

Iran and the Palestinian War against Israel: Implications of the *Karine-A* Affair

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Articles & Testimony

The seizure by Israel of a ship carrying 50 tons of sophisticated weaponry bound for the Palestinian Authority from Iran in early January should send a wake-up call to American policymakers. The threat of terror and war in the Middle East has never been higher. The United States defeated the Taliban regime in Afghanistan after the Taliban gave safe-haven to Al-Qaeda. But while the Taliban were weak, the Iranian government is strong and has access to far greater resources -- and the terrorist groups that the Islamic Republic sponsors are just as deadly. Many academics, diplomats, and commentators may consider Iran a country on the verge of reform, but the evidence indicates that the Islamic Republic has never before been so active a sponsor of terror, a source of regional instability, and a threat not only to U.S. strategic interests abroad, but also to the United States itself.

The Seizure of the *Karine-A*

On January 3, 2002, the Israeli navy intercepted the *Karine-A*, a Gaza-bound freighter, while it was in the Red Sea. On board, naval commandos found 50 tons of sophisticated Iranian weaponry, for which the Palestinian Authority had paid \$15 million.¹ A catalogue of the cargo showed exactly what death and destruction would have resulted had the ship not been intercepted. There were 63 rockets with a 20-kilometer range, and 283 rockets with a 6.5-kilometer range. In the cargo hold were 700 mortar bombs with a 6.2-km range, several hundred rocket-propelled grenades, more than 500 high-explosive mines, over two tons of C-4 plastic explosives, 735 fragmentation grenades, and almost 700,000 7.62 mm rounds for machine guns and assault rifles.² From the West Bank and Gaza, the weapons could have hit nearly any target in Israel, including Ben-Gurion International Airport. In other words, the Israeli navy prevented a series of Palestinian terrorist attacks which could have caused hundreds or even thousands of Israeli casualties, and which could also have led to regional war.

The evidence against the Palestinian Authority was damning, leading to the condemnation of Arafat by President Bush, Vice President Cheney, and Secretary of State Powell. Interviewed in prison, Omar Akkawi, the *Karine-A*'s captain, admitted being an officer in the Palestinian navy and a salaried employee of the Palestinian Authority. He explained that he received instructions from Adel Awadallah, a senior member of the Palestinian Authority, as well as Fathi Gazem, the deputy commander of the Palestinian Authority's Naval Police.³ Akkawi received no orders to stop the arms purchase in December, despite the Palestinian Authority and Israeli government's cease-fire agreement.⁴

As shocking as were the goals of the Palestinian Authority, so too was the timing. When Palestinian Authority Chairman Yasir Arafat spoke words of peace, and indeed, while a cease-fire had been underway, Arafat and his associates were actively planning war. The left-leaning Israeli daily *Ha'aretz* reached the inescapable conclusion that "the Palestinians' dangerous weapons adventure strengthens those who argue that Arafat's statements from three weeks ago -- when he called for an end of armed struggle against Israel and even stretched out his hand in a gesture of peace -- was nothing more than a ruse designed to cover up preparations for a fierce conflict."⁵

Despite being caught red-handed, the Palestinian Authority still denies any knowledge of Karine-A, dismissing the incident as an Israeli "propaganda campaign," a view echoed by most Arabic newspapers and prominent Arab statesmen such as Amr Moussa, chairman of the Arab League.⁶ In a prepared statement, the Palestinian Authority insisted that the Palestinian Leadership "is exerting 100 percent efforts to stop all sorts and shapes of violent activities."⁷

At the same time that Arafat has issued English-language denials, the Palestinian Authority has continued incitement, not only against Israel, but against the United States itself. At a January 25 sermon at the Al-Aqsa mosque in Jerusalem covered by Voice of Palestine radio, the Arafat-appointed preacher called America "the enemy of nations."⁸ Clearly, Arafat has his own personal conception of what stopping violence means.

Palestinian Arms Smuggling

There can be absolutely no excuse for the actions of the Palestinian Authority. While declaring a cease-fire and his intention to work again for the peaceful resolution of the Palestinian-Israeli conflict, Arafat and his associates sought the import of an unprecedented quantity of sophisticated weaponry for the sole purpose of using terror as a tool of negotiation. The Palestinian Authority's actions could have had consequences far beyond their dispute with Israel. Palestinian Islamists participate in a disproportionately large number in global terror networks. Indeed, of the 28 Al-Qaeda suspects arrested by Jordanian authorities for plotting millennium attacks in Jordan, 19 were Palestinian.⁹

Yasir Arafat has come to believe that he is indispensable to the peace process and that therefore he need not be accountable for his actions. Most European governments along with a wide range of UN member states -- and, too often, the State Department -- have tacitly encouraged such behavior by clinging to notions of moral equivalency and by demonstrating a willingness to accept rhetoric above action. However, if peace is to be achieved in the Middle East, and if Arafat is to be considered a viable peace partner, then he must demonstrate rather than declare his commitment to peace. He has had nearly nine years since Oslo to become a peacemaker rather than a guerilla leader, but he has yet to make the transformation.

