lifted 22 October 1990. The decision of lifting the economic and diplomatic sanction was taken in a meeting of the Foreign Minister of the European communities in Luxemberg on 22 October 1990. Remember that sanction were relaxed on March 20, 1989 when Iran refused to how before the threat of western countries. This time the mean of economic sanctions against a third world country was totally failed. Iran which had earlier experienced the economic sanction in the wake of hostage crisis, this time again refused to accept any condition of the western countries. The Western Countries who thought that a after the end of prolong Iran-Iraq war, Iran needed the technical and economic help from them for the reconstruction of Iran. But instead of accepting their conditions Iran decided to fulfil its needs with other

countries and compelled the E.C. states to withdraw the sanction unilaterally.40

Foreign Minister Ali Akbar Vellayati visited France on December 5-8 1990 and held talks with President Mitterand and the French Foreign Minister Roland Dumas.

At a news conference on December 8, 1990 Vellayati and Dumas reaffirmed their governments communities to recent U.N. resolution on the Gulf Crisis, although Vellayati added that Iran would not participate in any war against Iraq or another country in the region. Here efforts were again made to resolve a financial dispute concerning the repayment by France of a US $ 1,000 million loan made in 1974 by Iran's pre-revolution's government. Although France had agreed to repay $630 million, it refused to repay the outstanding balance, claiming that it was the equivalent of losses incurred by French companies as a result of broken contracts.41

In April 1991, Foreign Minister of Italy, Luxemburg and the Netherlands accompanied by a delegation of E.C. visited Tehran and held talks with Velayati. At a press conference afterwards, Vellayati said that" an understanding was reached on the expansion of economic ties between Iran and the EC". He said that minister had in addition addressed the internal situation in Iraq; the problems of Afghanistan and Lebanon were also reportedly discussed42

In the first week of May 1991, Ali Akbar Velayati visited France. On May 5, 1991, Velayati and his German Counterpart Demans said in a press conference that their talks had been very positive and expressed the hope that discussions aimed at resolving the financial dispute between the two countries would end with the positive results.\(^\text{43}\)

A major set back to France-Iranian relations were observed when negotiations aimed at settling Iran's long standing financial dispute with France was suspended after the Foreign Minister Ali Akbar Velayati, who visited France on July 2-4, 1991 refused to sign a formal agreement.\(^\text{44}\)

A memorandum signed on December 29, 1991 by Deputy Foreign Minister of Iran Mahmud Va'ezii and the director general of the French Foreign Minister Francois Scheer resolved a 12-year financial dispute between the two countries. The origins of the complex dispute lay in a loan made in 1974 by Iran's pre-revolution government to the French Atomic Energy Commission. Under the December agreement, the French government agreed to repay $1.000 million to Iran, additional to the $630,000,000 it had already repaid. Restrictions on co-operation in various commercial fields was agreed to be lifted. In a parallel agreement three French nuclear power construction companies resolved their counter-claims against Iran for contracts broken in 1979. There remained unresolved issues in

\(^{43}\) Keesing's Records of World Events, May 1991, P-38212.  
\(^{44}\) Tehran Times, Tehran, July 5, 1991
connection with the Iranian state's share in Eurodif (a uranium enrichment company) and Iran's request for the supply of nuclear fuel by that company.45

RELATIONS WITH SOVIET UNION

Relations with Soviet Union Started improving during 1988-89. Soviet Union was no longer as objectionable for decision makers in Iran as United States. The important thing was that this change in the policy of Iran towards Soviet Union had the blessing of Imam Khomeini who approved the forth coming visit of the then speaker of Majlis Rafsanjani to Soviet Union in June 1989.

On May 1, 1989 statement by the Iranian First Deputy Foreign Minister, Ali Mohammad Besharati, confirmed that "extensive talks" had been held between Iran and the Soviet Union on arms purchases from the latter and that "all related issues had been finalized". He also said that Iran was soon to acquire fighter-bomber aircraft from countries other than the USA and the Soviet Union. These countries were believed to be Romania and Yugoslavia.46 Rafsanjani visited the Soviet Union on June 20-30 1989. He was treated by his hosts as a visiting head of state. He was the most senior Iranian leader to visit the Soviet Union since the 1979 Islamic Revolution. Rafsanjani and Gorbachev signed a "declaration on the principles of relations" between Iran

and the Soviet Union on June 22, following three days of talks.\(^47\)

It was also agreed to extend co-operation in the economic trade, technical and industrial fields including the peaceful use of nuclear energy. At the same time, ministers accompanying Rafsanjani signed a number of agreements. The Soviet Union agreed to provide US $2,000 million as part of an agreement involving at least US$6,000 million worth of projects over the next 10 years. The projects included (i) the construction of power plants and dams designed to double Iran's electricity-producing capacity; (ii) the construction of a rail link between Tedzhen (Turkmeniya), near the Iranian border, via Sarakhs, and the electrification of existing lines; (iii) joint oil exploration in the Iranian section of the Caspian Sea; and (iv) the resumption of the supply of Iranian natural gas to the Soviet Trans-Caucasus.\(^48\)

Prior to Rafsanjani's visit, commentators had speculated that Afghanistan, where Iran staunchly supported Shia mujaaheddin guerrillas, would prove to be the most contentious issue between the two sides. However, in a joint communique issued on June 23, both sides announced their support for an "independent, non-aligned and Islamic Afghanistan", and in an interview on the same day Rafsanjani

claimed that the two sides were in "complete agreement" on Afghanistan.

