



CHINESE-IRANIAN RELATIONS V. DIPLOMATIC AND COMMERCIAL RELATIONS, 1949-90

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I. Diplomatic relations.

There were three distinct periods in Chinese-Persian diplomatic relations: 1328-49 Š./1949-70, 1350-57 Š./ 1971-78, and 1358-69 Š./1979-90.

The period 1328-49 Š./1949-70. During the earlier stages of the Cold War and the hostile rivalries that followed World War II Persia was influenced by two paramount and interrelated foreign policy considerations: first, an obsessive fear of Communism and, second, a strong desire to ensure political, military, and economic support from the United States. These considerations prompted Tehran to follow Washington, D.C., with respect to the People's Republic of China, which emerged in 1329 Š./1949 and initially followed the policies of the Soviet Union (Abidi, 1982, p. 80). The refusal of the Persian government to recognize the People's Republic of China and its position on Chinese



representation in the United Nations reflected these twin preoccupations.

The Chinese attitude toward Persia in the 1330s Š./1950s and early 1340s Š./1960s, despite strong ideological overtones, was somewhat more subtle, differentiating among various foreign-policy positions taken by Persia. For example, in the early 1330s Š./1950s China supported Premier Moḥammad Moṣaddeq's policy of nationalizing the Persian oil industry as an act of resistance to British and American imperialism (Foot, p. 100). The coup d'état of 28 Mordād 1332 Š./19 August 1953, which toppled Moṣaddeq, and the reinstatement of Moḥammad Rezā Shah Pahlavī were denounced in turn as orchestrated by the United States and directed against the Soviet Union (Ramazani, p. 9). At the Afro-Asian Solidarity Conference, held in Farvardīn 1334 Š./April 1955 in Bandung, Indonesia, Premier Chou En-lai of China strongly opposed presumed attempts by the United States to forge anti-Communist alliances among third-world countries, yet his tone toward Persia, a presumed target of such policies, was relatively mild. China's own third-world policy did not preclude peaceful coexistence with Persia, but the Persian government saw little difference between the Soviet Union and the People's Republic in their attempts to dominate other countries through Communist movements (Abidi, 1982, pp. 85-87).

In Mehr 1334 Š./October 1955 Persia joined the anti-Communist [Baghdad Pact](#); in 1335 Š./1956 it established diplomatic relations with the anti-Communist government in Taiwan (known at that time as the Republic of China). On both occasions Persia was severely reproached by the People's Republic, but "American imperialism" was branded as the main culprit, responsible for the positions assumed by Tehran (Foot; Entessar, 1356 Š./1977, p. 62; Abidi, p. 33). In the 1340s Š./1960s ideological and political strains caused an open division between the Soviet Union and the People's Republic of China. At the same time, though maintaining a strong pro-American stance, Persia adopted more flexible and independent policies, commensurate with its growing economic and military strength.

In 1347 Š./1968 the British government declared its decision to leave the Persian Gulf in 1350 Š./1971. China initially attempted to compete with the Soviet Union in securing a foothold in the area, seeking to win the allegiance of local Communist-inspired insurgents of the Dhofar Liberation Front and People's Front for the Liberation of the Occupied Arabian Gulf, with both of which Peking had had links since the early 1330s Š./1950s (Shichor, p. 152; Hurewitz, p. 28). This policy, which clashed with Tehran's assumption of the



role of defender of the Persian Gulf area against “foreign intervention” and local “subversion,” gradually gave way to an attempt to prevent Soviet domination of these revolutionary groups. The latter policy was unsuccessful and eventually evolved into an open anti-Soviet stance, in which Persia was favored as the main power broker in the states of the Persian Gulf littoral (Abidi, 1979, pp. 144-51).

In 1345 Š./1966 the Persian council of ministers officially authorized trade between Persia and China (Šāhanda, pp. 24-25; Wezārat-e omūr-e kāreja, 1347 Š./1968, p. 60). In 1346 Š./1967, in an interview with the official press agency of the Federal Republic of Germany, the shah explained the reasons why he favored admission of the People’s Republic of China to the United Nations (Pahlavī, V, pp. 4289-90). Several other developments, especially strengthening of relations between the Soviet Union, on one hand, and Iraq and India, on the other, in the late 1340s Š./1960s, as well as the disintegration of Pakistan in Esfand 1349 Š./March 1971, brought Persia closer to the People’s Republic. But in 1349 Š./1970 the Tehran government was still primarily concerned not to outpace Chinese-American rapprochement (Chubin and Zabih, pp. 297-98). Kuwait recognized the People’s Republic in Esfand 1349 Š./March 1971, and in Farvardīn 1350 Š./April 1971 Turkey announced plans to do the same; Persia was also taking the final steps toward closer relations with China. On 25 Farvardīn 1350 Š./14 April 1971 Princess Ašraf Pahlavī, the shah’s twin sister, visited Peking at the invitation of the Chinese government. On 10 Ordībehešt/30 April the shah’s younger sister Princess Fāṭema also visited. The announcement on 15 July 1971 that President Richard Nixon would visit China set the stage for the establishment of formal diplomatic ties between Persia and the People’s Republic: On 25 Mordād 1350 Š./16 August 1971 the ambassadors of the two nations, meeting in Islamabad, Pakistan, signed a document in which Persia recognized the Peking government; a formal announcement was released simultaneously in both capitals the next day

