US-IRAN RELATIONS:
Areas of Tension and Mutual Interest

EDITED BY:

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Introduction

"US-Iran Relations: Understanding the Issues, Refocussing the Emphasis"

by *Hooshang Amirahmadi*

This is the second conference on US-Iran relations organized by the US-Iran Conference, which is based at Rutgers University in New Jersey. The first conference was held in January 1993 and aimed at beginning a dialogue for better understanding between Iran and the United States. Distinguished scholars and policy analysts provided important insights into US-Iran relations. The published conference proceedings generated significant interest in the diplomatic, academic, and business communities concerned with US-Iran relations. The participants agreed that Iran was too important a country for the United States to ignore in formulating its Middle East foreign policy. There was a consensus that Tehran and Washington should resolve their differences before a potential spiral conflict grew out of control.[1]

It is notable that in the eight months since the January 1993 conference no major cases of "misbehavior" in international relations have been attributed to Iran. One reason for this relative quietism is because the pragmatic faction within the Iranian leadership seems determined to show visible moderation in its relations with the West, as well as with regional states. Such a change is even noticeable vis-à-vis the Arab-Israeli conflict. In July 1993, for example, Iranian foreign minister Ali Akbar Velayati was instrumental in helping to pressure the Lebanese Hizballah militia to agree to a cease-fire with Israel. Iran's pragmatic political leaders no longer condemn the peace process, although they do express skepticism that the current negotiations can be productive. Tehran says it favors the establishment of an independent Palestinian state and would like to see Jerusalem as an international city. While Iranian leaders insist that the September 1993 framework for peace negotiations signed by Israel and the Palestine Liberation Organization (PLO) cannot lead to the creation of such a state, they also have said they do not intend to interfere in the process of negotiations.

In my capacity as a scholar, I have interviewed Iranian officials on several occasions. While I make no claim of communicating the sentiments of the government, it is my understanding that Tehran views current tensions between Iran and

the United States as a temporary state of affairs, and would like to see these tensions resolved. It is my sense that the Iranian government is frustrated that U.S. officials ignore its diplomatic signals, and instead make inflammatory statements, such as labeling the regime an "international outlaw." The pragmatic leaders are also unhappy that the United States has not responded to certain Iranian policy initiatives, including support of international sanctions against Iraq during the 1990-91 Kuwait crisis and help in negotiating the release of Western hostages held in Lebanon.

It seems to me that Iranian advocates of normalization feel they are placed at a disadvantage when US policy statements include a long list of complicated issues that sound like preconditions for any dialogue. It is because of such U.S. attitudes that hardliners in Iran gain credibility when they speak out against a possible rapprochement with the United States. The pragmatists say they have no preconditions for a dialogue with the United States. They do, however, want the United States to make a symbolic goodwill gesture to facilitate the beginning of rapprochement, such as unfreezing Iranian assets.

At the time of the first conference, the new Clinton administration had not yet formulated its Iran policy. Iran specialists had hoped that a more positive approach would be adopted. While the subsequent "dual containment strategy" dashed initial hopes,[2] former Assistant Secretary of State Edward Djerejian's statement of July 27, 1993 generated renewed optimism that a process of mutual accommodation might be possible.[3] I received a similarly encouraging statement from National Security Advisor Anthony Lake, who wrote in response to my conference invitation. He referred to Iran as a "most important nation" and reiterated the US offer of a dialogue with Iran and underscored the fact that the United States government has no quarrel with the Iranian people or with Islam. Nevertheless, like Djerejian, Lake also focused on Iran's "misbehavior" in a number of areas and conditioned a dialogue with Iran on a "face-to-face meeting with authoritative representatives of the Islamic republic."

Some U.S. officials, haunted by the "Iraqi syndrome" and concerned with the "misbehavior" of Iran, maintain that Tehran is sponsoring Islamic fundamentalist groups throughout the Middle East and that this support leads to general regional instability. They also argue that Iran supports international terrorism, violates human rights, and backs assassinations of opposition leaders. Some officials charge that Iran is building its conventional military powers beyond its legitimate defense needs and is attempting to develop nuclear capability and mass destruction technologies. Coupled with Iran's alleged opposition to the Arab-Israeli peace negotiations and the country's potential to become a major regional power, these charges have convinced some US officials that Iran is seeking to become the regional hegemon. Iran's allegedly unspecified long-term intentions make this perception seem even more real to those anxious about the regional balance of power.

For its part, Iran has said that the United States unjustly has frozen its assets and tries to prevent it from buying technology needed for economic development. The United States has yet to compensate the victims of the Iranian passenger jet mistakenly shot down by a US warship over the Persian Gulf in 1988. Prior to this incident, the United States openly sided with Iraq in its war with Iran, and had destroyed at least two Iranian oil platforms in the Persian Gulf. Iran complains that the US government has failed consistently to reciprocate the major goodwill steps it has taken to diffuse tensions. It charges that the United States supports opposition groups that attempt to de-stabilize the government. The Islamic Republic says the US government is using allegations of terrorism, human rights violations, and military build-up to vilify Iran. It also maintains that certain regional powers are exerting a negative influence on US-Iran relations.

Unfortunately, neither side seems to separate fact from fiction in its laundry list of accusations. As a result, the United States tends to view Iran as a radical and fundamentalist state that is rejectionist, terrorist, and anti-West. Iran, on the other hand, considers the United States an arrogant superpower whose policies are the source of many major problems that plague third world peoples, Muslims in particular. The fact that both sides continue to list complaints and shout accusations and condemnations indicates the need for further objective analyses of tension-generating factors in US-Iran relations.

This conference seeks to continue the discussion begun at the first conference. The first panel today will focus on particular areas where Iran is alleged to "misbehave"—namely, support of Islamic movements, terrorism and human rights offenses, opposition to Arab-Israeli peace negotiations, and military build- up. We need to separate fact from fiction in these areas of special concern to the United States as objectively and quickly as possible. However, a more balanced presentation of factors that tend to generate tension between the two countries also should address Iran's allegations against the United States; this is beyond the scope of the present conference but will be discussed in a future conference. For the time being, it is important to recognize that the scholarly community in the United States generally tends to disagree with the extreme view of Iran's behavior held by most analysts in the policy establishment.[4] Because the views of the two groups are so different, this conference provides a forum for an informed dialogue between the two.

However, this conference does not focus only on issues that generate tension between the United States and Iran. Indeed, because relations between the two countries have been viewed only through the lens of tension-generating factors, significant areas of mutual interest have become peripheral. Iran and the United States have similar interests in the long-term stability of the oil market and in maintaining political stability in the Persian Gulf and Central Asia. In addition to its large oil and gas reserves and relatively large population, Iran has a fast-growing market for consumer products and industrial goods, and welcomes foreign invest-

ment. The advanced technology and diverse economy of the United States, in addition to its extensive energy needs, suggest that the two nations could benefit if relations were to improve. The current emphasis of both governments on revitalizing their domestic economies provides ground for cooperation.

We believe that the stakes in this relationship are high, and that ultimately, the mutual interests of the two countries outweigh the tensions between them. In this spirit, the conference devotes a panel to areas of common interest. However, simply knowing about areas of mutual interest does not automatically translate into progress toward improved relations. In other words, we need to bring this knowledge to bear on practice. To this end, the last panel explores the concept of building bridges. It discusses a set of policy options and initiatives that could help melt the ice in relations between the two governments. In particular, the speakers review the role of state diplomacy, non-government organizations, and multilateral agencies in building bridges to create a dialogue for improved understanding and better relations between Americans and Iranians. Needless to say, for an initiative to succeed there has to exist strong political will, better understanding, mutual respect and trust, flexibility in behavior, and appropriate channels of communication.

At the diplomatic level, the two governments have not always been imaginative or flexible in putting together policy alternatives. Iran is hesitant to speak loudly and openly and prefers to begin with a low-level, semi-official, indirect dialogue. It wishes to see a positive US signal before agreeing to such a dialogue. The United States insists on meeting openly and face-to-face with authoritative representatives, and only if Iran is prepared to discuss every issue of concern to Washington. Each has its own reasons to demand a different procedure. The United States is haunted by the bitter memory of the hostages, while Iranian leaders fear the domestic repercussions of a premature approach to the United States. As a result, both governments have transformed purely procedural issues into inflexible positions. Under the conditions of a spiral conflict, lack of a dialogue is hardly a prudent approach. It is useful to recall that even during the height of the Cold War the United States and the Soviet Union maintained diplomatic relations; they talked, and various types of exchanges existed between the two countries.

The US-Iran inability to talk is happening at a time when one of the greatest international taboos has been dispelled: Israelis have negotiated with the PLO. It is important to note that the Israeli-PLO negotiations followed a model that was based on secrecy and incrementalism, beginning with low-level diplomacy and third-party mediation out of the glare of media publicity. While 11 rounds of formal negotiations resulted in very little progress, the Oslo model achieved a historic conceptual breakthrough. It is not to say that a US-Iran rapprochement would necessarily have to follow the Oslo model. Rather, I want to suggest that if political will for better relations exists, then it is possible to initiate new approaches.

One such approach could employ not official nor appointed representatives, but rather private Iranians and Americans well-connected to the official core to

melt the ice between the two governments and to implement a set of confidence-building measures. Of course, I was pleased to read in Anthony Lake's letter that the administration is prepared to enter into a dialogue, publicly or otherwise, with representatives of the Iranian government. However, given the sensitivity involved on the Iranian domestic side, the United States may wish to consider a less official forum to initiate a dialogue or agree to discuss the complex issues between the two governments one at a time, starting with the less troubling ones. The Iran-Contra experience must not be allowed to become an obstacle to a search for new approaches to a possible US-Iran dialogue.

Meanwhile, US-Iran relations cannot be limited only to official policies and diplomacy. There also exist notable trade relations, although at a much lower level than private businesses in the two countries desire. The relations should be encouraged, not discouraged. Other types of mutually beneficial relations should be developed and expanded. The role of non-governmental organizations (NGOs) in developing cultural and humanitarian ties between the two countries usually is underestimated. Cultural exchanges have a long tradition. The Fulbright Fellowships, for example, could be extended to Iran. Iran on its own terms may want to reopen the American Institute of Iranian Studies in Tehran. Involving NGOs means that the two nations should think beyond governments and in terms of old friendships between the two peoples.

The business community can further help to cement U.S.-Iran relations. For this to happen, the 1987 Executive Order banning most Iranian imports, including carpets, should not be renewed when its term is up in October, 1993. The Iranian-American community, which numbers several thousand, can be another major source for bringing the two nations together. Most of this community favors a reduction of tension between the two countries and wishes to see relations improve quickly.

Finally, the positive role of multilateral organizations also has been ignored. The United Nations channel has been underutilized in the US-Iran case. Unfortunately, the United Nations thus far has remained relatively uninterested in a mediating role. Perhaps it is time for the organization to take a more active role. The office of the United Nations Secretary- General can be brought in to mediate US-Iran complaints. For example, with regard to Iran's military intentions, the International Atomic Energy Agency can be involved in inspections to ensure that Iran is not developing mass destruction technologies. The World Bank and IMF, which are already involved with Iran, can be called upon to facilitate business and trade links. Finally, the United States should not postpone, but rather encourage Iran's pending membership in GATT and the Asian Development Bank.

The contributions to this volume are valuable and hopefully will provide a new sense of optimism, renewed energy, and novel ideas for a deeper understanding of two important world actors—the United States and Iran.

Speakers, panel commentators and the audience were selected from among the most renowned experts on various aspects of US-Iran relations. They come from policy-making and diplomatic institutions, academia, major think tanks, the media, and the business community. The speakers were asked to consider a set of issues as they prepared for their presentations. The audience participated in a general discussion after the presentations. In the keynote speech, Gary Sick focuses on US interests in and policy toward Iran. He reviews military, strategic, and economic interests within the broader changes that have taken place at global and regional levels. Sick also distinguishes fact from fiction in US-Iran relations and delineates alternative ways for the United States to deal with Iran.

The first panel focuses on areas of tension. John Esposito addresses Islamic movements, the Arab-Israeli peace negotiations, and the role of regional players in US-Iran relations. He explains the indigenous nature of Islamic movements in the Middle East and examines the extent to which these movements are influenced and supported by Iran. He also reflects on the impact of Islamic movements on the Middle East peace process and how regional players use this impact to complicate US-Iran relations. Next, Andrew Whitley focuses on how the issues of terrorism, human rights, and the media complicate relations between the United States and Iran. He separates fact from fiction in debates on human rights violations in Iran and state-sponsored terrorism, and indicates how the media present the situation to the American public, and how this affects American political thinking. He also compares human rights in Iran to other countries in the region. Shahram Chubin discusses arms build-up and regional military balance and how these issues generate tension between Iran and the United States. He distinguishes between conventional and strategic military build-up and discusses each in terms of Iran's concerns and needs, actual achievements, and future aspirations.

The conference's luncheon address presents a Washington perspective for better US-Iran relations. David Newsom lists a number of things that one should and should not do concerning US- Iran relations. He also delineates the intricacies of the policy-making bureaucracy in Washington and what Iran needs to learn if it wants to make an impact on the process. The second panel focuses on areas of mutual interest. Henri Barkey addresses political stability in the Persian Gulf and Central Asia and inquires whether there is any common ground for the United States and Iran. He examines Iran's policy toward its neighbors and the implications for its relations with the United States. Robert Ebel then discusses long-term stability in the international oil market and its place in US-Iran relations. Approaching his topic from the vantage of oil politics, he also speculates about the differing impact of conflictual and cooperative US-Iran relations on the global oil market. Among issues he discusses are Iran's role in OPEC, Saudi-Iranian relations, global oil trends, and, most importantly, United States energy security. Donald Weadon concludes the panel with an analysis of various impediments to and opportunities for economic cooperation between Iran and the United States. He discusses both

the growing list of restrictions and complicated mechanisms in place, and their intended and unintended impacts.

The third and final panel concentrates on the role of state diplomacy, non-governmental organizations, and multilateral agencies in building bridges between the two countries. Bruce Laingen describes what is left of state to state relations between the United States and Iran and what type of relations are possible, given the current situation. He also identifies some of the alternatives to diplomatic relations and particular channels that might be used as political pipelines. Giandomenico Picco focuses on the role of the United Nations in bringing the United States and Iran closer together through a regional arrangement for the Persian Gulf. He assesses the level of political will within the United Nations to undertake such a mission and indicates the positive role that the institution of the United Nations Secretary-General could indeed play in this regard. Richard Arndt highlights the specific ways in which non-governmental organizations, that is, institutions that promote cultural exchanges, business opportunities, relief efforts, or academic exchanges, could work to bring about rapprochement. Based on previous experiences, he identifies approaches that have to be avoided and those that need to be followed.

Richard Cottam delivers the closing speech for the conference. He highlights some of the major issues that were raised by other speakers and then focuses on what he calls the spiral conflict. Cottam indicates the dangers that this relation entails for both countries and what should be done to bring the situation under control. He also points out the odds both countries face in developing more cooperative and gainful relations. His analysis implies that the two countries should try to rebuild the old bridges that once so strongly tied the two peoples before it is too late.

In closing, I wish to take this opportunity to express my deep appreciation to all those who helped put together this conference. These persons include Richard Arndt, James Bill, Richard Cottam, Eric Hooglund, Shireen Hunter, Farhad Kazemi, R.K. Ramazani, and Gary Sick. Two of my students, Eve Baron and Fereydoun Nickpour did a superb job of smoothing out all of logistics of organizing the conference. Eve Baron deserves special recognition for the long hours she devoted to the unenviable task of preparing the edited transcript of the conference proceedings for publication. I am also grateful to the institutions that provided financial and administrative support. They include the Middle Eastern Studies Program at Rutgers University; the Center for Strategic and International Studies; the Wendy and Emery Reves Center for International Studies at the College of William and Mary; the Middle East Institute; the Center for Middle Eastern Studies of the University of Virginia; the Kevorkian Center for Middle Eastern Studies at New York University; the Center for Middle Eastern Studies at the University of Arizona; the Middle East Executive Report; Mobil Middle East Development

Corporation; Exxon Corporation; Ashland Oil, Incorporated; the Lois Roth Endowment; the R.J. Corporation; and T.T., Incorporated.

Endnotes

1. The proceedings of the first conference were published as *The Clinton Administration and the Future of US-Iran Relations*. Special Report No. 3. Washington: Middle East Insight, 1993.

2. This policy was first pronounced publicly in a speech by National Security Council staff member Martin Indyk at the Washington Institute for Near East Policy and published in that organization's bulletin *Policywatch*, no. 84, May 21, 1993.

3. Transcript of testimony by former Assistant Secretary of State for Near Eastern Affairs Edward Djerejian at the Hearings of the Subcommittee of Europe and the Middle East of the House of Representatives Committee on Foreign Affairs, July 27, 1993.

4. For an example of a non-scholarly analysis see Patrick Clawson, *Iran's Challenge to the West: How, When and Why?* Policy Paper no. 33. Washington: The Washington Institute for Near East Policy, 1993. For scholarly analyses of Iran's international relations see R.K. Ramazani, "Iran's Foreign Policy: Both North and South," *Middle East Journal*, v. 46, n. 3 (Summer 1992):393-412; and James Bill, [from Middle East Insight Proceedings]

Keynote Speech

"Introduction"

by *Shireen Hunter*

The only word that I would say is that this is indeed a time for both promise and peril. I would like to put the emphasis on promise. I personally have been very heartened by recent developments as far as the Arab-Israeli conflict is concerned. After many years of suffering and conflict, people are realizing that there is a better way to live, and that better way is to talk and to try to resolve whatever differences there are through peaceful means. This is a small world. All of us somehow have to share it, and if we do all we can to make it a better place, it would be best.

At the same time, however, it is also a time of peril, because while we are seeing this hopeful sign in the Arab-Israeli conflict, we are seeing a lot more peril. We have the Armenian-Azerbaijani conflict, Central Asia, Tajikistan, and Afghanistan. For better or for worse, Iran is a country that is in a pivotal position in this new-old Middle East. I think that whatever Iran does or doesn't do—whether it behaves in ways that are constructive or in ways that are less constructive—is going to affect the interests of other actors in the region and beyond, including the United States, the superpower.

There is no doubt that continual misunderstanding and estrangement between Iran and the United States would be more harmful to Iran's interest as a nation. On the other hand, however, there are areas of interest to the United States in which a better relationship with Iran can help advance US interests. For example, in the Transcaucasus a much more open and, shall we say, better understanding between the two countries can help stabilize that region. The same thing applies to the Central Asian region.

"US Interest in Iran and US Iran Policy"

by *Gary Sick*

I would like to spend a few moments at the beginning talking about the trends I see that are underway in the Persian Gulf as a whole and particularly examine what has happened since the end of the Cold War and Operation Desert Storm and how that may relate to some of the policy issues that are before us. What is the difference between the Persian Gulf today and the region during the Cold War? The short answer is that on one hand not very much seems to have changed. We have the same rulers, the same countries, the same resources, and approximately the same political alignments that we had before all of these events took place. However, some people—and I include myself among them—believe that there have been some trends emerging in that region that are working just below the surface that could in fact result in very substantial change, and that U.S. policy has to be reviewed and examined in terms of not just where we are now, but where we are likely to be in the future.

I am going to look very briefly at the strategic and military dimension, then at the economic and social developments, before then closing with some words about US policy developments. First of all, the new strategic realities in the Persian Gulf: There is a new geography that is quite important. The Persian Gulf today is larger than it was before 1991. There is a new hinterland that extends into Central Asia and elsewhere, including Turkey, Pakistan, the new republics of Central Asia, and Transcaucasia.

The Soviet threat, which was very much part of the strategic reality of that region, now essentially has been erased. However, it has been replaced by new instabilities and a political and cultural vacuum. I heard a speech by the Iranian ambassador who said: "We used to look north at our border and we saw a giant hostile power there, and although it was hostile, we had the impression that it was stable. We knew what it was going to do, and we learned to do business with it. Now we look to the north and we see as many as seven different countries in that area, all of them unstable, and [this] changes the strategic equation."

Curiously enough, the United States and Iran have in fact found themselves on the same side of a number of issues in that region already. Although it is a little premature to say that this is a precursor of something that might develop into a

wider-ranging association or relationship, the fact is that in Afghanistan, in the Azerbaijan conflict and other areas, the United States and Iran have found themselves, perhaps uncomfortably, on the same side.

Another new development is the network of pipelines that are being developed. As these pipelines are developed out of Central Asia to the Mediterranean and from the Middle East and the gulf area toward India and other possibilities, these countries are going to be tied together in ways that we haven't seen. Again, we have an expansion of the region in ways that really have not been seen before.

Since I am talking about strategic issues, let me turn briefly to the question of armaments and rearmament. Iraq, although it lost the last gulf war, still remains the largest and best-equipped military force in the region. Most experts believe that it can come back fast, and that is obviously one of the concerns of US policy in the region.

Iran is engaged in a long-term effort to rebuild its military forces, which were badly shredded during the course of the 1980-88 Iran-Iraq War. Its air force is increasingly obsolescent, though some planes have been replaced. Tank forces have deteriorated. The navy, although it is still the largest and most capable in the gulf, is aging rapidly. The ground forces were battered and demoralized, not only by the war, but by a continuing range of internal disputes that have left the military uncertain about where it came out.

Iran's rebuilding process, which is a legitimate one in terms of its own security situation, is going to be impeded by a severe shortage of hard currency, competing demands for social programs, and constant political bickering among the various revolutionary factions. The $2 billion a year that the CIA has identified as the amount which Iran planned to spend between 1990 and 1994 on defense and rearmament may in fact help to close that gap with Iraq. The more immediate threat, however—and the one that is perceived by at least the media and the U.S. government—is Iran's intention to purchase long range systems, such as submarines, and evidence of plans to develop programs for nuclear and other weapons of mass destruction (I will turn to that in a moment).

Although Iran and Iraq regard themselves as the two superpowers of the gulf, in terms of military expenditures neither one of them—or even the two combined—can compare to Saudi Arabia and its GCC allies. During the first three years after the gulf war, Saudi Arabia ordered $35.9 billion of arms, as compared to $6.7 billion in orders by Iran, and it is expected to continue spending at the rate of $5 billion a year. Saudi Arabia is also pressing its suppliers to offset the purchase price and reinvest that money in development of an indigenous arms industry to produce sophisticated weaponry in Saudi Arabia. Even during the decade of the 1980s, when Iran and Iraq were at war, Saudi Arabia outspent them. In fact, one specialist has asserted that Saudi Arabia's orgy of weapons acquisitions may be the most potent single threat to the prospects for Middle Eastern arms control, and this is something that, in my view, simply doesn't get much attention.

Saudi Arabia is not normally regarded as a threat. It is generally regarded as a small country defending its own interests. That judgment may be overly sanguine in terms of the future. Saudi Arabia, as some people forget, has acquired some 30 surface-to-surface missiles with a range of 1,500 miles. This is the longest-range missile in the Middle East, including any possessed by Israel.

According to James Akins, the former ambassador to Saudi Arabia, in an article in *Foreign Affairs*: "Riyadh is determined that Saudi Arabia, not Iran, will dominate the gulf in the post-war era. Saudi Arabia will be the Arab Sparta, the Arab Israel. It will train and arm its own army, it will buy the world's most sophisticated weaponry, and it will keep the Americans on hand to give support when needed."

Whatever the motives, there is an unprecedented arms race underway in the Persian Gulf today. The race is being driven by Saudi Arabia on the demand side, with the United States as the principal supplier. Despite the comment by President Bush after the war that it would be tragic if the result of the second gulf war would be an arms race, the fact is that the United States has led the world in arms sales in every year since the end of the war and has accounted for 57 percent of all arms sold to the third world in 1992.

Let me turn to the question of weapons of mass destruction. As we all know, Iraq was within a few years of getting a nuclear device at the time of Desert Storm. That program, which was badly misread by American and Western intelligence, was demolished as a result of the war and subsequent U.N. inspections. Many observers believe, however, that Iraq could reconstitute its nuclear and chemical weapons program fairly quickly if given the opportunity, if only because they have the personnel, the talent, and the expertise of scientists that could be put back to work again if they were given the chance.

Iran has almost certainly embarked on an effort to acquire what might be called the precursor infrastructure for a nuclear weapons project. Iran probably has not firmly decided to build the bomb, but it is slowly putting in place all of the equipment that would be required when and if such a decision is taken. There have been various estimates about how long it would take Iran to produce a bomb. The CIA says eight to ten years. Israeli Prime Minister Rabin recently said it could be as much as 15 years.

If one reads the small print of all of these estimates—and the small print usually is ignored—the estimate is based on the fact that Iran will get outside assistance, that it will be able to purchase the nuclear material—highly enriched uranium—or design teams, or both, from the outside world, and that is how they were going to do it this fast. If Iran, however, gets no external assistance, a reasonable estimate for development of a nuclear weapon would be closer to 20 years from the time the decision is taken.

Seth Carus, a Defense Department analyst, has noted that Iran failed to produce a workable missile design of its own after nearly a decade of trying, raising doubts about whether it could succeed in the much more complex task of producing a nuclear device in the foreseeable future. We can take some comfort, I think, in Iran's extraordinary inefficiency and the fighting within its own organization in terms of launching something as big as a kind of Manhattan Project. Nevertheless, Iran's nuclear preparations must be taken seriously, if only because of the fact that we misjudged Iraq so badly. Somebody said recently that no nation that ever has been suspected of planning to produce nuclear weapons has later been proved false. I think the fact that Iran is making these efforts has to be taken seriously by the rest of the world, and it has major strategic import.

Even if Iran is ultimately unsuccessful in building a nuclear weapon, the mere act of trying could trigger undesirable fears and possible counteractions in the region. I point again to Saudi Arabia. Those missiles that Saudi Arabia has in the desert have the capability of reaching the southern part of the former Soviet Union, southern Europe, all of Israel, all of Iran, quite a large distance. However, those missiles are simply junk, they are worth nothing—unless they have a nuclear warhead.

Now, maybe the Saudis are just naive. Maybe they just bought these things for pure show and they are going to have them there for everybody to sort of remember, but in fact they can't do anything with them. I think we should take that quite seriously, because it is conceivable if there is any country in the world that might in fact buy nuclear technology right off the shelf and install it, Saudi Arabia would be the one country that could do that, and none of us are paying attention to that subject with regard to proliferation.

Let me shift at this point to economic and social developments. We are accustomed to thinking of the countries of the Persian Gulf as fabulously wealthy. That, of course, has been true basically since the oil price boom of the 1970s, and it remains true today. Yet, even the finances of these states are showing wear and tear as a result of two major regional wars in one decade. The overall cost of the Persian Gulf War was really immense. The International Monetary Fund estimates that in 1991 the Gulf crisis led to a 4 percent drop in gross domestic product (GDP) for the Middle East as a whole, a 2 and 1/2 percent rise in the rate of inflation, and a decline in the region's current account from $10 billion surplus to a $43 billion deficit.

Estimates of the total cost of the war on all parties range from $600 billion to $1.5 trillion. The heaviest burden of that price fell on the gulf monarchies who financed much of the war and absorbed much of the damage and dislocation that was associated with it. Although it has been little noticed—certainly noticed by some of the people in this room, but not by many other people—the erosion of gulf wealth has been going on for much of a decade. When international oil prices collapsed in 1985, most of the gulf states began to incur deficits, and this rippled

out through the rest of the Middle East. Per capita GDP fell in most Middle East countries across the region between 1985 and 1990.

In the richest oil states, however, this process was masked by the tremendous reserves that these countries had built up in the course of the oil boom. Those reserves largely were liquidated in the course of the second gulf war. One estimate suggests that over $64 billion in new external obligations and a $15 billion public deficit were caused by the war. The oil-rich states do not face imminent bankruptcy, but they do have at least a five-year cash flow problem that is quite severe. During that time they are going to make some very difficult decisions about allocation of resources, and this problem can be made far more severe by the softness of the oil market, which is not coming to their rescue.

At the same time that this is going on, social costs are going up dramatically in all of these countries. Population growth in the gulf is among the highest in the world. In 1976, just before the Iranian Revolution, there were about 57 million people living on the shores of the Persian Gulf. Today, there are 91 million people. By the year 2010, there are solid estimates of about 172 million people. Now, this is really a dramatic shift in a region which has relatively few cities and where there are obviously social problems and infrastructure problems. At the same time, many of these countries in the days of the oil boom adopted a policy of extraordinary entitlements for their citizens—free health care, education through post-doctoral level, no taxes—sort of a dream world in terms of the benefits that came with citizenship.

These benefits, of course, are continuing to expand. The costs of those entitlements are continuing to grow as the populations go up. There are no reserves to fall back on. In fact, oil income is essentially flat, if anything, maybe slightly declining. There is no real prospect, in my view, that the oil business is going to come to the rescue of these countries and help them, which means in effect these countries are going to face some very difficult problems in terms of managing their resources.

We have always considered the wealthiest of the gulf states immune from the "IMF syndrome" of having to deal with problems of subsidies, government pay-outs, and so forth. That day, in fact, may be coming to an end. Some of these countries are going to have to make decisions between guns and butter—entitlement programs that are dear to the hearts and regarded as the birthright of citizens in such countries as Kuwait and Saudi Arabia as opposed to their rather expensive tastes in hardware and weaponry. It is worth putting this in perspective when we think of these countries as so incredibly rich.

Despite the fact that these countries have marvelous resources— very well-educated populations and great capabilities—there are no "tigers" in the Middle East the way there are in southeast Asia. The Middle East has not produced any vibrant, growing, entrepreneurial economies. In fact, the total 1989 GNP of the

entire Middle East—from Morocco to Iran—was about half of the French GNP. That was even before Desert Storm.

Obviously, the movement of population and the birth rate has created other social problems. Much of the population is under 15 years of age. These people are coming on the marketplace. They need jobs. The old panacea of basically giving them free jobs in the government no longer works. The public sector is bloated already and is a drag on the economy, and that is no way out. Some very tough decisions have to be made.

With that very general background, then, let me turn to a quick look at US-Persian Gulf policy. In May 1993, Martin Indyk of the National Security Council staff announced a new policy in the Persian Gulf that he called "dual containment"—aimed at containing both Iran and Iraq. It renounced past efforts to maintain a rough balance of power between these two countries, efforts that had resulted in the Iran-Contra affair and the build-up of Saddam Hussein prior to his invasion of Kuwait. Both Iran and Iraq were seen as exceptionally vulnerable after the end of the two gulf wars, and the new policy was intended to take advantage of that vulnerability to press for fundamental changes.