Rafsanjani had extended his stay in the Soviet Union until June 23 in order to visit Baku, the capital of the Southern Soviet Republic of Azerbaijan. During a Friday Prayers address to Shia Muslims in Baku, Rafsanjani reportedly praised Gorbachev as a great Soviet and world leader.49 A bilateral tourist exchange agreement was signed by the two countries on January 5, 1990, allowing tourist visas to be issued within 15 days of application. A Tehran-Baku (Azerbaijan) air link was inaugurated on January 18, 1990.50 Soviet President Gorbachev's special envoy Yevgeny Primakov visited Tehran on 17-18 September, 1991 and held talks with Rafsanjani and Vellayati. Tehran Radio reported that the talks had centred on the solution of the Afghan problem and on recent trilateral meetings in Islamabad and Tehran.51

IRAN AND MUSLIM COUNTRIES OF CENTRAL ASIA

The disintegration of Soviet Union and emergence of new Independent Muslim countries of Central Asia attracted the attention of decision makers in Iran. Iran was more keenly observing the situation in its neighbour. Iran who had just established friendly relation with a neighbourly superpower also witnessed its collapse. With the Collapse and

49. Ibid.
disintegration of Soviet Union Iran tried to maintain good relations specially with the newly independent Muslim Countries. The emergence of these states was welcomed in Iran as someone in Iran believed that with the cooperation of these states Iran may be able to form a strong Islamic bloc. Thus, Iran, from the very beginning, took keen interest in the development of these states and tried its best to bring them closer to each other and to adopt a common stand towards Soviet Union. During the visit of President Ayaz Mutalibov of Azerbaijan to Iran in August 1991, a memorandum of understanding was signed by President Rafsanjani and President Ayaz to improve bilateral relations between two states. In the same month Iran expressed its willingness to organise a conference of leaders from the Soviet Muslim Republics to adopt a common stand against Soviet authority.

The Iranian Foreign Minister, Ali Akbar Velayati, arrived in Moscow on December 24, 1991 for a 10-day visit to the Muslim republics of the Soviet Union. After talks in Moscow with Gorbachev, Yeltsin and Shevandnadze, Velayati went to the Republic of Kazkahstan, Kirgizstan, Tajikistan, Turkmenistan, Uzbekistan and Azerbaijan. Memorandums of understanding were signed with all the republics, except Uzbekistan. The agreements mainly covered transport and communication links, including an agreement to link the

autonomous Republic of Nakhichevan with Azerbaijan through Iranian territory.

Vellayati said that Iran's relations with the republics would be formulated "through Moscow". Rivalry for influence in the area between Turkey and Iran was noticed by many observers during that period. Turkey also extended its recognition to the newly independent countries on December 16, 1991.54

Fighting started during February 1992 around the regional capital Stepanakert, in Nagorny Karabakh, the disputed and mainly Iranian-inhabited area within the territory of Azerbaijan.

A CSCE (the Conference on Security and Cooperation in Europe) mission was nevertheless permitted to visit Nagorny Karabakh on February 12, 1992 and on February 17, Hassan Hasanov, the Azerbaijani Prime Minister, arrived Brussels to attend a session of the European Parliament and a meeting of NATO's Political Council, where he spoke about the background of the conflict.

On February 20, 1992 Raffi Hovhannesyan and Hussein Sadikhov, respectively the Foreign Ministers of Armenia and Azerbaijan, held peace talks in Moscow. They called for a cease-fire in the region and for access to humanitarian aid deliveries. However, Azerbaijani President, Ayaz Mutalibov, could not, attend the talks scheduled on the same day with

Russian President Boris Yeltsin and Armenian President, Levon Ter-Petrosyan. Multalibov faced increasing pressure as demonstrators in Baku, the Azerbaijani capital, called for his resignation, and the republic's parliament refused to endorse his proposed peace plan to grant cultural autonomy for Nagomy Karabakh within Azerbaijan.  

Iran also tried to resolve the problem through mediation. On February 25 the Iranian Foreign Minister Ali Akbar Vellayati flew to Baku for talks with both sides as a prelude to mediation.

Meanwhile on February 25 Armenian troops had taken the village of Khodzhaly, north of Stepanakert. Azerbaijani sources claimed that these troops had murdered more than 1,000 of the town's Azerbaijani inhabitants. The attack came in response to massive Azerbaijani attack by rockets and weapons of mass destruction against Armenian populated villages of Stepanakert in the north-east. Several Commonwealth of Independent States (CIS) servicemen were also killed in those attacks. On February 28 the CIS C-in-C, Marshal Yevegny Shaposhnilov, ordered the immediate withdrawal of all remaining CIS troops from the region. Iran was worried with all these developments but could not get any tangible result of its effort to resolve the crisis.  

55. *Keesing's Record of World Events*, February 1992, P.38774.  
On March 9, 1992 Iran called on the UN to impose an arms embargo on the two states. Iran was suspicious of Turkey's aims in the region and had criticised its call for US involvement. An agreement between Armenia and Azerbaijan, envisaging a cease-fire and the lifting of economic sanctions, was signed in Tehran on March 15, 1992.

