

IRAN'S STRATEGIC CONCERNS AND U.S. INTERESTS

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The following is an edited transcript of the fifty-first in a series of Capitol Hill conferences convened by the Middle East Policy Council. The meeting was held on Friday, January 18, 2008, in the Gold Room of the Rayburn House Office Building with Chas. W. Freeman, Jr., presiding.

CHAS. W. FREEMAN, JR.: president, Middle East Policy Council

We are here to talk about an issue that has become almost a national preoccupation: the question of Iran, its interests, its policies, its influence, its programs and its challenge to the United States. Some people might argue that this preoccupation is simply a reflection of an enemy-deprivation syndrome on the part of Israel or perhaps the United States — that is to say, the sick feeling you get when an enemy of comparable conventional military capability disappears and you are left to justify your modern military arsenal by finding some new enemy. Or perhaps Iran has become such a preoccupation because its existence is annoying and its influence is a challenge to American hegemony in West Asia. Or perhaps it is because of the nuclear threat to Poland that Iran allegedly presents, or its potential to dominate its region's political life. For whatever reason, it is clear that Iran is now a centerpiece of American policy. The president spent a great deal of time during his recent tour of the region speaking about it.

GARY SICK: senior research scholar and adjunct professor, international relations, School of International and Public Affairs, Columbia University

I'm going to take a geostrategic view, rather than trying to go back and recount how the United States and Iran have interacted. I would like to look at just one element of that relationship, which I think has interfered with the evolution of our policy. We're coming up, by the way, on the thirtieth anniversary of the Iranian Revolution, when the United States lost its position in the Persian Gulf and has never really recovered it.

One of the ironies of the current political situation is that Iran is actually emerging as the pivot of Middle East politics, certainly on the eastern side of what we think of as the Middle East, and as a natural rival to Israel. Iran is a non-Arab, non-Arabic-speaking country coming from a religious-minority position, being Shia instead of Sunni. So these two major parties are emerging as rivals for political influence in the region. Those traditional Sunni states such as Egypt, Jordan and Saudi Arabia are feeling very left out of this process. They hold us responsible for it, and we are, to a very considerable degree. Cast your minds back to the early part of this century, when the United States immediately after 9/11 went into Afghanistan and got rid of, or at least dispersed, the Taliban and terminated its government. The Taliban, among other things, were the worst enemy of Iran to the east. Then, before we had finished that job, we turned around and went into Iraq, getting rid of the government of Saddam Hussein, which was clearly Iran's worst enemy to the west and had fought an eight-year war with Iran. Then we went further and saw to the installation of a Shia government in Baghdad for the first time in history.

All of these wonderful benefits, for which the Iranians are most grateful, have left Iran in a

power position that is truly remarkable. Iran didn't have to do anything to acquire the influence that it now has in the region. We did it for them. You might not be surprised, then, to think that the Arab states are suspicious about U.S. motives.

I was told by a senior U.S. official, when I mentioned this fact to him, that, well, we didn't mean to. I can assure you that we probably didn't mean to, but the Arabs look at this and say, could you really have done all this without thinking about what the effects were? In any case, Iran is enjoying the benefits of our largesse and will continue to do so.

One of the cutting issues that has emerged is nuclear development in Iran. This also has historical relevance. We are being told by all of the people who were around the shah and are now writing their memoirs that one thing they agree with the present Islamic Republic on is nuclear policy. They have said, you guys are doing exactly what we were trying to do; that was our objective: to create a situation in which Iran was, say, 18 months away from building a nuclear weapon. I think that's, in fact, what Iran has been doing.

Curiously enough, and it doesn't get any attention, Iran has actually been proceeding at an extraordinarily slow pace in this whole process. Most countries that went for a covert nuclear weapon — Israel, India, Pakistan, South Africa — from the time they made the decision to do this until they actually had a device in hand, amounted to about five or six years. Iran made its decision to go for a nuclear infrastructure 22 years ago, in 1985; today they've got something like 3,000 centrifuges turning — quite far from the goal.

They are very much aware of the fact that, as Mr. ElBaradei said the other day, there are some 40 countries in the world that have the capability, if they wish to use it, to build a nuclear weapon. They have the necessary infrastructure. Iran fully intends to become a member of that club. It becomes a question, then, of what to do about that. I would argue that the strategies we have been pursuing in this whole field have been a series of red lines. Originally, our red line was that they should have no access to nuclear technology at all, which is very difficult to enforce in a country of 70 million people who are very smart and have a lot of money. You can't keep them away from knowing about nuclear physics. We then said that under no circumstances should they have nuclear power plants, and we did everything in our power to keep them from getting any. They finally found someone to sell them one, and that power plant is supposed to open sometime this year, built by the Russians.

Then we said, since we failed in both of those cases, our new red line is no enrichment of uranium under any circumstances. That's where we are today. Of course, Iran, as we speak, is enriching uranium. I don't think we're going to succeed in making them go back and forget how to do that or to lose the technical capability that they have gained. The question is, what do we really want out of this? I would argue that our main problem is that we have been very unclear about our objectives. The objective should be very simple: we don't want Iran to get a bomb. The question is, how do we go about doing that?

I think we will have to accept that Iran is going to probably be a member of that 40-nation club that has some capability to go for a weapon if they decide to do so. But I think we can surround that with enough inspections, monitoring and oversight, that it would be extremely difficult for Iran to decide to go for a bomb without our knowing it, and that if they did go for it, they wouldn't be so close that we couldn't rather quickly respond to it in a policy manner.

How do you do it? The first thing I think you have to do is be willing to talk to them. You have to be willing to put something on the table and you have to regard the International Atomic Energy Agency (IAEA) not as an enemy, but as an ally and use it in some kind of effective way. There are many people who find that very unpalatable and who are interested in using coercion to stop Iran. Our coercion started in 1975; we've had very strict sanctions on Iran ever since that time, and I would argue that those sanctions have failed. They've had some effect on the Iranian economy, but they have failed to stop Iran from doing what it wanted to do. We're going to have to find other ways to do it.

AMB. FREEMAN: Before I give Trita the floor, I just want to note a couple of things that Gary said that I emphatically agree with, and note some of the corollaries to those. First, Iran has now, by virtue of American empowerment, emerged as a dominant force in shaping events in the Middle East. Ironically, the empowerment of Iran, in the many ways by which our policies have been able to expand its influence, has jolted Saudi Arabia out of its traditional diplomatic torpor and made it the other major driver of events in the region. It has been actively engaged with Iran in Lebanon, Iraq and Syria, and of course in the Palestinian territories, where the Saudis have concluded they cannot leave the field to Iran.

Second, and following from this, the focus on Iranian nuclear capability has led to the Gulf Cooperation Council's embrace of nuclear power as well, and as usual the principal beneficiary of the American policies that achieved this result are the French, who have just signed their first contracts for reactors in the UAE.

Finally, I think for those of you who haven't heard this, it is worth recounting the remarks of an Iranian professor with whom I spoke in Beirut about 11 months ago. He said: "You know, when you Americans began your drive to democratize the Middle East, we didn't know whether you knew what you were doing, but now we know that you did not know what you were doing because every election that's been held has worked to our advantage rather than yours. And we can therefore understand why you might have decided to abandon this policy of democratization. But, on reflection, we think you had an excellent idea and intend to carry forward with it ourselves."

