Summary

Iran’s nuclear program began during the 1950s. The United States has expressed concern since the mid-1970s that Tehran might develop nuclear weapons. Iran’s construction of gas centrifuge-based uranium enrichment facilities is currently the main source of proliferation concern. Gas centrifuges enrich uranium by spinning uranium hexafluoride gas at high speeds to increase the concentration of the uranium-235 isotope. Such centrifuges can produce both low-enriched uranium (LEU), which can be used in nuclear power reactors, and weapons-grade highly enriched uranium (HEU), which is one of the two types of fissile material used in nuclear weapons.

Obtaining fissile material is widely regarded as the most difficult task in building nuclear weapons. As of May 2012, Iran had produced an amount of LEU containing up to five percent uranium-235 which, if further enriched, could theoretically produce enough HEU for several nuclear weapons. Iran has also produced LEU containing up to 20 percent uranium-235, but, as of May 2012, this amount was not sufficient to yield a sufficient amount of weapons-grade HEU for a weapon.

Although Iran claims that its nuclear program is exclusively for peaceful purposes, the program has generated considerable concern that Tehran is pursuing a nuclear weapons program. Indeed, the UN Security Council has responded to Iran’s refusal to suspend work on its uranium enrichment program by adopting several resolutions that imposed sanctions on Tehran. Despite evidence that sanctions and other forms of pressure have slowed the program, Iran continues to enrich uranium, install additional centrifuges, and conduct research on new types of centrifuges.

Tehran has also continued work on a heavy-water reactor, which is a proliferation concern because its spent fuel will contain plutonium—the other type of fissile material used in nuclear weapons. However, plutonium must be separated from spent fuel—a procedure called “reprocessing.” Iran has said that it will not engage in reprocessing.

The International Atomic Energy Agency (IAEA) monitors Iran’s nuclear facilities and has been able to verify that Tehran’s declared nuclear facilities and materials have not been diverted for military purposes. But the agency still has concerns about the program, particularly evidence that Iran may have conducted procurement activities and research directly applicable to nuclear weapons development. The United States has assessed that Tehran has the technical capability eventually to produce nuclear weapons, but has not yet mastered all of the necessary technologies for building such weapons. Whether Iran has a viable design for a nuclear weapon is unclear.

Whether Iran has a nuclear weapons program is also unclear. A National Intelligence Estimate made public in December 2007 assessed that Tehran “halted its nuclear weapons program” in 2003. The estimate, however, also assessed that Tehran is “keeping open the option to develop nuclear weapons” and that any decision to end a nuclear weapons program is “inherently reversible.” U.S. intelligence officials have reaffirmed this judgment on several occasions. For example, Director of National Intelligence James Clapper stated in January 2012 that Iran “is keeping open the option to develop” nuclear weapons. Secretary of Defense Leon Panetta stated in January 2012 that Iran would probably need “about a year” to produce a nuclear weapon and “possibly another one to two years” to incorporate it into a delivery vehicle. However, Director Clapper indicated in February 2012 that it would likely take Iran longer than a year to produce a nuclear weapon after making a decision to do so. These
estimates apparently assume that Iran would use its declared nuclear facilities to produce fissile material for a weapon. However, Tehran would probably use covert facilities for this purpose; Iranian efforts to produce fissile material for nuclear weapons its known nuclear facilities would almost certainly be detected by the IAEA.

Location of nuclear facilities in Iran, and proposed attack routes for Israeli air force.
The Strait of Hormuz with shipping lanes and international borders.

**War and Bluff: Iran, Israel and the United States**

September 11, 2012 | 0900 GMT  Stratfor

By George Friedman

Geopolitical Weekly

For the past several months, the Israelis have been threatening to attack Iranian nuclear sites as the United States has pursued a complex policy of avoiding complete opposition to such strikes while making clear it doesn’t feel such strikes are necessary. At the same time, the United States has carried out maneuvers meant to demonstrate its ability to prevent the Iranian counter to an attack -- namely blocking the Strait of Hormuz. While these maneuvers were under way, U.S. Secretary of State Hillary Clinton said no "redline" exists that once crossed by Iran would
compel an attack on Iran's nuclear facilities. The Israeli government has long contended that Tehran eventually will reach the point where it will be too costly for outsiders to stop the Iranian nuclear program.

The Israeli and American positions are intimately connected, but the precise nature of the connection is less clear. Israel publicly casts itself as eager to strike Iran but restrained by the United States, though unable to guarantee it will respect American wishes if Israel sees an existential threat emanating from Iran. The United States publicly decries Iran as a threat to Israel and to other countries in the region, particularly Saudi Arabia, but expresses reservations about military action out of fears that Iran would respond to a strike by destabilizing the region and because it does not believe the Iranian nuclear program is as advanced as the Israelis say it is.

The Israelis and the Americans publicly hold the same view of Iran. But their public views on how to proceed diverge. The Israelis have less tolerance for risk than the Americans, who have less tolerance for the global consequences of an attack. Their disagreement on the issue pivots around the status of the Iranian nuclear program. All of this lies on the surface; let us now examine the deeper structure of the issue.

**Behind the Rhetoric**

From the Iranian point of view, a nuclear program has been extremely valuable. Having one has brought Iran prestige in the Islamic world and has given it a level of useful global political credibility. As with North Korea, having a nuclear program has allowed Iran to sit as an equal with the five permanent members of the U.N. Security Council plus Germany, creating a psychological atmosphere in which Iran's willingness merely to talk to the Americans, British, French, Russians, Chinese and Germans represented a concession. Though it has positioned the Iranians extremely well politically, the nuclear program also has triggered sanctions that have caused Iran substantial pain. But Iran has prepared for sanctions for years, building a range of corporate, banking and security mechanisms to evade their most devastating impact. Having countries like Russia and China unwilling to see Iran crushed has helped. Iran can survive sanctions.

While a nuclear program has given Iran political leverage, actually acquiring nuclear weapons would increase the risk of military action against Iran. A failed military action would benefit Iran, proving its power. By contrast, a successful attack that dramatically delayed or destroyed Iran's nuclear capability would be a serious reversal. The Stuxnet episode, assuming it was an Israeli or U.S. attempt to undermine Iran's program using cyberwarfare, is instructive in this regard. Although the United States hailed Stuxnet as a major success, it hardly stopped the Iranian program, if the Israelis are to be believed. In that sense, it was a failure.

Using nuclear weapons against Israel would be catastrophic to Iran. The principle of mutual assured destruction, which stabilized the U.S.-Soviet balance in the Cold War, would govern Iran's use of nuclear weapons. If Iran struck Israel, the damage would be massive, forcing the Iranians to assume that the Israelis and their allies (specifically, the United States) would launch a massive counterattack on Iran, annihilating large parts of Iran's population.
It is here that we get to the heart of the issue. While from a rational perspective the Iranians would be fools to launch such an attack, the Israeli position is that the Iranians are not rational actors and that their religious fanaticism makes any attempt to predict their actions pointless. Thus, the Iranians might well accept the annihilation of their country in order to destroy Israel in a sort of megasuicide bombing. The Israelis point to the Iranians' rhetoric as evidence of their fanaticism. Yet, as we know, political rhetoric is not always politically predictive. In addition, rhetoric aside, Iran has pursued a cautious foreign policy, pursuing its ends with covert rather than overt means. It has rarely taken reckless action, engaging instead in reckless rhetoric.

If the Israelis believe the Iranians are not deterred by the prospect of mutually assured destruction, then allowing them to develop nuclear weapons would be irrational. If they do see the Iranians as rational actors, then shaping the psychological environment in which Iran acquires nuclear weapons is a critical element of mutually assured destruction. Herein lies the root of the great Israeli debate that pits the Netanyahu government, which appears to regard Iran as irrational, against significant segments of the Israeli military and intelligence communities, which regard Iran as rational.

Avoiding Attaining a Weapon

Assuming the Iranians are rational actors, their optimal strategy lies not in acquiring nuclear weapons and certainly not in using them, but instead in having a credible weapons development program that permits them to be seen as significant international actors. Developing weapons without ever producing them gives Iran international political significance, albeit at the cost of sanctions of debatable impact. At the same time, it does not force anyone to act against them, thereby permitting outsiders to avoid incurring the uncertainties and risks of such action.

Up to this point, the Iranians have not even fielded a device for testing, let alone a deliverable weapon. For all their activity, either their technical limitations or a political decision has kept them from actually crossing the obvious redlines and left Israel trying to define some developmental redline.

Iran's approach has created a slowly unfolding crisis, reinforced by Israel's slowly rolling response. For its part, all of Israel's rhetoric -- and periodic threats of imminent attack -- has been going on for several years, but the Israelis have done little beyond some covert and cyberattacks to block the Iranian nuclear program. Just as the gap between Iranian rhetoric and action has been telling, so, too, has the gap between Israeli rhetoric and reality. Both want to appear more fearsome than either is actually willing to act.