The Karine-A was not the first ship interdicted while smuggling arms to the Palestinians; in fact, it was the third such ship intercepted in just one year. On January 29, 2001, Israeli forces seized two containers of weapons, reportedly dropped off by the Lebanese arms-smuggling ship the Calypso. (Several other barrels of weapons from the same shipment reportedly made it into the hands of Palestinian Islamic Jihad.) On May 7, 2001, the Israel navy seized the Santorini while it was on its fourth arms-smuggling mission. This ship contained 107-mm rockets, mortars, rocket-propelled grenades, anti-aircraft missiles, and anti-tank weaponry.

In all cases, the ships had set sail while new U.S.-brokered peace initiatives were underway, and in all cases, Arafat's Fatah movement worked with Iranian-backed groups to acquire the weapons, many of which first arrived in the region via Iran Air's twice-weekly cargo flights to Damascus.¹⁰ Other arms destined for the Palestinian Authority and Palestinian Islamist groups enter the region through tunnels stretching under the Egyptian border.¹¹ The Palestinian al-Ayyam daily was unapologetic even as Arafat made his denials, writing, "Attempts to smuggle arms into the occupied Palestinian territories will not cease...."¹²

Reviewing the evidence after the Karine-A seizure, Vice President Cheney concluded, "The Palestinian Authority, and Yasir Arafat [and] key people around him, [are] working now with Iran."¹³ The Iranian connection may be the most dangerous aspect of the case. Iran was caught red-handed in the Karine-A affair. While some academics and commentators have suggested that a dissident Iranian government faction might have been responsible for facilitating the arms shipment, the likelihood of this is negligible. Nevertheless, the idea that a dissident faction could somehow get its hands on 50 tons of sophisticated weaponry is all the more reason to take seriously the growing terror and potential nuclear threat posed by the Islamic Republic.

While the Iranian government has always maintained close links with Hezbollah and other Islamist groups, the Islamic Republic has long had a strained relationship with Arafat. Immediately after the Islamic Revolution, Arafat antagonized his Iranian patrons when he threw his support behind Saddam Hussein in the Iran-Iraq War. However, the Karine-A affair shows incontrovertibly that Arafat and the Islamic Republic have now put aside their differences and are cooperating to advance Iran's vision of the Middle East. The direct sale of such sophisticated weaponry marks a clear strategic escalation in the region.

Direct Iranian Sponsorship of Terror

The Islamic Republic of Iran unapologetically sponsors terror. On January 31, 2002, Supreme Leader Ayatollah Ali Khamenei defended groups responsible for the deaths of hundreds of Americans. Speaking in Tehran, he declared, "The only sin of Hamas, Islamic Jihad, and Hezbollah of Lebanon...is that they have taken practical action...."¹⁴ If terrorism is merely practical action, then the Islamic Republic has a long and deadly history of being practical.

Just shy of one month after the World Trade Center and Pentagon attacks, President Bush announced the creation of a list of the 22 most-wanted international terrorists. No Iranian officials made the list, but almost one-third of the most-wanted received direct support or safe-haven from the Islamic Republic.¹⁵ Four of the terrorists are suspects in the 1996 bombing of a U.S. Air Force housing facility, Khobar Towers, near Dhahran, Saudi Arabia, which killed 19 Americans and wounded more than 500 others; three others receiving safe-haven or Iranian support were members of Lebanon's Hezbollah.

Despite Iranian officials' recent reformist rhetoric, such direct association with terrorists should come as no surprise. The State Department's most recent report on Patterns of Global Terrorism labeled Khatami's Iran "the most active state sponsor of terrorism in 2000." Iran actively supported terrorist groups such as Hezbollah, Hamas, Palestinian Islamic Jihad, and Ahmad Jibril's Popular Front for the Liberation of Palestine-General Command [PFLP-GC].¹⁶ Just three weeks before the World Trade Center attacks, the latter organization called on "the Arab and Islamic Nation to strike all American and Zionist interests...."¹⁷

Beyond the view of the Western press, Iran continues to support terrorism in neighboring countries, such as in secular and pro-Western Turkey, as well as the U.S.-protected Kurdish safe-haven of Iraq.¹⁸ Iranian intelligence has significantly increased its presence in Afghanistan.¹⁹ Despite promises to the contrary, Iran has never revoked the fatwa calling for the murder of British author Salman Rushdie.²⁰

Even if no Iranian citizen made the most-wanted terrorist list, one Iranian official has been directly implicated in anti-American terror: Ahmad Sharifi, a brigadier-general in Iran's elite Islamic Revolutionary Guard Corps is widely believed to have coordinated the 1996 Khobar Towers bombing.²¹ In 1999, State Department spokesman Jamie Rubin revealed that Washington had "specific information with respect to the involvement of Iranian government officials." In August 1999, Bill Clinton wrote to Khatami seeking the Iranian president's assistance in investigating Sharifi. Khatami flatly refused to cooperate in any way in the Khobar Tower bombing, even if such counterterrorism cooperation would improve relations.²²

Iranian involvement in terrorist attacks is not the work of isolated vigilantes. Many U.S. government officials dispute that any serious division exists between top Iranian officials and the vigilantes. Then-Director of Central Intelligence James Woolsey in 1994 declared that Iranian terrorist attacks are "not acts of rogue elements," but rather are "authorized at the highest levels of the Iranian regime."²³ European investigators agree. In 1997, after an almost four-year trial, a Berlin court found a committee consisting of no less than Supreme Leader Khamenei himself, the president, the intelligence minister, and the foreign minister to have ordered assassinations of Iranian dissidents in a Berlin cafe.²⁴ Amnesty International declared that the verdict "provides further evidence of [an] Iranian policy of unlawful state killings."²⁵

