Testimony of

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“Tehran and Terrorism:
Iran Under President Muhammad Khatami”

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The Investigative Project
Executive Summary

Ever since the election of Muhammad Khatami as President of Iran in May 1997, the world has been debating the meaning of his victory and the significance of his statements and the actions of the Iranian government. Has Iran’s support for terrorism diminished? How has Khatami affected the Iranian terrorist apparatus? Has there been any quantifiable change in the conduct of Iran? And what if anything can we say about Khatami and the effect of American sanctions and the policy of containment?

To be sure, an increasingly robust public debate has emerged in Iran under President Khatami over the future direction of Iran, although the debate is almost exclusively focused on internal politics and economics. Sometimes, the debate has unfolded directly on the merits of Iranian policies, but more often has become translated into bitter proxy fights fought by indictments, allegations of impropriety and religious infidelity. The election of Khatami himself seemingly heralded a new willingness to challenge the conservative religious monopoly under the existing revolutionary regime of Ayatollah Ali Khamene’i in the area of social policy and market economy.

The new openness and bold expressions of dissent—in reality a hallmark of traditional Iranian cultural independence—seems to have been bursting at the seams of society, churning beneath the repressive religious and social chains imposed during the past 18 years. New publications, books, radio programs, importation of foreign periodicals, and even previously banned films have suddenly surfaced in a society desperate for intellectual diversity and challenges. And there have been several public statements issued by President Khatami that, relative to others, have sounded soothingly moderate, particularly to Western ears accustomed to the steady drumbeat of the demonization of the West and its culture.

But in the end, a comprehensive assessment of the policies of the Iranian government in the past year shows that support for international terrorist organizations, particularly Hizbollah, Hamas, Islamic Jihad, and the Sudanese National Islamic Front, has not abated. Indeed, Iran has continued to provide financial and military support to these terrorist
groups while simultaneously operating its clandestine intelligence gathering apparatus, front organizations, and false flag agents of influence in the Middle East, Western Europe, the old Soviet republics, and even North America.

Although there are those who contend that President Khatami may be the first Iranian leader since the revolution to seek a genuinely sincere accommodation with the United States, the fact remains that he does not speak for nor represent the other domains of power in the Iranian regime where support for anti-American and anti-Western policies remains a staple of their Islamic Revolutionary identity. As the United States grapples with a genuine policy conundrum as how best to encourage Khatami and other moderate forces in Iran, the enthusiasm bred by the prospect of engaging in a dialogue with a post-Revolutionary leader ought not blind us to the realities that the Iranian terrorist apparatus is alive, intact, and presently engaged in supporting acts of terrorism and anti-Western and anti-American radicalism in many parts of the world.

Khatami’s own views and policies on militant Islamic terrorism are now the subject of major debate in the U.S. intelligence community. Is he a genuine moderate, seeking a historical reconciliation with the United States? Or is he merely a pragmatist, aware that Iranian economic and cultural isolation bred by the mullahs’ ideological anti-American fervor has perpetually doomed Iran to economic ruin? Even a critical examination of the statements made by President Khatami himself suggests that he still feels compelled to occasionally echo radical sentiments that reflect an unremitting hatred of Israel, pro-Western American policies and culture. How should we evaluate these statements? Are Khatami’s radical statements merely designed to protect his power base as he singularly charts a new moderate course? Or is Khatami’s posture reflective of a calculated effort to lull the United States into a false sense of security—to drop the sanctions and relax the prohibitions on investment and trade?

Whatever the motivation of Khatami, the Iranian terrorist apparatus is still on automatic pilot.
- Iran continues to fund and train members of the Hamas and Palestine Islamic Jihad in carrying out mass terrorist operations against Israeli civilians.
• Iran has recently developed a network of militant recruits in Jordan to attack Jordanian and Israeli targets.

• Iran continues to operate training camps for terrorists in Iran for attacks against U.S. targets in the Persian Gulf and against pro-Western Arab regimes such as Saudi Arabia and Jordan.

• Iran has provided weapons and training to the vast network of growing Hizbollah terrorist infrastructure now operating in Jordan, Saudi Arabia, and Bahrain, as well as in Europe and Asia.

• Iran’s extensive network of front groups of religious organizations, student groups, and front companies operates throughout Western countries in collecting intelligence, carrying out surveillance, threatening and attacking Iranian dissidents, preparing for future terrorist operations, and acquiring illicit advanced technology for Iran’s chemical, biological, and nuclear programs. Iranian agents and surrogates help recruit and operate terrorist cells in the West.

• Tehran continues to serve as a central meeting place and sanctuary for Middle Eastern terrorist leaders.

