

**RUSSIAN POLICY TOWARDS
IRAQ 1991-1999**

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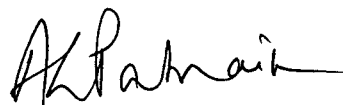
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CERTIFICATE

I declare that the dissertation entitled, "**RUSSIAN POLICY TOWARDS IRAQ 1991-1999**", submitted by me in the partial fulfillment of the requirements for the award of **MASTER OF PHILOSOPHY** is my own work. The dissertation has not been submitted for any other degree of this or any other university.


(**YOGESH CHAURASIA**)

We recommend that this dissertation may be placed before the examiners for evaluation.


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INTRODUCTION

Geographical location of Iraq as the nearest of all Arab countries to the soviet borders and as the commercial centre of ancient trade routes made it strategically important in soviet policies from the very beginning itself. The economic potential and relatively high oil wealth made Iraq financially a good partner and customer for Moscow, especially after 1973 October war and subsequent rise in the oil price. The collapse of the Soviet Union posed many unprecedented changes in foreign policy all over the world, especially for Russia. Soviet disintegration left Boris Yeltsin, president of Russia, with the task of defining a new national identity for Russia and a basic concept for its security. In January 1993, a policy memorandum on national security concept was forwarded by foreign minister Andrei Kozyrev to the chairman of the committee on Foreign Relations of the Supreme Soviet, Yevgeny Ambartsumov.

The concept highlighted the development of an elite consensus around the core issue of blizhee zarubezh'e, or 'near abroad' and elaboration of national interest of Russia as a regional power, Russia as a world's great power, and Russia as the nuclear superpower. The concept stressed importance on developing cooperative relations with the west and particularly the United States, as Foreign Minister Andrei Kozyrev felt that economic factors were critical in shaping this concept and therefore the post-soviet Russian Foreign policy focused on the wealthiest, western capitalist states to gain economic assistance and to integrate Russia into the global economy.¹

¹ Russian National Security Thinking: Strategic Analysis, October 2000, Baidya Bikash Basu

About two years of Yeltsin's pro-western foreign policy he supported international sanctions on Iraq. The United Nations Resolution 661, passed on 6 August 1990, 'froze Iraqis' financial assets abroad and banned imports and exports allowing only medical supplies to be imported without restrictions and, "in humanitarian circumstances, food stuffs," has not only established American hegemonism all over the world, also marginalized Russian foreign policy in the middle east region. This was because Russia adopted the western perception of Iran, Iraq and Libya as 'rogue states'. With this policy, Russia lost nearly five billion dollars in supporting sanctions against Libya, Iraq and Yugoslavia in 1992-93. Nevertheless, it gained credits from the West and deferment of payment of Russian debts.²

In the early phase of the Russian foreign policy, Russia developed a relation of mutual trust and assistance with its near abroad countries and also had to develop new constructive relationships with the United States and West. Kozyrev's main aim was to create a non-threatening external environment that would be most conducive to Russia's internal, economic and political development. To this end, drawn from Gorbachev's "new thinking", Kozyrev, Yeltsin's Foreign Minister, constructed the policy of high priority to Russian participation in international institutions. He developed a foreign policy focused on the promotion of human rights, democracy and the universal values of global economic, environmental, and nuclear security, so as to avoid threat from the West. However, when this concept came to Duma for approval, it received strong criticism from different factions such as "Eurasianists", the supporters of balanced policy to east,

² A. Shumilin, "Tell me who your friend is in the Middle East", Komsomolskaya Pravda, 4 February 1993, p. 4, FBIS-USR-93-026, 6 March, 1993, p.58

south and west, and anti-American “pragmatic nationalists”. Yeltsin’s liberal pro-western policy, followed in 1991-92, did not have much acceptance in pro-communist and nationalist dominated Duma.

In the cold war era Iraq has been one of the important countries on West Asia for Russia’s foreign policy considerations. Till 1990s, and indeed long afterwards almost all Iraq’s basic weaponry came from the Soviet Union, and as long the ‘old guard’ remained in power in Moscow, Iraq could count on deliveries of Soviet military material. To put things in perspective, between 1985 and 1989, Iraq spent nearly \$ 12 billion on arms, of which nearly \$ 7 billion went to Soviet Union.³

Geo-strategically, Russia’s interest in West Asia region was well guarded by Bathi revolution in particular and nationalist oil policy adopted by Arab countries in general. This cold war politics that began after World War II gave Soviet Union opportunity to engage militarily and economically in the region when political situation in certain countries in the region facilitated ground for their engagement with ideological commitment of national liberation. Meanwhile, the new atmosphere of glasnost and perestroika of the latter 1980s, culminating in the collapse of the regimes in east Europe the Soviet Union (especially the overthrow execution of the ceaucesus), was highly unsettling to Saddam Hussain.⁴

³ Frauk-Sluglett & Peter Sluglett, Iraq Since 1958: From Revolution To Dictatorship, IB Tauris Publishers: London, New York, 2002, P. 285

⁴ Ibid.

With the start of hostilities on the night of 17th January 1991, on Iraq by US, the new Soviet Foreign Minister A. Bessmertnykh warned the Americans against destroying Iraq. As a special presidential envoy, Primakov left for Baghdad in February 1991 to take part in negotiations for settling Iraq-Kuwait dispute. As a result negotiations a soviet plan for ceasefire and an Iraqi withdrawal from Kuwait was submitted. But Americans had objections on Soviet proposal. With Gorbachev's approval, Primakov submitted a reversed proposal which took into accounts the American objections and Saddam Hussain accepted the revised proposal on 23rd February 1991. However, Saddam Hussain did not accepted the American ultimatum, from 22 February 1991, the US led land attack started. Here American came to Kuwait's help in 1991, not out of any great love for the Kuwaitis but because of oil. And they went to take over Iraq- the second biggest producer of oil, after Saudi Arabia, for the same reason.⁵ However, Soviet Union had to accept the logic of emerging uni-polar world as it was both too weak and too internally divided to react strongly and co-operated fully with US and at Security Council indicating the harsh terms of surrender to Baghdad, particularly resolution 687 of 3rd April 1991. Again, soviet- Iraqi relations deteriorated due to official Iraqi support for the unsuccessful coup in Moscow in august 1991.

Russia's new Foreign Minister, Yevgency Primakov, a noted middle eastern scholar and a man with first hand knowledge of Arab world including Iraq, was given a positive shift in Russian foreign policy towards Iraq and other Asian countries. He promoted the concept of 'multipolar' world which was appreciated by all regional powers like Iraq, India, France, German etc. indeed, Primakov doctrine was a "middle course" between the

⁵ Singh Rahul, "On a Perilous and Fateful Road", Mainstream, 5 April 2003

“extremes of soviet anti westernism” and Kozyrev’s “pro-western romantic approach”. Expressing his foreign policy ideas in his first press conference as foreign minister in January 1996, Primakov unmistakably allied himself with the “pragmatic nationalist” and “Eurasianists” viewpoints. He declared that “Russia has been and remains a great power, and its policy towards outside world should correspond to that status”, while echoing its predecessor in saying that Russia’s policy should create an environment that would, to the greatest extent possible, be favourable to the development of the economy and continuation of democratic process in Russian society”.⁶ He emphasized that Russia’s relations with its cold war adversaries must be an equitable and mutually advantageous partnership that takes each other’s interest into account. He also expressed the need to diversify Russia’s foreign ties with Middle East and the key states of Asia.

⁶ Robert H Donaldson and Joseph L. Noguea, *The Foreign Policy Of Russia: Changing Systems, Enduring Interest*, M. E Sharp, New York, p. 118

Chapter I

Historical Background

Soviet interests in Iraq have been tied up with the fact that geographical location of Iraq is nearest of all Arab countries to the Soviet borders. Its proximity is not only to southern Russia but more directly to the Persian Gulf and the area of the Arab Israeli conflict. This has heightened the country's strategic as well as political interests for Moscow. At the same time, the fact that Iraq had been the commercial centre of ancient trade routes made it strategically important in Soviet policies from the very beginning itself.

Of all the nineteenth century, European powers with interests in the area called the Middle East, czarist Russia was the one that, with much justification, could consider itself a local power. In between the Russian Revolution of 1917 and the Second World War, Soviet concerns in the area centered on Iran, Afghanistan and Turkey, but in mid 1950s Soviet involvement spread rapidly to cover many countries of the Middle East, spinning the two continents of Asia and Africa. The pivotal role played by Iraq in western alliance plans in the 1950s increased the importance of Baghdad. Its traditional rivalry with Egypt created certain possibility of Soviet tactics in the region. This rivalry served to further Soviet Egyptian region in the period following Stalin's death, or the muffling of relations with Iraq as a lever or Egypt later in 1950s or 1960s or even as a partial replacement for Egypt in the 1970.¹

Soviet objective with regard to Iraq have generally focused on keeping the country out of the western, mainly American, orbit, as well as seeking to gain a client ally

¹ Golan, Gatia, *Soviet Policies in the Middle-East from World War II to Gorbachev*, CUP, Cambridge, 1990.

Soviet objective with regard to Iraq have generally focused on keeping the country out of the western, mainly American, orbit, as well as seeking to gain a client ally in competition with the west. In military sphere, the soviets have sought to have Iraq look to the Soviet bloc rather than west for arms, originally in order to create dependence but eventually also to gain hard currency profits. The Soviet did build a military infrastructure in Iraq, particularly Gulf bases and airfields, which, theoretically could be used for their own purposes.

In economic sphere, the soviet eventually sought arms profits and they had interests of a Kurd in Iraqi oil. Moscow encouraged nationalization of the western oil companies in Iraq and, to promote this goal, the soviets provided an alternative market for Iraqi oil (in the early 1970s) as well as developed aid and production assistance for Iraqi oil fields. The Soviet themselves were not in need of Iraqi oil and by 1977, when Baghdad had succeeded in reviving its markets elsewhere, soviet imports declined. This decline have been accelerated by Iraqi demands beginning in 1973 for hard currency payments from Moscow for these supplies.

In political sphere, the soviets sought an anti-western, anti-imperialist line from Baghdad regime, as well as support for Soviet positions on such issues as Vietnam, Angola, Mozambique, disarmament, and other issues of East –West as well as regional interest. The Soviet saw a special rôle for Iraq in the Gulf, to help Moscow obtain a political foothold and bases. Iraq might also help the soviets destabilize and thus promote a leftist or anti-western shift in the orientation of the Gulf States.²

² Golan, Gatia, Soviet Policies in the Middle-East from World War II to Gorbachev, CUP, Cambridge, 1990.

There have also been a number of central issues which have been the source of serious dispute as well as interest to the Soviets in their relations with Baghdad one of these was the communist party of Iraq, which the Soviet Union sought to protect if not actually promote. The party was legalized and included in a National Front with the ruling Baath in 1973, upon encouragement from the Soviet Union which reflect the customary Soviet interest in preparing the ground for future communist progress, pursued on a parallel basis with Soviet interests in the state to state relation. Related to it, is the composition of the population of Iraq, which is different from the other Arab states of al-Mashreq, as since its very beginning in the 1920s contained a very substantial (close to 25) ethnic non-Arab Kurdish minority with constitutional rights, which were granted in 1925 as a condition for the incorporation of the largely Kurdish populated Mosul region into its borders. The Kurdish people, other group of which live in Turkey, Iran and Russia, have never completely submitted to their division and lack of national self-determination and in Iraq since 1961 have constantly demanded territorial autonomy.

Above factor discussed has an important bearing in the relationship between Russia and Iraq. With this mentioned factor, a soviet policy is needed to be understood. As the relation of Soviet with Iraq have a relatively long and complex history. Diplomatic relations between the two countries were established for the first time on September 1944 at the end of World War II. However, Iraq transition from mandated to independent status in the 1920s did not change its basic political complexion. Its socio-political system and its political orientation remained conservative, pro-British and anti-communist. Soviet Union termed Iraqi regime as a 'feudal monarchy'.³

³ Lenczowski, George, Soviet Advances in the Middle East, American enterprise institute for Public Policy Research, Washington. 1971.

The revolution which overthrew the Iraqi monarchy on July 14, 1958 opened an entirely new era in Iraqi –Soviet relations. General Kasseem's government was recognized by Moscow on July 16 and by Peking the next day. As a result, Iraq established diplomatic relations also with other communist states including communist China, East European Countries, North Korea, North Vietnam, and Cuba. Iraq's relations with the communist world were friendly, but Baghdad aspired to be an independent stance. By 1959, it had also entered into formal relationship with Albania and Yugoslavia. On balance the communist probably created more problems for the Soviet than influence or hope of influence for Moscow in Iraq.

The issue of non-Arab Kurdish minority population in Iraq has long been a source of serious internal conflict in the country. For a number of years the leadership and many of the members of the Kurdish national liberation movement found refuge, and training in exile in the Soviet Union and Eastern Europe. They returned to Iraq when monarchy was overthrown in 1958. The Soviet Union advocated autonomy for the Kurds, rather than independence, for it rarely supported fully secessionist or separatist demands. In fact, Moscow usually portrayed what were in fact secessionist or separatist movements as national liberation movements seeking only autonomy.

