

Also edited by Hooshang Amirahmadi and Nader Entessar

RECONSTRUCTION AND REGIONAL DIPLOMACY IN THE PERSIAN GULF

Also by Hooshang Amirahmadi

REVOLUTION AND ECONOMIC TRANSITION: The Iranian Experience
POST-REVOLUTIONARY IRAN (*co-editor*)
THE UNITED STATES AND THE MIDDLE EAST (*editor*)
URBAN DEVELOPMENT IN THE MUSLIM WORLD (*co-editor*)

Also by Nader Entessar

KURDISH ETHNONATIONALISM
MIDDLE EAST POLITICS
POLITICAL DEVELOPMENT IN CHILE
A STUDY ON CHINESE FOREIGN POLICY

Iran and the Arab World

Edited by

Hooshang Amirahmadi

*Associate Professor and Director, Middle Eastern Studies Program
Rutgers University, New Jersey*

and

Nader Entessar

*Professor of Political Science
Spring Hill College, Alabama*

St. Martin's Press

New York

1993

6 Iran and the Persian Gulf Crisis

Hooshang Amirahmadi

The Iraqi invasion of Kuwait on 2 August 1990, and the US intervention along with other multinational forces, is a turning-point in the long, turbulent history of the Persian Gulf. The result of this first major post-Cold War military confrontation, beyond victory by the allies, liberation of Kuwait and destruction of Iraq, is highly unpredictable. The long-term consequences – positive and negative – will be dramatic for the states in the region and the Western powers involved in the conflict, especially the US. Among the Middle Eastern countries, Iran had the most perplexing role in the crisis and remains highly vulnerable, particularly with respect to the security system and Iraq's future political order.

This chapter focuses on the reaction of Iran to the crisis and its underlying logic as reflected in the official policy of the pragmatist government of President Ali Akbar Hashemi Rafsanjani. I shall call the policy 'official' to indicate that it was not shared by everyone in the government, for the radicals criticised it as being too soft on 'US imperialism'. Moreover, although the policy's objectives and guiding principles remained steady, its tactics changed several times. I shall also argue that the policy, while appropriate for the given circumstance in which Iran found itself, it was only partly successful. 'Ideally,' I was told by a government official, Iran wanted 'Saddam Hussein's military checked and expelled from Kuwait, U.S. forces withdrawn from the region, and a new security system formed among the Persian Gulf states'. In other words, Iran wanted both parties to lose, or, at best, have a no-win situation; however, it turned out that one side lost, and Iran was left highly vulnerable at the end of the war as it stood neutral between a loser and the winners.

I will also show that the main policy elements emerged in the early days of the crisis, but it took a few months for the official policy to evolve into a more coherent scheme. While on the sidelines, Iran's initial position resembled that of the anti-Iraqi coalition: it supported all UN resolutions against Iraq, was not in favour of linking the Kuwait and Palestine questions, and did not oppose using force to restore Kuwait's sovereignty. Iran also wanted Iraq's weapons of mass destruction checked by negotiation or force if needed. It did not, however, wish to see Iraqi military collapse as

that could lead to Lebanisation of Iraq and permanent instability in the region. Iran remained low-key on the short-term presence of American forces in the region, whom it saw as necessary to reverse Iraqi aggression, but was opposed to their long-term deployment in the Persian Gulf. Meanwhile, Iran rushed to improve its relations with Iraq and its enemies.

The policy became more neutral after the war broke out; and it had a moralistic tilt toward Iraq as the war-damage mounted. After the Soviet peace proposal was rejected, Iran grew more critical of the anti-Iraqi coalition and tried, unsuccessfully, to mediate a negotiated solution. In particular, the war, together with pressure from Islamic radicals, caused pragmatists to harden their position during the war. Iran was also uneasy with the heavy destruction of Iraq's civilian (Shia) population and industrial-physical infrastructures. As a result, a sense of Islamic solidarity emerged, and Iran's concern heightened as the prospect for a pro-American regional power structure became more real. In the postwar period, Iran's primary concerns are about Iraq's future political order and security in the Persian Gulf.

I shall argue that among many factors underlying this official policy, three played a central role. They are, in order of significance, (1) Iran's nationalistic view of Persian Gulf security, (2) Iran-Arab relations, and (3) Iran's tension with the US and its image-problem in the West. In particular, the policy was expected to best serve Iran's national interests in at least three ways: preserve Persian Gulf security and Iran's leadership there; reduce Iran-Arab tension which had intensified because of the war with Iraq and hostility with the Saudis; and correct Iran's fractured image in the West, while preventing the establishment of a foreign military force in the region.

The policy was also based on two major assumptions. First, Iran did not believe that the US was interested in a war with Iraq. If that were true, then Iran would have benefited from its even-handed policy. Iran was particularly careful not to antagonise the US or Iraq, which could emerge stronger in case of a political settlement. Second, after the war broke out, Iran thought it would last longer than it actually did. If it had, Islamic forces would have sided with Iraq while uprisings in the Arab states in the alliance would lead to its disintegration. Under such a scenario, Iran's neutrality could keep it away from the war while its sympathy with Iraq could place it on good terms with Islamic forces.

As it happened, the assumptions proved baseless. The war occurred and Iraq was defeated very quickly. Consequently, Iran found itself standing neutral between a desolated loser toward whom it had expressed some sympathy, and a victor with substantial ability to reshape power structures

in the region. Neutrality in this situation, Iranian leaders felt, would not serve its purpose. Thus, Iran's alleged intervention in Iraq's semi-civil war at the end of the US-led war against that country must be viewed in relation to these concerns. In particular, Iran grew fearful of its possible isolation from the postwar diplomacy for creation of a new regional political order.

The fear became real when Syria and Egypt tried to exclude Iran from their proposed peacekeeping force for the Persian Gulf. Fearing its isolation, Iran immediately moved to distance itself from the defeated Saddam Hussein and to bring itself closer to the winners of the war. Thus, no wonder that only days after the ceasefire and while Iran was improving its relations with Saudi Arabia, Egypt and the US, the pragmatists in Tehran began distancing themselves from the defeated Saddam Hussein and calling for his removal from power and replacement with a government by the people more friendly to the Islamic regime in Tehran.

My arguments will be supported by a lengthy interview I held with an official of Iran's Permanent Mission to the United Nations in New York City in December of 1990 and extensive discussions with several foreign service officers and academics familiar with Iranian foreign policy, in Tehran in January 1991. I have also consulted Iranian newspapers, radio announcements, and secondary sources outside the country, the *New York Times* in particular.¹

THE OFFICIAL POLICY IN A NUTSHELL

Prior to the war, the official policy, which took no side, was in accord with the American-led coalition, even though Iran had considerable misgivings about US intentions and was inimical to Saudi Arabia and Egypt. Iran supported all the UN resolutions against Iraq and was against the link between the crisis and the Palestinian question, although this opposition was not explicitly stated. Iran did not want Iraq credited for resolving the Palestinian problem, and acceptance of the linkage implied recognition of Israel's right to exist.² Also, and as a government official told me, 'Iran did not want to be caught in any intra-Arab or Arab-Israeli games.'

Although Iran had expressed its desire to see the crisis solved by diplomatic means, it never stated its total opposition to the limited use of force against Iraq if that was needed to restore Kuwait's sovereignty and territorial integrity. The force option was underscored by President Rafsanjani in an interview with *Le Monde* in October 1990. But Iran was not prepared to take this step and worried that the allies might strike a deal with Iraq over the Buhian and Warbah islands for a long-term lease arrangement. If this

'nightmare' had happened, a government official told me, 'Iran was ready to take whatever step necessary to stop its implementation.' Official policy also emphasised the principle of non-recognition of the consequences of aggression. The initial reaction to the crisis made it abundantly clear that Iran strongly opposed any change in the existing political geography. Moreover, Iraq's weaponry had to be checked, perhaps cut in half, by negotiation or force if necessary. Iran did not want the Iraqi military totally destroyed as that might lead to the Lebanisation of Iraq and regional instability. A weakened Iraq could follow Iran's lead, but a devastated one would be rebellious and could fall into pro-American hands. This does not mean that pragmatists wish to live with Saddam Hussein; they do not.

Control of the oil and the establishment of a new regional power structure was indicative of American intervention. This worried Iran because its economy almost totally depends on oil revenue, and its legitimate interests would not be acknowledged in a US-backed Arab-dominated power structure. Yet, officials were low-key about the short-term presence of American forces because this was necessary to reverse the Iraqi aggression. A long-term presence, however, could nurture radical opposition at home and throughout the region, lead to political instability, and produce a pro-American anti-Iranian Arab order. Despite US assurances, pragmatists feared that Iran's role in an American-led security system would be minimised.³ Thus, pragmatists called for a total withdrawal of foreign forces after the liberation of Kuwait and expressed interest in a security system which preserved Iran's traditional leadership role. Ideally they wanted the Gulf states to form the system rather than have a union of all the states in the region or have involvement of the West. In the absence of the US, Iran could dominate any security system unless Syria, Egypt, Turkey and Pakistan were included.

During the war the official policy was loyal to its basic tenets. However, as the damage to Iraq's civilian population and infrastructures intensified, Iran became more concerned with the possible disintegration of Iraq. Turkey long claimed the oil-producing Kurdish regions of Mosul and Kirkuk in northern Iraq, and Iran fears Kurdish nationalism. Iran was particularly alarmed by Turkey's decision, for the first time, to recognise its relatively large Kurdish population as a distinct minority. For decades, Turkish governments had referred to them as 'mountain Turks'. In the early days of the war the two countries exchanged a series of warnings over Iraq's territorial integrity.⁴ Iran was also suspicious of the Iraqi opposition, comprised of 23 groups with antagonistic ideologies, ranging from religion to nationalism to Communism. Iran wants Saddam Hussein and some of his associates removed from power, as was indicated in a speech by President Rafsanjani

following the ceasefire between Iraq and the allies. 'But it also wants', an official of the Foreign Ministry told me, 'the Ba'ath Party to be part of any future government in order to prevent Iraq from becoming a new Lebanon.'