Iranian Deputy Foreign Minister Mahmud Va'ezie, supervising the cease-fire, began a visit to the two republics on March 17. However, Nagorny Karabakh accused Azerbaijan of breaking the week-old cease-fire by shelling Stepanakert on March 29.

The admission of five newly independent Moslem republics of Central Asia into the Economic Co-operation Organisation (ECO) in February 1992 gave new significance to this grouping. The ECO was created in 1965 consisting of Iran, Pakistan and Turkey. Iranian government considered ECO as the basis for a future Islamic common market which might ultimately embrace some 300 million people - a quarter of all Muslims of the World.

A memorandum to improve friendship and cooperation and for the development of closer political economic and

cultural ties was signed between Iran and Turkestan on
February 20, 1992.\textsuperscript{63}

The governor of the Central Bank of Iran, Muhammad
Hossein Adeli, visited Turkmenistan on March 4-5 1992 where
the signed on agreement to improve trade between the two
countries including the establishment of a joint Tehran-
Ashkhabad chamber of commerce.\textsuperscript{64}

On March 8, 1992 Ovlyakuli khojakov, Minister of
Agriculture of Turkmenistan announced an agricultural
agreement with Iran under which the two countries agreed to
exchange experts and students.\textsuperscript{65}

The heads of the state of Turkmenistan, Kazakhstan,
Kirgizstan, Uzbekistan and Iran, and the heads of government
of Pakistan and Turkey, met in Askhabad (Turkmenistan) on
May 9-10 1992. Iran established diplomatic relations with
Uzbekistan and Kirgizstan and signed memorandum of
understanding with Turkmenistan. The participants adopted a
joint statement to expand economic and political co-
operation and to initiate discussions on transport links and
a gas pipeline. The former Soviet Central Asian leaders
emphasised that the meeting was not attempting to undermine
the Commonwealth of Independent States (CIS).\textsuperscript{66}

Nabiyevo of Tajikistan completed a two-day visit to Iran
on June 30 1992. During his visit many agreements were

\begin{itemize}
  \item[63.] \textit{Tehran Times}, Tehran, February 21, 1992.
  \item[64.] \textit{Tehran Times}, Tehran, March 7, 1992.
  \item[65.] \textit{Keesing's Record of World Events}, March 1992, P.38828.
  \item[66.] \textit{Keesing's Record of World Events}, May 1992, P-38917.
\end{itemize}
signed. Which included a US$50,000,000 loan to purchase Iranian industrial goods and broadcasts of Iranian radio and television to Persian-speaking Tajikistan started on July 21, 1992.67

**RELATIONS WITH IRAQ**

Letters from the Iraqi government in May 1990, which called for direct talks with Iran, received positive responses by Iran, but the initiative was overtaken by renewed controversy following the Arab League on May 28-30 1992 in Baghdad, the Iraqi capital. Iranian leaders in early June reacted adversely to a resolution passed at the summit on May 29, which supported Iraq's long standing claim to full sovereignty over the *Shatt al-Arab* waterway. Saddam Hussain had written a letter on May 1, 1990 to Hashemi Rafsanjani, calling for a direct meeting between the two heads of the states.68 Rafsanjani declared on June 6, 1990 in a press conference in Tehran that the Iranian government had not responded negatively to Iraq's approach and that when Iraq sent the Letters we were hopeful that Saddam Hussain had serious intentions but what he did at the Baghdad Summit shook out his confidence.69

In a speech on June 7, 1990 Irani Foreign Minister Velayati described the Arab Summit resolution as a contract to the Iraq's claims that it wanted peace. Iraqi proposal of

68. Keesing's Record of World Events, June 1990, P-37548.
the issue of the prisoner of war should be conducted outside the framework of the peace negotiation, was described as illogical by Velayati. He reaffirmed that direct talks under mediation should be based on the 1975 accord and UN Security Council Revolution 598 of August 1987.\textsuperscript{70} In July 1990, the Foreign Ministers of Iran and Iraq conferred at the UN's European headquarters in Geneva. It was the first direct meeting between them since the ceasefire in the war had taken effect. This breakthrough in the peace process was quickly overtaken by the consequences of Iraq's invasion and annexation of Kuwait in August 1990. On 16 August 1990 Saddam Hussain abruptly sought an immediate, formal peace with Iran by accepting all the claims that Iran had pursued since the declaration of a ceasefire, including the reinstatement of the Algiers Agreement of 1975, dividing the \textit{Shatt al-Arab}. These offers were welcomed by Iran, although it insisted that the issue of peace with Iraq was separate from that of Iraq's occupation of Kuwait. Exchanges of an estimated 80,000 prisoners of war commenced on 17 August, 1990 and on 18 August Iraq began to withdraw troops from the central border areas of Ilam, Meymak, Mehran and Naft Shahr. On 11 September, 1990 Iran and Iraq re-established diplomatic relations.\textsuperscript{71}

It was reported on October 22, 1990 that Iraq had expelled members of the Mujaheddin-e-Khalq, based in Baghdad

\textsuperscript{70} Tehran Times, Tehran, June 8, 1990. 
\textsuperscript{71} Middle East and North Africa, op.cit., P-425.
and the largest and most important dissident group opposed to the Iranian regime. Observers believed that the move, as requested by Iran, expressed the new understanding between Iran and Iraq.\footnote{Keeling's Records of World Events, October 1990, P-37794.}

In a separate development, it was reported on October 18 that anti-Iranian radio station using Iraqi facilities were no longer permitted to broadcast their programmes.\footnote{Ibid.}

