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IRAN: SAME OLD SAME OLD

TOMORROW'S "ELECTION" WILL CHANGE NOTHING —SAME "SUPREME LEADER", SAME REPRESSION, SAME NUCLEAR DRIVE

Contents: (Please Note: articles may have been shortened in the interest of space. Click link for the complete article – Ed.)

[Ahmadinejad 2.0? Conservatives Dominate Iran Presidential Lineup:](#) Reese Erlich, *Global Post*, June 12, 2013—With Iran's presidential elections Friday, Tehran is in full campaign mode. Political posters are hanging from city walls, and enthusiastic rallies and informal marches are taking place across the capital. Six major candidates approved by the Guardian Council, a government religious body, are running to replace Mahmoud Ahmadinejad as Iran's head of state.

[Ayatollah Khamenei Is Iran's Supreme Investor:](#) Meir Javedanfar, *Bloomberg*, June 12, 2013—The best way to understand Iran's elections this week is to think of Supreme Leader Ayatollah Ali Khamenei as the regime's supreme investment manager. Like Warren Buffett, or any other top fund manager, Khamenei is answerable to his shareholders when making a big investment pick. Both men enjoy enormous personal authority, but if they keep hurting the interests of their shareholders by getting the big choices wrong, that authority will erode.

[Another Iran Crisis Is Looming:](#) Yaakov Lappin, *Gatestone Institute*, June 12, 2013—At a time when news headlines from the Middle East are dominated by battles in Syria, growing Sunni-Shi'ite conflict in Iraq and Lebanon, and mass disturbances in Turkey, it is easy to forget about Iran's nuclear program; but early warning indicators are signaling an impending, explosive crisis over Iran's refusal to halt its covert nuclear weapons program.

On Topic Links

[Who Brought Iran Close to a Nuclear Bomb?:](#) Lt. Col. (ret.) Michael Segall, *JCPA*, June 12, 2013

[Iran's Apocalyptic Policy Makers:](#) Saeed Ghasseminejad, *Times of Israel*, June 10, 2013

[Days Before Vote, Huge Majority of Iranians Favor Sharia Law:](#) Haviv Rettig Gur, *Times of Israel*, June 12, 2013

[Hardliners Split As Iran Election Campaign Ends:](#) *Jerusalem Post*, June 13, 2013

[Analysis: Iran Election Won't Impact Nuclear Policy:](#) Ariel Ben Solomon, *Jerusalem Post*, June 13, 2013

[Missing Mahmoud:](#) Reza Aslan, *Foreign Policy*, June 12, 2013

[Iran's Deep-Rooted Terror Networks Pose 'Real Risk':](#) David Horowitz, *Times of Israel*, June 13, 2013

AHMADINEJAD 2.0? CONSERVATIVES DOMINATE IRAN PRESIDENTIAL LINEUP

Reese Erlich

Global Post, June 12, 2013

With Iran's presidential elections Friday, Tehran is in full campaign mode. Political posters are hanging from city walls, and enthusiastic rallies and informal marches are taking place across the capital. Six major candidates approved by the Guardian Council, a government religious body, are running to replace Mahmoud Ahmadinejad as Iran's head of state.

This year's contest is a far cry from four years ago, when tens of thousands of Iranians took to the streets in spontaneous protests prior to the presidential election. That activism is missing this year as voters focus on

a stalled economy. The lineup of mostly conservative candidates are unlikely to take on the ruling establishment.

Several weeks ago, the Guardian Council eliminated two of the strongest candidates who might have challenged Iran's religious and military leaders, including former President Ali Hashemi Rafsanjani and Ahmadinejad ally Esfandiar Rahim Mashaei.

The contenders are now mostly conservative supporters of Supreme Leader Ayatollah Ali Khamenei, Iran's highest-ranking political and religious authority. None of the candidates suggest major shifts in Iran's pursuit of nuclear power. The government is also working hard to prevent mass demonstrations similar to those that broke out both ahead of and following the 2009 polls against what demonstrators said was a fraudulent vote. The state is also encouraging voters to head to the polls in a bid to boost its legitimacy after the last vote's fallout.