Iran has made little secret of its investment in terror. Patrick Clawson, a former World Bank economist who is currently research director at the Washington Institute for Near East Policy, investigated the Islamic Republic's budget and found that Iran allocated approximately \$75 million annually for terrorist activities. Following the death of his daughter at the hands of a Palestinian Islamic Jihad suicide bomber, Stephen Flatow sued the government of Iran for funding the group. In his findings of fact, United States District Court Judge Royce C. Lamberth noted that "the Islamic Republic of Iran is so brazen in its sponsorship of terrorist activities that it carries a line item in its national budget for this purpose."²⁶ With the Islamic Republic willing to put substance behind its threats, Iran's rabidly anti-Israel rhetoric cannot be dismissed.

Iran's Proxies

A U.S. strategy must be broader than a renewed focus on Iran. Several countries and groups actively enable Iran's sponsorship of terror and violent opposition to regional peace and security.

Syria: By virtue of its geographical location, as well as through its military and political domination of Lebanon, Syria provides the means to enable the Iranian leadership to provide direct support to Hezbollah, Palestinian Islamic Jihad, and other terrorist groups. Even as Syria was elected to the United Nations Security Council on October 8, 2001, the Syrian government continued to host more international terrorist groups than any other nation. Hamas opened a new main office in Damascus in March 2000. Also maintaining headquarters in Damascus are the Popular Front for the Liberation of Palestine-General Command, Palestine Islamic Jihad [PIJ], and George Habash's Popular Front for the Liberation of Palestine [PFLP]. Syria grants these groups and others permission to operate camps or safe-houses in Lebanon's Bekaa Valley, which remains under Syrian occupation.

While Bashar al-Assad wrote in his condolence message to President Bush in the wake of the September 11 attacks that Syria sought "world-wide cooperation...to uproot terrorism in all its forms," the following month (and just one week before Syria's election to the Security Council), Syria hosted a conference in support of the Palestinian war against Israel at which Syrian government officials shared the podium with Hezbollah secretary-general Hassan Nasrallah, PFLP-GC chief Ahmad Jibril, Islamic Jihad secretary-general Ramadan Abdullah Shallah, and Hamas political bureau chief Khalid Mishal.

Syria unapologetically sponsors terror. The United States must hold the Bashar al-Assad regime in Damascus as accountable for the actions of the groups it arms and supports as it did the Taliban regime for the actions of al-Qaeda.

Hezbollah: The "Party of God" has a long relationship with Iran and depends upon the Islamic Republic for material support, expertise and training, and safe-haven. While Hezbollah claims that it seeks only to "resist the occupation of Lebanese national soil," its goals are much greater.²⁷ By colluding in the attempted import into the Gaza Strip and West Bank of missiles capable of bringing down civilian jetliners or striking at the heart of Israeli cities, Hezbollah has demonstrated that it is an unreformed terrorist group undeserving of the political legitimacy ascribed to it by many European Union and other diplomats. The only way to prevent wider war in the Middle East is to reign in terrorism. And terrorism must remain a black-and-white issue. To engage in any way with Hezbollah would be to justify some forms of terrorism as somehow acceptable.

Who Is Iran Sheltering?

While hosting Ahmad Sharifi is indictment enough of the Islamic Republic's support for terror, the Iranian government continues to shelter individuals far more deadly. Imad Mughniyeh is a case in point. Born in Lebanon in 1962, Mughniyeh was a founding member of Hezbollah and director of the group's overseas operations. His trail of blood clearly shows that Hezbollah is not merely some resistance army engaged in a struggle against Israel, as many European diplomats assert.²⁸ The following are just some of the acts traced to Mughniyeh who has, since 1991,

called Iran home:

The remote-controlled truck bombing of the U.S. Embassy in Beirut on April 18, 1983, killing 63 employees and wounding 120 others.

The suicide truck bombing of the U.S. Marine headquarters in Beirut on October 23, 1983, killing 241 soldiers and wounding 81. The Marines were in Beirut as part of a peacekeeping mission. By targeting the peacekeepers, Mughniyeh fulfilled the Iranian objective of prolonging the Lebanese Civil War.²⁹

The January 18, 1984, murder of Malcolm Kerr, president of the American University of Beirut [AUB].

Throughout the 1980s, planning the kidnappings of a number of Western citizens for use as hostages, including CNN's Beirut bureau chief Jeremy Levin; the Associated Press' Terry Anderson; the Reverend Benjamin Weir; Church of England mediator Terry Waite, and AUB officials Frank Reed, David Jacobsen, and Joseph Cicippio, among several others.

Personally torturing and murdering hostage William Buckley, the CIA station chief in Beirut, who was kidnapped on March 16, 1984, and whose body was recovered on December 27, 1991.

On June 14, 1985, Mughniyeh was among the Hezbollah members who hijacked TWA flight 847 from Athens to Rome with 145 passengers and eight crewmembers on board. During the course of the 17-day crisis, the hijackers murdered one American passenger. Off-loaded in Beirut, the hijackers separated the passengers with Jewish surnames.