TRITA PARSI: president, National Iranian American Council; author

I want to talk not only about the different proxies that Iran has, but also about our policy and where it's leading. I'll be very frank. I don't think anyone has much confidence that our policy of isolation and containment of Iran will be successful. In fact, I think we've almost gone to great lengths to show desperation in our hope of being able to make this policy viable again. Everything indicates that this is the case, even though a lot of our allies are extremely worried about Iran and the potential of a nuclear Iran and whatever consequences a nuclear or enrichment-capable Iran will have for the balance of power in the region.

At the same time, I think we're seeing strong signs that they have lost faith, if not in our policy, at least in our competence in fulfilling that policy and in the sustainability of that policy. We see that right now, when the Arab states of the Persian Gulf are not as inclined as one would have expected or as they used to be in pursuing a policy in which they are helping the United States to contain Iran. On the one hand, compared to about 10 years ago, the stakes are much higher today. A containment policy now risks creating an atmosphere in which a military confrontation between the United States and Iran is much more likely than it would have been 10 years ago. This makes it much more difficult for them to go along with this policy because the repercussions of such military confrontations are very difficult to predict. But the Arab states are rather certain that it will not be positive for them, mindful of Iran's capabilities and their own proximity to where the battle would be taking place and the American bases that they host.

On the other hand, they're seeing signs that would indicate that the United States itself is not confident in pursuing this policy. We're facing a rather unprecedented situation today in which, for the first time in the presidential elections that I can remember, it's actually a negative for many candidates to be conducting Iran bashing. For the first time in many, many years, Iran bashing has a political cost. The top three candidates on the Democratic side in Iowa all are on record favoring not only diplomacy, but unconditional diplomacy, without the precondition that the Bush administration had put in place. This has never happened before. This also exists to a certain extent on the Republican side.

And then there is the recognition by the people in the region that whatever spin, whatever happy face we try to put on the policy, it has not produced the results we anticipated. Iran is continuing its enrichment program; it is not becoming more isolated; it is now receiving not only

Russian fuel, but also Russian presidents. The Chinese are going forward with signing deals with the Iranians in spite of the threat of sanctions and in spite of what's going on in the Security Council. This further erodes any confidence that this policy would be sustainable.

If it's not sustainable, it would be risky for the Arabs to pursue this policy with the United States, when they themselves fear that perhaps the United States itself will betray the policy. Then the Arabs might end up looking more American than the Americans. That would obviously be very negative, because they are sitting there right next to what would then be not only a very strong, but perhaps a somewhat vengeful Iran.

We see, then, how the Arabs themselves have started to put their eggs in more than one basket by inviting Ahmadinejad, this very tough-spoken Iranian president, for the first time to speak at a GCC meeting. Not to be outdone by the Qataris, the Saudis then followed by inviting that very same president to do the hajj in Saudi Arabia. The Egyptians are negotiating with Larijani to try to see if they can reestablish diplomatic relations with Iran.

Add to this the National Intelligence Estimate (NIE), which has not only pulled the rug from under the administration's feet, at least of those in the administration who may have favored a military confrontation with Iran, but significantly reduced that risk at least on the basis of the nuclear issue. The NIE has also taken away the justification for pursuing further sanctions at the Security Council. I think making sure that Iran does not go nuclear in the sense of having a bomb is a very, very important goal, and I completely agree with Gary that this is not something the United States should backtrack on. But we have a situation in which we have to reassess our strategy and some of our objectives.

Zero enrichment, as Gary said, is no longer viable. But if the objective is to make sure that Iran does not get a nuclear bomb, then the zero-enrichment objective was really never that useful to begin with. If the Iranians have a covert program, which was the argument that the president presented at the press conference in which he commented on the NIE, then zero enrichment really does nothing to address that issue. If the program is covert, zero enrichment and the ending of their open program does not indicate anything about what may be happening with a potential covert program. In fact, in some track-two meetings with Iranians and Europeans, the Iranians indicated that, if they truly wanted to go for the bomb, the best thing they could do is to suspend the open program, reduce the tensions, create a better climate in which they then more easily would be able to pursue a covert program and go for weaponization. Addressing the problem of a covert program is always going to be problematic, but there seem to be some solutions better suited for it than others.

Stopping enrichment doesn't seem to do much, but verification and inspections can help tremendously, particularly if followed by some of the proposals that have been presented by nuclear experts. Some say that the best way of preventing a covert program is by making sure that the IAEA and the Security Council have a check on all Iranian scientists. There is a precedent for this in one of the Iraq resolutions: Iran would have to register all of its nuclear scientists. The IAEA would then be able to keep a control on what they are doing in their evenings and on their weekends. That would be a much more efficient way of making sure there isn't a covert program than trying to monitor that huge country the size of Texas and trying to find something hidden in the mountains, or by relying on satellite pictures.

To get to that point, though, we have to recognize that zero enrichment is not viable. We would have to concede that the precondition for negotiations right now is not helping, but it is through those negotiations that we can get a solution in which this type of an instrument for nonproliferation can be pursued. Absent the negotiations, we can rest quite confident that we're not going to be able to achieve this. If that situation endures, the more likely the Iranians would be able, without much interference, to pursue their nuclear program and potentially even reach a much stronger industrial scale of enrichment.

I just want to make one last point that may not be directly related to the issue of enrichment, but it is one issue that I think is extremely important and that we are not talking enough about. The human-rights violations in Iran over the last couple of years have become absolutely horrific. You are now seeing in some parts of Iran the Iranian government sanctioning not only executions without even a resemblance of due process, but also amputations and other extremely barbaric methods of punishment. This is, to a certain extent, continuing precisely because of the high tensions between the United States and Iran. This has enabled the Iranian government to create a securitized environment inside the country in which fewer and fewer are willing to speak out, in which more and more pro-democracy and human-rights advocates are finding their room for maneuver limited.

As counterintuitive as it may sound, it is actually the opposite that would help the cause of democracy and human rights in Iran, by reducing the tension, by opening dialogue, by ensuring that there would be inspections not only on enrichment, but on other matters inside the country as well, with the international community cooperating with Iran's own human-rights organizations. As we continue down the current path, however, we are not going to see much of a change; on the contrary. And, as usual, the primary victims will be the people of Iran themselves.

AMB. FREEMAN: What I heard from the first two speakers was a common theme that certain American objectives, including trying to preclude an Iranian nuclear-weapons capability, are reasonable and well founded, but that the manner in which they are being pursued is in many respects counterproductive. I note that, particularly during President Bush's recent tour of the region, the costs of American bellicosity on this issue were registered.

Arabs are notoriously courteous and welcoming to guests, even when they don't like those guests. Perhaps Mr. Ahmadinejad's reception in Qatar and in Mecca illustrates this point. Yet, when the American president visited and spoke on the subject of Iran, he drew an editorial in Saudi Arabia's major English-language newspaper deploring the fact that "American policy represents not diplomacy in search of peace, but madness in search of war" (*Arab News*, 1/15/2008). This is about as pointed and denigrating a comment as one could think of. In fact, in many respects we have achieved something truly remarkable: our president is less popular by a wide margin and more detested than Mr. Ahmadinejad by Arab audiences. This has probably facilitated the clear trend toward Arab accommodation of Iran, which we have seen as recently as a few weeks ago in the apparent reopening of a connection with Egypt, as well as the reactions to the dismissal of American advice to the Arabs on how to deal with Iran.

RAYTAKEYH: senior fellow, Middle Eastern Studies, Council on Foreign Relations

If you look at Iran's policy toward the Middle East, the most important arena has always been the Gulf. The Gulf constitutes Iran's formal strategic priority. It is the most suitable link it has with the international petroleum market, and, despite all the pretensions that Iran has about being involved in the Arab east and Central Asia and so forth, the Gulf always defines the core of its national interest.

