The Shah’s Petro-Diplomacy with Ceausescu: Iran and Romania in the era of Détente

By Roham Alvandi and Eliza Gheorghe, December 2014
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**Special Working Papers Series**

The Shah's Petro-Diplomacy with Ceaușescu:
Iran and Romania in the era of Détente

Roham Alvandi and Eliza Gheorghe*

Iran’s place in Cold War historiography has been largely limited to the early Cold War, with the 1946 Azerbaijan Crisis and the 1953 Anglo-American coup against Mohammad Mosaddeq figuring prominently in a number of seminal studies. Unfortunately, Iran then largely disappears from the radar of most Cold War historians for much of the 1960s and 1970s, only to reappear with a vengeance in 1979 with the Iranian Revolution and the Soviet invasion of Afghanistan. For those intervening decades – the era of détente – the attention of most historians of the Middle East is focused on the Arab-Israeli conflict and most discussion of Iran is merely prologue to the fall of the Shah of Iran, Mohammad Reza Pahlavi, in 1979. But as the declassification horizon inches past the 1970s, a new picture is slowly emerging of Iran and the Persian Gulf as a major theatre of the global Cold War in the era of détente. The British withdrawal from the Persian Gulf between 1968 and 1971 placed the region back on the agenda of the superpowers. The American response to the shifting global balance of power was the Nixon Doctrine, which looked to Iran to guarantee the free flow of Gulf oil to Western Europe and Japan. As Iran’s oil revenues skyrocketed, Mohammad Reza Shah worked in partnership with Richard Nixon and Henry Kissinger to transform Iran from a client to a partner of the United States in the global Cold War of the 1970s. Iran’s soldiers and spies found themselves fighting in Cold War battlefields from the mountains of Iraqi Kurdistan to the deserts of Oman, in regional conflicts that were painted with Cold War colors. The Shah’s importance as a Cold War actor would only become

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1 For a brief survey of this literature see Roham Alvandi, ‘Guest Editor’s Introduction: Iran and the Cold War,’ *Iranian Studies* 47, no. 3 (2014), pp. 373-378.


apparent in 1979, when the Iranian Revolution and the Soviet invasion of Afghanistan marked the beginning of what some historians called the ‘Second Cold War.’

While the Iranian archives remain largely inaccessible to historians, new sources from the former socialist bloc offer a rich archival record of Iran’s Cold War international history from the 1940s through to the 1980s. These documents highlight the dangers and opportunities that the Soviet Union and its socialist allies posed for Iran, as the Shah sought to neutralize the communist threat to his regime and move beyond the limits imposed on Iran’s ambitions by Cold War bipolarity. The Romanian documents presented here from the archives in Bucharest, collected and translated by Eliza Gheorghe, shed new light on Iran’s relations with communist Romania in the 1960s and 1970s under the leadership of Mohammad Reza Pahlavi and Romania’s communist leader, Nicolae Ceaușescu. These documents highlight the difficulties and benefits of crossing the Cold War divide for both Bucharest and Tehran. This selection focuses on three subjects. The first is Romania’s relations with the communist Tudeh (Masses) Party of Iran, whose relationship with its fraternal parties in the Soviet Union and Eastern Europe became strained as the Shah pursued closer relations with the socialist bloc. Second, the documents shed light on how the Shah viewed the global Cold War of the 1970s and the threads that connected détente in Europe with the Middle East. Finally, the documents reveal the role of oil in Iranian diplomacy towards the Soviet Union and the socialist bloc.

The Tudeh Party

Although communism has a long history in Iran, dating back to Iranian workers in the Baku oil fields at the beginning of the twentieth century, the modern Tudeh Party was founded in September 1941 during the wartime occupation of Iran by the Allied powers.⁴ The Tudeh played a significant and controversial role as a pro-Soviet force during both the 1946 Azerbaijan Crisis and Mohammad Mosaddeq’s premiership from 1951 to 1953. The Tudeh had been outlawed in 1949, after an assassination attempt on Mohammad Reza Shah, and their fortunes declined dramatically following the 1953 coup against Mosaddeq and the subsequent political repression by the Shah’s security forces. The Tudeh had a troubled relationship with Mosaddeq, who had opposed a Soviet oil concession in northern Iran and

⁴ For a detailed history see the various entries on ‘Communism’ in the *Encyclopaedia Iranica*, available at: <http://www.iranicaonline.org/articles/communism-index>.
seemed to enjoy good relations with the Truman administration.⁵ The Tudeh’s network in the armed forces was uncovered by the Shah’s security forces in 1954 and the senior cadre of the party were either arrested or fled into exile throughout the socialist bloc. The changing fortunes of the Party spurred a period of introspection in exile. At the Fourth Plenum of the Party’s Central Committee, held in Moscow in July 1957, the Tudeh acknowledged their mistake in not supporting Mosaddeq’s nationalist government and not acting to block the 1953 coup.⁶ Document 1, dating from March 1958, is a record of a meeting between the Tudeh First Secretary, Reza Radmanesh, and Nicolae Ceaușescu, then a member of the Politburo of the Romanian Workers’ Party, shortly after the Tudeh’s Fifth Plenum in Bulgaria, where the Iranian communists pledged themselves to working with ‘all national and democratic forces’ in Iran.⁷ The document highlights the disarray and fragmentation of the Tudeh at this time, as they struggled not only with their failure in 1953, but also with the divisions among the Iranian Left along ethnic nationalist lines, a legacy of Stalin’s support for Azeri and Kurdish separatists during the Red Army’s occupation of northern Iran.

As Cold War tensions between Iran and the Soviet Union thawed in the 1960s, the Tudeh’s popularity in Iran continued to decline and the Party in exile became riven with factionalism. The Tudeh leadership looked on helplessly as the USSR normalized relations with Iran in September 1962, after the Shah’s pledge that no American missiles would be stationed on Iranian territory.⁸ The Sino-Soviet split and Soviet-Iranian détente intensified divisions within the Tudeh, as many cadres rejected the Party’s loyalty to Moscow and looked instead to Mao’s China for inspiration. A faction of the Tudeh formally split to form the Revolutionary Organization of the Tudeh Party of Iran in the early 1960s.⁹ The frustration of the dwindling Tudeh loyalists in exile is evident in Document 2, which records a conversation between Radmanesh and Chivu Stoica, the president of the Romanian Council of Ministers, shortly after the Shah’s 1965 visit to the Soviet Union. Radmanesh put a brave face on things, telling his Romanian comrades that, ‘This is a good thing, [because] it does not prevent us from fighting against the shah, just like you fought against your shah…’

⁷ Zabih, The Communist Movement, p. 221.

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However, he then reminds Stoica to ‘never forget the struggle of the people against the shah…The shah in Iran is the fiercest enemy of communism and of the people.’ Although the Tudeh would make a brief comeback after the 1979 Iranian Revolution, they posed little or no threat to the Shah’s rule throughout the 1960s and 1970s. Nor did SAVAK have much trouble dealing with the other more militant Iranian Leftists, who looked to Havana and Beijing for inspiration rather than Moscow. 10 Ultimately, it was the forces of political Islam, or the ‘black reaction’ as the Shah called them, that would prove to be the monarchy’s most formidable foes.

For the Romanian Communist Party, the Tudeh proved to be a problem. While the Romanians sought the economic advantages of closer ties with the Shah’s Iran, they did not want to be seen as betraying their Iranian comrades. The Romanians treaded very carefully: they declined Iranian requests to arrest and extradite Radmanesh, but, at the same time, they refrained from making too much noise about the persecution of the Tudeh in Iran. For instance, Stoica made it clear to Radmanesh (Document 2) that ‘there is nothing similar between our countries, there are different ideologies.’ He paid no heed to the Tudeh’s plea that Romania should impose conditions on Romanian-Iranian trade by linking better commercial relations to the fate of the Tudeh. The RCP leadership also denied that the Shah’s visit to Bucharest (and the praise Romanians showered upon him) debilitated the Tudeh’s political struggle. In October 1966, Ceaușescu told Shmuel Mikunis of the Communist Party of Israel (Maki) that ‘our relations with the Shah do not force the communists in Iran to have the same relations with the Shah as we do.’ 11 To shield itself from possible accusations of heresy, the RCP invoked Romania’s commitment to the principle of non-interference in the internal affairs of a fraternal party, a well-known refrain of Romanian foreign policy after the April 1964 Declaration. 12

The RCP’s advantage resided in the fact that this principle of non-interference cut both ways. Radmanesh’s July 1967 visit to Bucharest enraged the Iranian ambassador to Bucharest, Soltan Sanandaji, as evidenced in Document 9. The Romanian Ministry of

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11 Minutes of conversation between Nicolae Ceaușescu and Shmuel Mikunis, the General Secretary of the Communist Party of Israel, 3 October, 1966, National Central Historical Archives [ANIC], Central Committee of the Romanian Communist Party [CC RCP], Foreign Relations Section [FRS], 126/1966, p. 16.
Foreign Affairs fended off Sanandaji’s criticism by reminding the Iranian diplomat that Romanian-Iranian relations were based on mutual respect, ‘irrespective of their internal political and social regimes.’ Romania’s foreign relations, the MFA officials argued, represented an integral part of its political regime. Owing to such skilful political maneuvering, the RCP could claim that its actions derived from socialist internationalism and communist solidarity.

The Shah as a Cold War Revisionist

In the era of détente and the Vietnam War, Iran seemed to be an island of stability in the Third World. Few foresaw that within a decade Mohammad Reza Shah would be overthrown in a popular revolution. As Iran’s oil revenues soared in the 1960s and 1970s, so too did the breadth of the Shah’s ambitions for making Iran into a world power commensurate with its glorious Persian past. The Shah’s goal of Iranian leadership in the Persian Gulf region had been hampered by Britain’s regional hegemony and American reluctance to build up Iran’s military at the expense of the country’s economic development. Furthermore, Cold War bipolarity had acted as a straightjacket on the Shah, whose ambitions went far beyond being a client state of the United States on the southern border of the Soviet Union. A confluence of Iran’s growing resources, the decline of Anglo-American power, and superpower détente meant that the Shah was finally able to turn his dreams into reality in the 1970s. While Nixon and Kissinger embraced the Shah as their regional partner under the Nixon Doctrine, the British disparaged him as the ‘Middle East de Gaulle.’ The comparison to Charles de Gaulle was both apt, and at least in the Shah’s mind, flattering. Like de Gaulle, the Shah was a Cold War revisionist who sought to escape the limits imposed by bipolarity in order to restore his country to its rightful place in the international order. Given that Ceaușescu was regarded by some as the ‘Eastern version of de Gaulle,’ it is not surprising that the Shah found in the Romanian leader a revisionist fellow traveler.

The Shah’s conversations with Ceaușescu give us an insight into how the process of détente and American retreat from the Third World in the age of Vietnam was seen from

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Tehran. These conversations undermine the popular myth of the Iranian monarch as a mere instrument of American policy. Rather than fearing détente and the decline of American power, the Shah saw these shifting geopolitical sands as an opportunity for Iran to take a more prominent place on the global stage. During a visit to Bucharest in June 1966 (Document 3), he told Ceaușescu that the ‘small powers’ in the international system must try to ‘get along’ in order to allow the superpowers to ‘cut down on the responsibilities they took upon themselves intentionally or not, wisely or not.’ Two years later, with the election of Richard Nixon to the White House on a platform of ‘peace with honor’ in Vietnam, the Shah told Ceaușescu (Document 10), ‘I noticed that in his latest speech, Nixon [adopted a position similar] to what I discussed with you, in the sense that [he wants] to disengage from those issues which do not directly concern America, on the one hand, and on the other hand, that the US will not abandon its allies.’ The Shah told Ceaușescu that he had advised Nixon ‘a long time ago’ that the US must withdraw from Vietnam, but, ‘The Americans are afraid of the world saying about them that they are abandoning their friends.’ Yet, as this conversation suggests, Washington’s fear that a precipitous withdrawal from Vietnam would lead to a collapse of American credibility was misplaced, at least when it came to their Iranian ally.