The Iranian Foreign Minister, Ali Akbar Velayati, visited Iraq on November 14-15 1990 for talks with Iraqi President Saddam Hussein and Foreign Minister Tariq Aziz. It was the first time that a senior Iranian official had visited Iraq since the Iranian revolution of 1979. Describing the contacts between the two countries as a "positive development" Velayati also said that the exchange of prisoners of war between the two countries, abruptly suspended by Iraq in September would resume shortly. After the last exchange of prisoners in mid-September, Iran had refused to release an estimated 17,000 Iraqi prisoners, claiming that Iraq still held 20,000 Iranians. Iraq maintained that there were no more Iranian to free. A spokesman for the Iraqi Foreign Ministry said on November 19, 1990 that following the agreement reached during Velayati's visit Iraq's Revolutionary Command Council had

\footnotesize{\begin{itemize}
  \item \textit{Keeling's Records of World Events, October 1990, P-37794.}
  \item \textit{Ibid.}
\end{itemize}}
decided to pardon all convicted Iranian prisoners and those a total of 239 whose cases were referred to the judiciary.\textsuperscript{74}

The withdrawal of all armed forces to the internationally recognized boundaries was verified and confirmed as complete on 20 February 1991 by the UNIIMOG, whose mandate was terminated on 28 February 1991 by the UN security Council Iran and Iraq subsequently initiated a 'confidence-building' process of reducing the levels of troops and military equipment in the border areas. Exchanges of prisoners of war continued until 16 January 1991, when the multinational force commenced military operations to expel Iraqi armed forces from Kuwait. At this time Iran still held 30,000 Iraqi prisoners of war. Preliminary negotiations on the full implementation of Resolution 598 were also curtailed. Relations between Iran and Iraq again deteriorated after March 1991, when Iraqi Shia Muslims participated in a rebellion against the Baath regime in the aftermath of Iraq's decisive military defeat by the multinational forces.\textsuperscript{75}

Relations between Iraq and Iran deteriorated seriously during March 1991 as the Iraqi government accused the Iranians of supporting the southern rebellion. Relations deteriorated further in late March as hundreds of thousands of Iraqi Kurdish refugees headed for the Iranian border.

\textsuperscript{74} Kayhan International, Tehran November 20, 1990.  
\textsuperscript{75} Middle East and North Africa, op.cit., P-425.
On March 4, 1991 Tehran Times, published an editorial which contained strong backing for the Iraqi rebels. Overt statements of support for SAIRI and the rebellion were not tempered by March 5-6 visit to Tehran by the then Iraqi Deputy Prime Minister Saadoun Hammadi. During his visit Hammadi reportedly attempted to persuade Iran to press SAIRI into accepting some form of power-sharing deal.76

Iran marked 18 as a day of national mourning for the "massacre of the Iraqi people" and the "desertion" of the holy shrines in Najaf and Kerbala. The presiding board of the Majlis (the Iranian legislature) held an extraordinary session on March 24 1991 to discuss the situation in Iraq. The board condemned the Iraqi government for its alleged mistreatment of the Shia religious leader in Najaf, Grand Ayatollah Abou Qassim al-Khoei, and concluded that Iran fully supported "the uprising of the Iraqi Muslims."77

On March 20 Saadi Mahdi Saleh, the Speaker of the Iraqi National Assembly, accused Iran of sending armed forces across the border to attack Iraqi cities, a claim firmly denied in Tehran.78

The publication in August 1991 of the report of a U.N. delegation sent to Iran in accordance with the terms of Resolution 598 to assess the level of human and material damage caused by the war with Iraqi seemed to indicate that the U.N. was once again considering the need for a

comprehensive peace settlement. The Iranian Government released its own assessment of the damage caused by the war with Iraq. It estimated that during the war Iran experienced direct damage amounting to 30,811,000. Iranian rials; that 50 towns and 4,00 villages were destroyed or badly damaged; and that 14,000 civilians were killed and 1.25m. people displaced.79

IRAN AND THE CONFLICT OVER KUWAIT

While Iran condemned Iraq's invasion of Kuwait in August, 1990 and offered to defend other Gulf states from Iraqi aggression, it welcomed Iraq's offer of a formal settlement of the Iran-Iraq War on Iran's terms. While Iran stated that it would observed the economic sanctions imposed on Iraq by the U.N. Iraq tried to persuade Iran to trade oil for food. When it was reported that traders had smuggled supplies across the Iran-Iraq border the Iranian Government assured to implement economic sanctions with the condition to supply food and medicine to Iraq on a humanitarian ground.

As the deployment of a multinational force (assembled in accordance with Article 51 of the U.N. Charter) for the defence, of Saudi Arabia gathered pacey-Iran simultaneously demanded the unconditional withdrawal of Western and U.S.- armed forces from the Gulf region as well as Iraqi armed forces from Kuwait. In September 1990 Ayatollah Khameini

almost endorsed the demands of 'conservatives' such as Hojatoleslam Ali Akbar Mohtashemi, to cooperate with Iraq in a Jihad against Western forces in the Gulf. President Rafsanjani's position was that the presence of these forces was tolerable on condition that they withdrew as soon as the conflict in Kuwait had been resolved.80

Following the outbreak of military hostilities between Iraq and the multinational forces in January 1991, Iran attempted unsuccessfully, to intercede. After having consulted with Africa, Yemen, France, the USSR and the Non-aligned Movement (NAM), Iran urged an 'Islamic solution' to the conflict.