• Iran continues to affirm the death sentence and bounty against the writer Salman Rushdie.

• Iran continues to cultivate Hizbollah operatives around the globe.

It is a matter of historical fact that the Islamic Republic in Iran has used terrorism as an element of its foreign policy since its birth in 1979. Iran’s ties to terrorist groups exist on multiple levels. The Iranian revolution has served as an example for Islamic extremists who wish to create Islamic republics in their homelands. Iran provides material support and trains operatives of several terrorist groups, including the Palestinian Islamic Jihad, Hamas, and Hizbollah. The list enumerating Iran’s hand in some of the most horrific terrorist attacks is unparalleled: the bombing of Marine Barracks in 1983 in Beirut killing 241 Marines; the bombing of the U.S. Embassy and Consulate in Beirut in 1983 and 1984; the kidnapping and execution of American hostages in Lebanon; the hijacking of American planes; multiple suicide bombings against Israeli civilian targets; assassination of scores of Iranian dissidents in Europe and the Middle East; and deadly bombings of American facilities in Saudi Arabia in 1995 and 1996; the bombings of the Israeli Embassy in 1992
and Jewish Cultural Center in 1994 in Buenos Aires.

Iranian agents have directly engaged in political assassinations. For instance, the 1997 annual State Department Report on International Terrorism reports Iran conducted at least 13 assassinations last year, mostly against opposition figures in northern Iraq. Sometimes, Iranian agents use other groups or agents to conduct terrorist attacks, as it did in carrying out the assassination of four Kurdish leaders in the Mikonos restaurant in Germany in 1992.

Iranian agents who have been implicated in the deaths of Americans abroad continue to work in Iranian intelligence. According to published reports, Ahmad Sherifi, a senior Iranian Intelligence officer and a top official in the Revolutionary Guard, met with Hani Abd Rahim Sayegh, the getaway driver in Khobar bombing in Saudi Arabia, which killed 19 American Servicemen in 1996. Sherifi reportedly met Sayegh in Qom, Iran, and later met with him in Damascus, Syria. Sherifi also recruited members for the military wing of Hizbollah-Bahrain in Qom, and later wrote checks to these Bahrainis, drawn from a Revolutionary Guard bank account in Iran. Sherifi still maintains his position in Iranian Intelligence.

The importance of terrorism as a foreign policy tool in Iran is demonstrated by the fact that Tehran has an organizational frame-work set-up to handle terrorist activities. There are officials in the Vevak, the Iranian intelligence apparatus, specifically assigned to handle ties with terrorist groups. Iran has special terrorist units, like the “Jerusalem Forces,” also known as the Al-Quds Army, that operate in the field.

The Iranian government’s support for terrorism is so deeply ingrained that it would take a monumental shift to change the status quo. Based on the critical balance of power between Khatami and the more conservative mullahs who continue to run most sectors of the government as well as control collection and distribution of funds, Khatami does not appear, at this time, to have the power necessary to alter Iran’s foreign policy. Yet, the popular support Khatami has received for his free market approach to the introduction of intellectual ideas into Iran has galvanized major pockets of supporters among the popula-
Khatami's ascendancy to the Presidency has been accompanied by a wave of optimistic speculation that he truly represents the genuine Iranian moderate that the United States has searched for so long—sometimes sought so desperately, as during the Iran-contra scandal, that American policymakers have confused moderation with pragmatism with tragic consequences. Yet, Khatami's portrayal as a moderate Iranian cleric who desires some type of break with the existing anti-American identity of Islamic Republic is not without some justification, although some of the new U.S. advocates of dropping the “Iran containment” policy are making leaps of faith that could prove counter-productive and dangerous to U.S. national security if implemented.

Khatami's interview with CNN's Christianne Amanpour this past January was highly publicized, and sparked debate about whether the Clinton administration should engage Iran in talks. While Khatami may indeed represent a reformist trend among Iran's clerical elite, his ability to make major changes in his nation's foreign policy is at best minimal. He can only tinker with the system, particularly when it comes to foreign policy. Any real changes in policy would have to get the explicit permission of Ayatollah Khamene'i, the ruling cleric, and the real power behind the government who openly champions the need to attack the United States as the rudimentary philosophy of Iran.