The Iranian strategy has been to maintain ambiguity on the status of its program, while making it appear that the program is capable of sudden success -- without ever achieving that success. The Israeli strategy has been to appear constantly on the verge of attack without ever attacking and to use the United States as its reason for withholding attacks, along with the studied ambiguity of the Iranian program. The United States, for its part, has been content playing the role of holding Israel back from an attack that Israel doesn't seem to want to launch. The United States sees the crumbling of Iran's position in Syria as a major Iranian reversal and is content to see this play out alongside sanctions.
Underlying Israel's hesitancy about whether it will attack has been the question of whether it can pull off an attack. This is not a political question, but a military and technical one. Iran, after all, has been preparing for an attack on its nuclear facilities since their inception. Some scoff at Iranian preparations for attack. These are the same people who are most alarmed by supposed Iranian acumen in developing nuclear weapons. If a country can develop nuclear weapons, there is no reason it can't develop hardened and dispersed sites and create enough ambiguity to deprive Israeli and U.S. intelligence of confidence in their ability to determine what is where. I am reminded of the raid on Son Tay during the Vietnam War. The United States mounted an effort to rescue U.S. prisoners of war in North Vietnam only to discover that its intelligence on where the POWs were located was completely wrong. Any politician deciding whether to attack Iran would have Son Tay and a hundred other intelligence failures chasing around their brains, especially since a failed attack on Iran would be far worse than no attack.

Dispersed sites reduce Israel's ability to strike hard at a target and to acquire a battle damage assessment that would tell Israel three things: first, whether the target had been destroyed when it was buried under rock and concrete; second, whether the target contained what Israel thought it contained; and third, whether the strike had missed a backup site that replicated the one it destroyed. Assuming the Israelis figured out that another attack was needed, could their air force mount a second air campaign lasting days or weeks? They have a small air force and the distances involved are great.

Meanwhile, deploying special operations forces to so many targets so close to Tehran and so far from Iran's borders would be risky, to say the least. Some sort of exotic attack, for example one using nuclear weapons to generate electromagnetic pulses to paralyze the region, is conceivable - but given the size of the Tel Aviv-Jerusalem-Haifa triangle, it is hard to imagine Israel wanting to set such a precedent. If the Israelis have managed to develop a new weapons technology unknown to anyone, all conventional analyses are off. But if the Israelis had an ultrasecret miracle weapon, postponing its use might compromise its secrecy. I suspect that if they had such a weapon, they would have used it by now.

The battlefield challenges posed by the Iranians are daunting, and a strike becomes even less appealing considering that the Iranians have not yet detonated a device and are far from a weapon. The Americans emphasize these points, but they are happy to use the Israeli threats to build pressure on the Iranians. The United States wants to undermine Iranian credibility in the region by making Iran seem vulnerable. The twin forces of Israeli rhetoric and sanctions help make Iran look embattled. The reversal in Syria enhances this sense. Naval maneuvers in the Strait of Hormuz add to the sense that the United States is prepared to neutralize Iranian counters to an Israeli airstrike, making the threat Israel poses and the weakness of Iran appear larger.

When we step back and view the picture as a whole, we see Iran using its nuclear program for political reasons but being meticulous not to make itself appear unambiguously close to success. We see the Israelis talking as if they were threatened but acting as if they were in no rush to address the supposed threat. And we see the Americans acting as if they are restraining Israel, paradoxically appearing to be Iran's protector even though they are using the Israeli threat to increase Iranian insecurity. For their part, the Russians initially supported Iran in a bid to bog down the United States in another Middle East crisis. But given Iran's reversal in Syria, the
Russians are clearly reconsidering their Middle East strategy and even whether they actually have a strategy in the first place. Meanwhile, the Chinese want to continue buying Iranian oil unnoticed.

It is the U.S.-Israeli byplay that is most fascinating. On the surface, Israel is driving U.S. policy. On closer examination, the reverse is true. Israel has bluff ed an attack for years and never acted. Perhaps now it will act, but the risks of failure are substantial. If Israel really wants to act, this is not obvious. Speeches by politicians do not constitute clear guidelines. If the Israelis want to get the United States to participate in the attack, rhetoric won't work. Washington wants to proceed by increasing pressure to isolate Iran. Simply getting rid of a nuclear program not clearly intended to produce a device is not U.S. policy. Containing Iran without being drawn into a war is. To this end, Israeli rhetoric is useful.

Rather than seeing Netanyahu as trying to force the United States into an attack, it is more useful to see Netanyahu's rhetoric as valuable to U.S. strategy. Israel and the United States remain geopolitically aligned. Israel's bellicosity is not meant to signal an imminent attack, but to support the U.S. agenda of isolating and maintaining pressure on Iran. That would indicate more speeches from Netanyahu and greater fear of war. But speeches and emotions aside, intensifying psychological pressure on Iran is more likely than war.

Bloomberg News

Netanyahu’s Iran ‘Red Line’ Deadline May Buy U.S. Time

By Calev Ben-David and Indira A.R. Lakshmanan on September 28, 2012

Israeli Prime Minister Benjamin Netanyahu used a drawing of a cartoonish, short-fused bomb to challenge the international community at the United Nations to shut down what he says is Iran's sophisticated effort to attain nuclear weapons.

Now the world, in particular the U.S., will have to decide what steps may need to be taken to defuse the potentially explosive stand-off between Israel and Iran. Netanyahu, who spoke today by phone with U.S. President Barack Obama, focused on Iran’s production of enriched uranium, potential atomic bomb fuel if removed from international safeguards and further processed.

“By next spring, at most next summer, at current enrichment rates, they will have finished the medium enrichment and moved on to the final stage,” Netanyahu told the UN General Assembly yesterday, displaying a rudimentary bomb diagram to illustrate the Iran’s progress. “From there it’s only a few months, possibly a few weeks, before they get enough enriched uranium for the first bomb.”

This was the most specific deadline on the Iranian crisis given by the Israeli leader, who has repeatedly warned that “all options are on the table” to stop the Islamic Republic from achieving
nuclear weapons capability -- including a military strike. While Netanyahu’s remarks may have more sharply defined the Iranian nuclear issue, they also provided a more exact time period for the U.S. and its allies to pursue their mix of diplomacy and economic sanctions.

‘Second Chance’

“The prime minister has given the world a second chance to deal with the Iran nuclear threat, but one with a clear time limit,” Dan Gillerman, a former Israeli ambassador to the UN who is advising Netanyahu, said in an interview in New York today.

“What was new was Netanyahu’s focus on the threshold of when we might lose our ability to prevent Iran from becoming a nuclear weapons state,” said Dennis Ross, a former Iran adviser to Obama who is now at the Washington Institute for Near East Policy. “While creating a sense of urgency, it reduces the sense of imminent strike.”

Iran, which says its nuclear facilities are for peaceful civilian purposes, has vowed to retaliate if attacked. Iranian President Mahmoud Ahmadinejad condemned what he termed the “continued threat by the uncivilized Zionists to resort to a military action against our great nation” in his speech to the UN this week.

‘Prevent War’

Netanyahu’s speech yesterday in New York followed weeks of open disagreement with the Obama administration over Iran. The Israeli leader has insisted the best way to stop Iran’s nuclear program is to set explicit “red lines” limiting its enrichment of uranium that would justify military action if crossed.

“Red lines don’t lead to war, they prevent war,” he said at the UN.

The U.S. and Europe have rejected that approach, preferring a combination of economic sanctions directed against Iran and diplomatic engagement with its government. The sanctions, which include a European Union embargo on oil imports from Iran and a range of U.S. measures, have damaged the country’s economy while failing to halt the advancement of its nuclear program. Nor have direct negotiations between Iran and the so-called P5+1 nations -- the U.S., China, Russia, France, Germany and the U.K. -- produced tangible results.

Ministers from the P5+1 group met yesterday at the UN and reaffirmed their “dual track approach” of sanctions and negotiations to rein in Iran’s nuclear ambitions.

Additional Sanctions

A senior U.S. State Department official, who spoke on condition of anonymity because of the sensitivity of the issue, said that Europe is discussing plans to levy additional sanctions, while the Obama administration has begun implementing tougher measures directed against the National Iranian Oil Company. The U.S. Treasury Department announced action Sept. 24 that exposes foreign financial institutions that deal with the company to U.S. sanctions.
In one sign of the impact of sanctions, Iran’s currency, the rial, fell yesterday to a record low 27,200 against the U.S. dollar on the open market, the Mehr news agency reported. The rial traded at 17,000 in mid-January in the Tehran bazaar.

Netanyahu acknowledged that the “Iran economy has been hit hard” by sanctions, while insisting that setting red lines was the only way to curb the Islamic Republic’s nuclear ambitions.

**Obama Call**

After his UN speech, Netanyahu met for 75 minutes with U.S. Secretary of State Hillary Clinton after publicly clashing with her over Iran earlier this month. The U.S. is “not setting deadlines” for Iran and still considers negotiations as “by far the best approach,” Clinton said in an interview with Bloomberg Radio on Sept. 9. Netanyahu responded two days later that “those in the international community who refuse to put a red line before Iran don’t have the moral right to place a red light before Israel” to forestall military action.

In their phone conversation today, Obama told Netanyahu that the U.S. is committed to Israel’s security and the two leaders are in “full agreement” on the goal of preventing Iran from getting a nuclear weapon, the White House said in a statement.

