

g
h

y
n
4,
c/
n-

in
ed

i?"
19,
h_

ine
the
sci-

;
t

-
is
c
r-

7,
g-
at

2

U.S. Policy on Iran

Peter Katel



AP Photo/Karen Tam

Iranian women demonstrate in support of the country's nuclear development program at the uranium conversion facility in Isfahan, about 250 miles south of Tehran. Contrary to U.S. claims, Iran says the program is for peaceful uses of nuclear energy.

From *CQ Researcher*,
November 16, 2007.

While U.S. troops fight in Iraq, the Bush administration is waging a war of words with neighboring Iran. Bad blood has existed between Washington and Tehran for nearly three decades. But the verbal conflict is getting so intense that even Middle East experts — long accustomed to pugnacious rhetoric — say bullets could start flying.

At issue are Iran's nuclear development efforts and its perceived military support of Iraqi insurgents. Washington says Iran is seeking to develop nuclear weapons, but Iranian President Mahmoud Ahmadinejad says the program is for peaceful uses.

In October, President George W. Bush said he had "told people that if you're interested in avoiding World War III, it seems like you ought to be interested in preventing [Iran] from having the knowledge necessary to make a nuclear weapon."¹

For his part, Ahmadinejad calls the United States an international bully intent on keeping Iraq violent to justify continued occupation.

"No day passes without people [in Iraq] being killed, wounded or displaced," Ahmadinejad said during an address to the U.N. General Assembly in September. "And the occupiers not only refuse to be accountable and ashamed of their adventure, but speak in a report of a new market for their armaments as a result of their military adventure."

"We're in a serious and dangerous situation," says Bruce Riedel, a senior fellow at the Brookings Institution's Saban Center for Middle East Policy, a centrist think tank. "We'd be better served by lowering the rhetoric."

Meanwhile, hundreds of U.S. troops in Iraq have been killed by sophisticated roadside bombs that Bush and his top military commanders say are coming from Iran, which denies supplying them.

A Major Presence in the Middle East

Heartland of the ancient Persian Empire, Iran is the biggest non-Arab country in the Middle East. It has the biggest Shiite population of any nation and the only officially Shiite constitution in the world. It also maintains the region's biggest military force and is among the world's top petroleum producers.



| Iran at a Glance | |
|---|--|
| Population: | 65.4 million (July 2007 est.) |
| Population below poverty line: | 40% (2002 est.); Per capita GDP: \$8,700 |
| Religion: | Muslim 98% (Shiite 89%, Sunni 9%); Other 2% (includes Zoroastrian, Jewish, Christian and Baha'i) |
| Gross domestic product: | \$222.9 billion (2006) |
| Military expenditures: | 4.5% of GDP (2005) |
| Percentage of world's total proven oil reserves: | 10% |
| Ranking among OPEC crude oil producers: | No. 2 at 3.8 million barrels per day (Saudi Arabia is No. 1, at 9.2 million) |
| Natural gas reserves: | 974 trillion cubic ft., second-highest in world after Russia (1,680 trillion cubic ft.) |
| Total military manpower: | 545,000 (next highest in the region: Saudi Arabia, 199,500) |

Sources: CIA World Factbook, updated Nov. 1, 2007; Anthony Cordesman and Martin Kleiber, "Iran's Military Forces and Warfighting Capabilities: The Threat in the Northern Gulf," Center for Strategic and International Studies, 2007; Energy Information Administration, Department of Energy; *Political Handbook of the World*, 2007

Amid the fighting and the fighting words, a glimmer of hope appeared in November. Lt. Gen. Raymond T. Odierno, second in command in Iraq behind Gen. David Petraeus, told reporters on Nov. 1 the number of attacks involving deadly EFPs (explosively formed penetrators) had dropped from 177 in July and August to 105 in September and October.

Defense Secretary Robert M. Gates said Iran had promised to clamp down on shipment of EFPs. "I don't know whether to believe them," Gates said. "I'll wait and see."²

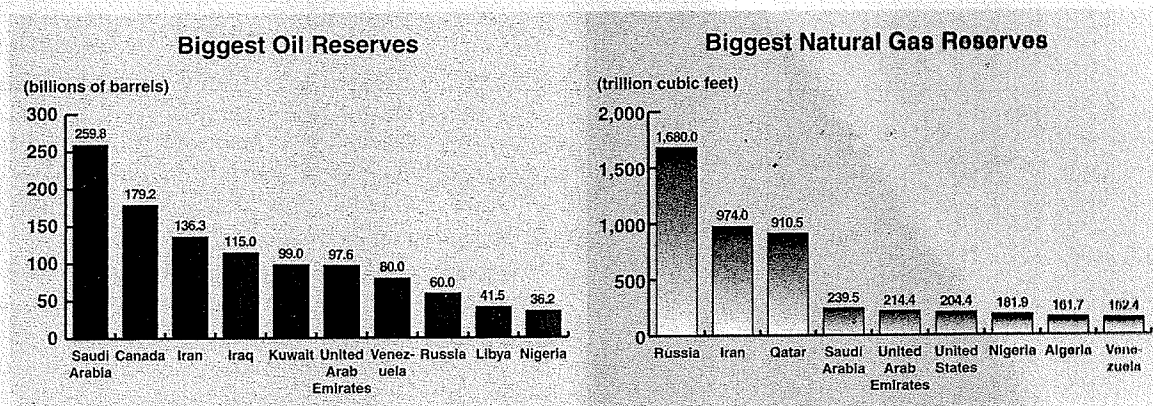
Some of the skepticism grows out of Iran's reported role in a 33-day war last year between Israel — America's key Middle East ally — and Lebanon's Hezbollah militia, which was created and armed by Iran. Ahmadinejad has expressed the hope that Israel would be wiped off the map, much as the Soviet Union disappeared. "Was it done through war?" he asked at a September news conference at the United Nations. "No. It was through the voice of the people."³

Three weeks later, Bush made his "World War III" remark. And four days after that Vice President Dick Cheney called Iran "the world's most active state sponsor of terror," adding: "The Iranian regime needs to know that if it stays on its present course, the international community is prepared to impose serious consequences. The United States joins other nations in sending a clear message: We will not allow Iran to have a nuclear weapon."⁴

The White House followed the tough talk with new economic sanctions designed to halt or slow down business transactions for anyone doing

Iran Ranks Among World Leaders in Energy

Iran ranks third in proven oil reserves, with nearly 140 billion barrels; world leader Saudi Arabia has almost twice as much (left). Iran has nearly a quadrillion cubic feet of natural gas reserves, second only to Russia (right).



Source: Energy Information Administration, Jan. 1, 2007

business with banks or other companies linked to the Iranian Revolutionary Guard, a military and covert-action agency long accused of supporting and aiding terrorism in the region.

What will the future bring? If past relations between the two countries are a guide, it will be a bumpy ride. In 1953 the United States orchestrated a coup against a nationalist Iranian prime minister, throwing its weight behind the country's pro-Western monarch, Shah Mohammed Reza Pahlavi. The United States, like the then-new state of Israel, saw Iran — successor to the ancient Persian Empire — as a key ally in a dangerous neighborhood. Iran, like other Middle Eastern nations, was Muslim. But Iranians are not Arabs and were seen as distant from the Israeli-Arab confrontation. In 1979 a revolution toppled the shah and installed the anti-American, anti-Israel theocracy that now rules Iran. Since then, U.S.-Iranian relations have been schizophrenic — marked by the 1979-81 hostage crisis involving 52 U.S. Embassy personnel in Tehran but also by quiet cooperation during the U.S.-led invasion of Afghanistan.

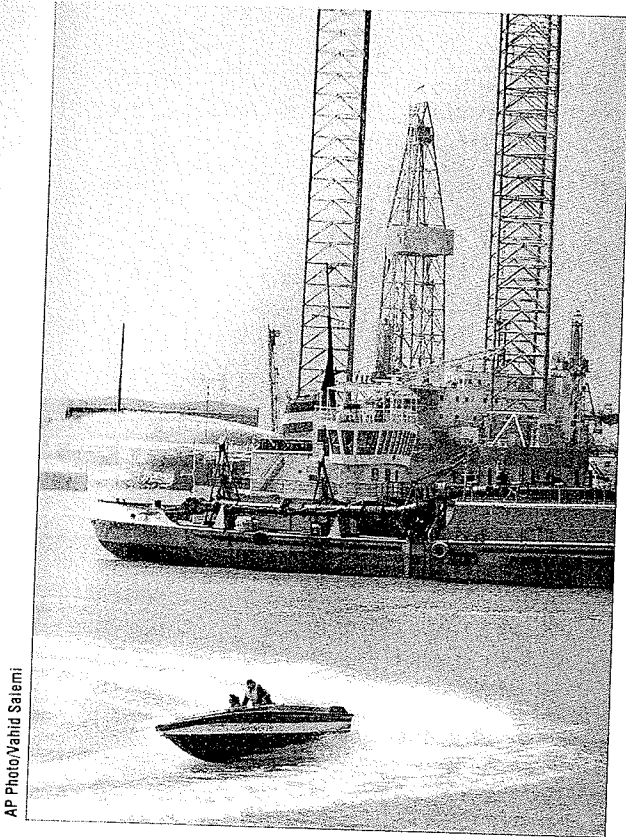
Tension has been climbing since Ahmadinejad launched himself globally as a challenger to American power following his election as president in 2005. Yet his real power largely is limited to economic policy. Under Iran's constitution, a

clergyman, elected by a clerical Assembly of Experts, has the last word in all major affairs of state. Only the supreme leader, for instance, can declare war.⁵

Despite the confusing division of power, hawks argue that one thing is clear about the Iranian government: It wants to destroy the United States and Israel. "We're under attack; they're at war with us," says Michael A. Ledeen, who holds the title of "freedom scholar" at the conservative American Enterprise Institute and is the author of a new book on Iran.⁶ "They're killing Americans [in Iraq] and intend to kill as many as they can. They want to destroy us."⁷

Other foreign-policy watchers deride such arguments as war-mongering fantasy. "Iran has an economy the size of Finland's and an annual defense budget of around \$4.8 billion," wrote Fareed Zakaria, editor of *Newsweek International*, in a widely discussed column. "It has not invaded a country since the late 18th century. The United States has a GDP that is 68 times larger and defense expenditures that are 110 times greater."⁸

Hawks and doves alike place great importance on the survival of Iran's pro-democracy/human rights community, or "civil society." Its members have always risked prison and torture, but increased repression this year is



AP Photo/Vahid Salemi

A police patrol boat guards the Neka oil terminal on the Caspian Sea on Iran's northern coast. Despite its huge petroleum reserves, Iran has a faltering economy and an 11 percent unemployment rate.

causing renewed alarm. Among other moves, the government imprisoned several visiting Iranian-American professionals on suspicion of trying to help the Bush administration topple the government. Iran acted after the administration created a \$75 million fund to promote civil society in Iran, in part by supporting pro-democracy organizations.

