

Business and Politics in the Muslim World

Weekly Report on Iran
Report # 132
07August 2010, to, 14August 2010
Presentation 18August, 2010

M Rashid

Summary02

Political front.....05

- U.S. Sanctions on Iran Target Banking Sector
- U.S. Fears Backing Iran Attack by Israel
- Mahathir Blasts West’s Double-Standard Approach on Iran Nuclear Issue
- Boroujerdi: Iran Produces Fuel for 20 Power Plants
- Confusion on US-Iran policy
- The United States and Iran through the Ages
- FM: Iran, Afghanistan, Tajikistan to Boost Regional Cooperation
- President urges bolstering Tehran-Damascus ties, cooperation
- Iran ready in principle for N-talks at agreed date
- Russia's Nuclear Help to Iran Stirs Questions About Its 'Improved' Relations With U.S.
- Iran defends uranium enrichment

Economic front.....19

- FAO: Wheat Rally to Increase Budget Deficits in N.Africa, Iran
- Iran May Keep Dollar in Forex Basket
- Brazil to Finance \$1.3b in Beef Exports to Iran
- Iran Gasoline Imports Untouched
- Iran-Cambodia Joint Economic Commission to Be Established
- Iran offers three billion dollar bonds to fund gasfields
- FM: Iran interested in expansion of ties with independent Europe
- Iran, Armenia review ways to expand economic cooperation

Social Front.....24

- Tehran Museum Loans Van Dongen Painting to Dutch Show
- Five technologies Iran is using to censor the Web
- Top Iran footballer sacked for not fasting in Ramadan: club
- Turkey: No agreement agree to aid Iran's Hezbollah arms shipments
- George F. Will: Netanyahu's warning on a menacing Iran

Summary of the Report:

Political

U.S. Sanctions on Iran Target Banking Sector

New penalties kicked in Friday against foreign banks doing business with institutions that Washington has designated as supporting Iran's nuclear program or terrorist activities.

U.S. Fears Backing Iran Attack by Israel

Syrian Premier Mohammad Naji al-Otri says Israel lacks U.S. backing for an attack on Iran in fear of potential consequences of an ensuing conflict, a report says.

Mahathir Blasts West's Double-Standard Approach on Iran Nuclear Issue

Former prime minister of Malaysia Mahathir Mohamad has said West's alleged distrust in Iran's peaceful nuclear program was a deception while the Zionist regime has stored a plenty of nuclear weapons.

Boroujerdi: Iran Produces Fuel for 20 Power Plants

The fuel being produced in Natanz will be supplied to 20 nuclear power plants whose construction are currently underway, head of the Majlis Commission on National Security and Foreign Policy Alaeddin Boroujerdi said yesterday.

Confusion on US-Iran policy

The president made it clear before he took office that he wanted to open a dialogue with Iran and end the 30-year standoff with the Islamic Republic. Iranian officials had been indicating for the past few years that they were ready to talk. Now, in view of the current turmoil in that country, Obama seems to be uncertain how or even whether he can grasp the Iranian nettle.

The United States and Iran through the Ages

Professor Gary Sick served on the National Security Council under Presidents Ford, Carter, and Reagan, and was the principal White House aide for Iran during the Iranian Revolution and the hostage crisis. Sick is the author of *All Fall Down: America's Tragic Encounter With Iran* and *October Surprise: America's Hostages in Iran and the Election of Ronald Reagan*. He currently serves as a researcher and adjunct professor at Columbia University's School of International and Public Affairs.

FM: Iran, Afghanistan, Tajikistan to Boost Regional Cooperation

Speaking to Iranian TV channel, Mottaki said that the Iran-Afghanistan-Tajikistan summit served as a venue for exchange of talks among the three sides on political issues of interest and for finding ways to bolster mutual economic cooperation.

President urges bolstering Tehran-Damascus ties, cooperation

President Mahmoud Ahmadinejad said here on Thursday that under present global circumstances, Tehran and Damascus should further strengthen mutual ties, thus depicting a bright future for their cooperation.

Iran ready in principle for N-talks at agreed date

Ali al-Shami on his part supported Iran's right for peaceful nuclear energy and said, "the recent Security Council unfair resolution in tightening sanctions on Iran is another instance of double standards and we fully support Iran's legitimate right for civilian nuclear energy."

Russia's Nuclear Help to Iran Stirs Questions About Its 'Improved' Relations With U.S.

Russia's announcement that it will help Iran get nuclear fuel is raising questions about what President Obama calls the "better-than-ever" relationship between Russia and the U.S. after the two former Cold War adversaries recently signed a nuclear reduction treaty.

Iran defends uranium enrichment

A top Iranian lawmaker defended his nation's right to enrich uranium in the future after Iran and Russia confirmed that Russians will start loading a nuclear reactor in the Islamic republic with fuel next week, Iranian media reported Saturday.

Economic

FAO: Wheat Rally to Increase Budget Deficits in N.Africa, Iran

Higher wheat prices will raise budget deficits in North Africa and Iran because of spending on bread subsidies, said Abdolreza Abbassian, senior grains economist at the Food and Agriculture Organization.

Iran May Keep Dollar in Forex Basket

The governor of the Central Bank of Iran (CBI) says the bank specifies the composition of the country's foreign currency deposits based on national interests.

Brazil to Finance \$1.3b in Beef Exports to Iran

Brazil's state-controlled Caixa Economica Federal will finance up to 1 billion euros (\$1.3 billion) in beef shipments to Iran after private banks refused to extend credit to exporters, fearing retaliation from the U.S. and European Union, Valor Economico said.

Iran Gasoline Imports Untouched

A London-based energy think tank said recently in a report that Iran's plans to increase its oil refining capacity will allow it to join the group of gasoline exporting countries within five years.

Iran-Cambodia Joint Economic Commission to Be Established

During a meeting with Cambodian Foreign Minister Hor Namhong in Tehran, Mehdi Ghazanfari announced Iran's readiness to promote cooperation in agriculture, industry, oil and petrochemical sectors, export technical and engineering services and exchange experts.

Iran offers three billion dollar bonds to fund gasfields

Sanctions-hit Iran will within days offer the first tranche of a three billion dollar domestic bond issue to fund the development of its South Pars gasfields, a top official said on Sunday.

FM: Iran interested in expansion of ties with independent Europe

IRI foreign minister emphasized here Wednesday Iran is interested in expansion of ties with Europe and welcomes political ties with an independent EU in its foreign relations.

Iran, Armenia review ways to expand economic cooperation

Visiting Armenian Deputy Foreign Minister Arman Kirakossian conferred on Tuesday with Foreign Minister Manouchehr Mottaki on ways to expand economic cooperation. Mottaki described the meeting as very fruitful and constructive and urged for expansion of mutual cooperation on transport, energy, construction of power plants, and laying pipelines and rail tracks.

Social:

Tehran Museum Loans Van Dongen Painting to Dutch Show

The painting, named "Trinidad Fernandez" (1907), was loaned at the request of the museum in Rotterdam, and the return of masterpiece back to the country has been guaranteed by the Dutch Embassy in Tehran, TMCA Public Relations Office reported on Thursday. The museum has arranged the exhibition "All eyes on Kees van Dongen" in September, showcasing some eighty masterpieces by the renowned painter Kees van Dongen.