Ceaușescu regarded the joint communiqué released after the Shah’s 1966 visit to Bucharest as a step forward for the socialist camp, especially for the North Vietnamese. Much to Hanoi’s satisfaction, the Shah confessed that ‘after all, if the Vietnamese communists win in South Vietnam, this is the problem of the Vietnamese. Nobody has the right to meddle in there.’ The archival record concerning Bucharest’s discussions with the Soviets and the Chinese reveals that Moscow and Beijing welcomed Romania’s efforts to influence the Shah, as Iran’s position on a US withdrawal from Vietnam showed that even America’s closest allies objected to the continuation of the war in Indochina. Mobilizing international public opinion against the United States and driving a wedge between Washington and its allies represented an important contribution to the struggle of the North Vietnamese. Furthermore, Iran’s ascendance as a regional power delighted the Romanian

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16 Minutes of conversation between Nicolae Ceaușescu and Hoang Tu, the Ambassador of the Democratic Republic of Vietnam to Bucharest, 3 June, 1966, ANIC, CC RCP, FRS, 80/1966, p.3.
18 Minutes of conversation between Nicolae Ceaușescu and Leonid Brezhnev, 13 May, 1966, ANIC, CC RCP, FRS, 72/1966, p. 158; Minutes of conversation between Nicolae Ceaușescu and A. Basov, the Ambassador of the USSR to Bucharest, 15 September, 1966, ANIC, CC RCP, FRS, 118/1966, p. 13; Minutes of conversation
communist leadership. Faced with a choice between Iran’s primacy in the Persian Gulf and the continuation of Anglo-American influence in that region, Bucharest saw Tehran’s ambitions as the ‘lesser of two evils.’ Iran’s more independent foreign policy could embolden other countries to embark upon a similar course of action, and thus further diminish American influence in the region. As the Romanians told the Soviets, the Shah apparently signaled that he was even willing to leave regional military pacts, which could tilt the balance of forces in Moscow’s favor.19

Just as the Shah welcomed an American withdrawal from Vietnam, he was also encouraged by the success of détente in Europe in the early 1970s. The superpowers had fought the Cold War on the battlefields of Asia, Africa, and Latin America, while the ‘long peace’ prevailed in Europe. It was important for the Shah that the benefits of détente extend beyond the borders of Europe to encompass every theatre of the global Cold War. As European leaders like de Gaulle and Willy Brandt sought to take Europe’s destiny into their own hands and emancipate their divided continent from American and Soviet domination, non-European actors like the Shah also wanted to establish their autonomy from their superpower patrons. By the time the Shah and Ceaușescu met again in June 1973 (Document 16), Soviet-American détente had produced a series of nuclear arms control measures, while in Europe the Helsinki Process was under way and Brandt’s Ostpolitik had resulted in the 1972 Basic Treaty between East and West Germany. Yet, in the Middle East, a major Arab-Israeli War would break out in October, sending oil prices sky high and triggering a nuclear alert in Washington. The Shah’s concern was not that détente would lead to an American retreat from its security commitments in the Middle East, but that the Middle East would be left behind in the global process of détente. His strategy, therefore, was to link détente in Europe to peace in the Middle East. As he explained to Ceaușescu, ‘happily, this great issue, especially the German question, which preoccupies everybody, [was solved].’ ‘European détente,’ the Shah explained, ‘should become world policy, as there could be no détente in Europe, without stability in the Middle East, since life in Europe depends on energy supplies from the Middle East.’ As this comment suggests, the Shah’s greatest asset in linking Europe’s fate to that of the Middle East was oil.

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19 Minutes of conversation between Nicolae Ceaușescu and A. Basov, the Ambassador of the USSR to Bucharest, 27 June, 1966, ANIC, CC RCP, FRS, 92/1966, p. 29.

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Iranian Oil and Socialist Eastern Europe

For many in the West, Mohammad Reza Shah had become synonymous with the oil price rises instigated by the Organization of Petroleum Exporting Countries (OPEC) in the 1970s, including the February 1971 Tehran Agreement in which the Shah played a decisive role in raising not only the oil price but also the Persian Gulf oil producers share of oil profits. But the Shah also had an ‘Eastern’ oil policy, which was to barter oil and gas with the Soviet Union and Eastern Europe in exchange for industrial and engineering technology, thereby expanding the market for Iranian energy and giving Moscow a stake in the stability and longevity of the Shah’s regime. Under a 1965 barter agreement, Iran began exporting gas to the Soviet Union via the Iran Gas Trunkline 1 (IGAT1) pipeline that was inaugurated in October 1970 and ran from the south of Iran, through Astara, to the USSR. In exchange, the Soviets built a machine tools plant in Arak that was completed in 1972 and a steel mill (a long cherished development goal of many Iranians, including the Shah) in Isfahan that was completed in 1973. Similarly, by the 1970s Iran enjoyed diplomatic and economic relations with Bulgaria, Czechoslovakia, Hungary, Poland, Romania and Yugoslavia. Diplomatic relations were also established with East Germany in 1973, though they remained the rockiest of Iran’s relations with the European socialist states because of the German Democratic Republic’s support for the Tudeh and its siding with Iraq against Iran over the Shatt al-Arab territorial dispute.

Throughout this period Romania emerged as the largest customer for Iranian oil in Eastern Europe. In fact, throughout the 1970s Iran was Romania’s largest trading partner anywhere in the Third World. Ambassador Sanandaji explained to Ceaușescu in March 1967 (Document 4) that the economic growth of Eastern Europe and the Soviet Union would require increasing oil imports that could be met by Iran’s growing crude production. The question was how this oil would reach the European market and how it would be distributed.

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within the socialist bloc. As we can see in Document 5, Moscow had suggested that the socialist countries could build a ‘consortium’ that would receive Iranian oil via a pipeline through the Soviet Union. But as the Shah explained to Chivu Stoica in May 1967 (Document 6), he realized that this ‘could irritate certain socialist countries’ and Iran was happy to act bilaterally in the case of Romania.

Ultimately, Iranian oil was exported to Romania via tanker from the Persian Gulf to the Gulf of Aqaba, where the oil was transported to the Israeli port of Haifa using the Eilat-Ashkelon pipeline that was built jointly by Iran and Israel. The oil was then shipped from Haifa to Romania’s Black Sea port of Constanța. This route had the advantage of bypassing the Egyptian-controlled Suez Canal, but as we can see from Document 13, it earned Romania the displeasure of the Egyptians, who lodged a formal protest in August 1969 for using a pipeline that traversed ‘Egyptian territory occupied by Israel.’ Yet, the Romanians did not budge. They could not afford to cancel crude imports from Iran. For Bucharest, meeting their 1965 Five-Year Plan targets outweighed Romanian solidarity with Egypt. For Ceaușescu, achieving these development targets depended on Romania’s ability to quench its growing thirst for oil. The biggest impediment was that Romania had already reached peak crude production and had repeatedly failed to meet industrial demand. Iranian oil imports allowed the Romansians to intensify industrialization while preserving their own energy resources. However, there was more to this story. Romania actually had significant oil reserves, but it preferred to import lower quality Iranian crude for its own consumption, while exporting gasoline and other refined products derived from the more profitable and better quality Romanian oil. These exports reached both Western and Eastern markets. The revenues obtained from these petroleum exports paid for the acquisition of technology from developed countries in the Western bloc.

29 As the Romanian Vice Premier, Emil Bodnăraș put it, ‘we do not want to extract more crude because we do not want to exceed the security coefficient which is at 4-5% of known reserves. Unlike the bourgeoisie, we do not want to deplete our reserves through intensive exploitation.’ Minutes of conversation between Emil Bodnăraș and Pham Van Dong, 7 May, 1966, ANIC, CC RCP, FRS, 70/1966, p. 47.
These transactions came full circle, as oil exploration and exploitation technology transferred from the Western world gave Romania a considerable advantage in the oil diplomacy of the 1960s and 1970s. In 1965, Romania offered Iran a mutually advantageous deal: oil exploration and exploitation services in exchange for a share of crude production.\(^{30}\) It was not Bucharest’s first such attempt. Since the 1950s, Romania had become entangled in a web of oil exploration deals signed with countries in the Middle East, Africa, Asia, and Latin America, as well as socialist countries including the USSR.\(^{31}\) Bucharest used the drilling technology it obtained from the United States to help Third World countries tap into their oil reserves in exchange for a share of the crude production.\(^{32}\) This niche skill-set kept the crude from these oil producers flowing to Romania, and, above all, added valuable cash to Romania’s coffers. The rationale behind Ceaușescu’s energy strategy strikingly resembled the Shah’s thinking. Exporting petroleum products and oil exploration services generated great profits, which in turn propped up the Romanian economy. The survival of Ceaușescu’s regime depended on satisfying the basic needs of the Romanian population, improving the standard of living, and capitalizing on anti-Soviet sentiment.

Ceaușescu’s emphasis on energy independence resonated well with Romanians’ sense of nationalism. Since 1944, the Romanian population had grown disgruntled with having to supply the Soviet Union with strategic commodities, such as oil derivatives. Between 1961 and 1965, Romania delivered 9.3 million tons [mt] of petroleum products to the USSR, leaving scarce amounts for Romania’s own economic development.\(^{33}\) Meanwhile, Soviet oil production dwarfed Romania’s, rising to 285 mt in 1965 and was projected to reach 325-350 mt in 1970.\(^{34}\) However, the USSR continued to import Romanian petroleum products, although in smaller quantities as some oil wells in Romania ran dry. During 1966-1970,


\(^{34}\) Minutes of conversation between Nicolae Ceaușescu and Leonid Brezhnev, 10 May, 1966, ANIC, CC RCP, FRS, 72/1966, p. 16.
Romanian petroleum exports to the Soviet Union amounted to 3.7 mt. Romania bartered its petroleum derivatives for advanced Soviet technology, such as metallurgical equipment, turbines, and weaponry. Tensions between Bucharest and Moscow flared when the Soviets delayed the transfer of equipment. But in spite of these quarrels, the Romanians had to cooperate with Moscow on a variety of energy deals with Middle Eastern suppliers. For instance, in 1970, the RCP decided to import gas from Iran through a triangular arrangement involving the USSR, which increased Moscow’s leverage over Romania’s energy sector. Such trilateral agreements remained secret, since they would have angered domestic public opinion in Romania.

Ceaușescu’s Romania and the Shah’s Iran made strange bedfellows in the global Cold War of the 1960s and 1970s. Although the Romanian communists welcomed the Shah’s Tudeh opponents, they also sought commercial gain from trade with oil-rich Iran. Similarly, while the Shah feared the communist threat to his regime, he saw in Ceaușescu a fellow Cold War revisionist who sought greater independence from his superpower patron, without abandoning his Cold War allies. While the Middle East remained a region of intense Arab-Israeli conflict, it was also not immune to the winds of détente blowing from Europe. Just as Ceaușescu benefitted from détente, the Shah also enjoyed a burgeoning relationship with the Soviet Union and the socialist bloc while maintaining his alliance with the United States. As in Europe, the Cold War in the Middle East was no longer a zero-sum game.

Document 1: Notes from Meeting between Iranian Military and Nicolae Ceaușescu, Bucharest

13 March, 1958

The Iranian comrades expressed their satisfaction with the fact that they could stay for a few days in Bucharest.

They took part in the Central Committee plenum which was held in Bulgaria.

