Iranian–British Relations Since 1979

by

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Declaration

I hereby declare that this is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other degree or diploma of a university or institute of higher learning, except where due acknowledgement is made in the text of this thesis. I hereby also certify that the work contained in this thesis has not been submitted for a higher degree to any other university or institution.

Mohammad Reza Saidabadi

Date: 5 June 1998
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Abstract

This thesis examines Iran's relations with Britain from the 1979 revolution to the end of Rafsanjani's presidency in 1997. It analyses the pattern of the relations using a two-pronged approach: through exploring objective developments and pressures inside Iran, in the Middle Eastern region and globally, as well as uncovering perceptive and psychological problems existing between the two countries. The thesis identifies the causes of tensions and instability in the relations by examining post-revolutionary Iran's foreign policy, the Iranian perception of Britain as a conspiratorial power, and Britain's special relationship with the United States.

This study represents the first attempt to produce a systematic study of Iran's relations with Britain in the post-revolutionary era. Iran's relations with Britain are assessed in the context of interaction amongst a number of variables: British policies towards Iran, Iran's activism in the international arena, and the dynamics of Iran's domestic politics.

This thesis is a case study in the foreign policy-making of a revolutionary state; however, it provides conceptual constructs and empirical observations that may be useful for the examination of relations between Iran and other Western countries.
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Introduction

Ever since the Iranian revolution of 1979 relations between Iran and Britain have remained volatile and have suffered from tension, instability and upheavals. Neither reconciliation, nor normalisation, has been achieved between the two sides. While Iran's relations with the two superpowers, the United States and the Soviet Union were predictably hostile, Tehran's ties with London could have been expected, at least by the end of the first tempests of the revolution, to be better and more stable. Why did Iran's relations with Britain deteriorate from the beginning, as distinct from other West European countries? What were the origins of Iran's resentment towards Britain? Which forces were behind the hostility between them? Why have relations still not been normalised? What are the prospects for future relations between these two countries? These are but a few questions, the answers for which can only be explored by a study of Iranian-British relations.

Many works by Iranian and Western scholars have examined pre-revolutionary Iran's relations with Britain. Amongst them are 8 volumes in Persian of *Tarikh-e Ravabet-e Siyasi-e Iran va Englis dar Gharn-e Noozdahom-e Miladi* by Mahmoud Mahmoud1 and *The Persians Amongst the English; Episodes in Anglo–Persian History* by Denis Wright.2 However, apart from a few scattered articles,3 a systematic exploration of Iran's relations with Britain since 1979 has by and large been neglected by Iranian and Western scholars for two main reasons. The fact that "most analyses of Iran's foreign relations have focused either on Iran's interaction with its neighbours in the Middle East, or on its relations with the two predominant powers of the 1980s, the United States and the then-Soviet Union"4 has overshadowed the significance and necessity for study of Iranian-British relations. Also the initial expectation that Iran's relations with Britain would not follow the course of its relations with the two superpowers created a mindset whereby scholars tended to view Tehran's ties with London as not dramatically different from those of other Western European countries. Not surprisingly, during the nineteen years since the Iranian revolution, the exploration of trends, events, roots of hostility, patterns of upheavals, and the vector of tension and instability in Iranian-British relations.

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have remained ignored, overlooked or reduced to examination of pretexts rather than genuine causes.

This thesis attempts to produce an analytical study of Iranian–British relations since 1979 by employing an overarching conceptual framework and relevant information. The thesis not only explores why and how the relations between the two countries unfolded in their specific pattern in the post-revolutionary era, but also attempts to shed light on fundamental elements of Iran's foreign policy, affecting the conduct of Iran–Britain relations. In a sense, it reflects the coexistence of Iran's ideological and revolutionary foreign policy-making with a more realistic approach in the context of the dynamic interplay of domestic politics and foreign policy. While examining the factors involved in the ups and downs of the relations, the thesis endeavours to trace the historical and perceptual roots of the conflict between Iran and Britain. Three factors have been instrumental in influencing Iranian–British relations. They are: perception and misperception, conspiracy theory, and the British–US special relationship.

GENERAL CONCEPTS AND ARGUMENTS

Perception and Misperception

Robert B. McCalla has remarked that a distinction should be made "between a psychological environment – the decision maker's image of the setting in which decisions are carried out – and an operational environment – the actual setting in which they are carried out". While the first part of McCalla's statement constitutes 'perception', 'misperception' is a situation where there is a mismatch between perception and reality. Yet, perception and misperception play a major role in the outcome of states' foreign policy making. Their influential role in international politics has been debated by Robert Jervis in his ground-breaking book Perception and Misperception in International Politics whose ideas have been utilised in this thesis.

The way Iranians, particularly their leaders, perceived the British has had a great impact on the formulation of the Iranian attitude towards Britain. Jervis has stated that "what matters in sending a message is not how you would understand it, but how others will understand it".

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8 Ibid., p. 187.
Since perception "plays almost as important a role in international relations as does objective reality", Iranian-British relations have been greatly influenced by how Tehran and London have perceived and interpreted each other's policies and messages. E. Ted Gladue has noted that "the clearer and more accurate the perceptions that each party has of the other parties, the greater are the chances for constructive communication, dialogue, and negotiation". Iranian-British relations have been no exception.

What determines decision-makers' perceptions of another state are their images and beliefs concerning that state. The presence of pre-existing images and expectations influences a state's perception. Amongst the variables that influence the degree to which historical experiences affect a nation's perceptual predispositions are the importance of the consequences for that nation, and if it has affected many members of an organisation, a process Jervis refers to as 'organisational learning'. The long history of British intervention in Iran during the nineteenth and twentieth centuries, as well as British penetration of Iran's economy through different concessions during the Qajar dynasty, have led Iranians to view Britain as a meddling, conspiratorial power. This image has compelled Iranians to view British policies towards their country as intrinsically opposed to its progress and independence.

Naturally, the more established the perception of other states, the more significant it is in determining the decision-maker's response to their policies. The Iranians' reactions to British policies have largely stemmed from a perception of the British rooted in the long history of Iranian-British interaction. Yet ossified perceptions can create a kind of 'tunnel vision' which leads decision makers to notice some things and neglect others, to see evidence that conforms to their hypothesis and exclude alternatives that corroborate competing hypotheses, and to attempt to assimilate discrepant information to pre-existing perceptions. In its extreme form, whereby actors reject incoming information which contradicts their predispositions, and even consciously search for information that supports the pre-existing perception, the process leads to a situation called 'premature cognitive closure'. Thus, it is not unnatural when Iranian decision makers have been unable to distinguish between hostile and positive British policies.

As a result, those policies have been ignored, dismissed or interpreted by Iranian foreign policy-makers in ways which have been compatible with the pre-existing perception.

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Furthermore, there is a common tendency "to see the behaviour of others as more centralised, planned, and coordinated than it is. This is a manifestation of the drive to squeeze complex and unrelated events into a coherent pattern. . . . They [decision-makers] suspect that well-laid plans give events a coherence they would otherwise lack".15 The Iranian perception of the British and events associated with Britain has been no exception to this pattern. The Iranians have perceived British policies in the Middle East, especially in the Persian Gulf region, as having a centralised, Machiavellian, anti-Iranian tilt. This view of Britain has been strong amongst many Iranians, because "perceptions of overcentralization and over-Machiavellianism are more apt to occur if the two sides are in conflict".16

From the British side the issue of perception and misperception has also been influential in the formation of their policies towards Iran. Since little attention is devoted to "how policy-makers appear to think – to the styles of reasoning they use in examining and justifying their views to others",17 British policy-makers sometimes have failed to examine carefully the post-revolutionary Iranian leaders' style of political reasoning. While much of Iranian foreign policy, especially in the first decade of the revolution, was ideologically driven, British decision makers believed that the Iranians' policies stemmed from their economic and political interests. This misperception caused the British to pursue a policy behaviour towards Iran which achieved nothing except to exacerbate tensions.

Meanwhile, miscalculations concerning the relative degree of influence of internal and external forces on Iran's foreign policy making have played a major part in the British approach towards Iran. Deborah Welch Larson in her Anatomy of Mistrust has remarked: "When foreign policy makers . . . explain the other state's behaviour, they overestimate the contribution of internal sources and underestimate the impact of external forces. Leaders attribute the other side's hostile or aggressive behaviour to its ideology or national character, and they overlook that the other side may be responding to their own actions. . . . When the adversary does something good, . . . they assume that the enemy's conciliatory actions were forced by external pressures or by the exigencies of domestic political weakness".18 This has been the nature of most Western countries' understanding of Iran's policies. British leaders have attributed, in one form or another, Iran's generally anti-Western or specifically anti-British policies to Iran's domestic politics, whereas they have perceived Tehran's conciliatory approaches as resulting from either Western economic and political pressures or Iran's own

16 Ibid., p. 329.
internal problems. At the same time, the British have failed to understand that to a large extent Iran's activism in its foreign policy generally, and Tehran's anti-British approach in particular, have been a direct response to British moves and stances in the Persian Gulf, the European Union, and the United Nations Security Council. In addition, Tehran's anti-Western inclinations have been an outcome of the Iranians' sense of being under threat by the West - a threat characterised by a challenge to their preferred political values, beliefs, and system of government.19

Related to the issue of perception and misperception has been the British failure "to extract the conciliatory message from the surrounding noise"20 when viewing Iran's signals. While in the 1980s Tehran was sending the former to the outside world and using the latter for domestic consumption, Britain sometimes could not distinguish between them. Although "mixing signals - that is to say, combining coercion and accommodation in an uncoordinated, ad hoc fashion - can undermine the credibility of both signals",21 Britain, on many occasions, misconstrued the situation and was not able to respond positively to Iran's constructive messages. In sum, as much as the reality and objective environment acted as a source of tension between Iran and Britain, perceptions and misperceptions have also had a heavy influence on Iranian–British relations since 1979.

Conspiracy Theory

Jon W. Anderson has described conspiracy theories as forms of entextualisation, "a process by which information which is specific to an event is recast or reglossed in increasingly more solemn language, abstracted terms or through other linguistic-performative means that move from the particular instance toward more general, less particular categories".22 According to Dieter Groh, conspiracy theories are not restricted to a particular culture, political system, or specific class of people, and "one can find adherents of such theories in all 'camps': right and left, reactionary and progressive, fascist and communist".23

Iran has not been an exception to this universal phenomenon. However, the fact is that "although there have been conspiracy theories implicating all Western powers, . . . those

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21 Ibid., p. 31.
involving the British have been most popular among members of the ruling and middle classes" in Iran. Iranians have depicted the British as Rubah-e Makkar [cunning], their policy as Dast-e Panhan-e Siyasat-e Englis [The hidden hand of British policy], development of major events as Kar-e Englisihia [Staged-managed events by the British], and influential friends of Britain in Iran and in the Persian Gulf region as Noukar-e Englis [British agent]. The term Siyasat-e Englis [British policy], is comprehensively and widely used by Iranians to present their perception of Britain as a power behind all events in their country, and of the British as manipulators and meddlers who have always conspired against Iran. Although the boom period of conspiracy theories especially involving the British was in the nineteenth century during the Qajar dynasty, still in a period of relative decline since the 1979 revolution they have been employed by Iranians to explain the world generally, and the pattern of the British policy towards their country in particular. The Iranian weekly Kayhan Havaie, under the title of 'British Conspiracies', in November 1996 wrote:

The British have long since become the talk of the world through incessant interference in other countries' internal affairs, and the majority of the current troubles of various nations stemmed from the policies of this 'old fox'. And even now, if a window of opportunity presents itself to emulate the infamous deeds of their predecessors and foment trouble somewhere in the world, they take delight in this.  

The Conspiracy theory is so dominant in Iran as the basic mode of understanding Iranian politics and history that Iran Daily was prompted to question its efficacy in solving Iran's problems. The daily, under the title of 'A Word on Enemies', wrote in May 1998:

"The enemy', no doubt is pleased to know that he occupies such significant space on the frontal lobes of the very brains that are supposed to lead the nation into the future. This translates as a lot of creative energy being diverted from solving bedrock problems at home. But 'the enemy' is so firmly entrenched in our psyche that he gets blamed for purely home-grown shortcomings too".  

Yet, the roots of the tendency to revert to conspiracy theories in a certain society should be "traced to a wide variety of causes, some of them deeply rooted in the psychological history of given individuals". Accordingly, the origins of Iranians' view of Britain as a power

27 Ronald Inglehart, "Extremist Political Positions and Perceptions of Conspiracy: Even Paranoids have Real Enemies" in Carl F. Graumann and Serge Moscovici (eds.), Changing Conceptions of Conspiracy, New York:
conspiring against their country are premised on a history determined by the machinations of foreign powers and their rivalry. In this history Britain has played a major role. "The fact that the great powers have in fact intervened covertly in Persian affairs has led ordinary people, political leaders, even the rulers themselves to interpret their history in terms of elaborate and devious conspiracies". However, the predominant position of the British in Iranians' eyes as plotters has been due to the nature of British interventions in Iran. It was Britain which signed the 1907 treaty with Russia that resulted in the division of Iran into two spheres of influence. "The bitterness" towards this British action, writes F. Kazemzadeh, "felt by the Iranians has never disappeared". The British attempted to conclude the 1919 Anglo-Persian agreement, which if they had succeeded, would have achieved "a paramount position of control over the financial and military affairs of Iran". The British played a major role in the coup d'etat of 1921 which brought Reza Khan to power. "This undisputed fact lies at the centre of a mythology in which every event and every action by Reza Khan (later Reza Shah) is believed to have been controlled by the British". And his replacement in 1941 by his son, Mohammad Reza, during the Second World War, was also attributed to British designs. The British role in the Anglo-American coup of 1953 which overthrew the nationalist government of Mohammad Musaddeq and restored Mohammad Reza Shah's autocratic role was the latest event in which the British conspired against Iran and determined the course of Iranian history.

While the British were behind these events, there are many others which Iranians on the basis of conspiracy theories and "speculation with too few facts" also attribute to them. Ronald Inglehart has remarked that conspiracy theories are more likely to be believed "when certain groups experience repeated frustration in their attempts to attain important goals". This is the case for Iranians, who since the nineteenth century have attempted in vain to liberate Iran from the influence of foreign forces and their rivalries, and to experience security and freedom under different dynasties and regimes. Meanwhile, a conspiracy theory is appealing to a group of the populace if the content of the theory "signifies some desirable state of affairs and if it logically coheres with other relevant beliefs to which the group may adhere". Not surprisingly, the past history of British behaviour in Iran has made it easy for Iranians to point the finger at the British in order to explain the misfortunes which they experience. However,
by viewing all British policy towards their country in the context of conspiracy, Iranians are able to find a simple answer to Groh's question: "why do bad things happen to good people?".36

But what distinguishes conspiracy theories from other forms of political analysis is "their quick turn to . . . focusing on intentions or motives as their terminal abstractions".37 This is closely related to the issue of how states view each other. "Whether states view another's action as cooperative, hostile, or neutral depends on how they construe its motives".38 Iranian perceptions of the anti-Iranian nature of British intentions, and of the British themselves as a people not to be trusted, have caused Britain to be regarded as a hostile country. This perception has led Iranian leaders even to ignore, or discount any conciliatory British gestures as a trick.

Dean G. Pruitt has concluded that conspiracy theories are "resulting from escalating conflict and contributing to further escalation. . . . Once in place, a conspiracy theory . . . tends to strengthen hostility toward the adversary, encouraging more contentious tactics and thus intensifying the crisis".39 The predominant position of conspiracy theories in Iran generally, and those involving the British in particular, has greatly affected Iran's relations with Britain. While Iranian perception of the British as conspirators was reinforced by the conflictual, volatile and unstable nature of the relations it has further escalated hostility between the two countries.

**Special Relationship**

According to B. Vivekanandan, the Anglo–American special relationship "has no parallel in modern international relations".40 This relationship has been premised on "the perception of strategic coincidence", in which "America saw Britain as its strategic forewals post, and Britain regarded America as its own strategic hinterland".41 The areas of association between London and Washington in the context of their 'special relationship' have been largely in intelligence, diplomacy, technology, defence, and economic cooperation. In Henry Kissinger's words, the special relationship has made it "psychologically impossible" for the United States not to consult with Britain on any universal issue. Kissinger states: "They [British and

Americans] evolved a habit of meeting so regularly that any autonomous American action came to seem to violate club rules".42

The special relationship was reinforced in the 1980s under President Reagan and Prime Minister Thatcher. "The chemistry between these two leaders and the international environment at the time provided the impetus that elevated US–British cooperation to a level unseen since the end of World War II".43 Thatcher's words are indicative of the new era which the special relationship entered. She stated: "We in Britain stand with you [Americans]. America's success will be our success. Your problems will be our problems, and when you look for friends, we will be there".44

Meanwhile, by adhering to its special relationship with the United States, Britain has been able to uphold its position in international politics. In fact, London has been in a position to play a role on the broad international stage, with America validating its action and role.45 In return, Britain has extended "reliable support for Washington's world leadership".46 Furthermore, Washington has received strong British support and endorsement for policies which others find troubling.47 The US action in bombing Libya in April 1986 is the best example in this respect. When the US failed to persuade other European countries, such as France and Spain, to provide logistical support, it approached London. Only Britain provided the United States with the necessary facilities for bombing Libya.

The special relationship is conducive to enhancing Britain's international position, but also causes damage to British interests. This can clearly be seen in the Middle East region generally, and in Iran in particular. "London's fortunes [which] are seen by the regional powers as closely tied" to America causes damage to Britain's interests if it is perceived by the states of the region "as a 'US lackey', with little independence of action".48 Iranian perception of Britain as a US lackey led the post-revolutionary Iranian leaders to conclude that British policies towards their country were either inspired by America or designed to support and endorse US policy towards Iran.

Iranian identification of Britain with the United States has caused British approaches towards Iran to be interpreted as identical to those of America. Since America has been regarded as the

first enemy of the revolution and Iranians have perceived its policies towards their country as hostile, Tehran has viewed British policies as harmful as well. In sum, this predominant view in Iran has acted as an obstacle to maintenance of a good working relationship with Britain.

**STRUCTURE OF THE THESIS**

The thesis follows a chronological order, and has six chapters. Chapters one and two examine the historical background of Iran's relations with Britain before 1979, while chapter three locates key policy changes in the immediate post-revolutionary era. Chapters four to six explore Iran's relations with Britain from the 1979 revolution to the end of Rafsanjani's presidency in 1997.

Chapter One provides a historical overview of relations between Iran and Britain. It covers relations from the formation of the Anglo-Iranian alliance in 1798 until the Second World War. It concentrates only on the key issues which were conducive to evolution of Iranian perception of Britain as an exploitive and manipulative power.

Chapter Two examines relations from World War II until Iran's 1979 revolution. It focuses primarily on factual aspects and the psychological environments in this period which developed a tendency in the collective psyche of Iranians to perceive Britain as a conspiratorial power and blame it for all their misfortunes. Also the chapter traces the origin of the perception by which Iranians identify Britain with the United States.

Chapter Three provides a broader picture of Iranian foreign policy since 1979. It aims to establish a link between the historical background and the rest of the thesis. It explores post-revolutionary Iran's foreign policy orientation, Iran's world view, the relationship between Islam and Iran's foreign policy trends, and the dynamic interplay between Iran's domestic politics and foreign policy.

Chapter Four explores Iranian-British relations from 1979 to the end of the Iran-Iraq War in 1988. It locates the substances and variables which shaped Iranian-British relations in this period. The chapter examines why Iranians perceived British policies as designed to suit the USA, and how this affected relations.

Chapter Five covers the period from the end of the war to the severance of relations in 1989. It undertakes analytical study of three important issues which, in one form or another, had a major impact on relations. These include: issues associated with human rights, Iran's export of revolution, the emergence of the British policy of rejectionism towards Iran, and the Rushdie
Chapter Six examines Iranian–British relations in the post-Khomeini era. It explores new dimensions in Iran's foreign policy associated with Iran's national reconstruction, the redefining of export of the revolution, and foreign policy diversification. The chapter provides an overview of Iran's relations with the European Union generally, and a detailed account of Iran's relations with Britain in particular in the light of changes introduced by Rafsanjani's government. It also discusses how economic ties between Iran and Britain developed despite their volatile and unstable political relations.

LIMITATIONS OF THE STUDY

The historical part of the thesis is designed only to provide essential background for the main subject – Iran's relations with Britain since 1979. Thus, Chapters One and Two are not comprehensive accounts of the relations from 1798 to 1979. The main issues and fundamental developments discussed in these two chapters are intended only to set the stage for the rest of the thesis.

The relations, as the title of the thesis indicates, are largely examined from the perspective of Iran. The reader should bear in mind that whatever the reality of a given situation may be, what is described here accurately reflects Iranians' predominant view of Britain and British policies towards their country.

The chronological sequence of the thesis is limited to the end of Rafsanjani's presidency in August 1997 when Iran's current president Mohammad Khatami took power. This time-frame has been purposely chosen as Khatami has introduced new dimensions to Iran's regional and international relations and brought new policies and ideas in Iran's domestic politics. Thus, the examination of Iranian–British relations since the inauguration of Khatami as president requires a separate study. In any case, the themes of this study, including the role of Iran's domestic politics, the traditional Iranian perception of Britain, the Iranian identification of Britain with the United States and the resulting negative impact on relations between Iran and Britain, are likely to influence future developments.
Chapter 1
Iranian–British Relations from the 1798 Alliance to the Second World War

INTRODUCTION

The objective of this chapter is to examine Iran's relations with Britain from 1798 until World War II. Since in the period before 1798, Iranian–British relations were purely commercial, the chapter will begin with the formation of the Anglo–Iranian alliance in 1798. From this time onwards Britain viewed Iran as a strategic place where the British political and strategic interests were to be secured. During this period Iran, which was languishing under the weak and corrupt Qajar Shahs, emerged as a place for political and economic rivalry between the European powers.

This chapter will explore how Britain intervened in Iranian affairs, exploited its resources through gaining economic concessions, rendering Iran independent only in name. It will discuss the British–Russian rivalry in Iran; followed by an appraisal of the British struggle for concessions; the British policy towards the Constitutional movement in 1906; Britain's role in the division of Iran in 1907; and finally, World War I and British policy in Iran. It demonstrates how Iranian–British relations in this period bequeathed a legacy of high-handedness in policy-making on the part of the British, while the Iranian people grew to harbour deep misgivings against the British as an exploitative, conniving and manipulative power.

THE FORMATION OF THE ANGLO–IRANIAN ALLIANCE 1798

By the late eighteenth century, Iranian–British relations were based entirely on trade and commercial activities. The first English agency was opened at Shiraz in 1617, and in the following year the Shah granted the British East India Company a monopoly over the export of silks from Iran. "The strategic location of Iran formed a useful adjunct to the Company's 'country' trade, that was the trade in Asian goods between Asian ports".¹

In the second half of the eighteenth century, the company established a factory at Bushire, and

it quickly became the centre of British trade in Iran. At that time, neither the Iranian government nor the East India Company imagined that this firm foothold would result in eventual British predominance in southern Iran in the coming decades.

The replacement of the Portuguese by the British in the Persian Gulf in the late eighteenth century and the establishment of British supremacy in that area with a monopoly of commerce and trade in southern Iran were followed by three main events, transforming British commercial interests into strategic and political ones in Iran.

The first and most important was related to the ascendancy of Napoleon in France. The Napoleonic period and the French invasion of Egypt in 1797 led to British fears of Napoleon's ambitions to invade India. This caused Britain to see Iran as the best buffer state and a barrier for defending India. Therefore, Iran emerged as an important, strategic place in the eyes of British policy-makers. Given Iran's location as a bridge between Europe and Asia, and as a possible gateway to India, both Britain and France began to secure rival political interests in Iran, and sought to manipulate it for their purposes.

Second, there was a change in the status of the East India Company. In 1784, the British government introduced legislation to increase London's political control over the company, so as to became relatively more responsive to Britain's political objectives and interests in Iran. The third was Russian colonial ambitions in northern Iran. Given Russia's broad expansionist ambitions in Asia, Russian dominance over the Iranian provinces around the Caspian Sea was a serious danger to Iranian independence. Russia's southward push began in 1800 when Russia annexed in a year later Georgia, then an Iranian possession. The Iranian government's realisation of this danger in the north and the inability of the Qajar Shahs to defend Iran against it forced Tehran to look for a European ally for help.

Britain was the first to show willingness to form an alliance with Iran and help the Iranian army. Britain wanting to counteract a French invasion of India, while Iran, expecting that it would obtain British help against Russia, entered a new era in which political and strategic interests were of paramount importance. To sum up, the period of Iranian–British relations based on commercial interests changed into one premised on strategic and political interests.

Although Russia had advanced into the Caucasus and invaded territories in northern Iran, at that time the Russian threat was considered by Britain only secondary to that of France. "The government of India during the Napoleonic wars had no fear of a Russian attack on India.

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through Persia. Britain's principal concern was to fight the French ...".\(^3\) As Clayton argues: "Defence of India in the first half of the nineteenth century was chiefly a matter of ensuring that the sea routes to it were safe from attack."\(^4\) British perception of a French threat resulted in discussion in London and Calcutta about the nature and extent of their strategic interests in Iran, and possible ways to protect them.

During the Napoleonic wars another factor which led the British to secure further their position in Iran was Afghanistan. At that time Kabul was under the control of Zaman Shah who had been contacted by Napoleon's agents, and the Shah had advanced into India occasionally. Thus with British help Iran could attack Afghanistan in order to divert the latter from attacking India.\(^5\) Although in Ingram's view, discussion of the role of Iran in the British empire had begun before the Napoleonic period,\(^6\) it was the Napoleonic wars and the Afghan threat, aggravated by the latter's contact with the French, that forced Britain to discuss seriously its diplomatic and strategic interests in Iran and the possibility of an Iranian alliance.

In order to oppose French ambitions for invading India, to counteract their activities in Iran for securing passage to India, and also to divert Zaman Shah from possible attack on India, Britain decided to ally with Iran. After sending Mehdi Ali Khan, British resident at Bushire, as a special envoy to Iran in 1798, Governor-General Wellesley\(^7\) decided to extend relations with Iran to the utmost degree. He appointed Captain John Malcolm to lead a British mission to Iran. This appointment was regarded as the formation of the Anglo–Iranian alliance. As has been suggested: "The making of the Persian connection signifies that the British political elite took for granted at the end of the eighteenth century that their territories in India and trade with the eastern seas helped to make Great Britain a great power".\(^8\)

Malcolm succeeded in concluding two treaties with Iran in 1801. The first was a commercial treaty in which "the East India Company gained more commercial privileges".\(^9\) The second and more important was a political treaty, which allied Britain and Iran against France and Afghanistan. Britain in return undertook to equip the Iranian army and also to help Iran in case of an outbreak of war with France or Afghanistan.

\(^3\) Da vid Mclean, *Britain and Her Buffer States; The Collapse of the Persian Empire 1890–1914*, London: Royal Historical Society, 1979, p. 25.


\(^7\) Earl of Mornington became Marquess Wellesley in 1799.

\(^8\) Ingram, Ibid., p. 2.

The real danger to Iran, however, was Russia, which advanced to Georgia in 1800, compelling the Iranian government to go to war in 1804. In this war, Iran expected to receive British assistance but Britain did not assist and left Iran alone in its war. This was due to a change of policy by which Britain had to reduce its involvement outside India and withdraw from any alliance or connection outside it, and to the fact that in the renewed war against France, Russia and Britain were allied. "Under strong pressure from England to cut down expenses and commitments the new Governor -General, Lord Cornwallis and his successor, George Barlow, had little time or money to spare for Iran". The British therefore invoked the letter of the treaty as not binding them to aid Iran against Russia.

"Failing to receive assistance from the British the Shah, in 1807, denounced the Malcolm Treaty (of 1801 ) and concluded with France the Treaty of Finkenstein, in which Russia was stated to be equally an enemy of the kings of Persia and of France". By this alliance the Shah could resist the Russian advance, and it also provided a counterbalance to British influence. France undertook to make every attempt to force Russia to return Georgia to Iran, train Iranian troops, and supply the Iranian army with modern weapons.

The weak point of the Franco–Iranian alliance of 1807, like the Anglo–Iranian alliance of 1801, was that British and French interests in Iran were secondary to their respective political interests in Europe. Napoleon's policy towards Iran had been determined by his conflicts with Russia in Europe. The temporary settlement of Napoleon's differences with Russia by the Treaty of Tilsit of 7 July 1807 meant that there was no longer a reason to supply Iran with military assistance against Russia. As a result Iran was again alone against Russia, and once more appealed to the British in both India and London.

Reports of the uprisings in Spain and Portugal against Napoleon made Fath Ali Shah realise that France would have no capacity to invade India, and therefore Napoleon would no longer be interested in an alliance with Iran. This realisation led to Harford Jones, leading the new British mission in Iran, to meet the Shah. Once again, while looking for help from Britain against Russia, and with Britain wanting to exclude France from Iran, Tehran started negotiations for a new treaty.

Jones concluded the Preliminary Treaty of 1809 by which Iran undertook not to allow any European powers to pass through Iranian territory to India, and to cancel other treaties with European countries. Britain, in return, undertook to assist the Iranian forces and to give military aid in case of war between Iran and European powers. The main point to note is that the term 'European power' in the Treaty was a source of potential misunderstanding. "Britain

expected the treaty to operate against France, but Iran thought it should work against Russia". 

From the formation of the Anglo-Iranian alliance in 1798 through the first half of the nineteenth century, one main question shaped Britain's relations with Iran. This was whether the interests of the Indian government should prevail in defence of India or of Britain in European politics. "The appearance of Russia in northern Iran had made it certain that European considerations would ultimately prevail in Iranian diplomacy". Britain's relations with Iran being of secondary importance, resulted in Britain sacrificing Iranian interests.

Given the Preliminary Treaty of 1809, Iran expected the British to assist Iran against Russia. Britain considered its interests would be better guaranteed if the Iranians continued their war with Russia which had concluded an alliance with France at Tilsit, so it assisted Iran in its war with Russia in 1809. "As a result, the British tried to set Persia against the Franco-Russian alliance". Jones, the British envoy in Tehran, therefore recommended a subsidy and military aid for Iran to continue its war with Russia in 1809. Meanwhile, negotiations for the Definitive Treaty began in 1810 and replaced the Preliminary Treaty in 1812, but contained no notable changes.

The French attack on Russia in 1812 caused Britain to reverse its policy. The new British envoy in Iran, Ouseley, was instructed to make peace between Iran and Russia in order to assist Russia to stand effectively against France, and to withdraw British officers from assisting and training Iranian troops. "Ouseley sacrificed Iran to the Russians; Iran was to make peace with Russia in order once more to fulfil British ends in Europe". Finally the Treaty of Gulistan was concluded between Iran and Russia in 1813, by which "Russia gained Caucasian territory and exclusive rights to have warships on the Caspian". But Russia remained dissatisfied with the results, and its demands for more Iranian territories continued.

One consequence of Iran's defeat was that it became more dependent on Britain and British promises and wanted to show its commitment to the provisions of the 1812 treaty. Britain, however, wanted to modify its alliance with Iran and also to cover its failure to fulfil the commitments it had assured in the Definitive Treaty. Subsequently, the Treaty of Tehran was concluded in 1814, and was the formal basis for Iranian–British relations until 1857.

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13 Yapp, *Strategies of British India*, p. 70.
15 Yapp, *Strategies of British India*, p. 83.
In the Treaty of Tehran, Iran declared null and void all alliances it had previously concluded with those European countries which were at war with Britain. Iran also undertook to make no agreements hostile to Britain. In return, Britain agreed that should Iran be invaded by any European country hostile to Britain, it would either send forces to help Iran or pay an annual subsidy. The British obligation, however, applied only if Iran was not the aggressor. Britain also agreed that in any Iranian war with any European power at peace with Britain, it would mediate between them, and if mediation failed would pay Iran a subsidy until the war ended. In the case of war between Iran and Afghanistan, Britain undertook to remain neutral, and to offer mediation only if both parties requested it.

The territorial provisions of the Treaty of Gulistan between Iran and Russia were unclear enough to raise disputes. Disagreement over three disputed districts led to their occupation by Russia in 1825. Iran expected Britain to offer mediation and request Russia to withdraw from the occupied districts, but it did not. This suggests that Britain had no intention of jeopardising relations with its European ally over an Iranian frontier dispute.

In the absence of mediation, and with failure in negotiations between Iran and Russia, Iranian public opinion, fed by the religious elite, Ulama, forced the Shah to declare a holy war, Jihad, against Russia. The war began in 1826, and despite some initial successes resulted in Iran's defeat. In this circumstance the best way for Britain not to fulfil its promises undertaken in the Treaty of Tehran was unilateral interpretation of the treaty. Britain announced that Iran had started the war; it was therefore the aggressor. Although Russia's occupation of three districts of Iran was the initial act of aggression, the treaty made no provision for paying a subsidy for any Iranian war with an European country at peace with Britain. The war ended in disaster for Iran with the Treaty of Turkmanchai in 1828, which forced Iran to give up all claims to Georgia and other territories already lost, and which imposed a heavy indemnity, and granted extra-territorial privileges to Russian subjects.

The imposition of the indemnity provided an opportunity for Britain to get rid of the subsidy clauses in the 1814 Treaty. Iran could not afford the first portion of the indemnity, payment of which was a condition for Russian withdrawal from most of Iranian Azerbaijan. Britain agreed to pay the first part of the indemnity, on condition that the subsidy clauses be abrogated. Iran had no choice but to accept. The abrogation of the subsidy clauses was regarded as breaking the last chains of connection between Iran and Britain at that time.

Iran's defeat in this second war with Russia convinced it that British promises were unreliable, that Britain would not provide effective aid against Russia, and that it would have to settle for the best terms it could get from Russia. Settlement of the frontier question between Russia and Iran coincided with the Russian policy of colonising Central Asia and British fear of the
Russian intention to secure access to the Persian Gulf. Iran was a key for Russia to gain these objectives. To meet these objectives, Russia turned to befriending Iran. "From henceforward, and until the closing years of the nineteenth century, Russia was regarded by the British as the great potential enemy in the East, and British policy in Persia was conditioned by that fact".  

From the time of British realisation of Russia's ambitions to use Iran for its regional purposes, Britain made some efforts to prevent Iran becoming more dependent on Russia. In this regard, "the information acquired, the ideas formulated and the contacts made during that period were to be of considerable significance during the period from 1830 onwards when the strategies employed against France were to be refurbished for use against Russia". From this time onward Iran emerged as a scene for British–Russian political and economic rivalry.

**BRITISH–RUSSIAN RIVALRY IN IRAN**

Since conclusion in 1828 of the Treaty of Turkmanchai, Russia tried to make northern Iran an area of overwhelming Russian influence. "While the French threat evaporated and Britain made some progress in southern Iran, notably in controlling the ports which flanked the sea route to India, Russian influence developed in the north". Russia's attempts to colonise the Central Asian region, to Russianise northern Iran and finally to have access to the Persian Gulf, all were seen as threatening British interests in India. Iran was caught between the Russian security concerns on one side and British colonial expansion on the other. As Saikal points out, "while Russia regarded Iran as vital to its security and as a gateway to the wealth of India, Britain found it increasingly important to the defence of its colonial interests". The British–Russian rivalry, or in other words the struggle of the two great powers, was instantly felt in Tehran. From this time, the Iranian government would be responsive to pressure from both London and St. Petersburg.

Iran's failure to recover its Caucasian territories, together with the confirmation of Russian rights over the captured Iranian cities in the north by the Treaty of Turkmanchai, resulted in a transformation of Iranian ambition from the northern to the eastern borders, in order to capture Herat, an ambition which was intensified with Russian encouragement. This new policy in the 1830s turned Iran's eyes in the direction of British India, and the supposed Russian goals behind the encouragement of Iran were regarded by Britain as a clear signal that Russia would

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be a serious challenger to British interests in India. The Iranian attempts to recapture Herat, which were thwarted by Britain, caused a change of British policy towards Iran and Afghanistan, and resulted in two wars with Iran.

Britain considered that if Herat fell into Iranian hands, it would inevitably mean a Russian presence and influence in Afghanistan, which was a gateway to India. This understanding led to a serious discussion in Britain on how to keep Afghanistan from Russian influence. There was one view that Britain should attempt to recover her influence in Iran in order to dissuade the Iranian government from invading Herat. But this view was not viable, because Russian influence was too strong to be challenged. Another option was to make an alliance with Afghanistan, so that the Iranian and Afghan buffers would be complementary. This would preserve Afghanistan's independence and also give Britain time to make plans to obtain influence in Iran again. It was finally decided to attach less value to the Iranian connection and to defend Afghanistan from any attack from Iran. "From then onwards Herat became, in British eyes, a vital outer bastion in the defence of India".

Iranian forces besieged Herat in 1838. British opposition started with a clear message to Iran that any attempt to capture Herat would be regarded as an unfriendly and hostile act, and would be opposed. As this did not dissuade Iran, Britain seized Khark, an Iranian Island in the Persian Gulf, in spite of her obligation under the 1814 Treaty of Tehran not to interfere in any war between Iran and Afghanistan. This forced the Iranian government to give up the siege of Herat, though proclaiming its capture still an important objective.

Following Iran's lifting of the siege, the Anglo–Iranian Commercial Treaty, for which the British had long pressed, was signed in 1841. It gave the British the same consular rights which had earlier been conceded to the Russians. The most important were capitulation rights. The treaty included the famous 'Most Favoured Nation Clause', and with its subsequent extension to treaties with other countries, foreign powers were automatically granted privileges given to Britain under that clause.

The Iranian Foreign Minister, Mirza Abul Hasan Khan Shirazi, who signed the Treaty, had also endorsed the Preliminary Treaty of 1809. Following the conclusion of Treaty of 1809 and after Shirazi came back from London, he was informed by the East India Company that a pension would be paid to him regularly "so long as you shall lend your assistance to the British Ambassador in preserving the friendly relations between Great Britain and Persia".

His role in negotiating the Treaty for which the British had been pressing for years, is acknowledged in a letter from McNeill, the British Minister in Tehran, to his wife. "Mirza, now Minister for Foreign Affairs, has behaved splendidly throughout and the whole thing has been arranged without one unpleasant word".25

Iran's aspiration to capture Herat remained strong, however, and led Iran to occupy it without resistance in 1856. Britain reluctantly declared war, occupied Khark again, then engaged the Iranian army in Bushire and Muhammara (Khurramshahr). Britain's occupation compelled the Iranian government to call for peace and the Treaty of Paris was signed in 1857.

Due to domestic opposition in Britain which questioned by "whose authority the war had been started, and who was going to pay for it, India or England?",26 Britain quickly settled the essentials. Under the Treaty of Paris, Iran agreed to withdraw its forces from Herat, to relinquish all claims to it and other Afghan territory, not to interfere in the internal affairs of Afghanistan, and to recognise Herat's independence.

**BRITISH STRUGGLE FOR CONCESSIONS IN IRAN**

From the mid-nineteenth century, British–Russian rivalry in Iran took the form of economic penetration. Given the growing industrialisation of the West and its need for new markets and raw materials, Iran with the chronic weakness of its government, provided ample opportunity for the two superpowers of the day to exploit it. From this time onward, their rivalry manifested itself in a struggle for economic concessions.

In addition to the bankruptcy of the Qajar Shahs, and their dreams of European-type modernisation (such as railways and banks), the main factor in Britain's success in obtaining concessions was its influence on Iranian politics. Britain employed all means such as threats, bribery, protection and military penetration to control the Qajar Shahs and other influential persons. The various treaties mentioned above and the relevant terms on trade, capitulations and protection of favoured Iranian subjects provided the ground for Britain and Russia to enter a new era, in which they fought principally with economic weapons, to Iran's cost.

In Curzon's words, "indifference to Persia might mean the sacrifice of a trade that already feeds hundreds of thousands of our citizens in this country and in India. A friendly attention to Persia will mean so much more employment for British ships, for British labour, and for

British spindles". Britain's exploitation of the Iranian economy can be glimpsed from the nature of most concessions granted to British subjects. The first, in 1863, was for the establishment of a telegraph line through Iran. As Lord Curzon put it in *Persia and the Persian Question*, "it was from no special desire to bring Persia into telegraphic connection with Europe..., it was her geographical position that made Persia the fortunate recipient of this not wholly disinterested boon in technology."

A naturalised British subject, Baron Julius Reuter, was granted an amazing concession in 1872 to explore all mineral resources except precious stones, to construct railways, dams and tramlines for a period of seventy years in Persia, and to collect all Persian customs duties for twenty-five years throughout Iran. "In return, Reuter was to pay the Persian government 20 per cent of the railway profits and 15 per cent of those from other sources". In Curzon's words, this concession was "the most extraordinary surrender of the entire industrial resources of a kingdom into foreign hands". However, in the wake of Russian pressure, Iranian opposition, and a lack of the enormous capital required to fulfil the concession, the Shah cancelled it in 1873.

On the insistence of the British Minister to Tehran, Sir Henry Drummond Wolff, Britain obtained a concession for regular commercial navigation on the Karun river in 1888, which "both for trading and strategic reasons, formed one of the principal objectives of British diplomacy in Persia". Russian fear of British penetration and commercial competition intensified when Britain attempted to acquire a concession to construct a railway from the Karun river to Tehran. Russia began to obstruct any railway construction in Iran, so that in the context of British–Russian rivalry neither side was permitted to endanger one another's interests. This obstructive policy persisted until the First World War.

Reuter's claim for compensation for his cancelled concession was supported by the British government, which led to his obtaining another concession, to establish the Imperial Bank of Persia in 1889. The bank had an exclusive right to issue bank notes in Iran for a period of sixty years, and played a major role in providing loans to the Iranian government and individuals as dictated by the British. "The Imperial Bank of Persia after its foundation with British government support, acted as the direct agent of British official policy in Tehran".

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In 1890, the Shah granted a British subject, Major G. Talbot, a monopoly over the production, sale, and export of all Iranian Tobacco for a period of fifty years, exempt from all taxes and customs duties. In return, the Shah would receive a fixed amount annually and also one-quarter of the company’s annual net profit. "This exploitative action in which the people in Iran were obliged to buy from a foreign corporation the tobacco which they themselves grew and gathered, led to popular dissatisfaction". As popular discontent developed, Mirza Mohammad Hasan Shirazi issued a religious edict (Fatwa) prohibiting smoking until the concession was cancelled. The positive mass response to the Fatwa compelled the Shah to cancel the concession in 1892. This resulted in another claim for compensation by the company, which inaugurated Iran’s first national debt. The compensation, 500,000 pounds, was funded as a loan at 6 per cent interest by the Imperial Bank of Persia.

The 1901 oil concession, granted to William Knox D'Arcy, a British subject of Australian origin, marked the beginning of a new era in Iranian–British relations. It was secured with the support of Sir Arthur Hardinge, the British Minister in Tehran, and gave D'Arcy exclusive rights to explore, produce and refine oil throughout Iran, except in the five northern provinces, seen as a zone of Russian influence, for a period of sixty years. In return, the prospective company was to pay the Iranian government 20,000 pounds in cash, the equivalent of this sum in the enterprise, and 16 per cent of annual net profits. With financial assistance provided by the British Burma Oil Company in 1905, D'Arcy’s exploration company commenced its search for oil in Iran.

THE CONSTITUTIONAL MOVEMENT IN 1906 AND THE DIVISION OF IRAN BY THE CONVENTION OF 1907

The external factor of the British–Russian rivalry and influence on Iranian politics, and the internal factor of a corrupt and weak political system in Qajar-ruled Iran interacted to engender two major events in the early twentieth century. The first was the appearance of popular unrest and dissatisfaction with the traditional political system and foreign influence in Iran, which led to the Constitutional Revolution of 1906. The second event was the eventual and formal division of Iran into spheres of influence by Britain and Russia in 1907, which left Iran independent only in name.

The constitutionalist movement had two objectives: to promote domestic reforms, and to conduct an independent foreign policy. These two objectives sought, on the one hand, to

establish legal constraints on the powers of the monarch, and on the other, to galvanise resistance against British and Russian influence on Iranian politics. To meet these goals the nationalists demanded the monarch to conduct himself within the framework of the law, and to establish a National Assembly or Majlis (parliament). Mass demonstrations broke out, mainly in Tehran and Tabriz, in support of these goals.

The British view of the constitutionalist movement was conditioned by Britain's relations with Russia and by the extent of Russian influence on the Shah and his court. In the early 1900s British influence declined to the point where support for Iran seemed "support of a state apparently under Russian control". For this reason, Britain favoured the nationalists in the early stages. "In as much as the early stirrings of nationalism had been a protest against the unbridled economic activities of Russia, Great Britain watched the development with particular interest".

The nationalist movement succeeded and the Persian monarch, Muzaffaraddin Shah, approved the establishment of the National Assembly in 1906. Following the death of the Shah, his son, Mohammad Ali Shah, succeeded his father as ruler from 1907. Because of the limitations on his rule under the Constitutional Law and a Russian feeling of vulnerability, the Shah and the Russians cooperated to oppose the Majlis, and the previous British support for the constitutionalist movement ceased when circumstances altered in 1907. For the first time, British-Russian rivalry in Iran changed into cooperation and rapprochement for the sake of their greater and common interests. This cooperation culminated in the Anglo-Russian Convention of 1907.

The Anglo-Russian rapprochement was based on two factors. The first was a fear of Germany and its advance to challenge British interests in the Persian Gulf, which were very significant to British supremacy in the world. The British monopoly of foreign commerce in the Persian Gulf ports, and British communication lines in the form of the Indo-European Telegraph, all seen as vital to the safety of India, underlined the British position. Britain was therefore determined to obtain Russia's recognition of the status quo in the Persian Gulf.

Realisation by both Britain and Russia of the impossibility of practising a policy of non-intervention in Iran was the second factor in their rapprochement. "Given the extent of their commercial, financial and political involvement, it was practically impossible for them to

retreat to a policy of total non-intervention even had they wanted to". They had two choices: open confrontation or formal partition of Iran. They opted for the latter, as they did not want "Iran to upset the delicate Anglo-Russian balance in the Middle East at a time when both were threatened by a challenge from Imperial Germany".

The Anglo-Russian Convention of 1907, drafted without consultation with Iran, formally divided Iran into three spheres of influence. The Russian sphere was located in the north, the British in the south and finally, the centre would be a neutral zone in the hands of the Iranian government. "Through the convention of 1907, the two imperial powers not only forced Tehran to lose most of its initiative in the conduct of Iran's domestic and foreign policies, but also sought to pressure, buy off, and weaken successive Iranian leaders so as to make them obedient to, and dependent on, the two powers for their survival".

From this time onwards, Britain joined the Russians and the Shah in attempts to destroy the foundations of the constitutional government, because the constitutionalists strongly opposed the Anglo-Russian agreement, and in contrast, the Shah showed willingness to accept it as a means of procuring British-Russian support against the constitutionalists. Consequently, British popularity among the constitutionalists declined to a very low point.

At this point, a major development occurred which gave Britain great future benefit. In 1908 D'Arcy's exploration company discovered oil in large quantities in southern Iran. Iranian oil was of crucial military importance to Britain, because so far it had identified no major oil resources in its Empire and also at that time the British navy was switching from coal to liquid fuel. A proposal was presented to the British Parliament in which the Company "would guarantee oil supplies for twenty years while the British government would buy a controlling interest in the company for 2.2 million pounds". The exploration company was replaced by the Anglo-Persian Oil Company which was formed in 1909.

The British control of the Anglo-Persian Oil Company had three major consequences for Iran. These were decentralisation of power, strengthening of tribal power, and further weakening of the already weak central government. Discoveries of oil in the Bakhtiari tribal area and also location of the Abadan refinery and oil port in the area dominated by Sheikh Khaz'al, an Arab tribal leader, led Britain to conclude separate treaties with these tribes. "These treaties involved payments to tribal leaders and also implied British protection for these tribes, both of

which had pretensions to autonomy".42 Britain agreed to protect and pay the tribes, and assured them of securing current and future autonomy, in order to buy their cooperation for its own purposes.

The internal situation in Iran had become chaotic. Disagreement among the nationalists resulted in splits and conflicts. The foreign influences and lack of administrative experts among the victorious nationalists intensified the chaos and anarchy. The political instability and foreign intervention coincided with the outbreak of the First World War in 1914. Despite the Iranian declaration of neutrality in the war, Russo–Turkish hostility turned the Iranian northern territory into a theatre of war between Russia and Turkey. In the south, the British position in the Persian Gulf was challenged by German activities. As a result, the central government in Iran had no capability or power to manage internal affairs.