More recently, Mughniyeh is alleged to have planned the 1992 bombing of the Israeli embassy in Buenos Aires, and the destruction of that city's Jewish cultural and communal center two years later.³⁰

In addition to his deadly past, Israeli intelligence officials believe that Mughniyeh may have sought to promote future bloodshed by serving as the middleman for the Karine-A arms shipment.³¹

Iran's Deadly Protege

While Mughniyeh and Hezbollah may comprise one of the deadliest terrorist groups in the Middle East, Iran sponsors numerous other Islamist terror groups capable of wreaking just as much death and destruction to support the Islamic Republic's political aims. Perhaps the group with the closest ties to the Islamic Republic is Palestinian Islamic Jihad [PIJ]. PIJ became active in the West Bank and Gaza in 1979 and seeks to eradicate Israel. With offices in Beirut, Damascus, Khartoum, and Tehran, PIJ has always looked at Iran as its chief ideological patron. According to Reuven Paz, academic director of the International Policy Institute for Counter-Terrorism at the Inter-Disciplinary Center in Israel, PIJ is "the only group in the entire Sunni Arab world that wholeheartedly supports the Iranian Islamic revolution and the Iranian regime."³² Indeed, founders Fathi Shqaqi, 'Abd al-'Aziz 'Odah, and Bashir Musa embraced Ayatollah Khomeini's concept of *vilayat-i faqih* [Guardianship of the Jurisprudent], the theological underpinning of religious dictatorship. Consequently, while PLO chairman Arafat long had strained relations with the Islamic Republic (due to Arafat's consistent support for Iraqi leader Saddam Hussein), the PIJ has remained close to Khamenei, Khatami, and the spectrum of the Islamic Republic's leadership.³³

Palestinian Islamic Jihad was behind a rash of suicide attacks in the mid-1990s that derailed the peace process and contributed to Benjamin Netanyahu's victory over Shimon Peres in Israel's 1996 elections.³⁴ Specifically, Islamic Jihad claimed responsibility for a January 22, 1995, bomb attack near Netanya that killed 18 Israelis, as well as an April 9, 1995, attack on a civilian bus that killed American Alisa Flatow, among several others. On March 4, 1996, a PIJ suicide bomber detonated a 20-kilogram nail bomb in a Tel Aviv shopping mall slaughtering 20 civilians, mostly teenagers and senior citizens.³⁵

Despite giving safe-haven to Mughniyeh and underwriting the activities of Palestinian Islamic Jihad, President

Khatami declared in a November 9, 2001, New York Times interview that "there are no terrorists in Iran." Such statements by Khatami should not be taken at face value. Ever since his triumph in the 1997 presidential elections, Western diplomats, journalists, and policymakers have favored a nonconfrontational approach and have been willing to overlook such inconveniences as Iran's support for terrorism. Believing that Khatami was sincere in his rhetorical outreach to the West, the logic went that to hold Iran accountable for her actions would damage the cause of reform. For example, prior to British foreign secretary Jack Straw's September 2001 visit to Tehran, one British official commented, "There is no reason the foreign secretary's visit would be soured by raising the issue of this man [Mughniyeh]."36

The seizure of the Karine-A clearly shows that diplomatic unwillingness to ruffle Iran's feathers has backfired. Rather than strengthen the hand of Iranian reformists, it has only encouraged the Iranian government to continue its sponsorship of terror. Thus, Basij Resistance Force commander Brigadier-General Muhammad Hijazi feared no diplomatic consequences when he announced in October 2000 that officials of Lebanese Hezbollah as well as members of either Hamas or Palestinian Islamic Jihad would participate in the three-day "Companions of Ali, Wayfarers to Jerusalem" war games.³⁷ Failure to hold the Iranian government accountable for the behavior of its constituent parts only encourages terror.

A Conference for Terror

The real goal of Iranian government policy was prominently displayed just a week after the capture of the Karine-A. Beginning on January 9, leading officials of Hezbollah, Hamas, Palestine Islamic Jihad, as well as prominent personalities from Iran, Syria, Lebanon, and the Palestinian Authority gathered in Beirut for a two-day conference. Iranian parliamentarian 'Ali Akbar Mohtashemi, an adviser of Khatami and publisher of a banned reformist paper, brought the endorsement of the Iranian government.³⁸

Ayatollah Sayyid Muhammad Hussein Fadlallah, spiritual leader of Hezbollah, gave the keynote speech, sermonizing that all Muslims should promote the cause of "martyrdom operations," a euphemism for suicide bombings.³⁹ Sheikh Hasan Nasrallah, political leader of Hezbollah, castigated respected Muslim clerics who had condemned suicide bombings, calling such religious prohibitions "fatwas to surrender."⁴⁰ The conference concluded that such "martyrdom operations are national principles that cannot be changed."⁴¹

The Middle East is already seeing the fruits of the Iranian government's recent acceleration of terror sponsorship. At the conclusion of the conference, Hamas official Musa Abu Marzook declared in an interview with CBS's Sixty Minutes that Hamas was developing a missile with a range long enough to hit most Israeli cities.⁴² The Kassam-1 rocket has a range of about three miles, while the Kassam-2 rocket, currently in development, will have a range double that, as well as an increased payload.⁴³ Abu Marzook's statements were not empty rhetoric. On February 10, Palestinians fired Kassam rockets from the Gaza Strip into Israel.⁴⁴ Iranian-sponsored coordination of secular, nationalist, and Islamist terror groups is no longer merely a threat; it has become reality.

