

## CFR signals new British tactic toward Iran, Iraq

by Muriel Mirak Weissbach

When *Foreign Affairs*, the magazine of the New York Council on Foreign Relations (CFR), launches a new line, it is a good idea to sit up and take notice. This is the magazine which inaugurated the Cold War, in a celebrated 1947 piece on the containment of the Soviet Union, written by George Kennan; it hosted the first official policy statement on the doctrine of “dual containment” of Iran and Iraq; and, more recently, it introduced the world to Samuel Huntington’s “Clash of Civilizations” thesis. As developments were to bear out, none of these essays represented the mere elaboration of personal views, no matter how stridently the magazine’s editors will protest, that they are merely “accepting the responsibility for giving [the views expressed] a chance to appear.” In each case, the essays served to float a new policy line, churned out by the CFR’s mother think-tank in Great Britain, the Royal Institute for International Affairs, among readers in the policymaking circles of the United States. In a nutshell, *Foreign Affairs* serves up to an American audience, the latest recipes that strategic analysts of the British geopolitical school have cooked up. The ultimate address to which the magazine sends its views — it hopes, for implementation — is the White House.

Thus, when *Foreign Affairs* in its May/June 1997 issue, features articles on “Changing Course in the Persian Gulf,” something not insignificant is afoot. The feature includes contributions by well-known proponents of the British school of geopolitics, among them Zbigniew Brzezinski, (Sir) Brent Scowcroft, and Richard Murphy, as well as Rand Corporation senior political analysts Graham Fuller and Ian Lesser. The first three headed up a CFR Independent Task Force on Stability and Security in the Gulf, whose conclusions provided the basis for the articles in *Foreign Affairs*. Richard Murphy, who was the project director, also chaired a CFR Independent

Study Group on Gulf Stability and Security and Its Implications for American Foreign Policy, whose recommendations to the administration, were published together with those of the Task Force. The Task Force met four times over the past year, and the Study Group met seven times; Brzezinski and Scowcroft conducted a field trip to the region, in addition.

What is the gist of the reports issuing from such an extravagant effort? Quite simply: that the United States should take the “dual containment” doctrine, which the CFR has championed officially since 1992, and throw it overboard. A radically new strategy toward Iran and Iraq is called for, under the rubric of maintaining stability and security in the Persian Gulf region.

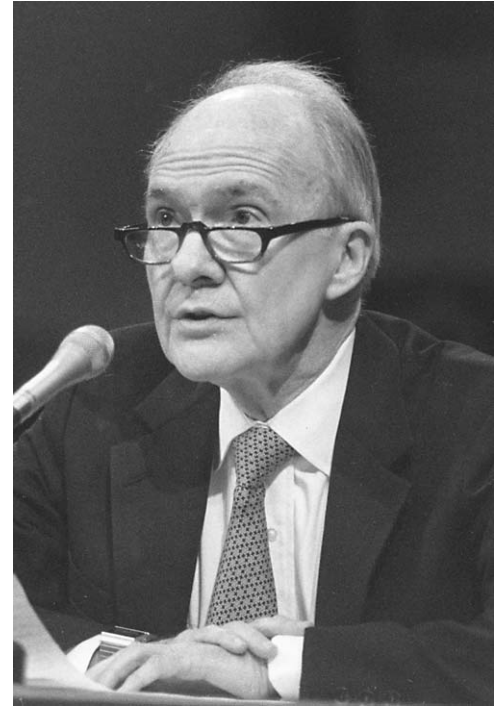
There are several different layers of reality dealt with in the CFR studies. The first, most superficial, is the cover story: what the geopolitical strategists say they are doing and why. The deeper level, which one can access by reading between the lines, is the real story: what the CFR crowd is seriously concerned about, and why. Finally, there is the question that the *Foreign Affairs* feature provokes, of any thoughtful reader: what a viable new Gulf policy would look like for the U.S. administration.

### The cover story: Iraq

The starting point for all the studies, is the pragmatic statement of fact, that the dual containment policy does not work. It “is more a slogan than a strategy,” and “the policy may not be sustainable for much longer,” as is stated in “Differentiated Containment,” by Brzezinski. The dual containment policy, for the Study Group, is “at an impasse”; in the words of Graham E. Fuller and Ian O. Lesser, it is “unraveling,” and “a geopolitical dead end.”



*CFR authors Zbigniew Brzezinski (left) and Brent Scowcroft (right) are scrambling to maintain British geopolitical control, conceding that their “dual containment” strategy toward Iraq and Iran has failed. Faced with the past year’s emergence of the Eurasian Land-Bridge, under the leadership of China, Iran, and Turkey, the British and their American cohorts are desperately trying to come up with a new gameplan.*



The reason given for its growing obsolescence, is that the stated aims of the policy, when it was officially articulated by Anthony Lake in *Foreign Affairs*, have not been reached. Indeed, in part, the policy is said to have had a boomerang effect.

According to the CFR, dual containment was a policy of punitive actions, like economic sanctions and political isolation, aimed at “containing” both Iraq and Iran. Iraq was considered a threat to the region by virtue of its possessing weapons of mass destruction and its ability to affect the flow and price of oil on the international markets. Thus, through the military aggression of Operation Desert Storm against Iraq, and the continuing United Nations embargo policy, the nation was to be brought to its knees, and its “dictator” Saddam Hussein, overthrown by a democratic alliance of forces friendly to the West.

However, as the CFR concedes, “Saddam Hussein is still in power.” Moreover, the “international consensus on continuing the containment of Iraq is fraying,” writes Brzezinski. The Study Group document points out, “Some even charge that the United States and certain of its close Arab friends are responsible for inflicting unnecessary suffering on the Iraqi people.” Concern is expressed that a consensus for U.S. military presence, allegedly to protect the region from Iraqi aggression, is falling apart, among members of the Gulf Cooperation Council (GCC— Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman). “U.S. policies towards Iraq, which were adopted in 1990-91, are causing friction with Turkey, the European allies, Japan, some of the GCC states and to a lesser degree the Iraqi Kurds. . . .” Fuller and

Lesser point out that, if the rationale behind Desert Storm was to secure “reasonable oil prices,” this is anti-economical in the least, since the cost of deployments, in the order of \$30-60 billion per year, far outweighs the \$30 billion worth of oil imported by the United States.

