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IRAN ELECTS “MODERATE”, INCREASES NUCLEAR PACE AS U.S. SEEKS MORE TALKS; CRISIS LOOMING!

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

[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.

[Hassan Rowhani: A Honey Trap for Iran and the World?:](#) [Lt. Col. \(ret.\) Michael Segall, JCPA, June 17, 2013](#)—Sayed Hassan Rowhani, who adopted the color purple during the election campaign, won an overwhelming victory in the first round of the Iranian presidential election with a majority of over 50 percent, leaving Saeed Jalili (who came in second), his bitter rival during the campaign and the favorite of Supreme Leader Ali Khamenei and certain other conservatives, far behind.

[Iran's Terror Threat in Latin America:](#) [Sebastian Rotella, Real Clear World, July 13, 2013](#)—A senior officer in the Iranian Revolutionary Guards Corps (IRGC) traveled secretly with the presidential delegation and met with Venezuelan military and security chiefs. His mission: to set up a joint intelligence program between Iranian and Venezuelan spy agencies, according

[Iran uses Iraq as Economic Gateway to Evade Sanctions:](#) [Omar al-Shaher, Al-Monitor Iraq Pulse, June 28, 2013](#)— The Iranian Fars News Agency quoted TPOI deputy Kiumars Fathallah Kermanshahi as saying that “Iraq receives 72% of the total volume of Iran's foreign trade, and is ranked first as the biggest importer of Iranian goods.”

[On Topic Links](#)

[U.S. to Seek Direct Nuclear Talks with Iran:](#) [Jay Solomon, Wall Street Journal, July 15, 2013](#)

[Netanyahu Calls for Stronger Iran Sanctions, ‘Credible’ Military Option:](#) [Gavriel Fiske, Times of Israel, July 14, 2013](#)

[Rowhani and the Iranian Elections:](#) [Dore Gold, JCPA, June 16, 2013](#)

[Israeli or U.S. Action Against Iran: Who Will Do It if It Must Be Done?:](#) [James Cartwright & Amos Yadlin, The Atlantic, May 28 2013](#)

[Dubai Frozen Yoghurt Firm Feels Iran Sanction Chill:](#) [Asa Fitch and Rory Jones, Wall Street Journal, July 15, 2013](#)

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

HASSAN ROWHANI: A HONEY TRAP FOR IRAN AND THE WORLD?

Lt. Col. (ret.) Michael Segall

JCPA, June 17, 2013

Sayyed Hassan Rowhani, who adopted the color purple during the election campaign, won an overwhelming victory in the first round of the Iranian presidential election with a majority of over 50 percent, leaving Saeed Jalili (who came in second), his bitter rival during the campaign and the favorite of Supreme Leader Ali Khamenei and certain other conservatives, far behind.

The win for Rowhani, a dyed-in-the-wool member of the revolution, will likely give the Iranian regime medium-term breathing space both at home and abroad. At home, the victory has deflected the pressures of the “Iranian street” and forestalled a (weak) possibility of a “Persian Spring.” Abroad, it will afford Iran breathing space in the international arena to gain a little more time, and possibly to ease the sanctions a bit by presenting the “moderate” Rowhani to the West. The West will likely “adopt” Rowhani – the only cleric among the candidates – and award Iran yet another opportunity to resolve the nuclear issue without a confrontation.

Yet Iran is unlikely to alter its plan to achieve regional hegemony, and will go on exploiting Sunni weakness and American hesitations. In any case, Rowhani does not formulate Iran’s foreign and nuclear policy, which is dictated by Khamenei and the Revolutionary Guard. Rowhani could even serve as a sort of buffer between Khamenei and the West, thereby winning more time to complete the nuclear program and move to a “breakout” at the right moment.