Five technologies Iran is using to censor the Web

One month after a disputed presidential election sparked widespread unrest in Iran, the country's government has initiated a cyber-crackdown that is challenging hackers across the globe to find new ways to help keep Iranian dissidents connected to the Web.

Top Iran footballer sacked for not fasting in Ramadan: club

Popular Iranian footballer Ali Karimi, sometimes described as "the Maradona of Asia," has been fired by his club for not fasting during the Muslim holy month of Ramadan, the club said on Sunday.

Turkey: No agreement agree to aid Iran's Hezbollah arms shipments

Turkey did not sign a pact with Iran ensuring the continued transferal of weapons to Hezbollah, the Turkish daily Hürriyet quoted an official in the country's foreign ministry late Friday.

George F. Will: Netanyahu's warning on a menacing Iran

WHEN ISRAEL Declared independence in 1948, it had to use mostly small arms to repel attacks by six Arab armies. Today, however, Israel feels, and is, more menaced than it

was then, or has been since. Hence the potentially world-shaking decision that will be made here, probably within two years.

Detailed Report

Political:

U.S. Sanctions on Iran Target Banking Sector

WASHINGTON (Dispatches) - The penalties are part of the stepped-up U.S. sanctions against Iran signed into law last month by President Obama.

Much of the debate on those sanctions focused on how they would limit the sale of refined petroleum to Iran. But the law also cracks down on foreign banks that provide financial services to Iran's Revolutionary Guards Corps, or any related companies. The corps is deeply involved in Iran's missile and nuclear programs.

"I've already had financial institutions reach out to me to say they've read the statute. And they are immediately adjusting to ensure they are not engaged in any transactions" that violate the law, Treasury Undersecretary Stuart Levey told reporters Friday.

The new measure increases the risk that such foreign financial institutions could be denied access to U.S. banks, making it difficult for them to do business in dollars.

Levey said the financial penalties had a ripple effect.

"As financial services become less and less available [for Iranian transactions], we're starting to see other commerce that depends on that making adjustments as well," he said.

Levey was scheduled to leave Friday night on a trip to Lebanon, Bahrain and the United Arab Emirates to explain the new regulations.

U.S. Fears Backing Iran Attack by Israel

TEHRAN (PressTV) - "It is unlikely that there will be a future war and I doubt America would give Israel the permission" for a strike on Iran over the country's nuclear program "because the reaction from Iran would be unexpected," Syrian media reported the prime minister as saying in a recent interview with Yemen's September 26 weekly.

"Any such attack," said al-Otri, "will blow up the whole region."

He called Israel "the main enemy of the Arab and Islamic nations" and pointed out that Tel Aviv works in collusion with its western allies to achieve its goals in the region.

On November 7, Israel's Deputy Foreign Minister Danny Ayalon claimed that Tel Aviv's persistent threats of military action against Iran were not just bluffs.

Mahathir Blasts West's Double-Standard Approach on Iran Nuclear Issue

In an article recently appeared on his personal weblog, the former politician said

Western states claimed they distrusted Iran's nuclear activities while it was Israel that has refused to sign international treaties on nuclear weapons, including the Non-Proliferation Treaty, and has stockpiled nuclear weapons.

Referring to the Zionist regime's aggressive behavior and the fact that it has possessed nuclear bombs, Mahathir Mohamad believed that the Jewish entity was a "threat" for the world nations.

He stressed that Israel's fatal attack on a peace flotilla which was carrying humanitarian aid to the Gaza Strip has made it clear that the Zionist regime was not seen as trustworthy by other nations even if it has continuously been claiming that it would use its nuclear power only to deter attacks against it.

The former Malaysian PM asked how could it be possible that the Zionist regime with a long history of disregarding international laws and making savage attacks against innocent people, would never use its nuclear weapons against people.

Boroujerdi: Iran Produces Fuel for 20 Power Plants

TEHRAN (IRNA) - "Russia has built Bushehr power plant and has undertaken to supply fuel for the plant. Currently, construction of 20 power plants are underway and the fuel being produced at Natanz nuclear site, will be used to fuel the 20 plants being built by Iran."

Boroujerdi's remarks were in reaction to a statement by U.S. Secretary of State Hillary Clinton that Russia will supply fuel to Bushehr power plant and there is no need for Iran to produce fuel.

"Hillary Clinton is not aware that supply of fuel by Russia to Bushehr plant has nothing to do with the national enrichment program."

He said loading fuel into Bushehr nuclear power plant was carried out in the context of agreement between Iran and Russia on Bushehr power plant except for the other plants under construction by Iran.

He expressed the hope that electricity output of Bushehr nuclear power plant would be linked to national grid soon.

Boroujerdi said that the fuel for Bushehr nuclear power plant was shipped to Iran some two years ago and Hillary Clinton is not aware that Iran is currently involved in construction of 20 power plants to generate 20,000 megawatts electricity within 20 years.

“According to Non-Proliferation Treaty, enrichment of uranium is among our legitimate rights and we are producing fuel for 20 nuclear power plants under construction with capacity of 1,000 megawatts each. We have no trust in the western suppliers, because Germany, France and the US have poor record in honoring their commitments to this end,” he said.

Iran is critical of the western suppliers of fuel in light of their refusal to provide 20 percent fuel for Tehran medical research reactor which produces isotopes and medicines for cancer patients.

Iranian public opinion has got the message that the western suppliers of fuel are pursuing their financial benefits rather than considering the humanitarian application of nuclear energy.

Confusion on US-Iran policy

Worldview: Obama struggles for coherency while Iranian demonstrators clearly want change.

By Tom Fenton Guest Writer

ANTIBES, France — One of the most difficult challenges facing the Obama administration is how to handle Iran.

Which Iranians should America talk to? Ayatollah Ali Khamenei, Iran's “Supreme Leader” and officially the ultimate arbiter in the land, seems to be losing his grip on events. Iranian demonstrators openly challenge his authority.

President Mahmoud Ahmadinejad, who has just taken office for a second term after an election that appears to have been rigged, has lost credibility with millions of Iranians who believe their votes were stolen. And his policies and actions are now being questioned by some of his own hard-line backers.

Above all, a significant minority of the population seem to have lost their fear of a repressive government.

Night, after night thousands shout from their rooftops “God is Great” (a rallying cry of the revolution that toppled Iran's previous regime in 1979) and “Death to the Dictator” (by which they mean Ayatollah Khamenei). Brutal repression by thuggish government militias has reduced the size of daytime demonstrations on the streets, but has not stopped them.

The surprising thing about this anti-government movement is how long it has gone on. The big student riots of 1999 were suppressed by the government after several days. But the demonstrators behind this new movement — young people, women, middle class professionals, even clergymen – keep coming back for more. The outside world sees very little of this, except in the furtive cellphone videos taken by the demonstrator themselves.

These new “citizen journalists” hide their cellphones up their sleeves or in small containers. They have developed their own journalistic code and often begin a video with a closeup of a street sign and the front page of a local newspaper to authenticate when and where the video was shot. They frequently change their email addresses and use other techniques to avoid being tracked down by the authorities.

But despite their efforts, it is hard for foreign governments to assess the real situation in Iran. The United States had lousy intelligence cover of Iran in the years leading up to the overthrow of the Shah of Iran in the Islamic Revolution. Most of the American news media also missed the big story that the old Iranian regime was in danger of collapsing until it actually happened. (I know, because I was there before it happened and could not get my company to run my report.)