Comrade N. Ceaușescu:

He greeted them on behalf of the party leadership and invited them to feel at home.

The first comrade:

I would like to inform you about the issues discussed at the plenum which just took place [in Bulgaria].

The agenda contained three issues:

1. The Declaration adopted at the reunion of Communist and Workers’ Parties in Moscow and the Peace Manifesto.
2. The analysis of the political situation in Iran.

It must be said that after the fascist coup which took place, several changes in the political situation in Iran occurred. The social causes which shape the domestic and foreign policy of this country were analyzed. Attention was paid to the fundamental points of the party platform related to the political situation [.] The immediate tasks and the tactics of the party in the current circumstances.

The plenum approved the analysis of the political situation and the fundamental points related to the [party] platform.

The task of formulating a platform draft to be discussed with party members until the next plenum was assigned. The plenum approved the main issues related to party tactics.

The third matter on the agenda tackled organizational difficulties.

A report on the activities carried out between the two plenums was presented.

We experienced delays in organizing the plenum because of technical issues.

This plenum was necessary because of the harsh conditions in which our party and our party leadership [carry out] their activity.

Our party is disoriented, following the defeat it suffered. This defeat our party suffered is unprecedented.

Our party is a young party from the point of view of its new structure and of the situation which [it] created. Despite its young age, our party has successfully fought certain battles.
After WWI, [all] communists were repressed. But this repression took the form of a pogrom and the party was not outlawed. In this situation, the Party leadership openly stated its position.

When the party declared itself in favor of the anti-imperialist struggle, it was outlawed on the basis that it undermined the state.

The party created a solid underground network and managed to combine its struggle in the open with the one underground. The party played an important role in the period of the nationalization of oil.

The best forces of the working class, peasantry and intelligentsia sided with the party. Moreover, every 10th person in the officer corps of the armed forces was a communist. It is even harder to explain the defeat. In these circumstances, the mistakes of the party leadership greatly contributed to this defeat.

We failed to take into account the entry on the political scene of the national bourgeoisie and we did not consider the role of this bourgeoisie in the fight against party members.

We thought that power did not reside in the hands of the national bourgeoisie, but of Anglo-American agents.

On the day of the fascist rebellion we had a lot of opportunities [on our hands], but we lacked mutual trust, we feared them, and they feared us.

The analysis [presented at the Plenum] revealed that if the party [emerged] in those days, the situation would be different.

It seemed to them that [if] Musaddiq had come out in front of the people and asked for help, [then] the communists would have appeared as his supporters. Musaddiq was afraid that the communists would seize power.

In those moments of tactical indecisiveness, ultra-reactionary elements managed to take over the key positions and then proceed to crushing the party.

The reactionary [elements] had the possibility to strike because it discovered the underground forces. Afterwards, repression ensued.

Today the party finds itself in a tough situation. We would have recovered more easily if this defeat had been the result of a battle.

The party leadership did not admit to its mistakes in front of party members in due time. This gave birth to discussions among party members and caused the crisis within our party’s leadership – a crisis obviously related to the fundamental mistakes made and to the mistakes and personal responsibility of each of us.

Mutual recriminations were exchanged between leaders.

[Our] activity could not be resumed until the leadership situation had been resolved. The cadres had to act as a sort of referees of the leadership and judge who was right and who wasn’t. The 4th Plenum, to which the best cadres were invited, took place in these circumstances.
I do not know if there are such precedents in any other party, every leader came to the 4th Plenum with his own platform. They spent 20 days and 20 nights talking about these things. The main problem was how to lift the burden of inner contradictions within the leadership from their shoulders.

From the beginning they made it clear that they would take into account the opinions of those who were taking part in the plenum.

This arbitrage [that the cadres performed] helped the new Executive Bureau to resume its activity.

We now informed the Plenum about this work.

We were assigned to establish a party center abroad, which is located in the GDR.

These issues were tackled in the organizational report. This report contained another very important matter, namely the re-establishment of a united workers’ party at home.

Iran is a multinational country and there are two parties within the national movement: the Democratic Party of Azerbaijan and the Kurdistan Democratic Party. We ordered our regional bodies to unite with these two parties.

When the Party of Azerbaijan had only a few hundred members in 1945, approximately 60,000 communists joined it. We supported this movement and we sent our best cadres. This is how this movement was created. The cadres in Azerbaijan emigrated to the USSR. For a long time, this region was left with no party organization.

When we decided to give rise to this movement, we created an organization which emerged under the name of the Democratic Party. We believe we cannot go on like this.

There must be only one workers’ party in a multinational state. Until now, this problem has not been discussed.

Now the task of re-creating a single party [was brought into discussion]. This proposal is met with resistance from the leadership of the Democratic Party of Azerbaijan, we talked to them to no avail.

The Plenum assigned us to tackle this problem.

We are satisfied with the results of this Plenum. The Plenum did not take place in a calm [atmosphere] – in the beginning some remnants of the contradictions of the 4th Plenum surfaced and this was a continuation of [the process of] resolving some contradictions. Now, there are conditions to strengthen the unity of the party leadership and of the party itself.

At the Plenum, everybody could assert their opinion openly. 22 comrades spoke in relation to the first issue [on the agenda]. The most important thing is that they debated about how this can be applied in Iran.

The causes which made the Iranian government to draw closer to the USSR and distance itself from the US [are:] It was shown that the Anglo-American contradictions were not correctly assessed, but [on the contrary] that imperialists from the FRG, Italy, Japan [;] the Federal Republic of Germany is Iran’s main foreign trade partner.
Italian oil companies established partnerships with those in Iran and the concessions they obtained harm the USA. 75% of the profits that the Italians are giving are harming the USA. The international consortium in the South is only giving 50% of its profits. This situation is creating problems for the US. Japanese goods are very important on the Iranian market.

The policies of the USSR are also important. The well-off circles were afraid of the border with the USSR, and now they understand they have nothing to fear. They are confronted with proposals to establish rocket bases on the one hand, and on the other hand they see the situation in Afghanistan, India, etc. Starting from these facts, the issues of party tactics and the current slogans of anti-imperialist struggle were raised. The main slogan is the creation of a united national movement.

This was how the Plenum unfolded and these were the problems that were debated.

We will soon have a bulletin of the Party in Iran which will be sent to brotherly parties.

Comrade N. Ceaușescu:

Thank you for such comprehensive information. We will [thus] be able to become familiar with the work, problems and assignments of the Party in Iran. We are convinced that they will be able to overcome the hardship they are confronted with and that they will successfully fulfill the assignments they were given.

Iranian Comrade:

We talked to comrade Melita about doubling the number of Persian-language broadcasts. If comrade Melita thinks this is feasible, and if the party leadership agrees to this, then the Iranian comrades will take care of the selection of cadres [for this task].

Moreover, it was discussed that in addition to the political literature, we can also send articles which can be published in the press in the People’s Republic of Romania. This would be an expression of the support offered to the Party in Iran.

There are some other technical problems the Iranian comrades are asking our help with, some of them are very specific and they will solve them with the help of the Foreign Relations section [of the Central Committee].

There are comrades who graduated from university and want to go for post-graduate degrees. These problems are noted, [and the Iranian Comrades] want [us] to ask the Foreign Relations section to solve them.

On behalf of the Central Committee, he expressed his gratitude for the campaign [we] organized to defend the lives of the [Iranian] comrades and he asked us to continue this campaign.

Would it be possible to be informed about the most recent problems in your country such as the issue of industrialization, the cooperativization effort, commerce.

Comrade N. Ceaușescu:

About the industrialization policy of our country.
The measures taken to raise the standard of living of workers.

The new wage system – wages were increased by 15-20%.

The state plan for 1957 was completed by 108%.

The following branches for which we need raw materials are developed: the oil industry, the chemical industry.

Regarding agriculture:

The socialist sector is over 52%, including the State Agricultural Household. There is a trend to [put more emphasis] on adopting the cooperative organizational style. Constanța is almost completely cooperatized, along with another 15-16 counties. We are stressing the increase of agricultural production.

Abandoning mandatory quotas

The central supply fund is replenished through agreements with contracting peasants.

We had good results in 1957. We introduced incentives for peasants to develop their agricultural production.

The alliance between the working class and the peasantry has strengthened lately.

Mechanization is necessary for the State Agricultural Household. We still encounter difficulties with our meat supplies.

Collectivization took place with the consent of the people. As far as the standard of living is concerned, as I said, the income of the working class and that of the working peasantry have increased in 1957 by 5 billion lei.

Concerning the political activity, the situation has improved thanks to the economic measures adopted.

The main problems with which our party is confronted:

- The improvement of the standard of living of the population;
- The building of houses;
- The improvement of the work carried out by the state apparatus.

A series of measures were adopted.

During the events in Hungary, our party could help the Hungarian comrades. This is how we could provide them with substantial help.

As far as the decisions of the Moscow reunion are concerned, [we] held the Plenum in December and then we worked on those points with the entire party. We established the position of our party in principle, which expanded the horizon of party members.

We have relations with 64 countries and we have the possibility of expanding our foreign relations even further. We have offers from capitalist countries. We use [them] according to the needs of our national economy.
Document 2: Minutes of Conversation between Chivu Stoica and Reza Radmanesh, President of the Tudeh Central Committee Politburo, Bucharest

9 June, 1965

[...]

Chivu Stoica: The Iranian government and the current Prime Minister – the Shah [sic] – pay a lot of attention to the development of economic relations, especially in the area of oil exploration. They say they want to reach the point where they could produce crude on their own, they are interested in how we got to do this on our own; how we trained our cadres, how we build our cars, they are interested in our installations and economic exchanges. They say they want to increase our trade.

Reza Radmanesh: We agree with the improvement of relations between Iran and socialist countries.

Chivu Stoica: They want to send people to our country for training, and young people to pursue an education on oil refining. We said: let us talk about it.

Reza Radmanesh: We are not against [this], it is good to improve relations between socialist countries and Iran, and first and foremost, to develop economic relations. This is a good thing, [because] it does not prevent us from fighting against the shah, just like you fought against your shah…

Chivu Stoica: There is nothing similar between our countries, there are different ideologies.

Reza Radmanesh: Having these relations is very good, because imperialist countries, especially the US, the UK, are almost pillaging Iran.

Chivu Stoica: They raised the issue [of strengthening our ties]. We do not know if the American, British, and other monopolies allowed them to do so. Their willingness [to strengthen relations] is a good one, and we will encourage them to do so, if possible.

Reza Radmanesh: Imperialism is not as strong as it used to be and it is forced to make certain concessions.

Chivu Stoica: You are right.

Reza Radmanesh: There is no other way, they are forced to do so, and this is caused by the pressure of the masses.

Chivu Stoica: That’s that. They are doing this to the extent that the masses are in favor [of this policy]. This is the internal factor, this is the factor that decides the direction [in which the government is going].

Reza Radmanesh: I would like to draw your attention to a particular aspect. I do not want to provide you with advice, I just want to remind you of certain things.

In your relations, never forget the struggle of the people against the shah, and you sometimes exaggerate the intentions and wishes of the shah. The shah in Iran is the fiercest enemy of communism and of the people.

Chivu Stoica: That is what you think.
Reza Radmanesh: It has always been this way.

Chivu Stoica: So this is what you thought, that we were doing…

Reza Radmanesh: I recently met comrade Cyrankiewicz in Berlin, and in our discussions [he] indicated that Polish newspapers greatly praise the situation in Iran, the shah, and the reforms carried out in [Iran], and they also talk about the White Revolution…

Chivu Stoica: As you saw us doing?

Reza Radmanesh: In a month’s time, the shah is coming here [to Romania]. It should be explained to the people that the shah is a bad man, we don’t expect people shouting all sorts of slogans…

Chivu Stoica: He will also go to the Soviet Union, how will he be received there?