The new policy focused primarily on Iran, calling for changes in Iran's behavior in five areas: Its support for international terrorism; its support for HAMAS (the Palestinian Islamic resistance movement) and attempted sabotage of the Arab-Israel peace talks; subversion in the region and elsewhere through support of Islamic movements; the acquisition of conventional weapons that could permit Iran to dominate the Persian Gulf region; and the prospective addition of weapons of mass destruction. A sixth element was tossed in for good measure, that is Iran's dismal human rights performance, an area that should change, also.

In pursuance of this policy, the United States, he said, would attempt to persuade the European powers, Japan, Russia, and China to reject Iranian requests for weapons of mass destruction and conventional weapons that might constitute a regional threat. The United States also would oppose development loans to Iran by the World Bank and the IMF and seek to persuade its allies to maintain pressure on Iran so that it could not "pursue normal commercial relations." The United States, he said, would have no contact with Iran unless such contacts were official and public.

This policy pronouncement followed the visit by Secretary of State Warren Christopher to the region. He described that visit in subsequent testimony before Congress as follows: "When I was in the Middle East, I was really quite surprised by the degree of apprehension and concern that all the Middle Eastern countries had about Iran. There was a sort of equivalent concern about Iran and Iraq." After Secretary Christopher was given a full dose of the views particularly of Egypt and Israel in the course of his trip, he came back and in the Senate committee meeting described Iran as an international outlaw. The equation of Iran and Iraq was in fact carried over into what Martin Indyk called the dual containment policy.

Several months later, at the end of July, former Assistant Secretary of State for Middle East Affairs, Edward Djerejian, testified before a House committee and provided a fascinating and creative restatement of the policy. Although the main structure of the policy remained essentially unchanged, there were some significant differences. He made it clear that the administration did not equate Iran with Iraq. He refused to use the word "containment" to describe the policy. He did not repeat the formula of attempting to prevent Iran from pursuing normal commercial relations, noting that the U.S. had no intention of maintaining a total embargo or quarantine against Iran. He did not suggest that the United States would intervene to prevent Iran from acquiring normal conventional arms. He stressed that the United States did not intend to overturn the Iranian government or attempt to dictate its form of government, and he stated repeatedly that the United States was prepared to meet with Iranian officials under certain preconditions.

He made it very clear again that the objective of US policy was not simply permanent hostility, but rather to induce a change of behavior in Iran, very much along the same lines, however, as those identified by Martin Indyk. Although Djerejian's formulation was more moderate and more reasoned and diplomatically phrased, the bottom line essentially was unchanged: The United States intends to pursue a policy of international economic guerrilla warfare against Iran. We have seen that in a series of international meetings since that time, meetings in Europe and elsewhere, including the Group of Seven (industrial powers) summit, where President Clinton intervened personally in support of such a policy.

The other thing that I see about this policy—in whichever formulation—is that it is an attempt—whether you call it dual containment or something else—to maintain a kind of status quo. These two countries are evil, they are dangerous, they are weak, and they are vulnerable at present, so we act quickly now to try basically to keep them that way, drawing red lines around them, stopping them from improving economically, stopping any kind of support for them that would help them break out of their present conditions. I personally think that this outcome is not likely. It is very difficult to keep those two countries from changing or to maintain them in their present position. However, a lot of the policy is based on the presumption that can be done.

The cardinal rule for physicians is above all do no harm. The same injunction should be applied to foreign policy. I would argue that the present U.S. policy, in either formulation, does more harm than good. It strengthens the hand of the most radical elements in Iran, who thrive on hostility and confrontation. It undercuts the efforts of those, such as Rafsanjani, who are attempting, somewhat timidly, to bring Iran into the world community. It makes no serious provision for recognizing or rewarding constructive behavior by Iran, thereby leaving open no obvious strategy for terminating the hostility.

The policy panders to the worst instincts of our friends in the Middle East, especially Egypt and Israel who are attempting deliberately to generate a new Cold

War and to throw off their problems basically by making Iran the scapegoat for all of their difficulties, and it puts the United States permanently at odds with our major allies in the rest of the world by cajoling them endlessly to resist legitimate trade and credits to Iran.

Although I am very critical about US policy, I am also intensely aware of the fact that Iran's policy, past and present, is largely responsible for this state of affairs. The US eagerness to demonize Iran is merely the other side of Iran's policy of demonizing the United States. Both countries have worked themselves into a position where the easiest path is the path of hostility. The harsh policy of the Clinton administration toward Iran plays well with the US public and the Congress, which remembers all too vividly the humiliations of the hostage crisis and the scandals associated with the Iran-Contra affair.

Although Rafsanjani would like to liberalize Iran's economy and introduce some basic reforms, he has shown himself largely unwilling to take on the revolutionary troglodytes in the system who thrive on rhetoric and self-indulgent posturing of the past. I think there has been a missed opportunity here. Iran was indicating some interest in a more open relationship with the West after the period of the election. The Indyk speech really poured cold water on that, and, I think, it was widely absorbed. Although Djerejian's reformulation of the policy takes a lot of the edge off what Indyk said, the damage was done, and it is going to be very difficult to recuperate. The day has not yet come when we can speak with any confidence or hope about genuine rapprochement. The advice that I can offer to either side at this stage is to avoid making the problem worse. Unfortunately, neither side shows any willingness to make even that limited gesture. That is why I think we are going to have to look at private contacts as the way.

Let me close with one final comment in the form of a warning. Iran in the past year indicated an interest in purchasing a fleet of Boeing aircraft for its civilian fleet. As part of our policy of hostility, the administration opposed such a sale, and apparently it has been turned down, although it is still not absolutely certain that has happened. I don't agree that these planes were going to be for dual use. They were in fact for civilian aircraft use and it was a perfectly legitimate sale. Because of our political position, we could not go through with that sale without great embarrassment. To oppose the sale meant taking rather precious jobs and market share away from Boeing. What to do? The dilemma was resolved by the president of the United States personally calling King Fahd of Saudi Arabia and persuading him to change his own plans to buy aircraft from the Europeans and shift to buying a much larger number of Boeings than the Iranians would have bought. So we are off the horns of the dilemma.

This process reminds me very much of our dealings with the shah. Whenever we had a problem keeping an assembly line warm or we had some difficulty with regional problems, we could always turn to the shah to bail us out. Those were the days of the two-pillar policy. I would argue that we have today replaced that with

a one-pillar policy, relying on Saudi Arabia to pull regional chestnuts out of the fire. Yet, Saudi Arabia has problems of its own, and we would be well advised to beware of leaning too heavily on the kingdom. We have been around that track before with the shah. I, for one, given a certain amount of personal experience, would not like to see that particular piece of history repeat itself.

Discussion Following the Keynote Speech

R.K. RAMAZANI, University of Virginia: I would like to add a note that somehow we have become accustomed to look the other way when the principal dimension of the context in each sense is serious. This is of enormous importance in understanding not only Iranian behavior, the Iraqi behavior, and the behavior of others in the region. I think as a nation we have forgotten [the so bad administration] and tended to look the other way, the very important question of the Middle East as a nuclear free zone. We cannot think selectively about nuclear non-proliferation. If we mean it, if we are sincere, if we think in terms of precepts of international law, then international law itself cannot be applied to one side of the Middle East, i.e., Iran and Iraq and not the other, i.e., Israel.

PATRICK CLAWSON, Department of Defense: Could you address the question of Iran's attitude toward the Arab-Israeli peace process?

GARY SICK: Iran's position obviously has created a tremendous amount of difficulty as far as the U.S. government is concerned. My own view, looking at the policy that has been adopted by the U.S. government, is that to a very considerable degree it is motivated by Iran's unwillingness to cooperate or their desire, if possible, to sabotage aspects of the peace talks.

There has been some small suggestion by Iran that it is prepared now to live with the result, very much the sort of Hafiz al-Asad position, that, "If the Palestinians decide they are going to do this crazy thing, we are not going to stand in their way." It is far from clear that is in fact what Iran will do. Of course, the line of interest is the line that runs from HAMAS (the Palestinian Islamic Resistance) back through Damascus to Tehran. I would hope that in the multi-lateral [negotiations], as the sides are discussing [external support for Hamas], that Asad will address on this question as well.

As with many other aspects of Iran's policy, it is contradictory, because on one hand, Iran was prepared to assist in the settlement of the 1993 crisis in southern Lebanon where [Hizballah] was firing on Israel, but of course Iran certainly had been present in the decision-making process that led to that [crisis] beginning in the first place. These internal contradictions are ones that, unfortunately, characterize Iran's policy across the board. Most Iranian government officials in private would say that they have in fact been their own worst enemy by taking positions that made very little sense, except on a rhetorical basis. They also have shown themselves to be masters of contradiction in such cases as the Iran-Contra affair,

where they were denouncing Israel vehemently in public but privately were buying Israeli arms. In fact, Iran's relationship with Israel began almost immediately after the revolution. The Iranians kicked the Israelis out of their diplomatic mission and replaced them with the PLO. They adopted a tremendously negative position with regard to Israel rhetorically, but literally within months they were in contact with Israel. I know of one particular case: The revolution took place in February 1979; by September Iran had been in contact with Israel to ask the return of a tank that had been sent to Israel for refurbishing, and the Israelis returned it to Bandar Abbas before the end of the year. This was the first year of the revolution. So Iran very definitely is capable of talking out of both sides of the mouth. Iranians do themselves great damage in the process, but I guess the flip side to that and perhaps the positive side is that they have shown enormous flexibility.

SHIREEN HUNTER, Center for Strategic and International Studies: May I add one footnote that might help to explain? The problem, however, has been that Iran is increasingly behaving like a nation state on the basis of its national interest but at the same time is still behaving like a revolutionary movement. There is still a certain schizophrenia, and this whole commitment to the cause of Jerusalem is the remnant of those revolutionary traits that come in and out and of course is manipulated by various elements in Iran.

There is another factor that has been going on within Israeli politics: The division within Israel itself about what Iran's role and place is. There has been for some time now after the failure of Iran-Contra, a school of thought in Israel that believes one way of making peace with the Arabs is to portray Iran as the common enemy, and there have been several statements to that effect. This also has created fears among the Iranians that peace is going to mean that attention will be drawn maybe to the Sudan, maybe the Persian Gulf islands, maybe Azerbaijan. So it is a mixture of concerns from the Iranian side also about what is going to be the implication for Iran of an Arab-Israeli peace. So the important part of the dialogue is also to convince the Iranians that if peace breaks out everybody is going to benefit from it and that an Arab-Israeli peace is not intended to create a new alliance say against Iran in the Persian Gulf. This aspect of Iranian opposition to the peace process—fear—has not received enough attention.

RONALD NEUMANN, Department of State: I just wanted to make one small clarification and one very quick comment. When Hooshang Amirahmadi was presenting his introduction, he made a comment that I have seen reflected a number of times in scholarly writing but is not correct. It is that the State Department insists on a public dialogue with Iran. This misperception has been repeated so often that it is easy to fall into it. Let me correct that. The State Department has never said that the United States insists on a public dialogue.

What the United States has said—and the inference is easily understandable from an American context but very difficult to grasp in Tehran—is that we cannot promise to keep [a non-public dialogue] secret. That is a reflection of American

politics, and those of you who live in this town should understand it. It is so true that it is said that the ship of state is the only vessel which leaks from the top.

It is a fact that, if [news of a dialogue] leaks, we cannot deny it. That is a clarification which we have made repeatedly both in our indirect dialogue through the Swiss and publicly, but it does not seem to have been picked up in the academic community. I see a good deal of ink wasted speculating on the motives for insisting on something which we do not insist. It may be a distinction without a difference as far as Tehran is concerned, given our propensity not to keep secrets very well.

Let me simply say that in the political reality of the United States, which is at least as important as the political reality of Iran in deciding US policy, you will have to address the argument that you can demonstrate a probability of better behavior or change by an alternative policy. It is not going to be enough—this is only my personal opinion—to argue simply that we may make things worse with our current policy.

Given the political realities of America, I think you really want to engage in that debate in a useful political fashion rather than a useful academic fashion. You will have to be able to make the case that a different policy is more likely to produce a beneficial result. This may simply lead one back to Gary Sick's pronouncement that the private road has more possibilities for the time being.

JUDITH KIPPER, Brookings Institution: As your long time disciple, I would like to ask Gary Sick about the other part of the neighborhood. We always are talking about Iran in regards particularly to Saudi Arabia and the Persian Gulf states, but aren't we really looking in the wrong direction? In the gulf it is very clear that the American presence is there, and there are some rather loose rules to the game as to how much any of the parties can threaten other parties. I recently visited Pakistan, and I was quite concerned about the Pakistani-Iranian relationship. Pakistan has American weapons, doctrine, and training, but has been cut off because of its nuclear program and arms sales. Some [people] may entertain the possibility of transfer of nuclear technology to Iran. There are also the problems of Afghanistan, China, and Tajikistan. It is a very messy neighborhood way up there. We don't have any press there. We don't have any information from there. Nobody pays any attention to Pakistan, that part of China which is Muslim, or to the ongoing common problem of Afghanistan that Pakistan and Iran shared. That area is far more explosive, although we may not consider it a threat to American interest. There is no oil there and maybe we are going to come to the conclusion: Who cares if it explodes up there?

GARY SICK: I think Iran's problems in that direction are enormous. As I quoted the Iranian ambassador as saying, "they look north and they see nothing but instability and uncertainty." In fact, Iran has been behaving rather conservatively and cautiously with regard to those areas. There are really immense problems, and there Iran is really in a bad position to try to do anything. Although Velayati and others have been visiting all of these capitals and signing piles of

memos of understanding and agreements on cultural affairs and a lot of other things, the fact is that Iran has very little to offer that is worth anything to these new states. They are making their own way according to their own set of interests.

We don't know where these countries are going. Neither does Iran know where they are going. As far as I can tell, almost nobody from the outside has very much influence in trying to shape the direction that some of these states take. I think we have to expect that some of them are probably going to end up very conservative and cautious and primarily oriented toward the production of oil and good relations with the outside world in their markets, and others are likely to take a more radical turn. It would be hard to believe that out of that array of new states, all of them are going to work out just beautifully. That is probably not the case, in which case we—not just the United States but the nations of the gulf—also are going to be faced with some very difficult decisions.

One of those problems, of course, and one of the reasons for the rather optimistic time line in terms of Iranian capacity to produce a bomb is the assumption that Kazakhstan or Pakistan or some other country is going to make ready-made retail nuclear technology available to Iran, helping it to skip over the laborious, complicated initial steps. For instance, Iran has ordered three nuclear research reactors—two from the Soviet Union and one from China—that are capable of producing highly enriched uranium, the kind of material that is required to make a bomb. Those are contracts, however; they have yet to be delivered and installed—that is at least three years away. Then to produce that material, the reactors must run for a long, long time. Just looking at that, Iran is not even close to having the material. Of course, if Iran can go someplace and buy the material ready-made, that takes care of the long time line. We really can't be sure of what will happen, and I think looking at Pakistan is a very realistic way of thinking about how Iran might cut that short.

The fact is, although we focus on Iran, and I think rightly so, there are other countries in the region that have exactly the same potential of going in and buying a ready-made nuclear device. I just point to the fact that Saudi Arabia's missiles—its 30 long-range missiles—were purchased from China, and presumably that is where the warheads are that fit on those missiles.

Has there been no discussion with China about providing a warhead to go on those missiles? I don't know. It would surprise me, given the fact that the Saudis spent as much as they did buying the missiles, that they wouldn't have provided anything to make it go bang on the other end.

SHIREEN HUNTER: Every question that comes up brings something else to my mind. One of the things that is striking when we look at Iran is that everything it does sounds sinister, including Iranian-Pakistani relationships. Saudi Arabia and Pakistan's relationship is in many ways much closer, and the same applies to the Saudi involvement in Tajikistan. The Pakistani policy is extremely divided [over] which way to go. [There are] pro-Iranian, pro-Saudi, and other factions in Pakistan.

As far as Central Asia and other places are concerned, Iran is one country which is on the firing line. Particularly in the Caucasus, there is a possibility that Iran, which already has more than 4 million refugees, may be faced with another million-and-a-half refugees coming from [Azerbaijan].

Turkey can mass troops and Iran can warn them, but Turkey is not going to get the brunt of the Azeri refugees and providing for them. When Iran wants to create a security zone there everybody cries out that Iran is taking over Azeri regions. The important fact to remember is that relationships in those areas are very, very mixed.

As far as the potential of the Pakistani-Iranian and possibly Chinese relationship, again, those do not happen in a vacuum. There has been a change in US policy towards Pakistan, probably on very solid and valuable grounds, and there has been a warming up of relations with India. At the same time, relations with China have deteriorated. So it is very conceivable, therefore, that countries that feel the United States is pressuring them may want to pool their resources. This is one thing sometimes we seem to forget—the impact of US policies on some of these regional dynamics.

Panel I: Areas of Tension and Misperception

"Islamic Movements, the Arab-Israeli Peace Negotiations, and the Role of Regional Players"

by *John L. Esposito*

Let me begin with a couple of obvious statements that I think we sometimes tend to forget. The post-1979 period was a period that saw a decade dominated by fear of the export of the revolution. The trauma both of the Iranian Revolution—which most people until the last minute didn't think was possible—and the taking of US hostages basically lasted four years. I would say that the demonization of Iran is still a response to that period. Iran became a country that many Americans loved to hate. This demonization in fact set in motion a process that Professor R. Ramazani has called mutual satanization.

For a long period after that—as "gift" from Ronald Reagan—we then began to see, along with the Soviet Union, the specter of Iran/Khomeini and Qadhafi. Thus we had images of revolutionary Islam. This quickly became equated with Islam and Islamic fundamentalists in general, and with consistent notions that there might be another Iranian-type revolution. This view lasted for a long time.

Only two or three years ago, I was asked to brief a very high government official about North Africa. Although the person said that he did not see Islam as an ideological threat, at key points when we would be talking constantly about the fact that Islam offered the only global ideological alternative today for a billion Muslims, he would interrupt by asking: "Will Algeria be another Iran? Is [Algerian Islamist leader] Abassi Madani another Khomeini?"

People who otherwise are very rationale and can understand ideas, still slip into simply seeing everything through the Iranian example. For example, [Sudanese Islamist leader] Hassan Turabi often is portrayed as a kind of mullah of Africa. This exists in both the European and the American press at times. Caricatures of Turabi include an exaggerated, sort of Iranian-styled turban with phrases like the "ayatollah of Africa" or the "ayatollah of terrorism."

Images of Iran remain very strong and influence the way in which we perceive things. As a result, Islamic movements themselves came to be seen simply in terms of the Iranian model, i.e. in terms of radicalism. This was the way they were seen. Of course, this was fed by the images of Anwar Sadat's assassination and by events in Lebanon, Hizballah and hijacking. The point is that the diversity of the Islamic

world and the diversity of Islamic movements were seen actually through the prism of Iran and of Khomeini.

In the 1990s, the situation has shifted. Right down to the end of the 1980s, many people said, "Look, they are all revolutionaries; all these Islamic movements are extremist. They are all guerilla groups." Many argued that if Islamic movements weren't extremist, they wouldn't be regarded as the enemy and that if they weren't extremists, then they would participate within the system. If they did participate, we would simply see that they have no support, because they have no platform. Yet no one was willing to provide that chance. That is, very few governments in the region were anxious to provide movements with the chance to discredit themselves in the political process.

In the 1990s, the diversity of Islamic movements emerged quite clearly, but ironically became even more of a challenge and, to some, a threat because of their diversity. That is, in the 1990s we see a clear difference between a minority of radical extremists and a broader group of Islamic organizations that are willing to participate within the system and participate effectively, socially, and politically. In many Muslim countries, Islamic movements are involved in health care, education, legal aid societies, publishing, banks, and insurance companies. In fact, this mainstreaming of Islamic movements makes them even more of a threat for many. It indicates that there is a broader base potentially of support, and indeed for some of the governments in the region, for example the Egyptian government, the extent to which these Islamic movements prove to be effective is an implicit critique of the government's inability to deliver good social services for its people.

At the same time, we see the political mainstreaming of Islamic movements as a threat, not only to their specific country and to the region, but also to the West. In the late 1980s and early 1990s, we begin to see movements in many countries participating within the political system, with the opening up of the system and elections in many Muslim countries. In fact, Islam emerged as the leading opposition.

The real problem occurred with Algeria's elections. Remember, in the back of everybody's mind there had been the fear that Algeria might become another Iran. Algeria didn't become another Iran. However, the electoral victory of the Islamic Salvation Front (FIS) in Algeria created the fear that the ballot box rather than revolution or the bullet would in fact be the way for Islamist groups to come to power. With the elections in Algeria and with the possibility that an Islamic movement actually would win, suddenly the real sense of Islamic threat emerged from there. This fear can be seen by the difficulty of many Western governments in responding to the situation.

Edward Djerejian, former Assistant Secretary of State, made a very sound statement at Meridian House [in Washington in 1992]. He said that from the US perspective, Islam and Islamic movements weren't necessarily a danger or threat. He maintained that Islamic movements, like any other popular movement, should be able to participate within the system, but that the United States would have a

problem with an Islamic movement or any popular movement that simply wanted to use the democratic process to come to power, but then deny [participating in elections] to others: [The institutionalization of elections was acceptable, but] one man, one vote, one time [was unacceptable].

However, that statement by Djerejian did not inform the American response when the Algerian military intervened. In fact, Richard Murphy observed in an article in the *Congressional Quarterly* that on the one hand Edward Djerejian put out a policy statement, but on the other hand, when governments were faced with the reality that an Islamic movement actually might come to power through the ballot box, they were stymied by the concern that in the future, there would be not only other Iranian revolutions but also other Algerian-style ballot revolutions. What were they to do?

The diversity that exists in the 1990s—whether we are looking at the Ikhwan (Muslim Brotherhood) in Egypt versus the Gamaat-i Islamiyya—was absorbed or transformed within a monolithic image or threat. Increasingly one saw governments in North Africa —Algeria, Egypt and Tunisia—more and more talking about radical Islamic fundamentalism, lumping these Islamic movements together. They failed to distinguish—as [President Hosni] Mubarak did in his early years—between moderates and extremists, seeing them all as a threat. The threat of Algeria was held up as one saw the Algerian military not only step in, but also the government of Tunisia move against and repress completely Tunisia's Islamist movement, an-Nahda. The message to Egypt's Mubarak also was: "Look, unless you move, you could have another Algeria." Thus, not only the extremist Gamaat-i Islamiyya but also the Muslim Brotherhood were perceived as a threat. The extent to which the Muslim Brotherhood won the lawyers union and a number of other professional association elections simply fed that fear.

One began to see, then, coming out of the region itself a reinforcement of the images and stereotypes of the 1980s—the reinforcement of the images that the West had in the 1980s of Iran's export of Islamic revolution, a monolithic image of a revolutionary Islam that potentially could spread, or in the words of Charles Krauthammer, "the danger of a global intifada." A variation emerged again in a later article by Krauthammer in which he spoke about Iran as the new Commintern with influence across the Muslim world, or when somebody like Mortimer Zuckerman warned about the need to beware of "religious Stalinists."

It is not just a matter of it being only a Krauthammer or Zuckerman. In fact, one can find a cross section of people, both in the United States and Europe, who speak that way. This kind of rhetoric is also coming out of the region itself. Today one finds very strange bedfellows, Israel and many of the Arab governments in agreement in their projection of a regional and global Islamic threat to the Middle East and to the West.

Although I welcome the peace process, I have the feeling that for many it is almost as if, "My God, anything is better than a religious alternative. So, what the

heck, the PLO becomes a kind of washed secular." The images change very, very quickly. The governments in the region increasingly feed the fears. For example, government ministers say things like, "Look, we are facing and fighting in our country not moderates versus extremists. They are all extremists. They are all fanatics," or "They are not just a threat in our country, they are a regional threat." "To the extent they are a regional threat, they are a threat therefore ultimately to your oil supply." Within the last year, the voices proclaim: "Look, as we have been telling you they are a demographic threat, they are a threat to Europe and America as witnessed by the World Trade Center bombing." This "I told you so" mentality comes from the diversity of players, including the Israeli, Egyptian, and North African leadership in terms of saying to America, "I told you so. Our problem is your problem."

What we then have in the 1990s is this reemergence of concern about an Islamic threat. How does that reemergence get played out? It gets played out in terms of the concern about the hijacking of democracy embodied in the phrase "one man, one vote, one time." However, that concern about the hijacking of democracy doesn't ask "Who has hijacked the democracy?" At times it looks as if the governments in the region such as Algeria and Tunisia run the risk of hijacking the democracy rather than the Islamists.

Concern about the hijacking of democracy doesn't get played off against the fact that many of the governments in the region believe in "risk-free democracy." Thus, the reality in the Middle East includes two issues or concerns: "Islamists hijack democracy;" and "Governments who believe in risk-free democracy."

Concern about Islamists' hijacking of democracy is part of a broader concern about radicalization. This can be seen very clearly not only in the way in which Iran continues to be demonized—I want to make it very clear I am not at all defending many Iranian policies in the past but I am talking about how far we have pushed the image—but also with the Sudan. Now we have the Iranian-Sudanese connection. I will return to the question of the Iranian-Sudanese connection—charges that Iran supports and trains the Sudanese, and that Sudan has large camps for training radical terrorists.

An interesting wrinkle is the way in which we have reinterpreted the Afghan experience. For the longest time, many people used to say, "Look, in Afghanistan we have good Muslims. They are *mujahedeen*, they are liberators. In Iran we don't have good Muslims." Increasingly, the Afghan experience is being seen almost as if there never was a positive value, that in fact all along there was something sinister going on in Afghanistan and now we are just seeing the fruits of it. It is a kind of Iranian-Afghan connection, that Afghanistan really was a training ground for a kind of international Islamic radicalism.

Even in talking about the Afghan connection, just like talking about the issue of the training of radicals in Sudan, nobody talks about size and numbers. What is fascinating to me is that after a year-and-a-half of talking about Iran's influence in

Sudan, and given the capabilities of our intelligence services and the self-interest of many governments in the region, nobody is coming forward with lots of significant evidence about the size and number of these camps.

The issue isn't whether training occurs or whether there are Afghan connections. Not to talk about size and to get some hard data reminds me a little too much of the Cold War era when it was enough to discredit the opposition by saying that it was Communist. Few bothered to ask, "How many? What kind? What is their agenda? How do they differ from this area to that area?" Like that projection of a monolithic threat, we see this today with regard to Afghanistan when some look back and see a grand Iranian plot.

With regard to the peace process, many ask, "What is the Islamic dimension in terms of a position on the peace process?" I think a couple of points should be made. First, we should start with the general ideological observation or issue—the liberation of Jerusalem. Some Islamists start off with the notion that Palestine should be an Islamic territory. They argue that since these are Muslim lands, one shouldn't have to compromise and give them away. Such an ideological position is quite strong among many Islamists. Of course, one finds a comparable statement among those on the other side in terms of notions of greater Israel.

There is a second dimension: Many Islamists see the peace process as basically a process that benefits anti-Islamic forces. Many of the Muslim governments in the region are seen as anti-Islamic—Egypt, Syria, and then to a secondary extent, Tunisia, Algeria, and even a secular PLO. Many Islamists believe that the PLO has become the secular option, and therefore, there is concern that this option is being manipulated by the Israelis, the Egyptians, and the Americans. Those Islamists who oppose the current Palestinian-Israeli accord believe that these are anti-Islamic forces and ask "who benefits?" They respond: "The oppressors of Islamic movements will benefit from the peace process."

They believe that these powers I just mentioned in their rhetoric and actions see a need to move in this direction to prevent Islamists from gaining more of a foothold, not only in the West Bank and Gaza. It is part of the grander or broader movement against the spread of Islamic fundamentalism. Indeed, this is the kind of the logic that Egypt or Israel or some Western powers pursue, seeing the growth of HAMAS in the West Bank and Gaza as part of a broader problem or picture—the global or international Islamic threat, what Krauthammer called a "global intifada."

What do we need to recognize? When we look at the reality we need to recognize a couple of things. As bright and intelligent as we all are, human nature tends to generalize and to create monolithic threats or structures. It was fascinating to me when I did my new book, *The Islamic Threat: Myth or Reality?*, to look back at history and see how at many critical points one would simply raise the specter of Pan-Arabism or Pan-Islam. However, as soon as it wasn't necessary or convenient to pose a monolithic threat, many people would sit around and maintain the opposite: That you can't get two Arabs to agree on anything; that you can't get two

Muslims to agree on anything, or two Muslim countries. In fact, there would be all kinds of jokes about the fact that governments in the Arab world and the Muslim world they can't get their act together. When some people want to put down another culture, they say that "they can't get their act together and that is why they don't solve most of their problems." Similarly, when we perceive a threat, we tend to create this kind of monolithic threat.

We need to keep in mind that the trauma of Iran was in fact the trauma of Iran. However, it will be a long time before many Americans are over it, and that is why, for example, there are many people in government who will say that very few people are willing to push forward on talking about normalizing relations with Iran.

Some members of the media have said that Iran is the one area that they stop short of writing everything they see, the total picture. Although they see a lot of problems with Iran, they fear that if they present empirically in terms of the region about what they see that might be positive in Iran—for example, positive things with regard to participation in the political system or even with regard to women as compared to the status and roles of women in Saudi Arabia—they will discredit themselves professionally. There is a mentality with regard to Iran—and certainly I find it with regard to Islamic movements—which is very much a Cold War mentality: If you are not against them, you are for them.

When I talk specifically about Islamic movements or Islamic fundamentalism, I usually say "I am not now, nor have I ever been a member of an Islamic movement." I will preface my talk with this statement because the choice is either to come out and say that Islamists are a bunch of bloody extremists or risk being accused of being too sympathetic. I think there is this peculiar kind of mentality.

In my bearded days—which lasted for about 30 years—it was not uncommon, when I finished talking, for people to come up and presume that I was a Muslim simply because of what I said. Now we could analyze that a number of ways. Some people would say, "Yes, exactly what you said plays into it." I would argue that was because of the way I looked and the fact that I didn't get up and take a certain stand at the other end of the spectrum.

