

Dreams or reality: bidding for the Gulf

by Thierry Lalevée

The first round of U.N.-sponsored negotiations between Iran and Iraq on Aug. 25, following the Aug. 20 ceasefire, is clearing the way for reshuffling the deck in the region. At center stage is the question of the relationship between Iran and the Western nations, and especially the United States.

International financial consortia have already begun informal but intense consultations to assess the feasibility of reconstruction of both war-ravaged countries. Preliminary estimates put the cost at around \$500 billion over 10-15 years. European and Japanese banks are considering at least \$100 billion, the Islamic Banking System would provide \$250 billion, and the countries of the Gulf Cooperation Council would add another \$150 billion. Top European firms are lining up to attend the International Trade Fair in Baghdad in September, and a similar one in Teheran the following month.

But these plans are far from fruition. In the immediate period ahead, both countries will try to sell as much oil as they can, notwithstanding the effect on the OPEC oil policy. Already on Aug. 5, as the French government smoothly ended its oil embargo against Iran, the National Iranian Oil Corporation signed a \$500 million contract with the French Banque Nationale de Paris and the Louis Dreyfus food-cartel company. In exchange for oil deliveries, Iran will receive food.

On the diplomatic front, Washington hopes that things will go as smoothly, and feels encouraged by the presence of British diplomat David Reddaway, as well as by unconfirmed reports that the Student Followers of the Line of the Imam, who have occupied the U.S. Embassy since November 1979, have been ordered to clean the place up. In the background of the U.N. negotiations, American and Iranian officials are meeting in various locations.

For the U.S. administration, it is a foregone conclusion that diplomatic relations will be re-established in the months ahead, and that the American hostages will be released prior to the presidential elections. Though Iran needs fewer weapons than before, it does need money, and steps are being taken to unfreeze billions of dollars of Iranian assets in the United States. To satisfy Iranian—and Soviet—demands, Pentagon officials are working out plans to rapidly withdraw most of the U.S. naval taskforce in the Gulf.

The geopolitical strategists want to concentrate on the

longer term, once diplomatic relations are established, and on the postwar and post-Khomeini period. What this means, was candidly outlined in an Aug. 19 article in the *Jerusalem Post* by leading Israeli Irangate figure, Mossad recruiter Ya'acov Nimrodi, the former military attaché to Teheran. Calling on Israeli and American officials to renew the kind of ties that he and "my colleagues Al Schwimmer and David Kimche"—of Irangate fame—had established with Iran three years ago, Nimrodi cautions that the "horrendous blunder" of concentrating on hostages and weapons, should not be made again. Instead, political matters should be the focus: the "return of Iran to the bosom of the West."

A new CENTO?

Nimrodi's article reveals the geostrategists' gameplan. Since Iran's decision to accept U.N. Resolution 598, Radio Israel has been broadcasting night after night, in Farsi, praise of the "great Iranian nation." The broadcast features whatever Israeli diplomats can be found who served in Iran, with the message that Iran and Israel share "common geostrategic interests," and should re-establish relations as soon as possible. Nimrodi argues that when it comes to a choice between an alliance with Iraq and one with Iran, "there is no Iraqi option for Israel."

Nimrodi has in mind the full reactivation of the old CENTO alliance associating Turkey, Iran, and Pakistan, with Israeli backing. Though the military alliance ceased to exist in 1979, the relationship has been maintained by twice-yearly meetings of the social, economic, and cultural committees of the axis. Even in their wildest dreams, no strategists can contemplate a reactivation of the CENTO military alliance in the immediate period. For one thing, Pakistan is now considered too fragile to be a reliable partner. What is envisaged is a situation in which Turkey and Iran would join in a regional axis. Aware that the reactivation of a non-Arab Islamic military alliance could provoke an anti-Turkish backlash in the Arab world, Turkey has shown considerable reluctance. It has its own agenda, which primarily includes a close relationship with Saudi Arabia and Egypt, while maintaining a balanced policy between Iraq and Iran.

In Washington, the effort to forge a new CENTO alliance is seen as the rationale behind the red carpet treatment afforded to Jalal Talabani of the Patriotic Union of Kurdistan in June. During his first official visit to Washington, he was received by the entire staff of the State Department's Middle East and Human Rights sections. Notwithstanding official protests from Iraq and Turkey, Foggy Bottom went on to organize a seminar in which Talabani addressed high-ranking U.S. officials. Behind this sudden display of support for Kurdish rights is a more sinister design: to exacerbate the Kurdish question, forcing Ankara and Teheran to sit down and settle it together. Then, it is thought, the two countries could be induced to work together on other matters, including military affairs.