On January 31 the Iranian News Agency IRNA reported that Iran was hosting talks between Iraq, Algeria, France and Yemen on "ways to end the war". The Secretary of the French Foreign Ministry, Francios Scheer was in Tehran on January, 31 to February 3, 1991 a period coinciding with Hammadi's visit and the presence of the Algerian and Yemeni Foreign Minister, but the claim that Iran hosting peace talks was described by French Foreign Ministry officials as "absurd".81

On February 4, 1991 Iranian President Hashemi Ali Akbar Rafsanjani told a press conference in Tehran that he had sent "an idea" for peace to Sadam Hussein, that he was awaiting a reply, and that he was prepared to hold direct

80. Ibid.
talks with Iraqi and U.S. leaders in an effort to end the war. He refused to elaborate on his message except to confirm that it fell within the framework of U.N. Security Council resolutions, and that it had been delivered to an Iraqi Deputy Prime Minister, Sa'adoun Hammadi, who had visited Tehran on February 1-3, 1991. Although he acknowledged that there had "been no sign of flexibility" during his talks with Hammadi, Rafsanjani asked theoretically why he should not meet Saddam Hussein" if there is hope for the salvation of the Iraqi Nation", and added that it would be "logical" to talks to the U.S. administration if the pursuit of peace made it necessary. He revealed that there had been several Iranian-U.S. contacts "in the last few days" through the Swiss embassy in Tehran. The Iranian Peace Plan proposed an immediate cease-fire followed by the simultaneous and complete withdrawal of Iraqi armed forces from Kuwait, and of all foreign forces from the Gulf region. In deference to Iraq's insistence on the 'linkage' of the conflict in Kuwait with other conflicts in the Middle East (in particular the continuing Israeli occupation of the West Bank and the Gaza Strip), Iran also urged the immediate cessation of new Israeli settlements in the occupied territories.

The Rafsanjani initiative was welcomed by the Soviet Union, by U.N. Secretary-General Javier Perez De Cuellar, and by French and Turkish spokesmen, but a U.S. State

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Department Official said that "the Iranians are not directly involved in this conflict and our interest is in getting Iraq out of Kuwait", while Bush said that "we have to go forward and prosecute this (the war) to a successful conclusion".\textsuperscript{83}

On February 10, 1991 at a press conference in Amman, Hammadi dismissed the Iranian peace proposals, saying: "We have told Iran that what is taking place is unrelated to Kuwait. The question now is American aggression (imperialist aggression) which is intended to destroy Iraq and delivered a letter from Saddam Hussain to Rafasanjani in Tehran on February 8 containing the Iraqi President's formal reply to the latest Iranian proposals. A broadcast speech by Saddam Hussein on February 10 made no reference to peace initiative, but stressed that every hour for which the war continued was a fresh defeat for the "unbelievers" ranged against Iraq.\textsuperscript{84}

There was no clear expression of support for the Iranian peace proposal at a closed session of the NAM, held in Belgrade, Yugoslavia, on 11-12 February 1991 and thereafter Soviet diplomacy came to the fore in attempting to find peace terms which might avert a ground war.

Iranian Foreign Minister Ali Akbar Vellayati was among Foreign Minister from 15 countries of the Non-Aligned Movement (NAM), and a representative from the Palestine

\textsuperscript{83} Middle East and North Africa, op. cit., p.424.  
\textsuperscript{84} Ibid.
Liberation Organisation (PLO), who met in closed session in Belgrade on February 11-12 1991. Iran and India sought to put forward a six-point peace plan, based on Iraqi withdrawal from Kuwait followed by the pull-out of Western forces from the region. Velayati said afterwards, however, that "if has been impossible to propose any plan as each attempt has been rejected by one side or the other". The meeting had been convened at the initiative of Yugoslavia as current chairman of the NAM, and the Yugoslav Foreign Minister Budimir Loncar said at a press conference afterwards that "the foreign ministers could not agree on a joint statement, but opted instead for a plan of action to prevent the war's escalation starting with the rapid deployment of a mission of three to four ministers to Baghdad within a few days". He added that "at the same time we will send a delegation in the opposite direction, to Kuwait as well as to members of the coalition, the USA and the European Communities". It was reported that several pro-U.S countries, including Yugoslavia, Egypt, Venezuela, Argentina and Cyprus, had resisted attempts to link Iraqi withdrawal from Kuwait with the resolution of other Middle Eastern problems, in particular the Palestinian issue.85

Iran claimed some of the credit for the concessions offered in an Iraqi peace proposal on 15 February 1991, and urged the multinational force not to initiate hostilities on the ground until the limits of Iraq's flexibility had been

determined. However, the countries contributing to the multinational force were unwilling, by this stage, to allow Iraq the opportunity to procrastinate.\textsuperscript{86}

The experience of Gulf war proved that neither Turkey nor Iran can be ignored in attempts to construct an effective security system for the Gulf region. In effect, both states have become the intrusive face of a new dimension to the Middle East that now stretches a further 1,000 miles eastwards and is dominated by non-Arab peoples. It seems likely that the new centres of influence in the Gulf will be Tehran or Ankara, rather than Riyadh, as in the past. Furthermore, this new Middle Eastern World is not limited to Central Asia, but will soon involve Afghanistan and Pakistan, with all the adverse implications for regional stability.