Reza Radmanesh: Yes, he will go to the Soviet Union. This time he will be received as a businessman, he will not be given a special reception. We have approximately 14,000 émigrés in the Soviet Union, and we thought that on this occasion all of us should gather and as a sign of protest write a telegram that Mikoyan will pass on to the Shah. We believe that the trend to improve foreign relations must be reflected in an improvement in the internal situation, meaning to put an end to all terror. We demand the democratization of the country, we are asking for the release of those imprisoned, [we demand] amnesty, and that all [our] people imprisoned in Iran or abroad be released.

Chivu Stoica: Did Mikoyan accept to pass on this telegram?

Reza Radmanesh: Yes, he accepted. We [will write] a telegram for the Shah, and provide Mikoyan with a copy. This will enable him to raise the issue during [their] talks.

Chivu Stoica: That’s interesting.

Reza Radmanesh: We are under attack from Iranian nationalists because they are against the improvement of relations between the shah and socialist countries; they say that socialist countries support the shah who is a criminal. For example, Iranian nationalists in the US are demonstrating [against the shah], and the American television is broadcasting propaganda through which [these nationalists in the US] are expressing their dissatisfaction that we, the ones in Moscow, cannot do something similar.

Essentially, we want socialist countries not to support the shah. This is why nationalists are waging this propaganda [war] against us. We must expose them and thus, we will exert an even greater pressure on the shah, showing him that, ‘look, there is pressure coming from socialist countries to democratize Iran.’

That is why we talked to the Soviet comrades and they agreed with these proposals. We are ready to send the shah a letter not only from the Iranian immigrants in the Soviet Union, but from all immigrants. That is why, when the Shah takes measures [against us], we could attract students from Western countries, [like] Germany, France, the UK, to our [demonstrations]. Because the shah was recently in the UK and he made a statement about [Iran’s] relations with socialist countries, saying that ‘I, as a shah, make a distinction between socialist countries and the Socialist Internationale.’ To his mind, these notions are different, so in a way, he had the right to use socialist countries, while shooting us.
Chivu Stoica: This is interesting. So you concluded that the visit of the shah to Romania would mean that we are supporting him.

Reza Radmanesh: No, that is not what we think.

Chivu Stoica: Even if we wanted to impose certain things on the shah, we cannot do it, because he decides [in his country] and I would be surprised if he thought that the USSR can do one thing, and other countries do different things.

I would like [you] to bear in mind that we have a communist party which is a part of the revolutionary movement…

Reza Radmanesh: That is clear [to us]. This is why I am telling you that you must bear in mind that the reforms adopted by the shah should not be blown out of proportion.

Document 3: Minutes of Conversation between Nicolae Ceaușescu and the Shah of Iran, Bucharest

2 June, 1966

[exchange of pleasantries]

The Shah: I would add that this sort of amiable relations between my country and your country, despite the fact that they have different political regimes, but having [as a basis] such principles as [mutual] understanding between people to serve the cause of peace, humanity, to improve economic and social [life] and civilization in general, will contribute to an even better understanding between all people which are motivated by the same feelings [as us]. This would help both great powers as well as small powers, it would enable them to consolidate their independence in a world of peace, security, and mutual respect.

I would even go further to say that if small powers got along, then the tasks of superpowers would be even easier, allowing them to cut down on the responsibilities they took upon themselves intentionally or not, wisely or not, and this would give an opportunity to all countries to live peacefully.

[…]

The Shah: There are some events in the Middle East which provide food for thought.

For us, the essential thing is peace. Maybe it is selfish of us, because we are a country which has a future, we are rich, especially in the area of human resources, our people are good, hard-working. That is why all we want is the opportunity to develop our country.

We were talking earlier about the responsibilities that some powers take upon themselves for the sake of our peoples. But sometimes we see smaller countries which claim to take certain decisions and resolutions regarding the fate of other small countries. This is why it never ends.

I think that in this respect too, the principle which should prevail is that of the opportunity for all countries to express themselves freely.
This arms race in our region is ridiculous. They are depriving themselves of everything else just to buy or produce weapons, which by the time they are produced, are already obsolete, and they spend huge amounts of money on subversive operations, instead of using these resources to improve the standard of living of our peoples. And, despite our good faith, precisely because of UN’s inaction, we must also think of our future.

In addition to the wisdom of the leaders and peoples in these regions, the only means I see as effective is the UN authority.

[...]

Nicolae Ceaușescu: I would like to tell you that we can agree with you on many of the issues you brought up.

Of course, the Vietnam [War] must eventually be solved politically. But this, of course, means that the Vietnamese people are allowed to solve their own issues, and that no foreign troops are stationed in Vietnam. Whatever regime the Vietnamese choose, it is their own issue. Even if they eventually choose the socialist path, you saw that it is not so bad, because [in effect] socialists takes care that the people in question [enjoy a better life]. Of course, others think other forms [of government] are necessary. This is their own business.

Maybe China’s accession to the UN would indeed solve many problems. I think you are right, but let’s help [China] join the UN. In this case, I can say that small countries should demonstrate their ability [to solve] this thing. They form a majority at the UN, and they could achieve this. We previously supported [the matter of China’s accession to the UN] and we are thinking about re-iterating this issue at this year’s session. Isolating China does not help strengthen peace. Of course, I do not share your views on the attack on India, because, according to the information we had, things were not [really] like you said they were and those who launched the attack were not the ones you indicated – but this is not an issue we should discuss now. But China’s accession to the UN would be extremely important, of course, and this is a topic to which we could contribute. Whenever someone is isolated, it is forced into a position of distrust towards others, and of course things will not go according to plan. So, of course, it would be very good, it would be in the interest of peace if we could achieve China’s accession to the UN.

Regarding the matter of [military] blocs, as you know, we do not really like them. We believe they are obsolete and in time, they will be dismantled. But they will not disappear on their own. We must all take action in this respect, especially to build trust between nations, so as to eliminate distrust, and fear. And then these blocs will increasingly look like something which is no longer needed. Of course, we have no illusions about dismantling NATO and the Warsaw Pact tomorrow, but by developing relations between countries in Europe, for instance, by developing trust among them, we believe we’ll achieve [their dismantling]. And this is valid for other continents as well, for other blocs, and in this respect, through our developing relations, we believe we are contributing toward bringing about the right circumstances [for the disappearance of military blocs].

The problem of illiteracy is indeed a very serious one. Of course, advanced countries can help poor countries. But they are not very generous. Ultimately, it depends on each people to solve its problems as it sees fit. Twenty years ago, 60% of [our] population was illiterate. We undertook great efforts to get rid of this problem. I couldn’t say that we receive foreign aid to eliminate this state of affairs.
Ion Gheorghe Maurer (Prime Minister): Not even morally.

Nicolae Ceaușescu: Morally, everybody pitied us. Of course, this is also important, although pity is not enough, work must be done.

When we talked to various African countries, we told them that the problem of development cannot be solved other than through the development of internal production forces. There are some who started with stadiums, palaces; this does not help at all. Without industry, without agriculture, one cannot even eliminate illiteracy, and in general, we cannot speak of civilization, as life itself proved.

We are still exporting raw materials, also to your country, as we receive little money for them. This depends very much on each country. Of course, countries must provide each other with assistance [when they need it], and we agreed with this, and at the conference which took place in Iran we supported this position so that developing countries are being provided aid to expedite finding a solution to very difficult problems, but, indeed, ultimately, it depends on each country.

The same applies to the problem of famine. Many countries afflicted by famine have so many riches that, if used properly, would result in quickly finding a solution to these problems, but in today’s world, there is not much assistance being given to solve these problems. The Americans are providing a lot of weapons, others are also providing weapons.

Ion Gheorghe Maurer: Others give advice.

Nicolae Ceaușescu: But the problem cannot be solved this way. Only peaceful, collaborative relations can help solve the problem.

I could say that it seems that our countries share many views; we have very similar views on many international issues and we could, indeed, help solve some problems, without having any illusions that we could change the situation, but we could help.

[...]

**Document 4: Minutes of Conversation between Nicolae Ceaușescu and Soltan V.H. Sanandaji, Iran’s New Ambassador to Romania, Bucharest**

15 March, 1967

Soltan V.H. Sanandaji said that he was referring to the proposal made a few months ago by Iran to Romania to join other Eastern European countries in creating a consortium to exploit Iranian crude. Iran has not yet received an answer from the Romanian authorities on this issue.

Nicolae Ceaușescu pointed out that he only knew in general terms of this Iranian proposal to cooperate with Romania and other European socialist countries.

On this issue, the General Secretary of the Romanian Communist Party said that although he was not a specialist on such matters, he would like to know the way in which the Iranian government thinks about the practical aspects of this cooperation.

Soltan V.H. Sanandaji said that Iran wanted to create, on the one hand, a reliable market in Eastern European countries for its crude, and on the other hand, to create opportunities for
importing from these Eastern countries the industrial products which Iran needs for its economic development. According to the Iranian government, this is possible because the rapid economic development of countries like Romania, Czechoslovakia, Bulgaria, Hungary, [and] Yugoslavia, means that their demand for crude will considerably grow, and their own crude, where available, will become totally insufficient. It is very likely that not even the USSR will be able to meet this increasing demand from its own production, and thus be forced to import crude. Moreover, given the continuous increase in Iranian crude production, Iran will have more crude to export, for which Iran needs markets and which it could sell to Eastern European countries.

Practically, this crude could be transported either by tanker from one of Iran’s big ports to Black Sea or Adriatic Sea ports, or through the pipeline built jointly by the Iranian government and the Turkish government to Alexandrette, and from there on small or medium-sized tankers to the destination port.

The Iranian government believes that in these circumstances, there can be mutually advantageous cooperation with all parties interested.

Nicolae Ceaușescu pointed out that Romania understands the concern of the Iranian government to [have access to] a stable market and to ensure long-time cooperation, which would enable it to sell its crude, and at the same time, buy industrial products which it needs. Romania wants to and it agrees on principle to, take part into the sort of cooperation described by the Iranian ambassador, to the extent that such cooperation respects the legitimate interests of each party.

Since this matter is so important, involving a long-term cooperation project, with many aspects and implications, Romania would like to receive more details about how the Iranian government envisages the practical coming into force of this project. We would like to know the principles on which this cooperation would take place, the form in which Iran would cooperate with the other countries – bilateral or multilateral, what obligations and duties each participating country will have, what Romania’s role will be in this cooperation framework, as well as other similar issues, so that on the basis of these details, the relevant Romanian authorities could rigorously analyze Iran’s proposals and possibly make counter-proposals.

Soltan V.H. Sanandaji said that he found Romania’s request for more details totally justified, and that to his mind, the presence in Teheran of Romania’s Foreign Trade Minister, Gheorghe Cioară, would be an excellent occasion to discuss all aspects which concern the Romanian government with the Iranian authorities, at any level possible. As far as he is concerned, he will immediately inform the Iranian government about this matter, so that the Romanian Minister receives the desired answer during his stay in Teheran.

Nicolae Ceaușescu said that Comrade Cioară did not have the mandate to discuss this matter with the Iranian authorities, but that he could receive the detailed clarifications from the relevant Iranian bodies, which he could then relay to the Romanian government. This matter will be examined by the party and state leadership in its entirety, and this leadership will take the appropriate decisions. In any case, the Secretary General of the Romanian Communist Party added, Romania is interested in the collaboration project put forward by the Iranian government, and thinks it is possible that it is realized in the foreseeable future, in the spirit of cooperation and mutual understanding, which characterizes relations between the two countries.
Document 5: Telegram from the Romanian Embassy in Teheran, No. 84.075, Top Secret

16 April, 1967

1. On 15 April 1967 I met the shah of Iran on the occasion of my departure from Iran. Telling me that ‘it seems you are leaving us,’ the Shah asked if the new ambassador would reside in Teheran. I said yes and then the shah made a series of positive judgments regarding relations between Iran and Romania. Underlining that our countries had become friends, that there were no problems which would hamper the development of our relations, the Shah praised the policies of our government, labeling it as realistic and wise, on economic matters as well as on domestic, internal matters and international matters. He added that he was pleasantly impressed with the discussions he had had with Romanian leaders and he had good memories from his trip to Romania.