Therefore, Brzezinski, Scowcroft, and Murphy recommend “five corollaries to the basic containment policy,” which are reflected in all the other CFR essays. They are the following: 1) “The international community must credibly demonstrate its concern for the Iraqi people even if their own ruler does not.” So, the effect of the sanctions “on ordinary Iraqis” should be mitigated, and the oil-for-food allowances of the UN should be pursued. The sanctions, however, should not be totally lifted, rather suspended, “so that the international community can reimpose them should unacceptable Iraqi behavior resume.” 2) The United States should make clear its commitment to the integrity of the Iraqi state. 3) It should “consult more closely with Turkey . . . on how best to stabilize the situation in Iraqi Kurdistan,” and even consider rethinking Operation Northern Watch. 4) The United States should signal its readiness to “work with a post-Saddam Iraqi regime,” without demanding that it be “benign and democratic.” “American officials should state that they would be prepared to deal with any Iraqi regime—including one that emerged from within the military or the Baath Party—that is ready to fulfill Iraq’s basic international obligations.” Debt relief for Iraq would even be in order, as a gesture to promote the process. 5) However, Saddam’s regime should be thoroughly punished, if it “crosses clearly drawn lines of appropriate behavior.”

## The cover story: Iran

A similar sleight-of-hand is developed to argue the case for altering policy toward Iran. Iran, it is said, merited containment by the West, due to its alleged sponsorship of international terrorism, its alleged pursuit of a nuclear weapons program, and its hostility to the Middle East peace process. Containment of Iran, Brzezinski et al. write, has taken the form of economic sanctions and, since 1995, the introduction of a secondary boycott. The Iran and Libya Sanctions Act, passed by Congress in 1996 and signed by President Clinton, “mandates U.S. sanctions against any foreign firm that invests more than \$40 million in a given year in the development of energy resources in Iran or Libya.” Yet, the authors are quick to note, the policy has not been successful; it has enraged many U.S. allies, but has not persuaded them to break off trade relations with Teheran.<sup>1</sup>

The authors therefore propose that the hard-line stance toward Teheran be softened, and they rationalize the shift with the following arguments: Despite concern over Iran’s threat to regional security, “there is little reason to believe that Iran’s conventional military buildup will pose a direct challenge to U.S. regional supremacy.” Despite U.S. commitment to the Middle East peace process, “opposition to that process by another country should not be grounds for international excommunication.” Although Iran has been accused of fostering “Islamic fundamentalist terrorism,” the United States “must be careful not to demonize Islam.” The CFR leading group specifies that the “single most worrisome aspect of Iran’s behavior is its apparent quest for nuclear weapons capability.” Here, it proposes that Washington respond by “pushing the controls and inspection provisions of the existing nuclear nonproliferation regime to their limits and continuing to make counterproliferation efforts a top priority.” The United States should consider a “tradeoff,” using the carrot rather than the stick, “in return for Iran’s acceptance of restrictions on its civilian nuclear program. . . .”

The same approach is presented by members of the Study Group, who propose that, while maintaining its military containment of Iran, the United States should offer some “positive incentives,” to wit: “Reduce the intensity of the rhetorical war. . . . Reduce the economic embargo to a narrow range of specific items. . . . Encourage the International Atomic Energy Agency to carry out a more aggressive program of inspections”; and “Explore the potential of dialogue through track-two [unofficial] channels to Iran.”

While it is certainly true, that the embargo policy has failed in fact, one must ask: Why the turnabout now? What

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1. Virtually no major deals have been prevented by this clause. In fact, the Turks and Iranians got around it, in their \$23 billion pipeline deal, by specifying that Turkey would build and finance its part of the pipeline itself, and that the part of the pipeline going through Iran, would not benefit from outside investments. In May, the Iranians announced a \$4 billion deal with the French company Total and others, for oil exploration and development.

has prompted the CFR in early 1997 (just as hard-liner John Major was vacating the Prime Ministry in London to the softer Tony Blair) to float the balloon of a complete turnaround in policy toward the Persian Gulf? Could they not have realized earlier, that containment was not achieving its stated aims?

## The real story

In reality, the entire argument as formulated by the CFR is a fraud. First, “dual containment” did not originate with the Clinton administration, nor was it designed exclusively against the two Persian Gulf giants (see *EIR*, Aug. 23, 1996). The dual containment idea actually originated in the 1970s, under Henry Kissinger, who outlined the policy in a National Security Council memorandum, NSSM 200, which was held classified for 19 years. In that document, Kissinger outlined the Malthusian policy which represented the heart of British geopolitical thinking toward the entire developing sector: The policy was to prevent nations in the developing sector—especially those with strategic raw materials—from achieving economic independence through industrialization. Strategies were mapped out, to force back demographic growth in fast-growing countries, and to engineer wars, if necessary, to reduce population.

The Iran-Iraq War from 1980-88 was one expression of that British geopolitical thrust: to pit the two leading economies of the region against one another, even to support the one or the other militarily, albeit through proxies, to the end of letting them destroy each other, as Kissinger was quoted saying. No sooner had the bloodletting subsided, than the British took up the crusade against Iraq with Operation Desert Storm, to annihilate its capacity for industrialization. As James Baker III put it, the idea was to “bomb Iraq back to the Stone Age.”

What was dubbed “dual containment” during the Clinton administration, therefore, is nothing but the continuation under a different guise, of a Kissinger policy. It is no coincidence that those credited with having authored the policy, Martin Indyk and Tony Lake, are both dyed-in-the-blood Kissingerians.