High turnout in Friday's elections "would show [the government's] popularity," said Mohammad Sadegh Jananansfat, a prominent economist and editor of Industry and Development, an economic and political magazine. As part of the government effort to pique voter interest ahead of the June 14 polls, the candidates were featured in three televised debates last week. Powerful rhetoric flowed, and even some personal invective, but candidates discussed few specific policy issues. None offered detailed suggestions for ending Iran's diplomatic isolation due to its nuclear program, nor for improving the country's economic situation.

Official unemployment now stands at 13 percent, and inflation hit 31 percent last month, with food prices jumping a staggering 50 percent over the past few months. Analysts here attribute the economic problems to the impact of US sanctions, along with government mismanagement of the economy. "The US sanctions on oil exports means less hard currency and higher inflation, which mostly hurts ordinary Iranians," Jananansfat said. Former nuclear negotiator, Hassan Rohani has gathered some popular momentum since a successful showing during the third television debate last Friday.

He is largely viewed as a moderate, and some who participated in the 2009 protests — which later became known as the "Green Movement" — are rallying behind him, including at his public campaign events in Tehran. Rafsanjani, who champions better international ties, endorsed Rouhani for president on Tuesday. "Rohani is a moderate who will support people's rights," said one supporter, Maryam, who asked that her full name not be used. At a Rohani campaign rally in Tehran on Saturday, which thousands attended, she wore a Green Movement plastic wristband. "It's important to vote for him, even if he loses — to show popular support for reform," she said. But Rohani faces an uphill battle against a league of strong conservative contenders with the implicit backing of Ayatollah Khamenei. Iran has a weak presidential system with all real power resting with the Supreme Leader. He makes key decisions about foreign policy and the nuclear power program, for example.

Mohammad Baqer Ghalibaf, a leading conservative candidate, is the former police chief and mayor of Tehran. He recently bragged of his participation in a brutal crackdown on students at the University of Tehran in 1999. "We were part of the group that beat people," he said at a campaign event. "And I am proud of it."

At a small grocery in central Tehran, owner Mocher Odaj has plastered his windows with Ghalibaf posters. "He brought law and order to Tehran," Odaj said. Iran's current chief nuclear negotiator is Saeed Jalili, who maintains a hard-line position when it comes to talks with the US. He has criticized both the Green Movement the moderate politicians who questioned the 2009 crackdown as "promoting sedition." hat endears him to many conservative voters. "He didn't compromise during the nuclear negotiations," said Saeed Mohammad Husseini, a Jalili supporter who works at a store selling religious CDs.

The third major conservative candidate is Ali Akbar Velayati, a senior adviser to Khamenei, former foreign minister and former nuclear negotiator. Velayati's deputy Tehran campaign manager, Naeim

Alinaghi, stressed his candidate's diplomatic background. "Velayati will skillfully negotiate with the West," Hussein said. However, Western powers — not Iran — will have to shift positions "because we shouldn't change our nuclear power program, which is for peaceful purposes only," he said.

If no candidate wins 50 percent plus one vote, then the top two contenders will participate in a runoff on June 21.

Contents

AYATOLLAH KHAMENEI IS IRAN'S SUPREME INVESTOR

Meir Javedanfar

Bloomberg, June 12, 2013

The best way to understand Iran's elections this week is to think of Supreme Leader Ayatollah Ali Khamenei as the regime's supreme investment manager. Like Warren Buffett, or any other top fund manager, Khamenei is answerable to his shareholders when making a big investment pick. Both men enjoy enormous personal authority, but if they keep hurting the interests of their shareholders by getting the big choices wrong, that authority will erode.

Khamenei's shareholders consist mainly of the Islamic Revolutionary Guard Corps and the Principalists, a broad coalition of conservative politicians. Where Buffett is judged by the companies and stocks in which he invests, Khamenei is judged by the politicians he picks or supports for positions of authority, and how those people further the economic and political interests of the supreme leader's supporters. And the most important pick Khamenei has to make this year is Iran's next president.

Khamenei's last presidential investment, Mahmoud Ahmadinejad, didn't work out so well. Instead of uniting Iran's conservative elite, Ahmadinejad's antics and leadership style created infighting and division. He ravaged the regime's standing abroad with inflammatory speeches, such as his denial of the Holocaust. At home, his populist economic policies caused extensive damage, which today can be witnessed in Iran's high level of inflation -- which the nation's official statistics agency put at 30 percent in May -- and 12 percent unemployment, according to International Monetary Fund data.