Iran and Nuclear Weapons

The Iranian government's violent opposition to the Middle East peace process and its demonstrated support of terror are reason enough to maintain a policy of confrontational accountability toward Iran. But far more dangerous to U.S. strategic interests is the Islamic Republic's substantive nuclear program. Iran is building, with Russian assistance, a nuclear reactor in Bushehr. Iranian officials have never been able to explain realistically why a country awash in oil, self-sufficient in energy needs, and in deep debt would construct a nuclear plant -- at least not until "Jerusalem Day" 2001.

On December 14, 2001, Expediency Council chairman and former Iranian president Ali Akbar Hashemi Rafsanjani, once touted as a moderate by State Department officials and The Washington Post, provided a clear answer.

Speaking at Tehran University, Rafsanjani suggested that first-use of nuclear weapons might not be such a bad idea. Mounting the podium, he declared, "If one day, the Islamic world is also equipped with weapons like those that Israel possesses now, then the imperialists' strategy will reach a standstill because the use of even one nuclear bomb inside Israel will destroy everything."⁴⁵ Such thoughts are not isolated among the Islamic Republic's hierarchy. On December 8, Ayatollah 'Ali Meshkini, the chairman of the powerful Assembly of Experts, declared in a Qum sermon, "You should make the world understand that...Israel must be destroyed."⁴⁶

Such threats are not mere hyperbole. The Islamic Republic is an ideological dictatorship, and while Tehran is pragmatic on some minor points of foreign policy, it has never wavered from its core principles of violently opposing peace in the Middle East. Indeed, on January 31, 2002, Supreme Leader Ayatollah Ali Khamenei called for continued terrorism against the "cancerous tumor of Zionism."⁴⁷ While some analysts rightly point out that most Iranians disapprove of their own government and look for significant reform, such popular disapproval is irrelevant so long as the ayatollahs control the armories, tanks, and troops. The threat posed by the regime cannot be underestimated. Those claiming that Iran is really growing more democratic very much misunderstand Iran's tightly controlled political system. Khatami may have originally won decisively in a field of four, but the nonelected Iranian leadership eliminated 234 other candidates because they were too reformist or too secular. In other words, the Iranian leadership believes that if the people have true choice, they will choose incorrectly. Many of the real reformists are now in prison. This is how democracy works in the Islamic Republic.

The threat posed by a nuclear Iran is enhanced by Iran's aggressive missile program. Iran already possesses medium-range ballistic missiles. Indeed, just one month after then-Secretary of State Madeleine Albright offered a "road map" to U.S.-Iran rapprochement, the Iranian military tested a Shihab-3 missile capable of striking Israel and Turkey. While State Department spokesman Jamie Rubin called Iran's missile test "bad news," the U.S. government downplayed Iran's missile ambition for fear of embarrassing Khatami or weakening reformers.⁴⁸ Unfortunately, already in his second term and with few if any reforms to his credit, it is increasingly obvious that Khatami has only been engaged in a carefully choreographed dance with the hard-liners, and that the Iranian president's goals have been more public relations than real reform.

Seeing no substantive consequences for testing the Shihab-3, the Iranian government has spared no effort to advance its missile capability even further. On February 7, 2001, Director of Central Intelligence George Tenet told the Senate Select Committee on Intelligence that Iran could test an intercontinental ballistic missile capable of reaching the United States within a few years.⁴⁹ Following President Bush's January 29, 2002, State of the Union address, with its criticism of Iran's development of an offensive nuclear capability, Iranian foreign minister Kamal Kharrazi, often considered a moderate, chided Bush for "interference in [Iran's] internal affairs."⁵⁰ While some may hope that Iran would never use a nuclear weapon, such assumptions are risky and a gamble with the lives of millions. After all, at the time of the Islamic Revolution, few believed that the new regime would increase domestic oppression, take diplomats hostage, or encourage suicide bombers.

Engagement Versus Confrontation

Iran can be approached two ways. Since 1992, the European Union has favored "critical engagement," while the United States has tended to believe more in unilateral sanctioning. Proponents of critical engagement argue that the rogue behavior of the Islamic Republic can best be moderated and reformist trends enhanced through dialogue, people-to-people exchanges, and business deals. They argue that sanctions are ineffective, and that confrontation merely benefits the hard-line factions within the ruling elite.