Iran is also concerned with the US design for postwar Iraq and the Persian Gulf: the US might be able to instal a pro-American government in Baghdad and then together with the GCC form a new security system.⁵ Exiled General Hasan Al-Naqib, a moderate Iraqi, and his associates became active in Riyadh during the war. I learned during a discussion with an Iranian official that the pragmatists, oddly enough, consider a pro-West Iraq less desirable for Iran's long-term interests not because it could be hostile to Iran but primarily because it would compete with Iran for Western support which Iran seeks to become a regional power. Iran's suspicions grew when President Bush rejected the Soviet peace plan and ordered the ground war. The Bush administration's expressed interest in accommodating Iran in any future security arrangement has not mitigated Iran's fear. Although Iran was 'neutral' in the war, it could have been drawn into the conflict if its national interests were directly challenged. Meanwhile the mood in Tehran changed and became more militant as pressure from the Islamic radicals increased. They demanded that Iran take a critical stand against the war and show solidarity with Muslim Iraq.

Yet Iran's options were limited; this is why the quick end to the war was a blessing. Iran sent food and medicine to Iraq, permitted Iraqi planes to take refuge in Iran, and proposed to mediate the conflict. But, Iran could not prevent the destruction and defeat of Iraq; the US rejected the mediation offer.⁶ Nor could Iran make the US abandon its design for a clear military victory, which Iran thought could lead to Iraq's political disintegration. Ironically, Iran's only hope rested with Saddam Hussein. If he had withdrawn from Kuwait, a number of things could have changed. The alliance could have disintegrated, making it hard for the US to press for a political change in Iraq. If the US pressed for a security system unfavourable to Iran, pragmatists could forge an alliance with Iraq to partly match a US-led system. However, as events unfolded, Iran became aware that this plan could not be realised. No wonder Iran rejected Saddam Hussein's offer for a strategic alliance.⁷

In the postwar period, facing a defeated, chaotic Iraq, Iran has put its diplomatic weight on the Persian Gulf security arrangement and Iraq's civil war. A now defunct Syrian-Egyptian proposal for a peacekeeping force in the Persian Gulf excluded Iran. The official pretext was that the system should have an 'Arab' identity. In reality, Syrians and Egyptians were motivated by a joint leadership of the Arab world in the aftermath of Iraq's

defeat, and they were eyeing the huge wealth of the GCC states. This proposed system was counter to Baker's outline for Persian Gulf security which includes both Iraq and Iran and which foresaw a 'major role' for Iran. The pragmatists rejected the Syrian-Egyptian proposal and worked hard to receive support from smaller Gulf states and the West for a more comprehensive security order. Iran's position is difficult as it has no high-level diplomatic relations with Egypt and its relations with the US remain severed. Iran's success in normalising relations with Saudi Arabia has only partly helped Iran's Persian Gulf diplomacy. To make itself acceptable to the winners, Iran hardened its position against Saddam Hussein and was expected to further normalise relations with Egypt and help free American hostages in Lebanon. Meanwhile, Iran tried to use its influence in the Iraqi civil war to extract concessions from Saddam Hussein's enemies.

I am convinced that the official policy primarily reflects the significance of the Persian Gulf for Iran's strategic national security interests and is designed to preserve Iran's traditional leadership in the region. As such, the policy is consistent with Iran's pre-revolutionary views. Significantly, the official policy assigns secondary importance to Iran's ideological concerns and its non-strategic political and economic interests. Statements about Islamic movements and OPEC have been minimal in recent months. Post-war support for Iraq's Shia movement is part of Iran's *Realpolitik* – not an ideological stand. By reducing the role of ideology in foreign policy, the pragmatists may also reduce the influence of Islamic radicals. As for OPEC, in the pragmatists' view, the US objective is to control the oil flow rather than to cheapen the price. However, they do not believe in using aggression to increase oil prices; instead, prices should be set by OPEC and the oil market. The most recent Iranian oil policy also calls for cooperation with Saudi Arabia in all matters of production and pricing.

Other important determinants of policy are factors that breed solidarity and tension between Iranians and Arabs, notably the bitter experience with the Iran-Iraq war and the Iran-Saudi hostility since the Revolution. Official policy also reflects Iran-US tensions and a desire on the part of the pragmatists to change the fractured image of the Islamic Republic in the West. Iran wants to be reintegrated into the capitalist world economy on which the success of Iranian postwar reconstruction depends. Decline in Soviet power and its lack of interest in Third World conflicts is an additional, though not significant, influence on official policy. Iran does not wish to lean on a loser; rather, it wants its back to the West, which is viewed as the dominant force in the 1990s. Clearly a variety of other factors have influenced official policy, but their impact has been less significant and indirect.

SIGNIFICANCE OF THE PERSIAN GULF FOR IRAN

The geopolitical importance of the Persian Gulf for Iran is undeniable. Iran's population of 56 million is more than 1.5 times larger than the population of all Gulf Arab states together. Moreover, these states together have 1044 miles of coastline along the Gulf as compared with 756 miles for Iran alone. Iran also owns a number of islands in the Gulf and controls the Strait of Hormuz.

But Iran's significance in the Persian Gulf crisis goes beyond its size, geography and geopolitical situation; for centuries Iran has been a leader in the region and has played a major role in maintaining stability and order. 'The Persian Gulf is our backyard and its security is of vital interest to us.' This was pointed out to me by an Iranian foreign ministry official during an interview in December 1990. He then went on to emphasise: 'This has been so for centuries, before the war with Iraq and today, and will not change in the future.' It is no accident that the Gulf has been identified by the adjective 'Persian' since ancient times.⁸

A plethora of factors made Persian Gulf security vital to Iran. Its military value and importance for national defence is obvious, and I will not detail this factor here. Economic and commercial values are also of supreme importance. The Persian Gulf is adjacent to Iran's oil-producing Khuzistan province, and there are Iranian oil platforms in the Gulf. More significantly, the Gulf is Iran's most important waterway to the outside world. All major Iranian commercial ports are located on the Persian Gulf through which more than 90 per cent of Iran's trade flows, including its oil exports. The Iranian economy is well-integrated into the world economy and depends on it for between 65 and 75 per cent of its industrial inputs and for over 90 per cent of its exports.⁹

In addition, Iran wants to create some free trade zones in its Persian Gulf islands, in Qeshm and Keesh in particular. The free trade zone policy complements Iran's postwar Gulf policy of pragmatism and neighbourly relations which began to take shape before the crisis. The Gulf littoral states are also important to the Iranian economy: their cooperation is indispensable for OPEC to maintain its oil prices at a reasonable level; they provide a relatively large market for Iran's small non-oil exports; they are sources of potentially significant capital; and their value as intermediaries for Iran's foreign trade has long been recognised. In 1987, for example, the non-oil exports through Dubai to the region amounted to \$10 billion and the Emirate's reexport to Iran in the same year reached an estimated \$365 million. The main theme of the Second International Conference on the Persian Gulf, held in Tehran in November 1989, was 'unity' and 'cooperation' with the littoral states. A Third International Conference, in

January 1991, also in Tehran, concentrated on the 'security' problems and various 'security schemes' (I participated in both conferences).

The present crisis could have troubled Iran economically even more had it lasted longer. It could have disturbed (indeed it did somewhat) Iran's oil production and shipment or imposed high freight-charge and insurance burden on Iran. It could have also created further instability in the littoral states, causing Iran billions in lost trade and economic benefits, or dragged Iran into the conflict and imposed heavy defence expenditures on the country. Iran could have incurred billions more in expenditures on the upkeep of the Kuwaiti and Iraqi refugees, the Kurds in particular. Also lost workers' remittances from Kuwait had cost Iran, by the end of 1990, well over \$300 million.

In short, Iran has vital interests in the Persian Gulf, and this makes its security equally vital for Iran. No wonder that Iran considers the Persian Gulf its 'backyard' and becomes concerned whenever a conflict occurs around the Gulf. In Iran's view, its interests are best served if the Persian Gulf is an open international waterway, with free navigation rights for all and without any major disturbances. Ironically, this view is also shared by the Bush administration. Iran has also indicated its willingness to participate in any regional security system that ensures the Persian Gulf's openness and political stability and recognises a role for Iran commensurate with its power and importance. These shared interests can more than legitimise what one official called 'a marriage of convenience' between the US and Iran.

SOURCES OF IRAN-ARAB SOLIDARITY AND TENSIONS

Iran is also connected with the Persian Gulf crisis by many sources of Iran-Arab solidarity and tensions. A common religion, Islam, has been a major bond between Iranians and Arabs. Other factors include geographic contiguity, centuries of social interaction, economic relations as in OPEC, and population movements across the Persian Gulf. Arabs and Iranians have also had common enemies such as colonialism and imperial states, and a shared purpose as with a homeland for the Palestinians.

These commonalities and interactions also produce tensions between Arabs and Iranians. The Sunni-Shia division reduces the solidarity-generating potential of Islam. Iran is predominantly Shia, and Shi'ism has intermingled with Iranian nationalism. Arabs are predominantly Sunni, and Sunnism is ultimately linked with Arab nationalism. The dispute over the *hajj* ritual in Mecca, Saudi Arabia, reflects this ideological division. Each

year the pilgrimage brings a large number of Muslims to Mecca in order to show solidarity and common purpose. Viewing the ritual as a political-religious event, the late Ayatollah Khomeini urged pilgrims to hold political demonstrations. Saudis disputed this interpretation and, in 1987, Saudi troops killed some 450 Iranian pilgrims during a rally. Shocked by the event, the Ayatollah blamed the US and declared the Saudis to be Iran's main enemy, although Iran at the time was in the midst of its war with Iraq. That view of the Saudis persisted in Iran until recently, and religious leaders became so obsessed by the Mecca incident that they stopped their pilgrimages.