The tendency to cast our analysis in polarities is a problem and affects the way in which we do our analysis. For example, when we talk about Iran, we often fail to see realistically the limits of Iran's capabilities. What are its capabilities economically and logistically in terms of exporting revolution, exporting it tangibly, not simply in terms of inspiration? But we often don't make these distinctions. It reminds me of the post-Iranian Revolution days when Rafsanjani would get off a plane in Nicaragua or wherever he would go and say, "I support the revolution here." There would be articles indicating that one could expect tanks to come rolling into Nicaragua from Iran. Today, on the one hand, we talk about the economic situation in Iran and how bad it is, but on the other hand when we talk about the export of the revolution we exaggerate Iran's potential to provide material support. Similarly, we often demonstrate an inability to accept Iranian pragmatism.

Iran's pragmatism in policy must always be devious, it can't just be pragmatism. Our presumption is that Iranians are speaking out of both sides of their mouths in a peculiarly devious way rather than that they are just being good politicians.

In other words, if there is an Islamic movement, it is revolutionary, and if it is revolutionary, we expect it to be pristine and pure, even as our enemy, and go right down the drain adopting policies that might be suicidal. If a leader becomes moderate, it is not believed. It is almost as if being moderate or moderating one's position or being pragmatic or changing one's position is not something an Islamic movement is capable of doing. In the West, becoming moderate could be seen as a virtue, being politically astute and operating in terms of national interest, but for an Islamic government, we expect it necessarily to be an immoderate government. It has got to be the ideology that comes first.

In fact, most Islamic movements—and most governments, I would argue, although they have their moments of pristine radicalism in terms of what they do, operate in terms of national interest and in terms of survival and success. We need to understand this and approach it pragmatically. Therefore, we need to appreciate that Iranian national interest and Sudanese national interest are quite different. At times there are global or ideological interests that may come together, but in fact in terms of many specific policies each country is going to be primarily concerned with the national and regional interests. When it is convenient, there will be an ideological coming together. We fail to appreciate their pragmatic side.

However, we don't look at Islamic governments and Islamic movements the way we look at most governments and political movements. Moreover, we all need to recognize that individual players don't just simply operate in a vacuum. If nine ayatollahs are brought together, it is like bringing nine congressmen together. Just because they are Islamicly committed or are democrats doesn't imply that they are all going to agree on everything. In fact, among the leaders and among the movements, there can be competition as well as tremendous diversity.

We need to keep this in mind, not only in terms of Iran and Sudan, but also in looking at the relationship between Egypt and the Sudan. There is a Muslim Brotherhood in Egypt. There is a Muslim Brotherhood in Sudan. The Muslim Brotherhood of Sudan does not simply see itself as being run by the Egyptians. It never has. It is a very independent movement. Within these movements themselves there are diversities. When we begin to talk about Iran's role and influence in the Islamic world or when we see Iran and Sudan attempting to emerge not only as regional but international Islamic leaders and to mobilize and call international meetings of Islamic leaders, just because they come together on occasion doesn't mean that they all leave with a great unity, just as when Western leaders come together. They may, if there is a single point and a single enemy, respond in a unified manner at that point in time. But once that issue or concern passes away, then Muslim, like Western governments and leaders, get back to operating in terms of their own ego needs, their own national self-interests, their own regional

interests. We must recognize this reality when dealing with Islamic movements. Otherwise, we will continue to opt for the easy answer, to paint the world into "us" and "them." If we do that, then I think we run the risk of not just screwing up the relationship between Iran and the United States, but I think of really feeding a growing radicalization potentially between the Muslim world and the West.

"Terrorism, Human Rights, and the Media"

by *Andrew Whitley*

Ladies and gentlemen, the Persian word *etelaat* can be translated a number of different ways and has been when it comes to government ministry titles. In the shah's time, of course, it was the information ministry; the ministry that directed the shah's propaganda effort, helped to direct censorship, along with SAVAK, helped to shape the government's image, and limited what could and could not be said within the public domain inside Iran.

Subsequently, Vezarat-e etelaat now is the intelligence ministry in Iran, in the sense of information being security information. It is indeed one of the more powerful of the ministries. It somehow combines the themes of my paper today when we talk about information, the use to which information is put, and the dangers that are perceived over the illegitimate use of information. That brings together my ideas about human rights and the media. The Iranian intelligence ministry is the one that we will be focusing on today as being one of those that is accused of being behind some of the terrorist actions that have caused some fear abroad.

The grouping of the three elements in the title of the paper I have been asked to deliver attempts to shape its direction. It is the implication that the perception of Iran's record towards human rights and its alleged willingness to use terrorism abroad in furtherance of national goals may be at least in part a product of the way that message has been conveyed by the mainstream Western media. In other words, the charges that the media is gullible or biased or self-censoring, as Mr. Esposito says, or all three, when it comes to Iran.

Given the headlines over the past year as the Clinton administration and sundry Middle Eastern states have vied with one another to accuse the Rafsanjani government of involvement in international terrorism and acts of actually stepping up the campaign since Khomeini's day, the charge is a fair one to raise. So should we shoot the messenger? What is the record on the score of terrorism and human rights? To what extent is political capital being made out of the Iranian government's behavior to further a policy of isolating the Islamic republic, possibly—as many Iranians think—with the unstated goal of speeding its downfall?

I have been asked to weigh the perception of the West as conveyed by the media and as presented by officials about this topic against the reality. As far as any outsider can claim to be able to judge accurately the situation in Iran—an important caveat being the limitations of our knowledge on what is truly going on in the provinces of Iran—I will try to assess the perception. Then I have been asked to advance some reasons as why there may be a gap between the perception and the reality. In the process hopefully some light may be shed as to why the issues in this paper will remain a source of difference between the U.S. and Iran and an obstacle to the normalization of relations.

Let me begin by posing what I believe are a number of givens. First, that the Iranian government is conducting an undeclared war against its active opponents abroad and is taking the battle to the enemy in a vigorous fashion. In this campaign it has no compunction over using assassinations, even against individuals who do not themselves resort to arms and are apparently harmless, but do present a symbolic threat to the clergy's hold on power by virtue of their ideas or their historic appeal.

Second, that the Iranian government feels constrained by international politics to state publicly its adherence to the concept of human rights. Its articulation of that concept may differ sharply in some respects from that espoused by much of the rest of the world, for example, in putting more stress on Islamic interpretation and drawing on the *sharia* to propose, in my view, a somewhat half-baked Islamic code of human rights.

It also shares with other developing countries as different as Malaysia and China an emphasis on developmental rights and on the collective rights contained in the International Covenant of Economic and Social Rights, rather than [the stress] on the Civil and Political Rights Covenant that the West sees as the bedrock for human rights. Nonetheless, the fact remains that at least the more pragmatic wing of the government feels it necessary for purposes of image abroad, trade credits, and domestic standing to espouse a commitment to human rights. The relatively new law requiring that defense counsel be present at every trial in Iran—and the exhortations to this effect by Ayatollah Yazdi, the head of the judiciary—was aimed primarily at swaying domestic concern over unfair trials, not at improving Iran's low standing with the U.N. I shall return to the way in which this law has been applied in practice.

My third basic premise is that it bears reminding even this audience that there remains an enormous culture clash between Americans and Iranians, one that contributes to the different views in Tehran and Washington about the importance of human rights problems. Americans, being clear cut and straight forward, expect the Rafsanjani government to get a grip on itself and reign in those benighted mullahs who are handing down heavy sentences for such offenses as "warring against God" or "corruption on earth."

If I can be permitted a footnote here on the subject: There is little complaint about the independence of the judiciary in Iran, just the opposite in fact. The difficulties lie, in my view, in the inconsistent application of the law and the fact that *sharia* law is subject to such latitude of interpretation. Perhaps more importantly, there is frequent lack of due process. In contrast to Americans, those who were unkind might say that Iranians are devious. More pertinently, it is worth pointing out that the Shia tradition of dissimilation, or precautionary dissimilation—the hiding one's true feelings in the face of the enemy or when in danger—is a long accepted custom. Many Iranian officials to whom I have spoken genuinely believe that the U.S. is using the human rights stick as a political tool. They also express frustration over the West's apparent inability to understand the Iranian political system and their own alleged inability to do anything about issues such as the Rushdie fatva.

In attempting to define how these three issues—terrorism, human rights, and the role of the media—interlock to complicate relations between the United States and Iran, let me start with the easiest issue. Anyone who follows Iran will be aware that since the fall of the shah, rarely has the Western media had anything good to say about that country. It is not the stock-in-trade of the media in any open society to publish or broadcast good or positive or balanced news. President Clinton is probably as sore as Rafsanjani on this score, and he has a much better basis for understanding the mores of the media than the Iranian leader does. But the Islamic republic has never had a good press abroad. It has deserved its bad publicity much of the time, but even the positive aspects of the country and the regime behavior never seemed to get a mention. What emerges is a black and white—usually black—picture that lacks all the varied hues that make up one of the most complex and historically rich nations in that part of the world.

When I recently told a number of people, including an Iranian opposition official, that my organization, Middle East Watch, was about to publish a major report on freedom of expression in Iran, the scornful reaction was that this was an oxymoron. There was no such thing. In reality, though, there is considerable freedom of expression in Iran, provided one remains within the accepted ideological parameters and does not threaten the established political order. Even then, the limits are expanding. How many people in the West know, for example, that behind closed doors in the past few days the Majlis has been debating the hottest issue of all—the future of *velayat-e faqih*? My organization is very critical of the Iranian government's attitude toward genuine dissent or independent thinking of any kind, particularly of the government's failure to curb the vigilante activities of revolutionary zealots. It is the arbitrariness of government actions, the absence of the rule of law and the persistence of political control that are the touchstones of the Islamic Republic's behavior in this field, as in many other aspects of human rights.

For a country as important regionally as Iran, the Western media is, in my view, singularly ill-informed. It was never good under the shah when access was

usually not a problem. The lack of understanding and knowledge has worsened since the revolution. For this state of affairs, Tehran largely has itself to blame for making it extremely difficult for foreign journalists to get visas—even since the end of the Iran-Iraq War—and then keeping them on a tight leash once they are inside the country, putting obstacles in the way of those news organizations that would like to establish bureaus in Iran, and harassing those Iranians brave enough to work for the foreign media.

This said, there is no escaping the fact that the U.S. media has been guilty of lowering its standards of proof when it comes to allegations that involve Iran. These often revolve around issues of terrorism, drawing on the stereotype of Islamic fanaticism created by the Iranian Revolution and renewed by the recent wave of Sunni political activism in the Arab world. The idle speculation that Iran may have been behind the World Trade Center bombing was a case in point. This is not to say that the Iranian government is not involved in terrorist acts. It is, and I shall return to this important point.

I was asked to draw regional comparisons, and I think those are not entirely invidious. For example, Saddam Hussein's government was engaged in enormous crimes—including genocide against the Kurds in 1988—during a decade when Iraq was an ally of the United States, but barely a critical word was heard from Washington. Turkey has committed, and still commits, many atrocities in its campaign against Kurdish guerrillas, but not a cross word has emerged from the Clinton administration. Saudi Arabia is the epitome of fundamentalist autocratic government and the country where most human rights are nonexistent, but King Fahd gets a personal message of praise from Clinton, as he did the other day when he set up a toothless advisory council that actually entrenches royal autocracy, rather than advances public participation in government.

When hard information is scant, access to the country is difficult, and a recent history of mutual hostility, including armed combat and gross acts of terrorism, imbue bilateral relations, it is hardly surprising that perceptions drive policy. It is an indisputable fact that the Western media turns a magnifying lens on foreign news stories wherever they occur, in the process usually distorting the broader reality. When sources of news are largely from one side of the story, it is inevitable that distortion will expand in shaping public perceptions of contemporary Iran. It is worth noting the effective lobbying of certain interest groups such as the Bahai'is, the Mojahedin-e khalq, and the pro-Israel foreign policy camp. All too often, statements on Iran by senior U.S. officials or else by governments friendly to the United States, such as Egypt, Israel and Tunisia, are taken by the Western media at face value and not examined critically.

In the absence of diplomatic relations with Iran, with apparently limited sources of reliable information about the country, the US government thus sometimes appears to be looking at Iran through the wrong end of the telescope. I say *appears*, because one must judge a policy on how it is presented and argued

publicly, not by the quality of the analysts. The gap between the production of information about Iran and the use that is made of that information in shaping U.S. policy is one that we could usefully turn to in this conference.

As an example of the public presentation issue, note that the cover of the State Department's latest annual report on terrorism carries a photograph of Rafsanjani and Khamenehi. In the report, Iran was described as, "The most dangerous state sponsor of terrorism in 1992 with over 20 acts in 1992 attributable to it or its surrogates." I should say I have attempted in vain to get more details on those terrorist acts and have found great difficulty in getting those who wrote the report to substantiate the statement. The caveat about surrogate responsibility that the State Department report makes is an important one, often glossed over in public presentations about Iran's deeds. Yet, the hard evidence presented in this report or in other public statements, such as CIA director James Woolsley's congressional testimony about Iran's direct responsibility for terrorism, remains elusive.

Let me turn then to what we at Middle East Watch see as Iran's record on human rights and terrorism under Rafsanjani. I am going to select five issues, and I note that I have already referred to the absence of the rule of law and the chaotic application of what law there is. The first issue, then, is the suppression of any form of independent political activity. The only real opposition party that remains in Iran, the Nezhat-e Azadi, Mehdi Bazargan's Freedom Movement, has to operate in the shadows. Its leading members are subject to being jailed and tortured. A related body, the Association for Defense of Freedom and Sovereignty of the Iranian Nation, which is really a civil rights group as much as anything, was crushed three years ago.

It is true that there are elections of a sort. They are precooked elections, but they happen periodically, and there is an opportunity for Iranians to engage in political debate. There is lively political debate in the Majlis as we all know. But it takes place within a certain ideological straightjacket, one that is confined both by the choice of the speakers literally and metaphorically who can take part in this political debate and by the mechanisms through the media that are at their disposal.

Secondly, look at the freedom of association, which is severely restricted in Iran by fear of the intelligence services. While private clubs and associations and private voluntary organizations are formed in Iran under the watchful eye of the local branch of Etelaat, particularly in western provinces and in the southeast, the intelligence ministry in conjunction with the Revolutionary Guards really runs the country in such a way that there is very little opportunity for any genuine association.

A third charge which has been made against the country, and in my view is a valid one, is the high rate of judicial execution, one of the highest in the world. Often these executions take place after trials that are blatantly lacking in due process guarantees. The right to defense counsel has been recognized in Iran. But in an example of the kind of presentational aspects that I described earlier, an

important distinction often is overlooked by those who claim this as a step forward. They fail to make the distinction that the law provided the opportunity for a *vakil* or a spokesman for the defendant, rather than for a *vakil-e dadgostari*, or a lawyer.

There is also the issue of persecution of religious minorities, particularly of the Bahai'is and syncretic sects like the Ahl-e al-Haqq. It is difficult to get hard data about some of these, but undoubtedly persecutions of minorities do continue to take place.

We could spend a lot of time discussing discrimination against women. It is a complex issue that often is overstated in the West, particularly in the United States where female equality in all spheres is taken as an article of faith, as a litmus test of a civilized society, but conveniently overlooked how novel and controversial even this concept is in our own society. The status of women is a key issue in Iran. However, the record is mixed. While women are barred from a range of academic fields and professions, in fact they have been able in practice to do a great deal more than often is recognized. There are feminist lawyers who are active in Tehran. There are women judges who are settling cases even outside the areas in which they are normally meant to deal, such as the family courts. The contrast with Saudi Arabia and the Arab sheikdoms where women cannot even drive in some of the countries is quite striking.

There is the issue of terrorism. There are three main categories of issues with respect to terrorism. One is support for radical groups outside the country. Two is combat against armed Iranian opposition organizations, mostly in Iraq and in Turkey, but in some cases in the West. And thirdly is terrorism against individuals, usually Iranian individuals abroad. On the first case, the arguments are shaky. There is, of course, a connection with Hizballah and Islamic Jihad and that is the strongest, clearest connection. The connection both financially and diplomatically with HAMAS and the Palestinian Islamic Jihad is weaker, but it is still there. However, there is literally no comparison when it comes to looking at the issues of the FIS in Algeria or an-Nahda in Tunisia or other such groups where there is very little evidence of direct Iranian support. If one looks at relations with the Sudan—which has been much in the news recently—the best evidence suggests that the role of the Revolutionary Guards in Sudan is for internal control rather than for external purposes.

The issue that concerns me most, and one about which I received a fax just yesterday, is armed attacks against Iranian opposition groups abroad. The fax that I received yesterday dealt with a new execution/murder of a member of one of the Iranian Kurdish parties in Turkey. His mutilated body had been found five days after he had been abducted. It was the third such case within the last 18 months, and suggested a pattern of activities to eliminate members, or former members in this case, of the Kurdish opposition organizations.

As far as terrorism against named individuals abroad is concerned, there is the famous issue of the death list that apparently has been found in Germany. Although

it lists particular named individuals, it has been hard to establish whether it has a reliable stamp of authority from the National Security Council in Tehran. I think the evidence is there. Despite the fact that somebody like Javad Zarif, the Deputy Foreign Minister, would tell me—as he did in February—that there is no direct proof of Iran's involvement in these terrorist acts, there is considerable evidence to the contrary. Some of that evidence might be revealed within the coming months when a certain number of court cases come to trial, that in Switzerland involving the assassination of Kazem Rajavi, in Germany over the assassination of Kurdish leaders, and in France over the Bakhtiar assassination. There is strong ground for believing that the Iranian authorities at the highest level have been involved in terrorist incidents, although I feel that sometimes there is a conflation of various elements which tends to lead to an exaggerated sense of their role in many other countries.

In conclusion, the hook that Iran is on over human rights is the enduring uncertainty over the nature of government and society in Iran, over relations between the spiritual and lay leadership, and the social contract that any legitimate government must have with its citizens. Until these fundamental issues that were thrown up by the revolution are settled to common satisfaction, human rights abuses will continue to proliferate.

The terrorism issue is, in my view, inappropriately treated as a catch-all by the United States government, but as I have just said, I am convinced that the highest level of the government is behind many of the attacks that have taken place in Europe. No excuses about rogue units or the independent freedom of action of radical clergyman can be accepted as justifications or arguments for failure to curb these actions. Killing is not a means for settling disputes with one's opponents, and Iran can and must put its own house in order in this respect. If it is to be accepted fully in the community of nations, this must be a sine qua non.

"Arms Build-Up and Regional Military Balance"

by *Shahram Chubin*

My subject deals with an area both of real tension and misperception. My thesis is that the Iranian conventional build-up for the moment shouldn't be a serious issue in terms of US interests, but Iran's build-up in the nonconventional field, that is, in the weapons of mass destruction, is a serious area of legitimate concern for the United States. One has to begin to understand why the Iranians have embarked on this process in order to have a decent policy for dealing with it.

There is a great deal of interest on both sides in hyping the threat. There are misperceptions on both sides. In Washington, there seems to be a nonproliferation fever that has spread since the end of the Cold War. There seems to have been a displacement of energy to the new enemy that has been discussed by some of the panelists earlier. The two threats that are seen are fundamentalism and proliferation. Iran, of course, fits into both categories.

Interests are served clearly by exaggerating Iran's military threat in an era of defense cutbacks. It provides a rationale, for example, for a large navy. The Pentagon has every incentive for getting it right this time. They got it wrong on Iraq. They got it wrong on the Soviet Union. And clearly they can't afford to make any more mistakes. So it is best to have the worst possible interpretation of Iran's aims.

There are many states that have an interest in exaggerating the threat. I am surprised that Secretary of State Christopher should be surprised that the regional states are at one in thinking that Iran is a threat. After all, statements from Washington get played back into those countries, and those countries then come back and play it back to the Secretary of State, who returns and says, "Oh, there is a unanimity here across the board from Egypt to the Mojahedin to Turkey, Saudi Arabia, Iraq, the Central Asian states." They all have got an act to play, a card to play, a benefit to be made from hyping the Iranian threat.

Focusing on the military threat posed by Iran distorts the nature of the issue and the problem in Iran-US relations. There are real and genuine differences in the way these two countries view the world and they have very different interests. There is a major and apparent disconnect between the emphasis on Iran as a military threat and Iran's economic and political problems and its regional environment in which it is on the defensive and has a great sense of vulnerability.

What specifically concerns the United States? I think, first of all, it is the type of regime with which it is dealing. First, it is a regime perceived as hostile to the United States. Second, it is a regime that is opportunistic. It does not matter if it has not got a grand strategy as the leader of the Islamic movement. The fact of the matter is that it is opportunistic. It will put in its two cents worth where it can and has done so. It is volatile domestically and erratic in its policies. Third, Iraq being out of the Persian Gulf balance magnifies Iran's importance in the region. Fourth, the probable lessons drawn by Iran from the first and the second gulf wars. Fifth, Iran's specific conventional capabilities. Finally, the probable course on which it has embarked in relation to mass destruction weapons, missiles being an intermediate category.

As for the conventional military build-up, I can dismiss that quite quickly. By almost all criteria, Iran's defense build-up is within a certain reason. Whether one considers the losses in the first gulf war, the equipment obsolescence problem, the lack of a consistent supplier, the relatively small amount of resources being devoted to defense, not to mention manpower problems, the problems of shifting from one supplier to another, from Western sources to potential Russian and Eastern sources, on any base line military expenditure, arms transfer, military expenditure per capita, or even the base line of Iran's 1979 capabilities, Iran's defense build-up is reasonable. One could ask at what point it would cease to become reasonable, but there are also all other sorts of constraints that have been mentioned, especially economic, that would suggest there are limits to what Iran can spend.

Specific concerns in the conventional arms build-up from the U.S. point of view are threefold. Long range air power has been mentioned. A second concern are missiles that could reach the entire gulf and shipping in the gulf or long range missiles that could reach Israel. These include the Korean missile, the No Dong missile, which has a 1,000 kilometer range that could be extended perhaps to 1,500 kilometers. Of course the possibility of marrying chemical warheads and biological warheads on long range missiles raises questions. Finally there is the question of submarines. The submarines are less of an issue for the long range than they are for their mining capability and the problems of dealing with that.

The missiles I have mentioned pose a number of problems. It is not just an Iranian problem, the proliferation of missiles. The fact is that missiles may extend conflict in the gulf, and, as we saw in the second gulf war, to other areas. Missiles have more capacity to penetrate than aircraft, and this is a problem.

On the conventional side, however, it is difficult to see scenarios where Iran has any interest in using these conventional weapons offensively. In terms of blocking the gulf, it seems very dubious to come up with a scenario where Iran has an interest in harassing shipping in the gulf, given its dependence on the gulf, or in seeking a military confrontation with the United States by indirectly threatening the gulf states. In light of the regime's current problems and priorities, scenarios of Iranian aggression in the Persian Gulf lack a certain realism, at least certain

credibility, despite the tendency for some analysts to talk about resource grabs, 'a la Saddam Hussein, or to see possible Iranian aggression in the gulf as a diversion from domestic political pressures.

The weapons of mass destruction are another problem. Iran appears to be showing interest in this category of chemical, biological, and nuclear weapons. There are a number of elements in this that one has to understand. First, Iran's experience in the Iran-Iraq War. Second, the probable lessons it derived from the second gulf war. Third, the logic and fit between its world view and its view of its security and its needs, and its political needs, and the place of these weapons in that world view and its needs. Fourthly, its statements regarding these weapons. I am not referring to "the right to having these weapons" comments made by clerics who may not be authoritative spokesmen, but rather to the statements that were made in unguarded moments in 1988 by senior officials who mentioned that these weapons were decisive weapons absolutely essential to defense. Fifth, I think the pattern of Iran's suppliers, allies, and partners are critical: Pakistan and China. There is a consistent pattern of Iranian efforts to get precursors or elements that would contribute to these weapons. The suppliers' cooperation with Iran is worrisome. These states generally have been outside the Nuclear Non-proliferation Treaty (NPT) regime like North Korea, or on the margins of it, or, like China, only recently have adhered to it.

There has been a consistent incidence of attempted purchases by Iran. The latest incident—which apparently was a non-incident—involving a Chinese freighter is only the latest of a very long list of efforts to get this equipment and relevant technology. It is difficult, of course, to be certain whether Iran is seeking this capability, but it is also clear that it is very difficult to stop the program. We have seen in Iraq a multi-path approach to a nuclear program within the NPT. Iran particularly, because of the embargo and the war it underwent, has tended to rely on clandestine groups and on networks of agents abroad to break embargoes. Iran thus has experience from 1980-1988 in purchasing indirectly through contacts.

Iran's program is not a crash one but is incremental, hands-on experience with research reactors, justified by access to technology and a sensible, very intelligent decision to avoid confrontation, to avoid giving the appearance of having a crash program. As far as capability goes, access to fissile material clearly would accelerate the program, and it is clear that Iran has at least some possibility of getting access to such fissile material, given its particular location, near the former Soviet Union.

I think the most important point not emphasized earlier is that really these days the political decision to go toward nuclear weapons is far more important than either the economic costs of doing so or the technological impediments. That is why we are dealing essentially here with a problem that is political. It is very clear that decisions probably were made in 1988 that put Iran on a program to get chemical and biological weapons and already earlier, by about 1986, to start looking again at nuclear power reactors possibly for a nuclear weapons program.

Iran's experience in the first gulf war is very significant, and one has to see this in terms of its perspective of the world. Iran was attacked. It was the victim of chemical weapons. Nobody lifted a finger. It was then subsequently, in their perspective, a victim of the war of the cities, during which Iraq was firing three times as many missiles as Iran sent off in retaliation. Not only that, Iraq had a seven to one or ten to one advantage in aircraft. Again, there was not much sensitivity about what the Iranians had to suffer from those missiles. The possibility that chemical weapons might in fact be married to those missiles in future conflicts must have occurred to Iran's leaders.

The "technological surprise" that Iran saw with chemical weapons and missiles and its inability to find sources to supply it with missiles has had consequences. Iran scrambled around in the international arms market and couldn't find the right sorts of missiles or enough of them. Nobody responded. The conclusion that the Iranians drew, and they have said it several times since then, was that one cannot trust treaties to force restraint on other states, and one certainly cannot rely on others to help in defense. The decision was made to become self-reliant. There was an urgent need for retaliatory weapons to deter their original use. Statements were made that in future these weapons would be decisive and critical.

The second gulf war reinforced this attitude. The second gulf war underlined the unbridgeable gap in conventional capabilities between an advanced state like the United States and most other states. Clearly it wouldn't make sense to try to deter the United States with conventional weapons. A future Desert Storm might not just be against Iraq. It might be against Iran. How could you deter this? There is the possibility that nuclear weapons could be used as a deterrent and as an equalizer. Conventional weapons, even if they were useful to deter outside threats, were very costly, still aren't generally available to Tehran, and pose problems of assimilation and manpower needs.

So all of these factors tended to say perhaps nuclear weapons could be a shortcut as a retaliatory arm against Iraq, should Iraq reactivate its program again. Other motivations are that Iran lives in a dangerous neighborhood. Iraq, as I have mentioned, could come back. There are other Saddam Husseins who could appear in the region. Very important to the Iranian world view is a powerful assertion of equality; Iran talks about access to technology, the rights to technology, the right to equality. These are important aspects of its world view. It would clearly increase its status and amplify its voice. Finally, Iran has motivations to go down this route for domestic political symbolism. In a nutshell, it would be a substitute for the lack of achievements of the revolution on other fronts.

US apprehensions clearly are based on the identity of the state. It is a major point I should emphasize again that if one wants to deal with this problem one doesn't do it unilaterally and in a selective way. Clearly, when Washington looks at Iran it is the nature of the regime that is paramount. Iran is not Israel. Iran is not even India or Pakistan. There is no clear pressing rationale for developing these

weapons right now, as seen from Washington. Clearly, the fact that Iran is hostile to the West, not so much that it is undemocratic—Egypt is undemocratic, too—is a critical factor. The concern must be for any analyst in Washington that the strategic logic for Iran developing these weapons is inescapable in its own terms: It makes eminent sense.

Iran is embattled. It has a sense of being besieged. It is unlikely in the current set-up to be socialized into the rules prevailing in the nuclear club. This obviously raises a host of questions about the impact of Iran going nuclear. I would simply flag two obvious areas. One is the regional impact on Turkey, Israel, Saudi Arabia, and others. Then, there is the global impact, including the unraveling of the NPT, and the affect on other major countries.

The real concern if Iran were to develop these weapons is how would it want to use them? What would be the military rationale as opposed to its general political rationale? Presumably they would be used as a deterrent against the United States. However, they might also be used as a coercive tool in regional politics; that is, to sanctuarize Iran to free it to intimidate its neighbors through the use of conventional forces. A third possibility is that nuclear weapons might substitute for conventional forces and, hence, lower the threshold of use. It would be difficult to maintain both programs at any level. Fourth, Iran might use them as a bargaining chip. North Korea is a good example of that. North Korea is a country that has very few capabilities other than some advanced missiles and perhaps nuclear weapons. It seems that this is partly for diplomatic leverage. The question does arise, of course, what role nuclear weapons would play in a succession crisis or a civil war in Iran?

One case is fairly clear. It is Iran's adherence to the NPT. It has exposed itself to the special safeguards through the IAEA. Iran says that it needs nuclear energy for its power generation, that it needs access to nuclear technology for peaceful uses. Similarly, Iran argues with respect to chemical weapons that it signed the chemical weapons treaty—but has not yet ratified it—which is more than some Arab states have done. Iran says that inspections should not be fishing expeditions by the United States into its pharmaceutical industries. It says the United States is trying to lead the West through inspection procedures to deny technology thus keeping states like Iran backward. This is an argument that Iran believes, but it is also an argument that it tries to use within the U.N. to get other states to support its position. Iran was very active in the negotiations leading to the chemical weapons treaty.

Iran claims that the United States is redefining unilaterally the rules of the game on the NPT and is enforcing in a discriminatory and selective way its provisions. Iran is not the only country that believes this. The Chinese and others believe this type of unilateralism is not useful.