The Iranian people voted for the only “reformist” candidate, even though Rowhani is a conservative and part of the regime. Within the rules of the game of the Islamic regime, Rowhani will try to promote freedom of expression and to free some of the detainees (including Mehdi Karroubi and Mir-Hossein Mousavi, who are under house arrest). He is likely, though, to encounter the opposition of the Revolutionary Guard if he tries to move too fast. In 1999 the Revolutionary Guard sent a threatening letter to President Khatami, who instituted far-reaching reforms, in which they warned against continuing such a policy that threatened the Islamic nature of the regime.

Rowhani, unlike Jalili, is a diplomat and a sophisticated negotiator in the nuclear field. In interviews before the 2009 elections, he explained the rationale behind Iran’s decision to suspend uranium enrichment in 2003. It came, he said, from a situation assessment of the regional and international circumstances at that time. “The presence of the United States all around Iran and along its borders, the American invasion of Iraq on the pretext that there was mass-destruction weaponry there, posing the potential threat of a similar move against Iran...these were certainly very uncomfortable circumstances for Iran.”

Rowhani emphasized at the time that, given these conditions, the decision to suspend the uranium-enrichment program was one of the ways to break the international consensus against Iran. In agreeing to suspend enrichment, Rowhani made clear, Iran managed to neutralize any such broad international consensus and to remove the threat of the United States bringing the Iran-related issues to the United Nations Security Council during his tenure as negotiator.

Rowhani also revealed part of Iran’s negotiating strategy with the Western countries; implicit in his remarks is that it was based on deception. He underlined that, while Iran indeed suspended enrichment at Natanz (where Iran enriches uranium in centrifuges), it simultaneously continued its activity at Isfahan, where the uranium-conversion facility is located that produces the UF₆ gas needed to supply the centrifuges at Natanz. Rowhani explained that at the time the Isfahan facility was not yet operational and more work and

installation of equipment were needed there. He also said Iran did not agree to suspend the assembly of centrifuges; instead it continued that endeavor since it only had a few centrifuges and needed a larger number.

Iran under President Rowhani will keep using similar tactics of cautious, non-defiant diplomacy. The West has obtained its “moderate president.” Iran will exploit this ongoing Western delusional tendency to the end. Numerous fruitless rounds of nuclear negotiations have been held since Rowhani’s time as negotiator. He was one of those who, carefully and prudently, set Iran on its nuclear course, and it looks as if he will be the one to bring it toward the bomb.

Contents

IRAN'S TERROR THREAT IN LATIN AMERICA

Sebastian Rotella

Real Clear World, July 13, 2013

A senior officer in the Iranian Revolutionary Guards Corps (IRGC) traveled secretly with the presidential delegation and met with Venezuelan military and security chiefs. His mission: to set up a joint intelligence program between Iranian and Venezuelan spy agencies, according

Last year, Iranian President Mahmoud Ahmadinejad visited his ally President Hugo Chavez in Venezuela, where the firebrand leaders unleashed defiant rhetoric at the United States. There was a quieter aspect to Ahmadinejad's visit in January 2012, according to Western intelligence officials. A senior officer in the Iranian Revolutionary Guards Corps (IRGC) traveled secretly with the presidential delegation and met with Venezuelan military and security chiefs. His mission: to set up a joint intelligence program between Iranian and Venezuelan spy agencies, according to the Western officials.

At the secret meeting, Venezuelan spymasters agreed to provide systematic help to Iran with intelligence infrastructure such as arms, identification documents, bank accounts and pipelines for moving operatives and equipment between Iran and Latin America, according to Western intelligence officials. Although suffering from cancer, Chavez took interest in the secret talks as part of his energetic embrace of Iran, an intelligence official told ProPublica.

The senior IRGC officer's meeting in Caracas has not been previously reported. "The aim is to enable the IRGC to be able to distance itself from the criminal activities it is conducting in the region, removing the Iranian fingerprint," said the intelligence official, who requested anonymity because he is not authorized to speak publicly. "Since Chavez's early days in power, Iran and Venezuela have grown consistently closer, with Venezuela serving as a gateway to South America for the Iranians."