Iran's policy toward the Gulf can be seen in three historical stages: the 1980s, the 1990s and today. The evolution of Iran's policy toward the Arab community and the Gulf reflects the larger evolution of its international relations. The years between 1980 and 1989 have to be viewed as Iran's era of revolutionary tumult. When the revolutionaries came to power, they were essentially concerned, not so much about the behavior of these states but their internal composition, how the Gulf states ruled themselves. For Imam Khomeini, the founder of Iran's revolution, monarchy was simply an inappropriate means of political organization. This, combined with the fact that these countries maintained a very close relationship with the United States, made them anathema.

The policy that Iran pursued — a combination of violence, terrorism and subversion — was an attempt to undermine these regimes. The idea was to change their foreign policy by changing their

domestic political composition. The country that was particularly in the crosshairs of Iran's foreign policy in the 1980s was Saudi Arabia. To some extent, the competition between the two is natural: they both to some extent predicate their domestic legitimacy on a larger transnational mission. For Iranians, it was the export of their Islamic template; for Saudi Arabia, it was their guardianship of Islam's shrines. They both essentially based their legitimacy on their own interpretation of Islamic ideology.

The way the Iranians dealt with this issue was terrorism, violence, subversion, and so forth. At the end of the day, the Iranian message was not appealing to the Gulf Arabs beyond a narrow segment of the Shia community. Even the Shia community in these individual states was not drawn to Iran's theocratic model, but was mainly using the specter of Iranian danger to negotiate a greater degree of political and economic rights with the incumbent regimes. To some extent, that worked, and the nature of the Iranian appeal to Gulf Shia also diminished.

The byproduct of Iranian policy in the 1980s was a region that was united in its support for Iraq during the war. You had the unprecedented creation of the Gulf Cooperation Council, the first time that the Gulf Arab states had come together in a unified opposition to Iran. They managed to put aside a lot of their historical differences. By any measure, Iran's policy in the 1980s was one of failure. And that failure was most notably recognized by Khomeini's successor, who in 1989 ushered in the second phase of Iran's foreign policy toward the Gulf and the larger Middle East.

One of the things you can say about President Rafsanjani is that, for a man of his time, he recognized that the Islamic Republic had to renegotiate its legitimacy with its constituents. It was insufficient for it to have this ossified rhetoric of martyrdom and a notion of exporting the revolution. In order for the Islamic Republic to succeed and survive, it had to meet some basic economic demands of its constituents, if not their political demands. The only way to actually meet those economic demands is to have a more expansive foreign policy that tries to mend fences, as opposed to aggravate tensions.

In many respects, Rafsanjani's presidency was a failure; Iran was ultimately not integrated into the global community of nations or the global economy. As a matter of fact, some of the haphazard economic measures caused the country to be drowned in debt and corruption. Nevertheless, you begin to see a very fundamental change in terms of Iran's approach to its neighbors. For the Rafsanjani period, what mattered most was the external behavior of the Gulf states and the Arab states, as opposed to how they governed themselves. You began to see the end of Iranian attempts to subvert the local order and try to influence the direction of the international orientations of the Gulf emirates.

Iranian goals remain largely the same; they've been consistent throughout, even back during the monarchical years — namely, that Iran has a right by virtue of its size, demography and civilization to become the predominant power in the Gulf and a preeminent power in the Middle East. These goals remain largely unaltered; it was the way they were expressed that changed. It had been through revolutionary violence or, in the case of the shah, some sort of negotiated hegemony with the United States. The goal during the Rafsanjani period remained largely the same, except what he was trying to do was to appeal to the Gulf states, not unlike the shah, to accede to Iranian predominance. For the Rafsanjani period, Iranian predominance had difficulty coexisting with a strong American presence in the Gulf.

In essence, Iran was suggesting that Gulf security be predicated on an indigenous alliance, which means Iran and the Gulf states excluding the Americans. That, of course, was an infringement of the Gulf states' foreign policy, which had always sought to strike a balance between external empires and their large and populous neighbors to the north, both Iran and Iraq. In due course, the failure of that diplomacy provoked violence and terrorism — the most notable case being perhaps the Khobar Towers bombings, where Iran once again began to target the American presence for acts of terror.

By far the most important change in Iran's orientation toward the region came in 1997, during the

reformist period. At that time, the reformists recognized that Iran would have to be part of the global community and have to live in a Gulf whose balance of power is determined by the United States. President Khatami gets a lot of criticism for his failures, but I always thought that, in terms of foreign policy, he was very much a transformative figure. He really did change Iranian foreign policy in a fundamental and durable manner. It was at that time that you began to see Iran normalize relations with the local states, the Saudis, the other Gulf states, and other regional actors as well.

At that time, you began to see Iran abandon to some extent, at least vis-à-vis the Gulf Arab states, terrorism as an instrument of policy and coercion. You began to see Iranians engage in widespread relationships of commerce, economic interactions, and so forth. To some extent, Khatami policy has survived his presidency. There has not been that much of a change in Iran's policy toward the Gulf during the brief tenure of Ahmadinejad. Iran has not reverted back to the 1980s in terms of unleashing revolutionary violence on these states. It has not sought to do what it did in the 1990s, targeting some degree of violence against the American presence.

To be sure, the region has changed. Iran is gaining hegemony on the cheap because of some of the mistakes that other powers have made. But that will change in time. Iran now, by virtue again of its inadvertent successes, is the leading power in the Gulf. That's just the reality. It is possible to regulate the growth of this power and ostracize and even strangle it within the Gulf. But, to be sure, it has become a leading state.

There has not been a fundamental change in Iranian policy toward the Gulf and the larger Middle East since the arrival of President Ahmadinejad to power. You can argue that he is the most successful diplomat Iran has had. It was he, after all, who was invited to a GCC country, a privilege not extended to his more moderate predecessors. And ostensibly, it is under his auspices that Iran is likely to normalize its relationship with Egypt, something that did not happen in the 1990s. Khatami's government tried hard to move the ball forward, but it could not do so.

What we are beginning to see is the Arab governments moving toward integration of Iran as a means of regulating its power. That's a different message than the United States is taking to the Middle East to mobilize regional resources for the containment of Iran. The leading Gulf states and the leading Arab states have come to the recognition that the best way of disarming the Iranian danger is through integration, negotiations and diplomacy, and this confers some degree of success to Iran's diplomacy too.

At this particular point, Iran's diplomacy in the region is one of mediation. Iran offers itself, in conjunction with Saudi Arabia, as two leading powers to mediate the civil wars that are gripping the region, whether in Iraq, in the Palestinian-Israeli conflict, in the Palestinian territories, or in Lebanon. Iran is trying to move forward its claims to predominance through diplomacy, as opposed to coercion. That's a trend that at least the Arab states are beginning to encourage. In that sense, there's a divergence of perspective between the Arab states and the United States. How that divergence is going to be settled, I'm not quite sure.

The important thing is, some of the momentous changes that President Khatami brought to Iran's international policy have not changed; they've proven durable. This means in some sense that Iranian moderation in the region has become institutionalized.

AMB. FREEMAN: I'm particularly struck by the observation that Iran has accepted the domestic character of the regimes in its neighbors and is focusing on their external behavior. Normally, that is the mark of evolution towards a status quo power. It has been an unspoken truth that, at various points, the United States has looked to Iran — under the shah, for example — as the regional gendarme and our main partner in maintaining security and order. Also, as I recall very vividly from the Gulf War, when the United States intervened to liberate Kuwait and reduce Iraq to proportions

that could be balanced by Iran, Iran showed an even temper and a reasoned approach and did not take advantage of the many opportunities that presented themselves for mischief making at American expense. And so, the current pattern is not necessarily the pattern of the future.