WORLD WAR I AND BRITISH POLICY IN IRAN

In spite of Iran's declared neutrality, it emerged as a battleground for warring parties fighting for their own purposes. When the war broke out in 1914, the Iranian public opinion was strongly against the British and Russians. This was due to the perceived injustice of the Anglo–Russian convention of 1907, the partition of Iran by Britain and Russia, and also the experience of the long rivalry of the two powers for control of Iran. They were reluctant therefore to side with Britain and Russia. Yet Iran was not in a position to ally itself with the Central Powers (Germany, the Habsburg Empire, and the Ottoman Empire) or to oppose the Entente Powers (Britain, Russia and France), so it announced a policy of neutrality. "Some of the emergent Iranian policy makers were so intense in their hatred of Great Britain and Russia that they could only adopt a policy of neutrality as a facade behind which flirtation and even secret agreement with Germany might take place".43

The strategic importance of Iran for Britain and Russia was too crucial for them to respect Iran's neutrality. To Britain, Iran's significance was furthered by Britain's involvement in the Iranian oil industry, as acknowledged by Lord Curzon: "we possess in the south-western corner of Persia great assets in the shape of the oil fields, which are worked for the British Navy and which give us a commanding interest in that part of the world".44 The British concern for its interests in Iran, which might be challenged and threatened by German and Turkish agents, was a principal reason for Britain to violate Iran's neutrality and occupy southern Iran.

Britain's first step, taken at the beginning of the war, was to put the southern and western Iranian oilfields under direct British protection, even though they were located, under the Anglo-Russian convention of 1907, in the neutral, not the British, zone. Britain's second step was to attempt to secure some arrangement with the Iranian government, so that the Iranians would protect the oil fields, pipelines and installations. There were, however, two obstacles. Firstly, the Iranian government was too weak to protect British interests. Secondly, many Iranians saw the war as an opportunity to end Russian and British control of Iran. As a result, most Iranians sided with the Central Powers actively or in spirit.

In the absence of an Iranian guarantee British policy makers were either to have a direct presence in Iran or to secure the support of local tribal leaders. The British authorities preferred the latter. "The British were reluctant to disturb the situation lest their actions push the Iranians, who were already sympathetic to Germany, to side with the enemy".45 Therefore, a close relationship and cooperation with the tribes in the south and west formed the third step which Britain took to secure its interests. Agreements were concluded between the Anglo-Persian Oil Company and the tribal chiefs, under which the tribes would protect the oil fields, pipelines and other installations, and in return the company would pay a subsidy to them and also support the independence and autonomy of the leaders.

This policy was not entirely successful. Some tribal leaders were reluctant to commit themselves to Britain and became responsive to German activities. Others were unable to act effectively against the German attacks. As a result, "early in 1916, Great Britain decided to dispatch a military mission to south-western Iran. This mission was to be organised and commanded by Sir Percy Sykes",46 and "to raise their own Iranian security force, called the South Persian Rifles, to assist in protecting and possibly expanding their zone of influence, especially in Khuzistan province, the location of most of the British-run oil industry".47 Thus the South Persia Rifles carried on extensive military and police operations during the war.48

Iran emerged from the war in a state of administrative and financial chaos. Many Iranians were suffering from famine, malaria, and influenza. Internal disorder resulting from the war had made the task of restoring even a relative degree of order impossible.

47 Saikal, The Rise and Fall of the Shah, p. 17.
THE END OF THE WAR AND THE ANGLO–IRANIAN AGREEMENT OF 1919

At the end of the war, Britain emerged as the only influential power in Iran. This was due to several factors. Its old rival, Russia, had come under Bolshevik rule, and was too busy with civil war and internal consolidation to influence Iranian politics and constrain British action there. The Russian revolution of 1917 was the first and major factor that tempted Britain to try to bring Iran under its complete control. Additionally, the Ottoman Empire had disappeared and could no longer pose any threat to British interests in Iran. Germany was temporarily eliminated as a great power. The final factor was the might of Britain in Iran. At the end of the war Britain dominated the main centres of Iran, particularly in the south, remained master of India and had control of most of the disintegrated Ottoman Empire. The Iranian oil industry, the Iranian government's main source of revenue, was under full British control. The pro-British government in Tehran lacked order, money, and administration. "The only stable element amid all these varied troubles besetting Iran was the British with their armed forces, and with their money".49

In this context, Britain attempted to finalise the security issue of India and to secure its interests in Iran. The pro-British government in Tehran also tried to gain British assistance in all areas, particularly administration, armed forces, and finance. This situation led to the conclusion of the Anglo-Persian agreement of 1919. To understand the reasons for the conclusion of the agreement, it is essential to specify the interests of both sides.

Although the war had ended, and Germany and Russia, the two major British rivals, had temporarily clawed back from the arena of power struggle, there was still need for a plan to protect British Imperial possessions from European interference. "In the chain of buffer states stretching between India and the European nations, Lord Curzon, Foreign Secretary, regarded Iran as the weakest and the most vital link".50 Curzon therefore attempted to bring Iran under British dominance with an official agreement.

Britain had three main goals in concluding the 1919 Agreement: "to make Persia a more effective component of a new Anglo-Indian system of defence", "to strengthen the position of those at the centre of Persian politics whom Curzon regarded as Britain's friends and partners", 51 and to protect Iran's oil. The future of the Anglo-Persian Oil Company, the single most powerful channel of foreign investment and commercial influence in Iran, depended on a long-term friendly alliance. Curzon tried by the agreement to finalise the security and safety

of Britain's monopoly of the Iranian oil industry.

The Iranian government's interests in concluding the 1919 agreement were conditioned by Iran's internal and external circumstances. "British occupation of a large part of Iran, the domestic weakness of the Iranian government, and its growing financial dependence on Britain, as well as Iran's internal disarray", all affected the Iranian decision to conclude the agreement. Regardless of pro-British tendencies of the government of Vusuq and Britain's attempts to bribe some Iranian officials, the restoration of internal order with British assistance was the Iranian government's principal motive in concluding the 1919 agreement.

Furthermore the Russian revolution of 1917 had encouraged the rise of several separatist movements in Iran, such as Kuchak Khan's movement in Gilan, or Khiabani's movement in Azerbaijan, which opposed the central government. The Iranian government needed British support to control the provinces and resist those movements.

The main clauses of the agreement fell into three broad parts. The first was concerned with military assistance. Britain agreed to help the Iranian government with military advisers, officers, and munitions at Iran's expense. The second part related to administration. Britain would provide advisers and experts for the Iranian administration, also at Iran's expense. The third part was to formalise economic relations. Britain undertook to reform Iranian transport and communications, and construct roads and railways, again at Iran's expense. Iran agreed to revise its existing customs tariff with Britain on a new basis. For all expenses which Iran would incur for British advisers working in Iran, Britain agreed to provide a loan of 2,000,000 pounds to be repaid monthly at a rate of 7 per cent per annum.53

The agreement of 1919 was the culmination of a policy which Britain had pursued from the beginning of the nineteenth century. It was described as "a diplomatic masterpiece and a great triumph" by Lord Curzon, who claimed responsibility for it.54 According to the Iranian Constitution it was to be approved by the National assembly (Majlis). "Had the Treaty been approved by the Iranian Majlis, it would have enabled Britain to control the country's foreign, defence and financial affairs, and thus to reduce its position to that of a virtual British protectorate".55

When the agreement was published, several factors undermined Curzon's chances of securing

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52 Saikal, The Rise and Fall of the Shah, p. 18.
final approval. The first and most important factor was Iranian nationalism. The nationalist movement, which had begun with the constitutional revolution, was characterised by hopes of ending foreign dominance, and was directed particularly against Britain and Russia. In the atmosphere created by the nationalists, it was impossible for Vusuq's government to uphold the agreement. This Iranian nationalist opposition was bolstered by the second factor, opposition to the agreement by other foreign powers. France opposed any British expansionist move in the Middle East. The US opposition derived from the fact that the "Agreement of 1919 violated President Wilson's principles of 'open covenants openly arrived at' and 'self-determination'". A practical consideration, perhaps more important to the United States, was that had the agreement been approved it would have been most difficult for the United States to gain any share of Iranian oil. This opposition "generated sympathy for the Iranian nationalists, who could point to outraged foreign opinion as a sign of what the Agreement really meant". Britain's policy of cutting its commitment and reducing its forces in Iran after the war constituted the last factor in undermining the agreement. The evacuation of British forces was followed by a Soviet invasion of northern Iran. "British unwillingness or inability to protect Persia from Soviet Russia killed any remnant of enthusiasm for the Treaty which might have existed in Persia". Implementation of the agreement was suspended until a new Iranian Majlis should be set up.

After the Russian revolution of 1917, the friendly Anglo–Russian relations based on the treaty of 1907 reverted to the pre-1907 rivalry. In this context, and due to its internal troubles, the Soviet government made friendly gestures to Iran in order to counteract British hegemony in Iran. While Britain was employing every means to formalise its political and economic monopoly in Iran by concluding the 1919 agreement, Vusuq's pro-British government in Iran did not effectively take up the opportunity which Soviet Russia provided. The Bolshevik government announced that all previous Russian treaties which had been forced on Iran, and all Russian privileges such as capitulations, were null and void. In the absence of an appropriate response from Vusuq's government, Soviet forces occupied northern Iran. However, the Vusuq government was forced to resign and a new government was formed by Pir Nia. He, as a first step, suspended implementation of the Anglo–Persian Agreement until a new Majlis had been set up, and initiated moves to negotiate with Soviet Russia. Britain warned him that if he did not accept Britain's conditions and implement the agreement, British subsidies to the Iranian government would cease. Pir Nia responded that "no one but the people of Iran could tell him what to do, and then added that public opinion was against the British demands and his government was not in a position to recommend to the people or

Parliament what had already been condemned".59

While some parts of northern Iran were under Soviet occupation and some Iranian provinces proclaimed independence, the central government had no power to manage the country. In this situation political pressure from within and military pressure from outside the capital led to a bloodless coup in early 1921. The pressure in Tehran was directed by the pro-British Journalist, Seyyed Zia ad-din Tabatabai, and the leader of the military force which marched from Qazvin was Reza Khan, Commander of Iran's Russian-trained Cossack Division. Tabatabai became Prime Minister and Reza Khan Commander-in-Chief and Minister of War in the new government.

Most Iranians believe that the idea of a coup and formation of the new government were essentially a British plot. This popular belief was upheld by some scholars and writers, for instance Ramazani.60 Halliday also argues that "it was the British who encouraged Colonel Reza Khan to march on Tehran and seize power in February 1921".61 This claim is supported by Keddie and Yann; as they point out "it is now known that the commander of British military forces in Iran, General Ironside, encouraged Reza Khan to undertake a coup".62

Whether or not the British were behind the coup, under pressure from elements opposed to the Anglo-Persian Agreement of 1919 the new government formally cancelled it, and the new Iranian Majlis finally refused to ratify it. A few days after the coup the 1921 Irano-Soviet Friendship Treaty was signed in Moscow. The Soviets agreed to withdraw their forces from northern Iran before the treaty was ratified by the Majlis, and with the evacuation in progress, Reza Khan, as Commander-in-Chief and Minister of War, began to bring anti-government and independent movements such as Nehzat-e Jangal in the north under control. Later events proved that Reza Khan was the main force in the coup. While Minister of War in all governments after the coup, he finally became Prime Minister in 1923.

By this time, Soviet Russia and Britain had decided to follow policies of non-intervention in Iran. The former had realised that in order to counteract British influence, it should pursue friendly relations with Iran. "It became clear to the Bolsheviks that they should refrain from any action that could increase Iran's dependence on Britain".63 The latter, due to anti-British sentiment in the region particularly in Iran, India, and Turkey, and because of its post-war policy of reducing its forces and cutting its commitments in Iran, also adopted a policy of non-

59 Taghi Nasr, The Eternity of Iran: From the Viewpoint of Western Orientalists, Tehran: Ministry of Culture and Art, 1974, p. 520.
interference. These emerging non-interventionist attitudes from 1921 onwards, and their favourable consequences for stable and strong government in Iran, were the major factors in creating the situation in which Reza Khan reached the throne of Iran, suppressed the Qajars and established the Pahlavi dynasty in 1925.

THE PAHLAVI DYNASTY AND IRANIAN-BRITISH RELATIONS 1925–1941

The hands-off policy of Britain and Soviet Russia in Iran from 1921 onwards created a situation in which Reza Khan could demonstrate to Iranians his ability to govern and also to Britain and Russia that he could secure their interests in Iran. In this situation the Iranian Majlis in 1925 declared the end of the Qajar dynasty, and by amending the 1906 Constitution chose Reza Khan as the next Shah of Iran.

During the rule of Reza Shah, the most important events which brought him to challenge Britain were the abolition of capitulations and the status of the Anglo–Persian Oil Company. At the time of his succession the only influential power in Iran which had capitulatory privileges was Britain. In order to abolish the capitulations, Reza Shah employed three policies. These were the modernisation of the Iranian legal system by deploying the civil code, exploitation of a British desideratum by delaying permission for Britain to use Iranian air space to complete its air route from Cairo to Karachi, while granting such permission to Germany and Russia, and finally doubling the Iranian customs tariff on imports of British goods.64 As a result, Iran's negotiations with Britain led to a new commercial agreement in 1928, under which all existing treaties including capitulations were annulled. Iran would have autonomy in setting customs tariffs, but would grant favourable rates to imports from Britain.

The second issue was controversy over Iran's share in benefits from the Anglo–Persian Oil Company. When in November 1932 the Company responded negatively to Reza Shah's demand to replace D'Arcy's 1901 concession with a new agreement more favourable to Iran, Reza Shah cancelled its concession altogether.

As oil was the Iranian government's principal source of revenue, more income from it was needed to improve the Iranian economy and military. Reza Shah's cancellation of the D'Arcy concession was determined by four main factors. First and foremost was the sharp reduction in the revenue the government received from the company during 1931–1932 – something which the company claimed to be the result of a slump in oil sales and the world economic crisis.65

64 For details, see Ramazani, Op. Cit., pp. 243-246.
65 Concession payments to the Iranian government were 1,437 thousand, 1,288 thousand, and 306.8 thousand
This brought to a head Iranian dissatisfaction with the terms of the D'Arcy concession. The circumstances surrounding the grant of the concession in 1901 were the second factor. Iranians had long believed that the concession was granted under pressure from and deception by the British Legation in Tehran. "The drop in royalties was enough to bring to the surface the long-standing dissatisfaction of influential circles in the Iranian government with the amount gained under the D'Arcy Concession of 1901".66 This grievance was increased by the fact that the Anglo-Persian Oil Company had monopolised the Iranian oil industry with much benefit to the company and Britain rather than to the Iranian government.

Differing interpretations of Article 10 of the Concession by the Iranian government and the company are regarded as the third factor. Article 10 stated that the royalties to be paid to the Iranian government were to be based on the net profits from the company and other companies that might be formed. The Iranian government interpreted this to mean that Iran's royalties should be calculated on the profits which the company obtained outside as well as inside Iran. The company interpreted the article as applying only to its operations inside Iran.

At the end of the war, when Britain was negotiating the 1919 Anglo-Persian Agreement, it presented a claim for compensation for wartime damage to the company's installations, because the Iranian government had not been able to protect them, and for this reason ceased paying royalties to the government. As one Iranian writer put it, the British claim was shameful and unreasonable as it was Britain which had itself violated Iranian neutrality in the war, occupied a large part of the country, and caused starvation and disease among Iranians.67

The pro-British government of Vusuq agreed to the appointment of Sidney Armitage-Smith, a British Treasury official, as Iranian representative to resolve the disputes with the company. In 1920, the Armitage-Smith agreement was signed, by which Iran would receive a fixed amount against previous unpaid royalties, and both Iran and the company would abandon their claims against each other. In 1932 Reza Shah claimed that the Agreement had not been ratified by the Iranian government but "imposed on the Iranian government by a British Adviser in the interest of the British-owned company".68 This view was a fourth factor behind the cancellation of the D'Arcy concession in 1932.

The British government's reaction to the cancellation was a strong protest. Britain declared that the Iranian action was illegal and the Iranian government would be held responsible for

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66 Saikal, The Rise and Fall of the Shah, p. 22.
any damage to the company's interests. While the case was before the Council of the League of Nations, direct negotiations between Iran and Britain resulted in the conclusion of a new agreement in April 1933. Its major provisions were reduction in the area of the concession for exploration, an increase in royalties to the Iranian government, extension of validity of the concession until 1993, and non-acceptability of unilateral cancellation of it. By this agreement the company changed its name from Anglo-Persian to Anglo-Iranian Oil Company, as Reza Shah wanted the country to be known by its ancient name.

**REZA SHAH'S THIRD POWER POLICY, THE SECOND WORLD WAR AND BRITISH POLICY TOWARDS IRAN**

One of the main characteristics of successive Iranian governments after the coup of 1921 was the attempt to establish close relations with a third power in order to counterbalance British and Soviet influence. Reza Shah's decision to build a foreign policy based on intense relations with a third power was in this context. His objective was to find a power disinterested in Iranian affairs, and preferably a distant one.

The first power he approached was the United States, but due to its policy of isolationism, and its perception of the region originally as part of the British domain of influence, the US at that time had no interest in committing itself to close relations with Iran. The Shah's failure in this respect led him to approach American oil companies. Although the latter were ready to obtain concessions in Iranian oil, their attempts also failed when opposed by Britain and Russia. Reza Shah decided to look elsewhere.69

Germany was the second power which Reza Shah tried. His outstanding success here was conditioned by "the rise of Germany as a nationalist and anti-British power, which had impressed the Iranian leadership".70 Also high-profile generous German assistance to Iran and to its neighbours such as Afghanistan and Turkey, contributed to Iran's determination to form a close relationship with Germany. Subsequently, a strong German legation was established in Tehran. "Unlike the British and the Russians, who forced themselves upon the country, the Germans used the technique of infiltration"71 rather than force and threats.

As the main objective of Reza Shah's policy was to counterbalance British and Soviet influence, he strengthened Iran's political and economic relations with Germany. "Iran's

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increasing ties with Germany were to serve the overriding objective of politico-economic emancipation from the traditional control of Great Britain and Russia. Developing relations extended over trade, the acceptance of German capital and technical assistance, transportation and communication, and the employment of German advisers. "By 1938 Germany had achieved first place in Iran's foreign trade and was supplying Iran with its basic industrial machinery and railroad material". Consequently as Churchill stated, "German prestige stood high among Iranians".

The beginning of the Second World War created a situation in which neutrality was assumed as an ideal policy for Iran. The existing anti-British and anti-Soviet sentiment amongst the Iranian people and officials left no room for Iran to join their side, but British and Soviet interests, influence and proximity, and the remoteness of Germany made it impossible for Iran to join Germany's side. Furthermore, entry into the War was not in Iran's interests. "The third power policy of Reza Shah, aimed at assisting Iran to free itself from Britain and Russia, led to an excessive reliance upon Germany, the new dominant power in Iranian affairs, from whose control the Shah found it difficult to extricate himself".

Until the German invasion of the Soviet Union in June 1941, neither Britain nor the USSR regarded the neutralist attitude of Iran with too much concern. As long as it did not oppose their interests, it was acceptable. But after June 1941 their attitudes changed. Both became concerned about the German Legation in Tehran. For Britain Iranian oil was the major strategic and economic interest in the region. Britain was concerned that a German fifth column might damage the oil installations. Accordingly, Britain and Russia demanded that Iran expel all Germans from Iran; but Reza Shah did not do so. Britain and Russia thereupon invaded Iran in August 1941, claiming that the Iranian government had failed to implement its policy of neutrality. But this was not the only reason. The allied powers also wanted to secure Iran as a corridor for war supplies to the Soviet Union.

The invasion of Iran occurred according to almost the same terms of the two powers' agreement of 1907. The two previous traditional rivals were once again wartime allies against a common enemy, Germany. Britain and the United States used the Iranian railways heavily to assist the Soviet Union. Iran lost its sovereignty and the internal situation once again fell into chaos. The conduct of Iran's domestic affairs was directed by the occupying forces. Consequently, Reza Shah abdicated on 16 September 1941 in favour of his son, Mohammad Reza, and went into exile in South Africa. London, after consultation with Moscow,

recognised Mohammad Reza as Shah, because he was ready to accept and legitimise the British and Russian actions.

To conclude, while taking the opportunity of the Iranian weak governments, Great Britain reaped the maximum benefits in Iran. Whenever the British realised it was in their interests to overlook their undertakings with Iran, they simply did so. When it was imperative for Britain to penetrate Iran economically through concessions, they did so by the use of force, threats, and bribery. The British during this period showed that they were not genuinely in favour of a strong Iranian constitutional government since it would restrict their influence in the country. Thus they eventually joined the Russians and ended the life of the constitutional movement. When the British–Russian rivalry transformed to rapprochement, they simply divided Iran into their respective spheres of influence. It was British and Russian invasion of Iran in World War I that caused the rise of Reza Shah to power. And again their invasion led to the coming to power of his son Mohammad Reza in 1941.
Chapter 2
Iranian–British Relations from World War II until Iran's Revolution of 1979

INTRODUCTION

The focus of this chapter is on the factual and psychological environments in the period between the Second World War and Iran's revolution of 1979 which was marked by a tendency in the collective psyche of Iranians to blame Britain for all their misfortunes. The main objective is to discuss how British involvement in Iran between 1945 and 1979 not only failed to improve Britain's already tainted image amongst Iranians, but also reduced it to a power which had always inhibited Iran's development and undermined its independence. Also an attempt will be made to trace the origin of a predominant perception by which Iranians identify Britain with the United States, and hold Britain responsible for both its own and US policies towards Iran.

The chapter will begin with an analysis of Iran's relations with Britain during World War II, and aftermath of the war, with particular reference to the Anglo–Iranian oil dispute, British policy towards oil nationalisation, the overthrow of the Musaddeq government and restoration of the autocratic rule of the Shah in the wake of the Anglo–American coup of 1953, the Shah's alliance with the United States, and finally Britain's clinging to its declining position in the world and region by exploiting the notion of an Anglo–American 'special relationship'.

IRANIAN–BRITISH RELATIONS DURING THE WAR AND IN THE POST-WAR ERA

Mohammad Reza Shah's decision to side with the Allied Powers during World War II led to the conclusion of the Tripartite Treaty of Alliance between Britain, the Soviet Union, and Iran in January 1942, under which Britain and the USSR agreed to respect the territorial integrity, sovereignty and political independence of Iran, promised to withdraw their forces from Iranian territory no later than six months after the war ended, and also to prevent starvation and other difficulties caused by the war which might affect the Iranian people. In return Iran undertook to provide for the secure passage of Allied troops or supplies and granted the Allied Powers the right to use, maintain, and control all means of communication throughout Iran.1

provisions of the treaty were reaffirmed by Britain, the Soviet Union and, on Iran's insistence, by the United States in the Tehran Declaration of 1943.²

While Britain signed the Tripartite Treaty and confirmed its provisions in the Tehran Declaration, it pursued its own selfish line to secure British interests. The British adopted a three-track policy. The first track was related to Iranian politics and society, which can be called the 'divide and rule' principle and found its reflection in support of "the politics of conservatism and tribalism against the forces that sought radical changes".³ It was conducted in the expectation that the Iranians would keep each other quiet, that the ongoing internecine struggle would keep Iranian society fragmented and thus easy to manipulate. During the Reza Shah period, the fragile Iranian political system had been partly centralised by force and different tribes had become relatively subordinated to the central government. This system, however, disintegrated again in the course of the war. Therefore, the British policy of 'divide and rule' benefited from the situation and in turn aggravated it. As occupation and war caused Iran to lose its sovereignty, and then to have its domestic affairs conducted by foreign forces, Britain became deeply involved in Iranian affairs. The conduct of the war and protection of lines of communication led the British to intervene in all aspects of Iranian politics. Sir Reader Bullard, British Ambassador to Iran at the time, emphasised what he saw as the need for British intervention in support of tribalism in Iran. In his annual political report in 1942, he stated:

> We are forced to take an interest in tribal policy to secure peace in districts adjoining vital roads and railways; we were obliged to interfere frequently and radically in the local administration which often showed itself incapable of facing war problems; we were obliged to ask for special security measures to be taken by the Persian Government to deal with suspects. The compelling need to save shipping also forced us into a considerable degree of interference in local affairs .... ⁴

The only way by which Britain could protect its influence and keep its agents in Iran active was through reinforcing and strengthening the traditional political structure, which was dominated by the monarchy, tribal leaders, and the military who opposed any significant changes in the system. "So Britain was in a position to orchestrate the traditional political system"⁵ to secure its interests and influence. The only challenge to British policy was the flourishing of different movements and political groups, which varied in principles and goals. These movements can be

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² For the text of agreement of the Tehran Conference, see Yonah Alexander and Allan Nanes (eds.), The United States and Iran; A Documentary History, Maryland: University Publications of America, 1980, pp. 142-43.
categorised as communist, religious, and nationalist, with different bases of support amongst the Iranian people, but united in their common opposition to the traditional political system, and to British influence.

The 'divide and rule' policy, with its support of conservatism and enforcement of tribalism, resulted in further unpopularity of Britain, to the extent that "Iranians hated the British". As Bullard stated, while British influence grew enormously, British popularity did not. He argued that the lack of British success with the Iranian public was due to unpopular measures which the British took. This policy intensified the belief and practice of Iranians, who blamed the British for all Iranian troubles and shortcomings for years. It also led to reinforcement of the third power policy in Iran. While there was great distrust of Britain and the Soviet Union amongst Iranians, the United States gained popularity and attracted their trust and confidence. Many Iranians regarded the United States as a third power which could save Iran from Soviet aggression and British interference.

The second aspect of British policy related to increased United States involvement in Iranian affairs throughout the war. The British adopted a policy of close partnership and cooperation with the United States. "The provision of American war supplies to Russia through the Persian corridor brought some 30,000 non-combatant American troops under British command into Iran". By a revision of its policy of isolationism and its realisation of Iran's economic and strategic importance, the United States increased its commitment to the Middle East generally, and to Iran in particular. The improved position of the Americans was due to the history of Anglo-Russian diplomacy in Iran, and the legacy of distrust this had engendered. The trust, confidence and strong enthusiasm of Iranians for the United States were such that even the British could not ignore them. Bullard stated that "from the British point of view the Americans are the sole hope of Persia". Britain realised that without cooperation with the United States, it could not retain its influence and strong presence in Iran. Furthermore the close Anglo-American partnership in Iran in the post-war era was mainly prompted by subversive and expansionist Soviet activities in northern Iran. While the Soviets were steadily tightening their hold there, and refusing to withdraw their forces, Iran became the place where the superpowers engaged in a local 'Cold War'. To contain the Soviet Union and to protect British interests in Iran, Britain needed American might and assistance.

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The third aspect of British policy related to the Soviets in post-war Iran. Britain attempted to contain Soviet influence as much as possible. During the war Churchill ordered British forces to monitor Soviet activities in the north, and to ensure that Soviet influence was kept within reasonable bounds.\textsuperscript{10} Iran's effort to attract American involvement in Iranian affairs, in order to counterbalance British and Soviet influences, resulted in American willingness to have a share in Iranian oil. This led the American oil companies, 'Standard Vacuum' and 'Sinclair', to negotiate oil concessions in 1943. At the same time the joint British-Dutch company, 'Royal Dutch Shell', also approached the Iranians to obtain the same oil concession which the American companies sought in the south. While negotiating with these companies, the Iranian government received a Soviet demand in 1944 for oil concessions in northern Iran. In fact Moscow's demands were the countermove "to rebuff the Americans and any further British demands".\textsuperscript{11} Although the Iranian government's policy was to relieve British and Soviet pressure by involving American oil companies, it suddenly found itself embroiled in British and Soviet demands for oil concessions.

Meanwhile, there were two major views in Britain about the new British and Russian demands for oil concessions in the south and the north respectively. The first stressed the importance of gaining new oil concessions and supporting Shell in obtaining these, even if it might result in the Soviets securing concessions in the north. Its advocates believed it pointless to sacrifice the British concession to ensure rejection of the Soviet claim, as Soviet influence in the north would not thereby be eroded. The second view emphasised containment of Soviet influence and protection of the AIOC monopoly. Its chief advocate was Bullard. He argued that "Since we want a concession badly, that would be something of a victory for the Russians, .... and it would be better that we get no oil than that the Russians have a free hand in the north".\textsuperscript{12} His view prevailed and Britain through its diplomatic agents consistently encouraged the Iranian government to cancel the negotiations, so that the Soviets would not obtain oil concessions.

To escape from the British, Soviet and American requests for oil concessions, and with British encouragement to cancel the negotiations, the Iranian government rejected all demands and postponed negotiations until after the occupation ended. The Majlis passed a bill prohibiting all Iranian officials from negotiations with official or unofficial representatives of any government or oil company, and added that no future oil concession would be legal unless ratified by the Majlis. The architect of this bill was Dr Mohammad Musaddeq, who was leading the nationalists in the Majlis.

The other development with which the British were deeply involved was related to Soviet

\textsuperscript{11} Ibid., P. 31.
\textsuperscript{12} Quoted in Lytle, Op. Cit., p. 92.
withdrawal from Iran after the war. The Tehran government was eager to see foreign troops go, but the Soviets not only ignored their commitment under the Tripartite Treaty and the Tehran Declaration, but on the contrary began Sovietisation of northern Iran. In fact, the Soviet Union through its agent in Iran, the Tudeh Party, set up autonomous republics in Azerbaijan and Kurdistan, both of which rejected control by the central government.13

In addition to regarding Iran as a barrier to Soviet expansion into the Middle East, the Americans saw Soviet activities in the country as a serious loss for the economy of the Western world. President Truman saw the Soviets as planning "to get at least northern Iran under their control" and this event "began to look like a giant pincers movement against the oil-rich areas of the Near East and the warm-water ports of the Mediterranean".14 The United States therefore called for immediate Soviet withdrawal from Iran. Britain, however, adopted a relatively feeble stance. Its note to the Soviet government, declaring that British troops would remain in Iran if the Soviets did not withdraw, was considered by the US a weak policy and passive response.15 When the last date for evacuation of Soviet forces, 6 March 1946, had passed, and British and United States troops had withdrawn, the Iranian government decided to publicise its case in the new-born United Nations Security Council. Britain again showed no support or sympathy towards the Iranians, and even opposed the decision to appeal to the United Nations, under the pretext that launching an appeal to the just-created UN might undermine its long-term effectiveness. The weakness of British policy towards Soviet actions, and also the conciliatory and passive British approach to the USSR in general were so obvious that "some American and Iranian officials saw that they [the British] anticipated some attempt to revive the sphere of influence arrangement from 1907" in order to preserve their interests in Iran.16

Yet there were four major considerations underlying the conciliatory British policy towards the Soviet Union. The first was general British weakness following six years of war. The second was related to the fact that London feared Soviet propaganda attacking British actions and interference in southern Iran through the AIOC, if Britain took a hard stand on Soviet actions in the north. The third was some British officials concluded that Soviet influence in the north was too strong for the Iranians to resist, and regarded northern Iran as lost. At the end of the day in line with their imperial predisposition, the British decided to consolidate their own influence in the south instead of opposing the Soviets in the north.17 Finally, the British realised that Iranian nationalists viewed them with the same eye they cast on the Soviets. Anti-Soviet Iranian

16 Lytle, Op. Cit., p. 147. Also for details of 1907 Agreement, see chapter 1.
17 Ibid., p. 147.
nationalist sentiments could well have easily turned anti-British.

However, exposure of the Iranian crisis to international scrutiny at the UN Security Council, the strong US opposition to Soviet occupation, and following direct negotiations between the Iranian government and the Soviets, brought the crisis to an end in 1946. The Soviets traded evacuation of their forces for a proposed joint Iranian–Soviet oil company in northern Iran, in which the Soviets would have a 51 percent share for twenty-five years. According to the April 1946 agreement Soviet forces would leave Iran within a month and a half, and the Iranian government would submit the concession for ratification to the Majlis within seven months.

As Soviet troops left, Iranian government forces reoccupied Azerbaijan and Kurdistan without substantial resistance from their communist and Soviet-supported regimes. Meanwhile, the Majlis had no desire to ratify the oil agreement and thereby give the Soviets a firm foothold in the north. Due to Cold War politics and the US containment policy, the United States government strongly supported the Majlis' opposition. US ambassador George Allen declared that "Patriotic Iranians, when considering matters affecting their national interest, may therefore rest assured that the American people will support fully their freedom to make their own choice", and that "the United States felt Iran should decide for itself how to deal with the Soviets". By contrast, Britain favoured ratification. The British ambassador, Sir John Le Rougetel, "cautioned the Iranians against closing the door in Russia's face", and the British government advised Iran to leave the door open for further discussions with the USSR rather than give a blank refusal on the subject of oil. Britain's support for the Soviet oil concession was due to its wanting to prevent confrontation, and more importantly wanting to avert a Soviet propaganda attack on the AIOC. It was argued in London that "rejection of the Iranian–Soviet agreement posed an indirect threat" to Britain’s existing concession.

Eventually the Majlis, reflecting Iranian nationalist views, and with strong US support, overwhelmingly rejected the agreement. Amongst the clauses in the law cancelling the Soviet concession was an instruction to the Iranian government to undertake such negotiations and measures as might be necessary to secure the national rights, in all cases where the rights of the people had been violated in respect of the natural wealth of the country with special reference to the southern oil. The British at that time failed to appreciate the significance of this law, and

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regarded it as a tactical move, and saw in these developments a policy of 'bogus balance' which meant that "as soon as Iran gives [the] USSR a kick it must deliver a comparable kick to some other power" – usually Britain.24

These events marked the beginning of three major developments. The first was the end of the British and the beginning of the American role as Iran's defender against Soviet infiltration, which was reflected in the military cooperation agreement signed between the US and Iran on 6 October 1947. The second was the commencement of "a shift in nationalist feeling from its original anti-Russian to its later anti-British orientation".25 While the rising Iranian nationalism reached its first crest with rejection of the Soviet oil concession, "nationalist elements believed that the next task must be the elimination of British influence" which they believed was exercised through the Anglo–Iranian Oil Company.26 The third major development was the transformation of Iran's foreign policy from 'positive equilibrium' to 'negative equilibrium'. The latter was fully introduced in Iran's foreign policy in 1951 when the government headed by Mohammad Musaddeq nationalised the Anglo–Iranian Oil Company.

THE ANGLO–IRANIAN OIL DISPUTE: TOWARDS OIL NATIONALISATION

In 1947 the Iranian government introduced its first Seven Year Plan of economic development which needed large capital expenditures. Its only possible source to finance the Plan was oil royalties from the Anglo–Iranian Oil Company. Meanwhile, the Iranian government had four major reasons to demand the revision of the 1933 agreement with AIOC. The first was that Venezuela negotiated an oil concession agreement giving it a 50:50 share in profits. The Iranians saw no reason why they should accept a lesser share in their national wealth. The second reason was the official price of gold used for calculation of AIOC's tonnage royalties. At that time the market value of gold was much higher than the official price introduced by the IMF in the post-war era. "Altogether the Iranians felt they were being cheated, both over their royalty income and over their dividend-related receipts".27 The third reason was British taxation policy which resulted in much more revenue going to the British government than to the Iranian. "In 1948, for example, Iran received 9 million pounds in royalties compared to the 28 million pounds paid in taxes to the British government".28 Due to British taxation policy,

27 Ali-Reza Moussavizadeh, British Foreign Policy Towards Iran with Special Reference to the Nationalisation of the Anglo–Iranian Oil Company, 1948–54, Ph.D. Dissertation, University of Wales, Swansea, United Kingdom, November 1993, p. 36.
"whereas between 1944 and 1950 AIOC's profits had increased more than tenfold, Iran's revenues had increased only fourfold". The AIOC's directors argued that the British government's fiscal policy was determined by Britain's post-war financial situation, and it was not AIOC's responsibility to change it. The last reason concerned accountancy procedures, the price of oil for internal consumption, customs exemptions, and the training and employment of Iranian workers at skilled levels.

The Iranian government, demanding the necessary adjustments within the framework of the concession, presented a 25-point memorandum. It "centred on internal oil sales to the government and others, a request for 20 per cent of the distributed profits of dividends, adherence to a fifty-fifty formula on the basis of the Venezuelan example and concessional revisions every 15 years".

While Iranian nationalism was emerging as the only influential force in Iranian politics and British unpopularity amongst Majlis deputies and public was reaching its peak, the British government and the AIOC directors in particular remained insensitive to the Iranian government's demands. In response to increasing Iranian domestic pressures for a new relationship with the AIOC, the British entered into negotiations. The result was the Supplemental Agreement of 1949. The major thrust of this agreement was to raise Iran's royalty from 22 cents to 33 cents per barrel. Most of the Iranian demands were again rejected, including that for a 50:50 share.

While the Chairman of AIOC argued that the Supplemental Agreement was the best offered to any Middle Eastern country by any oil company at the time, it was not viewed as such by the Iranians. Overall, the British believed that "further concessions would only stimulate the appetite of the Iranians while decisiveness would eventually force them to capitulate."

In the wake of increasing Iranian nationalism, anti-British sentiment, and British pressure, the main and difficult task of Iranian Prime Minister Ali Razmara was to secure ratification of the Supplemental Agreement by the Majlis. It set up an Oil Commission to discuss and report on the agreement. The commission, headed by Musaddeq, concluded that the agreement did not
adequately safeguard the nation's rights, and should be rejected. Meanwhile, the early signs of intent to nationalise oil were beginning to emerge in the Majlis. The public, press, and deputies all discussed it as the only way to end British influence and great power rivalry in Iran. For example, the unpopularity of the British and the AIOC can be seen in a Tehran press description of the AIOC as "a malignant cancer which has eaten away the life of Iran for over fifty years". Pushing for ratification, and intending it as a substitute for outright nationalisation, Razmara told the Majlis that the time was not ripe for nationalisation.

The final blow to the Supplemental Agreement came when the Saudi government obtained a 50:50 profit-sharing agreement with the Arabian–American Oil Company (Aramco) in 1950. British realisation of the public pressure for nationalisation, the Majlis' rejection of the Supplemental Agreement of 1949, and the Saudi–Aramco deal, forced the British to modify the agreement in the hope that the Majlis would accept it. The new agreement accepted 50:50 profit-sharing and also offered immediate substantial financial support to the Iranian government. A few months earlier such an offer might have been ratified, but by February 1951 the Iranians would be satisfied only by overall nationalisation. Razmara was assassinated, the Majlis, on recommendation of the Oil Commission and through Musaddeq's efforts, swiftly and unanimously passed a bill for immediate nationalisation of AIOC, and on 29 April Musaddeq was named as Prime Minister.

OIL NATIONALISATION: IRANIAN–BRITISH RELATIONS 1951–1953

Musaddeq and his followers believed that nationalisation of Iranian oil had to be implemented primarily for economic reasons. They argued that the Iranian government could use the profits from the nationalised oil industry to strengthen the local economy and to improve living conditions. Musaddeq declared that "with the oil revenues we could meet our entire budget and combat poverty, disease, and backwardness among our people".

Another reason equally important from Musaddeq's point of view was the political issue of Iran's national sovereignty. Musaddeq stated that "... we had no other goal but the

34 Quoted in Greaves, Op. Cit., p. 75.
35 Razmara said in the Majlis: "Iran's industrial capability at the present time is not such that it can itself explore for and sell oil in the world market; ... with what personnel, with what instruments, will you explore for and nationalise the oil". See M. Reza Ghods, "The Rise and Fall of General Razmara", Middle Eastern Studies, Vol. 29, No. 1 January 1993, pp. 32-33.
nationalisation of the oil industry as the basis for this country's freedom and independence".\textsuperscript{40} In his memoirs Musaddeq pointed out:

When the D'Arcy concession was signed there was no proof of the existence of oil deposits in Iran, and the British navy was using coal for fuel. But now that oil has been produced in Iran, and used for strategic purposes, how could the Iranian people be happy to let a foreign company produce its oil, and to protect the illicit benefit it takes from it deprive a country of its freedom and independence.\textsuperscript{41}

Musaddeq referred to the issues of national sovereignty and independence as the principal reasons for nationalisation, which he described as "the one and only way of stopping the illegal and illegitimate interferences of the former oil company in the internal affairs of Iran".\textsuperscript{42} The priority of these issues in Musaddeq's mind was so strong that most persons who negotiated with him to settle the dispute concluded that while they talked of economic issues, he emphasised sovereignty and independence.

Britain did not accept the nationalisation. The Iranian government declared its willingness to pay compensation for all British assets and capital, but the British regarded AIOC still as Britain's legal property which the Iranian government had no right to expropriate. There were four major factors behind the British opposition to oil nationalisation. The first was economic. The amount of Iranian oil revenue received by Britain illustrates the importance and extent of the benefit the British obtained from the AIOC. The Abadan refinery was not only the world's largest, it was also Britain's single largest overseas asset. "It would be impossible to calculate the effect on Britain's post-war recovery if the Iranian oil revenue were lost".\textsuperscript{43}

The second factor was the issue of British prestige in the world generally and the Middle East in particular. As Louis argues, the refinery at Abadan represented not only wealth but also that intangible in Britain's presence in the Middle East, 'prestige'.\textsuperscript{44} Regarding British prestige, Albert Hourani has argued:

\textsuperscript{41} Ibid., p. 271.
\textsuperscript{44} Ibid., p. 229.
Having withdrawn from India [in 1947], the [British] government did not draw the conclusion that the British Empire had come to an end and it should withdraw from other positions of strength in the world; on the contrary, there was a determination to cling to the positions which it had left, and in particular to those in the Middle East.  

In the words of Francis Pelly, the British Resident in Kuwait, "Abadan stood for something huge, a symbol which not even the most sceptical Arab could deny of British energy, British wealth, British efficiency and British industrial might". This judgement was also confirmed by Sir Rupert Hay, British Resident in Bahrain, who said: "I have little doubt that the catastrophe at Abadan undermined our whole position in the Gulf". Oil nationalisation occurred at a time when Britain "was battling, both politically and psychologically, against accepting the fact that its position as the western world's leading power was rapidly being taken over by the United States". As the British government considered nationalisation of the AIOC an embarrassment in its relations with the Arab states, it was committed to showing that it would not sacrifice its essential interests in Iran.

The third factor was that if oil nationalisation succeeded in Iran this would be regarded as an example for other countries to follow suit in the region. "If Persia was allowed to get away with it", said Emmanuel Shinwell, British Minister for Defence, "Egypt and other Middle Eastern countries would be encouraged to think they could try things on". The British government was anxious to avoid defeat in the Iranian scene", wrote Musaddeq, "so that other countries would not use the example of Iran...". US Secretary of State Dean Acheson's view was similar; he argued that British refusal to recognise Iran's sovereign right for oil nationalisation was based on their asserted belief that Iran's success would jeopardise all their foreign investments. In the face of Arab nationalism, the British were resolved to prevent oil nationalisation succeeding in Iran.

The last factor was the election issue in Britain. It was argued in the British Labour government that its actions over oil nationalisation would be an important determining factor in the upcoming general election. In this context, the Labour government, even if it wanted to compromise with Iran, was handicapped; Conservative Party pre-election campaigning was

51 Dean Acheson, Present at the Creation; My Years in the State Department, New York: W. W. Norton & Company, 1969, p. 505.
criticising it for lack of strength and commitment to oppose Iran.

In the early stages of nationalisation the Americans showed some sympathy towards the Iranians. The American view of Iran's strategic position as a barrier to Soviet expansion and to Soviet access to oil led Washington to view oil nationalisation differently from the British. The Truman administration in general regarded Musaddeq's government as moderate nationalist, to be encouraged because it could be drawn into friendly relations with the West. Regarding the oil nationalisation, Secretary of State Acheson said: "Our approach to the problem, growing out of the expropriation of American oil interests in Mexico, was that the sovereign power of a state to take such property could not be denied, but raised the obligation to pay prompt and just compensation..." The American view resulted in Iran seeing Washington as a Western power which understood its position. In the early months of the Anglo–Iranian oil dispute, Americans were more interested in stopping communism than in an oil settlement favourable to the British. Eden clearly pointed out the differences of view between Britain and America on Musaddeq government:

I did not accept the [US] argument that the only alternative to Musaddiq was communist rule. I thought that if Musaddiq fell, his place might well be taken by a more reasonable Government with which it should be possible to conclude a satisfactory agreement. I knew that the country was possessed of an elasticity and resilience which appearances did not suggest. Iranians have always been good at coming again.

But soon the early American sympathy changed into confrontation with the Musaddeq government, just as British support of the liberal nationalist movement of 1906 (the constitutional movement) in Iran had changed into enmity towards the constitutional government. The British and American changes of view in these two different periods were based on the fact that "the liberal nationalist movement in 1906 and 1951 produced in Iran a chaotic situation which threatened the perceived strategic interests of the British and the Americans respectively". In Musaddeq's words, the change in US policy became evident by the replacement of their ambassador. "... The replacement of [Dr Henry] Grady, the American Ambassador to Iran (who was a fair and impartial man) by Loy Henderson, their ambassador to India, who was not unbiased" was the first sign of change in Washington's policy. In fact, Eden acknowledged Henderson's appointment: "Anglo–American relations further improved as

55 Richard Cottam, "Nationalism in Twentieth-Century Iran and Dr Muhammad Musaddeq", in James A. Bill and W. M. Roger Louis (eds.), Musaddeq, Iranian Nationalism, and Oil, p. 36.
a result of the appointment of Mr Henderson ... He never allowed himself to be played off against us by Musaddeq". The American refusal of Musaddeq's request for financial aid was another indication of change in the US policy. Musaddeq in his memoirs wrote:

At the very time of the Anglo-American negotiations in Paris [November 1951] I was in Washington, and I asked the American government for a loan of $100 million at any rate of interests. ... They told me that they would study the matter, but the study went on for so long ... and [finally] I was sent the following reply: 'unless a settlement is reached with Britain over the oil dispute, the American government would be unable to give any aid or grant to Iran'.

The British adopted a five-fold strategy to reestablish their control over Iran's oil by either forcing Musaddeq into a favourable settlement or overthrowing him. The first component of this strategy was military manoeuvres and implied military intervention. For this, British parachute troops were sent to the Persian Gulf not far from Abadan, troops in Iraq were reinforced and Foreign Secretary Herbert Morrison announced that airborne troops were being held in readiness in UK to prevent illegal seizure of British property. However, there was disagreement within the government about military intervention. Prime Minister Attlee held that "occupation of Abadan island would not necessarily bring about a change in the Persian government and might well unite the Persian people against this country, and neither the oil wells nor the refinery could be worked without the assistance of Persian workers". Also a strong US opposition to the British use of force supported Attlee's position against those in the British government who favoured the military force. Acheson, believing that "armed intervention offered nothing except great trouble", stated "a substantial difference was developing between our views on the permissible use of force in Iran and those to which some elements in London appeared to be adhering". Attlee's view prevailed.

The second component was to resort to two major international bodies, the International Court of Justice and the United Nations Security Council. British legal manoeuvres started by requesting the International Court of Justice to arbitrate on the legality of Iran's act of nationalisation. The Iranian government refused the court's arbitration for two reasons: first, Iran had a sovereign right to expropriate AIOC subject to payment of compensation, and, second, exercise of sovereignty was not subject to arbitration, so the International Court had no jurisdiction. In September 1951, Britain took the matter to the Security Council, complaining about Iran's refusal to accept the International Court's jurisdiction. Following the International

58 Katouzian, Mosaddiq's Memoirs, p. 270.
59 Quoted in Mussavizadeh, Op. Cit., p. 48
Court's announcement of its inability to arbitrate, the Security Council refused to condemn Iran.

Meanwhile, the third component was put in motion. This was negotiating with the Iranian government. As Musaddeq was ready to negotiate with American mediation, talks took place several times, but without success. Failure to reach a settlement was partly due to the British unwillingness for settlement with Musaddeq. In the words of Acheson "the British were so obstructive and determined on a rule-or-ruin policy in Iran" that the United States had to strike out on an independent policy. The British government was "unwilling to comprehend or recognise the force, authenticity and legitimacy of Iranian nationalism" and was "reluctant to give credit to Musaddeq as the articulator of Iranian national aspirations". The other factor which made negotiations futile was Musaddeq's irreversible position on the act of nationalisation. In the words of the petroleum adviser to Assistant Secretary of State George McGhee, "Musaddeq never, during our discussions, retreated in any way from the principle that Iranian oil had been nationalised. This he considered a fait accompli".