Now, looking at the targetted nations objectively today, one must acknowledge the following: Iraq, since the 1990-91 Desert Storm and continuing embargo, has been placed in a position, whereby it has no choice but to play by the rules. The country is de facto partitioned in areas under international control, known as the no-fly zone in southern Iraq, and the area of “Operation Provide Comfort” in northern Iraq. Its exports of oil are controlled, according to the UN resolution allowing \$4 billion worth per year, and specifying that the revenues be allocated first for UN agencies’ costs, then for reparations to Kuwait, before they can be spent on urgently needed food and medical imports.

Thus, Iraq does not constitute any military threat, regionally or otherwise, in the terms defined by the CFR. It does constitute a “threat” to CFR thinking, to the extent that, having

rebuilt much of its destroyed infrastructure, it could, if allowed, complete its industrialization process. This would be a threat to the Malthusians, *particularly if this were done in concert with Iran, within the larger context.*

The real threat in the eyes of the CFR, is Iran, for reasons which have nothing to do with alleged support for terrorism, nuclear weapons capabilities, or hostility to the Arab-Israeli peace process. Iran is considered a threat for reasons that the authors acknowledge half-way, and between the lines.

Brzezinski, Scowcroft, and Murphy write: "In Iran, the United States confronts a country with potentially considerable military and economic capabilities and an imperial tradition,<sup>2</sup> which occupies a crucial position both for the Gulf and for future relations between the West and Central Asia. If Iraq poses a clear and relatively simple immediate threat, Iran represents a geopolitical challenge of far greater magnitude and complexity." Again: "Iran's geopolitical importance is greater than Iraq's, and the challenge it represents is more complex." Although it "does not currently pose a threat of military aggression, . . . its long-term policies could destabilize the region."

Here we come to the crux of the matter: Iran's "crucial position . . . between the West and Central Asia" and its "long-term policies."

Iran has always held a crucial geographic position, as the natural bridge between Asia and Europe. The development of the historic Silk Road is the most immediate embodiment of that fact. Since the 1991 collapse of the Soviet Union, Iran's geographical function has been radically redefined and enhanced, as prospects for revival of the Silk Road have gained feasibility. The emergence of the Central Asian Republics (CAR) as independent, sovereign states, meant that the Chinese plan, known as the Continental Land-Bridge, for extending a vast rail network westwards, to integrate Eurasia again, could be realized. In June 1992, rail connections were opened from China to Kazakhstan, which gave that landlocked country access to Chinese ports. In May 1996, the rail link was completed between Iran's Mashhad and Turkmenistan's Tajan through Sarakhs, which meant that the entire rail network through the CAR was hooked up with that of Iran. This constituted a breakthrough of geopolitical significance, as it opened up access to the Persian Gulf for all the CAR. At the same time, a series of far-reaching agreements made by Iran with the CAR, and with Turkey, led to the creation of a network of pipelines, capable of transporting the immense oil and natural gas reserves from the CAR, through Iran, to international markets, and through Iran and Turkey into Europe. The most spectacular of these was the deal signed by the new Turkish prime minister, Necmettin Erbakan, in August 1996, between Turkey and Iran, for \$23 billion, providing for

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2. The rather astonishing formulation, "imperial tradition," does tend to undermine the credibility of the standard designation of Iran as an "Islamic fundamentalist" state, since 1979.

Iranian gas to be supplied to Turkey, through a new pipeline constructed by both. The new transportation links eastwards across Central Asia, meant that the same oil and gas supplies could be made available cheaply to China and other countries of Asia.

At the same time, Iran has pursued a policy of diversification, so as to decrease its dependency on oil exports; furthermore, since Iran will be exporting more oil, including to Asian markets, it plans to shift its own energy production to the nuclear realm. An important deal with Russia, for completing the Bushehr nuclear plant, is part of this.

These are the *facts* that explain why the CFR is so concerned about Iran's "crucial position . . . between the West and Central Asia," and its "long-term policies."

### **Back to the drawing board**

In short, the CFR series is a hysterical response to the facts that have been shaping global strategic realities over the past year: that the Chinese and the Iranians, together with Turkey, have initiated a dynamic of economic growth, by reconstructing the Silk Road, through the Eurasian Land-Bridge. In the process, economic and political relations among the key nations of the continent — China, Russia, India, Pakistan, Iran, Turkey, and the CAR — have broken out of the geopolitical straitjacket in which British manipulation over centuries had confined them. It is not the "dual containment" of two Persian Gulf nations which has failed, but the whole kit and kaboodle of geopolitics, as a mode of political strategy.

This places the CFR and its cothinkers in the somewhat uncomfortable position, of having to think of something new. Precisely, the dilemma posed to them is of the following nature: If the nations of the Eurasian continent pursue their "long-term" policies and develop the continent, they will ultimately elude all outside control. The CFR boys are faced with the nightmare of the British school at the turn of this century: As geopolitician Halford Mackinder liked to put it, he who controls the "Eurasian heartland," controls the world. Now, it appears the nations of the Eurasian heartland have found the economic policy means through which to exert that sovereign control.

In somewhat predictable fashion, the CFR has responded by trying to counter the threat by subtle subversion, rather than take it head on. This is the significance of the outright admission of failure which characterizes the CFR series: The old policy of confrontation, threats, sanctions, and other punishment "does not work," so let us find another policy that does.

### **The policy of 'dual penetration'**

Without ever identifying the Eurasian Land-Bridge program or economic policy orientation explicitly as the enemy, the CFR analysts touch, almost *en passant*, on two major factors in the Eurasian economic conception: the rail infrastructure works and the oil and gas pipelines. The actual sub-

ject of their concern, in dealing with both, is the vast raw materials reserves, not only, or even primarily, in Iran and Iraq, but rather, in the Central Asian Republics. One strategic question the CFR is asking itself is: How can we lay our hands on these rich natural treasures, without looking like thieves in the night?