On the economic side, OPEC could be a bond between Arabs and Iranians. In reality it is a major source of conflict. In 1986, during the Iran-Iraq war, a Saudi-'engineered' oil glut, helped by Kuwait and the UAE and encouraged by the US, reduced oil prices from around \$28 per barrel to below \$10 per barrel in less than two months. The Iranian economy is yet to fully recover from the devastating impact of that Saudi 'treason'.¹⁰ Iran's predicted oil revenue of \$15 billion dropped to an actual \$5.8 billion. Iran is haunted by the memory of 1986, its worst economic year in recent history. Also, after the ceasefire in 1988, Arab members of OPEC backed Iraq's demand for parity in production quota with Iran. After some initial resistance, Iran accepted the new condition; this was unfair as Iraq's share had always been lower, and Iran's economy and population is considerably larger than Iraq's.

Iran-Arab tension is also rooted in ethnic and cultural differences. Although Arabs and Iranians share an Islamic culture, the cultural similarity ends there. They speak different languages, their calendar year is different, and they celebrate different national holidays. Nor are their food, music or dress similar. Differing national identities have led to contrasting nationalistic purposes and rivalries. Exacerbating these differences is a long history of conflict and coexistence since the forced introduction of Islam in Iran in 621 AD. Unfortunately, tensions crystallised in the near-racist ideologies of pan-Arabism and pan-Iranism (as distinct from Arab and Iranian nationalism).¹¹

Territorial disputes also divide Iranians and Arabs. These include the Iranian province of Khuzistan, the three Persian Gulf islands of Abu Musa, the Great Tunb and the Small Tunb, and the Shatt al-Arab river. Arabs also dispute the name of the Persian Gulf, referring to it as the 'Arabian Gulf'. Khuzistan is also called 'Arabistan'. Yet, the Persian Gulf has been called so since ancient times, and Khuzistan has always been an Iranian territory, part of which was called Anzan or Anshan under the historic Achaemenid Empire.¹²

The Iranian and Arab governments are also part of the problem. Using religion and ethnicity, they have played a divisive role in Iran-Arab relations. They used these factors successfully because Arabs, Iranians, Shi'ites and Sunnis live on both sides of the Persian Gulf. Sunnis account for about 7 per cent of the Iranian population, and Arabs number about 500 000. At the time of the Iraqi invasion of Kuwait, about 30 per cent of Kuwait's 1.7 million population were Shi'ites. In Iraq, Yemen (north), Bahrain and Saudi Arabia, Shi'ites account for 52, 50, 65, and 10 per cent of the populations, respectively. The Iranian population of these nations varies from 4 per cent in Kuwait to 10 and 8 per cent in Qatar and Bahrain. Iraqis of Iranian origin are also significant. The Iraqi government deported thousands of these people, seemingly for national security reasons. Shi'ites have also been discriminated against in the Arab world where they generally are poor. The same is true of Sunnis and Arabs in Iran.

Governments used discrimination to intervene in the internal affairs of other countries. Iraqis gave active support to Iranian Sunni Arab and Kurdish nationalists, among other opposition groups, against Tehran. In return, Iranian governments supported the anti-Baghdad Kurds and Shia opposition in the Arab world including Iraq. The Islamic Republic also used Shia radicals in Lebanon against the US and, during the *haji*, against the Saudis. States justified their interventions in internal affairs by citing ideological and national security considerations.

The Islamic Republic attempted to export its revolution to neighbouring states. This antagonised almost all Arab nations, most notably Iraq, Saudi Arabia, Kuwait, Egypt and Jordan. When these nations reacted, Iran suspended its diplomatic relations with them and they, in turn, took retaliatory actions against Iran. Iraq imposed a war on Iran; Saudis, along with Kuwaitis and other Gulf Arab states financed Iraq for \$50 billion; and Egyptians, along with Jordanians, sent military support. The oil-producing Persian Gulf Arab states weakened Iran within OPEC and harmed its economy by manipulating OPEC oil production and prices. They also involved the US in the tanker war against Iran. Syrians gave the only effective support to Iran, and this was due to Hafez Al-Asad's animosity to Saddam Hussein rather than because of a love for Iran. Syria joined the anti-Iraqi alliance which included the US, its old enemy, and drafted a proposal for a peacekeeping force in the Persian Gulf that excluded Iran. The Iran-Iraq war did not cause a major rift in the Arab world, as did the Iraqi invasion of Kuwait. Even Arab states apparently friendly to Iran did not take an explicit stand even though Iraq was the aggressor. Most Iranians viewed this as evidence of Arab hostility toward Iran.

The Arab-Israeli conflict is also a source of both tension and solidarity.

Iranians sympathise with Palestinians because they are mostly Muslims, mistreated and homeless. The Islamic Republic has focused particularly on Israel's occupation of 'holy Jerusalem' and on its 'Zionist expansionist designs'. This attitude toward the conflict increased Arab-Iranian solidarity. Yet, the conflict also created tensions. As Arabs, Palestinians took the Arab side in Iran-Arab conflicts, including the Iran-Iraq war. This reduced Iran's solidarity with their cause. Israel, on the other hand, has never had a major conflict of interest with Iran. On the contrary, Israel tried to help Iran in its conflicts with Arabs (recall the Irangate scandal). During the reign of the late Shah, Iran-Israeli relations were very special. Under the Islamic Republic, however, these relations are tenuous. Finally, the Arab-Israeli conflict provides the seed for many regional tensions. As such it is relevant to Iran's immediate national interests. However, a solution to this conflict is secondary to Iran's main concerns in the region: security of the Persian Gulf and Iran's traditional leadership position in the area. No wonder Iran did not favour linking the Palestinian question with the Persian Gulf crisis.

Finally, external intervention in the region has had both a solidifying and dividing influence on Iran-Arab relations. The two peoples have suffered similarly from economic exploitation, political domination, and cultural intoxication by colonialism and superpower rivalries. As such, they share a common interest in standing against external interventions. Yet such a shared concern has not materialised. Tension-generating factors prevented the formation of a common Iran-Arab front against intruding outside forces. In addition, great powers used a 'divide and rule' policy to exacerbate tensions and weaken solidarity. Colonial powers redrew political boundaries in order to create territorial conflicts, and imperial powers used the OPEC, the Cold War and ideological differences to sharpen economic and political frictions between Arabs and Iranians, as well as among Arab countries.

IRAN-US TENSIONS AND THE IMAGE PROBLEM

Official policy was also influenced by the strained Iran-US relations since the Revolution and the Islamic Republic's fractured image in the West. Iran's new foreign policy direction is intended to correct this fractured image, and the crisis provided a golden opportunity. However, tensions made it difficult for pragmatists to side openly with the US-led anti-Iraqi coalition. Causes of the strained relations and the political and economic consequences for Iran are widely discussed in the literature.¹³ Yet one important consequence from which Iran suffers the most is less noticed: the

fractured image problem. I shall focus on this aspect, but to put things in perspective, I will first highlight the most important tension-generating events that have occurred between the two states since the Revolution.

The Iranian Revolution was a turning point in US-Iran relations, transforming two friends into enemies. The anti-American nature of the Revolution, US hostility toward the Revolution, and the adventurist behaviour of the new leaders were the main causes. Subsequent American administrations refused to recognise the Revolution which they considered anti-American and hostile to Western interests. They therefore attempted to defeat the Revolution by a variety of overt and covert operations, including a few *coup* plots.¹⁴ Iran's attempt to export the Revolution to its neighbours was particularly unacceptable to the US. Relations became further strained when the Shah was admitted to the US and when American Embassy personnel were taken hostage by radical Muslim students in November 1979. The US responded by freezing Iranian assets and imposing an economic embargo, among other measures. Ayatollah Khomeini then identified the US as a 'great satan' and the Revolution's 'number one enemy'.

Problems between the two states intensified following the Iraqi invasion of Iran in September 1980. Iran accused the US of instigating the war; the US ridiculed the idea and blamed Iran. Meanwhile Iran supported the Lebanese Hizbullah's terrorism and hostage-taking against the US. As relations between the two countries became further strained, the US drifted toward Iraq. In 1983 the US gave \$2 billion in trade credit to Iraq while launching Operation Staunch to prevent the flow of arms to Iran. It was, however, following the Iran-Contra scandal and the US involvement in the Iran-Iraq war that relations were at their sourest. The Kuwaiti tanker war and the subsequent shooting-down of an Iranian civilian plane by the US worsened the relations beyond repair. Iranians continue to remember the 290 passengers killed in the airplane disaster while Americans cannot forget the hostage-taking. The two states, however, have continued their covert attempts to make deals; each time, though, it has ended in a tragedy, as in the Iran-Contra case.

Images have been a major determinant in Iran-US and Iran-Western relations. American administrations and media have been particularly successful in painting a dark image of the Islamic Republic, not just in the US but in the West as a whole. Moreover, most Western European countries took part in the 'image crusade' against Iran. After all, relations between Iran and countries such as England and France have also been unfriendly during most of the post-revolutionary period. It is thus more appropriate to view Iran's image problem in relation to the West rather than to just the US.

In particular, the West portrayed the Republic in terms of the worst

possible stereotypes: terrorism, barbarism and fanaticism. Certain events and behaviour on the part of the Republic and the West have been at the root of this fractured image. The Islamic Revolution itself was a source. The West reacted negatively, viewing the Revolution in terms of anti-Westernism and unacceptable radical behaviour. The West was particularly aggravated by the uncontrolled extremism and adventurism in foreign policy of revolutionary Iran. Mass executions, especially in the early days of the post-revolutionary period, was another source of this negative image. However, the real trouble between the West and Iran developed with the American hostage crisis and the subsequent American-led Western economic embargo of Iran.

The Islamic Republic's image in the West was further fractured during the Iran-Iraq war. Although Iraq was the aggressor and imposed the war on Iran, the West did not acknowledge this fact; rather, it held Iran responsible and supported Iraq. The Western position did not change even when Iran released all American hostages; nor did the US lift the economic embargo. The West became more adamant in its opposition to Iran when the Islamic leadership rejected international efforts to end the war. By 1985 the isolation of Iran was a cornerstone of Western policy. By 1987 and following the Iran-Contra scandal and the reflagging of Kuwaiti tankers, the US became directly involved in the Iran-Iraq war. Meanwhile, Iran infuriated the West and its regional allies by attempting to export its Islamic Revolution to its neighbouring states.