While the British were negotiating with the Iranian government, they simultaneously conducted the fourth component of their strategy which was to undermine Musaddeq's position and destabilise his government through economic measures. These measures were aimed to prevent Iranian oil from entering the world market; to impose economic sanctions on Iran; and to suspend the conversion of sterling into dollars by the Iranian government, which needed the latter currency to pay for imports. The AIOC argued that Iranian oil was its property, and sale without its authorisation was illegal. The seven major oil companies (Seven Sisters) backed by the British and US governments joined the boycott and refused to purchase Iranian oil from the National Iranian Oil Company (NIOC) even at low prices. This act "was in part to help a sister company; but the principal reason was to prevent other oil-exporting countries (in whose territories they operated) from learning a bad lesson from Iran's example". The AIOC's threat to take legal action against any concern or individual attempting to buy the oil from Iran deterred almost every oil importer. Britain's boycott brought the Iranian oil industry to a standstill and an enormous loss for the Iranian government's principal source of foreign exchange. To intensify its economic pressure and undermine Musaddeq's government further, Britain imposed economic sanctions, banned the export of certain goods such as iron, steel and sugar to Iran, and also reduced imports from there. "Up until 1950 the UK had been by far the largest supplier of goods to Iran. In 1948 and 1950 Britain imported 39.8 per cent and 26.0 per cent

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respectively, of Iran's total exports, and Iran imported 27.4 per cent and 28.0 per cent of its total imports from Britain". To worsen Iran's economic position, Britain imposed sterling controls to deny Iran facilities in transferring and converting sterling into dollars.

The last component of the British strategy was to replace Musaddeq with someone more amenable to compromise. For this, it needed American support. As the oil dispute dragged on, the early American sympathy towards Musaddeq and oil nationalisation changed to open American backing for British confrontation and intervention in Iran.

The change in the United States began with the emergence of the new Republican administration in the United States which took office in late January 1953. While the Democratic administration under Truman wanted to end the oil dispute by diplomatic means, the Republican administration under Dwight Eisenhower who viewed the situation strictly in the content of the Cold War, found the solution in confronting the Musaddeq government and finally overthrowing it. In fact, Eisenhower in his election campaign claimed that the Democratic administration had not acted effectively against communism, and that if he was in power, he would stand strongly against communist expansion. The Iranian scene would be a test case. Thus on both sides of the Atlantic, there were now conservative governments in power, neither of which had sympathy for nationalism in the Middle East.

Furthermore, the United States was concerned about the communist challenge in Iran. Musaddeq's tactic of encouraging the Eisenhower government to assist Iran financially and morally by raising the spectre of a communist threat to his country merely intensified US perception of the communist danger in Iran. Musaddeq, for example, in his letter of 28 May 1953 to Eisenhower, argued: "There can be serious consequences, from an international viewpoint as well, if this situation is permitted to continue. If prompt and effective aid is not given to this country now, any step that might be taken tomorrow to compensate for the negligence of today might well be too late". While Eisenhower responded that the US was handicapped in assisting the Iranian government by the lack of an agreement between Iran and Britain, he obviously decided to prevent a communist take-over in Iran, not by assisting Musaddeq but by replacing him with someone who would compromise with the West generally and the British in particular. The US interest in gaining access to the rich Iranian oil reserves also contributed to the change of US policy. It has been argued that the main motive behind

67 The Conservatives returned to power in UK in October 1951, almost fifteen months before Eisenhower became president.
Washington's confrontation with Musaddeq was the desire of US policy makers to help US oil companies gain a share in Iranian oil production.69 As Musaddeq stated "there can be no doubt that the British government had proposed American participation in Iranian oil, and my replacement by another person who would be able to get the oil concession law through the Majlis".70 This interest drew the Americans closer to the British in overthrowing the Musaddeq government.

The last reason for the American change to conformity with British policy was the Musaddeq government's uncompromising stand on the oil dispute. Vernon A. Walters, translator in Musaddeq's meetings with the US envoys wrote that Musaddeq's view "that if one haggled long enough the other side would be worn down and would in the end give in" played a major role in the failure of negotiations.71 The Eisenhower administration gradually "came to see Musaddeq as too destabilising a factor" in the region.72 It was in this context that John Foster Dulles, Secretary of State, suggested that "the situation was so dangerous and unpredictable that it might be necessary to act promptly, and that the United States would have to have a considerable measure of discretion as to what it did".73 Thus, while Acheson and Truman were becoming impatient with Musaddeq and his uncompromising stand, it was with Dulles and Eisenhower that the United States decided to intervene and remove him.

The original plan for a coup (Operation 'Boots') in Iran was designed by British Intelligence, MI6, submitted to the CIA, studied carefully and finally conducted as 'Operation Ajax' by Kermit Roosevelt, who headed CIA operations in the Middle East, because the British had become persona non gratae in Iran. Both agencies started the plan through their networks of politicians, military officers, royalists, paid mobs, and some conservative clergy inside Iran. "The Iranians would not or could not have acted without American/British direction and the psychological support that this involvement carried with it".74 Finally the coup of 19 August 1953 occurred and Musaddeq was replaced with Fazlollah Zahedi, a pro-western figure. The Shah, who had shortly before fled the country when Musaddeq attempted to restrict him to his constitutional role, came back and began his rule. As soon as he arrived in Tehran, he met Roosevelt. Offering Roosevelt a large gold cigarette case as a souvenir, he said: "I owe my throne to God, my people, my army, and to you".75 In Roosevelt's words, "by 'you' the Shah

75 Kermit Roosevelt, Countercoup; The Struggle for the Control of Iran, New York: Mcgraw-Hill Book Company, 1979, pp. 199-201.
meant me and the two countries, Britain and the United States".76

Although there is much literature addressing the causes of Musaddeq's fall, "few analysts disagree that the Anglo–American intervention was the immediate cause of his fall".77 Regarding the other causes of his failure, scholars have different views which can be categorised in economic, ideological, and political terms. Apart from these causes, it seems that the most important secondary cause in Musaddeq's fall, as Ramazani has argued, was nationwide factionalism, which "invited the Anglo–American intervention in which the royalist faction fully participated".78

**THE AFTERTHOM OF THE ANGLO–AMERICAN COUP**

Anthony Eden, British Foreign Secretary, said that when he heard that the Musaddeq government had been replaced by the pro-western government of Zahedi under the autocratic rule of the Shah, "I slept better that night".79 Removal of Musaddeq resulted in four major developments. The first was the securing by the US of a considerable share in Iranian oil, while the British monopoly of the Iranian oil industry was ended. One of the main urgent tasks of the new Iranian government was to find a quick solution to the oil dispute. Through American initiatives, particularly those of Dulles and his special oil advisor, Herbert Hoover, an International Consortium was formed in 1954, which was rapidly approved by the Iranian government. In this consortium, five major American oil companies obtained a total of 40 per cent, (8 per cent each), British Petroleum, 40 per cent, Shell, 14 per cent, and C.F.P. of France obtained 6 per cent. "In theory, the consortium was to act as a customer of the National Iranian Oil Company. But in practice, while acknowledging Iranian ownership of the oil industry, the consortium controlled most of Iran's oil, from exploitation to pricing and marketing ....".80 On 6 August 1954 the Times of London wrote: "Clearly, the British Government and the Consortium Companies' negotiations have gone a long way to meet Persian aspirations without prejudicing the essential interests of the companies, old and new ...".81

The second development was the end of the slow progress that Iran had been making since 1906 towards a more representative and democratic form of government. In fact the Musaddeq

76 Ibid., p. IX.
78 Ibid., p. 307-8.
administration made a greater effort "to make laws more democratic" and "to govern the country by the rule of law than any other administration in Iranian history".\textsuperscript{82} Both the United States and Britain felt, however, that 'a stable autocratic monarchy' would better protect their geopolitical and economic interests in Iran than an 'unstable constitutional monarchy' working through a parliamentary democracy. For this reason, while Iran endeavoured to learn to live under the rule of law (1941-53), the experience was aborted as Britain and the United States intervened on the side of Iranian opponents of constitutional government.\textsuperscript{83}

The third development was Iran's deepening dependence on the West and particularly the United States. The Shah's monarchy had been revived by the joint efforts of the British and Americans, and he owed his rule to them. Besides, he faced internal opposition which regarded him and his government as products of foreign intervention, as well as external opposition from radical Arabs and the Soviet Union, who considered him an imperialist tool in the region. As a result, he had to rely on the United States, which had replaced Britain as the major influential power in the world generally and the region in particular. In this context "the regime committed itself to a formal alliance with the West, and tied not only Iran's foreign policy but also the country's socio-economic development to the interests of the capitalist world".\textsuperscript{84} In sum, 'Operation Ajax' marked the beginning of Iran's dependence on the West whereby eventually Iran became a formal pro-Western ally in the region.

The alienation of the Iranian masses, their growing hostility towards the West generally, and the United States in particular, which led to the rupture of Iranian–American relations should be regarded as the fourth development. This motif was to figure prominently in Iran's revolution of 1978-79 in which the slogan of 'Death to the American Shah' was one of the most popular. In fact, Iranians viewed the United States and Britain as interventionist powers which guaranteed the survival of the illegitimate regime of the Shah, and also provided for the continuity of his policies.

FROM THE 1953 COUP UNTIL THE 1979 REVOLUTION

The Shah who began his rule again in 1953 aimed at achieving two objectives: (a) to consolidate his rule at home, and (b) to resist subversive forces in the region. To do so, he adopted a policy of 'positive nationalism' which in reality meant alliance with the West, particularly with

\textsuperscript{84} Saikal, \textit{The Rise and Fall of the Shah}, p. 46.
America. Since he had seen the failure of past policies of neutrality during the two World Wars, and also 'negative equilibrium' during Mosaddeq's regime, he was determined to ally Iran formally with the West. Explaining his policy of 'positive nationalism' the Shah said: "It does not mean non-alignment or sitting on the fence. It means that we make any agreement which is in our interests, regardless of the wishes or policies of others".85 At the same time he pointed out that Iran's interests would be served best by alliance with the United States. He said that "there is a deep and fundamental identity of national interests" between Iran and the United States "which overshadows everything else".86 By alignment with the West, the Shah wanted to strengthen his domestic base through Western economic, military, and technical aid, and to get protection from the West against regional threats from Soviet or radical Arab opposition.

In the context of the Cold War, the West, to strengthen resistance to communist expansion, promoted the formation of a defence system based on regional allies.87 The Shah formally allied Iran with the West through membership in the Baghdad Pact in 1955.88 The other members of the Pact – largely a British-sponsored military and economic alliance – were Britain, Iraq, Turkey, and Pakistan. In the words of Anthony Eden, then British Foreign Secretary, the Pact was based on the "understanding that the whole Middle east, including the Persian Gulf, required to be defended on the frontiers of Iraq, and that this could only be done in co-operation with local forces".89 Although the Pact was originally an anti-communist alliance, each member had its own reasons for joining. For instance, while Iran intended to achieve more security in the region, Pakistan needed the Pact to promote political backing for its conflict with India.

For joining the Baghdad Pact, the Shah came under strong criticism and propaganda attack from the Soviet Union and some Arab radicals such as Egypt under Nasser. Denouncing Iran's decision, the Soviet Union declared that the Pact would serve

the purposes of certain powers which are seeking to turn the countries of the Near and Middle East, Iran included, into their military place d'armes. . . . The situation that is being created by Iran's accession to the aggressive Baghdad bloc is fraught with danger to the frontiers of the Soviet Union. Therefore the Soviet government cannot remain indifferent to Iran's accession.90

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86 Quoted in Saikal, The Rise and Fall of the Shah, p. 57-58.
87 James A. Bill and Robert W. Stookey, Politics and Petroleum, King's Brunswick: Court Communications, 1975, p. 149.
This prompted the Shah to draw even closer to the United States. Furthermore, the 1958 pro-Arab nationalist coup which toppled the pro-Western monarchy in Iraq, coupled with growing Soviet presence in Syria and Egypt, heightened his fear of encirclement by the Soviet Union.91

The new regime in Baghdad withdrew from the Pact, and the alliance was renamed the Central Treaty Organisation (CENTO) in 1958. But the Shah who had became disillusioned with the efficiency of the Pact as a means of resistance to Soviet subversion, and disappointed by American unwillingness to join it92, urged conclusion of a bilateral defence agreement with the USA. Finally in March 1959 an agreement was concluded, under which the United States committed itself to defend Iran against any aggression.

In this context, "Washington acted as a 'Patron power' in upholding and securing the Shah's regime and influencing the direction and substance of its policies in line with Western regional and international interests".93 While the Shah through his close relationship with America felt secure to pursue his domestic and regional policies, especially against growing internal and external opposition, Washington needed Iran as a barrier against Soviet expansion and radical forces in the region.

Meanwhile Iran's alliance with the West followed by three developments were conducive to Iran's becoming a regional power in early 1970s. On 16 January 1968 the British government announced that it would withdraw its forces from the Persian Gulf by the end of 1971. The end of 150 years of British domination and control of the region created a power vacuum in the Gulf. This was more serious for the West, particularly America and Britain when viewed in the light of Soviet military support for radical forces such as those ruling post-coup Iraq.

The second related development was the announcement of the 'Nixon Doctrine' in 1972. Following British withdrawal from the Gulf in 1971 it seemed, from the Western point of view, that the region would fall into the hands of the Soviet Union and its allies in the region. The friendship treaties the Soviet Union signed with Iraq and Egypt, the presence of Soviet troops in Egypt and Somalia in 1972, and deliveries of fairly advanced Soviet weapons to Iraq were

91 Alvin Z. Rubinstein, Soviet Policy Toward Turkey, Iran, and Afghanistan; The Dynamics of Influence, New York: Praeger, 1982, p. 67.
92 While the United States had an active presence in the Baghdad Pact, it did not join it. In fact Washington by staying out of the alliance "did not want to provoke any new Soviet move into the Middle East...". Also the United States in the hope of being popular with countries such as Egypt, and also wishing "to keep whatever chance still remained of working" with them did not join the pact. See Rouhollah K. Ramazani, Iran's Foreign Policy 1941–1973; A Study of Foreign Policy in Modernizing Nations, Charlottesville: University Press of Virginia, 1975, pp. 278-79; and also Eden, Op. Cit., p. 336.
93 Saikal, The Rise and Fall of the Shah, p. 57.
major concerns for the United States. Britain's decision to withdraw coincided with a "moment when Iraq was being put into a position by Soviet arms to assert traditional hegemonic aims".94 It was in this context that Washington needed to maintain a regional balance of power in order to protect Western interests, namely the security of local allies and client regimes, and the flow of oil. To achieve this, it could either intervene directly and act as a balancing force itself, or assist a regional power to do so. Since Washington was involved in the Vietnam war at the time, President Nixon chose the second option, and proclaimed a doctrine intended to reduce direct dependence of regional allies on US forces. Nixon explained that "... they must define the nature of their own security and determine the path for their own progress. For only in this manner will they think of their fate as truly their own".95 The United States opted to rely on Iran to maintain stability in the Gulf, and to sell Iran the advanced weapons and equipment it would need to fulfil its designated role.

The third development was the Shah's vision of the region and his ambition to be the regional power. He had seen the failure of the Baghdad Pact and CENTO to protect the Iraqi monarchy from a coup in 1958, or to support Pakistan in its war with India in 1965, and was determined to improve his own military capacity and become a regional power.96 In his view his domestic and regional objectives could all be achieved by alliance with America, and none could be achieved in any other way.97 Furthermore, becoming the regional power would enable him to settle Iran's disputes with other regional states, such as its border conflict with Iraq, on conditions favouring Iran. So the Shah "made friendship with the United States the starting point of his foreign policy".98 Meanwhile he could play the role of policeman in the Gulf, and protect Western, particularly US, interests. In the words of Anthony Parsons, British ambassador to Tehran in 1974–79, "the Shah adopted foreign and strategic policies which suited the United States (and Britain for that matter); in return, the cornucopia of American arms supplies and political support was opened wide".99 Since the Shah was ready to pay for his American weapons out of oil revenues, American interests in the region could be protected at little or no cost to the US.

Consequently, the convergence of the Shah's ambitions and Western objectives and the "parallelism of interests between the United States and a friendly Iran" provided a situation in which Iran could act as a regional power.100 While the Shah was confident of US support, and

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96 For a detail account of the Shah's vision, see Saikal, The Rise and Fall of the Shah, Chapter V.
98 Ibid., p. 1262.
was in process of building up Iran's military capability through the increasing oil wealth, he defined Iran's regional security interests as reaching beyond the Gulf. He said: "I will not state how many kilometres we have in mind, but anyone who is acquainted with geography and the strategic situation . . . knows what distance from Chah Bahar this limit can reach".  

While Washington was taking over Britain's place in the region, the British government was struggling to preserve Britain's prestige and position in its traditional sphere of influence – the Middle East, particularly the Persian Gulf. At the end of the Second World War its position in the region had appeared stronger than ever, but subsequent events proved that this was not the case. In fact Japan's initial successes in 1941-2 had shown the subjects of the European empires that their foreign overlords could be beaten. Even though the Japanese eventually lost, the boost the initial Japanese advancement gave to nationalism in the colonies meant for the colonial powers that to retain their empires, it would take much more effort and expense than it had before, and raised the question of whether maintaining an empire was worth the cost. In addition, the rise of superpowers, USA and USSR, both of which were far more powerful than any European imperial power, and neither of which had any interest in helping the Europeans keep or recover their empires was the other factor. Furthermore, the War reduced Britain's economic and military strength to the extent that the British government was forced to devalue sterling in 1967 in order to prevent further deterioration of British economy. From World War Two until the British withdrawal from the Persian Gulf the British government adopted different strategies and policies in order to preserve its hegemony and dominance in the region. These included the use of force, formation of defence alliances such as the Baghdad Pact and efforts at conciliating regional nationalism. But by the beginning of the 1970s none of these policies were successful in enabling Britain to maintain its domination; it eventually had to withdraw its forces from the Persian Gulf. The end of "Britain's moment" in the Middle East following the British military withdrawal from East of Suez did not end the British desire to influence events in the region. Therefore from the early 1970s the British attempted to conceal their decline behind the notion of an Anglo–American 'special relationship'. By adhering to this notion, Britain tried to uphold its declining position in international politics. The various British governments since the Second World War "remain convinced that without special access to the United States, Britain would be reduced speedily to the role of a suppliant cooling its heels in the ante-chamber of history". 

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101 BBC Summary of World Broadcasts (SWB), 9 November 1972, Middle East (ME)-4140.  
103 For more information on 'Britain's moment' in the Middle East, see E. Monroe, Britain's Moment in the Middle East: 1914–1956, Baltimore: The John Hopkins Press, 1963, p. 11.  
105 Christopher Coker, "Britain and the New World Order: The Special Relationship in the 1990s", International
This preoccupation with Britain's declining position in international politics and identification with the United States were influenced by the British perception of a history of two centuries of an empire on which 'the sun never set'. It was this relationship that inevitably influenced British foreign policy towards the Middle East.

Not unnaturally, having opted for a close association with the US, Britain also had to bear considerable responsibility for American policies in the region. The identification by which Britain would extend moral and physical support to the United States made British interests secondary targets for regional revolutionaries and nationalists whenever they were not able to assault American interests. A clear example of this was the attack on the British embassy in Tehran during the revolutionary period of 1978–1979 when the road to the US embassy had been blocked. Anthony Parsons, the last British ambassador to pre-revolutionary Iran (1974–79), explained that the British embassy was attacked on 5 November 1978 as the British were "the best substitute for the Americans that they could find".106 He added:

The American embassy was heavily guarded and a difficult target; we were neither. Politically it was well known that we and the Americans were supporting the Shah, and the British government had made no secret of their support; it was therefore logical that a strike should be made at the softer target.107

The next day, Ayatollah Khomeini from Paris spoke of the "deep-rooted hatred" of the Iranian people for the British government.108 In the eyes of Iranian people, Britain was responsible for the re-establishment of the Shah's dictatorship in 1953, and it was Britain together with the United States which had enabled the Shah's regime to survive. The presence of around 20,000 British subjects in Iran by late 1975, the existence of British Council centres in Tehran, Shiraz, Ahwaz, Mashhad, and Tabriz, and the existence of many British military teams in Iranian cities were indicative of the importance of Iran as a strategic asset for Britain. In addition, Britain was one of the major sources of arms for the Shah's regime. Between 1965 and 1970, Iran purchased $1.6 billion worth of military hardware from the West, and another $1 billion worth of weaponry was ordered in 1971–72.109 Altogether, the Shah purchased from Britain 1297 Chieftain Tanks, 250 Scorpion Tanks, 4 Guided Missile Frigates, 10 Hovercrafts, and 4 Minesweepers in the period between 1965 and 1979.110 Also during 1974–78 Iran was

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107 Ibid., p. 98. For more details of the attack on the British embassy, see Parsons, pp. 93–98.
Britain's largest export market in the Middle East. Furthermore, Iran's diplomacy was always on the US and British side:

In the 1973 Middle East war ... Iran was the only country bordering the Soviet Union not to permit the Soviets use of its air space ... . The Shah absorbed the energies of radical Arab neighbours to prevent them from threatening the moderate regimes in Saudi Arabia, Jordan, and the Persian Gulf. ... He never used his control of oil to bring political pressure; he never joined any oil embargo against the West or Israel.111

It was for these reasons that Parsons stated:

There was no doubt that the continuation of the Shah's regime . . . (was) in our interests. We would be unlikely to see another regime in Iran whose commercial, foreign and strategic policies would be more favourable to our own objectives, and with which we could share so intimate a working relationship.112

As Parsons argued "the British stake in Iran had become so important by the mid-1970s that a collapse of the regime would be of direct concern to British national interests".113 To secure and enhance these interests Britain extended its full support to the Shah whenever he needed it. David Owen, Secretary of State for Foreign and Commonwealth Affairs in a keynote statement in the House of Commons on 6 November 1978, defended his government's policy in supporting the Shah. Owen described the Shah as Britain's ally and friend and said:

It would not be in the interests of this country or the West for the Shah to be toppled. Can you simply take their money, sell them tanks, which you do for a strategic interest, sell them cars, persuade them to hold down the oil price in the world, generally exert influence with them, and then when they come under attack just back off.114


112 Ibid., p. 18.

113 Ibid., p. 140.

Meanwhile, Zbigniew Brzezinski, National Security Adviser to US President Jimmy Carter, had passed the Shah his word of absolute support in coping with internal dissent. Although London reaped maximum rewards from its support, it left the Iranian people and post-revolutionary leaders resentful towards Britain and its policies. Following the overthrow of the Shah and the establishment of the Islamic Republic in February 1979, post-revolutionary leaders identified Britain as enemy number two, second only to the United States.

115 Ibid.
INTRODUCTION

To grasp the nature of the relationship between post-revolutionary Iran and Britain, it is important to understand the broader picture of Iranian foreign policy since 1979. This chapter will set the appropriate context through locating key policy changes and new foreign policy orientation in post-revolutionary Iran. This will be achieved by discussing first, the major tenets of political Islam and post-revolutionary Iranian ideology; second, the relationship between Islam and foreign policy trends in Iran since the revolution; third, post-revolutionary Iran's world view and its impact on foreign policy; fourth, the ways in which Iran's domestic politics in the 1980s impacted upon the practical implementation of foreign policy.

THE ESTABLISHMENT OF IRAN'S ISLAMIC GOVERNMENT

The Iranian Islamic Revolution is an event through which Islam has been redefined from a universal religion to a political ideology, with a claim by Iranian Islamic leaders that Islam has requirements and abilities to form an Islamic state and provides the idea and method for a social order. Although the conceptual roots of this claim are embedded in the work of such past architects of revolutionary Pan-Islamism as Jamal al-Din al-Afghani, Mohammad Abduh, and Rashid Ridah, the Iranian revolution's "re-definition of Islam from a religion promising salvation in the other world to an ideology harbouring utopia in this world is perhaps the single most important feature of Muslim collective consciousness in modern times".

Viewing Islam and religious authority as primary, and the state as their instrument, Ayatollah Khomeini and his followers argued that religious authority should form the government, and that political authority was an instrument for the application of religious authority in society. Adhering to the unity of religion and politics, they believed that the government had to be

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1 Al-Afghani: (1838-1897), Abduh: (1849-1905), Ridah: (1865-1935).
Islamic and religious in its leadership. From their point of view, an Islamic polity was one in which Islam and its authority had been applied in all aspects of society such as government, education, legislation and the judicial system. Furthermore, they stressed that Islam had all the requirements and capacity to manage a government and direct the domestic affairs and foreign relations of an Islamic society.

Ayatollah Khomeini clarified his version of the role of Islam in a society and the nature of an Islamic government long before he was exiled to Iraq in the mid-1960s. In his book, *Velayat-e Faqih ya Hokoomat-e Islami* (Supreme Jurisprudence or The Islamic Government), he argued that Islam had rules and laws for all aspects of an Islamic community. As Islam had regulated spiritual and individual affairs, he argued that it had also brought rules for social and governmental affairs. He believed that the separation of religion from the state was a colonial ploy and a conspiracy to prevent Muslims from determining affairs in their own societies.

Ayatollah Khomeini singled out a number of reasons by which he had attempted to demonstrate the necessity of establishing an Islamic government. He argued that it was necessary for implementation of the Islamic laws and rules in order to meet the ultimate purpose of having law and rule which is *Islah and Sa'adat* (Reform and Happiness) for human beings. Referring to history, he provided the example of the Prophet Mohammad, the first person in the history of Islam to undertake the implementation of Islamic laws, the establishment of ordinances, and the administration of society, thereby bringing into existence the Islamic state. He was of the belief that the nature of Islamic laws concerning crime, taxation, international relations, and economics underlined the necessity of establishing an Islamic government, because without such a government and an executive body the Islamic laws could not be implemented. Furthermore, he stressed that those Islamic laws which were related to the protection and preservation of Islam and its territories necessitate the establishment of Islamic government. The unity of Muslims throughout the world as the Muslim *Ummah* (Muslim Nations), one of the most important elements of Islamic universalism as praised by Ayatollah Khomeini, is regarded as another reason for the necessity of Islamic government. He argued that in order to unite Muslims throughout the

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4 For the discussion on different approaches to understanding the role of Islam in society, see Mohammad Reza Saidabadi, "Islam and Foreign Policy in the Contemporary Secular World: The Case of Post-Revolutionary Iran", *Pacifica Review*, Vol. 8, No. 2, November/December 1996, pp. 32-34.


6 It should be noted that the primary concern of Ayatollah Khomeini was *Shi'ite* Islam.


world, Muslims should uproot unjust, corrupt and un-Islamic rulers in Islamic countries, and bring about truly Islamic governments. Finally, he stated that Islam was not only for happiness of Muslims, but it was the supporter of all oppressed people. So it was necessary to set up an Islamic government in order to help oppressed people throughout the world achieve their lawful rights.9

In line with Ayatollah Khomeini's argument, many other religious scholars of the Islamic Republic of Iran believe that the necessity of Islamic government is based on several premises which can be understood through two respected principal Islamic sources; the Qur'an and the tradition of the Prophet Mohammad (Sunnah). Rejecting the idea that Islam is merely a collection of injunctions pertaining to man's relations to God and individual behaviour, they argue that the number of Quranic verses concerning social affairs is several times more than those which are concerned with ritual worship.10 It is for this reason that "so many voluminous scholarly books have been compiled from the earliest times on different areas of Islamic law, such as judicial procedure, economic transactions, penal laws, retribution, public and private law, international law, etc".11 They conclude that since Muslims believe that the laws and ordinances of Islam are perpetual, not limited to a specific time or place, the application of Islamic laws and ordinances of Islam in a Muslim society by an Islamic state is necessary in all times.12

The term Da’wa is the other issue used to demonstrate the necessity of an Islamic state. This term literally means asking, inviting, preaching, and leading.13 Da’wa in its broadest sense means struggle and hard work to build a society based on Islamic values. Da’wa in Islamic literature is a process which calls for righteousness, enjoyment of justice, and forbidding of evil. Therefore, it is a never-ending process to carry out a more just and egalitarian social reconstruction.14 Da’wa in Islam is originally based on the doctrine of al-Amr bi al-Ma’roof va al-Nahy an al-Munkar which means encouraging and spreading Islam, preaching, enjoying what is right, and forbidding and stopping what is wrong. There is a consensus amongst Muslim scholars that this principle is a religious duty which has been commanded (Wajib) for any Muslim. Implementation of this principle in its broadest scope, in a Muslim society, means that decision-making, legislation, the judicial system and the executive body have to be based on Islamic law in order to guarantee the fulfilment of Da’wa and its doctrine.

9 For more details see Imam Khomeini, Velayat-e Faqih, pp. 26-50.
11 Ibid., p. 80.
12 For more elaboration on the issue, see Ibid., pp. 79-84.
As history testifies, religious scholars refer to the life of the Prophet, who conducted his Islamic Da’wa in several stages. Thus, the life of the Prophet and his Da’wa show that the establishment of an Islamic state is an essential instrument of Da’wa, and every Muslim is commanded to try to fulfil this duty.

Given the necessity to establish an Islamic state, as is inherent in Ayatollah Khomeini’s and his followers’ prescription, it is important to discuss how this prescription has been reflected in post-1979 Iran’s political system. Although many scholars have stressed different reasons for the downfall of the Pahlavi regime, and each has viewed the revolution from a different perspective, the fact is that religion did have a major role to play in the 1979 revolution. The revolution was underlined by 1) a religion-based upheaval against a secular government; 2) a grass-roots revolt against rapid modernisation and Westernisation; 3) a public protest caused by inflation, unemployment, and economic distress; 4) a defiance of the Shah’s autocratic and oppressive rule by the populace. Regardless of what precisely caused the Iranian revolution, the latter opened the way for the transformation of Iran into an Islamic Republic under the spiritual-political leadership of Ayatollah Khomeini as Supreme Jurisprudent.

The Constitution of the Islamic Republic, the most important framework for conduct of Iran’s domestic and foreign policies, sanctifies the role of Islam, religious authority, and newly founded religious institutions in post-revolutionary Iran. It describes the Islamic Republic as "a system based on the belief in ... religious leadership and continuous guidance, and its fundamental role in the permanency of Islam’s Revolution". It states that in the absence of any appointed Imam directly from God, "the governance and leadership of the nation (Ummah) develop upon the just and pious Faqih who is acquainted with the circumstances of his age; courageous, resourceful, and possessed of administrative ability". The duties and powers of the religious leader are stated in Principle 110. They include: determining the principal policies of the Islamic Republic; approving the elected president’s credentials; dismissing him if the supreme court has found him politically incompetent or in violation of

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15 These stages included asking his close relatives, Qur’an 26:214; asking the public, Qur’an 11:112; establishing the Islamic state in Medina, Qur’an 33:21; and finally spreading Islam throughout the world.
17 For more reading on the role of religion in Iran’s revolution, see Amr Sabet, "Islamic Iran: A Paradigmatic Response to Modernity", The Iranian Journal of International Affairs, Vol. VII, No. 1, Spring 1995, p. 76.
19 The Constitution of Islamic Republic of Iran (IRI), Principle 2.
his duties towards Parliament (Majlis); and appointing the highest judicial authority and the Islamic jurists on the Council of Guardians, which vets all legislation passed by the Majlis. As Commander-in-Chief of all armed forces, he has the authority to appoint or dismiss the Chief of General Staff and the commanders of the military's three branches and of the Islamic Revolutionary Guard corps, and declare war or peace.\footnote{Dilip Hiro, \textit{Iran Under the Ayatollahs}, London: Routledge & Kegan Paul, 1985, p. 120.}

According to the Constitution, the Majlis cannot legislate any law which is in conflict with Islamic laws or the Constitution. The Council of Guardians is responsible for determining whether the laws passed by the Majlis are Islamic or not.\footnote{The Constitution of IRI, Principle 72.} The Majlis must send all its legislation and laws to the Council; of its twelve members, six are jurists (\textit{Faqihs}) appointed by the leader, and the other six lawyers elected by the Majlis. Principle 93 explains that without the existence of the Council of Guardians the Majlis has no legitimacy. Furthermore, all court judges are duty bound not to apply any administrative or executive laws which contradict the ordinances of Islam.\footnote{The Constitution of IRI, Principle 170.}

**POST-REVOLUTIONARY IRAN'S FOREIGN POLICY**

There is a vast literature examining different factors affecting the external behaviour of a sovereign state. In analysing a state's foreign policy behaviour, scholars focus on domestic and external factors with different degrees of importance.\footnote{For more reading on this issue, see Patrick Callahan, et al. "Properties of the Predecisional context", in Patrick Callahan, et al. (eds.), \textit{Describing Foreign Policy Behaviour}, Beverly Hills: SAGE Publications, 1982, p. 73. On factors affecting state external behaviour, see Hans J. Morgenthau, \textit{Politics Among Nations}, New York: Alfred A. Knopf, 1985; James N. Rosenau, \textit{The Scientific Study of Foreign Policy}, New York: The Free Press, 1971; and James N. Rosenau (ed.), \textit{International Politics and Foreign Policy}, New York: Wolfram F. Hanrieder, 1971.} However, there is a consensus that the interplay of internal and external factors determines and forms a state's foreign policy action. William Chittick distinguishes the field of foreign policy from the fields of domestic and international politics. Then he identifies foreign policy as the linkage between and intersection of these two fields, and describes foreign policy as the nexus between the domestic and external aspects of state affairs.\footnote{William O. Chittick, "The Scientific Study of Foreign Policy", in William O. Chittick (ed.), \textit{The Analysis of Foreign Policy Outputs}, Ohio: Charles E. Merrill Publishing Company, 1975, pp. 1-24.} Based on this definition, the remainder of this section looks at Iran's post-revolutionary foreign policy.

Iran's foreign policy orientation, under both the Pahlavi dynasty and the Islamic Republic, has been shaped by some general factors which are related to Iran's internal and international characteristics. These include geographic location, historical experience, the ideology of the
regime, resource constraints, domestic political context, and the external environment in which Iran is acting. The geographic and geo-strategic location of Iran have ensured that its only access to the sea is through the Persian Gulf in the south. This underlines Iran's preoccupation with its position there. Despite sharing ethnic and linguistic ties with countries such as Afghanistan and Tajikistan, Iran has still found itself isolated by virtue of its religious sectarian identification. Iran's separation from the Arab world and Turkey by ethnic, linguistic and sectarian barriers, has further exacerbated Iran's isolation. Thus, by adopting different policies, under the Shah and since the revolution, Iran has attempted to break out of this isolation. Iran's location as the land access to the Persian Gulf for Russia, and its position as the most important buffer zone for Britain against Russian expansion towards the Gulf and India in the eighteenth and nineteenth centuries placed the country at the heart of Anglo-Russian rivalry. The change of regime in Russia in 1917 and the replacement of Britain by the United States after the Second World War did not end great-power rivalry, as Anglo-Russian rivalry was replaced by US-Soviet rivalry. Nevertheless, Iran's geo-strategic location has made its foreign policy orientation vulnerable and susceptible to the requirements of international politics and great power rivalry.

Historical experiences and memories have had a great impact on Iran's foreign policy. They have been shaped by Iran's "territorial contraction, its political, economic, and cultural domination by others, and its national humiliation". As was pointed out in the previous chapters, the Russo-Iranian conflict in the nineteenth century led to two wars and resulted in two treaties, Gulistan in 1813 and Turkmanchai in 1828. These treaties resulted in the loss of Iran's northern territories, and the grant of extra-territorial privileges to Russian subjects. This loss generated national humiliation and feelings of national dishonour. By the same token, British interests in Iran and the Persian Gulf, and also defence of India, were achieved at Iran's expense. In sum, foreign intervention and national humiliation in Iran's history created a strong desire for independence which often led to unrealistic and inflexible policies. Dr Mosaddeq's recalcitrant and uncompromising approach towards Britain in the settlement of Anglo-Iranian oil conflict of 1951, Iran's refusal to accept a negotiated peace with Iraq in the 1980s, and its constant insistence on the overthrow of Saddam Hussein's regime until July 1988 are examples of this.

As for the role of ideology, during the Pahlavi period, Iranian nationalism defined not as "a sense of loyalty to an entity called Iran" but as "a cult of the monarchy, with the person of the monarch as the repository of highest virtue" affected the character of Iran's external

26 For the study of these factors and their impacts on Iran's foreign policy, see Shireen T. Hunter, Iran and the World Continuity in a Revolutionary Decade, Bloomington & Indianapolis: Indiana University Press, 1990, pp. 6-20.
27 Ibid., p. 8.
28 Ibid., p. 12.
behaviour and directed its international relations. Under the Islamic Republic, Iran's foreign policy orientation has been largely based on Islamic ideology. However, in both periods, Iranian nationalism and Islam impacted, in one way or another, Iran's foreign policy. So the relative ascendancy of nationalism or Islam, or their combination in the form of Islamic Iranian nationalism as the regime's ideology, has produced different orientations in Iran's foreign policy.

With regard to economic, military, and infrastructural factors, as Dessouki and Korany have argued, one of the major issues that developing countries face in the conduct of their foreign policies is the contradiction between the need for foreign aid and the maintenance of national independence. From the early nineteenth century, Iran needed foreign economic, military and technological assistance. It was for this reason that Iran allied with Napoleonic France in the early nineteenth century, Reza Shah Pahlavi developed a close relationship with Germany, and his son, Mohammad Reza Shah, made an alliance with the United States. It is obvious that these alliances had a major impact on Iran's foreign policy and indeed limited its foreign policy choices. Post-revolutionary Iran after the end of the Iran-Iraq War and especially in the 1990s needed foreign aid and credit to resuscitate Iran's economy. For this reason the Iranian Islamic leaders were forced to smooth their radical foreign policy and their militancy of the 1980s.

The issue of resources/objectives dilemma is another determinant of Iran's foreign policy. While a major objective of post-revolutionary Iranian foreign policy in the 1980s was continuation of the war with Iraq until the removal of Saddam Hussein's regime, Iran, due to resource constraints mainly as the result of political isolation and arms sanctions, was forced to accept UN resolution 598 in 1988. Meanwhile, the Islamic Republic since the end of the war has been in need of foreign technology and Western economic investment. Given that Iran is in the era of post-war reconstruction, it has had to adjust its foreign policy.

The political stability of a regime also affects its external behaviour. Political instability in the 1950s and 1960s made the Shah's domestic position unpopular. "The Shah chose alliance with the United States partly to protect his rule against the Moscow-supported leftist opposition".29

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30 Dessouki and Korany have underlined three major dilemma for developing countries in the conduct of their foreign policies. These are the aid/independence dilemma, the resources/objectives dilemma, and the security/development dilemma. For more information on these issues, see Ibid., pp. 5-8.
The process of foreign policy decision-making is also important in a country's external behaviour. While during the Pahlavi period the decision-making apparatus was largely a centralised one, based on the Shah's personal decision and his individual perception\(^{33}\) of international issues, under the Islamic Republic the decision-making system is decentralised, and is affected by several institutions. The number of internal sources of influence on Iran's foreign policy since the revolution generally, and during the first decade of revolution in particular, has increased for two main reasons. First, it is characteristic of any revolutionary regime that in its initial phase there is no clear-cut division of responsibilities and duties. Iran's revolutionary regime was no exception, and every official organ or person considered itself or himself entitled to talk about Iran's foreign policy. Furthermore, the various institutionalised decision-making bodies in post-revolutionary Iran, such as Leader's office, the Cabinet, and Parliament, were playing major roles in Iran's foreign policy decision-making. Second, Islam and its Shi'a branch are based on Ijtehad, an act of searching for and obtaining different Islamic rules by qualified religious persons through the principal sources of Islam: the Qur'an, personal wisdom, the words and deeds of the Prophet and the twelve Imams, and the consensus of Ulama. Moreover, under the Islamic Republic which is primarily based on Shi'ite Islam, any qualified person is eligible to search through Islamic sources, explain his version of Islamic foreign policy, and offer his interpretation of an Islamic foreign policy orientation.\(^{34}\)

Finally, a factor which has played a major role in determining Iran's foreign policy choices is the external environment, regional and international, within which Iran exists. These choices can be isolation, non-alignment, and coalition-building or alliance construction.\(^{35}\) As Hunter argues, "the rigid bi-polarity of the post-war years largely dictated Iran's alliance policy, though not the character of its allies".\(^{36}\) The importance of the Persian Gulf region to the West created a situation in which Britain and then the United States maintained a strong presence there. This presence, in turn, limited Iran's foreign policy choices. The Islamic Republic also benefited from the bi-polarity of the world order in the 1980s, as it could follow a more independent foreign policy than the Shah's regime. Prior to the disintegration of the Soviet Union and the end of the Cold War, Iran could play the Soviet Union and the Eastern bloc against the United States and the Western countries. However, the rise of Mikhail Gorbachev and changes in Soviet foreign policy after 1985 led to a new era of détente in superpower relations and their co-operation on most regional issues. It was at this time that Iran failed to


\(^{34}\) For more details, see Bijan Izadi, Syasat-e Khareji-e Jomhoori-e Islami-e Iran (in Persian), [Foreign policy of the Islamic Republic of Iran], Qom: Markaz-e Entesharat-e Daftar-e Tablighat-e Islami-e Houzay-e Elmiya-e Qom, 1992, pp. 168-171.


dissuade the United States from reflagging Kuwaiti tankers just by charting closer relations with the Soviet Union in 1987–88. Although Iran is the largest and potentially most powerful state in the region, the introduction of outside forces into the region, especially after the Kuwait War of 1991, limits Iran's ability to follow its own agenda and policy there.

**POST-REVOLUTIONARY IRAN'S WORLD VIEW**

The past history of the Islamic Republic of Iran, particularly its first decade under the direct leadership of Ayatollah Khomeini, has shown that it attempted to offer its own version of international order and justice. Meanwhile, post-revolutionary Iran's world view is rooted in the notion of Islamic world order. This notion, and the Islamic Republic's attempts to apply it to its foreign policy, have been in contradiction with the prevailing Western view of international order. The American hostage crisis of 1979, Iran's involvement in Lebanon, and the passing of the *Fatwa* on Salman Rushdie in 1989, are but a few examples of the consequences of that notion which surfaced in Iran's foreign policy. Thus, it can be argued that the clash on the world stage between Iran's unique interpretation of Islamic world order and the existing Western-dominated international system has produced explosive effects. However, there is no better way to examine post-revolutionary Iran's world view than to understand Ayatollah Khomeini's perception of the international order, and his version of Islamic world order.

The Ayatollah's perception was rooted in Tawhid (monotheism). Islamic monotheism refers to one God, one community of believers (*Ummah*) and one path to salvation, Islam. Ayatollah Khomeini believed that men have to submit only to God, and should obey no-one else. He explained that other ideologies are unacceptable for a true believer as a solution to problems. He therefore rejected the legitimacy of Eastern and Western ideologies as artificial and materialistic. He continued that happiness and progress of human beings and societies are conditioned by their obedience to God's sovereignty and his rules. He argued that people must fight other alien ideologies and free themselves and their societies from them in order to be true believers, and emphasised that men have to stand against colonial and arrogant powers which are barriers to submission to God and his rules.

Believing in Islamic universalism, Ayatollah Khomeini stressed that Islam is not restricted to


38 Monotheism in Islam is so important that Qur'an addresses it on several occasions; Sura al-Baqara, No. 163; Sura al-Nahl, No. 22; Sura al-Moa'menoon, Nos. 91-92; Sura al-Safat, No. 4; Sura al-Ekhlas, No. 1; Sura al-Forqan, Nos. 61-61; Sura al-Omran, No. 180.

one nation, colour or race. Islam is the straight path for the glory and happiness of humanity, regardless of colour, race, and culture. Ayatollah Khomeini's Islamic world order was also rooted in his belief that the present international order and international organisations are not just. He argued that the present international order works only for the interests of big powers, and that international organisations such as the United Nations, and issues such as Human Rights, were tools in the hands of superpowers to use against small countries. He said that the most important problem of the world is dominance by superpowers and dependent rulers who rule for the interests of the superpowers and neglect their people's rights and interests.

Furthermore, Ayatollah Khomeini argued that through its economic and political organs and rules the unjust system of world order has produced two distinctive groups: Mostakberin (arrogant, oppressors or exploiters) and Mostazafin (downtrodden, oppressed or exploited). He believed that the first group has power and uses it to dominate and exploit the second, that all prophets were chosen from the downtrodden group by God and one of their primary duties has been to free Mostazafin from Mostakberin. He maintained that all the downtrodden throughout the world should unite and prevent oppressors from more exploitation and oppression.

On the role of foreign powers and colonial forces, he believed categorically that all the Muslim countries' misfortunes, weaknesses and underdevelopment are the results of foreign conspiracies. He also stated that Western and Eastern colonialism are united to destroy any independent-minded Islamic polity in order to plunder Muslims' wealth. He argued that big powers divided Dar-al Islam (Territory of Islam) into different parts with different names and various nations. He even elaborated that it was the result of a conspiracy by arrogant powers that the Ottoman Islamic state was divided, providing the superpowers with more opportunity to plunder the Muslims' wealth.

From Khomeini's perspective, the solution to the misfortunes, weaknesses and problems of Mostazafin generally, and Muslims in particular is unity against Mostakberin and formation of a united front against the arrogant powers. This is regarded as another precept of the Ayatollah's concept of Islamic world order. To meet this objective, he argued, Muslims should

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40 Imam Khomeini's speech to a group of Saudi Arabian students resident in Iran, 1979, Sahifay-e Noor, Vol. 10, p. 115.
41 Ayatollah Khomeini's message to the martyred and disabled families of Islamic revolution, 1982, Sahifay-e Noor, Vol. 17, pp. 189-190; see also Sahifay-e Noor, Vol. 17, pp. 70-71, and Vol. 18, pp. 63-64.
42 Imam Khomeini, Velayat-e Fagih, pp. 42-43.
43 For more details, see Sahifay-e Noor, Vol. 8, pp. 177-178 and also Ayatollah Khomeini's speech to a Libyan delegation to Tehran, 1979, Sahifay-e Noor, Vol. 6, p. 71.
uproot their dependent and dictatorial rulers in order to achieve unity.45

Finally, the nexus of these precepts, which formed Ayatollah Khomeini's Islamic world order, is Iran's international role. He believed that Iran, as the only true Islamic state in the world, has a specific role in leading, regulating, and instituting the Islamic world order. This special role is seen in the notion of Sodoor-e Enghelab (Export of Revolution). Iran's international duties, he argued, were first spreading Islam's message to the world,46 and second, facilitating world-wide unity of Muslims.47

APPROACHES TO THE CONDUCT OF IRANIAN FOREIGN POLICY

One of the most controversial principles in the Iranian Islamic regime's foreign policy is its support of all Muslims' rights, and of all the downtrodden (Mostazafin) in their struggle against injustice throughout the world. The manifestation of this principle can be traced in one of the major objectives of Iran's foreign policy: 'Export of Revolution'. The Iranian Constitution addresses the importance of this principle.48 With reference to the Prophet's order "to help the oppressed" and also his statement that "a believer to another believer is like a building whose different parts reinforce each other"49, it is argued that Muslims throughout the world are all one nation (Ummah al-Islamiyya). Implementation of this principle in Iranian foreign policy sometimes contradicts some other principles such as the preservation of Iran as Omm-al Qora or Dar-al Islam (the Territory of Islam)50 and of having peaceful relations with other countries.51 To resolve this possible contradiction, there are four broad approaches

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46 For more details, see Sahifay-e Noor, Vol. 18, pp. 102-103; and also Vol. 12, p. 283.
47 On this issue, see A'iiin-e Enghelab-e Islami; Gozidayi az Andishahava A'ra-e Imam Khomeini (in Persian), [Blueprint of the Islamic Revolution; Selection of Imam Khomeini's Thoughts and Views], Tehran: Moassesay-e Taznun va Nashr-e Asar-e Imam Khomeini, 1994, pp. 394-403.
50 Several Islamic principles are fundamental in shaping the post-revolutionary Iranian foreign policy. These are: preservation and protection of the Islamic state (Dar-śl Islam or Omml Qora), refusal of any foreign non-Muslim domination in any aspect of an Islamic society (Nafy- Sabil), rules of expediency and ability (Maslehat), dissemination of Islamic values to the world (Da'wa), attraction of other countries toward the Islamic state and oblige them morally to pursue a friendly and positive policy towards the Islamic government (Talif-e Qoloob), and support for all Muslims' right and all the downtrodden in their struggle against injustice throughout the world (Sodoor-e Enghelab). For Islamic principles of post-revolutionary Iranian foreign policy, see Ali Qazvini, "Bahsi dar Baray-e Syasat-e Khareji-e Islam: Pejoheshi dar Boad-e Feqhi-e Syasat-e Khareji-e Iran" (in Persian), [A Discussion on Islamic Foreign Policy: A Study on the Islamic Roots of Iranian Foreign Policy], Majallay-e Syasat-e Khareji (in Persian), [Journal of Foreign Policy], Spring 1995, Vol. IX, pp. 60-67. Also see Ali Qaderi, "Tahrv-e Tahghigh-e Mabani-e Syasat-e Khareji-e Islam" (in Persian), [Introduction to the Islamic Foreign Policy], Majallay-e Syasat-e Khareji, No. 2, 1987.
51 Ali Akbar Velayati, Iran's Minister of Foreign Affairs, believes that as the Islamic government of Iran has a message for the world, it is necessary to have relations with other countries. He continues that through this
dealing with priorities and preferences in post-revolutionary Iranian foreign policy.