Support for the Kurds suited Moscow's general policy of support for national liberation movements whereby the Soviet nurtured and assisted them subject to tactical consideration. The tactical approach was all the more applicable with regard to separatist movements, support for which was almost entirely a function of Moscow's interests and relations with the local control government. The ideological character of the movement was of only marginal importance for the Soviet Union. Although a large

portion of the communist was Kurds, most Kurds were not communists. Infact the communist party was an alternative but not substitute for the Kurdish national movement. Support for the Kurdish movement in Iraqi was useful not only for local purposes, for it occasionally served Moscow's interests in other areas of Kurdish minorities, for example in Iran and Turkey. To some degree, therefore, the Soviets sought to keep Kurdish nationalism alive, for use against the regime in these countries and used the Kurdish issue as a lever on whatever government rule in Baghdad. It has been speculated that the Soviet wanted some degree of continued Kurdish unrest in North of Iraq, possibly even seeking to prolong the war there in the 1970s, so as to create an Iraqi need for Soviet arms, political assistance and communist support for the regime in order to stay in power. Such a policy created problem for the Iraqi communist, in view of their Kurdish loyalist, although local communists were usually but in service of the Moscow's border interests. It might also be argued that soviet assistance to the government against the Kurds served to enhance party's position vis-à-vis the government. The tactical nature of soviet support did mean that Soviet Union aided the government against the Kurds for the sake of broader regional even global interests better served by the central government in Baghdad. It is to be noted that soviets never permitted the Kurdish issue to interfere with or harm soviet-Iraqi relations as they supported the Kurds demand only up to a point. They aided the conferment, militarily in suppressing the Kurds in 1974, profiting from the Iraqi dependence upon this assistance.

Soviet policy towards Iraq can be understood through the lens of Arab-Israeli conflict. Moscow utilized this conflict as a means of opening and consolidating relations with Iraq. This was especially so when an anti-colonial appeal became less effective.

Although Iraq was not a direct combatant, it could influence as well as assist the parties involved, increasing the tension and volatility of an already volatile situation. Iraq was particularly dangerous because of its strong rejectionist position, contrary to Soviet positions.⁴ Thus, it categorically opposed resolutions 242 and 338 including the cease-fire of the Yom Kippur War and the 1970 cease fire in the war of attrition, it opposed the Genesis conference and any negotiations with Israel, and it opposed the existence of the state of Israel altogether and was not interested in Israeli withdrawal only to the 4 June 1967 lines. Baghdad was more radical than Moscow on the Palestinian issue, supporting Palestinian terrorism and extremist factions, and it favoured the continued strife in Lebanon in the 1970s. But this was not necessarily translated into deeds. For example, in 1973, war the Soviets asked Iraq to send Syria 500 tanks but Iraq responded with less and in 1970 Iraqi forces in Jordan refrained from helping the Palestinians. Until Camp David accords Iraqi rejections created obstacles for Soviet policies, such as efforts to reconvene the Geneva conference or to moderate the Palestinians. After Camp David the Soviet were more tolerant of Iraqi intransigence especially since Iraq played a major role in organizing Arab opposition to Egypt. Even then, Iraqi unwillingness to co-operate with various elements, even in the radical Arab camp, caused difficulties. And ultimate Soviet-Iraqi objectives in the Arab –Israeli context were not compatible. Iraq might co-operate with Soviet Union in voting American mediation and successes, but Iraq's reasons were to prevent any settlement whatsoever with Israel, while Moscow's motives were to achieve participation in such settlement.

⁴ Adomeit, Hannes, Soviet policy in the Middle East: Problem of Analysis, Soviet Studies, Vol-27, No.2(April,1975) P 288-305.

Another area of conflict between the countries was Iraqi Ba'athism which had both positive and negative aspects in the eyes of Soviet leadership. On positive side, Ba'ath ideology was progressive, even socialist in orientation but not 'scientific socialism' of the Soviet variety not even Marxist. The Ba'ath rejected class struggle in favour of national unity of all classes it was perceived by the soviets as some form of utopian state interventionism or welfarism, far removed from the Soviet model. Friendship with the Soviet bloc was proclaimed in the 1968 Ba'ath programmes but was to be posited on the basis of the mutual anti-imperialist struggle rather than any ideological affinity. This was intended as independence from western imperialism, nationalization of foreign companies and the like, it was positive. But it also had a xenophobic streak, which could lead the Iraqis jealously to guard their freedom of action and independence from the Soviet Union as well.⁵

It is to be noted that Moscow welcome the revolution which brought the Ba'athists under Kassem to power which took Iraq out of Baghdad pact in 1959, altering to the Bandung non-aligned movement and adopting anti-western position. The new regime also promised democratic reform which meant freedom of action for the communist party. Kassem was also in need of communist support to consolidate the regime in the post revolutionary domestic instability. The move away from the most also provided an opening for Moscow to become Iraq's new arms supporter and the first arms deal was signed in November 1958. The Soviet support for the new regime with mild warning against western comes with declaration that 'the peace loving peoples will come to the aid of Iraq incase of attack.

⁵ Golan, Gatia, Soviet Policies in the Middle-East from World War II to Gorbachev, CUP, Cambridge, 1990.

Another issue that brought the Soviet Union and new regime together but posed problems for Moscow was the Egyptian-Iraqi rivalry in the Arab world. On the other hand, both Arab states could now be counted among Moscow's unofficial allies, and the Soviets did not want to be in the position of having to choose between them. Yet, on the other hand, Egyptian plan for United Arab state, to include Iraq, were also alarming to the Soviets as it would be closing off channels of Soviet influence in the new radical state, much as indeed accrued with regard to Syria. Kassem in fact opposed union with Egypt and in accordance with Moscow's interests; the Iraqi communists supported Kassem's anti-Nasserism which strengthened Soviet support for Iraq in its competition with Egypt. However, positive relationship with Iraq did not last long as Kassem turned on the communist in 1960, in response to a local incident accused them of attempting coup and began a serious crackdown. Soviet had to face what was to be a common dilemma to support the local communists under persecution, if not by terminating relations with regime then by taking some drastic steps, such as suspension of arms supplies, or rather to opt for favourable relations with regime and ignore the plight of the communists. A middle road was chosen, some mild criticism of the regime was expressed but no drastic moves were undertaken. The relation with Kassem became strained; the Soviets continued to support Iraq regionally for example, Iraqi dispute with Iran in 1960 and the dispute with Kuwait in 1961. Thus, Moscow strove to maintain relations with Kassem, preferring his anti-western positions over the local communist. However, Kassem moved away from the Soviet Union, becoming increasingly anti-communist, anti-Soviet and for less radical in domestic policies as well as weaker politically.⁶

⁶ Lenczowski, George, *Soviet Advances in the Middle East*, American enterprise institute for Public Policy Research, Washington. 1971.

In February 1963, Kassem was overthrown, but a right wing Ba'ath regime came to power. This was a regime of nine months of bloody suppression of the communists. Its persecution of the Iraqi communist party and what the Soviet Union then described as its "policy of genocide towards the Kurds caused a sharp deterioration in Soviet-Iraqi relations. However, relation improved again after the new military coup on November 1963. The new regime was independent of Egypt but favoured good relations a policy now supported by Moscow in the aftermath of the failure of Nasser's united Arab idea. Moreover, the new regime instituted some economic measures of a socialist nature, at least nationalization which from the Soviet point of view, signified that Iraq had entered upon a 'path of non-capitalist development during the ensuring Arif Brother's rule upto July, 1968. The visit by Iraqi Prime Minister Abd-al-Rehman al-Bazzaz to Moscow in July-August 1966 was a milestone in the process of improving Soviet-Iraqi relations. The Soviet Union welcomed the Iraqi government's statement of 29 June 1966 on the recognition of Kurdish national and linguistic rights. For these reason, Moscow declared the regime a progressive one and resumed arms deliveries and economic aid in June, 1964. These relations continued until the right wing Ba'ath returned to power in 1968 under Ahmad Hassan Bakr.

Aftermath of 1967, Arab-Israeli war, the Soviets increasingly emphasized the Arab-Israeli conflict as a basis for Soviet-Iraqi cooperation perhaps in part because Iraq's own anti-imperialist rhetoric was down, reducing the expediency or appeal of Moscow for Baghdad in that sphere. It has been claimed that another bond in this period was Iraqi need for arms, not only against Kurds but also to supply Iraqi forces spread out in Jordan and Syria. The return of the right -wing Ba'ath to power did not, this time, destroy the

link with Moscow. The Soviets even committed themselves to development of much of the Iraqi oil potential, in order to encourage Baghdad to evict western oil firms. Actually Moscow's investment in Iraq in the 1960s was quite extensive. There were some 1300 soviet military advisers into country and over half a billion dollars' worth of military aid was granted by the end of 1967 alone. Iraq reached eight among Moscow's Third World trading partners, fifth among recipients of Soviet economic aid and fourth or fifth for military aid. Baghdad was one of the five recipients in the Third World of a nuclear reactor built by Soviet Union. And Iraq sent more students to the Soviet Union than any other Arab State.

With the expansion of the Soviet fleet in the 1960s and the blue waters or forward deployment policy, Moscow was interested in the naval facilities which Iraq could offer in the Gulf has become all the important after Britain announced its East of Suez withdrawal plans at the end of the 1960s. The soviets also hoped to prevent any Iraqi defection to the west. There was also the soviet hope that Iraq would nationalize the western oil companies, thus further limiting the western presence in the Gulf.⁷

But problem emerged with Iraqi-Iraqi interests diverged on a number of issue. The 1969 dispute was not entirely welcomed by the Soviets i.e., Iraq-Iran, for they were improving their relations with the Shah and preferred not to alienate him. Thus, Moscow took neutral position in the dispute.

Thought the dispute over Shatt al-Arab between Iran and Iraq was basically created by old colonial policies of British and Ottoman Empire right from the beginning of the 16th century, it became more acute when Shah Mohammed Reza Pahlavi of Iran

⁷ Adomeit, Hannes, Soviet policy in the Middle East: Problem of Analysis, Soviet Studies, Vol-27, No.2(April,1975) P 288-305.

annulled by the treaty of 1937 in 1969, which had led to Iraq a strip of territory on the eastern bank of the Shatt al-Arab which marks the Gulf end of frontier line. The situation was aggravated when just after the evacuation of the Gulf by British, the Shah occupied in November 30, 1971, the three strategic islands-Abu Musa, Greater Tumb and Lesser Tumb situated near the Strait of Hormuz in the Gulf.

Following the occupation of three islands by the Shah, Iraq severed its diplomatic relation with Iran and Britain imports and the notes were sent to Security Council, the Arab league and to the member's of diplomatic corps in Iraq. However, Iraq did not take military action against Iran as Shah's position was very strong in the Gulf due to American military involvement in Iran.⁸

The 1968-70, Kurdish war also posed problems. The Soviets championed the Kurds' demand for autonomy, but they were relieved by and welcomed the resolution of the conflict in 1970, despite the fact the agreement reached was not particularly favourable to the Kurds. Moreover, differences over the Arab-Israeli conflict occasionally became apparent. At the same time turn in Iraqi foreign policy distressed Moscow, such as opening toward France and exchange of ambassadors with China in 1970.

However in 1970's Soviet Union interest in Iraq increased. The death of Nasser and the advent of Sadat to power in Egypt was a blow of Moscow. As Iraq was hostile to Egypt made it a willing alternative as Moscow sought compensation for its losses in Egypt. Iraq, therefore gained in importance with regard to shifting Soviet priorities in the region the most significant step towards the advancement of these interests was the treaty of friendship and co-operation achieved with Iraq in 1972. From point of Iraq, the Treaty may have been a pre-condition for the nationalization of western oil companies, for it

⁸ Tulsiram, Politics of Iran in the Gulf War, published by Rajesh Publication, New Delhi, 1984.

provided some backing should Iraq come under pressure from the companies countries. While from view point Soviet Union it served as a framework for securing its military interests in the post of Umm Kasr. The Soviet Union paid for the nationalization quite literally for they took on commitment of replacing the last western markets for Iraqi oil, until Iraq readjusted its relations with its previous client.

Shortly after this, the two countries negotiated a large arms agreement and in the period 1972-77, Iraq actually doubled the size of its armed forces through the doubling of Soviet arms supplies and began demanding hard currency payment for their arms. The Soviet Union was rewarded further by Iraqi agreement in 1973 to the creation of a National Front, which included the Communists despite inclusion of two communists in the government, the party was still hamstrung by the ruling Ba'ath. Saddam Hussain, the leading power in the Ba'ath, was particularly worry of the communist and as his influences grow the fortunes of the communist could be expected to decline.

The late 1970s and 1980s brought some cooling of mutual relations and a weakening of co-operation. Iraq growing financial resources after the rise in oil prices in 1973 created the basis for its widening links with the west and the ratio of the Soviet and Eastern European participation in the country's economic boom steadily declined which can be made clear through table.

Quarterly data for Soviet trade with Iran, Iraq and Afghanistan (million roubles)

Quarter	Iran		Iraq		Afghanistan	
	Exports	Imports	Exports	Imports	Exports	Imports
1978/1	162	79	92	80	32	21
2	154	74	132	160	29	24

3	64	56	273	77	37	13
4	52	29	176	93	41	18
1979/1	25	14	159	37	48	29
2	35	47	305	85	52	33
3	39	39	204	95	36	25
4	168	37	167	113	49	52
1980/1	86	35	189	84	55	74
2	79	11	126	93	73	62
3	45	8	92	70	52	49
4	49	20	65	1	68	77
1981/1	47	80	36	0	63	93

Note: Export refers to Soviet exports

Sources: Quarterly data are published in various issues of the journal *Vneshnyaya Torgovlya*⁹

As a political outcome of that, some of the differences between the parties "resurfaced, producing visible strains in the 'strategic alliance' between Moscow and Baghdad." In the late 1970s, the differences on issues such as the Palestinian question and the Arab-Israeli dispute, where Iraq was questioning Soviet recognition of the State of Israel in the pre-1967 War borders, Iraq's treatment of the I.C.P., the Kurdish national movement and Soviet support for Ethiopia against Somalia and Eritrea further deteriorated after the Iranian revolution and even more so with the Soviet intervention into Afghanistan on 27 December 1979. On 6 January 1980, Saddam Hussein called the

⁹ Smith, Alan H, *The influence of trade on Soviet Relations with the middle East, The Soviet Union in the Middle East*.