‘We are two countries which get along well, and we can cooperate on various levels in the future’, he said.

I answered that I share his assessment regarding Iran-Romania relations, that [these relations] had developed well over the past years, and that there were many opportunities for the development of these relations.

Moreover, I underlined the importance of the visits that had taken place.

2. Regarding Iran’s relations with other countries, the Shah focused on relations with the USSR, evaluating them as very good and underlining that the USSR is interested in having economic and political relations with Iran, because Iran posed no danger to the USSR, and he believed that Iran also had no reasons to fear the USSR.

Speaking about the visit by Baibakov, the vice-president of the USSR Council of Minister, and the discussions [the Shah] had with him, the Shah said that Baibakov told him he had not come to Teheran with pre-conceived ideas or with proposals, but with the desire to listen to Iran’s wishes regarding cooperation with the USSR on economic matters. Then the Shah added that there are prospects for doubling the amount of natural gas [exported by Iran to the USSR] compared to the quantities the USSR had previously asked for.

He said that the USSR also wanted oil and that Iran can provide the USSR with oil [extracted] from the north of the country.

The Shah said that the USSR had put forward the idea of creating a consortium of socialist countries [through which they] would buy large quantities of Iranian crude, and that he [the Shah] had nothing against the desire of socialist countries to form this consortium. He added that from Iran’s economic point of view, he agrees with this, since Bulgaria would want to
import] approximately 5 million tons of crude in the future, but, he wondered, ‘what would Bulgaria pay the crude with?’

For this reason, he added, if Bulgaria bought crude through this consortium, the arrangement will be made with the USSR, and Iran could buy plenty of things from the USSR. Another advantage is the fact that the Soviets would deliver their crude, and use the Iranian one for their own consumption.

Of course, the Shah added, there are countries like Romania which might not be interested in this consortium, preferring instead to deal directly [with Iran], and Iran was willing to make such arrangements.

He talked about the possibility of delivering crude via a pipeline through the USSR, and the other possibility was to build another pipeline through the Adriatic Sea, crossing through Yugoslavia and Hungary, towards Poland and Czechoslovakia.

Of course, the construction of these pipelines would be raised when the crude quantities supplied by Iran exceeded 20 million tons, the Shah underlined. In our discussion, he showed [more interest] towards the pipeline through the USSR, so as to avoid [dealing] with the Suez.

Regarding the political dimension of [Iran’s] relations [with the USSR], the Shah said that Iran also bought weapons from the USSR, although the West reprimanded Iran for doing so. ‘We are not asking other [countries] whether we should do this or that, but I would like to see whether the USSR still helps Nasser now, Nasser who wants to turn Iran to dust,’ the Shah underlined. Then, he added that Nasser was arming [Egypt], causing tensions through his deeds, although the economic situation in Egypt is bad.

3. He also said that ‘our American friends reprimanded us for developing our relations with socialist countries too much, but I am not willing to discuss with them the policies of my country.’

I know, the Shah added, that US [governmental agencies] in Iran, because they dislike my policies, have ties with the enemies of my regime, both in Iran and in the US. They are probably thinking of exterminating me, but they will not be able to install a more stable regime than mine in Iran.

Then the Shah said that the Americans had killed Diem in Vietnam, because Diem started a rapprochement with North Vietnam. ‘What did they achieve through this [assassination] other than anarchy and war in Vietnam, a war which they cannot even end, and from which they cannot pull out either?’, he added.

4. On a different topic, the Shah said that the West always chided him that, although he had good relations with socialist countries, he did not ask them to stop communist propaganda and the radio broadcasts of the Tudeh Party. ‘I told them, he said, that I would never ask for such a thing, and I have serious reasons not to ask for such a thing.’ The Shah explained these
reasons by saying that those who speak on the radio were rarely listened to in Iran, but he personally listened to their broadcasts because that was how he found out about what others thought about Iran. The Shah added that even if he had had the best spies, he could not have known better what the Kremlin and the Communist Party of the Soviet Union thought of Iran. Those broadcasts express the thoughts and plans of the Kremlin more accurately, so they were actually doing me a favor [the Shah said].

Moreover, he said, many of those who fled Iran want to come back, some because of their nostalgia towards their homeland, others because they wanted to continue their efforts against me, and others because they had lost hope in the success of their fight [against me].

Upon my departure, the Shah asked me to send his best regards to Comrade Nicolae Ceaușescu, Comrade Chivu Stoica, whom he would soon have the honor to see, and Comrade Ion Gheorghe Maurer, saying, once again, that he had the most fond memories from the meetings and conversations he had held [with the Romanian leaders].

The meeting lasted for 55 minutes.

Signed: I. Dranceanu

Document 6: Informative Note on the Visit of the Romanian President of the Council of Ministers, Chivu Stoica, to Iran

13-19 May, 1967

[...]

On this occasion the Shah pointed out that Iran was interested in a large-scale cooperation with socialist countries on crude-related matters. As for the concrete means through which this cooperation could be realized, he mentioned the possibility [of building] a special pipeline just for socialist countries, from a Yugoslav port [towards Eastern European countries], and the creation of a consortium of socialist countries which would take care of buying the Iranian crude, transporting it through a pipeline to the Soviet border. Stating that this form of cooperation, suggested by the USSR, does not encroach on Iran’s interests, but that it could irritate certain socialist countries, the Shah said that the cooperation between socialist countries and Iran on crude-related matters [should] be looked into by the governments of the countries directly involved in [this cooperation] and that Iran agreed with bilaterally solving the matter of crude deliveries to the countries which prefer doing so. The Shah mentioned that Iran had nothing against the sale of crude to Romania being arranged on a bilateral basis since Romania had the means to pay, but he pointed out that other countries, such as Bulgaria, did not have the means to pay for the crude which it wants to buy from Iran, and could be interested in creating this consortium.
14 June, 1967

On 14 June 1967 Comrade Nicolae Ceaușescu, General Secretary of the Central Committee of the Romanian Communist Party received the Iranian Ambassador to Romania, Soltan Hossein Vakili Sanandaji, at his request.

M. Plătăreanu, second secretary in the Ministry of Foreign Affairs, attended the meeting as translator.

After thanking comrade Ceaușescu for the honor of receiving him, SHV Sanandaji said that before moving to the topic for which he requested this meeting, he wanted to express Iran’s appreciation for Romania’s wise and realistic position on the Near East developments. Regarding these developments, the Ambassador expressed his satisfaction that the Romanian and Iranian points of view are very similar once again. On the one hand, they express their sympathy with the Arab peoples and especially with the Arab population displaced from Israel, and on the other hand, they [underline] the need to take into account the real situation in the Near East, including the existence of Israel, which cannot be contested.

Despite the good relations between Iran and some Arab countries, Iran cannot accept that a state is forcefully dismantled, because accepting such a principle would set [a precedent], as Israel would be eliminated today, and any another state tomorrow. Iran helps certain Arab countries like Jordan and Iraq with food, medicine, etc., but it cannot share the point of view of Arab leaders, who call for the dismantlement of the state of Israel. The only Arab leader who had a lucid and moderate reaction was the president of Tunisia, Bourgouiba.

The [Iranian] Ambassador then pointed out that to his mind, the responsibility for the armed conflict in the Near East belongs to the United Arab Republic, which asked UN troops to withdraw from its territory and carried out an aggression by blocking circulation in the Gulf of Aqaba.

As a matter of fact, the aggressiveness of the United Arab Republic is manifest also through the aggression against Yemen, where the Egyptian Air Force mercilessly bombs a defenseless population.

About the events in the Near East, the Iranian Ambassador also said that while the position of the Soviet Union, as a superpower, was understandable to a certain extent, Yugoslavia’s position could not be understood, as its leadership had previously adopted a realistic and wise political approach.

Comrade Nicolae Ceaușescu pointed out that [he] was pleased with the fact that the views of Romania and Iran regarding the situation in the Near East were similar.

The Romanian point of view regarding the resolution of conflicts in this part of the world, according to the fundamental interests of those peoples in question, is expressed in the Declaration of the Central Committee of the Romanian Communist Party and of the Romanian Government. The Declaration expressed the desire of our country that hostilities are permanently stopped and that clashes in this region are solved through negotiations between the parties involved.

We believe that for the solid and viable elimination of the existing differences it is absolutely necessary to undertake intense efforts to find some solutions which take into account the fundamental and legitimate interests of all peoples of this region.
Our country believes that to eliminate the source of tension in the Near East, [these countries] must start from the existing realities, from the need for the Arab states to coexist with Israel.

In this respect, it is absolutely necessary for Israeli troops to withdraw from the occupied territories and for Israel not to try to capitalize on its military successes to make territorial claims or of any other nature, which would aggravate the existing differences and would make it harder to solve the conflict. It is also very important that the problem of Arab refugees from Palestine is solved on an equitable basis.

The opinion of the Romanian government [is] that the problems of the Near East can be solved through negotiations between those directly involved, on a mutually acceptable basis, permanently giving up the use of force, because war cannot represent a means of solving clashes between states. It is deeply against the interests of the peoples in the Near East and it serves only the interests of international imperialism, which is not innocent regarding the existing tensions in this part of the world.

Comrade Nicolae Ceaușescu then expressed his opinion that it would be good for Iran to explain to [those] Arab countries with which it has friendly relations, the need to adopt a realistic position, to accept negotiations between the parties involved [in the conflict], to solve the conflict in the Near East.

S.H.V. Sanandaji pointed out that he fully agreed with the analysis made by Comrade N. Ceaușescu regarding the events in the Near East and that his country would make all efforts possible to contribute to the peaceful resolution of the conflict.

[...]

Document 8: Minutes of Conversation between Nicolae Ceaușescu and Reza Radmanesh, President of the Politburo of the Central Committee of the Tudeh Party, Bucharest

2 August, 1967

[...]

Reza Radmanesh:

Currently our headquarters are in Germany. We have a radio station in Bulgaria, and we broadcast four times a day, two hours in Persian, one hour in Azeri, and one hour in Kurdish. This radio station exerts a lot of influence on the population in Iran. Hundreds of thousands of peasants listen to the radio and this is how we get in touch with the people.

We publish newspapers, magazines, some of them are published even in Iran. We also enjoy a certain influence among student circles abroad. There are approximately 30,000 Iranian students in Europe and the United States, and one can say they are taking part in our movement, that they represent an opposition force abroad.

We have our own organization in Iran, established in the five most important cities in Iran. We publish two illegal newspapers, and our organization has considerably developed lately. Last year, two of our comrades were sent back to Iran, where they were sentenced to death. One of them had lived in Bucharest for a long time. Although they were sentenced to death,
following an international campaign, the Shah was forced to reduce the punishment to life in prison. There are many comrades in prison; there are comrades who have been in prison for 20 years. A few months ago they discovered one of the biggest underground printing houses of our party; they made a big deal out of this discovery, but our fight continues.

I can say that our party is the most organized opposition party in Iran. Most political prisoners are members of our party. Of course, you know our party, but I wanted to give you some more details.