The most sophisticated approach in the *Foreign Affairs* issue is made by Jahangir Amuzegar, in an article entitled "Adjusting to Sanctions." Whatever his political leanings, the author, who was minister of finance in Iran before the 1979 revolution, does have some knowledge of the economic reality of the country and presents a more honest picture of the Iranian economy under sanctions, than his CFR colleagues.

Stating that the sanctions have not "inflicted irreparable damage" to the Iranian economy, Amuzegar says, on the contrary, "the economic indicators are healthier than at any time since the early 1990s." Crude oil production, oil export revenues, and domestic investment have risen, while foreign debt has been reduced. Furthermore, psychologically, the sanctions have had a counterproductive effect, as the "determination to become self-sufficient in most of their needs heralded a shift to other sources of equipment for exporting oil and stronger ties with Asia, Africa and Latin America." And politically, he notes, whereas Iran was a pariah state in the mid-1980s, now, only the United States and Israel are declared enemies, and "Tehran now has close ties to Russia, China, India, Indonesia and Brazil." He dedicates a footnote to the opening of the Sarakhs-Tajan railway link, which was attended by representatives from 40 countries.

After reviewing the various options open to Washington, including military action and maintaining or strengthening sanctions, Amuzegar opts for seeking a "prudent modus vivendi with the rogue state." His approach is informed by his notion that, although the U.S. and Iranian governments may be at odds, there are interests which the two *countries* share. Among these, he lists: avoiding chaos in the region, and maintaining the free flow of oil. But the thinking behind Amuzegar's approach is exquisitely geopolitical. He states: "Both need each other geopolitically, as the twin pillars of a regional counterbalance to Russia's potentially expansionist aspirations within the Commonwealth of Independent States and toward the warm waters of the Persian Gulf. And, finally, both countries can fruitfully cooperate in developing and transporting the energy resources of the Central Asian states and the Caucasus, reducing those nations' dependence on Russia." In other words, perhaps the CFR can convince Iran to play ball, if the offer is presented as a partnership, including the resource-rich CAR, again, against Russia.

The author recognizes Iran's importance geographically, as "the Middle East's most populous and second-largest country, surrounded by 15 neighbors with which it shares land borders or bodies of water, a major global energy source with 10% of the world's oil and 15% of its natural gas, a pivotal player both in the region and within OPEC, and a gateway to

central Asia." To the end of bringing about a new orientation, he proposes that a dialogue with Iran be promoted by handsome incentives, such as the release of Iranian frozen assets or new World Bank loans.

What Amuzegar is offering is a kind of lurid partnership with Iran. Seeing what Iran has achieved and the central economic role it now plays in the region, this rather sophisticated proposal says, let us make friends with Teheran, and see if we can steal a piece of the pie. Specifically, the author eyes the vast riches in Central Asia, including the Caspian Sea. Since the economic and political conditions do not exist for predatory firms to loot them outright (as, for example, is being done in the Great Lakes region of Africa), the author seems to want to propose that Iran be convinced to accord looting rights to Western oil concerns. His suggestion that the World Bank be brought in more prominently is of central significance; as the tragic experience of the Middle East since September 1993 has shown, one of the most effective ways of wrecking any project for economic cooperative development, is to give the World Bank and the International Monetary Fund control over the purse-strings. This is something which the Iranian leadership fully understands; in its recent agreements within the context of the Economic Cooperation Organization (ECO), great stress was placed on independent sovereign control over financing of infrastructure projects (see *EIR*, May 30, 1997, p. 4).

Amuzegar's basic thrust is made more bluntly by Brzezinski et al., who write: "One negative consequence of current policy is the damage inflicted on America's interest in gaining greater access to the energy sources of Central Asia. An independent and *economically accessible* Central Asia is in the interests of both the United States and Iran. The United States should do nothing to preclude Central Asia's eventual emergence, nor stand in the way of deals that might facilitate it. The United States should therefore refrain from automatically opposing the construction of gas and oil pipelines across Iran. Here, as with policy toward Iraq, the United States must consult more often with its Turkish ally and fashion a regional policy that makes sense on the ground."<sup>3</sup>

Fuller and Lesser are quite frank in admitting the same. Asserting that Washington has erred in its hostile posture, they write: "The United States has excluded any option that could involve Iranian strategic participation, even where it might coincide with American goals: on policy toward Iraq and the

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3. The reference to Turkey here, as in virtually all the essays featured in *Foreign Affairs*, betrays another major concern underlying the policy rethinking on the part of the CFR. Since Refah Party leader Erbakan became prime minister in Turkey, vast agreements with Iran have been signed. In addition, it was on Erbakan's initiative, that the D-8 grouping came into being, which, together with the expanded ECO, has become a vehicle for implementing economic cooperation in the context of the Eurasian Land-Bridge. "Consultations with Turkey," which are recommended on every other page in the *Foreign Affairs* articles, should be understood, as "exerting pressure on NATO partner Turkey" to try to develop a handle on Iranian policy.

weakening Saddam, and above all on Central Asian, Caspian, and Caucasian pipelines. Flat rejection of pipelines through Iranian territory — which, for practical reasons, most of the region's states and many oil companies would prefer — opens the way to Russian monopoly. New east-west routes for oil, gas, railroads, and trucking along the old Silk Road are on hold until Iran, with its central position, can be included." (This latter statement is false, but the point made is clear.)

### **Institutional control**

One of the obstacles placed in the way of the CFR's proposed looting scheme, is that, as a part of the multiple agreements on rail and pipeline infrastructure made by participating nations across Eurasia, new institutions have come into being, as vehicles for coordinating and promoting further such cooperation. The CFR boys are understandably upset.