To sum up, there is agreement that Iran is seeking nuclear technology and capability, probably even nuclear weapons. There is agreement also that Iran probably is not very advanced in this process, that a decision has not yet been made

irreversibly. Doubts about Iran's ability to realize nuclear capability quickly prevail, but the basic physics, manpower, and funds are available. Tight surveillance and pressure might slow down the process and increase its costs, but it is difficult to be certain about these things.

Cornering a state and imposing setbacks, particularly on its nuclear weapons program, may serve to accelerate the chemical weapons and biological weapons programs. There is some relationship there, and it may well in fact see an acceleration in that area. It is difficult, given the North Korean case, to see the benefits of cornering regimes or not talking with them until the nth month.

Iran, in brief, is not a military threat or a nuclear threat to the United States at present. If its build-up continues unconstrained and unmonitored, it could become so by the end of the decade, particularly in the nuclear area. If at that time it remains hostile to the West and sees the United States in particular as antagonistic to it, and its interests as opposed, the probably of a direct clash would increase with much more serious consequences. There are grounds for concern about Iran's unconventional weapons program. The question is whether containment by itself is an adequate policy and how political engagement or dialogue could be activated and how divergences of interests and differences could themselves be dealt without making them across the board differences.

External pressure on Iran has the paradoxical effect of increasing its rhetoric and uniting its various elements. It provides a pretext also for the regime's poor performance. It plays to its strengths. It plays to its sense of embattlement. The evidence seems to me to suggest that Iran is undergoing profound political crisis. I won't say we have heard this before, but evidence since the June 1993 presidential election points in this direction. For example, statements by some political leaders about whether it is enough to become another Japan, whether that is all Iran wants to be. It seems that Iran has gone back to the watermelons debate: whether Iran should represent something else besides economic development, which I see as a direct attack on Rafsanjani's pragmatic efforts at economic development.

In any case, the socialization of the Islamic Republic in case it goes nuclear is very important. Dialogue is essential so these people don't get the impression that these are all-purpose weapons, just in case they do get their hands on these weapons. Dialogue obviously cannot be one-way. We need to initiate and encourage multilateral arms control. There are long range missiles in Saudi Arabia. There is an imposed arms control regime in Iraq. No one is talking about multilateral arms control in the gulf. If we want Iran to look at security moderately, we have to give it a sense of security. We need to devote attention to how the United States uses the time between now and the end of the decade when Iran might be a more formidable nuclear threat and deal with the motives for acquisition that the Iranians may have. Containment and embargoes in themselves do not constitute an adequate or prudent policy.

Discussion Following Panel I

AUDIENCE PARTICIPANT: The question concerns all three speakers. We talk about the Iranian government as one entity, but there is also evidence that there are very many different currents in Iran, each with its own power structure, and more importantly its own interactions; each controls considerable economic power. Would the speakers address this issue? When we talk about Iranian government always being behind terrorists and so on, who are we talking about, and to what extent can we separate the two issues? To what extent can we say that the Iranian government is not behind the peace process but maybe another group in Iran is? How would the speakers address the multiplicity of power centers in Iran within the context of their general discussion? Also in terms of the armed forces and the arms build-up, which part of the armed forces is being built up and what impact does that have on Iran's posture toward terrorism or regional security?

ANDREW WHITLEY: I didn't touch on the issue properly in my talk but it needs elaboration because clearly the government in Iran is not just the council of ministers, the presidential cabinet that Mr. Rafsanjani appoints. The government comprises an interlocking series of institutions, some of them fairly normal institutions, whether they be the foundations that have grown since the revolution and exercise both political and financial power. While there may be an attempt by the formal government structure to distance itself from the foundations, they should for all practical purposes be treated as part of the political establishment, and thus, the role that they play or that the revolutionary guards play needs to be considered as part of a single unit. If one is attributing responsibility to an organization, to a government, a legitimate leadership that wants to have the attributes of being a government, it must in turn recognize that it has responsibility to exercise control of those other bodies over which it has potential influence. Many of those bodies were spawned by the state or are proper state organizations, and therefore, the responsibility for them ultimately falls on Rafsanjani.

That is a narrow answer, but clearly the government, because of this dual spiritual/lay structure in the country can conveniently hide behind the spiritual role as it does over the fatva on Rushdie for example and other such actions. It says these remain in the spiritual domain. This is one point on which the Iranian authorities have been very disingenuous in the past.

SHAHRAM CHUBIN: I think the key point really is twofold. What is the reality on the ground? And how can policy deal with it? It seems to me that policy deals with it by holding the government responsible. Now the fact is that the revolution has always been in shambles. That is, it always has had to decentralize the power structure in some ways, and I think the way to look at this—let's say, the revolutionary guards or perhaps even particularly units of the revolutionary

guards and some of the intelligence agencies—is to view them more as interest groups rather than as autonomous agencies.

If you do put pressure on the government and show them the price that Iran and Iranians will pay for this type of activity, then maybe they will have an incentive to get their act together. However, one can't play around politics and factions from here.

MUHAMMED HABADEE, representative of Middle Eastern newspapers and publications: My question is to Professor Esposito. Basically I want to say that many Muslims are very grateful to Professor Esposito for all that he has been doing to explain Islam in the West. Having said that, I also agree that it is very wrong to put the moderate Muslims and the militant Muslims in the same box. I even can go beyond that and say that also many intellectuals are making the same mistake, not only the governments. There is now a kind of polarization unfortunately between even the intellectuals making the same mistake.

You mentioned something about Mubarak in the first years when he tried to co-opt the moderate Muslims into the system under the Muslim Brotherhood to give them a platform. I wish you also could have mentioned [something about the militant Muslim movement taking place in Turkey; their response has made people very panicky.] That is number one. Number two, you mentioned that there were no figures. [As a matter of fact, there is a significant figure: 850 people came from Afghanistan. I wish only, of course, by dealing with this to explain to people why this is taking place.]

JOHN ESPOSITO: Very quickly, I agree that the phenomenon you are talking about is polarization. I think one of my concerns is that polarization is occurring now in many Muslim societies. This polarization involves intellectuals. I think it is running across the society, and I think you said that impact is an issue of human rights.

Recently I was in one country in the region and somebody bragged about the fact that a person who was the prominent human rights person in recent years basically said, "They have no rights." I said, "Who is they?" This person said, "Islamic fundamentalists." I said, "Well, which ones, those in your country?" This person replied, "No, all Islamic fundamentalists. And in fact they should all be thrown in prison and the key thrown away." That is what the bottom line was out there. That is a prescription for radicalization within a society.

I think that the early Mubarak years showed some distinction, but if a policy simply is based on the hope of totally co-opting, then, of course, the policy is not going to work. In other words, if the government doesn't open up the system, but rather simply implements [cosmetic changes], thinking that somehow it will be able to retain full control, and the government still remains authoritarian in its approach, then it simply will feel frustrated to feel the policies backfiring on it.

I think that is part of what then comes into play. I wouldn't deny that there is "an Afghan" connection. My point is [that it is wrong to make] the Afghan

connection again into some sort of almost monolithic threat and a connection that gets blown out of proportion so that the numbers are not seen in realistic ways. With regard to the specific number you give, I can't comment about the accuracy of that. All governments give numbers in ways that usually play to their advantage.

The bottom line I would say by way of response is to pick up on what you said in the beginning. The risks I see in overemphasizing an Iranian threat or an Iranian-Sudanese alliance that is feeding a kind of broader-based global Islamic fundamentalist threat is that one doesn't distinguish among movements not only in terms of the way movements operate but also the way the governments in the region operate. The nature of this approach will feed what I call the creation of self-fulfilling prophecies, that is, the repression will lead to growing radicalization in the societies in the region.

JOHN DENVER, Department of State: I have a question for Dr. Chubin, who raised a very interesting point about the lessons of the Iran-Iraq War and the Persian Gulf war. In current debate, as far as you are aware, has anyone inside Iran raised the question of why didn't anyone lift a finger to help Iran when it was the victim of missile attacks or poison gas, and has anyone raised the possibility that Iran's own political stance vis-'a-vis the rest of the world may have contributed to the lack of political support that Iran needed and deserved in this case?

S. CHUBIN: The Iranian debate on defense questions has gone underground for some time. After the first gulf war there was a period of time right on the heels of the war in the middle of 1988 when the senior leadership were very frank in their assessments of their mistakes. Rafsanjani and others talked about having bitten off too much, of having alienated third parties, of not having organized properly, not having had forces in being, having devalued the military, not having the perpetual bond mentality, rather than an organized military and so on.

I think all of those lessons and their reaction to the war was one thing, but it is quite another to blame themselves for the fact that during the war the Iraqis used chemical weapons and nobody said anything. Not only that, nobody said anything when chemicals were used against the Kurds. The international community didn't even raise the question of naming Iraq in the 1988 Paris conference on chemical weapons.

I think the Iranians see the first gulf war as one of an imposed war of holy defense. They don't believe that they are responsible for the fact that missiles landed on Tehran after aircraft had done its considerable damage. They don't feel responsible for the fact that chemical weapons were used against them because they persisted in what you and I would consider an unnecessary prolongation of a conventional war.

ERIC HOOGLUND: I may add that the Iran-Iraq War was the subject of numerous conversations when I was in Iran over the summer. The Iranians talked about the impact of the Iran-Iraq War on their thinking and discussed what was the Iranian responsibility [for the war]. At an international conference on Persian Gulf

stability that I attended, several papers actually dealt with these themes. I was surprised that defense issues actually were discussed and debated openly at the conference and in Iranian scholarly publications. Iranian analysts presented several papers that addressed such questions as "what are Iran's legitimate reasons for defense" and "what level of rearmament is appropriate as a deterrent." Much of the discussion was recorded on television and subsequently reported in the papers.

There also was considerable discussion about the United States. Typical questions included: "Why does the United States protest every time we buy a single bullet?" Discussion revolved around conventional weapons and military manpower levels. However, some Iranians also addressed indirectly the issue of unconventional weapons by asking why the United States had been accusing Iran of trying to acquire chemical weapons or nuclear weapons. Some of the panelists from abroad, including myself, brought up the issue of nonconventional weapons, and we were neither reproached nor ignored.

At several private dinners that I attended after the conference, people asked repeatedly, "why didn't anyone come help us when we were attacked?" I think one of the things that had the most dramatic effect on everyone was the missile attacks on Tehran, especially in 1988. Everyone talked about those incidents, their memories still vivid of where they went and what they did to escape the terror of those days. Nevertheless, I sensed an incomprehension among the population at large about why the international community ignored their plight. Whenever I tried to suggest actions by Iran like the hostages, people would say "we are not responsible for what our government does; that is no reason why we should be punished." That perception, I think, is fairly deep in Iranian society. I wasn't expecting to find that, but the war did have a tremendous impact on the psychology of the people, and they have very vivid memories of being abandoned by the world during the brutalities of the last few years of that war.

BAHMAN BAKHTIARI, University of Maine: I have a question concerning the conditions in Iran. Accepting the assumption that a multiplicity of power exists and factions exist, what steps would you propose for President Rafsanjani to take to improve the human rights records?

A. WHITLEY: My first proposal would be that he attempt to standardize the implementation of Iranian laws, that he prosecute those who act in flagrant violation of Iranian laws. When vigilante gangs attack newspapers, for example, because they publish articles that they don't like, Rafsanjani should show an evenhandedness in dealing with such abuses wherever they come from.

When it comes to more deep-seated minority problems or areas on the frontier in Kurdistan or Baluchistan, Rafsanjani should not drive the entire population into the arms of the rebel groups by such broad brush policies that have been used, but adopt more intelligent policies of isolating the armed groups and encouraging those minorities to feel that they have a place in the nation as a whole. He should not allow policies to be adopted that emphasize Shia culture over other minority

cultures. There are a number of things that are quite straightforward that he could do which would be inclusive policies that would allow Iranians to feel that they are part of one nation and not simply the fiefdom of the Shia clergymen.

AUDIENCE PARTICIPANT: I have a question for Professor Esposito concerning the Iranian-Sudanese relationship. What do you think the result would be on the Sudanese-Iranian relation of Sudan's placement on the State Department's terrorism list? What do you think the Iranians are telling the Sudanese at this point, if anything? The second question is, do you think that the 1992 attack on Dr. Turabi in Canada—the assault at the airport—has changed his personality?

J. ESPOSITO: Let me start by referring again to the same human rights advocate I referred to earlier. The first thing that person said in beginning the conference was that Turabi should have been killed, in effect, that the drop kick should have been more effective. In terms of the effect on Turabi, from my understanding, he is both physically and mentally fully recovered. I don't think that event would have any impact on Turabi in terms of his becoming "more radical" in his perspective. I think if you look at Hassan Turabi over the last 10 or 15 years, then how he will act now fits within a broad context of how he has acted and developed over the years. One has to remember that Hassan Turabi is a very bright, very shrewd, very effective leader, and he is not somebody who falls into a kind of stereotype sometimes of Islamic leaders. This idea that if people are religious leaders, they need to act on the voice of God or on some quixotic front—they are not as rational as the rest of us in their processes—it is not helpful for understanding politics.

In terms of the first part of the question, here I would emphasize that the relationship between Iran and Sudan is a marriage of ideological convenience right now. If one looks back to 1979, while the Sudanese-Islamic movement, like many in the Muslim world, might have celebrated the Iranian revolution, none of them jumped on the bandwagon in the way people feared they might. Also, as the revolution in Iran unfolded, one found very diverse responses to what was going on in Iran. Many Muslims were privately very critical of the way in which the revolution was being implemented. I think that right now what you have is a convergence of interest. For example, if somebody says, "Do the Iranians control the Sudanese? Does Turabi listen to Rafsanjani?" Well, Turabi listens to Rafsanjani the way I listen to you or you listen to me.

When one makes a decision, he or she is not going to be making the decision because he or she feels "Oh, there is the great leader or mind that I should follow." Turabi is a man who leads a movement that has been very independent. There is no way that the Islamic movement in the Sudan nor Hassan Turabi simply will be guided or run by Iran.

I think with reference to the terrorism list, that certainly the response that will be coming from the Iranians will be see what happens, see how easy it is almost to make the terrorism list. See whether the United States is out to put as many Muslims

on it as they can. Even Pakistan already has been added to that list. I think my concern would be not how Turabi reads it, because Turabi knows how to read the situation. My concern with Sudan getting put on the list or with Pakistan having been put on the list would be how other Muslims at lower levels within movements would respond. That is, these kind of moves can convince or enable others who are preaching a very radical message to say to people in the area, "See, there is this kind of Western view of a dichotomy between the Muslim world and the West. There is a tendency to see Islam as simply radicalism, and there is a tendency to want to put us all together as terrorists. See what the West is doing? They are adding this country. It won't be long before that country is added." Then, along side that Muslims ask, "What are the countries that aren't on the list? And why aren't they on the list? Is it because they are democratic? Is it because they believe in human rights? It is because X, Y, and Z?"

Luncheon Address

"Introduction"

by *James Bill*

I would like to say just a couple of words before I introduce our distinguished luncheon speaker. Iran is a country that continues to confound all but a very few instant experts. Usually, one will find these instant experts on television. I am sure that everyone in this room knows and admits a great deal of bewilderment, frustration, and confusion in trying to make sense out of what is going on in Iran. One of the reasons for this may lie in the fact that Iran seems to be a society that has consolidated itself over the years through what I call the coalescence of contradictions. We have heard others refer to this as Iranian dualism, or we have heard it referred to as Iran's dichotomy, inconsistency, and so on.

Iran's relations with the United States are subtly confusing to anecdote. In 1989, I was visiting with a very high ranking Iranian official in Tehran. It was a gentleman who was buried for one hour in the bombing of the Islamic Republican Party headquarters in 1981, who was very much a radical, very much an extremist by any way you want to define those terms.

As we finished our discussion and he had engaged in quite a diatribe against America, he looked at me as I left, and said, "Incidentally, how are the Oklahoma State Cowboys doing?" I responded with surprise: "What is that?" "You know, what is going on back in Stillwater?" I told him that I haven't been to Stillwater. He said, "Oh, I love Stillwater, Oklahoma. I can't wait to get back there."

A better story, and one that some of you have read or heard already happened to me just a few weeks ago when I was in Iran on my most recent trip. I was there during the holy month of Moharram. A couple of days before Ashura [the holiest day of Moharram], an Iranian friend was driving my wife, daughter, and me around northern Tehran. Suddenly, in a small *kucheh* (alley), coming toward us was what they refer to in Persian as a *dasteh*, a small group of mourners, who dressed in black—black headbands, black shirts, black trousers—and beating their chests in concert with a drum beat, chanting: "Ya Hosain!"

They came up and we moved the car over to the side to watch them pass. As they came shouting and crying and wailing beside our automobile, something caught my eye just as they passed. In the front row on the left-hand side there was a young man with a black shirt, black headband, and black trousers, and on the black shirt was lettered in block white print "Chicago Bulls." Think that one over.

That will tell you a great deal about the subtleties and complications in Iranian and American relations.

We often have heard it said that in all Iranians there flow certain contradictions, a certain kind of dualism. I have selected three that I want to mention to you. On the one hand we have pragmatism versus ideological extremists. Many times the pragmatic side and the extremist side can be found in the pronouncements and the lives of the same individual. There seem to be gaps between actions and words, between policy and rhetoric. You even can find a streak of pragmatism in Ayatollah Khomeini's policies. One can see pragmatism and ideological fixations in Rafsanjani, for example. You can see in Iranian policy toward the United States a great pragmatic accommodating strain at one level and at another level great criticism and ideological distrust and hatred.

Secondly, one can see in Iran strong strains of nationalism on the one hand and also one can see religious universalism on the other hand. The Iranness as opposed to the Islamness is present in a battle in the breasts of all Iranians. You can see this also in the policy toward the United States which is viewed sometimes as a threat not only to Iran but as a threat to Islam. Thirdly, one can see a superiority complex combined with an inferiority complex. One sees a supreme amount of self-confidence in many Iranians, but also a certain amount of paranoia that can believe there are conspiracies everywhere. We have all heard of the kind of conspiracies that some Iranians weave, elaborate ones that make so much sense. For example, that Khomeini was put in place by the United States, or the United States was put in place by the British. People who really believe these conspiracies have elaborated them in such great depth and detail that one can't argue with them. One of the reasons may be that Iran never was formally colonized. It was controlled, manipulated, sort of maneuvered from outside. Now the United States has taken the place of a giant outside manipulator. On the one hand, the United States is respected and admired. On the other hand, it is disinterested, distrusted, and disliked. That is the way Americans sometimes view Iran when we say: "We just can't figure these people out. They are just not consistent. They don't make sense. They are irrational."

On the other hand, we have to recognize the other side of the story where the Iranians sometimes are quite skeptical of the United States. They have to be bewildered about some of our policies. We have not always been models of consistency either, especially with respect to Iran. Let me give you quickly three examples of what I am talking about on this side. The Iranians see the United States supporting democratic principles, preaching democracy all over the world. Yet, they see that in contrast with perceived power and interest considerations. The United States talks of democracy, yet supported dictators such as the shah before the revolution and Saddam Hussein through the 1980s. The United States is deeply concerned about human rights in countries such as Iran, Sudan, and Syria, but rather nonchalant toward the issue of human rights in countries such as Saudi Arabia,

Egypt, and Israel. The United States demands democratization in some countries, but what about the demand for democratization in Algeria? In the best case of all, the United States drops 800,000 tons of bombs on Iraq, but barely lifts a finger on behalf of the Bosnian Muslims who are being slaughtered by the Serbs.

Secondly, there is the strong criticism of Iran's arms policy and its military build-up in the region. On the one hand, the United States criticizes this, saying we have got to stop this arms supply, this arms race in the Persian Gulf. On the other hand, we now sell $70 billion worth of arms a year. The United States is the largest arms dealer and arms salesman in the Middle East and in the Persian Gulf. We are worried sick about Iran's arms build-up. Iran, a country with a population of 60 million people, spends $2 to $3 billion a year on arms, while Saudi Arabia, with a population of 6 to 10 million people, spent $13 billion in 1990 and $31 billion in 1991 for arms. This kind of inconsistency troubles observers in Iran.

Finally, there are contradictions in US policy out of Washington. Tehran was bewildered during the Reagan administration when a major US campaign was launched to isolate and cripple Iran. We had State Department representatives rushing around the world pressuring countries not to do business with Iran. Iran was being condemned by the Secretary of State and the Secretary of Defense in the strongest possible terms. At the same time, however, another arm of the US government—the CIA and the National Security Council—was approaching Iran behind the scenes to trade arms for help in freeing hostages in Lebanon.

Although we, Americans, often are baffled, bewildered, and can't make sense out of the inconsistencies of Iran, when one goes to the Iranian side, they seem just as baffled and bewildered about our policies as we are about theirs.

Here we have two countries that never really understood one another very well in a situation exacerbated by inconsistent, contradictory behavior that each sees in the other. Objectively, one can see that kind of behavior in both countries. I think this in itself lends an unfortunate natural spin and momentum to what Richard Cottam has termed the spiral conflict.

"US-Iran Relations: A Washington Perspective"

by David Newsom

As one looks at the difficulties to be overcome in US-Iranian relations, what is striking are the parallels—unfortunately, negative parallels that create serious gaps in understanding and perspective. As R.K. Ramazani pointed out in the January conference, each side perceives itself unique. Each side has a mission to which the other side takes exception—the promotion of Islam by Iran, the promotion of democracy and human rights by the United States. Each side has a negative perception of the other. However, the perceptions that cause the official trouble are less those of how each sees the other's society, how each sees the other as a threat to fundamental interests. I do not underestimate the degree to which Iran's internal policies will play a role and will be exploited in any new effort at rapprochement. I suggest, however, that it will, in the final analysis, be broader external factors that will prevail with the decision makers. As so often is the case in US foreign relations, difficulties with others are more regional than bilateral.

For Washington the basic concerns in the Middle East region are—and have been for quite a while—continued access on reasonable terms for itself and its allies to the hydrocarbon resources of the Persian Gulf and the security of the state of Israel. It has been axiomatic for many administrations that no single power should dominate the Persian Gulf region. Iran is seen by US policy-makers as threatening these concerns. Iran's build-up of arms, including weapons of mass destruction, is seen as evidence of an ambition to dominate the gulf, thus creating threats to US friends in the region. The security of Israel is at stake because of Iran's implacable hostility to the Jewish nation, its active opposition to the peace process, and its support for Shia movements attacking Israel and Lebanon.

Iran sees the United States as a hegemonic outsider in the region threatening to block its capacity for defense and its rightful influence in the gulf. It harbors strong suspicions—based in part on past history—that the ultimate goal of the United States is to reverse the Islamic revolution and curb the spread of the Muslim faith.

Each side carries historical baggage. Any Washington initiative toward Iran encounters public and congressional recollections of the hostage crisis, the Rushdie case, and the embarrassment of the Iran-Contra escapade. In Tehran, open initia-

tives would spark opposition from those who recall US intervention against Mossadeq in 1953, US support for the shah and his intelligence organ, SAVAK, and more recent incidents such as the 1988 shooting down of the Iran Air passenger jet.

In both countries, recent actions heighten negative perceptions. Visits by Mojahedin representatives to high-level US officials sustain Iranian suspicions that the United States is seeking to overthrow the Islamic Republic. The seizure of Abu Musa Island—whatever its historical background—is seen in the United States as proof of Iran's aggressive intent. This current situation leads to a fear of initiatives by leaders on both sides. The result is a lack of communication or effort at communication. Can this impasse be broken?

Communication should not be a problem if either side decides it is in its interests. Current contacts exist in the Hague through which an expression of interest in wider exchanges could be passed. Messages clearly have been sent, with some effectiveness, through the Swiss embassy in Tehran; the Israeli-Hizballah understanding recently reached in Lebanon is an example. Third countries friendly to both might serve as interlocutors. Saudi Arabia, for example, appears to have a more flexible attitude toward Iran than does the United States.

Positive acts can send signals that might encourage further diplomatic exploration. Such signals, however, must indicate a fundamental change in attitude. For example, the United States would see a relaxation of the threat against British author Salman Rushdie or an unequivocal renunciation of claims against Bahrain as positive signals from Iran. However, some Iranians say that the United States did not respond with positive steps to Tehran's help in the release of hostages in Lebanon or to Iran's passive policies during the gulf war. Such actions, however, were not seen in Washington as evidence of fundamental changes in the way Iran viewed the United States in the region. In Washington's view, these actions were seen either to be largely in Iran's own interests or the cessation of actions that should not have been carried out in the first place.

If the United States were to change its outlook, where would the decision be made? A change in policy ultimately must be made by the president, but the routes of influence are many. The US policy machinery is one of constant adjustment between many elements: executive, bureaucratic, legislative, the media, and the public represented by lobbies and interest groups. Iran presumably could hire a lobbying firm and work on members of Congress. Perhaps a line might be established to the White House. But, in my view, it does not matter so much where one plugs into the circuit. What matters is whether the message is politically and strategically persuasive.

I do not at this moment see US policy-makers eager to take the political risks involved in a US initiative to the Iranians. If initiatives are to come, I sense that the prevailing view now in Washington is that they must come from Tehran. I could be wrong in this assessment. As we have seen in recent weeks, the unpredictable

can happen in Middle East politics. So let's not exclude the possibility of an initiative from either side.

To explore the possibility of a Washington initiative, let me now pose three questions. First, what arguments could friends of Iran use with US policy-makers to make them think more positively about a dialogue with Tehran? Second, what guidelines might provide the best hope for success in such talks? Third, what might US representatives say today if they sat down with Iranian representatives?

Any ultimate review of US policy toward Iran must begin with an answer to a question Shireen Hunter posed in the January conference: "Of what use to the United States would be better relations with Iran?" This means that effective conversations must take place between those who believe that better relations are both necessary and possible and those who ultimately can influence or make the official decisions in this region.

Policy-makers are human. They react in human ways. They feel they are right or that circumstances prevent their admitting they are wrong. How one approaches them can be important. Let me begin by listing seven approaches I would avoid.

1. The rehashing of history. So many discussions of Middle East issues begin and are sidetracked with endless and fruitless arguments of the past. Those who make decisions feel they know the past all too well; they are trying to stay in the present.

2. Oversimplifying issues. Here I refer, for example, to the repetition of the Iranian demand that the United States release the frozen assets. As Ron Neumann pointed out in January, the case is not like Iraq. The issue is not one of a simple lifting of a freeze. It is one of working out complex claims in accordance with the Algiers Agreement [of 1981 that ended the American hostages crises].

3. Contentious analogies. "You, Mr. Policy-Maker, have a double standard. You criticize Iran for human rights violations and yet say nothing about what Israel does to the Palestinians." The statement may be true, but its repetition does little to advance the cause of understanding between Washington and Tehran. Keep the focus on the US-Iran relationship.

4. Psychoanalysis. "Americans need a villain. With the collapse of the Cold War, the Soviet villain has disappeared. Islam and the Khomeini revolution have become the new villains to satisfy that American need." I don't know whether this theory has any validity. I do know that such analysis is of little help in sorting out the basic clash of interests that lies at the heart of the US-Iran problem.

5. Justification of Iran's policies. Iran's policies, both internal and external, may seem fully justified from the perspective of Tehran. Washington does not share that perspective; time is wasted trying to defend actions considered inimical to broader US interests.

6. Denial of Iranian actions. Likewise, efforts to deny the Iranian role or responsibility are likely to fall on deaf ears. Washington is confident of its intelligence information and firm in its conviction that elements from Iran—

whether official or not—have been involved in supporting acts of terrorism, including, possibly, those in the United States.

7. Blaming others. Interest groups sympathetic to Israel and Egypt may well share the same concerns as the United States and express them in various channels. US concerns may be exploited by others, but they do not originate with them. If Israel and Egypt ceased their representations tomorrow, US policy would not change. Emphasizing external factors only angers those in policy positions painfully aware of the internal constraints.

What positive elements would I stress in such a conversation? [Let me state five points].

1. The Hague. It is worthwhile to keep reminding those in authority, and the public, of the positive attitudes and accomplishments of the negotiations on claims at the Hague.

2. Iran's importance, both economic and political. Keep in mind, however, that although business opportunities exist and are expanding, contrary to popular belief, private sector interests do not override political and strategic considerations.

3. Iran's strategic location. Given the hostility of Iraq and US interests and commitments in the gulf, it would appear to make sense in strategic terms to improve relations with the nation that occupies the eastern shore of the gulf.

4. The dynamics of Iran's politics. Iran's governance is by no means monolithic; many tendencies compete for power. The possibility of positive approaches to the United States cannot be ruled out. Therefore, isolation and containment, as recently proposed by an administration spokesman, is a passive, essentially negative approach that can discourage initiatives. Given the clear strategic and economic interests, should not the way be left open for opportunities to discuss the basic differences that exist between Washington and Tehran?

5. A word about words. Words are the life-blood of diplomacy. Carefully chosen they can break down barriers; misused they can be explosive. American policy makers, for example, like to use a word to describe the offensive actions of another state: behavior. To me—and I suspect to Iranians—that word has a connotation of paternal arrogance. Perhaps less pejorative ways could be suggested to describe the problem—and make the possibility of resolution greater.

Now, hopefully having established a dialogue in Washington, let me turn to what I would see as the guidelines for any U.S.-Iran dialogue that might take place. First, any official exchange must be based on a determination by both sides that such an exchange is worth the political risks. Second, any such exchange ultimately must be by officials with clear political support. Some of Washington's nervousness about exchanges with Iran, I am sure, is based on doubt that President Rafsanjani can speak for the elements that are creating the greatest difficulty in the relationship—those that are funding and training groups that directly challenge the presence of the United States and its friends in the region. The recent history of US-Iran relations is too littered with attempts at rapprochement that failed. Either

the interlocutor did not have the authority he claimed or opposing voices were powerful enough to sink the effort in mid-stream. Washington shies away from unofficial envoys who make exaggerated claims of influence and who may have their own, not necessarily parallel, objectives.

Third, the conduct of the two sides must be professional. Serious exchanges are not the place for posturing or efforts to embarrass the other side. I was one who encouraged Secretary of State Cyrus Vance to meet with an Iranian group at the United Nations shortly after the 1979 revolution. The result was a disaster, primarily because, at least in our view, the leader of the Iranian group saw this as an opportunity to humiliate the American secretary of state.