Today's hearings attest to the fact that the United States is looking for an opening, no matter how small it may be, to the Islamic Republic. However, my research shows that the Iranian government has not altered its long-standing support for Islamic terrorist groups. In its outlook and practice, the regime in Tehran continues to view terrorism as a legitimate arm of its foreign policy. Indeed, Iran's leadership appears to have made a strategic decision to expand contacts with terrorist groups, especially among Sunni militants. As a regime facing overlapping, competing, and parallel centers of political, religious, and military power, Iranian support for terrorism is more a product today of a multi-compartmented government than a singular integrated regime. Yet, even accounting for the competing spheres of influence, Iranian support for exporting the Islamic fundamentalist revo-
ution is so ingrained at all levels that it is unlikely that Khatami will turn out to be the Iranian Gorbachev.

Iran and Hizbollah

In its attempt to export its Islamic revolution throughout the region of the Middle East, Iran has provided a continuous level of support to the Hizbollah (The Party of God) organization in Lebanon. The Department of State’s Patterns of Global Terrorism 1997 describes Hizbollah as a “radical Shi’a group formed in Lebanon; dedicated to creation of Iranian-style Islamic republic in Lebanon and the removal of all non-Islamic influences from area. Strongly anti-Western and anti-Israel. Closely affiliated with, and often directed by Iran, but may have conducted operations that were not approved by Tehran.”

The support that Iran provides is both financial and military. The Hizbollah leadership is frequently entertained in Tehran by the Iranian leadership which delivers directives for operations in southern Lebanon, Israel, and Jordan. Hizbollah’s operations also extend into both Europe and South America. Not withstanding those American members of the new “Iran lobby” who seek to represent Khatami as a “moderate” in foreign policy, his stance toward Hizbollah and its operations against Israeli targets receives his blanket approval.

Hizbollah emerged in 1982 under the tutelage of a number of Shi’ite clerics who followed the teachings of the Iranian mullahs and preached of the oncoming Islamic revolution in Lebanon.

A review of statements made by Hizbollah officials in 1997-1998 demonstrates that the close relationship between Hizbollah and Iran has been unaffected by the election of a “moderate” president in Iran. For example, Hizbollah Secretary General Hassan Nasrallah made the following statement when asked whether he felt Iran’s policy toward Hizbollah would change pending the elections between Khatami and Ali Akbar Natek-Nouri, the alleged “hard-liner” in the Iranian elections: “Both those candidates will not allow them-
selves to falter in any way in their support for Hizbollah and the anti-Zionist resistance.”

In October, 1997 Nasrallah was invited to Tehran—one of at least eight known trips by leading Hizbollah officials during the past 12 months—where he was interviewed in Al-Sharq Al-Awsat and stated, “the position of the Iranian leadership and of Muhammad Khatami’s government on the Lebanese and Palestinian peoples and their right to fight the occupation and liberate their usurped land has not changed at all from Iran’s former positions.” This view, issued by the leader of Hizbollah, sums up the solid nature of the relationship between Iran and Hizbollah—regardless of who is in power—that Iran will support the exporting of its revolution through Hizbollah.

One of the vehicles through which Iran supports the Hizbollah and simultaneously solidifies its influence is by means of funding religious, social, and welfare organizations in Lebanon. Although the precise amount that Iran provides is probably impossible to ascertain—insofar as it is disseminated through many official, unofficial and derivative accounts, amounting to a complex matrix of accounts—most of the reliable intelligence estimates have estimated the yearly subsidy between $75 million and $150 million. The recipients include a host of welfare, Islamic, and social communal organizations that simultaneously reinforce a militant Islamic fundamentalist identity and an affiliation with Iran while providing an economic net and incentive to those who become active with Hizbollah.

An intriguing story in Al-Watan Al-Arabi from November 28, 1997 alleges that President Khatami, recognizing the need to establish a more pervasive and permanent influence in Lebanon that will outlive any fluctuations dependent upon Syria or upon the Hizbollah directly, embarked on an expansive long range plan to inject significant Iranian funds into a much wider spectrum of Lebanese civil society to ensure that Iran has a permanent level of support that transcends the Lebanese political and religious continuum. Although the report has not been confirmed, it reveals a political pragmatism on the part of Khatami but not a corresponding political moderation.

Beyond the monetary support Iran provides to Hizbollah, is the military training and the continuous supply of increasingly advanced weapons. Iranian supplies are usually deliv-
ered via an air bridge through Damascus. According to western intelligence, more than 50 military resupply flights were conducted from Iran to Syria in October 1997 alone. Sophisticated radio frequency detonated bombs have surfaced in attacks by Hizbollah in southern Lebanon thanks to Iran. Alarming, some of this new lethal technology has found its way to the West Bank and Gaza to Hamas terrorist groups who have been assisted by Hizbollah and by Iran directly. The Associated Press reported on November 28, 1997 that the shelling of the Israeli village of Beit Lif by Hizbollah yielded shells with inscriptions on them showing that they were made in Iran. The report claimed that the weapons are flown from Iran to Syria and trucked from Syria to Hizbollah in Lebanon. As recently as April 1998, according to Al-Watan Al-Arabi, Hizbollah has been training a number of its members in Iran under the instruction of Iranian officers in the revolutionary guards.