In effect, therefore, both Turkey and Iran have the potential to become new regional powers. Turkey is currently better placed to do so, but Iran has been powerfully aided by developments in Afghanistan. None of this was foreseen in the strategic projections that went into the planning of the war between the multinational force and Iraq. Nearly all these development profoundly undermine the assumptions on which that war was predicated. The result, therefore, is a new source of regional instability that directly affects the Gulf region itself, despite all the assumption behind President Bush's New World Order'.

\textsuperscript{86} Middle East and North Africa, \textit{op.cit}, pp.424-25.
RELATION WITH SAUDI ARABIA AND OTHER MUSLIM COUNTRIES

The expectation that after the death of Imam Khomeini the relation between Saudi Arabia and Iran will improve in the newly emerging situation of Middle East after the end of Iran-Iraq war. Many efforts were made to normalise the relation by the countries friendly to both Iran and Saudi Arabia. At some time it was noticed that both the countries would come closer and forget the bitterness of relations during last decade. But clashes between Iranian pilgrims and Saudi Security forces during Haj and Saudi's accusation on Iran for backing terrorist and disruptive activities in Saudi Arabia was the main hindrance in the normalization of relations.

Two bombs exploded on July 10, 1989 near the Grant Mosque in Mecca, killing a Pakistani pilgrim. The bombings occurred on the second anniversary of the death of several hundred Iranian pilgrims during clashes with Saudi Security Forces outside the Grand Mosque in July 1987. After that Saudi Arabia reduced Iran's pilgrim quota, provoking the Iranian government into ordering a boycott of the Haj in 1988 and 1989 Saudi Arabia did not officially accuse Iran of involvement in the bombings, preferring to play the incident down and reduce tension. Iran, however, claimed that the attack had actually been carried out by the Saudi government in collaboration with the United States and was intended to implicate the Iranian government. After the bombing, the
Saudi government received messages of support from most Arab countries, including Iran's sole Arab ally, Syria. In Beirut, a previously unknown group calling itself the Generation of Arab Anger, claimed responsibility for the attack in a message sent to a Western News Agency on July 11.87

On September 21, 1989 Kuwaiti Shia Muslims were publicly beheaded by sword in Saudi Arabia after being found guilty of involvement in a bomb attack in the holy city of Mecca in July. The Saudi action was widely condemned in Iran, where the executed Kuwaitis were acclaimed as martyrs. Although Iran denied any involvement in the July bombings. In total 29, Kuwaitis were tried for the bomb one of whom received a 20 years of prison sentence and 150 lashes of the whip. Three others received sentences of 15 years and 10 lashes and the remaining nine were acquitted.88

Apart from all these misunderstanding, mistrust and accusation, attempt to improve relations were continued. Consequently diplomatic relations between Iran and Saudi Arabia were renewed on March 26 1991, three years after their breach following the July 1987 Haj clashes in Mecca involving Iranian pilgrims and Saudi Arabian security forces. The March 26, Joint Iran-Saudi Communique announcing the restoration of full ties followed a meeting between

87. Keesing's Record of World Events, July 1989, p-36835.
foreign minister of Iran, Ali Akbar Velayati and Prince al-Faisal of Saudi Arabia in Muscat (Oman). 89

Foreign Minister of Saudi Arabia, Prince Saud al-Faisal visited Iran on June 5-6 1991. He was the first senior Saudi Minister to visit Iran since the resumption of diplomatic relations in March, 1991. The Iranian Foreign Minister, Ali Akbar Velayati, who had met King Fahd in Riyadh in April, visited Saudi Arabia again on June 15-24 1991 to perform Haj. Tehran Radio reported on June 6, 1991 that President Ali Akbar Rafsanjani had welcomed "the new page in bilateral relations", and it quoted Prince Saud as saying that the rapprochement would "have important effects for the Islamic community". Relations between the two countries were criticized by Iranian hardliners. As former Minister Hojatolislam Ali Akbar Mohtashemi strongly opposes the move. 90

However, the relations between the two were somehow normal after that till March 1994, Iran's spiritual leader, Ayatollah Ali Khomeini, on March 16, 1994, accused the Saudi government of obstructing Iranians wishing to perform Haj. Relations between the two countries had also deteriorated amid Iranian claims that the allegedly Saudi-backed extremist Sunni group, the Anjuman Sipha-i-Sahaba, implicated in a number of anti-Shia attacks in neighbouring

Pakistan, had been responsible for recent disturbances between Shias and Sunnis in the main town of Zahedan.91

The Ministerial Council composed of Foreign Ministers from the six-member Gulf Cooperation Council (GCC) held its 40th session in Jeddah, Saudi Arabia on September 14-15, 1991. The Ministers affirmed their eagerness in the meeting to find a common basis for constructive cooperation between the GCC member countries and the Islamic Republic of Iran. Tension between the GCC and Iran had reportedly been fuelled by Iran's increasing isolation from regional security arrangements. The Omani Minister of State for Foreign Affairs Yusuf al-Alami Abdullah had visited Iran on September 12-13, 1991 for talks with senior leaders including President Ali Akbar Hashemi Rafsanjani, and on September 28 1991 the GCC. Foreign Ministers met Iranian Foreign Minister, Ali Akbar Velayati in New York, after which the GCC Secretary General Abdulah Yacoub Bishara of Kuwait referred to a very hopeful prospects of cooperation.92

