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Preparing the Battlefield: The Bush Administration steps up its secret moves against Iran

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Late last year, Congress agreed to a request from President Bush to fund a major escalation of covert operations against Iran, according to current and former military, intelligence, and congressional sources. These operations, for which the President sought up to four hundred million dollars, were described in a Presidential Finding signed by Bush, and are designed to destabilize the country's religious leadership. The covert activities involve support of the minority Ahwazi Arab and Baluchi groups and other dissident organizations. They also include gathering intelligence about Iran's suspected nuclear-weapons program.

Clandestine operations against Iran are not new. United States Special Operations Forces have been conducting cross-border operations from southern Iraq, with Presidential authorization, since last year. These have included seizing members of Al Quds, the commando arm of the Iranian Revolutionary Guard, and taking them to Iraq for interrogation, and the pursuit of "high-value targets" in the President's war on terror, who may be captured or killed. But the scale and the scope of the operations in Iran, which involve the Central Intelligence Agency and the Joint Special Operations Command (JSOC), have now been significantly expanded, according to the current and former officials. Many of these activities are not specified in the new Finding, and some congressional leaders have had serious questions about their nature.

Under federal law, a Presidential Finding, which is highly classified, must be issued when a covert intelligence operation gets under way and, at a minimum, must be made known to Democratic and Republican leaders in the House and the Senate and to the ranking members of their respective intelligence committees—the so-called Gang of Eight. Money for the operation can then be reprogrammed from previous appropriations, as needed, by the relevant congressional committees, which also can be briefed.

"The Finding was focussed on undermining Iran's nuclear ambitions and trying to undermine the government through regime change," a person familiar with its contents said, and involved "working with opposition groups and passing money." The Finding provided for a whole new range of activities in southern Iran and in the areas, in the east, where Baluchi political opposition is strong, he said.

Although some legislators were troubled by aspects of the Finding, and "there was a significant amount of high-level discussion" about it, according to the source familiar with it, the funding for the escalation was approved. In other words, some members of the Democratic leadership—Congress has been under Democratic control since the 2006 elections—were willing, in secret, to go along with the Administration in expanding covert

activities directed at Iran, while the Party's presumptive candidate for President, Barack Obama, has said that he favors direct talks and diplomacy.

The request for funding came in the same period in which the Administration was coming to terms with a National Intelligence Estimate, released in December, that concluded that Iran had halted its work on nuclear weapons in 2003. The Administration downplayed the significance of the N.I.E., and, while saying that it was committed to diplomacy, continued to emphasize that urgent action was essential to counter the Iranian nuclear threat. President Bush questioned the N.I.E.'s conclusions, and senior national-security officials, including Secretary of Defense Robert Gates and Secretary of State Condoleezza Rice, made similar statements. (So did Senator John McCain, the presumptive Republican Presidential nominee.) Meanwhile, the Administration also revived charges that the Iranian leadership has been involved in the killing of American soldiers in Iraq: both directly, by dispatching commando units into Iraq, and indirectly, by supplying materials used for roadside bombs and other lethal goods. (There have been questions about the accuracy of the claims; the *Times*, among others, has reported that "significant uncertainties remain about the extent of that involvement.")

Military and civilian leaders in the Pentagon share the White House's concern about Iran's nuclear ambitions, but there is disagreement about whether a military strike is the right solution. Some Pentagon officials believe, as they have let Congress and the media know, that bombing Iran is not a viable response to the nuclear-proliferation issue, and that more diplomacy is necessary.

A Democratic senator told me that, late last year, in an off-the-record lunch meeting, Secretary of Defense Gates met with the Democratic caucus in the Senate. (Such meetings are held regularly.) Gates warned of the consequences if the Bush Administration staged a preëmptive strike on Iran, saying, as the senator recalled, "We'll create generations of jihadists, and our grandchildren will be battling our enemies here in America." Gates's comments stunned the Democrats at the lunch, and another senator asked whether Gates was speaking for Bush and Vice-President Dick Cheney. Gates's answer, the senator told me, was "Let's just say that I'm here speaking for myself." (A spokesman for Gates confirmed that he discussed the consequences of a strike at the meeting, but would not address what he said, other than to dispute the senator's characterization.)

