

SHATEGIC INTELLIGENCE AND





### By Raphaël RAMOS, Research Associate at ESISC

By visiting a region which has been unquestionably altered by his tenure in office, President George W. Bush has demonstrated once again the growing importance of the Middle East for the United States and its security. The peace process, the nuclear ambitions of Tehran, the situation in Iraq and the instability in Lebanon are all sensitive issues that Mr. Bush will have to deal with before leaving the White House in January 2009. Among these questions, Iran seems to be the main concern of the American Administration and of many countries of the region.

On January 6, the naval incident in the Straits of Hormuz involving vessels of the U.S. Navy and small boats of the Revolutionary Guards provided yet another illustration of the extreme precariousness in which the region finds itself. Meanwhile, the recent report of American intelligence services stating that Iran ended its nuclear programme in 2003 was seen by United States allies in the region as a possible inflection point in the position of the Bush Administration on this subject.

For these reasons, the question of Iran occupied a central place during the visit of President Bush to Israel, the West Bank, Kuwait, Bahrain, the United Arab Emirates, Saudi Arabia and Egypt. As we draw our conclusions on the results, we see three goals of the American President's tour as regards Iran. First of all, Mr. Bush was concerned to reassure Israel of his determination to fight against the Iranian threat. Then he wanted to convince the monarchies of the Gulf of the need to continue the policy of isolating Tehran. Finally, he wished to strengthen the cooperation between Washington and the countries of the Arabian Peninsula in the domain of security.

## 1. To dissipate the confusion created by the American intelligence report in Israel

Mr Bush began his Middle Eastern tour on January 9, 2008 in Israel. The American President was received by his Israeli counterpart, Shimon Peres, as well as by Prime Minister Ehud Olmert for what was his first visit to the Jewish State since his arrival in the White House. The question of the peace process occupied a large part of the American President's

stay in Israel and in the West Bank.¹ Though this point was officially the main objective of this visit, it also allowed Mr. Bush to speak with the principal Israeli leaders about the matter of Iran and the recent report of American intelligence.

#### • Israeli concerns

On December 2, 2007, the American intelligence services created a surprise by stating with 'high confidence' that Tehran had stopped its nuclear programme in the autumn of 2003<sup>2</sup>. By going against the line defended by the Bush Administration, the debatable conclusions of this NIE<sup>3</sup> (National Intelligence Estimate) strengthened the Islamic Republic in its posture of defiance towards the United States and the international community. They also caused doubts to appear over the firmness of the American position with respect to Iran. Indeed, this report limits the margin of manœuvre of the Bush Administration and reduces the probability of American military intervention.

In Israel, the question of Iran's nuclear ambitions is taken very seriously. That explains the surprise with which the conclusions of the NIE on Iran's stopping its nuclear programme were met there. These conclusions were indeed publicly challenged by Israeli Minister of Defence Ehud Barak. According to Barak, the halt confirmed by the American services did not last very long and the Iranian nuclear programme was resumed.<sup>4</sup> By weakening the position of the Bush Administration, this report aroused concerns among Israeli leaders over changes in the American policy on Iran. Interpreted by some as a signal of the 'end of the United States commitment to stand alongside Israel,' the conclusions of the NIE reinforced the probability of unilateral strikes by the Jewish State against Iran<sup>5</sup>. This scenario seems indeed to be more and more credible now that the diplomatic process has hardly produced results and Washington's margin for manœuvre seems to be reduced. It will be recalled that when approaching an obstacle Israel has never hesitated to intervene militarily against this type of threat. In 1981, Israeli planes destroyed the Osirak reactor in Iraq. Last September, an air raid was conducted against nuclear installations in Syria.

