

# **US foreign policy from Baghdad to Tehran**

## US fears of nuclear proliferation may lead to anticipatory defence measures against Iran

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## Introduction

Since the release of the Bush administration's "National Strategy to Combat Weapons of Mass Destruction" in December 2002, US foreign policy has been focused on Iraq. In recent weeks, however, the US-led military intervention in Iraq and the subsequent search for Weapons of Mass Destruction to justify this invasion have been overshadowed by the new focal point of the Bush administration - Iran. When President Bush spoke of the US 'War on Terror' in January 2002, he labelled Iran as part of "an axis of evil, arming to threaten the peace of the world"[i]. Lately, a volley of accusations by Washington against Iran has increased the pressure on the Iranian regime to declare its political intentions and military capabilities.

There are four main issues under discussion:

- the alleged sanctuary given to al-Qaeda operatives in Iran;
- the potential influence of Iranian clerics in the new Iraqi regime;
- the strategic and economic value of Iran; and
- Iran's suspected nuclear programme.

The latter is the main focus of this Note, which begins with a brief overview of the other three issues of contention in US-Iranian relations.

## Iran and Terrorism

The relationship between the US and Iran has been increasingly acrimonious since the Iranian Revolution and hostage crisis in 1979. The conservative religious elements within Iran have referred to the US as 'The Great Satan' and have tacitly condoned the actions of terrorist groups such as Hezbollah and Hamas. The US, in turn, views Iranian policy as a threat to the Middle East peace process and regards the country as a state sponsor of terrorism. The US' attitude toward Iran has been exacerbated by the recent spate of terrorist attacks in Riyadh, Saudi Arabia. US officials assert that these incidents were orchestrated by Saif al-Adel, an Egyptian born al-Qaeda leader who they believe is based in Iran.[ii]

The Saudi Foreign Minister, Prince Saud al-Faisal, revealed that last year Iran extradited several hundred Saudis suspected of terrorist activity. In turn, Saudi Arabia forwarded transcriptions of their interrogations to the US.[iii] Iranian officials have admitted that it is extremely difficult, if not impossible, to effectively monitor the 906 mile (1,458 km) border between Iran and Iraq but that any al-Qaeda operatives found within their jurisdiction would be arrested.[iv]

There are also fears on the Iranian side, that the Bush administration will support the activities of dissident groups within Iran. The Mohajedeen Khalq Organisation (MKO)[v], for example, had been on the US State Department's list of terrorist organisations since the US Embassy hostage crisis in Tehran in 1979. The MKO was founded on a combination of Marxist and Islamic ideologies and is credited with international attacks on thirteen Iranian embassies during the 1990s[vi]. Based in Baghdad for the past twenty years, the group's aim is to overthrow or undermine the Iranian theocracy and it was supported to this end by the Saddam regime.[vii] Despite previous denunciations, the US Army in Iraq negotiated a cease-fire with this group in April, allowing them to remain fully armed. It was speculated in the media that certain Pentagon officials planned to use the MKO to destabilize the Iranian regime from within, rather than launch a US military offensive. The State Department feared this move would be seen as legitimising a terrorist organisation, and persuaded the President to overturn the decision.[viii] US policy makers are currently divided on this issue and the future of the MKO in Iranian politics remains to be seen.

## Iran's Potential Threat to Future Stability in Iraq

The US is also concerned that the tenuous political position in Iraq may be further destabilised by Iranian influences. US Defence Secretary, Donald Rumsfeld, warned that the US would not

tolerate the installation of any Muslim clerics who are affiliated with the Iranian regime in the new Iraqi political system. Many Shia clerics sought refuge in Iran during the reign of Saddam, and have returned to emerge as a considerable political force in post-Saddam Iraq. The most notable political element is the Supreme Council of the Islamic Revolution in Iraq (SCIRI), whom the US fears already has widespread influence. Rumsfeld declared in a speech to the Council on Foreign Relations in May that any attempt by Iran to intervene in Iraq would be “aggressively put down” by the US.[ix]

## **Economic and Strategic Interests – Is It About Oil?**

It is estimated that Iran possesses one-tenth of the world’s oil reserves, approximately ninety billion barrels, and has the world’s second largest supply of natural gas reserves.[x] Iran is also located in a strategic economic position within the Caspian region, which is believed to have substantial untapped oil and gas reserves. The importance of oil in international politics, especially in the Middle Eastern region, should not be overlooked. The fuel reserves within this region far exceed those of the US and Europe combined and with oil fields in the North Sea nearing exhaustion, Western consumers are beginning to rely heavily on Middle East supplies.