Appalling Record

Coupled with international sanctions triggered by Iran's alleged nuclear-weapons program, this appalling economic record has hurt not only the Iranian people, but also the business interests of the revolutionary guard. Today, the guard has major business interests in the construction, oil-and-gas, and automotive industries, as well as in the manufacture and importing of electronic goods. To give just one example, the U.S. administration last year named National Iranian Oil Co., Iran's state oil company, as an "agent or affiliate" of the revolutionary guard.

As powerful as the guard is, however, its companies rely on the Iranian population to buy their products. The less money consumers have, and the more inflation erodes their purchasing power, the less they can spend on goods that the revolutionary guard makes and imports. Compounding the stakes for Khamenei is that, despite Ahmadinejad's damaging antics and policies during his first term as president, the supreme leader backed him again for a second term in 2009. Khamenei asked his stakeholders to support that decision, which they did.

This makes it even more important that Khamenei invests his political capital and reputation in the right candidate this time. The next president needs to strengthen the regime's cohesion, its domestic- and foreign-policy performance, and the economy. If Khamenei makes another poor choice, his credibility and even authority may suffer as important regime stakeholders begin to doubt his ability to secure their interests. Khamenei's top priority right now is to promote cohesion in the regime's increasingly divided ranks, a major concern for the Principalists. Infighting has increased at an unprecedented rate during Ahmadinejad's second term, a phenomenon that is more and more difficult to conceal.

Even Khamenei's family has been affected. The supreme leader's ultraconservative older brother, Sayyed Mohammad Khamenei recently attacked former President Ali Akbar Rafsanjani, who was planning to run for the office again, but was disqualified by the Guardian Council. Khamenei's younger brother Hojatolislam Hadi Khamenei then publicly defended Rafsanjani by stating that those who attack the former president "want to destroy the Islamic Republic."

Infighting is one of the main reasons why the supreme leader had Rafsanjani's candidacy disqualified. Economics played an even bigger role. Rafsanjani and his backers want to open Iran's economy to new investors, both domestic and foreign, to promote growth. This would create competition for the revolutionary guard, hurting its business interests. Forced to choose between the guard and Rafsanjani, Khamenei had little choice -- he couldn't afford to risk alienating the revolutionary guard, a vital pillar of support for his rule.

Presidential candidates, such as chief nuclear negotiator Saeed Jalili and Tehran Mayor Mohammad Baqer Qalibaf look like better investment options for the supreme leader. Both are close to the revolutionary guard and to the conservative circles that surround Khamenei.

The major difference between these two conservative candidates is that Qalibaf has more genuine grass-roots support, especially in Tehran, where he has spent eight years as mayor and is fairly popular. That also gave him valuable experience in managing domestic affairs, giving him an edge over some of the other candidates. This support base makes it more likely that, as president, Qalibaf would be willing to criticize or oppose the supreme leader's policies, whereas Jalili has proved himself to be a yes-man. Unlike Ahmadinejad, however, Qalibaf would probably air his differences in private.

The widespread use of election fraud in 2009, when the Iranian regime went so far as to fake ballot papers for Ahmadinejad in Jerusalem -- 48 voters produced 79 ballots -- shows that the supreme leader doesn't care much about whom the majority of Iranian voters would like to see as their leader. The whole system has been designed to narrow choices and tilt the process to ensure that a candidate approved by the supreme leader wins.

Still, a low voter turnout this time could also damage Khamenei's image as the supreme investor, exposing low levels of public faith in his leadership. To address this challenge, it seems that Khamenei hopes the three election-campaign debates -- between the eight candidates the Guardian Council permitted to stand (out of 686 hopefuls) -- will create the impression that the elections will be fair.

In 1989, Warren Buffett wrote in a letter to shareholders that: "It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price." That's good advice for Iran's Khamenei, too. He needs to back a convincing candidate for the presidency this week, even if that means paying a higher price in terms of choosing someone who won't always toe the line. The Iranian regime's shareholders are watching and judging. After a bad investment in Ahmadinejad, Iran's supreme investment manager needs to show his worth.