### • American guarantees

President Bush counted on using this trip as a way of reassuring Mr. Olmert's government of his determination to prevent Tehran from getting nuclear arms. Even before his departure for the Middle East, he told an Israeli daily that he was going to the region to remind people that the United States continues to view 'Iran as a threat' and that the NIE 'does not reduce this threat, just clarifies it.' 6 These statements were probably somewhat reassuring for Messrs Olmert and Barak, who intended to present to the American

http://www.dni.gov/press\_releases/20071203\_release.pdf

<sup>&</sup>lt;sup>1</sup> Ilene R. Prusher, 'On Mideast trip, Bush hopes to propel historic Israeli-Palestinian peacemaking,' *The Christian Science Monitor*, January 10, 2008. <a href="http://www.csmonitor.com/2008/0110/p01s07-wome.html?page=1">http://www.csmonitor.com/2008/0110/p01s07-wome.html?page=1</a>

<sup>&</sup>lt;sup>2</sup> Iran: Nuclear Intentions and Capabilities, National Intelligence Estimate, Office of the Director of National Intelligence, November 2007, p. 6.

<sup>&</sup>lt;sup>3</sup> On this subject, see Raphaël Ramos, *Iran: What credence should one give to the turn-around in American intelligence?*, ESISC, January 4, 2008. <a href="http://www.esisc.eu/documents/pdf/fr/iran-et-renseignement-americain-339.pdf">http://www.esisc.eu/documents/pdf/fr/iran-et-renseignement-americain-339.pdf</a>

<sup>4 &#</sup>x27;Israel's defense minister disputes U.S. assessment on Iran,' The Associated Press, December 4, 2007. <a href="http://www.iht.com/articles/ap/2007/12/04/africa/ME-GEN-Israel-Iran.php">http://www.iht.com/articles/ap/2007/12/04/africa/ME-GEN-Israel-Iran.php</a>

<sup>&</sup>lt;sup>5</sup> Michael Hirsh, 'What Will Israel Do?' *Newsweek*, December 20, 2007. http://www.newsweek.com/id/81215

<sup>&</sup>lt;sup>6</sup> Michael Abramowitz, Ellen Knickmeyer, 'As Bush Heads to Mideast, Renewed Questions on Iran,' *The Washington Post*, January 7, 2008. <a href="http://www.washingtonpost.com/wp-dvn/content/article/2008/01/06/AR2008010601574.html">http://www.washingtonpost.com/wp-dvn/content/article/2008/01/06/AR2008010601574.html</a>

President information which caused them to believe that the conclusions of the NIE were erroneous.<sup>7</sup>

When asked about the relevance of the NIE during a press conference, Mr. Bush minimised the scope of the conclusions of the intelligence services without rejecting them outright. He insisted on the fact that the report demonstrated the existence of a nuclear programme in Iran. For Mr. Bush, this validates the American position, according to which the Islamic Republic remains a serious threat which should be understood as such. He also reconfirmed his determination to 'maintain pressure' on Tehran in order to 'find a diplomatic way out.' In private, the American President, who informed Ehud Olmert of the contents of the NIE during the conference in Annapolis, assured the Israeli Prime Minister that he did not share the conclusions of the report. After the American President left, Mr. Olmert stated that he was 'very satisfied' with his talks with Mr. Bush on the subject of Iran.9

### 2. To convince the countries of the Gulf to maintain political isolation

In the second part of his trip, the American President visited the region of the Persian Gulf. He met there with the leaders of Kuwait, Bahrain, the United Arab Emirates and Saudi Arabial. Mr. Bush sought to convince his longstanding allies of the need to keep pressure on Tehran.

### • Reticence over the American policy on Iran

When visiting the Gulf, President Bush was aware of the doubts of his Sunni allies regarding his policy of isolating the Islamic Republic. **Despite the concerns shown by the various states, it should be noted that they are very cautious over the idea of a new armed conflict in the region.** Thus, Kuwait made it known that it would not authorise the United States to use its territory to launch an attack against Tehran.<sup>10</sup> The emirate, which shelters one of the most important American bases in the region, is indeed in a delicate situation, torn between its strategic alliance with the United States and the good relations it would like to maintain with Iran. Moreover, just a few days after the departure of the American President, the Kuwaiti Minister of Foreign Affairs stated during a meeting with his Iranian counterpart that he knew how to tell the difference between his friends and his enemies, adding that Iran was a friend of Kuwait.<sup>11</sup>