Much the same situation prevails today. America still seems to have spotty intelligence from Iran and the Iranian clampdown on foreign and independent media has stopped most first hand reporting from the country. The Obama administration is flying blind as it tries to find a way to bring Iran to the negotiating table and prevent it from producing a nuclear weapon.

The administration has complicated matters by imposing a deadline on the Iranian government:

Either agree to open talks on your nuclear program by September or face “crippling” sanctions. Imposing a deadline on a country whose decision making machinery is in a state of flux is not a wise move. It looks even less clever when both sides know that really tough sanctions would not work without the agreement of China and Russia (and that seems unlikely).

The administration's embarrassment is obvious. The White House believes the Iranian election was rigged, but does not want to foreclose the possibility of negotiations with the new Iranian government. So it acknowledges that Ahmadinejad is president but refuses to send him a letter of congratulations. Other foreign governments have taken equally meaningless stances.

Confusion, hypocrisy and a lack of accurate, firsthand, knowledge of the situation on the ground are the hallmarks of America's relations with Iran. Better news reporting from the scene over the years might have helped the United States handle the current crisis in a more intelligent way. But then, you could say that about every other foreign crisis America faces.

The United States and Iran through the Ages

An Interview with Gary Sick

Conducted by Maggie Goodlander

Did advisors and key players in the Ford Administration imagine how dramatically U.S.-Iranian relations would change? In 1974 or 1975 could anyone have predicted that such a large-scale Iranian revolution would occur?

The simple answer is no. No one in the government—even leaders in Iran—were astonished by how it evolved and how the Shah's security apparatus collapsed. There is a book called *The Unthinkable Revolution in Iran* that actually examines all the conflicting theories of revolution that have been applied to Iran and examines them on the basis of a thorough review of what information was available at the time. It demonstrates well that the Iranian revolution was a surprise to everybody; that it didn't actually become inevitable until very late in the day. There was a tipping point in the fall of 1978, and up until that point it was very possible that the shah would survive the challenge. Once that tipping point passed, it was all downhill for the shah. I think everyone who witnessed it was shocked by how quickly it went and how totally the shah and his very impressive security apparatus were incapable of responding to the challenge.

How does the Iranian Revolution play into the Iranian national narrative? How do moderate Iranians who oppose the current regime view the events of 1979?

In answering that, you have to realize that people's views change dramatically over time. I think most of the people in Iran did not really expect the Shah to be overthrown or a new revolutionary regime—much less an Islamic-oriented regime—until September 1978. Most people were just going about their business and didn't anticipate how big this was going to be. As the revolution grew, a great many people from all walks of life—in Iran and outside of Iran—combined to support the idea of the revolution.

People who we might call moderates or centrists saw this as a move towards greater democracy and human rights, and away from the rule of the monarchy. Those people took to the streets and in some cases even risked their lives for the sake of the revolution.

There were some very strange cases. For example, when I was on the National Security Council during that time, a lot of people who had been in Iran came to see me. One afternoon, a member of the Jewish Agency, an organization responsible for protecting Jews who are threatened in parts of the world and helping them escape to Israel—came to see me and said that he had just come from Iran. This was in the fall of 1978. He sat on the sofa in my office and I remember vividly his recounting that he had spoken with the leaders of the Jewish community in Tehran—this was a very large Jewish community comprised of about fifty or sixty thousand Jews—and how the children of Jewish leaders were out marching in the streets for Khomeini. He couldn't believe it. The rest of the Jewish community outside Iran was very concerned about what this might mean to

support fundamentalist Islamic rule. But many young Jewish people in Iran were caught up in the enthusiasm for the revolution.

People's views about the revolution at that time were remarkably supportive, even in places that you would least expect it. That was certainly not universal. As the revolution over, people who had been proponents of greater democracy, human rights, women's rights were thrown out of that system and marginalized; people like Yazar Kamanzi, who had promoted the idea of the revolution as a democratic movement, were marginalized. With this, a lot of people's opinions began to change, and many centrist opinions began to shift against the revolution. There were a lot of committed monarchists who opposed the revolution from the start. A lot of people who were in favor of the revolution had a change of heart and decided that was not what they had in mind at all. Inside Iran, it's far more complicated. People who lived through the revolution suffered a huge, chaotic breakdown of the government and its operations. They fought a war for eight years, and they have been subjected to far more control of their personal lives. It's not that there is a revolutionary movement again or a burgeoning counter-revolution movement, but there is huge disillusionment with what the revolution has produced.

The revolution has done some really good things. They brought pipe gas to rural areas that never had it before, there are schools in villages that had never seen schools, there are roads to towns that weren't there. There is television throughout the country. Going to college is much more feasible for people of all walks of life and all areas of the country. Their healthcare system has actually improved dramatically.

So there are a number of things that the Islamic revolution has achieved, but it's been at a cost.

There are a lot of people inside Iran—although they've seen what revolution looks like and don't want to go through it again—who are just disillusioned about where they are. A lot of people I think just want to get on with their lives at this stage. That's the place where the present regime has a real problem. On one hand, it's not producing great economic benefits for the country, but at the same time it's cracking down more and more because they see this opposition and apathy growing amidst the Iranian people. The two together have undercut their legitimacy. This is a very complicated situation, but I think the key here is that this is dynamic—attitudes don't stay fixed in one place.

Even people who were part of the group of students who took over the American embassy—people who were committed to the revolution and to clerical rule—have in many cases changed their views and become outspoken opponents of the regime to the extent of actually getting thrown in jail. So it's a moving target and the revolution is not something that is black or white or good or bad—it's something that is evolving and changing over time.

Similarly, how does the Iran Hostage Crisis play into the modern Iranian narrative? Do Iranians remember the hostage-taking with pride, as a moment when Iran brought the most powerful nation in the world to its knees, or it is viewed differently?

At the time, it was a point of pride in Iran. People marched in the streets in favor of it. Though some of it was engineered by the government—people were brought in for demonstrations and the like, but much of it was sincere. Khomeini, who was of course the leader at the time, called it the second Iranian Revolution. In that sense, what he felt was being accomplished and his underlying reason for keeping the crisis going as long he did was that he really wanted to break any kind of relationship with the United States. He saw the U.S.-Iran relationship as one of dependency and he felt that Iran needed to break away from it totally. The hostage crisis provided a political opportunity for him to get his own domestic agenda passed, which he did against growing odds at the time; and secondly, to break off any contacts or sense of dependency on the United States. I think those were shared by a lot of Iranians. Again, lots of Iranians had very different views—there were a lot of Iranians who were appalled and ashamed that a country which called itself civilized would invade a foreign embassy and hold hostages in that way over such a long period of time.

For many Iranians, this was truly unacceptable. Basically today, most Iranians have simply forgotten about it—it's not a big deal in Iran. It's not something that people talk about. Though they go through the ritual of remembering the taking of the embassy each year, it is not a significant memory in the Iranian consciousness. I would say the average Iranian hardly ever thinks about it. Though Iran has forgotten about it and put it nearly completely out of their minds, it has never been forgotten in the United States at all and continues to be at the very heart of U.S. policy with regard to Iran. It has posed many problems domestically as America forms its policy toward Iran. It has shaped U.S. attitudes towards Iran so dramatically that if anyone who says a good word about Iran or talks about engaging with Iran is immediately risking the label of being 'Soft on Terrorism' or 'Soft on Iran' or 'An Appeaser.' It has prevented the United States from progressing in a political sense.