The first approach argues that everything should be used for the well-being, development, and progress of Iran in the world. Supporters of this approach who can be called 'nationalists' believe that the ultimate purpose of commitment to Islam by Iranians is to make Iran more prosperous and to bring progress. They argue that if the Islamic Republic attempts to export its revolution throughout the world, and supports other Islamic movements, it is for the purpose of gaining more influence for Iran in the world. If Iran has an ideological and popular base in Lebanon, if it invests in Afghanistan, and if it has religious influence in Pakistan, it is for the achievement of greater influence beyond its frontiers. The advocates of this approach believe that when implementation of the Islamic principle of support of other Muslims and their movements throughout the world is not in conformity with the well-being, development, and progress of Iran, then it should be neglected. Mehdi Bazargan's words reflected this approach as he believed "in serving Iran by means of Islam".

The second approach focuses on the responsibility and ability of the Islamic State. Referring to present international conventions and treaties which are related to the contemporary frontiers of countries, and to the existence of separate and independent states, supporters of this approach who are among 'Islamist pragmatists' argue that it is evident that in this situation, whether just or unjust, the ability of the Islamic Republic is limited. They continue that as ability and responsibility are interrelated, wherever ability is limited, so is responsibility. They conclude that given Iran's constraints, Iran is not responsible for all the difficulties and shortcomings of the Muslim world. In this regard, Iran as an Islamic State will sympathise with other Muslims' troubles, and defend their rights wherever it is possible, such as in regional and international conferences. They believe that after attempting to make Iran as Omm-al Qora strong, prosperous, and without difficulties, then Iran should assist other Muslims in the world if ability and capacity allow. Accepting the reality of the state of present affairs, Ali Akbar Hashemi Rafsanjani points out: "we do not always have the power to choose. ... In some cases, we may be limited and we may have to forge some of these principles".

The third approach which is also supported by 'Islamist pragmatists' is based on the 'Doctrine perception of Islam and Islamic government, policy of isolation is not permitted for the Islamic Republic. For more details see, Ali Akbar Velayati, "Sar Aghaz" (in Persian), [The Beginning], Majallay-e Syasat-e Khareji, No. 1, 1986, p. 3. These approaches have been broadly discussed in Izadi, Op. Cit., pp. 65-80. 53 54 Cited in R. K. Ramazani, "Iran's Foreign Policy: Contending Orientations", The Middle East Journal, Vol. 43, No. 2, Spring 1989, p. 205. 55 Foreign Broadcast Information Service (FBIS), South Asia (SA), 17 April 1987.
of Omm-al Qora'. This approach is founded on the basis of establishment of an Islamic State responsible for all Muslim nations (Ummah al-Islamiyya), with a capacity to act as a vanguard of all Islamic movements under the guidance of a religious leader. The Islamic State with these requirements is responsible for an Islamic 'United Nations' and the influence of its leadership has a universal dimension. This approach explains that the Islamic Republic of Iran and the Muslim Nations have responsibilities to each other. The responsibility of Iran towards all Muslims throughout the world is that whenever they struggle to achieve their rights, Omm-al Qora has to assist them politically, financially, and morally. The followers of this approach believe that all unjust powers in the world will attempt to destroy the Islamic State of Iran. But the responsibility of the Muslim nations is that whenever Iran comes under attack by these powers, they must support Iran as much as possible. In case of a contradiction between Iran's support of the Muslim nations and the existence of Iran as Omm-al Qora itself, it is said that the preservation and existence of Iran takes precedence. Mohammad Javad Larijani, an 'Islamist pragmatist', and the founder of the concept of Omm-al Qora believes that in case of conflict between the revolutionary principles and the system of the Islamic Republic, priority should be given to the system.

The last approach argues that Iran's foreign policy makers are bound by the duty to determine Iran's foreign policy in accordance with Islamic principles, without thought for long or short-term consequences. Supporters of this approach who can be named 'Islamist idealists' believe that the conduct of Iran's foreign policy should not take the current realities of the world into account. Where implementation of the principle of Iran's support for all Muslims' rights and Iran's assistance to them conflicts with the principle of preservation of the Islamic Republic of Iran as Omm-al Qora, they give preference to the former principle. Ali Akbar Mohtashemi, an influential 'Islamist idealist' believes that the safeguarding of the revolutionary principles and values should take precedence over that of the Islamic Republic. It should be noted that the Islamic Republic of Iran has experienced already, in one way or another, all these different approaches in its foreign policy.

IRAN'S DOMESTIC POLITICS AND ITS IMPACT ON FOREIGN POLICY

Iran's domestic politics is one of the most important factors affecting post-revolutionary Iran's

57 For details, see "Roundtable: Discussion on Foreign Policy", *Daily Resalat*, 29 October 1995, p. 2.
foreign policy. Iran's domestic politics during the Khomeini era from 1979 to 1989 could be divided into three distinctive phases. The first phase covered the period between Iran's revolution of January 1979 and the seizure of the US Embassy and the hostage crisis in November of that year, hailed as the second revolution by Ayatollah Khomeini. The second phase began with the Presidency of Banisadr, and ended with his fall in June 1981. The third phase continued until the end of Iran–Iraq War in July 1988, followed by Ayatollah Khomeini's death in June 1989.

First phase

Once the revolutionary forces had achieved their sole common objective of expelling the Shah in January 1979, their unity changed to division. Ayatollah Khomeini's uncompromising stance towards the Shah, the use of mosques as effective organisational networks for spreading revolutionary messages, and the popular appeal of the Ayatollah's Islamic message to the Iranian people and its ease of understanding by the masses, enabled him to attract nation-wide mass support by late 1978, and seize the leadership of the anti-Shah movement.  

"This left the secular groups with two choices: either to opt out of the movement or accept Khomeini's leadership. Despite their reservations, they opted for the latter ....". So it was inevitable that the ideological differences and the socio-economic diversity of the anti-Shah coalition came to the surface in the initial phase of post-revolutionary Iran.

After the coalition victory, three broad trends, Islamism, nationalism and leftism emerged, with different levels of mass support, divergent ideologies, and diverse prescriptions for the political and socio-economic reconstruction and orientation of post-Pahlavi Iran. The supporters of each trend had their own hopes and aspirations, and all attempted to secure their own individual vision for the future regime. From the initial victory of the revolution to the seizure of the US Embassy and resultant hostage crisis in November 1979, the revolution witnessed a confrontation between Islamists and nationalists/secularists. The first group was represented generally by the Islamic Republican Party (IRP), and the second by the Freedom Movement (FM) and the National Front. While nationalists/secularists dominated the Provisional Revolutionary Government (PRG), an executive body headed by Mehdi Bazargan, Islamists gained control of the Council of Revolution (CR), which was acting as an interim legislative body.

61 Ibid., p. 20.
Nationalists versus Islamists

Four major factors weakened the position of nationalists and strengthened that of their rival Islamists. The first factor was the PRG's stance which was based on reform, gradual reconstruction and smoothing of the revolutionary approach to resolving difficulties. Essentially, the PRG's prescription to the difficulties, challenges and dangers threatening post-revolutionary Iran domestically and internationally, was elitist. It "was sceptical of the rationality of the demands of the masses ... and suspicious of the unrealistic solutions the populists advocated".62 While the PRG's prescription for post-revolutionary Iran was not well received by the people, the Islamists' response was based on mobilisation of the masses from all classes, especially the alienated, the displaced, and the poor, for protecting the revolution and resolving post-revolutionary Iran's major difficulties.63 In this context, in the initial post-revolutionary phase, Islamists could attract nation-wide support, and the nationalists could not.

The second factor was the establishment of new revolutionary organisations. These included the revolutionary committees (Komitahay-e Enghelab), revolutionary courts, the revolutionary guard, the Foundation for the Disinherited (Bonyad-e Mostazafan), and the Construction Crusade (Jahad-e Sazandegi). All had been set up either on the order or recommendation of Ayatollah Khomeini. The PRG assumed that these newly-created institutions undermined its authority, and this led the Bazargan government to attempt either to bring them under its control or to restrict their scope and power. Meanwhile, the young Islamists in charge of these organisations were prepared to serve and protect the revolution by any means, even if it meant sacrificing their lives. This was the starting point for the creation of mutual suspicion and disharmony between the PRG and the revolutionary organisations which benefited from Ayatollah Khomeini's support and were directed by Islamists. As a result, this alienated more people from the PRG and associated nationalists.

The third factor which played a major role in the Islamists' success was their perception of Islamic government. Although Ayatollah Khomeini had explored the nature of an Islamic government long before his exile in Iraq, his final version of it was a source of controversy between nationalists/secularists and Islamists. In his book, Velayat-e Faqih ya Hokoomat-e Islami, Ayatollah Khomeini had argued that an Islamic state is one in which a Valey-e Faqih (Supreme Jurist) leads the state, and that political power had to be subordinated to Islamic precepts, criteria and objectives. He had urged that the Ulama should bring about an Islamic

63 For more details, see Ibid., pp. 250-253.
state and participate in its legislative, executive and judicial organs. However, the opposition groups to the Shah failed to appreciate the Ayatollah's view, as he had remained silent about this issue during the revolution. Once the revolution succeeded and a new constitution was to be drafted, the Islamists' view on the role of religious authority, in general, and the status of the Faqih, in particular, was that which Ayatollah Khomeini had expounded previously.

In reaction to the opposition to the draft constitution and the boycott of the Assembly of Experts election, mostly by leftists and nationalists, the Islamists (and the Islamic Republican Party specifically), mobilised their forces and obtained a majority in the Assembly of Experts which was responsible for finalising the Constitution. The Assembly then passed the Velayat-e Faqih (Guardianship of the Jurist) provision by an overwhelming majority. The provision granted leadership of post-revolutionary Iran to the just Faqih, and legitimised him as the final arbiter in Iranian politics. The constitution also subjected the future orientation and direction of the Islamic Republic to Islamic guidelines rather than nationalistic principles, thus giving constitutional support and backing to the Islamists.

The fourth factor was the Islamists' and nationalists' differing views on the nature of revolutionary Iran's relations with the West, particularly the United States. While Islamists were suspicious of Washington, and haunted by the memory of the US role in the maintenance and continuity of the Shah's regime, the PRG believed that continuation of a reasonable working relationship with the United States was necessary, and this prompted Bazargan's direct negotiations with President Carter's National Security Advisor, Zbigniew Brzezinski, in Algeria, even though Washington had just admitted the Shah to the United States. This event renewed memories of the 1953 coup and intensified the nation-wide anti-US campaign, thus discrediting the PRG and worsening the nationalists' position and credibility. The seizure of the American Embassy in Tehran and taking of its staff as hostage by the Students Following the Line of the Imam (SFLI), on 4 November 1979, eleven days after the Shah's admission to the USA, and three days after Bazargan's meeting with Brzezinski, marked the beginning of a new phase in Iranian politics.

While Ayatollah Khomeini and the Islamists supported the embassy takeover, the PRG and other secular nationalists such as the National Front condemned it. The Iranian masses at the time were committed to following Ayatollah Khomeini on all issues, and the embassy take-
over was no exception. Meanwhile, the leftists, who also supported the takeover, regarded it as a significant manifestation of the anti-US and anti-imperialist nature of the revolution. So the nationalists were alone in opposing the takeover, which, in turn, allowed them to be depicted as pro-American. While urging that of the two institutions, namely the Council of Revolution and the Provisional Revolutionary Government, one must be dissolved, Bazargan finally found the burden of running the country in this situation unbearable, and resigned two days after the embassy takeover.

During the initial phase between the first revolution, which toppled the Shah's regime and the second revolution, which was marked by the seizure of the US Embassy in November 1979, the main principle of Iran's foreign policy was equilibrium. In this period, Iran's foreign policy was directed by nationalists who were considered as liberals by Islamists. "Under the equilibrium principle, the Iranian government took the international system for granted and tried to protect and promote Iran's national interests by maintaining a balance of power and influence in relation to other states."67

Second phase

During the hostage crisis a referendum held on 2-3 December 1979 ratified the new constitution by an overwhelming majority. This further enhanced the Islamists' position in the political arena at the expense of the nationalists. While the hostage crisis persisted, and Iran was placed under US and Western economic and political sanctions, the Council of Revolution declared the first presidential elections, to be followed by parliamentary (majlis) elections in early 1980. Abolhasan Banisadr, who had a liberal approach to politics, was elected as the first President of the Islamic Republic. The nationalists' dominance of the executive branch was counterbalanced by the Islamists' majority in the Majlis. "Of the 234 deputies, more than 130 were IRP members, almost half were Ulama, and 30 were Mujtaheds [senior Shi'a interpreters of Islamic law]".68

From the beginning, mutual suspicion and disharmony were the hallmarks of the relationship between Banisadr and the Islamists who had control of the Majlis. In the struggle between them issues, such as the hostage crisis, the Iran–Iraq War which had started on 22 September 1980, the handling of various socio-economic problems, and the election of a Prime Minister,

were the major sources of conflict. During the confrontation Ayatollah Khomeini advised both sides on several occasions to restrain themselves, and even ordered the creation of a tripartite conciliatory committee, consisting of the Ayatollah's, Banisadr's and IRP's representatives, to investigate the roots of the conflict. But the situation worsened to the point where the Majlis used its constitutional authority to declare Banisadr incompetent, and called for his impeachment. In this context, Ayatollah Khomeini first dismissed Banisadr as Commander-in-Chief of the armed forces (a responsibility originally and constitutionally belonging to the Ayatollah himself), and second, invoked his constitutional right to dismiss Banisadr from the presidency in June 1981.

The second phase coincided with the introduction of two new principles that replaced the notion of equilibrium. These were 'neither East nor West but the Islamic Republic' and 'export of revolution'. These principles were incorporated into the new Constitution. In this period the dominance of Islamists had a considerable influence on Iran's foreign policy. By that time Iran's foreign policy makers "questioned the very legitimacy of the existing international system, they sought to protect and promote Iran's Islamic interests by rejecting the dominance of both superpowers in the international system and by exporting the Islamic revolution throughout the world."

Leftist groups

In contrast to the secularists/nationalists, the leftists had not been included in the post-revolutionary power structure. Given Islam's deep influence on the Iranian people, the leftist trend had no grass-roots support. In addition, there was an overall perception by the masses that the left had connections to external forces such as the Soviet Union. In post-revolutionary Iran, the left was divided into two distinct groups: those such as Mujahideen Khalq, Fedaiyan Khalq, and Peykar, violently opposed to the new leadership and the establishment of an Islamic Republic, and those who extended qualified support to the new regime, including the Tudeh Party. The latter's support for the new regime, and for the Islamists in particular, however, was based first, on their desire to negate the influence of the secularists/nationalists who wanted to build friendly relations with the United States, and

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69 For more information on these issues, see Asaf Hussain, *Islamic Iran; Revolution and Counter-Revolution*, New York: St. Martin's Press, 1985, pp. 145-160; and also, see Milani, *The making of Iran's Islamic revolution*, pp. 280-294.
73 Ibid., p. 30.
second, on the expectation of having a future stake in the government of Iran. Regardless of their strategies, by the middle of 1983, both factions of the left possessed little influence on the Iranian political scene.

Third phase

Abolhasan Banisadr's dismissal from the Presidency in June 1981 marked the beginning of the third phase in Iran's post-1979 revolutionary foreign policy. This phase ended with the death of Ayatollah Khomeini in June 1989. As a result, the second presidential election was held on 24 July 1981 and Mohammad Ali Raja'i, an Islamist figure, was elected. This marked the end of the secularist/nationalist trend. The third phase "began with the ousting of the 'liberal' wing of the revolutionary coalition from the power elite" 74, and resulted in full and complete Islamist dominance over Iran's political system. From this time onwards, the two tenets of the second phase, 'Neither East nor West but the Islamic Republic' and the 'export of revolution', became the backbone of Iranian foreign policy.

Regarding the first principle, Ayatollah Khomeini stated: "a nation that cries in unison that it wants the Islamic Republic, wants neither East nor West but only an Islamic Republic". 75 In his speech to a group of members of the Amal Movement of Lebanon in 1981, Ayatollah Khomeini said: "we will not compromise with any superpowers. We will go under neither American nor Soviet Union dominance. We are Muslim, and we want to be free and independent". 76 On another occasion he stated that "because Islam is the path of neither East nor West, but it is the straight path, and the Islamic Republic is based on Islam and is not following neither Eastern or Western camp, both camps disagree with and oppose it". 77

Regarding the second principle, export of revolution, Ayatollah Khomeini believed that the Islamic Republic of Iran, as the vanguard of an Islamic revolutionary movement, had a special duty to help not only Muslim countries but also all oppressed nations throughout the world. He said: "we should try hard to export our revolution to the world. We should set aside the thought that we do not export our revolution, because Islam does not regard various Islamic countries differently and is the supporter of all the oppressed peoples of the world". 78

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75 *Foreign Broadcast Information Service* (FBIS), Middle East and North Africa (MEA), 10 December, 1979, p. 29.
77 Ibid., p. 251.
several occasions, he emphasised that the Islamic Republic tried to expand Islam's influence throughout the world and stood against the arrogants' domination of the world. He continued that Iran tried hard to uproot the corrupt roots of Zionism, capitalism and communism, and to destroy regimes founded on these principles. He also stated that Iran's revolution was not confined to Iran, but was the starting point for the great revolution in the Muslim world and it was Iran's duty to share its experiences with all Muslims, as well as oppressed and exploited people of the world. Meanwhile, he stressed more than once that this idea would not be exported by force.

Implementation of these two principles in the third phase of Iran's foreign policy created two different interpretations, producing among Islamists two schools of thought. Although both were revolutionary, and both believed that Islam was the fundamental element of the revolution and politics, they differed in some respects.

The first school, the 'idealists', hoped to establish the 'Islamic world order' immediately, without care for the problems that might be created in Iran's relations with other states. The second school, known as the 'pragmatists', also believed in establishment of an 'Islamic world order', but did not reject the realities of the existing international system. In fact, the former believed that the focus of Iran's foreign policy should be on "the world's people rather than on its governments," whereas the latter took state-to-state relations for granted.

Another significant difference between the two schools of thought in relation to Iran's foreign policy was the means of, and strategies for, exporting the revolution. While the idealists' focus was external, with more emphasis on actions outside Iran, the pragmatists put their weight behind an internal focus, in order to consolidate the base for Iran's further ability to export the revolution.

**Idealists in power**

In the initial phase of the revolution, revolutionary sentiments and public opinion favoured the idealists. The external environment surrounding the newly-born Islamic Republic helped the idealists to dominate Iran's political ascendency and to guide Iran's foreign policy. Following the establishment of an anti-American Islamic government, and then the hostage crisis of 1979, United States' activities in the Persian Gulf increased. Iranian perceptions of these

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80 For example, see A'iiin-e Enghelab-e Islami, pp. 415-419.
activities as intended to contain and ultimately destroy the revolutionary regime intensified Iran's anti-US policy. The Western sanctions imposed following the US Embassy seizure, and then the beginning of the Iran–Iraq War in 1980—a war Iranians saw as imposed by the United States and its Western allies—were other external factors. Both these events were regarded by the Arab states' rulers as elements of instability in the region, and as threats to their governments. This assumption, which hardened with Iraqi attempts to manipulate the Arab world by claiming to be defending Arab unity and integrity, resulted in financial and political support to Iraq by the Arab countries of the Gulf. Iran's political and economic isolation, and the UN Security Council's refusal to take prompt action against Iraq, created the notion amongst Iranians that Iran after its revolution was subject to unfair and even inimical treatment by the international community.82 This feeling enhanced the idealists' position and hardened Iran's foreign policy towards Gulf states, Western European countries and, particularly, the United States.

Export of revolution in the third phase

The above-mentioned external environment surrounding the revolution made idealists certain that through the export of revolution throughout the world, such as the Persian Gulf region, Lebanon, and North Africa, they would be able to defend the revolution. The Iranian leadership also felt that if the revolution did not expand, it would face defeat. Ayatollah Khomeini, in his Iranian New Year message in 1980, stated that as the Iranian revolution belonged to all downtrodden throughout the world, all powers had risen to destroy it. He continued that "if we remain in an enclosed environment, we shall definitely face defeat".83

During the 1980s, besides peaceful means84 for Iran being outward looking, four major occurrences can be regarded as most significant for the export of revolution. These were the US Embassy hostage crisis of 1979, the Iran–Iraq War, Iran's involvement in Lebanon from 1982, and Ayatollah Khomeini's death sentence on Salman Rushdie in 1989. The hostage crisis marked the beginning of a new phase in Iran's domestic and international politics. The

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82 "When Iraq invaded Iran on September 22, 1980, the UN Security Council did not even meet for several days". The first resolution No. 479 of September 28, "while calling for a cessation of hostilities, did not demand Iraqi withdrawal from Iranian territories". See Anthony Parsons, "Iran and Western Europe", Middle East Journal, Vol. 43, No. 2, Spring 1989, pp. 225-226.


84 The peaceful means which the Islamic Republic used them for exporting the revolution were through Tablighat (propaganda), Haj ceremony, Iranian embassies abroad, formation of conferences and so on. For more details of these means, see Ramazani, "Iran's Export of the Revolution" Op. Cit., pp. 54-56; and also see Farhang Rajaei, "Iranian Ideology and Worldview: The Cultural Export of Revolution", in John L. Esposito (ed.), The Iranian Revolution; Its Global Impact, Miami: Florida International University Press, 1990, pp. 71-78; On Ayatollah Khomeini's views of peaceful means for exporting the revolution, see A'iin-e Enghelab-e Islami, pp. 416-421.
event was aimed at harming the United States and American interests in Iran, undermining US prestige and regional influence, and generally challenging the superpowers' might and eliminating their influence from the Islamic world.85

The Iran-Iraq War highlighted yet another means for the export of revolution. When Iran carried the war into Iraqi territory in July 1982, the objective was 'Piroozi-e Nehaie' (final victory). It meant to overthrow Saddam Hussein's regime, replacing it with a regime similar to Iran's. Regardless of the reasons86 which forced Iran to accept a cease-fire in 1988, Ayatollah Khomeini said in February 1989:

Every day of the war we had blessing, which we utilised in all aspects. We exported our revolution to the world through the war; we proved our oppression and the aggressor's tyranny through the war. It was through the war that we unveiled the deceitful face of world-devourers. It was through the war that we recognised our enemies and friends. ... It was through the war that we consolidated the roots of our fruitful Islamic revolution.87

Another avenue for export of revolution was Iran's involvement in Lebanon. Following the Israeli invasion of South Lebanon in 1982, Iran dispatched military forces through Syria to Lebanon, to help Islamic guerrillas against Israel. In this context, the pro-Iranian Shi'a group, Hezballah (Party of God), emerged. "For Iran, the Lebanese situation presented a unique opportunity to prove its pro-Arab and anti-Israeli credentials, to propagate its revolutionary ideology, and to develop a core of supporters".88 Lebanon's special internal conditions and the Israeli invasion made Lebanon most receptive to Iran's Islamic message and influence, largely because of the presence in Lebanon of a large, disaffected, and radicalised Shi'a community, historically connected with Iran. This enabled Iran to spread the Islamic revolutionary message, direct a network of social services, and distribute financial aid among the Shi'ites.89

Finally, Ayatollah Khomeini's death sentence on Salman Rushdie for his book, The Satanic Verses, was used as another means to export the Iranian revolution. Although the Rushdie issue and the Ayatollah's Fatwa came in February 1989 a few months after the end of the Iran-Iraq War and a few months before Ayatollah Khomeini's death, the issue was very similar in form and consequences to the aforementioned three events. The Ayatollah regarded 'The Satanic Verses' as a conspiracy against Islam. He condemned Rushdie as a way to

86 For study of the reasons which forced Iran to accept the cease-fire in 1988 see, "Dalael-e Paziresh-e Ghatnamay-e 598 Shoray-e Amniyat az Taraf-e Iran", Daily Salam, 18 July 1995.
89 Ibid., pp. 123–126.
challenge the anti-Islamic activities of institutions and individuals supported by Western powers. In his speech on 24 February 1989, he said:

The issue of the book ... is that it is a calculated move aimed at rooting out religion and religiousness, and above all, Islam ..... . The issue for them [the Western powers] is not that of defending an individual—the issue for them is to support an anti-Islamic and anti-value current, which has been masterminded by those institutions belonging to Zionism, Britain and the USA which have placed themselves against the Islamic world, through their ignorance and hate.90

The Ayatollah's Fatwa placed him in the forefront of opposition to perceived anti-Islamic and conspiratorial activities. Thus, the Fatwa aimed at enhancing Iran's claim to the leadership of the Muslim world.91

To conclude, Iran's foreign policy orientation and Tehran's relations with the international community in the first decade of revolution was determined by such factors as post-revolutionary Iran's world view, Ayatollah Khomeini's idiosyncratic perception of Islam and the Islamic government, Iran's role in leading and supporting Islamic movements in the world, and Iran's domestic politics. Viewing the international system as Western-dominated, and attempting to introduce an Islamic version of the world order, Iranian leaders rejected the existing state of affairs, and were convinced that their duty was to export their revolution throughout the world. In the first decade of revolution, in addition to Ayatollah Khomeini's ideas and perceptions, the dominance of idealists determined Iran's foreign policy and relations. Also the continuous importance of Islamic ideology and Islamic interests rather than Iran's national interests in foreign policy provided a situation where Tehran inevitably had to maintain its position as defender of Muslims' rights and supporter of Islamic movements. In sum, these issues impacted, in one way or another, on Iranian–British relations in the first decade of the revolution.

91 See Robin Wright, In the Name of God; The Khomeini Decade, London: Bloomsbury, 1990, pp. 200-201, and also Ehteshami, After Khomeini; p. 139.
Chapter 4

Iranian–British Relations: 1979 – 1988

INTRODUCTION

Iranian–British relations from 1979 to the end of the Iran–Iraq War in July 1988 were characterised by tension, political upheaval and instability. This period largely witnessed the emergence of two new 'isms' in the international arena; 'Khomeinism' in Iran (1979–1989) and 'Thatcherism'\(^1\) in Britain (1979–1990). Furthermore, the Iran–Iraq War (1980–1988) which was fundamental to shaping Iranian–British relations, greatly affected Iran's policy towards Britain. However, the dominance of 'idealists' in Iranian politics in this period, except for a short time in the aftermath of the revolution in which 'liberals/nationalists' tried to direct Iran's foreign policy, was a major influencing factor.

The main argument in this chapter is that the Iranians and especially their revolutionary Islamic leaders interpreted British policy towards their country in conspiratorial term. This interpretation, however, was rooted in the conniving nature of British policy towards Iran over past decades and the historical legacy of British intervention in Iran. In addition, London's uncompromising support for the Shah to the very end of his regime had a profound influence on post-revolutionary Iran's relations with Britain. While Britain was partly reaping the fruit of its past history of intervention in Iran, clouding post-revolutionary Iran's relations with Britain from the start, the Iranian perception that British policies towards Iran were designed to suit the position of the US further exacerbated relations between Tehran and London.

LEGACY OF THE PAST

A long history of British intervention in Iran not only failed to enhance Britain's image in Iran but also damaged it. Britain is generally viewed by Iranians as an exploitative power whose involvement has always resulted in Iran's loss. Viewing the British "as the manipulators

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behind the scenes".  Iranians have had a long list of events on which they could draw to be suspicious and possibly resentful of the British. The list includes Britain's exploitation of Iranian oil for over half a century, its intervention in replacing the Qajar with the Pahlavi dynasty in the 1920s, invasion of Iran jointly with the Soviet Union in 1941, involvement in replacing Reza Shah with his son Mohammad Reza after the invasion, and finally British support for the United States in the 1953 coup which overthrew the popular nationalist government of Mohammad Mosaddeq.

Britain's past mistakes from the Iranian point of view were constantly echoed and emphasised by Iran's new Islamic revolutionary leaders. Ayatollah Khomeini, for example, on many occasions before and after the revolution stated that Mohammad Reza Shah's regime was not legitimate, and that like his father, Reza Shah, he was imposed by Britain through the Anglo-American coup of 1953. Ayatollah Khomeini was also very damning of Britain as a colonial power. He ranked Britain as second only to America in causing misfortunes to Iran and Iranians during the Shah's regime, and claimed that only the 1979 revolution had put a stop to Britain's interventionist policies towards Iran.

There is a perception in Iran that British policies have always "hampered [Iran's] development, undermined its independence, and caused the loss of its territory and influence". Although nowadays Britain is a second-rank power, Iranians believe that Britain makes up for this by diplomatically being very shrewd and interventionist. Yet, as Cottam clearly states "nowhere in the world is British cleverness so widely exaggerated as in Iran, and nowhere are the British more hated for it". This exaggerated view was so strongly held that both the Shah and his successors saw British hands in all events, "even those destructive to Pahlavi rule or, indeed, British interests". Sir Denis Wright, British ambassador to Tehran during the 1960s, writes: "despite our weakened position in the world, the British did enjoy a special position in the minds of both high and low and that we are often, without any logical

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reason, given either credit or blame for developments and events beyond our ken". Anthony Parsons, British ambassador to Iran in 1974–1979, stated that in the year of the revolution it became clear that "all Britain's efforts over the previous quarter century to bury the past and construct a normal relationship with Iran . . . had yet to bear fruit". As a result, Britain acquired the status of 'mini-Satan' in Iranian eyes. Given this, the Khomeini leadership, while initially maintaining cautious diplomatic relations with Britain, was unwilling to strengthen them.

Furthermore, the extent of Western states' support for the Shah's regime played an influential role in determining post-revolutionary Iran's foreign policy towards those states. Although this factor has not constantly prevailed in determining Iran's relations with Western powers, it played a prominent role at least in the initial phase of post-revolutionary Iran. Based on a relatively incomplete understanding of events and developments in Iran in early 1979, the British government offered uncompromising support to the Shah. Prime Minister James Callaghan, in his message to the Shah on 16 September 1978, hoped that "the violence will not interrupt Iran's progress towards democracy", and stated that "Iran's stability and prosperity is of key importance to her friends and allies". In an interview in late 1978, David Owen, Secretary of State for Foreign and Commonwealth Affairs, said that it would not be in Britain's interests if the Shah were deposed. In a keynote statement in the House of Commons, he described the Shah as "our ally and our friend".

Against this backdrop, Britain would not find it easy to establish a trouble-free relationship with the new Iranian government. Although Britain recognised the government of Mehdi Bazargan in mid-February 1979, with Owen asserting that this was an acceptance of reality
and should not alarm the Arab states of the Gulf, the good working relations between Britain and revolutionary Iran lasted only until September 1980, when Britain closed its embassy in Tehran. Even during that short period mistrust overshadowed relations, and spying charges against British subjects and missionaries continued. Iran's suspicions of British policy in this period manifested themselves in events such as the attack on, confiscation and closure of Anglican churches, Christian hospitals, and other missions run by British agencies.\textsuperscript{16}

\textbf{THE HOSTAGE CRISIS}

The hostage crisis of November 1979 was a formidable challenge to US foreign policy. The US Embassy in Tehran was attacked and occupied by a group of Iranian students. They seized the Embassy staff as hostages, accusing them of being involved in espionage, and demanding the Shah's extradition from the United States. Ayatollah Khomeini was quick to endorse their action. The crisis, which lasted for 444 days antagonised the American public, prevented the consolidation of a working relationship between Iran and the United States, contributed to President Carter's electoral defeat, and left a bitter legacy that continues to poison US–Iran relations.\textsuperscript{17}

The United States took a number of counter-measures: it halted the shipment of military spare parts to Iran; it banned the import of Iranian oil; it froze Iran's official assets in the United States;\textsuperscript{18} and it approached its Western allies for co-operative measures – for diplomatic support and economic sanctions. Its allies agreed that international law regarding diplomatic immunity should be maintained, and that the Atlantic Alliance had a global aspect which could be directed to defend American honour and credibility in Iran.\textsuperscript{19}

Britain, based on its 'special relationship' with the United States, uttered strong words in support of Washington. Although London was the first among its European partners to extend its support for economic sanctions, it did not, due to economic interests, do anything to prove it. Even when the EC countries eventually decided in May 1980 to take some economic measures against Tehran, Britain broke ranks with its partners in Europe, and instead secured

\textsuperscript{16} On these issues, see Parsons, "Iran and Western Europe", \textit{The Middle East Journal}, p. 221–222.


\textsuperscript{18} These measures were taken by the United States on 8, 12, and 14 November 1979 respectively.

\textsuperscript{19} At a meeting in Brussel on December 13, the Foreign Ministers and representatives of 15 NATO member countries emphasised that "any taking of hostages for any motives whatever, is totally unacceptable and must be firmly opposed by the international community as a whole" and urgently called for the immediate release of the hostages. See \textit{Keesing's Contemporary Archives}, Vol. XXVI, 1989, p. 30208.
its economic interests. In spite of this, the Iranians did not view Britain differently; instead, they perceived it as a driving force behind the EC sanctions, and held London responsible for mobilising the EC's support for the United States.

This perception was rooted in the fact that when the US allies in the early stage of the crisis provided only political backing to Washington, Britain was the first among them to give full support to America's call for economic sanctions. Prime Minister Thatcher told President Carter on 14 December that if he asked for economic sanctions against Iran, "you would expect nothing less and you would get nothing less than our full support". Thatcher's remarks came at a time "when it was by no means clear what attitude America's allies", particularly Britain's partners in the European Community (EC), "were going to take over Iran". But in practice, Britain only joined its EC partners by confirming its support for political and diplomatic efforts, and refusing to introduce trade and financial sanctions against Iran.

America's next move was to use the United Nations to put further pressure on Iran by denouncing Iran's action, and to enforce collective economic sanctions. The United States was successful in securing its first goal, but failed to attain the second, as the Soviet Union vetoed the resolution calling for collective economic sanctions. After America's failure in the Security Council, the Iranian government on 14 January 1980 called on other countries "not to get involved in the United States' political games". The United States severed diplomatic relations with Iran on 7 April 1980, imposed unilateral economic sanctions, and urged its European allies to do likewise.

To show solidarity with the United States, the EC (Britain included) gave political endorsement to the American action, but did not impose sanctions. While emphasising the need for strong backing of President Carter, Thatcher said that Americans "understandably expect solidarity from their allies, and we, for our part, have been giving and will continue to give them our utmost support". Although at that time British trade with Iran was running at only about 25% of the previous year's level, and Britain had shipped neither arms nor spare parts to Iran since early 1980, this was not the result of any unilateral British moves. Rather

21 Ibid., p. 18.
it was due to a "complex series of factors involving the cancellation of contracts and the
general standstill in the Iranian economy" and also "because no orders were in the pipeline"
from Iran.26

Disappointed at America's allies' reluctance to impose economic sanctions, President Carter
criticised those who "ask for protection but are wary of alliance", and those who "ask for
understanding, yet often decline to understand us in return".27 This finally prompted the EC's
Foreign Ministers to act. They met in Luxembourg on 22 April, and adopted a two-stage plan,
initiated by UK Foreign and Commonwealth Secretary Lord Carrington. In the first stage
diplomatic and limited economic measures were to be taken immediately, including: reducing
staff at EC countries' embassies in Tehran and Iranian embassies in EC countries,
reintroducing visa requirements for Iranians travelling to the EC, withholding permission for
new export or service contracts, and placing a formal ban on sales to Iran of arms or defence-
related equipment. If no "decisive progress" in the hostage crisis had been made by 17 May,
these measures would be followed by full-scale trade and economic sanctions, in line with the
UN Security Council resolution which the Soviet Union had vetoed.28

The original British draft of the EC resolution, however, included a call for all members to
end oil purchases from Iran.29 Britain, by then an oil-producing country, was less vulnerable
than its continental allies to a shut-off of Iranian oil. 30 It can be argued that Britain expected
Iranian oil could be replaced, at least for a few weeks or months, by increased output of oil
from the British and Norwegian sectors of the North Sea, from Arab countries of the Gulf,
and from oil sources outside the Middle East. This would, of course, be of short-term
economic benefit to Britain through sales of North Sea oil, but also an effective way to
pressure Iran.

However, Britain was reluctant to take any unilateral practical measures against Iran, and
waited until the EC collectively decided what to do. But at the same time Britain, more than
any other US ally, publicly supported the US call for economic sanctions. One can conclude

26 Ibid.
27 Carter's remark was after the EC's decision in Lisbon on April 10, 1980 which the EC countries declined to
impose economic sanctions or to reduce their embassy staffs, and instead issued a renewed condemnation of the
28 The deadline of 17 May was chosen because first, it coincided with the next EC Foreign Ministers' meeting in
Naples, second, it was shortly after the new Iranian Parliament was due to meet for the first time, third, it enabled
certain members of the EC to pass the required legislation, such as Britain, and third, it gave the Iranian
government time to reconsider its stance. For the full text of the communiqué issued by EC Foreign Ministers,
30 For instance, in March 1980, Britain imported only 275,000 tons of oil from Iran, roughly 3 per cent of its
needs. See Edward Girardet, Elizabeth Pond, and Rushworth M. Kidder, "Europe Gives Soft Answer to Carter
that Britain wanted to protect its political and economic interests, by staying out of economic sanctions but displaying more political support than others in Europe for the USA, as a means to strengthen its 'special relationship' with its powerful ally. Furthermore, Britain attempted to make the EC formula for economic sanctions as harmless to British economic interests as possible.

After the deadline of May 17 passed, and following the failed American attempt to rescue the hostages, the European Community sought to maximise Europe's role in formulating overall Western policies against Iran. As planned at the EC meeting in Luxembourg on 22 April, the informal meeting of EC foreign ministers in Naples on 17 and 18 May 1980 decided on economic sanctions, prohibiting EC countries from supplying Iran with goods or services under any contracts concluded after 4 November 1979, to come into effect on 22 May. The EC decision was designed as much to mollify American political and public attitudes towards Europe as it was to pressure the Iranian government to release the hostages. This is borne out by the fact that the sanctions did not include import embargoes, such as on Iranian oil; a freeze on Iranian assets; sanctions on financial and banking services; they also did not affect the bulk of trade between the EC countries and Iran, which was conducted under contracts concluded before 4 November 1979.

Britain, despite its full and uncompromising diplomatic and political support for the United States, not only avoided taking any unilateral economic measures against Iran, but on the contrary, for economic interests it breached the undertaking that it had given to its EC partners. In Britain, the Iran Bill had been passed, and was due to take effect on 17 May. The Bill empowered the government to impose sanctions on contracts with Iran, provided that no order under the Bill applied to existing contracts, or to contracts concluded before 17 May, and did not apply to contracts dealing with banking or other financial services. The government announced on 19 May that the Naples meeting of EC foreign ministers had agreed that sanctions would affect contracts signed after 4 November 1979. The announcement generated strong criticism from both British Conservative and Labour Members of Parliament, who accused the government of deception in the preceding week's debates. Eventually, the government announced that its sanctions would not now be retrospective. This meant that they would not affect contracts signed between 4 November 1979 and 17 May 1980, the date on which the Iran Bill came into effect. Although Douglas

32 Section 1, sub-sections (1), (2)(a), and (2)(b) of the Iran (Temporary Powers) Bill. See Hansard, Vol. 984, 12 May 1980, Columns: 919–920.
33 For instance, David Winnick (Labour) said: "The government is cheating over the date when sanctions are going to be applied"; or Sir Nicolas Bonsor (Conservative) said: "I was not aware that the retrospective element of legislation, [is] now going to be invoked against Iran". See "Complaints of Cheating: Emergency Sanctions Debate", The Times, 20 May 1980.
Hurd, Minister of State at the Foreign and Commonwealth Office, had said that "we do not intend either to lag behind or to jump ahead of our other main competitors [EC partners]". Britain did not or could not stay in line with the other EC countries.

British failure to conform to the EC agreement engendered strong criticism from most EC countries. The West German Minister of the Economy, Count Otto Lambsdorff, said "the British decision was one of a long line of strong British words and weak actions". In France, the British failure was strongly criticised as "British solidarity with the US was less evident when it came to proving it in practice".

There were a number of reasons for the EC countries' reluctance to apply comprehensive economic sanctions against Iran in general, and for Britain's breaking ranks with them in particular. Many EC countries conducted significant trade and financial dealings with Iran, and imported much of their oil from there. In 1978 Iran was the EC's fifth largest export market. Thus the EC countries did not want to lose their market in Iran. Furthermore, fear of a full Western embargo might "deliver the Iranian economy into the hands of the Soviet Union" and the Eastern bloc was another reason for the EC's reluctance to impose complete economic sanctions. Yet the EC's reluctance was largely due to the view that it was "unlikely that such action would impress a government driven by ideological rather than economic considerations". While considering their action might be counterproductive to securing the release of the hostages, they feared that full sanctions would alienate the more moderate factions in Iran, especially President Abolhasan Banisadr. In this regard, Thatcher said that there are "people in the Government in Iran who seem to have been very anxious to help, . . . but their hands have not been totally free".

In sum, despite strong verbal support of the USA, Britain took the weakest stand in Europe over economic sanctions against Iran. Although London reduced the efficacy of sanctions even further on May 29 by exempting extensions of existing trade contracts and new contracts made in continuation of an established course of business, this did not help Britain's image in Iran.

38 Parsons, "Iran and Western Europe", The Middle East Journal, p. 225.
40 In an interview with four European newspapers on May 17, Banisadr urged the Community not to impose sanctions. See Keesing’s Contemporary Archives, Vol. XXVI, 1980, p. 30535.
41 In the House of Commons, a MP naming Banisadr as the best hope for the release of the hostages, advised the Prime Minister to strengthen his position in Iran. See Hansard, Vol. 982, 14 April 1980, Columns: 795–796.
The Iranian perception of Britain as the Shah's accomplice and an American satellite led to an attack on the British Embassy on 5 November 1979, one day after the seizure of the American Embassy. This temporary occupation was ended by the intervention of the Iranian Revolutionary Guards. In fact the Iranian leaders did not want by creating another crisis to worsen Iran's international position which was already tainted by the US hostage crisis.

The Iranian Embassy in London was also occupied in May 1980. The occupiers, "Iranian Arabs, ... Iraqi-trained and bitterly opposed to the prevailing regime in Iran" took the staff hostage, and demanded the release of 91 Arabs imprisoned in Iran. Sadegh Qotbzadeh, the Iranian Foreign Minister, ruled out acceptance of the demands, and said that the "British government will be held responsible for everything that happens to our diplomats". In a message to Banisadr, Mrs Thatcher promised that "the lives of the hostages would be the paramount consideration of her government". Since the incident occurred in Britain, which they saw as a conspiratorial power, Iranians suspected the British government of fabricating it in order to force Tehran to release the American hostages. Their suspicions were deepened by the fact that London was making more noise than the other European countries in support of the United States. Despite the absence of any evidence of direct or indirect British involvement in the hostage crisis at the Iranian Embassy, thousands of Iranians marched past the British Embassy on their way to the American Embassy, the 'nest of spies', chanting 'Death to Britain' and 'Death to Thatcher'. However, the Iranian Foreign Ministry spokesman warned the demonstrators against any attempt to seize the British Embassy, for he claimed it would only benefit "the Iraqi Baath and America".

The six-day siege of the Iranian Embassy in London was finally ended when the Special Air Service (SAS) stormed it. Although in a message to Mrs Thatcher Banisadr expressed his

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43 For more information on the occupation of the British Embassy by Iranian demonstrators, see Keesing's Contemporary Archives, Vol. XXVI, 1980, P. 30205, and also Daily Telegraph, 6 November 1979, p. 1.
45 The Guardian, 2 May 1980. Qotbzadeh also said that the American hostages at the United States embassy in Tehran had been taken in response to "25 years of suppression and destruction" of Iran, with the American plotting against the people and interfering in its affairs, whereas the hostage-taking in the Iranian Embassy was an action of "a few mercenaries" in London. See The Times, 2 May 1980.
47 The Times, 2 May 1980.
48 As Thatcher believed that the incident was an act to exploit the perceived Western weakness, she was keen to resolve the crisis even by force. She says: "I was conscious that, though the group involved was a different one, this was no less an attempt to exploit perceived western weakness than was the hostage-taking of the American embassy personnel in Tehran. My policy would be to do everything possible to resolve the crisis peacefully . . ., but above all to ensure that terrorism should be - and be seen to be - defeated". See Thatcher, Op. Cit., p. 89.
gratitude for her government's action, the development neither changed the status of the American hostages in Iran, nor did it enhance Iranian–British relations.49 Alongside the exchange of messages between Banisadr and Thatcher, there was another influential trend developing in Iran, headed by the Islamic Republican Party, which interpreted the crisis and its resolution differently.50 The Iranian daily, Islamic Republic (an organ of the Islamic Republican Party which emerged later as the biggest group in the first post-revolutionary Iranian Parliament), wrote that the whole incident in London was a conspiracy between Britain and the United States, and that the British security forces had deliberately blown up the Iranian Embassy building.51 The daily quoted an adviser to Iran's Charge d' Affaires in London as saying: "Blowing up the embassy was in retaliation for the damage done to the British embassy in Iran" during the revolutionary period of 1978–79 on 5 November 1978.52 This view gained further popularity in Iranian public opinion when it was learnt that the British government had greatly reduced the staff of its embassy in Tehran one week before the London incident. The staff, which had gradually increased from 8 to 24 officers between early January and mid-April 1980, was reduced to five on 22 April.53 In fact this reduction was in the context of the EC's decision to reduce its presence in Tehran in protest at the Iranian government's refusal to release the American hostages, and could not be related to Iran's Embassy incident. The reduction nonetheless enforced Iranian perception of Britain as a conspiratorial power. An Iranian scholar, Mohammad Shokrani has clearly reflected this perception by linking the staff reduction in Tehran to the incident in London. He writes: "Iran's embassy in London was occupied when the British government had withdrawn its staff from Tehran and was sure of the safety of its diplomats in case of retaliation".54

In this context the view that the Iranian embassy in London was the victim of a Carter–Thatcher conspiracy, stimulated by the Iraqis, prevailed.55 This was despite the fact that some Iranian officials attempted to refute it, as for instance, Qotbzadeh debunked the view propounded by Islamic Republic.56 Furthermore, besides its strong support for the United

49 On the expectations that British action would be used to enhance the situation of American hostages in Tehran and also put British–Iranian relations in a better position, see The Times, 7 May 1980.
50 The double policy of the Islamic Republic of having two different versions of events were the main features of the second phase of Iran's domestic politics which greatly impacted on Iran's foreign relations. This phase has been discussed in detail in Chapter 3.
52 The adviser regretted that the Iranian foreign ministry had congratulated the British government, saying: "The ministry does not know about the moves of the (British) Intelligence Service and its plots". See Daily Telegraph, 8 May 1980.
53 Doglus Hurd said in parliament: "... From 22 April, the number of UK-based staff will be five –four diplomatic staff and one other supporting officer". see Hansard, Vol. 983, 25 April 1980, Columns: 251–252.
States during the hostage crisis, Britain's acquiescence in the EC decision to impose economic sanctions offset any credit which Britain might have gained from freeing the Iranian hostages in London. As such, Iran's embassy crisis thwarted the growth of Iranian–British relations.

In addition, there were other events that led to temporary closure of the British Embassy in Tehran. On 4 August 1980 sixty-eight Iranian students, protesting at the detention of 192 Iranian students in Washington, were arrested during a demonstration at the United States embassy in London. The detainees accused the London police of unjust and discriminatory behaviour, and began a hunger strike. In Iran, official news reports accused "blood-sucking British police" of brutality against the students, and compared the treatment of the demonstrators with the way "the coloniser executioners crushed freedom-seekers in India, Egypt, and Arab countries during the Second World War, when the British Empire was dying away".57 Furthermore, soon after the arrest of the students in London, Iran arrested three British Anglican missionaries and one businessman58 – a development which was accompanied by growing demonstrations outside the British Embassy. The demonstrators in Tehran, some of whom were on hunger strike, chanted 'Death to England', 'Death to America', and 'Death to Thatcher'. British embassy officials in Tehran reported that they had been told that they would be "blown up" if anything happened to the students in London.59 Against this background, the British government on 18 August announced the temporary closure of its embassy, an early indication of serious deterioration in relations. In response to an Iranian Foreign Ministry enquiry about the closure, the British Embassy said it was due to staff shortages.60 But Britain had good reasons to close its embassy. It was fearful that it would be seized, as had the American Embassy, and it thought that its closure would help end the Iranian demonstrations against it, or at least reduce their intensity. As a British Foreign Office spokesman explained, the British government "just thought at a time of tension it was best to pull in a bit".61 It was also because Britain wanted time to act against the students detained in London without being concerned about the safety of its diplomats and embassy in Tehran. Meanwhile, British public opinion, fed by the media, was turning against Iran and the students. Articles and comments in newspapers were asking the government to deport them.62

57 The Times, 6 August 1980.
58 British missionaries who were arrested, on 6 and 10 August, were Jean Waddel, John Coleman and his wife, Audrey Coleman. The fourth Briton was Andrew Pyke. For more elaboration on this issue, see Keeling's Contemporary Archives, Vol. XXVI, 1980, p. 30631; and Leslie Keith, "Iran's Spy Phobia Extended to Press and Missionaries", The Christian Science Monitor, 12 August 1980.
62 British public opinion was so hostile to the Iranian students that an Iranian embassy official in London accused the media of misleading the public. See, Daily Telegraph, 12 August 1980. On British newspapers demanding the deportation of Iranian students, see The Observer, 10 August; The Sunday Times, 10 August; and Daily Telegraph, 18 August 1980. For instance, Daily Telegraph "Iranian students who have been invited to study here should be invited to return home immediately ... The country would be well rid of them". See "Go Back to Iran", Daily Telegraph, 18 August 1980.
Prior to the official closure of the embassy, the cooling of diplomatic relations had led to the British refusing entry to many Iranian travellers. For instance, from the revolution until March 1980, 2540 Iranians were turned back at Heathrow Airport. The British government then suspended the 1973 visa abolition agreement, and announced that from 19 May 1980 all Iranian passport-holders must obtain visas before travelling. More than 10,000 Iranian students were studying in Britain in the academic year 1979–1980, representing a 10 per cent fall compared to 1978–1979. Under Iran's agreement with Britain, Iranian students were required to pay only 40% of the costs of their courses. But due to the cooling in relations since the Iranian revolution, Dr Rhodes Boyson, Secretary of State for Education and Science, announced that Iranian students beginning courses on or after 1 September 1980, would be required to pay full costs.