The situation is identical in Bahrain, where there is the headquarters of the United States Fifth Fleet. In a kingdom where the majority of the population is Shiite, whereas the king is Sunni, the question of any American military intervention against Tehran is very unpopular. Whereas the local authorities are concerned over the nuclear ambitions of a state which has, in the past, made territorial claims on the island, they remain opposed to any armed conflict with Iran in order to preserve the links between the two countries.<sup>12</sup>

<sup>&</sup>lt;sup>7</sup> Barak Ravid, 'Barak to explain to Bush why American intelligence is wrong about Iran's nukes,' *Haaretz*, January 7, 2008. <a href="http://www.haaretz.com/hasen/spages/942092.html">http://www.haaretz.com/hasen/spages/942092.html</a>

<sup>&</sup>lt;sup>8</sup> President Bush and Prime Minister Olmert Participate in Joint Press Availability, Office of the Press Secretary, January 9, 2008. <a href="http://www.whitehouse.gov/news/releases/2008/01/20080109-4.html">http://www.newsweek.com/id/91673</a>
<a href="http://www.newsweek.com/id/91673">http://www.newsweek.com/id/91673</a>

<sup>&</sup>lt;sup>10</sup> Bush visits the Fifth Fllet against a background of tension with Iran,' Reuters, January 13, 2008. http://www.lemonde.fr/web/depeches/0,14-0,39-33882278@7-37,0.html?xtor=RSS-3208

<sup>&</sup>lt;sup>11</sup> Scott MacLeod, 'Bad Reviews for Bush in the Mideast,' *Time*, January 16, 2008. http://www.time.com/time/world/article/0,8599,1704296,00.html

<sup>&</sup>lt;sup>12</sup> 'Bush's Visit to Bahrain, A Push for Further Cooperation Says State Minister,' Bahrain News Agency, January 12, 2008. <a href="http://english.bna.bh/?ID=65923">http://english.bna.bh/?ID=65923</a>

For the United Arab Emirates (UAE), relations with the Islamic Republic are also very important. The commercial links between the two states have seen very considerable growth. In 2006, Iran imported goods from the UAE worth more than twelve billion dollars. Dubai thus owes a good deal of its prosperity to its commercial exchanges with Iran. Furthermore, a growing number of Iranian companies have set themselves up in the emirate in order to get around the economic sanctions imposed by the international community.<sup>13</sup> The banking links which have developed between Dubai and Tehran constitute one source of concern for Washington and its policy of isolation.<sup>14</sup>

Saudi Arabia, the United States' strategic ally in the region, has also showed itself to be cautious about the policy of the Bush Administration on Iran. A week before the arrival of the American President, the Saudi Minister of Foreign Affairs stated that his country was opposed to a military confrontation in the Gulf. The Saudi monarch seems in fact to favour dialogue over isolation in his policy with respect to Tehran. The recent reception of Iranian President Mahmud Ahmadinejad by the Saudi authorities on the occasion of the annual pilgrimage to Mecca is a good illustration of this. The recent reception of the annual pilgrimage to Mecca is a good illustration of this.

## • To handle its allies carefully on the question of democracy so as to strengthen cooperation over Iran

Well aware of these realities, President Bush came to the Gulf with the official purpose of promoting democracy there. The highlight of this tour was expected to be the speech delivered in Abu Dhabi on January 13. George Bush praised liberty and justice while expressing appreciation for the progress achieved by certain states in the region. However, he did not fail to mention the road remaining to be traveled without citing any specific countries or leaders, even if there was an allusion made to Egypt. Speaking of Iran, he restated that it was the main support of terrorism in the world. And he added that 'the actions of Iran threaten the security of countries around the world.' The American President sought to reassure his allies in the region: 'the United States is strengthening its old commitment to the security of its friends in the Gulf and is bringing together its friends in the world to confront this danger before it is too late. <sup>17</sup>