The Joint Chiefs of Staff, whose chairman is Admiral Mike Mullen, were "pushing back very hard" against White House pressure to undertake a military strike against Iran, the person familiar with the Finding told me. Similarly, a Pentagon consultant who is involved in the war on terror said that "at least ten senior flag and general officers, including combatant commanders"—the four-star officers who direct military operations around the world—"have weighed in on that issue."

The most outspoken of those officers is Admiral William Fallon, who until recently was the head of U.S. Central Command, and thus in charge of American forces in Iraq and Afghanistan. In March, Fallon resigned under pressure, after giving a series of interviews stating his reservations about an armed attack on Iran. For example, late last year he told the *Financial Times* that the "real objective" of U.S. policy was to change the Iranians' behavior, and that "attacking them as a means to get to that spot strikes me as being not the first choice."

Admiral Fallon acknowledged, when I spoke to him in June, that he had heard that there

were people in the White House who were upset by his public statements. “Too many people believe you have to be either for or against the Iranians,” he told me. “Let’s get serious. Eighty million people live there, and everyone’s an individual. The idea that they’re only one way or another is nonsense.”

When it came to the Iraq war, Fallon said, “Did I bitch about some of the things that were being proposed? You bet. Some of them were very stupid.”

The Democratic leadership’s agreement to commit hundreds of millions of dollars for more secret operations in Iran was remarkable, given the general concerns of officials like Gates, Fallon, and many others. “The oversight process has not kept pace—it’s been coöpted” by the Administration, the person familiar with the contents of the Finding said. “The process is broken, and this is dangerous stuff we’re authorizing.”

Senior Democrats in Congress told me that they had concerns about the possibility that their understanding of what the new operations entail differs from the White House’s. One issue has to do with a reference in the Finding, the person familiar with it recalled, to potential defensive lethal action by U.S. operatives in Iran. (In early May, the journalist Andrew Cockburn published elements of the Finding in *Counterpunch*, a newsletter and online magazine.)

The language was inserted into the Finding at the urging of the C.I.A., a former senior intelligence official said. The covert operations set forth in the Finding essentially run parallel to those of a secret military task force, now operating in Iran, that is under the control of JSOC. Under the Bush Administration’s interpretation of the law, clandestine military activities, unlike covert C.I.A. operations, do not need to be depicted in a Finding, because the President has a constitutional right to command combat forces in the field without congressional interference. But the borders between operations are not always clear: in Iran, C.I.A. agents and regional assets have the language skills and the local knowledge to make contacts for the JSOC operatives, and have been working with them to direct personnel, matériel, and money into Iran from an obscure base in western Afghanistan. As a result, Congress has been given only a partial view of how the money it authorized may be used. One of JSOC’s task-force missions, the pursuit of “high-value targets,” was not directly addressed in the Finding. There is a growing realization among some legislators that the Bush Administration, in recent years, has conflated what is an intelligence operation and what is a military one in order to avoid fully informing Congress about what it is doing.

“This is a big deal,” the person familiar with the Finding said. “The C.I.A. needed the Finding to do its traditional stuff, but the Finding does not apply to JSOC. The President signed an Executive Order after September 11th giving the Pentagon license to do things that it had never been able to do before without notifying Congress. The claim was that the military was ‘preparing the battle space,’ and by using that term they were able to circumvent congressional oversight. Everything is justified in terms of fighting the global war on terror.” He added, “The Administration has been fuzzing the lines; there used to be a shade of gray”—between operations that had to be briefed to the senior congressional leadership and those which did not—“but now it’s a shade of mush.”

“The agency says we’re not going to get in the position of helping to kill people without a Finding,” the former senior intelligence official told me. He was referring to the legal threat confronting some agency operatives for their involvement in the rendition and alleged

torture of suspects in the war on terror. “This drove the military people up the wall,” he said. As far as the C.I.A. was concerned, the former senior intelligence official said, “the over-all authorization includes killing, but it’s not as though that’s what they’re setting out to do. It’s about gathering information, enlisting support.” The Finding sent to Congress was a compromise, providing legal cover for the C.I.A. while referring to the use of lethal force in ambiguous terms.

The defensive-lethal language led some Democrats, according to congressional sources familiar with their views, to call in the director of the C.I.A., Air Force General Michael V. Hayden, for a special briefing. Hayden reassured the legislators that the language did nothing more than provide authority for Special Forces operatives on the ground in Iran to shoot their way out if they faced capture or harm.

