JERUSALEM LETTER / VIEWPOINTS

Jerusalem Center for Public Affairs

No. 321 20 Elul 5755 / 15 September 1995

POLITICAL EXTREMISM IN ASIA: THE IRANIAN THREAT

Colin Rubenstein

Threats to Israel's Security / The Iranian Connection / The Nonconventional Threat / Western Responses to Iran: Isolation vs. Appearement / Attitudes of the Major States in Asia / Southeast Asia's Islamic States / Iranian Terrorism in Asia / Australia and Iran

Threats to Israel's Security

If one looks at the physical threats to Israeli security over the next few years, the situation is clearly better than it was a few years ago, but there are very real dangers that continue to exist. Some are only potential, and unlikely to actually manifest, but could be quite hazardous if they do. Others are almost certainly going to occur, but their ability to really threaten Israel, as opposed to individual Israelis, is relatively small.

On this continuum, the most local, obvious, and inevitable threat to Israel is continued terrorism emanating from the Palestinians with whom, regardless of the current peace process, Israel is inevitably going to remain indefinitely entangled to a greater or lesser extent. Next there are external threats from border incursions and skirmishes and terrorism against Israeli targets abroad. Lebanon remains the most likely source today of both of these. Next, there is the possibility of military confrontation with an external power, possibly complicated by the use of missiles and/or non-conventional weapons, all of which are becoming increasingly common in the

Middle East. Finally, the most general and dangerous threat to Israel is the possibility of a major revolutionary Middle East-wide upheaval and realignment, presumably by Islamic militants who are currently seeking just such a result. If they were to succeed in overthrowing the current Middle Eastern order, Israel could easily be placed in the position of confronting all of her neighbours simultaneously.

The Iranian Connection

Looking at these possibilities, one conspicuous fact is that all of these possibilities are tied to the revolutionary regime in Iran. Iran not only sponsors Palestinian and Lebanese terrorism, not only is the most openly hostile Middle Eastern regime and the greatest potential military threat, but it is also the only major Middle Eastern player which is seeking a radical realignment of the whole Middle East along extremist lines.

The Iranians are, as the U.S. State Department Report "Patterns of Global Terrorism 1994" puts it, "the most active state sponsors of terrorism" at

Daniel J. Elazar, Editor and Publisher; Zvi R. Marom, Associate Editor; Mark Ami-El, Managing Editor. 13 Tel-Hai St., Jerusalem, Israel; Tel. 02-619281, Fax. 02-619112, Internet: elazar@vms.huji.ac.il. In U.S.A.: 1616 Walnut St., Suite 513, Philadelphia, PA 19103-5308; Tel. (215) 204-1459, Fax. (215) 204-7784. © Copyright. All rights reserved. ISSN: 0792-7304.

The opinions expressed by the authors of Viewpoints do not necessarily reflect those of the Jerusalem Center for Public Affairs

the current time.

Lebanon's Hezbollah, Iran's largest terror client, is the source of virtually all skirmishing on the Lebanon border and rocket attacks into Israel over the past few years. Hezbollah was also clearly responsible for the 1992 Embassy bombing attack in Buenos Aires, and most probably responsible for additional car-bomb attacks against Jewish and Israeli targets in London and Argentina in 1994. Hezbollah was set up by Iranian Revolutionary Guards sent to Lebanon for that express purpose, and all its major operations both inside and outside Lebanon are still believed to be either planned or approved by the Iranians.

Teheran also supplies millions of dollars worth of financial and material support to Palestinian groups like Hamas and Islamic Jihad, which have achieved such notable bloody successes in their efforts to destroy the Israeli-Palestinian peace process by committing spectacular acts of terror against Israelis.

But Hezbollah and Hamas are not all there is to Iranian support of terror. Sudan, according to American officials, allows the Iranians to run five terrorist training bases around Khartoum, and serves as a meeting place and source of sanctuary and support for extremists seeking to overthrow the governments of Algeria, Egypt, Tunisia, and other North African states. Despite denials, there is evidence to suggest that Sudan also played a role in the attempt to assassinate Egyptian President Mubarak in June 1995. While the attack was claimed by the Gama' al-Islamiya, or Islamic group, which has become famous for assassinating tourists in Egypt in an effort to cripple the Egyptian economy, the Gama' almost certainly receives support both from and via Sudan, and, according to one report, a senior Sudanese security officer conceded that his country was involved in the assassination plot.