Nonetheless, this speech and the various meetings arranged with the countries of the Gulf do not seem to have produced any concrete results in the matter of Iran. While the Gulf states share Washington's unease over Tehran's ambitions, they are no less attached to stability in the region and perceive Iran as a neighbour with whom one should engage in dialogue. **This tour thus seems to have shown the limits of influence of the Bush Administration over its allies in the Gulf.** The most emblematic example of this reality was the refusal of the Saudis to increase oil production in order to force down prices. The Saudi Oil Minister answered the request of the American President saying that his country would increase its production 'when the market required it.' <sup>18</sup> Moreover, the visit of Nicolas

<sup>&</sup>lt;sup>13</sup> Michael Jacobson, 'Pressure Gauges,' *Guardian Online*, January 16, 2008. http://www.washingtoninstitute.org/templateCo6.php?CID=1121

<sup>&</sup>lt;sup>14</sup> Daniel Dombey, Simeon Kerr, 'Bush plays down call for Gulf reforms,' *The Financial Times*, January 13, 2008. <a href="http://www.ft.com/cms/s/o/884c7df6-c211-11dc-8fba-0000779fd2ac,dwp\_uuid=f98b03ba-4d11-11da-ba44-0000779e2340.html">http://www.ft.com/cms/s/o/884c7df6-c211-11dc-8fba-0000779fd2ac,dwp\_uuid=f98b03ba-4d11-11da-ba44-0000779e2340.html</a>

<sup>&</sup>lt;sup>15</sup> Damien McElroy, 'George Bush calls Iran 'leading terror sponsor',' *The Daily Telegraph*, January 13, 2008. <a href="http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2008/01/13/wiran213.xml">http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2008/01/13/wiran213.xml</a>

<sup>&</sup>lt;sup>16</sup> 'Ahmadinejad makes the pilgrimage to Mecca,' *NouvelObs.com*, Decemer 17, 2007. http://tempsreel.nouvelobs.com/actualites/international/proche moyenorient/20071217.OBS0524/ahmadinejad effectue le pelerinage de la mecque.html

<sup>&</sup>lt;sup>17</sup> President Bush Discusses Importance of Freedom in the Middle East, Office of the Press Secretary, January 13, 2008. <a href="http://www.whitehouse.gov/news/releases/2008/01/20080113-1.html">http://www.whitehouse.gov/news/releases/2008/01/20080113-1.html</a>

<sup>&</sup>lt;sup>18</sup> Scott MacLeod, 'Bad Reviews for Bush in the Mideast,' op. cit.

Sarkozy to Saudi Arabia, Qatar and the UAE at the same time as his American counterpart illustrated the wish of Gulf countries to diversify their relations with the West.

Mr. Bush's tour nevertheless did make it possible to raise the question of banking relations between Tehran and its neighbours. In this domain, certain progress was confirmed. In Bahrain, the *Ahli United Bank*, which has important links with Tehran, made it known that it had suspended its relations with Iran in connection with the visit of the American President.<sup>19</sup> This decision could well be emulated by other banks in the region, notably in the United Arab Emirates, which owe a considerable part of their prosperity to their relations with Tehran. Washington would like Dubai to go further than the sanctions provided by the United Nations by putting an end to its relations with the Iranian banks. If the *Financial Times* is to be believed, this possibility is gaining ground in certain Gulf countries.<sup>20</sup>

# 3. To strengthen cooperation with Gulf countries in the domain of security

This tour of the Middle East by President Bush also made it possible to finalise the sale of arms to certain Gulf States, such as Saudi Arabia. This formed part of a process initiated by the American Administration in 2006 and intended to strengthen cooperation in the domain of security between the United States and the Gulf countries. It is obvious that the growing influence of Iran in the Middle East is one of the principal factors behind this rapprochement.

### • The Gulf Security Dialogue

Ever since the creation of the Gulf Cooperation Council (GCC) in 1981<sup>21</sup>, successive American administrations have shown their desire to collaborate with this regional body that brings together Saudi Arabia, Kuwait, Bahrain, Qatar, Oman and the United Arab Emirates. This commitment of the United States to the GCC takes various forms, as for example, arms sales, the implementation of programmes of military cooperation and arranging joint military exercises with local armies. In order to strengthen the collaboration between the United States and the GCC in the domain of defence, in May 2006 the Bush Administration Bush decided to create a specific coordination organ: the Gulf Security Dialogue (GSD)<sup>22</sup>.