The British Embassy was officially closed in early September 1980, with Britain retaining only a small interests section located in the Swedish Embassy. The reasons for this development, which did not amount to complete severing of relations with Iran, were threefold. The first was that Britain's hope and expectation that figures such as Banisadr, as one British official said, "would bring significant influence to bear on the Ayatollah's [Khomeini] followers" had vanished. The second was related to the warning by Iran's Islamist Prime Minister, Mohammad Ali Rajai, that Iran would "show an appropriate reaction" unless Britain stopped its "cruelties" against Iranian students arrested in London. He angrily criticised British hostility towards Iran and London's lack of appropriate sensitivity to the realities of the revolution. These remarks exacerbated the anti-British mood in Iran, and endangered the British Embassy and interests there, especially after the British government decided to deport 44 Iranian students. The third concerned the expectation of a future working relationship with Iran, as the British hoped to re-open the embassy "once the deportation flap die[d] down". In general, as one British official reports, the closure was the result of two

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65 It is also important to note that Boyson was Education Minister in the early Thatcher government, which was devoted to cutting costs. For more information on the numbers of Iranian students studying in Britain, see *Hansard*, Vol. 991, 29 October 1980, Column 287 and also *The Sunday Telegraph*, 18 May 1980. On the issue of change of law by which Iranian students had to pay the full cost of courses, see *Hansard*, Vol. 994, 26 November 1980, Column 122.


elements: the past history of British intervention in Iran and the deep preoccupation of Iranians with Britain's conspiratorial role in their country, although London's concerns about the security of its diplomats in Tehran also played its part in the process.69

In sum, besides its immediate negative effect on relations between Tehran and London, the closure of the British Embassy strengthened the Iranian view that British policies towards Iran were always in conformity with those of the United States. The closure was seen as a further show of British support for the US government, and as aimed at doing further harm to Iran's international position. This view was so strong among the revolutionary leaders that even a few years later, when Britain wanted to re-open its embassy, one of Iran's demands was that Britain apologise for closing it during the American hostage crisis. Had the British government known that re-opening would take almost eight years, it might not have closed it. The Iranian government wanted to keep Britain handicapped by its very small representation, so requests for re-opening went unanswered until 1988.

THE IRAN–IRAQ WAR

The closure of the embassy, and Lord Carrington's visit to Iraq a few weeks before the beginning of the Iran–Iraq War on 22 September 1980, strengthened Iranian suspicions that Britain was involved in wider conspiracies against Iran. This was important, as Iranians viewed the war as little more than a conspiracy hatched by the West, in which Saddam Hossein played a major role, to overthrow the new revolutionary regime in Iran. The war emerged as another obstacle to enhancing relations between the two sides. Iranian–British relations during the war (1980–1988) can be examined in three phases.

The initial phase (1980–1982): Iraq on the offensive

This phase was characterised by the Iraqi military's predominance and occupation of large areas of Iranian territory. During this phase the Iranian government expected Britain, like other permanent members of the UN Security Council, to condemn the invasion. However, the British failed to do so. As Sir John Moberley, British ambassador to Iraq (1982–1985), explicitly put it to the author, British reluctance to condemn the invasion or to attempt to achieve a balanced resolution in the Security Council had two main causes. The first was the West's general concern about the destabilising effects of the Iranian revolution on Middle Eastern countries, particularly Britain's traditional friends in the Persian Gulf region, and

69 Author's interview with a British official dealing with Iranian issues, London, 2 April 1996.
Britain's perception of the Iranian government as an outlaw regime. The second was the US hostage crisis and its emotional impact, which left no room for sympathy in Western countries, particularly Britain, towards Iran.\textsuperscript{70} In fact the hostage crisis "had alienated international opinion to the extent that no state was ready to come to Iran's defence".\textsuperscript{71} Furthermore, the detention of four Britons in Iran since August 1980 on charges of espionage also played its part in London’s silence over the Iraqi invasion.

Britain did not even go so far as to call for the withdrawal of Iraqi forces. After the Iraqi invasion, the UN Security Council did not meet until 28 September. The first resolution (No. 479), backed by Britain and other permanent members of the Security Council, divested the Iranian government of any hope of support. The resolution termed the war a 'situation' instead of a 'conflict', thus reducing its importance to endangering international peace, and made no reference to the need for an urgent decision to end it. It merely advised both sides to resort to peaceful means.\textsuperscript{72} It made no mention of respect for Iran's territorial integrity, and sought neither a cease-fire nor withdrawal to the recognised international borders. It only called for the cessation of hostilities, which would leave Iraq occupying large parts of Iran. The initial Iranian suspicion of the British at the beginning of the war was re-enforced by London's silence on the Iraqi invasion and the absence of Britain's call for an Iraqi withdrawal. As Halliday states, at the outset of the war, Britain, a permanent member of the Security Council, was correctly seen "as having connived at Iraq's aggression by not demanding an immediate cease-fire and withdrawal".\textsuperscript{73}

The Security Council's bias in general, and that of the British in particular, infuriated Tehran, and Security Council Resolution 479 further reinforced the Iranian government's general mistrust of international organisations. Foreign Minister Ali Akbar Velayati's words are indicative of the dominant perception among Iranians of the war as a Western conspiracy against Iran. In his speech at the 40th session of the UN General Assembly in October 1985 he asked:

\textsuperscript{70} Author's interview with Sir John Moberley, 25 April 1996, London. He was former British ambassador to Jordan (1975–1979), former Assistant Under-Secretary of the UK Foreign Office supervising the Middle Eastern and Northern African Department (1979–1982), and former British ambassador to Iraq (1982–1985). At the time of interview he was a consultant to the Middle East Program in the Royal Institute of International Affairs in London.

\textsuperscript{71} Parsons, "Iran and Western Europe", in Ramazani (ed.), \textit{Iran’s Revolution}; p. 79.


Why did the Security Council, despite its precedence in other international disputes, not condemn the flagrant aggression against the Islamic Republic of Iran by Iraq at the very beginning of the imposition of war . . . ? Why did the Security Council, despite its well known behaviour in other international disputes, not request the withdrawal of Iraq's occupying forces in its first resolution in this war? Does all this negligence not point an accusing finger at those who urged Iraq to invade Iran... ?

Earlier, at the 38th session of the General Assembly in September 1983, Velayati had condemned "the Security Council's silence . . . [as] in perfect harmony with the evil desires of the Iraqi Foreign Minister [as expressed] in his letter of 24th October 1980" in which he had announced that any call for withdrawal of Iraqi forces before Iran's recognition of Iraqi sovereignty over the disputed borders would be impossible. The sense of Iran's international isolation in the war was reflected when Velayati said: "... we are convinced that . . . we are alone and have to fight an enemy . . . single-handedly".

Britain's silence over Iraq's aggression was compounded by its refusal to supply Iran with spare parts for the modified British Chieftain tanks bought by the Shah, and to release a warship which Iran desperately needed for use against the Iraqi forces.

Once the War had begun, the Iranian government realised that the American hostages in Tehran could no longer serve to consolidate domestic politics or to enhance the capacity of Iran's war machine against Iraq. It therefore decided in January 1981 to release them; and while desiring more international support in the war, it accepted mediation by a special envoy of the Archbishop of Canterbury, Terry Waite, through the Swedish embassy in Tehran, to release the four British detainees in February 1981. The Iranian government expected their release to make the British government break its silence and condemn the Iraqi aggression. However, London saw the release as removing a major obstacle to normalising British–Iranian relations and re-opening its embassy in Tehran, but not sufficient to prompt it to condemn the Iraqi aggression. In fact, the Thatcher government wanted the release of the

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74 For the full text of Ali Akbar Velayati's speech, see Didgahhay-e Jahani-e Jomhoori-e Islami-e Iran (in Persian), [Dr. Ali Akbar Velayati, Minister of Foreign Affairs on Global Perspectives of the Islamic Republic of Iran], Address to the 40th Session of the UN General Assembly, New York, October 1985, Tehran: Daftar-e Ravabet Omoomi-e Vezarat-e Omoor-e Kharejah, 1985, pp. 1-26.
76 Ibid., p. 7.
detainees to lead to what Lord Carrington described as "proper representation" in Iran.  

Since early 1981 the British government had realised that Iran's revolution was well-established, and that Iraq's assumption that its invasion would cause the Islamic Republic to disintegrate had been mistaken. Thus, Britain attempted to resume its working relationship with Iran and re-open its embassy. Douglas Hurd on 14 January 1981 clearly showed Britain's intention in this respect when he said:

We have no quarrel with the Iranian revolution and no desire to interfere in their affairs or influence how they run their affairs or who they choose to govern them. Whatever may have happened in the past, whatever may have been the past nature of our involvement with Iran, its present nature is clear: we have no desire to interfere in matters which the Iranians rightly regard as entirely their own affairs. Iran is an important country in the Middle East, an important country in our eyes, and we would wish to return to our traditional relationship with it.

During 1981 and 1982, the British government tried several times to improve relations with Iran and discussed the re-opening of its embassy. But every time Iranian anger over British silence in the war, London's official policy of neutrality, and the anti-Western policy of the idealists in the Iranian government prevailed. From the British perspective, as one British official informed the author, since Summer 1981 Britain had wanted to re-open its embassy but Iran, wanting to keep Britain handicapped, rejected London's requests. In addition, Iran's rejection stemmed from suspicion of the British which, in turn, could not allow Iran to trust them if they were provided with more diplomatic opportunities. In a meeting in 1981 between Deputy Prime Minister Mohammad Hashemi and the Head of the British Interests section in Tehran, Hashemi said:

... The nation of Iran can no longer trust Britain. The British government during the hostage crisis, under the pretext of a breach of human rights, supported the United States. At present, while the war which America has imposed on us using Saddam is going on, while our civil areas, schools, and even hospitals are bombarded by Iraq and many Iranians are dying or being injured, the British government as a neutral in the war is keeping silent ... The past relations and the bitter memories of the Iranian Muslim nation of Britain, and also the British stances towards post-revolutionary Iran have not left any room for Iranians to trust Britain.

The release of the American hostages and British detainees in early 1981 led only to Britain

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78 Ibid.
80 Author's interview with a British official, London, 2 April 1996.
81 "Molaghat-e Moaven-e Nokhost Vazir ba Kardar-e Englestan" (in Persian), [Deputy Prime Minister's Meeting with the British Head of Mission], Azadegan Daily, 30 April 1981.
increasing the number of officers in its Interests section in the Swedish Embassy from five to seven in March 1981. Relations between Tehran and London were so unpleasant that during a Friday sermon in July 1981 in Qom, Ayatollah Meshkini, an influential cleric, expressed Iran's support for the "oppressed and deprived people of Northern Ireland", wished their victory over the "old fox of British colonialism", and prayed for overthrow of the oppressive colonialist government.\footnote{\textit{Daily Telegraph}, 11 July 1981.} Meanwhile, a main street in central Tehran was renamed Bobby Sands Avenue.\footnote{Bobby Sands was an anti-British IRA activist in Northern Ireland who was sentenced to 14 years' imprisonment in 1977. He went on hunger strike and died in 1981.}

**The middle phase (1982–1987): Iran on the offensive**

The main feature of this period was that Iran regained most of its occupied territory, and in some areas was even fighting inside Iraq. Having consolidated their position, the Islamists were much more stronger and united domestically, and could direct the war more confidently.\footnote{For detailed information on the different Iranian war operations during 1982–1987 in which Iran regained its territories and took the war into Iraq, see Abbas Hedayati Khomeini, \textit{Shouray-e Amniyat va Jang-e Tahmili Iraq Alayh-e Jomhoori-e Islami-e Iran} (in Persian), [Security Council and the Iraqi Imposed War on the Islamic Republic of Iran], Tehran: Daftar-e Motaleaat-e Syasi va Beinolmelali, 1991, pp. 82-127.} Meanwhile, as much as Iraq was ready for a negotiated peace, Iranians were eager to continue the war until their demands were met, including denunciation of Iraq as an aggressor by the UN Security Council, and the removal of Saddam Hussein.

As Iraq was in fact asking the Western countries and international organisations for initiatives to end the war, British attempts to help in this respect were in contradiction with Iranian policy. While fearing further escalation of the war, Britain had good reasons to want it ended. The first of its concerns was the danger of the conflict spreading to other Persian Gulf states. Mrs Thatcher stated: "I was chiefly concerned to prevent the conflict spreading down the Gulf and involving the vulnerable oil-rich Gulf States, which had traditionally close links with Britain".\footnote{Thatcher, Op. Cit., p. 91.} Minister of State for Foreign and Commonwealth Affairs, Richard Luce, said: "If fighting were to spread, the danger to friendly countries in the Gulf and thus to British interests could be serious. We therefore take every opportunity of encouraging an early negotiated settlement".\footnote{\textit{Hansard}, Vol. 60, 14 May 1984, Columns: 26–27.}

\footnote{Thatcher, Op. Cit., p. 91.} Its second concern was related to a possible Iranian military or political victory, and the effect this might have on the interests of Western countries in general, and Britain in particular. The British feared that Iran might force a change of regime in Baghdad to one friendly or even subservient to Tehran. Its third concern stemmed from a consideration that if Iran won the war and installed a sympathetic regime in Baghdad, this
would create a powerful regional bloc with huge oil resources and military capacities. This would endanger the rule of the traditional monarchies and Britain's regional friends, who from the outset of the war had grouped themselves into the Gulf Cooperation Council (GCC). In view of Iran's attempts to export its revolution, the British government perceived the war as enabling Iran to pose a threat to its traditional friends in the Gulf. Its fourth concern arose from a feeling that the war might endanger the free navigation and flow of oil from the Gulf, on which the Western economies were heavily dependent. Mrs Thatcher explained this concern when she said that after Iraq's initial successes "the Iraqis became bogged down and the war threatened both the stability of the Gulf and western shipping". Its fifth concern related to the possibility that continuation of the war would increase the likelihood of Soviet involvement in the region, and also could enhance the Soviet Union's chances of improving its position in both Iran and Iraq by supplying both with arms.

Iranian–British relations in the middle phase were largely affected by their divergent policies regarding the war. The British government on many occasions subordinated normalisation of its relations with Iran to the need to end the war. For instance, Tim Renton, Minister of State for Foreign and Commonwealth Affairs, said in Parliament: "As a long-term objective we will seek to establish a better relationship with the Iranian government. So that once this dreadful war is ended, . . . we may have a reasonable relationship with a country that will be of extreme importance in the Middle East". In contrast, a determining factor in Iran's relations with other countries was the extent of the latter's sympathy towards Iran or understanding of Iran's reasons for continuing the war. Ayatollah Khomeini stated: "... it was through the war that we recognised our enemies and friends". Velayati's remarks also categorised Iran's friends and enemies on the basis of their approach to the War. So the incompatibility of Iran's and Britain's views on the war was a major obstacle in this phase to improving their relations.

To prompt Iran to a negotiated peace without addressing its minimal demands, the British government played three roles within three contexts: as a permanent member of the UN Security Council, as an influential member of the EC in the context of Euro–GCC relations,

88 For more information on the perceived Western threat from continuation of the war and particularly British concerns, see Barry Rubin, "The Gulf states and the Iran–Iraq War", in Efraim Karsh (ed.), The Iran–Iraq War; Impact and Implications, London: Macmillan, 1989, PP. 123–125; and also Roger Matthew, "Foreign Policy Aims to be 'Neither East nor West'", Financial Times, 1 April 1985.
and finally as an individual country in the context of an official policy of neutrality.

Almost 22 months after its first resolution of 479 in 1980, the Security Council adopted Resolution 514 in 1982. This long delay was very meaningful to Iranians, since it was during this period that Iraqi forces established themselves on Iranian territory. But when in 1982 the tide of war was reversed for the first time, and Iranian forces were able to establish themselves at many points in Iraqi territory, the Council adopted a second resolution, at last calling for both sides to withdraw to internationally-recognised borders, and eventually mentioning the Article of the UN Charter that called for respect of territorial integrity. While the Council's earlier delay in meeting, and the first resolution's failure to call for an Iraqi withdrawal, had a profoundly negative effect on Iranians, the second resolution's failure to explore the origins of the war, and inclusion of a call for withdrawal, strengthened Iran's perception that the Security Council had a pro-Iraqi bias. The Iranian government believed that the permanent members, particularly the Western states, had deliberately adopted pro-Iraqi resolutions without paying attention to Iranian grievances. At this point, perceiving that it could not influence the Security Council, Iran disassociated itself from Security Council meetings dealing with the war, and its delegation ceased to participate in UNSC meetings.

From 1982 until 1987 the Security Council adopted six resolutions, but none of them could "convince the Iranian government of the impartiality of the Council. No attempt had been made to rectify the original omission of exploring the origins of the war". Britain either initiated these resolutions or supported them strongly.

Britain's second role was in the context of Euro–GCC relations. The Iranian government viewed the Gulf Cooperation Council as a group formed by the western powers, particularly Britain, because of its traditional influence on GCC members, and intended as a barrier against the Islamic revolution. Considering the political, military, and financial support which the GCC members, especially Kuwait and Saudi Arabia, were giving to Iraq in the war,
the Iranians believed that the GCC was virtually fighting alongside Iraq. Tehran radio on 12 November 1981 described the GCC as moving towards "a military alliance directed by imperialist circles", and claimed that "the main reason for [the GCC's] establishment was to counter the Islamic revolution in the region".

In this situation, the Thatcher government, welcoming the formation of the GCC, believed that the West had to be active in the strategically vital Persian Gulf. In the context of Euro-GCC dialogue, Britain, in line with its goal of forcing Iran to a negotiated peace, adopted a two-track policy. The first track involved Britain's arms sales, which were directed much more to the GCC states, particularly Saudi Arabia, than to the main belligerents. In Mrs Thatcher's words, Britain was to continue "to supply equipment, training and service" to the GCC members. By selling arms and services to the GCC states and supporting them politically, London intended to improve their confidence, security, stability and strength. This, in turn, would enable them to support Iraq actively in the war. The second track of British policy towards the GCC was to endorse their stances in support of Iraq, and to give them full backing for any steps and initiatives which could enable them to prompt Iran to end the war.

The British government as an individual country played an important role during the war in the context of the official policy of neutrality. Unlike France, Britain saw "her interests more plainly as retaining decent relations, to the extent that the policies of either belligerent allowed, with both Iran and Iraq". For this reason, Britain allowed Iran to retain its diplomatic mission in London even though its own representation in Tehran had been reduced to an interests section. The British policy of neutrality was based on guidelines which said:

(i) We should maintain our consistent refusal of any lethal equipment to either side;
(ii) subject to that overriding consideration, we should attempt to fulfil existing contracts and obligations; (iii) we should not approve orders for any defence equipment which, in our view, would significantly enhance the capability of either side to prolong or exacerbate the conflict; (iv) in line with this policy, we should continue to scrutinise rigorously all applications for export licences for the supply of

97 For the GCC support for Iraq in the early stages of the War, see Keesing's Contemporary Archives, Vol. XXVII, 1981, pp. 31009-10 and Dilip Hiro, The Longest War; The Iran-Iraq Military Conflict, London: Grafton Books, 1989, pp. 75-81. On Iran's relations with the regional countries, particularly the GCC countries during the war, see Shahram Chubin and Charles Tripp, Iran and Iraq at the War, London: I.B. Tauris & Co Ltd, 1988, Chapter 9.
102 Ibid., p. 218.
defence equipment to Iran and Iraq.103

"Since Britain had been Iran's second largest arms supplier, its neutral stance hurt Iran more than Iraq".104 Moreover, despite its declared neutral policy, Britain tilted towards Iraq. In addition to its general policy of condemning Iran for continuing the war, and its political and diplomatic pressure on Iran to end it, Britain provided training for some members of the Iraqi armed forces,105 and in 1982 agreed to repair 50 Iranian Chieftain tanks which Iraq had captured.106 It was revealed, particularly after the end of the war, that many London arms dealers were transferring arms to Iraq during the war, and that the British government and some officials were involved.107 Following the Iraqi foreign minister's visit to London in March 1981, Iraq concluded a technical and economic agreement with Britain.108 Furthermore, two protocols were signed, in 1983 and 1984, each providing a £250 million line of credit for supply of UK capital goods, equipment and services to Iraq. This line of credit was renewed in 1987.109

In 1984, when Iraq was anxious to end the war, it started the 'tanker war'. To pressure Iran economically, and also maximise the major powers' involvement in the region, Iraq targeted Iran's oil installations and tankers heading to or from Iranian ports. As Iraq had no shipping in the area, Iran responded by attacking tankers heading to and from Iraq's financial supporters. Although Britain and other major powers had realised that "if Iraq stopped attacking shipping, Iran would follow suit immediately"110, they made no serious attempt to persuade or force Iraq to stop. Instead, Britain condemned the Iranian actions, and showed its intention to intervene militarily alongside the United States to secure free navigation in the Persian Gulf. In addition to maintaining its patrol of two warships in the Indian Ocean, London put four warships on standby in the Mediterranean.111

During this phase, the cut in oil prices was another issue in which Iran suspected British involvement. While heavily dependent on oil exports to finance its war effort, Iran perceived

107 For these revelations and reports, see John Sweeney, Trading with the Enemy; Britain's Arming of Iraq, London: Pan Books Ltd, 1993.
111 "Iran Asks Several Countries to Condemn Iraqi Attacks", The Christian Science Monitor, 2 April 1984. In 1984 two British seamen and three British divers were killed and six injured in the Persian Gulf. Also in 1984 two British-registered ships were attacked in the Persian Gulf. At least one of these (the British Renown) reportedly was attacked by aircraft of the Iranian Air Force. See Hansard, Vol. 73, 29 February 1985, Column: 490 and Vol. 63, 11 July 1984, Columns: 1044–49.
that Britain, by cutting its North Sea oil price, followed by some members of OPEC, such as Saudi Arabia, intended to hit Iran's economy, and particularly its military strength. Following Britain's price reduction of $3 a barrel, and Nigeria's $5.50 cut in early 1983, the official OPEC price of $34 a barrel fell quickly to as low as $24. And spot prices sank even closer to $20, the price at which Iran was selling most of its oil to attract more customers.\textsuperscript{112} Ali Akbar Hashemi Rafsanjani, then Speaker of the Iranian Parliament, in 1984 blamed "world arrogance", for reducing crude oil export prices in order to force the OPEC countries to follow suit.\textsuperscript{113}

During this phase Iraq also occasionally used chemical weapons.\textsuperscript{114} While asking the Western powers, including Britain, to condemn the Iraqi actions, Iran accused Britain of arming Iraq with chemical weapons. However, each time the British government denied the charge, reiterated its policy of neutrality, and refused specifically to condemn Iraq's use of chemical weapons. For instance, when an MP asked whether the government had obtained assurances from Iraq that it would cease using chemical weapons, Luce said: "We have already made clear to both sides in the Gulf conflict our strong condemnation of the use of chemical weapons".\textsuperscript{115} This British indifference to Iraqi use of chemical weapons was another reason for Iranians to be resentful to Britain. Also the British silence, from the Iranian point of view, would prove the extent of the British hostility towards Iran and demonstrate London's pro-Iraqi policy as well.

Yet in line with its policy of preserving relations with Iran as much as possible, Britain let some spare parts for Chieftain tanks be transferred to Iran in 1984, and came under attack for doing so from the GCC countries and the United States.\textsuperscript{116} Defending her actions, Mrs Thatcher said: "the spares concerned were due for supply under existing contracts, having been fully paid for prior to the 1979 revolution".\textsuperscript{117} In addition, Britain in 1984 supplied the Iranian Navy with two unarmed naval support ships ordered in 1977. Although the Foreign Office said that the ships were suited for disaster and earthquake relief, and would not have a


\textsuperscript{113} \textit{The Times}, 10 November 1984.

\textsuperscript{114} On 21 March 1986, the Security Council commissioned an investigation into the use of chemical weapons by Iraqi forces against the Iranians. This was confirmed by the President of Security by issuing a statement. See Parsons, "Iran and the United Nations, with Particular Reference to the Iran–Iraq War", Op. Cit., p. 21.

\textsuperscript{115} Mr Mikardo, a British Parliamentarian in his question gave evidence of the injuries suffered by a British subject, Mr Benford, a British Broadcasting Corporation sound recordist, who was exposed to nerve gas while attempting to cover the war in Iran. See \textit{Hansard}, Vol. 62, 27 June 1984, Column: 986.


\textsuperscript{117} \textit{Hansard}, Vol. 86, 14 November 1985, Column: 232.
role in the war, the United States and Iraq's financial supporters, such as Saudi Arabia, reacted unsympathetically.\textsuperscript{118} The Thatcher government also confirmed in 1986 that it had sold to Iran static AR-3D Radars, but claimed that they were being installed along Iran's northern and eastern borders facing the Soviet Union, and were of no relevance to the Iran–Iraq War.\textsuperscript{119}

It should also be noted that during this phase the British government allowed the London office of the National Iranian Oil Company, \textit{Kala}, to continue functioning. In addition to its official task of arranging Iranian oil sales, the office was suspected of serving as a military procurement office for arms purchases in Europe. When the government came under attack from some MPs for allegedly allowing \textit{Kala} to arrange arms purchases, Renton said that "arrangement from the United Kingdom of arms sales to Iran is not illegal unless the goods concerned are exported from the United Kingdom in breach of British law. There is no firm evidence of this".\textsuperscript{120}

Britain also tried to improve its diplomatic relations with Iran. As Iran was the UK's second largest Middle East trading partner in 1985, London was willing to resume full diplomatic relations by re-opening its embassy in Tehran. But Iran's continued demand that Britain apologise for closing its embassy during the American hostage crisis, and its dissatisfaction with the British position on the war, proved major obstacles. However, the dominance of idealists in Iran's political structure, who were generally hesitant about improving ties with the West, particularly the US and Britain, was also an important factor. The subject of restoration of full diplomatic relations was occasionally raised. For instance, in 1982 the Thatcher government invited Iran to talk on a "whole bundle of subjects", including re-opening of the British Embassy.\textsuperscript{121} Again in 1984, answering a parliamentary question why there was not parity between Tehran and London with regard to their missions, Luce said: "The diplomatic representation in the respective capitals is a subject of continuing discussions with the Iranian government".\textsuperscript{122}

The British increased their efforts for resumption of full diplomatic relations during the highest-level talks held between the two sides in Tehran in March 1985. It was said that the purpose of the visit to Tehran by the head of the Middle East Department, Stephen Day, was to prepare the ground for re-establishing a full embassy, though he did not admit it.\textsuperscript{123}

\begin{flushleft}
\begin{footnotesize}
\textsuperscript{118} See \textit{International Herald Tribune}, 7 August 1984 and also \textit{The Times}, 20 August 1984. \\
\textsuperscript{119} \textit{Hansard}, Vol. 107, 16 December 1986, Column: 443. \\
\textsuperscript{120} \textit{Hansard}, Vol. 112, 18 March 1987, Columns: 924–25. \\
\textsuperscript{121} \textit{Daily Telegraph}, 11 March 1982. \\
\textsuperscript{122} \textit{Hansard}, Vol. 64, 19 July 1984, Column: 315. \\
\textsuperscript{123} \textit{Daily Telegraph}, 15 March 1985.
\end{footnotesize}
\end{flushleft}
The arrest of Roger Cooper in December 1985 on charges of espionage once again complicated Iranian–British relations. Cooper, a British subject, was an employee of McDermott International, a US offshore oil equipment company, and also a freelance journalist writing for the Financial Times. The Foreign and Commonwealth Office lodged a strong protest on 8 December 1986 over his continued detention, and warned that failure by Iran to fulfil its international obligations "must inevitably have implications for British–Iranian relations". But he appeared on Iranian television in February 1987, and confessed to a number of espionage allegations which the British government denied. The British government on many occasions conditioned improvement of relations with Iran on Cooper's release. Instead, Iranian Prime Minister Mir Hossein Mousavi stated that "... the British authorities have set the resolution of the problem of one of their nationals as the pre-condition for upgrading relations ... and so it is our decision to avoid expanding our relations with that country".

This caused another diplomatic conflict to the further detriment of Iranian–British relations, resulting in the British refusal, in February 1986, to accept accreditation of Hossein Malaek – one of the student leaders in the 1979 US hostage crisis – as Iran's head of mission in London. Iran retaliated a few months later, by rejecting the nomination of Hugh Arbuthnott to head the British mission in Tehran. Finally, in December 1986 a 15-month deadlock over appointment of a new head of the British interests section in Tehran was ended, when Iran agreed to issue a visa to Christopher MacRae. Meanwhile, some Iranian dailies, particularly Jomhoori-e Islami occasionally published articles attacking the British government, and opposing the expansion of ties. For instance, after the arrest of Cooper it said in an editorial: "It has now been proven that the British interests section is the centre for coordination of espionage and sabotage activities of armed and unarmed British spies in Iran. In fact it is another den of spies". It warned the Iranian authorities not to allow Iran to become "an arena for mischief by wounded colonialists".

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125 For the full text of Roger Cooper's confessions on Iranian Television, see Daily Keyhan, 18 Bahman 1365 (Iranian Calendar and Date).
The final phase (1987–1988): Internationalisation of the war

This phase started with escalation of the war into the Persian Gulf, endangering free navigation. It commenced in 1987 with Iraqi attacks on Iranian oil installations and ships moving to and from Iranian ports. After unsuccessful diplomatic efforts to force Iraq to stop its attacks, Iran decided to retaliate. Iraq was exporting its oil by pipeline to the Mediterranean, not by ship from its Gulf ports, so Iran launched sporadic attacks on ships moving to and from the ports of other Arab states, such as Saudi Arabia and Kuwait. As indicated in table 4.1, from 1987 the number of Iraqi and Iranian attacks on shipping increased dramatically.

Table 4.1: Shipping attacks in the Persian Gulf

<table>
<thead>
<tr>
<th>Year</th>
<th>81</th>
<th>82</th>
<th>83</th>
<th>84</th>
<th>85</th>
<th>86</th>
<th>87</th>
<th>88 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraq</td>
<td>5</td>
<td>22</td>
<td>16</td>
<td>53</td>
<td>33</td>
<td>66</td>
<td>153</td>
<td>74</td>
</tr>
<tr>
<td>Iran</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>18</td>
<td>14</td>
<td>41</td>
<td>93</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>22</td>
<td>16</td>
<td>71</td>
<td>47</td>
<td>107</td>
<td>246</td>
<td>122</td>
</tr>
</tbody>
</table>

*: From 1 January to 20 August 1988 (Date of Cease-Fire)

In fact Iraq's objective was to deprive Iran of its oil revenues forcing it to a negotiated peace, or to goad Iran into closing the Strait of Hormuz, which would have invited US military retaliation. Finally, Iraq hoped to prevent Iran launching its much-discussed 'final offensive' on the ground. In contrast to Iraq, Iran was trying to prevent internationalisation of the war.

In this phase, Iranian–British relations suffered from three directions. These included the deployment of British warships in the Persian Gulf in early 1987, the deterioration in British–Iranian diplomatic relations in mid-1987 and finally the mandatory UN Security Council resolution 598 (July 1987) in which Britain had played a major role. The escalation of tanker war led Kuwait to approach the United States to re-flag Kuwaiti oil tankers. After some hesitation, Washington accepted the request for two major reasons. First, fallout from the

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Iran–Contra affair of 1986 had left a negative impression amongst the Gulf Arab states. To regain their confidence, Washington re-flagged 11 Kuwaiti tankers in early 1987. Second, the Soviet Union had already agreed to lease three tankers to Kuwait. Washington perceived this as likely to enhance Soviet influence and presence in the Gulf. "The Kuwait–Moscow deal provided the US administration with a rationale to meet the Kuwaiti request".130

When the US asked its Western allies to follow suit, the European powers initially refused to send any warships to the area. But when Iran, unable and unwilling to confront US warships, adopted the tactic of planting sea mines along the shipping lanes of the Gulf, the Western European powers sent minesweepers and other warships to the area.131 This was the first relatively co-ordinated policy by Western Europe towards Iran since the 1979 revolution. Although their motive was primarily to protect their own interests, the Iranian government interpreted their naval deployment in the Persian Gulf as another sign of Western support for Iraq. The Iranian view was based on the fact that the Western naval deployment in the Persian Gulf would inhibit Iranian activities in the area, and give greater impunity to the Iraqis to prosecute their campaign against Iranian shipping and oil installations.132 Table 4.2 shows foreign naval deployment in the Persian Gulf in 1987.

Table 4.2: Foreign naval deployments in the Persian Gulf in 1987

<table>
<thead>
<tr>
<th>Country</th>
<th>UK</th>
<th>France</th>
<th>Italy</th>
<th>Belgium</th>
<th>Holland</th>
<th>EC</th>
<th>US</th>
<th>USSR</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>10</td>
<td>13</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>36</td>
<td>28</td>
<td>6</td>
<td>70</td>
</tr>
</tbody>
</table>


Following the Iranian attack on the British tanker Isomeria in the Straits of Hormuz in January 1987, the British government delivered a strong protest, and despatched, in line with the US and its European partners, warships to the area. London's main objective was now to bring the war to an end. Mellor, then Minister of State for Foreign and Commonwealth Affairs said: "We share with the Americans a determination to uphold freedom of navigation in the Gulf as part of a policy of bringing the wasteful and destabilising Iran–Iraq conflict to a

131 It should be noted that as West Germany's constitution prohibited deployment of its military forces beyond the NATO area, it sent four ships to the Mediterranean to compensate for the draw-down of other NATO ships from the area. Luxembourg, which has no ships, helped pay for the operation.
negotiated end". The only major difference between the British and American deployments was that the US government emphasised that US warships 'escorted' American-flagged tankers, while the British government insisted that its warships merely 'accompanied' British tankers. Mellor stated that "the Armilla patrol exists to provide reassurance to British ships, and to accompany their passage to the best of its limited resources. It provides no guarantee of protection, and does not convoy or escort". Concerned about a possible American pre-emptive strike on Iran and provocative US actions in the Gulf, Britain tried to limit the risks by 'accompanying' rather than 'escorting' British tankers. Furthermore, by 'accompanying' rather than 'escorting', the British government freed itself from any possibility of being sued for damages by tanker owners or crew members if a tanker which was accompanied by a British warship was damaged or sunk by a mine. However, despite this difference in rules of engagement, the British naval deployment was seen by the Iranian government as hostile.

From early 1988, the Soviet Union was working to replace the Western warships in the Gulf with a United Nations naval force to secure free navigation – an idea which was acceptable to Iran. But the British government rejected the Soviet proposal, claiming that "such a force would be impractical in current circumstances". London's main concern, however, was to avoid enhancing the Soviet political role and naval presence in an area as important as the Persian Gulf.

The situation further deteriorated with another diplomatic conflict in May 1987. This was initiated by the British arrest of Ahmad Ghassemi, Vice-Consul at the Iranian Consulate in Manchester. Accused of shoplifting, he was released on bail. Apparently in retaliation, the Iranian government arrested a British diplomat, Edward Chaplin, head of Chancery at the British Interests section in Tehran. Although he was released after a few hours, he was nonetheless threatened with espionage charges.

The British government in response closed the Iranian consulate in Manchester and expelled its five-man staff. The British government regarded the Manchester incident as minor, and expected Iran to react cautiously and with moderation. But the spillover of US–Iranian tensions and fallout from the Iran–Contra affair had generated a confrontational and anti-western mood in Iran. In a tit-for-tat move, Iran expelled four British diplomats. Finally, each

134 Ibid.
135 'Escorting' represents a wartime action and, as in a wartime convoy, the civil tankers take orders from the senior naval officer. Any attack against the tanker is considered an attack against the warships. 'Accompanying' is a much more flexible term. The senior naval officer has no control over the civilian skipper. He also has no responsibility to ensure his protection. See William Echikson, "European Powers Step Up the Gulf Role", The Christian Science Monitor, 27 July 1987.
country reduced its diplomatic staff to one in each other's capital.137

But London was still not willing to break altogether its relations with Iran, as it was conscious to preserve its beneficial economic relationship. However, it should not be overlooked that a long-standing feature of British foreign policy is to maintain relations with governments of which Britain does not necessarily approve. In answer to criticism from MPs for not severing relations, or at least closing the Iranian arms purchase office in London, Sir Geoffrey Howe said:

The Iranian military purchasing offices are conducting purely commercial operations, which must operate within the confines of British law. This dispute was confined to a consular and diplomatic matter, and it would be wrong, for the sake of British industry and jobs, to disregard the fact that in other respects we still have substantial export with Iran, which is conducted entirely within the law. There is still ample scope for commercial trade unrelated to arms. That commercial trade sustains a large number of jobs in British industry and is of great importance.138

In the meantime, London hoped to use its diplomatic links to secure the release of British hostages in Lebanon and two British prisoners in Tehran, and to keep the way open for an improvement in relations in the future.139 In spite of many suggestions from Iranian hardline newspapers that Iran should break off its ties with Britain, Tehran was also not prepared to sever diplomatic relations, as it needed Britain as the major European centre for financial transactions and for arms purchases in Europe. The Iranians also thought that Britain, as a permanent member of the UN Security Council, could play a major role in drafting the resolution which was in the pipeline, though Tehran had only a faint hope of British sympathy and support at a time where Iran was never more comprehensively isolated in world politics.140

A final blow to Iranian-British relations in this phase came from active British diplomacy and


139 For these reasons, see "Measured Response", The Daily Telegraph, 6 June 1987; Robin Gadye, "Britain and Iran – Bound by Trade", Daily Telegraph, 2 June 1987; "Try Him, then Expel Him", The Times, 2 June 1987; "Maintaining Bad Relations", The Times, 5 June 1987; "End of an Affair?", The Times, 19 June 1987; and The Guardian, 16 June 1987. It is worth mentioning that in order to prevent further escalation of the incident, the BBC cancelled the broadcasting of the two-part American made drama 'On wings of eagles', tracing the real rescue of two American executives from Tehran. See The Guardian, 15 June 1987.

initiatives in the UN Security Council in adopting Resolution 598 on 20 July 1987. British policy in the Security Council to bring the war to an end was double-tracked. The first track entailed lobbying for the adoption of resolution 598 as mandatory, which invoked the prospect of an arms embargo for non-compliance by either party. The second involved working actively alongside America for an arms embargo against Iran as non-compliant if Tehran did not accept Resolution 598 as a whole. During Thatcher’s meeting with an Arab League delegation on 9 July 1987, the delegation expressed gratitude to Britain for its continuing efforts to ensure the adoption of Resolution 598. The Resolution, comprising 10 paragraphs, demanded an immediate cease-fire and withdrawal of all forces to their recognised international boundaries. As then Iranian ambassador to the UN, Said Rajaee Khorasani stated, the SC had realised that the only way to end the war was to address some Iranian demands. From Iran’s perspective the resolution was a mix of positive and negative points, so it neither accepted nor rejected it. From the Iranian point of view, the positive points were deploring the initiation of the War, and the use of chemical weapons, with a request from the Secretary-General to form an impartial body to inquire into responsibility for the conflict. But Iran still demanded that the resolution be amended so that determination and identification of the aggressor be implemented before the other paragraphs.

The Iranian side, however, viewed resolution 598 in its totality as unfair, pro-Iraqi, and yet another instance of Western pressure on Tehran, with Britain strongly influencing its wording. This view was strengthened by British officials’ claims. One day after the SC had issued resolution 598, Howe said in Parliament: the resolution "owes much to British initiatives, and is the culmination of many months' work." He added: "I trust that Iraq will abide by the new resolution. . . it is important for us to continue to urge Iran to respond positively to this new step". He continued that "the possibility of an arms embargo being imposed by the United Nations would have to be considered against whichever of the parties failed to respond to the resolution that we passed yesterday".

144 On Iranian stances on the resolution, see the text of Iranian Foreign Ministry's statement in *Daily Keyhan*, 21 July 1987, P. 2; the text of Iranian Foreign Minister's detailed response to the letter of 20 July of the UN Secretary General in *Daily Keyhan*, 12 August 1987, p. 3; the speech of then Speaker of Iran’s Defense Supreme Council, Rafsanjani in *Daily Keyhan*, 21 Shahrivar 1366 (Iranian Date and Calendar), p. 2. In a speech to the UN General Assembly on 22 September 1987, then Iranian President, Seyyed Ali Khamenei described resolution 598 as "an indecent, condemnable position" which had been forced on the Security Council "by the will of the big powers, particularly the United States". See *Keeling's Contemporary Archives*, Vol. XXXIII, 1987, p. 35601.
Iran's refusal to accept the resolution led the British government to implement the second track of its policy to end the war. This was to seek the support of all permanent members of the SC, particularly the Soviet Union, for an arms embargo on Iran. In this context, Mellor said: "We played a leading role in the adoption of Security Council resolution 598 . . . . We are also seeking to make progress on parallel work on enforcement measures". Since August 1987, the British government had exerted pressure, as Howe said "to get effective commitment" from the Soviet Union "to move on to the enforcement measure" against Iran. Despite considerable improvement in Iran's relations with the USSR since 1986, Iran could not be optimistic about continuing Soviet willingness to reject the collective arms embargo. In fact, after the coming of Mikhail Gorbachev to power in 1985, which marked the beginning of a new era of cooperation between East and West, Iran found it difficult to play the Soviet card against the West. The continuing Soviet occupation of Afghanistan and Iran's assistance to Afghan Mujahideen fighting the Soviets, were additional major issues of dispute between Iran and the USSR. The British government was therefore optimistic about the prospects of securing a UN arms embargo on Iran. In this regard, Howe on 6 July 1988 said:

It was British action that secured the implementation of resolution 598 in the first place; it was British action that therefore secured the first meeting since 1972 of Foreign Ministers of the five permanent members committed to promoting action to implement it. That is why it is necessary, Iraq having accepted security council resolution 598, for Iran to do likewise. If Iran does not do that, I repeat that the Security Council should proceed to consider a follow-up resolution to enforce compliance.

Considering these three policies which the British government was pursuing to force Iran to a negotiated peace, Iran occasionally attacked British tankers in the Persian Gulf, though Iran had tried to avoid being involved in the tanker war. Rafsanjani commented on 10 July 1987: "if Iraq stops mischief and dose not attack our ships, there will be no aggression against any ship by our side whether that ship carries the US flag or not". Meanwhile, a Kuwaiti tanker the Gentle Breeze which was re-registered under the UK flag, was attacked and badly

147 Howe's speech in the House of Commons, see Hansard, Vol. 122, 18 November 1987, Column: 1058.
damaged by Iranian gunboats on 21 September 1987. In response, the British government ordered two days later the closure by 8 October of the Iranian arms procurement office located in the National Iranian Oil Company building in London. A total of 34 Iranian staff were served with expulsion orders. Although the Thatcher government had been under parliamentary pressure on several past occasions to close the Iranian office, economic and financial interests had prevailed, and the office remained open. The Iranian attack on the tanker under the UK flag and the closure of the Iranian office in London were more blows to the already cool political ties between Iran and Britain.

The psychological and political tension between Iran and the United States led to a US attack on Iranian oil installations on 18 April 1988, in retaliation for Iran's mine-laying. This US action was strongly endorsed by the Thatcher government. Mellor said in Parliament:

We support the American action as a measured and proportionate response to the Iranian mine laying. . . . In the past 12 months, Western navies have been in the Gulf and their presence has acted to confine the Iranian willingness to get involved in acts of international hooliganism and aggression. The greatest threat to the lives of British seamen is from the laying of mines in international waters by the Iranians.

More importantly, the British government expressed strong support for the US action when the USS Vincennes, on 3 July 1988, shot down an Iranian civilian airliner, killing all 290 people on board. While other Western European governments refrained from expressing any support for the US position, emphasising instead the need to find a peaceful solution to the conflict, Mrs Thatcher's statement "fully accepted the right of forces engaged in such hostilities to defend themselves". The statement was widely criticised, including by several Members of Parliament. For instance, the 'Friends of John McCarthy' group, concerned with the fate of McCarthy and two other British hostages in Lebanon, accused Mrs Thatcher of being more concerned with the UK's relations with America than with the safety of the British hostages. Answering a question in Parliament, Mrs Thatcher defended her statement, and said: "we were in touch with the Americans throughout the day of 3 July. My statement naturally took into account these contacts and the content of statements by President Reagan and the chairman of the American Joint Chiefs of Staff". The British support for the USA

154 Also the Church of England privately expressed concern at the statement. See Keesing's Contemporary Archives, Vol. XXXIV, 1988, p. 36170.
was, from the Iranian point of view, another sign of British hostility. It was also conducive to enhancing the Iranian perception that London's policy was to endorse the hostile US approach towards Iran.

At this point, Iran was under growing pressure politically from the Security Council and the international community, and economically from the decline in oil revenue resulting from the tanker war. Iran had also suffered military setbacks, when Iraq unexpectedly recaptured the Fao Peninsula on 18 April 1988. The US attacks on Iran's oil installations were another burden for the Iranian government. These pressures forced Tehran to accept resolution 598 on 18 July 1988.156 Ayatollah Khomeini, in his first public statement on the cease-fire, said on 20 July that "taking this decision was more deadly than taking poison....".157

To conclude, the end of the war ushered in a new era in Iran's foreign relations with the international community. But British policies during the war, especially in its third phase, and also British identification with US policies towards Iran, particularly in the final months of the war, did nothing to improve Iran's view of Britain. In fact Iranian–British relations in the 1980s, which deteriorated with the closure of the British Embassy in Tehran, proceeded, in one form or another, with tension, upheavals, and instability. While the Iran–Iraq War was a main obstacle to normalisation of relations, the Iranian perception of Britain as a manipulative power played a major part in worsening the ties between Tehran and London. Viewing British policy towards Iran as conspiratorial, Iranians perceived all British policies towards Iran, even those by which London pursued purely its own interests, as conspiracies and plots against Iran. Furthermore, the identification of Britain with the United States in Iranian eyes created a situation in which the Iranians had a tendency to link British policies towards their country to those of the USA and interpreted them as endorsement of Washington's policies. In the 1980s, the only factor which worked towards the maintenance of relations, albeit cool, was Iran's need of London as the centre for its financial activities and arms purchasing, and Britain's desire to preserve its traditional market in Iran. Also from the British point of view, Iran was influential in development of events in Lebanon and the Persian Gulf, both of which were important to British interests.

Chapter 5

Iranian–British Relations from the End of the War to the Severance of Relations in 1989

INTRODUCTION

The end of the Iran–Iraq War in 1988 was expected to mark the beginning of a new era in Iran's relations with the Western world, including Britain. Although the pragmatist faction in Iran's political leadership had become stronger and had even been able to convince Ayatollah Khomeini to accept UN Resolution 598 for a ceasefire with Iraq, the idealist faction was still making every effort to preserve its hold on power. While there was a movement towards normalisation in Iran's relations with the West in general, and Britain in particular, in the post-Iran–Iraq war era, the Rushdie affair reversed the trend. The Ayatollah Khomeini's verdict passing death sentence on Salman Rushdie for his book *The Satanic Verses*, was music to the idealists' ears, as they were opposed to progress in Iran–West relations. The objective of this chapter is to examine how in the period from the end of the war to the death of the Ayatollah in June 1989, Iranian–British relations unfolded. The focus will be on: 1) Iran's divergence from Britain over the issue of human rights, and Tehran's response to London's criticism of human rights violations in Iran; 2) Iran's policy of export of revolution and the emergence of the British policy of rejectionism towards Iran; and 3) the Rushdie affair which finally ended Iran's relations with Britain in March 1989.