(Meir Javedanfar is an Iranian-Israeli Middle East analyst. He teaches the contemporary Iranian politics at the Interdisciplinary Center in Herzliya, Israel. Follow him on Twitter.)

[Contents](#)

ANOTHER IRAN CRISIS IS LOOMING

Yaakov Lappin

[Gatestone Institute](#), June 12, 2013

At a time when news headlines from the Middle East are dominated by battles in Syria, growing Sunni-Shi'ite conflict in Iraq and Lebanon, and mass disturbances in Turkey, it is easy to forget about Iran's

nuclear program; but early warning indicators are signaling an impending, explosive crisis over Iran's refusal to halt its covert nuclear weapons program.

At enrichment facilities in Natanz and Fordow, Iran is continuing to inch closer to the point of nuclear breakout, as a report by the UN's International Atomic Energy Agency (IAEA) recently noted.

The report confirmed what defense analysts had been saying for months: that Iran installed hundreds of additional centrifuges for uranium enrichment, enhancing its nuclear program, while continuing enrichment activities. Tehran has also taken steps to create a parallel path to nuclear weapons through its plutonium plant at Arak. Iranian engineers are constructing a reactor at the heavy water plant at Arak, which could enable the production of a plutonium-based atomic bomb.

Meanwhile, Iran continues to deny IAEA inspectors access to its suspected nuclear trigger facility at Parchin, and has been busy shifting earth around the site to cover its activities. At this point, the IAEA said, even if inspectors were allowed to visit, the cover-up would mean they may not find a thing. These developments have led leading Israeli defense experts at the Institute for National Security Institute in Tel Aviv to conclude that unless the White House soon adjusts its policy on Iran, the U.S. may end up adopting a policy of nuclear containment rather than prevention.

The analysts, Emily Landau, director of the Arms Control and Regional Security Program at the INSS, and Ephraim Asculai, a senior research associate, questioned President Barack Obama's assertion that the US will know ahead of time if Iran took a decision to produce nuclear weapons. They cited historical failures by intelligence agencies, and cautioned that relying on the IAEA to identify the danger in time could prove disastrous. Even if a timely warning were received, they said, it remains unclear that there would be enough time to reverse Iran's trajectory, or that the White House would be willing to employ force.

Most importantly, their paper said that it is now "blatantly apparent" that the diplomatic approach for solving the Iranian crisis has failed, "even though the US administration has yet to admit this. Their stance was echoed on Monday by the United Nation's top nuclear diplomat, IAEA Director General Yukiya Amano. Amano told the IAEA's board of governors that talks with Iran are simply "going around in circles," and described the past ten rounds of negotiations as failures. Using unusually blunt language to underscore the dead-end situation, Amano said: "To be frank, for some time now, we have been going around in circles. This is not the right way to address issues of such great importance to the international community, including Iran."

Iran's intransigence, and its unwillingness to cooperate or provide assurances about the absence of nuclear material and activities were all to blame, he said. "These activities are in clear contravention of resolutions adopted by the Board of Governors and the United Nations Security Council," Amano added. Israel, which is more threatened by Iran's nuclear program than is the U.S., as well as militarily weaker than Washington, has less time to make its up mind on how and when to proceed to avert a threat to its existence.

Israel's Minister for Strategic Affairs, Yuval Steinitz, reflected the urgency of the situation in a warning he sent out to the public last week. "Time is running out," he said. "We have only a few months. The danger is a global one, which will change the face of history. Iran could have hundreds of atomic bombs and hundreds of long-range missiles." He added: "The danger is many times bigger than North Korea."

Against this background, the Israeli military's former intelligence chief, Maj.-Gen. (res.) Amos Yadlin, and former Vice-Chairman of the Joint Chiefs of Staff, Gen. James Cartwright USMC (ret.), published an analysis in the Atlantic examining what would happen if either Israel or the US launched military strikes on Iran's nuclear program. Yadlin and Cartwright simulated a classified phone call between Prime Minister Binyamin Netanyahu and U.S. President Barack Obama, which would take place later this year. During the call, the two leaders agree that the diplomatic-sanctions route to stopping Iran has failed. Their starting position is the current situation, and the timing of their piece is not coincidental. Their envisaged phone

call may well occur sooner rather than later.