“The prime minister welcomed President Obama’s commitment before the United Nations General Assembly to do what we must to achieve that goal,” the White House said in a statement.

**‘Compelling Case’**

The call came in place of a face-to-face meeting the White House said didn’t take place because of scheduling issues with the election so close. The White House statement didn’t say how long the conversation lasted or give details about the discussion.

Netanyahu did meet yesterday with New York City Mayor Michael Bloomberg at his official Gracie Mansion residence. Bloomberg, founder and majority owner of Bloomberg News parent Bloomberg LP, said the Israeli leader “made a very compelling case today why a clear red line is needed, and why that will help preserve peace. And I am sure that the U.S. and Israel can work out a common policy in the interests of both nations and in the interests of peace.”

At a meeting today with Canadian Prime Minister Stephen Harper, Netanyahu said his call for a red line on Iran has generated “a lot of debate and considerable discussion between us and the United States.”

**Breathing Room**

Iran’s uranium enrichment activities are under international monitoring to prevent diversion to weapons use. To produce a bomb, Iran would have to further process its stockpile of 20 percent enriched uranium, a level used to fuel its medical reactor, to 90 percent to make a single bomb,
which would involve abandoning the current “safeguards” monitoring by the International Atomic Energy Agency.

That would give the U.S. ample notice to take action to prevent it, U.S. officials have said. It would also require Iran to have the technical capability to fabricate a bomb and detonator, as well as make it capable of being delivered by missile or other means.

After months of speculation that an Israeli strike on Iran could come as early as next month, Netanyahu’s remarks yesterday may give the U.S. some breathing room to pursue efforts short of military action. If those fail, a decision may await whoever is in the Oval Office after January, and 2013 may prove to be the red line of no return in the showdown between Israel and Iran.

The Lengthening List of Iran Sanctions

Council on Foreign Relations

Authors: Toni Johnson, Deputy Editor, and Greg Bruno
Updated: July 31, 2012

Introduction

With concern in the West mounting over Iran's nuclear ambitions, some lawmakers and policy advocates see sanctions as the best option to halt Tehran's uranium enrichment program. Since 2010, the United States and international partners have ratcheted up sanctions as reports surfaced of the country's progress on potential nuclear weapons capability, although the regime regularly denies such a goal. An International Atomic Energy Agency report in November 2011 issued the agency's strongest indications to date that Iran is seeking a nuclear weapon. In response, the United States imposed new sanctions tightening the screws on Iran's petrochemical and oil and gas sectors. The United States also designated Iran's entire financial sector--including its central bank--as a "primary money laundering concern" under the Patriot Act and could strengthen existing sanctions in the late summer of 2012. Meanwhile, the EU also has imposed sanctions on oil purchases from Iran, with all contracts terminating on July 1, 2012 (AP).

Opposition from China and Russia has watered down international sanctions in the past. Both nations, which maintain strong economic ties to Iran, have also opposed unilateral measures by Washington, claiming they will hurt diplomatic attempts to engage Iran by circumventing UN authority. A debate over the efficacy of sanctions has ensued since Iran has continued to pursue its nuclear program, but the latest round seems to have brought Iran back to the negotiating table, which some say indicates they are working.

Washington's Approach

The long list of U.S. economic and political sanctions against Iran has its root in the 1979 Tehran hostage crisis. On November 14, 1979, President Jimmy Carter declared an emergency and ordered a freeze on all Iranian assets "which are or become subject to the jurisdiction of the
United States.” Additional sanctions were imposed when, in January 1984, Iran was implicated in the bombing of the U.S. Marine base in Beirut, Lebanon. The United States added Iran to its list of countries that support terrorism (in this case, the Lebanon-based militant group Hezbollah), banning U.S. foreign aid to Tehran, and imposing export controls on dual-use items.

Concern over Iran’s nuclear program surfaced later, and the following areas are targeted by significant U.S. sanctions:

- **Weapons development.** The Iran-Iraq Arms Nonproliferation Act (October 23, 1992) calls for sanctioning any person or entity that assists Tehran in weapons development or acquisition of “chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons.” Subsequent nonproliferation orders include the Iran-Syria-North Korea Non-Proliferation Act, and Executive Order 13382 (PDF), signed by President Bush in June 2005.

- **Trade and investment.** On April 30, 1995, President Bill Clinton announced a comprehensive ban on U.S. trade and investment in Iran, a move codified by Executive Order 12959 (PDF). In March 2010, U.S. President Barack Obama, like George W. Bush, renewed Clinton’s executive order banning U.S. trade and investment with Iran. The U.S. Congress also is poised to enact new penalties on entities (AP) insuring or investing in the Iran oil and gas sector, and expand sanctions to a number of new businesses. It also requires businesses that trade on the U.S. Stock Exchange to disclose any Iran-related business. On July 31, 2012, the Obama administration announced yet another round of sanctions (TheHill), placing penalties on the purchase of Iranian petrochemical products and entities that attempt to circumvent sanctions.

- **Nuclear materials.** The Iran and Libya Sanctions Act of 1996 (ISA) was aimed at denying Iran access to materials to further its nuclear program by sanctioning non-U.S. business investment in Iran’s energy sector. While the act has been seen as a blueprint for possible actions aimed at foreign support of Iranian weapons development, in practice the measure has proven largely symbolic. Kenneth Katzman, an Iran analyst at the Congressional Research Service, writes (PDF) that "no projects have actually been sanctioned under ISA, and numerous investment agreements with Iran since its enactment have helped Iran slow deterioration of its energy export sector."

- **Financial dealings.** The U.S. Treasury Department administers a vast array of financial sanctions against Iran, from bans on the importation of gifts over $100 to laws barring financial dealings with Iranian entities. Efforts to ban Iranian banks from accessing the U.S. financial system have also increased in recent years. In November 2011, the United States designated the entire Iranian banking regime as potentially aiding and abetting terrorist activities, but the measure fell short of sanctioning the country’s central bank. President Obama also issued an executive order in November 2011 targeting Iran’s oil revenue by stopping foreign financial institutions from conducting oil transactions (Reuters) with Iran’s central bank, which handles most of the country’s oil payments. In March 2012, in a move required by Congress to implement the new sanctions (NYT), the president certified that the global oil market was strong enough to support the loss of Iranian oil. The new measures will put pressure on heavy importers of Iranian oil (BBC) such as South Korea, India, Turkey, China, and South Africa. Japan and several EU countries have been given exemptions.

- **Assets.** Following the terrorist attacks in New York and Washington, President Bush authored Executive Order 13224 (PDF), freezing the assets of entities determined to be supporting international terrorism. This list includes dozens of individuals, organizations, and financial institutions in Iran. Over the years, Washington has sanctioned dozens more individuals and Iranian institutions, including banks, defense contractors, and the Revolutionary Guard Corps. In
October 2011, the Treasury Department added five Iranians, including four senior officers of the IRGC's elite paramilitary Quds Force, to this list for plotting the assassination of the Saudi ambassador to the United States. It also added Iranian commercial airline Mahan Air for providing financial, material, and technological support to the IRGC and Quds Force. The IRGC-Quds Force was also listed in Executive Order 13572 of April 2011 aimed at blocking properties of individuals and entities for supporting the Syrian regime's human rights abuses and suppression of anti-government protests.

- **Refined gasoline.** In July 2010, President Obama signed into law a measure aimed at penalizing domestic and foreign companies for selling refined gasoline to Iran, or for supplying equipment in Iran's bid to increase its refining capacity. In signing the measure, Obama declared the act, H.R. 2194, "a powerful tool against Iran's development of nuclear weapons and support of terrorism. China (WSJ) and Russia (CGST) quickly opposed the unilateral U.S. measure on grounds that the move--aimed at closing loopholes in the UN sanctions regime--could hurt their business interests while undermining diplomatic overtures to Tehran.

Some experts are skeptical of sanctions on gasoline, saying they often inadvertently target the wrong entities. "They are sanctions against our allies, and the people that we need to get on board with us, to help us deal with Iran," says Kimberly Ann Elliott, a senior fellow at the Center for Global Development who has studied sanctions policy. Iran imports gasoline from a number of important U.S. allies (PDF), including India, France, the Netherlands, and a host of Gulf States. "Putting sanctions on their companies is not very likely to encourage them to be cooperative" on other issues of regional importance, Elliott says.

**International Efforts**

The EU has imposed a number of tough sanctions. In January 2012, the EU agreed to begin embargoing exports of oil from Iran on July 1. According to the EU’s trade commission in July 2012, Iran exported $19 billion worth of goods to EU countries in 2010, 90 percent of which were energy-related. In June 2010, the European Union enacted measures similar to those approved by the U.S. Congress that ban investment and assistance (BBC) to Iran's energy sector, and a series of prohibitions were placed on European firms doing business in the country. The EU also added to its list (PDF) of designated individuals, companies, banks, and organizations targeted for asset freezes. Many analysts believe the moves, taken together, will place increased strain on the Iranian economy, given the EU's position as Iran's largest trading partner. In response to the IAEA report in November 2011, the UK and Canada also imposed new sanctions similar to U.S. restrictions on the activities of Iran's central bank.