BARBARA SLAVIN: senior fellow, Jennings Randolph Fellowship Program, United States Institute of Peace; senior diplomatic reporter, *USA Today*

I thought I would not focus on Bush-bashing and the negative aspects of U.S. policy toward Iran but on where we've been under Bush, where we are now, and where we may go. I would suggest that we've had some very important precedents over the last seven years that could lay the basis for a real dialogue between the United States and Iran for comprehensive negotiations that could help solve some of the problems that we're facing in the Middle East. So I thought I'd mention three taboos that have been shattered and then a fourth factor that I think could help in this area.

The first taboo that has been shattered is the ban on official U.S.-Iran talks. In the past, I've compared Iran and the United States to boys and girls at a junior-high dance, the boys on one side and the girls on the other. Each has been afraid to get up and walk across the floor and ask the other to dance for fear that they'll be rejected and lose face in front of everyone. Whenever Iran seems ready, the United States isn't. Whenever the United States is ready, Iran seems not to be.

But under the Bush administration, despite its harsh rhetoric, despite putting Iran in the axis of evil, there have been official talks. They took place at a rather senior level in Geneva and Paris between the fall of 2001 and May 2003. They were led on the U.S. side by Ryan Crocker, who is now our ambassador in Iraq, and later by Zalmay Khalilzad, who was our previous ambassador in Baghdad and is now at the United Nations. These were talks about practical issues involving Afghanistan. Iran had been very helpful in both military and diplomatic terms in setting up a new government for Afghanistan after the Taliban were removed. These talks were about Afghanistan, about al-Qaeda detainees, al-Qaeda members fleeing Afghanistan through Iran, and also about Iraq and what the United States might expect if it overthrew Saddam Hussein. Unfortunately, the U.S. administration didn't listen hard. But the Iranians actually predicted a lot of what was happening. And Mohammad Javad Zarif, who went on to become Iran's UN ambassador, warned Zalmay Khalilzad. He said, things are going to go very wrong there, and you're going to blame Iran. This was in early 2003 before the U.S. invasion.

As many of you also know — and as Trita and I have both written about extensively in our books — there was also an offer in May 2003 that was passed through the Swiss to the United States that offered comprehensive negotiations on all the matters of concern: the nuclear issue, terrorism, Israel and so forth. The Bush administration didn't reply to that overture, but the agenda is a basis for talks in the future.

A second precedent got shattered over the last seven years: Iran has gone public with its willingness to talk to the United States. For an Iranian politician to say that he wanted to talk to the United States or to restore diplomatic relations used to be treason. People were thrown in jail for advocating things like this. It's ironic, but this precedent was established not under Khatami, but under Ahmadinejad.

Under the Khatami administration, there were talks and there was an offer, but it was secret; it was private. Once Ahmadinejad came in, however, this was something that was made plain. I interviewed Ahmadinejad and Iran's national security adviser, Ali Larijani, in February 2006. Both of them made clear in the interviews that they had no objections to talking to the United States, provided that the United States would approach the talks from a position of mutual respect and would not be arrogant and put demands on Iran up front. Larijani praised our national security adviser, Stephen Hadley, as a "logical thinker" in an interview I had with him. And he designated a deputy to prepare for talks.

When the Bush administration did not respond to this overture, Larijani went public in March

2006 and accepted a prior U.S. offer for talks with the United States just about Iraq. Iran's supreme leader, Ayatollah Ali Khamenei, blessed this. He came out later in March 2006 and said Iran would be more than happy to sit down and talk to the United States about Iraq. This is something that could have gotten you thrown in prison not long before. I remember Ayatollah Khamenei condemning as traitors those who called for relations with the United States just a few years earlier.

The third taboo was shattered on both sides when the two publicly announced direct meetings. These have taken place in Baghdad. The United States did not immediately engage with Iran about Iraq, despite the fact this had been a U.S. suggestion. In 2006, when the Iranians accepted it, the Bush administration did not. But a year later, they did. Our ambassador, Ryan Crocker, and the Iranian ambassador in Baghdad have now had two meetings in Baghdad to talk about the situation in Iraq. Iraqis have been present, so they're not one on one, but they were publicly announced meetings. Our foreign ministers have met twice in multilateral settings also to talk about Iraqi security. There is another meeting planned, I think, in a couple of months.

None of these contacts have led to breakthroughs, as has been mentioned. The Bush administration has set a precondition for a really comprehensive dialogue: Iran has to suspend its uranium-enrichment program. The Iranians haven't seen fit to do so. But there is a fourth reason why I think that, if not under this administration, then perhaps under the next one, talks are more likely to produce results. This has been alluded to by all the other speakers here. The Bush administration's strategic mistakes could actually have a silver lining.

U.S. policy has, of course, removed Iran's chief adversaries in Afghanistan and Iraq. It has weakened Iranian adversaries in Lebanon and Palestine. Despite what the NIE says, Iran's overt nuclear program has progressed — maybe not quickly, but it has progressed. There are 3,000 centrifuges spinning away. Iran has increased its knowledge of how to enrich uranium. As a result, Iran is now more ready to engage, because it feels more confident. This was something I sensed during my last trip there, in 2006. Iranians were ready for the first time to sit down with Americans and not feel that they were going to be the weaker partner; they had real cards to play. President Bush has dealt these cards to Iran, and Iran now has them to play.

If you look where we are now as opposed to back in 2001, Iran's sphere of influence now extends from Kabul to Baghdad, from the Persian Gulf to the Mediterranean, in Lebanon and in Gaza. And, as has been pointed out, Bush's promotion of democratic elections has benefited Iranian clients throughout the region. We have Shia parties in Iraq now in control of the central government. Iran has made very sure that it has good relations with all these groups. Even Muqtada Sadr, who began as an Iraqi nationalist, is apparently spending a lot of time in Qom now, studying to be an ayatollah. He is very much under the Iranian thumb, according to what I'm hearing.

Like it or not, Iran cannot be ignored; it cannot be contained in the way that the Bush administration might like, judging from President Bush's rhetoric in the Persian Gulf. The Arab allies of the United States have already recognized this shift in Iranian power and are hedging their bets accordingly. I think it's been clear from the presidential debates that, certainly on the Democratic side, candidates are recognizing the shift in the influence of Iran in the region. All of them are calling for some form of negotiations. Iran itself has elections coming up — parliamentary elections in March and presidential elections next year. Perhaps this will come up as an issue, although I think the economy will be the main issue there, as it is here.

I'm going to predict rather optimistically that we will get to a phase of negotiations, if not now, then perhaps in the next year. They're going to be very tough. Iran's bargaining position is much better. But I think the United States still has cards to play, in particular involving Iran's oil industry, which needs a lot of outside investment. Perhaps after 30 years, we will finally get to a situation not so different from the one that Chas. and I observed in Beijing back in the early 1980s, when the United States, however grudgingly, will come to realize that it has to deal with an important and crucial power in a part of the world that we all need desperately.

AMB. FREEMAN: I think it's worth noting that one of the presidential candidates, Senator Obama, has explicitly called for the sort of open dialogue with Iran that you forecast. If others in the race have not, it may not mean that they do not intend to do that. This underscores the possible next step in the point that Trita made so importantly: for the first time since the Islamic Revolution, Iran bashing is a negative in U.S. politics — another casualty of bellicose rhetoric and counterproductive policies.