It is clear that Hizbollah receives some of its directives directly from Tehran. Hizbollah continues to alternatively deny this logistical connection—in order to maintain its image as an independent movement among its grassroots membership—as well as laud its ties to Iran. The relationship between Iran and Hizbollah has not always followed a surrogacy pattern. Yet as the creator, spiritual father, and military guarantor of Hizbollah, Iran shares full responsibility for the proliferation of Hizbollah attacks and operations throughout the Middle East.

A recent, but unpublished instance where Iran likely dictated the actions of Hizbollah occurred when the organization attempted to operate within Jordan. According to the Jordanian newspaper Amman Shihan, the speaker of the Iranian Majles (Parliament) met with Hizbollah leaders in Damascus, Syria in January or February 1998 and agreed on a plan to carry out military operations within Jordan. Soon after the meeting, a terrorist plot against Israeli tourists at Petra, a popular tourist attraction in Jordan, was uncovered involving members of the Lebanese Hizbollah organization.

According to Arab intelligence reports, up to 11 terrorist training camps have been operated in Iran during the past year. At these camps, militant “volunteers” and guerrilla regulars from Lebanon, Syria, Jordan, Gaza, Egypt, Sudan, and Saudi Arabia have partici-
pated in operational training and surveillance exercises. Amman Shihan, on February 14, 1998, reported that five different organizations were established by Tehran to maintain direct contact with militant agents abroad, all directly answerable to Khamene’i. According to this report, the names of the groups are: 1) Islamic Cultural Liaisons; 2) Islamic Propagation Organization; 3) The Global Group Ahl al Bayt; 4) Office of Islamic News; and 5) Ministry of Culture and Spiritual Guidance.10

The Jordanian daily newspaper Amman Shihan reported on February 14, 1998 that Iran’s budget for exporting its Islamic revolution increased for 1998 by 15%.11 This, coupled with the other reports listed, leads to the conclusion that little, if anything, has changed for Iran with regard to the export of its revolution under the leadership of President Khatami.

**Iran’s Connection to Radicals in Europe**

Historically, Iranian agents have operated across Europe, eliminating opposition figures, recruiting supporters, and coordinating the activities of terrorist groups, specifically Hizbollah. For example, the assassination of former Iranian Prime Minister Shahpur Bakhtiar in August 1991 in Paris, was carried out by operatives from Tehran. The Mikonos restaurant murder trial in Germany brought to light Iran’s terrorist operations in Europe, and serves as a good case study.

Four members of an Iranian Kurdish opposition group were gunned down at the Mikonos restaurant in Berlin, Germany on September 17, 1992. The subsequent trial of the members of the “hit squad” who committed the killing helped unveil the organization of the Iranian regime’s terrorist network, specifically the part pertaining to Europe. The Berlin court issued its ruling in April 1997. Presiding Judge Frithjof Kubsch said the order to kill the Kurdish opposition figures came from the very highest levels of the Iranian government.12 He said the court found the Iranian government had a special committee to direct assassinations called the “Committee for Secret Operations,” whose members included President Hashemi Rafsanjani, Foreign Minister Ali Akbar Velayati, Ayatollah Ali Khamene’i, and Intelligence chief Ali Fallahian. The Judge said the Committee assigned
Fallahian the task of carrying out the murders, and he in turn transferred the matter to lower level intelligence agents. One of the primary contact agents in Germany was a man named Darabi, a member of the Pasdaran (Iranian Revolutionary Guards). Darabi was also a liaison with Hizbollah, and he used his contacts to recruit Hizbollah operatives for the “hit squad.” Two of the members of the “hit squad” received military and ideological training in Iran. This is how the Iranian government terrorist network in Europe worked. The German court issued an arrest warrant for Fallahian, who is no longer intelligence chief, but he has yet to be apprehended.13

While Tehran appears to be pursuing the same ends today, its agents are not likely to be the primary actors anymore. Iran has been assiduously setting up a network of Hizbollah and other Islamic operatives to carry out the work formally performed by Iranian agents. This network is being financed through Islamic religious groups and banks. The Iranian diplomatic mission to the United Nations in Geneva is one of the nerve centers for the European network. Iranian agents should have little trouble finding new recruits; there are an estimated 600 Hizbollah adherents in Germany alone.14

**Hamas and Iran**

Ties between Hamas and Iran have developed significantly since the end of the 1991 Gulf War against Iraq. Despite a clear convergence of interests in the destruction of the State of Israel and the establishment of an Islamic State in Palestine, prior to the Gulf War, ideological-sectarian differences between Hamas, a Sunni organization, and Iran, a Shi’a Muslim State, had earlier prevented the development of close ties between the two.