While such logic is attractive, it is also deeply flawed. Critical engagement now has a decade-long record of failure. Since the inauguration of the policy, the Islamic Republic has assassinated Iranian dissidents in Berlin, sought at every opportunity to undermine Arab-Israeli peace, coordinated a terror attack on American forces in Saudi Arabia,

and murdered a number of Christians and Baha'i inside Iran solely because of their religion. In 1998 and 1999, Iranian intelligence ministry officials assassinated a number of leading intellectuals and writers, and high-level Iranian government officials like Ayatollah Ahmad Jannati, chairman of the Council of Guardians, still subsidize violent vigilante groups that serve as the regime's Brownshirts, regularly attacking those deemed too reformist. [It was an attack by this group, Ansar-i Hezbollah (Defenders of the Party of God), that sparked the 1999 student riots.]⁵¹

The idea that the Islamic Republic can be moderated by trade makes sense on paper: if Iran were tied into the international community, then it would have too much to lose through international adventurism. Unfortunately, this, too, falls short in reality. In Iran, multi-billion dollar bunyads [Revolutionary Foundations] monopolize import-export. Supreme Leader Khamenei nominates the heads of these conglomerates. When the hard-liners control almost all import-export trade in Iran, only a fool would believe that investment in Iran does anything but hurt the true proponents of reform. Any new business with Iran will simply pump money into the wallets of the hard-liners and accelerate completion of the Islamic Republic's nuclear and intercontinental ballistic missile programs.

The United States has also tried its hand at rapprochement. The Clinton administration accepted Khatami's 1997 call for a "Dialogue of Civilizations." Subsequent events indicate, though, that Khatami's dialogue lacked sincerity.⁵² America granted Iranians approximately 22,000 visas; Iran reciprocated with barely 800. In 1999, Iranian intelligence officers constantly escorted and harassed American students on an academic exchange.⁵³ Likewise, the State Department has refused to allow such victims of terror as Stephen Flatow to collect court-awarded compensatory damages.⁵⁴ Speaking the day of the verdict against Iran, State Department spokesman Jamie Rubin said, "[C]ourt opinions, in our view, are not going to change our policy. And our policy is that these are major problems between our countries, but they are problems that we believe can be overcome through direct dialogue."⁵⁵ After a decade of dialogue, though, it is clear that Tehran merely seeks to enjoy the fruits of diplomatic rapprochement without altering its behavior.

While some diplomats, journalists, and academicians in the United States and Europe continue to view Khatami as a reformer, Iranians are increasingly coming to the opposite conclusion. Since Khatami's election, freedoms have actually declined. The Iranian government has closed more than 50 newspapers, banned private Internet services, confiscated satellite dishes, and harassed and killed intellectuals, students, and dissidents. Public executions have increased. The country's Jewish community has been harassed and intimidated; 13 Jews, including a teenager, were arrested on trumped-up spying charges in 1999 -- and, despite international protests, 10 were convicted in a sham trial and sentenced to multiyear prison terms.

The presence of multiple Iranian power centers does not excuse Khatami's inability to implement tangible reform. Khatami has consistently refused to speak out in defense of some of his closest allies who have since been hauled off to prison. Indeed, during the largest anti-government protests in the Islamic Republic's history last October, students, women, workers, professionals, soldiers, and the unemployed chanted "Death to Khatami." Reformist students heckled Khatami at a speech in December. Even if Foggy Bottom diplomats have not, Iranians have concluded that there is very little difference indeed between Khatami and Khamenei. The stubborn insistence that there are sincere reformists in the Iranian government seems more an invention of the Western media and some academics. A sampling of newspaper reports and State Department statements from a decade ago shows a similar labeling of Rafsanjani as a moderate. If American policymakers want to find the true reformers in Iran, they must look behind the gates of Evin Prison.

The Ruling Mullahs' Strategy

The seizure of 50 tons of Iranian weaponry bound for the Palestinian Authority and Islamist rejectionist groups should send shivers down the spines of American policymakers. While the groups that Iran funds focus on terror

attacks in Israel, they do not limit their actions to the Jewish state, as the trail of Imad Mughniyeh shows. The strategic implications of the Karine-A affair are far-reaching.

The Karine-A affair demonstrates that a decade of engagement and almost five years of Muhammad Khatami have done little to moderate Iran. Engagement has failed. Iran continues to arm terrorist groups of global reach and shelter individuals responsible for the deaths of scores of Americans. The Islamic Republic is accelerating its development not only of atomic weapons, but also of delivery systems capable of sending nuclear payloads to Tel Aviv and Ankara, as well as to New York and Washington. The rhetoric of high-level Tehran officials indicates that at least some powerful members of the Iranian hierarchy will consider using nuclear weapons in an offensive manner to achieve the Islamic Republic's ideological goals. There are few real differences between the reformists and hard-liners, but even so-called moderates like President Khatami dismiss American concerns over Iran's burgeoning nuclear program.⁵⁶

Despite a patina of democracy, Iran remains in effect a dictatorship. Unelected figures like Supreme Leader Ali Khamenei retain exclusive control over the Islamic Republic's foreign and military policies. Iranian government officials interpret willingness to negotiate as weakness on the part of the United States that can be exploited by the Islamic Republic, allowing the ayatollahs to further pursue their dream of an "Islamic bomb," while at the same time pursuing terror by proxy.

Rather than engage Iran, policymakers must recognize that Muhammad Khatami does not differ substantively from his predecessors. He is a product of the Islamic Republic and will do nothing to substantively diminish its power. While more gentle in appearance than his predecessors, he nonetheless still seeks to perpetuate a regime that is ideologically wedded to terror.

The Iranian people are increasingly impatient with their leadership and seek real reform that will inevitably mark the end of the Islamic Republic. Rather than hold out an olive branch to the Iranian regime, the United States should ratchet up the pressure and isolate Tehran. In 1953 and 1979, American policymakers made the mistake of engaging unpopular regimes; Washington should not make the same mistake again.