The unintended consequence of that support, some exiled dissidents and their American allies say, is to validate the Iranian government's contention that opposition members are American stooges. "Any Iranian who seeks American dollars will not be recognized as a democrat by his or her fellow citizens," Akbar Ganji, one of Iran's leading democracy activists, wrote in an op-ed in October. "Iran's democratic movement does not need foreign handouts."⁹

U.S. hawks argue that blaming the Bush administration for the latest crackdown ignores history. Iran's government, they point out, was jailing and torturing dissidents long before Bush took office. And, Ledeen says, the dissidents represent Iran's future, so helping them makes more sense than bombing a nuclear site.

In fact, few experts advocate military action. "There's a remarkable consensus across Washington about what the consequences would be," says Michael Rubin, a hawkish American Enterprise Institute scholar who lived in Iran in 1999 and speaks Farsi. "I don't know anyone who thinks a strike is a good idea." Military action, he says, likely would rally Iranians to the government's side. Systematic attacks against U.S. forces in Iraq could also be expected, as could sabotage of oil export facilities in the Persian Gulf, further driving up petroleum prices.¹⁰

But prominent neoconservative* Norman Podhoretz does advocate air strikes against Iran's nuclear research sites. The United States has "only one terrible choice, which is either to bomb those facilities and retard their program or even cut it off altogether or allow them to go nuclear," said Podhoretz, editor-at-large of *Commentary* magazine.¹¹

Podhoretz insisted that Ahmadinejad is today's version of Adolf Hitler. "If we allow Iran to get the bomb," he argued, "people 50 years from now will look back at us the way we look back at the men who made the Munich Pact with Hitler in 1938 and say, 'How could they have let this happen?'"

Most experts scoff at such analogies, despite Iran's hostility to Israel. "The idea that Iran presents to the region and world a threat as big as Hitler's is absurd," says Iranian-born historian Shaul Bakhash of George Mason University, who is Jewish. "Iran is very unlikely to get involved in military adventures abroad."

Israel's reported bombing on Sept. 6 of a possible nuclear site in Syria — an Iranian ally — has fueled fears of U.S. designs on Iran. But even experts concerned about a U.S. attack worry more about the impact of the Iraq War. "I think the president is telling the truth when he says he doesn't intend to bomb," says Riedel, a former Middle East policy director at the National Security Council. "But the war by proxy we're fighting with Iran

* "Neoconservative," or neocon, originally referred to a small band of left-wing writers and academics who jumped to the Republican Party in the 1970s and '80s. It now is applied broadly, usually pejoratively, to strongly pro-Israel supporters of the Bush administration.

in Iraq could escalate unpredictably because of events on the ground.”

As tension mounts, here are some of the issues being debated:

Would a nuclear-armed Iran endanger the United States?

Concern about Iran's nuclear development program had been simmering for several years. Worries heated up after Ahmadinejad's election in 2005. But the country's nuclear ambitions actually predate the 1979 revolution that led to the Islamic Republic.

Shortly before his overthrow, the shah had been hoping to obtain reactors and other nuclear technology from the United States, his closest ally. Nuclear-generated power would allow Iran to sell more of its oil abroad, bringing in more much-needed revenue. Today, the Islamic Republic — created by the same men who toppled the shah — justifies its nuclear program on the same grounds.¹²

Iranian officials have declared repeatedly their nuclear program excludes plans for any weapons. “We consider the acquiring, development and use of nuclear weapons inhuman, immoral, illegal and against our basic principles,” Deputy Foreign Minister G. Ali Khoshroo said in 2003.¹³

To be sure, Khoshroo served in the administration of reformist President Mohammed Khatami. But his successor, Ahmadinejad, sounded the same note. “We are not after an atomic bomb because it is not useful, and our religion does not allow us to have it,” he says on his Web site.¹⁴

In addition, Iran's alternately compliant and defiant dealings with the international nuclear regulatory system — even before Ahmadinejad's rise — have led experts with connections to the Bush administration to be deeply skeptical of Iran's objectives. “Iran has too often dictated the pace of diplomatic progress, giving the impression that it is playing for time,” David Albright, president of the Institute for Science and International Security, wrote in 2004. The apparent aim was to stall the regulatory process until its nuclear facilities were up and running, Albright and a colleague wrote.¹⁵

So widespread are suspicions, in fact, that even critics of the Bush administration's war talk assume Iran's nuclear program is designed to produce weapons. Retired Gen. John Abizaid, former U.S. commander in the Middle East, faced the issue head-on during a talk in Washington last September. “There are ways to live with a nuclear Iran,” he said. “Let's face it, we lived with a

nuclear Soviet Union; we've lived with a nuclear China; we're living with other nuclear powers as well.”¹⁶

The American Enterprise Institute's Rubin, among the most prominent advocates of a tough policy on Iran, bluntly rejects Abizaid's thesis: “I think he's wrong.”

But Rubin isn't worried about nuclear war. Instead, he argued, nuclear weapons will block any attempts to force Iran to play by international rules. He cited a bombing raid by Turkish warplanes on Iranian territory in 1999, apparently aimed at punishing Iran for sheltering a Kurdish guerrilla organization that had been attacking Turkish troops for years. “After that, Iran stopped sheltering them,” Rubin says. “But if Iran has a nuclear deterrent, no one is going to risk correcting its behavior.”¹⁷

Brookings' Riedel, the former Middle East policy director at the National Security Council, says the United States has numerous options for pressuring Iran. “I do not see evidence from Iranian behavior over the last 30 years that this is a crazy state,” he says. “Iran's behavior shows an understanding of the limits of its capability.” He cites fighting between the United States and Iran during the 1980-88 Iran-Iraq War, when U.S. forces were protecting shipping in the Persian Gulf from Iranian attacks. “In the end, they chose to stop the conflict and to de-escalate,” he says.

The question of whether Iran is a fundamentally rational power is crucial to the debate over nuclear intentions. True, deterrence worked against America's adversary in the Cold War, says the American Enterprise Institute's Ledeen, a former National Security Council consultant during the Reagan administration. But, he adds, “The Soviet Union was not governed by insane millenarian fanatics. The [Iranian government] wants to rule the world.”

“Millenarian” signifies a belief in an approaching end of days, or change on a cataclysmic scale. For many Shiites, including Ahmadinejad, the return of the holy, historic figure known as the Mahdi, or the “Hidden Imam,” would herald such a period. “With his ‘second coming’ there will be a reign of justice until the return of Jesus” — a revered figure to all Muslims — “at which time the world will end,” writes Vali Nasr, a political scientist at Tufts University who specializes in the Shiite world.¹⁸

But Nasr also argues that the key to the future of the Middle East is the evolution of the historic Shiite-Sunni rivalry. And *Newsweek's* Zakaria, in a television debate with Podhoretz, noted that past communist dictators had their own version of millenarianism that was just as terrifying, on paper — but not in reality — as

Ahmadinejad Takes Aim at the United States

Tough talk is the president's specialty.

Mahmoud Ahmadinejad may be only 5'2" tall, but he looms large as the embodiment of U.S., Israeli and European fears about Iran and its state ideology of religion-laced nationalism.

Seemingly on any given day, if the Iranian president isn't questioning whether the Holocaust occurred, he's accusing the United States of deliberately keeping Iraq unstable to justify the war or defying international nuclear watchdogs.

"Nations and countries don't have to obey the injustice of certain powers," Ahmadinejad told the U.N. General Assembly on Sept. 26, unmistakably referring above all to the United States. "These powers . . . have lost the competence to lead the world because of their hideous acts." And, he went on: "I officially declare that the age of relations arising from the Second World War, as well as materialistic thoughts based on arrogance and domination, is well over now. Humanity has passed a perilous precipice, and the age of monotheism, purity, affinity, respecting others, justice and true peace loving has commenced."¹

Ahmadinejad's bill of particulars against the United States and its Western allies includes the creation of Israel, their responsibility for poverty and disease in poor countries and the global arms race.

To be sure, any number of developing-nation leaders — including other Iranian presidents — have leveled similar

accusations. But Ahmadinejad's talent for provocative oratory, coupled with his position — albeit largely symbolic — as head of a major oil power, has amplified his voice.