The UN Security Council has wrestled with imposing sanctions on Iran since 2006 due to Iran's failures to comply with International Atomic Energy Agency requirements and its continuing uranium-enrichment activities. In December of that year, the council approved the first of four binding resolutions authorizing bans on exports of nuclear, missile, and dual-use technologies; limiting travel by dozens of Iranian officials; and freezing the assets of forty individuals and entities, including Bank Sepah and various front companies. The measures also call on states to refrain from business with Iran, and authorize the inspection of cargo carried by Iranian shippers. In June of 2010, the Security Council issued a fourth round of sanctions under Resolution 1929--putting the squeeze on Iran's Revolutionary Guards-owned businesses, its shipping industry, and the country's commercial and financial service sector. Efforts to push through a fourth round of
economic noose-tightening at the UN, while successful, were nonetheless complicated by resistance from Russia and China, which are linked to Iran by important economic and political interests.

Yet despite opposition from the two permanent Security Council members, international efforts to squeeze Iran economically are solidifying. In July 2010, Canada banned new investment (AP) in Iran's oil and gas industries. European allies have also implemented their own sanctions, and although historically these states have had less of an appetite for punitive measures, recent actions have been tougher. For much of the 1990s, while Washington imposed unilateral sanctions, EU countries maintained a policy of "critical dialogue" with Iran. But as Iran grew increasingly defiant on the nuclear front, European partners turned up the heat (PDF), Katzman of the Congressional Research Service notes. In June 2008, the EU froze the assets of nearly forty individuals and entities doing business with Bank Melli, Iran's largest bank; Western officials have accused Bank Melli of supporting Iran's nuclear and missile programs. Japan and the EU have also placed restrictions on international lending to Iran, which, Katzman writes, "represents a narrowing of past differences between the United States and its allies on this issue."

**Navigating the Road Ahead**

Experts are divided on the effectiveness of sanctions as a tool to force rogue states to abandon their weapons programs. In the cases of Libya and Iraq, many analysts note the role economic sanctions had in inhibiting the development of weapons programs (though in the case of Iraq, the full extent of their effectiveness was not known until after the U.S.-led invasion of 2003).

Washington hopes that squeezing Iran's economy will pressure the country's leadership to alter course on its nuclear program. U.S. officials in early 2012 said sanctions targeting financial transactions (Reuters) were beginning to have an economic effect. News reports show that the cost of doing business with Iran has become so onerous that many firms are dropping their transactions (Bloomberg) entirely. Iranian officials have continued to dismiss sanctions (FNA) as ineffective, but some have also said lifting them should be a major point of new talks. In April and May 2012, Iran met with the permanent members of the UN Security Council and Germany (P5+1) to discuss its nuclear program. However, those talks have yielded little movement on either side.

Whether these sanctions will deter the nuclear program remains up for debate. "After decades of struggling under punitive financial measures, Iran has persisted with its objectionable policies ranging from terrorism to proliferation of weapons of mass destruction," write CFR's Ray Takeyh and Suzanne Maloney of the Brookings Institution. "All this suggests that ideological regimes that put a premium on their political priorities and which are seemingly insensitive to the mounting costs of their belligerence may not be suitable candidates for the type of cost-benefit analysis that sanctions diplomacy invites."

The Bipartisan Policy Center recommends a multi-pronged approach, including diplomacy, sanctions, and visible preparation of a "military option of last resort." Still, Takeyh notes in an April 2012 interview that both ending economic sanctions and forestalling a military strike were part of the reason for resuming negotiations.
Defiant Message Amid Iran Currency Crisis

By RICK GLADSTONE, New York Times

Published: October 5, 2012

Senior Iranian clerics intensified their anti-Western criticism on Friday, calling the near-collapse of the national currency this past week a consequence of an American-led conspiracy to wage an economic war on Iran, and predicting that the pressure would ease.

The message, highlighted in the main weekly sermon at Friday Prayer, appeared to be an effort to show a unified and defiant response to the crisis over the currency, the rial, which lost roughly 40 percent of its value against the dollar in a stampede of selling to black-market currency traders by Iranians worried about their country’s economic stability.

A televised plea on Tuesday by President Mahmoud Ahmadinejad to stop the selling seemed only to heighten the anxiety, and a crackdown by the police against the currency traders and the arrests of suspected speculators on Wednesday escalated into a large protest in Tehran that included merchants in the politically powerful Grand Bazaar.

That was the first significant demonstration of anger over the devalued rial, which has injected new uncertainty into the daily lives of Iranians by worsening the already high inflation rate. Many Iranians and outside economic experts have attributed the problems to what they call Mr. Ahmadinejad’s mismanagement as well as the accumulating effects of the Western sanctions imposed on Iran over its disputed nuclear energy program.

None of the statements about the crisis in the official Iranian news media on Friday offered a hint of any new solutions to the crisis or suggested that the government was willing to compromise on the nuclear program in exchange for reduced sanctions.

Instead they exhorted Iranians to show fortitude and uphold the legacy of resilience amid other crises, like the eight-year war with Iraq in the 1980s.

“The pressure today imposed on us by the world arrogance is full-fledged economic war,” Ayatollah Ahmad Khatami, a top cleric and the Friday Prayer leader, said in his message, carried on official news outlets. “This pressure will not last. Our people have been tested, and they will not be worn down.”

The Fars News Agency quoted a close aide of the supreme leader, Ayatollah Ali Khamenei, as saying that Iran’s enemies were mistaken if they believed the sanctions would force Iran to capitulate in the dispute over the nuclear program, which Iran has said is for peaceful purposes. Western powers, however, suspect Iran is developing the ability to make nuclear weapons.

“Iran is overcoming the psychological war and conspiracy that the enemy has brought to the currency and gold market, and this war is constantly fluctuating,” said the aide, Gholam Ali Haddad Adel. “The arrogant powers, in their crude way, think that the nation of Iran is ready to
let go of the Islamic Revolution through economic pressure, but we are establishing Iran’s economic strength.”

The message of defiance came as Western officials were contemplating further tightening the sanctions, which have severely limited Iran’s ability to sell oil and have expelled Iranian banks from a global network that is crucial in conducting financial transactions.

Proponents of stricter economic penalties against Iran have been emboldened by the currency crisis, calling it evidence that the sanctions are working.

Mark D. Wallace, chief executive of United Against Nuclear Iran, a New York-based group that has worked to persuade multinational companies to sever business ties with Iran, said that by its calculation Iran’s currency had fallen by 80 percent in the past year.

In a statement on the group’s Web site, he called for an economic blockade on Iran to increase the pressure, saying “the regime must be forced to choose between having a nuclear weapon or a functioning economy.”

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**The Clock is Ticking**

Economic sanctions alone cannot cripple Iranian nuclear program, experts say

BY: Adam Kredo

The Washington Free Beacon
October 9, 2012 5:00 am

The recent collapse of Iran’s currency has led foreign policy experts to caution President Barack Obama’s administration against declarations that economic sanctions are the key to ending Tehran’s clandestine nuclear arms program.

Protests erupted in Tehran’s largest marketplace last week after Iran’s currency, the rial, plunged in value and lost about 40 percent of its worth against the U.S. dollar, according to reports.

The economic crisis led Obama administration officials to speculate that economic sanctions have reached a tipping point that could prompt the regime to cede its nuclear program.

Iran experts are skeptical of this view, however. They believe that economic sanctions alone cannot force Iran’s insulated leadership to reverse its nuclear course—and that sanctions could be accelerating Tehran’s nuclear ambitions.

“Sanctions are actually serving not just to collapse the Iranian economy, but to accelerate Iran’s nuclear program,” Clare Lopez, a former CIA operations officer, told the *Washington Free Beacon.*

Intelligence reports, including those issued by the International Atomic Energy Agency, show that Iran has accelerated its nuclear weapons-related research since last year. This is an
indication that Tehran is rushing to build a nuke before sanctions ravage its economy, Lopez said.

“It’s a do or die” situation, Lopez said. Iran’s senior leadership is “going to drive all out and double down before the West can shut them down.”

“It’s a race,” she noted, between Western sanctions and Iran’s nuclear scientists.

It is a tactical mistake for the Obama administration to rely solely on sanctions to solve the nuclear puzzle, according to Michael Singh, a former senior director for Middle East affairs at the National Security Council.

“The regime is relatively sheltered from the current crisis, so Washington should be careful not to count on the sanctions alone,” Singh, managing director of the Washington Institute for Near East Policy, wrote in a recent essay.

Iran’s economy has faltered due to a number of factors of which sanctions are just a part—despite the Obama administration’s statements otherwise, Singh maintained.

“Both the Obama administration and Iran’s President Ahmadinejad have blamed the recent dramatic fall in value of Iran’s currency on international sanctions,” Singh wrote. “It is a convenient explanation for both—for the White House, it suggests that U.S. strategy towards Iran is working; for Ahmadinejad, it deflects responsibility away from his own policy decisions and toward an external scapegoat.”

However, “sanctions are only party to blame for Iran’s economic travails,” Singh argued. “The currency crises and associated inflationary spiral has its origins in the Ahmadinejad government’s mismanaged subsidy reform initiative,” as well as several other factors.