The GSD is a forum where high American officials and their counterparts in the GCC can discuss bilateral or multilateral initiatives in six principal domains: improvement of defence capabilities and interoperability of the GCC, questions affecting regional security, proliferation, counter-terrorism, protection of sensitive infrastructures and Iraq. Nonetheless, it should be mentioned that the GSD is above all used in a multilateral context.<sup>23</sup> It is not supposed to interfere with bilateral arrangements which may exist between the United States and members of the GCC. For American officials, the establishment of this structure is intended over time to reduce the dependence of the countries vis-à-vis the United

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<sup>&</sup>lt;sup>19</sup> Borzou Daragahi, 'Bush fails to persuade Arab allies,' *The Los Angeles Times*, January 19, 2008. <a href="http://www.latimes.com/news/nationworld/world/middleeast/la-fg-iran19jan19,1,5147792.story?coll=la-middleeast">http://www.latimes.com/news/nationworld/world/middleeast/la-fg-iran19jan19,1,5147792.story?coll=la-middleeast</a>

<sup>&</sup>lt;sup>20</sup> Daniel Dombey, Simeon Kerr, 'Bush plays down call for Gulf reforms,' op. cit.

<sup>&</sup>lt;sup>21</sup> The GCC was created by the Arab countries of the Gulf in order to facilitate dialogue between its members on political and economic issues and to coordinate their activities in the domain of security. The objective of the GCC has been to minimise external intervention in the affairs of the Gulf.

<sup>&</sup>lt;sup>22</sup> The Gulf Security Dialogue and Related Arms Sale Proposals, Congressional Research Service, RL 34322, January 14, 2008, pp. 1-2. <a href="http://www.fas.org/sgp/crs/weapons/RL34322.pdf">http://www.fas.org/sgp/crs/weapons/RL34322.pdf</a>
<sup>23</sup> Ibid., p. 2.

States. This is the background for the recent arms sales discussed by President Bush during his visit to the Middle East.

### • Arms sales to the Gulf countries

George Bush's visit to the Persian Gulf made it possible to conclude many arms contracts that were under discussion since last summer with the six members of the GCC.<sup>24</sup> The total amount is estimated to have been more than twenty billion dollars. The largest of these contracts concerns the purchase by Saudi Arabia of so-called smart bombs. The monarchy will, in particular, receive JDAM (Joint Direct Attack Munition) kits. Placed on traditional bombs, the JDAM make it possible to appreciably enhance the precision thanks to satellite guidance. The value of these kits is estimated to be around 120 million dollars<sup>25</sup>. The United Arab Emirates also are buying 200 JDAM kits.<sup>26</sup> By means of these contracts, the American Administration intends to counter the development of Tehran's influence at the regional level. It also hopes that by strengthening military cooperation with these states it will prompt them to adhere to the American policy of isolating Iran. The details on all these contracts were made public in a document issued by the research service of the U.S. Congress.<sup>27</sup>

While these transactions are a continuation of the policy of military cooperation with the countries of the GCC dating from the beginning of the 1980s, they have caused a polemic between the United States and Israel. The JDAM system is an offensive weapon and its sale to these states which do not recognise the existence of Israel does not meet with unanimity among American Congressmen. The Congress has a right of veto over arms sales, but there is not much likelihood that these contracts will fail to be approved.<sup>28</sup> At the same time, the Israeli authorities have made known their concern regarding these sales of high technology weapons. They have nonetheless been reassured by Washington ever since July 2007. When the contracts with the GCC were being discussed, the Bush Administration allocated to the Jewish State a military aid package valued at more than thirty billion dollars over the coming ten years. It was agreed that the JDAM kits being sold to Israel in the context of these new contracts will be more advanced than those which Saudi Arabia will have. This should allow the Jewish State to keep its qualitative advantage in the military domain with respect to the other countries in the region.<sup>29</sup>

### 4. Conclusion

With the re-launch of the peace process, the question of Iran was at the centre of the visit to the Middle East by George Bush at the start of 2008. By having recourse to a more personal form of diplomacy, the American Administration has tried to reassure Israel and to convince the countries of the Gulf of the validity of the policy of isolating Iran. On this first point, it seems that President

<sup>&</sup>lt;sup>24</sup> Davis S. Cloud, 'U.S. Set to Offer Huge Arms Deal to Saudi Arabia,' *The New York Times*, July 28, 2007.