Yet, by all accounts, the former mayor of Tehran owes his 2005 election to the presidency less to his international stands than to the political identity he carved out as the voice of the little man hammered by economic problems. Born in 1956, Ahmadinejad is the son of a blacksmith and a veteran of the horrific eight-year war with Iraq. Afterwards, overcoming many hardships, he earned a doctorate in civil engineering.²

"Most people voted for Ahmadinejad because he promised they would never have to feel sad again on New Year's Eve in front of their children," Farshid Bakhtieri, a young computer salesman, said in February.³

But those promises haven't been fulfilled, Bakhtieri added. Iranians complain they aren't getting the benefits of Iran's status as a major oil power, as the 11.5 percent official jobless rate indicates. And in June, government-imposed gasoline rationing ignited rioting in Tehran and other cities. Although it has the world's third-largest reserves of oil, Iran has built an insufficient number of refineries to produce enough gasoline — which it provides at low, subsidized rates — to meet growing domestic demand. Thus, the country depends heavily on imports, which require cash

Ahmadinejad's. Zakaria quoted the late Chinese ruler, Mao Zedong: "If the worst came to worst and half of mankind died, the other half would remain; while imperialism would be razed from the ground."¹⁹

Trita Parsi, president of the National Iranian American Council, which advocates a diplomatic resolution of U.S.-Iran tensions, argues that Iran's claim of a peaceful purpose for its nuclear development program is accurate — though weapon construction may be on the agenda as well. If the latter succeeded, he says, the existence of the U.S. and Israeli nuclear deterrent will prevent nuclear war. "Coexistence is possible," he says. The Iranians are deterrable." Parsi is also author of a new book chronicling the post-revolutionary relationship between Iran, the United States and Israel.²⁰

Does U.S. support help pro-democracy dissidents influence Iran's policies?

President Ahmadinejad's frequently bellicose speeches may suggest Iran is ruled, and populated, by religious, revolutionary fanatics. But the country's cadre of human-rights campaigners, labor-union organizers, student activists and investigative journalists is bigger than one might think. "Iranian society has refused to be coerced into silence," wrote Shirin Ebadi, a human-rights lawyer who won the Nobel Peace Prize in 2003. "Human-rights discourse is alive and well at the grass-roots level; civil-society activists consider it to be the most potent framework for achieving sustainable democratic reforms and political pluralism."²¹

Ebadi received the Nobel Prize at the moment when expectations of change reached their highest point in recent

outlays. Rationing was designed to reduce Iran's gasoline import payments if international sanctions over the country's disputed nuclear-development activities restrict access to cash.⁴

But average Iranians had little sympathy for the government's rationing strategy. "We live on an ocean of oil," said Kambiz Rahmati, 25, an electronics engineer. "Why should we pay a high price for gasoline or suffer rationing?"

Some Iranian pro-democracy activists tie Ahmadinejad's economic failures to his aggressiveness in the international arena. Indeed, says an exiled dissident, the president might see it in his interest to bait the United States into military action over Iran's insistence on building nuclear facilities. "Limited war would give a good excuse to accuse the foreign states — 'it's their fault that the Iranian economy has problems,' " says Ali Afshari, an exiled student leader who spent nearly three years in prison. "Second, he would use this for a complete militarization of the country, and suppress all dissident activities."

But Iran's supreme leader, Ayatollah Ali Khamenei, doubts even a limited U.S. strike against Iran's nuclear facilities would be strategically advantageous, Afshari theorizes. And Khamenei's opinion counts: Only he can declare war or command the military.⁶

But Khamenei makes few public comments these days. Ahmadinejad has come to be seen as the man in charge because he issues a steady stream of commentary on hot-button issues. About the Holocaust, for instance, he shocked listeners when he said last year: "I will only accept something as truth if I am actually convinced of it." In

2001, Khamenei got only sparse attention when he said Zionists had been "fabricating figures related to the Holocaust."⁷

Such statements don't surprise Shaul Bakhash, an Iranian-born historian at George Mason University in Fairfax, Va. "These statements are not as new as people seem to imagine," he says.

In fact, points out Michael Rubin, a resident scholar at the American Enterprise Institute, Iran's nuclear program has been around much longer than Ahmadinejad. "The presidency in Iran is about style, not substance."

⁴ Address to 62nd U.N. General Assembly, Sept. 26, 2007, www.president.ir/en/.

⁵ See Nazila Fathi, "Blacksmith's Son Emphasized His Modest Roots," *The New York Times*, June 26, 2005, p. A11. See also "Iran-Iraq War (1980-1988)," [globalsecurity.org](http://globalsecurity.org/military/world/war/iran-iraq.htm), undated, www.globalsecurity.org/military/world/war/iran-iraq.htm.

⁶ Quoted in Kim Murphy, "Iran reformists want U.S. to tone it down," *Los Angeles Times*, Feb. 11, 2007, p. A1.

⁷ See Ramin Mostaghim and Borzou Daragahi, "Gas rationing in Iran ignites anger, unrest," *Los Angeles Times*, June 28, 2007, p. A5; Najmeh Bozorgmehr, "Iran pushes on with fuel rationing in face of riots," *Financial Times* (London), June 28, 2007, p. A7. Also see Peter Behr, "Energy Nationalism," *CQ Global Researcher*, July 2007, pp. 151-180.

⁸ Quoted in *Los Angeles Times*, *ibid*.

⁹ See Ray Takeyh, *Hidden Iran: Paradox and Power in the Islamic Republic* (2006), pp. 24-25.

¹⁰ Quoted in Christopher De Bellaigue, "Hanging of 'CIA Spy' Dents Iran's Overtures to U.S.," *The Independent* (London), May 24, 2001, p. A19. Ahmadinejad quoted in Michael Slackman, "Deep Roots of Denial for Iran's True Believer," *The New York Times*, Dec. 14, 2006, p. A3.

years, during the term of reformist President Khatami. Under Ahmadinejad, those hopes have dimmed.

A crackdown that intensified this year included enforcement of the religious code against revealing clothing, including scanty head scarves on women and tight shirts on men. "Those who damage the system under any guise will be punished," Intelligence Minister Gholamhossein Mohseni Ejei warned in April. He accused the civil-society movement of conspiring to topple the government.²²

Controversy over direct American aid for Iranian dissidents leapt to the top of the agenda in 2006, when Secretary of State Condoleezza Rice asked Congress for \$75 million to fund activities that included expanding Farsi language news broadcasts into Iran — and support

for Iranian civil-society groups. "The United States will actively confront the policies of this Iranian regime, and at the same time we are going to work to support the aspirations of the Iranian people for freedom in their own country," Rice told the Senate Foreign Relations Committee. Congress granted the request. The administration is now asking for the same amount in 2008.²³

Debate over the usefulness of the money has been raging since the first request, with most supporters of Iranian civil-society groups opposed to the funding. Human Rights Watch is among several groups lobbying against the program as the House and Senate Appropriations committees negotiate the funding. "Iranian activists don't want it and can't get it," Saman Zarifi, Washington advocate for Human Rights Watch,

may
volu-
ights
s and
hink.
nce,"
n the
rse is
tivists
ieving
m."²¹
when
recent



Haleh Esfandiari, left, appears on Iranian television after her arrest early last year in Tehran. The Middle East Program director of the Woodrow Wilson International Center for Scholars in Washington spent eight months in jail along with several other U.S. pro-democracy activists. She was released in September 2007. Ali Afshari, a former student human-rights activist, spent most of 2000-2003 in prison, where he endured torture and 400 days of solitary confinement.

said in October. "Second, it supports Iranian government efforts to cast activists as foreign agents."²⁴

Earlier in the year, Iran added fuel to the conflict by arresting four visiting American human-rights supporters: Haleh Esfandiari, Middle East Program director of the Woodrow Wilson International Center for Scholars in Washington; Kian Tajbakhsh, an urban planner who had been a consultant to the Open Society Institute of the New York-based Soros Foundation; Parnaz Azima, a reporter for Radio Farda, the Persian-language arm of Radio Free Europe/Radio Liberty; and Ali Shakeri, 59, a mortgage broker and a founding board member of the Center for Citizen Peacebuilding at the University of California, Irvine. After solitary confinement and frequent interrogation, the four were freed.²⁵

Iranian citizens, however, have spent years in prison. Ali Afshari, a former student human-rights activist, spent most of 2000-2003 in prison, where, he told *CQ Researcher*, he endured 400 days of solitary confinement. He now lives in the United States and is a doctoral student in engineering.

Afshari says U.S. support for the Iranian human-rights movement should be limited to programs that remain within U.S. borders. "In Iranian political culture, it's taboo for any organization to get money from any foreign state," he says. "It harms civil society because the government uses it as an excuse to repress."

Some advocates of tough U.S. action against the Iranian government cite the crackdown as evidence of an urgent necessity for financing as many Iranian pro-democracy organizations as possible. The American Enterprise Institute's Rubin says the arrest of Esfandiari and the other Iranian-Americans shows a government feeling weak. "Governments with self-confidence about their peoples' attitudes don't arrest 67-year-old grandmothers," he says, referring to Esfandiari.

The apparent insecurity begs to be exploited, Rubin argues. As for Afshari's view — which is widely echoed — that U.S. funding would provide a rationale for more repression — Rubin notes that repression is a longstanding tradition in the Islamic Republic. "It's safe to say that crackdowns happened long before democracy funding was an issue," he says.

Bakhash, the Iranian-born historian, disputes the notion that American funding would help those for whom it's intended. "Given the way Iran is now, I don't think it's at all helpful for the American government to be involved directly in such activities," he says. "The sensitivity to foreign funding in the Middle East is huge, enormous. The idea that foreign-funded political groups in-country can cooperate freely with political groups out of the country is a rather difficult concept; it can lead to a charge of treason."

Bakhash has a personal stake in the matter. Esfandiari is his wife, and after her release from eight months of imprisonment she coauthored a piece opposing U.S. government aid to Iranian pro-democracy groups. "Governments should talk to governments," she wrote with Robert Litwak, director of international-security studies at the Wilson Center, "while Iranian and American [non-governmental organizations] should be permitted to interact in a transparent fashion without the intrusion of governments."²⁶

But some Iranian exiles argue in favor of American funding. "It's very helpful," says Akbar Atri, a former student activist who was also imprisoned. He dismisses as a well-worn accusation, long predating the Bush administration, that all dissidents are tools of American subversion. "The regime said the American government is helping these Iranians, but before these funds they all the time accused the opposition of being the puppet of U.S. intelligence agencies."