The legislators were far from convinced. One congressman subsequently wrote a personal letter to President Bush insisting that “no lethal action, period” had been authorized within Iran’s borders. As of June, he had received no answer.

Members of Congress have expressed skepticism in the past about the information provided by the White House. On March 15, 2005, David Obey, then the ranking Democrat on the Republican-led House Appropriations Committee, announced that he was putting aside an amendment that he had intended to offer that day, and that would have cut off all funding for national-intelligence programs unless the President agreed to keep Congress fully informed about clandestine military activities undertaken in the war on terror. He had changed his mind, he said, because the White House promised better coöperation. “The Executive Branch understands that we are not trying to dictate what they do,” he said in a floor speech at the time. “We are simply trying to see to it that what they do is consistent with American values and will not get the country in trouble.”

Obey declined to comment on the specifics of the operations in Iran, but he did tell me that the White House reneged on its promise to consult more fully with Congress. He said, “I suspect there’s something going on, but I don’t know what to believe. Cheney has always wanted to go after Iran, and if he had more time he’d find a way to do it. We still don’t get enough information from the agencies, and I have very little confidence that they give us information on the edge.”

None of the four Democrats in the Gang of Eight—Senate Majority Leader Harry Reid, House Speaker Nancy Pelosi, Senate Intelligence Committee chairman John D. Rockefeller IV, and House Intelligence Committee chairman Silvestre Reyes—would comment on the Finding, with some noting that it was highly classified. An aide to one member of the Democratic leadership responded, on his behalf, by pointing to the limitations of the Gang of Eight process. The notification of a Finding, the aide said, “is just that—notification, and not a sign-off on activities. Proper oversight of ongoing intelligence activities is done by fully briefing the members of the intelligence committee.” However, Congress does have the means to challenge the White House once it has been sent a Finding. It has the power to withhold funding for any government operation. The members of the House and Senate Democratic leadership who have access to the Finding can also, if they choose to do so, and if they have shared concerns, come up with ways to exert their influence on Administration policy. (A spokesman for the C.I.A. said, “As a rule, we don’t comment one way or the other on allegations of covert activities or purported findings.” The White House also declined to comment.)

A member of the House Appropriations Committee acknowledged that, even with a Democratic victory in November, “it will take another year before we get the intelligence activities under control.” He went on, “We control the money and they can’t do anything without the money. Money is what it’s all about. But I’m very leery of this Administration.” He added, “This Administration has been so secretive.”

One irony of Admiral Fallon’s departure is that he was, in many areas, in agreement with President Bush on the threat posed by Iran. They had a good working relationship, Fallon told me, and, when he ran CENTCOM, were in regular communication. On March 4th, a week before his resignation, Fallon testified before the Senate Armed Services Committee, saying that he was “encouraged” about the situations in Iraq and Afghanistan. Regarding the role played by Iran’s leaders, he said, “They’ve been absolutely unhelpful, very damaging, and I absolutely don’t condone any of their activities. And I have yet to see anything since I’ve been in this job in the way of a public action by Iran that’s been at all helpful in this region.”

Fallon made it clear in our conversations that he considered it inappropriate to comment publicly about the President, the Vice-President, or Special Operations. But he said he had heard that people in the White House had been “struggling” with his views on Iran. “When I arrived at CENTCOM, the Iranians were funding every entity inside Iraq. It was in their interest to get us out, and so they decided to kill as many Americans as they could. And why not? They didn’t know who’d come out ahead, but they wanted us out. I decided that I couldn’t resolve the situation in Iraq without the neighborhood. To get this problem in Iraq solved, we had to somehow involve Iran and Syria. I had to work the neighborhood.”

Fallon told me that his focus had been not on the Iranian nuclear issue, or on regime change there, but on “putting out the fires in Iraq.” There were constant discussions in Washington and in the field about how to engage Iran and, on the subject of the bombing option, Fallon said, he believed that “it would happen only if the Iranians did something stupid.”