Politically, Iran has experienced some sort of transformation in recent years. This change in the foreign policy of our country consists of an improvement in Iran’s relations with socialist countries. We think this is a positive thing, we are fighting for it. I can say we are the only party in the opposition supporting this improvement because we think this improvement helps consolidate [Iran’s] political independence and paves the way to creating a foundation for our economy. Fortunately, Iran’s relations with socialist countries in recent years have greatly improved. Moreover, your country improved its relations with Iran, which we are in favor of. The Soviet Union also improved its relations with Iran, and continues to do so.

[...] Owing to this improvement in Iran’s relations with socialist countries, our activity has increased. Many comrades, who used to be desperate, reluctant, [or] reserved, have now started to work, to become active since they see a new path [ahead].

As long as Iran’s economy is undergoing a positive transformation, we ourselves are changing our policy according to the transformations and to the policies [being] adopted in Iran.

[...] These reactionary and imperialist circles want to take advantage of the improvement in Iran’s relations with socialist countries to isolate our parties from other communist parties in socialist countries. In this respect, they pressed the Soviet, Bulgarian, [and] the East German governments when [Iran] proposed to establish economic relations with the GDR, conditioning [these economic ties] on GDR ceasing its [contacts] with our party, and expelling us from the GDR. Probably on the occasion of their meetings with your government, they mentioned this to you as well. I am certain, however, that they did not and will not succeed in doing this. On the contrary, we receive increasing support from socialist countries.

[...] I would like to add something about the divergences that exist between various parties, and especially between socialist countries; I, for one, know more about the divergences between China, on the one hand, and the Soviet Union and other socialist countries, on the other hand. This [split] is very damaging to our activity in Iran. We expelled 3 members of our Central Committee due to their pro-Chinese mistakes. They tried to establish an independent faction. The Chinese [Communist] Party helped them and continues to do so. Of course, they could not establish a [movement]. One could say that they have a few dozen members who are located in Europe. They used to publish newspapers but now they stopped publishing these newspapers.
In any case, these divergences, as you know better than me, are very damaging to our national and international activity.

[…] 

If there was unity in the international communist movement, Iran’s situation would be a lot better.

[…]

Document 9: Telegram to the Romanian Embassy in Teheran, No. 05/003865, Top Secret

7 August, 1967

Comrade Ambassador:

On 3 August 1967, the Romanian press [Scînteia] published a communiqué about how the General Secretary of the Romanian Communist Party, Nicolae Ceaușescu, received Reza Radmanesh, the president of the Central Committee Politburo of the Tudeh Party in Iran.

On the same day, the Iranian ambassador to Bucharest, S.H.V. Sanandaji, paid a visit, at his request, to the Deputy Minister of Foreign Affairs, Petru Burlacu. On this occasion, [Sanandaji] requested Radmanesh’s arrest and extradition to Iran, given the crimes he committed against the Iranian people and government.

In this respect, the Iranian ambassador tried to hand in a note verbale.

The Deputy Minister of Foreign Affairs, Petru Burlacu, told the Iranian ambassador that according to the Constitution of the Socialist Republic of Romania, the Romanian Communist Party is the only authority in our country, and the basis for its relations with other parties and other countries is the respect for the principles of mutual respect and non-interference in the internal affairs of [other countries]. According to these principles, the Romanian Communist Party is the sole authority that can decide whom to receive, whom to meet with, or whom to talk to.

While pointing out the foreign relations of the Romanian Communist Party, comrade Petru Burlacu showed that Reza Radmanesh’s reception is part and parcel of these foreign relations, and it must be seen as such.

One of the fundamental principles of our foreign policy, a principle which is the basis of Iran’s foreign policy, and which was underlined by His Imperial Majesty, the Shah on the occasion of the visit to Iran of the Romanian President of the State Council, Chivu Stoica, is that of having relations with all countries, irrespective of their internal political and social regime.
This is the background against which friendly relations between Iran and Romania developed.

On the basis of their contacts, His Imperial Majesty, the Shah, and the Prime Minister, Mr. A. Hoveyda, are [fully] aware of the position of our party and state leadership regarding Iran, they know [Romania’s] desire to continue to develop relations with Iran, as well as the respect that our leadership has for the Iranian leadership. The Romanian leadership gives a high consideration to relations between Iran and Romania, and they appreciate the Shah’s and the Iranian government’s policy.

For these reasons, the fact that Nicolae Ceaușescu, the General Secretary of the Romanian Communist Party, received Reza Radmanesh cannot and must not have any bearing upon the development of relations between our countries.

This is why, comrade Petru Burlacu pointed out, the request to arrest and extradite Reza Radmanesh cannot be accepted, and the note verbale cannot be received. This is why the fact that Nicolae Ceaușescu received Reza Radmanesh cannot be interpreted as an inimical act towards Iran.

In case the Iranian [ambassador] raises this issue [with you], please use Comrade Burlacu’s answer to Ambassador Sanandaji as an example.

Signed:

Petru Burlacu

**Document 10: Minutes of Conversation between the Shah and Nicolae Ceaușescu, Teheran**

3 September, 1969

The Shah: I heard that Ho Chi Minh is ill. He is actually quite old. Of course, this will not change too much, since the Vietnamese people are the ones to decide [their fate]. One person cannot do everything.

Nicolae Ceaușescu: But he enjoys great authority in Vietnam.

The Shah: Yes, he enjoys prestige, authority.

I noticed that in his latest speech, Nixon [adopted a position similar] to what I discussed with you, in the sense that [he wants] to disengage from those issues which do not directly concern America, on the one hand, and on the other hand, that the US will not abandon its allies.

Nicolae Ceaușescu: Indeed, he [adopted a position] in favor of disengagement, but the decision he recently adopted not to delay the withdrawal of troops from Vietnam is not conducive to this outcome.

The Shah: I think it is something temporary.
Nicolae Ceaușescu: In our conversations with him in Bucharest, he said he wanted to withdraw more troops than he had done until now. However, instead of withdrawing [these] troops, he made an announcement that for the time being he was not withdrawing them anymore.

The Shah: I think it is just a temporary measure. I believe that this is also a tactical thing, related to the changes which are currently in the making in the South Vietnamese government. The North Vietnamese delegation at the Paris talks declared that if the US agreed to withdraw their troops, the Paris peace talks could overcome their current stalemate.

Nicolae Ceaușescu: Of course, the only way [out] is for the US to withdraw its troops from Vietnam.

The Shah: I also told Nixon to do this a long time ago.

Nicolae Ceaușescu: In any case, I think the idea of creating a coalition government in South Vietnam is rather acceptable for the US. Now there are two governments in South Vietnam and the proposal of the National Liberation Front to form a coalition government is reasonable.

The Shah: The Americans are afraid of the world saying about them that they are abandoning their friends. In such a situation, the South Vietnamese government could ask for US support; if the US abandons the South Vietnamese, then they lose the trust of their other allies. It must also be seen if the citizens [of South Vietnam] want that regime. I think, however, that the US starts to understand [how things work].

Nicolae Ceaușescu: In any case, we believe that it is possible to reach a peaceful resolution of the conflict in Vietnam.

The Shah: We always said the same thing. We insisted that the Geneva Accords on Vietnam be respected.

In particular, in our discussions with the Americans, we told them [the situation in Vietnam] is not the same as in the past, that there are several changes in the East, and that it would be very [wise] to pull out of South Vietnam, as it would create a much healthier atmosphere in the world arena.

Nicolae Ceaușescu: A very serious problem [can] be found in the Middle East. It seems that things are getting worse lately, and there are trends pushing towards a resumption of hostilities. Of course, this would create a very serious situation.

The Shah: Two days ago, I gave an interview to a Pakistani journalist, showing that this situation is caused by the weakness of the United Nations, which does not have the necessary means to enforce the provisions of the Security Council resolution. If the November 1967 Security Council resolution had been enforced, these problems would not have existed. I added, however, that the provisions of this resolution are not as clear as they could be. Unfortunately, I told him, it is up to the US and the USSR to clarify this resolution. However, although I do not think the superpowers should decide the fate of others, I believe there is no other way in this situation, given that the superpowers supply the belligerents with weapons. It seems that there have been certain contacts: Sisco went to Moscow, Dobrynin came to Washington.

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Nicolae Ceaușescu: But they did not achieve anything important. They told us too about these contacts.

The Shah: I think Mr. Novikov did not manage to persuade Mr. Nasser.

Nicolae Ceaușescu: There are certain pieces of news that Nasser has a more conciliatory position now, but there are other forces in there which ask for a military solution to this conflict.

The Shah: Yes, there are two opposing [camps] in Egypt, and Mr. Nasser is playing with fire, so to say.

Nicolae Ceaușescu: Maybe it would be a good idea to take action at the UN.

The Shah: We voted, alongside with you, for all the resolutions. We are ready to be as constructive as possible, we do not hesitate to say that the weakness of the United Nations can lead to [a] catastrophe, and we will ask everybody, both the Security Council and the General Assembly, to think of a solution. However, I believe that ultimately we will end up in a situation where the Soviets and the Americans will have to find a solution, because if we support a certain side, and others support another side, then the Arab and Israeli extremists will be supplied with weapons, and a UN resolution will be just a piece of paper.

As for Jerusalem, the Americans would have voted alongside us, if it was not for a country which had not voted, a country which later on accepted the resolution, albeit belatedly. But the Americans never accepted the current status-quo in Jerusalem.

Nicolae Ceaușescu: In any case, if the situation is prolonged, then it will greatly worsen.

The Shah: Without a doubt [it will worsen] because both belligerents receive new weapons every day, and they cannot have a correct assessment of the situation while they are holding up weapons, when they think they can do anything they want; people start to lose it, they think they can do anything they want, and because of this, they can end up in a certain situation.

Military training has a great impact. We saw what happened in June 1967. Of course, this will not happen again, they will not be taken aback and undoubtedly the entire Arab air forces will not be destroyed in a couple of hours. But I think the Arabs have not reached a point where they can destroy Israel’s armed forces. In any case, we told Israel: you can wage another war, but eventually where will you end up? There are 100 million Arabs and as time passes by, they will learn how to fight.

Nicolae Ceaușescu: We should [allow] countries like Iran [and] Romania to contribute to finding a solution.

The Shah: We must ask [our] ministers of foreign affairs to undertake something.

We openly told the Americans our opinion even during Johnson’s [time in office] and from 1967 onwards we have kept telling them the same thing. It is true that the Arabs committed a big mistake. But it is nonetheless true that we cannot accept Israel’s forceful occupation of certain territories. Maybe it would be possible to make some border adjustments so as to guarantee Israel’s security, because if they achieve peace, it must be a durable peace; why reach a peace deal today, if in five years’ time a new conflict erupts? It is nonetheless true
that Israel became arrogant following its military victories, but time passes by in the Arabs’ favor. Of course, Israel exists as a state and a people cannot be exterminated; the desire manifested by some to exterminate the Jewish race cannot be fulfilled. The Americans wanted to agree with what I was telling them, and I was hoping that Israel would understand this, given the influence they have on the Democratic Party in the US.

Still, we should try to see if there is anything we could do at the UN.

Nicolae Ceaușescu: I think we could undertake something.

I told the Israelis very clearly that they must withdraw their troops.

The Shah: We also talked to the Israelis on numerous occasions and I can tell you, Mr. President, that they had a much more moderate position beforehand. Maybe in the aftermath of the upcoming elections things will improve. The advice we gave to the Israelis was always as follows: do not think only about today, or tomorrow, think about what will happen in 5, 10, 20 years’ time.

Nicolae Ceaușescu: If one exerts moderating influence on both sides, it will be good.

The Shah: We will not hesitate to do the same thing in the future as well.

We think we can reach not an Arab agreement, but an Islamic agreement. You know, there are people interested in this matter, there are countries which share a border with Israel. There are 80 million, 100 million Arabs, but there are 600 million Muslims. I think Muslims in Turkey, Indonesia, a large part of African countries, like Tunisia, and even Saudi Arabia, could exert a very health influence.