HUMAN RIGHTS

Many Islamic countries, together with the Third World and non-Western states, take a divergent position on the human rights debate. They are united in criticising the Universal Declaration of Human Rights (UDHR)\(^1\) for its dominance by Western values and also in attacking Western countries for their double standards in its implementation. In addition, Islamic countries, based on Islamic values and culture, take a distinctive position in the human rights discourse as they argue that all human rights and freedoms under Islam are

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subjected to the rules of the Shari'a.\textsuperscript{2} The Islamic Republic of Iran, while sharing the common position of the Islamic world on the universal human rights issue, has attracted more than other Islamic countries international attention. This attention stems from the Islamic revolution of 1979 with its impact on the Islamic Middle East, and also from the process of 'Islamisation' in Iran.\textsuperscript{3} In the controversy between post-revolutionary Iran and Western countries on human rights, Britain has occupied a special position. This has been due to the fact that Britain, as an important European country in the United Nations, and also as a Western country with many non-governmental organisations such as 'Amnesty International', 'Interights'\textsuperscript{4} and 'The Minority Rights Group', which criticise countries with human rights violations, has played a major role in this area. Therefore, human rights as a source of tension between Tehran and London impacted negatively on their relations. Iran's controversy with Britain over human rights can be examined from two distinctive angles: Iran's view on the concept of human rights, and Iran's response to Western criticism of human rights violations.

**Iran's view on the concept of human rights**

At the centre of the debate is a conflict between Islamic and liberal Western perceptions of rights. From the Islamic point of view, it is divine law rather than human or natural law which grants rights to human beings. Abul A'la Mawdudi (1903–1979), one of the chief architects of contemporary Islamic resurgence, writes:

> When we speak of human rights in Islam we mean those rights granted by God. Rights granted by kings or legislative assemblies can be withdrawn as easily as they are conferred; but no individual and no institution has the authority to withdraw the rights conferred by God. The charter and the proclamations and the resolutions of the United Nations cannot be compared with the rights sanctioned by God.\textsuperscript{5}

Mawdudi's view on human rights has been echoed by many other Islamic scholars. For instance, Abdul Aziz Said notes:


\textsuperscript{3} By 'Islamisation' I mean the Iranian government's policies to subject all laws and legal codes to Islamic doctrine and rules.

\textsuperscript{4} 'Interights' stands for the International Centre for the Legal Protection of Human Rights.

The Western liberal emphasis upon freedom from restraint is alien to Islam. Personal freedom [in Islam] lies in surrendering to the Divine Will. . . . Human rights exist only in relation to human obligations. Individuals possess certain obligations towards God, fellow humans, and nature, all of which are defined by Shariah. Those individuals who do not accept these obligations have no rights. The West places more emphasis on rights while Islam values obligations.  

Ayatollah Khomeini also believed that human beings had obligations rather than rights. He insisted that the first and most important obligation of man was submission to God's commands.  

The other area of difference lies in the concept of Western individualism. From a liberal Western perspective, man is the measure of all things. It is from this view that individualism becomes the centrepiece of Western liberalism. From a similar stand, there is also a conflict between the individual and the state. In Islamic scholarship neither individualism nor the conflict between individual and the state have been accepted. For instance, A. K. Brohi, who has written a number of pieces on human rights in Islam, rejects the philosophical underpinnings of Western human rights. He says:

> The individual if necessary has to be sacrificed in order that the life of the organism be saved. Collectivity has a special sanctity attached to it in Islam. The Western man's perspective may by and large be called anthropocentric in the sense that there man is regarded as constituting the measure of everything since he is to be regarded as the starting point of all thinking and action. The perspective of Islam, on the other hand, is theocentric, that is, God-consciousness, the absolute here is paramount; man is here only to serve His Maker. [In the West] rights of man are seen in a setting which has no reference to his relationship with God . . .  

On the issue of the relationship between the individual and the state in Islam, Cherif Bassiouni explains how from the Islamic perspective, there is no conflict between individual and state and there is no dichotomy between their rights:

> The individual is neither apart nor separate from society, and his rights are neither

different from nor conflicting with those of the community. He is part and parcel of society, and the fulfilment of his obligations and those of the other members of the society constitutes the reservoir of social rights which are then shared by all. Unlike Western philosophical and political perceptions on the separability of the individual and the state, Islamic social concepts do not make such a distinction. [From the Islamic point of view] the individual does not stand in an adversary position vis-a-vis the state but is an integral part thereof. The consequence of this relationship which flows from the concept of Islam . . . is that there is no apparent need to delineate individual rights in contraposition to the state.9

In addition to espousing the Islamic view which rejects the tenets of secular rights and Western individualism, Ayatollah Khomeini politicised the human rights debate as well. He stated: "What they call human rights is nothing but a collection of corrupt rules worked out by Zionists to destroy all true religions".10 On another occasion, he said that the world was suffering from organisations with meaningless names such as Human Rights or Amnesty International which were the lackeys of superpowers, particularly the United States. These organisations had no mission but to condemn the oppressed nations of the world while serving big powers .11 From a similar standpoint, the former Iranian President and Iran's present Supreme Leader Ayatollah Ali Khamenei asserted:

When we want to find out what is right and what is wrong, we do not go to the United Nations; we go to the Holy Koran . . . For us the Universal Declaration of Human Rights is nothing but a collection of mumbo-jumbo by disciples of Satan.12

Iran's response to Western criticism

Given Iran's rejection of secular rights, it was expected that post-revolutionary Iran would stay out of the universal human rights issue. But this was not the case. It was important for Iran as a member of the international community to respond to the UDHR and the extensive international human rights debate. Furthermore, using human rights in formulating its policy towards Palestinian, Kashmiri and Bosnian issues, as well as addressing the question of Muslims living in Western countries, the Iranian government became involved in the international human rights debate. Besides, as Iran found it necessary to respond to Western criticism of human rights' abuse in Iran, Tehran inevitably entered this arena. Finally, under pressure from some groups inside Iran for greater liberalisation and democratisation, the

12 Cited in Mayer, Op. Cit., p. 34.
Iranian government was in no position to stay out of the debate.\textsuperscript{13}

Iran adopted three distinctive approaches. The first approach has been 'acceptance' or 'endorsement' regarding human rights notions based on Islam. Iranian officials asserted that Islam had offered these rights centuries before the UDHR emerged. They claimed that they were a sketch of those rights which 1400 years ago Islam had given to man.\textsuperscript{14} In responding to the 1993 report of the UN Human Rights Commission, which was highly critical of Iran, the Foreign Ministry defended Tehran's commitment to human rights, but as based on Islamic teachings rather than the UDHR:

Based on the supreme teachings of Islam, the Islamic republic of Iran considers respect for human rights and the lofty character of mankind in all material and spiritual dimensions as a fundamental duty for all governments. According to this belief, the Islamic Republic of Iran, without paying attention to any propaganda hue and cry, will continue its efforts to strengthen the principles which guarantee support for the rights of all citizens.\textsuperscript{15}

In this respect, Iranian officials have often referred to Articles 3.14 and 20 of the Iranian constitution which clearly define human rights as matters of high importance, and explain them in the context of Islamic laws.\textsuperscript{16} In practical terms, in April 1995, the Iranian government established the Islamic Human Rights Commission (IHRC). Its Secretary-General, Mohammad Hassan Zia'ifar, announced that since the inception of the IHRC over 1300 complaints from inside the country had been received.\textsuperscript{17}

The second approach adopted by the Iranian government has been 'particularism' or 'cultural relativism'\textsuperscript{18} regarding the Universal Declaration of Human Rights. Iranian officials have rejected the perception that "there are universal standards by which all cultures may be judged" and have denied "the legitimacy of using values taken from Western culture to judge institutions of non-Western cultures".\textsuperscript{19} From the Iranian point of view, it is not acceptable to impose norms taken from the UDHR on Iran, whose culture and norms are based on Islam.


\textsuperscript{17} "Iran: Official Comments on Islamic Human Rights", \textit{Reuters News Service}, 17 July 1997.

\textsuperscript{18} The terms 'particularism' and 'cultural relativism' have been used by Halliday and Mayer. For an extensive study of these two terms see Halliday, Op. Cit. and Mayer, Op. Cit.

"Evaluative comparisons of Islamic rights concepts and international ones are impermissible because such comparisons are believed to involve judging Islamic norms by the criteria of international law" which the Iranian government views "as an alien, Western system".20

The former Iranian ambassador to the UN, Said Rajaee Khorasani, defending Iran against charges of human rights violations, argued that the international standards could not be used to judge Iran's human rights record. He stated that the UDHR, which represented secular understanding of the Judaeo-Christian tradition, could not be implemented by Muslims and did not accord with the system of values recognised by the Islamic Republic of Iran. The former Iranian Foreign Minister, Ali Akbar Velayati, asserted at the 40th session of the UN General Assembly in October 1985 that "the basic concepts and fundamental values of this organisation [the UN], were all formulated in the framework of the historic-cultural values of the victors in the Second World War; that is why they do not represent the shared values of the majority of the members of the world community".22 In this line, the present Iranian Foreign Minister, Kamal Kharrazi, said in an interview in September 1997:

... We believe some international law has to be modified to include new elements of cultural differences. The case of human rights is one of these. It has been based on Western culture. But other cultures have other things to say. For example, individualism in Western culture is the first priority. But in Eastern countries, in Islamic countries, social responsibility has its own place as well. There should be a balance between individualism and social responsibility reflected in any international convention.23

In a response to critical remarks made by the UN Human Rights rapporteur, Maurice Danby Copithorne, in 1997 regarding human rights conditions in Iran, Zia' ifar said that the mistake made by the UN officials was that they compared the Islamic values of Iranian religious society with the values of Western countries. He added that they did not pay attention to the fact that in a religious society, such as the Islamic Republic of Iran, Islamic values were being implemented.24

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The third approach pursued by the Iranian government has been 'counter-attack' or 'confrontation' in the face of the Western attack on Iran's record of human rights. Iran, together with some Third World countries, argues that Western countries are not qualified either to judge or criticise human rights records elsewhere. Since the West has the imperialistic record and its own history of human rights violations including torture, genocide, religious persecution, racism, and centuries of slavery, as well as record of exploitation of the Third World in the era of Western colonialism, from the Iranian perspective the West is disqualified from acting as judge of the rights records of others.  

The West's 'double standards' has been the other issue which in Iranians' eyes weakened Western criticism of Iran's human rights record. A case in point is the West's divergent human rights policy towards Iran under the Shah and after the revolution. Tehran claimed that while the West tolerated human rights abuses under the Shah, it showed deep concern for the rights of people in Iran after the revolution. In general, the Iranian regime believes that Western countries "ignore human rights abuses by friendly pro-Western regimes and bring up human rights issues only to discredit regimes that defy Western hegemony and reject Western cultural values". Ayatollah Khomeini stated that the "so-called 'human rights organisations' are only to protect superpowers' interests and guarantee the interests of their lackeys in the world". Speaking at the UN in 1993, Velayati said that "... the only way to lend real support to human rights and promote such principles throughout the world is to end the practices of having double standards and exploiting human rights issues for political objectives". Such political objectives, from the Iranian point of view, involve Western efforts to tarnish the image of Islam and to portray Islamic culture and values as primitive and cruel, and Western culture as advanced and the best for all to follow. It was precisely for these reasons that the Iranian government initially did not allow international observers to monitor the human rights situation in Iran. It took a decade to provide them access.

The human rights issue and Iranian–British relations

The divergent conceptual views of Iran and the West on human rights were a stumbling block in Iran's relations with Western countries. However, Ayatollah Khomeini's deep preoccupation with secular and Western culture and values as anathema to Islamic values further widened the gap between Tehran and Western countries. In this context, those Western

26 For more information on Western policy of double standards, see Halliday, Op. Cit., p. 144.
28 A'iin-e Enghelab-e Islami, p. 428.
countries which were active in criticising Iran's human rights behaviour were viewed by many Iranians as hostile not only to the Iranian revolution but also to its Islamic foundation and culture. Given the existing unfriendly relations between Iran and Britain, the latter's criticism of Iran's human rights record caused further deterioration in Iranian–British relations.

The Thatcher government assailed Iran's international reputation on two fronts. The first was at the UN, where Britain was active in condemning Iran's human rights record and co-sponsoring resolutions criticising Iran at the General Assembly or UN Human Rights Commission. During the 1980s, British representatives at the UN almost every year co-sponsored resolutions to this effect. These resolutions largely targeted Iran's treatment of Baha'is, its executions of some of the Shah's military and civil officials, and its treatment of anti-revolutionary elements.30

The second front was related to active criticism of Iran's position by non-governmental organisations based in Britain. Although these organisations were presumably outside British official policy decision-making, their criticisms and policies were attributed to Britain which was their host country. Amnesty International was regarded as one of the most active institutions monitoring human rights in the world and criticising governments suspected of violations. From its headquarters in London it produced an extensive record of human rights violations in Iran.31

The similarity between London's official criticism and that of British-based non-governmental organisations, such as Amnesty International, was interpreted, rightly or wrongly, by the Iranian Islamic leaders as deliberate efforts by the British government aimed at damaging Iran's international image. In sum, this interpretation caused further deterioration of Iran's relations with Britain in the 1980s.


31 The first report of Amnesty International on Iran's human rights violations was published in February 1980. The report "Law and Human Rights in the Islamic Republic of Iran" covered events within the seven month period following the revolution of February 1979. It was very critical of Islamic legal laws and the execution of the Shah's military officials. In addition to the Amnesty International annual reports which cover all countries including Iran, Amnesty International has also produced several special publications on human rights problems and violations in post-revolutionary Iran. Amongst them are Human Rights Violations in the Islamic Republic of Iran, May 1980; Iran Briefing, 1987; Iran: Violations of Human Rights: Documents Sent by Amnesty International to the Government of the Islamic Republic of Iran, 1987; and Iran: Violations of Human Rights; 1987–1990, 1990.
EXPORT OF REVOLUTION

The attempt to export revolution was the most significant feature of Iran's behaviour during the first ten years after the 1979 revolution. The Iranian government was accused of a variety of activities in this context, including propaganda, subversion, and terrorism. However, a distinction should be recognised between Iran's legitimate efforts to spread its political message and the subversion of which it was accused. There is a need to examine the nature, magnitude, and record of Iran's subversive activities, and the way the export of revolution constituted a dynamic interplay between Iran's foreign policy and its domestic politics.

As mentioned earlier, in the period between 1979 and 1989, the balance of power, in general, was in favour of idealists who believed in active export of the revolution in the Middle East through financial, moral and military assistance to different Islamic movements. However, Western and also many Muslim states' exaggerated views on Iran's ability to export revolution should not be overlooked. Many Western countries, especially the United States, did so to justify a policy of containing and isolating the Islamic Republic, and many Muslim countries did so to discredit their opposition Islamic movements. Notwithstanding these exaggerations, there is no doubt that in the 1980s "Iran represented the embodiment of the Islamic threat, and Ayatollah Khomeini served as the symbol of revolutionary Islam". For a decade, fear of export of the revolution dominated much of Western and Middle Eastern politics. To grasp the nature of Middle Eastern and also Western fears, Esposito and Piscatori write:

Its friends and foes alike agree that the Iranian revolution has had a major impact upon the Muslim world and the West. For some, it has been a source of inspiration and motivation; for others, revolutionary Iran has symbolised an ominous threat to the stability of the Middle East and the security of the West...

Two geographic zones were most significant for Iranian activities: the Persian Gulf region

34 Esposito, The Islamic Threat; Myth or Reality?, p. 101.
and Lebanon. An examination of Iran's policies in these areas can shed useful light on the development of the British policy of rejectionism toward Iran – a policy, which overshadowed all British-Iranian interactions in the 1980s.

The case of the Persian Gulf states

When the Iranian revolution became a reality, it threatened the Gulf states from two directions. The first was that Islam could play a determining role in changing social and political systems in the Middle Eastern countries. The second was that the Iranian model could be followed by other states of the region. While the latter consideration gradually lost its initial impact, the former factor retained a profound influence.36

The Iranian policy of exporting the revolution confronted the Persian Gulf states with challenges to the status quo and political instability. While pre-revolutionary Iran was itself a prime target of radical Arab propaganda and subversion, post-revolutionary Iran became a source of propaganda against both pro-Western and radical Arab Persian Gulf states. The hostile relations between the two sides reflected "a conflict between the forces of change and those of the status quo" in the region.37 The Iranian revolution's injection of inspiration and assistance to opposition forces in the region produced political instability which threatened the monarchies. The "socio-political fragility" of the Arab states, rooted in the "overall inability of the ruling elites to meet the mounting demands of their people for a better standard of living and for social justice and political participation", worked as a catalyst for the current of political instability.38 The problem was exacerbated in countries such as Iraq, Bahrain, and Kuwait, where the Shi'a population was considerable.

To export revolution, Iran used two different means, which can be categorised as peaceful and coercive. Peaceful means included dissemination of revolutionary messages by media such as radio, distribution of pamphlets, seminars for Muslim activists, scholarships for foreign Muslim students to study in Iranian seminaries and universities, and annual rallies in Mecca

during the Haj. While regarding revolutionary Iran as a vanguard of Islamic movements in the region that could become the nucleus for resistance movements in the Islamic world, the Iranian government made every effort to spread its political message throughout the region. This message mainly called for creation of true Islamic governments in the Arab states, for genuine independence of the Arab rulers, and for unity of politics and religion. Iranian leaders emphasised that the Gulf's Arab states' dependence on the West contradicted Islamic authenticity and the interests of Muslims; henceforth, the peoples of the region and particularly Muslim activists should try either to force their leaders to eliminate their dependence on the West or to change their political systems. By calling for unity of politics and religion, the Iranian government spread the notion that governments which propagated their separation were not Islamic. This gave courage and confidence to opposition forces, even those with a secular outlook, to stand up against their governments.

While these revolutionary messages in the volatile socio-political environment of the Gulf states posed a threat to their rulers, the Iranian government was also accused of using coercive means such as subversion, and military training of opposition forces, complicity in coups and bombing of Western targets in countries of the region. The Arab states of the Persian Gulf responded to export of the Iranian revolution by forming the Gulf Cooperation Council (GCC) in May 1981. The GCC comprised Saudi Arabia, Kuwait, Bahrain, Oman, Qatar, and the United Arab Emirates. Iran took a negative view of this organisation, primarily because it perceived the grouping as anti-Iranian, aiming to contain and pressure Iran and exclude it from Persian Gulf affairs. In the volatile atmosphere of the 1980s, the 1987 Haj pilgrimage turned into a bloodbath. The tension between Iran and Saudi Arabia on the conduct of the Haj climaxed on 31 July 1987, when Iranian demonstrators in Mecca clashed with Saudi security forces, resulting in several hundred deaths and many more injuries. The Iranian government


40 On the general issues of Iran, export of revolution and the Persian Gulf states, see Ramazani, Revolutionary Iran; Chapters 1-9. For more information on specific issue of Iran's call for true Islamic system, see Ibid., pp. 28-29.

41 On the call for Islamic authenticity see Mahmood Sariolghalam, "Conceptual Sources of Post-Revolutionary Iranian Behaviour Toward the Arab World", in Hooshang Amirahmadi and Nader Entessar (eds.), Iran and the Arab World, New York: St. Martin's Press, 1993, pp. 21-6.

42 Subversion, allegedly inspired, motivated, or sponsored by Iran included the rebellion at the Great Mosque in Mecca in late 1979, uprisings in the Eastern Province of Saudi Arabia in the Autumn of 1979 and spring of 1980, an attempted coup in Bahrain in December 1981, a Shi'a uprising in Iraq in the early 1980s, and a series of bombings targeting the US embassy in Kuwait City in December 1983. As these actions occurred during the Iran-Iraq War, in which most Arab states of the Gulf, in one form or another, politically and financially supported Iraq, Iran's complicity in these activities was given additional credibility.

43 On the Iranian view of GCC, see Bahman Naimi Arfa, Mabani-e Raftari-e Shouray-e Hamkari-e Khalij-e Fars dar Qeabal-e Jomhoori-e Islami-e Iran (in Perisan), [The Rules of the GCC's Behaviour Towards the Islamic Republic of Iran], Tehran: Daftar-e Motaleat-e Syasi va Beinolmelali, 1991, Chapter 3, Ramazani, Revolutionary Iran, Chapters 8 and 9, Hunter, Iran and the World, pp. 120-1.
called for the overthrow of the Saudi regime, and Rafsanjani said "If Imam [Khomeini] dictates, Fahd will not remain alive". In response, Prince Nayef ibn Abdul Aziz, the Saudi Interior Minister said: "... The Kingdom hopes ... to remove from Iran the authority which sends the people of Iran to their death".44

The case of Lebanon

Lebanon is the most salient example of Iran's influence beyond its borders. The historical connection between Lebanese Shi'as and Iran played a major role in Iran's success there. The connection was rooted in the fact that many Lebanese Shi'a leaders studied in Shi'a seminaries in Najaf, Iraq, alongside many Iranian clerics. A large disaffected and deprived shi'a community in southern Lebanon, which Iran was able to organise through these contacts, contributed to Iran's success. The Israeli invasion of Lebanon in 1982, which radicalised and militarised the Lebanese shi'as in the South, facilitated Iran's export of the revolution to Lebanon.45 The Iranian government dispatched Revolutionary Guards to Southern Lebanon. They equipped and trained the Shi'as, set up a network of social services, and assisted them financially. These factors made Lebanon the area most receptive to Iran's Islamic message and influence.

While for Iran Lebanon was "a unique opportunity to prove its pro-Arab and anti-Israeli credentials, to propagate its revolutionary ideology, and to develop a core of supporters", it was the emergence of the pro-Iranian Lebanese Hizballah (Party of God) which played a crucial role in Lebanon.46 Hizballah's pro-Iranian orientation was clearly explained in its manifesto:

"We, the sons of Hizballah's nation, whose vanguard God has given victory in Iran and which has established the nucleus of the world's central Islamic state, abide by the orders of a single wise and just command currently embodied in the supreme Ayatollah Khomeini. 47"

As Esposito has argued, Ayatollah Khomeini and Iran became spiritual and financial

46 Hunter, Iran and the World, p. 123.
godfathers for the Lebanese Shi'as. Posters of Ayatollah Khomeini were to be found in homes, mosques and public places, and his speeches and writings were echoed in sermons and political speeches.48

Iran had already reversed the tide of the war against Iraq and was dominant on the war fronts by mid-1982. Meanwhile, Islamists had consolidated their power in Tehran, and were keen to export the revolution. Lebanon was considered the best opportunity. The deployment of a Multi-National Force (MNF) made up of US, French, British and Italian troops in Lebanon, in the wake of the 1982 Israeli invasion of Southern Lebanon, was interpreted by Lebanese Muslims, particularly the Shi'as, as support for Israel and the Christian-dominated Lebanese political system. Iran found the ground prepared to maximise its foreign policy agenda which had three items. The first was to triumph over the United States and humiliate the Western powers, particularly France and Britain, which were at odds with Iran and were also pursuing a more or less pro-Iraqi policy in the Iran–Iraq War. The second item was the Islamisation of Lebanon. As Southern Lebanon was being called 'little Tehran' by Lebanese, Iranian leaders were optimistic that Lebanon's future political system would be modelled after that of Iran.49

The third reckoning was that Iranian leaders could prove their anti-Israeli policy by stationing troops alongside Lebanese and Palestinian militias fighting Israel.

As the Hizballah and the associated radical Shi'a groups, such as Islamic Jihad (Holy War) took part in such actions as the bombing of the US embassy in Beirut on 18 April 1983, the car-bomb attacks on US and French military installations in Beirut on 23 October 1983, the hijacking of TWA flight 847 on 14 June 1985, and hostage-taking mainly of US, French and British subjects during the 1980s,50 Iran was accused of masterminding the groups' activities. Iran's leaders denied involvement, with Rafsanjani claiming after the car-bomb attacks on US and French military installations that: "it is impossible that Iran was behind these bombing incidents. Iran, in fact, does not support terrorist acts. Iran supports popular movements in the struggle against occupation forces. We do not consider it just to interfere in such things".51

48 Esposito, The Islamic Threat; Myth or Reality?, p. 147.
49 On this issue, see Robin Wright, In the Name of God; The Khomeini Decade, London: Bloomsbury, 1990, P. 114, and Ramazani, Revolutionary Iran, pp. 183–7.
50 It should be noted that Iran was itself the first victim of hostage taking in Lebanon when four Iranians, three diplomats and one journalist were taken hostages on 4 July 1982. See Ramazani, Revolutionary Iran, PP. 188–94 and Wright, In the Name of God, pp. 115–21.
51 Foreign Broadcast Information Service (FBIS), South Asia (SA), 27 October 1983, Vol. 8, No. 209. On the other hand, the former Head of Iran's Judicial Branch, Musavi Ardabili said that the Muslim people of Lebanon had learned "the lesson of revolution from Iran". The Iranian revolution taught the Americans and the French the lesson "not to embark on aggressions and attacks on oppressed nations". See FBIS, SA, 24 October 1983, Vol. 8, No. 206.
The export of revolution and the British policy of rejectionism towards Iran

The British policy of rejectionism, which initially emerged as a result of Iran's anti-status quo policy and the destabilizing effect of its export of the revolution, gained more support and momentum after Iran became involved in Lebanon. Since post-revolutionary Iran's policy in the Persian Gulf was detrimental to the interests of conservative Arab states and their Western allies, and the overall pattern of British policy was directed against the forces of change in the region, London adopted a policy of rejectionism. Based on this policy, Britain even ignored Iran's legitimate demands, such as for Western acknowledgement that Iraq had been the aggressor in the war.

The policy of rejectionism was rooted in the initial British perception that Iran would not conform to international norms of behaviour. As Sir John Moberly, a former British diplomat, informed the author, Iran's anti-status quo policy with its destabilising effect in the region produced a negative view in Britain. This was fundamental for development of the rejectionist approach by the Thatcher government.

Iran's involvement in Lebanon and its perceived complicity in various events there in the 1980s intensified British rejectionism. One of the most important misdemeanours of which Iran was accused was hostage-taking in Lebanon. The culprits, who originally pursued their own agendas and demands, and acted to enhance their own international profile, were viewed in Western countries as agents of Iran. The Western view of Iran's complicity was strengthened by recognition of the fact that those organisations' demands and interests sometimes converged with those of Iran, particularly their calls for a change in Western countries' policies towards Iran. For instance, the abduction of a British citizen, Jack Mann, in May 1989, was a result of Ayatollah Khomeini's fatwa against Salman Rushdie and subsequent ruptured relations between London and Tehran.

In response to hostage-taking in Lebanon, America, France, and Britain all adopted a public policy of no negotiation with hostage-takers and no concession to their demands. While despite their declared policy, America and France practically conducted direct and indirect negotiations with hostage-takers, the British government stood firm on no-negotiation policy and upheld its rejectionist approach towards Iran until 1988, when the last French hostage was released.

This was possibly because of the low priority that Britain accorded to the hostage issue in its

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foreign policy. In contrast, France, where the hostage issue dominated domestic politics, was very keen to secure the release of its hostages in whatever way possible. In fact, unlike its French counterpart, the Thatcher government was spared considerable pressure from public media or interest groups. Lebanon being a former French colony, the French government naturally was more concerned with events there than the British. Furthermore, as the Thatcher no-negotiation position had broad cross-party support, the British hostages in Lebanon, relatively few compared to the French and American hostages, did not become a major issue in British elections. This contributed to the Thatcher government's success until 1988 in refusing to negotiate directly with hostage-takers or indirectly with countries such as Iran or Syria which could influence them. In this context the British government repeatedly distanced itself from the mediatory role of Terry Waite, a special envoy of the Archbishop of Canterbury, who himself was held hostage for several years.

The French negotiations with hostage-takers and indirect dialogue with Tehran on the fate of hostages, however, was condemned by the Thatcher government. When the last French hostage was released in 1988, the British government showed its disapproval. "I was ... none too happy," Thatcher said, "about the arrangements which led to the release of French hostages from Lebanon and which were widely considered to have overstepped the mark as regards the principle of refusal to deal with terrorists".

French negotiations with Iran, aimed at encouraging Tehran to exert its influence over hostage-takers, were based on the settlement of financial disputes between Tehran and Paris, and also the expulsion of several Iranian counter-revolutionaries residing in France. By the same token, to release its hostages from Lebanon, the British government was required to make political concessions to Iran – something which it was not prepared to do. That such a concession was demanded is evident in the comments of Mohammad Javad Larijani, former Iranian Deputy Foreign Minister for International Economic Affairs. He said that Iran played a "vital and constructive role" in the release of the French hostages, thanks to "ideological links" with groups in Lebanon, and added "we could and can do the same for British hostages" on condition that "London should change its policy towards the Islamic Republic".

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54 For exploration of this issue, see Ibid., p. 173.
55 It should be noted that the British success in keeping pressure groups and public media quiet on the British hostages lasted until the last French hostage was released in 1988. It was at this time that some criticised the British government for not attempting to secure the release of the hostages.
Pursuing rejectionism, the Thatcher government had virtually no relations with countries that could exert pressure on hostage-takers in Lebanon. Iranian–British relations were cool, and Britain had severed its relations with Syria in 1986. While coolness between Iran and Britain had constrained British manoeuvrability in resolving the hostage problem, rejectionism made British–Iranian rapprochement very difficult. While London, in the absence of British–Syrian relations, seemed to view Iran's role in releasing British hostages as potentially influential, any British official contacts with Iran and any progress over the hostages were subordinated to the larger issue of improvement in British–Iranian diplomatic relations.

**THE RUSHDIE AFFAIR**

Ayatollah Khomeini's death sentence for blasphemy passed on the British author, Salman Rushdie for his book, *The Satanic Verses*, on 14 February 1989, was the straw which broke the camel's back in Iranian–British relations. The *fatwa* (religious decree) not only ended Iran's relations with Britain but also created an international conflict. The Rushdie affair occurred when by the end of the Iran–Iraq war in July 1988, the pragmatist faction had achieved ascendancy in Iran's politics. While the pragmatists had made efforts to break Iran's international isolation and improve its relations with Western countries, including Britain, the Rushdie affair reversed the trend.

**Burgeoning relations between Iran and Britain**

From mid-1988, following the July 1987 incident which caused the expulsion of diplomats from both Tehran and London, both Britain and Iran were motivated to improve relations. For a number of reasons, the Thatcher government was prepared to enter into negotiations with Tehran. It had become clear to it that without normal relations with Tehran the release of two British detainees in Iran charged with espionage would not be possible. In fact, Roger Cooper's detention since 1985 had spanned a very difficult time in Anglo-Iranian relations, which had reached an all-time low in 1987 after a series of mutual expulsions of diplomats. Tim Eggar, former Parliamentary Under-Secretary for State for Foreign and Commonwealth Affairs, cited the Cooper case as one reason for Britain's decision to improve relations. He asserted: "one of the main considerations was our hope and belief that by restoring our representation in Tehran we would be able to speed up the release of Roger Cooper and of

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59 Britain broke off its relations with Syria in 1986 after the complicity of Syrians in the attempt of Nezar Hindawi in placing a bomb on an E1 A1 aircraft at Heathrow.
Nicolas Nicola". 60

The fate of the British hostages in Lebanon was another reason for the Thatcher government to improve its ties with Tehran. The policy of rejectionism and no-negotiations, which had come under criticism, lost momentum after the last three French hostages were released in May 1988. 61 The British government realised that its policy had not aided British long-term or short-term interests. As to long-term interests, other Western countries, particularly France, were seen in British eyes as "up to its neck in negotiation". 62 So, if Britain's objective had been to teach a lesson to hostage-takers it had not worked, as France and the USA had not followed suit. As to short-term interests, London came to the point that the British hostages in Lebanon were the only ones who felt abandoned. Given the failures of its stance on hostage-taking and of its policy towards Iran, the Thatcher government was preparing to change policy and improve ties with Iran. Although since June 1988 London had repeatedly and correctly denied that the hostage issue was an agenda item in negotiations with Tehran, there was considerable evidence that it was of paramount importance to London's initiative to improve ties with Tehran. If the release of British hostages "is the fruit of a new Anglo-Iranian relationship, it is all to the good", The Times wrote. 63 Following the resumption of British-Iranian relations in late 1988, Waldegrave stated:

This [resumption of relations] of course is only the start. . . . The fate of our hostages in Lebanon, Terry Waite and John McCarthy, together with Brian Keenan, is of enormous concern for us. We have said, and continue to say, that Iran should use what influence she has to help secure their release. 64

The East-West rivalry also encouraged Britain to improve relations with Iran. Like the United States, Britain under Thatcher viewed the Soviet threat and the Kremlin's exploitation of the cool relations between Iran and Western countries seriously. Thatcher believed that the Soviet Union "would extort subsidised credits from a West anxious for peace in periods of 'thaw', and seize new territories by subversion and conquest in periods of 'chill' ". From 1983 to 1987, Thatcher asserted, "there was a new chill in East-West relations. We had entered a dangerous phase. . . . The Cold War had never really ended, at least from the Soviet side:

61 On the issue of Franco-Iranian negotiations and also French deal with hostage takers in Lebanon, see Keesing's Record of World Events, Vol. XXXIV, 1988, pp. 35619, 35671, 35980, and 36001.
63 "Iranian Overtures", The Times, 8 June 1988.
there were merely variations of chill".65

During 1987 the Soviets sent no fewer than 17 diplomatic and economic missions to Tehran. Also in the same year, Deputy Foreign Minister Yuli Vorontsov visited Tehran three times, and Moscow was host to 77 Iranian delegations, with Foreign Minister Ali Akbar Velayati and four of his deputies spending a total of 42 days in the USSR. The Soviet bloc diplomatic presence in Tehran was its strongest in the entire Middle East.66 While Iran had no relations with the USA or France, and virtually none with Britain after mid-1987, other Western countries, such as Germany and Italy had no political leverage with Tehran, and were mostly concerned with their economic interests. At the same time, Iran was under the strongest pressure from the West to end the war, and was suffering setbacks in the Persian Gulf during the "Tanker War" as well as on land. The Thatcher government was willing to develop its relations with Iran for fear the Soviets would exploit Iran's international isolation.

Economic interests also motivated Britain to resume relations, because after the 1987 incident, the Iranian government had instituted a policy of 'Buy British Last', issuing a directive to all Iranian organisations and ministries considering importing goods from Britain to make a "close and accurate examination of the possibility of replacing such goods from other sources".67 In the first seven months of 1988, British exports to Iran were 14 per cent lower than in the same period in 1987.68 To overturn the 'Buy British Last' policy, London had to reestablish relations with Tehran.

Iran's acceptance of Security Council Resolution 598 and the end of the Iran–Iraq War in July 1988 marked the beginning of a new era in Iran's economic relations with Western countries. President Khamenei stated that "in reconstruction of the country, we must use the knowledge, expertise and resources of the foreigners".69 It had become clear to Whitehall that those countries which had managed to maintain normal relations with Iran throughout the war, such as Germany, Italy and Japan, would have the bigger share in Iran's post-war reconstruction. This prompted London to become more active in order to gain a slice of the reconstruction pie, given Britain's position as a traditional trading partner of Iran.70 It was in this context that Britain's Export Credit Guarantee Department (ECGD) hinted that it might resume

68 The decline was also due to Iran's shortage of foreign exchange and limitation on importing of some kinds of goods. See Financial Times, 9 September 1988.
medium-term export credit covering Iran in the wake of the Iran–Iraq War ceasefire.\footnote{Medium term cover for Iran had been suspended in 1979. During the war, ECGD maintained limited medium term cover for Iraq. See \textit{Financial Times}, 11 August 1988.}

The Iranian government also desired improved relations. Close to the end of the war, the pragmatists had become stronger, and were able to direct effectively Iran's foreign policy. In fact, Ayatollah Khomeini's acceptance of Resolution 598 was largely the result of pragmatists' lobbying. As such, Iran's tentative opening to the West was launched before the end of the war, and rapidly gained momentum after the ceasefire. The pragmatists skilfully used the changing situation to enhance their approach towards the West. Rafsanjani stated: "one of the incorrect measures was that, in the revolutionary atmosphere, we made enemies [of some Western countries]. We pushed those who could have been neutral into hostility . . . Now the Foreign Ministry has been instructed to tread the correct path at this stage".\footnote{Cited in Wright, \textit{In the Name of God}, p. 192.} One day after the ceasefire, he said: "our post-war foreign policy will be more open than that during the war".\footnote{Ibid.}

Tehran now urgently wished to end Iran's international isolation. The resumption of Iran's relations, close to the ceasefire or after it, with countries such as Canada\footnote{For eight years, Iran had subjected the resumption of its relations with Canada to a demand that Canada formally apologise for sneaking out six American embassy employees hidden for three months during the 1979–81 hostage crisis.} and France, and the re-opening of the Kuwaiti embassy in Tehran, all manifested this desire. Even the issue of relations with the United States was canvassed in some newspaper editorials. \textit{Jomhoori-e Islami} wrote:

\begin{quote}
We must begin to believe that, if necessary, we can have relations with the United States with complete self-reliance and confidence from a position of strength. . . . We have nothing to lose by establishing proper relations with the superpowers of the West based on justified rights of the Islamic Republic. Not only will we have nothing to lose, but also by using proper means we will . . regain our lost rights in the world.\footnote{"Editorial Assesses Relations with the United States", \textit{Jomhoori-e Islami} [Islamic Republic], cited in Right, \textit{In the Name of God}, p. 195.}
\end{quote}

It was Iran's hope that by resuming relations with Britain, the latter might assist Iran in its case against Iraq at the United Nations over implementation of Resolution 598. Iran had not been able to win the war with Iraq; it deemed it necessary to re-establish links with the outside world, so that the opportunities afforded by peace should not be lost for lack of friends. Iran's willingness to improve its ties with London was premised on an expectation that Britain
would support Iranian efforts to have Iraq branded as the aggressor.

This temporary mutual attraction between the two sides led to negotiations in mid-1988. Two issues were used by them to give momentum to the talks. The first was mutual compensation for past damage to their respective embassy buildings. London agreed to pay Iran £1.9 million for damage caused to the Iranian Embassy in London during its storming by the SAS to rescue its staff in 1981, and Iran agreed to pay £900,000 compensation for damage to the British Embassy in Tehran. Settlement of this long-standing issue was the prelude to further exchanges on political issues. The second issue was British condemnation of Iraqi use of chemical weapons against Iran during the war. Mehdi Karoobi, former Deputy Speaker of the Iranian Parliament, during a meeting with a British Parliamentary delegation in Tehran, said: "I am thankful for the British stance condemning the Iraqi use of chemical weapons in the war".

In late 1988, the two sides exchanged delegations and negotiated on resumption of relations. High-level meetings, including one between Geoffrey Howe and Ali Akbar Velayati in New York in September 1988, finally led to restoration of relations in November 1988. Britain re-opened its embassy, with Gordon Pirie as Charge d'Affaires. As a consequence, Iran released Nicolas Nicola, and Britain freed an Iranian who was serving a 12-year sentence for involvement in a bomb explosion at a London hotel, and Tehran also allowed Cooper to receive a visit by his family in Tehran jail. Furthermore, British Airways resumed flights to Tehran, and more than 50 British companies participated in Iran's 1988 international trade fair, at which Britain figured as the second largest participant after West Germany.

Full resumption of diplomatic ties and exchange of ambassadors were dependent on further warming of relations. But pressure on the part of the Iranian 'idealists', and their opposition to the pragmatists' open-window foreign policy, undermined these prospects. Ali Akbar Mohtashemi, former Minister of the Interior and a key figure in the 'idealist' faction, suggested Cooper be punished according to Islamic law, and added: "Britain's request that its spy not be tried stems from its arrogant nature. How can we trust a country which interferes in the internal affairs of others and which dispatches spies to Iran"? The hard-line Iranian newspaper Jomhoori-e Islami, describing Britain's fence-mending efforts as a "filthy handshake", said: "London wants to open its embassy in Tehran to reorganise its shattered intelligence service in Iran and revive Freemasonry".

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76 "Hei'At-e Parlemani-e Englis" (in Persian), [British Parliamentarian Delegation], Ettel'at, 31 Khordad 1367 (Iranian Calendar), cited in Shokrani, p. 191.
Given the idealists' opposition to any progress in British–Iranian relations, the lack of progress on the fate of British hostages in Lebanon was also understandable. The Iranian government was prepared to use its influence in Lebanon to secure the release of British hostages only in return for British efforts to compel Israel to release four Iranian detainees. In addition, the delays in release of the British hostages stemmed partly from the complex nature of hostage-taking in Lebanon, and also the inability of the Iranian pragmatists to overcome the idealists' influence on the politics of pro-Iranian groups in Lebanon. Waldegrave underlined the problems as follows:

It is sensible to identify the problems which remain. We would like these problems solved. The most important are: (i) The continued, and wholly unjustified, detention of Roger Cooper in Iran. Iran has no reason to detain him in custody. (ii) . . . The fate of our hostages in Lebanon . . . is of enormous concern to us. We have said, and continue to say, that Iran should use what influence she has to help secure their release. (iii) British companies continue to suffer from discrimination, in the form of a circular instruction in Iran to 'Buy British Last'. (iv) We are concerned by the continuing reports, more numerous in recent months, of human rights abuse. It is important that these problems should be resolved soon. Otherwise they will obviously limit the possibility of constructing a full and warm relationship with Iran. 79

In sum, the absence of a long-term strategy by which Tehran and London could improve their relations, together with the unresolved problems between them, and, more importantly, idealist opposition to the pragmatists' policy of more openness to the West, prevented the resumption of full diplomatic relations. Eventually this short period of burgeoning relations ended with the Rushdie Affair in February 1989.

The Satanic Verses and the storm in Iranian–British relations

The Satanic Verses was published by Salman Rushdie, an Indian-born British author, on 26 September 1988. The novel was declared blasphemous and banned in India on 5 October. Later, the governments of Pakistan, Saudi Arabia, Egypt, Somalia, Sudan, Malaysia, Qatar, Indonesia and South Africa followed suit. On 20 October Seyed Pasha, Secretary of the Union of Islamic Institutions in Britain, demanded prosecution of Rushdie. The book won the Whitbread Prize for novels on 8 November. Muslims in Bradford burned it publicly on 14 January 1989. Their action was met with approval from the Hindu and Christian communities in Bradford. 80

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80 Hasmukh Shah, general secretary of the Virat Hindu Sammelan said: "We are totally with our Muslim
Rushdie targeted Muslim sanctities: the Quran, the Prophet, his wives, and Islamic rules. Rushdie gave the Prophet a name, `Mahound`, which Rushdie himself described as 'the Devil's synonym'. Rushdie depicted him as incapable of distinguishing between inspiration from an angel and inspiration from a devil, or between what he dictated and what the scribe deliberately substituted. Thus, he not only abused the Quran as the word of God, but also questioned it even as the work of the Prophet. Muslims were also outraged by his denigration of the Prophet's wives. He did not say that they were prostitutes, but gave them names of prostitute characters. He also ridiculed Islamic rules. In sum, Rushdie "insulted the faith, ridiculed the Prophet, trivialised the sacred – and the sin was compounded because it was committed by a born, though not a practising, Muslim". Muslims were further infuriated by the fact that Rushdie "had been lionised, praised, and lavishly rewarded and financed by enemies and critics of Islam". Ayatollah Khomeini issued a *Fatwa*, on 14 February 1989, declaring that

> The author of *The Satanic Verses* book, which is against Islam, the Prophet and the Quran, and all those involved in its publication who were aware of its content, are sentenced to death. I call on zealous Muslims to promptly execute them on the spot they find them so that no one else will dare to blaspheme Muslim sanctities ...

The impact of the *fatwa* was felt throughout the world. Rushdie went into hiding under police protection.

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81 The Persian scriber in Rushdie's book says: "Little things at first. If Mahound recited a verse in which God was described as *all-hearing, all-knowing*, I would write, *all-knowing, all-wise*. Here's the point: Mahound did not notice the alterations. So there I was, actually writing the Book, or re-writing, anyway, pulling the word of God with my own profane language. ... So the next time I changed a bigger thing, He said *Christian*, I wrote down *Jew*. He'd notice that, surely; how could he not? But when I read him the chapter he nodded and thanked me politely, and I went out of his tent with tears in my eyes". See Salman Rushdie, *The Satanic Versus*, Dover: The Consortium, 1992, pp. 367–8.

82 "The fifteen-year-old whore 'Ayesha' was the most popular with the paying public, just as her namesake was with Mahound ... . The fifteen-year-old whispered something in the grocer's ear [Musa]. At once a light began to shine in his eyes. 'Tell me everything', he begged. 'Your childhood your favourite toys ... tell me how you played the tambourine and the Prophet came to watch'. She told him, and then he asked about her deflowering at the age of twelve, and she told him that, and afterwards he paid double the normal fee, because 'it's been the best time of my life' ". See Rushdie, Op. Cit., pp. 380–1.

83 "... Rules about every damn thing, if a man farts let him turn his face to the wind, a rule about which hand to use for the purpose of cleaning one's behind. ... Which sexual positions had received divine sanction, so that they learned that sodomy and the missionary position were approved of by the archangel, whereas the forbidden postures included all those in which the female was on top ... ." See Rushdie, Op. Cit., pp. 363–4.


86 For the full text of the *Fatwa*, see "Matn-e Fatway-e Imam Khomeini dar Rabetah ba Ghatl-e Rushdie", (in Persian), [Text of Imam Khomeini's *Fatwa* on Rushdie], *Ettela'at*, 15 February 1989.
The question is: why did Ayatollah Khomeini issue the fatwa? Various scholars and experts on Iran have answered the question from different angles.\(^8\) The fatwa seemed to be rooted in two fundamental facts which many Western scholars have overlooked. The first was Ayatollah Khomeini's absolute conviction that *The Satanic Verses* was blasphemous, and that the punishment for blasphemy, particularly committed by a born Muslim, was death.

Ayatollah Khomeini had made a similar outburst on another religious matter a few weeks earlier. An Iranian woman suggested in a Radio interview that a Japanese television personality rather than the Prophet's daughter, *Fatimah*, was her role model. Ayatollah Khomeini called for severe punishment of the radio officials responsible for broadcasting that program, if they had done so intentionally.\(^8\)

The second fact, even more important, was Ayatollah Khomeini's view of *The Satanic Verses* as a Western conspiracy against Islam and the Quran. Among Western countries, Britain had a long history of involvement in Iran, where many regarded it as a power conspiring against Iran and Islam. The Rushdie affair was taken to confirm Iranian suspicions, when it was learned that Rushdie had been paid over US $800,000, or according to another report US $1.5 million in advance royalties.\(^8\) To Ayatollah Khomeini, the book was seen "as a deliberate assault against Iran and the Muslim world as a whole, designed to demean, mock, and weaken Islamic culture".\(^9\) The fatwa explicitly revealed his view of the book as a conspiracy and his intention to prevent further attempts of this kind. He said ". . . I call on zealous Muslims to promptly execute them [Rushdie and all those involved in the publication of the book] . . . so that no one else will dare to blaspheme Muslim sanctities".\(^9\) His speech on 24 February 1989 reinforced this stance:

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\(^8\) These can be summed up as follows: (i) enabling him to re-assert his Islamic leadership internationally, (ii) consolidating his domestic and international standing (iii) appeasing Iran's Idealist or hard-line revolutionary clerics, (iv) balancing between the idealist and pragmatist factions (v) mobilising people in Iran by identifying a distant enemy, and (vi) distracting attention from Iran's pressing socioeconomic post-war problems. These reasons, in one form or another, were extracted from the practical or perceived consequences of the Fatwa. For details of these arguments, see Esposito, *The Islamic Threat; Myth or Reality?*, p. 116; Halliday, Op. Cit., PP. 71 & 123; Shahram Chubin, "Iran and the Persian Gulf States", in David Menashri (ed.), *The Iranian Revolution and the Muslim World*, Oxford: Westview Press, 1990, p. 83; R. K. Ramazani, "Iran's Resistance to the US Intervention in the Persian Gulf", in Nikki R. Keddie and Mark J. Gasiorowski (eds.), *Neither East nor West; Iran, the Soviet Union, and the United States*, New York and London: Yale University Press, 1990, pp. 53–4; Judith Miller, *God Has Ninety-Nine Names*, New York: Simon & Schuster, 1996, p. 454; Anoushiravan Ehteshami, "Wheels Within Wheels: Iran's Foreign Policy Towards the Arab World", in Hooshang Amirahmadi and Nader Entessar (eds.), *Reconstruction and Regional Diplomacy in the Persian Gulf*, London and New York: Routledge, 1992, p. 182; and Wright, *In the Name of God*, pp. 200–1.


\(^8\) Mazrui, Op. Cit., p. 137.