Iran's support for Islamic radical movements was an additional reason for the increasing rift between the West and Iran. Over time, most terrorist, hostage-taking and hijacking activities in the region became associated with the Islamic Republic. Massive crackdowns on domestic opposition and the problem with human rights also played into the hands of Western governments and further fractured the regime's image. Iran's acceptance of UN Resolution 598, establishing a ceasefire between Iran and Iraq, helped reduce its international isolation and tensions with the West and neighbouring Arab states. However, the subsequent Salman Rushdie affair became a new source of hostility.

By the time of the ceasefire in August 1988, Iran's fractured image and international isolation had significant material and social costs for the country. Meanwhile, the need for quick economic recovery and postwar reconstruction in Iran made its reintegration into the Western economic system indispensable. Recognising these facts, ruling pragmatists began correcting the image problem shortly after they took control in July 1989. Domestically, they relaxed certain strictly-enforced Islamic codes and political behaviours and introduced major policies directed toward a free

market economy. Internationally, they redefined Iran's foreign policy in the direction of respect for international law and cooperation with the UN. Iran also moderated its behavior *vis-à-vis* the West and changed its foreign policy from one of adventurism and belief in force to one based on realism and negotiation. Thus, a forceful export of the revolution was rejected while restoration of relations with neighbouring states on the basis of international law, mutual respect and good neighbour policies became a major objective. While this new policy was being implemented, the Gulf crisis provided the condition for its total institutionalisation. The policy's strict adherence to international law during the crisis was an attempt in that direction. Tensions with the US, however, reduced Iran's chance to realise the full potential of the crisis for producing a totally new and positive image in the West.

EVOLUTION OF THE OFFICIAL POLICY

Iran's official policy evolved over a few months although its basic tenets were formulated in the first reaction of the Islamic Republic. Iran approached the crisis with a sharply anti-Saddam Hussein rhetoric, wishing to see Iraq flattened and Saddam Hussein finished off.¹⁵ This reactive policy was influenced by Iran's bitter experience with Iraq over the last decade and by its view of Iraq as an essentially aggressive and expansionist state. Saddam Hussein imposed an extremely costly war on Iran and used globally-unacceptable methods to carry it through, such as chemical agents and missile attacks on civilian targets. As I have shown elsewhere, he was primarily motivated by territorial expansion (total sovereignty over the Shatt al-Arab river and probably Khuzistan), regional hegemony in the absence of the Shah, and ideological rivalry (pan-Arabism versus pan-Islamism).¹⁶ Even when Iran accepted UN Resolution 598 as the basis for a ceasefire, Iraq continued to attack targets in Iran and occupy pockets of its territory. During the peace negotiations Iraq proved unreliable; it sabotaged the UN Resolution by raising demands, including those for 'direct talks'. Even when agreements were reached, Iraq refused to implement them, as seen in the exchange of prisoners-of-war.

The reaction policy was not, however, based only on personal hatred for Saddam Hussein or the war experience. It was also grounded in Iran's continued concern for its role in Persian Gulf security and its new foreign policy emphasising the image problem and international law. Thus, in less than eight hours Iran condemned the Iraqi invasion of Kuwait and demanded its immediate and total withdrawal. In an official statement the Foreign Ministry declared that Iran 'cannot accept any alteration in the

political geography of the region'.¹⁷ This was designed to address Iran's utmost concern with Iraq's territorial demand against Kuwait. A bigger and more resourceful Iraq posed a serious security risk. Besides, since several borders are already in dispute, an expansion could generate legitimacy for other aggressions. Iran was specially concerned about Iraq's territorial claims against Iran.

Iran was not a member of the Security Council when various resolutions were passed against Iraq. Therefore, it did not vote and make its position explicit. However, it is my understanding from interviews with Foreign Ministry officials and statements by government officials that if Iran had been a member, it would have voted for the resolutions. While we may never know which way Iran would have actually voted, we know with certainty that it endorsed all UN resolutions against Iraq and did its best to implement the embargo. Aside from the fact that these resolutions reflected Iran's concerns, Tehran was interested in using the opportunity to make friends with its old enemies and mend its fractured image.

The Islamic Republic also rushed into a public relations campaign designed to show that the Iraqi president was an aggressor by nature and that blame for the Iran-Iraq war fell squarely upon him and those who supported his war efforts, including Kuwait, Saudi Arabia and the US. Iran's Permanent Mission to the UN distributed copies of the late Ayatollah Khomeini's statements concerning Saddam Hussein, and Iran reminded the world community of its failure to acknowledge Iraqi aggression against Iran, thus contributing to this second Iraqi aggression. Iran also directed the campaign toward the GCC states who financed Iraq's war against Iran and, cautiously, toward Iraq. Iran did not want to endanger peace negotiations with Iraq, which had been going well in the months preceding the crisis. When the war erupted and Iraq showed unexpected resilience to the unprecedented air campaign, Iran underscored its military strength and, by extension, the legitimacy of its claim to leadership in the Persian Gulf.

The 'we said so' campaign was aimed at bridging the gap between Iran and the West and vindicating the Islamic Republic of any major responsibility for the Iran-Iraq war. The new image, it was thought, would ease tensions with old enemies in and outside the region and assist in Iranian postwar reconstruction. Iran also hoped to change Iraq's uncompromising position in the peace process. The campaign was successful, primarily because Saddam Hussein reversed his position on the Shatt al-Arab river and agreed to Iran's demand for making the Algiers Treaty the basis for a comprehensive peace within the framework of UN Resolution 598 (more below). Iran and the world took this as an indirect acknowledgement by Iraq that it was guilty of the war, which had cost so many lives. Iran was also

assisted by the growing anti-Saddam Hussein campaign in the West and the near-unanimous condemnation of its aggression against Kuwait by the UN. Significantly, Foreign Ministers of the GCC visited Foreign Minister Valayati and reportedly offered their 'apologies' for supporting Iraq. They also thanked Iran for its support of the anti-Iraq coalition and promised future cooperation and good neighbourly relations.¹⁸

This initial anti-Iraq position softened as US troops poured into Saudi Arabia, and Iraq accepted Iran's conditions for a comprehensive peace between the two nations. The huge scale of the US military intervention and the uncertainty about how long the US forces would stay in the region became a cause for concern. True, Iraq has been hostile to Iran, but relations with the US have also been injurious. Besides, Islamic radicals demanded that the government stay with the anti-American principle of the Islamic Revolution.¹⁹ The radicals underscored the intense hostility of the governments of Saudi Arabia, Kuwait and Egypt toward the Islamic Republic. A premature statement by Secretary Baker concerning formation of a NATO-like regional security system in the post-crisis period also became cause for concern as the system excluded Iran.²⁰ Although Baker's view was subsequently modified by both President Bush and Secretary Cheney, the immediate impact on Iran was extremely negative.²¹ Responding to these pressures, Ayatollah Khomeini, the spiritual leader of the Republic, called for a 'holy war' against a long-term US presence in the region. Pragmatists also began to add anti-American spices to their official statements.²²

Soon the anti-American policy was balanced by support for the UN resolutions, including one authorising the use of force against Iraq. Nevertheless, the new anti-American direction alarmed the West. The US was particularly concerned that Iran and Iraq would strike a deal over reparations for Iran and the UN embargo against Iraq. Some Western journalists, including Youssef Ebrahim and Thomas Friedman of the *New York Times*, also speculated that Iran and Iraq, possibly with Syria and Libya, would form an anti-American alliance, something Iraq was certainly interested in doing.²³ They interpreted the Iran-Iraq rapprochement in the mid-August of 1990, only days following Iraq's invasion of Kuwait, as 'a new headache for the U.S.'²⁴ The West's apprehension was not all that irrelevant: Iran shares a 750-mile border with Iraq and at the time had no diplomatic relations with the main anti-Saddam Hussein governments (the US, Saudi Arabia and Egypt). Also, it could find Iraq's possible economic and political offers irresistible, in addition to being worried about its leadership of the Islamic movement. To this list one must add the common interest Iran and Iraq shared in higher oil prices.

Western speculators were, however, wrong, as they read only one side of

Iran's interests. For Iran there were other equally convincing reasons to avoid siding with Saddam Hussein. Foremost were Iran's strategic interests in the Persian Gulf and that a strong Iraq was a security risk for Iran. Therefore, Iran's demand that Iraq withdraw from Kuwait was genuine. Besides, Iran could be viewed as uncooperative, and this would jeopardise its attempt to clean up its image and be reintegrated into the Western markets, thereby slowing its postwar reconstruction. The West also underestimated Iran-Arab tensions, and the pragmatists' desire to steer the country in a new direction. Siding with Iraq could also involve Iran in a war it could militarily or economically ill afford. Such a policy would also go counter to the pragmatists' principle of renouncing force in foreign policy and could not serve Iran's national interests. Finally, the ayatollahs had no desire to follow Saddam Hussein, whom they consider an enemy of Islam.

It is, thus, understandable that Iran remained neutral. Even an Israeli involvement would not draw Iran into the war, despite the Islamic Republic's apparent hostility toward that state. Iran could be drawn into the conflict if Turkey tried to dismember Iraq, or if the war was accidentally extended into Iranian territory (a possibility Iraq hoped to develop when its aircraft sought 'sanctuary' in Iran). Also Iran did not want to be marginalised. Many in the government saw Iran's interests best served by prolonging the crisis and maintaining the no war/no peace stalemate between Iraq and its enemies.²⁵ A prolongation policy would involve, for example, efforts to enable Iraq to sustain its defiance. This was not considered very difficult because the US was viewed, at the time, as incapable of swiftly defeating Iraq. Indeed, many policymakers did not believe that the US was ready or willing to fight Iraq. Like Saddam Hussein, they overstated popular reaction to US intervention. Also, as part of this policy, the peace process with Iraq was speeded up and control at the borders for private shipment of food and medicine was relaxed. Meanwhile, Iran continued to demand Iraq's withdrawal from Kuwait and to denounce the presence of foreign forces in the region. The Republic's spiritual leader even called for a 'holy war' against the possible permanent presence of US forces; at the same time the government supported the UN diplomatic approach. This seemingly contradictory but essentially methodical position of Iran caused confusion in the West and led Iraqis from one miscalculation to another.