Fallon’s early retirement, however, appears to have been provoked not only by his negative comments about bombing Iran but also by his strong belief in the chain of command and his insistence on being informed about Special Operations in his area of responsibility. One of Fallon’s defenders is retired Marine General John J. (Jack) Sheehan, whose last assignment was as commander-in-chief of the U.S. Atlantic Command, where Fallon was a deputy. Last year, Sheehan rejected a White House offer to become the President’s “czar” for the wars in Iraq and Afghanistan. “One of the reasons the White House selected Fallon for CENTCOM was that he’s known to be a strategic thinker and had demonstrated those skills in the Pacific,” Sheehan told me. (Fallon served as commander-in-chief of U.S. forces in the Pacific from 2005 to 2007.) “He was charged with coming up with an over-all coherent strategy for Iran, Iraq, and Afghanistan, and, by law, the combatant commander is responsible for all military operations within his A.O.”—area of operations. “That was not happening,” Sheehan said. “When Fallon tried to make sense of all the overt and covert activity conducted by the military in his area of responsibility, a small group in the White House leadership shut him out.”

The law cited by Sheehan is the 1986 Defense Reorganization Act, known as Goldwater-Nichols, which defined the chain of command: from the President to the Secretary of Defense, through the chairman of the Joint Chiefs of Staff, and on to the various combatant commanders, who were put in charge of all aspects of military operations, including joint training and logistics. That authority, the act stated, was not to be shared with other echelons of command. But the Bush Administration, as part of its global war on terror,

instituted new policies that undercut regional commanders-in-chief; for example, it gave Special Operations teams, at military commands around the world, the highest priority in terms of securing support and equipment. The degradation of the traditional chain of command in the past few years has been a point of tension between the White House and the uniformed military.

“The coherence of military strategy is being eroded because of undue civilian influence and direction of nonconventional military operations,” Sheehan said. “If you have small groups planning and conducting military operations outside the knowledge and control of the combatant commander, by default you can’t have a coherent military strategy. You end up with a disaster, like the reconstruction efforts in Iraq.”

Admiral Fallon, who is known as Fox, was aware that he would face special difficulties as the first Navy officer to lead CENTCOM, which had always been headed by a ground commander, one of his military colleagues told me. He was also aware that the Special Operations community would be a concern. “Fox said that there’s a lot of strange stuff going on in Special Ops, and I told him he had to figure out what they were really doing,” Fallon’s colleague said. “The Special Ops guys eventually figured out they needed Fox, and so they began to talk to him. Fox would have won his fight with Special Ops but for Cheney.”

The Pentagon consultant said, “Fallon went down because, in his own way, he was trying to prevent a war with Iran, and you have to admire him for that.”

In recent months, according to the Iranian media, there has been a surge in violence in Iran; it is impossible at this early stage, however, to credit JSOC or C.I.A. activities, or to assess their impact on the Iranian leadership. The Iranian press reports are being carefully monitored by retired Air Force Colonel Sam Gardiner, who has taught strategy at the National War College and now conducts war games centered on Iran for the federal government, think tanks, and universities. The Iranian press “is very open in describing the killings going on inside the country,” Gardiner said. It is, he said, “a controlled press, which makes it more important that it publishes these things. We begin to see inside the government.” He added, “Hardly a day goes by now we don’t see a clash somewhere. There were three or four incidents over a recent weekend, and the Iranians are even naming the Revolutionary Guard officers who have been killed.”

Earlier this year, a militant Ahwazi group claimed to have assassinated a Revolutionary Guard colonel, and the Iranian government acknowledged that an explosion in a cultural center in Shiraz, in the southern part of the country, which killed at least twelve people and injured more than two hundred, had been a terrorist act and not, as it earlier insisted, an accident. It could not be learned whether there has been American involvement in any specific incident in Iran, but, according to Gardiner, the Iranians have begun publicly blaming the U.S., Great Britain, and, more recently, the C.I.A. for some incidents. The agency was involved in a coup in Iran in 1953, and its support for the unpopular regime of Shah Mohammed Reza Pahlavi—who was overthrown in 1979—was condemned for years by the ruling mullahs in Tehran, to great effect. “This is the ultimate for the Iranians—to blame the C.I.A.,” Gardiner said. “This is new, and it’s an escalation—a ratcheting up of tensions. It rallies support for the regime and shows the people that there is a continuing threat from the ‘Great Satan.’ ” In Gardiner’s view, the violence, rather than weakening Iran’s religious government, may generate support for it.