Atri, a longtime student democracy activist who fled Iran in late 2004 while under investigation for his political work, is a member of the Washington-based

Committee on the Present Danger, co-chaired by R. James Woolsey, former CIA director in the Clinton administration, and George P. Shultz, who was secretary of State in the Reagan administration. The organization favors "regime change" in Iran.²⁷

Is Iran fomenting instability in Iraq?

The U.S. overthrow of Saddam Hussein did an enormous favor for Iran, which had good reason to consider Iraq's dictator an enormous threat. As the instigator of the 1980-1988 Iran-Iraq War, Saddam was responsible for at least 300,000 Iraqis killed and an estimated 700,000 wounded.²⁸

U.S. destruction of Iran's enemy would seem to make Iran and the United States de facto allies. But the U.S. military accuses Iran of supplying weapons to anti-American Shiite militias in Iraq. "There is absolutely no question," said Gen. Petraeus, the top U.S. commander in Iraq, "that Iranians are funding, arming, training and even in some cases, directing the activities of extremists and militia elements."²⁹

Specifically, Petraeus and Lt. Gen. Odierno say the Iranian Revolutionary Guard Corps is supplying "explosively formed penetrators" (EFPs), roadside bombs that can penetrate vehicle armor.³⁰

Iranian officials have consistently denied all such accusations. And U.S. military brass have backed away from disclosing what they call definitive evidence.³¹

But even without conclusive proof, some administration critics call the U.S. allegations plausible. "I think the administration is telling the truth when it says Iran is targeting American soldiers in Iraq and Afghanistan," says Riedel, the ex-CIA and National Security Council official. "What that says to me is that the Iranians are demonstrating that we're vulnerable. I have no doubt the U.S. Air Force and U.S. Navy can inflict enormous pain on Iran, but I also know that Iran can inflict enormous pain on the U.S. in Iraq, the Persian Gulf and diplomatic installations. They're prepared to play hardball with us."

Nonetheless, for some Iran-watchers, the question looming over the war in Iraq is whether Iran could be persuaded to help U.S. forces disengage.

Iran hawks say that hope is futile. Rubin of the American Enterprise Institute argues that Iran has settled on a policy of keeping U.S. forces tied down in Iraq. In testimony last July before the House Foreign Affairs Committee, Rubin cited a July 13 sermon by former

Iranian President Hashemi Rafsanjani in which he ridiculed American weakness. "What a superpower is the United States when it can be easily trapped in a small country like Iraq?" he said.³²

Based on the sermon and other evidence, Rubin testified: "The assumption that Iraq's neighbors seek a peaceful, stable Iraq is false. . . . Iranian strategists believe limited instability [in Iraq] and free rein of pro-Iranian militias to be in their best interest."³³

Parsi of the National Iranian American Council shares Rubin's analysis, up to a point. "If a larger accommodation doesn't take place, my thinking is that the Iranians will not help stabilize Iraq," he says. "The fear in Iran is that the ultimate goal of the United States is to attack Iran and remove its government." Based on that perception, he says, Iran sees a benefit in American forces facing continued threat in Iraq.

But unlike the Iran hawks, Parsi argues that Iran could become a force for peace in Iraq. "They want something in return — better relations with the United States in which the U.S. recognizes Iranian security interests and doesn't attack Iran."

Hardliners ridicule the notion that any deal can be reached with a government that sees itself as an implacable enemy.

"They're just trying to kill us in Iraq," says Ledeen of the American Enterprise Institute. "We have been looking for a modus vivendi with Iran since 1979." The only conclusion to be drawn, he argues, is that there is no Iranian interest in cooperating with the United States.

Riedel argues that view closes off any possibility of peaceful resolution. "If Iranians believe we are only interested in regime change, we're killing any chance of a serious dialogue," he says. "The Iranians need to know when they enter into any kind of dialogue with us that it is not a subterfuge for overthrowing the Islamic Republic."

In any event, he adds, "If an overthrow is anyone's goal, it's a fantasy." The present Iranian government will not disappear "any time in the near future."

BACKGROUND

Mossadegh Overthrown

Modern U.S.-Iranian relations began with the CIA-engineered overthrow of Prime Minister Mohammed Mossadegh in 1953. Mossadegh, an ardent nationalist,

CHRONOLOGY

1950s-1978 *CIA ousts nationalist prime minister, ushering in an era of close ties to Iran's monarch.*

April 28, 1951 Iran's parliament nationalizes country's oil industry.

Aug. 19, 1953 CIA directs coup that ousts Prime Minister Mohammed Mossadegh, who spearheaded oil nationalization.

1963 Shah Mohammed Reza Pahlavi's U.S.-originated "white revolution" on socioeconomic issues receives 99 percent approval in an obviously rigged referendum that prompts a wave of protests.

1964 More protests greet a new law granting immunity to thousands of Americans working in Iran if they are accused of crimes. . . . Ayatollah Ruhollah Khomeini, a cleric leading the protests, is forced into exile.

1977 President Jimmy Carter toasts the shah in Tehran as a beloved promoter of stability.

Jan. 1978 Officially sponsored publication of an article defaming Khomeini sparks demonstrations.

1979-1989 *Incapable of quelling the protests, the shah flees, and Khomeini returns from exile to become the country's dominant leader under a quasi-parliamentary system dominated by religious leaders.*

Jan. 1979 Shah goes into exile.

Nov. 4, 1979 Shah's arrival in United States for cancer treatment prompts students to storm the U.S. Embassy in Tehran and take 52 hostages.

1980 Iraqi dictator Saddam Hussein, a Sunni, launches a war against Iran's Shiite government — which he perceives as a threat to his regime.

1981 Iran frees the hostages the day Carter leaves office. . . . Crash of a plane carrying Israeli arms for Iran signals Israel's tilt in Iran-Iraq war.

1983 Hezbollah terrorists allied with Iran attack U.S. Embassy and Marine barracks in Beirut, Lebanon, killing 304 Americans.

1986 President Ronald Reagan admits his administration illegally sold weapons to Iran and funneled profits to the "contra" guerrillas fighting Nicaragua's left-wing Sandinista government. . . . U.S. confirms providing intelligence to Iraq to help its bombing campaign against Iran.

1989 Ayatollah Khomeini dies.

1990-2007 *Conservative cleric appointed to Iran's most important post. Relations with the U.S. deteriorate.*

1990 Conservative Ayatollah Ali Khamenei named supreme leader.

1997 Reformist cleric Mohammed Khatami elected president in a landslide.

1998 Khatami seems interested in reopening relations with the U.S.

2000 Dissident journalist Akbar Ganji and other democracy activists imprisoned.

2001 Khatami wins second term. . . . Iranian security forces help U.S. military during invasion of Afghanistan.

2002 Bush calls Iran a member of the "axis of evil," along with North Korea and Iraq.

2005 Populist hard-liner Mahmoud Ahmadinejad elected president following failure of Khatami's reforms.

Dec. 23, 2006 U.S. military says Iran is arming Iraqi militias. . . . U.N. Security Council imposes financial sanctions on Iran for failing to halt uranium enrichment. . . . Iran holds conference on Holocaust, with Holocaust deniers invited.

2007 Security Council orders new sanctions against Iran for its refusal to quit uranium enrichment. . . . Senate resolution demands that the U.S. "combat" Iranian activities in Iraq. . . . President Bush says Iran's nuclear program raises specter of "World War III." . . . Israeli bombing in Syria raises fear of Israeli or U.S. strike on Iran. . . . Ahmadinejad vows no retreat from nuclear program. . . . October talks between Iran and nuclear-watchdog agency produce no agreement.

had been at the center of a crisis that had been building since the late 1940s over the future of Britain's long-standing oil concession, which effectively controlled Iran's major natural resource.³⁴

Mossadegh had accepted the post of prime minister from the shah on condition that parliament end the concession, which it did on April 28, 1951. "The anniversary of the passing of the oil nationalization bill," writes historian Ali M. Ansari of the University of St. Andrews in Scotland, "is perhaps the closest thing to an Iranian independence day."³⁵

But for the CIA — which worked closely with the British — Mossadegh's nationalization of Britain's Anglo-Iranian Oil Co. showed him to be a threat to Western interests, and politically unreliable, in a region where the Soviet Union was a looming presence. President Dwight D. Eisenhower approved a coup plan. One attempt failed, leading the shah to take a sudden vacation in Rome. Then, on Aug. 19, 1953, a CIA officer directed a move against Mossadegh, who eventually surrendered. "The shah became the centerpiece of American foreign policy in the Islamic world," writes *New York Times* correspondent Tim Weiner in a recent history of the CIA. But, "A generation of Iranians grew up knowing that the CIA had installed the shah."³⁶

Although the United States poured money into Iran after the coup, it didn't buy all Iranians' friendship. Abolhasan Ebtehaj, a government official who lost his post after disputes with American officials, faulted the free-spending U.S. approach. "Not so many years ago in Iran, the United States was loved and respected as no other country, and without having given a penny of aid," he said in a 1961 speech in San Francisco. "Now, after more than \$1 billion of loans and grants, America is neither loved nor respected; she is distrusted by most people and hated by many."³⁷

The John F. Kennedy administration, which came to power in 1961, pushed the shah even harder to shake up his country's social structure. Arguing that Iran's land-tenure system amounted to "feudalism," creating conditions that made Iran ripe for a communist revolution, the Americans demanded private land ownership for peasants.

But when the shah's so-called "white revolution" occurred, it brought repercussions that the Americans hadn't foreseen. Rural, land-owning aristocrats and members of the clergy, who had been instrumental in pushing out Mossadegh, opposed the change, in some cases more

because it was American-imposed than because of its objectives. The shah, with U.S. encouragement, also proposed the political emancipation of women, which angered conservatives, especially religious leaders.

