1. (U) CLASSIFIED BY THOMAS PRICE, POLCOUNS. REASON: 1.5 (C) (D).

SUMMARY

2. (C) WHILE PAKISTAN AND IRAN SHARE STRONG CULTURAL AND HISTORICAL LINKS, THE RELATIONSHIP BETWEEN THE TWO GOVERNMENTS HAS SOURED RECENTLY BECAUSE OF DIFFERENCES OVER AFGHANISTAN WHICH, IN TURN, ARE FUELED BY IRAN'S CONCERNS ABOUT THE SUNNI TALIBAN. OTHER SOURCES OF TENSION IN THE RELATIONSHIP INCLUDE THE TWO COUNTRIES' COMPETITION FOR INFLUENCE IN CENTRAL ASIA AND ALLEGATIONS THAT IRAN IS INVOLVED IN FOMENTING SECTARIAN VIOLENCE IN PAKISTAN. FINALLY, THERE IS ALSO THE PERCEPTION THAT IRAN IS MOVING CLOSER TO INDIA -- TO PAKISTAN'S DETRIMENT. IN THE NEAR TERM, WITH NO SIGN OF AN END TO THE AFGHAN CONFLICT, THE TENSIONS BETWEEN THE TWO COUNTRIES WILL PROBABLY CONTINUE TO SIMMER. THE BEST POLICY FOR THE U.S. IS TO STEER CLEAR OF DIRECT INVOLVEMENT IN THE DISPUTES BETWEEN THE TWO COUNTRIES, AND TO CONTINUE TO WORK FOR PEACE IN AFGHANISTAN.
HISTORICALLY CLOSE, BUT PAKISTANI REACTION TO SHIA REGIME NOT WARM

3. (C) RELATIONS BETWEEN PAKISTAN AND IRAN HAVE TRADITIONALLY BEEN QUITE CLOSE, INCLUDING IN THE POLITICAL-MILITARY AREA, WHERE BOTH COUNTRIES COOPERATED WITH THE U.S AS MEMBERS OF ANTI-SOVIET ALLIANCES FOR MUCH OF THE EARLY COLD WAR PERIOD. IN ADDITION, THE INFLUENCE OF IRANIAN CULTURE HAS ALWAYS BEEN STRONG IN PAKISTAN. MANY AMONG THE PAKISTANI ELITE ADMIRE THE SOPHISTICATION OF IRANIAN CULTURE AND SOME HAVE STUDIED PERSIAN AS A SECOND LANGUAGE WHICH IS CLOSELY RELATED TO THEIR OWN. HOWEVER, THE ATTRACTION OF PERSIAN CULTURE HAS DECLINED IN PAKISTAN. RECENTLY THAT "ALTHOUGH PAKISTANIS STILL LOOK TO IRAN AS A CULTURAL CENTER OF SORTS, BRITAIN, SAUDI ARABIA, AND INCREASINGLY AMERICA ARE MUCH MORE IMPORTANT, ESPECIALLY AMONG THE YOUNGER GENERATION."

4. (C) PAKISTAN'S RELATIONS WITH IRAN BEGAN A BUMPY PHASE WITH THE ESTABLISHMENT OF THE SHIA REGIME IN IRAN FOLLOWING THE REVOLUTION IN 1979. AMID TEHRAN'S CLAIMS THAT IT WOULD SPREAD WORLDWIDE ISLAMIC REVOLUTION, MANY PAKISTANIS GREW CONVINCED THAT THE BELICOSE, RADICAL SHIA REGIME IN IRAN DID NOT LOOK FAVORABLY AT ITS MORE MODERATE NEIGHBOR. IN A CONVERSATION IN DECEMBER 1996, TOLD POLOFF THAT MANY PAKISTANIS WERE IMMEDIATELY WARY OF THE SHIA REGIME: "FOR THE FIRST TIME IN HUNDREDS OF YEARS, SHIA CLERICS IN IRAN WERE IN POWER, AND THIS MADE MOST PAKISTANIS EXTREMELY UNCOMFORTABLE."