The Study Group paper identifies shifting relationships, as a result of new energy flows: "East Asian demand for energy will have an increasing impact on the future of the world market. Economic development in India and China alone is likely to affect Asian oil demands significantly. Asia's demand for oil will dramatically increase. Average annual growth of oil consumption for the Pacific Rim for 1994-2015 is 4.6% . . . [and] for China . . . 2.6%. Today coal is the primary energy provider in East Asia, but dramatic economic growth, industrialization, investment and environmental concerns will certainly enlarge the demands for energy." This means, greater demand for energy resources from the Persian Gulf and the CAR.

Further on, in its chapter on "International Challenges facing U.S. Policy in the Gulf," the Study Group writes: "India, Pakistan, Russia and Central Asian countries are becoming more active in trade and investment in the Gulf region. This may eventually bring about new *regional coalitions*. The construction of an important railway between Iran and Central Asia in 1996 [i.e., the Mashhad-Tajan link] may significantly increase economic links with Central Asia. The strategy of isolating Iraq and Iran has pushed both states toward Russia, which seeks repayment on Baghdad's substantial debt and which, despite U.S. objections, has moved to conclude financially lucrative nuclear reactor deals with Iran."

In point of fact, the "new regional coalitions" have been coming into being, in institutional form, over the past two years. Not only has the Economic Cooperation Organization, originally made up of Turkey, Iran, and Pakistan, expanded to include all CAR, and Afghanistan and Azerbaijan, but a new grouping, the Developing 8 (D-8), of Muslim countries in Asia, the Gulf, and Africa, was created on Turkish initiative in 1997, also as a means to enhance economic cooperation. In addition, Iran has started to associate with the subcontinent's trade and economic cooperation institutions. Iranian Foreign Minister Dr. Ali Akbar Velayati spelled out in a Crans Montana Forum address in Switzerland in June 1996, that Iran would aggressively seek greater coordination with regional

groupings, such as ECO, the Caspian Sea Cooperation Council, the Association for Regional Cooperation, and others.

Thus, the CFR Study Group's worry that disagreement among the United States and its allies on Iran policy, "provides opportunities for others such as China and Russia to expand relations with Iran," is no paranoid fantasy. Both countries have finalized important agreements with Iran — and Iraq — for energy development and supply. The CFR authors even moot the possibility of "strategic cooperation" between Iran and Iraq, which might find "common cause" in facing hostility toward them. The same fear is expressed by Fuller and Lesser, who say continued containment "might even pull off the extraordinary trick of driving archrivals Iran and Iraq into a tactical alliance." In the light of recent steps taken by Baghdad and Teheran over the last 12 months, to relax tensions, and lay the groundwork for eventual rapprochement, the idea of such a tactical alliance is anything but absurd.

The CFR's response to the new institutions among regional coalitions is to propose its own counterinstitutions, as if to say, "You want a club? Fine. We'll start a club, and you can join." Fuller and Lesser assert, "Sooner or later, U.S. policy will have to acknowledge that Iran and Iraq are the two biggest players in regional security issues and take steps to anticipate their eventual integration into a security architecture." What the authors lay out, concretely, is a new security institution, through which to control the area: "The international community, working through the United Nations or by other agreement, should consider according the region *special international status*. Violation of a country's borders, unacceptable anywhere, should be viewed as particularly reprehensible here. Such international status would help deter adventurism by Iraq, Iran, or even Saudi Arabia against their small neighbors." The United States, they continue, should consult with its allies, to reach agreement on a "regional security forum" modelled on the Organization for Security and Cooperation in Europe. "The effect of a coordinated transatlantic or G-7 approach on the behavior of Iran or Iraq could be formidable." The regional security forum they propose can emerge as soon as the "status of Iran and Iraq is normalized."

Further details on how this regional security arrangement should work, are not provided. However, the mere reference to according "special international status" there should raise goose pimples. It is important to note that one of the authors, Fuller, travelled to London last year and reportedly met with members of the British defense establishment, including Defense Minister Malcolm Rifkind. Rifkind took the idea of a "regional security forum" to the Middle East on his trip there later. This would be a security arrangement controlled by the British, who have vastly upgraded their military cooperation with the United Arab Emirates and others. Presumably, what Fuller and Lesser are talking about, is a British-policed regional order, in which Iran and Iraq are forced to become complicit partners.

One of the features of the security arrangement would definitely be a control over the members' access to nuclear technology. Not out of any military consideration that Iran or Iraq would seek to develop and use atomic weapons against others in the region, but out of concern that development of nuclear energy for either, or both, would signify for them crossing the threshold into full industrialization. And that, according to the parameters laid out in Kissinger's 1974 NSSM 200 document, is what must be prevented, from their Malthusian standpoint.

Thus, in all the CFR pieces, it is highly "recommended" that Iran, and also Iraq, be kept far away from this technology. The emphasis is less on Iraq, because that country's nuclear research facilities, including its scientists, have been subjected to consistent harassment and dismantling since Operation Desert Shield. Iran is a different kettle of fish.

Brzezinski and Scowcroft write: "There seems little justification for the treatment the United States currently accords Iran because of its nuclear program. Instead of simply punishing the country, the United States should consider whether a tradeoff might be feasible in return for Iran's acceptance of restrictions on its *civilian nuclear program* or intrusive inspections by the International Atomic Energy Agency of its nuclear facilities." The authors offer this extraordinary explanation: "Since the rationale for nuclear power has diminished in recent years, it may be possible to get Iran to limit its civilian nuclear energy program enough to give outsiders reasonable confidence that further military progress is not being made." They add, significantly: "Such an outcome, possibly arranged with Chinese or Russian support, would leave both the United States and Iran better off and significantly ease tensions in the region." In other words, this would kill Iran's civilian nuclear program and end cooperation on it with Russia and China.