If you think about it, the Vietnam War was unfolding at the same time as the Iranian Revolution. More than 50,000 Americans were killed in Vietnam—it was a terrible war with disastrous consequences that affected American politics from one end to another. But today we have full diplomatic relations with Vietnam, even though it is a communist government. We do business with them and American prisoners of war go over there and revisit where they were held captive. In Iran, we have no diplomatic relations at all and there is still deep division over whether we should even talk to the government.

I think this goes back to the hostage crisis; it has undoubtedly left an indelible mark on America's psyche. It has been and remains slow to heal.

What are the most pressing challenges to a healthy U.S.-Iranian relationship?

There are many, many challenges; first, there are several facts that simply have to be acknowledged. Iran is the largest, most populous, and one of the most economically important countries in terms of its oil and gas reserves in the Persian Gulf. It dominates

one entire side of the Persian Gulf and one side of the Strait of Hormuz, through which 60 percent of the world's exported oil and gas go. It is enormously important.

The United States and Iran disagree with one another about many issues. It's not just that the United States has been scarred by the hostage crisis, the Iranians have a domestic political problem also because their revolution was oriented around opposition to the United States. This idea of chanting 'death to America' at every major public event that Iran holds has soured Iranian domestic politics. Someday, those feelings and emotions will have to be resolved. That doesn't mean that they are just going to vanish one day, but I think we're actually seeing a time when both the United States and Iran know they cannot function without one another. The United States cannot have a coherent policy in the Persian Gulf without having contacts with Iran and dealing with Iran on a number of regional issues. Iran cannot have a coherent policy in the region without having some contact or relationship with the United States, which is in fact the most powerful country in the Persian Gulf. We have the largest footprint in the Gulf of any country. Iran can't ignore that, and we can't ignore them. We are going to find a way to begin to deal with one another.

How has the Bush Administration fared in its policy toward Iran?

In the last year, the Bush administration has begun making some significant changes in U.S. policy. We were very involved in this latest proposal to Iran that offered a package of benefits that was presented to them by three members of the Security Council and three European powers recently.

Secretary of State Condoleezza Rice signed that letter to Iran and the number three diplomat at the State Department was said to continue to participate in the meeting that was held subsequently. That was a major step. The United States will have diplomatic relations with Iran someday. We will begin to deal with some of the issues that separate us and bring us together. We do share a number of fundamental interests in the region – you can either focus entirely on the negative side or you can look at the positive side of things and build on it. It's going to have to be a mixture of both of those; we can't forget the negative things that happened with the Iranians, but we can't ignore the positive side of things. At this stage, I think we are beginning to experiment on both sides with this idea of strengthening relations. This will, no doubt, be a poignant challenge for the next administration.

What do Iranians hope to achieve from nuclearization? Do they seek national security or regional sovereignty? What are their underlying intentions?

Looking back, Iran began seeking nuclear capability under the days of the shah. In fact, I was present in Tehran with President Carter in the last full year of the Shah's reign when he agreed to sell the Shah seven nuclear reactors. This idea had been approved quite explicitly by the Ford administration years earlier. So, the idea of developing nuclear power capability existed long before the Iranian Revolution, and the United States actually cooperated with that process. Of course then, as now, developing nuclear

capability offered you the capacity of building a nuclear weapon. Today, people joke that if Japan wanted to, they could have a nuclear weapon in a long weekend. Other countries like Brazil or Taiwan are much further away from it, but if they decided, they needed to have a nuclear weapon, they could, using what they've got, get one rather quickly.

Iran is on its way to being a member of that forty nation club that has the capacity to build a nuclear weapon. Iran's interests are vast. First, Iran actually does need alternatives to oil and gas. In the long run, their energy and electricity consumption have gone up dramatically. Today, Iran produces about four million barrels of oil per day, and it uses one and a half million barrels a day for domestic uses. It also imports refined products because it doesn't have enough refineries to keep up with the demand for gasoline and diesel.

Turning to nuclear power is not strange. Iran has some of the greatest hydroelectric capabilities. Nuclear is not the only alternative energy source. It is 1.5 billion barrels of oil—we're talking billions of dollars over a long period of time. Finding alternatives to the fossil fuel consumption in Iran is a very sensible thing to do.

Ultimately, Iran wants to be taken seriously as a regional power. They see that countries who have nuclear capability are taken much more seriously by the rest of the world. Iran wants to be taken seriously in the region and have a voice.

By replacing eliminating the Taliban in Afghanistan and replacing Saddam Hussein with a group of Shia political leaders, the United States has in fact increased Iran's power and influence in the region. Iran is a much more powerful and influential country than it was five years ago, largely because of our actions.

Our misguided policy has affected Iran's relations with other Arab nations, including Kuwait, Saudi Arabia, and the United Arab Emirates—Iran's overall influence is felt much further away. They are able to play a political game in the Levant area, providing support to Hamas and Islamic Jihad. Those elements have in fact increased Iran's influence and ability to extend its influence. This has grown rapidly in the last five years. Having nuclear power and being able to produce a weapon means a great deal.

In August of 1990 you famously wrote an opinion article in the New York Times raising concerns about the timing of the freeing of hostages in Tehran and Ronald Regan's presidential campaign. Has any new information come to light in the last two decades that has changed your views on what happened?

That, of course, was hugely controversial. There were a lot of people who were extraordinarily angry with me for making that argument. In terms of new information, I have found evidence that both supports and negates my argument. From my perspective, and I've said this in the book, there's no smoking gun. There is a lot of circumstantial evidence, and as far as I'm concerned, it remains an open question. I think that's where it will remain until we reach a breakthrough of some sort.

A conversation with the Iranians will perhaps shed light on what really happened. Either way—whether it supports or negates, I'd like to know what happened.

FM: Iran, Afghanistan, Tajikistan to Boost Regional Cooperation

Iranian Foreign Minister Manouchehr Mottaki announced that Iran, Tajikistan and Afghanistan plan to boost cooperation following their recent summit in Tehran.

The three sides will after the summit be committed to remove impediments on the way of regional development, the Iranian minister noted.

He said relations and cooperation between the three sides, especially in the transportation sector, will not secure their own interests only, rather the three sides can play an important role in yet more extensive relations from East Asia to Europe.

He then said volume of Iran-Afghanistan transactions have reached one and half a billion dollars, which will be times higher in the future in light of new transportation facilities provided for the purpose.

Elsewhere, Mottaki announced that the three Persian-speaking countries in the region are to revive the Silk Road via linking their railroads.

"The project links the railroads of Tajikistan to Iran via Afghanistan. Thus the Silk Road will be revived as China is to link its railroad to Tajikistan through Kazakhstan," he said.

The one-day tripartite summit of Persian-speaking heads of states kicked off in Tehran on Thursday with the participation of the presidents of Iran, Afghanistan, and Tajikistan.

At the end of the summit, Afghan President Hamid Karzai and Tajik President Emomali Rahmon signed a declaration with their Iranian counterpart on different political, cultural, economic and anti-terrorism issues.

President urges bolstering Tehran-Damascus ties, cooperation

In a phone call with his Syrian counterpart, Bashar al-Assad, on advent of the holy month of Ramadhan, President Ahmadinejad said Muslim nations should use endless blessings of the month to forge stronger ties among themselves.

Al-Assad, congratulating great Iranian nation and government on beginning of the auspicious month, said in return that Iran and Syria share common stances on the most

important political and international issues, which can serve their and regional nations' interests.