The US is the world’s largest oil consumer and its economy is most vulnerable to fluctuations in global oil supply.[xi] Consequently, the US requires friendly regimes to ensure a free flow of oil throughout the region and protect the US’ long-term economic interests. Other major powers also have a vested interest in Iran’s future. The French state oil company TotalFinaElf has contracts in Iran worth hundreds of millions of dollars.[xii] Russian company Lukoil and Norwegian Statoil also have major development interests in the Iran-Iraq area.

## **A Clandestine Nuclear Weapons Programme?**

The main source of concern for the US is the suspected Iranian nuclear weapons development and procurement policy. Iran was first accused clandestine development in 1991, despite its status as a signatory of the Non-Proliferation Treaty (NPT).[xiii] Persuaded by the US government, most nuclear suppliers ceased cooperation with Iran, aiming to restrict access to the technology necessary for nuclear weapons production. Despite this international effort, Iran has allegedly proceeded with its nuclear research and made considerable progress.

Construction of Iran’s first nuclear power reactor was begun in partnership with Germany almost thirty years ago but was halted when the Germans withdrew during the Iranian Revolution. The Russians were, until recently, cooperating with the Iranians to finish the 1000-megawatt reactor at Bushehr. At the beginning of this year, successive announcements by the Iranian regime revealed a more comprehensive nuclear programme. The government declared that it planned to build five reactors, similar to the existing reactor at Bushehr, within the next twenty years. New Scientist surmises that Iran now has one of the most “ambitious programmes” for nuclear development in the world.[xiv]

US tensions were further heightened when it was discovered that Iran also had two previously unheard of nuclear facilities. The MKO, first highlighted the existence of a nuclear plant in Natanz in August 2002. The Iranian President, Mohammad Khatami, confirmed this and the existence of a second complex in Arak in February 2003.

The same month, the Director General of the Vienna-based International Atomic Energy Agency (IAEA), Dr. Mohamed ElBaradei, inspected the site at Natanz with a team of experts. He concluded that the level of development at Natanz suggested that it was the progeny of a previous, experimental facility due to the levels of technological sophistication he witnessed. The IAEA report, leaked before its scheduled release later this month stated “the number of failures by Iran to report the material, facilities and activities in question in a timely manner...is a matter of

concern”.<sup>[xv]</sup> The Iranian government had never publicly declared that such a test facility existed, as they would clearly have been in violation of the NPT.

## **Production of Nuclear Material**

The complex at Natanz is a uranium enrichment facility and its stated purpose is to produce low-enriched uranium. Uranium can be used to power nuclear reactors, like the one in Bushehr. If its quality is improved, or ‘enriched’ to a sufficient level, it is the key ingredient for a nuclear explosive. The second facility at Arak, which is nearing completion, is a heavy water production plant. A heavy water reactor allows early fuel withdrawal; therefore the plutonium is pure and suitable for explosives. The US administration believes that these facilities are part of a continuous covert weapons programme, masquerading as civilian energy generation. They have been urging the IAEA to condemn Iran’s suspected nuclear agenda, placing the organisation in a problematic position. The development of a nuclear energy generation scheme is not prohibited by the NPT; in fact under article IV of the NPT, the IAEA encourages nuclear energy. However, US fears are unlikely to be assuaged while Iran has access to any nuclear facilities, as civil nuclear reactors are capable of producing material that is suitable for use in nuclear weaponry. The US Department of Energy has stated “...reactor-grade plutonium could be used to construct both primitive and advanced, modern and reliable nuclear weapons”<sup>[xvi]</sup>.

Given the existence of vast natural oil resources with Iran, the construction of a nuclear reactor is not entirely politically justifiable to many members of the international community. It is therefore deemed questionable that Iran is merely supplementing this immense fuel supply with nuclear power, even though this is the official line from the Atomic Energy Organisation of Iran. If the facilities at Natanz and Arak become fully operational, it is possible that Iran could create a domestic source of all vital components needed to manufacture nuclear weapons. This inclusive nuclear fuel cycle would remove the need for external weapons suppliers and allow Iran to have a self-sufficient nuclear weapons manufacturing industry.

In response to accusatory press reports, Iranian officials have denied using the plants at Arak and Natanz for the manufacture of fissile material. Iran’s Foreign Ministry spokesman Hamid Reza Asifi has stated that Iran’s nuclear activities remain within the boundaries of international regulations<sup>[xvii]</sup>. But it remains undisputed that the two facilities in question, as well as producing nuclear energy, can also be used to manufacture weapons usable materials.