When a national referendum showed 99 percent approval for the "revolution," riots broke out because the election clearly had been rigged. Ruhollah Khomeini, a previously obscure clergyman, became one of the strongest voices against the shah.

For Iranians, what the shah and his American advisers called reform was something quite different. "The shah's modernization program — which created less an authentic development than a consumer society for privileged elites — quickly enriched the members of the royal family and the court, the entrepreneurs (almost all subcontractors for large Western firms), the powerful merchants, the importers of spare parts and consumer goods, the speculators," wrote French journalist Eric Rouleau in 1980.³⁸

Then the United States prompted the shah to introduce legislation granting immunity from the Iranian legal system for any American citizen accused of a crime. On the same day the bill was approved — after the shah fixed the parliamentary vote — Iranian lawmakers also approved a \$200 million loan from the United States.

"The dignity of Iran has been destroyed," Khomeini declared. "They wanted a loan, and America demanded this in return." In 1964 Khomeini was sent into exile.³⁹

Shah Overthrown

The United States and the shah deepened their relationship in the 1970s. Israel, too, enjoyed close ties to the shah, whose quiet acceptance of the Jewish state enraged Arab governments — and many Iranians. By 1977, there were some 30,000 American government personnel and businesspeople in Iran, President Jimmy Carter noted during a toast to the shah on New Year's Eve in Tehran.⁴⁰

"Iran, because of the great leadership of the shah, is an island of stability in one of the more troubled areas of the world," said Carter, in words that would later embarrass him. "This is a great tribute to you, your majesty, and to your leadership and to the respect and the admiration and love which your people give to you."⁴¹

Only weeks later, however, the monarchy's collapse began. In January, after the shah-approved publication of a defamatory newspaper article about Khomeini, well-organized street protests broke out in several cities, creating a crisis atmosphere.

Presidential Hopefuls Targeting Iran

Democrats and Republicans disagree on military action.

U.S. military action against Iran may or may not occur, but candidates for the 2008 presidential nomination are fighting about whether it would be a good idea.

For now, the big Iran knockdown is taking place among Democratic candidates. Debate centers on a Sept. 26 Senate resolution urging the United States to “combat, contain and roll back the violent activities and destabilizing influence” of Iran’s government inside Iraq and declare the Iranian Revolutionary Guard Corps a terrorist organization. The resolution passed, 76-22.¹

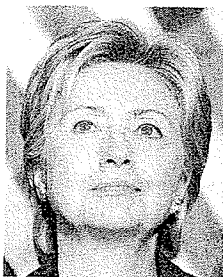


Former Sen. John Edwards, D-N.C.

Getty Images/William T. Cain

Antiwar Democrats called the amendment a barely veiled authorization to scramble warplanes over Iran. “It’s an enormous mistake to give George Bush the first step in the authority to move militarily on Iran,” said former North Carolina **Sen. John Edwards**. “The resolution on the Iranian Revolutionary Guard did that.”²

Edwards’ comment was aimed not only at the Bush administration but at front-runner **Sen. Hillary Rodham Clinton**, D-N.Y., who drew fire from antiwar Democrats for supporting the resolution.



Sen. Hillary Rodham Clinton, D-N.Y.

AFP/Getty Images/Saul Loeb

Clinton responded that she hadn’t been voting for war. “I oppose any rush to war but also believe doing nothing is not acceptable — diplomacy is the right path,” she said in a mailing to prospective primary voters in Iowa.³

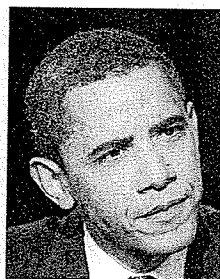
Perhaps in response to criticism of her vote, Clinton on Oct. 1 signed up as a cosponsor of a bill introduced

last March by Sen. Jim Webb, D-Va., that would bar military action against Iran without congressional authorization.⁴

Webb, a Marine combat veteran of Vietnam, was among the critics of the resolution, which had been sponsored by Sen. Joseph Lieberman, I-Conn., whose hawkish views on Iraq cost him the Democratic Senate nomination in his state in 2006, and Sen. Jon Kyl of Arizona, a conservative Republican. “Those who regret their vote five years ago to authorize military action in Iraq should think hard before supporting this approach,” he said, “because, in my view, it has the same potential to do harm where many are seeking to do good.”⁵

While Clinton’s support for Webb’s bill might have seemed an opportunistic response to recent attacks, last February she had demanded that Bush make no move against Iran without congressional authorization.⁶

In any case, Clinton’s opponents didn’t drop the Iran issue. By late October, another front-runner nipping at her heels advocated a sharp break with the Iran policy espoused by the administration — notably going further than Clinton in marking a distance from Bush.



Sen. Barack Obama, D-Ill.

Getty Images/Eric Thayer

“I would meet directly with Iranian leaders,” **Sen. Barack Obama**, D-Ill., told *The New York Times*. “We would engage in a level of aggressive, personal diplomacy. . . . Iran and Syria would start changing their behavior if they started seeing that they had some incentives to do so, but right now the only incentive that exists

is our president suggesting that if you do what we tell you, we may not blow you up.” Obama didn’t vote on the resolution that brought Clinton so much heat.

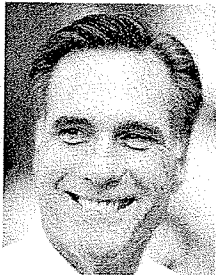
Among Republican presidential hopefuls, Iran has served mostly as a contest over who can advocate the toughest measures. Arizona **Sen. John McCain** seemed



Sen. John McCain,
R-Ariz.

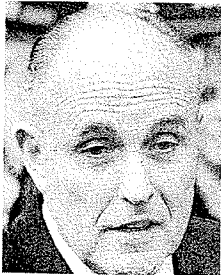
got to lighten up, get a life," McCain said.⁸

Nevertheless, in a more serious setting McCain answered affirmatively when asked at an October debate whether he would take action against Iran — without consulting Congress — to stop it from acquiring nuclear weapons. But he added a proviso — "if the situation . . . requires immediate action to ensure the security of the United States of America."⁹



Former Gov. Mitt
Romney, R-Mass.

Romney said, seemingly referring to whichever president might be facing the issue, "but certainly what you want to do is to have the agreement of all the people in leadership of our government, as well as our friends around the world where those circumstances are available."¹⁰



Former Mayor Rudolph
Giuliani, R-N.Y.

momentarily to have won that contest. In April, sitting in his tour bus, he sang a few bars of the chorus of "Bomb Iran," by Vince Vance and the Valiants, an AM radio favorite of the 1979-1981 hostage-crisis period (based on the Beach Boys' "Barbara Ann").⁷ But after cries of indignation, McCain protested that he'd only been kidding. "People

Former Massachusetts Gov. Mitt Romney was widely judged to have stumbled when he answered the same question: "We're going to let the lawyers sort out what he needed to do and what he didn't need to do,"

Of all the Republican contenders, former New York City Mayor Rudolph W. Giuliani has made the most of the Iran issue. His senior foreign policy adviser on Iran is Michael Rubin of the American Enterprise

Institute, who advocates stepping up aid to Iranian democracy activists. Also advising is *Commentary* magazine Editor-at-large Norman Podhoretz, a prominent neocon who calls for bombing Iranian nuclear facilities.

During a September visit to London, Giuliani said that if Iran got close to building a nuclear weapon, "We will prevent them or we'll set them back five or 10 years." He added, "That is not said as a threat. That should be said as a promise."¹¹

But even if he won the nomination and the election, Giuliani wouldn't be deciding Iran policy until early 2009. For now, the constant stream of events, speculation, declarations and rumors about Iran is fueling the political process to such an extent that liberal *New York Times* columnist Frank Rich theorized that the Bush administration is keeping the tension high mainly to torment Democratic candidates.

"Whatever happens in or to Iran," Rich wrote, "the American public will be carpet-bombed by apocalyptic propaganda for the 12 months to come."

¹ See Senate Amendment 3017 to HR1585: "To express the sense of the Senate regarding Iran," Sept. 20, 2007, www.govtrack.us/congress/amendment.xpd?session=110&amdt=s3017.

² Quoted in Dan Balz, "Iran Becomes an Issue in Democratic Contest," *The Washington Post*, Oct. 25, 2007, p. A7.

³ *Ibid.*

⁴ See "Senator Clinton Announces Co-Sponsorship of Webb Legislation Prohibiting the Use of Funds for Military Operations In Iran," press release, Oct. 1, 2007, www.senate.gov/clinton/news/state%20ments/details.cfm?id=284618.

⁵ Quoted in Shailagh Murray, "Webb Seen as a Potential 2008 Running Mate," *The Washington Post*, Oct. 28, 2007, p. A4.

⁶ "Clinton: No Military Action on Iran Without Congressional Authority," press release, Feb. 14, 2007, www.senate.gov/clinton/news/statements/record.cfm?id=269287.

⁷ See "Vince Vance and the Valiants," neworleansbands.net, undated, www.neworleansbands.net/music/bands/161/.

⁸ Quoted in Mark Leibovich, "Falling From the Top Lands McCain in a Scaled-Back Comfort Zone," *The Washington Post*, Oct. 7, 2007, p. A1.

⁹ Quoted in Adam Nagourney and Marc Santora, "Romney and Giuliani Spar as New Guy Looks On," *The New York Times*, Oct. 10, 2007, p. A1.

¹⁰ *Ibid.*

¹¹ Quoted in Michael Finnegan, "Giuliani warns Iranians against nuclear ambitions," *Los Angeles Times*, Sept. 20, 2007, p. A15.

To the surprise of observers, the shah and his notorious secret police, SAVAK, proved incapable of coping. In the past SAVAK had arrested, tortured or killed hundreds of thousands of genuine or alleged oppositionists. Israel had a close working relationship with SAVAK, growing out of antagonism between the shah and the Arab states. That relationship fueled popular antagonism toward the Jewish state.