He urged further expansion of Tehran-Damascus cooperation on political and international levels and said the gesture will help step up strength of both Iranian and Syrian nations.

Iran ready in principle for N-talks at agreed date

Iranian Foreign Minister Manouchehr Mottaki said Sunday that the country is ready in principle for nuclear talks at agreed date.

"Iran is ready in principle to engage in talks with Vienna Group based on agreed date to discuss fuel swap," he said at a joint press conference with his visiting Lebanese counterpart Ali al-Shami.

"Talks will be based on Tehran's declaration prepared by Iran, Turkey and Brazil," Mottaki said.

As to the time of Iranian President's trip to Lebanon, Mottaki said, "Iranian President will visit Lebanon in the first occasion after the fasting month of Ramadan."

Iran and the Vienna Group (the US, Russia, France and the International Atomic Energy Agency (IAEA) are to hold talks next two weeks.

Mottaki then condemned Zionist regime's recent attack on Lebanon and said, "Lebanese nation and resistance have the right to end any aggression and pursue the issue (Zionist regime's attack) through international circles to defend their rights."

He then criticized performance of the UN peacekeeping forces in Lebanon (UNIFEL) and said, "negligence and mistakes of these forces should not be disregarded, the forces are based in southern Lebanon to deter such aggressions, if UNIFEL is not able to deter Zionist regime's aggressions, what is its duty in southern Lebanon? What is it doing in Lebanese and Palestinian borders?"

Concerning convergence of Syria and Saudi Arabia, Mottaki said, "Islamic Republic of Iran's strategic policy seeks regional convergence and boosting regional cooperation."

"We regard regional convergence as a necessary element to strengthen bilateral and multilateral engagement and tackle enemies' conspiracies."

Also regarding Zionist regime's recent aggression against Lebanese borders, al-Shami said, "Israel does not have the right to invade this

Russia's Nuclear Help to Iran Stirs Questions About Its 'Improved' Relations With U.S.

Obama also recently declared his Russian counterpart, Dmitri Medvedev, would help the U.S. "secure strong, tough sanctions on Iran."

But Moscow announced Friday it will start loading fuel into Iran's first and only nuclear power plant next Saturday, giving Tehran a boost as it struggles with international sanctions and highlighting differences between Moscow and Washington over pressuring the Islamic Republic to give up activities that could be used to make nuclear arms.

Uranium fuel shipped by Russia will be loaded into the Bushehr reactor on August 21, beginning a process that will last about a month and end with the reactor sending electricity to Iranian cities, Russian and Iranian officials said Friday.

While the UN nuclear watchdog and U.S. officials say the Bushehr reactor is not a proliferation risk, Russia's decision to supply the fuel calls into question why Iran is enriching uranium in the first place.

"It quite clearly I think underscores that Iran does not need its own enrichment capability if its intentions as it states are for a peaceful program," White House spokesman Robert Gibbs said.

If Russia carries out its plan, it will end years of foot-dragging on Bushehr. While Moscow signed a \$1 billion contract to build the plant in 1995, its completion has been put off for years.

Moscow has cited technical reasons for the delays. But Bushehr has also been an ideal way to gain leverage with both Tehran and Washington.

Delaying the project has given Russia continued influence with Tehran in international attempts to have it stop uranium enrichment -- a program Iran says it needs to make fuel for an envisaged reactor network but which also can be used to create fissile warhead material. The delays also have served to placate the U.S., which opposes rewarding Iran while it continues to defy the U.N. Security Council with its nuclear activities.

After Russia said in March that Bushehr would be launched this year, U.S. Secretary of State Hillary Rodham Clinton said that until Iran reassures the world it is not trying to build a nuclear weapon, "it would be premature to go ahead with any project at this time."

Formally, the U.S. has no problem with Bushehr.

Although at first opposed to Russian participation in the project, Washington and its allies agreed to remove any reference to it in the first set of Security Council sanctions passed in 2006 in exchange for Moscow's support for those penalties. Three subsequent sanctions resolutions also have no mention of Bushehr.

Still, the U.S. sees the Russian move as a false signal to Tehran as Washington strives to isolate Iran politically and economically to force it to compromise on enrichment.

In Washington, State Department spokesman P.J. Crowley said Bushehr "does not represent a proliferation risk. ... However, Bushehr underscores that Iran does not need its own indigenous enrichment capability. The fact that Russia is providing fuel is the very model the international community has offered Iran."

Russia, in turn, argues that the Bushehr project is essential for persuading Iran to cooperate with the U.N. nuclear watchdog and fulfill its obligations under international nuclear nonproliferation agreements.

Crowley added: "Our views on the Bushehr project should not be confused with the world's fundamental concerns with Iran's overall nuclear intentions, particularly its pursuit of uranium enrichment, and Iran's willful violation of its international obligations."

Russian officials did not say why they had decided to move ahead with loading fuel into the Bushehr plant now. But the move could have been triggered in part by Moscow's desire show the Iranians it can act independently from Washington after its decision to support the fourth set of U.N. sanctions in June and its continued refusal to ship surface-to-air missile systems that it agreed to provide under a 2007 contract to sell the S-300s.

The sophisticated S-300 anti-aircraft missiles would significantly boost Iran's ability to defend against airstrikes. Israel and the United States have strongly objected to the deal.

Russia has walked a fine line on Iran for years. One of six world powers leading international efforts to ensure Iran does not develop a nuclear weapon, it has strongly criticized the U.S. and the European Union for following up with separate sanctions after the latest U.N. penalties -- which Moscow supported -- were passed.

"We expect Iran to meet established international norms and practices to ensure the safe operation of the reactor under full safeguards monitoring" by the IAEA, Crowley said.

Iran defends uranium enrichment

(CNN) -- The August 21 arrival of fuel at the Bushehr facility, which Iran says will create atomic energy but other nations fear could be used for nuclear weapons, marks a key step toward its completion, Russia said.

The progress prompted the White House to question Iran continuing to enrich uranium within its borders, even as the project with Russia moves closer to completion.

"Russia is providing the fuel, and taking the fuel back out," White House spokesman Robert Gibbs said Friday.

"It, quite clearly, I think, underscores that Iran does not need its own enrichment capability if its intentions, as it states, are for a peaceful nuclear program," he said.

Alaeddin Boroujerdi, head of the Iranian parliament's National Security and Foreign Policy Commission, responded Saturday by saying that Moscow will supply enriched uranium for the Bushehr plant as Iran plans to build a dozen more nuclear plants in the future, the semi-official Fars news agency reported.

"We in the parliament have tasked the government with producing 20,000 megawatts of nuclear electricity. That means setting up 20 power plants like Bushehr," said Boroujerdi. "To supply the fuel needed for these power plants ... we should carry out (uranium) enrichment and we are doing it," he said.

The head of Russia's Federal Atomic Energy Agency will visit Iran next week, Fars reported Friday. A Russian group is already in Iran to make the necessary arrangements for his arrival.

"This event will symbolize that the period of testing is over and the stage of physical start-up has begun," said Sergei Novikov, spokesman for Russia's Federal Atomic Energy Agency.

The reactor in the western Iranian port city of Bushehr will be operational by the third week of September, Fars said, though Sergei Novikov, spokesman for Russia's atomic energy agency, said the plant will not be ready to produce energy for another six months.