Iran reestablished and improve diplomatic relations with many countries of the region. It established full fledge diplomatic relation with Kuwait in September 1989. The first Iranian ambassador to Kuwait, after five year, Hussain Sadaqi took his charge on September 29, 1989.93

Diplomatic relations of Iran with Bahrain was upgraded in November 1989 when Iran appoint Husain Naraghia as Iranian Charge d'Affaires to Bahrain on November 3, 1988. After that exchange of visit by the ministers and officials of both the countries took place. On June 6-9, 1990 Bahrain Minister of Municipal Affairs and Agriculture Shaikh Hamad bin Jabr visited Iran and held talks with President Rafsanjani who stressed Iran's willingness to cooperation extensively with its neighbours. The visit marked the improvement in relations between the two countries.

However with United Arab Emirates (UAE) relations were quite good but in September-October 1992 controversy broke out over the possession of three Gulf Islands. Abu Musa, Greater Tunb and Lesser Tunb. Attempt to resolve the dispute through direct negotiation was failed on September 28, 1992. After that throughout October efforts were continued to find a peaceful solution of the dispute. In October some newspapers reported that matter was likely to place before U.N. Security Council and expressed the view that Gulf Arab Government which backed the UAE's case increasingly perceived Iran as a threat to their security and as an argument in favour of continued U.S. military presence.

In March 1991, Iran and Egypt was one step forward to improve bilateral relationships and to establish diplomatic relations when it announced on March 12, that both had

decided to set up an 'interest office' in each other's capitals as a first step towards the reestablishment of full diplomatic relations.

President Hafez al-Assad of Syria paid his first visit to Iran on September 22-25 1990, during which he held talks with the Iranian President, Ali Akbar Rafsanjani, and Iran's spiritual leader, Ayatollah Seyed Ali Khameini. A communique issued at the end of the talks stressed that "the establishment of a regional security system with participation of all the states of the region is the best and most successful method to provide security and stability to the regional states and people". However, it could not change the position of the two sides on the Gulf crisis. While both agreed on condemnation of the Iraqi invasion of Kuwait, they could not agree on any common stand regarding the deployment of Western troops in the Gulf, which was supported by Syria strongly opposed by Iranian hardliners. The Syrian President's visit was also followed by the signing of bilateral agreements on economic and cultural cooperation between Iran and Syria.97

An Iranian delegation led by Vellayati also visited Damascus on March 7-8 1991 and was assured by Syrian President Assad that Iran would have a significant role in a post war Gulf Security order. Iran had expressed concerns about the involvement of non-Gulf countries - Egypt and

97. Keesing's Record of World Events, September 1990, p.37727
Syria—in the so-called "six plus two" regional co-operation pact with the six Saudi-led Gulf Co-operation Council countries.98

President Rafsanjani visited Syria on April 27-28 1991 on his first trip abroad since assuming the presidency. Rafsanjani and Syrian President Assad discussed historical relations, the consequences of the Gulf war, Lebanon, and the Arab-Israeli conflict. They also stressed their commitment to Iraq's territorial integrity.99

The Iranian Foreign Affairs Minister Ali Akbar Vellayati visited Damascus on June 1, 1992 and Beirut on June 2-3, 1992. He declared that the Lebanese, Syrian and Iranian governments will continue to support resistance to Israel. On June 25 Iran, reportedly at the request of "the leadership council of Lebanese Hezobollah" released 40 Lebanese taken as prisoners of war during the Iran-Iraq war.100

Diplomatic ties between Jordan and Iran, severed in 1981 after the start of the Iran-Iraq war in September 1980, were restored on January 14, 1991, in the midst of diplomatic activity by the two countries to bring an end to the Gulf crisis. Al-Masri's visit to Tehran in late January for talks with the Iranian Foreign Minister. Ali Akbar Vellayati, was followed in early February by reports of Jordanian support for new Iranian proposals to end the Gulf

98. Keesing's Record of World Events March, 1991, p.38119
conflict King Hussein had himself undertaken a tour of major European capitals from January 2, 1991, in a final attempt to prevent the outbreak of war with Iraq.101

The Algerian ambassador to Iran was recalled on January 18, 1992 after protesting over the attack of Iranian Media on Algerian regime which was described by the Algerian Foreign Ministry as a threat to "the sovereignty and unity" of the Algerian people. It was also declared that the Algerian embassy in Washington would cease to represent Iranian interest in United States. On January 21, 1992 Ghazali said that he had evidence of Iranian interference in Algerian affairs which "was not confined to making a financial contribution".102 A government's spokesman in Iran announced on March 12, 1991 that Pakistan, rather than Algeria would henceforth represent Iranian interest in United States. The main reason of the deterioration in relations with Algeria was the present regimes denial to electoral victory of the Islamic Salvation Front in January, 1992 and arrest of its leaders and workers by the Algerian government while Iran extended its open support to Islamic Salvation Front.103

A 157-member Iranian delegation headed by President Rafsanjani visited Sudan on December 13-15, 1991. Rafsanjani was accompanied by the Foreign Minister, Ali Akbar