The prolongation policy, while seen as problematic by pragmatists who feared its radicalising effect, was considered by some as the best in the circumstances; it could achieve part of Iran's interrelated and sometimes contradictory immediate concerns and long-term interests. Iran's major short-term concerns at the time consisted of higher oil prices and Iraq's acceptance of the 1975 Algiers treaty as the basis for a comprehensive

peace. Iran also wished to make Iraq pay part of the estimated \$300 billion that Iran lost in war damage.²⁶ Demand for war reparations could be made within the framework of UN Resolution 598. Iran's long-term interests included Persian Gulf stability and regional leadership, OPEC's ability to maintain a steady and higher oil price, a better image in the West, the future of the Islamic movement, and Iran-Arab relations in general. The prolongation policy could also lead Saddam Hussein to disaster and result in his political demise.

A protracted crisis, in the absence of war, also had advantages. Iran could consolidate its short-term economic and political gains, including higher oil prices and peace with Iraq, optimise Iran's long-term security concerns by weakening Iraq and its enemies, and increase Iran's influence with radical Islamic movements. An immediate end to the crisis, however, could reduce oil prices and cost Iran billions in lost revenue. Iran's oil revenue in the first few months of the crisis increased by 30 to 40 per cent. Iran needed this windfall to rebuild its war/earthquake-shattered economy. An early end to the conflict would also reduce Iran's chance to extract concessions from Saddam Hussein's enemies,²⁷ and eliminate the Iraqi President's incentive to sign a peace treaty and pay reparations. Iran's loss would be higher if there was a quick war. The gain from an Iraqi defeat in the short-term would be offset by political fallout from a war. Iran was particularly concerned about Iraq's possible territorial disintegration and the designs of Turkey and Kurdish rebels for northern Iraq. A weakened Iraq might follow Iran's demands and leadership, but a devastated one could be rebellious or become a new Lebanon, in which case Saddam Hussein could survive.

A quick defeat for Iraq also meant a major victory for the Saudis and Americans. As a result, OPEC would be weakened, Iran marginalised, and Islamic movements demoralised. Iran feared that this would be the beginning of a protracted US stay and was concerned that a US-Saudi alliance against its interests could emerge. Until recently, Iran continued to be obsessed with the Mecca incident, the 'malicious' Saudi role in OPEC, and the tanker war. Moreover, anti-Saddam Hussein forces considered Iran important during the crisis, but not afterwards. There were already signs that Iran could be marginalised: the US ignored Iran during its initial build-up in Saudi Arabia; the regional security system that the US intends to establish could exclude Iran or include it as a minor power along with other states; and the littoral states did not accept Iran's offer of protection and a regional solution to the crisis. Instead they invited US intervention.

While Iran was preoccupied with the prolongation policy, Syrian President Hafiz al-Asad visited Tehran, as did other heads of states and high-ranking officials, notably President Turgot Ozal of Turkey and

A. M. Belenogov, Deputy Foreign Minister of the Soviet Union. These trips had a significant influence on the formation of official policy in its final form; Syria, Turkey and the Soviet Union were instrumental in mediating the Iran-US understanding about the crisis. Asad is said to have reassured Iran that the US forces would not stay in the region and that Iran's important role in the Persian Gulf would be accounted for in any future security system, a promise that Asad ignored during the postwar struggle over the creation of a peacekeeping force for the Gulf.²⁸ Based on this reassurance, Iran refined its official policy to reflect less concern for ideology and the US presence in the region and more concern for its national interests in the Persian Gulf, its image problem and Iran-Arab relations. The result was a policy in complete accord with that of the anti-Iraqi coalition.

When the war broke out, Iran immediately proclaimed its 'neutrality', and it took Tehran radio more than 48 hours to acknowledge US leadership of the multinational forces engaged in bombing Iraq.²⁹ This neutrality was ideologically justified by President Rafsanjani and Ayatollah Khomeini. They both said that the war between Iraq and its enemies was a war between 'unjust' forces whose interests happen to contradict each other at this time.³⁰ Neutrality was seen as best serving Iran's strategic national interests. The position, whatever its value for Iran, proved extremely helpful to the allies, who feared an Islamic backlash during the war.

While Iran did not endorse the war, it did not officially oppose it until a large number of civilians had been killed and most of Iraq's industrial-military infrastructures were destroyed. This destruction, Iran believed, could lead to Iraq's territorial disintegration, the collapse of the Ba'ath Party, and the consequent Lebanonisation of Iraq. In the meantime, pressure for a show of Islamic solidarity intensified. In response, official policy again included anti-American spicing along with a friendly expression of 'Muslim sympathy' for the Iraqi people, but not for Saddam Hussein. Moreover, reports indicated that Iran was allowing food and medicine to reach Iraq through its lands. In February 1991, for example, Iran sought UN assistance for the safe passage of truckloads of medicine to Iraq, reportedly valued at \$500 million.³¹ In addition, before the war Iran had given sanctuary to a few of Iraq's civilian planes. However, the flight of some 100 or so Iraqi military planes to Iran was not prearranged and according to the *New York Times* (30 January 1991, p. A12), American officials and intelligence were able to verify this fact. (Iran has not as yet given any count of the Iraqi planes in Iran. The number given here is provided by the Western sources.) Iran's acceptance of the planes was nevertheless considered a pro-Iraqi action, at least in the beginning. Iran impounded the planes and assured the allies that it would not release them until the war was over, a promise that Iran fully implemented. Iran also put forward a ceasefire plan and an-

nounced its readiness to mediate the conflict. Finally, Iran was the first to show its support for the Gorbachev peace plan.³²

Iraq's sudden retreat from the war and the subsequent destruction of its military machinery shocked Iran, which was not prepared for a 100-hour ground war. The ceasefire threw the diplomatic soccer-ball to Iran's side of the field, presenting pragmatists with a new and comparably harder challenge. Two pressing problems for Iran remained a military pact for the Persian Gulf and the future of Iraq's governing regime. On the security issue, four positions emerged and as yet none has been finalised. The American design, according to Secretary Baker, includes GCC, Iran and Iraq, with Syria and Egypt as supportive states. The plan was later spelled out more clearly by President Bush. He indicated that the US wished 'to create shared security arrangements in the region', which means 'American participation in joint exercises involving both air and ground forces,' and maintaining a 'capable U.S. naval presence in the region'. The Syrian-Egyptian proposed 'Arab peacekeeping force' would put forces from GCC, Syria and Egypt into a military alliance indirectly supported by the US. The proposal excluded Iran and left the question of Iraq's participation along with other Arab nations open. Iran opposed this plan and Egypt later withdrew from it and decided not to take part in any security arrangement for the Persian Gulf. The GCC position emphasised 'Arab' identity but insists on the participation of Iran and Turkey in a broader non-military union; the GCC member states were concerned that in the absence of bigger states, they could not balance Syrians or Egyptians.

Finally, the Iranian plan insisted on a system formed by the Persian Gulf states alone, rejected participation by foreign powers and accepted union with non-Persian Gulf states (Syria, Egypt, Turkey and Pakistan) only within a supra-Gulf non-military pact.³³ But these ideal positions were modified as compromises were made; for example, Iran dropped its demand for the exclusion of foreign forces and accepted bilateral defence arrangements between the US and the Gulf Arab states while Syria had to acknowledge Iran's importance for a new security order in the Persian Gulf. These changing positions notwithstanding, the shape of a Persian Gulf security system remains to be finalised.

The negotiations ahead, however, present pragmatists with significant challenges. Iran does not have high-level diplomatic relations with Egypt and despite restoration of diplomatic ties, Iran-Saudi relations are not at their best. Also, Syria and Egypt will resist Iran's participation in any Arab peacekeeping force in the Gulf area; and this is regardless of the fact that Egypt has decided not to participate in the Gulf security order. Realising this and other odds, Iran has tried to improve its relations with both the Saudis and the Egyptians. Iran's relations remain suspended with the US,

which will have a determining impact on the outcome of upcoming negotiations. Iran was expected to help free the remaining American hostages who were then still held in Lebanon. In the meantime, pragmatists distanced themselves from the defeated Saddam Hussein; President Rafsanjani called upon him to 'submit to the will of the people' and step down. They did not call for an Islamic Republic in Iraq, to make sure that the anti-Iraqi right-wing regimes in the region are not disturbed.³⁴ However, the Shia uprising and the Kurdish rebellion in Iraq complicated Iran's problems. For Iran, the immediate fallout from the shortlived Iraqi mini-civil war was a deterioration of its newly-mended relations with Iraq, although the Iranian President denied any direct involvement (*New York Times*, 28 March 1991).

ISLAMIC RADICAL CRITICS

Islamic radicals, most notably numerous parliamentary representatives, attacked the official policy. They agreed with pragmatists on Iraq's withdrawal from Kuwait; but they insisted that the Islamic leadership stay with certain principles that the late Ayatollah Khomeini founded, such as the need for a constant struggle against 'American imperialism'. This principle should guide Iran's policy toward the crisis, rather than any abstract national interest or opportunistic considerations.³⁵ According to the radicals, the US intervened in the crisis because it wished to take control of Muslim resources, oil in particular, destroy regional liberation movements (including the Islamic Revolution in Iran), stabilise shaky 'reactionary' regimes, guarantee Israel's security, and save the ailing US economy. However, the ultimate US aim, they insisted was 'to intervene in the political and security structures of the Middle East and impose American hegemony on the World'.³⁶

Radicals also distrust the UN which they consider a 'US puppet'. The UN's 'double-standard' approach to the Kuwaiti and Palestinian questions was taken as proof of US dominance. Radicals were ambivalent toward the secular Saddam Hussein: they disliked him for the war he imposed on Iran and for hypocritically using Islam in the crisis but praised him for his 'revolutionary' stand against the US. Contrary to pragmatists, radicals did not fear Saddam Hussein's potential threat to Iran. Iraq's failure to defeat Iran in the eight-year war was cited as evidence.