Widespread government corruption has actually shielded Tehran’s ruling class, Singh wrote.

“Iran’s [current] economic crisis is unlikely to directly cause the regime to change its nuclear calculus,” wrote Singh, especially since oil revenues in the country are on the rise, with exports reaching 1 million barrels a day, according to reports.

Iranian citizens are paying the price for their government’s ineptitude, analysts say.

Food prices, for instance, have skyrocketed since last year, leading to discontent on the Iranian street, according to multiple reports.

Basic goods such as peas, rice, and beans—all staples of the Persian diet—have become extremely expensive, according to a June report issued by the U.S. Army’s Foreign Military Studies Office (FMSO).

With the rial dipping even further in value last week, food prices have likely shot even higher, fueling social unrest.
Economic discontent remains the principal path to bringing down Iran’s hardline rulers, though the journey will be lengthy and unpredictable, observers said.

“You’re seeing protests, economic duress in the streets,” Mark Wallace, a former ambassador to the United Nations, told the Free Beacon. “In Iran there’s a unique opportunity” to foster regime change.

“The Iranian on the street is very pro-western and educated, very modern,” said Wallace, CEO of United Against Nuclear Iran (UANI), a nonpartisan policy group. “They’re very vulnerable to economic pressure.”

While food prices have spiked, Iranians “are not really hungry or lacking in the basics of food yet,” noted Lopez, who currently serves as a senior fellow at the Center for Security Policy.

To quicken the pace of a potential revolt, sanctions should be tightened and refined, said UANI’s Wallace.

“There should be a full economic embargo,” he said. “We could do more.”

The Obama administration and Senate Democrats have a history of working to weaken Iran sanctions, however.

The impasse in the U.S. over the proper degree of sanctions has allowed Iran to continue its nuclear work.

“I feel the clock is running out,” Wallace said. “I think that the timeframe is much shorter” than it was just last year.

Iran’s current economic unrest is a reassuring sign, though Wallace had hoped this would happen “a year ago” when Iran’s nuclear program was less advanced.

One Iran expert blamed the Obama administration for holding up sanctions and wasting time.

“The opposite of everything the Obama administration predicted has come true, and the sanctions Obama opposed are the reason we see the Iranian currency collapsing,” said the expert, who requested anonymity. “Had the administration not fought to water down the last Iran sanctions bill, Iran might actually now be on the verge of economic collapse.”

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**Iran threatens attack on US bases in event of war with Israel**

**Iran threatens attack: Gen. Amir Ali Hajizadeh, a senior commander in Iran's powerful Revolutionary Guard,**
warned that his country would target US bases in the region in the event of a war with Israel.


Tehran, Iran

A senior commander in Iran's powerful Revolutionary Guard warned that Iran will target U.S. bases in the region in the event of war with Israel, raising the prospect of a broader conflict that would force other countries to get involved, Iranian state television reported Sunday.

The comments by Gen. Amir Ali Hajizadeh, who heads the Guard's aerospace division, came amid tension over Iran's nuclear program and Israel's suggestion that it might unilaterally strike Iranian nuclear facilities to scuttle what the United States and its allies believe are efforts to build a bomb. Tehran says its nuclear program is for peaceful purposes.

Hajizadeh said no Israeli attack can happen without the support of its most important ally, the United States, making all U.S. military bases a legitimate target.

"For this reason, we will enter a confrontation with both parties and will definitely be at war with American bases should a warbreak out," Hajizadeh said in remarks that were posted on the website of Iran's state Al-Alam TV. U.S. facilities in Bahrain, Qatar and Afghanistan would be targeted, he said.

"There will be no neutral country in the region," Hajizadeh said. "To us, these bases are equal to U.S. soil."

The U.S. Fifth fleet is based in Bahrain and the U.S. has a heavy military presence in Afghanistan.

The Iranian warning appears an attempt to reinforce the potential wider consequences of an attack by Israel. The message is not only intended for Washington, but to its Gulf Arab allies that are fearful of a regional conflict that could disrupt oil shipment and cripple business hubs in places such as Dubai and Qatar's capital Doha.

It also comes during a major show of naval power in the Gulf by U.S.-led forces taking part in military exercises, including mine-sweeping drills. The U.S. Navy claims the maneuvers are not directly aimed at Iran, but the West and its regional allies have made clear they would react against attempts by Tehran to carry out threats to try to close critical Gulf oil shipping lanes in retaliation for tighter sanctions.
Despite Israeli hints of a military strike, Iran's military commanders believe Israel is unlikely to take unilateral action against Iran. The Guard's top commander, Gen. Mohammad Ali Jafari, said last week that Iran believes the United States won't attack Iran because its military bases in the Middle East are within the range of Iran's missiles.

Iran has also warned that oil shipments through the strategic Strait of Hormuz will be in jeopardy if a war breaks out between Iran and the United States. Iranian officials had previously threatened to close the waterway, the route for a fifth of the world's oil, if there is war.

Israel believes that any attack on Iran would likely unleash retaliation in the form of Iranian missiles as well as rocket attacks by Iranian proxies Hezbollah and Hamas on its northern and southern borders.

Israeli Prime Minister Benjamin Netanyahu says international diplomatic efforts and economic sanctions against Iran have failed to deter its nuclear ambitions, and he has urged President Barack Obama to declare "red lines" that would trigger an American attack on Iran's nuclear facilities, coupling his appeals with veiled threats of an Israeli attack.

Obama has rejected these calls, saying diplomacy and U.S.-led sanctions must be given more time and that Iran will never be allowed to obtain nuclear weapons. American officials have pressed Israel not to attack Iran unilaterally, a move that could set off regional mayhem just ahead of the November election.

Iran's President Mahmoud Ahmadinejad is currently in New York to attend the annual U.N. General Assembly and could seek to use his speech and meetings later this week to highlight the possible risks — including sharply higher oil prices — if military action is taken.

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**Israel could attack Iran without causing a major war in the region**

- Thomas Rogan
- guardian.co.uk, Saturday 18 August 2012 06.30 EDT

Over the last few days, Israeli newspapers have been consumed by reports that the prime minister, Binyamin Netanyahu, has decided to launch an attack on Iranian nuclear facilities some time this autumn. Although Netanyahu has an obvious interest in increasing pressure on Iran, it would be an error to regard these reports as simple rhetorical sensationalism. In my opinion, whether this year or next, Israel is likely to use its airforce to attack Iran.

While it is impossible to know for sure whether Netanyahu will act, it is possible to consider the likely repercussions that would follow an Israeli attack. While it is likely that Iran would retaliate against Israel and possibly the US in response to any attack, it is unlikely that Iran will instigate a major war. Albeit for different reasons, Iran, Israel and the US all understand that a war would not serve their interests.
First, the Israeli policy angle. If Netanyahu decides to order an attack on Iran, his focus will be on maximising the success of that action and minimising any negative consequences that might follow. In terms of Iranian retaliation, Israel would expect Iran's core non-state allies Hamas, the Palestinian Islamic Jihad and Hezbollah to launch rocket attacks into Israeli territory.

However, present success with advanced defence systems has helped increase Israeli confidence in their ability to absorb this method of retaliation. Beyond rocket attacks, the Israeli leadership also understands that a likely mechanism for Iranian retaliation is via attacks against Israeli interests internationally. Whether carried out by the Iranian Quds Force or Hezbollah, or a combination of both, various incidents this year have shown Israel that Iran continues to regard covert action as a powerful weapon.

The key for Israel is that, while these Iranian capabilities are seen as credible, they are not seen to pose intolerable threats to Israel. Faced with rocket strikes or limited attacks abroad – to which the likely response would be air strikes or short-duration ground operations (not a repeat of 2006) in Lebanon and Gaza – Israel would be unlikely to pursue major secondary retaliation against Iran. Certainly, Israel would not want to encourage intervention by Syria's Assad alongside Iran (an outcome that might follow major retaliatory Israeli action).

If Netanyahu does decide to take action, Israeli objectives would be clearly limited. The intent would be to prevent Iran from acquiring a nuclear capability while minimising escalation towards war. Israel has no interest in a major conflict that would risk serious damage to the Israeli state.

Though holding opposite objectives, Iran's attitude concerning a major war is similar to Israel's.

While Iran regards nuclear capability as prospectively guaranteeing the survival of its Islamic revolution, clerical leaders also understand that initiating a major war would make American intervention likely. Such intervention would pose an existential threat to the theocratic project that underpins the Islamic Republic.

Thus, in the event of an Israeli attack, Iran's response would be finely calibrated towards achieving three objectives:

• First, punishing Israel for its attack.

• Second, deterring further Israeli strikes and so creating space for a reconstituted Iranian nuclear programme.

• Finally, weakening US/international support for Israel so as to increase Israeli isolation and vulnerability.