As you know, I met the Moroccan minister of foreign affairs yesterday, who brought me a message from the King of Morocco. Previously, I met King Faisal whom I consulted on holding an Islamic conference, whose principles had been adopted at the Cairo Conference. There we will only talk about the setting on fire of a mosque in Jerusalem, because if we tackled other problems, especially the matter of the Arab-Israeli conflict, there will be fiery speeches again and things will get even more complicated. We can only undertake things through the United Nations.

Nicolae Ceaușescu: We share the same view, and the Iranian and Romanian ministers of foreign affairs could study how we could look into what kind of actions we should take.

From our discussions with Nixon, we gathered that the US also wants to solve the issue through negotiations. The Americans are in favor of the withdrawal of Israeli troops from the occupied territories. Of course, they are also interested in border adjustments, along the lines mentioned by Your Majesty, but they believe that the withdrawal of troops is indispensable to reaching a solution. And that is a positive thing.

We must take advantage of the opening of the UN General Assembly session and undertake some efforts in this respect.

The Shah: We fully agree with your idea to continue undertaking efforts in this respect and to see what we can achieve. […]

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Document 11: Romanian Report, Iranian-Romanian Commercial Relations and Prospects for their Development

Commercial bilateral relations are currently based on the 5-year commercial agreements signed in January 1968.

Evolution of exchanges: the amount of goods traded between the two countries has significantly increased, especially in recent years, as follows:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Provided for in the commercial protocol</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9.8</td>
<td>22.2</td>
<td>28.5</td>
<td>42.0</td>
</tr>
<tr>
<td>Romanian Exports to Iran</td>
<td>6.0</td>
<td>16.9</td>
<td>19.8</td>
<td>21.0</td>
</tr>
<tr>
<td>Imports from Iran</td>
<td>3.8</td>
<td>5.3</td>
<td>8.7</td>
<td>21.0</td>
</tr>
<tr>
<td><strong>Balance of trade</strong></td>
<td>+2.2</td>
<td>+11.6</td>
<td>+11.1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Trade dynamics (1966=100%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>227</td>
<td>291</td>
<td>429</td>
</tr>
<tr>
<td>Exports</td>
<td>100</td>
<td>139</td>
<td>229</td>
<td>553</td>
</tr>
<tr>
<td>Imports</td>
<td>100</td>
<td>139</td>
<td>229</td>
<td>589</td>
</tr>
</tbody>
</table>

Romanian exports to Iran in 1968 consisted of: machinery and equipment (74%), steel and aluminum laminates (4%), paper (5%), sodium products (3%), sunflower oil (4%), butter (3%), resinous lumber (3%). Romania imports from Iran the following: crude oil (26%), cotton (69%), cars (5%). To accommodate Iran’s request to diversify its exports to Romania, in 1969 Romania bought certain manufactured products from Iran (cotton and synthetic fabrics; semi-processed hides).

In 1969, the balance of trade between Romania and Iran is even.

According to the forecasts of the Romanian Ministry of Foreign Trade, the balance of trade with Iran will be reach a deficit of approximately $9 million on 31 December 1969, especially because Romania delivers equipment to Iran on long-term credit, while our
imports of Iranian goods are paid for upon delivery. To cover this deficit, we will use resources from the technical credit, agreed upon between the two countries – approximately $5 million – and, at the same time, we are taking actions to increase Romanian exports to cover the remaining $4 million.

Regarding our exports to Iran, we noted the low prices at which we sell certain goods (sodium carbonate, sunflower oil, sugar, etc.) as a result of the [low prices of the] competition, coming especially from socialist countries, as well as the relatively low absorption capacity of the market.

Cooperation activities

Cooperation activities play an important role in the development of Romanian-Iranian trade relations.

The main cooperation activities completed to date:

- Contract for the delivery of 20,000 assembled tractors or spare parts ($34 million);
- Agreement for the construction of a tractor factory with a final capacity of 10,000 units (at an estimated value of $42 million);
- Contract for the delivery of 1,000 freight wagons ($10.8 million);
- Contract for the construction of a sodium factory with a capacity of 60,000 tons/year ($5 million);
- Building a plant for lumber processing (approximately $10 million).

According to the terms of these cooperation activities, Romania receives crude in exchange for machinery and installations. In 1967, [the two countries] signed a contract for the import of 3.6 million tons of crude to be delivered between 1968 and 1970 (until 30 June, we imported 919,000 tons). Subsequently, in 1969 a new contract for the import of another 5 million tons of crude was signed, to be delivered between 1970 and 1973.

Loan Agreement

Iran underlined the need to obtain a global loan which would enable our country to supply equipment, receiving Iranian crude and manufactured products in exchange. We agreed that in August 1969, [our countries] negotiate an intergovernmental loan agreement, amounting to $100 million.

[...]

Loans obtained by Iran from European socialist countries

Total amount of loans received: $816 million

1. The Soviet Union provided Iran with loans worth $346 million, divided as follows:

   a. $385 million according to the 27 July 1963 collaboration agreement, offering Iran a 12-year loan, at 3.6% interest.

The loan was given with a view to building the following:

   - 2 dams and a hydro-plant on the Aras River;
   - 11 cereal silos (with a total capacity reaching 80,000 tons);
A fish-breeding farm etc.

b. $286 million according to the 13 January 1966 collaboration agreement. The loan will be repaid in natural gas, over a period of 12 years, at 2.5% interest. The loan was given with a view to building the following:

- steel-mill with an initial production capacity of 500,000-600,000 tons of steel per year, and the possibility to expand that capacity to 1.2 million tons of steel per year;
- a gas pipeline from the south of Iran up to the border of the USSR;
- a machine-tools plant with a capacity of 25,000-30,000 tons per year.

c. $22 million according to the agreement for the construction of cereal silos in Iran with a total capacity of 300,000 tons. The loan was given for a period of 8 years, at 2.5% interest per year.

2. Czechoslovakia provided Iran with a loan worth $215 million, divided as follows:

a. $15 million according to the January 1966 collaboration agreement, given to build:

- a cast iron plant in Tabriz;
- other economic plants.

The loan will be repaid over 10 years, at 2.5% interest.

b. $200 million according to the March 1969 collaboration agreement. The loan was given to build various industrial plants, to be repaid over 12 years, at 2.5 interest.

3. Romania provided Iran with loans worth $130 million, according to the economic cooperation agreements signed between 1966 and 1968. Romania agreed to deliver the following items on loan:

- 20,000 tractors. The loan will be repaid over a period of 8 years, at 2.5% interest per year;
- 10,000 ploughs. The loan will be repaid over a period of 4 years, at 2.5% interest per year;
- a tractor factory, on a loan granted for a 8-year period (subsequently extended to a 10-year period), at 2.5% interest per year;
- delivering 1000 freight wagons and electro-technical equipment, on a loan granted for a 8-year period, at 2.5% interest per year;
- agricultural machinery, on a loan granted for a 8-year period, at 2.5% interest per year;
- an industrial plant for lumber processing in the wooded areas of the Caspian, on a loan granted for 8-year period, at 2.5% interest per year;
- a sodium factory, on a loan granted for a 8-year period, at 2.5% interest per year.

4. Hungary provided Iran with loans worth $50 million, divided as follows:
The Shah's Petro-Diplomacy with Ceaușescu: Iran and Romania in the era of Détente

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a. $10 million according to the 12 May 1955 collaboration agreement;
b. $40 million according to the February 1968 collaboration agreement;
Both loans were granted over a 10-year period, at 2.5% interest per year.

5. Yugoslavia provided Iran with a $50 million loan for:
- building a shipyard;
- funding for agricultural and lumberjacking projects;
- energy-related plants.

6. Poland provided Iran with a $15 million loan, to be repaid over a 8-year period, at 2.5% interest per year. The loan will fund a sugar plant and other plants.

7. Bulgaria provided Iran with a $10 million loan according to the February 1968 collaboration agreement. The interest rate is 2.5% and the loan is meant to develop the mining industry, and to build a cheese factory, etc.

[...]

Report from the Romanian Ministry of Foreign Affairs, No. 05/14330, Secret, On Iran’s Foreign Trade and Economic Cooperation with other States

Iran’s foreign trade

A feature of Iran’s foreign trade is the lack of statistical data about crude exports and petroleum products, [especially] with respect to the total value of these exports, since these exports are directly managed by the International Oil Consortium and therefore, the revenue share Iran receives from the oil industry is only mentioned in Iran’s balance of foreign trade. Therefore, Iran’s balance of foreign trade is always negative, while the balance of payments is usually positive, or almost even.

a. Exports

In 1968, the value of Iranian exports (excepting crude oil) rose by 18% compared to the previous year, reaching $217.3 million.

The biggest share of Iranian exports consists of traditional products: carpets, cotton, dried and fresh fruit, caviar. Cement exports dramatically dropped due to Iran’s internal needs.

b. Imports

The value of imports in 1968-1969 amounted to $1,380 million, rising by 14% compared to 1967.

Imports include those goods delivered on loan and as a result, they do not affect the balance of trade for 1968/1969.

The Federal Republic of Germany is Iran’s number one supplier of goods (21.6%), followed by the UK and the US.
Imports from socialist countries amount to $86 million, due to increase to $200 million by 1972.

The Iranian authorities are currently trying to decrease the difference between imports and exports with respect to some countries (Japan, the US, West Germany, the UK, Yugoslavia). Concomitantly, they try to enter foreign markets and they seek to develop Iran’s commercial and cooperation relations with socialist countries.

[…]

Report from the Romanian Ministry of Foreign Affairs, No. 05/03993, Secret, On Iran’s Foreign Policy and its Position Regarding the Main International Issues

Giving a realistic appreciation of international dynamics, the Iranian state leadership has been promoting in recent years an independent foreign policy, based on defending the country’s national interests.

On the occasion of a recent interview granted by the Shah to the press, he said that ‘the independent policy of Iran means that we defend as well as we can the interests of our country and of the nation. We do not readjust our policy according to the interests of the great powers.’

The Iranian government seeks to [use] its foreign policy to ensure the necessary internal stability for the achievement of its economic development plan, using Iran’s natural resources, first and foremost its oil, in its national interest. Moreover, [the Iranian government] seeks to defend Iran’s interests in the Persian Gulf and to extend its influence in the Middle East.

Along the lines of this policy, Iran is developing its cooperation, especially in the economic and technical arenas, with European socialist states, managing to obtain from these countries loans worth over $1 billion for 1968-1972 and it seeks to maintain, at the same time, close relations with Western countries.

Despite its contradictions with its Western allies, Iran continues to be tied to these countries through CENTO, through the Mutual Defense Treaty with the US, as well as the Agreement with the International Oil Consortium, which refers to the most important aspect of Iran’s economy.

I. Bilateral Relations

a. Relations with socialist countries

Iran has diplomatic relations at embassy level with the USSR, Bulgaria, Czechoslovakia, Yugoslavia, Poland, Romania, and Hungary.

In recent years, Iran sought to promote its friendly relations with these countries, so as to contribute to the consolidation of its own independence.

The Shah paid official visits to the USSR (last time in September 1968), Romania, Yugoslavia, Bulgaria, Poland, Hungary (in 1966), Czechoslovakia (1967). The Iranian Prime Minister visited our country (in 1966) and the USSR (in 1967).
Iran was visited by the President of the Romanian State Council, the President of the Polish State Council, the President of Yugoslavia, the President of the Bulgarian National Assembly Presidium, the President of the Romanian Council of Ministers, the President of the Yugoslav Federal Executive Council, and the Soviet Prime Minister.

In addition to Comrade Nicolae Ceaușescu, the President of Czechoslovakia, the President of the Hungarian Presidential Council, the Chairman of the Presidium of the Supreme Soviet of the Soviet Union are due to visit Iran in the second half of 1969.