A year and a half later, Chavez has died and Ahmadinejad is no longer president. But the alliance they built is part of an Iranian expansion in the Americas that worries U.S., Latin American, Israeli and European security officials. Experts cite public evidence: intensified Iranian diplomatic, military and commercial activity in the region; the sentencing this year of an Iranian-American terrorist in a plot to assassinate the Saudi ambassador in Washington; U.S. investigations alleging that Hezbollah, Iran's staunch ally, finances itself through cocaine trafficking; and a recent Argentine prosecutor's report describing Iran's South American spy web and its links to a 2007 plot to bomb New York's JFK airport.

There is considerable debate inside and outside the U.S. government about the extent and nature of Iran's activities, however. That debate dominated a U.S. congressional hearing this week about a new State Department report that assesses the Iranian threat in Latin America, a region made vulnerable by lawlessness and an increasingly anti-U.S. bloc of nations.

The report resulted from a bipartisan bill, the Countering Iran in the Western Hemisphere Act, signed into law by President Obama in January. That measure called for a comprehensive U.S. response to Iranian incursions and a study based on threat assessments by intelligence and law enforcement agencies. Most of the

study is classified. A two-page unclassified section says that "Iran has increased its outreach to the region working to strengthen its political, economic, cultural and military ties."

Nonetheless, the State Department assessment concludes that "Iranian influence in Latin America and the Caribbean is waning" as a result of Western sanctions, U.S. cooperation with allies and "Iran's poor management of its foreign relations." In a recent interview about the issue, a senior U.S. government official gave a measured assessment comparable to the new report. "The countries of the region need to watch carefully for Iran as a threat within a spectrum of issues of concern in the region," said the official, who was not authorized to speak publicly. "I don't see it as a major threat now. This is worth watching. It is something there is legitimate attention to given Iran's history."

[Contents](#)

IRAN USES IRAQ AS ECONOMIC GATEWAY TO EVADE SANCTIONS

Omar al-Shaher

[Al-Monitor Iraq Pulse](#), June 28, 2013

The Iranian Fars News Agency quoted TPOI deputy Kiumars Fathallah Kermanshahi as saying that "Iraq receives 72% of the total volume of Iran's foreign trade, and is ranked first as the biggest importer of Iranian goods." For years, the UN and Western countries have imposed a series of sanctions against Iran, which is accused of seeking to develop nuclear weapons, under cover of an alleged civil program. Yet, Tehran denies these accusations.

In the most recent round of sanctions against Tehran, US media quoted on Wednesday, June 26, White House spokesman Jay Carney as saying that US President Barack Obama gave the green light to the imposition of sanctions on foreign institutions that purchase or sell significant amounts in Iranian rials, and those who hold amounts in rials in bank accounts outside Iran.

The Iranian rial fell to its lowest level because of international sanctions. The new set of US sanctions included Iran's automotive manufacturing sector. Iraq is the largest external market for Iranian cars. Iraqi political analyst Ihsan al-Shammari said, "Iran is convinced that Iraq is currently its only economic lung, and it is normal that Iraq receives the majority of Iranian exports."

In an interview with Al-Monitor, Shammari added that "what helps Iran strongly enter the Iraqi market is that Iraq is a consumption society." Shammari believes that "deepening Iraqi-Iranian ties this way will inevitably cause damage to Iraq's foreign relations, particularly with the United States, which feels that Iran's nuclear program is a threat to its interests and security."

According to Shammari, "Iran is in dire need of Iraq, particularly at this stage; not only to market its goods, but to export them to other countries, or to facilitate the movement of Iranian funds through Baghdad to Damascus and Beirut." He said, "Iraq is Iran's economic outlet to the world."

According to many Arab and Western countries, Iran has been supporting Assad's regime by providing it with fighters, weapons and funds. The regime was trying to contain popular protests, which degenerated into an armed rebellion more than two years ago.

Iraqi economic expert Majid al-Souri believes that "that the increasing trade relations with Iran will definitely help it lift part of its blockade." In a statement to Al-Monitor, Souri said that "the increasing pressure on Iran due to the international blockade has given Iraqi traders the chance to deal with their Iranian counterparts in cash, rather than through bank transfers, as is the customary method in cross-border trade. Therefore, the demand for the dollar has increased in Iraq."