Islamic groups in Turkey have carried out synagogue attacks, assassinations of secularists, murders of political figures, and assorted other violence. Captured activists confess to having been trained in, and to receiving orders from, Iran. Iran is also associated with fundamentalist terror wielders in Algeria and Egypt, with Kurdish radicals, and even with South Africa's black radical terrorists, the Azanian Peoples Liberation Army.

There are also reports from the U.S. that the Iranian government paid a stipend to radical Muslim cleric Sheik Omar Abdel-Rahman, the spiritual leader of both those who carried out the New York World Trade Center bombing and, allegedly, of a later plot to blow up the United Nations. Finally, there have been recent

reports that Iran has been aiding groups whose agendas are very far from Teheran's; for instance, the IRA, which reports say may have been given a \$40 million Iranian slush fund in exchange for aid with efforts to murder Iranian political dissidents in Europe.

The Arab world is clearly worried by the destabilisation caused by Iranian-supported extremist groups. "I can point my finger at Iran without hesitation," said an Egyptian government official. "After many of our citizens went to fight in the Afghan war, they were paid and trained by agents of Iran to go home and destabilise democracy in Egypt." In September 1994, PLO Chairman Yasser Arafat complained of Iranian efforts to topple and undermine Palestinian self-rule and Arab-Israeli peace efforts.

Iran is also engaged in an extensive arms build-up which includes the purchase of submarines, advanced tanks, anti-ship missiles, and military aircraft. However, the most controversial aspect of Teheran's military plans are those aspects which deal with nuclear arms, ballistic missiles, and other non-conventional weapons.

The missiles are coming primarily from North Korea. Most of the Middle East, as well as the southern CIS, is now within range of Iranian missiles, and the payloads are sufficient to carry nuclear weapons, as well as chemical, biological, or conventional explosives.

The Nonconventional Threat

In terms of chemical weaponry, former CIA Director Robert Gates claimed in December 1992 that: "Iran has a growing chemical weapons program that has already produced several hundred to two thousand tons of blister, choking, and blood agents." Subsequently, CIA Director James Woolsey claimed in February 1993 that Iran may also have a stockpile of nerve agents. Iran is believed to be working on an ability to deliver chemical agents with artillery, aircraft, and ballistic missiles. According to Gates, Iran has already manufactured hundreds, if not thousands, of tons of these Together with Iran's poisonous chemical agents. growing long-range missile capability, Gates believes the "aggressive" Iranian chemical weaponry program poses a "unique threat to the entire region.'

Iran's nuclear program builds on the infrastructure of a peaceful nuclear program developed by the former Shah, which was allowed to lapse in the first few years of the revolution but was later revived. Concerns about the program were renewed in October 1991 when Deputy President Ayatollah Mohajerani proclaimed that Iran should strive with its Muslim partners to build an

"Islamic bomb."

Iran continues to receive considerable foreign help in its nuclear weapons programs. With the end of the Iran-Iraq war in 1988, Iran redoubled its nuclear efforts with the help of China, India, Pakistan, and Argentina. At this stage, Iran is capable of assembling a simple nuclear bomb. Some observers estimate that Iran will have the capacity to manufacture various types of nuclear weapons before the end of 1997. An April 1992 report by the U.S. Congress Task Force on Terrorism and Unconventional Warfare claimed that "Iran now possesses four tactical nuclear warheads." The crucial components for the warheads were acquired by Iran from Kazakhstan as well as other Central Asian republics.

It is clear that Iran, as a radical revisionist state, poses a threat not only to Israel but to the entire Middle East. In fact, Iranian terrorist proxies are believed to be available in virtually every part of the globe, so no area is truly immune to Iranian radicalism.

Western Responses to Iran: Isolation vs. Appeasement

One response to Iranian terror and attempts at Middle Eastern destabilisation is isolation, an effort to deny the benefits of outside contacts to Teheran until unacceptable behaviour is modified. This is the U.S. policy towards Iran, as most strongly illustrated by U.S. President Clinton's decision in April 1995 to embargo all American economic activity with Iran. It is also the approach favoured by both sides of the Israeli political spectrum.