Hezbollah, Hamas and other non-state allies would play a major role in effecting Iranian retaliation. Iran may also attempt to launch a number of its new Sajjil-2 medium-range missiles against Israel. Again, however, using these missiles would risk major retaliation if many Israeli citizens were killed.
As a preference, Iran would probably perceive that utilising Hamas and Hezbollah would allow retaliation without forcing Netanyahu into a massive counter-response. Crucially, I believe Iran regards that balancing its response would enable it to buy time for a reconstituted, hardened nuclear programme. In contrast to the relatively open current structure, sites would be deeper underground and far less vulnerable to a future attack. The nuclear ambition would not be lost, simply delayed.

As a final objective for retaliation, Iran would wish to weaken Israel's relationship with the US and the international community. This desire might encourage Iran to take action against US navy assets in the Gulf and/or attempt to mine the Strait of Hormuz, so as to cause a price spike in global oil markets and increased international discomfort.

However, beyond their rhetoric, the Iranian leadership understand that they cannot win a military contest against the US, nor hold the strait for longer than a few days. For Iran then, as with Israel, regional war is far from desirable.

Finally, consider the US. It is now clear that Obama and Netanyahu disagree on Iran. In my opinion, Netanyahu does not believe Obama will ever be willing to take pre-emptive military action against Iran's nuclear programme. Conversely, Obama believes Netanyahu's diplomatic expectations are too hasty and excessively restrictive.

The policy distance between these two leaders appears increasingly irreconcilable. If Netanyahu decides to go it alone and attack Iran, the US president will face the unpleasant scenario of having to protect American interests while avoiding an escalation dynamic that might spin out of control towards war. This difficulty is accentuated by Obama's re-election race and his fear of the domestic economic fallout that may come from the decisions that he might have to make. Again, the simple point is that the US government has no interest in a war with Iran.

If Netanyahu decides to take military action, he will do so in a strategic environment in which Israel, Iran and the US have no preference for a major war. Each state views the prospect of a war as counter to their particular long-term ambitions.

Because of this, while serious, Iranian retaliation would be unlikely to produce an escalatory dynamic leading to war. The leadership of each of these states will restrain their respective actions in the pursuit of differing long-term objectives but common short-term ones.

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As Iran and the United States trade diplomatic jabs before a global audience at the United Nations in New York, their two militaries are simultaneously conducting shows of force just off Iranian shores -- and just a few hundred miles away from each other.

The U.S. has flooded the Persian Gulf with the largest armada ever gathered for a military exercise. More than 20 ships and participants from every continent except Antarctica are practicing a mission to keep Gulf waterways free from mines.

U.S. officials emphasize it is a defensive training mission, but analysts say it is clearly a warning to Iran, which has threatened to close the strategic Strait of Hormuz in case of an Israeli assault. The U.S. will keep its warships in the Gulf even after the exercise is over.

"Any extremist group, any country that puts mines in the water would be cautioned" by the exercises, Gen. James Mattis, the U.S. Central Command chief, told reporters onboard the U.S.S. Ponce last week. "We do have the means to take mines out of the water if they go in. We will open the waterways to freedom of navigation."

Iran, in turn, announced today it had launched four surface-to-sea missiles near the Strait and destroyed a target the size of a warship. Gen. Ali Fadavi of Iran's Revolutionary Guard told the semi-official Fars news agency that Iran planned a "massive naval maneuver in the near future," repeating a threat from other Iranian officials in the last month.

The gunboat diplomacy occurs as tensions between Iran, the United States and Israel publicly intensify, and leaders in all three countries openly discuss possible military action. Israel has been increasingly aggressive in public statements in the last few weeks and warns that Iran could be within six months of obtaining a nuclear weapon.

"They're in the last 20 yards, and you can't let them cross that goal line," Israeli Prime Minister Benjamin Netanyahu told CBS News' Meet the Press last Sunday. "You can't let them score a touchdown, because that would have unbelievable consequences, grievous consequences for the peace and security of us all, of the world really."

Iran denies it is pursuing weapons and insists its nuclear program is for civilian power purposes.

Sunday a senior Iranian military official threatened U.S. bases in the Persian Gulf in the case of an Israeli attack, and Monday in New York, Iranian President Mahmoud Ahmadinejad belittled Israel, saying the Jewish state was historically insignificant compared to Iran.

"They have no roots there in history," Mr. Ahmadinejad said of the Israelis. "They do not even enter the equation for Iran."

In the event of military action, Iran has threatened to try to close the Strait of Hormuz by laying as many as 5,000 mines, according to U.S. estimates. The strait, just 21 miles across at its narrowest, is a vital waterway for oil transportation through which an estimated one fifth of the world's oil travels.
"If there are mines in the waters, it's good to bring the global talent together and practice before you might need it one day. And that's what this exercise is all about," Captain Jon Rodgers of the U.S.S. Ponce, which is taking part in the exercise, told ABC News in an interview aboard the ship last week. "The threat is there. My job is to make sure that this crew is ready for anything."

The buildup is unmistakable. Two aircraft carriers are in the region, where there was only one between 2003 and 2007. The U.S. is building a missile defense radar station to defend against Iranian missiles that can currently reach eastern Europe, as first reported by the Wall Street Journal. And the U.S. has doubled the number of minesweeping boats currently deployed to the Gulf -- to four to eight -- or more than half of the American minesweeping fleet.

ABC News visited one of the newly-arrived minesweepers, the U.S.S. Warrior, during a trip organized by the Navy last week. Captain Scott Nietzel, 34, showed off the tools he uses to hunt for mines, including a drone submarine that beams back both pictures and sonar signals to help the crew determine the location of possible mines, a device that can fakes a ship's magnetic signature and tricks mines into exploding in wakes rather than underneath ships, and underwater bomb squads.

"The idea of a minehunt is you go out, you find them individually, and you neutralize individually. So it's very much like finding weeds in the grass. Find what doesn't belong," Nietzel said. "We're not just digging through the haystack looking for the needle. We have a way to chop the haystack up into chunks, to go through them methodically, and guarantee what we've gotten out of there is the needle and leave the hay for another day."

But despite the diplomatic and naval tensions, U.S. sailors say they regularly encounter Iranian ships in the Persian Gulf and that the meetings are without tension.

"We talk to each other on the radio. Sometimes we encounter each other. We're both navies operating on international waters. We extend professional courtesies to each other," Nietzel said. "Certainly we're cautious and take care of ourselves. [But] everything we've seen so far is very professional and very routine."

Still, the sailors are on high alert, and the tensions simmer just below the surface. In July, the U.S.N.S. Rappahannock fired on a small Indian fishing vessel just west of the Strait of Hormuz after it ignored orders to turn away, killing one and injuring three.

By ALEXANDER MARQUARDT (@marquardta) , NASSER ATTA and RANDY KREIDER
Oct. 11, 2012

The leader of Hezbollah claimed today his group was responsible for an unidentified drone that flew deep into Israeli airspace on Saturday before it was shot out of the sky by the Israeli Air Force, and that the aircraft was Iranian-made.
Hassan Nasrallah, leader of the militant Lebanon-based group, made the revelations in a televised address today and boasted that the drone had been able to fly hundreds of kilometers undetected before it entered Israel, then tens of kilometers over Israel before it was eventually shot down.

"Today we are uncovering a small part of our capabilities, and we shall keep many more hidden," Nasrallah said, adding that it is Hezbollah's "natural right" and the group "can reach any place we want."

He said the drone was able to film strategic and sensitive Israeli facilities -- it was downed near the Dimona nuclear facility -- and claimed that his group plans to put more drones in the air over Israel. In addition to surveillance drones like this one, he said some of Hezbollah's drones could be armed as well.

The Israeli military said the drone entered Israel from the Mediterranean Sea, flying over the Gaza Strip and then the Negev desert before it was shot down south of the West Bank. The United Nations Interim Force in Lebanon said it had not detected any drone flying from Lebanese airspace into Israeli airspace on Saturday.

A Lebanese television station close to Hezbollah had reported the drone was Hezbollah's but Nasrallah's address was the first official claim. Shortly after Israel downed the drone, fighter jets streaked over southern Lebanon, causing a sonic boom, according to Lebanese media. Israel crossing into Lebanese air space, however, is a common occurrence, a fact reiterated by Nasrallah.

Nasrallah said the weekend's drone was assembled by Lebanese experts but made in Iran, which has a much-publicized drone development program. Following the Israeli destruction of the drone, an Iranian commander said the incident had shown the "weakness and inefficiency" of Israeli defense systems.

Israeli Prime Minister Benjamin Netanyahu praised his country's military for taking the drone out and said Israel will "continue to defend our borders by sea, land, and air to guarantee the security of our citizens."

In apparent response to the drone incursion, earlier this week Israel deployed Patriot missile batteries to Haifa, some 20 miles from Lebanon's southern border.

Ted Harshberger, director of Project Air Force at the RAND Corporation thinktank, wrote in U.S. News and World Report that the incident should not have come as a surprise considering how easy it is to develop relatively unsophisticated drones.

"Practically any country that aspires to an indigenous aviation industry (as most countries do, even if only for national pride) has a reasonably capable, medium-altitude unmanned drone system in development or flying already," he wrote.
In his address, Nasrallah also denied widespread reports that Hezbollah fighters are in Syria fighting for the regime of President Bashar al-Assad and that they’d been killed. He said there were "Lebanese villages" inside Syria, apparently meaning villages that straddle the border, and that some of the 30,000 residents of the villages had taken up arms to defend themselves. If Hezbollah goes to fight in Syria, Nasrallah said, the group would make it public.