A central conclusion reached by the defense figures is that Israel has the highest moral authority to launch military action, as it faces the greatest threat. Practically, an Israeli strike might also safeguard the U.S.'s ability to act as a broker and negotiate a permanent diplomatic solution to the crisis after a strike – a role the U.S. could not undertake if it carried out the strike itself. Nevertheless, the U.S. enjoys superior military capabilities to launch such an operation.

Iran's response to an attack from either side could range from a limited retaliation to launching a regional war. The other day, an Israeli defense official said the production of Arrow-3 anti-ballistic missile defense systems – which intercept incoming long-range missiles in space – have been fast-tracked.

Eight months ago, Prime Minister Binyamin Netanyahu told the international community at the United Nations that the clock was ticking for a resolution to the Iranian crisis, and that time could be up by the spring or summer of 2013. A growing number of alarms are ringing.

[Contents](#)

ON TOPIC

[Who Brought Iran Close to a Nuclear Bomb?](#) : Lt. Col. (ret.) Michael Segall, *JCPA*, June 12, 2013—With a few days remaining before the June 14 presidential elections in Iran, the most fraught, sensitive issue in the campaign concerns Iran's foreign policy – its relations with the West in general and the nuclear talks in particular. Whereas the “principalist” [hard-line] candidates take a dogmatic, uncompromising line on Iran's foreign relations and its stance on the nuclear issue, the “pragmatic” candidates show a readiness to open a new chapter in Iran's dealings with the world and conduct the nuclear talks in a calmer atmosphere.

[Iran's Apocalyptic Policy Makers:](#) Saeed Ghasseminejad, *Times of Israel*, June 10, 2013—Mostafa Ahmadi Roshan, the Iranian nuclear scientist who was killed in a bomb blast, was not only a man of science but also a man of faith. He had a master, Ayatollah Azizollah Khoshvaght, a little-known but highly-ranked cleric.

[Days Before Vote, Huge Majority of Iranians Favor Sharia Law:](#) Haviv Rettig Gur, *Times of Israel*, June 12, 2013—2 Iranians favor implementing Sharia law in Iran by a huge majority — 83 percent to just 15 opposed — according to a new survey of Iranians published Tuesday by the Pew Forum on Religion and Public Life. A majority of Iranian Muslims already believe that is the case in the country.

[Hardliners Split As Iran Election Campaign Ends:](#) *Jerusalem Post*, June 13, 2013 —Campaigning in Iran's presidential election ended on Thursday, a day before the vote in which the sole moderate candidate has an unlikely chance to steal victory from his hardline rivals. Hardliners have failed to agree on a unity candidate, potentially splitting their vote and improving the chances of moderate cleric Hassan Rohani to progress to a run-off poll.

[Analysis: Iran Election Won't Impact Nuclear Policy:](#) Ariel Ben Solomon, *Jerusalem Post*, June 13, 2013—Is the Islamic Republic a rational actor and could it be deterred if it gets nuclear weapons, as the Soviet Union was during the cold war? And is the presidential election in Iran this Friday a significant event that could alter the trajectory of events and negotiations with the West?

[Missing Mahmoud:](#) Reza Aslan, *Foreign Policy*, June 12, 2013—What's that saying? You don't know what you've got 'til it's gone? Well, after eight long years of Mahmoud Ahmadinejad as president of Iran, I'm willing to bet that even those of us who loathe the man are going to end up missing him -- not just because of the comedy he provided with his bellicose rhetoric and his inane populism, but because he may have been the last, best hope of stripping the clerical regime of its "God-given" right to rule Iran. Don't snicker. Once President Ahmadinejad is gone, there'll be no one left to stand up to Iran's mullahs.

[Iran's Deep-Rooted Terror Networks Pose 'Real Risk':](#) David Horowitz, *Times of Israel*, June 13, 2013—There are “clear signs” that terrorist networks first established by Iran in several South American countries in the 1980s and 1990s are still in place, and there are indications that Iran has similar networks in Europe, the Argentinian prosecutor who investigated the 1994 AMIA bombing in Buenos Aires told *The Times of Israel*. In a telephone interview a week after he issued a 500-page report on the bombing and Iran's wider terrorist infiltration of South America, Alberto Nisman said that Tehran had established its terror networks for the strategic long term, ready to be used “whenever it needs them.”