Fourth, the existence of talks and their content should be confidential—at least until a determination is made of their likely progress. US officials at previous conferences have spoken of the difficulty, for the United States, in conducting secret talks because of leaks. Those difficulties exist, but sufficient examples exist of successful secret talks—such as the US-China talks that led to normalization—to make them possible—if such secrecy is in the interest of both sides. It was an Iranian—not a Washington source—that leaked the facts of Robert MacFarlane's [secret 1986] mission to a Lebanese newspaper.

Fifth, meetings of officials must agree early on a realistic agenda and set of objectives. Such an effort quickly can establish whether an effective dialogue is possible. Ultimately, however, if successful communication is to be established, it must include a candid exploration of those perceptions of interests to which I alluded earlier. If the two sides cannot even agree on what the problems are, little hope exists for success.

Let me conclude by suggesting what a US representative might say—if a dialogue did begin. I suggest the instructions might include four points. You who are Iran experts can perhaps tell us how the Iranians might reply. One, the United States wants improved relations with Iran; it believes more direct diplomatic contact would be in the interests of both countries.

Two, the United States respects the sovereignty and integrity of Iran and its religion, culture, and institutions. Any suggestions that the United States seeks to intervene in the nation's internal affairs are without foundation. In Washington's view, acquisition of nuclear weapons and delivery systems and other forms of offensive arms on the basis of a threat to Iran are not justified.

Point three: The problems that underlie the difficult relations between the United States and Iran arise from very different views of the future of the region. Iran appears to Washington to see no place in that future for the United States or regimes friendly to it, including Israel. Iranian policies toward the gulf, Lebanon, the Palestinian-Israeli peace process, and Egypt, in particular, are viewed as direct threats to historic commitments of the United States in the region. Until the United States can be satisfied that this view of Iranian intentions is incorrect or no longer valid, it will be difficult to move on to fundamental discussions of bilateral

relations. And fourth, the United States, nevertheless, to lower tensions, is prepared to consider interim steps. Two such steps might be the establishment of interest sections in each capital and an agreement on periodic exchanges at the ambassadorial level at the United Nations in New York.

To many in this room this may seem an unduly negative assessment. That I fully understandable. However, I very much fear that we face today a stalemate between countries with very different world views. Barring some dramatic alteration in the strategic configuration in the region or a change in policies in Tehran, I see little inclination today on the part of either country to try to break that stalemate. That should not discourage those who recognize the importance of the relationship from pressing for change. I hope my remarks today may contribute in some measure to your thinking on how this might be done—at least—in Washington.

Discussion Following Luncheon Address

RONALD NEUMANN: I want to make just a few quick points that pick up on Ambassador Newsom's comments. You mentioned the confusion of visits by the mojahedin-e khalq. I hope the US government now has dispersed that confusion. For the record, let me say that Vice-President Gore's office has denied that he ever knowingly met with a representative of the mojahedin—except that he bumped into one at a cocktail party. The State Department recently sent a letter to one member of Congress, and there's another that either is signed or about to be signed in response to urging on us to talk to the mojahedin. The Assistant Secretary of State for Congressional Relations signed the letter that says: "no official will meet with the mojahedin, not because they're not democrats, but because they're terrorists; because they're politically bankrupt; and because we don't think we've got enough intelligence information [about them]." In short, thank you, but no. If that's not clear, I'd be happy to provide copies of the letter.

I take your point on the choice of the word "behavior" My office—and particularly my desk officer, Chris Henzel—will be open for lists of suitable alternative words. But I would like to make the point that the word, in the absence of yet having come up with a better one, was chosen to distinguish between the perception that our hostility was based on the character of Iran's regime and to highlight the fact that it is not, as you exactly and correctly have stated in your speech, the basis on which we have disagreements. So I would be happy to look for a better word.

You raised a question about whether the United States doubts that Rafsanjani speaks for the government of Iran. I would agree with everything else you said about the lack of desirability, or undesirability of speaking to unofficial representatives, which you've had a great deal of experience with, as do many of us, and the points you made about the multiple agendas that infinitely confuse any such dialogue. But I would say that we have not expressed any particular hesitation to carry out our commitment to dialogue with a representative of the president of Iran or anyone else who is designated—as they know how to do—to be a representative of the government. I know of no hesitation from our side should Iran choose to take us up on our offer of dialogue.

Finally, I agree completely with the comment about both sides wishing to keep the dialogue confidential. I would only reiterate that we are prepared to do so, but

that we cannot make a guarantee, for reasons that, if they were allowed to surface, they'd fully understand.

DONALD WEADON: I would like to ask a question. In view of your long and profitable experience, what has fascinated us is that in your comments you indicate the political realities of establishing dialogue. I can't accept the fact that [the political realities are so] weak in US-Iran relations. What bothers me is our inability to ascertain [national] interests, as has gone on in our "relationship." I'm concerned about our inability as a country to deal with policy formulation. I'd be most interested in your comments on the following point: Our characterization of Iran has led inextricably to a convenient enemy of Iran approach that has led pragmatically, and I think specifically, factually, to a rather obvious and deft manipulation of the United States by a whole range of foreign countries who do not share, or whose interests are not aligned with ours. I'm just curious as to whether this devolution of our ability to perceive international matters in an ever increasingly complex global environment has led to an organic impediment for our ability to formulate, effect, and implement a foreign policy. Are we trapped by our own inability to have an international view?

D. NEWSOM: I think that the people now in office are certainly facing a far more complex and shattered world than any US administration ever has faced. Therefore, the capacity to make policy, to see clearly the road ahead, is more limited than ever before. One of the reasons that I stressed the political aspect of this is that those of you who have been in office know that high officials with their very, very crowded agendas don't want to touch an issue until they have to. Numerous times I have taken something in to a secretary of state and he has looked at me mournfully and said, "David, do I really have to deal with this?" The Iranian question, I think, is one of those questions. I would interpret the famous Martin Indyk speech as much of a statement saying, "we want to protect ourselves from these two issues as long as we possibly can." But nobody wants to get up and say that, so it is put in the language of containment.

The main point I wanted to get across is that to reach those who are making decisions in this intricate world you have got to frame a rationale why they should put that issue [of Iran] at the top of their agenda and take the political flack. If it lies anywhere, I think it probably lies in perhaps a reassessment of the strategic interests of the United States in the gulf and whether with our deep commitments there it makes sense to hold off the possibility of a dialogue with one of the principal actors. But as I say, nobody wants voluntarily to put something at the top of an agenda that is as full of worms as is this one.

Panel II: Areas of Mutual Interest and Potential Cooperation

"Political Stability in the Middle East and Central Asia"

by *Henri Barkey*

Let me start with some statements that are rather obvious, but ones I need state in order to build my case. One, the United States is the unquestionable and only global superpower today. But it has two characteristics: It is by definition a status quo power; and it is significantly weakened. That is, the United States lacks the capability and willingness to act as it once used to. This, however, does not deter actors around the world, big and small and however remote, from seeking guidance and aid in a multitude of different affairs, conflicts and calamities that they always will argue is in the vital interest of the United States.

My second obvious statement has to do with Iran, which, in contrast to the United States, is an anti-status quo power or, as some would want to call it, a revisionist power. Iran is also a regional anti-status quo power, not a global superpower. Almost by accident it has inherited the mantle of being today the only or principal challenger of the United States. Clearly, Iran is not the Soviet Union and never will be the Soviet Union.

It is also a mistake to say that the United States perceives Iran as another Soviet Union and, therefore, is willing to commit tremendous amounts of resources to contain it. Iran may cherish the role of being viewed as the superpower's challenger. One also should not forget that few countries in history have survived very long to brag about this status. From the US perspective, Iran is not an enormous problem. It is a headache, maybe sometimes a migraine, but it will not present the kind of challenge the Soviet Union did on a global scale. So there is a fundamental difference between the way US foreign policy and Iranian foreign policy are articulated and implemented. One is a global power, the other one is a regional power. There is also a similarity: In both cases there is a contradiction between state interests and ideological interests. In the case of Iran, we see that much more clearly. State interests by definition tend to be much more conservative. State interests seem to be status quo interests, whereas the ideological interests tend to be revisionist ones.

I will try to maintain this distinction between status quo and revolutionary (or revisionist) power and between state interests and ideological interests. I will argue

that between the United States and Iran there will be a convergence of ideas and interests whenever both happen to support the status quo, and there will be a divergence of interests whenever either of them supports a change in the status quo, and that applies to the United States as well as to Iran. It does not mean, however, that convergence necessarily will lead to cooperation, nor that divergence will lead to conflict. As the title of this conference indicates, convergence may lead to the identification of mutual interests and divergence to tensions.

Of course, nothing is clear-cut, and there are a number of exceptions to this scheme I have projected. However, I essentially will look at this scheme in three different areas: Central Asia and the Caucasus; Iraq; and the Arab-Israeli conflict. In Central Asia, the United States has no direct vital interest. Its only and primary concern in Central Asia is instability that may affect Moscow. In effect, we can argue that the Cold War is over, but US preoccupation with Russia is not. The United States wants to keep the present Yeltsin government in Moscow intact and free of problems. Because the United States has decided that it has an enormous stake in the viability of the Yeltsin regime, it will perceive everything in Central Asia from Moscow's perspective.

All Central Asian countries, except Kyrgyzstan, have regimes that are essentially conservative in nature and mostly staffed by former Communist officials. Ironically, the "democratic-oriented" Yeltsin government also seems to be most comfortable with these conservative regimes and Communist hold-overs. For instance, in Tajikistan, where the democratic/Islamic opposition force succeeded in overthrowing the Communist government, Uzbek and Russian troops stationed in Tajikistan helped the former Communist leaders to stage a bloody comeback. The conflict in Tajikistan is far from over, but what is interesting is that a great deal of the Tajik government forces are led by Uzbeks or even by Russians.

In a sense, Central Asia is nominally independent. Russia has there a large numbers of troops, who maintain the security of the borders. Russia still views its borders as not on the doorstep of Kazakhstan, but rather at the edge of Iran and Afghanistan. Moscow does not want any kind of ethnic instability in its southern border region. It also does not want Islamic agitation for the simple reason that either type of conflict would endanger Russian populations in the region, forcing them to migrate to Russia where jobs are hard to come by and give rise to nationalistic sentiments in Moscow, creating the conditions for an unwelcome direct involvement in the region.

From the perspective of Yeltsin, what he would like to see is a stable Central Asia. Already Central Asian nationalism is on the rise. What Moscow may try to do to limit it is unclear, but the rise of nationalism will bring about an enormous amount of unrest in the region. So far, except for Tajikistan, nothing else has been very threatening. Yet, most of these regimes in Central Asia are weak. They are supported by former Russian intelligence service officials, and they are by no means elected governments. They are regimes in transition. Therefore, what will

happen in Central Asia is still a matter of concern. One thing is certain: If unrest comes to Central Asia, it will not come from the outside; it will come from the inside. That is the one thing we should remember about Central Asia.

Iran, ironically, has played a relatively simple game in Central Asia. At the very beginning when Central Asia became independent, there was a great push, especially in the United States and Turkey, about an Iran-Turkish competition: A competition between the Iranian model versus the Turkish model. Yet, Iran has acted very conservatively in Central Asia. If one tries to understand why Iran has been so conservative, even in Tajikistan where clearly groups that would have been sympathetic to Iran were overthrown by Uzbeki and Russian troops, one comes back to the distinction I was trying to make earlier between ideological concerns and state interests. For Iran, Central Asia is important. Central Asia is an opening that offers Iran a way of escaping the isolation that it has endured, especially since the end of the Iran-Iraq War. Central Asia is definitely a region where Iran can have some influence. At the same time, however, Iran is not interested in any kind of unrest in Central Asia because that unrest ultimately will come back and bite, either in the form of refugees or outside interference.

It is also very ironic that this much-trumpeted Turkish-Iranian competition in Central Asia has not developed. It is a fact that neither country has done very well in Central Asia. Both countries have incorporated the Central Asian countries into an organization called the Economic Cooperation Organization, which was formed by Iran, Turkey, and Pakistan. Nevertheless, trade between Central Asian countries and Iran and Turkey has not been that significant. In fact, Central Asia's trade is much more geared toward Russia, with which there still are umbilical cords, and with Europe. In many ways the Central Asians themselves have proven to be very adept at playing one country against another.

When Turkish officials visit [the region], Central Asians talk about Iranian influence and Islamic fundamentalism, and they say how much they would like to see more Turkish influence. When the Turkish officials leave and Iranian officials come, it is the other way around; Central Asians complain about Turkish people's attitude and how demeaning the Turks are toward them. The Central Asians have played this game very well, not only against Turkey and Iran, but also with the Europeans. There is the case involving one of the big oil fields in Kazakhstan. Officials tried to divvy up the oil concessions. First they made a deal with Chevron; then they made a deal with Agip in France; then they made a deal with the British; then they made a deal with the Italians; then they thought about the Turks. So the competition between Iran and Turkey is not as clear-cut as it is portrayed to be. One point about this competition is that the Iranians were much quicker than the Turks to realize that this competition was more imaginary than real and their ability to influence Central Asia was not as very great. I mean, the Iranians figured it out much more quickly than the Turks. The Turks now are finally realizing the limitations of Central Asia.

Let me just say a few words also about the Caucasus. Here also in the Caucasus is a situation where there is room for Turkish and Iranian competition. To a large extent, however, the Iranians have tried not to meddle too much in the Caucasus and have played essentially a conservative role. Again it has to do with what I perceive to be state interests versus ideological interests, and Iranian state interests are more important when it comes to [issues relating to area on Iran's] borders.

Let me sketch out finally with respect to Central Asia and Russia four scenarios, since I argued that from a US perspective the Russian interest is a paramount interest. The first scenario is whether Yeltsin remains in power and the present status quo in Central Asia continues. Clearly there is a convergence between Iranian and US interests. Both countries want to see stability in Central Asia. Iran will be able to expand trade and will not suffer extensively from any backlash that may arise from conflict there. At the same time, the United States will be very happy to see that Yeltsin is not distracted from economic reforms by events in Central Asia.

Scenario number two envisages Yeltsin in power in Moscow but a shift in Central Asia due to an increase in domestically-generated opposition and conflict. In this situation there would be a potential divergence of interest because, as far as the United States is concerned, Yeltsin is much more important. Once a conflict starts—I am not saying that Iran is contributing to the conflict—Iran might be tempted—although it didn't do so in Tajikistan—to support ideological groups against Moscow or against the major status quo regimes in Central Asia.

A third scenario, and clearly one that the United States does not want to think about, is a red-brown alliance in Moscow. A red-brown alliance is former Communists together with the extreme nationalists coming to power after having disposed of Yeltsin, and the status quo in Asia. Here also there would be a divergence between Iranian and US interests. Again, the United States will return to its fear of Moscow and the consequences of a very nationalist regime in Moscow that obviously has all the wherewithal to attack the United States or create problems for the United States, whereas Iran might be interested in this change for world strategic considerations.

The fourth scenario is a red-brown alliance and a shift in Central Asia, leading to increasing opposition to US interests and domestic conflict within Central Asia. There ironically would be convergence between Iran and the United States. This is probably the most unlikely scenario, but if there is a nationalist regime in Moscow and a lot of unrest in the other parts of what was Moscow's empire, Iran and the United States may see eye-to-eye in that particular respect.

Now, to shift to Iraq, an area where one would expect to find a convergence of interests. Again, using this metaphor of a revolutionary versus a status quo power, the United States supported Iraq during the war against Iran primarily because it saw Iraq as a status quo power and Iran as a revisionist power. Once Saddam Hussein decided to change and became himself a revolutionary power by

trying to change the status quo, the United States quickly changed its attitude toward him. The convergence of interests, as seen in Tehran, comes from the fact that Saddam Hussein has proven to be an enemy of both the United States and Iran. Both counties have an interest in seeing Saddam Hussein weakened or actually overthrown. Both countries have an interest in seeing that a weakened Iraq will be unable to threaten its neighbors for any reason. Beyond that, however, it becomes a bit more complicated. For one thing, we don't know what the status of Iraq is going to be. What will happen to Iraq? We always have assumed that there was this convergence of interests with respect to the unity of Iraq. The United States wants a unified Iraq that is democratic, but a unified and democratic Iraq also will have these very strong Kurdish and Shia elements who will be trying to project their power in Baghdad.

Iran for its own domestic reasons would want to see a unified Iraq. Clearly it does not want to see an Iraq that is divided into two or three sections, with the Kurds in northern Iraq becoming independent. The problem is that with time the Kurdish entity in northern Iraq becomes more and more institutionalized. The situation in northern Iraq is pretty awful, but nonetheless, institutions are forming, people are getting organized, and it will be more difficult to force the Iraqi Kurds to accept the sovereignty of Baghdad over them. Until now, we have always assumed that the United States did not want to see an independent Kurdistan, but the conditions may be such that the United States may be forced at least to concede to some kind of Kurdish federation within Iraq to which the Iranians and Turks object vehemently. Here we can see a divergence of interests. Again, from the perspective of Tehran, what Iran wants more than anything is a stable result because Iraq is so close to its borders.

Finally, the Arab-Israeli conflict, the issue over which there is the greatest disagreement between the United States and Iran. The United States has been consistently and continuously pushing for some kind of an Arab-Israeli peace accord—maybe now we will see the first fruits of that push. However, a potential Arab-Israeli breakthrough and even an Israeli-Arab peace agreement would considerably reduce Iran's entry into the Arab world, and it would reduce Iran's ability to influence events in a region that it also perceives with a great deal of misgiving. From a tactical perspective, an Arab-Israeli peace would result in the dismantling of some of the most obvious entries that Iran has into the conflict, especially Hizballah. Clearly, if there is an Arab-Israeli treaty or Israeli-Lebanese peace treaty, Hizballah will have to be dismantled. An unarmed Hizballah will not be—even as a political party—as powerful as an armed Hizballah that can disrupt the Arab-Israeli peace talks.

With respect to Arab-Israeli peace, the Iranian hostility to the Arab-Israeli peace talks has been implacable. In part, it has to do with ideological reasoning. It has to do with the fact that Jerusalem is occupied by a non-Muslim power. It has to do with the enmity with which Iran views Israel. It also has to do to some extent

with other strategic concerns. That is, as long as the Arab-Israeli conflict continues and as long as the Arabs are distracted by Israel, the possibility of an anti-Iranian Arab coalition—if that is possible—is dim, zero. Now, if there is an Arab-Israeli peace treaty, the Middle East will become a new ball game. This also applies to Turkey, incidentally. It is something that people usually don't think about. For example, the Syrians and Iraqis both have very serious concerns with respect to the way the Turks have dealt with the question of water in the Euphrates and Tigris Rivers.

From this perspective, there is an ideological and a strategic reason why the Iranians will be against any Arab-Israeli peace agreement. On the other hand, what can they do about it? At the moment, I would argue almost nothing. Maybe there will be meetings in Tehran, like the one they had to denounce the initial peace talks in Madrid in 1991. Maybe there will be some more attacks, more terrorism. Even an attack, such as the one on the Israeli embassy in Buenos Aires, at this stage wouldn't deter or stop the peace process. If the Arab-Israeli peace process stops or has problems, it will be because of the extremists on both sides. What Iran may do is just wait and see how the situation develops and whether there is an opportunity of getting involved. Thus, with respect to the Arab-Israeli conflict, Iran will continue its implacable hostility to any treaty, but I suspect at the moment it does not have the capability of interfering with the process.

"Long-Term Stability in the Oil Market"

by *Robert Ebel*

I am going to talk about long-term stability in the world oil market. Can anybody here today recall the first politically-induced interruption of world oil supplies? Looking around the room, I am quite certain that none of us were even alive at that time. It was quite a landmark in world oil history, and it provides a good starting point for any discussion having to do with the stability or rather the instability in the world oil market. That first politically-induced interruption can be attributed to the Russian Revolution of 1905. At the beginning of this century, Russia was the leading oil producer in the world, accounting for more than half the world total. Production at that time was centered in the fields of Baku. It hit a peak of about 240,000 barrels per day in the year 1901, accounting for more than 50 percent of the world's total. In 1904, its share of world oil exports stood at around 31 percent. Then a decline set in, and by 1921, production had fallen to just about 30 percent of the 1901 total.

Much of the decline had been triggered by labor disputes and armed uprisings in the Baku area in 1905. If you remember your history, these disturbances in turn had been fomented in large part by the disastrous performance of the Russian military in the Russo-Japanese War that had begun in January 1904. Several years earlier, there had been demonstrations against the local oil industry in the Black Sea port of Batumi. The leader of those demonstrations was a gentleman who was later to call himself Joseph Stalin. Workers in Baku went out on strike in 1903 and labor unrest spread throughout the country setting off a crisis.

By the fall of 1905, the Russian empire was caught up in open rebellion. In the Caucasus though, in the seat of the oil production, it was more of a racial and ethnic conflict. It was Tartars against Armenians. All of this, of course, impacted upon oil production levels and, in turn, on oil exports. Therefore, the first politically-induced interruption of oil supplies occurred in the year 1905.

I recall one of the points that was made by our luncheon speaker about looking back at history. Well, if we question now and then why we should be students of history, these early events in Russia, especially the impact of ethnic strife upon the oil industry, should reassure us that the time that we spent in reviewing history is not at all wasted.

A major plank in the energy policy put together by the Bush administration was the development of oil supplies outside the United States but away from the Persian Gulf. This approach explicitly recognized that the US dependence on imported oil was going to increase and that, for reasons of security of supply, efforts should be made to find an alternative to Middle East oil.

Well, several years have passed and certainly indeed imports are rising, now approaching that magic 50 percent level. However, where are the alternatives to Middle East oil? The comparatively low world oil price and the seemingly general consensus that oil prices in real terms by the year 2000 aren't going to be much different than what they are today is helpful in a way in the search for oil outside the Persian Gulf. When oil prices are low other countries are more agreeable to the opening up of their lands to foreign exploration under terms that are more attractive and more acceptable to the foreign oil company.

There is stability in the world oil market today, at least in the eyes of the consumer. Supplies are adequate, prices are low. I would submit, however, that stability today contains the seed for instability tomorrow. For example, host governments find oil revenues insufficient to maintain past subsidy levels and past social programs. Citizens react to adjustments, and their reactions may lead to growing unrest, which in turn may involve the oil industry and consequently production of export levels. A political eruption may not be all that far away. Our track record in anticipating such is not very good. Let me illustrate that point with the following. How could the collapse of the former Soviet Union, second then only to the United States as a superpower, come about apparently undetected by the intelligence services or by the diplomatic core of the West? There certainly has been no public evidence that the break-up had been correctly predicted in advance, except for the cable that the US ambassador in Moscow sent to his superior, the secretary of state. In his cable, the ambassador expressed a judgement that it was, and I quote, "impossible for the Soviet government to last long." It is a relief to know that at least someone in authority had insight into events, that our embassy was on top of things. Unfortunately, while the ambassador was correct in his assessment, his timing was off a bit. The telegram was dated December 7, 1917.

Spare producing capacity around the world today is not all that great. Capital hasn't been sufficient to support the proper maintenance and improvement of infrastructure, let alone major exploration and development programs. Certainly the low oil prices aren't conducive to much domestic investment by the national oil companies.

What might the market look like today without OPEC? One observer has reckoned that without OPEC oil prices probably would be around $12 a barrel. With OPEC, oil is trading in the $18/barrel range. This price reflects large stock overhangs, cheating on quotas by OPEC members, lower demand growth in the major importing countries, oil exports from the former Soviet Union running higher than what many of us had thought, and, lurking in the background, the fear that

Iraqi oil may soon come back into the market. At the same time, we probably should conclude that the longer Iraqi oil stays out of the market, the easier it will be for the market to accommodate it when it does appear. Similarly, OPEC in its long range planning appears to have written off oil exports from the former Soviet Union, as the secretary general recently implied in his speech. In his judgement, oil exports from the former Soviet Union would decline over the years so that by the year 2010 they would be barely half-a-million barrels a day.

Consider the opportunities for the major oil companies available today that were not available just a few years ago—Venezuela, Vietnam, Mexico to a degree, inland China, all of the former Soviet Union, all of eastern Europe. However, is the industry likely to find an alternative to Middle East oil in one of these countries, or a combination of these countries or putting them all together? In my judgement it is not likely. With that in mind, then an accommodation between producer and consumer would seem to be in our best interest. Unfortunately, politic gets in the way. The United States is different than most: We link trade and politics, while most other countries do not. Other countries have little or no difficulty in continuing trade relations, even though political relations may become quite strained. This, of course, puts us and our companies in a non-competitive position. We may have to stand by and watch markets being taken over by others.

In the very early years following the end of World War II, Moscow looked very enviously at the oil fields of Iran. Moscow's oil industry had suffered greatly during the war, and its new discoveries far to the east of Moscow had not yet come unto their own. These were the old Volga fields that since have been displaced by the West Siberian oil fields. Over the years there was always the concern in the West that the Soviet Union might make a dramatic move into the Middle East—that is, Iran—if its own oil resources became inadequate. Go back a little bit into history into April of 1977 and the release of the infamous CIA report that concluded that the oil industry of the Soviet Union was approaching a very severe decline. According to the CIA, by the year 1985 the Soviet Union might find itself not only unable to supply oil to eastern Europe and to the West at 1977 levels, but it might have to compete with OPEC oil for its own use. That report certainly caused us to focus our attention on Moscow's interests in Iranian oil.

The sharp production decline that this report talked about in 1977 did occur, but some 11 years later than predicted. Oil production in the former Soviet Union in 1993 will be roughly 4.5 million barrels per day less than what it was just five years ago, in 1988. Yet, the market has taken very little note of this sharp decline, in part because much of the sharp declines in production had been offset by comparable declines in domestic demand, allowing exports to hold reasonably constant. What if the production decline continues in the former Soviet Union at roughly the same rates as they have in the past five years? Will there be enough oil to take care of the former republics of the former Soviet Union? Will Russia have enough to take care of its own needs? Will it have enough to sell to the West to

earn the hard currency that it needs? It might be very tempting for Russia to look south and to expand its political and economic linkages with Iran, trading military equipment and who knows what else for oil; all of this will come at our expense.

Iran knows what it has to do to get back into good graces with the United States, but it may decide that its time is better spent cultivating Azerbaijan or Kazakhstan or certainly Russia. Iran offers the prospect for the outlet of oil to be produced by joint ventures in the first two countries. Gary Sick in his comments this morning drew the very obvious conclusion that once these pipelines are completed they will help tie together the transit countries. I would agree with that. There is another obvious conclusion: Once these pipelines are completed, political risks increase. The pipelines become subject to hostage in transit countries, they become targets of opportunity for dissident groups, and they become opportunities for the entrepreneur.

There is a pipeline that carries diesel fuel from Baku to Batumi. At last count there were about 1,300 holes in that pipeline because people with rifles shot holes in it to collect diesel fuel in buckets and sell it in the open market. A handful of plastic explosives, as demonstrated in Columbia these days, can put a pipeline out of commission very quickly. So pipelines are not all positive.

We need to remind ourselves that the world oil industry wanders between times of stability and times of instability, and this wandering derives from the power of oil. Oil fuels much more than automobiles and airplanes. It fuels military power, national treasuries, and international politics. Because of this, it is no longer a commodity to be bought and sold within the confines of supply and demand balances. Rather, it has been transformed into a determinant of well-being of national security and international power for those who possess this vital resource and the converse for those who do not.

"Economic Cooperation: Impediments and Business Opportunities"

by *Donald Weadon*

I have been asked to speak on the economic dimensions of the US-Iran relationship, the impediments and business opportunities. I would like to set this in a framework where most Americans believe themselves to be in a free trade society. I think current events, however, show that nothing could be further from the truth. Since the dawn of the century, the United States has established the most complex retributive and easily manipulated framework of trade controls that this planet probably has experienced. There is no constitutional right to export in our legal system.

The restrictions that have been put in place with respect to US trade are easy to lay out, but are remarkably complex. They constitute a kind of lawyer's full employment act, at least until the recent tax bill. Obviously you are aware of the freeze on Iranian assets since November 14, 1979. Since 1987, there has been a near total embargo on Iranian imports. That is quite a remarkable embargo because anything that falls within the stream of commerce in Iran is embargoed from being imported into the United States.

The restrictions on export trade to Iran are remarkable in both their complexity and extensiveness, especially within the multilateral framework that we share with all of our trading allies, to whom we have gone numerous times and suggested that they work with us on a multilateral solution. They tell us, "Well, please, go right ahead."

The restrictions on trade with Iran reach not only to US commodities, spare parts, software, and technical data, but also extend to parts and components in foreign-made end products. This results in a punishing penumbra effect on general US export trade where one's nose is cleverly cut off despite one's face. Even though one can re-export a product that contains 10 percent or less of US content, what is happening—this has been a matter that has been discussed a great deal on the floor of the Senate and the House of Representatives—is the creation of a "let's design out US parts and components" attitude among many of our foreign trading partners. The major criticism I have with our trade relations with Iran concerns the consequences that are unintended, consequences which go far beyond any trading

relationship with Iran and basically imperil our trade relations with the third-world, which probably is the only market left for US goods.

During the 1980s, there was a gradual incremental increase in a list of embargoed parts, components, and commodities to Iran as a consequence of the Iran-Iraq War. A lot of items were added that had direct military use, but a few others, such as scuba gear and inflatable boats, seemed dubious. In the 1990s, the Iran sanctions grew with a remarkable cleverness. Basically, we found ourselves in a multilateral setting with gradually decreasing controls on parts, commodities, and the like. We found ourselves in a position of saying, "Oh, my God, all of these things can be decontrolled to the rest of the world. We have got to find some way to keep them from going to Iran. God knows what they could do with these items."

As a result, and also as a result of a very interesting legislative initiative in the Omnibus Trade and Competitiveness Act—another good example of an oxymoron in US legislative titling—in 1988, the US Congress prohibited unilateral national security controls. So what we did is to fall back upon that good old-fashioned foreign policy control: the embargo de jour. Basically we came up with a list of items that would be controlled to Iran unilaterally for foreign policy purposes. This policy also went through a second transmogrification, when, on September 1, 1991, the allies—these are the people who constantly are telling all of their customers in the third-world: "Hey, by the way, buy our products, not American, because you can't get an export license"—all gathered together at COCOM. For those of you who are not familiar with it, COCOM is the remnants of the executive committee that started NATO, and the coordinating committee still exists in NSG at the US embassy in Paris. COCOM came up with a new list. We were trying to put higher fences around fewer exports, and as a result, we decontrolled more commodities. Unfortunately, that meant more things that had to be crammed under these unilateral foreign policy controls lest they get to Iran. So the new controls cast a wide and very pervasive net around such items as computers, telecommunications, machine tools, semi-conductor manufacturing equipment, robotics, test equipment, aircraft, trucks and engines, marine engines, and portable electronic generators.