So viet intervention "unjustifiable, erroneous behavior that could cause anxiety for all freedom-loving and independent peoples," and Iraq voted for the resolutions condemning Soviet intervention both in the U.N. General Assembly and the Islamabad (Pakistan) Conference of the Islamic States. When on 22 September 1980 Iraq attacked Iran, starting a war which was going to last for almost eight years and which proved to be devastating to both countries, the USSR did not outwardly condemn Iraq's aggression, but immediately stopped its direct military supply to it and adopted a neutral stand. At all stages of the conflict the Soviet leaders described it as "tragically senseless" and directed against "the fundamental national interests of both countries." In a speech on 30 September 1980, Brezhnev called both the states of Iraq and Iran "friendly to the USSR" and stressed that "We are in favor of Iran and Iraq settling their outstanding problems at the negotiating table." From the Soviet point of view, the situation when the two "anti-imperialist regimes were cutting each other's throats" was truly deplorable. In the summer of 1982 war started to be fought on Iraqi territory and on 10 June 1982 Iraq promised to withdraw to the international border, Moscow then renewed the arms supply to Baghdad, but it nevertheless still supported all the attempts at mediation among the belligerents. Its balanced and cautious policy resulted in a marked improvement in its relations with Iran, which would be of particular importance for the future.

Despite all these tensions and even serious political disagreements, Soviet-Iraqi relations remained fundamentally friendly for all that period until the end of the 1980s, and mutual cooperation continued without major disturbances. Condemning the Soviet intervention into Afghanistan, Saddam Hussein nevertheless declared that: "Iraq would not change the trends of its general policy in its relations with the Soviets." The Treaty of

Friendship and Cooperation of 1972 has never been suspended and by 1990 fifty more specific treaties had been concluded. According to a Russian scholar: "In spite of some problems Soviet-Iraqi relations might have been characterized as very stable and fruitful, opening great prospects for the future." In the late 1970s, Sadat of Egypt turned his country towards an openly pro-American position and the Islamic Revolution in Iran proved to be both anti-Communist and anti-Soviet. Thus, Iraq's importance for the Soviets increased even more. For the USSR it became almost the only remaining instrument of influence in the region. However, Iraqi leaders were well aware of the Soviet difficulties and in exchange for the political loyalty and anti-colonial ideals as well as even verbal acceptance of the socialist ideas, constantly demanded economic support and arms supply. Iraq was taking about half of all Soviet exports to the region and the total value of Soviet contracts with Iraq amounted to 37.4 billion U.S. dollars. During the thirty years of cooperation, Soviet specialists built about eighty big factories in Iraq, and prior to 2 August 1990, almost 8,000 Soviet citizens worked in Iraq.

Soviet-Iraqi relations started to change from the late 1980s. As a Russian scholar indicates: "The basic changes in Russian foreign policy took place before the Soviet Union's collapse, still under the rule of the Communist party of the USSR with Gorbachev's team coming to power and the so-called 'perestroika', which in its turn brought about a fundamental breakdown of the previous political orientation.

Following the so-called "new political thinking" and trying both to bring to an end the Cold War with the American superpower and alleviate Soviet economic problems, Gorbachev and his advisors looked for better Soviet-Israeli relations and limited the

previous Soviet support for the more radical Arab regimes including Iraq. All Soviet policy towards the Middle East now became geared towards the major goal of close cooperation with the West - especially the U.S, and the previously defended national interests in the region, which were by and large consistent with the Arab interests, became "blatantly ignored". Although, according to Russian sources, Gorbachev himself originally hesitated and did not want to condemn outright the Iraqi invasion of Kuwait and to follow U.S. policy, he changed his mind under pressure from his foreign minister, Eduard Shevardnadze, a Georgian who was staunchly pro-American and pro-Israel and who threatened to cause a scandal and resign. Almost immediately after the invasion on 2 August 1990, what was still the Soviet government issued a statement condemning it as an act of aggression which contradicts the new positive developments in international affairs. The statement also demanded immediate and unconditional withdrawal of Iraqi forces from Kuwaiti territory" and "the re-establishment of the sovereignty, national independence, and territorial integrity of Kuwait." The next day on 3 August 1990, the meeting between Soviet Foreign Minister Shevardnadze and the U.S. Secretary of State James Baker fully confirmed Soviet support for the U.S. position regardless of the existing Soviet-Iraqi Treaty of Friendship and Cooperation and the multitude of common links and enterprises. The American side was understandably very pleased and the joint Shevardnadze-Baker declaration condemned once more the "rude and illegitimate invasion of Kuwait by the armed forces of Iraq." Although there was no lack of outspoken domestic Soviet opposition to the pro-American and anti-Iraqi policy, Gorbachev's meeting with the U.S. President George Bush in Helsinki on 9 September 1990 demonstrated its further continuity and development. According to a Russian

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scholar, although "officially there was no change in the positions developed earlier....the political meaning was new" and the meeting "marked a watershed in the policy of the two powers." In spite of all his domestic opponents, Gorbachev decided to support "every crisis-related action of the United States, thus giving Washington a free hand on military matters." The USSR also subsequently voted for the Security Council U.N. resolution 678 of 29 November 1990 which called for "all necessary means" to be used to end the occupation of Kuwait.

As a general understanding it included or even implied the use of military force, although the U.S. agreed not to mention it explicitly in order to enable the Soviet Union to vote for the motion and for China to abstain, rather than using its veto. The Soviet government also let the Americans transfer most of NATO's military might from Europe to the Middle East, thus assuring their easy and painless victory over the Iraqi army.

However, the negative reactions of the various groups in Soviet society, including Muslim circles in the country, against the new Middle Eastern policy did not pass without having an impact. On 20 December 1990, the main representative of the pro-American foreign policy in Gorbachev's team, Shevardnadze, was forced to resign "as a result of extreme pressure" and a mission to save the remnants of the "special relations" with parts of the Arab World including the remnants of the mutual "credit of trust" with Iraq, was committed to a prominent Middle Eastern expert, Evgenii Primakov. Although supportive of the general goals of Gorbachev's Perestroika, nevertheless from November 1990 he opposed Shevardnadze, asking for a more independent policy in the Middle East and protection of Soviet relations with the Arab World.

Moscow was informed of the start of hostilities by the U.S. Secretary of State only one hour before they started on the night of 17 January 1991 and its reaction to them was subsequently largely negative. At the end of January 1991, the new Soviet foreign minister, A. Bessmertnykh "cautioned the Americans against destroying Iraq rather than concentrating on the withdrawal of Iraq from Kuwait" and the Central Committee of the Soviet Communist party called on Gorbachev to "take the necessary steps" to bring about an end to the bloodshed. On 12 February 1991, Primakov left for Baghdad as a special presidential envoy and as a result of his negotiations a Soviet plan for a cease fire and an Iraqi withdrawal from Kuwait was submitted. The plan was further elaborated later on in talks with Tariq Aziz in Moscow 21-22 February 1991 and in addition to the full withdrawal of Iraqi forces from Kuwait, it provided for the lifting of U.N. economic sanctions against Iraq after most Iraqi troops had left Kuwait, and international supervision over its implementation. However, the Soviet diplomatic effort caused an extremely negative American reaction "on a scope unprecedented since Gorbachev's coming to power, and President Bush stated that the Soviet proposal "falls well short of what would be required. With Gorbachev's approval, Primakov submitted a revised proposal which took into account the American objections and Saddam Hussein accepted the revised proposal on 23 February 1991. However, as he did not accept an American ultimatum from 22 February 1991, the U.S.-led land attack then started. According to a Russian scholar: "A last minute agreement reached between Mikhail Gorbachev and Saddam Hussein on Iraqi troop withdrawal from Kuwait was turned down by the U.S., which reciprocated with an ultimatum unacceptable to Iraq.

Facing a fait accompli, the disappointed Gorbachev had to accept the logic of the emerging unipolar world and the collapsing Soviet Union was both too weak and too internally divided to react strongly. In fact it cooperated fully with the U.S. in the following dramatic events and its representative joined with the members of the victorious coalition at the Security Council in dictating the harsh terms of surrender to Baghdad, particularly Resolution 687 of 3 April 1991. In the Sanctions Committee which had been established in order to supervise its implementation, the USSR and later Russia as its legal successor, also became represented. However, its real role was quite negligible and Soviet-Iraqi relations deteriorated even further due to official Iraqi support for the unsuccessful coup in Moscow in August 1991.

The still existing USSR became a co-chairman of the Madrid Peace Conference in November 1991, but its role there was described by the well known Russian journalist, Stanislav Kondrashev as "the last tango". As he then predicted, "Our next dance will be something else. We are no longer partners as we have been recently and no longer rivals as we were for a long period before. To call a spade a spade, the U.S. has become our protector.

Two months after the Madrid Conference, the Soviet Union finally disintegrated and its successor state, Russia, inherited both its close links with the region and most of its political and economic assets, which by then, however, had greatly diminished.

CHAPTER - II

CHANGING PERCEPTION OF RUSSIA'S POLICY

TOWARDS IRAQ, 1991-1995

After the demise of the Soviet Union, a new Russian State emerged as an independent actor on the international arena. Right after the establishment of the new Russian State, its President Boris had to grapple with the new country's staggering domestic problems. Politically speaking, Russia was in state of turmoil, and economically devastated. Russia was impelled by its domestic conditions to seek outside assistance, and no country was better positioned to aid the new administration than the United States. Yeltsin made the transformation of Russia's economy his number one domestic priority for that foreign assistance was essential. Western support for Yeltsin had an importance beyond economics, it was also important for him politically. Yeltsin understood that he could count on the support of Washington when he confronted domestic reaction. The value of this support became clearly evident during the failed coup of August 1991. And later, during the parliamentary crisis in October 1993, Yeltsin sought and received support from the West. The shift in Russian foreign policy towards a pro-western orientation reflected conviction, necessity, and self-interest. They wanted to create a conducive atmosphere for its ascent democracy and economic reforms.

So Boris Yeltsin's primary aim in foreign policy, like Mikhail Gorbachev's before him, was to create a non-threatening external environment that would be most conducive to his country's internal economic and political development. As in the early decades of Soviet rule, this concentration on domestic development, together with relative shortcomings in military strength, produced a foreign policy of accommodation, retrenchment, and risk-avoidance—at least, in Russia's relations with states beyond the borders of the former USSR.

The fall of the CPSU and its Marxist-Leninist ideology, together with the disintegration of the USSR itself, left a conceptual void in the foreign policy of the newly independent Russian Federation that raised to the forefront the question of Russia's national identity. Russia had never existed as a nation-state; rather, during both the Tsarist and Soviet periods it had been a multinational empire with messianic ambitions. Unlike other European imperial states, the modern Russian nation was not formed prior to the period of colonial expansion. Moreover, the tsars, unlike the rulers of Britain or France, colonized lands that bordered their home territories, thus producing an unusual intermixing of Russian and non-Russian peoples.¹ Further complicating the definition of Russia's national identity is the fact that twenty-five million ethnic Russians live outside the Russian Federation, in the other newly independent states of the former Soviet Union.

¹ See Margot Light, "Foreign Policy Thinking" in Neil Malcolm, Alex Pravda, Roy Allison and Margot Light(eds), *Internal Factors in Russian Foreign Policy* (Oxford: Oxford University Press, 1996), pp.35-38, and Karen Dawisha and Bruce Parrott (eds), *Russia and New States of Eurasia: The Politics of Upheaval* Cambridge: Cambridge University Press), pp.26-29

Not only are the people of the Russian Federation experiencing new geopolitical confines, but they are also acutely aware of the relative weakness of their state, in comparison to the superpower status enjoyed by the USSR at the height of its power. The dizzying economic decline of the early 1990s produced a profound sense of national humiliation, as Russia's leaders—first Gorbachev, then Yeltsin—were perceived as meeting with Western leaders in the role of supplicants of foreign aid. The combination of a loss of national mission, a wounded national pride, and a confused national identity rendered more acute the need for Yeltsin to articulate a sense of national purpose in the foreign policy of the new Russia.

Yeltsin assigned the task of spelling out the basic principles of Russian foreign policy in the early months of 1992 to Foreign Minister Andrei Kozyrev, young professional diplomat who had spent sixteen years in the Department of International Organizations of the Soviet Ministry of Foreign Affairs. On the foundations of the liberal internationalism of Gorbachev's new thinking, "Kozyrev—not surprisingly—constructed a heavy reliance of Russian participation in international institutions. Determined to liberate Russia from the burdens of empire, the messianism, and the over-reliance on military instruments that had characterized both the Tsarist and the Soviet periods, Kozyrev developed foreign policy ideas centered on the promotion of human rights and the universal values of global economic, environmental, and nuclear security, realized through a community of democratic states. Since democracies do not attack other democracies, a democratic Russia would have nothing to fear from the West.² This "westernizing" or "Atlanticist"

² Robert H. Donaldson and Joseph L. Noguee, *The foreign policy of Russia: Changing Systems, Enduring Interests*, (New York : ME Sharpe), p. 113.

orientation of the Yeltsin Government made a genuine attempt to hold a partnership with the United States and Western countries

If the purpose of Russian foreign policy was the creation of the conditions in which the new nation could prosper, Kozyrev reasoned, it would be necessary for Russia to gain membership in the club of developed democratic states and their economic institutions, thus assuming the “fitting place that has been predetermined for us by history and geography.” During these early months of 1992, not only Kozyrev but also President Yeltsin and Deputy Prime Minister Egor Gaidar, who was responsible for economic reform, consistently voiced these “liberal westernizing” views of Russia’s national interests.³

The tradition of expressing the basic principles of policy in a programmatic and officially endorsed statement still runs strong in post-Soviet Russia. Accordingly, Kozyrev was urged to develop a “foreign policy concept” that would be discussed in the government and adopted by the Supreme Soviet and the President, to serve as the expression of national consensus and well as guidance for diplomats, parliamentarians, and others.