A year later, on Jan. 16, 1979, the shah fled Iran. Two weeks later, Khomeini returned home from exile in Paris, turning the revolutionary process definitively toward his brand of socially conservative, politically aggressive and theocratic Shiite politics. Some secular democrats who were involved in an early provisional government were pushed aside. "At every step of the way, [Khomeini] and his supporters proved more ardent in their faith, more manipulative in their conduct and more merciless in their retaliations," writes Ray Takeyh, a historian and senior fellow at the centrist Council on Foreign Relations.⁴²

Khomeini's strategy bore fruit on Dec. 3, 1979, when Iranian voters approved a constitution that created today's Islamic Republic of Iran, directed by a religious leader who would not be accountable to the public or to elected officials. A Guardian Council, mainly clerics, would have the final word on all legislation.

The referendum passed amidst a frenzy of enthusiasm generated by a crisis that still reverberates. A month earlier, on Nov. 4, a band of student militants overran the U.S. Embassy in Tehran, taking 52 hostages, to punish the Carter administration for allowing the shah into the United States for cancer treatment.

Khomeini applauded the takeover, and the United States cut relations with Iran — which haven't been restored to this day. Khomeini's forces, meanwhile, used CIA and other U.S. documents the students found to discredit domestic enemies shown to have connections to the United States. The hostage crisis ended 444 days after it began, with the inauguration of Ronald Reagan on Jan. 20, 1981.

Besides broken diplomatic relations, U.S. sanctions against Iran imposed during the hostage crisis also have survived. The United States first imposed financial penalties on Iran during the crisis, when the Carter administration banned Iranian oil imports and froze Iranian assets in the United States. In 1987, Reagan banned imports of all Iranian goods and services, citing Iranian support for international terrorism. In 1995, Clinton banned U.S. participation in petroleum development in

Iran, also citing Iranian support for terrorism as well as efforts to acquire weapons of mass destruction. In 1997 Clinton extended the previous order by explicitly barring Americans from virtually all trade and investments involving Iran — a ban that was eased in 2000 to allow imports of Iranian dried fruits, nuts and caviar.⁴³

Israel's Tilt

During the hostage crisis, in September 1980, Saddam Hussein launched a war against Iran over its alleged violation of a bilateral treaty. But, pretext aside, Saddam wanted to crush the new republic. As a Sunni ruling a majority-Shiite populace, Saddam viewed Iran's Shiite government as a powerful threat to his predominantly Sunni regime.

Saddam also posed a serious threat to Israel, given his nuclear ambitions. Iran seemed a lesser danger, despite its anti-Israel rhetoric. But for the United States, still reeling from the hostage crisis, Iran was the main enemy. The Iran-Iraq war would see the United States helping Iraq, while Israel secretly shipped arms to Iran. These alignments later shifted — with the United States toppling Saddam and Israel coming to fear Iran. But even during the 1980s, U.S. officials at one point joined in a scheme with Israel to sell arms to Iran.

During the eight-year war, Israeli leaders occasionally acknowledged their tilt toward Iran. "For 28 of 37 years, Iran was a friend of Israel. If it could work for 28 years . . . why couldn't it [again], once this crazy idea of Shiite fundamentalism is gone?" asked Yitzhak Rabin, Israel's defense minister, in 1987.⁴⁴

But in addition to talking, the Jewish state was supplying arms to Iran. Both countries had reasons to keep the supply line secret, but in July 1981 an Argentine airplane carrying Israeli weapons to Iran crashed, leading to reports of a \$200 million arms deal between the two countries.⁴⁵

A few years later, Israeli — and American — arms sales to Iran became front-page news during the so-called "Iran-Contra" scandal. In November 1986, a Beirut newspaper revealed a secret visit to Iran by President Reagan's national security adviser, Robert McFarlane. Weeks later, Reagan admitted his administration had sold weapons to Iran — violating a U.S. arms embargo — and funneled the profits to the "contra" guerrillas fighting Nicaragua's left-wing Sandinista government.

Further complicating an already tangled tale, the Reagan administration also acknowledged it had fed secret intelligence to Iraq from U.S. satellite photos,

allowing it to assess damage from bombing strikes on Iranian targets. "Because we could see the fact that Iran at various times clearly had the upper hand, and had the manpower to continue much further than Iraq could," the American assistance was necessary, an unnamed White House official said.⁴⁶

By that time, the United States had another reason to help Iran's enemy. Following the 1982 Israeli invasion of Lebanon, Iran — eager for a base in the Arab countries — helped create the terrorist organization and political movement Hezbollah (Party of God). Its base was Lebanon's marginalized Shiite population, which had turned against Israel.

The following year, Hezbollah was implicated in a deadly bombing that destroyed the U.S. Embassy in Lebanon's capital, Beirut, killing 63 people. Six months later, a Hezbollah truck bomb hit the U.S. Marine barracks in Beirut, killing 241 Marines serving as peacekeepers.

Opinions are divided about whether Iran played a role in a terrorist attack that killed 19 airmen in 1996 at Khobar Towers, an apartment building serving as Air Force quarters near Dhahran, Saudi Arabia. In December 2006, U.S. District Judge Royce C. Lamberth of Washington ruled Iran responsible in connection with a lawsuit by victims' families against the Islamic Republic.⁴⁷

Lamberth's decision echoed Attorney General John Ashcroft's conclusion in June 2001 that "elements of the Iranian government inspired, supported and supervised" the attack. Some experts challenge that conclusion. "There was a paucity of credible evidence," writes historian Ansari.⁴⁸

Rise of Repression

After Khomeini's death in 1989, Iran's clerical overseers chose conservative Ayatollah Ali Khamenei as the next supreme leader. "He believes that the mission of the Islamic Republic is to uphold religious norms and resist popular attempts to alter the regime along democratic lines," writes a critic, historian Takeyh.⁴⁹

By the late 1990s, however, the popular call for more democracy was picking up strength. In 1997, by a landslide of nearly 70 percent, voters elected Mohammed Khatami as president. Khatami, a mid-ranking cleric who had emerged as a foe of repression, had studied Western philosophy, from which he quoted freely. And he knew Western social and political norms up close, having lived in Germany. That broader outlook and

experience showed. "State authority cannot be attained through coercion and dictatorship," he had written.⁵⁰

In 1998, Khatami indicated a willingness not only to loosen controls on Iranians but also to enter into negotiations aimed at renewing relations with the United States. Using a 1998 interview with CNN to broadcast his views to the West, Khatami condemned terrorism "in all its forms." And speaking of the hostage crisis — still looming over U.S.-Iranian affairs — Khatami said it grew out of Iranian grievances such as the 1953 coup but also reflected the chaos of a revolutionary period — a condition that no longer applied. "Today, our new society has been institutionalized," he said, "and there is no need for unconventional methods of expression."⁵¹

In his first year in office, more than 200 new newspapers and magazines and 95 political parties and organizations were permitted. The new freedom sparked public debates on topics that had been out of bounds, including Israel and the Palestinians.

In 2001 Khatami swept into office a second time, with a 77 percent victory. But even supporters admitted that political liberalization had advanced, despite continued repression, while the economy had fallen off a cliff. One-quarter of the workforce was unemployed, and 40 percent of the population lived below the poverty line.⁵²

Not surprisingly, the high hopes Khatami had inspired turned into disillusion. Economic disaster aside, Iranians who had hoped for reopening relations with the United States had experienced only disappointment. Iranian-U.S. cooperation early in the invasion of Afghanistan hadn't led to closer ties. "Before and during the war in Afghanistan, the Iranians were quite helpful to the United States," writes Kenneth Pollack, director of Persian Gulf Affairs at the National Security Council in the Clinton administration. "They shared our hatred of al Qaeda and the Taliban, and they provided us with extensive assistance on intelligence, logistics, diplomacy and Afghan internal politics."⁵³

And yet, the year after the Afghanistan campaign began, Bush in his first State of the Union address called Iran a member of the "axis of evil," along with North Korea and Iraq. "Iran aggressively pursues these weapons [of mass destruction] and exports terror," Bush said, "while an unelected few repress the Iranian people's hope for freedom."⁵⁴

In 2005, Ahmadinejad, then Tehran's mayor, won a presidential-election runoff with 62 percent of the vote. A veteran of the bloody Iran-Iraq War and an engineer of

working-class origins, he combined Khomeini-era rhetoric against the United States with denunciations of economic injustice.

Where reformists in Iran had hoped for eventual restoration of relations with the West, the new president and his circle looked to China, India and Russia for capital and trade links. "Our nation is continuing the path of progress and on this path has no significant need for the United States," Ahmadinejad said shortly before his election.⁵⁵

CURRENT SITUATION

New Sanctions

The Bush administration is gearing up to start enforcing a new set of financial sanctions against an Iranian military force that the administration charges with terrorism. The sanctions also are designed to stymie what the administration regards as Iran's nuclear-weapons development program.

On Oct. 25, 2007, the State Department barred U.S. citizens and businesses from dealing with banks, businesses and individuals linked to the Revolutionary Guard, Iran's military logistics agency, or the Aerospace Industries Organization, both of which the administration says are helping in developing ballistic missiles or nuclear weapons.⁵⁶

The State Department also listed a unit of the Revolutionary Guard — the Qods [Jerusalem] Force — as a terrorist agency. The administration says the force, which has been described as a 5,000-man "unconventional warfare" wing of the Guard, provides "material support" to Lebanon's Hezbollah; three Palestinian organizations, including the militant Palestinian Islamic group Hamas; Afghanistan's Taliban and Shiite militias in Iraq "who target and kill coalition and Iraqi forces and innocent Iraqi civilians."⁵⁷

Administration officials suggested that the sanctions represented a commitment to cracking down on Iran short of war. "We do not believe that conflict is inevitable," said Under Secretary of State for Political Affairs R. Nicholas Burns after the measures were announced. "This decision today supports the diplomacy and in no way, shape or form does it anticipate the use of force."⁵⁸

Whether the sanctions will bite into Iran's nuclear development project is another question. "It is unlikely

that these sanctions are going to impede the Iranian pursuit of nuclear capabilities," says Jon Wolfstahl, a senior fellow at the Center for Strategic and International Studies. "It is not going to seriously affect their financial situation because oil prices have risen so high."⁵⁹

But a former National Security Council (NSC) official, Lee Wolosky, sees the sanctions as capable of slowing down Iran's use of the international financial system. European governments may ignore the sanctions, he acknowledges, but European banks could cooperate, if only to avoid complicating their own dealings with the United States. "Already, a great deal of informal pressure is being applied to European banks to re-analyze relationships with Iran," he says.