 $<sup>\</sup>frac{\text{http://www.nytimes.com/2007/07/28/washington/28weapons.html?}}{\text{dxnnlx=1201705652-a2VFuS3X808zc7TDpXP/ww}} \\ \\ r=1&adxnnl=1&oref=slogin&adxnn=1&oref=slogin&adxnn=1&oref=slogi$ 

<sup>&</sup>lt;sup>25</sup> James Gerstenzang, 'U.S. offers Saudis 'smart' arms technology,' *The Los Angeles Times*, January 15, 2008. <a href="http://www.latimes.com/news/nationworld/world/middleeast/la-fg-bush15jan15,1,7703696.story?coll=la-middleeast">http://www.latimes.com/news/nationworld/world/middleeast/la-fg-bush15jan15,1,7703696.story?coll=la-middleeast</a>

<sup>&</sup>lt;sup>26</sup> Walter Pincus, 'A New Arms Race in the Gulf?' *The Washington Post*, January 21, 2008. <a href="http://www.washingtonpost.com/wp-dyn/content/article/2008/01/20/AR2008012001818">http://www.washingtonpost.com/wp-dyn/content/article/2008/01/20/AR2008012001818</a> pf.html <sup>27</sup> *The Gulf Security Dialogue and Related Arms Sale Proposals*, Congressional Research Service, *op*.

<sup>&</sup>lt;sup>28</sup> James Gerstenzang, 'U.S. offers Saudis 'smart' arms technology,' op. cit.

<sup>&</sup>lt;sup>29</sup> Dan Williams, 'Israel to get smarter U.S.-made bombs than Saudis,' Reuters, January 13. 2008. http://news.yahoo.com/s/nm/20080113/pl\_nm/arms\_israel\_saudi\_dc

Bush's doubts over the relevance of the NIE convinced Israeli leaders of support by the United States in the face of the Iranian threat. As regards the Arab countries, the warm reception shown to the President did not conceal the decline of influence of a President at the end of his term in office, weakened by the NIE and very unpopular in the region. The refusal given to Mr. Bush on the question of Saudi Arabia's increasing oil production and the announcement of the opening of a French military base in Abu Dhabi are illustrations of this.

This tour also revealed what can be interpreted as an understanding between Washington and Jerusalem on the question of possible military intervention against Tehran. The hardening of the rhetoric by Israeli officials as well as the consequences of the NIE on the weight of the Bush Administration seem now to place the Jewish State on the front line regarding Iran. This seems to have been confirmed by John Bolton, former United States ambassador to the United Nations and supporter of a hard line on a nuclear Iran. According to Mr Bolton, the chances that Mr. Bush will authorise military action against Iran before January 2009 are now 'close to zero.' <sup>30</sup>

Finally, this Presidential tour shed light on the contradictions within the positions of the Gulf countries. Ever since the appearance of the NIE, these states have made known their concerns over what they perceive to be disengagement by Washington. Immediately the U.S. Secretary of Defense Robert Gates went before the GCC to reassure its members. At the same time, these states are trying to maintain good neighbourly relations with Tehran. Thus President Mahmud Ahmadinejad had his first telephone conversation with his Egyptian counterpart, Hosni Mubarak. He was also received in Saudi Arabia and the Kuwaiti Minister of Foreign Affairs assured Iran of the friendship of his country. These states must be aware that this ambiguity is counter-productive and that they are actively adding to the instability that characterises the region.

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<sup>&</sup>lt;sup>30</sup> Barak Ravid, Yuval Azoulay, « Bolton: Chance Bush will okay Strike on Iran is 'close to zero' », *Haaretz*, 22 janvier 2008. <a href="http://www.haaretz.com/hasen/spages/947169.html">http://www.haaretz.com/hasen/spages/947169.html</a>