That brings us into the 1990s. At the same time, we were having a little bit of problem with our export controls to Iraq, such as they were. As a result of the Iraqi invasion of Kuwait, we found at the same time the Export Administration Act was going out of business. So in an executive swoop the federal government decided to install what is called the enhanced proliferation control initiative. This was announced at the same time that the president was vetoing the re-authorization of the Export Administration Act. This was basically a comprehensive program to put the burden on the US exporter to help enforce US export controls that the US government was incapable of enforcing itself.

[As a result of these legislative acts and executive orders], we have three different export groups to control. First, there is the nuclear suppliers group. These are all the people who would get together and come up with lists of anything that

possibly could be used to support proliferation activities in the nuclear area. I might add we had a meeting back in Warsaw about a year-and-a-half ago where we came up with a whole new list, but the US government has yet to implement it.

Second, there is the Missile Technology Control Regime, basically a group that gathered together to restrict all technology and technical data that could be used to make a missile that could [loft] out 1,000 kilometers with basically a 500-kilogram payload. The Missile Technology Control Regime was seeking to prevent the transfer of technology to make missiles which could loft nuclear, chemical, biological, or other weapons of mass destruction.

Finally, a new control regime has been created known as the Australia Group. This is a group of 27 nations whose sole purpose is to prohibit the technology to produce chemical and biological weapons to those countries that were not signatories. What is frightening from a philosophical standpoint is that for many years we had export controls that restricted the highest levels of technology, the technology that was most militarily critical. Now, any item that could be used to make chemical weapons—the definition is open-ended—is subject to controls.

We have four separate regimes—COCOM, NSG, MTCR, and the Australia group, none of which are going to be harmonized. What that basically does is put the United States as the odd man out and with a very strong enforcement regime that basically is trying to find its first case. The one case that the government thought that it had—the Iran Business Machines case—was thrown out of court just a couple of months ago. The US government still is appropriately chagrinned because it had reported the case to Congress as the biggest bust of the twentieth century. It was a bust, but not quite in the way that the government expected.

The fact is we have a proliferation of non-proliferation regimes and no harmonization. This, of course, has impacted Iranian trade very seriously because most of the items one would like to export to Iran and Iran would like to import are on those control lists. Furthermore, on October 23, 1992, the Iran-Iraq Arms Non-Proliferation Act—part of the National Defense Authorization Act of 1993—added more controls on exports to Iran. Senator John McCain, who is now trying to restore trade with Vietnam, supported that bill, calling Iran the world's most dangerous country. This is again a non-proliferation embargo imposing Iraq-styled controls on Iran and basically saying that anything that is controlled for national security or foreign policy reasons may not be exported to Iran.

There is a small problem here in that legislative interpretation of everything mandated on the commerce control list includes items that the average person might see everyday and never believe could be considered a military or nuclear item. Therefore, all of those items are controlled for foreign policy reasons. Now we have a problem where, if the Congress really wants to get sticky about it, US exporters have been violating the newest accord for many years. In fact, in the summer of 1992, the Commerce Department was called on the carpet at a number of Congres-

sional hearings. "What have you been licensing to Iran?," asked members of Congress. Everyone has been running scared ever since then.

Where do we stand today? The regulations still allow a case-by-case review of decontrolled commodities—basically the items one would find on shelf in a country store. The problem is no one in the government is willing to make a decision. Technically, all decontrolled items can go to Iran. However, most of the people who are exporting are choosing not to export or they export through third countries. That leaves US businesses in an unenviable position whereby if they are going to make a sale to Iran of a decontrolled commodity, they really are building a market for a foreign competitor.

The attempt to bring our allies into the export control regime has been an absolute bust. They understand that one must trade to survive. We seem to have a different view. In fact, we are going to push that off probably until the next administration. Enforcement has been absolutely outrageous. We have had a number of cases where people have been grabbed and nothing has become of it. It has been rather embarrassing to the administration. *Business Week* has tallied over 750 cases pending with the Office of Export Enforcement. I am not sure whether the government is trying to enforce export controls or trying to put exporters in jail. The business community is scared out of their socks for the simple reason that the burden of proving the legitimacy of a transaction to Iran for someone who is not engaged in a proliferant activity and is not a legal exporter, the government is of absolutely no help, nor will it provide information.

There are holes in the licensing right now that the government is trying to close up with respect to temporary exports and repair of US goods, but on the whole the government is taking a very strong position. In fact, there is a case where Iran Air received a piece of test equipment, examined it in Tehran, and sent it back. The government tried to impose the maximum sentence on the exporter. Judge Ruth Ginsberg, when she was sitting in the Court of Appeal, sent it back on a remand, but it is obviously a case.

What is next? Everyone in the government is trying to get an enforcement action against Iran. That is correct. Everyone in the bureaucracy is trying to be able to show that they are enforcing a law that basically is not terribly helpful to US companies.

On the good news side of the balance sheet, what are the opportunities in Iran? There aren't that many. As one of the few Americans who studied in Iran and worked in Iranian business years ago, I can't imagine any sector of the US economy that could not profitably contribute to Iran. Iran still desires US goods. By virtue of US education, US standards are perceived to be of high quality. Iran wants our technology, but not our values. A little problem, but then again that is nothing we can't overcome, even though technology carries with it values. It is a difficult customer, but a good one. Iran has a tradition of long-term supplier loyalties. In

fact, that was the reason for the downfall of Reza Shah. As you recall, he was very loyal to his first supplier, which was Germany, during the 1920s and 1930s.

In industry, Iran needs general industrial equipment, transportation and infrastructural support, aviation, telecommunications, construction, energy projects, and very importantly, computers. However, microelectronics and telecommunications are the areas on which the United States really wants to put a kibosh. Ironically, these are the only remaining sectors of the US economy that might be competitive. Other US goods like medicine, equipment, training, agribusiness equipment and technology, and food processing all are in very strong demand in Iran. However, Iranians just can't get any of them directly from here. US education is also important to Iranians.

There is a great deal of commercial information, but it is not in this country. One can find a better source of information about Iran overseas, although the Center for Iranian Trade and Development (CITAD) out of New York is doing an admirable job of trying to get information out about business opportunities in Iran. There is a remarkable amount of finance for transactions in Iran, just not from US banks. In fact, for those who are familiar with the region and the oil trade, there is more counter-trade and offset available through Saudi Arabia and the Saudi Arabian trading entities in London that are using that methodology and offset to control the oil business in Iran than anywhere else.

In conclusion, we must remember that our founding fathers knew far more about trade than any of the people who profess to talk about trade in the US government, very few of whom ever have had to make a living or turn a dollar as traders. George Washington cautioned us in his farewell address about creating inveterate antipathies that would cloud the image of common interest, and this unfortunately is where we are right now. I think we should have mandatory training on Washington's farewell address for everybody in government. All officials should have to memorize it.

We have to remember that the embargo de jour philosophy has taken hold, despite the fact that embargoes don't work, and have vast, poisonous, and unintended consequences. The creation of antique hatreds historically imprison and destroy a society. They blind us. They force us into an action. Nietzsche once said, "If we knew the consequence of every action, we would never act." I am concerned that our government doesn't act because it is afraid of the consequences, be they political or other.

The liability of being a hater is that you easily are manipulated by friends and foes alike. Hatred leads to what I consider to be closing time in the marketplace for ideas. There is no such thing as politically correct trade. There never will be. It creates long-lasting effects via poisonous rhetoric in our children and our perceptions.

In January 1993 I warned against the danger of a villain vacuum: That many federal employees and entities, think tanks, co-dependents, participants, and ide-

ologies in this town were faced with imminent economic ruin or, worse, irrelevance, if we did not have a villain fueling the creaky waterwheel of an antediluvian policy and enforcement juggernaut. I realize this is hard to say, but I think there is an institutional need for a villain.

The demonizing of everyone and the understanding of no one is poison to trade. Our founding fathers were very down to earth, thoughtful, and intelligent people. They realized that through trade came communication. Although communication did not necessarily lead to understanding, it kept the doors open and led to expanded trade and national survival. I think the trade opportunities with Iran could never be greater. Unfortunately, it is going to take a lot of effort and, of course, a lot of lawyering to be able to continue. I think that through trade we are going to find a more direct access to the kind of understanding and discourse and perhaps resolution of long standing problems than perhaps through any other means.

Discussion Following Panel II

E. HOOGLUND: I think this is a question for Don, but you may want to have someone from the State Department respond. The question is this, I would like an explanation for the rationale of the ban on so many US exports to Iran. The reason why I ask is this: When I was in Iran over the summer, I was amazed at the availability of consumer goods, mostly from Japan, Germany, and Britain, but nothing from the United States. I did not see just simple goods, but sophisticated electronics. For example, the universities had computers, most of which were Apricots, which, I believe, are British-made. Iran Air had European-made passenger jets and automobile showrooms displayed new Korean cars. Consumer goods in homes included German fax machines, Japanese compact disc players, and French food processors. Everything anyone could ever want seems to be available in Iran.

Given the fact that foreign goods of comparable or better-quality, are readily available in Iran, what is the rationale for US bans on exports of consumer goods? What purpose does it serve, other than to punish US manufacturers? It is certainly not punishing anybody in Iran.

D. WEADON: The answer is, because it is there. Basically the embargo against Iran has been fashioned out of a number of components to do several things, and this is the rationale that the US government might give, but I don't want to deprive the State Department of its chance to respond. Basically, we are trying to deny Iran items that could have a military utility. These are dual use items. There is both a strategic as well as a punitive dimension to this.

The unfortunate problem is that the way the controls are written, they capture virtually everything that is of sound commercial value for US exports, including capital equipment, industrial equipment, consumer items that are needed for non-strategic, non-military, absolutely civilian purposes. For example, the computer that one can ship to Iran today legally is really like a wind-up model. That is about the best one can do in terms of where the technology is today. Selling Iran computer equipment that anyone can buy at the local computer store would put an exporter away for seven to ten years. So that is the rationale. We are trapped by our own rhetoric and also perhaps we have lost sight of the purpose of the embargo, if there is one.

G. SICK: I would like to get back to Central Asia and some of the comments of Professor Barkey. First of all, I wonder if one can equate being anti-status quo and revolutionary. I think that somebody can be anti-status quo selectively without

being revolutionary in the sense of wanting to have a revolution, and I am particularly applying this to the case of Transcaucasia and Central Asia. In that sense, probably what you have in mind, perhaps religion is a better word than revolutionary. I would submit that in regards to Transcaucasia and Central Asia, Iran is much more status quo. Iran didn't want anything to change. It didn't want the Soviet Union to fall. Iran was very concerned about what was happening.

One could say at least certain elements in Turkey were far more revolutionary in the sense of talking about going to Kazakhstan and so forth. Admittedly, this was not something that was pervasive everywhere, but nevertheless, certainly that element was there. It seems to me there can be cases where a revolutionary country becomes status quo and vice-versa if we define status quo as no change. That is one point that I felt needed to be made, and I think it is really very important.

The other point is about your scenarios regarding Russia and Russian behavior. I have been observing this now for quite some time. I really wonder how much Yeltsin and the other dichotomy is correct because it seems to me that Russian foreign policy with regard to the so-called "near abroad" has been rising. In fact, Yeltsin certainly seems lately to be incorporating a notion that Rustkhoi and others have been saying. In other words, Yeltsin's approach is becoming much more a traditional Russian foreign policy; that is, let's pull the empire back together, admittedly in a different form. In that sense, I see actually a gradual rapprochement between Russia and Iran, which is quite remarkable. It hasn't gone very far, but it could go further, particularly if US policy aims at excluding—as it has been so far—Iran from any stake in Central Asia or in Transcaucasia. Everything is kind of murky, but I think that is something that one has to keep in mind.

My last point refers to the assumption that US-Russian relations are going to be frozen at this current state. Actually, I think that there may be tension, not of the Cold War kind, but certainly much more competitive strains are evolving that indicate perhaps when it comes to that particular region, we have to look at the Iranian role in a little more subtle way than revolutionary versus status quo seems to suggest.

H. BARKEY: Let me start with your first point. Whether one calls a country revolutionary or revisionist, I don't think really matters in the kind of a scenario I tried to create. I was trying to look at whether a country—I mean whether we call Iran revolutionary or revisionist is not really as important as what I was trying to say in the case of at least Central Asia—has been acting in a very conservative status quo manner. I was saying that Iran is a revolutionary power, but it will also act as a status quo power if its national interests are directly threatened or at stake. I was trying to make this distinction. I don't disagree that Iran as a revolutionary power can act in status quo ways, and that is what I was trying to argue.

In terms of your point with respect to this red-brown alliance in Russia, I was trying to simplify the scenario. Whenever one tries to simplify, it obviously creates problems, and in that sense I may have done that. You are right. Yeltsin may have

moved in that direction without having the red-brown alliance. But to a large extent, if he has moved in that direction, it is because he is very much threatened by domestic forces and he is trying to contain foreign relations. Maybe it is Clinton who doesn't want to hear about foreign affairs. I mean, he is just interested in domestic affairs. And I think to some extent there may be a parallel in there.

KARIM PAKRAVAN: I have a question for Mr. Weadon. Isn't it the case that there is a disconnection between the reality and the regulations in the sense that not only do we see now that US-Iran trade has increased tremendously in the past few years, but also major deals, like the Boeing deal, are still being discussed, and that in general there is a great lack of enforcement? So, first of all, how do you explain the rules of trade with the United States, and secondly, do you see the creation of interest groups that are trying to prevent the government from enforcing the regulations?

D. WEADON: First of all, you have to look at the quantity and the quality of the trade. Yes, trade has increased, but it is not in terms of overall US industrial competitiveness. It is not the quality of trade that is going to help our industries necessarily, and it is not the kind of trade we like to see with countries. We would like to see more of the industrial capacity and joint ventures and true technology transfers that typified the 1970s. There are a lot of people who very quietly are trying to engender liberality, but unfortunately they are getting nowhere. There is a lot of undercover lobbying, like the airline manufacturers going to Washington and saying "help." But the government doesn't give them licenses, and nothing much is happening. So there is a lot of back-channel work.

In terms of the enforcement, the enforcement is crude and abusive. As I said, the Office of Export Enforcement, the customs service, the CIA's National Proliferation Center all of them are jumping up and down. Everyone is looking for a mission. Everyone is trying to show their utility at being tough on trade with Iran. I have seen a couple of cases recently where companies were given a classification saying, "You can't ship anywhere." The government had highly publicized search warrants. The exporters were being put out of business by the government.

Now, the question one has to ask is: Do we have a system that is divorced from reality? I think in this particular case we have a very serious problem. There is no political leadership in the Bureau of Export Administration. Despite a lot of self-serving chin music by the administration about what they are going to do to help US exporters, this is just a good example of where we are throwing the baby out with the bath water. For example, we "sold" a lot of European airbuses to Iran by allowing their US component engines to go into Iran, but we withheld US companies from selling to Iran—not only US aircraft, but also support equipment and training. The Iran Air case is a very good example in point.

There is a disconnection between reality and the law. There is uneven enforcement. I think this is just a case of very bad government, bad thinking on the part of the Congress and the administration, and not just this administration. The problem

is no matter what you call it or what kind of rocks you throw at it, it is bad for the United States. We can't afford this kind of nonsense. As long as somebody can come up and say, "well, if we sell them this mix master or this computer, they'll plug them in and launch missiles on Topeka," we'll be unable to make progress on a national policy. If you look at every study that has been done—two National Academy of Science studies, the recent CSIS tape—you will find that everybody's attempt to reform the export control system basically doesn't pass the laugh test.

A. WHITLEY: I have a broad question primarily directed to Mr. Ebel, but maybe Mr. Weadon would like to answer also. It is about the role of the US oil industry in the Iranian oil industry in terms of current liftings, its role in helping rehabilitate the Iranian oil fields offshore and production, rebuilding platforms and pipelines, and so on.

I was in Kurdistan in February and saw quite a few Canadian firms that also have bids with subsidiaries of US firms. It always has been an axiom in the past that there were certain things that the Iranians could not do by themselves; that they were dependent particularly on US technological help in recovery after the neglect of the early war years. I wanted to know really if that perception had been met by reality? How vital has been the direct taps of US oil companies, and indeed how influential are they currently both in terms of help to rebuild industry and their current doings?

R. EBEL: The US oil industry lost its unilateral control a number of years ago. What Iran needs can be obtained off the shelf of almost any supplier in Europe. So the days when if US companies were not in the market, then the country being embargoed was out of luck have long since disappeared. Iran does not need US help. They can get it from some place else. The longer the US companies stay out of the marketplace, the more difficult it is for them to come back in, simply because they no longer have the unilateral control that they once had.

D. WEADON: There is quite a lot of business going to Canada. I have been watching for quite some time as the number of trading companies basically out of Saudi Arabia have been using this mechanism on an offset basis to gain some control of the Iranian oil business. The Iranians have been desperately desiring US product, the full range of oil field services. They have just chosen to go to Canada. The US firms only blink, because they don't get clear guidance from the government. The government says to them: "Sure, we will think about it." If an oil company comes in for a license, however, it is obvious it is doing something evil.

Oil field services just don't stop at hard iron and pipe and drilling. We are looking at very sophisticated computer gear, not only for safety but also for exploration. I got a call the other day from a classmate of mine who is head of telecommunications for Iran's oil company and basically he said, "I wish we could get your telecommunications gear." I had to reply, "Sorry, that is not under the unilateral foreign policy controls." It is nonsense, and I think the point is well taken: Snooze, you lose.

When US companies lose these markets, they don't get back in for two reasons. One, other countries supply at our standards. And two, we have proved ourselves to be unreliable suppliers. That is called lying on a monumental scale. We won't stand behind our bids. We won't stand behind our exporters. This is something that everyone should think about: We are being watched, not only by Iran but also by every other country in the Third World, and they are making judgements today. A good friend of mine, a former minister of the interior in the Philippines, is livid on the subject of the United States as basically being fraudulent in its promises—of saying, "We are a revolutionary country, we are going to be the technological leaders, and we are going to help you—oh, but not you." That is what it boils down to; I can't put it anymore crudely. We are being watched. We are being judged, and Iran is one of the many fora in which we are playing at a very sorry history.

A. WHITLEY: What about the second part of my question dealing with the percentage of Iranian oil purchases that is being handled by US companies?

D. WEADON: It is all going to third countries. It is being reprocessed in Europe and then coming to the United States.

PETER BECHTOLD: I happened to be in Turkmenistan last year on the day that the Turkish ambassador signed an agreement for a gas pipeline project whereby natural gas would be transported to Turkey. The question immediately was which of three bad options should one follow? Through the Caspian Sea, through the provinces of Iran with its political risks, or through Russia, which further complicates the situation. My question is: As you advise international companies, what options do you think are most expeditious for an international company, operating in both the oil and the gas areas of Central Asia? Should they link up through Russia? Should they try going through Iran? That, I suppose, would mean going through third countries that happen to be pro-American. Or do you see some other avenues?

R. EBEL: I have been to all of the Central Asian republics within the past four months, except for Tajikistan. I have been in Turkmenistan and worked with them on how they would like to get their gas to market. Today they export about 11 billion cubic meters per year, but they run a swap with Russia, and Russia has told them, "That's it. We cannot allow you to move any more gas through our pipelines." So now Turkmenistan is going to have to look around, and they are looking at just the very options that you mentioned. But none of them are foolproof. Each one carries a certain risk. Turkmenistan has so many plans [for transporting its natural gas] that the have caused me to ask what are these guys smoking because their plans are simply out of the realm of reality. Turkmenistan has rather substantial gas reserves, but when I try to talk to officials about where are the reserves, what is it going to cost to get them out, and what are plans for production, they drew a blank. So I am not quite sure how much thought they have given to the marketplace.

Moving gas into Russia, of course, would be by far the easiest, but Russian gas pipelines that carry gas into Europe are full. There is no more space in those lines. Additionally, those lines all run through the Ukraine. As you know, relations between the Ukraine and Russia are not very good these days. One of the few things that Ukraine has control over is these pipelines. Russia wants to circumvent that by building a line to the north bringing gas from the Yamal Peninsula.

Can you go through Iran? If you are a US company, you probably would say no at this time. Can you go through Turkey? Well, how do you get from Turkey to Turkmenistan? So you are back to square one. What do you do? You are sitting on a good resource which could earn you hard currency, but how do you get it to the market?

The same question faces Kazakhstan. What is the best route to move oil being produced? What is the best route, the politically safe route? You go north into the Caspian Sea and over to the Black Sea. If you are in Azerbaijan, what is the best route? You go through Turkey. But how do you get to Turkey? You go through Georgia or you go through Armenia or you go through Iran. Iran is out for a US company. Armenia is out because of the fighting. What do you do? And as we talked about the pipeline situation earlier today, pipelines can tie transit companies together, but when they are completed your political risk increases. That is just a risk that you have to take, because if you cannot move your oil or gas to market you cannot produce it.

JAMES MCNUNN, US Army: My question is directed at Mr. Ebel, and also is along the lines of Dr. Bechtold's question. In terms of natural gas exploration in the gulf itself, are the smaller countries, such as Qatar, for example, attempting to exploit their natural gas assets such as the north field? Is there a possibility that they will come into contact with or possible conflict with Iran and Iranian claims in the area, especially since there is some contention over just exactly where the territorial boundaries lie in the gulf, and could this be a problem for the United States?

R. EBEL: I don't think so, no. Remember before the Iranian revolution there was tension around Iranian gas moving into Azerbaijan, about 10 billion cubic meters a year. There was gas from Afghanistan as well. I look forward to the day when those routes of trade probably will be brought back to life. You do raise a good question of jurisdiction, but I don't see it as an issue.

Panel III: Building Bridges

"The Role of State Diplomacy"

by *Bruce Laingen*

Before I do anything else, I want to salute my colleague, Giandomenico Picco, for what he has done for us. I speak, I think, for all of us. I know I speak for my hostage colleagues Barry Rosen and John Limbert, who are here. I speak for them and all Americans in salute to this marvelous man who did so much for us. I salute him for his tenacity, his understanding of the Middle East, and particularly for his personal courage.

I also can't avoid taking note of the fact that this conference occurs on a rather interesting anniversary, the fifteenth anniversary of the Jaleh Square incident. I remember it because on the first anniversary of that incident, which contributed to some of the turmoil of the revolution, there was an anniversary observance and reception to which all of the diplomatic corps in Tehran was invited. I remember the event because I had that afternoon one of the most rewarding and productive conversations with a senior Iranian cleric that I was ever to have in revolutionary Iran.

As an aside, I am impressed by the people whom I have met here in this conference who have been in Tehran lately. I have said to several of them how much I envy them and look forward to the opportunity when I get, sometime in the not-too-distant future, to go back myself.

I am going to make two very brief things clear at the outset. I applaud those, as others have done in the course of today, who have organized this conference and put so much time and effort into it. Doing things involving Iran is not very popular or absorbing in this town these days, not to mention the country at large. However, I must share with you that this summer I visited the Mall of America, the largest mall of the country, in Minnesota. I just happened to go by a store that was selling sweatshirts. There my wife saw and we bought a sweatshirt with the logo "Iranian Pride" and the flag of the Islamic Republic of Iran emblazoned on the front. Maybe that says something about the capacity of the heartland in time to be forgiving of the Iranians.

I think these folks who have organized this conference deserve our salute for the perspective, the patience, the interest, and yes the courage to take on this very difficult thing. If there are any bridges to be built, it has got to start with something like this. It is going to have to begin—and it has begun—with groups such as this. Yes, with some help from the other side. I know some of you have been to Tehran for a conference or two. You know better than I that bridges usually aren't built

simply by starting from one side and going to the other, but they have to be built from both sides reasonably simultaneously.

I think that kind of effort on the part of largely academic groups who have organized this conference has some examples in previous Cold War experience. For example, the Dartmouth group in which Ron Neumann's father had been a major participant in the darkest days of our struggle with the Soviet Union; and currently the Search for Common Ground group of people who have launched a major effort in terms of understanding and have contributed, I think, to the atmosphere that makes possible a breakthrough in the Middle East. Indeed, the Search for Common Ground group is sponsoring a meeting in Geneva on September 9 that involves a great many Iraqis, Israelis, Arabs, and Palestinians.

As a second preliminary point, I want to make my own personal position clear. I regret and I deplore, the absence of a relationship with Iran. I mean a relationship with the present regime. It does not serve the interests of either country that we cannot and do not have a dialogue, much less have a direct relationship. Obviously, I felt that way when I was assigned to Tehran in 1979. Dialogue was a part of my instructions. I felt that way when I left Iran in 1981 under different circumstances, and I feel that way today. Indeed, if a person would have told me in 1981, when my colleagues and I left Tehran, that the United States and Iran in 1993—12 years later—would still be at swords points with each other, I would have said, "You are out of your mind." This is not because Iran has a regime to be warmly embraced. It wasn't then, and in my view isn't now.

However, because there are so many areas—we have talked about them today —where our interests coincide and risk colliding, it should be possible to find ways to talk about issues such as the Arab-Israeli-Palestinian problem, the long-term security problems of the Persian Gulf in which Iran must have a role, and indeed nuclear non-proliferation. We have to have a better way to contact and talk with each other, given issues of such consequence for us and Iran. Simply relying upon mediation through the redoubtable Swiss—however helpful they were in 1980 for me and my colleagues and are still today—is not enough. Twelve years—or rather fourteen since the revolution itself—with no direct contact whatsoever between two governments makes no sense. It serves neither country well. Only the extremists, who regrettably in my view, are largely concentrated still on the Iranian side, benefit from this situation.

Where are we today? Here is where I will be repetitive. Certainly in terms of talking about what divides us we are nowhere. There is certainly in an official sense a dialogue of the deaf. After the events of the last few weeks in the Middle East on the Arab-Israeli-Palestinian problem I found myself saying, "For God's sake, where are the Norwegians when we need them?" To reiterate where the two governments stand: The United States says that its policy is "behavior-correcting"—I don't like the term. Washington says its "behavior-correcting" policy does

not exclude dialogue with Iran. The United States is prepared to talk with any authorized Iranian representatives and has no preconditions for such a dialogue.

By the way, I am delighted to see that Ronald Neumann, country director for the Northern Gulf Affairs [section at the State Department], is here and that he is prepared to spend the whole day here; and not only that, that he is prepared to have his newly-assigned desk officer, Chris Henzel, be here. As the Iran desk officer, Chris Henzel, in my view, has one of the most exciting assignments that a young foreign service officer can have these days, and I envy him. I am glad that they both have been here and have had a part. I appreciate with some apprehension the role that I play in speaking on the issue of state diplomacy, when the person who really should be speaking to it, in addition to David Newsom, is Ron Neumann himself.

I agree with the expression of U.S. policy. It doesn't exclude dialogue with Iran, and it says we are prepared to talk with anybody without any preconditions. It seems clear enough, although I would wish to see it expressed in a more positive way—I am sure I speak for you in saying that—rather than in some of the words that have been used, at least when we communicate through diplomatic channels. However, I accept at face value that the Clinton administration indeed is prepared to talk, despite the harshness of some of the terms, not the least those words that have been used—regrettably in my view—by the secretary of state himself.

On the Iranian side, one problem that I conclude—and I know I am not alone in this—is that we don't really know what the Iranians want in terms of a relationship with us. If I had to come up with an answer this afternoon, I would be inclined to conclude that they don't really want a relationship with us yet, Rafsanjani included. Somehow, for a compilation of reasons, Iranians are fearful about that. The government of Iran is a very multi-splendored thing and not simply Rafsanjani himself. If it is true that they don't really want a relationship, then all that we are doing here in a certain official sense is idle gossip. For the moment, however, let's assume that they want a dialogue. They say, or at least my old colleague, Ambassador Kharrazi—who is now in New York at the United Nations but was the deputy foreign minister in the final dates of my free period in Tehran—said here in town several months ago that before there can be any direct conversation there must be several things, including what he termed "evidence of mutual respect" or goodwill gestures, not least with respect to the so-called frozen assets issue, and that there must be better evidence than we have shown to date that we have accepted their revolution.

This amounts to very considerable preconditions to any kind of talk. It is as if the Iranians deliberately were setting up obstacles to any kind of conversation and certainly any kind of relationship. On the frozen asset issue, surely the Iranians know—both David Newsom and Gary Sick have spoken to that—how extremely complex that issue is. It simply cannot be labeled the frozen assets issue that must be resolved tomorrow; it is not an issue of $12 billion and "let us have it back,

thanks very much." Surely President Rafsanjani knows that the $12 billion figure is grossly exaggerated. Nevertheless, for the Iranian side, the so-called frozen assets issue, the military sales contracts, is a big issue. It was, when we were there in 1979, the overriding issue that dominated my conversations with Foreign Minister Ibrahim Yazdi before we were taken hostage. It was an issue for Prime Minister Mehdi Bazargan as well, and it is today, and it is fair to say that it is almost the bottom line issue. Yet, Rafsanjani knows that in the Hague today there is currently, and for the past 12 years has been, a very heavy focus on the issue on both sides. David Newsom pointed out the remarkable success of the Hague tribunal, a product of the Algiers Accord. I believe there is today a very genuine US government commitment to move this thing along as fast as possible, evidenced not least in the fact that one of my hostage colleagues, Staff Sergeant [Regis Reagan], is assigned from the army to work with those who are laboring over there on K Street in that building that deals with issues of this kind.

With respect to the other precondition to talks, the requirement that there be a greater acceptance on our part of the reality of the Islamic revolution, that too I believe is a smoke screen. Assistant Secretary of State Edward Djerejian put it well in congressional testimony recently: "We do not seek to overthrow the Iranian government, nor to dictate the form of that government." I accept that statement as fact. It was fact in my time there, and it is fact today.