DR. SICK: Barbara made the extraordinarily important statement that we may be approaching some kind of magic moment with regard to Iran. Iran and the United States are in a sort of teeter-totter relationship. When one is up, the other is down and vice-versa. We very seldom get a moment when there is an equilibrium of some sort, where you might see some progress. Ahmadinejad is up for election in the spring of 2009, and the United States will have a new president as of January of that year. The question is not whether we talk to Iran — it seems to me things are moving that way very well — but how much success we have in talking to Iran. I just wonder if any of the other members of the panel have a sense of whether this is a potentially magic moment.

DR. PARSI: I would agree with Barbara. Many others have also made the point that we are reaching a climax in the relationship between the United States and Iran, which then creates opportunities. Both sides will either feel strong enough to be able to enter into those talks, or the dangers of not doing so will be great enough that they will come to the conclusion that they had better enter those talks. But the climax can also go in the other direction. Rather than pursuing peaceful modes that lock in that equilibrium you mentioned, there may be a rejection of it, and a resort to military methods.

I tend to think that talks are more likely, mindful of the political climate here in the United States and the comment that Khamenei made just a couple of weeks ago. He went beyond saying, when we're ready, we'll talk to the United States; he said, when we're ready, we'll have relations with the United States. This is an unprecedented thing for him to say. But for talks to take place and for talks to be successful are two different things. It's critical at this moment to learn the lessons of the past to make sure that this will not go down in history as yet another missed opportunity, not only in the sense that we didn't even pursue it, but perhaps that we approached it the wrong way.

There is so little trust between the two countries that, to ensure the talks will be of a strategic nature and not just tactical — to score some quick gains over the other — we have to define at the outset where the endpoint of the negotiations is going to be. Where do we want to go? Then the negotiations can be used to find that way.

MS. SLAVIN: I just wanted to read something from my book, *Bitter Friends, Bosom Enemies*. This was from an Iranian deputy national-security adviser I interviewed, a very interesting man working with Ali Larijani: "The United States in the past 27 years has never needed Iran's help until now. Today, a very small group of Sunni Arabs is in conflict with the United States. Today, the government of Iraq is an ally of Iran. And in Lebanon, Syria, Afghanistan and Palestine, the United States needs Iran. Iran needs the United States too. We can come to an understanding. But do you think there are eyes to see or ears to listen in Washington?" This was in 2006, when Iran publicly said it was ready to have talks with the United States. So it's an indication of Iranian self-confidence. Maybe what we need is a Shanghai communiqué for the United States and Iran, a statement of principles about what would govern the relationship. That could be the basis, perhaps, for real negotiations.

AMB. FREEMAN: For those of you who are not familiar with the Shanghai communiqué text, it was unusual, and perhaps unprecedented. Its first five pages consisted of a recitation of sharp differences over issues in the region, East Asia, followed by the statement that, notwithstanding these differences, it was important for the United States and the People's Republic to carry out strategic cooperation on issues where they had common interests, regardless of the ideological differences between them. It then went on to lay out some principles for managing the bilateral relationship.

DR. TAKEYH: Whatever happens to the political fortunes of President Ahmadinejad, we're in for a conservative consolidation of power in Iran. Therefore, I think it's possible for the two countries to have some arrangements in terms of issues of common concern, and I suspect there will be some sort of negotiation. Whatever those common concerns are — stability in the Gulf, mediation of the Iraqi civil war, and what have you — in terms of a fundamental transformation of U.S.-Iran relations, I don't anticipate it during the time of conservative power in Iran. The conservatives have always seen the United States and the West at large as a source of cultural contamination and cultural imperialism. Therefore, to have a significant American presence or intimacy between the United States and Iran, which in due course happened in Sino-American relations, is still inconceivable to them. They tend to view conservation of Iran's institutions — the supreme leader, the Guardian Council, and so on — as the most important to them. America's seductive cultural influences are still a source of concern. Supreme Leader Khamenei has said that it is not in the interest of Iran to have relations with the United States at this juncture.

AMB. FREEMAN: Some seven years after the Shanghai communiqué, when Deng Xiaoping decided it was time to normalize relations with the United States, he stated explicitly to his colleagues in the Politburo that he saw this as a means of transforming Chinese society and, without saying so in as many words, repudiating the legacy of Maoism that had led the country to the sad condition in which it then survived.

Q&A

Q: I'm wondering if the panelists could shed some light on the decision-making process inside Iran, the consensus building. There was a great deal of confusion after this dust-up in the Strait of Hormuz as to whether this was a local commander's decision reflecting Revolutionary Guard policy as distinct from that of the supreme leader, or whether this was a top-down decision. It suggests that there is not a lot of insight generally among the U.S. media as to how decisions get made, how solid those decisions are, and how big the internal fight is.

DR. SICK: The Strait of Hormuz incident was less an Iranian decision than an American decision. We decided to make something of it; things like this have happened in the past. We also made something of the remark, without which the incident would have been nothing: "In two minutes, you're going to explode" or something like that. It turned out that that wasn't from the Iranian boats, but was coming over an open channel from some unknown source who often does kibitzing in the Gulf. If you had taken away that remark, it would not have been a threat by any stretch of the imagination.

One thing that is very important in this process is generational change, as in the case of Deng Xiaoping. It may be true that, as long as Khamenei and Rafsanjani and others are dominant in their control of the policy mechanism in Iran, it will be very difficult to get out from under the legacy of the revolution and its attack on U.S. relations. That is changing, and a whole new generation is coming in. Unfortunately, the leading example of that is Mr. Ahmadinejad, but he and his cronies are going to come in and shake things up. I don't think we know what the outcome of that will be.

DR. PARSI: The risk of war between the United States and Iran seems to have decreased significantly as a result of the NIE. But clearly, it's very difficult to completely exclude a small incident leading to something much, much bigger, sparking a larger war. A lot of eyes have been focusing on what could happen in the Persian Gulf, particularly in the Strait of Hormuz, this very narrow waterway, filled with both American and Iranian ships. I think this incident should signal to us the necessity of pursuing some of the ideas that currently are floating around, such as creating a hotline between Washington and Tehran in order to ensure that incidents like this do not escalate out of control. Potentially, also, negotiating an "incidents at sea" agreement between the United States and Iran in order to increase military-to-military communication and ensure that the Iranian government has to take responsibility for the actions of the IRGC, and to codify the behavior between the two navies in a way that is currently not done.

AMB. FREEMAN: But what if the other side wants an incident?

MS. SLAVIN: I don't buy the irrational-Iranian-behavior argument that one often hears. Certainly the major decisions are made by their supreme national-security council. In my book, I compare the Iranian system to an American square dance. You've got the supreme leader in the middle and maybe 10, 20 people around him in a circle. They come in and out in a sort of do-si-do and go back out again. Sometimes, one group is in favor, and sometimes another, but major decisions about issues like a nuclear program or whether they're going to provoke a confrontation with the United States would be made through consensus. I wouldn't say that the recent incident was nothing. I think Iranian boats were harassing the American ships, but, obviously, they've done this before. It was a U.S. decision to draw attention to it; President Bush was going to the Gulf, and he wanted to use it as an argument against Iran.

Q: Is there not perhaps a benefit to keeping a stone face until seeing what happens after the elections and then perhaps instituting democracy slowly?

DR. TAKEYH: I actually do anticipate at some point that there will be negotiations between the two parties. I'm not quite sure if you can keep these negotiations secret anymore; it just doesn't work that easily in Europe and the international global media and so on and so forth. The range and topic of those discussions I'm not quite sure about yet. There are certain preconditions to U.S.-Iran negotiations, namely the suspension of enrichment activities. To some extent, that has been codified through Security Council resolutions and so forth. I don't know how you get around that, but I suspect that could happen. I'm not sure that there's room for secret diplomacy. For diplomacy to work, both parties have to be officially, at the highest level, committed to it publicly.