CONFIDENTIAL

PAGE 04 ISLAMA 02001 01 OF 05 131052Z PAKISTAN ALSO GREW CONCERNED BY IRAN'S BELLIGERENCE TOWARD SAUDI ARABIA AND THE GULF STATES, LONGTIME PAKISTANI FRIENDS. HOWEVER, FOR MUCH OF THE 1980'S, TENSIONS BETWEEN THE TWO COUNTRIES REMAINED LATENT BECAUSE OF TWO FACTORS: IRAN'S FOCUS ON THE WAR WITH IRAQ, AND PAKISTAN'S FOCUS ON THE SOVIET OCCUPATION OF AFGHANISTAN.

5. (C) THERE IS ALSO THE ASPECT OF GEOGRAPHY. FROM THE PAKISTANI PERSPECTIVE, IRAN LOOMS LARGE AS NECESSARY STRATEGIC DEPTH...
PAKISTAN AND IRAN SHARE A LONG, SPARSELY POPULATED BORDER. BUT THIS REGION IS MOSTLY DESERT, AND THE DEGREE TO WHICH ANY MODERN NATION STATE CAN EFFECTIVELY EXTEND ITS RULE OVER SUCH A REGION IS, IN PART, A FUNCTION OF THE DEGREE TO WHICH STATE CAN BRING THE FRUITS OF DEVELOPMENT (INFRASTRUCTURE, TRADE, SCHOOLS, ETC.) TO THE REGION. PAKISTAN HAS NOT BEEN PARTICULARLY EFFECTIVE IN THIS REGARD, AND BENAZIR BHUTTO (REF A) IS NOT THE ONLY ONE WHO BELIEVES THAT "ISLAMABAD HAS LOST SOME CONTROL OVER LARGE PORTIONS OF THE COUNTRY.

CONGEN KARACHI REPORTS THAT "THERE IS A GROWING CROSS-BORDER TRADE AMONG THE BALOCH THAT DEVOLVES TO IRAN'S BENEFIT, SINCE IT IS SEEN AS ABLE TO DELIVER (LITERALLY) WHAT THE GOP CANNOT." DELIVERABLES REPORTEDLY RANGE FROM HIGHWAY CONSTRUCTION TO FRESH EGGS TO MEDICINE AND FUEL -- ALL AT PRICES AS MUCH AS 60 PERCENT BELOW COMPARABLE GOODS FROM PAKISTANI SOURCES (REF G). CONGEN KARACHI WILL INVESTIGATE THESE
O 131032Z MAR 97
FM AMBASSAD ISLAMABAD
TO SECSTATE WASHDC IMMEDIATE 5434
INFO USMISSION USVIENNA
IRAN COLLECTIVE
AMCONSUL PESHAWAR
AMBASSAD DUSHANBE
AMBASSAD TASHKENT
USCINCENT MACDILL AFB FL
USCINCPAC HONOLULU HI//FPA J5//
AMCONSUL LAHORE
AMCONSUL KARACHI
AMBASSAD BEIJING
DIA WASHDC

CONFIDENTIAL SECTION 02 OF 05 ISLAMABAD 002001

DEPT FOR SA/PAB, NEA/NGA, AND EUR/CEN; LONDON FOR POL/TUELLER;
CONFIDENTIAL

CONFIDENTIAL

PAGE 02
ISLAMABAD 02001 02 OF 05 131052Z
PARIS FOR POL/RAVELING; ROME FOR POL/DEMPSEY

E.O. 12958: DECL: 3/8/07
TAGS: PREL, PGOV, KSL, ECON, PK, IR, AF
SUBJECT: AFGHANISTAN AND SECTARIAN VIOLENCE CONTRIBUTE TO A
SOURING OF PAKISTAN'S RELATIONS WITH IRAN

STORIES AND REPORT MORE FULLY IN A SUBSEQUENT MESSAGE.

-----------------------
TENSIONS OVER AFGHANISTAN
-----------------------

Current Class: CONFIDENTIAL
6. (C) LACKING A STRONG, TRUSTING RELATIONSHIP, THE WITHDRAWAL OF
SOVIET FORCES FROM AFGHANISTAN IN FEBRUARY 1989 AND FALL OF THE
COMMUNIST REGIME IN KABUL IN APRIL 1992, SET THE STAGE FOR A MORE
OR LESS OPEN COMPETITION FOR INFLUENCE IN AFGHANISTAN BETWEEN
PAKISTAN AND IRAN.