We need to talk, not about preconditions, but about what we both need to do now to begin to clear the air. This might, in time, permit an official relationship or even an indirect relationship of the kind that David Newsom mentioned. We found, as he said, a way to do it with the Chinese via the Poles in difficult days. We are doing it essentially now with Vietnam where certainly the emotional pain is as great. No one is talking about moving back into those embassies tomorrow — we are a hell of a long way away from that. What we need is dialogue somewhere, somehow, with someone, and yes, with someone who can speak with authority for Tehran. The Swiss channel indirectly is one. Maybe we can expand it. It certainly has one advantage, and I think it is fair to say that it is remarkably secret. Direct talks are better but secret (ones are acceptable) if it is possible, although I agree with those who have spoken about the leakiness of this town. We need something like Norway, if that were possible, but it is probably impossible.

David Newsom also referred, I think, to the possibility of the talks in the Hague. That is a place that isn't exactly on the front pages these days and where we can talk quietly about some problems that lie beyond the frozen assets issue. Perhaps through one of our allies, perhaps Italy, which has some considerable contacts in Iran. My preference—and I have expressed it several times—is in the halls of the United Nations with Ambassador Kharrazi, a man whom I regard still today as a "moderate" with some credentials.

That said, if such talks need to be greased with some signals on the US side, I would like to see a resolution of that issue of compensation for those Iranians who

died in the terrible tragedy when we accidentally shot down an Iran Air passenger jet in July 1988. Perhaps Ronald Neumann can speak to that. In any event, it remains unresolved and should be resolved, although the onus isn't entirely on our side. Also, a favorable decision on the Boeing aircraft issue ought to be made. I would agree completely with Gary Sick, that given what has happened with King Fahd and that telephone conversation about Boeing aircraft, we are likely to see a negative in the middle of the smoke. I continue to be hopeful that perhaps I may be wrong.

Perhaps we can convey some signals through another working group that has been established, the US-European Community-Canadian working group, focusing on some of the trade issues between the two countries. I agree with Donald Weadon that sanctions and trade restrictions ought to be relaxed; they can be relaxed and could serve as a signal. In any event, an embargo to the degree we have had, in my view, is excessive and is not likely to work. Embargoes—I agree with Donald Weadon—rarely work, except in a place like Haiti, and, God willing, perhaps in Belgrade.

On the other side, there are several things that the Iranians could do to grease the possibilities of some kind of exchange of views and conversations and talks. In that area, nothing is now more important—nothing conceivably could be more important in the major substantive sense—than how Tehran reacts to the recent breakthrough in the Arab-Israeli-Palestinian situation. As far as I know, there has been only one reaction as yet—not surprisingly, a condemnation in the Friday prayers. I haven't seen anything of greater consequence. Here is a real test of their readiness to say and do the right things for a change. The Iranians know how strongly we feel about that peace process. Ambassador Kharrazi, when he was here and when he was challenged on that issue, said these words about the Israelis: "End the occupation. See how the situation changes." Well, here is a beginning, the beginning of the end of that occupation. This is not the time for more diatribe and condemnation from the Iranian side.

If the Iranian side *really* wants to send a signal, they can ease up on Salman Rushdie. I regret that his name has been raised so seldom so far today. To me, it is a very significant issue. Nothing else would do more to change the perception of the international community of Iran, and certainly the body politic in this country, including the White House, than some easing up on that issue. I have to conclude that I am not optimistic that anything of the kind I have been talking about—or the things we have been talking about here today—is going to happen very soon. Although, if Salman Rushdie can be optimistic—he is quoted in the *Washington Post* today as saying he has got some reason for optimism—I guess the rest of us ought to be modestly optimistic as well. Who of us, for that matter, could have been optimistic about the Arab-Israeli-Palestinian problem three weeks ago? Now we all are, although hopefully laced with a degree of realism that must accompany it. With Iran, it is difficult to be optimistic. If Rafsanjani wants a relationship, he

knows what he must do: Bite the bullet and send some signals that are clear to this side. We have sent some. We have said what our position is on talking. We need something a little better from that side.

The final point I wanted to mention is that I was delighted to see Donald Weadon here speaking on the trade issue. I thought he should have been in this panel because one of the ways we can build bridges with any country is through trade. Possibly something might happen there with Iran, similar to the way trade is forcing us to do something about the relationship with Vietnam.

"The Role of Multilateral Organizations"

by *Giandomenico Picco*

First, I would like to thank the organizers for giving me a chance to be here with you today, and I would like to thank Ambassador Laingen for his absolutely unnecessary kind words about me. I think he is one of the persons I have been lucky to encounter in my life who has inspired me. Ambassador Laingen, for that I want to thank you personally because I have learned a tremendous amount of dignity from you.

The presentation this morning by Professor Esposito forces me to make a small caveat at the beginning of these remarks. He made a disclaimer this morning about not being a member of any Islamic brotherhood. I would like to reassure you that despite news that I have been able to do something in the Middle East because I am Italian, let me disclaim that I have never worked for the government of Italy nor am I now working for the government of Italy.

I think all of you who have been dealing with Iran at some point in your dealings and your studies must have gone through a couple of different feelings. At least I did. At times I had in mind the sentence of Chairman Mao: "There is much confusion under the sun. The situation is excellent." On occasion, I felt a sense of optimism. On other occasions, I felt more pessimistic, as if there were no point in waiting for Godot, for, as President Havel [of the Czech Republic] once stated: "Godot does not exist." Which is which waiting for Iran? I think that there is a feeling that many have had over the years, waiting for things to happen, one election, another election, or some decision to be taken, or a pattern to be established. Let us leave this aside for a moment.

One thing I have learned in dealing with that area from the perspective of a United Nations (UN) officer is that there are not many governments that know how to handle the UN. Let me be just a bit more clear: Many governments speak of the UN as if it was a single-faceted organization. They certainly seem to indicate that is their interpretation in the public. However, Tehran has made a point since 1980 to articulate its policy and action in relation to the UN Security Council on one side and to the UN Secretary General on the other. In my view, Iran has been able to exploit the different roles that the UN charter clearly offers through these two organs. They are two separate tools, to be used by the international community.

Few governments, in my view, seem to appreciate this difference. Definitely the major governments do because of their abilities to know the organization. Of the medium- and smaller-sized countries, I think the Islamic Republic of Iran is one of those that understands how to use different UN organs at different times in different roles.

There is perhaps a simple way to explain this duality: The Secretary General, in my view, could not have done in Kuwait, after the Iraqi invasion, what the Security Council did. By the same token, I don't believe that the Security Council could have done in Beirut with regard to the hostages what the Secretary General did.

It is useful perhaps to recall that the Islamic Republic of Iran has used the office of the Secretary General for two of its major foreign policy moves. First, Iran did agree to a ceasefire with Iraq on August 8, 1988, through the good offices of the Secretary General. The second case, of course, is the one of the hostages in Lebanon. I am not claiming that Iran agreed to end the war with Iraq because of the Secretary General. I think the timing, however, had a lot to do with the Secretary General. The timing happened a little bit earlier than it would have otherwise.

Now, in both cases, namely in Beirut and in the case of Iraq, different avenues and tools and interlocutors could have been chosen. In both cases, the decisions with regard to the choice was fought quite hard in Tehran. There was always a different school of thought that would have preferred a different approach and avenue, but in both cases that school of thought lost. I think I can say, that as it pertains to the hostages in Beirut, the battle was only won by the pro-UN side in Tehran during the last hour. Perhaps President Havel was not right. Perhaps sometimes Godot does come.

Even in the 1980s Tehran had looked to the UN's various organs as an area where to measure and to test some of its foreign policy. After all, Tehran perceived the UN to be close to Washington. During the hostage negotiations, I think that the relevance of the Secretary General was such because Iran perceived it had a fairly good way of relating to Washington through this office. The entire operation was conceived, at least by us, as a bridge-building opportunity of the caliber that rarely comes about. As a bridge-building opportunity, it seems like a correct one to be seized by the UN Secretary General.

Considering the various channels that already were operating, it is remarkable that eventually the UN was the one chosen to conclude this matter. It was chosen by Iran, not by others. It was not chosen either out of the blue or in a vacuum, or in a hasty fashion, which in a way makes the whole thing even more remarkable. When this operation was conceived in the late 1980s, I found that skepticism was prevalent, not only on our side in the UN secretariat, but also in Iran and in many other quarters.

The prudent civil service officer of any government would have concluded that it was not worthwhile to deal with the hostage issue. Every time I spoke to

Iranians, Syrians, Lebanese, Israelis, and others in those years, they talked of hostages, of prisoners, of assurances, of quid pro quos. I thought that we should try to talk about hope. For that reason I thought the UN Secretary General was the best instrument for negotiating a solution to the hostage situation.

I think that the Secretary General deals in hope, since governments may have had more pressing matters at hand. The advantage of this division is that it allows one to speak, to believe, and to work in such a way that the UN Secretary General never competes with governments, because he is not one of them. The hope was to build a bridge and to show that it is possible to walk across what someone today might call "the fault lines of civilization." Was the bridge built? Was the opportunity lost? I wonder today if people want to build a bridge across the same shores. I say this because a number of facts, of course, have changed. Nothing remains the same in politics, as Israeli Foreign Minister Shimon Peres used to say: "Status quo in politics is like the status of a pregnant woman."

Some of the facts that I think do bear some relevance on my question of whether anybody does want to build a bridge today across the same shores are the following: In July of this year, a memorandum of cooperation was signed between the governments of Iran and Azerbaijan to develop economic relations. In August, a deal was signed that allowed Iran drilling rights to Azeri oil in the Baku region. In July, as you know, a route was opened between Baku and Tabriz. This has its own significance.

Oil traders would confirm that Iranian heavy crude oil today is moving mostly in the direction of the Far East and that Iranian barrels in the Mediterranean have become a rarity. The trade between Iran and the Far Eastern countries today is more frequent than before perhaps because of the possibility of barter agreements that are now developing with China and neighbors in Central Asia. You all know of the recent visit of the Chinese deputy prime minister to Tehran a month ago and the series of agreements that were signed. At the same time, commercial relations between Iran and the West, as far as commercial matters are concerned, have been severely hampered since the summer of 1992 by the letter of credit problem that has been the consequence of the Iranian policy of not always paying when letters of credit have been signed. This has created some difficulties that have yet to be resolved.

There are other relevant developments. Iran now may be on its way to becoming self-sufficient in refined oil products. The refinery in [the central city of] Arak was just opened last week, and by next spring it should be able to produce enough for Iran's immediate needs. Of course, by that time the demographic situation of Iran will have changed, and so technicality there will be an increase of needs. I mention these facts because they raise the question of whether the same demand for a bridge across the same shores should in fact be answered in the positive or the negative. I do not know; I just wonder.

There are two ways to look at the work of the UN in the political field. One is to look at it as an avenue for ad hoc arrangements, and the other as a way of spreading a common denominator among the member states. Now, the temptation of those who work in the UN or use the machinery of the UN these days is that of misunderstanding negotiations as de facto capitulation and that of choosing expediency over what I would call some consistency. This is particularly dangerous today for the UN, because I believe its role is more difficult to identify. Why? One reason is that we seem to speak of the UN today as if it were only the Security Council. We speak of the intergovernmental body as if it were the entire organization.

Now, it happens that not only Iran has been able to appreciate the operative and political differences between the various UN organs, but so has its neighbor, Iraq. Then we come to today, as Ambassador Laingen mentioned, the Oslo breakthrough on the Palestinian situation. I think that what the Oslo breakthrough also brings up is the question of regional arrangements and perhaps the possibility that now one should think about this kind of arrangement a bit more than before. I am not talking about military arrangements, for I don't think the UN is the proper forum for that, but arrangements that may include various not so friendly partners. The Persian Gulf region after the Oslo breakthrough may offer such an opportunity, and the UN machinery, I would submit, could be used to start up a move, even though the same machinery may not necessarily be there at the end of the story.

I would like to repeat that I am not talking about arrangements of a military nature. These are aside. I don't think there is any credibility in the UN to discuss military matters. I don't think we should negotiate those particular aspects of problems within a UN context. However, it seems to me that the UN Secretary General may be in a better position as an institution to explore regional arrangements in the gulf and to begin the ball rolling on that front. As Gary Sick said in the first conference in January, there is a basis for it: Security Council Resolution 598, and in particular, paragraph 8. There are some tools. There is a technical structure put into place within the secretariat. There are people in the region already sensitized to this. That does not mean that there is an agreement, but I think the time perhaps may be right for an initiative of this sort.

Regional arrangements should include, in my view, very practical aspects. One should be the free flow of oil. Another should be the freedom of navigation in the international sea lanes. Other elements could be introduced in order to test the waters. Perhaps down the road a charter of the Persian Gulf is something that could be explored by the UN Secretary General as an institution, and his office could try to take it as far as possible. I say this because a UN involvement does not necessarily have to be translated into a UN agreement. It just might reopen a dialogue if there is an evolution along the fault lines of the gulf.

It may be difficult politically for many governments to initiate such a move, even at the level of soundings. It may be far easier for the institution of the Secretary

General to do so, for it would fit well under his agenda item of preventive diplomacy, a role that seems to have generated some consensus over the last several months. I would suggest that a *sherpa* role for the UN Secretary General office could be devised. If Iran is interested, as it says it is, in having better relations with Gulf Cooperation Council (GCC) countries, I could hardly think they would refuse such an approach since the direct approach to the GCC so far has not brought many results. On the other side, the GCC countries should be reassured that they retain control of 50 percent of such an initiative, i.e., a veto position, which in any case they will not be able to start without encouragement from Washington. I think this is a key element for this approach and a key reason for this approach.

Thirdly, a sherpa kind of role for the UN Secretary General office could be checked in terms of tempo by both sides as they retain complete control of the results of this initiative. If, by any chance the process proceeds well, they have the option of taking it over completely. The advantage of this approach also would be that at the end, no matter who is in charge—whether it is a full UN agreement, or one under the sherpa role of the Secretary General or simply an agreement between the both sides—it is almost unavoidable that someone—the governments, the Secretary General himself—would take this piece of paper, whatever it is, before the Security Council. Why is that?

By so doing, the existing schools of thought about regional arrangements in the area could be married. One school claims that arrangements are to be undertaken only by countries of the region and, and the other claims that nonregional parties should have a role as well. If there is an agreement between the two sides of the Persian Gulf and that is taken before the Security Council, the Security Council response to that document would be either acknowledgement or approval, or general support. In effect, this would legitimately bring into the picture between the nonregional countries' interests and role in the region, while at the same time, safeguard the sensitivity of the regional process, for the arrangements (of which the document brought before the Security Council is the formal aspect) would be concluded only by the countries of the region.

It is quite interesting that recently Iran has entered the debate on the restructuring of the Security Council. It has made clear both its support for enlarging the number of the members as well as its support for the extension of the veto power. Furthermore, and perhaps more importantly, Iran seems to have come out in favor of an international role for a larger number of countries. For example, at the beginning of July, Radio Tehran had a very interesting broadcast on this issue. It said, and I quote: "The world is officially in chaos. There is neither an international government nor sufficient mutual dependence, nor a just distribution of power among countries. Under these conditions, there are three alternatives to put this chaotic situation in order and prevent more chaos and disorder: One, the traditional balance of power; two, reliance on nuclear weaponry as a deterrent; and three, rule by a central coalition. The third alternative can be a sense of hope for reestablishing

international law and order, an example of which is seen in the form of the Security Council."

I am not saying that this approach eventually would build the needed bridge, but I think that this approach would make it easier to find whether Godot really is coming. And where is Godot? Well, Godot is to be found here in this capital city. All this, if you like smoke, is to make it easier for Godot to come.

I agree with previous speakers who have said that only one real way should be pursued: direct dialogue between Washington and Tehran. I believe that dialogue should be in the form of a "grand bargain," the same way that bargains were done with the Soviet Union in the past, and that would include every item on the table. I wonder if the introduction of the UN Secretary General in a regional contest might not make it easier for the Islamic Republic of Iran to move in a better direction. If there is going to be a spreading of the common denominator, however, the query of whether Godot is coming has to be answered, for the lack of answer would simply be taken as a negative reply. As Israeli Prime Minister Yithzak Rabin recently said, "You make peace with your enemies, not with your friends." Unless, of course, we were at a juncture in history where there were no leaders capable of leading without an enemy.

"The Role of Non-Governmental Organizations"

by *Richard Arndt*

As the last panelist on this long day of our second conference on US-Iran relations, I cannot resist noting that, while many speakers have alluded to the possibility of private sector activity in Iran, I shall be the first to address the question specifically. This gives me the benefit of having heard the others. Among the things I have learned, the most useful came from Donald Weadon, who made two remarkable points in one sentence. First, he reminded us that the business world is part of the private sector, totally composed of non-governmental institutions (NGOs); and second, that education is included among both the goals and institutions of business. While I am not sure the university world will be happy about the second idea, it helps underline the importance of my topic by expanding the notion of NGO and private sector activities to its appropriate breadth. I am grateful to him and to other speakers here today for their contributions to my understanding.

Like much that is obvious, it is often forgotten that formal government to government relations between Iran and the United States were preceded by years of private sector NGO effort, most notably the missionary schools and colleges. It is forgotten as well that there were visits, residencies, and concerns of scholars like Arthur Upham Pope, semi-official economist-administrators like Morgan Shuster and Arthur Millspaugh, educators like Samuel Jordan and those of the Near East College Association, agriculturalists like those of the Near East Foundation, not to mention benign emissaries from the US military and the commercial culture. Students began to flow to the United States from Iran in the 1920s. The American University of Beirut early began to attract Iranian students, including Amir Abbas Hoveyda. By 1945, the American reservoir held a great deal of goodwill, compared to the reservoirs of other nations.

In these remarks, I use the term NGO interchangeably with PVO (private voluntary organization)—despite the element of voluntarism—and with private-sector programs. The term NGO misleads us by conflating different, often diametrically different kinds of organizations. We already have QUANGO for quasi-non governmentals. Perhaps we need a wider taxonomy: say BINGOs and MUNGOs for bilateral and multilateral programs, ENGOs for those in education, BUNGOs for those related to business, UNGOs for the unfunded, RINGOs for the rich ones,

and perhaps CINGOs for the covertly-influenced. For today's discussion, we are talking of course about IRANGOs.

It was perhaps five years ago that an enlightened foundation executive in New York called together a small group of proponents of better US-Iran dialogue. We called the scenario the Impossible Dream—some here today remember the moment. The idea was to suggest programs for Iran, in the uncertain climate of those years. Skeptics in our number carried the day; the foundation decided the idea's time had not come. Two of the better ideas then expressed may exemplify our discussion. The first "impossible dream" was, quietly and without fanfare, to reopen the American Institute of Iranian Studies, founded in the late 1960s as a base for scholarship on Iran and for scholarly interchange with Iran. The second idea grew from a humane response to a harsher reality: the thousands of maimed, mutilated, and crippled victims of the Iran-Iraq War who have been deprived of rehabilitative medical treatment, a field in which US medicine excels.

There is no end of such ideas. To pull only one example out of the air, ex-President Jimmy Carter was once a powerful negative symbol in Iran, yet many give him credit for having induced his former arch-enemy to "swallow the bitter poison" of ending the Iran-Iraq War. Carter has played a prominent role in a program called Habitat for Humanity, enlisting citizen support and cooperation in building low-cost housing. An Iranian extension is not difficult to imagine.

Nothing came of the Impossible Dream. Nor is it certain, had the foundation been willing to explore the idea, that the State Department would have smiled upon it at the time. Neither can we be sure that it would have done well, under the circumstances of that period. Years later, discussion continues on the idea of a US PVO presence in Iran, one which could be seen by Iranians as useful, even vital, yet devoid of the political threats, real and imaginary, that haunt contemporary Iran's shell-shocked and paranoid society, a context in which the most harmless gesture can be made to appear menacing.

Three questions then: Can NGOs start to work now? Would such a presence over time help lay the groundwork to support later formal relations? Can it be done right? The first two questions are rhetorical. Surely such programs can be designed and implemented now, and certainly they can help the healthy growth of future communications and relations, even if done imperfectly. I remind you of Charles Frankel, the most important US theoretician of cultural diplomacy, and his five definitions of "culture," as the word was used in the 1960s in the "culture" of Washington, D.C. Adapting a phrase attributed to Edouard Herriot, he noted that cultural affairs was the tool to which nations resorted when all else had failed.

Such programs can be designed and there is no doubt in my mind they will help reestablish communications over time. Indeed, if Assistant Secretary Djerejian's hint about the need for dialogue is taken seriously, the moment already may have come. For today's purposes then, I believe it useful to look at the third point, not the What but the How. I want to sketch out some possible guidelines derived

from past experience and suggest how private programs might be designed so as to flourish in today's Iran. I do so with apologies to the historians; I would prefer to cite them and their studies of past private-sector activities in Iran, but none has yet appeared and I am forced to venture my hypothesis without their help.

Five notes of caution seem to me to arise from the past, each leading to certain general principles for re-engaging private-sector activities. I offer these in draft form, as suggestive, general and non-prescriptive guidelines. I intend them only to provoke thought about earlier models and potential alternatives. The first caution has to do with defining honest and realistic goals. I suspect that in Iran's missionary activities, proselytization was soon abandoned as a primary goal and relegated to the realm of the by-product. So long as the missionaries were perceived to be preaching the gospel of Christ in Iran, they ministered to the tiny Christian population. John Hersey in his docu-novel *The Call*, evoking fifty years in the history of the China missions, dramatizes the advantages the missions found in soft-pedaling, even forgetting, their proselytic goal. Turning instead to education, the missions moved, as Hersey saw it, from the gospel of Christ to the gospel of science. They broadcast a simple message, far more incendiary than the gentle teachings of their religion: that humankind, through reason, study, and organization, can learn to control its environment and govern itself, with better lives for all. We recognize a later-day outgrowth of the eighteenth-century doctrine of progress. We recognize as well the danger of the doctrine for any status-quo power, sending or receiving.

I take the first lesson of NGO history then to be the need to focus appropriate and open objectives from the outset, with sensitivity to perceived national needs in the host country. A corollary suggests avoiding the wrong goals, specifically any frontal attack or even the most subtly indirect or unintended nudge on sacred institutions. A more complex conclusion lies buried in the fact that in most countries, with the United States one of a few possible exceptions, politics and culture are inseparable: It is important to understand that cultural programs are and have always been inherently political, inherently interventionist. The question is, are they dangerously so?

I conclude that nothing should be undertaken unless it is perceived to be important, useful, and helpful by the *receiving* side. We should neither impose projects or ideas or assume that what worked elsewhere will work in another context. From this it follows that binational funding is essential, both to guarantee participation and to avoid the notion that NGO programs are acts of charitable idealism. The alert will notice that these principles parallel the goals and premises of the Fulbright Program, the least governmental of all US government programs. That the senator had it right fifty years ago should surprise no one.

My second lesson from the past concerns the double trap of ethnocentrism and pedagogic power. The missionaries found themselves on the horns of two intertwined dilemmas: The first was ethnocentrism, which we have learned can take

well-concealed forms. The second, even better hidden, is inherent in the paradox of education: educators are first faced with an unbalanced tension between giving and getting in which giving always wins; they are further liable to a form of corruption through the absolute power of the classroom and through the seductive model of the self-sacrificing, generous, and tireless teacher and giver of gifts.

Few missionary educators seem to have had time to invest, in any deep sense, in learning from the host culture nor in treating it as equal to their own. Wise Iranians—and even the Persian convert Dr. Jordan—teased Americans about one-way dialogue, using the couplet from Saadi about the mule of Jesus, which even after the long journey to the holy city of Mecca was still an ass. Similar dilemmas dogged the next generation, returned to Iran as archaeologists, as scholars, as businessmen, and as government officials, whether as diplomats, intelligence gatherers, or advisors.

Were these figures more alert to the subtle traps of ethnocentrism? With few exceptions, I would argue, this second generation found its own reasons for a different, perhaps subtler kind of stand-offishness, condescension, and even arrogance. American visitors in this phase of history were seen by sensitive Iranians as patronizing at worst and at best naive. An example: In the late 1960s, a prominent American anthropologist accompanied his Fulbright wife to Iran. He was accused by Iran's social science nomenclature of disdaining them and thereby harming the growth of social science. Publicly, he had declined to collaborate on grounds it was not his purpose for being there; his university's rules about sabbaticals prohibited teaching. In response to the attack he privately invoked other factors: inadequate intellectual cadres, the state-inspired hostility to research, the ragtag methodologies of the French-trained scholars, and the likelihood that some scholars were agents of SAVAK. Neither side was entirely wrong, no doubt; but the imperfect dialogue helped neither side.

If we take a small diversionary step outside Iran, we can glimpse a third-generation oddity in the example of the American University of Beirut. AUB has lasted long enough, as an institution, to produce a third level of experience, beginning perhaps in the early 1950s after 70-odd years of growth. We find a curious phenomenon, in that many responsible non-American AUB faculty and administrators will argue privately that only an American can preside over AUB because only Americans can stand above the politics of Lebanon and the Arab world. In this light we can only admire the ingenuity of the recent selection for president of a distinguished Syrian-American.

Returning to Iran and its second generation American visitors, I take the second lesson of the NGO experience to be that education is not a simple matter: Even sophisticated teachers unconsciously reflect their cultural cores. Further, educating can corrupt educators, especially those involved in bridging the wide perceived gap between total ignorance in the student population and full enlightenment in the teacher. To avoid these traps, I would suggest, there is wisdom in

vesting leadership of any project with—and visibly with—the host country, despite the counter-indication of the AUB paradox, which surely reflects conditions special to that university and to Lebanon. However inefficient it may seem to impatient Americans, I would argue that US foreign efforts today, public and private, should do little more than give sensitive guidance and discreet cooperation in the execution of binationally-designed *national* projects. Indeed some foreign interventions, when appropriate, might work better if designed as multinational efforts through institutions like UNESCO. If Samuel Huntington is right in his latest paradigm, it will be much harder to work in the era of clashing political cultures and civilizations than in the waning days of the concert of nations.

The third lesson derives from the work of the PVOs, which seems to me to have embodied two basic illusions, fostered and nurtured by the apolitical ideals of the American universities and the American doctrine of a separate church and state. The first held that a secular and humanist vision of life permits one to observe and understand ideas and culture with little or no attention to the deeper layers of politics and religion—the American middle-class has always been taught that both subjects, along with sex, were improper subjects for dinner conversation. In the United States, education was alleged to be completely insulated from politics; so Americans still tend to believe that education and scholarship can and somehow do manage to escape what elsewhere are life's realities.

Both missionaries and Point Four officials avoided the idea of politics and political change, to the relief of status quo host-country officials. At best, these foreign practitioners assumed political growth would follow naturally on the heels of economic improvement; at worst they thought it irrelevant. Only a brash young idealist like Howard Baskerville could wander off the Tabriz mission compound and martyr himself to the Iranian Constitutional cause. His action, countering mission policy, represented no more than the courageous but foolhardy decision of an individual. Yet, it reminds us that the political dimension was always there, if one had eyes to see. His death, we might note, gave birth to the Baskerville myth, which holds that a certain kind of American is prepared to sacrifice a great deal more for an Iranian cause than Iranians themselves, and to its national extension: the belief that the United States is or should be prepared to assist Iran and other nations even when it is not in the U.S. national interest to do so.

When it comes to church-state separation, we enter the most sacred domain of US civic culture. Americans in Iran will have to face the conundrum posed by our faith in church-state separation, sanctified by the holy writ of our constitution. Most Americans, including the most enlightened of the "development thinkers," are embarrassed to admit we were incapable of imagining that Iran might some day be governed by a *velayat-e faqih* under the cosmological vision marvelously described by Roy Mottahadeh [in his book *The Mantle of the Prophet*]. For missionaries and laymen both, I suspect the idea of Iranian theocracy was unimaginable. It certainly was for me.

The educators and scholars, with encouragement from their hosts, avoided politics. When the Mossadeq reversal exploded, American Iran-watchers fell into two camps: One accepted the idea of a status quo gradually but inexorably and perhaps in spite of itself evolving toward democracy, the other believed the game was irretrievably lost. For both it was an early stage in the loss of innocence. It was as well a prelude to the 1970s.

Did the theoretical contradictions between theocracy and the modern secular state worry the early observers? I suspect not. Yet the theocrat, by definition, must view the secularist with the same horror that the monarchist of the late eighteenth-century Europe viewed the regicide of the French Revolution. I do not mean to say a chasm like this one cannot be bridged: Islam has shown ingenuity in adapting to the world's uses, for example in reconciling bank loans with the sin of usury. Surely theocracy and secularism can find ways to coexist, but not unless both sides look the problem in the face.

The third lesson of PVO experience then says that because virtually any action of one culture in another foreign culture has some kind of political dimension, it is better not to ignore it. In Islamic countries there may be even more important implicit religio-political conflicts than in others. A project whose design does not anticipate inevitable and irreducible political repercussions and does not indeed recognize the inherent politics of culture and cultural confrontation or provide space for the unintended by-products of even the most benign cultural intervention may not work as intended.

For that reason, I believe it is critical to analyze and project the political dimensions of future undertakings with the complete cooperation and understanding of the hosts. Long-term macro-binational and international relations will to some extent be shaped by and issue from years of sorting out the day-to-day micro-relations of projects involving two or more political cultures. It would be unwise for both private and public sectors to ignore, or pretend to ignore such experience.

My fourth suggestion [concerns the need for patience]. In contrast to the Americans, the French have long been content to work organically: seed a *lycee* or two into the landscape; drop in a few university professors and researchers here and there; then sit back patiently, wineglass in hand, to wait for the decades to roll by. The US effort was marked, in contrast, at least since 1945 by the quick-fix, bottom-line mentality of the economists and engineers and businessmen. We planted projects that had "goals," "time-lines," "bottom-lines," and "outcomes." It was assumed that in a given time an institution could take hold, send out its own "multiplier-effect" derivations, and grow strong by itself after assistance was "phased out." For example, on the basis of the "centers of excellence" theory, the Agency for International Development (AID) invested gigantic resources through the University of Pennsylvania to build up an Iranian provincial university (in Shiraz). Surely Penn was aware that a university must represent the deepest kind

of cultural penetration imaginable, but one wonders about AID. In any case, the excellence-virus behaved more like a bacillus. Rather than spreading to the university and peripheral institutions and bringing them glowing good health, it soon was absorbed into the surrounding context and encysted by its immune systems. By the late 1960s, before AID had phased out completely and long before the events of 1978, the Shiraz experiment had been reduced to a few frustrated faculty, forlorn discussions about the utility of English-language instruction in Iran, and an impressive but malnourished library.