The period 1350-58 Š./1971-79. The new relationship between Persia and the People’s republic was tested almost immediately, at the twenty-sixth session of the United Nations General Assembly, in Šahrīvar-Āḍar 1350 Š./ September-December 1971. Representation of the People’s Republic and the expulsion of the Taiwan delegation were the focus of two competing draft resolutions. One, originally prepared by Albania, called for seating the delegation of the Peoples Republic as the sole representative of China; the other, known as the “American” draft resolution, required a two-thirds majority for expulsion of



the Taiwan delegation, which had occupied China's seat for more than three decades. Persia, having recognized the People's Republic, voted for the Albanian resolution but abstained on the American resolution in order not to embarrass a "traditionally friendly" nation, the United States (*Keyhan International*, 20 October 1971, p. 3).

Persian-Chinese relations improved steadily; they were marked by frequent high-level visits and a convergence of policies on a number of regional and global issues. In Šahrivar 1351 Š./September 1972, Queen Faraḥ Pahlavi led a delegation that included Premier Amīr-'Abbās Hoveydā on a ten-day official visit to the People's Republic. In Mordād 1352 Š./June 1973 Ji Peng-fei, the Chinese minister of foreign affairs, visited Tehran, followed in Farvardīn 1354 Š./April 1975 by Deputy Premier Li Xian-nin. On 2 Tīr 1355 Š./24 July 1976 Princess Ašraf again visited China. During all these official contacts, the Chinese consistently emphasized a range of themes that basically reflected their strategic preoccupations vis-à-vis Soviet diplomatic initiatives but also coincided with major Persian concerns and aspirations in foreign policy. They thus supported Persian views on the security of the Gulf area and the Indian Ocean and the shah's extensive military-procurement program as a "necessary" measure to counter "subversive" and "hegemonistic designs" in the Persian Gulf (Abidi, 1982, pp. 104-08, 112-13). The Persian officials who played host to Chinese delegations usually stressed the themes of Persian national sovereignty and territorial integrity but did not join in the virulent Chinese attacks on the superpowers, especially the Soviet Union, with which Persia had cultivated a balanced relationship (*Keyhān*, 26 Ābān 1355 Š./17 November 1976, p. 28; *Rastākīz*, 27 Ābān, 1355 Š./18 November 1976, p. 21). After the deaths of Premier Chou En-lai (Zhou Enlai) and Chairman Mao Ze-dong in 1976 China dispatched to Tehran, on 24 Ābān/15 November, a delegation led by Olan Fu, deputy chairman of the standing committee of the People's National Congress, to assure the Persian government of the continuity of Chinese foreign policy.

In Šahrivar and Āḍar 1356 Š./September and December 1977 two further Chinese delegations visited Tehran, the latter headed by Teng Yeng-chao (Deng Ying-zhao), Chou En-lai's widow and chairperson of the standing committee. Foreign minister Huang Hua arrived in Tehran on 26 Mordad 1357 Š./16 June 1978, at a time when both Persia and China were very alarmed at the increased Soviet activity in the horn of Africa and South Yemen and in particular the establishment of a pro-Soviet Communist regime in Afghanistan



in Farvardīn 1357 Š./April 1978 (*Ettelā'āt*, 7 Tīr 1357 Š./28 June 1978).

By that time, however, Persia itself was in deep turmoil, as revolutionary fervor against the shah spread rapidly. The Chinese, on the other hand, determined to neutralize what they called “Soviet hegemonistic designs,” were either unaware or did not understand the seriousness of the situation in Persia. Premier Hua Guo-feng arrived in Tehran on 7 Šahrīvar 1357 Š./29 August 1978, while the Persian government was struggling for its very survival. The shah himself acted as host, but the welcoming ceremonies were subdued. Nevertheless, the customary statements of common positions were reiterated at official functions. Hua even praised the shah’s internal leadership and international role, but, in deference to the shah’s critical situation, his attacks on the Soviet Union were more circumscribed (*Keyhān*, Šahrīvar 1357 Š./30 August 1978, p. 8). A cultural agreement was signed by Persia and China on 9 Šahrīvar/31 August, and Hua departed the next day, expressing the hope of seeing the shah and the queen in China (Abidi, 1982, pp. 165-66).