For Kozyrev, Gaidar and other liberals, the Western democracies were the ideal model and partner for Russia. Russia must shed its tradition of distinctiveness and its illusions of serving a “special role” as a “bridge” between Europe and Asia. And it must avoid the temptations of assuming a leading role in the Commonwealth of Independent States, not only because reintegration of Russia’s economy with those of the other former Soviet republics would slow market-oriented reforms and irrigation with Atlantic and European economic institutions, but also because Russia’s assumption of a

³ Robert H. Donaldson, Boris Yeltsin’s Foreign Policy Legacy, <http://www.personal.utulsa.edu/~robert-donaldson/yeltsin.htm>

peacekeeping role in the troubled bordering states would restore the privileged status of the military and thereby threaten the tender shoots of democracy of Russia.⁴

Juxtaposed to this “Westernizing” or “Atlanticist” orientation of the Foreign Ministry was a “pragmatic nationalist” or “Eurasiantist” viewpoint that was expressed by officials in a variety of government and academic institutions. From this perspective, articulated forcefully by presidential advisor Sergei Stankevich, Russia was indeed separate and distinct from the West—even more so with its new boundaries—and did have a special mission to serve as a bridge between Western and Eastern civilizations. Foreign policy must be more than pragmatic opportunism; without displaying messianism, Russia need a mission—Stankevich’s words’ “to initiate and maintain a multilateral dialogue of cultures, civilizations and states. Russia the conciliator, Russia the unifier, Russia the harmonizer... A country that takes in West and East, North and South, and thus is uniquely capable..... of harmoniously unifying many different elements, of achieving a historic symphony.” For Stankevich, Eurasianism was not a rejection of the West, but a balanced policy, although the immediate requirements of balance were to heighten emphasis on the East. With the West, Russia at best could aspire to a role as junior partner, “not worth accepting.” The very first priority for Soviet diplomacy, however, was “to talk in tougher tones”—to defend the Russia population and Russian heritage in the other stages of the former Soviet Union from any form discrimination or attack. Although the “pragmatic nationalists” did not go so far as to advocate forcible revision of the boundaries of the Russia Federation, they clearly disagreed with Kozyrev and Gaidar in arguing that Russia should

⁴ Ibid

be prepared to make economic, political, and diplomatic sacrifices in order to promote tighter integration of the Commonwealth of Independent States.⁵

By the end of 1992, this internal criticism was combining with external events—including the disappointing Western response to Russia’s requests for economic assistance—to bring to an end the “romantic” phase of Russia foreign policy, and the movement of Russian liberals closer towards the centrist foreign policy views of the “pragmatic nationalists”. Another factor contributing to this coalescence was the growing political strength of the “Red-Brown coalition” of communist and extreme nationalists, whose members voiced an even more sharply critical “fundamentalist nationalist” point of view. Most of the attention given to this orientation was generated by Vladimir Zhirinovsky, leader of the misleadingly named Liberal Democratic Party, a neo-fascist party that showed surprising strength in the parliamentary elections of December 1993. Other proponents included Gennadii Zyuganov, leader of the Communist Party of the Russian Federation. Simply stated, the foreign policy idea expressed by this group sought to recreate the Russian empire—up to and even suppressing the borders of the former USSR—by the use of force, if necessary. Unlike the “pragmatic nationalists,” the “fundamentalists” were openly anti- Western, professing to see Western aid as a conspiracy to weaken the Russian economy, and opposing any further moves to integrate Russia into the world economy. They defined the Russian nation in ethnic rather than civic terms, with some chauvinists openly voicing anti-Jewish and anti-Islamic sentiments. Appealing to many disaffected elements in the military and security establishments, politicians of this orientation advocated the restoration of a strong, authoritarian imperial state in Russia. More so than heirs of the Slavophiles, contemptuously denouncing

⁵ Ibid

“Westernizers” for thinking that Western culture or political institutions were worthy of imitation, and depicting Russian civilization as distinctive and superior.⁶

The official foreign policy concept approved by President Yeltsin in April 1993 reflected the complete abandonment of the “liberal Westernizing” idea and the convergence of “establishment” thinking around the “pragmatic nationalist” viewpoint. The final document—the authoritative statement of Yeltsin’s foreign policy priorities—emphasized Russia’s rights and responsibilities in the states of the former USSR (generally referred to as *blizhnee zarubezh’e*, or “near abroad”).

Of the nine “vital interests” listed in the document, only the third pertained to the world outside the borders of the former USSR. In referring to this domain, the authorized summary of the document mentioned the countries of Eastern Europe and of Western Europe before it referred to Russia’s relations with the United States. Evidently seeking to correct the perceived earlier imbalance in this relationship, the summary spoke of common interests that create the preconditions for developing partnership, but it stressed that U.S.- Russian interests did not always coincide, while complaining about “discriminatory restrictions in the commercial, economic, scientific and technological spheres.”⁷

In the Asian- Pacific region, priority was given to “urgent consolidation of the breakthrough” in relations with China over “normalizing” relations with Japan, where “the expediency of continuing to search for a solution to the territorial problem” was qualified by the caveat, “but not to the detriment of

⁶ See Robert H. Donaldson and Joseph L. Noguee, pp. 108-114

⁷ Ibid

Russia's interests." The document expressed concern over the threat of nuclear proliferation on the Korean peninsula and on the Indian subcontinent, and it deplored the tensions in South and West Asia from the context of their harmful influence on the former Soviet states of Central Asia and the Transcaucasus. In the Middle East, it called for settlement of the Arab-Israeli conflict, while also envisioning a greater Russian role "in resolving the problems in and around Iraq" and a "stronger Russian presence in the regional arms and raw materials market." Clearly reflecting a reduced global involvement on Moscow's part, the concept document mentioned Central and South America, Africa, and Australia only in the context of "the world community's common efforts to settle regional conflicts."⁸

"Top priority" and "fundamental importance" in Russian foreign policy was reserved to the area of the former Soviet Union. Even while asserting that Russia remained a great power, the concept document stressed its special mission in this sphere.

Document emphasized that, in its relations with the former Soviet republics, Russia followed a policy seeking "the greatest possible degree of integration" based on the principle of "strictly voluntary participation and reciprocity." If certain states chose not to cooperate in some spheres, then it was essential to move ahead in developing arrangements "with the interested countries alone." Specific tasks in this realm included the creation of an effective collective security system, ensuring Russia's status as the only nuclear state in the Commonwealth of Independent States, securing the external borders of the Commonwealth, and developing and improving the peacekeeping mechanism "on the basis of a mandate from the United Nations or the Conference on Security and Cooperation in Europe." Special urgency was assigned to the

⁸ Robert H. Donaldson, *op. cit.*

“problems of ensuring military security that have arisen as a result of the Soviet Union’s disintegration.”

The tone of Yeltsin’s concept statement fell short of the open hostility toward the external world that was typical of Marxist-Leninist pronouncements and that is still evident in the expressions of “fundamentalist nationalist” politicians. Clearly, the official statement of guiding policy ideas was less oriented toward participation in multilateral institutions and more forcefully assertive in its enunciation of Russia’s objectives than Moscow’s foreign policy had been during the previous year.

Andrei Kozyrev remained the target of hostile criticism from parliament and press—and even, on occasion, from President Yeltsin himself—until after the December 1995 elections, when he resigned as foreign minister to take a seat in the new Duma. His former ally, Egor Gaidar, has noted of Kozyrev that his main weakness was “that he wanted so badly to be foreign minister.” As soon as Yeltsin notices such a trait in a member of his team, Gaidar wrote, that individual loses Yeltsin’s respect and the change to speak his own mind. He ends up as a “yes man.” Yeltsin’s choice as Kozyrev’s replacement was a study in contrast—Evgenii Primakov, an academician whose political career had benefited from the patronage of Aleksandr Yakovlev. Trained as an Arabist, he spent five years as *Pravda* correspondent in the Middle East. With Yakovlev’s sponsorship, he became a close aide to Gorbachev, serving on his Presidential Council and Security Council. After the August coup, he had been appointed as chief of the reorganized Foreign Intelligence Service, and he retained this post in Yeltsin’s government—virtually the only holdover from the Gorbachev team.

Due to its domestic complains, in the Middle East, Russia walked in the shadow of the U.S. Yeltsin seemed “anxious to carry favour with the West, and based his foreign policy on following American initiatives”. Although Russia seeks to build bridges of good relations with any Middle Eastern country willing to cooperate, the basic thrust of the Russian strategy to regain its influence in the region.

Indicating the importance of bilateral relations in the past, Russia and Iraq restored the ties in 1992. Iraq was isolated and facing stiff international sanctions, needed all the allies it could get Russia in the other hand, was facing a more complicated situation. In 1992 President Yeltsin, continued the policy of cooperation with the West, which remained a top priority under his leadership. But as Moscow gradually became more assertive pursuing its national interests, the Iraqi factor took as a more prominent profile.⁹

On 9 November 1992 a Russian parliamentary delegation headed by Sergei Baburin, Leader of the Communist and Nationalist Unity Bloc, visited Baghdad. They were received by the Iraqi Speaker of Parliament Sa’adi Mahdi Saleh, who announced that Baghdad wished to ‘turn over a new leaf in its relations with Russia’. Such visits appeared to lend weight to claims by the Ba’ath regime that it had an influence on the members of Moscow’s political elite. The Russian media was unrelenting about the financial losses as a consequence of embargo against Iraq, and political opponents of Boris Yeltsin blamed this on the government’s kow-towing to the West at the expense of national interest s. Between 1992 to 1994, there was a growing wave of voices calling on the government not to ignore the potential gains to be made from enhancing relations with Iraq. There was also attractive possibility of

⁹ Talal Nizameddin, *Russia and the Middle East Towards a New Foreign Policy*, (London :Hurst & Company.) p.202

favourable contracts and arms sales, which would benefit the Russian economy over its competitors. As a result of Russia's participation in the sanctions, its economic relations with Iraq were greatly curtailed and because of a number of previous obligations had not been fulfilled; it lost a profit of about 9 billion U.S. dollars. However, due to a number of international and domestic factors, the situation started to change quickly from the end of 1993 and the beginning of 1994.¹⁰

- I First, the Russian political elite was deeply disappointed by the lack of the expected generous economic help from the U.S. and its allies, and their recognition of Russian interests in the former Soviet bloc area. Feeling rejected by the West especially after the unsuccessful effort to block NATO expansion in East-Central Europe, Russian leaders started to look for alternatives to their previous pro American foreign policy.¹¹
- II Also "new" Russia did not get any substantial financial help from the wealthy and pro-Western Arab oil – producing countries – particularly Saudi Arabia and Kuwait, and to return to the "radical" states such as Iraq and Libya, and in the 1990s also Iran, in fact became an economic necessity.¹²
- III Iraq's strategic location at the Persian Gulf and its proximity to the former Soviet borders made this country too important to be ignored by any government in Moscow – especially in view of its influence on the new Islamic states in the post – Soviet space and the substantial Muslim population in Russia itself.¹³

¹⁰ Tareg Y. Ismael and Andrej Kreutz, "Russian-Iraqi Relations: A Historical and Political Analysis" Arab Studies Quarterly, Vol.23, No. 4 Fall 2001 p. 94.

¹¹ Ibid - 95

¹² Ibid

¹³ Ibid

IV Last but not least, since the end of 1992, domestic opposition to the pro-Atlantist foreign policy, which was symbolized by Andrei Kozyrev, started to increasingly voiced by the supporters of a Eurasian orientation, nationalists, and communists in the Russian parliament, the Duma and public opinion in general. After the elections won by them in December 1992, even President Boris Yeltsin demanded that a more 'patriotic' foreign policy be conducted.¹⁴

The first official meeting of the deputy foreign ministers of Russia and Iraq took place in June 1993. As a practical outcome of this, an agreement was achieved in August 1993 on the continuation by Russia of all work contracts signed during the Soviet period and on further economic cooperation. The next year brought a virtual flurry of mutual visits and high level contacts between the two countries. Russian decision making elite was itself in accord with the view that relations with Iraq required began to surface in 1994, when in November Moscow announced that it was 'ready to resume arms supplies to Iraq' once the UN sanctions were lifted.¹⁵ It was also reported that as part of the deal, Russia would provide technical training to Iraqi officers in the field of communications. However, Moscow strenuously stressed that it would provide technical training to Iraqi officers in the field of communications. However, Moscow strenuously stressed that it would not act unilaterally in defiance of the United Nations sanctions. Moreover, Kozyrev stated that Russia's close relations with Iraq would not be at the expense of other Gulf states: 'Iraq and Kuwait are Russia's economic partners and that is why Moscow cannot take sides' when Tariq Aziz made an unexpected visit to Moscow on 6 December 1994, Russia's Foreign Ministry continued to emphasize this point. Yeltsin's

¹⁴ Ibid.

¹⁵ Talal Nizameddin, *op.cit.*, p. 202

envoy to the Middle East, Viktor Posuvaliuk reaffirmed that 'we are not Iraq's advocates'. Russia also pointed out that contentions issues such as Iraqi disarmament should not be used by the United Nations to delay the lifting of sanctions against Iraq. The official Russian position on sanctions against Iraq began to change in June 1994. Russian representative in the Security Council argued that the Security Council should respond adequately to the positive steps, which had been undertaken by Iraq and to weaken if not completely abolish the sanctions. During the July 1994 UN Security Council session, Russia stressed the necessity for parallel and balanced fulfillment of legal obligations by all parties to the Iraq-Kuwait conflict. It also involved recognition by Iraq of independence and existing borders of Kuwait which official Iraqi propaganda called the 19 provinces of the country. In order to get Iraqi acceptance of those requests and to regain at least some influence in the area, Russian Foreign Minister Kozyrev visited Baghdad twice in the fall of 1994. As a result of his talks with the Iraqi leaders in October 1994, Iraq for the first time officially recognized the international status of Kuwait as a Sovereign State. Kozyrev's diplomatic success was still not well received by the Americans, who saw it as harmful to their interests in the region. They were particularly displeased both because of the political success of Russian diplomacy in the region, which was dominated by them. As Russian Deputy Foreign Minister Victor Posuvaliuk stated that Russia did more for the normalization of Iraq-Kuwait relations than any other state and did not want to play one country against the other.