The positive course of Iran’s relations with socialist countries was affected to a certain extent by the intervention in Czechoslovakia (which Iran disapproves of) which made the Iranian government become more apprehensive of the countries in question, and manifest renewed suspicion especially towards the USSR.

The Iranian government follows with a certain concern the policy of the Soviet Union in the Near and Middle East, the Soviet presence in these region, which is seen by Iran as a continuation of Russia’s traditional policy to expand its influence in the Persian Gulf.

The essence of Iran’s relations with European socialist states resides in its economic [interests], which is manifested through a rather active cooperation with the USSR, Czechoslovakia, Yugoslavia, Bulgaria, and our country, and to a smaller extent with Hungary and Poland.

Iran does not have relations with the People’s Republic of China, the Democratic Republic of Vietnam, the Democratic People's Republic of Korea and the German Democratic Republic. With the German Democratic Republic Iran had commercial relations until last year, when it severed these relations following a declaration of the GDR Foreign Minister, Otto Winzer, who took Iraq’s side in the dispute with Iran over Shatt-el-Arab (on the occasion of the establishment of diplomatic relations between the GDR and Iraq).

Document 12: Policy Memorandum from the Romanian Ministry of Foreign Affairs, No. 05/03901, Secret, 'Request of the United Arab Republic Government that Romania Stops Using the Oil Pipeline Eilat-Mediterranean Sea to Transport Crude Imported from Iran' [...]  

August 19, 1969

Subject: the request of the United Arab Republic government that Romania stops using the oil pipeline Eilat-Mediterranean Sea to transport crude imported from Iran

During a recent meeting between the Romanian Deputy Foreign Minister, Petru Burlacu, and the chargé d'affaires of the United Arab Republic in Bucharest, Fikry Mehanny Nakhla, the [Egyptian] diplomat pointed out that he had discovered that Romania uses the Eilat - Mediterranean Sea pipeline to transport the crude imported from Iran, a pipeline which crosses through the Egyptian territory occupied by Israel.

Underscoring that he did not wish to encroach on Romania's sovereignty, since this issue is the sole responsibility of the Romanian state, the Egyptian diplomat asked the Romanian government to stop using the pipeline in question. Subsequently, he added that this request is made to a friendly, socialist country, a request which Egypt could not make to the US, France, the Federal Republic of Germany, etc.
Regarding the issue raised by the UAR chargé d’affaires, we would like to point out that our country imports crude from Iran from the Hart Island (in the Persian Gulf) and transports it on foreign tankers to the Eilat harbor (in the Gulf of Aqaba) and then from here the crude is pumped through the existing pipeline to Haifa. From this port, the crude is transported to Constanța.

Concerning the afore-mentioned issues, we propose that the request of the UAR government be left unanswered.

In case the UAR embassy raises this issue again, [please] reply that the choice of infrastructure for the goods Romania imports is a matter based solely on an economic efficiency rationale and it is decided upon by the relevant Romanian authorities.

15 August 1969 Signed by George Macovescu

Approved by the Foreign Relations Section of the Central Committee of the Romanian Communist Party

[...]

Document 13: Note from the Romanian Ministry of Foreign Affairs, No. 05/04119, Secret, 'Regarding the Issues that May Be Raised by the Shah'

I. Bilateral Relations

A. Matters which could be raised by the Romanian delegation:

[...]

Economic [Issues]:

1. Romania’s satisfaction with the constant improvement of bilateral economic relations, from 1965 onwards.

The technical-economic cooperation agreements, as well as the contracts signed as part of these agreements, are coming into force [as planned], without any problems.

2. Express Romania’s desire to develop and diversify its economic relations with Iran, in spite all the difficulties posed by the closing of the Suez Canal.

Crude imported from Iran is transported through the Israeli pipeline Eilat-Ashkelon (Aqaba – Mediterranean Sea).

Iran is an important commercial partner for Romania, as it is our main crude supplier. Romania is interested in continuing the development of commercial relations and economic and technical cooperation with Iran. Therefore, we are seeking to continue importing Iranian crude, amounting to around 15 million tons between 1971 and 1975, as well as other Iranian products, and we need to expand our industrial cooperation and Romanian exports of machinery, equipment and other products so as to create the means to pay for these imports.

[...]

Document 14: Minutes of Conversation between Nicolae Ceaușescu and the Shah, Persepolis
On 15 October 1971, on the occasion of the celebrations in Persepolis, the President of the State Council, Nicolae Ceaușescu met the Shah.

The meeting was attended by George Macovescu, First Deputy Foreign Minister and Alexandru Boabă, Romania’s Ambassador to Teheran.

[...]

The Shah then talked about yet another source of tension, which concerns international political circles and public opinion, namely the Near East. He pointed out that the efforts undertaken to date in the direction of finding a political solution to this conflict did not have any tangible efforts, because of Israel’s rigid attitude. Lately, Israel’s position has hardened [even more]. While not so long ago Israeli leaders were talking about small border adjustments, now they talk about annexing a territory that stretches to the Sharm el-Sheikh and it is not rare [to hear] people say that the current territorial situation may become permanent.

This rigid position is in striking contrast with the reasonable position of the Egyptians, who made constructive proposals, meant to get things out of their current stalemate. The fact that these proposals had no echo from the Israelis, that there were no steps towards solving the conflict, causes concern about the potential evolution of events. President Sadat clearly showed that Egypt would not allow that the current situation becomes permanent and he added that in case no positive elements occur by the end of the year in the direction of finding a political solution to the conflict, he reserves the right to resort to other means.

It seems that one of the main impediments to making the first steps towards the resolution of the conflict is Israel’s rejection to allow Egyptian forces to cross the Suez Canal while Israeli troops are withdrawing.

On this matter, the Shah expressed his belief that the temporary installation of UN forces, between the forces of the two countries, could contribute to avoiding military clashes and therefore to the improvement of the situation.

Moreover, the great powers supporting the two sides should temper the zeal of their protégées, so that they do not get to an irreversible situation with unpredictable consequences.

We believe, the Shah added, that neither the Soviet Union, nor the United States wants a military conflict to erupt, being afraid of getting dragged into it themselves.

In any case, it is the duty of all peace-loving countries to make use of their influence on one or another side to make them understand the weight of this moment [in time] and to effectively embark on the road which leads to peace.

The President of the State Council stated that Romania closely followed the evolution of the situation in the Near East, a region which is not too far from its own borders.

The Romanian government constantly supported the peaceful resolution of the conflict, being convinced that a new military confrontation would be detrimental to all states in the region and would only complicate things, giving way to foreign intervention. Enforcing the provisions of the November 1967 UN Security Council resolution would offer a reasonable means to install a fair peace in the region. The Romanian government has repeatedly and
publicly expressed its appreciation for President Sadat’s constructive proposals and used all means available to express its rationale about the necessity for Israel to welcome Egypt’s proposals and [acknowledge] the risks which the rigidity of Israel’s position entails.

[...]

**Document 15: Minutes of Conversation between Nicolae Ceaușescu and Abbas Massoudi, Vice-President of the Majlis, Bucharest**

10 April, 1972

The Iranian Senator then asked the President of the State Council to give his judgment regarding the possibilities available to solve the conflict in the Near East, in light of the conversations he had on the occasion of his secret visit to Cairo.

The President of the State Council pointed out that from his conversations with President Sadat, he gathered that Egypt wants to reach a political solution to the Near East conflict, in the spirit of the November 1967 Security Council resolution. Egypt is ready to sign a treaty whose general and mutually acceptable arrangements would recognize the sovereignty and territorial integrity of all states in the region, including Israel. Egypt cannot accept, rightly, that a part of its territory remains under foreign occupation. Through this lens, the Egyptian government has made certain concrete proposals, but Israel did not welcome them. Prolonging the current state of affairs is neither in the interest of Arab countries involved in the conflict, nor in Israel’s interest. For this reason, we believe that Egypt’s constructive proposals should benefit from a more decisive support on the international stage and that, at the same time, all means available should be used to persuade Israel to give up its intransigent position, which is not conducive to a political solution for this conflict, the only solution which can grant Israel real security.

Of course, any long-term solution for the Near East conflict must include a solution for the Palestinian population, according to its aspirations to live its own national life.

As far as Romania is concerned, it has always been in favor of finding a political solution for this conflict, and proved willing to help, to the best of its abilities, improve the situation in a region which is not too far from its borders.

A. Massoudi pointed out that on the Near East issue, Iran’s position is similar to Romania’s position. Currently, Iran’s relations with Egypt are good. The Iranian government supports the reasonable approach of the Egyptian leaders, their proposals to find a peaceful resolution to [this] conflict, and these proposals are worthy of being given the right attention, since they come from a country which has the biggest share [of participation] in the Arab-Israeli conflict.

Unfortunately, Israel maintains a rigid position, trying to gain [certain] advantages from its current superior military position. This position is a totally wrong one, especially if [one] thinks of the future: for this reason, it is indeed necessary that in its contacts with the Israeli representatives to point out that it is not in the interest of their country to keep going down this path. Iran will do everything in its powers to make steps in the direction of achieving peace in a region it is a part of and it is ready to cooperate with Romania and other friendly countries in this direction.

[...]

www.cwihp.org
Document 16: Minutes of Conversation between the Shah and Nicolae Ceaușescu

4 June, 1973

[...]

The Shah: It is true that, although our countries have different [political] regimes and are far from each other geographically, they are nonetheless motivated by the same feelings, especially in their independent policies, [and their policies] of non-interference in the internal affairs of other countries, and of course, of not accepting interference from other states into their own affairs. I think this type of policy is gaining ground. [People] have started to understand that there is no other way to solve today’s problems between various countries than this.

[...]

Of course, there is the matter of European détente. Ultimately, and happily, this great issue, especially the German question, which preoccupies everybody, [was solved]; moreover, important steps forward were taken in Helsinki; negotiations took place in Vienna. One could not have expected something different; I don’t remember whether I read it in the news or heard it on the radio that the Americans and the Soviets decided to withdraw 21,000 soldiers each [from Europe]. Only that, as I told our European friends, European détente should become world policy, as there could not be détente in Europe, without stability in the Middle East, since life in Europe depends on energy supplies from the Middle East.

[...]

Ceaușescu: I must add that as far as Romania’s and Iran’s interests are concerned, of course, even if we did so for distinct reasons, we always agreed on developing relations with the Soviet Union. To my mind, things developed well in this respect and they are in a good state.

Therefore, on the big issues which concerned the world in this period, Romania and Iran managed to cooperate and to adopt a line which advanced détente and international cooperation.

[...]

Of course, through its geographic position, the Middle East directly influences a series of countries, and, I could add, the whole of Europe. If we add crude to this [equation], we can see that these issues are very important.

[...]

The Shah: We noticed the attention which you are paying to European security. As we were saying, we believe that European security cannot be disconnected from the security of the Middle East, for economic reasons.

[...]

Nixon’s trip to Beijing, followed by his trip to Moscow, was unfortunate, because [these visits] were bilateral [in nature]. [This type of contacts] were useful in this case, but they may be unpleasant in other cases.
[...] We would feel more protected if problems were solved in an international forum. How? Eliminate the veto right [of the Permanent Members of the Security Council]. One could say: there are 135 countries, at least 20-30 of which are totally irresponsible, frustrated. If Mr. Gaddafi tries to buy votes, he could buy a lot of votes. Just yesterday he ordered that his people go to take over all ministries. His people went and took over the Ministry of Information and the Television. I do not know if they [even] have television. However, [they] have the right to veto, since the big [powers] will exert their right to veto to defend their own interests, while the small [powers] will only be able to defend the real interests of the world.