The period 1358-69 Š./1979-90. On 25 Bahman 1358 Š./14 February 1979 China officially recognized the new revolutionary government in Persia. The latter, however, was initially unreceptive to Chinese overtures. Only the outbreak of war between Persia and Iraq on 31 Šahrīvar 1359 Š./22 September 1980 brought a more favorable attitude toward China in Tehran. The Soviet Union was the main supplier of arms to Iraq, and Persian relations with traditional Western arms suppliers, particularly the United States, were strained or had been broken off. China was thus an important potential partner and source of armaments. On 25 Tīr 1361 Š./16 July 1982 an eighteen-member Persian economic delegation arrived in Peking (*Middle East Economic Digest* 26/30, 23-29 July 1982, p. 10). In Šahrīvar/September, as the war escalated and spread to the Gulf, the Persian minister of foreign affairs visited China, in order to sign a technical and cultural agreement (*Foreign Broadcast Information Service, China* 83-179, 14 September 1983, p. 11). No mention was made of an arms deal, but rumors of such a deal were rampant, and China found it necessary to issue an official denial (*Middle East Economic Digest* 28/9, 28 March 1984, p. 30). As Persia’s need for sophisticated arms, including missiles, increased, the speaker of the Islamic Majles, ‘Alī-Akbar Hāšemī Rafsanjānī, led a delegation to China, on 6 Tīr 1364 Š./27 June 1985 (*Middle East Economic Digest* 26/29, 29 June-5 July 1985, p. 10). A new memorandum of understanding on economic and trade cooperation was signed, but what was believed to be the main purpose of the visit, to elicit Chinese military support and



armaments, was unsuccessful (*Middle East Economic Digest* 29/22, 6-12 July 1985, p. 10). In 1365 Š./1987 reports that Persia had installed missiles near the strait of Hormuz were circulated (*The New York Times*, 15 March 1987, p. 1), and that summer the possible sale of Chinese Silkworm missiles to Persia was discussed in the United States as a threat to the security of the Persian Gulf (*Wall Street Journal*, 8 June 1987, p. 3). Both Chinese officials and the Persian foreign minister, who was visiting in Peking, were quick to deny such a sale (*The New York Times*, 14 June 1987, p. 6). Despite these denials, the high level of contacts between the two countries suggested that important policy decisions affecting their political and economic relations were taking place; these relations continued even after the war with Iraq came to a halt on 29 Tir 1367 Š./20 July 1988. In Ordibehešt 1368 Š./May 1989 President the 'Alī Kāmena'ī led yet another delegation to China (Foreign Broadcast Information Service, *Daily Report, Near East and South Asia [FBIS-NES]*, 19 May 1989, pp. 51-52). Among the results were three agreements: for cultural and artistic cooperation in the year 1368 Š./1989-90, for dispensing with mutual visa requirements, and for joint administration by the Bank of China and the Central Bank in Tehran (See [banking in iran ii. banking in the islamic republic of iran](#)) of accounts related to economic and technical cooperation between the two countries. In Tehran the visit was characterized as “successful,” a “turning point,” “positive,” and a result of the People's Republic of China's positive positions during the war with Iraq (*Tehran Times*, 9 May 1989, p. 2; Tehran Television Service in Persian, 1700 GMT, 14 May 1989, cited in *FBIS-NES*, 15 May 1989, pp. 5, 52). In Mehr 1368 Š./October 1989 the Chinese minister of foreign affairs, Qian Jin-jian visited Persia (*FBIS-NES*, 10 October 1989, pp. 58-61).

II. Economic and commercial relations.

The People's Republic of China first indicated interest in promoting commercial links with Persia early in 1337 Š./1958 but without result. At that time there were no Persian economic interests strong enough to outweigh opposing political considerations (Abidi, 1982, p. 237). From 1339 Š./1960 to 1345 Š./1966, however, China was importing oil from Persia at the rate of 199,000 tons a year (Carlson, pp. 25, 28). The change of attitude emerged in 1345 Š./1966, when the council of ministers authorized trade between Persia and China through official channels (Entessar, 1978, p. 82). The level of commercial exchanges in the 1340s Š./1960s nevertheless remained very low. In 1345-49 Š./1966-70 Persian exports to China, exclusive of oil, totaled about



\$3.2 million and corresponding imports about \$3 million (Abidi, 1982, p. 238).