Policymakers should not hope for a slow, peaceful transition to reform in Iran. Never in history have ideological dictatorships voluntarily relinquished power. The ayatollahs realize that demography is against them. Seventy percent of Iranians were born after or came of age after the Islamic Revolution. When they see Supreme Leader Khamenei, Expediency Council chairman Rafsanjani, and President Khatami, they no longer see hard-liners, moderates, or reformists. Rather, they see officials of a corrupt and unpopular form of government that has been imposed on them by force.

Not wishing to cede power, the hard-liners are currently engaged in a win-win strategy. On the one hand, if they close newspapers, confiscate satellite dishes, imprison intellectuals, and murder dissidents, they have succeeded in rolling back freedom. On the other hand, if they push too far, as they did by attacking the student dormitory in 1999, they can bring rioters onto the streets and have an excuse for a national security crackdown, further rolling back freedoms.

While violent opposition to Israel's existence and the Middle East peace process is at the heart of the Islamic Republic's ideology, the recent acceleration of Iran's nuclear and missile programs, along with its willingness to ship 50 tons of sophisticated weaponry to the Palestinians is no coincidence. Khamenei knows that his regime's unpopularity among ordinary Iranians, even with the collapse of support among Khatami's traditional constituency, is by itself irrelevant to the regime's grip on power. As the People's Republic of China showed in 1989, an unpopular few can suppress the many if the few have the guns and the tanks. The danger is that, according to some intelligence sources as well as conversations with Iranians, Khamenei is losing control over the paramilitary Basij militia, as well

as the elite Islamic Revolutionary Guard Corps. The time is nearing when Khamenei will no longer be able to trust his elite troops if they are called upon to fire into crowds and put down anti-government riots that have been occurring with increasing frequency. Accordingly, while they still have a grip on power, Khamenei, Rafsanjani, Khatami, and other proponents of a dictatorship of clerics must foment a military crisis around which nationalistic Iranians can rally. In order to maintain their waning power, expect the ayatollahs to push the Middle East to the brink of war.

Iran will not do so alone, but rather will use the governments and organizations with which it has cultivated close relations. Hezbollah, Syria, and the Palestinian Authority will present significant challenges to U.S. regional interests, as well as to efforts to achieve peace and stability in the Middle East.

Conclusion: The Need for an Activist Approach

For much of the past decade, the United States has sought to maintain a flexible and accommodating foreign policy toward regimes with which the United States has had strained relations. Unfortunately, the Islamic Republic of Iran has taken advantage of the diplomatic space created by the so-called "dialogue of civilizations" both to advance its nuclear weapons program and to augment the quality of its material assistance to a variety of Middle Eastern terrorist groups.

Washington policymakers should not be surprised by the accelerating threat of violence in the Middle East. For several years, the United States has telegraphed weakness. While outreach, negotiation and accommodation appear an attractive policy in Foggy Bottom, they are often interpreted far differently in the Middle East. Where American diplomats may see fair compromise, Iranians (and Iraqis) warn that their leaders see weakness to be exploited. The only difference between compromise and appeasement is historical perspective. When Iranians and Iraqis see Western diplomats engage their regimes, they express contempt for American appeasement.

In my sixteen months living in Iran and Iraq, people from varying educational, social, and economic backgrounds insisted that they no more wanted to live under dictators or ayatollahs than any American would. There is a reason why the Iranian people are not just overwhelmingly pro-Western, but are pro-American. Iranians realize that when such governments as France and Germany sought dialogue and engagement with Iran, they were just seeking business contracts with self-interested dictators. By taking a harder line, the United States showed itself to stand on principle.

The United States must be firmer in the face of hostile regimes. There will not be a significant anti-American backlash should the United States work actively to counter threats posed by terrorism and weapons proliferation. The images of civilians spontaneously celebrating can just as easily be replicated in Baghdad and Tehran. In my experience in countries like Iran, Iraq, and the Taliban's Afghanistan, people on the street invariably blamed the United States, not for its secular democracy or support for Israel, but rather for not doing enough to help free them from dictatorship. Anti-Americanism among many Arab countries would decline if the United States would hold its Arab allies, including Egypt, Qatar and Saudi Arabia, accountable for untruths, conspiracy theories, and venom often aired on state-run and state-financed media.

The United States must reverse the atmosphere in which Iran, Hezbollah, and the Palestinian Authority would feel that they could smuggle such sophisticated weaponry in such quantities into the Palestinian territories. Rogue regimes generally do not take American policy and pronouncements seriously. If terrorist groups and their sponsoring regimes understood that they would be held accountable for their actions, the United States would be faced with far fewer challenges. In the bus stations of Iran, and the teahouses of Iraq, civilians complained to me of the suffering they and their families endure under repressive regimes. Congressmen, diplomats, and other American officials should stand firm in response to the challenge posed by the Islamic Republic.

With instability on the rise in the Islamic Republic of Iran, America must be ready to meet the challenge posed by a faltering regime seeking to undermine peace and stability in Afghanistan, Israel, and Lebanon. Steadfastness and accountability rather than flexibility and forgiveness will ameliorate the threat posed by terror sponsors and their client groups. Not to impose accountability will create a disincentive for true reform and a real quest for peace, and will only lead to more terror.