AMB. FREEMAN: Generally, and I speak as a former diplomat, not talking to people is a form of negotiation. But not communicating directly your objections to the other side's position is a mistake, since a meeting does not imply endorsement or agreement at all, but an opportunity to express your own views and listen directly to the views of others. Not conducting such meetings is, in diplomacy, the equivalent of unilateral disarmament in military policy. It's generally not very wise for the same reason that inspired the military adage, "one should always maintain contact with the enemy." Among other benefits, doing so tends to reduce the possibility of surprise. That said, I think there's probably zero prospect in the 12 months remaining in the Bush administration, in any event, for a serious broad dialogue with Iran to get underway. So this is a question for the next administration. It raises the issue of whether the Bush administration is thinking about the national interest and how to serve it even after it has departed office. How could it leave the next administration with the broadest range of options and the most advantageous bargaining position in negotiations, which will be difficult, prolonged and not necessarily successful?

Q: My question has to do with the tangible suggestions about the nuclear scientists. How will we know that it is a comprehensive list that they give us?

DR. PARSİ: The president provided a resolution against Iraq from the Security Council, which obligated Iraq to follow international law. Obviously, a lot of Security Council resolutions are not followed, however authoritative they may be. Clearly, this is not a perfect solution. There are no perfect solutions, but some at least manage to move us in a direction in which some of these issues can be addressed. If the true concern, as often has been indicated by both the Bush administration and the Israelis, for instance, is a covert program, we should have a solution that at least attempts to address that. Suspension does not do so. But if we can get intrusive inspections, that would go along with making sure that we get that list of scientists. Then, I think, we would have a chance. Being able to track down who in Iran has been able to get the type of nuclear training necessary to work at these plants is probably not going to be that difficult; almost all of them have been educated abroad.

Q: I'm wondering how you can go on bashing Iran about what it's doing, this destructive potential, without saying anything about Israel?

AMB. FREEMAN: This is a very useful reminder that nuclear proliferation in the Middle East did not begin with Iran and that there are other forces driving proliferation in the region.

DR. PARSI: The 800-pound gorilla in the room is not only Israel's arsenal, but Israel as a factor in U.S. policy vis-à-vis Iran. It's been a very important factor for the last 30, 40 years. Back in the 1980s, because of the common threat that the two countries faced, the Israelis were actually lobbying the United States to trade with Iran, to sell arms to Iran, to talk to Iran, as well as to not pay attention to Iranian rhetoric, which they said was not reflective of its policy.

This all changed in the early 1990s with the geopolitical situation in the region. In all of my interviews in 2004 with Iranian officials about their relationship with Israel and the nuclear program, I never heard a single one of them indicate that they viewed Israel as a military threat or that the Israeli nuclear program was an impetus for their own pursuit of nuclear energy. I think Iran has not perceived the primary threat as coming from Israel.

This does not mean that the double standard of focusing on the Iranian program and turning a blind eye to the Israeli one is justified. But the Israeli program does not seem to have been an impetus for what the Iranians have been doing. For quite some time, from the Israeli perspective, there has been the fear that if the United States and Iran did negotiate, the United States would inevitably end up with a deal in which Israeli security interests would be sacrificed. If the United States accepted an Iranian enrichment program on Iranian soil, even though it would not necessarily lead to a military program, it would still shift the balance of power in the region against Israel.

As a result, Israelis have for quite some time argued against any U.S.-Iran dialogue, sometimes even helping create political obstacles to make sure that those don't happen. But I think we're entering a new era. Just as the Arab states are now less eager for a confrontation or a containment policy with Iran because the stakes are too high, such a confrontation at the end of the day would also be very negative for Israel. The problem that the Israelis have, obviously, is the political cost of telling the Israeli public that Plan A has failed, that we cannot stop the Iranian program and have to go for a Plan B. This is very difficult for any Israeli politician to pull off; very few of them have popularity ratings above 20 percent right now.

MS. SLAVIN: When I was talking to Iranian officials about the nuclear program, they didn't mention Israel, but they did mention India. And Iranians are very sensitive about their own cultural heritage; they see themselves as a great civilization. So, the comparison was more with India, which is also a great and ancient civilization. There was a sense that, if India could have it, why can't we? It particularly irritated them that the United States was changing the rules of the game to accommodate India, which never signed the Nuclear Non-Proliferation Treaty (NPT), and not agreeing to work with Iran. This is a quote from Ali Larijani: "If Americans are really over-concerned about the NPT, why are they working with India, which has already manufactured the weapons? All of these organizational rules and regulations go back to alliance with the United States. If a country wants to be a superpower, it must respect others and not expect others to be its servants."

Iran sees the nuclear program as something that shows its scientific advancement. It's a matter of prestige. If India can have it, if Pakistan can have it — these are the comparisons the Iranians make, not so much with the Israelis. I agree with Trita that they don't really see the Israelis as a threat; I don't think the Iranians would ever attack Israel, despite Ahmadinejad's horrible rhetoric. They realize that that would be a suicidal thing to do.

DR. TAKEYH: I think it's right that, in terms of Iran's nuclear calculus, Israel doesn't play a large role. Iran wants nuclear weapons for both deterrence and power projection. They're not necessarily mutually exclusive. If Iran has an advanced nuclear capability, it is immune from American retaliation. Once it perceives such immunities, it ostensibly could be more aggressive in pursuit of its region-

wide mission. So there's a clear nexus between deterrence and power projection. There are other aspects of it, too, attributes of a great state, an indication of scientific modernization and so on.

Today in the Middle East, the one power that would most press for negotiations between the United States and Iran on this issue is Israel. If somehow this issue could be resolved or mitigated through diplomacy, that's fine with them. There's an asymmetry here, because, although Iran may not perceive Israel's nuclear arsenal as a threat, the Israelis do perceive Iran's as a potential threat, and for legitimate reasons. Considering the combination of rhetoric and capability and Israel's own complicated history, you can see why the Israelis arrive at the conclusions they do.

So if somehow this issue can be resolved through a diplomatic formula, Israelis would welcome it. I'm not sure if there are other states in the region that want a U.S.-Iranian breakthrough. I'll put some of the Gulf states in that category. I think the Gulf states want neither an Iranian-American confrontation nor an Iranian-American normalization.

AMB. FREEMAN: Just as perhaps the primary Iranian motivation is related to prestige and the projection of influence in the region, that is the primary concern among the Arabs on the other side of the Persian Gulf. They do not fear the military threat that nuclear weapons in Iranian hands would pose, but the prestige and the boost that it would give to Iranian political penetration of the region.

DR. PARSI: Ray, you said the Israelis would support diplomacy if they thought it would be successful, but the definition of success is very different between what the Israelis are saying and what the NIE said, for instance. From the Israeli perspective, zero enrichment is still an uncompromisable goal. It's very difficult for them to move away from that, much more difficult than it is for the United States. As long as that is the case, I think they will remain quite suspicious of what diplomacy can achieve. Often times they fear that what will be talked about as a success is a deal in which the Iranians would have a limited program, perhaps less than 3,000 centrifuges, which, from the Israeli perspective, is still extremely negative for its security in the region and the balance of power there.

DR. TAKEYH: I think zero enrichment should be our objective. There's no particular reason why we should forfeit that objective before negotiations begin. We should certainly go into any negotiations demanding zero enrichment. You might not get there at the end; your position may evolve. But I wouldn't preemptively forfeit zero enrichment.