"This has had a certain measure of success," he continues. "You're going to see non-U.S. banks cease to do business with [Iranian entities]."⁶⁰

Days after his remarks, according to *The New York Times*, Western diplomats said most major European banks had quit dealing with the Iranian banks named in the sanction orders, or were getting ready to do so.⁶¹

The new sanctions have reverberated at the World Bank, where officials said in November they were holding up \$5.4 million for four projects in Iran — earthquake relief, water and sanitation, environment management and urban housing. The bank acted because the sanctions left it without an Iranian bank through which to funnel funds.⁶²

An Iranian official, meanwhile, scoffed at the new measures. "Sanctions have been imposed on us for the past 28 years," said Saeed Jalili, who recently replaced Ali Larijani as Iran's representative before the International Atomic Energy Agency (IAEA). "The new sanctions, like those before, will have no effect on Iran's policies."⁶³

Whatever effects the past sanctions may have had, they clearly haven't stopped Iran's nuclear development efforts, according to Paul Pillar, the CIA's former national intelligence officer for the Near East and South Asia. He worries the latest sanctions raise tensions between Iran and the United States. "They strengthen the positions of the relative hard-liners," Pillar says. "I think we played into the Iranian president's hands."⁶⁴

Iran in the U.N.

Amid the new sanctions, and the stepped-up war of words between Washington and Tehran, the U.N. Security Council is jockeying with Iran over its nuclear program.

AT ISSUE

Are President Bush's recent statements on Iran dangerously provocative?

YESSen. Robert C. Byrd, D-W. Va.
*Chairman, Senate Appropriations Committee*Written for *CQ Researcher*, November 2007

Yes. Every day now, it seems that the confrontational rhetoric between the United States and Iran continues to escalate. The main point of contention is Iran's pursuit of nuclear weapons. While few doubt Iran's desire to attain a nuclear bomb, there is little evidence that they are close to acquiring such a capability.

Yet, the White House has been busy unleashing almost daily claims of an imminent nuclear threat in Iran, as it did with Iraq. Fear, panic and chest-pounding do not work well in the conduct of foreign policy. This is a time to put diplomacy to work. There is ample opportunity to coordinate with our allies to constrain Iran's ambitions. But instead of working with our partners, the Bush administration has unveiled new unilateral sanctions against Iran. Instead of direct diplomatic negotiations with Iran, the administration continues to issue ultimatums and threats.

We have been down that path already. We know where it leads. Vice President Cheney recently threatened "serious consequences" — the exact phrase that he used in the run-up to the invasion of Iraq — if Tehran does not acquiesce to U.S. demands. The parallels are all-too-chilling. President Bush warned that those who wish to "avoid World War III" should seek to keep Iran from attaining nuclear weapons. Secretary of Defense Robert Gates has admitted in the press that the Pentagon has drafted plans for a military option in Iran. The president's \$196 billion request for emergency war funding included a request for "bunker-buster" bombs that have no immediate use in Iraq.

Taking all of it together — the bellicose rhetoric, the needlessly confrontational unilateral sanctions, the provocative stationing of U.S. warships in the region, the operational war planning and the request for munitions that seem designed for use in Iran — there are reasons for deep concern that this administration is once again rushing headlong into another disastrous war in the Middle East.

The Bush administration apparently believes that it has the authority to wage preemptive war — and can do so without prior congressional approval. That is why I am cosponsoring a resolution with Sen. Richard Durbin, D-Ill., which affirms that any military action taken against Iran must be explicitly approved by Congress before any such action be initiated. The White House must be reminded of the constitutional powers entrusted to the people's branch. Let us halt this rush to another war. Let us not make the same disastrous mistake as we did with Iraq.

NOMichael Rubin
*Resident Scholar, American Enterprise Institute*Written for *CQ Researcher*, November 2007

On Oct. 17, President Bush raised the specter of war with Iran. "If you're interested in avoiding World War III," he said, it's necessary to deny the Islamic Republic "the knowledge necessary to make a nuclear weapon." Condemnation of his comments was swift. Sen. Robert Byrd, D-W. Va., accused the president of using "rhetorical ghosts and goblins to scare the American people, with claims of an imminent nuclear threat in Iran."

Navel-gazing is a Capitol Hill pastime, but such criticism is misplaced. Since the disclosure of Iran's covert enrichment program, International Atomic Energy Agency (IAEA) inspectors — not the CIA or Iranian exiles — report a litany of lies. IAEA inspectors discovered traces of uranium metal used to build bombs, not fuel reactors. IAEA inspectors also found that Iran had experimented with chemical separation of polonium, a material used to initiate nuclear detonation. Iran still has not revealed what rogue Pakistani scientist A.Q. Khan sold on his trip to Tehran.

Diplomacy should always be the strategy of first resort, but its track record with Tehran does not encourage. While it is fashionable to blame Iran's nuclear desire upon U.S. presence in Iraq and Afghanistan, Tehran's program predates such interventions by 15 years. In the name of engagement, the European Union nearly tripled trade with Iran between 2000 and 2005. But rather than invest that windfall in schools and hospitals, the Iranian government — then under reformist control — poured money into its military and centrifuge programs. Tehran has yet to provide the West a single, confidence-building measure.

Iranian diplomats say their program is peaceful, but officials close to Supreme Leader Ali Khamenei suggest otherwise. On Feb. 14, 2005, Ayatollah Mohammad Baqer Kharrazi, secretary-general of Iranian Hezbollah, said, "We are able to produce atomic bombs, and we will do that." Three months later, Gholam Reza Hasani, Khamenei's representative to West Azerbaijan province said, "An atomic bomb . . . must be produced." And, on Sept. 3, 2007, Khamenei himself said, "Iran will outwit the West on the nuclear issue."

Iran's centrifuge cascade, Syria's surprise nuclear plant and North Korea's role in its construction suggest time is limited. To avert escalation, the White House must demonstrate diplomacy to be Tehran's best option. Bush's rhetoric dampens Iran's overconfidence and underscores U.S. seriousness, both in Tehran and at the United Nations. Bashing Bush may make good politics, but it is irresponsible and may hasten the result which Bush's domestic critics most fear.

Mohammed ElBaradei, director of the IAEA, has been trying to negotiate a program of tough inspections to ensure Iran's uranium-enrichment program stops short of producing weapons-quality fuel. While he has argued against trying to stop enrichment altogether, he has also warned that Iran may have to "come clean" about possible past work on weapons development.⁶⁵

"We cannot give Iran a pass right now, because there's still a lot of question marks," ElBaradei said on CNN in late October. He added that the agency hasn't seen any definitive evidence Iran is pursuing an "active weaponization program."⁶⁶

ElBaradei's remarks came about six weeks before he is scheduled to tell diplomats from the United States, Britain, France, Germany, Russia and China whether doubts over Iran's nuclear intentions have been resolved. If not, at least some of those countries favor new U.N. sanctions designed to force Iran's compliance with IAEA regulations.

In early November, the British Foreign Office announced that all six countries had agreed to approve such sanctions, but China and Russia hadn't confirmed Britain's statement. Days earlier, President Vladimir V. Putin asked, "Why make the situation worse, bring it to a dead end, threaten sanctions or even military action?"⁶⁷

The climate surrounding Putin's statement — already made tense by the Foreign Office's announcement and the earlier statements by Bush and Cheney — was further supercharged by military action by Israel. On Sept. 6, Israeli warplanes bombed a building in Syria that American officials said housed a nuclear project aided by North Korea. Israel has maintained official silence and imposed military censorship on its aggressive press. And Syria has denied doing any nuclear work — with North Korea or without it. "The rumors have been deliberately fabricated by Israel to justify its recent act of aggression against Syria," Syrian Prime Minister Mohammed Naji al-Otri said.⁶⁸

Whatever effect the bombing may have had on Syria, Iran was also indirectly a target, some Washington strategists said. "If you are Israel and you are looking at this, the value of striking Syria is that it sends a signal, including to the Iranians," said Michael Green, a former director of Asian affairs at the National Security Council and now an associate professor at Georgetown University's School of Foreign Service. "This follows the Chinese proverb that sometimes you have to kill the chicken to scare the monkey."⁶⁹

Iranian officials gave no sign of being scared, nor of willingness to bend to international pressure to suspend their efforts to enrich uranium. "Suspension is the crucial issue if the Iranians want to get off the hook of more sanctions," said a participant in talks in Rome in October between Iranian negotiators and Javier Solana, foreign policy director of the European Union. "They seem to think they are doing enough."⁷⁰

Last March, and also in December 2006, the Security Council approved sanctions aimed at forcing Iran to stop its enrichment efforts.⁷¹

The first of those two sets of sanctions banned the import and export by Iran of materials and technology used in uranium enrichment and ballistic missiles. In addition, the assets of 12 Iranian individuals and 10 companies allegedly involved in nuclear and missile work were frozen.⁷²

Then, in March, after Iran still hadn't satisfied objections to its nuclear program, the Security Council approved tougher sanctions, including a ban on all weapons sales to Iran and on any grants or loans to Iran not involving humanitarian and development aid.⁷³

In the weeks leading up to the scheduled November meeting, the outlook for Iran to back away from enrichment seemed dim, judging by President Ahmadinejad's blunt remarks just before the Rome talks were to start. "Iran will not retreat one iota," he said. "We are in favor of talks, but we will not negotiate with anyone about our right to nuclear technology."