HOWEVER, FOR THE MOST PART THIS SCRAMBLE FOR INFLUENCE BY THE TWO SIDES DID NOT
LEAD TO A DRAMATIC INCREASE IN MUTUAL TENSIONS IN THE IMMEDIATE
POST-1992 PHASE OF THE AFGHAN CONFLICT. BOTH SIDES APPARENTLY FELT
THEIR STAKES IN AFGHANISTAN WERE WELL PROTECTED:

CONFIDENTIAL

CONFIDENTIAL

PAGE 03  ISLAMA 02001 02 OF 05 131052Z

THE FALL OF HERAT HERALDS A NEW AND HARSHER CLIMATE

7. (C) THE RISE OF THE TALIBAN IN SOUTHWESTERN AFGHANISTAN IN LATE
1994/EARLY 1995 TRIGGERED A NEW AND HARSHER PHASE IN THE PAKISTANI-
IRANIAN COMPETITION IN AFGHANISTAN. ONE EVENT IN PARTICULAR IS
CITED BY OBSERVERS AS FUELING DEEP IRANIAN CONCERNS THAT THE
RADICAL SUNNI TALIBAN WERE FOCUSED ON RIDDING AFGHANISTAN OF
IRANIAN INFLUENCE: THE SEIZURE OF HERAT BY THE TALIBAN IN
SEPTEMBER 1995.

TOLD POLOFF IN LATE FEBRUARY THAT HE THOUGHT "IRAN REALLY FLIPPED
ITS Lid OVER THE FALL OF HERAT, PERHAPS BECAUSE IT SHARES CULTURAL
LINKS WITH HERAT AND THE PROVINCE BORDERS ON MAJOR POPULATION
CENTERS IN IRAN'S KHORASSAN PROVINCE." STARTING FROM THE FALL OF
HERAT, THE IRANIAN MEDIA BEGAN FIERCE, AT TIMES VITUPERATIVE,
ATTACKS ON THE TALIBAN AND ON WHAT IT SOMETIMES CHARACTERIZED AS
ITS "PUPPETMASTER" -- PAKISTAN. THESE ATTACKS HAVE CONTINUED, AND
HAVE EVEN GROWN MORE DESPERATE SINCE THE FALL OF KABUL TO THE TALIBAN IN SEPTEMBER 1996. IN THE MEANTIME, IRAN HAS WORKED ASSIDUOUSLY TO STITCH TOGETHER AN ANTI-TALIBAN ALLIANCE.

8. (C) FOR ITS PART, PAKISTAN HAS CONSISTENTLY DENIED THAT IT IS THE TALIBAN'S GODFATHER, ALTHOUGH GOP OFFICIALS IN PRIVATE SOMETIMES ACKNOWLEDGE THAT THEY HAVE CLOSE LINKS AND ARE PROVIDING THEM FOODSTUFFS AND FUEL. IN IRAN'S VIEW (SHARED BY MORE THAN A FEW OTHER COUNTRIES), PAKISTAN IS USING THE TALIBAN TO ENSHRINE ITS INFLUENCE IN AFGHANISTAN, AND IN THE PROCESS TRYING TO FREEZE INDIA OUT OF ITS BACKYARD. IN SPITE OF THIS, ON THE DIPLOMATIC FRONT, ISLAMABAD AND TEHRAN HAVE MADE SPORADIC ATTEMPTS TO PATCH UP (OR PATCH OVER?) THEIR DIFFERENCES. FOR EXAMPLE, THEY HAVE HELD CONFIDENTIAL

CONFIDENTIAL

PAGE 04 ISLAMA 02001 02 OF 05 131052Z
IRREGULAR TALKS AT THE DEPUTY FOREIGN MINISTER LEVEL (REF C, INTER ALIA) AND PARTICIPATED IN TALKS TOGETHER IN INTERNATIONAL FORUMS ON THE AFGHAN QUESTION. IN ADDITION, CARETAKER FOREIGN MINISTER SAHABZADA YAQUB KHAN VISITED TEHERAN IN JANUARY, 1997, TO "DISSIPATE IRANIAN DOUBTS ABOUT PAKISTANI POLICIES AND THE TALIBAN."