The United States has urged Russia to wait, saying more evidence is needed that Iran doesn't plan to use the site to make weapons.

Novikov said the fuel's arrival and loading into the plant will be monitored by the International Atomic Energy Agency.

"The IAEA inspectors will remove seals from containers with nuclear fuel, examine it," he said. "The fuel will be then transferred into a special storage facility. And when the Iranian nuclear watchdog agency gives its permission, the fuel will be loaded into the reactor."

Western corporations began the Bushehr facility in the 1970s but after the Iranian revolutions, the Islamic regime looked to Russia to complete the \$800 million nuclear facility.

Iran has maintained all along that the site will produce energy, but the United States and other international observers remain unconvinced.

Earlier this month, the United States extended sanctions against Iran, saying it was targeting a number of Iranian businesses and groups accused of helping organizations such as Hezbollah, Hamas and the Taliban.

In June, the U.S. Treasury Department announced sanctions targeting the country's nuclear and missile programs -- identifying more than 20 companies and several individuals allegedly involved with those programs.

Economic:

FAO: Wheat Rally to Increase Budget Deficits in N.Africa, Iran

PARIS (Dispatches) - All of the North African countries on the Mediterranean Sea as well as Iran provide some sort of subsidy on bread, meaning household food budgets will be shielded from higher prices for now, Abbassian said. Wheat futures have risen 49 percent in Paris since June as drought damaged crops in Russia, a supplier to North Africa.

“One way or the other, the governments will have to find the money,” Abbassian said from Rome yesterday. “This will certainly result in higher budget deficits.”

Egypt was the world's largest wheat importer last year, Algeria ranked fifth, and Morocco, Iran, Libya and Tunisia are often importers, figures from the International Grains Council show. Iran imported 3 million metric tons of wheat in the past year, down from 8.9 million tons a year earlier when it was the second-largest importer, according to IGC data.

“Some are politically unstable countries, and they simply cannot afford” social unrest due to costlier bread, Abbassian said. “Wheat is a large part of the diet. It would greatly impact the urban poor, so they will be very careful.” The FAO is part of the United Nations.

Russia last week announced a ban on all outbound shipments of grain from Aug. 15 until the end of the year to curb domestic prices, which surged because of a failing harvest.

Egypt said Aug. 8 it had wheat supplies for subsidized bread for four months. Russia's export ban is expected to add as much as 4 billion Egyptian pounds (\$702 million) to the budget, Trade Minister Rachid Mohamed Rachid said.

“It's a very important political staple when you talk about North Africa and the Middle East,” Abbassian said. “This definitely concerns them more than anybody else.”

Russia accounted for 28 percent of global wheat trade last year, according to Abbassian, up from 4 percent a decade ago. The country's share of wheat exports may fall to half of last year's number, the economist said.

"It is really mostly a Russian problem," Abbassian said. "The place where there's been a huge price increase is Russia. There the wheat price went up 100 percent. Any country where the wheat price goes up 100 percent has to take drastic measures, and that's what they thought was in order."

Importers of Russian wheat in the Middle East that will have to look elsewhere for supplies after the export ban include Egypt, Iran, Syria, Jordan and Yemen, he said. The region's wheat-buying countries benefited from a good harvest last year that allowed them to build up stocks, Abbassian said.

"Last year was an exceptionally good year in North Africa, so most of them have quite good stocks to wait and see and negotiate with other suppliers," the economist said. "We don't feel the panic that we experienced in the last round," he said, referring to a surge in food prices in 2007 and 2008.

The wheat harvest in North Africa jumped to 20.2 million tons in the 2009-2010 season, from 14.4 million tons a year earlier, according to data from the U.S. Department of Agriculture. Middle Eastern growers produced 37.3 million tons of the grain, up from 32.3 million tons the previous season.

In addition to the "very good" crop last year, North African countries usually limit grain purchases at this time of year as they await the result of the local harvest from June to the middle of August, Abbassian said.

"At this time of year, the countries usually don't buy a lot of grain because they have their own harvesting," he said. "It's usually the low season. It's a bit of an unusual situation in that regard."

Egypt agreed to purchase 120,000 tons of French wheat for \$285.97 a ton in a tender this week, compared with the \$183.50 a ton it agreed to pay for a 60,000-ton shipment of Russian wheat on July 7.

"The immediate impact is on the government budget," Abbassian said. "As long as this price increase stays limited to wheat, one could say the problem can be contained. In North Africa so far, it has been contained." It may take as much as six months before costs rise for consumers, he said.

The risk to consumers is if higher wheat prices drive up the cost of other food commodities, the economist said. The wheat market will remain "volatile" until the middle of September, when the harvest results and outlook for planting in Russia and the U.S. will be clearer, Abbassian said.

“It’s going to be a very unstable month ahead of us,” he said. “The longer it takes to settle it down lower, the greater the chances of creating wider problems because of the spill-over to other commodities.”

Iran May Keep Dollar in Forex Basket

TEHRAN (PressTV) -

"After studying the condition of different hard currencies on the market, the bank includes whatever currency in the foreign exchange basket which serves national interests." CBI Governor Mahmoud Bahmani was quoted by IRNA as saying on Saturday.

He said the CBI also takes sanctions into account when deciding what currencies should go into the forex basket.

On the government's plan to remove the greenback from its dealings, Bahmani said the central bank reviews the status of hard currencies at different times and picks whatever currencies which further national interests.

"Although it was expedient in the past to add the Euro to the basket given the currency's growing role in international trade, the dollar's share of the (Iranian) forex deposits could rise at certain points in time.", the CBI governor underscored.

Brazil to Finance \$1.3b in Beef Exports to Iran

BRASILIA (Dispatches) - The financing will be backed by Brazil’s Treasury, which will be responsible for collecting payment from the Iranian government, the Sao Paulo-based newspaper said.

Sanctions imposed by the United Nations in June over Iran’s nuclear program, and followed up with tighter restrictions by the U.S. and EU, has led Brazilian banks to reject credit guarantees issued by Iranian banks, the newspaper said.

President Luiz Inacio Lula da Silva, in a visit to Tehran in May, signed an agreement to finance food exports to Iran, as well as boost investment and expand air connections between the two countries. Annual trade with Iran has more than doubled to \$1.2 billion since Lula took office in 2003.

Iran Gasoline Imports Untouched

TEHRAN (PressTV) - Iranian Deputy Oil Minister Alireza Zeighami says Iran is facing no problem in meeting domestic needs for gasoline or to import the oil product.

"Iran imports gasoline whenever need arises and there is no problem in this regard," Zeighami told Mehr news agency yesterday.

His remarks came after the Turkish government announced that it will support companies exporting gasoline to Iran, despite US unilateral sanctions imposed against Iran's fuel imports over Tehran's nuclear program.

"If the preference of the private sector is to sell these (petroleum) products to Iran, we will help them," Turkey's Energy and Natural Resources Minister Taner Yildiz said.

Meanwhile, Russian oil giant LUKOIL has also resumed gasoline sales to Iran in partnership with China's state-run firm Zhuhai Zhenrong.

The report by Energy Market Consultants (EMC) suggests that by completion of the upgrades, Iran will be able to meet its domestic gasoline needs.

Iran-Cambodia Joint Economic Commission to Be Established

TEHRAN – Iran and Cambodia agreed to establish their Joint Economic Commission in the near future, said Iranian commerce minister yesterday.