Ahadinejad's declaration represents one face that Iranian officials have presented to international bodies who try to control the proliferation of nuclear technology.

The other face showed in statements made after Iranian officials met in Rome with E.U. representatives. "We are after no adventure, and we are after no trouble-making," Larijani told reporters.⁷⁴

But, in a further complication for those trying to decode Iran's strategy, Larijani — seen by some as a voice of moderation — was replaced as Iran's chief negotiator on the nuclear issue. Larijani denied that his removal signaled a hardening of Iran's position. Some Iranian politicians didn't buy the denial. "It is very disappointing that the government does not tolerate even views of a person like Mr. Larijani and would eliminate him in such a manner," said Mohammed Hashemi, a former vice president and the brother of former President Ali Akbar Hashemi Rafsanjani.⁷⁵

Larijani's replacement, in fact, was among the latest in a long sequence of events that have prompted suspicion of

Iran's intentions. In 2005, for example, the IAEA reported that Iran had acquired engineering drawings on how to cast uranium into the exact shape of a nuclear bomb core. Equally important, the source of the drawings was the infamous A.Q. Khan of Pakistan, who had made a mission and a business out of selling nuclear plans to developing countries, especially Muslim-majority nations.⁷⁶

Hovering over the entire issue of Iran and nuclear development is the question of when Iran could be ready to produce a nuclear weapon. Defense Secretary Gates has reported that intelligence agencies estimate 2010 at the earliest, or 2015 at the latest. But Israel's military intelligence research chief, Brig. Gen. Yossi Baidatz, told the Israeli parliament in early November that the date could come as early as 2009. Some Israeli officials have suggested that Israel would never let Iran get that far. Sallai Meridor, ambassador to the United States, said in late October that Israel should always be prepared "to preempt, to deter, to defeat if we can."⁷⁷

But Israel's political-military elite isn't of one mind on the subject. Efraim Halevy, Israel's retired chief spymaster, disputes the notion that Iran poses a threat to Israel's existence. "I believe that Israel is indestructible," Halevy told *The Washington Post*. And if Iran does produce an atomic weapon, he said, Israel has "a whole arsenal of capabilities" to deter nuclear aggression from Iran, whose leaders would consider it a religious violation to put their country's survival at risk.⁷⁸

OUTLOOK

Popular Uprising?

What will Iran be like 10 years from now? George Mason University historian Bakhsh refuses to hazard a prediction. "There are too many variables," he says.

Indeed, from the 1953 coup to the flight of the shah to the embassy hostage crisis to the horrific war with Iraq — and more — Iran has experienced enough volatility for 10 countries.

"Iran is a very emotional and changeable society; it's better to forecast the next six months," says human-rights activist Afshari, sounding a similar note of caution. But he does sketch out a possible near-term future.

"In the next 10 years, Iranian society will be in a much better situation in the field of democracy and human rights and justice," he says. "A basic change will

have happened. The government can't continue like this. They have to give in to the Iranian people's demands."

Afshari sees the present government as incapable of maintaining its current nuclear development efforts. "It cannot continue outside the control of the international community," he says.

Moreover, he predicts, citing the collapse of the Soviet Union, sweeping changes will be brought about, but not by popular elections. "There will be big social changes — civil disobedience like in Poland, and also like the Islamic Revolution," he says.

Such a scenario could come about, says Iran hawk Rubin of the American Enterprise Institute. But a far bleaker one is equally possible, he says: "Either you're going to have a Romania-style change, or else the regime will have crushed all dissent."⁷⁹

Rubin agrees with Afshari that working within legal channels won't produce the kind of deep change that democracy activists and their supporters abroad support. "If you believe that your legitimacy comes from God, you don't care what 90 percent of the people think." Hence, any hopes are futile that the government would respond even to a massive negative vote, he says.

Rubin's American Enterprise Institute colleague Ledeen depicts the government's position even more starkly. "The problem is not the fanaticism of the people, it's the fanaticism of the regime — a thin veneer on top of a civilized and cultured country. They're pro-Western and pro-American, they understand a lot about self-government, they're well-educated, and they've had constitutions. Why aren't we working for their freedom?"

Parsi, the Iranian-American advocate of a negotiated reduction in tension in Tehran, argues that lowering the level of hostility between the governments will make democratic change more possible in Iran. "If we manage to avoid conflict, if there is significant reduction of tension between the two countries and if Iran is included in the regional political and security structure — in return for significant changes — then Iran can be a constructive player in the region," he says. Indeed, he adds, "Then pro-democracy forces will have greater maneuverability to move Iran in a more democratic direction."

Riedel of the Brookings Institution's Saban Center says the failure of reformist President Khatami to produce fundamental changes shows the obstacles the democracy movement faces. "It is a pretty dramatic

demonstration that it's not going to move as fast as its own supporters — or outsiders — would like.

"I'm not an optimist about civil-society movements in the Middle East — not on a 10-year cycle. Maybe 50 years."

For the moment, though, Riedel and other Iran-watchers are paying much closer attention to the immediate future, and the prospects for peace.

"The possibilities of avoiding war — if we can get through the end of the Bush administration, they're reasonably good," he says.

NOTES

1. Quoted in Sheryl Gay Stolberg, "Nuclear-Armed Iran Risks 'World War III,' Bush Says," *The New York Times*, Oct. 18, 2007, p. A6.
2. Quoted in Thom Shanker, "Gates Says Iran Gave Assurances on Explosives," *The New York Times*, Nov. 2, 2007, p. A10.
3. Quoted in Warren Hoge, "Iran's President Vows to Ignore U.N. Measures," *The New York Times*, Sept. 26, 2007, p. A1, www.nytimes.com/2007/09/26/world/26nations.html.
4. See "Vice President's Remarks to the Washington Institute for Near East Policy," The White House, Sept. 21, 2007, www.whitehouse.gov/news/releases/2007/10/print/20071021.html.
5. See Ray Takeyh, *Hidden Iran: Paradox and Power in the Islamic Republic* (2006), pp. 24-25.
6. Other institute scholars include John R. Bolton, former U.S. ambassador to the United Nations, who now criticizes the administration for being soft on North Korea. See John R. Bolton, "Bush's North Korea Meltdown," *The Wall Street Journal*, Oct. 31, 2007, p. A21.
7. See Michael A. Ledeen, *The Iranian Time Bomb: The Mullah Zealots' Quest for Destruction* (2007).
8. See Fareed Zakaria, "Stalin, Mao and . . . Ahmadinejad?" *Newsweek.com*, Oct. 29, 2007, www.newsweek.com/id/57346.
9. See Akbar Ganji, "Why Iran's Democrats Shun Aid," *The Washington Post*, Oct. 27, 2007, p. A21.
10. For analysis of oil market effects, see Steven Mufson, "Strike on Iran Would Roil Oil Markets, Experts Say," *The Washington Post*, Oct. 26, 2007, p. A1.
11. See "Debate Stirs Over Possible U.S. Military Action Against Iran," transcript, Online News Hour, Oct. 29, 2007, www.pbs.org/newshour/bb/middle_east/july-dec07/iran_10-29.html.
12. See Sharon Squassoni, "Iran's Nuclear Program: Recent Developments," Congressional Research Service, updated Dec. 26, 2006, pp. 1-2, <http://fpc.state.gov/documents/organization/78477.pdf>; Jonathan C. Randal, "Shah's Economic Projects Hit Snags, Periling His Regime," *The Washington Post*, April 2, 1978, p. A22; Susanna McBee, "Shah Reportedly Pledges Neutrality on Oil Prices," *The Washington Post*, Nov. 16, 1977, p. A1.
13. Quoted in Squassoni, *ibid.*, p. 2.
14. Quoted in Thom Shanker and William J. Broad, "Iran to Limit Cooperation With Nuclear Inspectors," *The New York Times*, March 26, 2007, p. A6.
15. David Albright and Corey Hinderstein, "Countdown to Showdown," *Bulletin of the Atomic Scientists*, November/December 2004, p. 67, <http://thebulletin.metapress.com/content/y718r48304663rg9/fulltext.pdf>.
16. "Smart Power Speakers Series, Gen. John Abizaid (Ret.)," Sept. 17, 2007 www.csis.org/media/isis/events/070917_smartpower_abizaid.pdf.
17. For brief background on the 1999 bombing raid, see "Iran wants compensation for Turkish air raids," Deutsche Presse-Agentur, Aug. 1, 1999.
18. See Vali Nasr, *The Shia Revival: How Conflicts within Islam Will Shape the Future* (2006), p. 67.
19. See "Debate Stirs. . . ." *op. cit.*; see also Andrew Higgins, "The bomb-makers of Asia," *The Independent* (London), Nov. 21, 1991, p. A29.
20. Trita Parsi, *Treacherous Alliance: The Secret Dealings of Israel, Iran, and the United States* (2007).
21. See Shirin Ebadi and Hadi Ghaemi, "The Human Rights Case Against Attacking Iran," *The New York Times*, Feb. 8, 2005, p. A25. For background on Ebadi see "Shirin Ebadi, The Nobel Peace Prize 2003, Autobiography," http://nobelprize.org/nobel_prizes/peace/laureates/2003/ebadi-autobio.html.
22. Quoted in Bourzou Daragahi, "Iran tightens the screws on internal dissent," *Los Angeles Times*, June 10, 2007, p. A1.
23. Quoted in Glenn Kessler, "Rice Asks for \$75 Million to Increase Pressure on Iran," *The Washington Post*, Feb.