HERE, NONETHELESS, DESPITE THESE BURSTS OF DIPLOMATIC ACTIVITY, THERE ARE FEW INDICATIONS THAT TENSIONS BETWEEN THE TWO COUNTRIES OVER AFGHANISTAN ARE ABATING. IN FACT, BASED ON THE TALIBAN'S CONTINUING APPLICATION OF MILITARY PRESSURE ON NORTHERN AFGHANISTAN, THERE IS EVERY REASON TO EXPECT PAK-IRANIAN TENSIONS TO GROW IN THE NEAR-TERM, PARTICULARLY IF THE TALIBAN CONTINUE THEIR ADVANCE TOWARD MAZAR-I-SHARIF.

THE COMPETITION FOR CENTRAL ASIA

9. (C) WITH THE EMERGENCE OF NEWLY INDEPENDENT STATES FROM THE RUBBLE OF THE SOVIET UNION IN 1991, PAKISTAN AND IRAN (AND OTHER STATES) ALSO BECAME DIRECT COMPETITORS FOR INFLUENCE IN CENTRAL ASIA. ON THE POLITICAL SIDE OF THE COMPETITION, PAKISTAN AND IRAN THOUGHT THAT THEY HAD SPECIAL ADVANTAGES IN CENTRAL ASIA: PAKISTAN SAW ITSELF AS A MODERATE ISLAMIC STATE, A MODEL WHICH IT THOUGHT
WOULD PROVE ATTRACTIVE TO THE CENTRAL ASIANS; IRAN, ON THE OTHER
AMCONSUL LAHORE
AMCONSUL KARACHI
AMBASSADY BEIJING
DIA WASHDC

CONFIDENTIAL SECTION 03 OF 05 ISLAMABAD 002001

DEPT FOR SA/PAB, NEA/NGA, AND EUR/CEN; LONDON FOR POL/TUELLER;
CONFIDENTIAL

CONFIDENTIAL

PAGE 02
ISLAMA 02001 03 OF 05 131053Z
PARIS FOR POL/RAVELING; ROME FOR POL/DEMPSEY

E.O. 12958: DECL: 3/8/07
TAGS: PREL, PGOV, KISL, ECON, PK, IR, AF
SUBJECT: AFGHANISTAN AND SECTARIAN VIOLENCE CONTRIBUTE TO A SOURING OF PAKISTAN’S RELATIONS WITH IRAN

HAND, SAW CENTRAL ASIA AS AN AREA WHERE IT COULD REVIVE STRONG CULTURAL AND HISTORIC LINKS.

BOTH COUNTRIES’ INITIAL HIGH EXPECTATIONS FOR POLITICAL INFLUENCE IN CENTRAL ASIA HAVE BEEN FRUSTRATED, ALTHOUGH -- OF THE TWO -- IRAN HAS APPARENTLY HAD MORE SUCCESS IN THAT IT APPEARS TO HAVE BUILT AT LEAST SOME SORT OF RELATIONSHIP WITH TAJIKISTAN, WHERE THE DOMINANT LANGUAGE IS CLOSELY RELATED TO PERSIAN, AND WITH TURKMENISTAN, WITH WHICH IT SHARES A LONG BORDER AND IMPORTANT COMMERCIAL TIES.

10. (C) PAKISTANI-IRANIAN COMPETITION IN CENTRAL ASIA COMES INTO FOCUS MOST CLEARLY ON THE ECONOMIC SIDE, IN -- FOR EXAMPLE -- THE JOCKEYING OVER THE ROUTE OF PROPOSED OIL AND GAS PIPELINES LINKING THE CENTRAL ASIAN ENERGY SECTOR TO NON-RUSSIAN MARKETS. IRAN WANTS THESE PIPELINES TO BE BUILT THROUGH ITS TERRITORY AND CONNECT TO ITS PERSIAN GULF REFINERIES. PAKISTAN, AN ENERGY-DEFICIENT COUNTRY, WANTS THE PIPELINES TO PASS THROUGH AFGHANISTAN AND CONNECT TO ITS DOMESTIC MARKET, EVENTUALLY FUELING THE DEVELOPMENT OF NEW PORTS IN BALOCHISTAN TO EXPORT THE EXCESS. TOLD

Current Class: CONFIDENTIAL
POLOFF IN FEBRUARY THAT "THE ENVIRONMENT IS SO POLITICALLY-CHARGED BETWEEN PAKISTAN AND IRAN OVER WHO WILL CONTROL THE PIPELINES THAT EVERY BUSINESS DECISION UNOCAL OR ANY OTHER COMPANY CONSIDERS IN CONFIDENTIAL"

CONFIDENTIAL

PAGE 03  ISLAMA 02001 03 OF 05 131053Z
THIS REGION HAS TO BE CAREFULLY REVIEWED FOR ITS POTENTIAL INTERNATIONAL REPERCUSSIONS."