Instead, Saudi Arabia and other 'pro-US' states in the region were the real threat. Radicals cited Saudi and Kuwaiti hostility toward the Revolution, and the fact that they invited American participation in the war, as

evidence. Both these countries helped Iraq finance its war against Iran and got the US involved in the tanker war. Radicals also considered Saudi Arabia and Kuwait inimical to Iran's economic interests, citing their predatory behaviour within OPEC as proof. After ideology, and in contradistinction to pragmatists, radicals gave more weight to Iran's economic interests; for them the war was an 'oil war'.

The war, according to the radicals, was between 'Muslims and infidels', a new 'crusade'.³⁷ However, they did not call for a *jihad* (holy war). Also, radicals took a more pro-Palestinian stand and did not wish the Al-Sabah rule restored. Yet they did not openly advocate a link between the crisis and the Palestinian question and were silent on the post-crisis government in Kuwait. They insisted on stopping the war and finding a 'Muslim solution' to the problem, leading to establishment of a 'Muslim security order'.³⁸ Yet they would have benefited from a prolonged and widened war, particularly if that had created a 'new Vietnam' for the US. The contradictions indicate the limit which the official establishment set for radicals' actions as opposed to their criticisms.

The impact of the radicals on official policy should not be overestimated. Yet to argue that they had no influence is to ignore their position within the Islamic regime. After all, they dominate parliament, and their members include some of the most influential clerics. Their pressure for a stronger stand against the US was contained by the pragmatists who were helped by the fact that the crisis produced no serious undesirable results for Iran, including a regional military pact without Iran's participation. The expected Saudi arrogance in the post-crisis period, especially concerning OPEC, could also have a radicalising effect in Iran. However, anticipating this, pragmatists are improving Iran-Saudi relations.

GAINS, LOSSES AND PROSPECTS

Iran's prewar policy toward the crisis placed it on the side of the American-led anti-Iraqi coalition. This is not to say that Iran totally agreed with the position taken by the alliance. With the start of the war, Iran became 'neutral'. With the destruction of Iraq's civilian population and infrastructures and its imminent defeat, Iran's criticism of the war and its concern for the future of Iraq and the Persian Gulf sharpened. President Rafsanjani offered to mediate the conflict although Iran does not have diplomatic relations with the US. During the ground war, Iran became so concerned with the Iraqi situation that it could have been weighing the benefits of a liberated Kuwait against the costs of a dismembered Iraq or of a pro-

Western government in postwar Iraq. The quick end to the war came as a surprise and relief to pragmatists who then shifted their attention to postwar security and the struggle in Iraq over state power.

It is my contention that the underlying logic of Iran's policy toward the crisis has reflected: (1) the significance of the Persian Gulf for its strategic national interests; (2) factors that breed solidarity and tension between Iranians and Arabs; and (3) Iran-US tensions and a desire on the part of pragmatists to change their fractured image in the West. However, other short-term and long-term interests also influenced policy, and the impact of all underlying factors was not equal or direct. Pragmatist leadership was challenged by the complex and contradictory nature of Iran's interests, and by the changing importance of various influences as events unfolded. The evolving nature of the policy also implies that it was fluid and could change if dramatic shifts occurred. I am convinced that Iran's postwar policy has also followed a similar understanding of its interests as in the prewar and wartime periods.

Iran made a number of immediate gains and incurred few losses. Significantly, Iran replaced Iraq as a leading force in the Persian Gulf for some time to come, but failed to prevent the establishment of a permanent Western military presence in the region. Short-term economic gains included higher oil prices (which increased Iran's 1990 oil revenue between four and five billion), better relations with the IMF and World Bank (both promised technical assistance and the Bank approved a loan for \$250 billion in mid-March) and increased trade relations with the West. Against these gains were trade losses and diminished economic cooperation with the littoral Arab states, and the negative impact of the war on the environment in the Persian Gulf. Iran's plan for establishing free-trade zones on a few of its Gulf islands will be delayed as have been reconstruction activities in the ports of Abadan and Khorramshahr. However, the economy is expected to benefit from reconstruction in Kuwait. Iran was given a \$100 million contract to cap a certain number of Kuwait's burning oil wells.

Among the immediate political gains Iran made, one is noteworthy: Iraq's endorsement of the 1975 Algiers Treaty as the basis for a comprehensive peace with Iran, something Saddam Hussein had constantly refused to do. As a result, he agreed to shared sovereignty of the Shatt al-Arab river, a stumbling block in the peace negotiations. Tentative agreement was also reached on dredging the Shatt, and Iraq withdrew from all Iranian territories it controlled. Iran and Iraq also exchanged prisoners-of-war and resumed diplomatic relations in September 1990. The two sides also agreed to deploy their respective forces as far as one kilometre away from the joint border strip in order to provide a buffer zone. However, UN Resolution 598

has not been fully implemented and war reparations, along with 100 or so Iraqi planes in Iran, remain a sticky issue. Although the peace negotiations were going well before Iraq invaded Kuwait (as evidenced by letters their presidents exchanged on 30 July 1990), the process was speeded up after the crisis. This occurred because of two important letters, one from President Rafsanjani on 8 August (written in reply to a letter from Saddam Hussein dated 3 August), and a reply from the Iraqi president on 15 August in which he accepted 'everything' Iran had 'wanted and concentrated upon'.³⁹ Saddam Hussein wanted to free his forces for use in Kuwait. He also thought the concessions would attract Iran into a strategic alliance with Iraq, a rather blatant miscalculation. During the war, Tehran's influence in Baghdad increased significantly, so much so that Iran took credit for persuading Saddam Hussein to accept an unconditional withdrawal from Kuwait before the idea was stipulated in the Gorbachev Plan.⁴⁰ However, with Iran's alleged intervention in Iraq's civil war, the relationship is expected to deteriorate; frequent border skirmishes have already been reported.

Iran's long-term gains could be significant although most have not yet been consolidated and are vulnerable to unpredictable outcomes of the crisis. As Iraq weakened, the prospect for Iran's emergence as a leading power in the Persian Gulf increased. But a continuation of this role depends on the security system that emerges and Iraq's future political order. Iran rejected the now defunct Syrian-Egyptian plan and looks to the West for recognition of its proper place in the Gulf security system, one commensurate with its power and potentials. Any attempt to isolate Iran or deny it a proper place will create the seed for further regional instability. Iran also hopes that the crisis convinces the West that it was mistaken in supporting Iraq during the Iran-Iraq war and that it will correct that mistake by helping Iran build its military power and assume its traditional leadership in the region.⁴¹ Iran's options are, however, limited; the allies do not consider it as important now as they did before and during the war. This is partly why Iran intervened in the Iraqi civil war: by supporting Saddam Hussein's opposition, Iran could gain some concessions from the allies.

Iran also used the crisis as an opportunity to strengthen relations with friends and reestablish relations with enemies or to mute animosity. Significantly, relations with the Soviet Union have improved. The Soviets helped Iraq in the Iran-Iraq war and relations between the two countries were not very friendly at the end of the war. Since then, however, the two governments have exchanged views on various occasions and such consultations intensified during the crisis. They hold almost identical positions on the crisis and the future regional security system. The Soviet peace plan of mid-February 1991 followed a similar Iranian plan offered early that month.⁴²

The Soviets are now selling Iran some of their most sophisticated weapons including MiG 29 and SU 27. Economic relations have also improved, with the Soviets helping Iran with oil exploration in the Caspian Sea and expansion of basic industries. Exports of Iran's natural gas to the Soviet Union resumed in 1989, following the conclusion of a \$15 billion economic and military pact between the two nations. Iranian conservatives, however, are not convinced that Soviet-Iranian relations have any strategic value for Iran as the Soviets are seen to be declining as a superpower. However, pragmatists see this decline as a plus and argue that changes in the Soviet Union have eliminated its threat to Iran's security.⁴³

Relations with Europe also improved. Most notably, Iran reestablished relations with Britain in the beginning of the crisis, although the Rushdie affair continues to be a sticky issue. Iran-French relations also improved, and the two nations have resolved a major disagreement over repayment of a loan made by the late Shah to the French government. Along with German and Japanese firms, French businesses are involved in many postwar projects in Iran. A continuation of the war beyond the UN resolutions was against Iran's national security interests and could become a cause for renewed trouble in its relations with Britain and France, the main European US partners. Recognising this, many heads of European states, President Mitterrand of France in particular, telephoned President Rafsanjani to assure Iran that Europe meant no harm to Iranian interests in the region and had no interest in the Lebanonisation or territorial disintegration of Iraq.⁴⁴ The quick end to the war was a blessing for pragmatists who look to Europe for Iranian postwar reconstruction.

Iran-US relations continue to be suspended; on balance, however, relations improved as the two governments' views converged during the crisis. Prior to the war, the impact of the crisis on these relations was almost totally positive. It is noteworthy that the pro-Iran Shia groups in Lebanon did not harm American hostages during the war. They also refrained from any terrorist action against American interest in the region. During the crisis, Iran also released an American jailed since October 1984.⁴⁵ In its turn, the US encouraged the World Bank to assist Iran with a \$250 million loan for reconstruction of earthquake-damaged areas.⁴⁶ With tacit US approval, the IMF is also helping Iran normalise its war economy. The Fund completed a major economic study of Iran, and its stabilisation policy is being silently implemented by the Rafsanjani government.⁴⁷ Despite this *rapprochement*, President Bush extended the economic embargo against Iran for another term in November 1990.⁴⁸

Relations with the US continued to improve during the war. President Rafsanjani even suggested that American forces might be able to use

Iranian territories in 'emergency' cases, and he proposed to mediate between the warring parties and indicated his willingness to talk to Americans, which, he said, was 'logical'.⁴⁹ However, as the war's consequences deepened, Iran became more critical of the US. Iran viewed the US as going beyond the UN mandate and saw its strategic national interests threatened by the war. Meanwhile, Islamic radicals used the bombing of Iraq's civilian population and infrastructures to renew popular hostility toward the US. Again, the quick end to the war came as a relief to pragmatists who feared a prolonged, radicalising war. The US looked to Iran for freeing its remaining hostages in Lebanon and a complete change in the Republic's behaviour. Iran, in return, wants the US to recognise its legitimate interests and not oppose a proper place for Iran in the Gulf security system. Iran also wants the economic embargo lifted and its assets released, some \$12 billion, including the military hardware purchased by the late Shah. By reciprocating, the two nations have a lot to gain.