London Review of Books

Why weren’t they grateful?

Pankaj Mishra, 21 June 2012

- Book review of Patriot of Persia: Muhammad Mossadegh and a Very British Coup by Christopher de Bellaigue, Bodley Head
- In 1890, an itinerant Muslim activist called Jamal al-din al-Afghani was in Iran when its then ruler, Naser al-Din Shah Qajar, granted a tobacco concession to a British businessman called G.F. Talbot, effectively granting him a monopoly on its purchase, sale and export. Al-Afghani pointed out, to a chorus of approval from secular-minded intellectuals as well as conservative merchants, that tobacco growers would now be at the mercy of infidels, and the livelihoods of small dealers destroyed. He set up pressure groups in Tehran – a political innovation in the country – which sent anonymous letters to officials and distributed leaflets and placards calling on Iranians to revolt. Angry protests erupted in major cities the following spring. Helped by the recently introduced telegraph, the mass demonstrations of the Tobacco Protest, as it came to be called, were as carefully co-ordinated as they would be in Khomeini’s Islamic Revolution a hundred years later, when cassette-tapes played a similar role and women participated in large numbers.

Al-Afghani also wrote to Ayatollah Mirza Hassan Shirazi in Najaf, giving the greatly influential but apolitical Shiite cleric an early lesson in the ‘structural adjustments’ that Western financiers would come to enforce in poor countries: ‘What shall cause thee to understand what is the Bank?’ he asked. ‘It means the complete handing over of the reins of government to the enemy of Islam, the enslaving of the people to that enemy, the surrendering of them and of all dominion and authority into the hands of the foreign foe.’ Al-Afghani may have been exaggerating. But he knew from his experiences in India and Egypt how quickly the West’s seemingly innocuous traders and bankers could turn into diplomats and soldiers. The feckless shah had already compromised Iran’s relative immunity to Europe’s informal imperialists. In 1872, with the country starved of capital and suffering from a massive budget deficit, he had granted a monopoly in the construction of railways, roads, factories, dams and mines to another British citizen, Baron Reuter (founder of the news agency). Even Lord Curzon was appalled twenty years later when he was told the terms, describing it as ‘the most complete surrender of the entire resources of a kingdom into foreign hands that has ever been dreamed of much less accomplished in history’. Protests by Russia, Iran’s neighbour and Britain’s great rival in the region, sank this particular arrangement; Reuter anyway had other irons in the fire.
Coming only eight years after the British occupation of Egypt, the award of the tobacco concession struck al-Afghani as ominous. Expelled from Iran by the shah, he kept up a barrage of letters to leading Shiite clerics in the shrine cities of Mesopotamia, asking them to rouse themselves out of their apathy and move against the shah. A few months later, Shirazi wrote his first ever letter to the shah on a political subject, denouncing foreign banks and their growing power over the Muslim population as well as the commercial concessions given to Europeans. The shah, desperate to keep the ulema on his side, sent intermediaries to plead with Shirazi. Far from relenting, the cleric issued a fatwa effectively making it un-Islamic to smoke until the monopoly was withdrawn. He was astonishingly successful – even the shah’s palace became a smoke-free zone. Finally, the shah capitulated to an alliance between intellectuals, clergy and native merchants and, in January 1892, cancelled the tobacco concession.

Muhammad Mossadegh was at the time the precocious nine-year-old son of a high official working for the shah. Homa Katouzian, his previous biographer in English, ascribes his consistent opposition to ‘any concession to any foreign power’ to this early impression of popular anger at European encroachments on Iran’s sovereignty. Mossadegh, whose family belonged to the nobility and who was honoured as a child with the title, mussadiq al-saltaneh, ‘certifier of the monarchy’, was an unlikely leader of Iran’s transition from dynastic monarchy to mass politics. But then he grew up during a period of unprecedented political ferment across Asia.

Asian intellectuals and activists had begun to challenge the arbitrary power of Western imperialists and their native allies in the late 19th century. The first generation contained polemicists like al-Afghani, who gathered energetic but disorganised young anti-imperialists around him in Kabul, Istanbul, Cairo and Tehran. The next generation produced men like Mossadegh, who had been exposed to Western ways or trained in Western-style institutions and were better equipped to provide their increasingly restless compatriots with a coherent ideology and politics of anticolonial nationalism.

In Christopher de Bellaigue’s politically astute biography, Mossadegh is not the ‘dizzy old wizard’ and ‘tantrum-throwing Scheherazade’ of countless Anglo-American memoirs and press reports, but a member of ‘that generation of Western-educated Asians who returned home, primly moustachioed, to sell freedom to their compatriots’: ‘Beholden to the same mistress, La Patrie, these Turks, Arabs, Persians and Indians went on to lead the anticolonial movements that transformed the map of the world.’ Mossadegh was more democratically minded than Atatürk, for example: de Bellaigue calls him the ‘first liberal leader of the modern Middle East’ – his ‘conception of liberty was as sophisticated as any in Europe or America’. But he was less successful than his heroes, Gandhi and Nehru; he was nearly seventy, an elderly hypochondriac, by the time he became Iran’s prime minister in 1951. It was his misfortune to be a liberal democrat at a time when, as Nehru remarked, looking on as British gunboats directed the course of Egyptian politics, ‘democracy for an Eastern country seems to mean only one thing: to carry out the behests of the imperialist ruling power.’ Though more focused and resourceful than al-Afghani, secular-minded moderates like Mossadegh were often easy victims of imperialist skulduggery. They never had more than a few token allies in the West and at home were despised by the hardliners, who later assumed the postcolonial task of building up national
dignity and strength. Khomeini, for one, always spoke contemptuously of Mossadegh’s failure to protect Iran from the West.

Both liberal and radical Iranians could cite instances of the country’s humiliation by the West in the 19th century, when it had been dominated by the British and the Russians. The events of the early 20th century further undermined its political autonomy at a time when its political institutions were being liberalised (a parliament had been established as a result of the Constitutional Revolution of 1905-7). In the First World War, Britain and Russia first occupied and then divided the country in order to keep the Ottoman-German armies at bay. The end of the war brought no respite. The Red Army threatened from the north and Britain, already parcelling out the Ottoman Empire’s territories, saw an opportunity to annex Iran. Lord Curzon, now foreign secretary and convinced, as Harold Nicolson put it, that ‘God had personally selected the British upper class as an instrument of the Divine Will,’ drew up an Anglo-Persian agreement which was almost entirely destructive of Iranian sovereignty.

Mossadegh is said to have wept when he heard about the agreement. In despair he resolved to spend the rest of his life in Europe. As it turned out, Curzon, never an accurate reader of the native pulse, had misjudged the Iranian mood. The agreement was denounced; pro-British members of the Majlis, the Iranian parliament, were physically attacked. Facing such opposition, Curzon grew more obdurate: ‘These people have got to be taught at whatever cost to them that they cannot get on without us. I don’t at all mind their noses being rubbed in the dust.’ Despite Curzon’s stubbornness, Iranian revulsion finally sank the Anglo-Persian agreement. But another inequitable arrangement already bound Iran to Britain. Presciently buying government shares in the Anglo-Persian Oil Company (APOC) in 1913, Winston Churchill had managed to ensure that 84 per cent of its profits came to Britain. In 1933, Reza Khan, a self-educated soldier who had made use of the postwar chaos to grab power and found a new ruling dynasty (much to Mossadegh’s disgust), negotiated a new agreement with APOC, which turned out to be remarkably like the old one. During the Second World War, British and Russian troops again occupied the country, and the British replaced the rashly pro-German shah with his son Muhammad Reza.

In these years, British policy was infused with what de Bellaigue calls, without exaggeration, ‘a profound contempt for Persia and its people’, which provided the spark not only for modern Iranian nationalism but also for the seemingly irremovable suspicion of Britain as a ‘malignant force’. When in 1978 the shah called Khomeini a British agent, he intended it as a vicious slander; it backfired, triggering the first of the mass protests against him. APOC, renamed the Anglo-Iranian Oil Company in 1935, grossed profits of $3 billion between 1913 and 1951, but only $624 million of that remained in Iran. In 1947, the British government earned £15 million in tax on the company’s profits alone, while the Iranian government received only half that sum in royalties. The company also excluded Iranians from management and barred Tehran from inspecting its accounts.

Growing anti-British sentiment finally forced Muhammad Reza to appoint Mossadegh as prime minister early in 1951. The country’s nationalists by now included secularists as well as religious parties and the communist as well as non-communist left. Mossadegh, who, de Bellaigue writes, ‘was the first and only Iranian statesman to command all nationalist strains’, moved quickly to
nationalise the oil industry. Tens of thousands lined the streets to cheer the officials sent from Tehran to take over the British oil facilities in Abadan, kissing the dust-caked cars – one of which belonged to Mehdi Bazargan, who would later become the first prime minister of the Islamic Republic of Iran. The American ambassador reported that Mossadegh was backed by 95 per cent of the population, and the shah told the visiting diplomat Averell Harriman that he dared not say a word in public against the nationalisation. Mossadegh felt himself to be carried along on the wings of history. ‘Hundreds of millions of Asian people, after centuries of colonial exploitation, have now gained their independence and freedom,’ he said at the UN in October 1951: Europeans had acknowledged Indian, Indonesian and Pakistani claims to sovereignty and national dignity – why did they continue to ignore Iran?