IRAN NEWS ECONOMIC DESK

Stressing the need to draw up a roadmap for long-term ties and determining the areas of cooperation, he also called for optimal use of capacities for expansion of bilateral relations.

Referring to the economic ties between the two countries, he said according to Cambodia's growing capabilities we can increase our relations through holding conferences on trade opportunities and making the two states' private sectors acquainted with the existing capacities.

He pointed to Cambodia's membership in the Association of Southeast Asian Nations (ASEAN) and said this country can help us expand our trade ties with ASEAN member states.

Hor Namhong, for his part, said there are several investment opportunities in his country for Iranian investors to make investment in.

He also invited Ghazanfari to visit his country in a bid to promote bilateral ties.

He further noted that Iran can help Cambodia meet its needs by exporting different products to his country.

Cambodia is a country in Southeast Asia that borders Thailand to the west and northwest, Laos to the north, Vietnam to the east, and the Gulf of Thailand to the south.

Phnom Penh is its capital and largest city, and is the center of political, commercial, industrial and cultural activities.

Iran offers three billion dollar bonds to fund gasfields

Ali Vakili, head of Pars Oil and Gas Company, the Iranian firm in charge of developing South Pars, said the funds will be raised in six stages during the current year to March 2011, according to oil ministry's news agency Shana.

Vakili said state-run Saderat Bank, which is under UN and US sanctions, will be responsible for raising one billion dollars in the first two tranches of the overall issue.

The first part of the offer "will be made on August 21, followed by the second on September 11," Vakili said.

The three-year bonds will carry an interest rate of 16 percent. Apart from the domestic offering, Iran plans to make an international bond offering of two billion euros over the course of the year to March 2011.

The euro offering is part of an overall three billion euro bond offers planned this year, Vakili said, of which bonds worth one billion euros have already been issued since January.

Vakili did not specify when the next euro bond offering would be made.

FM: Iran interested in expansion of ties with independent Europe
Foreign Minister Manouchehr Mottaki made the remark in a meeting with the new Ambassador of Ireland Oliver Grunion after receiving a copy of his credentials. Mottaki in the meeting criticized the European Union's unconditional obedience of the US Congress decisions in imposing unilateral sanctions against Iran, reiterating, "The recent EU move showed how instable Europe is in its decision making and how much the EU is under the influence of the transatlantic policies in its foreign policy making." He added, "Keeping in mind the EU's approaches in recent years, the Islamic Republic of Iran has decreased a noticeable volume of its relations with Europe." The Iranian foreign minister emphasized, "We have proved with our rapid advancement in scientific, agricultural, aerospace, modern technological, and other fields that without reliance on foreign support we can take such long strides." Mottaki meanwhile emphasized that Iran is ready for expansion of relations with Ireland, arguing, "During the past few years the Islamic Republic of Iran's partners in Europe have been changing and the volume of our cooperation with our new partners has been increasing."

The New Irish ambassador, too, in the meeting described **the two countries' relations as good.**

Grunion added, "During the course of the past few years noticeable efforts have been made aimed at expansion of relations and we hope to increase Ireland's cooperation with Iran in various fields."

Iran, Armenia review ways to expand economic cooperation

The Armenian official, for his part, conveyed the warm greetings of Armenian foreign minister to his Iranian counterpart and called for expansion of economic cooperation and trade between the two countries.

He thanked Iran for peace efforts in the region and said that the Islamic Republic of Iran plays leading role in regional developments.

Social:

Tehran Museum Loans Van Dongen Painting to Dutch Show

TEHRAN (MNA) -- The Tehran Museum of Contemporary Art (TMCA) has agreed to loan a painting by Dutch artist Kees van Dongen (1877-1968) to the Museum Boijmans Van Beuningen in Rotterdam.

The exhibit will open on September 18 and will run for four months until January 23, 2011.

No fewer than sixty paintings and a selection of drawings, ceramics, posters and photographs are being flown over from leading international collections especially for the exhibition. They are coming from as far away as Iran, New York, Monaco, Geneva and Moscow.

Cornelis Theodorus Maria van Dongen was born on January 26, 1877 in Delfshaven, near Rotterdam. At the age of fifteen, Kees began drawing lessons at what is now the Willem de Kooning Academy in Rotterdam.

Van Dongen blossomed in Paris, becoming a celebrated artist. The left-wing illustrator's success came through his association with Fauvism, the first major avant-garde movement. Van Dongen was notorious for his contemporary use of color, paint and electric light and almost as much for his lifestyle. His lavish studio parties in the 1920s and 30s were attended by film stars, famous politicians and artists.

What Andy Warhol was to New York in the 1960s, Kees van Dongen was to the Paris of the 1920s - a society of artist and Bohemian who brought added color and excitement to the city.

Five technologies Iran is using to censor the Web

Government uses both blunt and surgical tools to stifle dissidents, hacker says

By Brad Reed , Network World , 07/20/2009

While the government's initial efforts to censor the Internet were blunt and often ineffective, it has started employing more sophisticated tools to thwart dissidents'

attempts to communicate with each other and the outside world. Iranian dissidents are not alone in their struggle, however, as several sympathetic hacker groups have been working to keep them online.

One such group is NedaNet, whose mission is to "help the Iranian people by setting up networks of proxy servers, anonymizers, and any other appropriate technologies that can enable them to communicate and organize." NedaNet project coordinator Morgan Sennhauser, who has just written a paper detailing the Iranian government's latest efforts to thwart hackers, says that the government's actions have been surprisingly robust and have challenged hackers in ways that the Chinese government's efforts at censorship have not.

10 ways the Chinese Internet is different from yours

"China has several gigabytes per second of traffic to deal with and has a lot more international businesses," he says. "They can't be as heavy-handed with their filtration. The Iranians aren't as concerned about that... so they get to use all these fancy toys that, if the Chinese used them, could cripple their economy."

With that in mind, this article will look at five of the most commonly-used technologies the Iranian government has been using to stifle dissent, as outlined in Sennhauser's paper.

IP Blocking

IP Blocking is one of the most basic methods that governments such as Iran use for censorship, as it simply prevents all packets going to or from targeted IP addresses. Sennhauser says that this was how the government banned access to the BBC's Persian news services and how it took down websites critical of the election.

But while these sorts of operations are relatively simple to execute, they don't tackle the problem of individual communications between users, especially if the users have set up multi-hop circuits that use multiple servers to create a proxy ring.

Traffic Classification (QoS)

This is a much more sophisticated method of blocking traffic than IP blocking, as governments can halt any file sent through a certain type of protocol, such as FTP. Because the government knows that FTP transfers are most often sent through TCP port 21, they can simply limit the bandwidth available on that port and throttle transfers. Sennhauser says that this type of traffic shaping practice is the most common one used by governments today, as "it is not too resource intensive and is fairly easy to set up."

Shallow Packet Inspection

Shallow packet inspection is basically a blunter, broader version of the deep packet inspection (DPI) technique that is used to block packets based on their content. But

unlike DPI, which intercepts packets and inspects their fingerprints, headers and payloads, shallow packet inspection makes broad generalities about traffic based solely on checking out the packet header. Although shallow packet inspection can't provide the Iranian government with the same detailed traffic assessments as DPI, Sennhauser says that it is much better at handling volume than DPI.

"It's a less refined tool, but it can also deal with a lot more traffic than true DPI can," he explains. "Shallow packet inspection is more judging a book by its cover. If a packet says that it's SSL (Secure Sockets Layer) in the header, then a shallow packet inspector takes it at face value."