Iran also used the crisis to mend its relations with the UN. It accepted the legitimacy of all twelve anti-Iraqi resolutions and cooperated in their implementation. In the past, the Islamic Republic rejected the legitimacy of the UN to mediate North-South conflicts, denouncing it as a 'Western puppet'. International law was considered a tool for Third World domination and was solely based on 'Western values'. While this view changed under pragmatist leadership, relations remained low in the pre-crisis period. During the crisis, Iran made it a principle to strictly follow international law, particularly the unavoidability of political borders and non-recognition of the consequences of aggression. As a result, Iran was exonerated from some of the stereotypes which led to its fractured image in the West.

In the Arab world, Iran's relations with the smaller littoral states improved, and Iran continues to recognise the Al-Sabah government. This was despite the fact that the Kuwaitis initially antagonised Iran for preferring US intervention over Iran's offer of mediation and protection. Relations with Jordan also improved, and the two nations announced resumption of diplomatic ties in January 1991. Relations with Egypt and Saudi Arabia are also gradually improving; in March, Iran and Egypt reopened their interest sections and Iran and Saudi Arabia reached agreement over the *hajj* and established diplomatic ties. Both these states claim regional leadership, Saudis in the Persian Gulf and Egyptians in the larger Middle East. In Iran's view, the West is preparing them for a new role in Middle East politics. Relations with Syria have been very good since the 1979 Revolution. In the postwar period, however, they hold divergent views about Persian Gulf security. The now-defunct Syrian 'Arab' peacekeeping plan was rejected by Iran who saw no reason for the non-Persian Gulf states of Syria and Egypt

to be part of a security system for the area. As negotiations continue, there is hope for a compromise, particularly because the US seems to want Iran included, and Iran's relations with the US, Egypt and Saudi Arabia have improved.

Iran's losses are largely ideological; but that loss may be a gain for pragmatists. By taking the position that the war was between two 'unjust' powers, Iran lost influence among radical Islamic movements, including the radical Shia movement in Lebanon which called for a holy war against the allies. Thus, the Islamic Republic's ideological leadership in the region remains uncertain, and Iran's support for the Shia movement in Iraq may not change this significantly.

Iran's economic losses are also significant: delay in reconstruction of the Persian Gulf ports, loss of trade and other economic opportunities in the littoral Arab states, refugee problems, delay in implementing the policy of free trade zones, higher inflation in imported goods, and higher defence spending. More than a million Iraqi Kurds and Shi'ites who fled to Iran following the short-lived mini-civil war in Iraq must have cost the country between two to three billion dollars. The aid from the West did not even cover a fraction of Iran's costs.⁵⁰ Yet the most significant economic impact relates to oil prices. Initially, Iran made four to five billion dollars in windfall. During the war, part of this was lost to higher insurance and freight charges. In the postwar period, oil prices have declined and could drop further when Kuwait and Iraq resume exports. This could produce a disaster for the Iranian economy. Iran hopes that the US will intervene in such an eventuality, as a sharp decline would not benefit the US economy and the big oil companies either.⁵¹ The environmental disaster in the Persian Gulf will also have devastating consequences for the regional economy, creating significant economic dislocation and health problems for Iranian southern regions.

Finally, the complex and contradictory nature of Iran's interests and the unpredictable behaviour of the players involved in the crisis generate immense uncertainty for Iran. What frightens Iran most is the prospect of being marginalised in the postwar security arrangement. A prolonged struggle over an acceptable system could undermine Iran-Arab relations, increase radical pressure at home, and create further instability in the littoral Arab states. The cost to Iran would have been higher had Iraq become a new Lebanon or fallen into hostile hands. Saudi leadership within OPEC is expected to strengthen, creating additional headaches for Iran. But Iran is trying to close the gap with the Saudis and cooperate with them within OPEC. The situation is further complicated by the lack of consensus among policymakers and various religious leaders on priorities for Iran and on how

best to achieve or reconcile them. Despite tremendous odds, pragmatists are expected to remain in control of foreign policy in the near future, encouraging further moderation and accommodative behaviour towards Arab neighbours and the West. For them to succeed, however, the West and the Arab neighbours have to reciprocate with good intentions and due respect for Iran's legitimate interests in the Persian Gulf.

NOTES

1. In the course of writing this chapter, I consulted extensively with a number of the Islamic Republic's foreign service officials in the United States and Iran. Particularly helpful were a lengthy interview with a high-ranking official in the Mission of Iran to the United Nations and discussions at a group meeting in the Institute for Political and International Studies of the Ministry of Foreign Affairs in Tehran. I was also fortunate enough to participate in the Third International Conference on the Persian Gulf (held on 22-3 January 1991) as I was writing this article. I wish to withhold all names and graciously acknowledge their assistance and contributions. The views expressed in this chapter are, however, mine and I solely remain responsible for errors of facts and interpretations. I also wish to acknowledge the valuable research assistance of Jeanette Lucente.
2. The official in the Iranian UN Mission suggested that Iraq is not interested in solving the Palestinian question; rather he is 'playing games' with it. He also indicated that in Iran's view, the crisis and linkage idea will 'benefit Israel' because it will lead to the recognition of its right to exist, leave it militarily the most powerful in the region, and produce more financial aid from the West.
3. Secretary Baker's outline for a regional security system included Iran but did not specify Iran's role within the system. See Thomas L. Friedman, 'Baker Sketches Future Gulf Role', *New York Times*, 7 February 1991; p. A1, A17. See also Clifford Krauss, 'Iran Said to Play Both Sides in the Gulf', *New York Times*, 31 January 1991, p. A13; 'US Backed by Allies, Doubtful in Iran', *New York Times*, 24 February 1991, p. A19; 'Teheran Speaks of Iraq's Future', *New York Times*, 1 March 1991, p. A9. See *Kayhan-e Hava'i*, Bahman 24, 1369 (13 February 1991), p. 31; and *Iran Times*, Bahman 5, 1369 (25 January 1991), pp. 1, 12. See also Clyde Haberman, 'Worried Turks Prefer Iraq to remain Whole', *New York Times*, 6 March 1991, p. A14.
5. Secretary Baker's outline for a new security order in the region includes Iraq along with Iran and the GCC states. It is not immediately known if he is thinking of a post-Saddam Hussein Iraq or not. See Thomas L. Friedman, 'Baker Sketches Future Gulf Role'.
6. The Gorbachev peace plan was released on 21 February 1991, and called for

- 'full and unconditional' withdrawal of Iraq from Kuwait among other terms. The plan was accepted by Iraq but rejected by President Bush. A revised plan was also rejected by the allies. See *New York Times*, 22 and 23 February 1991, pp. A1, A6-7 and pp. L5-6.
7. An alternative security system with Iraq, if Saddam Hussein had left the political scene in Iraq, could have taken shape. Even with Hussein in power, could an Iran-Iraq alliance form if the Islamic radicals had the upper hand in Tehran? This option is being discussed in Tehran. See Youssef M. Ibrahim, 'Iran's Leader Consolidates Power and Works to Reduce Nation's Isolation', *New York Times*, 10 December 1990, p. A13. On Iraq's attempt to make Iran enter into a strategic alliance with it, see Youssef M. Ibrahim, 'Iran Organizing Hussein's Foes, Arab and Foreign Diplomats Say', *New York Times*, 20 March 1991, pp. A1, A12.
 8. *Geographic Maps and Historical Documents on The Persian Gulf* (Tehran: Institute for Political and International Studies, 1989).
 9. Hooshang Amirahmadi, *Revolution and Economic Transition: The Iranian Experience* (Albany, New York: State University of New York Press, 1990), pp. 37-9.
 10. See 'Besharati Blames Saudi Arabia for Oil Market Glut', FBIS/SA, 1986, p. 11.
 11. Amirahmadi, *Revolution and Economic Transition*, pp. 47-8. See also Youssef M. Ibrahim, 'Teheran Is Pleased', *New York Times*, 16 August 1990, p. A1.
 12. A. T. Olmstead, *History of the Persian Empire* (Chicago: University of Chicago Press, Seventh Impression, 1978), pp. 23, 29, 34, 36-7, 51-2 and 62. On US attempts to overthrow the Islamic regime in Tehran, see Amirahmadi, *Revolution and Economic Transition*, pp. 28-42.
 13. On US-Iran relations consult: James Bill, *The Eagle and the Lion* (New Haven: Yale University Press, 1988); Richard Cottam, *Iran and the United States* (Pittsburgh: Pittsburgh University Press, 1988); Gary Sick, *All Fall Down* (Harmondsworth: Penguin, 1986); Shireen Hunter, *Iran and the World* (Bloomington: Indiana University Press, 1990); R. K. Ramazani, *Revolutionary Iran* (Baltimore: The Johns Hopkins University Press, 1988); and Amirahmadi, *Revolution and Economic Transition*.
 14. *Washington Post*, 28 December 1990, p. A23.
 15. Dilip Hiro, *The Longest War* (New York: Routledge, 1991); and Amirahmadi, *Revolution and Economic Transition*, pp. 42-52.
 17. 'Text of the Statement of the Ministry of Foreign Affairs of the Islamic Republic of Iraq on Iraqi Invasion of Kuwait', and 'Statement By the Ministry of Foreign Affairs of the Islamic Republic of Iraq on Iraqi Annexation of Kuwait', published by the Islamic Republic of Iraq; Permanent Mission to the United Nations, 24 August 1990.
 18. This was stated by Foreign Minister Velayati in a private meeting with a group of Iranians in New York City in late September 1990. The author was present.
 19. See *Bayan* (a publication of the Islamic radicals), nos 5 and 6, Mehr and Aban, 1369 (September and October 1990), pp. 6-15; and *Kayhan-e Hava'i*, Bahman 10, 1369 (30 January 1991), p. 4 (the text of a resolution adopted at an anti-war demonstration held in Tehran on 21 January 1991).