Kozyrev's mission to Baghdad was clearly intended to provide much needed legitimacy and support to the internationally isolated regime. Russia's Foreign Minister told the members of the puppet parliament in Baghdad that 'the future of the Iraqi people today is your hands and in the hands of the

Revolutionary Command Council'. On his return to Moscow, Kozyrev urged the United Nations to react positively to the Iraqi initiative and repeated his criticism of the all or nothing approach of the United States. His retort to increasing references to US-Russian differences was unambiguous: 'Is the United States a sacred cow with which we cannot have disagreement?.' But Moscow leadership denied that Kozyrev's efforts were part of a new move by Russia to revert to the cold war. Russia pointed out that Moscow's success in getting Iraq to recognize Kuwait 'is an achievement for which the Gulf countries should be grateful'. Russia also opposed to remove the Saddam Hussein United States criticized the Russian moves in Middle East. The reason for the growing quarrel with the United States was that Washington had become accustomed to the view Moscow no longer played a role in Middle Eastern affairs. Russia and the United States have its own strategic goal in the region which could not be reconciled. The Americans are irritated at their Russian Partner because, by offering Baghdad a compromise instead of capitulation and to exchange recognition of Kuwait's sovereignty and borders for a gradual lifting of the oil embargo, Moscow, in Washington's opinion, threw the drawing dictator a lifebelt. Indeed, what became clear from the whole episode was that the United States had overstepped the boundaries of seeking to uphold international law, and in many ways used such means as a vehicle to look after its own national interests. The dawning reality was that Washington had specific intentions in the region, which it achieved with relative ease, and any talk of 'compromise' or 'cooperation', if it did not coincide with US aims, was largely ignored. This view, which was once reserved for Russian communists and nationalists, soon become prevalent among the mainstream as well. 'The new Russia has now reached this by no

means novel conclusion, after first entertaining infantile illusions about the unbounded altruism and disinterestedness of the 'civilised world'.¹⁶

In May 1995, the Russian Parliament-Duma adopted a resolution calling for the removal of the oil embargo against Iraq. However, the resolution was not binding for the Russian authorities and had rather symbolic importance. The Russian leaders generally wanted to pressure a kind of balance in their links with Iraq and Kuwait and the West, and while demanding from Baghdad compliance with the relevant UN resolutions, including releasing all Kuwaiti prisoners of war, and compensation for lost or stolen property, nevertheless preserved and further developed cooperation with Iraq. Particularly promising for the Russian side became cooperation in the field of the oil industry. In April 1995 an intergovernmental agreement was concluded which provided for Russian drilling in the oilfields of West Qurna and North Rumaili for a total amount of 15 billion U.S. dollars.

Russians are also interested in repayment by Iraq of its debt which amount to about 7 billion US dollars. For neo-capitalist Russia, which for over a decade has been in a dire economic situation, all this money is obviously quite important. But economic reasons were not the exclusive causes of the Russian involvement. Iraq is geographically very close to the former Soviet borders and even Russia itself. It is not a far away country where one can play its political games. The developments there have an impact on the political life in Russia, including its domestic problems. It was to be expected that in June 1995 Kozyrev stated that Moscow and Baghdad had "coordinated a course aimed at ending Iraq's International Isolation", still contingent as its

¹⁶ Hetal Khashan, Russians Middle Eastern Policy, International Studies, 36,1 (1999) p. 25

compliance with the UN resolution.¹⁷Russia's diplomatic drive in the Middle East is part of a border campaign that involves the Far East also. The Kremlin was trying to regain Russia's lost global influence and attract foreign economic investments, causing much anxiety in Washington. The US did not want to allow Russia to correct its skewed policy in the Middle East because Russian involvement could challenge the American dominance in the region. Russia also coordinated its diplomatic moves in the Middle East with France with to the Arab-Israeli peace talks and the stand off between Iraq and the UN as sanctions and weapons; these moves were not liked by the foreign policy architects in Washington, even though they do not pose any serious threat to US interests. The efforts of the Russian Federation to rebuild its foreign policy in Middle East rest on at least four fundamentals: rational prestige of a vast country with tremendous resources and a glorious past; de-idealized pursuit by a former super power of a regional role on the basis of cooperation, not subversion; achievement of stability in this region' and promoting economic cooperation, particularly with the oil producing countries. The US that succeeded in evicting the former Soviet Union from the Middle in the late 1990's did not seem to have modified its erstwhile rejection of a prominent role for Moscow in the Middle East, despite the end of ideological rivalry. Russia would like to see a multi-polar world in which the US does not pose as world hegemony; cognizant of this need the US appears determined to stifle Russia's efforts. But despite Kozyrev efforts in the 1994-1995 periods, he was still widely blamed for the negligence of the Middle Eastern goals and interests of the country. According to many Russian scholars and journalists, its policy had caused a noticeable decrease in Russia's prestige and political influence and a loss of the very substantial economic gains. His replacement in December

¹⁷ Tareq Y. Ismael.op.cit, p. 97

1995 by Eugenio Primakov was a positive turn and a chance for improvement of Russian policy in the region.

CHAPTER – III

REASSERTION IN RUSSIAN POLICY TOWARDS

IRAQ, 1996-1999

Russia's new Foreign Minister, Yevgenny Primakov, a noted Middle Eastern scholar and a man with a first hand knowledge of the Arab World including Iraq, was welcomed as a positive turn and chance for improvement of Russian policy in the region. Primakov, as Foreign Minister from January 1996 to September 1998 and Prime Minister, from then until May 1999, is credited Russian scholars and journalists with a clear formulation and introduction of new ideas and directions in the Russian foreign policy. The geo-strategic principles where were established by him basically continued after his departure from the Prime Ministers office. In fact there is no alternative to them and they correspond to Russia's geopolitical aspirations and its new political clues, which became more pragmatic and less pro-western.¹

Expressing his foreign policy ideas in his first press conference as Foreign Minister in January 1996, Primakov unmistakably allied himself with the "pragmatic nationalist" and "euroasianist" viewpoints. He declared that "Russia has been and remains a great power, and its policy towards outside world should correspond to that status," while echoing its predecessor in saying that Russia's policy should create "an environment that would, to the greatest extent possible, be favourable to the development of the economy and the continuation of democratic process in Russian

¹ V. Kolossov, quoted in Trareg Y. Ismael and Andrej Kreutz, "Russian-Iraqi Relations : A Historical and Political Analysis" Arab Studies Quarterly, Vol. 23, Number, 4, Fall 2001. p. 97

Society”². He emphasized that Russia’s relations with its cold war adversaries must be an equitable and mutually advantageous partnership that takes each other’s interest into account. He also expressed the need to diversify Russia’s foreign ties with Middle East and the key states of Asia. Primakov enumerated four foreign policy tasks, which would be given top priority :

1. The creation of the best external conditions conducive to strengthening the territorial integrity of our state.
2. The strengthening of centripetal tendencies in the territory of the former USSR. Naturally this does not and cannot mean the rebirth of the Soviet Union in the form in which it used to exist. The sovereignty obtained by the republics is reversible, but this does not negative the need for reintegration process, first of all in the economic field.
3. The stabilization of the international situation at the regional level Russia have achieved great success in the stabilization of the international situation at the global level, having jointly war.
4. The development of fruitful international relations that will prevent the creation of new hotbeds of tension and especially the proliferation of means or weapons of mass destruction³

Primakov repeatedly stated that Russia did not have permanent enemies but it did have permanent interests.

A generation older than Kozyrev Primakov proved a more experienced manager of the Foreign Ministry and a more adopt politician. Earlier when Primokov was the advisor of Gorbachev, he wanted the USSR presence in the Middle East

² Robert H Donaldson and Joseph L. Noguee, *The Foreign Policy of Russia : Changing Systems, Enduring Interests*, M.E. Sharpe, New York. p. 118

³ Ibid p. 119-120

because that the balance of power. Nobody wanted that some power to maintain a monopoly position there. Primakov's views have not changed and that constituted the foundations of the Russia's policy in the Middle East. His priorities were:

- to strengthen trends for integrating the commonwealth of independent states under Russian auspices.
- to obtain a truly equal partnership with the United States in the Middle East peace process.
- to pursue a colder policy towards Israel; and
- to display more solicitude towards Moscow's former Arab friends in Libya, Iraq and Syria. Primakov policy took the form of a struggle to retain old positions, obtain new economic niches in the areas and contain proliferation.⁴

Primakov had said openly that he intended to confront Washington with a demand for equal partnership by strengthening Moscow's ties in the Middle East and not follow the earlier policy of cooperation with Washington. That earlier position he blamed as a misguided approach to U.S.-Russian rapprochement. Thus, Moscow's Middle East policy was reoriented. Partnership with Washington would possible only on an equal basis. Russia could compete with Washington, primarily by strengthening ties with Iran, Iraq, Libya, Syria and Palestine Liberation Organisation. Primakov Middle East policy took the form of an increased search for economic advantage, joint partnerships with local states (as with Iran in the Caspian Sea Area), and renewed arms sales wherever possible. Essentially his foreign policy embodied a bipolar view of great-power rivalry in the area. Stripped of compulsive ideological posturing and mindful of Moscow's reduced clout, it is a strategy to restrict US influence and create a counter-bloc to

⁴ Stephen Blank, "Russia's Return to Mideast Diplomacy", *Orbis*, Fall 1996. p. 518

it. It relies on Iran to help Moscow stabilize Central Asia and the Caucasus-in return for Russian armed, atomic energy, technicians, and trade. As regards the peace process, the policy eschews military confrontation with Washington and seeks to presence some form of superpower condominium with Russia as power maker. It redefines Russian interests in support of the peace process, yet leaves Israel with little to show for its concessions.⁵

For Moscow, these efforts in the Middle East have the critical goal of preventing both the unrest and Western influence in the region from reaching the CIS cooperation with Iran, trade with Turkey, opposition to Ankara's political presence in the CIS, and efforts to include the CIS in a single Moscow based economic and military space can succeed only if the area remains one of controlled tension and Moscow is not involved in Middle Eastern Wars. In particular, a stable CIS is possible only if Iran is co-opted and Turkey Kept at arms length, since the latter is seen as America's stalking horse and a rival of Iran's for influence in the CIS. In as much as Tehran sees Turkey the same way and views s recently announced economic-military cooperation with Israel as a threat to Iran and an extension of US influence — the happy convergence of Tehran's and Moscow assessments makes for warm relations between the two. These precepts and perceptions form the basis of Moscow's current policies toward Turkey, the peace process, Iran, the Gulf, and the so-called pariah states Iraq and Libya.⁶

Primakov and Russian President Boris Yeltsin are intensified a policy outlines had become clear by 1995, when Russia began its returns to the Middle East. At that time, wherever one looked, arms traders, diplomats and armed forces actively

⁵ Ibid. p.518

⁶ Ibid p. 519-20

promoted Russian interests. Russian troops were active in Chechnya Georgia and the Tajik-Afghan border region; they guarded Armenia's borders with Turkey, conducted various so-called peace operations across the North Caucasus, and effectively controlled Central Asia's armies. Russian armies' salesmen — including the Prime Minister, Foreign Minister and Defence Minister — were all over the Gulf region and making stops in Syria and Israel as well. Lastly, Russian diplomacy in 1995 energetically promoted Russian interests in the Arab-Israeli peace process, pushed to lift the UN embargo on Iraq and advanced schemes for Russia have a dominant influence in ending the Nagorno-Karabakh and Tajik Civil Wars. Primakov had indeed built on all these policies. His policy involved through long term and calculation of interest.

Underlying factors of Russian Middle East Policy

At least three factors determine the Russian policy towards Middle East. The first, Russia's need for secure frontiers, results from the threat posed by the failure of the CIS states, and of Russia itself, to create viable state institutions and to control the use of armed forces. In the absence of such institutions, a host of crises and conflicts have arisen that seem to defy solution. Many of these conflicts occur inside the CIS or on its borders, thereby energizing a Russia that has not fully come to terms with its imperial defeat and that has a historic animus towards Islam. Since Russian leaders believe their Islamic neighbours are uncivilized and cannot viable states, they conclude that the logic of the situation must lead to integrations around Russia, that is a reduction of CIS members' sovereignty.

The foundation for Russia's return to the Middle East, has been its successful protection of military power into the Caucasus and Central Asia. Despite the Chechnya debacle, Russia has solidified its military hold on the Caucasus through the

establishment of large forces permanently based in Georgia and Armenia. (The presence of such forces has been made possible by a US-sponsored revision in the conventional forces in Europe Treaty). These forces allow Russia to threaten Azerhayan and Turkey the latter of which is suspected of the grandest and most nefarious designs in the CIS.

Russia's strong position in the CIS's southern belt, in turn, facilitates a projection of influence into the border Middle East. In particular, Moscow's use of the Tajik civil war — as a pretext for its military reentry into Central Asia, for efforts to dominate to economies and armed forces of CIS states, and for heating back other competitors in Central Asia - has allowed Russia to approach the Gulf and South Asia.

Moscow's policies and threat assessments regarding Central Asia and the Caucasus sound very much like traditional soviet claims about the strategic proximity of the region to Russia and the threat posed by America's rising involvement throughout the CIS and Middle East. The geographical foundation for such claims is even shakier today than in the past, but that does not stop Russian diplomats from saying that Russia is a legitimate presence in the Middle East because that region adjoins areas of vital strategic interest to Russia.