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1 Amos Harel. "Hezbollah paid for Karine A; PA paid for arms-army source." Ha'aretz. February 1, 2002. Much of the Arabic and Iranian press argued that the ship was, according to Lloyd's, owned by an Iraqi citizen [e.g., see: Beirut's al-Anwar, January 8, 2002; Tehran Times, January 8, 2002]. However, ownership of the ship on paper is irrelevant to its activities. 2 "The Weapons Seized on the Karine-A Ship." Israel Defense Forces. www.idf.il/english/news/karinea.stm 3 David Makovsky. "The Seizure of Gaza-Bound Arms: Political Implications" Peacewatch #358. The Washington Institute for Near East Policy. January 8, 2002. 4 Jennifer Griffen. "Prison interview with Palestinian ship captain smuggling 50 tons of weapons." Fox News. Jerusalem. January 7, 2002. 5 Ha'aretz. January 7, 2002. 6 "President Arafat: 'God willing, I will attend the Beirut summit.'" WAFA. February 7, 2002; Muhammad Naji Amayrah. "Why did Washington adopt the Israeli story on the arms ship?" Al-Ra'y [Amman, Jordan]. January 13, 2002; Ali al-Khalili. "Further evidence of the American bias toward Israel!!" al-Quds [Jerusalem]. January 15, 2002. 7 "The PNA Denied Any Link to The Weapons Ship." WAFA [the official Palestinian News Agency]. January 4, 2002; "An official Palestinian statement." WAFA. January 7, 2002; "Mousa: The weapons ship is foil attempts aiming at resetting the peace process into it's right track." WAFA. January 9, 2002. 8 "Sermon from Al Aksa Mosque." Voice of Palestine. January 25, 2002. 9 Reuven Paz. "Palestinian Participation in the Islamist Global Network." The Washington Institute for Near East Policy. Policywatch #453. April 14, 2000. 10 Gal Luft. "The Karine-A Affair: A Strategic Watershed in the Middle East?" Peacewatch #361. The Washington Institute for Near East Policy. January 30, 2002; Michael Rubin. "Iran and the Prospects for Syria-Israel Peace." Peacewatch #237. The Washington Institute for Near East Policy. December 22, 1999. 11 Gal Luft. "The Seizure of Gaza-Bound Arms: Military Implications" Peacewatch #359. The Washington Institute for Near East Policy. January 8, 2002; Gal Luft. "The Karine-A Affair: A Strategic Watershed in the Middle East?" Peacewatch #361. The Washington Institute for Near East Policy. January 30, 2002. 12 Ali al-Jarbawi. "What is behind this nonsense?" al-Ayyam [Ramallah]. January 12, 2002. 13 Eli Lake. "Bush blasts Arafat on terror." United Press International. January 28, 2002. 14 "Speech by Iranian Supreme Leader Ayatollah Ali Khamene'i at an international conference on Islamic media in support of the Palestinian intifadah. Tehran. Voice of the Islamic Republic of Iran Radio 1. January 31, 2002. 15 Abbas William Samii. "Tehran Denies Hosting Seven 'Most Wanted Terrorists.'" Radio Free Europe/Radio Liberty Iran Report. Vol. 4, No. 39. October 15, 2001. 16 For a chronology of terrorist attacks which claimed American lives, see: Caroline Taillandier. "Middle-East Connected Terror Attacks on Americans." Middle East Review of International Affairs. Vol. 5, No. 4. December 2001, pg. 90-99; "Overview of State-Sponsored Terrorism. Patterns of Global Terrorism - 2000. Office of the Coordinator for Counterterrorism. U.S. Department of State. April 30, 2001. 17 "PFLP-GC calls for striking American and Zionist economic interests." www.palestine-info.com. August 22, 2001. 18 Michael Rubin. "The Islamist Threat in Iraqi Kurdistan." Middle East Intelligence Bulletin. Vol. 3, No. 12. December 2001. (www.meib.org/articles/0112_ir1.htm). 19 Abbas W. Samii. "A Finger in Every Pie -- Tehran Looks East." Radio Free Europe/Radio Liberty Iran Report. Vol. 5, No. 2. January 21, 2002. 20 "Overview of State-Sponsored Terrorism. Patterns of Global Terrorism - 2000. Office of the Coordinator for Counterterrorism. U.S. Department of State. April 30, 2001. 21 At a June lecture marking the fifth anniversary of the terror attack at Khuobar, Ruth Wedgwood, professor of international law at Yale Law School, speculated that diplomatic considerations could be responsible for the U.S. government's failure to indict publicly Sharifi for the 1996 bombing. See: Ruth Wedgwood. "Special Policy Forum Report: Khobar Towers Five Years Later: Evaluating the Criminal Justice Approach to Counterterrorism."

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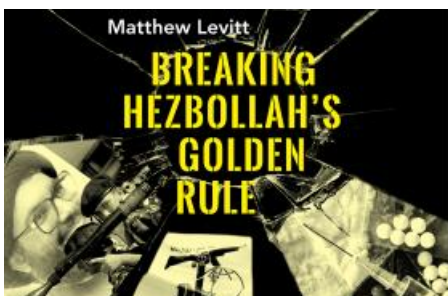
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