## **Missile Technology**

It is unclear from which nuclear state Iran garnered enough information and resources to advance this far in nuclear technology. Although Russia was involved in the Bushehr project, it had not yet supplied nuclear materials to Iran. North Korea, another ‘rogue state’, seemed to be the main suspect. It is now emerging that one of China’s defence firms, Norinco, had assisted Iran by supplying missile technology to an Iranian company, Shahid Hemmat Industrial Group. The US imposed trading sanctions on both companies in May 2003, which remain in force.<sup>[xviii]</sup> The revelation that Iran has access to missile technology has accentuated US concerns that Iran has an active WMD programme.

## **Future of the NPT**

The realisation that nuclear weapons proliferation has continued despite the NPT has caused the value and effectiveness of the treaty to be questioned. The future of the NPT was discussed by the Assistant Secretary of State, John S. Wolf, the US Representative to the Preparatory Committee for the 2005 NPT Review.<sup>[xix]</sup> He stated that Iran symbolised the most “fundamental

challenge” to the Treaty and that the balance of the Treaty, based on the three pillars of non-proliferation, disarmament and peaceful nuclear cooperation, is threatened. He stated that IAEA safeguards need to be strengthened and universal adoption of the Additional Protocol should be implemented fully by 2005. Wolf advocated that “robust support” backed by “political resolve” is needed to bolster the NPT’s objectives. In reference to the Iranian situation, he insisted that the issue was one of international concern, and was not perceived by the US as being a bilateral issue. Although the US will continue to stand firmly behind the NPT, Wolf announced, it would not condone any changes in nuclear status to non-NPT signatories. This speech suggested to member states of the NPT that, despite the aggressive rhetoric, the US is seeking a multilateral approach to the unfolding circumstances in Iran

## **The International Response**

There is increasing international pressure on Iran to allow IAEA inspectors back into the country to investigate its nuclear activities. Iran has been asked to sign the Additional Protocols to the NPT, which would grant IAEA officials open access to all nuclear sites, regardless of whether they have been officially declared by the government. Cooperation between Iran and the IAEA was also encouraged in an announcement by the Foreign Ministers of the Group of Eight, who discussed Iranian atomic projects in the final communiqué of their Paris meeting in May. The subsequent G-8 meeting in Evian in June once again afforded the opportunity for world leaders to express suspicion of Iran’s nuclear policy. The US has succeeded in raising international consciousness of Iran’s potential nuclear capability.

## **IAEA Inspections**

In response to international pressure, an IAEA team returned to Iran on June 9 to continue investigations begun in February. The outcome of their previous investigation into Iran’s nuclear developments was a report destined for the IAEA’s Board of Directors. Leaked advance copies of the document suggest that Iran has failed to meet its requirements to the international community by not:

- accounting for nuclear material;
- declaring the use of nuclear material; and
- reporting the existence of storage and processing facilities.[xx]

The IAEA Board is due to meet on June 16 and the Bush administration will be hoping for some form of official pressure on Iran from the UN body. The shift in the attitude of the US is noticeable; they are relying heavily on the IAEA to give their accusations legitimacy, which contrasts sharply with their initial policy of prohibiting IAEA inspectors from investigating sites within post-war Iraq.[xxi]

## **Russia**

Russia has been involved in the Bushehr construction process but has come under increasing US pressure to cease all cooperation with Iran. Although Russia refuses to renege on its multi-million dollar contract for the site, it has told the Iranian government that it will withhold nuclear fuel for the reactor until Iran agrees to return spent fuel to Russia. This measure would ensure that spent fuel from the nuclear reactors could not be reprocessed in Iran and used as fissile material for weapons in Iran.

## United Kingdom

Since the terrorist attacks in New York on September 11, 2001, the UK has been the firmest supporter of the US-led 'War on Terror'. Prime Minister Tony Blair staunchly supported the US-led military invasion of Iraq and has broadly affirmed the US administration's policy towards the Middle East. Unlike their counterparts in Washington, the London administration has been slow to vocalise concerns about Iran. In a revealing statement during an interview with the BBC in April, Foreign Secretary Jack Straw stated that the US and the UK had "different views" on the situation in Iran. He also stated that, in terms of military power and diplomacy, the international system has become unipolar.[xxii]

Tony Blair has made only vague references to the UK position on Iran. In a speech to British troops in Basra, Iraq, Blair stated that the UK had "big issues" to discuss and resolve with Iran.[xxiii] Blair's most recent official statement was made in conjunction with other world leaders at the Evian summit, which stated that Iran's nuclear programme would not be ignored. It seems unlikely, however, that the UK will follow the more coercive policy towards Iran that is being suggested in some quarters in Washington.