With the establishment of diplomatic links on 26 Mordād 1350 Š./17 August 1971, trade and economic relations began to expand. On 9 Ābān/31 October Persia authorized the free flow of goods and services to and from China, and an official trade delegation, including representatives of Persian private industry and business, arrived in Peking in Ābān/November (Wezārat-e omūr-e kārēja, 1350 Š./1971, p. 176). A subsequent series of mutual visits in 1350-51 Š./1971-72 led to some commercial deals, official arrangements, and agreements (*Āyandagān*, 1 Dey 1350 Š./22 December 1971, pp. 1, 8; 14 Farvardīn 1351 Š./3 April 1972, pp. 1, 3; 21 Farvardīn 1351 Š./10 April 1972, p. 2). On 19 Farvardīn 1352 Š./8 April 1973 in Peking the two governments signed a five-year trade-credit agreement embodying some significant features. For example, it was the first time that the Persian rial had been accepted as the basis for various calculations in a foreign-trade agreement. The volume of trade, only 780 million rials in 1350 Š./1971, reached 3.65 billion in 1351 Š./1972 and more than 4.5 billion in 1352 Š./1973. Persia exported mostly industrial goods like minibuses, trucks, refrigerators, television parts, chemical fertilizers, and agricultural machinery, as well as some traditional export items, including wool, cotton, and dried fruits. Paper and stationary items, sporting goods, food, tea, some machinery, and steel products were among Chinese exports to Persia (Wezārat-e omūr-e kārēja, 1353 Š./1974, p. 98; *Āyandagān*, 2 Ordībehešt 1352 Š./22 April 1973, pp. 3, 8). China also imported about 200,000 tons of Persian oil at the official rate established in 1353 Š./1974 by the Organization of Petroleum Exporting Countries (OPEC; Schichor, p. 175). To promote further trade relations and economic cooperation, Li Qiang, the Chinese minister for foreign trade, visited Tehran in Āḍar 1353 Š./November-December 1974, following the signing of a protocol for expansion of technical cooperation between the two countries, especially in the production of oil and petrochemicals (Wezārat-e omūr-e kārēja, 1354 Š./1975, p. 120).

Agreements for the export of approximately \$30 million worth of Persian products to China, \$28 million of which was for 300,000 tons of oil, were signed in Tehran in 1356 Š./1977 (*Rastākīz*, 19 Mordād 1356 Š./10 August 1977, p. 24; *Būrs*, 14 Šahrīvar/5 September, p. 16; *Āyandagān*, 10 Šahrīvar/1 September, p. 3). In a new protocol signed in Tehran, on 10 Ābān 1356 Š./1 November 1977 the volume of commercial exchanges in the year 10 Ābān 1356 Š./-9 Ābān 1356 Š./1 November 1977-31 October 1978, was projected at a total of 9,152 billion rials (\$130.7 million), or about \$65 million for each side



(Wezārat-e bāzargānī, p. 7). The total volume of trade between the two countries increased several times between 1350 Š./1971 and 1358 Š./1979, but, owing to differences in economic outlook, planning, and capacity, the level of exchange remained marginal in comparison with the total volume of foreign trade for each country. The projected volume never exceeded \$65 million, and the quotas were often not met (Entessar, 1978, p. 88; Gomrok-e Īrān, chart 1).

For about three years after the Revolution of 1358 Š./1978-79 the level of commercial exchange did not increase substantially, but economic cooperation accelerated again in 1361 Š./1982, after the economic delegation to China (see above). In Esfand 1364 Š./March 1985, following the visit of a Chinese economic delegation to Tehran, a memorandum on economic, trade, and technical cooperation was signed (*Xinhua News Bulletin*, 6 March 1985, pp. 52-53). In Tīr 1366 Š./July 1987 the Chinese minister of commerce, Liu Yi, headed an economic and trade delegation to Persia, and on 14 Mordād/5 August a trade agreement was signed, in which the projected volume of trade between the two countries was increased from \$200 million to \$500 million (*Xinhua News Bulletin*, 7 August 1987, pp. 51-52). The visit of President Kāmena'ī to China in 1368 Š./1989 was hailed as an economic and commercial watershed in Chinese-Persian relations. The two governments agreed on several important economic, commercial, banking, and technical exchanges for the future (*FBIS-NES*, 15 May 1989, pp. 51-52).

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