"The relations between traders of different nationalities are only normal, provided that they do not go beyond the limits that could affect national interests. The Iraqi government has sympathy for Iran. However, this sympathy is akin to that shown by some countries towards Iraq during the economic blockade that was

imposed on it in the 1990s,” he added. Souri noted that “Iran has been trying to make the most of the remaining relations it has with neighboring countries,” emphasizing the growing economic relations between Iran, Russia and India. Iran has been also trying to set up gas pipelines through Pakistan, despite the strong opposition on the part of the US. Moreover, the large commercial exchange between Baghdad and Tehran comes in this context.”

For her part, Nahida Daini, a member of the Economic Committee in the Iraqi parliament, said that it is very difficult for Iran to control the goods that are sent to Iraq, because of the “many exchange ports on the long border between the two countries.” Speaking to *Al-Monitor*, Daini said that “what is more important than the ease of export is the nature of consumption in Iraqi society, as goods entering to Iraq are greatly consumed by the population, regardless of the quality.”

“There is something like a political veto on the application of a customs tariff in Iraq, as if politicians want to allow Iran and other countries to flood the local markets with goods in order to undermine the domestic industrial capacity,” she added.

Omar al-Shaher is a contributor to Al-Monitor’s Iraq Pulse.

[Contents](#)

ON TOPIC

[U.S. to Seek Direct Nuclear Talks with Iran](#): Jay Solomon, *Wall Street Journal*, July 15, 2013—The Obama administration is preparing to communicate to Iran's president-elect Hassan Rohani its desire to hold direct negotiations in the coming weeks over Tehran's nuclear program, senior U.S. officials said. The P5+1 is hoping to schedule a new round of negotiations with Iran by September, U.S. and European officials said.

[Netanyahu Calls For Stronger Iran Sanctions, ‘Credible’ Military Option](#): Gavriel Fiske, *Times of Israel*, July 14, 2013—Prime Minister Benjamin Netanyahu on Sunday warned that Iran was still moving forward with its nuclear weapons program, one month after elections that saw the relatively moderate Hasan Rouhani swept into the presidency. Sanctions against the Islamic Republic must be strengthened, he said, along with a credible threat of military action against Iran.

[Rowhani and the Iranian Elections](#): Dore Gold, *JCPA*, June 16, 2013—Dore Gold Debates Former British Foreign Secretary Jack Straw on BBC Radio4 Morning Program: JOHN HUMPHRYS: I’m joined by Jack Straw, former foreign secretary, and by Dr Dore Gold, former foreign policy advisor to the Israeli Prime Minister. Jack Straw, how should we now be treating, dealing with Iran?

[Israeli or U.S. Action Against Iran: Who Will Do It if It Must Be Done?](#): James Cartwright and Amos Yadlin May 28 2013—Let's say it's late 2013 and the prime minister of Israel has just received a phone call from the White House relaying the findings of a recent U.S. intelligence assessment: international sanctions and negotiations with Iran have yet to persuade the regime to halt its nuclear drive. Tehran previously rejected a generous U.S. offer that would have allowed it to enrich uranium in exchange for strong nuclear safeguards, and the program continues to advance unabated. After agreeing to convene in Washington in one week to discuss strategy going forward, the prime minister and president each call a meeting with their national security advisors.

[Dubai Frozen Yoghurt Firm Feels Iran Sanction Chill](#): Asa Fitch and Rory Jones, *Wall Street Journal*, July 15, 2013—A Canadian frozen yogurt franchise might seem like an entirely unusual conduit for Iran to evade hardening U.S. government sanctions. But among several companies the U.S. sanctioned in May for illicit dealings with Iran was a cold outlier: Niksima Food and Beverages, a firm based in Dubai that runs local outlets of Yogen Fruz, the Canadian frozen yogurt purveyor.

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