The second factor that determines Russian policy is a desire to control natural resources both as a source of capital and as a way to restrict economic competition, and then to find economic competition, and then to find economic partners and markets for those resources, especially oil and gas, as well as for arms. Geography, economics, and the unsettled security situation throughout the new Middle East

beckon both oil dealers and arms traders. And we must not underestimate how deeply Russian elites' fear becoming a western economic colony.

Nevertheless, Russia is not economically competitive in the Middle East, and so economics plays a big role only in regard to selling arms. In this instance, the Russian defence industry exerts tremendous efforts to enter the Middle East and sell to everyone, regardless of strategic consequences, even if that means low-balling competitors and selling at dumping prices. But although Russia is desperately eager to sell arms to anyone who will buy them, and the Middle East is regarded as a priority area for arms sales the fact remains that Russia's sales relatively meager less than \$3 billion per annum for 1993-94, and no more than \$26 billion projected for 1995. Iraq is also logically a central player in Moscow's Gulf energy interests. With at minimum 112 billion barrels of oil and 110 trillion cubic feet of gas in reserves, it is the world's second largest producer of oil, and major regional source of natural gas. In light of this potential, Russia's powerful conglomerates have lobbied heavily- and successfully- for prospective rights to Iraqi oil, above and beyond the current UN-imposed oil-for-food program, over the last several years. Russia is currently the single largest consumer of Iraqi crude, with its companies in control of concession estimated in the billions of dollars. Since oil, like cash, is fungible, and Russia exports energy, every barrel of Iraqi oil that Russia uses in one more bit of the world energy market that it controls.

With the bulk of Iraqi concessions monopolized by Russian firms, Russian fortunes are expected to skyrocket when Iraq breaks free of sanctions once and for all. Beginning in 1995, and agreement on economic cooperation between Moscow and

Baghdad paved the way for extensive coordination, embodied by multiple accords over Iraqi oil. By the close of 1997, Russian firms had already signed contracts for the development of Iraqi fields worth upwards of \$3.5 billion. And with the effective collapse of sanctions in late 2000, Moscow has stepped up coordination with Baghdad. On December 21, 2000, Iraqi Oil Ministry Undersecretary Fa'iz al-Shahin and Russian Energy Minister Yuri Gavrin signed a memorandum of cooperation affirming relations between the two countries and their mutual intent to pursue joint cooperation products. This in turn has led to an upsurge in diplomatic contacts between Moscow and Baghdad, including high-level meetings and public declarations of Russia's unwavering support for Iraq. Significantly, these diplomatic efforts dovetail with Moscow's continued interest in Iraq's ability to repay its Cold War era debt, which stands at upwards of \$7 billion.

For its part, Baghdad has attempted to manipulate Russian involvement for its own ends. By providing lucrative concessions to Russian companies, Saddam Hussein has made access to Iraqi oil (and thus the lifting of sanctions) a crucial domestic Russian interest. The sheer scope of Russian investment in Iraq has created serious internal pressure on Moscow to escalate its brokerage of Iraq's release from UN restrictions. Hence Russian Energy Minister Viktor Kalyuzhny's declaration in 1999 that "our task is to prevent the ousting of LUKOIL from the Iraqi market and to keep the Russian positions in Iraq strong. Russian perceptions that the United States and its sanctions policy are capable of accomplishing just that have led the Kremlin to

view Western sanctions efforts, and support of Saddam, in distinctly geopolitical terms.⁷

Through investment, development, diplomacy, and military cooperation, Moscow has come a long way toward bringing both Baghdad and Tehran into its orbit. These maneuvers have placed Moscow with reach of controlling at least one-third of the region's estimated 650 billion barrels of oil, and one-half or more of the area's approximately 1,800 trillion cubic feet of natural gas. With this kind of control, it could virtually dictate terms not only to the CIS and Europe, but to Washington as well.

In sum, economically, Russia can offer the Middle East little apart from oil, gas, and pipeline deals (as with Oman) and the chance for Arab or Israeli businessmen to invest in Russia not the most attractive of prospects. Conversely Russia is hampered by lack of money to invest in the Middle East. Thus in the Lebanon its only tangible gain was the right to participate in that state's reconstruction. Since Moscow obviously cannot afford to do so, that "right" simply exposes Russian weakness.

This inability to provide what CIS states most need and Arab states most want hobbles Russia's ability to exercise a pervasive and lasting influence across the Middle East. Thus principally economic interests do not drive Russian policy towards the Middle East and its individual states. What Russia can offer in its political standing as a great power, plus arms and nuclear technology to those who can and want to pay for them. But even using these means, it can gain a strong position only

⁷ Ilan Berman, "Russia and The Mideast Vacuum", IASPS Research Paper in Strategy, <http://www.iasps.org>, p.14

in those states — Iraq and Iran — that the United States has abandoned. Thus, the third factor in Russian policy is the chance to make significant inroads in those countries, owing to the hostile US policy of dual containment and the absence of any stronger or nearer presence to counter Moscow. Here, it seems, Moscow can reassert Russian influence and standing relatively cheaply. Furthermore, if Russia is to maintain its hegemony in Central Asia and the Caucasus, it must have Iranian cooperation. The Russian — Iranian arms deals since 1992, as well as the transfers of atomic technology, are in fact pay off to Iran. Already in 1992, Russian officials and journalists frankly admitted this rationale for those arms sales. In this context, the reactor deal, despite its sinister aspects, merely extends a well-established precedent.

Russian motives in the Middle East are traditional ones of *realpolitik*. Its supposed insecurity over widespread conflicts to the south forces into a policy that expands its influence. Russia's policy is an insecurity policy — insecurity fueling expansion of its influence abroad. Certainly, Russians habitually proclaim a global Islamic threat and invoke a Russian domino theory. So Russia's reentry into the Middle East must thus be characterized, not only as reassertion of national interests by Mianom and the arms sellers, but also as an attempt to deter Islamic assertiveness by intimidating Turkey, co-opting Iran, and exploiting Washington's failure to create a lasting and stable status quo. Rumours are not worried about only proliferation or their relationship with the United States but also the future status quo in the region, including Central Asia, the North Caucasus, and Transcaucasia.

The first major test of Primakov relations with Iraq came in the fall of 1996 when on 4 September American cruise missiles were launched against Iraqi territory. The U.S. government claimed that the reason for that was an Iraqi military incursion into the specially protected zone in its northern region, which largely populated by

Kurds who want to separate from Baghdad. According to Russian sources, however, Russian Deputy Foreign Minister Victor Posuvaliuk had already received guaranteed on 2 September from Tariq Aziz that the Iraqi troops who had entered Kurdish territory had been ordered to withdraw on 3-4 September. When on 2 September the Americans indicated to the Russians that a U.S. strike was inevitable. Moscow opposed that by arguing that because of their efforts the situation was basically moving towards a denouement. However, that was followed by US and UK bombardment, which predictably caused a strong Russian reaction. Not only the Ministry of Foreign Affairs protest, but also the government as a whole issued a special statement calling the action both “inadequate and unacceptable”. Russian Iraqi political and economic cooperation still further expanded, and in order to stay in touch with Primakov, Tariq Aziz visited Moscow on 11 November 1996, between 4-6 March 1997, and on 9 May 1997. Also, since then Russia, together with some other states, especially France and China, created a “pro Iraqi lobby” in the UN Security Council in order to weaken the sanctions and to constrain U.S. action against that country.⁸

However, standing by Iraq in its time of need was seen as an investment for the future. Russia and Iraq signed an oil deal of worth \$10 billion. Other than helping to restore the Iraqi Oil Industry, Russia also involved in building a metallurgical carbide and factories producing chemical and other heavy industrial projects. In return, Iraq stated its readiness to pay off its debts as soon as the sanctions were lifted. In July 1996 a Russian Foreign Ministry statement was published, openly urging Russian organizations and entrepreneurial structures to become actively involved in buying oil from Iraq and delivering humanitarian goods

⁸ Tariq Y Ismael and Andrej Kreutz, *Russian-Iraqi Relations : A Historical and Political Analysis*, Arab Studies Quarterly, Vol.23 Number 4 Fall 2001, p. 98

to that country. This was in the light of the UN decision to ease the sanctions to allow Iraq to buy urgent medical equipment and food with the sale of some of its oil. Nevertheless, the implication was that Russia was expecting its leading economic instructions to establish firm foundations for future enterprises with relations with Iraq.⁹ US wanted to prevent Russia from such beneficial deals. US had done everything to prevent an easing of the embargo.

Primakov met with Aziz in November 1996 to discuss the implementation of Resolution 986, authorizing Iraq to export \$2 billion of its oil over a six-month period in order to buy food and medicine. They also discussed the latest developments in northern Iraq, where the two main Kurdish factions of Barazani and Talabani continued to fight each other. Ostensibly Primakov expressed non-interference from Russia and fully supported Baghdad's peace initiatives.

Russia also intensified the diplomatic efforts in UN Security Council to ease the economic sanctions against Iraq. Russia with France and some other states opposed the against that country after its positive cooperatives with the disarmament programmes. The final text of Resolution 1134 which was adopted by the majority of Security Council members on 23 October 1997 did not introduce additional sanctions directly, but also did not mention Iraqi positive cooperation consequently, Russia considered it to be both "unbalanced and not objective" and together with France, China, Kenya and Egypt, abstained on the nation. The situation was further aggravated when on 29 October 1997 Iraq ordered all American inspectors of the UN Special Commission (the UNSCOM) to leave in a week and demanded the half of U.S. air surveillance flights over its territory. Russia, together with France, then issued a statement on 1 November 1997, which condemned Iraqi actions but stressed

⁹ Talal Nizameddin, *Russia and the Middle East : Towards a New Foreign Policy* (London: Hurst & Company, 1999). p.208

that all new steps concerning Iraq should be undertaken only with authorization of the Security Council. The statement also made it clear that the outcome of Iraqi cooperation with UNSCOM should be lifted of the oil embargo and full reintegration of Iraq into the international community.

The same goals were reiterated in the Joint Russian-Iraqi statement on 19 November 1997. The statement, which was worked out by Primakov and Tareg Aziz promised that :

On the basis of Iraq's fulfillment of the relevant UN Security Council resolutions Russia will energetically work for the earliest possible lifting of the sanctions against Iraq and above all, for putting into effect point 22 of Resolution No. 687. To this end, active steps will be taken to increase the effectiveness of the special commission's work while showing respect for the sovereignty and security of Iraq.¹⁰

With that statement in its hand Primakov called to Geneva on 20 November 1997 those representatives of the five countries that are permanent members of the UN Security Council, and persuaded them to accept the arrangement prepared by him. After the talks ended, he concluded that he achieved through diplomatic means, which not achieved by use of force. Due to the mediation in November 1997, the new cut break of violence was avoided, but the underlying conflict was not solved. In fact it soon reunited again and it focused both on the dispute over the UNSCOM's inspectors access to presidential palace sites and widely held allegation that the Americans and the Israelis used as UNSCOM as a shield for their own intelligence penetration. The Russian position was by and large in line with the opinions of the Arab World, France, China and Great majority of the other UN members. On 17 December 1998 UK and US again started to bombard Iraqi territory. Russia reacted

¹⁰ Tareg Y Ismael, op.cit. p. 99

to the extents with harsh condemnation and protests. It described it as a gross violation of the UN charter and universally accepted principles of international law.

On 18 December 1998 the Russian Parliament-Duma asked President Yeltsin to:

1. Get Russia out of participation in the sanctions against Iraq imposed by the UN Security Council Resolutions as all of them “have been trampled up as by the recent aggression” and to
2. Take all necessary means in order to reestablish fully normal economic and military-technology relations with Iraq.

Russia was concerned about the shape of the international systems and the place of their country in it. Russia also defended Iraq because of the more direct economic interests. There was struggle between Russian and American Oil Companies for prospects of exploitation of Iraq’s natural resources and for investment in that country. Due to hostility between US and the Baghdad regime, American companies had found themselves at a disadvantage and Russian companies strongly supported by Russian diplomacy had won many lucrative contracts. Between 1998 and 1999, Russian companies also was first place due to the high volume of civil goods delivered to Iraq and in 2000 all Iraq’s adverse to Russia exceeded \$20 billion US.

On 12 May 1999, Primakov was forced to leave the Prime Minister’s office, but even after his dismissal, Russian policy towards Iraq, although without undoubted personal involvement and expertise, has remained basically unchanged. Under the Priakov, Russia has adopted a policy toward Iraq, which is to some extent independent from that of the United States.

CONCLUSION

Geographical location of Iraq as the nearest of all Arab countries and in the commercial centres of ancient trade routes, made it strategically very important in Soviet politics. This importance along with the rich energy and oil potential of Iraq became even more significant for the newly independent Russian Federation after the dissolution of the Soviet Union.

The newly independent Russian Federation faced multifold foreign policy challenges. President Boris Yeltsin had to define a new national identity for Russia and a basic concept for its national security. But the most challenging task before the decision makers in Russia was to revive its economy and to ensure its political stability within the Russian territory. Russia had to develop relations of mutual trust and assistance with its 'near abroad' countries and also had to develop new constructive relationship with USA and the West. The western assistance was considered as essential for a successful transition from the state controlled economy to a capitalist economy, and from a communist authoritarian regime to a liberal, democratic political order.

Under these policy challenges, Russian President, with his foreign minister Andrei Kozyrev decided to pursue a foreign policy which was west-oriented. Kouprey, an atlantics' talked about the European identity of Russia, and advocated a minor role of Russia in form Soviet republics and other cold war era friends of Soviet Union. This astaticist policy was challenged domestically by the

'eurasianists', pragmatic nationalist', and slavophiles'. These opponents of the Kozyrev policy were seeking a greater Russian role in the CIS-countries. They wanted to reassert Russian foreign policy as a desire to reestablish Russia as a global power.