### **A sane foreign policy approach**

The mere fact that the CFR has gone to such great lengths, to launch a grand debate within policymaking circles in the United States, demonstrates that the British geopolitical strategists are up a tree. On the one hand, they acknowledge that their "dual containment" policy based on punitive actions has been inconsequential, if not outright counterproductive; on the other, they see, with growing alarm, the emergence of a coalition which threatens to include all those nations and economies which they had targetted for containment or destruction.

They see, most importantly, a U.S. President who is moving, not to thwart, but rather to encourage such developments. For example, not only has President Clinton continued to resist the China-bashing campaign, which aimed at breaking Washington's dialogue with Beijing, but he has gone forward to prolong Most Favored Nation status for China, for another year. Not only did Clinton elude the trap laid for him by British press outlets, which sought to present the Chinese-Russian summit talks as "anti-United States," but he wisely

endorsed the groundbreaking agreements made by President Jiang Zemin and President Boris Yeltsin in Moscow.

Regarding Iran and Iraq, the President has not yet made any major policy statements in his second term. It is, however, widely reported that persons inside the administration have been commissioned to review policy for the region. The CFR, knowing this, has therefore decided to jump the gun, and throw *its* policy recommendations onto the floor of the debate.

One very significant intervention has been made by a former member of the Clinton administration, urging a serious approach to dialogue with Iran. Former Assistant Secretary of State Robert H. Pelletreau, Jr., who had lamented in a speech to the CFR in May 1996, that Iran seemed not willing to enter dialogue with Washington, presented a very bold proposal, to encourage progress on this front, in a speech to the International Petroleum Forum, on April 8, 1997.

In it, Pelletreau outlined a "utopian" vision, for the year 2010, in which the Persian Gulf region would be characterized by stability and peaceful relations, including the full rehabilitation of Iran and Iraq. He said, "We would like to see a secure and stable Gulf peacefully pumping more oil to meet growing world energy demand, and we would like to see U.S. companies participating fully in this process with no country limitations or restrictions" (i.e., no embargoes). He continued: "We would like to see market economies developing freely in the region and participating in global trade as members of the World Trade Organization and we would like to see the central Asian states growing and prospering with multiple export routes available for their oil and gas resources. We would like to see governments in the region responsive to the aspirations of their citizens and resolving their differences across the conference table rather than by force of arms."

Reviewing the effects of containment on Iran, Pelletreau made the following observation: "It has also had the effect, some would argue, of stifling the central Asian states and hindering their development, and in terms of long-term global energy security, prevented investments in the Iranian oil and gas sector *which should be being made now* to meet the foreseeable increases in demand early in the next century." He continued with the rather startling proposal: "The United States, has, from time to time, expressed willingness to hold an authorized dialogue with the government of Iran in which the policies about which it complains could be discussed face to face. This has been put forward in a rather passive and dismissive way, and it is not surprising that there has been no serious reaction or response from the Iranian side. The door should be opened wider. The United States should not shrink from a full agenda dialogue with Iran. It should welcome it."

Pelletreau filled out his idea as follows: "The United States should make clear that it recognizes the fact of the Iranian revolution and is not trying to overthrow the existing Iranian government. It should not hesitate to deny rumors and unfounded reports to the contrary." Furthermore, "existing informal or Track II contacts" should be broadened, to "attract

prominent members of both societies to participate in this dialogue and thicken its agenda,” as similar talks helped improve U.S.-U.S.S.R. relations in the 1980s. Pelletreau proposes the Iranians do likewise, specifically that “Iranian leaders should make clear repeatedly and publicly what individual Iranians have said or hinted from time to time,” renouncing support for terrorism, nuclear weapons proliferation, and aggression in the region. He added, Iran should recognize that the “Arabs and the Israelis are the primary parties” to the Middle East peace process, and simply stay out of it.

Although Pelletreau ended his remarks with a caveat, that the United States should respond otherwise, if Iran were found responsible for terrorist acts, nonetheless, the approach he has outlined is laudable. Although the audience Pelletreau was addressing, of petroleum executives, has its vested interests in improving relations with oil-producing countries of the region, it does not appear in his remarks, that sheer exploitation of those countries were at the top of his agenda. What is particularly worthy of merit in Pelletreau’s speech is his offer of an open-ended dialogue, with no stringent preconditions, and his declared respect for the sovereignty of Iran.

The question Pelletreau does not address, is: What would such a full agenda include? In other words, what should a sane foreign policy approach look like, toward the area of Eurasia, of which Iran has become such an important economic and political component?

### **LaRouche’s policy for the region**

The answer to this question has been provided by the American economist Lyndon LaRouche. In December 1996, LaRouche was interviewed, while in Germany, by the Islamic Republic of Iran Broadcasting (see *EIR*, April 25, 1997, p. 32). During the televised interview, portions of which were later broadcast on the first channel of Iranian national television, LaRouche was asked: “What would you decide if you were the President of the United States, for instance, . . . in the case of Iran?” In his reply, LaRouche sketched the broad outlines of a policy for the region: “Well, very simply, that Iran is a nation-state; it has its own internal problems, it has its own interests. That the United States must, particularly because of its power, must look to the long-term interests of each of the states with which it deals, and must try to slide over short-term difficulties . . . for the sake of long-term interests.”

The long-term interest of Iran, he continued, “is obvious: that it is the link from Central Asia and China to the ocean, and to the Caspian Sea. It is the link, through the Caspian Sea, to Teheran. It is the link into Turkey, provided they don’t have a Kurdistan destabilization of the Transcaucasus going on to stop that. It is the link into the Middle East. It is the link into Europe. So, therefore, Iran plays a vital strategic role in creating peace—and that’s the interest of Iran. Because if Iran wishes to exist, it must have some important function in respect to each of its neighbors, which is China, South Asia, Middle East, Europe, and Turkey.” In this light, he noted the

“very good signs” including “the attempt of Prime Minister Erbakan in Turkey to open up discussions with Teheran on a new level, to try to bring about stabilization in the Transcaucasia area. . . .”