I inform the proud Muslim people of the world that ... The Satanic Verses ... is against Islam, the Prophet and the Quran. ... The issue of the book ... is that it is a calculated move aimed at rooting out religion and religiousness, and above all, Islam and its clergy. ... The issue for them [the western countries] is not that of defending an individual—the issue for them is to support an anti-Islamic and anti-value current, which has been masterminded by those institutions belonging to Zionism, Britain and the USA which have placed themselves against the Islamic world, through their ignorance and hate.92

This view was repeatedly emphasised in the Iranian press. Keyhan wrote: "the Western aim undoubtedly was to destroy a culture [Islamic culture] whose growth endangered all its colonialis goals".93 Along this line, the then Iranian Deputy Foreign Minister, Mohammad Javad Larijani, asserted: "... The Rushdie affair was planned by the United States and Zionism to deliver a blow against Iran...".94

The fatwa received varying reactions in the Muslim world. For instance, Sheikh Mohammad Hossam el Din of Cairo's Al Azhar Mosque said that the execution of Rushdie would be virtually impossible under the tenets of Islam, and that the issuing of a death sentence would make Islam seem brutal and bloodthirsty. He suggested that Muslims should only ban and burn the book and give Rushdie a chance to repent.95 Kalim Siddiqi, the late Secretary of the British Muslim Parliament, supported the fatwa.96 The Organisation of Islamic Conference, an important body in the Muslim world, did not explicitly endorse the fatwa but in its resolution published on 16 March 1989, it declared Rushdie an apostate. From Iran's point of view, this was a big victory, as apostasy is punishable by death.

For Western countries, Ayatollah Khomeini's death sentence was an unexpected occurrence, not because of his order to kill someone outside Iran, but because of his openness in declaring the fatwa to incite the whole Muslim community to kill a person. Furthermore, since Rushdie was a British citizen and the book had been initially published in Britain, and under pressure from British human rights organisations and the press, the Thatcher government found itself at the centre of controversy, and moved into the forefront of opposition to the fatwa and the government in Iran.

The Iranian government declared the day after the fatwa a day of national mourning. Immediately thereafter, many Iranians gathered in front of the newly re-opened British embassy in Tehran and shouted 'Death to Rushdie', 'Death to Thatcher', and 'Death to Britain'.

On 15 February, Ayatollah Sanei of the 15 Khordad Foundation of Iran, a non-governmental organisation, offered a considerable reward to anyone who would kill Rushdie.

Some Iranian officials tried to reduce the damage which the fatwa could have inflicted on Iran's relations with the West. On 17 February, the then Iranian president, Ali Khamenei, called on Rushdie to apologise for his blasphemy, since "then it is possible that the people will pardon him", and warned Iranian students against storming the British Embassy.97 To pragmatists it seemed that the Rushdie affair would destroy all the preparations for normalisation with the West. On 18 February Rushdie issued a statement, in which he regretted the distress which his novel had caused to many Muslims throughout the world. The official Iranian reaction was contradictory, first rejecting, then accepting and finally again rejecting Rushdie's apology. The situation became clear only with an announcement from Ayatollah Khomeini's office on 19 February that even if Rushdie repented and became the most pious man of his time, it was still incumbent on every Muslim to use his life and wealth to send him to hell.98

For more than a week after the fatwa, neither Thatcher nor the Leader of the Opposition expressed any view, let alone protest. However, in the context of an EC decision on 20 February, the British government finally withdrew its entire diplomatic staff, all of whom had only recently arrived in Tehran. Foreign Ministers from 12 EC member countries met in Brussels. Condemning the fatwa as an unacceptable violation of the most elementary principles and obligations governing relations among sovereign states, they agreed to recall simultaneously their heads of missions in Tehran "for consultation" and to suspend exchanges of high-level official visits.99 The British initial silence and reluctance to take any unilateral position on the Salman Rushdie issue and its subsequent withdrawal of diplomats from Tehran in the context of the EC decision was aimed to make the issue an all-European one, so as to maximise the pressure on Iran.100

In reaction to the EC decision, Iran announced on 21 February the withdrawal of all its diplomats from EC countries, and even those pragmatists who were thought to be moderate issued strong statements in support of this reciprocal measure. For instance, the then speaker

98 For the text of this statement, see A' ollah Mohajerani, Naghd-e Toteay-e Ayat-e Sheitani (in Persian), [Critic of Satanic Verses Conspiracy], Tehran: Ettela'at Publication, 1994, p. 157.
of Parliament, Rafsanjani, said that Iran did not fear confrontation with the West in countering "global blasphemy". Larijani described the EC decision as "amateurish, hasty and very counter-productive," and asserted that Iran would "stand by its position that Salman Rushdie should be punished".101

The pragmatists' new stance was due to their earlier inability to lift the fatwa when President Khamenei had suggested Rushdie apologise, and also to an attack by Ayatollah Khomeini on their open-window policy towards the West. On 22 February 1989 Ayatollah Khomeini said:

It is not necessary for us to go seeking to establish extensive ties because the enemy may think that we have become so dependent and attach so much importance to their existence that we quietly condone insults to beliefs and religious sanctities, those who still continue to believe that and warn that we must embark on a revision of our policies and diplomacy; ... those who believe that if we act in a pragmatic way they [the West and the East] will reciprocate humanely and will mutually respect nations, Islam and Muslims—to them this [Rushdie's novel] is an example.102

There was also a perception amongst Iranian officials that Iran's frustration stemming from being forced to end the war and its need for Western resources, technology, know-how and assistance, had led the Western powers to believe they could do anything against Iran. This dominant perception was reflected by President Khamenei when he said: "Western powers should not perceive that Iran for its needs in the post-war era is prepared to neglect its sanctities".103 Along this line, Prime Minister Mousavi asserted that although the second decade of revolution was the decade of construction and development, it was also the decade of resistance over revolutionary principles and slogans.104

Meanwhile the idealists within the Iranian leadership attempted to take full advantage of the fatwa and reverse the course of normalisation of relations between Iran and the West. They were dominant, by and large, in the parliament, and succeeded in passing, on 28 February 1989, an ultimatum allowing Britain one week to reconsider its "unprincipled stand over Islam, the Islamic Republic of Iran and the Rushdie affair", before breaking off diplomatic relations.105 Although the British Foreign Secretary said that the novel had regrettably been offensive to Muslims and also to Britain, which Rushdie had compared to Hitler's Germany,

102 See BBC Summary of World Broadcasts, 24 February 1989.
104 Ibid., p. 226.
105 For the full text of the ultimatum, see "Mosavvabay-e Majlis-e Shouray-e Islami ba 180 ray-e Movafegh" (in Persian), [Parliament's Ultimatum Passed with 180 Votes], Daily Resalat, 28 February 1989.
the idealists were determined to break off relations, and did so on 7 March. This was the first
time that Iran had taken the initiative in breaking diplomatic ties since its decision in early
1979 to end relations with Israel, Egypt and South Africa.106

The Rushdie affair and severing of diplomatic relations with Britain were seen in Western
countries as the return of revolutionary Iran to its confrontational stance against the West.
They concluded that as long as Ayatollah Khomeini was alive there was no room for
developing constructive relations with Iran.

Following Iran's severance of relations with Britain, EC member countries for political and
economic reasons decided to return their heads of missions to Tehran on 20 March 1989.
Scorning their decision, Ayatollah Khomeini said the diplomats were returning to Iran
"humiliated, disgraced, and regretful of what they did".107 On 3 June 1989 Ayatollah
Khomeini died. This apparently marked the end of the 'Khomeinism' era, but ten years after
the Iranian revolution, the Rushdie affair had destroyed "the results of nearly ten years of
generally cautious British diplomacy towards Iran".108

As the foregoing chapter demonstrated, the human rights issue was a source of tension
between Iran and Britain. Viewing British criticism of Iran's human rights record as a
deliberate policy to damage Iran's international Islamic position, the revolutionary Islamic
leaders became more resentful of the British. Meanwhile, London's previous silence over the
Shah's abuses of human rights, contrasted with its deep concern about Iran's revolutionary
regime's behaviour in the field of human rights made the new Iranian leaders suspicious of
true British objectives. At the same time, Britain's active policy of criticising Iran's human
rights violations strengthened Iran's perception of Britain as a conspiratorial power which
aimed to isolate Iran in the international community. The Thatcher government's concern over
the issue of export of the revolution led London to adopt a rejectionist policy towards Tehran.
This policy made Iranian–British rapprochement very difficult. Eventually, close to the end of
the war and particularly after it, while pragmatists dominated Iran's power structures,
Britain, realising the failure of its policy to produce any short or long term results, changed its
policy. Meanwhile, Tehran found it expedient to strive for improving its ties with London.
But the Rushdie affair reversed the trend. Viewing the Rushdie issue largely as a Western
conspiracy, orchestrated by Britain with its conniving nature in the Iranian eyes, the Iranian
government broke off relations with Britain. In fact, Iranian–British relations in the 1980s,
characterised by tension and instability, climaxed in March 1989 when Iran finally ended its

106 Iran's decision to end relations with Egypt and South Africa was because of Egypt's signing of a peace treaty
with Israel (Camp David) and South Africa's policy of Apartheid.
107 Quoted in Julian Baum, "Arab–British Ties Ride Out Storm Over Rushdie Affair", Christian Science
relations with Britain.
Chapter 6

Iranian–British Relations in the Post-Khomeini Era

INTRODUCTION

The end of the Iran–Iraq War in 1988, followed by the death of Ayatollah Khomeini in June 1989, ushered in a new era in Iran's domestic and foreign policy. The rise of pragmatists, headed by Ali Akbar Hashemi Rafsanjani, after one decade of idealists' dominance in Iran's power structure, and Rafsanjani's ability through his technocrat cabinet to redesign Iran's foreign policy, marked the beginning of the post-Khomeini era. Furthermore, the extensive changes which Iran experienced in its regional and global environments and the pragmatic handling of them by the new administration strengthened the pragmatists' hold. The twin crises of the disintegration of the Soviet Union and the Kuwait War in the early 1990s provided the post-Khomeini leadership with opportunities to de-link Iran's foreign policy from the previous decade and improve Iran's international image.

The Rafsanjani government initiated the necessary adjustment in Iran's foreign policy. This adjustment was based on domestic priorities of post-war reconstruction and the corresponding changes in the region and the world, involving both Iraqi expansionism and the Soviet dissolution. It was rooted in Iran's national reconstruction and foreign policy diversification. The outcome was an inward-looking mood and a re-defined version of the export of revolution, and its ends and means. This chapter will examine European–Iranian relations generally, and Iranian–British ties in particular in the post-Khomeini era in the light of the new changes introduced by Rafsanjani and his government.

NATIONAL RECONSTRUCTION

The end of war with Iraq necessitated reconstruction. A preliminary report by a UN inspection team estimated Iran's economic losses in the 1980–88 war at "$940bn in direct damage and the balance of $440bn in indirect losses". The UN mission found that "the damage inflicted on the country's infrastructure was of a magnitude and nature that will require several years of repair and reconstruction". In the aftermath of the war, Iran's

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1 Peter Feuilherade, "The Cost of the War Before Last", *The Middle East*, October 1991, No. 204, p. 34.
2 Ibid., P. 34; For more information on the economic costs of the War, see Hooshang Amirahmadi, "Economic Costs of the War and the Reconstruction" in Cyrus Bina and Hamid Zangeneh (eds.), *Modern Capitalism and Islamic Ideology in Iran*, London: Macmillan, 1992, Chapter 10.
economic difficulties, including widespread unemployment, the increasing gap between rich and poor, high inflation and reduced industrial productivity, underlined the significance and necessity of post-war reconstruction.

The death of Ayatollah Khomeini was followed by the inauguration of Ali Akbar Hashemi Rafsanjani as President in August 1989. This event marked the beginning of a new era, in which the balance of power shifted to the relative dominance of pragmatists in the political arena. This development was a turning point in post-revolutionary Iranian politics which can be interpreted as the 'Thermidor' in the course of the Iranian revolution. The main task of Rafsanjani and his technocrat administration was to restructure Iran's economic system and end Iran's political isolation.

Following the acceptance of UN resolution 598, and particularly from the beginning of the Rafsanjani administration, Iran's first priority was to consolidate the Islamic revolution at home. During the 1990s, the requirements of Iran's national interests and economic reconstruction created an inward-looking atmosphere. At a news conference in June 1994, Rafsanjani said: "We have said that we would elucidate our ideology and those interested could accept. We will employ all our potential for the development of our country". In the 1990s, the ideological orientation was complemented by a renewed emphasis on Iran's national interests. This emphasis was indicative of the fact that the slogan of 'Islam-Islam' of the 1980s had been replaced by 'Islam-Iran', if not 'Iran-Islam' in the 1990s. This new policy was set in motion during the Persian Gulf crisis, when Iran cooperated with the United Nations and rejected Iraq's proposal to link the Palestine question to its withdrawal from Kuwait, a position which reflected the primacy of Iran's national security interests, as Iran characterised the conflict as one between two evil forces.

The end of the Iran-Iraq War aroused expectations that the era of sacrifice would give way to an era of economic security and prosperity. Economic and social problems could no longer be blamed easily upon the war. The imperatives of post-war economic and political reconstruction were conceptualised in Iran's First Five-Year Economic and Political Plan prepared by the Rafsanjani administration in 1989. The plan provided an important framework within which the government could embark on a program of economic reform. It included some policy initiatives, such as privatisation of many industries and mines, the

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3 For a general discussion on different phases in revolutionary movements, see Crane Brinton, The Anatomy of Revolution, London: Jonathan Cape, 1953, Chapters 3, 5, 6, 7 and 8.
revival of the Tehran stock exchange, the abolition of the multiple exchange rate mechanism and its replacement with a single free market floating rate, establishment of a number of free trade zones, encouragement of direct foreign investment, and the easing of foreign investment regulations. In sum, the objectives of these measures were to create the appropriate conditions to stabilise and normalise what had become a war economy, in the hope of leading Iran's economy on to the path of progress.

The Five-Year Plan abolished, in particular, limits on foreign investment and ownership, and allowed the government to secure foreign credits: "The new principles allowed foreign investors to own up to 100 percent of a business and repatriate profits unhindered". Under the economic reform measures, "foreigners were allowed to take a share of up to 49 percent in joint ventures; higher than the 35 percent under the Shah". The Second Five Year Plan, which began in March 1995, allowed for continued economic reform.

The Rafsanjani government also tried to extend Iran's cooperation with world economic organisations, such as the World Bank and International Monetary Fund (IMF). In this line, Tehran implemented the IMF's recommendations for improving the economy, paving the way for securing the IMF's future financial assistance. These recommendations included the elimination of subsidies for most goods, the lifting of price control, devaluation of the rial, and reduction of the size of the government. With these policies, Rafsanjani initiated the stabilisation phase in Iran's economic reform, and put it through the phase of structural adjustment.

Meanwhile, Rafsanjani's pragmatism opened up a new avenue on its relations with the West. To implement its economic plans, and to transform Iran's war-led economy to a market-led one, Rafsanjani required access to the West's financial and technological resources. As Colburn argues, revolutionary states make verbal commitments "to break out of the capitalist-dominated world economic order, and to construct an independent economy", yet they do not

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7 For a broad analysis of the issues relating to Iran's economic liberalisation strategy under Rafsanjani, see Ibid., PP. 89-111; and L. Haddad, "Open Door Policy and the Industrialisation of Iran", Journal of Contemporary Asia, Vol. 24, No. 1, 1994, pp. 81-94.


10 "Come in, the Door is Open", The Middle East, No. 213, July 1992, p. 34.

succeed.\textsuperscript{12} Iran was no exception.

Tehran realised that if it wanted Western European countries to invest in Iran, give credit, and cooperate with Iran in its reconstruction phase, it had to enter a "period of relative quietism"\textsuperscript{13} instead of militancy in its foreign policy. In short, Iran's national reconstruction could not be implemented without a new approach to Iran's foreign policy. In fact, "a good deal of stimulus for rethinking and redesigning Iran's foreign policy was economic in origin".\textsuperscript{14} Thus, the pragmatists of the post-Khomeini era tried to reduce their revolutionary rhetoric whilst increasing their emphasis on Iran's national interests. By giving priority to problems at home and pursuing an inward-looking mood, Iran behaved as a state rather than as a revolutionary movement. The resumption of Iran's relations with Britain in 1990 and the improvement in Tehran's ties with other Western European countries demonstrated Iran's new foreign policy approach. The Iranian desire for better relations with Western Europe was reflected in Tehran's attempts to use its influence in Lebanon for securing the release of Western hostages in the early 1990s.

\section*{EXPORT OF REVOLUTION REDEFINED}

The dominance of revolutionary idealists in Iran's foreign policy in the 1980s had posed a threat to the security of the states in the region.\textsuperscript{15} Since the foundation of the "Westphalian international society is unacceptable to revolutionaries" and principles of diplomacy, such as reason of state and the rights of great powers are seen "as the antithesis of revolutionary values", the Iranian idealists had used any means to export the revolution, without being concerned about Iran's relations with other countries.\textsuperscript{16} In fact, the revolutionary idealists had focused on the external setting of the revolution, and maintained an outward-looking perspective.\textsuperscript{17}

On the other hand, the revolutionary pragmatists, who achieved ascendancy in the post-

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Khomeini era understood "realpolitik and the limits to the power of their revolutionary states".\textsuperscript{18} Rafsanjani explained that today's world meant "we do not always have the power to choose. I believe our principles are obeyed, but in some cases, we may be limited, and we may have to forego some of these principles".\textsuperscript{19} In this context, the means for implementing the major principle of Iran's foreign policy, the export of revolution, found a new framework and definition. In the 1990s, exporting the revolution meant presenting Iran to the world as the Islamic example of "an economically prosperous and politically progressive" country, and creating an acceptable type of society with social popularity.\textsuperscript{20} Rafsanjani acknowledged that "if the meaning of exporting revolution is to bring a message to people's ears, I must say that our aims are not yet sufficiently clear in the mind of the people of the world".\textsuperscript{21} Adhering to the notion of export of the revolution, Rafsanjani asserted:

\begin{quote}
If under the present [post-war] conditions we manage to create an acceptable type of society and set up a suitable model of development, progress, evolution, and correct Islamic morals for the world, then we will achieve what the world has feared; that is, the export of the Islamic revolution.\textsuperscript{22}
\end{quote}

In his speech to a group of Ulama, Rafsanjani said: "By demonstrating its independence to the world, and as a dignified model, Iran can be effective in introducing Islam".\textsuperscript{23} It can be concluded that from Rafsanjani's point of view, the export of revolution, including the introduction and spread of Islam throughout the world, should be achieved by creating a model society.\textsuperscript{24} The imperatives of Iran's post-war economic and political reconstruction, and changes in the styles and methods for the export of the revolution, helped Iran improve its international image and opened a new era in Iran's place in the international system.

Furthermore, despite its deep ideological mistrust of current international organisations, the requirements of international life led Iran to strengthen its ties with such organisations.\textsuperscript{25} In contrast to the idealists, the pragmatists believed in an interdependent world. As Ramazani argued: "Both revolutionary Russia and China tried to reject the concept of an interdependent world culture, and both have ended up accepting it. They had no other choice; nor does

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\bibitem{18} Ibid., p. 14.
\bibitem{19} \textit{Foreign Broadcasts Information Service}, (FBIS), South Asia (SA), 17 April, 1987.
\bibitem{21} FBIS, Near East and South Asia (NES), 14 February 1989.
\bibitem{22} FBIS, NES, 17 October 1988, and 14 October 1988.
\bibitem{23} "Ulema Before a Serious Test: President", \textit{IRNA News Agency}, 31 December 1996.
\end{thebibliography}
While in the 1980s, the idealists assumed that a rejection of international organisations would promote Iran's revolutionary message and enable the export of revolution to other nations, the pragmatists of the 1990s concluded that to export the revolution, Iran had to work within the system.

Although the Rafsanjani government desired to see the emergence of like-minded regimes in the Middle East generally and in the Persian Gulf in particular, as did its predecessors, it did not appear to do anything substantive through the export of the revolution to bring this about. In fact, it was Rafsanjani's government which cut back substantially Iran's support to Hizballah, showed some signs of disengagement in Southern Lebanon, allowing the Lebanese government to restore its authority. While Iran could not give up its revolutionary rhetoric for the sake of tempering its place in international Islamic movements, at the same time Iran needed to be a part of the world community. The dilemma for Rafsanjani was how to reconcile these two contradictory imperatives. He skilfully kept using the terminology of the export of revolution while presenting its politics, means, and ends in a manner which would make it more acceptable to the international community. This was crucial to reducing the concern of Britain's traditional friends in the Persian Gulf, leading to better working relations between Iran and these states, and between Tehran and London.

FOREIGN POLICY DIVERSIFICATION

One of the most important features of the post-Khomeini leadership was the diversity exhibited by its foreign policy. Rafsanjani's administration made overtures for wider and better foreign relations taking into account Iran's geostrategic position in the region and its national interests. The Iranian government, adopting a friendly posture towards its neighbours, embarked upon the notion of coexistence with the international community – a change which coincided with the Kuwait war of 1990–1991 and the disintegration of the Soviet Union in 1991. While Iran's pragmatic policies had already begun by the end of the Iran–Iraq war, these two crises provided ample opportunity for the post-Khomeini leadership to accelerate the pace of change and pragmatism.

Iran's foreign policy between the Iran–Iraq and Kuwait Wars

Iran's diplomacy since the cease-fire with Iraq was conditioned by the primacy of the Iraqi

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28 See "Reconciling Revolution with Reality", Middle East Economic Digest (MEED), 19 February 1993, pp. 8–11.
threat. While Iraq still occupied large parts of Iranian territory, there was no hope for progress in Iran–Iraq negotiations. Besides the Iraqi military dominance in the region, the Western military build-up in the Persian Gulf, combined with Iran's strained relations with its Arab neighbours, and Tehran's isolation in the Arab world, heightened Iran's concern for its vulnerability and regional stability. To remove these concerns and return to normality, Iran needed to improve its relations with the West, and to consolidate its influence in the region. Therefore, Iran adopted a policy of containment of Iraq through "rapprochement with the West and its Gulf Arab allies" and "opening of hitherto closed Arab doors". The improvement of relations between Iran and France, the restoration of London–Tehran ties in September 1990, and the lifting of diplomatic and economic sanctions against Iran by the European Community (EC) in October of the same year, were all manifestations of the improvements made in Iran's relations with Western Europe.

The end of the Iran–Iraq War ushered in a new political environment in the Persian Gulf region. It reduced the perception of the Arab states of the region and of Western European countries that Iran was attempting to export its revolution to the region, and threatening their interests through the war with Iraq. Tehran further reduced the concerns of its Persian Gulf neighbours by energetically pursuing a policy of normalising relations with them. Iran's active diplomacy, reflected, for example, in visits to the Gulf states by high-level delegations, played a part in achieving this aim. Iran restored relations with all its Gulf neighbours except Iraq and Saudi Arabia, and reopened channels of communication even with the latter.

Iran's policy of normalising relations with its Arab neighbours opened a new era in its relations with Britain, which could now deal with Iran without jeopardising relations with its regional Arab friends. The end of the Iran–Iraq War, and Iran's attempts, through moderate, cooperative, and less militant behaviour, to integrate itself into the international community, displaced Britain's perception of Iran as a source of regional instability. This change of view was a fundamental and necessary step for improvement in Iran's relations with Britain.

The emergence of 'new thinking' in the former Soviet Union after Mikhail Gorbachev's rise to power in 1985, led Iran to embark upon a policy of reconciliation with Moscow. The

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30 For more information on these issues, see *Keesing's Record of World Events*, Vol. 36, No. 1, 1990, pp. 37423–4 and 37727.
32 For a comprehensive analysis of the Soviet foreign policy under Gorbachev and the emergence of 'new
underlying factor in Gorbachev's 'new thinking' was deideologisation of Soviet foreign policy. Furthermore, the coincidence of Rafsanjani's economic reforms with Gorbachev's Perestroika, as well as the pragmatic approach of both leaders to regional and international issues, prepared the ground for rapprochement.33 In addition, the end of the Iran–Iraq War in 1988, followed by Soviet withdrawal from Afghanistan ... less than a year later, and the virtual diminishing of the Soviet position as a neighbouring superpower were all factors which contributed to the beginning of the era of reconciliation.34

The first sign of reconciliation was Ayatollah Khomeini's letter of January 1989 to Gorbachev, in which he congratulated the Soviet leader for his "boldness" in "revision" of Soviet ideology.35 The letter was, as former Soviet Foreign Minister Edward Shevardnadze observed, "a turning-point in Soviet–Iranian relations".36 Gorbachev responded in February of the same year. In his response, Gorbachev observed that "we now have a sound basis for solidifying our ties", and affirmed that they would be based on "mutual respect and equal rights and non-interference in the internal affairs of one another".37

The process of reconciliation was completed by Rafsanjani's visit in June 1989 to Moscow, where he received a warm welcome and signed the 'Declaration of Principle between the USSR and Iran'. The two sides also signed several economic and industrial agreements and initiated projects worth $6 billion. The Soviets also agreed to strengthen Iran's defence capability.38 It is worth mentioning that in the first Friday prayer sermons attended by Rafsanjani after his return from Moscow, the slogan of 'Marg Bar Shoravi' (Death to the Soviet Union) which traditionally followed the slogan 'Marg Bar America' (Death to America) was absent. Rafsanjani noted and appreciated its removal.39


34 For Gorbachev's new thinking and Iran–Soviet relations in the late 1980s, see Mohiaddin Mesbahi, "Gorbachev's 'New Thinking' and Islamic Iran: From Containment to Reconciliation", in Hooshang Amirahmadi and Nader Entessar, Reconstruction and Regional Diplomacy in the Persian Gulf, London and New York: Routledge, 1992, Chapter 10, particularly pp. 266-278.

35 For the full text of the letter in Persian, see Daily Kayhan, 9 January 1989, p. 2; for an English translation of the letter, see Kayhan International, 14 January 1989, p. 3.


37 For Shevardnadze's meeting with Ayatollah Khomeini and Gorbachev's letter, see Kayhan, 28 February 1989, pp. 1-2


39 Rafsanjani said: "I am very grateful to you all for your keen perceptivity for having eliminated the slogan Death to the Soviet Union the moment you became aware of the change in relations... it is a wise choice, because at this level of relations, which we have, it is pointless to chant such slogans". Quoted in FBIS, NES, 13 July 1989, pp. 63-70.
could play in resolution of the hostage issue led his government to embark on a "tireless effort to end Iran's indirect 'hostage diplomacy' and, if possible, to telescope this effort into a normalisation of relations" with the West.\(^{40}\) It was along this line that Rafsanjani tried to marginalise the idealists' position in Iran's Lebanon policy, and to influence the hostage-takers to release the Western hostages. This effort resulted in Iran's involvement in negotiations with Western countries such as France, Germany and Britain, as well as the Lebanese groups. Although the Iranian government was not completely successful in its attempts to secure the release of all hostages, and the last Western hostage was not freed until 1992, Rafsanjani's efforts received a positive reception in Western capitals. For instance, after the release of Frank Reed, the US director of the Lebanese International College, in April 1990, President Bush thanked Iran for its assistance.\(^{41}\) This initiative, helping Iran's reintegration into the international community, assisted Iran to consolidate its relations with the West generally, and contributed to the improvement of Iranian–British relations in particular.

Rafsanjani's initiatives in improving Iran's foreign relations, and particularly Tehran's ties with London, however, were constrained by several factors. His idealist rivals, though weakened, were still propagating their militancy and adventurism of the early 1980s. This factionalism which was playing an important role in domestic and foreign policies occasionally forced Rafsanjani's government to wrap its policies in militant oratory.\(^{42}\) However, Rafsanjani's position had been strengthened by the constitutional amendments of 1989, the most significant of which was the abolition of the office of Prime Minister and centralisation of executive power in the presidential office.\(^{43}\) Related to this were British suspicion and uncertainty as to whether the new foreign policy of the post-Khomeini era was a long-term strategic initiative or merely a short-term tactic. Also Rafsanjani's failure to secure rapid and total release of the British hostages in Lebanon played its part in the process. Finally, lack of progress in the Iran–Iraq peace negotiations was another constraint. From the cease-fire in August 1988 to Iraq's invasion of Kuwait in August 1990, the situation was one of 'no peace, no war' between Iran and Iraq. The stalemate in UN-brokered negotiations, and Iraq's continued occupation of 2,600 square miles of Iranian territory, transformed Iran's policy of containment towards Iraq into the form of 'resistance in negotiations' (Moqavemat Dar Mozakerat), as Rafsanjani described it. However, the Iraqi invasion of Kuwait served as

\(^{41}\) *Keesing's Record of World Events*, 1990, p. 37391.
\(^{43}\) The amended Article 113 of the Iranian Constitution says: "Next to the Leader, the President of the Republic is the highest official authority of the country who is responsible for the enforcement of the Constitution and presides over the executive power with the exception of those matters which directly relate to the Leader". For more information on the constitutional amendments, its process, impact, and outcome, see Ehteshami, *After Khomeini*, pp. 34–41.
a breakthrough for Iran's diplomacy.44

Iran's foreign policy and the Kuwait crisis

The Kuwait crisis helped the Rafsanjani government to accelerate the process of adjustment to the new realities of the post-Khomeini era. Iran's policy of neutrality in the Kuwait war, Iran's de facto endorsement of the US-led coalition forces in the Persian Gulf, and the convergence of Tehran's and Washington's interests in dislodging Iraq from Kuwait were based on a number of reasons. They included: Iran's geostrategic concern over the long-term danger posed by Iraq, particularly after its annexation of Kuwait; its fear of destruction or marginalisation if Iran supported Iraq; Iran's and other regional states' inability to force Iraq out of Kuwait without foreign support; and Iran's desire to capitalise on playing a status quo role in the region to maximise the benefits it would reap from its relations with its neighbours and Western European countries.

Nonetheless, the Rafsanjani government's policy towards the crisis was not without domestic implications. These were more serious if viewed in the light of the idealists' willingness to undermine the pragmatists' position by projecting them as deviating from Ayatollah Khomeini's anti-US path. These complex and interrelated fears, opportunities, and concerns caused the Iranian government to adopt a multidimensional strategy towards the crisis.

Condemning the invasion, the Iranian government endorsed the relevant UN resolutions and cooperated with the international community in their implementation. By this, Iran behaved as an international law-abiding state, taking the view that there should be no change in the status quo of the region. While calling for Iraqi withdrawal from Kuwait, the Rafsanjani government did not object to the presence of the Western forces in the region. Rafsanjani said: "The Iraqis must definitely pull out... . Here, we have no objection to them [the foreign forces] obstructing aggression; anybody may help in any way".45

However, at the same time Ayatollah Khamenei, opposing the presence of Western powers in the region, was promoting another dimension to Iran's regional strategy. This was Iran's condemnation of Saudi Arabia and other Gulf states which had invited Western forces to protect them from Iraqi attacks. Ayatollah Khamenei claimed that the presence of American forces in Saudi Arabia was "in the interest of Zionism and arrogance, to the detriment of

45 BBC Summary of World Broadcasts (SWB), Middle East (ME), 27 August 1990.
Islam and Muslims and against the Islamic revolution". On another occasion, he said: "In this region of the Persian Gulf and the Middle East today international oppression and the United States are planning to expand their power. They are thinking in terms of their expansionist policies. They are not after ending aggression. They themselves are the aggressors ... Their presence poses a danger to the Islamic nation".

By employing two different approaches towards the Kuwait crisis, pragmatic and ideological, Iranian diplomacy was calculated to extract maximum benefit from both sides involved in the crisis. However, the biggest benefit for Iran came from the Iraqi side. In the wake of his invasion of Kuwait, Saddam Hussein, aiming to redeploy his forces from the Iranian border to the new battlefront, offered to settle his differences with Iran. After two years of obstructing the peace talks, Saddam Hussein in his letter of 14 August 1990 offered Rafsanjani "everything you wanted". This included Iraq's recognition of the 1975 Algiers Agreement, acceptance of Iran's joint sovereignty over the Shatt al-Arab waterway, withdrawal from Iranian territory, and the start of the exchange of war prisoners. Saddam's surprise move to grant huge concessions to Iran was also due to his hope of creating a possible alliance with Iran in his declared Jihad against the coalition forces. He misconstrued Iran's condemnation of the presence of the Western forces in the region as signifying Iranian support to the Iraqi cause. In the words of Velayati, Iraq's capitulation and Saddam's concessions became Iran's greatest victory since the Islamic revolution.

The benefits brought to Iran from its cooperation with the UN emerged in various forms. Iran's condemnation of Iraq, and its endorsement of the UN resolutions concerning the Kuwait crisis, were received by the Persian Gulf states with satisfaction and gratitude. Following the Persian Gulf Cooperation Council (GCC) summit in Qatar in December 1990, the GCC members declared that they would welcome better ties with Iran. Again "the GCC affirmed, on December 25 1991, its eagerness to lend momentum to bilateral relations with the Islamic Republic of Iran in the service of common interests". The invasion of Kuwait helped make it easier for regional Arab states and European countries to admit openly that Iran had been the victim of Iraqi aggression.

The Kuwait War brought Iran's relations with its individual neighbours in the Persian Gulf,
and with the Arab states of the region as a group, to their highest point in ten years. From the 
early 1990s onwards, bilateral relations expanded through official talks and by exchanges of 
delegations between the states of the region. The announcement of the Iranian policy of non-
acceptance of any invasion or changes of borders of states in the region, and Iran's emphasis 
on regional cooperation and peaceful co-existence, were steps by which Iran showed its 
determination to enhance its relations with other regional states.

The reopening of the Iranian Embassy in Saudi Arabia on 1 April 1991, and the visit of the 
Saudi foreign minister to Tehran, followed by King Fahd's two invitations to President 
Rafsanjani to visit Saudi Arabia, were all signs of improvement in their relations. Bahrain's 
relationship with Iran also improved after the end of the Kuwait War in 1991. After 12 
years of break in relations with Egypt, Iran opened its interest sections in Cairo. Iran also 
resumed ties with both Jordan and Tunisia.

Iran's policy of self-restraint in the Iraqi civil war in the wake of the Kuwait crisis was 
indicative of Iran's determination not to destroy its emerging image as a status quo power. 
This policy was in line with Rafsanjani's desire to prove that his country was a responsible 
member of the international community. Besides, Tehran did not wish to be "accused of 
conspiring with the United States in the break-up and destruction of another Muslim 
country".

Despite these significant windfalls, the Kuwait war and its aftermath brought a number of 
uncomfortable developments for Iran in the region. These included the presence of the 
Western forces and the formation of a Pax Americana in the Middle East. While Iran 
expected by the end of the war to be included in any security arrangement in the Persian Gulf, 
the Gulf sheikhdoms formed in March 1991 in Damascus a new group of '6+2' or 'GCC plus 
two', that was Egypt and Syria, but not Iran. Iran's campaign against the Damascus meeting's 
security formula, and also Washington's lack of enthusiasm for such a formula for fear of its 
authority being replaced by Arab solidarity, shelved the 'GCC plus two' formula as soon as it 
was adopted. However, the elimination of this new formula did not lead to a development 
satisfactory to Iran. After the departure of Syrian and Egyptian forces, the United States 
succeeded in concluding a network of bilateral security arrangements with the Gulf Arab 
states. The other uncomfortable consequence of the Kuwait war for Iran was the participation

51 The improvement was shown by the reception of the Bahraini ambassador by both foreign minister Velayati 
and President Rafsanjani, a cordial message from the Emir, the upgrading of diplomatic ties, the establishment of 
shipping lines, direct flights, joint tourist and transportation companies, and projects for industrial cooperation. 
See Ibid., p. 401.
53 Shaul Bakhash, "Iranian Politics Since the Gulf War" in Robert B. Satloff (ed.), The Politics of Change in the 
of all relevant Arab countries in the US-brokered Middle East peace talks. It was painful for Tehran to see Syria, its only ally in the Arab world, enter into a dialogue with Israel in the autumn of 1991. The beginning of the Madrid conference of October 1991, with the support of most of the Arab countries, was indicative of Iran's isolation.

Meanwhile, on 9 December 1991, Iran achieved a victory in the UN when Secretary-General Javier Perez de Cuellar declared Iraq the aggressor in the Iraq-Iran war. More importantly, Iran's restraint and neutrality in the Kuwait war resulted in further mending of fences between Iran and the West. The resumption of Iran's relations with Britain in 1991 and closer ties with several Western European countries, which now resolved to participate in Iran's economic reconstruction, were other windfalls from the Kuwait crisis for Iran. In sum, Iran's cooperative policy towards the United Nations and implicit coordination of efforts with the Western coalition in the Kuwait war underlined Iran's new position as a norm-binding state, ready to play the role of a status quo power, and prepared to work within the international system. This change of Iran's image and position played a major part in normalisation and improvement of Iranian–British relations.

The disintegration of the Soviet Union and Iran's foreign policy

The disintegration of the USSR in 1991 presented both risks and opportunities for Iran. In the wake of the collapse of the Soviet Union, Iran could no longer play the Soviet card against the United States and its Western allies. Iran, however, found opportunities to improve its relations with the newly emerged Central Asian Muslim Republics, by drawing on its unique position as the only country with access to both important regions of the Persian Gulf and Central Asia. These developments led the post-Khomeini leadership to design a new policy towards the Central Asian Republics and Russia, and also to consolidate its ties with European Union countries.

In the aftermath of the dissolution of the Soviet Union, one of the Western concerns was how the Islamic Republic of Iran would shape its policies towards the Muslim Republics of Central Asia. Would Iran attempt to fill the power vacuum left behind by the USSR with its Islamic ideology, or would it design its policy with a more geopolitical and economic orientation? Despite Iran's initial call for the revival of traditional Islamic values in the republics, by the beginning of 1992 it was clear that Iran had determined to play "a geostrategic – not an ideological – game in Central Asia".55

Looking at the Central Asian region as a potential market of $8-10 billion for Iranian exports, the Iranian government resolved to improve its ties with these republics. According to Roy Allison, Iran's foreign policy towards Central Asia was premised on two principles: expansion of trade and development of stability. From 1992 onwards, Iran pursued a 'bunch of flowers' policy (ُسیاست دست‌ی گل) towards the former Soviet republics. By this policy Iran would welcome and greet with a banquet any official from these republics, regardless of the political character of those in power there. Iran opted for exporting commodities and strengthening its economic and political ties, rather than for exporting ideological merchandise to these republics.

Iran's geographical proximity, linguistic and ethnic ties, historical relations, and shared regional interests helped it to promote its ties at both bilateral and multilateral levels. The Iranian government also initiated multilateral cooperation with these states. Having broken out of Moscow's orbit, the newly independent republics were anxious to "distance themselves in every conceivable way from Russia, both to assert themselves and to legitimise the political elites now in power". This was done through the formation of a new group called the 'Caspian Sea Grouping' in February 1992, consisting of all five Caspian littoral states; Iran, Russia, Azerbaijan, Kazakstan and Turkmenistan. Along this line Iran expanded the Economic Cooperation Organisation (ECO) by championing the Muslim republics' membership. Another show of Iran's diplomacy in the newly emerged republics was its role as a conflict manager. Iran's mediatory role in the conflict between Azerbaijan and Armenia, by which Iran became the host of an agreement between the two sides in March 1992, led the UN Secretary-General to praise Tehran for its constructive role, even though the agreement was soon breached. Also, it is worth mentioning that Iran adopted a cautious policy towards the civil war in Tajikistan, whereby Tehran avoided identification with either side in the conflict. The Rafsanjani government tried, in line with Russian policy in the conflict, to bring

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56 This was the view of Iran's former Minister of Economy and Finance Mohsen Nourbakhsh. See MEED, 15 November 1990, p. 5.
60 For a brief review of Iran's bilateral relations with these states, see Afrasiabi, Op. Cit., pp. 125-7.
61 Alexei Vasilyev, "Is Central Asia to be a Middle East?", New Times International, No. 20, May 1992, p. 5.
62 Azerbaijan, Turkmenistan, Uzbekistan, Tajikistan, and Kyrgyzstan were the first new members approved by the ECO summit of the heads of states of Iran, Turkey and Pakistan in February 1992.
peace to Tajikistan. In general, these developments enabled the British to develop a perception of Iran as a conflict-manager, not a trouble-maker, and facilitated the normalisation of relations between Tehran and London.

Meanwhile, Iran developed good relations with Moscow for both national objectives and shared regional interests. While under pressure from the United States, Iran doubled its efforts to achieve good relations with Russia, which could offer "options in trade, acquisition of weapons, and in development of nuclear energy". Iran's shared regional interests with Russia, such as their common views on the territorial division of the Caspian and exploitation of its oil and gas, were other reasons for improvement in Iran–Russia relations.

Given Iran's concern about the roles of Saudi Arabia and of Turkey, particularly its fears that the latter would be a 'front' for the United States in Central Asia, Iran found Russia the best partner for cooperation in this region. In addition, Iran's realisation that the newly independent republics retained political, economic and cultural relations with Moscow, contributed to its policy of cooperation with Russia in Central Asia. It was within this context that Iran's approach to the different issues in Central Asia was subjected, in one form or another, to following the Russian line. In fact, Iran's policy towards Russia on events in Central Asia was one of cooperation with Moscow. This meant that Iran designed its policy in Central Asia so as not to oppose or contradict Russian policy and interests. An example of this was Iran's collaboration and cooperation with Russia in the Tajikistan conflict. Iran not only refrained from calling for the withdrawal of Russian army units from Tajikistan, but also welcomed in Tehran in July 1995 Tajik President Rahmanov, who had been installed in power by Moscow. Overall, Iran's new foreign policy orientation had a positive effect on Iran's international position, which in turn improved Tehran's ties with London.

**THE RUSHDIE AFFAIR AND RESTORATION OF IRANIAN–BRITISH RELATIONS**

By early 1990, however, Iran had either restored or improved its relations with the Western European countries. The only exception was Britain. Yet both Tehran and London were prepared to restore ties and each had its own motivation and objectives for doing so. Both

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64 On a broad issue of diplomatic efforts in Tajikistan particularly Russia, see "Diplomatic Efforts in Tajikistan", *International Affairs*, Vol. 43, No. 1, 1997.

65 For one explanation on Iran's cooperation with Russia, see Dmitry Volsky, "A New Look at Cooperation with Iran", *New Times International*, No. 15, April 1993, p. 27.


67 For more information on Russia–Central Asia relations, see Dmitry Volsky, "Russia–Central Asia: Nostalgia for the Past or Concern Over the Future", *New Times International*, No. 34, August 1993, p. 23.
were anxious to find a way to break the impasse in their relations, and were even prepared to make some concessions for that purpose.

Britain's desire to reestablish relations with Tehran was partly driven by economic interests. It was clear that Iran in the reconstruction era could potentially be a good market for Britain. Although overall trade relations between Iran and Britain did not follow all the ups and downs of political relations, they were occasionally affected by political upheavals between the two sides. While the British share of Iran's total imports was around 7 per cent in the mid-1980s, it had fallen to 4.8 per cent by 1989 (see table 6.1). The table also indicates that after restoration of relations, Britain's exports to Iran increased again from £384 million in 1990 to £512 million in 1991.

Table 6.1: British exports to Iran

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<tr>
<td>£ Million</td>
<td>272</td>
<td>412</td>
<td>257</td>
<td>384</td>
<td>512</td>
</tr>
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</table>


Related to economic motivations was that Britain's partners in the EC had already returned their envoys to Tehran. In fact the EC in the 1980s was not in a position to pursue a collective foreign policy line, and this was beneficial to Iran as it could play one European state off against another. This was the case when Iran broke off relations with Britain and used its trade relations with other European countries as political leverage. It was in this context that Britain's partners in the EC acted individually and returned their ambassadors to Tehran in order not to lose their share of Iran's market, and perhaps increase it at Britain's expense. Therefore, Britain found it imperative to see a restoration of its relations with Iran as soon as possible.

Furthermore, Britain had realised that there was no benefit in linking restoration of relations with Iran to resolution of the *fatwa*, Cooper and hostage issues. In fact, Cooper's letter from prison had strengthened the view that in the absence of relations his release was in doubt. Cooper had stated that "it would be wrong for the British government to insist on my freedom as a pre-condition for the re-establishment of diplomatic relations with the Islamic

Republic". It was also obvious that, given the lack of an official channel of communication with Britain, Iran was reluctant to use its influence for release of the British hostages in Lebanon. In this sense, London was satisfied that the fate of Cooper and the hostages had a better chance of being settled after relations were restored.

However, to open a channel of negotiations with Iran, London had to make some concessions. While Iran's former Deputy Foreign Minister responsible for Euro–American affairs, Mahmoud Va'ezí, had stated in late 1989 that Iran would restore relations if the British government convinced Iran that its intentions were "genuine" and that it would "respect Islamic principles and values", the ground was prepared for the then UK Secretary of State for Foreign and Commonwealth Affairs, Douglas Hurd, to take the necessary step. In his letter of 1 August 1990, to a Conservative MP, Sir Peter Blaker, Hurd stated his country's respect for Islam and its values, accepted that *The Satanic Verses* had been offensive to Muslims, and distanced the British government from any involvement in its publication. While concluding that its demand for the *fatwa* to be revoked was not feasible, and while preserving its stance on freedom of expression and opposition to the death sentence on its subject, Britain opted to restore relations with Iran.

The Iranian government also had its reasons to be as amenable as Britain to the restoration of relations. It was clear to Tehran that it could not warm up its relations with other states of the EC unless it restored its ties with Britain. Furthermore, Iran viewed Britain as a country with significant leverage on the Arab states of the Persian Gulf. Since Iran had initiated rapprochement with its Arab neighbours in the region and was redesigning its foreign policy as stated earlier, Britain could contribute to the process of normalisation between Tehran and the regional states by encouraging the latter to adopt a more positive attitude towards Tehran.

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69 For the full text of Roger Cooper's letter, see "Wrong to Insist on My Freedom . . .", *The Independent*, 29 September 1990.

70 "Trying Again with Iran", *Financial Times*, 28 September 1990.


72 Hurd wrote: "Our position on this issue [Salman Rushdie] is quite clear. Islam is one of the world's great religions, with a proud history and long traditions. We have the greatest respect for it and its values. ... We understand that the novel, *The Satanic Verses* was found deeply offensive by people of the Islamic faith.... The British government had nothing to do with the publishing of *The Satanic Verses*. Nor has it encouraged its publication in other countries. There is no question of the British Government or people wishing to insult Islam...". For the full text of the letter, see "Letter From Whitehall Led to Burying the Hatchet", *The Guardian*, 28 September 1990.

73 *The Independent*, 4 May 1990.
The Rushdie affair and Iran's factional debate

It was a fact that after the death of Ayatollah Khomeini in 1989, it was extremely difficult for any Iranian official or faction to revoke his *fatwa*, and that it would be political suicide for anyone to attempt it. This stemmed from the political atmosphere in which Ayatollah Khomeini's legacy was still fresh, and all post-Khomeini leaders sought political legitimacy by trying to present their stance and policies as compatible with the spirit of the Ayatollah's pronouncements and orders.

In the post-Khomeini era, the two political clusters, moderates or pragmatists and hardliners or idealists, presented the Rushdie affair from their factional standpoint. While pragmatists were struggling to reconcile Iran's national interests with revolutionary ideas, and trying to moderate Iran's militant outlook of the 1980s, idealists were adhering to militancy and radicalism, and giving high priority to the maintenance of revolutionary ideals. Since there was a close linkage between domestic politics and diplomacy, the *fatwa* and the Rushdie affair were differently interpreted by these two factions. The moderates tried to reduce the impact of the *fatwa* on Iran's international relations, and if possible push the Rushdie issue aside. In fact, for Rafsanjani's government and his moderate faction, to improve Iran's relations with the EU countries without revoking the *fatwa* was a dilemma, since "central decision-makers strive to reconcile domestic and international imperatives simultaneously". In order to understand how moderates and hardliners saw the Rushdie affair, it is necessary to analyse their diverse perceptions of Iran's foreign policy objectives and priorities.

Mohammad Javad Larijani, whose remarks were a reflection of his moderate faction's outlook, believed that the objectives of Iran's foreign policy were threefold: advancing Islam, safeguarding the Islamic revolution, and securing the prosperity and development of the Islamic Republic. He believed that in case of conflict between the revolution and the system of the Islamic Republic, priority should be given to the system. On the issue of the *fatwa*, Larijani drew a distinction between a 'Fatwa' and a 'Decree'. He argued that the term 'Decree' denoted supremacy and entailed the exercise of power, while the term *Fatwa* was a matter of jurisprudence and a declaration of a divine ordinance. He concluded that the West was trying to project Ayatollah Khomeini's *fatwa* as a decree, as a pretext for anti-Iranian propaganda which the Iranian government should neutralise. Based on this perception, moderates attempted to focus on the theological aspect of the *fatwa*, in order to depoliticise it, to present it as the personal view of a jurisconsult, to reduce the Iranian government's responsibility, and finally to minimise the *fatwa*'s impact on Iran's relation with the EU countries, in particular

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75 Ibid., p. 460.
76 On Larijani's remarks, see "Roundtable: Discussion on Foreign Policy", *Daily Resalat*, 29 October 1995, p. 2.
with Britain.