Many of the activities may be being carried out by dissidents in Iran, and not by Americans

in the field. One problem with “passing money” (to use the term of the person familiar with the Finding) in a covert setting is that it is hard to control where the money goes and whom it benefits. Nonetheless, the former senior intelligence official said, “We’ve got exposure, because of the transfer of our weapons and our communications gear. The Iranians will be able to make the argument that the opposition was inspired by the Americans. How many times have we tried this without asking the right questions? Is the risk worth it?” One possible consequence of these operations would be a violent Iranian crackdown on one of the dissident groups, which could give the Bush Administration a reason to intervene.

A strategy of using ethnic minorities to undermine Iran is flawed, according to Vali Nasr, who teaches international politics at Tufts University and is also a senior fellow at the Council on Foreign Relations. “Just because Lebanon, Iraq, and Pakistan have ethnic problems, it does not mean that Iran is suffering from the same issue,” Nasr told me. “Iran is an old country—like France and Germany—and its citizens are just as nationalistic. The U.S. is overestimating ethnic tension in Iran.” The minority groups that the U.S. is reaching out to are either well integrated or small and marginal, without much influence on the government or much ability to present a political challenge, Nasr said. “You can always find some activist groups that will go and kill a policeman, but working with the minorities will backfire, and alienate the majority of the population.”

The Administration may have been willing to rely on dissident organizations in Iran even when there was reason to believe that the groups had operated against American interests in the past. The use of Baluchi elements, for example, is problematic, Robert Baer, a former C.I.A. clandestine officer who worked for nearly two decades in South Asia and the Middle East, told me. “The Baluchis are Sunni fundamentalists who hate the regime in Tehran, but you can also describe them as Al Qaeda,” Baer told me. “These are guys who cut off the heads of nonbelievers—in this case, it’s Shiite Iranians. The irony is that we’re once again working with Sunni fundamentalists, just as we did in Afghanistan in the nineteen-eighties.” Ramzi Yousef, who was convicted for his role in the 1993 bombing of the World Trade Center, and Khalid Sheikh Mohammed, who is considered one of the leading planners of the September 11th attacks, are Baluchi Sunni fundamentalists.

One of the most active and violent anti-regime groups in Iran today is the Jundallah, also known as the Iranian People’s Resistance Movement, which describes itself as a resistance force fighting for the rights of Sunnis in Iran. “This is a vicious Salafi organization whose followers attended the same madrassas as the Taliban and Pakistani extremists,” Nasr told me. “They are suspected of having links to Al Qaeda and they are also thought to be tied to the drug culture.” The Jundallah took responsibility for the bombing of a busload of Revolutionary Guard soldiers in February, 2007. At least eleven Guard members were killed. According to Baer and to press reports, the Jundallah is among the groups in Iran that are benefitting from U.S. support.

The C.I.A. and Special Operations communities also have long-standing ties to two other dissident groups in Iran: the Mujahideen-e-Khalq, known in the West as the M.E.K., and a Kurdish separatist group, the Party for a Free Life in Kurdistan, or PJAK.

The M.E.K. has been on the State Department’s terrorist list for more than a decade, yet in recent years the group has received arms and intelligence, directly or indirectly, from the United States. Some of the newly authorized covert funds, the Pentagon consultant told me, may well end up in M.E.K. coffers. “The new task force will work with the M.E.K. The Administration is desperate for results.” He added, “The M.E.K. has no C.P.A. auditing the

books, and its leaders are thought to have been lining their pockets for years. If people only knew what the M.E.K. is getting, and how much is going to its bank accounts—and yet it is almost useless for the purposes the Administration intends."

The Kurdish party, PJAK, which has also been reported to be covertly supported by the United States, has been operating against Iran from bases in northern Iraq for at least three years. (Iran, like Iraq and Turkey, has a Kurdish minority, and PJAK and other groups have sought self-rule in territory that is now part of each of those countries.) In recent weeks, according to Sam Gardiner, the military strategist, there has been a marked increase in the number of PJAK armed engagements with Iranians and terrorist attacks on Iranian targets. In early June, the news agency Fars reported that a dozen PJAK members and four Iranian border guards were killed in a clash near the Iraq border; a similar attack in May killed three Revolutionary Guards and nine PJAK fighters. PJAK has also subjected Turkey, a member of NATO, to repeated terrorist attacks, and reports of American support for the group have been a source of friction between the two governments.