The Gulf War and its aftermath witnessed a historical rapprochement between Iran and Hamas. In June 1990 and February 1991, Hamas representatives traveled to Iran to discuss the situation in the Gulf with Iranian officials.15 Hamas officials returned to Iran in December 1990 and October 1991, to attend two conferences hosted by Iran in support of the armed Palestinian uprising and to sabotage the US-sponsored peace process. At the October 1991 conference, a fatwa (a religious edict) was issued that forbade abandoning
the obligation of Jihad for Palestine.\textsuperscript{16}

In 1991, Hamas and Iran agreed to open a Hamas information office in Tehran, headed by then-Chairman of Hamas' Internal Committee Imad al-Alami. Iranian financial and material assistance for Hamas, which has ranged from $20 million to $30 million per year, began shortly thereafter.\textsuperscript{17} Some intelligence reports maintain that Iran’s contribution constitutes half of Hamas’ annual fundraising collection of $60 million.

Iranian support and ties to Hamas and Islamic Jihad have continued unabated. In June 1997, one month after the election of Iranian President Hojjat ol-Eslam Seyyed Muhammad Khatami, Iran’s Deputy Foreign Minister ‘Abbas Maliki stated that Iranian “support to the Islamic Resistance Movement (Hamas) was part of the responsibility that his country bears toward the Palestinian people.”\textsuperscript{18}

According to western intelligence sources and published reports in a Persian Gulf newspaper, in early July 1997, Iran dispatched emissaries to Lebanon to meet with senior Hizbollah, Hamas, and other Palestinian terrorist groups to actively prepare for a new round of terrorist attacks against Israel to be instigated from outside the West Bank and Gaza. The Iranian instructions were clear and unambiguous. Hamas suicide bombings in Mahaneh Yehuda and Ben Yehuda killed scores of Israelis just two months later. This July 1997 contact between Hamas representative Mustafa al-Liddawi and Iranian backed Hizbollah surrogate leader Nasrallah was not an isolated incident. The two organizations train together in Lebanon.\textsuperscript{19}

In April 1998, Sheikh Ahmed Yassin, Spiritual Leader of Hamas, spent six days visiting Iran, as an official guest of the government, where he met with top Iranian officials and received political and financial backing to continue the jihad against Israel. During his visit to Iran from April 28-May 3, 1998, Sheikh Yassin met with Iranian Foreign Minister Kamal Kharazi, Deputy Foreign Minister for Arab and African Affairs Seyyed Mohammad Sadr, Revolution Leader Ayatollah Khamene’i, Expediency Council Head Hashemi Rafsanjani, and President Khatami. The trip to Iran was Yassin's fourth country on a tour of the Middle East. He had just come to Iran from Saudi Arabia, where he had secured
$100 million in donations to Hamas.\textsuperscript{20}

As with his trip to Saudi Arabia, Yassin's trip to Iran was also in pursuit of financial and material support.\textsuperscript{21} Iranian leaders welcomed Yassin, lavished praise on Hamas, and spoke about Iran's commitment to providing Hamas with assistance. The whirlwind tour of Iran by Yassin made front page news and received top billing on Iranian television through the visit. After meeting with Yassin, Ayatollah Khamene'i stated on Iranian television: “The Palestinian nation's jihad is a source of honor for Islam and Muslims... God's promises will undoubtedly come true and the Islamic land of Palestine will some day witness the annihilation of the usurper Zionist rule and the establishment of a Zionist government nation...”\textsuperscript{22} The report on Iranian television concluded with the statement that "Sheik [sic] Ahmed Yassin described the next century as the century of Islam, referring to the certain annihilation of the superpowers, including America.”

Following a separate meeting with Foreign Minister Kamal Kharrazi, Yassin vowed to “continue our struggle until the liberation of Palestine and freedom from the occupiers' oppression.”\textsuperscript{23} Kharrazi endorsed Yassin's call to enlist support in the Arab for the “liberation of all the occupied lands.” In its lead editorial, the semi-official Kayhan International proclaimed Yassin's visit as an opportunity to “mobilize Arab and Islamic powers to overthrow the Zionist-imperialist alliance which tries to give legitimacy to Zionist occupation through the so-called peace process.”\textsuperscript{24}

During his Friday sermon on May 8, 1998, Iranian Supreme Leader Khamene'i testified to the continued Iranian support for "combatants," a euphemism for terrorist organizations. He said “We support the Palestinian combatants to achieve their legitimate rights... we are proud of supporting the Palestinian combatants and deem it as our duty.”\textsuperscript{25} Later in his sermon, Khamene'i praised Hamas leader Sheikh Yassin, who had recently completed his visit to Iran.