AMB. FREEMAN: I suppose it's worth pointing out that, given the diplomacy-free foreign policy we currently conduct, there's very little danger that negotiations will occur in the near future. Therefore, we can defer this for 12 months.

Q: I have a question regarding how the Iranian administration sees itself as a defender of Shia interest more generally in the region. Obviously, this has played an important role in some of the support for Hezbollah, and it came to the fore thanks to the U.S. intervention in Iraq. Do the Iranians also see themselves as the defenders of the Shia interest, which would perhaps complicate relations with the Gulf states and others?

DR. TAKEYH: If you look at the history of the Islamic Republic, it always sought to escape the Shia ghetto. It always saw its message and its model of government as applicable to all Muslims. It never saw itself as a sectarian entity. It was the Saudis and others who were saying it is a Shia power in order to limit its influence to a specific sector of the larger Muslim public. If you look at one of the first speeches that Ahmadinejad gave, the priorities of Iranian foreign policy were to be the Gulf, the Middle East and the larger Muslim community beyond the Middle East. That's why he spent so much time in Indonesia and so forth talking to those audiences. Iran wanted to transcend the sectarian cleavage, the reality of the Middle East, where, increasingly, politics are being defined along sectarian lines, particularly as the Iraq civil war takes on that sectarian coloration, as the politics of Lebanon once again lapse into confessionalism and so forth. Iran may be pressed in the direction of becoming the defender of Shias and have its influence most predominant among the Shia population. Should

that actually happen, it would be a defeat for Iranian foreign policy since 1979, as Iran always sought to present itself as transcending both the ethnic and sectarian limitations of the state.

Q: What exactly does Iran want to achieve in Iraq?

DR. SICK: In Iraq, the United States and Iran actually share a number of values. I think the Iranians are very much in favor of the one-man, one-vote democratic election system for the very good reason that they're sure the Shia will win and be the dominant factor in Iraqi politics. I think they are quite interested in seeing the United States conduct an orderly withdrawal from Iraq rather than a catastrophic withdrawal. They live next to these people. They do not want to see utter chaos, which then leaves them with the only possible option of going in and taking over themselves.

Why have they been doing what they've been doing? It's pretty clear that they've been hedging their bets, making sure that they stay in good graces with just about every organization, not knowing how things are going to turn out. And they want to have maximum influence, and money and arms are the standard currency for gaining influence with the various factions. They've been hedging their bets by supporting many of those groups, even groups that they don't particularly agree with, on the grounds that they want to make sure they've got a foot in the door if and when the situation arises.

According to the U.S. military, they are now reducing, if not stopping, the inflow of IEDs and other technology that they provided before. This speaks to the fact that we've got another discussion coming up between Iraq, the Iranians and the Americans in Baghdad. If you look at this in terms of positive preparation, the United States has made some rather positive moves in Iraq with the Iranians. Instead of just being a shouting match, this next meeting could conceivably be more substantive.

DR. TAKEYH: I think Gary's correct; there are some overlapping Iranian-American interests in Iraq: maintaining its territorial integrity, having the democratic process decide the future. This obviously benefits the Shia community, given demographics. The question is, why hasn't this set of common interests led to operational cooperation? The other aspect of Iran's policy tends to mirror their policy toward Lebanon in early 1980s: mobilization of the Shia community, politically, economically and militarily, for the possibility of an ongoing civil war.

There is a military-technology-transfer component to Iran's policy toward Iraq. Whether Iranians are operationally involved in directing violence against American forces, I don't know. But that's where things get complicated. Once those arms and munitions come into Iraq, they are used for all sorts of purposes. There's obviously been a lessening of that, but that has much to do with the fact that there was a Shia government in Iraq pressing Iranians not to continue inflaming the situation. They felt that, as the Shia violence escalates, it brings Americans and Sunnis closer together.

MS. SLAVIN: I think Iran's behavior in Iraq has a couple of motivations. Obviously, they want to have good relations with the Shia government, to have a compliant little brother in Iraq that will not threaten them. The other aspect, of course, has been their reading of U.S. intentions. It's interesting to see that the anxiety level has gone down, as apparently the Iranian calculation is that Bush will not attack Iran in his last year in office. Clearly, if the United States were to mount a military attack on Iranian nuclear installations, Iran would try to use its agents and proxies in Iraq against the United States. We would have over 100,000 American military hostages there, and I think the Iranians know that we know that, in the same way that Hezbollah was certainly used against American and Western interests in Lebanon in the 1980s. But if Iran sees that things are going its way, that the United States is beginning an orderly withdrawal, that its Shia clients are becoming entrenched, it has no interest in fomenting more violence.

It's also interesting that both Iran and the United States prefer the same Shia group, now called ISCI [formerly SCIRI, the Supreme Council for Islamic Revolution in Iraq]. This is a group that was nurtured by Iran, as Hezbollah was created in Iran, and has the sort of middle-class support that both regimes prefer.

Q: Could you speak to Gulf interests in Iraq? What would be a suitable outcome for them? And are Iran's intentions in Iraq to solidify power in its southern portion?

DR. TAKEYH: The Gulf states and the larger region have to come to terms with the probable demarcations of the new Iraq, which is likely to have a Shia majority but perhaps some sort of a negotiator role for the Sunni minority. So far, the leading pan-Arabist papers continue to depict the March 2003 American invasion as an Iranian and American plot to disenfranchise the Sunnis. They still don't recognize the fact that Sunnis aren't in the majority in Iraq. They have to come to the realization that there's a new Iraq. If they do so, I think there is the possibility of some sort of mediation between Iran and Saudi Arabia to try to bring the civil wars down. The persistent message of Iranian emissaries that go to Saudi Arabia is that perhaps, as two regional states, they can deal with this, one representative of the Sunnis, the other more representative of the Shias. There are two governments that have been against that.

The same deal, by the way, is proffered over Lebanon. The two governments that have been against that in the case of Iraq have been Saudi Arabia and, to some extent, the United States. The governments that have been lukewarm about that in the case of Lebanon were not necessarily Saudi Arabia or Iran, which were willing to broker some sort of deal on Lebanon. The governments that were approached there were Syria, for obvious reasons, and the United States, because it was felt there was inordinate projection of Iranian influence. But the Sunni region has to come to terms with the fact that there's a new Iraq whose trajectory may be irreversible.

MS. SLAVIN: The last time I was in Iran, they were ecstatic that at least they had Shia in control of the central government in Iraq. Now, the ISCI (SCIRI) has been pushing the idea of a large "Shiastan" in the south. They have a lot of Iranian support, so one could assume that Iran is in favor of this. I think the Iranians want to consolidate their gains in Iraq and make sure that the Shia have a secure power base. At the same time, Iran does not want the country to fall apart; they still want some central government, which would be dominated by the Shia. They don't want to set an example of ethnic breakup that might be used by their own ethnic minorities, which are extensive. Persians are barely half the population of Iran.

AMB. FREEMAN: It's fair to speculate that a Shia-dominated Iraq, at least in terms of its theological influence, might overshadow Iran, rather than the other way around, which is something that I believe the power elite in Tehran thinks about.

DR. SICK: This idea of a Persian empire expanding to include Baghdad is hugely overstated. My reading of what Iran is doing in Iraq is that they're trying to maintain a foothold there because they don't know how things are going to turn out. They have influence; they do not have control. If you had a Shia government in some kind of coalition with the Sunnis in Baghdad and the Kurds, and you had Iran trying to maintain its influence there, the old enmities would rise up between these two. I do not see Baghdad ever becoming a satrapy of Tehran. I think we're really stretching to raise that as a possibility.