Sennhauser notes, however, that this is a double-edged sword. If a user disguises their SSL packets as FTP packets in the header, the shallow packet inspector won't be able to tell the difference.

Packet Fingerprinting

This is a slightly more refined method of throttling packets than shallow packet inspection, as it looks not only at the packet header but at its length, frequency of transmission and other characteristics to make a rough determination of its content. Sennhauser says the government can use this technique to better classify packets and not throttle traffic sent out by key businesses.

"A lot of things don't explicitly say what they are. For example, a lot of VPN traffic is indistinguishable from SSH traffic, which means that it would be throttled if SSH was," he says. "But what if businesses relied on VPN connections? You'd move the system to fingerprinting, where the two are easily distinguishable."

Deep Packet Inspection / Packet Content Filtering

DPI is the most refined method that the government has for blocking Internet traffic. As mentioned above, deep packet inspectors examine not only a packet's header but also its payload. This gives governments the ability to filter packets at a more surgical level than any of the other techniques discussed so far.

"Viewing a packet's contents doesn't tell you much on its own, especially if it's encrypted," he says. "But combining it with the knowledge gained from fingerprinting and shallow packet inspection, it is usually more than enough to figure out what sort of traffic you're looking at."

There are downsides to using DPI, of course: it's much more complicated to run and is far more labor-intensive than other traffic-shaping technologies. But on the other hand, Sennhauser says there's no magic bullet for getting around DPI as users can usually only temporarily elude it by "finding flaws in their system." And even this won't help for long, as the government can simply correct their system's flaws once they're discovered.

"Once they fix the flaw, you've lost unless you can figure out some real way to circumvent it," Sennhauser notes.

10 cutting-edge gadgets spies can use to capture voice and data

Endgame still unclear

Sennhauser says that the government has employed these technologies smartly despite being caught flat-footed by the initial furor after the election. Indeed, he thinks the only reason that Iran hasn't yet completely shut down dissidents' communications is that they've had to fight with an army of hackers who tirelessly search for flaws in their system.

"It really is an arms race," he says. "They create a problem, we circumvent it, they create another, we get around that one. This continues on until the need to do so is removed. The circumstances which will end the competition aren't clear yet."

Top Iran footballer sacked for not fasting in Ramadan: club

Steel Azin FC said on its website www.steelazin.com that it was "forced to sack one of its players, Ali Karimi, for being disobedient and not fasting during Ramadan," when devout Muslims fast from dawn until dusk.

Karimi, who was the Asian Player of 2004, had even "insulted officials of the (Iranian) football federation and the Tehran team's supervisor who confronted him on the issue," Steel Azin said./-

Turkey: No agreement agree to aid Iran's Hezbollah arms shipments

The denial comes in the wake of a report by Italian daily Corriere della Sera earlier this week, which claimed that senior Iranian and Turkey security officials have recently met to sign a deal which would allegedly see Turkey aiding Iran in transferring its arms shipments to Hezbollah.

"These claims are baseless and should not be taken seriously," the senior Turkish Foreign Ministry official said.

Earlier this month, Turkish authorities expressed their displeasure at comments made by Defense Minister Ehud Barak concerning Ankara's new head of intelligence and his alleged ties with Iran./-

George F. Will: Netanyahu's warning on a menacing Iran

WHEN ISRAEL declared independence in 1948, it had to use mostly small arms to repel attacks by six Arab armies. Today, however, Israel feels, and is, more menaced than it was then, or has been since. Hence the potentially world-shaking decision that will be made here, probably within two years.

To understand the man who will make it, begin with Prime Minister Binyamin Netanyahu's belief that stopping Iran's nuclear-weapons program is integral to stopping the worldwide campaign to reverse 1948. It is, he says, a campaign to "put the Jew back to the status of a being that couldn't defend himself — a perfect victim."

Today's Middle East, he says, reflects two developments. One is the rise of Iran and militant Islam since the 1979 revolution, which led to al-Qaeda, Hamas and Hezbollah. The other development is the multiplying threat of missile warfare.

Now Israel faces a third threat, the campaign to delegitimize it in order to extinguish its capacity for self-defense. After two uniquely perilous millennia for Jews, the creation of Israel meant, Netanyahu says, "the capacity for self-defense restored to the Jewish people." But note, he says, the reflexive worldwide chorus of condemnation when Israel responded with force to rocket barrages from Gaza and from southern Lebanon. There is, he believes, a crystallizing consensus that "Israel is not allowed to exercise self-defense."

From 1948 through 1973, he says, enemies tried to "eliminate Israel by conventional warfare." Having failed, they tried to demoralize and paralyze Israel with suicide bombers and other terrorism. "We put up a fence," Netanyahu says. "Now they have rockets that go over the fence." Israel's military, which has stressed offense as a solution to the nation's lack of strategic depth, now stresses missile defense.

That, however, cannot cope with Hamas' tens of thousands of rockets in Gaza and Hezbollah's 60,000 in southern Lebanon. There, U.N. resolution 1701, promulgated after the 2006 war, has been predictably farcical. This was supposed to inhibit the arming of Hezbollah and prevent its operations south of the Litani River. Since 2006, Hezbollah's rocket arsenal has tripled and its operations mock resolution 1701. Hezbollah, learning from Hamas, now places rockets near schools and hospitals, certain that Israel's next response to indiscriminate aggression will turn the world media into a force multiplier for the aggressors.

Any Israeli self-defense anywhere is automatically judged "disproportionate." Israel knows this as it watches Iran.

Last year was Barack Obama's wasted year of "engaging" Iran. This led to sanctions that are unlikely to ever become sufficiently potent. With Russia, China and Turkey being uncooperative, Iran is hardly "isolated." The Iranian democracy movement probably cannot quickly achieve regime change. It took Solidarity 10 years to do so against a Polish regime less brutally repressive than Iran's.

Hillary Clinton's words about extending a "defense umbrella over the region" imply, to Israelis, fatalism about a nuclear Iran. As for deterrence working against a nuclear-armed regime steeped in an ideology of martyrdom, remember: In 1980, Ayatollah Khomeini said:

"We do not worship Iran, we worship Allah. For patriotism is another name for paganism. I say let this land burn. I say let this land go up in smoke, provided Islam emerges triumphant in the rest of the world."

You say, that was long ago? Israel says, this is now:

Iran's supreme leader, Ali Khamenei, says Israel is the "enemy of God." Tehran, proclaiming that the Holocaust never happened and vowing to complete it, sent an ambassador to Poland who in 2006 wanted to measure the ovens at Auschwitz to prove them inadequate for genocide. Iran's former president, Hashemi Rafsanjani, who is considered a "moderate" by people for whom believing is seeing, calls Israel a "one-bomb country."

If Iran were to "wipe the Zionist entity off the map," as it vows to do, it would, Netanyahu believes, achieve a regional "dominance not seen since Alexander." Netanyahu does not say Israel will, if necessary, act alone to prevent this. Or does he?

He says CIA Director Leon Panetta is "about right" in saying Iran can be a nuclear power in two years. He says 1948 meant this: "For the first time in 2,000 years, a sovereign Jewish people could defend itself against attack." And he says: "The tragic history of the powerlessness of our people explains why the Jewish people need a sovereign power of self-defense." If Israel strikes Iran, the world will not be able to say it was not warned.