The fourth lesson then is nothing more than patience, that is, the need to understand the organic nature of human growth and the development of institutions; the "seamless web" metaphor, and the importance of time. We need to recognize that for some new institutions a change of generations at least may be necessary before the future is certain. We need to accept the possibility that even then the future may turn out to be something other than what the designers had planned. Patience, then, in both design and execution, to which we might add nurture.

The fifth lesson that one finds in NGO history concerns unrealistic expectations. The United States in Iran and elsewhere did an ambivalent service to humankind by over-inflating political expectations. Some years before the time of the Iran missions, the Unites States began projecting an enormously attractive idealist political vision distilled from the phrases and slogans of Thomas Paine, Thomas Jefferson, and later, Abraham Lincoln and Harriet Beecher Stowe, and from the vision of the "city on the hill" that the prosperous post-Civil War US economy was building. Add to this the myth of a particular American kind of personal devotion epitomized by Baskerville's death and the selfless work of Dr. Jordan and the exceptionalist image of the US connection in Iran begins to take shape.

Even "democracy" carries its illusions. Democracy implies, all things considered, an essentially domestic agenda. Yet, it projects onto the international arena a set of muddled premises. In self-governance, democracy, as Winston Churchill noted, is notoriously inefficient. In international relations it has produced unreliable foreign policy. US foreign policy has teetered, throughout our history, on a net stretched between realism and idealism, between nationalism and internationalism, and between the rhetoric of revolution and that of the status quo. Despite Tom Paine, the United States early became a status quo power and behaved like one. Yet, its image overseas always has had a revolutionary tinge. American democracy so far has failed to provide consistency in foreign policy, yet we retain an image as international "good guys," causing our friends on occasion to forget realities like electoral politics, economic imperatives, national priorities, undereducated politicians, and the normal human capacity for blundering. British democracy has long accepted diplomatic reality by qualifying their optimal diplomatic modus operandi

as "muddling through." However, Americans, and some of our overseas friends, expect more.

To illustrate the power of such bilateral expectations, I refer you to the remarkable chapter in the autobiography of Sattareh Farman Farmaian, which reflects the bitter reaction of hard-headed oilman W. Alton "Pete" Jones to the Eisenhower-Dulles decision to overthrow Prime Minister Mohammed Mossadeq. She captures his and her joint sense of betrayal: "Reality, unforeseen, had intervened." I recommend this and many other chapters of her revealing book as an insight into today's subject.

The idealist element in Iran's US connection sprang, of course, from the irrepressible message of potentially endless progress everywhere, a siren-song still sung in our time. It was and is strong wine for the wretched of the earth, in Iran as elsewhere. The religions of poverty, like the economics of subsistence and the politics of feudalism, teach acceptance and resignation. For Muslims it is said that a fatalist cosmology calls for submission. In such contexts the well-meaning American message of secularism, laissez-faire economics and "capitalism" has ignited and fed the revolution of rising expectations all over the world, lighting fires before fire-control measures were in place. In the United States today, the progressive ideas of the Enlightenment and of "modernization" still find their reflection in trendy rhetoric, typical of Reagan, Bush, *and* Clinton, about bestowing "democracy" and "free market economies" on other cultures.

With all respect to my salespeople friends, we must recognize the dangerous side of the seller's art: Sales, advertising, and persuasion deliberately raise expectations. Instead we should aim systematically to *reduce* them as much as is compatible with the need to motivate. We must find ways to discourage the idea of the quick fix, of progress that can be bought at no cost or arranged without the full participation of those concerned. [We must discourage the notion that progress] can magically produce "democracy" on a given day; that it can create new economies without a particular kind of education, laws, courts, and political responsiveness; that it can free markets without a new breed of educated producers, consumers, and middlemen.

The fifth lesson of PVO experience in Iran then is the danger of raising expectations beyond reason, of feeding illusions about the realities of potential progress, and of concealing some of the predictable costs of such progress as may be made. To rephrase a Persian proverb: before advising one's client-friends to steal the minaret, we should warn them to dig a sizable ditch in which to hide it.

Surely there are dozens of other lessons to be drawn from the experience of US private-sector activities in Iran. I hope they will be brought to light over time by the historians. For now, in the absence of certainties, I hope that we can agree that NGOs, American and otherwise, in cooperation with the authorities in Iran, already should be looking for opportunities. Done well or badly, such programs will affect and even nurture future relations. I cannot resist adding my hope that,

when the US official presence is restored even at its most minimal level, one of its first acts will be to re-establish a substantial Fulbright Program with Iran.

That said, I return to the Impossible Dream. What might have been practical four years ago is certainly more so now, even though the road will be long. The Iran-Iraq War has ended, by Iran's hard decision. The lion's share of the claims in the Hague court have been settled, in many cases with visible generosity on the Iranian side. [In its rhetoric, Iran has said] remarkably little of the shameful downing of a harmless airliner. And all Western hostages in Lebanon have been released, apparently with Iranian help (even while Iranian hostages remain in Lebanon, after eleven years). Now that US policy seems to have transmuted its dual containment theory into a hint at readiness for dialogue, perhaps the field is open.

True, the allegations of Iranian state-sponsored terrorism remain to be cleared up, or evaluated, or both. The same is true for allegations that Iran seeks regional hegemony, building a nuclear weapon and impeding the Middle East peace process as part of that strategy. Even when such finger-pointing ends, the road will be long. Lest that obvious fact be interpreted as an objection, let me give the answer Marechal Lyautey gave his gardener, who resisted planting long alleys of plane-trees behind the governor's residence because they would take forty years to grow: "In that case," Lyautey answered, "we must plant them *today*."

Nothing is easy. There are of course understandable human reasons to be wary of problems with Iran, some of them suggested above. Personal security, for example, remains a serious issue. It will take courage and ingenuity for individuals to go into Iran in the near and not-so-near future. But then, did Dr. Jordan need anything less? It has long been obvious that sooner or later Iran and the United States will begin talking again, as obvious as it should have been in 1978 that Ayatollah Khomeini would not live forever. Before the two nations formally reopen their dialogue, it would be useful and perhaps comforting to know that the NGOs were already at work. It also helps to know that both governments had been doing what governments rarely do: observing, analyzing, remembering, correlating, and learning from these experiments in human communications and relations. Surely it is time the US and multinational private sector, perhaps more wisely than in the past, began replenishing Iran's capacious reservoir of goodwill.

Discussion Following Panel III

R.K. RAMAZANI: One of the habits of students of international politics for a long time has been to use the same concepts and also the same words customarily used for relationship of great powers to relationships that are totally unequal in world affairs. For example, one of the ways of starting to build bridges is for us as scholars to make a distinction between saying Iran is hostile to the United States as distinguished from Iran is independent from the United States. That is not a semantic problem. It is the reality of unequal distribution of power. When one wants to understand Iranian attitudes, one should try it within that kind of a framework; from that perspective it is not hostility, but a quest for independent action. It is a matter of Iran not being subservient. It is ironic how often we call people friendly to us; often that really means that their interests are parallel to ours, or they are for practical purposes subservient to us. Please take this idea with you. It has some importance in terms of establishing dialogue.

The second point I would like to make is more of a thought: Could the increasing appearance on the horizon of PLO, Israeli, and Arab realists and pragmatists jump-start their Iranian counterparts? The so-called Gaza-Jericho option has had behind it—as we know from the press reports—individuals called realists or pragmatists, such as Abu Mazine or Abu Alaa (Ahmad Korieh) on the PLO side and Shimon Peres or Prime Minister Rabin on the Israeli side. Are there Iranian counterparts of such pragmatists?

David Newsom was telling us that—short of some kind of a strategic change—it perhaps may not be possible to see dialogue. Perhaps we are witnessing some strategic change in the making that would have not only structural—that is, a power dimension relationship—but also reveals some kind of a political-cultural change that is occurring within not only the PLO and Israel but also in Iran. That is the upper hand that perhaps is becoming increasing visible among those who are prepared to sit and talk rather than resort to violence. I am hopeful. I tend to think that perhaps this could—if indeed the Gaza-Jericho option flies—pull the rug from under the extremists, whether they are in Iran or elsewhere. The consequences of that as it relates to Iran are important.

Let me say very quickly about Assistant Secretary Djerejian's testimony that one could take positively the fact that the United States has listed its concerns. If one takes it that way, then it is perfectly reasonable to ask whether the time has come for Iran—not a little in this sermon and a little in that sermon—to list its concerns authoritatively. That is, the ball, for all practical purposes, could be said

to be in Iran's court today. Now, one of those concerns has been brilliantly touched upon already, and that is Article 8 of UN resolution 598. I say this because Article 8 has been a very important article in the mind and discussions of Iranians for a long time. Ever since the resolution came into force, however, that article really has been moribund for all practical purposes. I don't want to engage in self-congratulation. I did a special report for *Middle East Insight* in which I tried to suggest how that article could become a beginning of discussions about regional arrangements in the Persian Gulf with the participation of all parties. So, if that is the case, then again, perhaps the time has come for Iran to list its concerns—not demands, not preconditions, but its concerns. Perhaps that would be the first step in the direction of some kind of dialogue if what Richard Cottam calls a spiral conflict is not to continue.

WILLIAM ROYCE, Voice of America: First of all, I would like to say that if I had left before this panel, I think I would have gone under the assumption that there was no hope at all for US-Iranian relations at any level. I am not talking only about government to government relations, but any relationship period. However, I have found some very interesting and challenging proposals in this panel.

I have one question and observation for Mr. Picco. I thought his suggestion raising the issue of potential roles for the Secretary General was an interesting one and a hopeful one, but it seems to me that the context has changed between the 1980s and now. Then the office of Secretary General had a context but the context has changed. In the 1980s, the Secretary General was totally divorced from the area and regional conflicts. Now, the Secretary General not only comes from the region but from a country whose relations with Iran are very strained. I think their perceptions in Iran, from what I read and hear, about the current Secretary General is that perhaps he is not as independent as his predecessor as far as regional conflicts are concerned. I refer to [the sovereignty dispute over the island of] Abu Musa, for example, and a number of other issues. I just wonder if you could address this issue a little further.

MR. PICCO: I have to admit that it is a question which could get me into trouble. If I have a choice, I would like not to get in trouble. I know what you mean, and I have to say it was the reason why in my presentation I tried to refer to the institution of the UN Secretary General. I think the issue of perception is one of which you are aware, of which many people are aware. I still believe that an institution should allow itself to be used with imagination, despite this problem of perception to which you referred. Now that I am in private life I find this very simple to say for I have no responsibilities: I think the perception problem can be solved by using the institution, leaving the society question aside. Yes, there have been some difficult situations over the last 12 months, but I think it is possible for some kind of approach of that nature that would allow us to benefit from the institution.

MR. NANAJANDIAN, the Research Information Center on the National Press: My question regards the NGO's role. At this time, whoever visits Iran can see big signs for Coca-Cola and read of joint ventures between Reynolds and Iranian tobacco companies. Chrysler is starting a new assembly plant for jeeps. What is it that impedes NGOs from starting something with Iran? What is the problem? Iran has resumed sending students to the United States, although sometimes they have visa problems. So why aren't NGOs leading the way?

MR. ARNDT: Well, you have concluded more abruptly than what I was trying to suggest. It is certainly the time to explore these things. I did not forget about Coca-Cola, which is going into Iran now, and the other ventures that are happening today in the commercial sector. It seems to me it is the perfect time for culture to precede the flag. Very often it is the other way around, but in this case it is the commercial sector that is coming first. However, the Iranians seem more receptive to commercial ties than to the work of NGOs.

I don't think we can say that tomorrow NGOs are going to return to Iran, until we get more dialogue like this one, for example, in which perhaps representatives of the Iranian side describe what is needed. I am guessing as to what is needed myself, because I can't tell. On the other hand, we need to find some Americans who might be able to help provide in a cooperative way those programs that I tried to suggest might be appropriate. I see nothing impeding it, other than the working out of the details. Of course, as Mies van der Rohe said, "God is in the details." As the Germans say, "The devil is in the details." So you can take your choice.

ERIC HOOGLUND: If I may make a comment on non-governmental contacts, I think it is useful for the audience to know that several American scholars are undertaking research in Iran. In addition, there are many Japanese scholars, and a few British, French, and German researchers in Iran. In fact, to the people who are doing research, Iran seems to be more open to scholars than other places in the Middle East. The major impediment for American scholars is access to research grants. The Americans who are there managed to get grants from their own universities. The traditional sources of grants—the major foundations—do not seem to be interested in funding research in Iran. The real problem is to convince institutions that provided research funds in the past to consider Iran a legitimate area of research. I don't know how these things can be reinvigorated. We need some idea of whether it is possible to get foundations, the Fulbright Fellowships and other institutions re-interested in funding research for Iran.

MR. ARNDT: Well, first of all, I think the continuation of this conference is an extremely good idea, especially if we were to orient it toward bringing together some Iranian proposers and some organizations that might be interested in doing this. Now, there are a couple of funding distinctions to be made. The American Institute of Iranian Studies is an institution that, while it may channel grants from other sources, is not open in Tehran formally and probably cannot open until such

time as relations improve. That, of course, could be done quietly if one agreed to do it, but that would take an agreement on both sides.

The university researchers surely are able to go in there and find funding now. I think if we got the foundation people, who, of course, historically have been a great source of funding for research in Iran, but not in recent years, to come to the third conference, we might indeed—I think Gary Sick might make some suggestions in that regard—have an interesting dialogue with them. It just seems to me that this is a subject that hasn't been talked about. Your point about there being people in Iran already is extremely well taken. It is also interesting that it is a very well kept secret. I don't think any of us really knew that, in that much detail anyway.

SCOTT HARROP, University of Virginia: I suppose this is in the category of a minor detail, but maybe it adds up. In my travels around Iran, I have been fortunate to be there three times in two years. The last time I was traveling around the country, what jumped out at my co-author, Sandra Mackey, and me again and again was working with Iran's young people. Although it was difficult for me to work with government officials, I had some amazing opportunities to work with ordinary Iranians from a variety of walks of life. It was through their children that I had some of the most amazing experiences. Now, it is partly because many of them instantly sensed that I was either American or Russian, and, hoping that I was American, people interested in the United states came up to me. Whether I was in Ahvaz or Tabriz, I ran into people who, whatever they might think of the politics of the United States—there is this certain love-hate relationship, asked me: "Do you know of US schools that might have good programs in this? What would it cost? How could I do this?"

They had been working through dozens of specific obstacles before even meeting me. Seeing me, the idea was, "How do I get to the United States to study?" These were Iranians who were not necessarily alienated from their own culture but wanted to come to United States, and still valued American education despite all of the politics of the past fifteen years. They very much still viewed themselves as having a great role within their own country when they returned. That is a certain well-spring of goodwill toward our educational system of which maybe many of us are not aware. Having had the opportunity to travel around the country, I have learned to appreciate looking at politics from the Iranian perspective and hardily endorse what you had in mind, I think.

ROBERT EBEL: There are a dozen American scholars in Iran? How many Iranian scholars are in this country? Can anyone answer that? Also, I wanted to ask John Esposito this morning who was the Iranian ayatollah [who visited him]. He didn't describe him; does anyone know who he was?

RONALD NEUMANN: I have no statistics on numbers of scholars here, because we don't keep any statistics. In fact, we don't even keep the visa records after a year any more because we have so many thousands. We put them in a drawer in alphabetical and chronological order for 12 months. There is no policy of

excluding Iranian scholars. I have the impression that a fair number of Iranians are studying here. I have more sense of that anyway at the [student] level where the consulate office sees it everyday and I have a fairer impression [of Iranian students] than I do at the more scholarly level.

I wanted to raise just two notes because there has been some confusion on it, and I thought it might be worth speaking on it. Recently, there was a group of young Iranian students who were coming for physics but didn't get their visas, raising a great hullabaloo in the Tehran press, which attributed various motives to us. This was fascinating to me because the first time I knew about it was when the students were back in Tehran, and the Tehran press was attributing motives. In actuality, the consulate officer at Rome looked at them, saw whatever it was—three or four young Iranians of the age who frequently come to study in the United States or Canada—and definitely said, "Bad risk, no visa." He didn't ask anybody. Consulate officers have the power to do that. We have other cases where people have gotten in.

I do not wish to encourage a rash of telephone calls to my office about basic student visas. I will put you on to my desk officer who is an experience consulate officer, and he will tell you no. But when there is a case of legitimate academic conferences, as recently there has been one in Pennsylvania, we can sometimes be helpful. I cannot guarantee results, but there is certainly no policy of trying to keep out scholars. The policy is quite the contrary. We look on that sort of relationship benignly.

I have to tell you honestly that there are three policies here that can—but not necessarily—come into conflict. One is US visa policy that deals with whether people are or are not impending immigrant. That is at the discretion of the consulate officer and is entirely oblivious to politics. The second issue is one of policy where we are dealing with Iranian government officials. There, we may object to people coming. That is a product of the lack of relations. The third is the issue of cultural contacts, which we favor, and certainly do not oppose. Here sometimes we can be helpful. All I am saying is if you are doing something organizationally for a regular scholarly endeavor at a university or something, give us a call, myself or my desk officer, Chris Henzel, and sometimes we can be helpful, but I can't guarantee anything.

R.K. RAMAZANI: One of the panelists wants to know if anyone in this room knows who this Iranian ayatollah was.

R. EBEL: Was he here on a secret mission or something?

DAVID NEWSOM: I think it is Ayatollah Mesbah-Yazdi.

AUDIENCE PARTICIPANT: He was invited to the United States for a conference. There were two of them and also there were two or three hosts and a half-dozen scholars. It was an amazing gathering that they had pulled off. The U.S. government apparently blocked one, but for the most part, most of them were able to come through.

Closing Remarks

"U.S.-Iran Relations: Losses Under Spiral Conflict, Gains Under Cooperation"

by *Richard Cottam*

The timing of this conference reminded Bruce Laingen of September 8, 1978. I had another date in my mind during the conference regarding something that occurred 40 years ago. That was the twenty-eighth of Mordad, August 19, 1953, the day the US government made a mistake of truly tragic historic proportions. We participated in the overthrow of a regime in Iran—that of Prime Minister Mohammed Mossadeq—which, I think, was our natural strategic and ideological ally. It was a regime that was fiercely determined to establish the independence of Iran and to defend that independence. It also was a regime that fully embraced enlightenment values. Furthermore, it had a great populist appeal and had the capability of attracting sufficient popular support to be able to withstand the kind of Soviet subversion that we in that period of time expected to see materialize.

The Eisenhower administration misperceived—badly misperceived—the situation and, by helping execute the coup against Dr. Mossadeq, eliminated a liberal nationalist elite. In the process it changed Iran's history. Speaking for many of those who planned this conference and have been involved in this movement, we don't want to make another tragic mistake in our relations with Iran. I don't mean to argue that the situation today is closely parallel. I would certainly not say that the Islamic Republic of Iran is our natural strategic and ideologic ally. We really don't have a great power enemy anymore and, therefore, we don't need a regional strategic ally. And no one today has accused the Islamic Republic regime of embracing enlightenment values. The state of freedom in Iran was placed in perspective beautifully in the course of this conference by Andrew Whitley.

There are parallels, however, and one of them is that this, too, is a regime that has strong populist appeal, at least to one section of the Iranian public. This regime also is fiercely determined to defend the independence of Iran, and it is making its mark in advancing change in the area. A most unfortunate parallel, however, is that the Clinton administration, like the Bush administration before it, has badly misperceived this Iranian government. The policy position that has been adopted toward Iran is extremely dangerous and does indeed threaten to produce what is referred to as a spiral conflict.

For those who were spared hearing about this at the last US-Iran conference, let me quickly say that a spiral conflict is typically one in which two powers in conflict are both defensively motivated, yet each sees the other as aggressively motivated. Each sees the other's defensive acts as proof of its aggressiveness. This leads to a spiral process in which the participants come to view each other in extremely stereotypical terms. At some point in the process, a violent resolution of the conflict becomes impossible to avoid.

The question is: Are US-Iran relations heading toward a spiral conflict? It is my conviction that the relationship is certainly heading in that direction. During the first part of the conference, the panelists looked closely at the question of Iranian and American perceptions. I felt that among the panelists there was a general consensus on this point: They sensed that both Iran and the United States were misperceiving badly.

The US perception focuses on Iran's role in advancing a broad Islamic political movement. No one would deny that advancing the fortunes of Islam is an important Iranian foreign policy objective. They are seeking to do so through diplomacy and by giving some material help. However, the perception that dominates the thinking of many important officials in our government is that Iran is doing much more than that. It is viewed as aggressively motivated and is seen to be initiating and orchestrating a conspiracy to subvert other governments. To accomplish this goal it resorts to terrorism. That is a perception that is broadly held. The consensus I heard among the conference panelists was that the evidential base does not support that perception.

The terrorism that is imagined in this case is a terrorism that goes beyond killing Iranian oppositionists abroad and is directly focused on subverting other governments. The United States government is operating on the assumption of an Iran that is aggressively motivated and has as its modus operandi terrorism and political subversion.

I, and I think most of the conference speakers, hold a different view. We see an Iran with two really strong motives in the foreign policy area. One is defense. That defense is against what Iran perceives as a United States motivated by a desire to exercise hegemonic control over the Middle East and indeed over most of the world for the foreseeable future. The United States is viewed as ineluctably hostile to Islam, and Iran, proceeding on this assumption, is trying to defend itself against this perceived United States. The other major objective of Iran is to use foreign policy to the extent possible to improve a very shaky economy, and this calls for deep involvement in a global economic system.

The misperception on Iran's part therefore rests on an assumption of hegemonic ambitions of the United States and of ineluctable hostility to the Islamic movement. There is of course some basis for this view. I don't know how many people would deny that there is a grandeur element in US policy as was manifested in Desert Storm. Such statements as "we are the only superpower" and "the

obligations that go with leadership" are indications that international ambitions do motivate US policy to some extent. The US willingness, interests, and efforts to reconstruct Cold War institutions, NATO in particular, and to adapt them to a new situation with the United States as the leader and with our old European and other allies as followers is so evident that not just Iran, but much of the world is inclined to see the United States as hegemonic.

Yet, I believe our policy, viewed with detached objectivity, does not deserve that judgement. The bewilderment and uncertainty in our Yugoslav policy and in our Somalia policy are hard to reconcile with the belief that there exists a clear-cut US plan for world domination. I would argue that the most important US motives are very much like those of Iran—defense against perceived threats and improving the US economy by enhancing the US position in the global economic system. There is indeed a remarkable parallel. But with regard to defense, the questions to address are two: Who threatens us? What interests are clearly threatened today?

If we look carefully at that question, I think the answer is that we are not defending ourselves so much as we are defending our old Cold War allies everywhere, and this is particularly true in the Middle East. That is an important part of the equation. I would argue that US foreign policy today is profoundly conservative. We are trying, I believe, to freeze what we see as a favorable status quo. We are trying to defend conservative Arab regimes with which we have a web of economic, military, and bureaucratic vested interests, and we are trying to defend the state of Israel—all old allies. We see threats to them as threats to our national interest. And we hear from them that political Islam is the primary threat that they see.

What this adds up to is a conclusion that we are indeed moving into a spiral conflict. Iran's efforts to build its defenses to deter an expected US move is interpreted by the United States as proof of its aggressiveness. Iran's beginning explorations of the possibility of developing a nuclear weaponry program terrifies us. We see it as evidence of a very dangerous proliferation development. Similarly, the US concern with strengthening and defending its old allies is perceived in Iran as an effort to maintain in power vassal regimes that have long denied self-expression to their own people, yet dutifully followed US policy.

The question is: How far has this spiral conflict process gone, and is it still possible to cut into the spiral? The good news is, I believe, that the process has not yet reached a point of no return. We are not yet frozen into a disastrous and irreversible trend. Alternatives and options remain for avoiding catastrophe, and that is, after all, the point of what we are trying to do in this conference. We would like to avoid a terrible trap, the dynamics of which are fairly self evident. So how do we do it?

As the conference went on, we went through the areas in which it might be possible to do something about it. John Esposito's picture of Islam was vital for the conference. But it left me a little bit frustrated because he did not address the

question of Iran's rejection of the peace process. There appeared to be a general consensus in condemning Iran for its position on the peace process. From my point of view, it is important to ask this question: What is the rationale that underlies this Iranian position on the peace process? For those who hold a negative stereotype of Iran, the answer is easy and self evident: The peace process is an aspect of a strategy to bring peace and stability to the region; Iran's opposition therefore is a reflection of its determination to subvert the existing order in the region.

I see a different rationale for the Iranian position: The peace process is part of a policy designed to establish hegemony for the United States and Israel and to defend acquiescent conservative Arab states; and that it is being carried out at a moment in which the power equation is asymmetrical to the great disadvantage of the aspirations of the Palestinians, the Arabs, and the Islamic movement. Iran's opposition, therefore, is an opposition that is fully integrated with its general picture of the world and its general image of the United States.

I think the Iranian opposition to the peace process is a major factor in producing the US perception that Iran is a threat to its interests. But I believe as well that Iranian misperceptions of the US purpose underlies Iranian policy toward the peace process. This underscores the point that there is underway a spiral conflict process. Cutting into the process calls for nothing less than reducing the misperception that drives it. We need, in order to reduce misperceptions, to answer another question that the Iranians surely would raise. That is, why was the Islamic element, as important a force as it is in the area, excluded entirely from the peace process? Why was there no input from the Islamic element in the peace process? Was HAMAS even asked about the plan that has been advanced? There is no easy answer. I find it difficult to give an answer when I am asked that question myself.

The second area that was brought up, and I think extremely well, was that of the arms build-up. Shahram Chubin's discussion of motivations was especially persuasive. He argued that the logic of Iranian reasoning on this is that Iran must have weaponry that will give it at least a fighting chance of being able to deter the launching of a Desert Storm type operation against it, a scenario Iran sees as probable. Therefore, it is turning to dangerous and lethal weapons because that is about the only thing that could ensure its conventional force from being hopelessly inadequate for a long period of time.

Iran's exploration of the nuclear option is the other primary specific issue that is bothersome to the US government about Iran, and it is bothersome to an extreme degree. But Iran's worries in this regard are shared by many other governments that occupy a similar position. If a government that does not have nuclear weapons sees a highly credible scenario in which it might be attacked by a nuclear power and not only has no ability to respond with nuclear weapons but also lacks any friend who will provide it with a nuclear umbrella, how do we satisfy that government's very real security concerns?

In matters concerning proliferation I believe that if we don't directly address this question involving the legitimate fears of many non-nuclear powers, we are not serious about the subject. Shahram Chubin said that we must turn to multi-lateral disarmament. I believe that to do so really does call for an entirely new look at proliferation. The world changed with the end of the bipolar Soviet-US conflict, and this is one of the unrecognized manifestations of it. There are many countries that are in this position, and each of them is likely to consider going nuclear. I don't doubt for one second that Iran is thinking in terms of going nuclear. And I would think that if I were an Iranian, a supporter of this regime certainly, I would do the same.

The economic cooperation area was one where I expected and hoped to come away feeling good about prospects for an improved US-Iran relationship. But Donald Weadon disabused me of that hope. The problem in terms of the difficulty of trade with Iran clearly is harder than I had realized before listening to him. At the same time I see this as one of the possible bridge areas, a breakthrough area, because I have great faith and trust in business lobbies. I think that if business interests think that it really is possible for them to have a good profit in trading with Iran, they will begin to see an Iran with which they can trade. The Iran they would see would not conform to the dominant image of Iran in the US government. But this competing image of Iran could be part of the process of change. I believe that this is an area about which we can think, and Richard Arndt really did indicate that point as well.

The panels concerned with advancing dialogue with Iran and Iranians was an interesting aspect of this conference. I agree with William Royce; I was much more encouraged by the last panel than the earlier ones in terms of hope for improved US-Iranian relations. However, at the state level I was not encouraged. The reason for that is this: If we are going to have dialogue at the state level, it seems to me that there must be a readiness to engage in dialogue within the two governments. But in this connection we heard from David Newsom and Bruce Laingen what we needed to know: that there is no readiness at the US government level today for dialogue.

This point of readiness is a critical one, and that point is being illustrated today. A man by the name of Larson at the Strategic Institute of Oslo started a process that ended up with the signing of the PLO-Israeli agreement. There have been hundreds before Mr. Larson, and there have been dozens of institutions over the years working to produce this kind of an outcome. Why was this particular effort successful? The answer to that, I think, is an answer that is still somewhat mysterious to us. That is, the readiness of the participants to talk and to make moves. When a state of readiness exists, the only point for having an outside person involved in the dialogue is to initiate it. As far as Iran is concerned today, I believe that the perceptual problems are serious enough that the two countries could not

today engage in a useful dialogue at the state level. I was most convinced of that by our participants here.

On the international organizational level, Mr. Picco's talk was extremely interesting in terms of the potential of the United Nations. The kind of disputes that the UN has handled well are much more concrete, and usually focus on a specific problem. However, the possibility of institutional adaptation and of people within the UN being able to anticipate and to deal with a problem that involves a spiral conflict and involves the largest, most powerful country of the world is surely far in the future. Still, I know that people in the UN are thinking in terms of restructuring the institution, and any progress made in this direction should be welcome.

Richard Arndt's talk concerned one area, that of non-governmental organizations, in which I think there is no question that there is promise. I think that the possibility of Iranians and Americans talking to each other—I mean regime supporters of Iran talking to us as individuals and for us to gain an understanding of their perspective and to discuss it with them—is very good today. I think the NGOs are a very appropriate institution for doing that. Another conference participant and I were involved in initiating one of these dialogues, this one involving the National Council of Churches. It is ongoing, and it is successful. It brings Iranians to the United States to meet with important members of the US public. The liberal Protestants are beginning to hear another perspective. I do think it has its impact. I could see this as having great promise.

In any case, I want to say that this conference definitely did achieve one objective: to present the Iranian-American situation in a broadened perspective, not the narrow one that could lead us toward a very unhappy end. The goal for most of us is to look quickly for dialogue and cooperation between the two governments. I see that as further down the line, but it is our fondest hope that we avoid another tragedy of historic dimension in US-Iranian relations.

Notes on Contributors

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