Gardiner also mentioned a trip that the Iraqi Prime Minister, Nouri al-Maliki, made to Tehran in June. After his return, Maliki announced that his government would ban any contact between foreigners and the M.E.K.—a slap at the U.S.'s dealings with the group. Maliki declared that Iraq was not willing to be a staging ground for covert operations against other countries. This was a sign, Gardiner said, of "Maliki's increasingly choosing the interests of Iraq over the interests of the United States." In terms of U.S. allegations of Iranian involvement in the killing of American soldiers, he said, "Maliki was unwilling to play the blame-Iran game." Gardiner added that Pakistan had just agreed to turn over a Jundallah leader to the Iranian government. America's covert operations, he said, "seem to be harming relations with the governments of both Iraq and Pakistan and could well be strengthening the connection between Tehran and Baghdad."

The White House's reliance on questionable operatives, and on plans involving possible lethal action inside Iran, has created anger as well as anxiety within the Special Operations and intelligence communities. JSOC's operations in Iran are believed to be modelled on a program that has, with some success, used surrogates to target the Taliban leadership in the tribal territories of Waziristan, along the Pakistan-Afghanistan border. But the situations in Waziristan and Iran are not comparable.

In Waziristan, "the program works because it's small and smart guys are running it," the former senior intelligence official told me. "It's being executed by professionals. The N.S.A., the C.I.A., and the D.I.A."—the Defense Intelligence Agency—"are right in there with the Special Forces and Pakistani intelligence, and they're dealing with serious bad guys." He added, "We have to be really careful in calling in the missiles. We have to hit certain houses at certain times. The people on the ground are watching through binoculars a few hundred yards away and calling specific locations, in latitude and longitude. We keep the Predator loitering until the targets go into a house, and we have to make sure our guys are far enough away so they don't get hit." One of the most prominent victims of the program, the former official said, was Abu Laith al-Libi, a senior Taliban commander, who was killed on January 31st, reportedly in a missile strike that also killed eleven other people.

A dispatch published on March 26th by the Washington *Post* reported on the increasing number of successful strikes against Taliban and other insurgent units in Pakistan's tribal areas. A follow-up article noted that, in response, the Taliban had killed "dozens of people" suspected of providing information to the United States and its allies on the whereabouts of

Taliban leaders. Many of the victims were thought to be American spies, and their executions—a beheading, in one case—were videotaped and distributed by DVD as a warning to others.

It is not simple to replicate the program in Iran. “Everybody’s arguing about the high-value-target list,” the former senior intelligence official said. “The Special Ops guys are pissed off because Cheney’s office set up priorities for categories of targets, and now he’s getting impatient and applying pressure for results. But it takes a long time to get the right guys in place.”

The Pentagon consultant told me, “We’ve had wonderful results in the Horn of Africa with the use of surrogates and false flags—basic counterintelligence and counter-insurgency tactics. And we’re beginning to tie them in knots in Afghanistan. But the White House is going to kill the program if they use it to go after Iran. It’s one thing to engage in selective strikes and assassinations in Waziristan and another in Iran. The White House believes that one size fits all, but the legal issues surrounding extrajudicial killings in Waziristan are less of a problem because Al Qaeda and the Taliban cross the border into Afghanistan and back again, often with U.S. and NATO forces in hot pursuit. The situation is not nearly as clear in the Iranian case. All the considerations—judicial, strategic, and political—are different in Iran.”

He added, “There is huge opposition inside the intelligence community to the idea of waging a covert war inside Iran, and using Baluchis and Ahwazis as surrogates. The leaders of our Special Operations community all have remarkable physical courage, but they are less likely to voice their opposition to policy. Iran is not Waziristan.”

A Gallup poll taken last November, before the N.I.E. was made public, found that seventy-three per cent of those surveyed thought that the United States should use economic action and diplomacy to stop Iran’s nuclear program, while only eighteen per cent favored direct military action. Republicans were twice as likely as Democrats to endorse a military strike. Weariness with the war in Iraq has undoubtedly affected the public’s tolerance for an attack on Iran. This mood could change quickly, however. The potential for escalation became clear in early January, when five Iranian patrol boats, believed to be under the command of the Revolutionary Guard, made a series of aggressive moves toward three Navy warships sailing through the Strait of Hormuz. Initial reports of the incident made public by the Pentagon press office said that the Iranians had transmitted threats, over ship-to-ship radio, to “explode” the American ships. At a White House news conference, the President, on the day he left for an eight-day trip to the Middle East, called the incident “provocative” and “dangerous,” and there was, very briefly, a sense of crisis and of outrage at Iran. “TWO MINUTES FROM WAR” was the headline in one British newspaper.