Hamas and Iran have been typically effusive when asked about financial support arrangements. In an interview with Paris Radio Monte Carlo on May 2, 1998, Sheikh Yassin was asked about his trip to Tehran and whether there would be greater coordination between
Hamas and Iran. Yassin asserted, “The relationship is of course strong and good. Hamas has a bureau in Tehran. We hope this relationship will continue. There is material, political, and social assistance for us. We ask our brothers to use their resources to extend aid to us.” When asked specifically about Iranian financial commitments to Hamas, Yassin commented that Hamas was “…given favorable promises during our tour of the Arab and Islamic countries that we visited, particularly Iran.” In the same interview, Yassin came to the defense of Iran when asked about U.S. policy,

My brother, first of all we wish to state that the United States is the origin of arrogance and tyranny in the world…. They accused Iran of terrorism and accused us of the same. This is our path... We would like our brothers in the Arab and Islamic world to support our cause and call... That is why we say we will cooperate with our kinfolk and brothers in the Arab and Islamic world, especially Iran....

In addition to the substantial Iranian financial pledge to Hamas, the weekly Al Hadaf confirmed that Hamas was also promised technical assistance, including new explosive devices to assist in suicide attacks against Israel.

According to Hamas Political Bureau Head Khalid Mish'al, “We accept donations from any quarters, be they popular or official, provided that these donations are donations with no strings attached.” Sheikh Yassin has also claimed that Hamas is “not dependent on any country, neither Iran nor anyone else.” In Palestinian politics, the charge of being an agent of another country is a brush used to tar—with varying effectiveness—political opponents. At times when the PLO has wanted to challenge Hamas, the PLO charged that Hamas was a surrogate for Iran—although the PLO has also maintained relations with Iran at the same time.

According to a report in the weekly Al Hadaf on April 30, 1998, Iranian officials asked Sheikh Yassin and other senior Hamas leaders in Lebanon to consider moving operational headquarters to Tehran. In the aftermath of the attempted assassination of Hamas leader Khalid Misha’l, Iranian officials suggested that the move to Iran would enable Hamas leaders to evade Israeli attack and to start new military planning in Tehran without Israeli
interference.  

The joint training of Hamas and Hizbollah is indicative of an Iranian strategy to continue the export of revolution and to ensure the continued jihad for the recapture of Palestine and Jerusalem. According to Consultative Assembly Speaker 'Ali Akbar Natek-Nouri, Iran will continue to provide material and military support to the factions confronting Israel—both in and outside of Lebanon. Toward this end, it was reported in April 1998, that Natek-Nouri held meetings in Damascus with leaders of Hamas and the Islamic Jihad.

**Iran and the Palestinian Islamic Jihad**

Although the Islamic Jihad is a militant Sunni movement, it has flourished with the inspiration and support of Shi’a Iran. According to Ramadan Abdallah Shallah, Secretary General of the Islamic Jihad Movement, “Our ties with Iran date back to the first days of our movement, just after the Islamic revolution took over in Iran...”

Shallah, secretary general of the Islamic Jihad since October 1995, has been a frequent participant at various meetings featuring leaders of major terrorist groups attended by and often sponsored by Iranian government officials. At a February 1996 meeting in Damascus, Iran’s First Vice-President, Hassan Habibi met with radical Palestinian leaders including Shallah at the Iranian Embassy. According to Maher al-Taher, the spokesman for Popular Front for the Liberation of Palestine (PFLP) who was present at the meeting, “Habibi expressed Iran’s support for all Palestinian strugglers who are continuing their fight to liberate their lands from the Israeli occupation.” Others attending this meeting included PFLP leader, George Habash, Ahmed Jibril, leader of the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), and the head of the Fatah uprising, Colonel Abu Mousa. According to al-Taher, “The Palestinian leaders praised Iran’s position, which is supporting the just causes and those who are confronting pressures from the United States.” “Both sides also agreed to boost bilateral cooperation, especially in the coming period,” he added.
In June of 1996, Ramadan Abdallah Shallah attended a clandestine meeting in Tehran where a joint communiqué was issued by several terrorist leaders. The plan was to coordinate terrorist attacks and activities. It was agreed that the “al-Quds Army,” a unit of the Iranian intelligence service that deals with secret missions worldwide, would determine which operations were to be approved.  