The foreign policy changes, brought out by Kozyrev affected Russia's foreign policy towards Iraq also. Russia's aligned with the USA when USA-led forces attacked Iraq during the Gulf crisis and put sanctions on Iraq. Russia even declares Iraq as an aggressor, which was contrary to the policy towards Iraq during the Soviet period. Though the diplomatic ties between Russia and Iraq were retired in 1992, but Russia was still pursuing a pro-West policy. Meanwhile domestic opposition became more and more critical of Yeltsin's pro-West policy, and they accused Yeltsin of ignoring Russian economic and strategic interests in Iraq. Due to participation of Russia in the sanction against Iraq, former had to face reverse financial losses of about 9 billion US dollars. Under the increasing domestic criticism, Russian government criticizes the attack by US-led forces on the innocent Iraqi, people and also demanded easing the sanctions.

By the end of 1994 and the beginning of 1995, a change in Russian foreign policy towards was visible. Russia was now more critical to the West, and more sympathetic towards Iraq. This change occurred due to disillusion of Russian policy makers from West, as West did not provide the accepted assistance, and strengthening of the domestic opposition under pragmatic nationalists' and 'slavophiles'. This change was propelled also by the strategic location of Iraq and a

large population of Muslims in Russia. The change in foreign policy finally culminated into the replacement of Kozyrev by Yevgeni Primakov as the new foreign minister in January 1996. Primakov, an expert of the Middle East, started his tenure with high expectations, as he belonged to the lobby of eurasianists' or pragmatic nationalists'.

Primakov reoriented Russian foreign policy by seeking a greater Russian role in Global affairs, and especially in CIS. The main focus of Primakov was the economic recovery of Russia, requesting super power status for Russia, and diversification of Russian foreign policy towards Middle East, including Iraq. His priorities in Middle East were to obtain a truly equal partnership with the United States, to pursue a colder policy towards Israel, and to display a more friendly relation with former Arab friends in Libya, Iraq and Syria. Thus, Russia was eager to play an equal role with US in Iraqi peace process. Primakov's endeavor was to reach for economic advantage in Iraq and that's why he advocated the resumption of arms-supply to Iraq. His basic strategy, along with the economic gain, was to restrict US influence and create a counter-bloc to it. Russia, under the influence of pragmatic nationalists' was in no mood now to play a subordinate role in Russia. Primakov was very keen to ensure the economic interests of Russia in Iraq. He wanted an equal and proportionate share of Iraqi oil and energy resources. Russia was in search of economic partners and markets for its companies. Alongside, it wanted to ensure the security to its vulnerable territories. Geographic proximity of Iraq to Russian frontiers compelled Russia to align with Iraq.

Thus, a clearly different foreign policy under Primakov was under operation which was contrary to one pursued by Kozyrev. This change was well responded by Saddam Hussein which reflected in several concessions granted by him to Russian oil companies. Since 1995, economic coordination between Russia and Iraq increased extensively, and by the end of 1997, Russian firms had already signed contracts for the development of Iraqi oil field worth upwards of 3.5 billion U.S. dollars. The coordination increased diplomatically also. Since 1993, several meetings between the officers of both the nation had been taking place. Russia, as a result of these meetings, demanded the lifting of sanctions and even opposed the removal of Saddam Hussein by United States. Russia pursued extensive diplomatic measures. It became successful also when Iraq recognized Kuwait as a sovereign state. But Russia was at the same time, very cautious in its relations with Iraq. It made it very clear that Russia's relations with Iraq will not be at the expense of other Gulf nations moreover, Russia tried to create a kind of pro-Iraqi lobby in the UN Security council to weaken the sanction and to constrain US action against Iraq.

But Russia's effort could not become entirely successful. Its ability to engage in Iraq was severely constrained by the lack of finances to invest in Iraqi oil fields and to provide humanitarian assistance. Also, the stiff challenge offered by America frustrated Russian efforts. America never wanted Russia to reestablish its roots in Iraq and nullified all its attempts to fulfill its aims. Russia was constrained by its domestic compulsions also. It was still not in a position, both

financially and politically, to challenge the American stronghold over Iraq. Its economy was still recovering. The 1998-financial crisis even further has gravened the crisis. The political instability was still unresolved due to power-struggle between the president and parliament Russia still was far away from developing a domestic consensus over major issues of foreign policy. Several secessionist movements were taking place in different parts of Russia. All these factors significantly restricted Russia's ability to challenge US and play a greater and assertive role in Iraq.

Finally, it can be said that Russia's foreign policy towards Iraq has undergone several phases, and still in the making process. Though it has come a long way from Kozyrev's attainfiscist' to Primakov's pragmatic nationalist policy. But definitely, Russia has thrown away its hesitation of early 1990s and is all set to, play a greater role in Iraq and Middle East.

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**MORANDUM OF UNDERSTANDING BETWEEN THE
SECRETARIAT OF THE UNITED NATIONS AND THE
GOVERNMENT OF IRAQ ON THE
IMPLEMENTATION OF SECURITY COUNCIL
RESOLUTION 986 (1995)**

Section I

General provisions

1. The purpose of this Memorandum of Understanding is to ensure the effective implementation of Security Council resolution 986 (1995) (hereinafter the Resolution).
2. The Distribution Plan referred to in paragraph 8 (a) (ii) of the Resolution, which has to be approved by the Secretary-General of the United Nations, constitutes an important element in the implementation of the Resolution.
3. Nothing in the present Memorandum should be construed as infringing upon the sovereignty or territorial integrity of Iraq.
4. The provisions of the present Memorandum pertain strictly and exclusively to the implementation of the Resolution and, as such, in no way create a precedent. It is also understood that the arrangement provided for in the Memorandum is an exceptional and temporary measure.

Section II

Distribution Plan

5. The Government of Iraq undertakes to effectively guarantee equitable distribution to the Iraqi

population throughout the country of medicine, health supplies, foodstuffs and materials and supplies for essential civilian needs (hereinafter humanitarian supplies) purchased with the proceeds of the sale of Iraqi petroleum and petroleum products.

6. To this end, the Government of Iraq shall prepare a Distribution Plan describing in detail the procedures to be followed by the competent Iraqi authorities with a view to ensuring such distribution. The present distribution system of such supplies, the prevailing needs and humanitarian conditions in the various Governorates of Iraq shall be taken into consideration with due regard to the sovereignty of Iraq and the national unity of its population. The plan shall include a categorized list of the supplies and goods that Iraq intends to purchase and import for this purpose on a six-month basis.

7. The part of the Distribution Plan related to the three northern Governorates of Arbil, Dihouk and Suleimaniyeh shall be prepared in accordance with Annex I, which constitutes an integral part of this Memorandum.

8. The Distribution Plan shall be submitted to the Secretary-General of the United Nations for approval. If the Secretary-General is satisfied that the plan adequately ensures equitable distribution of humanitarian supplies to the Iraqi population throughout the country, he will so inform the Government of Iraq.

9. It is understood by the Parties to this Memorandum that the Secretary-General will not be in a position to report as required in paragraph 13 of the Resolution unless the plan prepared by the Government of Iraq meets with his approval.

10. Once the Secretary-General approves the plan, he will forward a copy of the categorized list of the supplies and goods, which constitutes a part of the plan, to the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait (hereinafter the 661

Committee) for information.

11. After the plan becomes operational, each Party to the present Memorandum may suggest to the other for its consideration a modification to the plan if it believes that such adjustment would improve the equitable distribution of humanitarian supplies and their adequacy.

Section III

Establishment of the escrow account and audit of that account

12. The Secretary-General, after consultations with the Government of Iraq, will select a major international bank and establish there the escrow account described in paragraph 7 of the Resolution, to be known as "the United Nations Iraq Account" (hereinafter the "Iraq Account"). The Secretary-General will negotiate the terms of this account with the bank and will keep the Government of Iraq fully informed of his actions in choosing the bank and opening the account. All transactions and deductions mandated by the Security Council under paragraph 8 of the Resolution shall be made from the "Iraq Account", which will be administered in accordance with the relevant Financial Regulations and Rules of the United Nations.

13. The Iraqi authorities might designate a senior banking official to liaise with the Secretariat of the United Nations on all banking matters relating to the "Iraq Account".

14. In accordance with the United Nations Financial Regulations, the "Iraq Account" will be audited by the Board of Auditors who are external independent public auditors. As provided for in the Regulations, the Board of Auditors will issue periodic reports on the audit of the financial statements relating to the account. Such reports will be submitted by the Board to the Secretary-General who will forward them to the 661 Committee and to the Government of Iraq.

15. Nothing in this Memorandum shall be interpreted to create a liability on the part of the United Nations for any purchase made by the Government of Iraq or any agents acting on its behalf pursuant to the provisions of the Resolution.

Section IV

Sale of petroleum and petroleum products originating in Iraq

16. Petroleum and petroleum products originating in Iraq will be exported via the Kirkuk-Yumurtalik pipeline through Turkey and from the Mina al-Bakr oil terminal. The 661 Committee will monitor the exports through those outlets to ensure that they are consistent with the Resolution. Transportation costs in Turkey will be covered by an additional amount of oil, as foreseen in the Resolution and in accordance with procedures to be established by the 661 Committee. The arrangement between Iraq and Turkey concerning the tariffs and payment modalities for the use of Turkish oil installations has been provided to the 661 Committee.

17. Each export of petroleum and petroleum products originating in Iraq shall be approved by the 661 Committee.

18. Detailed provisions concerning the sale of Iraqi petroleum and petroleum products are contained in Annex II, which constitutes an integral part of this Memorandum.

Section V

Procurement and confirmation procedures

19. The purchase of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs of the Iraqi population throughout the country, as referred to in paragraph 20 of resolution 687 (1991), will, subject to paragraph 20 below, be

carried out by the Government of Iraq, will follow normal commercial practice and be on the basis of the relevant resolutions of the Security Council and procedures of the 661 Committee.

20. The purchase of humanitarian supplies for the three northern Governorates of Arbil, Dihouk and Suleimaniyeh, as provided for in the Distribution Plan, will be carried out in accordance with Annex I.

21. The Government of Iraq will, except as provided for in paragraph 20, contract directly with suppliers to arrange the purchase of supplies, and will conclude the appropriate contractual arrangements.

22. Each export of goods to Iraq shall be at the request of the Government of Iraq pursuant to paragraph 8 (a) of the Resolution. Accordingly, exporting States will submit all relevant documentation, including contracts, for all goods to be exported under the Resolution to the 661 Committee for appropriate action according to its procedures. It is understood that payment of the supplier from the "Iraq Account" can take place only for items purchased by Iraq that are included in the categorized list referred to in Section II of the present Memorandum. Should exceptional circumstances arise, applications for the export of additional items may be submitted to the 661 Committee for its consideration.

23. As noted above, the 661 Committee will take action on applications for the export of goods to Iraq in accordance with its existing procedures subject to future modifications under paragraph 12 of the Resolution. The 661 Committee will inform the Government of Iraq, requesting States, and the Secretary-General of the actions taken on the requests submitted.

24. After the 661 Committee has taken action on the applications for export in accordance with its procedures, the Central Bank of Iraq will request the bank holding the "Iraq Account" to open irrevocable letters of credit in favour of the beneficiaries. Such requests shall be referred by the bank holding the

"Iraq Account" to the United Nations Secretariat for approval of the opening of the letter of credit by the latter bank, allowing payment from the "Iraq Account" upon presentation of credit-conform documents. The letter of credit will require as condition of payment, inter alia, the submission to the bank holding the "Iraq Account" of the documents to be determined by the procedures established by the 661 Committee, including the confirmations by the agents referred to in paragraph 25 below. The United Nations, after consultations with the Government of Iraq, shall determine the clause to be inserted in all purchase orders, contracts and letters of credit regarding payment terms from the "Iraq Account". All charges incurred in Iraq are to be borne by the applicant, whereas all charges outside Iraq are for the account of the beneficiary.

25. The arrival of goods in Iraq purchased under the plan will be confirmed by independent inspection agents to be appointed by the Secretary-General. No payments can be made until the independent inspection agents provide the Secretary-General with authenticated confirmation that the exported goods concerned have arrived in Iraq.

26. The independent inspection agents may be stationed at relevant Iraqi entry points, customs areas or other locations where the functions set out in paragraph 27 of this Section can be performed. The number and location of the stationing points for the agents will be designated by the United Nations after consultations with the Government of Iraq.

27. The independent inspection agents will confirm delivery to Iraq of shipments. They will compare the appropriate documentation, such as bills of lading, other shipping documents or cargo manifests, and the documents issued by the 661 Committee, against goods actually arriving in Iraq. They will also have the authority to perform duties necessary for such confirmation, including: quantity inspection by weight or count, quality inspection including visual inspection, sampling, and, when necessary, laboratory

testing.

28. The inspection agents will report all irregularities to the Secretary- General and to the 661 Committee. If the problem is related to normal commercial practice (e.g., some shortlanded goods), the 661 Committee and the Government of Iraq are informed, but normal commercial resolution practices (e.g., claims) go forth. If the matter is of serious concern, the independent inspection agents will hold the shipment in question pending guidance from the 661 Committee.

29. As regards the export to Iraq of parts and equipment which are essential for the safe operation of the Kirkuk-Yumurtalik pipeline system in Iraq, the requests will be submitted to the 661 Committee by the national Government of the supplier. Such requests will be considered for approval by the Committee in accordance with its procedures.

30. If the 661 Committee has approved a request in accordance with paragraph 29, the provisions of paragraph 24 shall apply. However, since the supplier can expect payment against future oil sales, as stated in paragraph 10 of the Resolution, the proceeds of which are to be deposited in the "Iraq Account", the bank holding the "Iraq Account" will issue an irrevocable letter of credit stipulating that payment can only be effected when at the time of drawing the "Iraq Account" has sufficient disposable funds and the United Nations Secretariat approves the payment.