## Israel

Israel has also joined the US as a vocal opponent of Iran's apparent nuclear proliferation and call for immediate inspections of Iranian military and research facilities. Israel's nuclear status in the Middle East may be one of the factors that precipitated the Iranian nuclear development project. It is generally accepted that Israel possesses substantial nuclear weaponry and although it has never been officially tested, in July 1998 then Prime Minister Shimon Peres admitted the nuclear capabilities of the state. Later that month, Iran tested a ballistic missile, the Shahab-3, which is believed to have a striking range that could reach Israel. Judging that Iran would soon advance to more sophisticated technology, including nuclear weapons, the reaction in Israel seemed to encourage greater investment in military development and weapons production. The precise extent of Israel's weapons arsenal is unknown, however the Centre for Non-Proliferation Studies estimates that the state has acquired or manufactured between 100 and 200 nuclear weapons.[xxiv] Iran has continuously asserted its right to defend itself against Israel's arsenal. President Khatami has stated that there could be no reassessment of Iran's policies without a wider Middle East agreement.[xxv]

## Conclusions

To date, Iran has made no aggressive gestures toward the United States, either militarily or politically. Technically, the construction of nuclear reactors and acquisition of missile technology do not constitute a violation of international laws or treaties. However, there are several factors that lead commentators to believe that Iran is operating a clandestine nuclear weapons programme.

Iran has long been an enemy of Iraq and was probably quite content to see the Saddam regime destroyed. In the aftermath of the conflict, however, they find their country almost encircled by states in which the influence of the United States is tangible. These states include Iraq, Afghanistan, Turkey and Pakistan. In addition, the proximity of Israel's nuclear arsenal is perceived as a continuing threat against which Iran must be prepared to defend itself. Conversely, the United States may regard Iran as the only state that poses an obstacle to a US-oriented Middle East.

If it is conclusively proven that Iran is pursuing a nuclear weapons procurement policy, the international community, including the United States will have a legitimate cause for action against the state. It has not yet been specified what form this action would take. Recent US foreign policy precedent, in Afghanistan and Iraq, suggests that military action cannot be ruled out. It is also

clear that the Bush administration will only pursue diplomatic channels so far when it perceives a direct threat to the national interest.

The moderate president in Iran, Mohammed Khatami, has a strong majority of the popular vote and was elected on a reform platform. He would be the optimum candidate for discussions with the United States and other international leaders. However, the supreme leader, Ayatollah Ali Khamenei, who controls all aspects of Iranian foreign and military policy, overshadows his political power. It is unlikely that Khamenei's strict Islamic faction would be open to negotiation with the United States. In an interview with Fox News, Colin Powell, US Secretary of State, acknowledged the presence of reformist elements within Iranian society and expressed hope that international pressure would aid the peaceful removal of religious extremists by the civilian population[xxvi].

The possibility exists, however, that the application of excessive US pressure could increase the influence of Islamic fundamentalists. This would undermine the president, who is most amenable to political reform, and alienate the only potential US ally within the Iranian political arena. Although a harmonious relationship between Iran and the United States doubtful in the short-term, the lifting of economic sanctions by the United States and the acceptance of the Additional Protocol by Iran may serve to decrease the tension between the two countries.

If the United States chooses not to rely on diplomatic channels to resolve the situation in Iran, an alternative is to intervene more directly. Instead of mounting another military offensive, which may be problematic given the dispersion of troops and the lack of international support, the Bush administration may prefer to destabilise the regime from within. It could facilitate this policy through dealing with internal militant groups such as the MKO and by continuing to publicly support reformist elements to weaken the power of the religious elements.

If this approach is not successful, the Bush administration may give serious consideration to the use of military force to pre-empt Iran's emergence as a nuclear power. Members of the earlier 'coalition of the willing' have been reluctant so far to back the US portrayal of Iran as a serious threat. This was highlighted by Jack Straw's statement on June 10 that the UK and US governments had "an honest disagreement" about Iran and that the British government would not advocate regime change.[xxvii] If the situation escalates to a level where Washington deems military action necessary, it is likely that Israel will replace Britain as the United States' most ardent supporter on this issue.

No definitive action will be taken until the IAEA board release their assessment of the situation. As the United States is leaning on the IAEA for a policy response that would legitimise its own increasingly coercive policy towards Iran, the IAEA's conclusions will be crucial for Middle East and global security.

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