Velayati, Commerce Minister, Abdol-Hossein Vahaji and Defence and Armed Forces Logistics Minister, Akbar Torkan. A co-operation agreement covering areas which included oil, trade exchanges and the "training of technical cadres" was signed. Rafsanjani told in a press conference in Khartoum on December 16, 1991 that his visit had allowed him to see a country "advancing towards Islamization". He rejected Arab, American and European reports that upto 2,000 Iranian Revolutionary Guards stationed in camps in Sudan were training Sudanese military personnel. The Arab pres had also referred to a deal by which Iran was said to be funding the purchase by Sudan of Chinese weaponry worth US $300 million over two years.104

The Tunisian government announced on September 24, 1993 that diplomatic relations had been restored with Iran following talks held in Bahrain in conformity with "the principles of Islamic solidarity and the provisions of the UN charter". Relations between the two had been severed in March 1987 following Tunisian accusations that Iran was supporting Islamic groups opposed to the then President Habib Bourguiba.105

RELATIONS WITH TURKEY

Iran's relations with Turkey improved noticeably by the end of 1989. The Iranian government expressed satisfaction

at the lifting of the ban on headscarves at Turkish universities. On February 27, 1990, Akbulat paid an official visit to Iran following which an agreement was signed on March 1, 1990 to double the bilateral trade between the two countries to $2,000 million. But the relation between the two was somehow strained during the invasion of Kuwait followed by the Gulf war between Iran and U.S. led multinational forces. While Iran was against the stationing of multinational forces in Gulf region tried to resolve the problem through peaceful mean and gave a peace formula for the same. Turkey was in favour of the stationing of multinational forces. Another reason of tension was that there was an struggle between two to acquire the position of leader in the region as both Turkey and Iran has the capabilities to become the regional power in the aftermaths of the Gulf crisis. However, in early 1991 the relations again started to improve as both showed the gesture of recognizing each others importance. On March 10, 1991 during the visit of Iran's first Vice-President Hasan Habibi, Turkish President Turgut Ozal expressed the views that any attempt to Safeguard regional Gulf Security would be 'meaningless' without Iranian participation. A joint economic protocol was signed on February 27, 1991, between the two countries, which envisaged the construction of natural gas pipe line from Iran to Europe via Turkey.

President Ali Akbar Rafsanjani visited Turkey on April 29-May 2 on the second leg of his first tour abroad as President. It was the first official visit of Turkey by an Iranian head of the state since 1975.

At the press conference on May 1 after talks with President Ozal of Turkey, Rafsanjani said that Iran and Turkey shared the view that there should not be a Kurdish state in Northern Iraq. Rafsanjani also met the Turkish Prime Minister Yildirim Akbulut and concluded an agreement on the sale of Iranian oil and gas to Turkey.\textsuperscript{109}

On January 4, 1992 Turkey blamed Iran along with Syria, Iraq, and three unnamed countries from outside the region, as being responsible for encouraging separatist activity among Turkish Kurds. The Iranian authorities countered that they had repeatedly asked the Turkish government to present evidence for such claims. Continuing tensions in relations with Iran also focused on the impounding by the Turkish authorities of a cargo ship, the Cape Maleas, as it was at anchor in the Bosphorus on October 22, 1991. On January 13, 1992 a court in Ankara began a hearing on the matter. The Foreign Ministry of Turkey claimed that the ship, which was flying the Greek-Cypriot flag and had sailed from the Bulgarian port of Vama, was found to be carrying arms including grenade launchers and mortars, which were not registered in its documentation and were probably destined

\textsuperscript{(Supplement), 1991, p.38499.}
\textsuperscript{109. Keesing's Records of World Events, May 1991, p.38212.}

313
for "terrorist groups". It was suspected that they might reach Turkey through Syria and Iran. The Iranian government said that the seizure was illegal and claimed the ship as property of the Iranian army. But this incident could not prevent the two countries from reaching an agreement, on October 31, 1991, on cross-border co-operation and on the control of guerilla activities.  

However, in September 1992 it looked that continued tension and mistrust was minimising when during the visit of Turkish Interior Minister, Ismat Sezgin on September 12-15, 1992 an agreement was signed between him and his Iranian counterpart Abdollah Nouri, on border security and drug trafficking. It was also decided that a 10 member committee would be set up, primarily to discourage the activities of the PKK in Iran and of the People Mujahedeen in Turkey.  

Thus the main orientation of the foreign and domestic policies of Iran, during this period, have been to reconstruct the already shattered economy of the country. For this purpose Iran concluded a number of agreements with a number of countries including the countries of the Western Europe. Iran tactfully refrain herself to indulge in the global controversies. Iran adopted a reasonable approach towards the Gulf crisis followed by the invasion of Kuwait.

by Iraqi forces. While, on the one hand, Iran denounced the Iraqi invasion of Kuwait and demanded for the immediate withdrawal of Iraqi troops from Kuwait, on the other hand, Iran also opposed the stationing of multinational forces in the region. Iran tried hard to resolve the crisis by peaceful means through negotiations and in the regional context without the involvement of any outside power. The Iraqi offer to normalise the relations was accepted and progress in this direction could be noticed.

In the case of the newly formed states of Central Asia, Iran tried its best to establish and maintain close ties with these states. A proposal to form an economic alliance including the Muslim countries of the Central Asia, Pakistan and Iran was also given by Iran. However, this proposal could not get the practical shape but no doubt it was a remarkable idea to form an economic alliance in order to fulfill their needs without the help and conditional support of the developed countries.