The crisis was quickly defused by Vice-Admiral Kevin Cosgriff, the commander of U.S. naval forces in the region. No warning shots were fired, the Admiral told the Pentagon press corps on January 7th, via teleconference from his headquarters, in Bahrain. “Yes, it’s more serious than we have seen, but, to put it in context, we do interact with the Iranian Revolutionary Guard and their Navy regularly,” Cosgriff said. “I didn’t get the sense from the reports I was receiving that there was a sense of being afraid of these five boats.”

Admiral Cosgriff’s caution was well founded: within a week, the Pentagon acknowledged that it could not positively identify the Iranian boats as the source of the ominous radio transmission, and press reports suggested that it had instead come from a prankster long

known for sending fake messages in the region. Nonetheless, Cosgriff's demeanor angered Cheney, according to the former senior intelligence official. But a lesson was learned in the incident: The public had supported the idea of retaliation, and was even asking why the U.S. didn't do more. The former official said that, a few weeks later, a meeting took place in the Vice-President's office. "The subject was how to create a casus belli between Tehran and Washington," he said.

In June, President Bush went on a farewell tour of Europe. He had tea with Queen Elizabeth II and dinner with Nicolas Sarkozy and Carla Bruni, the President and First Lady of France. The serious business was conducted out of sight, and involved a series of meetings on a new diplomatic effort to persuade the Iranians to halt their uranium-enrichment program. (Iran argues that its enrichment program is for civilian purposes and is legal under the Nuclear Non-Proliferation Treaty.) Secretary of State Rice had been involved with developing a new package of incentives. But the Administration's essential negotiating position seemed unchanged: talks could not take place until Iran halted the program. The Iranians have repeatedly and categorically rejected that precondition, leaving the diplomatic situation in a stalemate; they have not yet formally responded to the new incentives.

The continuing impasse alarms many observers. Joschka Fischer, the former German Foreign Minister, recently wrote in a syndicated column that it may not "be possible to freeze the Iranian nuclear program for the duration of the negotiations to avoid a military confrontation before they are completed. Should this newest attempt fail, things will soon get serious. Deadly serious." When I spoke to him last week, Fischer, who has extensive contacts in the diplomatic community, said that the latest European approach includes a new element: the willingness of the U.S. and the Europeans to accept something less than a complete cessation of enrichment as an intermediate step. "The proposal says that the Iranians must stop manufacturing new centrifuges and the other side will stop all further sanction activities in the U.N. Security Council," Fischer said, although Iran would still have to freeze its enrichment activities when formal negotiations begin. "This could be acceptable to the Iranians—if they have good will."

The big question, Fischer added, is in Washington. "I think the Americans are deeply divided on the issue of what to do about Iran," he said. "Some officials are concerned about the fallout from a military attack and others think an attack is unavoidable. I know the Europeans, but I have no idea where the Americans will end up on this issue."

There is another complication: American Presidential politics. Barack Obama has said that, if elected, he would begin talks with Iran with no "self-defeating" preconditions (although only after diplomatic groundwork had been laid). That position has been vigorously criticized by John McCain. The Washington *Post* recently quoted Randy Scheunemann, the McCain campaign's national-security director, as stating that McCain supports the White House's position, and that the program be suspended before talks begin. What Obama is proposing, Scheunemann said, "is unilateral cowboy summitry."

Scheunemann, who is known as a neoconservative, is also the McCain campaign's most important channel of communication with the White House. He is a friend of David Addington, Dick Cheney's chief of staff. I have heard differing accounts of Scheunemann's influence with McCain; though some close to the McCain campaign talk about him as a possible national-security adviser, others say he is someone who isn't taken seriously while "telling Cheney and others what they want to hear," as a senior McCain adviser put it.

It is not known whether McCain, who is the ranking Republican on the Senate Armed Services Committee, has been formally briefed on the operations in Iran. At the annual conference of the American Israel Public Affairs Committee, in June, Obama repeated his plea for “tough and principled diplomacy.” But he also said, along with McCain, that he would keep the threat of military action against Iran on the table.