31. The requirement of authenticated confirmation of arrival provided for in this Section shall apply also to the parts and equipment mentioned in paragraph 29.

Section VI

Distribution of humanitarian supplies purchased under the Distribution Plan

32. The distribution of humanitarian supplies shall be undertaken by the Government of Iraq in

accordance with the Distribution Plan referred to in Section II of the present Memorandum. The Government of Iraq will keep the United Nations observation personnel informed about the implementation of the plan and the activities that the Government is undertaking.

33. The distribution of humanitarian supplies in the three northern Governorates of Arbil, Dihouk and Suleimaniyeh shall be undertaken by the United Nations Inter-Agency Humanitarian Programme on behalf of the Government of Iraq under the Distribution Plan with due regard to the sovereignty and territorial integrity of Iraq in accordance with Annex I.

Section VII

Observation of the equitable distribution of humanitarian supplies and determination of their adequacy

GENERAL PROVISIONS

34. The United Nations observation process will be conducted by United Nations personnel in Iraq under the overall authority of the Department of Humanitarian Affairs at United Nations Headquarters in New York in accordance with the provisions described below. Such observation shall apply to the distribution of humanitarian supplies financed in accordance with the procedures set out in the Resolution.

35. The objectives of the United Nations observation process shall be:

(a) to confirm whether the equitable distribution of humanitarian supplies to the Iraqi population throughout the country has been ensured;

(b) to ensure the effectiveness of the operation and determine the adequacy of the available resources to meet Iraq's humanitarian needs.

OBSERVATION PROCEDURES

36. In observing the equitable distribution and its adequacy, United Nations personnel will use, inter alia, the following procedures.

Food items

37. The observation of the equitability of food distribution will be based on information obtained from local markets throughout Iraq, the Iraqi Ministry of Trade, the information available to the United Nations and its specialized agencies on food imports, and on sample surveys conducted by United Nations personnel. The observation will also include the quantity and prices of food items imported under the Resolution.

38. To provide regular updated observation of the most pressing needs, a survey undertaken by United Nations agencies in cooperation with the appropriate Iraqi ministries will serve as a baseline for the continuing observation of nutritional status of the population of Iraq. This information will take account of public health data generated by the Ministry of Health (MOH) and the relevant United Nations agencies.

Medical supplies and equipment

39. Observation regarding distribution of medical supplies and equipment will focus on the existing distribution and storage system and will involve visits to hospitals, clinics as well as medical and pharmaceutical facilities where such supplies and equipment are stored. Such observation will also be guided by health statistics data from MOH and surveys by relevant United Nations agencies.

Water/sanitation supplies and equipment

40. Observation of distribution of water/sanitation supplies and equipment will focus on the determination that they are used for their intended purposes. Confirmation will be carried out by collecting data on the incidence of water-borne

diseases and by water quality control checks by visits to water and sanitation facilities by representatives of relevant United Nations agencies. In this regard the United Nations will rely on all relevant indicators.

Other materials and supplies

41. With reference to materials and supplies which do not fall within the three areas indicated above, in particular, those needed for the rehabilitation of infrastructures essential to meet humanitarian needs, observation will focus on confirmation that such materials and supplies are delivered to the predefined destinations in accordance with the Distribution Plan and that they are used for their intended purposes, and on the determination of whether these materials and supplies are adequate or necessary to meet essential needs of the Iraqi population.

COORDINATION AND COOPERATION

42. The United Nations observation activities will be coordinated by the Department of Humanitarian Affairs at United Nations Headquarters in New York. Observation will be undertaken by United Nations personnel. The exact number of such personnel will be determined by the United Nations taking into account the practical requirements. The Government of Iraq will be consulted in this regard.

43. The Iraqi authorities will provide to United Nations personnel the assistance required to facilitate the performance of their functions. United Nations personnel will coordinate with the Iraqi competent authorities.

44. In view of the importance of the functions which United Nations personnel will perform in accordance with the provisions of this Section of the Memorandum, such personnel shall have, in connection with the performance of their functions, unrestricted freedom of movement, access to documentary material which they find relevant having discussed the matter with the Iraqi authorities concerned, and the possibility to make such contacts

as they find essential.

Section VIII

Privileges and Immunities

45. In order to facilitate the successful implementation of the Resolution the following provisions concerning privileges and immunities shall apply:

(a) officials of the United Nations and of any of the Specialized Agencies performing functions in connection with the implementation of the Resolution shall enjoy the privileges and immunities applicable to them under Articles V and VII of the Convention on the Privileges and Immunities of the United Nations, or Articles VI and VIII of the Convention on the Privileges and Immunities of the Specialized Agencies to which Iraq is a party;

(b) independent inspection agents, technical experts and other specialists appointed by the Secretary-General of the United Nations or by heads of the Specialized Agencies concerned and performing functions in connection with the implementation of the Resolution, whose names will be communicated to the Government of Iraq, shall enjoy the privileges and immunities accorded to experts on mission for the United Nations or for the Specialized Agency under Article VI of the Convention on the Privileges and Immunities of the United Nations or the relevant Annexes of the Convention on the Privileges and Immunities of the Specialized Agencies respectively;

(c) persons performing contractual services for the United Nations in connection with the implementation of the Resolution, whose names will be communicated to the Government of Iraq, shall enjoy the privileges and immunities referred to in sub-paragraph (b) above concerning experts on mission appointed by the United Nations.

46. In addition, officials, experts and other personnel referred to in paragraph 45 above shall

have the right of unimpeded entry into and exit from Iraq and shall be issued visas by the Iraqi authorities promptly and free of charge.

47. It is further understood that the United Nations and its Specialized Agencies shall enjoy freedom of entry into and exit from Iraq without delay or hindrance of supplies, equipment and means of surface transport required for the implementation of the Resolution and that the Government of Iraq agrees to allow them to, temporarily, import such equipment free of customs or other duties.

48. Any issue relating to privileges and immunities, including safety and protection of the United Nations and its personnel, not covered by the provisions of this Section shall be governed by paragraph 16 of the Resolution.

Section IX

Consultations

49. The Secretariat of the United Nations and the Government of Iraq shall, if necessary, hold consultations on how to achieve the most effective implementation of the present Memorandum.

Section X

Final clauses

50. The present Memorandum shall enter into force following signature, on the day when paragraphs 1 and 2 of the Resolution become operational and shall remain in force until the expiration of the 180 day period referred to in paragraph 3 of the Resolution.

51. Pending its entry into force, the Memorandum shall be given by the United Nations and the Government of Iraq provisional effect.

SIGNED this 20th day of May 1996 at New York

in two originals in English.

For the United
Nations

(Signed) Hans
CORELL
Under-Secretary-
General
The Legal Counsel

For the Government
of Iraq

(Signed) Abdul Amir
AL-ANBARI
Ambassador
Plenipotentiary
Head of the
Delegation of Iraq

Annex I

1. In order to ensure the effective implementation of paragraph 8 (b) of the Resolution, the following arrangements shall apply in respect of the Iraqi Governorates of Arbil, Dihouk and Suleimaniyeh. These arrangements shall be implemented with due regard to the sovereignty and territorial integrity of Iraq, and to the principle of equitable distribution of humanitarian supplies throughout the country.
2. The United Nations Inter-Agency Humanitarian Programme shall collect and analyze pertinent information on humanitarian needs in the three northern Governorates. On the basis of that information, the Programme will determine the humanitarian requirements of the three northern Governorates for discussion with the Government of Iraq and subsequent incorporation in the Distribution Plan. In preparing estimates of food needs, the Programme will take into consideration all relevant circumstances, both within the three northern Governorates and in the rest of the country, in order to ensure equitable distribution. Specific rehabilitation needs in the three northern Governorates shall receive the necessary attention.
3. Within a week following the approval of the Distribution Plan by the Secretary-General, the Programme and the Government of Iraq will hold discussions to enable the Programme to determine

how the procurement of humanitarian supplies for the three northern Governorates can be undertaken most efficiently. These discussions should be guided by the following considerations. The bulk purchase by the Government of Iraq of standard food commodities and medicine may be the most cost-effective means of procurement. Other materials and supplies for essential civilian needs, specifically required for the three northern Governorates, may be more suitably procured through the United Nations system in view of technical aspects related to their proper use.

4. To the extent that purchases and deliveries are made by the Government of Iraq in response to the written communication of the Programme, an amount corresponding to the cost of the delivered goods will be deducted from the amount allocated to the Programme from the "Iraq Account".

5. Humanitarian supplies destined for distribution in the three northern Governorates shall be delivered by the Programme to warehouses located within these Governorates. Such supplies can also be delivered by the Government of Iraq or the Programme, as appropriate, to warehouses in Kirkuk and Mosul. The warehouses shall be managed by the Programme. The Government of Iraq shall ensure the prompt customs and administrative clearances to enable the safe and quick transit of such supplies to the three northern Governorates.

6. The Programme shall be responsible in the three northern Governorates for the storage, handling, internal transportation, distribution and confirmation of equitable distribution of humanitarian supplies. The Programme will keep the Government of Iraq informed on the implementation of distribution.

7. Whenever possible and cost-effective, the Programme shall use appropriate local distribution mechanisms which are comparable to those existing in the rest of Iraq in order to effectively reach the population. Recipients under this arrangement will pay a fee for internal transportation, handling, and distribution as in the rest of the country. The

Programme shall ensure that the special needs of internally displaced persons, refugees, hospital in-patients and other vulnerable groups in need of supplementary food are appropriately met, and will keep the Government of Iraq informed.

8. The Programme will observe that humanitarian supplies are used for their intended purposes, through visits to sites and by collecting relevant data. The Programme will report to the Department of Humanitarian Affairs at United Nations Headquarters in New York and the Government of Iraq any violation observed by the Programme.

Annex II

1. The State concerned or, if the 661 Committee so decides, the national petroleum purchaser authorized by the 661 Committee, shall submit to the Committee for handling and approval the application, including the relevant contractual documents covering the sales of such petroleum and petroleum products, for the proposed purchase of Iraqi petroleum and petroleum products, endorsed by the Government of Iraq or the Iraqi State Oil Marketing Organization (hereinafter SOMO) on behalf of the Government. Such endorsement could be done by sending a copy of the contract to the 661 Committee. The application shall include details of the purchase price at fair market value, the export route, opening of a letter of credit payable to the "Iraq Account", and other necessary information required by the Committee. The sales of petroleum and petroleum products shall be covered by contractual documents. A copy of these documents shall be included in the information provided to the 661 Committee together with the application for forwarding to the independent inspection agents described in paragraph 4 of this Annex. The contractual documents should contain the following information: quantity and quality of petroleum and petroleum products, duration of contract, credit and payment terms and pricing mechanism. The pricing mechanism for petroleum should include the following points: marker crude oil and type of quotations to be used, adjustments for transportation and quality, and

pricing dates.

2. Irrevocable confirmed letters of credit will be opened by the oil purchaser's bank with the irrevocable undertaking that the proceeds of the letter of credit will be paid directly to the "Iraq Account". For this purpose, the following clauses will have to be inserted in each letter of credit:

"- Provided all terms and conditions of this letter of credit are complied with, proceeds of this letter of credit will be irrevocably paid into the "Iraq Account" with Bank."

"- All charges within Iraq are for the beneficiary's account, whereas all charges outside Iraq are to be borne by the purchaser."

3. All such letters of credit will have to be directed by the purchaser's bank to the bank holding the "Iraq Account" with the request that the latter adds its confirmation and forwards it to the Central Bank of Iraq for the purpose of advising SOMO.

4. The sale of petroleum and petroleum products originating in Iraq will be monitored by United Nations independent oil experts appointed by the Secretary-General of the United Nations to assist the 661 Committee. The monitoring of oil exports will be carried out by independent inspection agents at the loading facilities at Ceyhan and Mina al-Bakr and, if the 661 Committee so decides, at the pipeline metering station at the Iraq-Turkey border, and would include quality and quantity verification. They would authorize the loading, after they receive the information from the United Nations oil experts that the relevant contract has been approved, and report to the United Nations.

5. The United Nations will receive monthly reports from SOMO on the actual volume and type of petroleum products exported under the relevant sales contracts.

6. The United Nations Secretariat and SOMO shall maintain continuing contact and in particular United

Nations oil experts shall meet routinely with SOMO representatives to review market conditions and oil sales.

Letter dated 20 May 1996 from the Head of delegation
of Iraq addressed to the Legal Counsel

In reference to the memorandum of understanding signed today and as I advised you during the discussion that a letter would be sent to you concerning the position of Iraq as to the cost of production and transportation of oil inside Iraq, I state below Iraq's position, which I request that you include in the official record of our discussion:

The Iraqi delegation explained during the discussion that the cost of production and transportation of petroleum excluding expenses in local currency, is currently estimated at US\$ 2.00 per barrel. Such cost had to be deducted from the sale price or recovered through the production and export of extra quantity of petroleum and petroleum products. In either case the amount referred to above would be deposited in the "Iraq account" to be utilized for the import of spare parts and other items necessary for the maintenance and sustaining of production and transportation operations as is the established practice in the oil industry, otherwise production and transportation operations would be hindered and eventually come to a halt.

Nevertheless, and in order to facilitate the conclusion of this memorandum of understanding, the Iraqi delegation agreed not to insist on the acceptance of its position by the United Nations Secretariat delegation at this stage and agreed to have it included in a separate letter addressed to the Head of the delegation of the United Nations Secretariat for consideration in any future discussion.

Although the matter is not discussed, the Iraqi delegation wishes to state that a third outlet for Iraqi petroleum export could be via the Syrian Arab Republic.

(Signed) Ambassador A. Amir ANBARI
Head of the delegation of Iraq