He was supported by a broad coalition of new Asian countries. Even the delegate from Taiwan, which had been given its seat in the UN at the expense of Mao’s People’s Republic of China, reminded the British that ‘the day has passed when the control of the Iranian oil industry can be shared with foreign companies.’ Other postcolonial regimes would soon nationalise their oil industries, thereby acquiring control of international prices and exposing Western economies to severe shocks. But the British, enraged by Mossadegh’s impertinence and desperately needing the revenues from what was Britain’s biggest single overseas investment, wouldn’t listen.

Britain could no longer afford its empire but, as de Bellaigue points out, in many places, ‘particularly in Iran, red-faced men went around in tailcoats as if nothing had changed.’ Many of them were on the board of directors of the Anglo-Iranian Oil Company – and, as one of them confessed, were ‘helpless, niggling, without an idea between them, confused, hide-bound, small-minded, blind’. Still believing it ‘had done the Iranians a huge favour by finding and extracting oil’, Britain rejected a proposal, backed by the US, that the profits should be shared equally, and launched a devastatingly effective blockade of the Iranian economy. ‘If we bow to Tehran, we bow to Baghdad later,’ as the Express put it with Curzonian logic.

Churchill’s return to Downing Street in 1951 further emboldened the neo-imperialists: the Daily Mail exhorted the government to ‘do something before the rot spreads further.’ An anti-Mossadegh consensus rapidly built up, even among liberals. In 1891, al-Afghani had challenged Reuter’s depiction of Iranians fighting for sovereignty as religious zealots, wondering if it had some connection with Britain’s commercial stake in Iran. In 1951, David Astor’s Observer was no less protective of British interests when it described Mossadegh as a ‘fanatic’ and a ‘tragic Frankenstein … obsessed with one xenophobic idea’.

‘There was disquiet across the white world,’ de Bellaigue writes, at Mossadegh’s ‘show of Oriental bad form’. The Foreign Office started a campaign to persuade the American public of the rightness of the British cause and the US press duly fell in with it. The New York Times and the Wall Street Journal compared Mossadegh to Hitler, even though his occasionally authoritarian populism had to contend with a fractious parliament, and a growing internal opposition composed of merchants, landowners, royalists, the military and right-wing clerics (some of these would give the adventurers of the CIA and MI6 their opening). In The US Press and Iran: Foreign Policy and the Journalism of Deference (1988) William Dorman and Mansour Farhang show that no major American newspaper had ever spelled out Iran’s grievances against the AIOC. Rather, the Washington Post claimed that the people of Iran were not capable of being
‘grateful’. Looking back remorsefully, the New York Times correspondent in Tehran, Kennett Love, later described Mossadegh as a ‘reasonable man’ acting under ‘unreasonable pressures’. But Love himself was subtly coerced into going along with what he called his ‘obtusely establishment’ editors in New York, and into collaborating with the US Embassy.

Having proclaimed the ‘American Century’, Henry Luce’s Time took a particular interest in commodity-rich Iran, arguing that the ‘Russians may intervene, grab the oil, even unleash World War Three’. Already determined to overthrow Mossadegh, the British did not take long to exploit the growing American obsession with Soviet expansionism: Iran was to provide a test run on how to taint Asian nationalism by associating it with communism. They found a receptive audience in the Dulles brothers, the secretary of state and the head of the CIA in Eisenhower’s new administration in 1953.

Drawing on Persian sources, de Bellaigue gives an authoritative account of Operation Ajax, the CIA/MI6 coup that toppled Mossadegh’s government and established Shah Reza Pahlavi as Iran’s unchallenged ruler in August 1953. The story of the Anglo-American destruction of Iran’s hopes of establishing a liberal modern state has been told many times, but the cautionary message of 1953 is still far from being absorbed. As early as 1964, Richard Cottam, a political officer in the US Embassy in the 1950s and later an Iran scholar, warned that the press and academic ‘distortions’ of the Mossadegh era bordered on the ‘grotesque, and until that era is seen in truer perspective there can be little hope for a sophisticated US foreign policy concerning Iran.’ (Or the whole Middle East, Cottam could have added.) The New York Times summed up the new imperial mood immediately after the coup: ‘Underdeveloped countries with rich resources now have an object lesson in the heavy cost that must be paid by one of their number which goes berserk with fanatical nationalism.’

Despite being told of it several times by Kennett Love, the Times declined to mention the CIA’s central role in Mossadegh’s overthrow – it was the then unknown agency’s first major operation of the Cold War. Welcoming the shah on his visit to the United States in 1954, the Times exulted: ‘Today Mossadegh is where he belongs – in jail. Oil is flowing again into the free markets of the world.’ Iran, it added, was moving ‘toward new and auspicious horizons’. The American press, which had been denouncing Mossadegh as the Iranian Führer, was now applauding the shah’s pharaonic modernisation schemes. This was at least in part a result of his hospitality to American media eminences, which, according to a list released by the revolutionaries in 1979, included Walter Cronkite, Barbara Walters, Peter Jennings and Mrs Arthur Sulzberger.

Emboldened by this support, the previously timid shah manifested signs of the syndrome al-Afghani had identified in one of his predecessors: ‘However bizarre it may seem, it is nevertheless a fact, that after each visit of the shah to Europe, he has increased in tyranny over his people.’ Certainly, the American press had little time for the views of ordinary Iranians, for whom, de Bellaigue points out, the US in 1953 had become ‘almost overnight’ the ‘shah’s accomplice in injustice and oppression’. American companies had been given a 40 per cent share of oil production after Mossadegh’s overthrow, and by the early 1960s Iranian intellectuals, many of them forced into exile, had begun to examine how it was, as Jalal al-e Ahmad wrote in Gharbzadegi (imperfectly translated as Weststruckness), that they had been completely ignored.
while other people ‘moved in and out of our midst and we awoke to find every oil derrick a spike impaling the land’.

Iranian hostility to the US grew, as the CIA did business with the executioners and torturers of the shah’s secret police. Finally erupting in 1979, it shocked American policymakers and opinion-formers, who sought to find an interpretation of current events through readings in ‘Islam’, as they would after 9/11. They were in no position to understand that, as with the Tobacco Protest of 1891 and the nationalist upsurge behind Mossadegh, a broad Iranian coalition had ranged itself against the shah and his foreign allies. Indeed, in the early days of the revolution, Mossadeghists like Bazargan looked just as strong as their socialist and Islamist allies. It was Jimmy Carter’s offer of asylum to the shah in 1979, and the retaliatory storming of the American Embassy in Tehran, that tipped the balance in favour of the Islamist revolutionaries.

Saddam Hussein’s brutal eight-year-long assault on Iran, cynically assisted by the US, entrenched the Islamic Republicans while burnishing the popular image of the Great Satan. Always under pressure, the liberalising reformers around Mohammad Khatami were further weakened by George W. Bush’s abrupt inclusion of Iran in his ‘axis of evil’. Since then, America’s invasions and occupations of Iran’s neighbours have confirmed Iran’s perception of the West as clumsily inept as well as guilty of what Khomeini called istikbar i jahani (‘global arrogance’).

War between Iran and the United States has never seemed more likely than in recent months, as American politicians and journalists dutifully endorse Binyamin Netanyahu’s bluster. There is little sign in the mainstream press here or in the US that anyone is paying attention to de Bellaigue and other knowledgable writers on Iran. A recent Guardian review of de Bellaigue’s book claimed that the shah ‘brought to Iran a prosperity, security and prestige unknown since the 17th century’. Mahmoud Ahmadinejad, an opportunistic tub-thumper whose support is dwindling and who suffers the supreme leader’s disapprobation, is routinely portrayed as the next Hitler.

Meanwhile liberal opinion ignores the effects that sanctions have on ordinary citizens, just as they did in the 1950s, and governments choose not to see that they offer a lifeline to a semi-discredited regime by radically shrinking the possibilities for any political or economic change – which is why the Green Movement strongly opposes them. The Iranian clerics may now linger on, like the Cuban revolutionaries, kept going by an American embargo. But Iranians can see more vividly the hypocrisy of America’s mollycoddling of Israel, the one country in the Middle East that is armed with nuclear weapons. They know, too, that the US made a nuclear deal with India as recently as 2005. Support for Iran’s right to pursue its nuclear programme cuts across the country’s political divisions. Aspiring regime-changers in the West remain blind to the undiminished potency of Iranian nationalism. More bizarrely and dangerously, they ignore the hardening attitudes of the country’s ruling class after a century of humiliation by the West. ‘We are not liberals like Allende and Mossadegh, whom the CIA can snuff out,’ Ayatollah Ali Khamenei, now Iran’s supreme leader, warned during the hostage crisis in 1979. So far he has been proved right.