The idealists, however, had another view of the objectives of Iran's foreign policy and the fatwa. The views of Ali Akbar Mohtashemi, a famous figure in that faction, were indicative of its outlook. Since the idealists had lost power in the post-Khomeini era, they were not concerned about diplomacy and Iran's foreign relations. Mohtashemi believed that the objectives of Iran's foreign policy consisted of negating domination over mankind, complete independence through severance of all dependence, export of the Islamic revolution, elimination of Israel, irreconcilable struggle against the United States, and practical support for the oppressed and deprived. If there was a conflict between the safeguarding of the Islamic Republic and the revolution, Mohtashemi stressed that safeguarding the revolution should take precedence. He criticised those who believed that for the sake of the system revolutionary principles and values should be relinquished. In criticising the Rafsanjani government, Mohtashemi attacked those policies which had resulted in flexibility, and reconciliation and closeness with the Western world, and argued that the foreign policy of Rafsanjani and his moderate faction was based on cordial relations at whatever cost. While attacking those officials who reduced Ayatollah Khomeini's fatwa to an expert's opinion, Mohtashemi asserted that the fatwa was a decree, not a simple religious opinion. It can be concluded that idealists, not facing the difficulties of formulating Iran's foreign policy, attempted to preserve the fatwa as both a political and a religious pronouncement, and therefore a decree which would obligate the Iranian government to enforce it.

Iran's official approach to the Rushdie affair and the restoration of relations

While the idealists used the Rushdie affair to the utmost in their efforts to gain the upper hand in the factional debate, the Rafsanjani government tried both to win the debate and to formulate a policy which could minimise the fatwa's impact on Iran's relations with the West, especially Britain. He adopted a two-track policy designed to minimise his government's connection with the death sentence placed on Rushdie.

The first aspect of Iran's policy was to project the fatwa as a purely religious pronouncement by a purely religious leader, unrelated to Iran's political system. To strengthen this idea, the Rafsanjani government emphasised Ayatollah Khomeini's religious and spiritual, rather than political and administrative, leadership. In a sermon delivered at Tehran Friday prayers, Rafsanjani referred to Ayatollah Khomeini's decree as "his personal view as a religious expert", instead of as a fatwa. In trying to find a solution, he added: "If today a lawyer said

77 For more reading on Mohtashemi's remarks, see Ibid., p. 2.
on the basis of a legal analysis that such and such a person who had committed an offence in such and such a country is sentenced to death on the basis of laws, should that lead to so much sensationalism?". What Rafsanjani had in mind was to distance the Iranian government from the fatwa. However, Rafsanjani's remarks caused outrage. For instance, Ayatollah Mohammad Yazdi, the head of the judiciary stated that Ayatollah Khomeini's fatwa was not a personal view, but an Islamic decree, issued by an Islamic leader in his capacity as the country's supreme judge.

Rafsanjani, nonetheless, pressed on with his interpretation, and pursued the second part of Iran's policy which was to assure Britain and other EU countries that the Iranian government had no intention of implementing the fatwa. Determined to restore Iran's relations with Britain, the Rafsanjani government used Hurd's letter of August 1990 to advantage. Although the content of the letter was not exactly what the Iranian parliament had wanted, it was, in one form or another, satisfactory to the government. The influential Ayatollah Mohammad Imami Kashani, in his sermon at Friday prayers in Tehran in August 1990, said: "By condemning Salman Rushdie and respecting the beliefs of Muslims, Britain has almost met the conditions set by Majlis". Subsequently, in the wake of the Iraqi invasion of Kuwait, Iran's National Security Council, presided over by Rafsanjani, declared that the legal stumbling block to the resumption of ties had been removed, and the Iranian Foreign Ministry "had been commissioned to take the necessary steps towards re-establishment of political ties with Britain".

Although the initial British response was cool, due to its previous experience on resumption of ties, negotiations nonetheless began. Finally after a meeting in New York on 27 September 1990, the UK and Iranian Foreign Ministers issued a joint statement that full diplomatic relations had been resumed on the basis of mutual respect. The re-opening of the embassies in Tehran and London in October and November respectively was followed by the release of Cooper in April 1991. Also, two weeks earlier, on March 15, Mehrdad Kowkabi, an Iranian student held in Britain for 15 months, was deported after charges against him were dropped.

During 1990–1991, Rafsanjani managed to secure the release of the remaining British and US hostages in Lebanon. Although Rafsanjani was opposed by the idealists for his initiatives in the release of hostages and freeing of Cooper, he was largely able to silence his opponents.

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81 SWB, Part IV, 6 August 1990.
82 Keesing' Record of World Events, Vol. 36, No. 1, 1990, p. 37727.
The victory of his supporters in the October 1991 elections for the Assembly of Experts, a body responsible for selecting supreme leader, higher oil revenues and Iran's new image in the region and the world resulting from the Kuwait crisis, all enabled Rafsanjani to marginalise his radical opponents. Yet despite the resumption of relations and the release of the last Western hostages in Lebanon in June 1992, the main obstacle to improved relations — that is the fatwa — remained in place.

IRAN'S ECONOMIC RELATIONS WITH BRITAIN

Economic factors always played a major role in Britain's policy towards Iran. Since as much as one-third of the UK's Gross Domestic Product was generated by exports and £17,000 of exports — visible and invisible — maintain one job in the UK, British economic relations with the Middle Eastern countries were of profound importance. For instance, in 1982 the UK's total exports to the Middle East were estimated at £9.7 billion, representing some 600,000 jobs. Therefore, since the establishment of the Islamic Republic, the economic factor worked either to maintain or improve, though occasionally and temporarily, Iranian–British relations. Commercial relations like political relations, since 1979 did not follow a regular pattern. Chart 6.1 shows the fluctuations in Tehran's economic relations with London.

Chart 6.1

UK trade with Iran (1978–1994) in $ million


Despite its cool diplomatic relations with Tehran, Britain had some advantages in establishing viable economic relations with Iran. They included the presence of a large number of Iranian students in British universities and the use of English as the second language in Iran's foreign

83 Occasional paper "Britain and the Middle East: The Economic and Commercial Importance of the Middle East and the Potential for Growth in British–Middle East Trade Relations", Committee for Middle East Trade (COMET), London, 1983, p. 8.
trade and commercial contacts. Many Iranians retained close personal ties with Britain through education or medical treatment, and became familiar with British goods.84

There were obvious commercial benefits for Britain from the training and education of Iranians in the UK. Table 6.2 shows the number of Iranian students and trainees in British universities and the public sector from 1977 to 1984. At the end of the 1970s, Iran was the country which sent the most students to Britain. Although the table shows that their numbers had fallen to less than a quarter of the 1977-8 level by the academic year 1983–84, they were still substantial.

Table 6.2: Number of Iranian students and trainees in British universities and the public sector

<table>
<thead>
<tr>
<th>Year</th>
<th>77-78</th>
<th>78-79</th>
<th>79-80</th>
<th>80-81</th>
<th>81-82</th>
<th>82-83</th>
<th>83-84</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,341</td>
<td>9,386</td>
<td>8,365</td>
<td>6,703</td>
<td>5,030</td>
<td>3,056</td>
<td>2,443</td>
</tr>
</tbody>
</table>


These factors caused Iran and Britain to continue their economic relations despite the ups and downs in their political relations. Additionally, Britain's commercial and economic importance to Iran was underscored by the presence in London of a large number of Iranian banks and of Cala UK, the biggest office of the National Iranian Oil Company (NIOC) outside Iran.85 As table 6.3 shows, UK exports to Iran, despite all their political difficulties, were considerable since 1979.

Table 6.3: UK exports to Iran 1978–1992

<table>
<thead>
<tr>
<th>Year</th>
<th>78</th>
<th>79</th>
<th>80</th>
<th>81</th>
<th>82</th>
<th>83</th>
<th>84</th>
<th>85</th>
<th>86</th>
<th>87</th>
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<th>89</th>
<th>90</th>
<th>91</th>
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<tr>
<td>£M</td>
<td>745</td>
<td>222</td>
<td>393</td>
<td>402</td>
<td>334</td>
<td>631</td>
<td>703</td>
<td>526</td>
<td>399</td>
<td>308</td>
<td>248</td>
<td>257</td>
<td>384</td>
<td>511</td>
<td>568</td>
</tr>
</tbody>
</table>


It can be concluded that whilst Britain was enemy number 2 (after the USA) in Iran's political calculations, in trade and economic relations Britain was way down the list of enemies. As chart 6.2 shows, while economic relations between Iran and Britain were not necessarily steady, the fluctuations did not correspond completely with the nature of their political

84 Ibid., pp. 3 and 14.
85 For a list of Iranian and British individuals and organisations offering services to the UK exporters, see UK Department of Trade and Industry, Overseas Trade Division, Middle East Branch, *Iran: Individuals and Organisations Offering Services to the UK Exporters*. 
relations. For instance, immediately after the revolution and while political relations between the two countries were at a low point, UK exports to Iran were increasing. Even in 1984, when Britain had closed its embassy in Tehran, and maintained only an interests section under the Swedish flag, UK exports to Iran rose to £703 million, not much less than the £745 million of pre-revolution 1978.

Chart 6.2

UK exports to Iran (1978–1995) in £ million

As another example, chart 6.3 shows that UK exports to Iran increased to £568 million in 1992, despite the Rushdie affair. Even in 1987, when diplomatic relations were at an all-time low, Iran imported £308 million worth of goods from Britain.

Chart 6.3

UK exports to Iran (1978–1995) in £ million

Meanwhile, Iran tried, though not always successfully, to use its economic relations as a political lever with Britain. Iran's desire for linkage between its economic and political relations was emphasised by Velayati. In an interview, he stated that Iran tried to coordinate the political and economic sectors in order to maximise its use of its economic relations.86

86 Daily Salam, 7 February 1995, pp. 5 & 7; "Velayati Interviewed on Foreign Policy: Part Two", FBIS, NES.
Chart 6.4 is illustrative of the linkage between trade and politics in British–Iranian economic relations. As the chart shows, except in the year of the revolution in 1979, the lowest figures for UK exports to Iran were in 1988, when Iran, reacting against Western pressure to end the war, was pursuing an anti-Western policy, and then in 1989, the year in which the Rushdie affair occurred. As the chart indicates, troubled diplomatic relations between Iran and Britain in 1988 caused a reduction in Iran's imports from Britain to only £248 million. The breaking off of relations following the Rushdie affair was accompanied by a further slight fall in UK exports in that year. The chart shows that since the resumption of relations in 1990 and Rafsanjani's policy of post-war reconstruction, UK exports to Iran increased to £568 million in 1992.

Comparing German and UK exports to Iran, chart 6.5 shows that as Germany managed to retain a relatively stable political relationship with Iran since the revolution, it was able to secure the highest share of Iran's total market.

Meanwhile, with the end of the Iran–Iraq War, prospects for improvement in British economic relations with Iran became more visible. As Brian Constant, Senior Manager Middle East, Lloyds Bank, points out, Iran was a market which should be looked at positively by Britain for a number of reasons. Iran had repaid $8 billion in foreign loans since the
revolution, while running a war economy. Also by the end of the war, Iran had only a short-term debt of $4-5 billion and hardly any medium or long-term debt.87

In the wake of Iran's post-war reconstruction and new economic reforms, European states were keener than in the past to improve their economic relations with it. Furthermore, the UN sanctions against Iraq had forced British companies to look for new business opportunities elsewhere. Although the British Department of Trade's Export Credits Guarantee section, which insures exporters against non-payment, offered only short-term cover for Iran in 1991, British exports to Iran in January–April 1991 were 90 percent higher than in the same period in 1990.88 As chart 6.6 indicates, UK exports to Iran from the end of the Iran–Iraq War increased to $1000 million in 1992. However, Iran's imports from Britain and other European countries decreased from 1993. This was due to Iran's economic difficulties, shortage of foreign exchange, and severe restrictions on imports.89 Also related to these factors was the concern of some European countries at Iran's delays in the payment of letters of credit and the mounting Iranian foreign debt, which caused them to suspend medium or long-term cover for Iran.90

In 1995, Britain exported £332 million worth of goods to Iran, compared with 289 million pounds the year before.91 In an attempt to avoid being overtaken by Germany and Japan in the race for Iranian contracts and export deals, British businessmen have tried to re-establish

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87 In November 1988 the Committee for Middle East Trade mounted a one-day conference entitled "The Middle East Post-War, Iran and Iraq and Their Neighbours". Brian Constant's opinions were presented in this conference. See COMET Bulletin, No 28, March 1989.
90 For instance, the UK Export Credit Guarantee Department notified British exporters in 1993 that it had suspended medium and long-term cover for Iran. See "Economy and Business", Iran Focus, Vol. 6, No. 6, June 1993, p. 12.
the Iranian–British Chamber of Commerce, which ceased functioning in the aftermath of Iran's revolution. This has the support of a number of British businessmen who work as regional advisors to the Committee for Middle East Trade (COMET)\textsuperscript{92}, including most importantly, Roger Barber, Director of Trade Relations of COMET.\textsuperscript{93} A spokesman for COMET stated that "a joint Chamber of Commerce would certainly be a great advantage to British businessmen, and would help boost the already encouraging trade figures".\textsuperscript{94} Since in the Middle East, and particularly in Iran, politics and trade are closely related, and a good political relationship is an essential ingredient in the development of trade, there has been no serious effort from the Iranian side to re-establish the Iranian–British Chamber of Commerce. It seems this is because the Iranians have attached lower priority to political relations with Britain as compared to some other European countries, such as Germany. Thus, it can be argued that Iran is unwilling at the moment to give Britain any more opportunities in the area of trade and commerce than it already has.

Iran's efforts to broaden and consolidate its international trading links after the Iran–Iraq war were evident at the October 1992 Tehran Trade Fair, which was attended by 54 countries and 200 foreign companies. Germany, Japan and Italy – Iran's three leading trading partners – as well as Britain, had the highest profiles at the fair. Iran bought goods and services valued at $920m from Britain in 1991, and more than 100 British companies attended the Tehran Trade fair in 1992.

At the 21st Tehran International Trade Fair in October 1995, 53 countries participated. British companies, including British-based Shell International, British Airways, Lloyds Bank, and Leyland Truck, spread themselves across 37 stands. According to the director of the British organisers, Andrew Maclean, Britain expected to be the second largest foreign group at the fair.\textsuperscript{95} At the 22nd Tehran International Fair of October 1996, some 1500 foreign companies from 54 countries took part. The number of companies from Germany, France, Italy and Britain increased by 30 percent over the previous year.\textsuperscript{96}

\textsuperscript{92} COMET is a British Government sponsored body originally set up in 1963 to advise the Government on matters affecting between the Middle East and the UK, and to assist in the promotion of British exports to the area. COMET organises occasional high-level industrial missions to the Middle East for discussions on British trade prospects, and is regularly involved in the reception of ministers and high-level visitors to the UK.

\textsuperscript{93} Based on the author's meetings and interviews in COMET, London, April 1996.


\textsuperscript{95} "Britain Boosts Presence at Tehran Trade Fair", \textit{IRNA}, 27 September 1995. It is worth mentioning that according to Mr P Dowrick from Orient Exhibitions, the body responsible for organising the participation of the UK companies at the Tehran fair, the UK had won the second prize (after Bosnia) of the 1994 Tehran international trade fair in the competition held by the fair to reward national organisers for the quality of their stands. See Discussion Group Meeting Report, Middle East Association, London, Tuesday, 18 October 1994, London.

\textsuperscript{96} \textit{Daily Iran}, 1 and 2 October 1996.
Another major improvement in Iranian–British relations was an agreement on settling pre-revolution debts. The British Export Credit Guarantee Department (ECGD) confirmed in September 1995 that an agreement in principle had been made to settle them. Clearing all outstanding amounts between the two countries should pave the way for resumption of medium-term credit cover to Iran, which had been suspended by ECGD in 1992.97

IRANIAN–BRITISH RELATIONS IN THE CONTEXT OF THE IRAN–EU 'CRITICAL DIALOGUE'

From 1992 and following the emergence of the European Union, the evolution of Iranian–British relations transformed within the broader framework of Iran–EU relations. To analyse Iranian–British relations in the context of the EU policy of 'critical dialogue', it is necessary first to examine how and why this policy emerged. Since the early 1990s and following the end of the Cold War and Kuwait war, resulting in the establishment of Pax Americana in the Persian Gulf, Iran's strategic importance to superpower rivalry and East-West relations seemed to be reduced. The disappearance of the Soviet Union meant that in Western eyes Iran no longer enjoyed the status of a barrier to Soviet expansionism. These developments, and US dissemination of the notion of a 'New World Order' suggested that Iran had lost its earlier crucial importance for the West, particularly for Europe.98 This phenomenon was intensified by the US policy of isolating and containing Iran, and Washington's attempts to discourage its European allies from improving their ties with Tehran.

In light of these developments, the Iranian government made new efforts to demonstrate its strategic significance to the world and the region. To be more precise, Iran tried to prove to European countries that its strategic importance was neither reduced nor increased, but its form had changed. It set out to demonstrate that Iran was now a force to be reckoned with because of its position and role in relation to Central Asia and the Caucasus.

Iran's position as the easiest and, more importantly, cheapest way to connect Europe to Central Asia for trade and investment was a factor, the implications of which could not escape the Rafsanjani government. In addition, a number of political and economic motivations helped to enhance Iran's importance to the EC countries. Major amongst these was Iran's role as a potential long-term agent of stability in Persian Gulf99 and Central Asian conflicts. Iran's

97 "Iran and Britain Reach Agreement on Settling Pre-Revolution Debt", Reuters, 16 September 1995.
99 See Shahram Chubin's paper entitled "Regional Overview" at MEED's conference on Iran. The conference was held on 25 February 1991 at the Queen Elizabeth II Conference Centre in London.
mediatory role in some conflicts in Central Asia proved effective in this respect. For instance Iran acted as a peace-broker to help end the conflict in Tajikistan between the government and the Islamist opposition groups. "Iran not only did not tilt towards the latter but in fact tried to act as an 'honest' broker between the two factions".  

Furthermore, Iran still had influence in the Islamic world, which Europe could use for resolving conflicts. Iran had proved that it was a major player in releasing the Western hostages from Lebanon. Finally, Iran would be potentially a market of 100 million people at the end of the first decade of the twenty-first century. This became more important for the EU countries when it was seen that Iran was undergoing an era of reconstruction from which European countries could benefit economically. Iran's potential utility in helping to reduce the Central Asian Republics' dependence on Russia was another factor which caused the European countries to maintain or enhance their relations with Iran. Since these Republics were keen to find alternatives for the old Soviet economic arrangements, and so were Western companies engaged in joint ventures with them, particularly in relation to traditional pipelines and rail routes through Russia, Iran was an attractive option. For instance, Turkmenistan has already linked its railways to the Iranian system, and worked on building a gas pipeline from Turkmenistan to Iran, which commenced operation in 1997. The involvement of European oil and gas companies, such as BP, British Gas, Agip, and Total, in developing Caspian and Central Asian resources underlines the significance of Iran–Europe relations.

Meanwhile, the end of the Cold War caused the Iranian leadership to reconsider the role played by a united Europe. Iran's approach to Western countries not only was for the purpose of obtaining technology, investment, and foreign credit to help Iran's post-war reconstruction, but also had a political dimension. While in the past, Iran viewed the Soviet Union and the Eastern bloc as a counterbalance to the West, it was now deemed necessary to place more emphasis on Europe as a counterweight to the United States. The end of the Cold War had reduced Iran's ability to manoeuvre between East and West. In this context, whereby Iran expected European countries to conduct more independent policies towards it, and to distance themselves more from US policy, Iranian policy-makers attempted to improve and promote Iran's relations with Europe. In other words, Iran tried to open an independent avenue in its foreign policy towards the European countries – countries which were in the process of formulating their own common security and foreign policy.

Furthermore, the new nature of Europe since 1992, in the form of the European Union, increased European countries' independence in their foreign policies towards Iran. In the

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100 Adam Tarock, "Iran's Policy in Central Asia", *Central Asian Survey*, 16(2), 1997, p. 190.
previous decade, US–Iran contention had negatively affected Iran's relations with Western European countries, most of which followed almost the same policy as the United States. "Given the United States and Western European countries' shared interests in the Middle East, and given their membership in NATO under US direction", as Fred Halliday argues, "the European countries could not, even if they were minded to, act in a manner radically at odds with the United States".102 But with the end of the Cold War, Western Europe no longer needed to rely on the US umbrella, and was therefore less inclined to follow America's way of viewing Iran and determining the nature of their relations with it.

Another factor which facilitated dialogue between the EU and Iran, leading to improvement in their ties in the 1990s, was of an economic nature. The increasing economic competition amongst the key regional groups in the world, such as NAFTA, the EU, and ASEAN caused the EU, while remaining a political ally of the USA, to become an economic rival of it. As a result most European countries were more willing than before to face US displeasure and have relations with Iran in order to trade with it.

As an economic and political power in the 1990s, the EU had a prominent position in Iran's national security as well. The EU countries and Japan as the major importers of Iranian oil, the main partners for Iran's foreign trade, and the only sources of technology for Tehran, were playing a special role in Iran's foreign policy calculations. For these reasons the economic substance of the Republic was not dramatically different from that of the ancien regime.103 In fact, the OECD countries, particularly the EC states, worked as a supermarket in which Iran was able to sell its crude oil, buy its manufactured consumer and capital goods and management services, purchase the military parts it needed, and also have access to the network of shipment facilities and financial services. Iran's dependence on selling its oil to the West is reflected in the fact that "while in 1979, Western Europe and Japan together accounted for 50 per cent of Iran's total oil exports, by 1985 this share had increased to 58 per cent of the total, rising to 71 per cent in 1987".104 Also in the area of Iran's imports from Western and European countries, it should be noted that while the share of industrial countries in Iran's total imports in 1980 was 66 per cent, this had increased to 79 per cent by 1987. Furthermore, the European countries' share of the total had increased during the same period from 7 to 14 per cent.105 In the political sense, given their occupation of 3 out of the 5

105 Ibid., p. 155.
permanent seats on the UN Security Council, European countries were of political significance to Iran as well.

In the light of these factors, the EU in 1992 initiated a policy of 'critical dialogue' with Iran. At their meeting in Edinburgh, Scotland, on 11 and 12 December 1992, the heads of the 12 states of the EU issued a statement expressing concern over Iran's military plans, human rights record and alleged terrorism abroad, and pointed out the importance of undertaking a critical dialogue with Tehran. President Rafsanjani, in his response of 21 February 1993, stated that Iran was also prepared for serious discussion and dialogue with the EU in order to resolve the problems and challenges present in the world and the region. Also in a message of 1993 to British Prime Minister and then head of the European Community John Major, Rafsanjani stated: "The Islamic Republic of Iran is committed to international law, opposes interference in the internal affairs of other states, recognises the observance of domestic laws as a democratic move, and denounces the use of force in international relations". In fact, the policy of 'critical dialogue' was rooted largely in two main developments: Iran's determination to improve its relations with the EU, and the emergent perceptions among the EU countries concerning Iran's strategic role in the region with its huge potential market in the post Iran-Iraq War era. The US policy of isolation and sanctions against Iran, and Washington's pressure on its political allies in the EU to follow suit, also made Iran's political leadership keener to strengthen its relations with the EU. Meanwhile, the EU's search for a political role in the Middle East peace process and a greater share in the Middle East market, prompted it to launch and maintain a critical dialogue with Iran. This dialogue focused primarily on five major issues, the Rushdie affair, human rights, terrorism, Iran's alleged efforts in developing weapons of mass destruction, and Iran's stance on the Middle East peace process.

Iran's determination to develop political and economic relations with the EU created substantial room for the Rafsanjani administration to manoeuvre, and also provided more flexibility in its foreign policy towards the EU. While Rafsanjani stated that Tehran's relations with Europe were not yet ideal, in response to criticism that his administration had gone too far in pursuit of closer relations with Europe, he asserted: "Iran's relations with Europeans still have left much to be desired".

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106 Rafsanjani in his statement explained Iran's complaints over Western interference in its affairs, including support for groups involved in terrorism in Iran. He also cited cases of Western double standards and its political approach to human rights and democracy. See MEED, Iran Quarterly Report, 11 March 1993 and Ali Rahmani and Seed Teeb (eds.), Goftegoohay-e Iran va Europe (in Persian), [Iran–Europe Dialogue], Tehran: Daftar-e Motaleat-e Syasi va Beinolmelali, 1996, p. 10.


108 Daily Iran, 5 November 1996.
Due to the EU policy of 'critical dialogue', Tehran welcomed an active role for the EU in the Middle East peace process and appreciated the EU's, particularly France's, willingness to play a role independent of the USA in Middle East affairs. Tehran's role in negotiating a ceasefire between Israel and the Lebanese Hizballah guerrillas in April 1996, in the exchange of prisoners and bodies between Israel and Hizballah, (brokered in cooperation with Germany, to borrow from French Foreign Ministry spokesman Yves Doutriaux) can be regarded as an important area of cooperation between Iran and Europe as a result of 'critical dialogue'.

The Clinton Administration, accusing Iran of attempting to build nuclear weapons capabilities and of supporting terrorism, declared a tightening of its trade embargo on Iran in April 1995, and demanded that its European allies do likewise. However the Europeans declined to follow suit and maintained their relations. A British Foreign Office spokesman said that London did not view complete sanctions as applicable in the case of Iran. Criticising Washington in an interview, German Economic Minister Guenther Rexrodt said: "we do not believe that a trade embargo is the appropriate instrument for influencing opinion in Iran and bringing about changes there that are in our interests". Grasping the opportunity to replace American firms with French companies such as Total, France criticised the damaging US policy of sanctions and boycott, and boosted its economic relations with Iran. In July 1995 Total signed a $600 million deal with Iran to develop the two offshore Sirri oil and gas fields — a contract which had earlier been awarded to the US firm Conoco. Overall, America's economic competitors in Europe did not respond positively to the US demand, and many even attempted to take the opportunity to fill America's place in trade with and investment in Iran.

This led the US Congress to pass a bill by which a 'secondary boycott' would be imposed on European companies investing $40 million or more annually to help develop oil and gas resources in Iran — a bill which was signed by Clinton on 5 August 1996. The Act provoked strong protests from the European Union and individual European governments. They argued that a 'secondary boycott' against companies doing business with Iran violated international law. For example, President Chirac's spokeswoman, Catherine Colonna, said "the bill contains unacceptable measures of extra-territorial jurisdiction which violates international law". German Foreign Minister Klaus Kinkel stated that "we will not be dictated to about whom we do business with. If the US continues [on this course], we will have to consider appropriate steps in Europe". Kinkel on another occasion elaborated that on the issue of

111 "Britain Opposed to Clinton Ban Against Iran", IRNA, 2 May 1995.
112 Reuters, 2 May 1995.
how to treat Iran, the Germans and Americans had different opinions.115 A UK Foreign and Commonwealth Office spokesman said that "we cannot accept US pressure on its allies to impose sanctions under the threat of mandatory penalties on our companies carrying out trade with these countries in the oil and gas sectors".116 A statement issued by Ireland on behalf of the 15-nation EU said that "the Union reaffirms its determination to act in the appropriate international fora, including the World Trade Organisation, in defence of ... the interests of member state companies if these are affected by the legislation".117

The European policy of 'critical dialogue' towards Iran, and the EU's refusal to follow the US sanctions, contributed to softening the Iranian official view on the Salman Rushdie issue. Before the regular EU–Iran meeting, held under French presidency in June 1995 in Paris to discuss Iran's stance on different issues, especially on the fatwa, Iran attempted to depoliticise the edict. Foreign Minister Velayati raised European hopes when he announced: "Our government is not going to dispatch anybody, any commandos, to kill anybody in Europe". He added, "this is our determination to expand our relations with Europe".118 Ali Akbar Nateq Nouri, speaker of Iran's parliament, stated that "the edict is an irrevocable edict", but he asserted that the Iranian government "will not send commandos to kill Salman Rushdie".119 Mohammad Javad Larijani, Vice-Chairman of Iran's parliamentary foreign affairs committee and a member of the National Security Council, said: "There is a better understanding from both sides of the issue involved. The world is a better place if we try to act a little bit more rationally". He then added, "Salman Rushdie should feel safe about any Iranian government involvement in any plot to harm him in any way".120 A well-known Iranian cleric, Mohammad Javad Hojati Kermani, even said in his column in an Iranian newspaper: "Imam Khomeini never intended nor ordered the government of the Islamic Republic to carry out the edict".121 In this context, President Rafsanjani in a news conference stated that this edict was in the religious books, even if Ayatollah Khomeini had not issued the Fatwa; it was in all books relating to religious jurisprudence going back one thousand years. Describing the Fatwa as an Islamic, jurisprudential view, Rafsanjani stated that "the issue was not one of implementation at all".122

It was in this line that the EU’s Italian presidency, in its statement of February 1996 rejected

115 "Germany Defends Europe's Policy on Iran", Reuters, 6 August 1996.
117 "EU Concerned About US Moves Against Iran, Libya", Reuters, 21 August 1996.
120 "Iran Set to Drop Rushdie Death Threat", Reuters, June 1995.
121 "Seven Years On", The Times, cited in Reuters, 14 February 1996.
calls for firmer action against Iran, preferring instead to continue 'critical dialogue'. While this policy angered Rushdie, who attacked the West for not doing enough to resolve the case, it was welcomed by the Iranian daily Tehran Times which suggested that "the EU should be given a pat on the back for not submitting to pressures from circles determined to disturb Iran-Europe relations." However, after 1992, London pursued a more active policy over the Rushdie affair. After the release of the last Western hostage from Lebanon in 1992, the British policy of quiet diplomacy over the Rushdie affair was transformed into a more active policy. Indicative of the new diplomacy was the first public meeting between Rushdie and Prime Minister John Major in May 1993. In Rushdie's words, the meeting was "the most important day of the campaign against the fatwa". He pointed out, when Britain decided "to get noisy", its allies in Europe were expected to follow suit.

Meanwhile, Hasan Sane'i, Head of the 15th Khordad Foundation, declared in 1992 that in addition to paying a $2 millions reward, the foundation would reimburse all expenses incurred in killing Rushdie, and in 1997 announced an increase of $500,000 in the reward. Henceforth, the Salman Rushdie issue continued to cause difficulty in relations between Iran and Britain. Although Rafsanjani attempted to distance his government from Sane'i's announcement by stating that the foundation was a private one and did not reflect the government's view, the issue had its impact on diplomatic relations.

Realising that Iranian officials were either unable or unwilling to lift the fatwa, the EU on 19 April 1995 demanded from the Iranian government a formal assurance guaranteeing Rushdie's safety within the EU. As one British diplomat confided, London did not insist on lifting the fatwa, but demanded assurance in writing from Tehran for Rushdie's safety. Iran refused to provide written assurance on the grounds that oral pronouncements by officials counted as documents in international diplomacy. In fact, the EU governments probably knew Rafsanjani had no intention of trying to carry out the fatwa, so the demand to put it in writing was either an attempt to put pressure on Iran to do something about the foundation offering the reward, or was sought as insurance against a change of attitude by a possibly less pragmatic post-Rafsanjani leader.

126 "British Prime Minister Meets With Rushdie", Associate Press, 13 May 1993.
127 Ibid.
128 Author's interview with a British diplomat, London, 2 April 1996.
129 Author's interview with an Iranian diplomat, Tehran, May 1996.
While 'critical dialogue' which had commenced in 1992 aimed to resolve the controversial issues, or at least to ease tension between Iran and the EU, all of them were still sources of tension in Iran–EU relations when Rafsanjani's presidency ended in early 1997. The Mykonos trial in Germany is indicative of the failure of the policy of 'critical dialogue'. The trial of five people, accused of murdering four senior officials of the Democratic Party of Iranian Kurdistan in a Berlin restaurant in September 1992, opened in Berlin on 28 October 1993. Finally in April 1997 the long-awaited verdict accused Iran's leaders of ordering the murders. Denying any involvement in the murder, Iranian leaders strongly condemned the verdict as politically motivated. They claimed that the court's star witness, the ousted Iranian president Abolhasan Banisadr, was the arch-enemy of the Iranian regime. The verdict led all EU countries, except Greece, to recall their envoys from Tehran. In addition, Germany expelled four Iranian diplomats – an act which was followed in turn by Iran's expulsion of four German diplomats. A more significant development was the EU's decision to suspend 'critical dialogue' with Iran. However, Tehran's approach was not to let the US fuel the fire of an EU–Iran crisis. Also existing trade relations between such EU countries as France, Italy and Germany with Iran, and the involvement of European companies in many infrastructure projects in Iran, caused the EU to look for a 'fresh start' with Iran, as German Foreign Minister Klaus Kinkel described it. Despite the verbal war and mutual condemnations that followed the Mykonos trial, the mutual attraction between Iran and the EU led both to seek for an appropriate time to continue their relations in another guise.  

When the EU countries decided to return their envoys to Tehran, not long after the Mykonos verdict, the Iranian government announced that the German ambassador would not be welcome for a time, then demanded he be the last to return. By this, Iran wanted to show its displeasure at being caught out by Germany and, more importantly, to suggest that Tehran was in a position to direct Iran–EU relations. While the EU countries acted individually in the Rushdie affair, and left Britain behind after Tehran had broken its relations with London, in the Mykonos verdict the EU countries, showing solidarity with Germany, demonstrated their collective foreign policy and refused to return their representatives to Iran. This remained the situation until the end of Rafsanjani's presidency.

To conclude, as Rafsanjani left the presidency in August 1997, he did not appear to put Iran's relations with Britain on a steady course of improvement. Although since 1989 Rafsanjani had tried to redesign Iran's foreign policy in such a way as to promote Iran's international position, and ease tension in Tehran's relations with the Western countries, Iran's relations with Britain once again faced serious difficulties in the wake of Mykonos verdict. This was because rapprochement between London and Tehran was based only on a temporary

130 Mohammad Reza Saidabadi, "Iran, EU Look to Fresh Start", The Canberra Times, 19 April 1997.
convergence of objectives and interests. In fact, only the common desire of Iran and Britain to dislodge Iraq from Kuwait brought both sides closer. Meanwhile, Iran in the reconstruction era needed better relations with the EU countries, including Britain, in order to materialise its economic reforms. At the same time, Britain was keen not to lose its market share in Iran to its European rivals, but rather to increase it in Iran's post-war reconstruction era. While these mutual interests contributed to enhancing Iran–EU relations generally, and Iranian–British ties in particular, the US policy of containment of Iran made the post-Khomeini leadership determined to consolidate further its relations with Europe to counteract Washington's policy of isolating Iran. However, the weak point in Iranian–British ties in the broad context of Iran–EU relations during the Rafsanjani presidency was the absence of a comprehensive and strategic plan for maintaining and improving relations. Furthermore, controversial issues such as terrorism, the Rushdie affair, Iran's opposition to the Middle East peace process, and Iran's alleged attempts to build nuclear weapons remained unsolved. In addition, hostile Iran–US relations further complicated Iran's relations with Britain.
Conclusion

Iran's relations with Britain since 1979, especially when compared to other European countries, were unique in two aspects. The diplomatic relations were characterised by ups and downs, instability, tension and upheavals. At the same time, both countries enjoyed good economic relations. This uniqueness stemmed from the involvement of the contending forces and factors between them.

The main force was the traditional Iranian perception of Britain as a conniving and conspiratorial power. To secure Iran and the revolution from perceived British plots, the post-revolutionary leaders opted to limit British representation in Iran. However, this perception was rooted in the past when Britain had repeatedly interfered in Iranian affairs. The British intervened in Iran and penetrated Iran's economy in the form of concessions in the Qajar period. Britain played a major role in replacing the Qajar dynasty with Reza Shah and then replaced him with his son Mohammad Reza Shah during the Second World War. It was the Anglo–American coup which overthrew the popular nationalist government of Musaddiq in 1953. Overall, Iranians' view of Britain as a Western power which inhibited Iran's development, undermined its independence, and was responsible for all its misfortunes, led the post-revolutionary leaders to pursue limited diplomatic relations with it.

The other development which played a significant role in the instability of relations was the predominant perception amongst Iranians which identified Britain with the United States, and held Britain responsible for US policies towards Iran as well as for its own. The Iranian leaders concluded that British policies were designed to support and endorse US strategy towards Iran. This conclusion was drawn from the Iranian interpretation of the Anglo–American 'special relationship' by which Britain desired to uphold its declining position in international politics. Iranian identification of Britain with the USA was such that even British policies towards Iran which were premised purely on British national interests were regarded as inspired by America. Since Iranian–US relations from the 1979 revolution were characterised by confrontation and enmity, and the post-revolutionary leaders regarded Washington as their first enemy, Tehran's identification of Britain with the US further complicated Iranian–British relations. In this context Britain was perceived as Iran's second greatest enemy.

The different roles played by Britain in various organisations and settings, which Tehran perceived as anti-Iranian, were also conducive to cool relations between Iran and Britain. The most important of them included the United Nations Security Council (UNSC), the European
Union (EU), and Northern Atlantic Treaty Organisation (NATO). British membership in these bodies compelled it to pursue policies and stances which sometimes restrained London from securing its own national interests. In fact, Britain had "the problem of wearing too many hats" in its foreign policy towards Iran. Britain's wider responsibilities worked increasingly against its own economic and political interests. For instance, Britain demonstrated, from the Iranian point of view, pro-Iraqi bias in the UN during the Iran–Iraq War. Not unnaturally, the Iranian government became more resentful of Britain, and this made a working relationship between Tehran and London difficult. At the same time, Britain's European partner, Germany, unencumbered with the wider responsibilities which Britain had, was able to maintain good political relations with Iran and became Iran's largest trading partner. As another example, Britain was not in a position to conform fully with the EU's policy towards Iran in the 1990s, because the EU's policy of critical dialogue, which in one form or another was conducive to the improvement of relations between Iran and most EU countries, was in contradiction with the American policy of sanctions and containment. Thus, Britain's 'special relationship' with the United States came at the cost of its political and economic interests in Iran.

The further factor which was a source of tension and instability in the relations was the British attitude towards human rights in Iran. While Britain was silent over pre-revolutionary abuses of human rights, and moreover, acted as a strong supporter of the Shah's regime, it took every opportunity to criticise post-revolutionary Iran's behaviour in this area. Enjoying a powerful position in international and regional organisations, London was active in questioning, criticising and condemning the Islamic Republic's behaviour, and sponsoring UN resolutions against Tehran. The post-revolutionary leaders not only regarded the Western powers' criticism of Iran's human rights behaviour as interference in Iran's domestic affairs, but also viewed it as a deliberate attempt to tarnish the Islamic image of the revolution and isolate the Islamic Republic internationally. Since Britain was the torch-bearer of criticism of Iran's human rights record, Iranians naturally were more resentful of it than other European countries. The dramatic change between the British approach on human rights before and after the revolution deepened Iranian resentment, and reinforced the old suspicions of Britain as a meddling, conspiratorial power.

The radicalism and activism of Iran's foreign policy, particularly in the 1980s, also influenced the downward trend in Iran's relations with Britain. This was clearly manifested in Iran's attempt to export its revolution. The Persian Gulf region and Lebanon were the two main areas in which Iran's effort to export the revolution became a primary source of concern for the West, including Britain. The main feature of Iran's export of the revolution was its anti-

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2 Ibid., pp. 57-58.
status quo approach. In fact, post-revolutionary Iran's opposition to the developments in the Middle East was unacceptable to the British, who saw any changes as detrimental to British interests. In this context, Britain, pursuing the policy of 'rejectionism' towards Iran and refusing to appreciate even its legitimate grievances and demands, conditioned its rapprochement with Iran upon a change of Iran's behaviour and policy. Meanwhile, Tehran was not prepared to alter its policies, unless London showed more flexibility and adopted a bargaining approach to resolving different problems between the two countries as some other European states had already done. This vicious circle, which was predominant in the 1980s, made an Iranian–British working relationship impossible.

Furthermore, Iran's domestic politics had a major impact on Iran's anti-status quo foreign policy and, in turn, exacerbated Iranian–British relations. The dominance of idealists in Iran's power structure in the first ten years after the revolution and their conviction that it was Iran's duty to lead and support Islamic movements in the world placed Iran in opposition to the Western-dominated international system. However, the idealists' foreign policy and behaviour led the Western countries to guard against Iran and concentrate their efforts on weakening its economic and political capability. This, in turn, brought to the fore the issues of regime stability and the regime perception of foreign threats to the Iranian government. By enhancing Iranian radicalism in order to safeguard the revolution and regime from perceived and real foreign threats, both issues worked to intensify the idealists' anti-Western approach. This process and the idealists' reluctance to improve Iran's relations with Britain acted as obstacles to the maintenance or, when favourable conditions prevailed, improvement of relations. Also the dynamic interaction between Iran's domestic politics and its foreign policy created a situation whereby any sign of willingness of the idealists to improve Iran's relations with Britain was interpreted by the pragmatists as a backdown, and an indication of the former's weakness in domestic politics.

Finally, it was the Salman Rushdie issue which caused severance of Iranian–British relations in 1989 and has remained a major hurdle for improvement in the relations. Viewing the Rushdie affair largely as a Western conspiracy orchestrated by Britain, the Iranian government regarded its stance on the issue as a matter of principle. While post-Khomeini Iranian support of the fatwa on a domestic political level "developed into a barometer of political loyalties" to the regime and to Ayatollah Khomeini, on an international level it became a symbol of Iranian Islamic honour.³ Britain also regarded its policy over the Rushdie affair as a matter of principle. In the sea of mutual distrust, this made the Iranian leaders more suspicious of a British hidden agenda. With such principles at stake, neither Tehran nor London could negotiate the crisis; it was left open for further conflict.

Meanwhile Iranian—British relations were occasionally able to recover from deterioration and instability. The most important factor conducive to an upward pattern in relations was economic. To secure their economic interests, both sides had to reduce tension, and maintain or improve relations. Iran's need of London as the centre for access to the network of shipment facilities, financial services and arms purchasing played a major part. Britain's commercial and economic importance to Iran was underscored by the presence in London of a large number of Iranian banks, and of the National Iranian Oil Company's largest office outside Iran. Britain's desire to preserve its traditional market in Iran was also crucial for London in maintaining relations. In fact, the driving force behind many of Britain's overtures towards Iran and its readiness to resume or improve relations was the desire to prevent complete replacement in Iran's market by its European economic rivals.

In a political sense, from the British point of view Iran was influential in the development of events in Lebanon. London was convinced that Iran could influence the Lebanese groups for release of the British hostages. When the Thatcher government realised the failure of its policies of rejectionism towards Iran and refusal to negotiate on the hostage issue, it tried from the end of the 1980s to widen its scope of relations with Iran in order to secure the release of the hostages. This development contributed to the improvement of Anglo-Iranian relations.

Britain's revision of its rejectionist policy towards Tehran coincided with the emergence of pragmatists in Iran. The post-Khomeini leadership's efforts to de-link Iran's foreign policy from that of the 1980s led to Iran's embarking on a process of normalisation with the West, especially Britain. The post-Khomeini pragmatists understood realpolitik and the intricate mechanisms of the international system. In addition, the Rafsanjani government for the sake of its economic and political plans, needed working relations with the West as a whole and Britain in particular. Thus, his government pursued a relatively quiet line, based on Iran's national interests rather than activism in foreign policy, and consolidated its ties with Western countries. This shift manifested itself in Iran's policy over the Kuwait war and also Tehran's approach towards Central Asian and Caucasus regions following the disintegration of the Soviet Union. These events helped Iran to recover its position in the world community. As a result, Iranian—British relations also improved. Furthermore, the US policy of isolating Iran made the Iranian leadership keener to strengthen its relations with the EU, including Britain. At the same time, the EU's search for a political role in Middle East affairs and a greater share in Iran's market in the era of reconstruction caused it to initiate and maintain the policy of 'critical dialogue' with Iran. Together, these two developments worked as pull-and-push factors.

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The rapprochement between London and Tehran during the Rafsanjani presidency was based only on a temporary convergence of interests, and suffered from the absence of a comprehensive and strategic plan for maintaining and improving relations. It would not be wrong to say that by the end of Rafsanjani’s presidency and following the Mykonos verdict, the status of Iranian–British relations was not much different from that of 1980, when Britain closed its embassy in Tehran. Behind the aggravated diplomatic relations there were Iranian resentments towards Britain which lingered from previous bad experiences. For instance, the Iranian Weekly *Asr-e Ma* in December 1996 wrote: "In the international arena, Britain has stood alongside the United States and Israel as the third apex of this evil triangle, has continuously acted against the Islamic revolution, and has conspired in mounting the most serious resistance to Iran's newly-born regime. The Islamic Republic of Iran must exercise extreme caution vis-a-vis Britain and maintain relations with it only within the limits of absolute necessity".5

By the end of the Rafsanjani presidency in 1997, the psychological attitude of the Iranian polity as a whole towards Britain remained as mistrustful as ever. Mohammad Musaddiq in 1951 told Averell Harriman, the American negotiator on the Anglo–Iranian oil dispute: "You do not know how crafty they [the British] are. You do not know how evil they are. You do not know how they sully everything they touch".6 Forty-five years later the Iranian Daily *Jomhoori-e Islami* reiterated major points of Musaddeq's statement. It wrote: "The history of the Middle East and the Persian Gulf region in particular is replete with British intrigues, crimes and betrayals against the nations of this region. The depth and extent of the British conspiracies are such that without any doubt, as far as every single burning conflict in the Middle East is concerned, Britain both provides firewood for it and lights the match".7 Also in this line, the Iranian Weekly *Kayhan Havaie* warned the Rafsanjani government against any improvement in Iran's relations with Britain and asserted: "Because of the long history of British hostile policies towards Iran which have also continued after the Iranian revolution, hatred of the British has been deeply rooted in the Iranians' minds. Has not the bitter experience of the past relationship obliged us to be vigilant in establishing and maintaining ties of any nature with Britain?".8 These three statements differ in their wording, but their message is fundamentally the same.

The victory of Mohammad Khatami in Iran's presidential elections in May 1997 marked a turning point in Iran's domestic and foreign policy.9 Advocating moderation and tolerance at

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8 "In Hama Esrar Baray-e Chist", *Kayhan Havaie*, 27 November 1996.
9 For a discussion on Iran's presidential elections and the reasons behind the decisive victory of Khatami in it, see Mohammad Reza Saidabadi, "Iran Embarks on New Era of Moderation", *The Canberra Times*, 27 May 1997.
home and openness to the West through a dialogue between civilisations, Khatami has attempted to demonstrate Iran's new outlook to the international community. His initiatives to break the impasse in Iran's ties with the EU countries, leading to the exchange of envoys in November 1997, coincided with his efforts towards rapprochement with the Arab states in the Persian Gulf. These developments are indicative of his new approach towards regional and international issues, seeking 'peace, tranquillity and security'. Furthermore, Khatami's call for a 'thoughtful dialogue' with the people of the United States has coincided with a campaign in the USA for a shift from isolating to engaging Iran. Without doubt this has been the boldest foreign policy initiative of his presidency. Despite all these developments and Khatami's efforts to construct a better relationship with the West, prospects for any dramatic improvement in Iran's relations with Britain in the near future are bleak, unless at least three major issues are addressed.

The first and most important issue is British policy in the Persian Gulf. Since the conservative Arab states of the region are regarded as Britain's traditional allies and friends, Iran views any British moves or policy initiatives in the Gulf with suspicion. As long as the British policy and stance in this area are seen by the Iranians as pro-Gulf Arab states and anti-Iranian, Iran's historical sense of distrust of the British remains strong. Unless and until this perception changes, tension and instability in Iranian–British relations will continue.

The status of Iran–US relations is the second significant issue which determines the nature of Iran's relations with Britain. The hostile Iran–US relations will inevitably have an important impact on Iran–EU relations. As long as the state of enmity between Tehran and Washington continues, future Iranian–British relations, particularly in the light of Britain's 'special relationship' with the USA, will be fraught with tension. The third issue to be addressed is that of engagement. James A. Bill has explained the linkage between the decrease in foreign threats and more political participation and pluralism in Iran. This appears valid if one concludes that there is also a linkage between a decrease in perceived foreign threats to Iran and Iran's further integration in the world community. It is obvious that the more the West attempts to engage Iran and the less Iran perceives foreign threats, the more Iran's obligation to behave as a responsible member of the international community. This development will materialise if Khatami's policy initiatives aimed at reducing tension in Iran's regional and international relations and at creating a civil society in Iran meet with success. However, this will not be realised unless Khatami's policies emerge superior in the factional debate in Iran's domestic politics.

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