Iran's logistical and spiritual support of the Islamic Jihad is clear. In early November 1997, Mehdi Rezae'i, the Secretary of Iran’s Expediency Council, memorialized the late Islamic Jihad leader Fathi Shikaki at a special ceremony at Tehran University commemorating the second anniversary of his death. Also present to pay tribute to the terrorist leader were Abu-Jihad and Abu Hamdan, the Palestinian Islamic Jihad representative was the Hamas representative in Tehran.

**Iranian Links to Sudanese State Supported Terrorism**

Iran has a long documented history of involvement with the terrorist supporting state of Sudan. The relationship between Sudan and Iran has been characterized by a confluence of interest in terrorism and the export of Islamic revolution. Iran provides funding, military advisors, weaponry, and material assistance to Sudan. In return, Iran receives port privileges at Port Sudan and Suakin. This cooperation does not appear to have diminished since the election of Khatami.

Iranian technical “experts” train Sudanese government soldiers and operatives at the terrorist training camps in Sudan. It was reported as recently as January 1998, that the Iranian government was sending military advisors and weapons shipments to Sudan. In addition to Iranian military advisors in Iran, there have been reports of Iranian mercenaries in Sudan who “undertake terrorist activities with the coordination of the Sudanese government.”

A sensitive intelligence source revealed that Togan Camp, an Eritrean Islamic Jihad terrorist camp in Eastern Sudan, was overrun by a democratic militia opposing the Turabi government. A search of the camp uncovered files of Farsi-language documents, as well
as a large cache of Iranian-issued weapons. Much of the money used by Sudan to train and equip foreign insurgents is provided by the Pasderan, (Iranian Revolutionary Guard).\textsuperscript{44} Iran has built and operates a radio station in Eastern Sudan, which broadcasts militant Islamic propaganda to several countries in North Africa.\textsuperscript{45}

**Terrorist Conferences in Iran**

One of the Iranian government’s mechanisms for coordinating the activities of terrorist groups is by hosting conferences, which are attended by a variety of terrorist leaders. In the past, these conferences took place on a regular basis, and involved high level Iranian officials and terrorist leaders. The June 1996 conference in Tehran, for example, which was attended by Ramadan Shallah (Palestinian Islamic Jihad), was also attended by Ahmad Salah (Egyptian Jihad), Imad Mugnyeh (Lebanese Hizbollah), Ahmad Jibril (PFLP-GC), Imad al-Alami and Mustafa al-Liddawi (Hamas), George Habash (PFLP), and a representative of terrorist financier Osama bin-Ladin.\textsuperscript{46} The election of Muhammad Khatami has not changed the Iranian regime’s policy of hosting such conferences.

In October 1997, another terrorist conference was held in Tehran, at which representatives from a variety of terrorist groups reportedly attended. Ahmad Jibril, Ramadan Shallah, and Imad Mugnyeh were there, as was Usamah Abu-Hamdan (Hamas), Abd-al-Hadi Hammadi (Hizbollah), representatives of the Egyptian al-Gama’at Islamiya, and delegates from branches of Hizbollah in the Persian Gulf. Senior Iranian officials hosted the meeting. General Mohsen Rezai’, former head of the Revolutionary Guards and currently in charge of reorganizing Iranian security services, reassured his guests the Islamic Revolution would never abandon their movements. He reportedly presented a plan for terrorist actions against the United States, Turkey, and Israel. The actions would apparently come in the form of assassinations and attacks on diplomatic, commercial, and military targets.\textsuperscript{47}

**Statements**

President Khatami speaks with a voice similar to his predecessors in some ways. Though
he issues moderate-sounding thoughts and ideas in the realm of Iranian domestic policy, he still toes the hard-line of the clerical elite when it comes to foreign policy. In a speech broadcast on Iranian television on January 26, 1998, interrupted by shouts of “Death to America,” Khatami said: “We had and have major enemies, whether before the revolution or after the revolution: Those who have harmed our interests, our independence, our freedom, and our greatness. Above all, we have received the greatest harm from unjust policies of America.”

During the same speech on January 26, 1998, Khatemi excoriated Israel. He stated: “Which factor is stronger than the racist, Zionist regime in creating tension? The root of tension in the region is the Zionist regime. And the all-round support for that regime is one of America’s wrong policies. The root of tension is Israel and the cause of tension is America’s wrong policies in supporting that racist, bullying regime, that focal point of state terrorism.”

In his first news conference after his election as President, Khatami blamed the United States for the poor relations between the United States and Iran: “As long as America formulates its relations with us on the basis of efforts to harm our independence and national interests, no relations can be established between the two countries. We are not prepared to accept bullying and hegemonistic policies, and any change in our policies toward America will depend on changes in the attitude and policies of America toward our revolution and country.”