As U.S. President Bill Clinton has stated, "We call upon our allies to recognise the true nature of Iranian intentions and to help us convince Iran that we will not tolerate rogue behaviour." U.S. Secretary of State Warren Christopher has called on the international community to "turn off all sources of foreign funding for terrorism," and complained that it had been "far too lenient [toward] Iran's outlaw behaviour."

Of particular import in this effort is cutting off credits to Teheran. Desperately short of cash and badly in debt, with growing internal opposition, the Iranian government would have little choice but to modify its behaviour or face internal collapse if Western nations ceased helping the regime by agreeing to reschedule loans and give additional credits. At the very least, Teheran's rapid military build-up would have to be scaled back, including the expensive nuclear weapons program.

But there is a different approach, favoured by

countries like France and Germany. These states trade extensively with Teheran, and argue that the best way to modify Iranian behaviour is through "constructive engagement." They argue that good relations will help moderate Iranian policies and strengthen the hands of those in Iran who favour such policies

Germany, in particular, is Iran's largest trading partner, and German firms have been caught a number of times exporting materials and technology to Iran which can be used for the production of non-conventional weapons.

Not only is there little evidence that such policies have succeeded, but there is some reason for concern that German and French policies are more the result

of terrorist blackmail than careful thought.

According to published news reports, both Germany and France made deals with Iran back in October 1993, whereby Teheran gained favourable trade terms, preferential loan terms, and the release of any terrorists who had been caught, in exchange for a guarantee of protection from further terrorist attacks by Islamic extremists.

In all, almost \$3.5 billion in Iranian debt to Bonn and Paris has been rescheduled. German and French export insurance schemes are now actively promoting and guaranteeing trade with Iran. Furthermore, in January 1995, two Iranians ordered by French courts to be extradited to Switzerland to face trial for the murder of Iranian dissidents in Geneva were sent home to Teheran.

Attitudes of the Major States in Asia

In all of this discussion of the effects of Iranian rogue policies on Israel, the Middle East, and the Western world, it is easy to ignore the extensive network of relationships, both positive and negative, which Iran maintains in Asia. The overwhelming tendency is for Asian states to follow the French or German model, as opposed to the American one.

Japan, for example, is Iran's second largest trading partner. But Japan goes Germany one better by being the only G-7 country to provide direct government financial aid to Iran. A Japanese economist explained Japan's thinking as follows: "The Japanese still somehow feel that Iran is a major supplier of our vital oil. However, the Iranian proportion of oil supply dropped from 37 percent in 1972 to below 10 percent a decade later and is even lower today."

"Japan also feels that by supporting the pragmatic politicians in Teheran economically, fundamentalist terrorism would be curtailed. I've also heard it said that being generous to Iran would ensure that no Iranian-backed terrorism would be directed against Japan, and would ensure future business opportunities as well as protecting future repayment of Iranian debts to Japanese corporations."

Despite this attitude, Japan has also responded to the American initiative to isolate Iran by postponing a \$740 million loan to Teheran.

Countries like China and North Korea, which openly supply Teheran with military technology, do so basically in order to make a profit. In addition, given their own international conflicts as well as their distance from the Middle East, neither of these countries is likely to worry overmuch about Iranian behaviour.

Russian attitudes toward Iran have also been largely mercenary. The largest foreign success of President Clinton's hard line on Iran has been attaining Russian agreement, after heavy pressure, to drop a gas centrifuge, an item essential for the production of nuclear weapons, from a proposed nuclear package being sold to Iran. But Clinton was unable to get the Russians to drop plans to sell a nuclear power plant to Iran, a plant which will produce plutonium which can be used in nuclear weapons.

China has also rejected American efforts to dissuade Beijing from going ahead with a planned sale of two reactors to Teheran. This is despite the fact that Iran, with its vast reserves of oil and natural gas, has no conceivable need for electricity generated by nuclear power plants, and their purpose can therefore only be military.

Iran has also recently developed improving relations with India in the wake of an unusually warm visit there by President Rafsanjani in April 1995. India not only agreed to aid Iran in servicing some of the \$5 billion worth of Russian arms they possess including kilo-class submarines, but also approved joint efforts to reopen trade routes to the Central Asian states and a variety of other forms of economic cooperation. Analysts believe that India is eager to gain Iranian aid in containing the anti-Indian campaigns in the Muslim world emanating from Pakistan.