SECTARIAN FLASHPOINTS


12. (C) THE LAHORE INCIDENT WAS FOLLOWED BY THE FEBRUARY ASSASSINATION OF THE IRANIAN CULTURAL ATTACHE IN MULTAN, PUNJAB, ALONG WITH THE KILLING OF SEVERAL PAKISTANIS. (NOTE: THIS IS THE SECOND SUCH INCIDENT; IN 1990 AN IRANIAN DIPLOMAT WAS GUNNED DOWN IN LAHORE.)
13. (C) ANOTHER LOCUS OF SIGNIFICANT SECTARIAN VIOLENCE IN PAKISTAN HAS BEEN THE TRIBAL AREAS IN THE NORTHWEST FRONTIER PROVINCE (NWFP). THIS VIOLENCE HAS BEEN GOING ON FOR MANY YEARS,

14. (C) BUT THE ONE CONSTANT FEATURE OF ALL OF THESE CHARGES IS THAT THERE APPEARS TO BE LITTLE CONCRETE EVIDENCE LINKING IRAN TO SECTARIAN VIOLENCE IN PAKISTAN, ALTHOUGH IT IS KNOWN THAT IRAN IS FUNDING VARIOUS SHIA CULTURAL AND SOCIAL PROJECTS.
CONFIDENTIAL  PTQ7208

PAGE 01  ISLAMA 02001  04 OF 05  131054Z
ACTION SA-01

INFO  LOG-00  ACDA-10  ACDE-00  INLB-01  AGRE-00  AID-00  CEA-01
CIAE-00  SMEC-00  COME-00  CTME-00  INL-01  OASY-00  DOEE-00
SRPP-00  DS-00  EAP-01  EB-00  EUR-01  EXIM-01  CIGO-01
E-00  FBIE-00  FRB-00  H-01  TEDE-00  INR-00  IO-00
ITC-01  LAB-01  L-01  ADS-00  M-00  NEA-01  NSAE-00
NSCE-00  OMB-01  OPIC-01  PA-00  PM-00  PRS-00  P-00
CIO-00  SCT-00  SP-00  SSO-00  STR-00  TRSE-00  USIE-00
FMP-00  SNIS-00  NISC-00  PMB-00  DSCC-00  PRME-01  DRL-09
G-00  /035W

--- A3DB88 131054Z /38

O 131032Z MAR 97
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC IMMEDIATE 5436
INFO USMISSION USVIENNA
IRAN COLLECTIVE
AMCONSUL PESHAWAR
AMEMBASSY DUSHANBE
AMEMBASSY TASHKENT
USCINCENT MACDILL AFB FL
USCINCPAC HONOLULU HI//FPA J5//
AMCONSUL LAHORE
AMCONSUL KARACHI
AMEMBASSY BEIJING
DIA WASHDC