One side of U.S. policy, as we've just seen with President Bush's trip to the Middle East, is that he's pushing this idea that we need a Sunni-Israeli-American coalition against Iran as the common enemy. That is the theme that runs through everything. Yet, here we are in Baghdad pursuing a situation in which we are operating in conjunction with the Shia government and talking directly to Iran about the effects of what's going on in the country. American policy is bifurcated there, and the Arabs are enormously suspicious about all of this. I think Ray was correct in suggesting that the only thing the Arabs think is worse than the idea of an American attack against Iran is an American deal with Iran. They see themselves losing either way. Their ambivalence helps to explain a lot about the way they are courting Iran today, keeping various options open.

AMB. FREEMAN: There may also be some ambivalence in Tehran about American withdrawal, since the default position in Iraqi politics is skepticism, not to say antagonism, towards Persians. But as long as the United States is there, there is a more immediate enemy on whom to focus. An

American withdrawal probably would restore a somewhat more troubled relationship between Baghdad and Tehran than that at present.

Q: What effect is the Iranian program having on the Middle East nuclear scene, in particular in Saudi Arabia, Egypt, Syria and the UAE?

DR. TAKEYH: I'm not quite sure if there is going to be a cascade of proliferation in the region as a result of what the Iranians are doing. Some of the things that have been talked about by the Saudis, by the Egyptians and others are not necessarily aimed at their objectives. They're aimed at us, to try to get us to be more proactive in dealing with the Iranian nuclear program. And if Iran gets some sort of a nuclear capability, I think the United States will have to work very hard to prevent similar nuclear programs elsewhere. It has always been said that the United States should acquiesce to the nuclearization of other states as a means of rebuffing the Iranian program. I suspect that's wrong; it was said in case of North Korea that we should let Japan cross the nuclear threshold. I don't think you should expect the United States to assist proliferation.

There are other things that can be done. If there is an Iranian nuclear program of advanced capability, you can follow the Germany model and introduce American nuclear deterrence onto Saudi soil but operationally under American control. You don't even have to do that; you can send nuclear ships into the Gulf. There are means of deterrence that the United States would have to be more actively providing, but it would have to work very hard to prevent other states from following the Iranian model. The Israelis would be concerned about that as well, so there could potentially be power sharing.

DR. SICK: The fact that Mr. ElBaradei mentioned in his discussions some time ago, and continues to refer to, is that there are 40 countries in the world with the capability of making a bomb if they should choose to do so. Some people have joked that, if Japan decided to produce a nuclear weapon, it would take a long weekend. Sweden isn't that far away; other countries like Brazil and Taiwan have the capability. At the moment, we're talking about three to seven years if Iran started today, according to the NIE. We've been hearing the same thing for the last 15 years.

There are some 50 countries in the world that have stockpiles of highly-enriched uranium (HEU), that actually are bomb-capable in terms of the fissile fuel. I'm told that there is enough HEU in existence right now throughout the world for about 300,000 nuclear weapons. We shouldn't kid ourselves about where the world is right now. Our objective should be that, if countries move toward greater nuclear infrastructure, we should do everything in our power to ensure that they are as far away from the bomb as possible and that we have as much early warning as we can possibly build into the system. This means a different kind of approach than the one we've been using up to now. We're wasting a lot of time, saying, we'll talk to you if you do everything we want before we start talking. It never works. We ought to get serious about trying to keep Iran from getting involved, recognizing that they're probably going to have some capabilities, the way other allies of ours do, and that we should try to persuade them not to exercise that capability. That is the objective of negotiations.

AMB. FREEMAN: I think it's fair to point out that it's becoming increasingly difficult to separate the effects of the rise in global energy prices and their impact on nuclear energy from the impact of security problems in producing proliferation. With oil and gas prices at very high levels, nuclear energy is now an extremely attractive option and is going to be widely pursued throughout the world, not least because it does not pump carbon into the air and does not produce an immediate pollution problem, although the disposal of the waste remains a long-term issue. Those who are in the business of making nuclear-power plants are projecting not just dozens, but many dozens of new plants being built, from Egypt to the Gulf to Iran, as well as China and India. These reactors will supply electric power in parallel with other alternative energy sources — wind, solar, biomass and tidal power. But we're going to see a great proliferation of nuclear-power technology, and with it the dangers to which Gary referred will multiply. We need to find a new approach that recognizes this.

The Saudi proposal for regional management of enrichment deserves a good deal more attention than it has had, not perhaps just in the context of the Middle East, but through similar arrangements elsewhere, where the security difficulties of enrichment can be minimized by multilateralism.

DR. PARSI: Ray mentioned that having zero enrichment should still be the objective, and it's a good objective. But is it a viable objective? Is it actually going to work? It doesn't seem likely. However, as Gary put it, this does not mean that we don't have tremendous leverage to ensure that Iran does not become a nuclear-weapons state. There are several factors that will make that easier, one being that, at the end of the day, what the Iranians are trying to do is not terribly different from what the shah was doing. Though they were expressing it in a very different manner, they want to be the preeminent power in the region. But that also entails getting the acceptance of the other states in the region. If they project too much power, that would mean being a threat and would undermine their ability to get acceptance from the neighbors.

In the case of Iran, I would argue that a nuclear weapon would be a huge strategic mistake, precisely because of the threat that it would project towards its neighbors. The question is, what would cause the Iranians — who recognize this, by the way — to go for the bomb in spite of the very negative strategic implications? The United States is actually one of the few countries the Iranians think they don't have an effective deterrence against. They feel they have a deterrent against Iraq and against Israel because of what happened last year with the war with Hezbollah. We may be able to use one of these forces that impinge on the Iranian side to our own advantage, to help convince them not to go for weaponization. This should be the ultimate goal, and zero enrichment an intermediary goal.

Q: How is it that the Saudi editorial you mentioned was communicated in a very direct sort of way to Bush? And what's your general assessment of how closely Saudi Arabia and Iran are working together on other regional issues? How much has the relationship developed over the last couple of years?

AMB. FREEMAN: The editorial in question was notable both for its breach of standard Arab etiquette, very negative in terms of its treatment of a guest, quite biting in its tone, and quite devastating in its last sentence, "madness in pursuit of war." I think the polls — and there's a lot of polling data from Saudi Arabia — demonstrate that, with respect to Mr. Bush, to whom the editorial was directed, they are very widespread.

The ruling group in Saudi Arabia, the royal family, perhaps temper their distaste for American policy, which has been extremely negative in its impact on Saudi interests throughout the region, with lingering hope that the United States and Saudi Arabia might yet restore some measure of the special relationship we once enjoyed. Certainly the king himself has put a great deal of effort into rekindling some warmth in the U.S.-Saudi relationship, as demonstrated by the effort to persuade parents to send their children to school in the United States, which many regard as a hostile environment to Muslims and Arabs these days.

But I'm afraid that the attitudes shown in the editorial are indeed endemic now in the region. Mr. Bush has a level of popularity in Saudi Arabia of 12 percent. Favorable attitudes toward the United States have apparently risen recently to about 40 percent.

As to the question of how seriously Saudi Arabia and Iran are dealing with each other, the Saudis may not accept Iran's pretensions to imperial grandeur, and they certainly do not accept its aspirations for hegemony in the region. But they recognize Iran as the home of a great culture and a great people with considerable influence in normal times, and even more influence when, as has happened, the United States has facilitated its spread. Therefore, they are behaving as classic realists in dealing directly with Tehran in a courteous but wary fashion. As several of the panelists noted, they are in the process of accommodating the new realities in the region that we have brought about.