Southeast Asia's Islamic States

The relationship between Iran and the Islamic states of Southeast Asia such as Malaysia, Indonesia, and Brunei is more complex. Despite internal difficulties with Islamic extremism, both Malaysia and Indonesia maintain reasonably good relations with Iran. Iran actively sought to improve relations, particularly in the economic sphere, in a visit to all three countries by President Rafsanjani in October 1994. Among other

things, Indonesia has sold Iran SuperPuma helicopters, which can potentially be used for military purposes. There was also considerable discussion of the potential for Iran to serve as a gateway to the Middle East for Indonesian exports and of possible opportunities for Indonesian investors there.

Malaysia's relations with Teheran are also close. Several major trade deals were signed during a 1994 trip to Iran by Malaysian Prime Minister Mahathir Mohamed, and analysts say that Malaysia is deliberately trying to make use of Islamic fraternity to expand exports in the Middle East. Malaysian companies also serve as a conduit for investment in Iran from throughout the Asian region. Japanese investors, worrying about Iranian stability, sometimes form partnerships with Malaysians. Furthermore, investment funds from Brunei, where the conservative regime is not on good terms with Iran, are also often funnelled through Malaysia.

Iranian Terrorism in Asia

Iran's global terrorist network has certainly not neglected the Asian region. U.S. intelligence sources believe that Iran or its proxies have set up cells in Indonesia, India, Thailand, and Malaysia. In addition, there have been reports that Iran has provided funds to the Japanese Red Army, and that the Abu Sayyaf Muslim separatists in the Philippines have organisational links with Hezbollah.

Iran's reach into the area was illustrated by an attempt in March 1994 to blow up the Israeli Embassy in Bangkok using the same methods and equipment generally employed by Hezbollah. The attack was halted by sheer luck following a traffic accident, and three Iranians were later arrested in connection with the attempted bombing. The three were charged with lesser offences after the Iranian Embassy publicly charged that the three were innocent and that their arrest was a "Zionist" conspiracy. Some commentators suggested that Thailand's fairly heavy dependence on Iranian oil may have played a part in its lenient reaction.

Australia and Iran

In October 1994, Australian Justice Minister Duncan Kerr told a counter-terrorism conference in Canberra that Australia could become the target for political violence from foreign extremist groups. His warning came in the wake of the 1994 Australian Security Intelligence Organisation annual report, which expressed concern about the threat to Australia from

radical Middle East terrorist groups. In the current situation, this almost certainly means Iran or its proxies.

Australia may have reason to worry. Australia's intelligence service, ASIO, has repeatedly warned that members of Hezbollah may have infiltrated Australia. Several months before the start of the Gulf War, a corrupt clerk at the Australian Embassy in Lagos, Nigeria, accepted bribes to issue visas to 45 individuals, some of whom were believed to be members of Hezbollah. All of them entered Australia, according to reports. While some were deported, many of those allowed to enter may still be in Australia awaiting orders from their superiors. A senior ASIO official has stated that he believes the remainder of the terrorists are still in the country, being supported by a small but hard-core group of local Muslim fanatics.

Yet Australia offers Iran a bigger line of credit than it offers any other nation. On August 29 and 30, 1994, the Australian Department of Foreign Affairs and Trade hosted a 15-man Iranian trade mission headed by Iranian Industry and Agriculture Minister Kalantari. Trade Minister Senator Bob McMullan insisted that Iran is a "priority market." And Foreign Minister Senator Gareth Evans refuses to even acknowledge the strong evidence that Iran played a supportive role in recent terror attacks in Buenos Aires, London, and Tel Aviv through its support of Hamas and Hezbollah.

Furthermore, Australia plays host to more than 600 students from Iran, far more than any other country in that portion of the world, mostly on government scholarships. Australian universities are perhaps being used to upgrade Iran's technological and engineering capacities, especially in respect to dual-use disciplines.

The \$534 million Australian-Iranian trade relationship looks impressive and so far Iran is paying for what it purchases. But Iran's huge international debt of \$30 billion and its rescheduling of over \$6 billion in debts to Japan, Germany, and France make future repayments potentially very problematic. In 1994, the Iranian government developed major foreign currency cash flow problems. Many international experts believe Teheran will be unable to continue paying its foreign debt in the next few years.