The policy implications of this conceptual approach, he identified, are the following: “We should, in my view (and of course this is my known policy), take what we proposed as the ‘Productive Triangle,’ and what in China is called the ‘Silk Road,’ in which Iran is already cooperating, and say: *The basis of our policy toward this region must be to bring together South Asia, Southeast Asia, China, the Middle East, together with Europe, and with outside U.S. support for the whole operation, into large-scale railway-centered development projects for economic cooperation, and thus, to permit the nations of the region to cooperate, not only for the benefits, but to create a second benefit: stability.*”

“So,” he concluded, “our object should be long-term, stable relations among states in the region, and that economic projects, which are in the interests and security interests of these states, should be the basis of the United States’ policy. Our interest in this area is to have global peace. And, we have to build it.”

Later, just prior to President Clinton’s inauguration for his second term, LaRouche gave a radio interview, on Jan. 15, to “EIR Talks,” in which he completed his outline of what U.S. foreign policy should achieve. LaRouche called upon President Clinton to initiate a “New Bretton Woods Conference,” which would tackle a reorganization of the present, global financial system, to restart the world economy through the Eurasian Land-Bridge development. Referencing the series of “earthquakes” which had been hitting the financial markets with varying degrees of intensity, LaRouche said: “Probably early in his term, the President is going to be faced with the most fundamental decision on economic and financial policy that any [U.S.] President has been confronted by, during this century to date.” LaRouche said this meant, that President Clinton would have to use his authority to place the U.S. financial system under government-supervised bankruptcy reorganization, after which a “recovery program” for the physical economy would be started. Existing monetary-financial, trade, and tariff agreements would be revoked, “pending new ones established through the new Bretton Woods arrangement.” Nationally, and internationally, he said, there would be a return to “heavy emphasis on infrastructure building and reconstruction,” which would reactivate “the entrepreneurial sector of the economy, very much in the same way that the war economy has been used in this century, repeatedly, to get the United States out of a depression.”

This economic recovery program would define America’s relationship to the rest of the world, in LaRouche’s view. “We [in the United States] are going to have to get other nations, or at least some of them, to go along with us. The big issue is going to be: How well can we deal with the greatest opportunity we have for America’s global interests? That is, to join



with China, with India, with Russia, with Iran, with Turkey, and with other countries, such as Germany, for example, which will be a keystone nation in this, and bring Japan into it, in developing . . . the Eurasian Land-Bridge program? That's going to be the greatest economic opportunity of the 21st Century. And, the United States should support it, should be part of it. And, together with countries in western Europe, such as Germany, should be in full partnership with that. And, this should be extended, of course, to be the basis for our Africa policy, that is, the extension of the Land-Bridge through the Middle East, into Egypt, and then through all of Africa. So, that's the kind of thing he should talk about."

The program LaRouche is campaigning for represents the historic means for annihilating the practice of geopolitics as a method of foreign policy, replacing it with a policy based on a community of principle among sovereign nation-states. The analysts at the CFR are fully aware of the historical dimensions of the matter, as well as of LaRouche's special role in the process. Therefore they have been scrambling, to come up with a policy alternative, ostensibly not hostile to these developments. The CFR cannot stop the Eurasian Land-Bridge, but it hopes it can subvert it from within.

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## Documentation

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# A chronology of Iran's diplomatic initiatives

*The following are some of the most important economic and foreign policy initiatives undertaken by Iran over the last year, in the context of its Eurasian Land-Bridge policy.*

### 1996

**May 13:** The Mashhad-Sarakhs-Tajan railway, connecting northeastern Iran with Turkmenistan, is inaugurated, establishing a Eurasian rail line linking China's Pacific coast via Sinkiang and Central Asia to Iran and Turkey, and thence, to Europe.

**August:** Turkish Prime Minister Necmettin Erbakan meets with Iranian President Rafsanjani. An economic agreement for a \$23 billion project, for construction of a natural gas pipeline from northern Iran to Turkey, is signed, along with agreements on coordinated security measures along the Turkish-Iranian border.

- Iranian Health Minister Ali Reza Marandi visits Iraq, the second visit of an Iranian minister there in the last six years.

- Azerbaijani Foreign Minister Hassan Hassanov visits Teheran, for discussions on cooperation in transportation, in-

dustry, postal matters, and construction of an international airport. Iran declares its readiness to build a gas pipeline to transport Iranian gas from Choi to Nachitshevan and to establish transportation facilities.

- The Iranian ambassador in Moscow announces that Russia will make available to Iran technology for production of satellites, in three phases.

**September:** President Rafsanjani tours East Africa, signing economic cooperation agreements with Kenya, Uganda, Sudan, Tanzania, Zimbabwe, and South Africa. Rafsanjani also mediates a peace accord between Sudan and Uganda, to disarm rebel groups operating on the other's territories.

**October:** Romania and Iran reach agreements on oil deliveries and joint industrial projects. Romania expresses interest in participating in a gas pipeline project from Iran to Europe.

- Iran launches a proposal for a regional conference on Afghanistan, to reach a political solution to the civil war. A conference takes place in Teheran at the end of October.

**November:** Iran agrees with Russian proposal for an alternative trade route from India to Europe. Russia Rail Minister Saitsev discusses the proposal with Indian Prime Minister H.D. Deve Gowda in New Delhi. The idea is to create a trade route by ship from Port Mumbay in Bombay to Bandar Abbas (Iran), thence overland by rail through Iran, Azerbaijan, and Armenia to Moscow, and thence to Berlin.

- Italy and Iran sign an agreement for development of Iran's steel industry, which includes construction of two factories.

**December:** Iran urges Armenia and Azerbaijan to overcome their conflict, and offers mediation.

- Work on a rail line is begun, to link Mashhad to Bafq, near Kerman in southern Iran, which will reduce the distance between Central Asia and the Persian Gulf by half. The link is also important for Russia and China, and will provide a link between the Central Asian Republics and the Indian subcontinent.