20. See 'Baker Foresees a Long Stay for U.S. Troops in Mideast; Urges a Regional Alliance', *New York Times*, 5 September 1990, pp. A1, A14. See also Cabel Carr and James Chase, 'NATO in the Gulf: A Certain Disaster', *New York Times*, 13 September 1990, p. A27.
21. Maureen Dowd, 'Bush, at U.N., Sees Hopes in Diplomacy in the Gulf Crisis', *New York Times*, 2 October 1990, p. A1.
22. Youssef M. Ibrahim, 'Resist U.S. In Gulf. Top Iranian Cleric Urges All Muslims', *New York Times*, 13 September 1990, p. A1. See also 'Iran's Dangerous Game', *New York Times*, 14 September 1990, p. A32.
23. Youssef M. Ibrahim, 'Oil Deal with Iraq Denied in Iran, but Private Executives Confirm It', *New York Times*, 14 September 1990, p. A10; and Michael Wines, 'Iraqi Tankers' Loading Oil In Gulf May Signal Iranian Help in Breaking Embargo', *New York Times*, 20 September 1990, p. A10.
24. Youssef M. Ibrahim, 'Iran's Quandary: Yesterday's Foe Today's Friend', *New York Times*, 10 August 1990, p. A11; and Thomas L. Friedman, 'New Headache For U.S.', *New York Times*, 16 August 1990, p. A1. See also Youssef M. Ibrahim, 'Iraq And Iranians to Restore Link', *New York Times*, 11 September 1990, p. A1. Ezzat Ibrahim, Iraq's Deputy Commander of Revolutionary Command, went to Iran in January 1991 hoping to persuade Tehran to enter into a strategic alliance with Iraq. He is said to have received an outright rejection from Tehran. See Youssef M. Ibrahim, 'Iran Organizing Hussein's Foes
25. I learned about the prolongation debate in a group meeting with members of the Institute for Political and International Studies in Tehran. I had already speculated about this position in my editorial article. See Hooshang Amirahmadi, 'Iran Plays the Waiting Game', in *The Philadelphia Enquirer*, 11 November 1990, p. 7F.
26. *Gozarsh-e Neha'i-ye Baravard-e Khesarat-e Eqtesadi-ye Jang-e Tahmeeli* (Final Report on the Economic Costs of the Imposed War) (Tehran: Plan and Budget Organisation, 1369 (1990)).
27. See Philip Shenon, 'World Bank May Grant Tehran First Loan Since 1979 Revolution', *New York Times*, 13 October 1990, p. A1; and Hobart Rowan, 'World Bank to Loan Iran Quake Aid', *Washington Post*, 13 October 1990, p. A16. See also *Islamic Republic of Iran - Recent Economic Developments* (Washington, DC: International Monetary Fund, 24 May 1990).
28. President Hafez Al-Asad of Syria is said to have conveyed this message to Iran when he visited Tehran on 25 September following his meeting with Secretary Baker in Damascus on 14 September. Months later when Baker outlined the US plan for a regional security system, he included Iran but did not specify its role within the system. Ironically, the Syrians attempted to exclude Iran from the 'Arab' security system for the Persian Gulf. See Alan Cowell, 'Iran Joins Syria Opposing Invasion', *New York Times*, 26 September 1990, p. A9; and Thomas L. Friedman, 'Asad Assures Baker of Support in Gulf', *New York Times*, 15 September 1990, p. 5. See also Thomas L. Friedman, 'Baker Sketches Future Gulf Role', *Iran Times*, Esfand 10, 1369 (1 March 1991), p. 15-16; and *New York Times*, 7 March 1991, p. A10.
29. When the war broke out, I was in Tehran and stayed there for the first two weeks of the allied air campaign against Iraq.
30. See *Kayhan-e Hava'i*, 10 Bahman, 1369 (30 January 1991), p. 2; *Abnar* daily,

31. Bahman 6, 1369 (26 January 1991), p. 2; and *Jomhouri-ye Islami* daily, Bahman 6, 1369 (26 January 1991), pp. 3, 13–14. Paul Lewis, 'Allies Asked to Guarantee Safe Transit on Medical Aid', *New York Times*, 9 February 1991, p. L7.
32. See *Kayhan* daily, Bahman 4, 1369 (24 January 1991), p. 2; *Kayhan-e Hava'i*, Bahman 24, 1369 (13 February 1991), p. 8; *Iran Times*, Bahman 19, 1369 (8 February 1991), pp. 1, 11; and Thomas Friedman, 'Iran's President Offers to Broker Gulf Settlement', *New York Times*, 5 February 1991, pp. A1, A14.
33. See *Iran Times*, Esfand 10, 1369 (1 March 1991), p. 15–16; *New York Times*, (7 March 1991), pp. A8 and A10.
34. See Alan Cowell, 'Iran's Leader Call on Hussein to Quit', *New York Times*, 9 March 1991, p. 6.
35. See *Bayan*, nos 5 and 6, pp. 6–15; and *Kayhan-e Hava'i*, Bahman 10, 1369 (30 January 1991), p. 4.
36. See *Kayhan-e Hava'i*, Bahman 10, 1369 (30 January 1991), p. 4.
37. *Ibid.*
38. *Ibid.*
39. See 'Translation of the Letter of 8 August 1990 of the President of the Islamic Republic of Iran Addressed to the President of Iraq', published by the Islamic Republic of Iran; Permanent Mission to the United Nations, 24 August 1990; 'Excerpts from Iraqi Leader's Letter to Iran', *New York Times*, 16 August 1990, p. A15; and Youssef M. Ibrahim, 'Iran-Iraq Talks Produce Progress on Ending Long Confrontation', *New York Times*, 4 July 1990, p. A1. See also Youssef M. Ibrahim, 'Teheran is Pleased', *New York Times*, 16 August 1990, p. A1. The texts of letters exchanged between Presidents of Iran and Iraq are given in *Matn-e Nameh-haye Mohadeleh Shodeh bein-e Rou'asa-ye Jomhouri-ye Islami-ye Iran va Jomhouri-ye Iraq* (Teheran: Institute for Political and International Studies, 1369 (1990)).
40. Alan Cowell, 'Iran Says Iraq is Ready for Unconditional Pullout', *New York Times*, 20 February 1991, p. A12; Alan Cowell, 'Teheran Says Its Peace Plan Drew Positive Iraqi Response', *New York Times*, 19 February 1991, p. A6. Iran's desire to be rearmaged by the West and assume its traditional role as a leading power in the region was conveyed to me in a private conversation with an official of the government in October 1990. This view should not, however, be confused with the official government policy that Iran will accept an equal partnership with other states in the region on the basis of mutual understanding and respect. See, for example, the text of President Rafsanjani's speech at the Second International Conference on the Persian Gulf in *Siasat-e Khareji*, Vol. 3, no. 3, Mehr-Azar 1368 (October–December 1989), pp. 393–401.
42. See interviews by A. M. Belonogov (Soviet Deputy Foreign Minister) and M. Vaezi (Iran's Deputy Foreign Minister) TASS, 18 September 1990. Mr Vaezi was also quoted by the Moscow Radio in Persian to Iran as (20 September 1990) having said that 'a unity of view between Iran and the Soviet Union is necessary to overcome the Persian Gulf crisis'.
43. See the text of President Rafsanjani's speech at the Second International Conference on the Persian Gulf.
44. *Kayhan-e Hava'i*, Bahman 24, 1369 (13 February 1991), p. 32.

45. Throughout the crisis, the Bush administration followed 'a concerted public and private diplomacy to send Iran three basic messages: that Washington wants to improve relations with Tehran, that it is in Iran's interest to comply with the global embargo of Iraq and that American forces in Saudi Arabia are not a threat to the Teheran Government'. See Elaine Sciolino, 'Iran, Holding Key, Hints At Hostage Release', *New York Times*, 19 September 1990, p. A11; and Thomas L. Friedman, 'U.S. is Approaching Syria and Iran on Anti-Iraq Effort', *New York Times*, 9 August 1990, p. A17. Iran's formal but indirect positive response to the US messages came in the Foreign Minister's speech at the Forty-Fifth Session of the UN. In the speech, Dr Velayati indicated that Iran would remain neutral and would observe the UN embargo against Iraq. See 'Statement By His Excellency, Dr Ali-Akbar Velayati, Minister For Foreign Affairs of the Islamic Republic of Iran Before the Forty-Fifth Session of the United Nations General Assembly', published by the Islamic Republic of Iran; Permanent Mission to the United Nations, 24 September 1990. The individual released by Iran was Erwin David Rabhan, a close friend of President Jimmy Carter. See Elaine Sciolino, 'Iran Frees U.S. Prisoner Amid Conciliation Signs', *New York Times*, 15 September 1990, p. A4.
46. See Elaine Sciolino, 'Iran Frees U.S. Prisoner Amid Conciliation Signs', *New York Times*, 15 September 1990, p. A4. On the World Bank loan to Iran, see *New York Times*, 16 March 1991, p. D4.
47. *Islamic Republic of Iran – Recent Economic Developments* (Washington, DC: International Monetary Fund, 24 May 1990).
48. Washington, DC, 13 November 1990 (AFP).
49. *Kayhan-e Hava'i*, Bahman 24, 1369 (13 February 1991), p. 32.
50. See Alan Cowell, 'Neglected Refugees Await Aid in Iran', *New York Times*, 8 May 1991; Alan Cowell, 'Iranian says West Has Failed to Deliver Some Kurdish Aid', *New York Times*, 9 May 1991; Alan Cowell, 'Iran sees U.S. Aid to Kurds as Insult', *New York Times*, 5 May 1991; 'Iran's Leader Asks for More Aid to Sustain Kurds', *New York Times*, 28 April 1991, p. 12; and Michael Wines, 'Kurds Trudge into Iran, Filling a Village 6 Times', *New York Times*, 14 April 1991.
51. See Louis Uchitelle, 'Gulf Victory May Raise U.S. Influence in OPEC', *New York Times*, 5 March 1991, p. D1.