While Australia's exports to Iran may seem attractive, should rescheduling and defaults occur, the reality may be somewhat different — perhaps not unlike the huge losses suffered by Australia in 1991 when Iraq defaulted on the more than \$600 million owed to

various Australian bodies.

Canberra's response to Washington's embargo, that it does not intend to review its trade relations with Iran and does not believe in linking trade with other issues (South Africa and Iraq have been forgotten, it seems). is particularly disappointing. So, too, is the claim by Foreign Minister Evans that the U.S. has gone "overboard," and the Foreign Ministry's denial of any public evidence of Iranian terrorism, thereby ignoring the overwhelming evidence implicating Teheran as the main sponsor of Islamic terrorist front groups and its role in fanning Islamic extremism against the PLO and in Egypt, Algeria and elsewhere, including the Asia-Pacific region. Australia, like Britain and France, describes its policy as one of "constructive engagement." which hopes that friendly communications will eventually moderate Iran.

Given the total lack of results from such efforts in the past, there is little reason to hope that they will achieve positive results in the future. In addition, despite Australia's genuine interest in both Middle Eastern stability and the success of the Israeli-Palestinian peace process, there is little hope for the time being that Australia will change its policies. Domestic demands for exports of grain, sheep, and other commodities, for which Iran remains a major customer, require that Australia maintain at least relatively good relations with Teheran. Nor is there any reason to think that Australia is atypical, either for the Asia-Pacific region or for other medium-size states world-wide.

The fact remains that despite U.S. efforts to the contrary, most nations are quite content to treat Iran as they would any other distant state, ignoring its worldwide threat to peace and stability. Unless the Iranian terrorist threat outside the Middle East becomes substantially more extreme and apparent to decision-makers, this attitude on the part of most nations is unlikely to change. The result is increased danger not only for Israeli and Middle Eastern security, but also, ultimately, for large portions of the globe.

Dr. Colin Rubenstein is an Associate of the Jerusalem Center for Public Affairs, Senior Lecturer in Middle East Politics at Monash University in Australia, and Editorial Chairman of the Australia/Israel Review.

* * *

$\star\star\star$ NEW BOOKS FROM THE JERUSALEM CENTER $\star\star\star$

JUST PUBLISHED!

Community and Polity: The Organizational Dynamics of American Jewry Revised and Updated Edition

By Daniel J. Elazar

The organized life of American Jewry is of interest in its own right. It is the largest Jewish collectivity in the world today, perhaps of all time. For students of politics, the American Jewish community is an example of a voluntary political order that functions authoritatively for those who acknowledge their connection with it, but does not seek a monopoly on the loyalty of its members.

The first edition of Community and Polity offered a description and analysis of the developments in the American Jewish community through the first postwar generation — roughly, 1946 through 1976. Since the appearance of the original edition of Community and Polity in 1976, the aggressive advancing Jewish community of the late 1960s and early 1970s has given way to a far more quiescent and even troubled one.

This edition of *Community and Polity* explores in depth these and other issues. Like the first edition, it is designed to serve two purposes: to provide a basic survey of the structure and functions of the American Jewish community and to suggest how that community should be understood as a body politic, a polity that is not a state but is no less real from a political perspective.

This revised and updated edition of Community and Polity examines the transformations taking place in local community federations and in the countrywide federation movement, the decline of the mass-based organizations, the shift in the forms and organization of Jewish education, the changes taking place in the synagogue movements, and the problems of Jewish unity generated by inter-movement competition.

The book also looks at the new ambiguity in the sphere of community relations, the impact of demographic shifts on Jewish community organization, the institutionalization of new relationships between the American Jewish community and Israel, and the emergence of new model organizations to mobilize and serve the Jewish community.

This book is a product of four decades of study of the American Jewish community. It took its present form as a result of a growing need for an understanding of the importance of the structural and institutional aspects of American Jewish life. While the commitment of individual Jews and Jewish families to Jewish life is obviously a prerequisite to the life of a Jewish community, the character of Jewish life is ultimately shaped by the institutions that Jews create collectively.

Published by the Jewish Publication Society of America, 1995.