- Iranian Permanent Representative to the United Nations Kamal Kharrazi announces Iran's readiness to sign a non-aggression pact with the Arab states of the Gulf Cooperation Council (GCC). It is also announced that Iran and Iraq will reopen their border, closed since 1980.

- Iranian Minister for Economic and Financial Affairs Morteza Mohammad-Khan visits Moscow and conducts talks with Russian Prime Minister Viktor Chernomyrdin. A new trade corridor is to be opened connecting Russian Caspian Sea ports to Persian Gulf ports, through the Iranian rail network. A Russian-Iranian Caspian Sea shipping company is to be formed, and Iran will participate in building the new Volga port of Olia. Discussions are held on the "prospects of Chinese-Indian-Iranian-Russian quadrilateral regional economic cooperation." Russia declares its intention to complete the construction of the Bushehr nuclear power plant in Iran, and to deliver the necessary reactors to Iran.

- Iran offers to mediate between Turkey and Syria, as well as between Turkey and Greece.
- Iran and Armenia sign 12 agreements in cultural, economic, and trade areas, in Yerevan.
- China and Iran sign an agreement for construction of four Chinese hydroelectric turbines, for four big dams in Iran, and the delivery of facilities for a 1,300 megawatt power plant in Arak.

**Dec. 19-22:** President Rafsanjani visits Turkey. Seven agreements are signed on industrial cooperation, trade, marine and surface transport, border trade, and joint investment.

## 1997

**Jan. 4-5:** A meeting of foreign ministers takes place in Turkey, to prepare a summit of the Developing 8 countries (D-8, including Turkey, Iran, Indonesia, Malaysia, Nigeria, Bangladesh, Pakistan, and Egypt, representing a population of 800 million). The new organization, launched on the initiative of the Turkish prime minister, is to establish an Islamic association capable of resisting Western G-7 dictates on prices of raw materials and industrial goods.

**January:** Iran hosts talks between the Tajik government and opposition, to put an end to the conflict there. After two weeks of talks, the two sides draft an agreement on the main issues of dispute.

- Foreign Minister Velayati visits Rome, in preparation of the meeting of the Italian-Iranian joint economic commission, which will draft a series of economic cooperation agreements.

- A regional conference on Afghanistan takes place in Teheran, in further pursuit of a negotiated political solution to the conflict.

**February:** Iran declares readiness to construct a bridge over the Oxus River, and to build terminals for passenger and cargo transport between Iran and Uzbekistan.

- Iranian Foreign Minister Velayati announces that Iran will invite all members of the Organization of Islamic Conference (OIC) to attend a December 1997 summit, to be held in Teheran.

- Iran and Kazakhstan reach agreements on trade, economic cooperation, and culture, which include joint projects in telecommunications.

- Iran and Turkmenistan reach an agreement on customs procedures, to facilitate cargo transport through Sarakhs, and increase capacity by five times.

**Feb. 22:** The foreign ministers of Iran, Turkmenistan, and India sign an agreement in Teheran on increasing the volume of transit transport. They also discuss a plan for a natural gas pipeline from Turkmenistan to Iran, to provide India with fuel. At the same time, Kazakh Transport Minister Yuri Lavrinenko discusses increasing trade with President Rafsanjani, in the expectation of joining the Iran-Turkmenistan-India agreement.

**March:** In the context of the third seminar on Italian-

Iranian economic relations, in Rome, agreements are made by government representatives of the two sides, for enhanced cooperation. This includes Italian participation in Iran's economic and industrial projects. Italy hopes to gain access to Central Asian markets through Iran. The Italian government authorizes credit guarantees for exports to Iran.

- Iranian Deputy Foreign Minister Morteza Sarmadi visits Pakistan, and proposes a regional association, made up of Pakistan, Iran, India, and China, to discourage hegemonic ambitions of forces from outside the region.

- Iranian Foreign Minister Velayati visits Saudi Arabia, meets with King Fahd, which signals progress in the rapprochement between the two countries.

- Iranian Deputy Minister of Industry Seyed Mohammad Ali Seyed announces a "strategic plan" for Iran to become a major vehicle producer, during its second five-year plan.

**April:** Iran welcomes declaration of the Gulf Cooperation Council, expressing its readiness to improve relations with Iran.

- Iran and Iraq hold talks on exchange of prisoners.
- Iran, Armenia, and Turkmenistan sign a trilateral agreement to increase trade.

- Turkmen Energy Minister Gotshmurad Nazdshanov announces in Ashkhabad that his country will begin pumping gas to Iran on Sept. 1, for further export to Turkey and Europe. The gas will be pumped through a 140 kilometer pipeline, which is being completed in record time. The pipeline is the first to export gas from the Caspian Sea region without traversing Russia.

**April 10:** Iranian press announce the formation of the Assembly for Determining the Expediency of the Islamic System, which will be chaired by President Rafsanjani.

**April 10-14:** Iranian Speaker of the Parliament Nateq Nouri visits Moscow, and proposes a plan for a regional cooperation group, including Russia, China, Iran, and the Central Asian Republics, which President Boris Yeltsin reportedly welcomes. Wide-ranging agreements in oil and gas are drafted. In parallel, Iranian Deputy Foreign Minister for Asia-Pacific Affairs Allaedin Boroujerdi visits Beijing, where further economic cooperation is discussed, including construction of the Teheran subway, industrial projects, and power plants.

**April 22-23:** President Rafsanjani addresses the Second International Conference on the Silk Road, in Teheran, and stresses that the "Indian subcontinent will be connected to the north, west, and south, via Iran," through completion of the new Silk Road.

**May:** The ninth Iranian-Chinese economic commission meets in Teheran.

- Seventh conference of the Economic Cooperation Organization takes place in Iran, where a series of pipeline and other projects are agreed upon.

- Tajik government and opposition representatives sign an agreement in Teheran, where the talks are being hosted.