CONFIDENTIAL SECTION 04 OF 05 ISLAMABAD 002001

DEPT FOR SA/PAB, NEA/NGA, AND EUR/CEN; LONDON FOR POL/TUELLER;
CONFIDENTIAL
IN A JANUARY MEETING WITH CINCCENT GENERAL PEAY (REF H), SAID THAT IRAN HAS 13-14 CULTURAL CENTERS IN PAKISTAN.
RELATIONSHIP WITH IRAN -- "IRAN IS TRYING TO PRESSURE PAKISTAN OVER AFGHANISTAN BY TURNING TO INDIA," IRAN HAS DENIED THAT IT HAS CHANGED ITS PERSPECTIVE ON THE PAKISTAN-INDIA RELATIONSHIP, ASSERTING THAT IT HAS ALWAYS BEEN "NEUTRAL" IN THE DISPUTE OVER KASHMIR AND THAT THE SITUATION IN AFGHANISTAN HAS NOT AFFECTED RELATIONS. IN SPITE OF A HIGHLY PUBLICIZED VISIT TO TEHRAN BY INDIAN FM GULRAJ IN FEBRUARY, 1997 (REF C), TOLD POLOFF THAT THE OFFICIAL PAKISTAN POSITION IS THAT THERE HAS BEEN NO CHANGE IN IRAN'S VIEWS ON INDO-PAK RELATIONS: "WE DETECT NO SIGN THAT IRAN IS TRYING TO USE INDIA AGAINST US OVER AFGHANISTAN. WE FEEL THEY ARE STILL SAYING THE RIGHT THINGS ON KASHMIR." NONETHELESS, A COMMONALITY OF INTEREST BETWEEN IRAN AND INDIA APPEARS TO HAVE EMERGED OVER SHARED CONCERNS ABOUT AFGHANISTAN AND PAKISTAN'S ROLE THERE. THIS, ALONG WITH THE GROWING ECONOMIC RELATIONSHIP BETWEEN THE TWO COUNTRIES, HAS PUT PRESSURE ON PAKISTAN -- "WE FEEL THAT WE ARE INCREASINGLY SQUEEZED ON TWO SIDES, INDIA AND IRAN, WHEREAS BEFORE THE PRESSURE ONLY CAME FROM INDIA,"

PROSPECTS FOR THE NEAR-TERM

16. (C) AT THIS TIME, THERE IS EVERY INDICATION THAT THE TALIBAN WILL CONTINUE THEIR EFFORTS TO MOVE NORTH AND SEIZE THE REST OF AFGHANISTAN. IT IS BY NO MEANS A FOREGONE CONCLUSION THAT THEY WILL BE ABLE TO DO THIS. NONETHELESS, WITH THE "PROXY" WAR IN

CONFIDENTIAL

AFGHANISTAN SHOWING NO SIGN OF ENDING, THERE IS EVERY REASON TO EXPECT TENSIONS BETWEEN THE PAKISTAN AND IRAN TO CONTINUE TO SIMMER OVER THIS UNRESOLVED CONFLICT. IN ADDITION, FRESH SECTARIAN ATTACKS IN PAKISTAN COULD LEAD TO A FURTHER SOURING OF RELATIONS. HOWEVER, IN THE NEAR-TERM, WE DO NOT FORESEE AN ACUTE CRISIS ARISING BETWEEN PAKISTAN AND IRAN BECAUSE COUNTERVAILING PRESSURES -- THE POOR ECONOMIC SITUATION IN BOTH COUNTRIES, PAKISTAN'S TENSE RELATIONSHIP WITH INDIA, AND POSSIBLY IRAN'S WITH TURKEY -- TEND TO MITIGATE AGAINST THE POSSIBILITY OF CONFRONTATION.

Current Class: CONFIDENTIAL
GUIDELINES FOR U.S. POLICY

17. (C) FOR THE U.S., THE BEST POLICY IS TO STEER CLEAR OF THE PROBLEMS IN THE PAK-IRAN RELATIONSHIP. U.S. INVOLVEMENT COULD ONLY SERVE TO EXACERBATE REGIONAL TENSIONS. A BETTER POLICY IS FOR THE U.S. TO CONTINUE TO EXPRESS OUR SUPPORT FOR THE UN SPECIAL MISSION'S EFFORTS TO END THE WAR AND ESTABLISH A BROAD-BASED GOVERNMENT IN AFGHANISTAN. BY WORKING TO SOLVE THE AFGHAN CONFLICT, THE U.S. CAN NOT ONLY HELP END A HUMANITARIAN DISASTER, BUT ALSO HELP DECREASE THE REGIONAL TENSIONS WHICH THAT WAR HAS GENERATED.
CONFIDENTIAL

PAGE 02 ISLAMA 02001 05 OF 05 131055Z
PARIS FOR POL/RAVELING; ROME FOR POL/DEMPSEY

E.O. 12958: DECL: 3/8/07
TAGS: PREL, PGOV, KISL, ECON, PK, IR, AF
SUBJECT: AFGHANISTAN AND SECTARIAN VIOLENCE CONTRIBUTE TO A SOURING OF PAKISTAN'S RELATIONS WITH IRAN

18. (U) THIS MESSAGE HAS BEEN COORDINATED WITH CONSULATES KARACHI, LAHORE, AND PESHAWAR. SIMONS

Current Class: CONFIDENTIAL