In his February 11, 1998 address commemorating the Anniversary of the Islamic Revolution, Khatami pandered to anti-American sentiments, criticizing the United States and its presence in the Persian Gulf. Referring to the United States, Khatemi stated: “The foreign presence in the region is the cause of tension and it means disrespect for the nations of the region.”

**Rushdie Fatwa Reconfirmed Under Khatami**

Optimistic expectations that the election of a new president would result in the suspen-
sion of the religious death sentence against Salman Rushdie, the British author of “Satanic Verses” have not been realized. In February 1989, Iranian Revolution leader Ayatollah Khomeini issued a fatwa, a religious edict, calling for the death of Rushdie. Khomeini died in the summer of 1989, but the fatwa lives on—as does Rushdie, who is still in hiding, under the protection of British Secret Service.

With the election of Khatami, some observers opined that the Rushdie fatwa might be canceled or repealed. Contrary to these expectations, since the election of Khatami, Iranian officials have defiantly affirmed the legitimacy of the fatwa. On February 15, 1998, during a speech marking the anniversary of Khomeini’s death sentence fatwa, Majles Speaker Ali Akbar Natek-Nouri “expressed hope that the death sentence on apostate Salman Rushdie will be executed by Muslim to teach a lesson to those who oppose God and the divine prophets.”52 In April, Natek-Nouri stated that “…the fatwa or religious edict should be viewed equally in the context of freedom of expression of which the west considers itself a champion.”53

The Iranian Islamic Revolution Guards Corps (IRGC) has also maintained that Rushdie must die. An IRGC statement issued on February 14, 1998 stressed that the fatwa is “always enforceable,” and added: “The apostate Rushdie must receive the right desert for his shameful deed of offending the belief and sanctities of more than one billion Muslims.”54

The Rushdie death sentence fatwa has been reconfirmed by the Iranian Foreign Ministry, as recently as March 2, 1998. During an official visit, UN Human Rights Commissioner Mary Robinson apparently misrepresented the Iranian position on the Rushdie issue. In a subsequent clarification to the press, the Deputy Foreign Minister of Iran reiterated that the Khomeini fatwa against Rushdie was irrevocable.55

Conclusion

It is clear that a comprehensive review of Iranian actions and activities during the course of President Khatami’s tenure has not diminished in any way the level of support for
international terrorism by Iran. The level of financial and military support to radical Islamic groups remains intact. The policies of continued support for terrorism should serve to temper the speculation by several foreign policy specialists and former officials that have claimed that Iran has moderated its support of international terrorism. The Iranian regime today is still bent on acquiring nuclear, biological, and ballistic missile capability. It is a threat to its neighbors, to the survival of pro-Western Middle Eastern governments, and to the security of the United States and its allies in the West.

In the end, United States policy efforts to isolate Iran should continue; there should be no let up in the political and economic pressure on the Iranian regime. To the extent that President Khatami does represent a sincere change in reversing Iranian radicalism, the U.S. ought to adopt the approach of incremental reciprocity, i.e., exchanging ad hoc economic and political incentives for demonstrable changes in the Iranian regime’s support for terrorism. Economic sanctions have caused serious dislocations to the Iranian economy, breeding massive discontent which in turn led to the election of President Khatami. Loosening of these sanctions, at this point, would only result in resolidifying the power base of the radicals. If Khatami is not sincere, or is merely a pragmatist seeking to soften Western opposition to investment and technology transfer, then the policy of loosening containment will end up reversing Iran’s political incentives to change.

I would like to submit for the record a recent article from The Weekly Standard, by Edward Shirley, a pseudonym for a former senior U.S. intelligence official. The article pinpoints the situation with extraordinary clarity and insight, succinctly highlighting the issues that now confront U.S. policy.
NOTES

1 Washington Post, April 13, 1997
2 Former Iranian President, Abol Hassan Bani Sadr, says there are 17 organizations in Tehran, located in different ministries that are directly involved in terrorism (Jane's Intelligence Review, November 1, 1997).
4 Patterns of Global Terrorism 1997, United States Department of State, April 1998, p. 61
6 Tehran IRNA, March 6, 1997
7 London Al-Sharq Al-Awsat, October 16, 1997
8 Al-Watan Al-Arabi, April 10, 1998
9 Amman Shihan, April 18, 1998
10 Amman Shihan, February 14, 1998
11 Ibid.
12 Munich Focus (May 5, 1997) reports that former high-level Iranian Intelligence agent, Abolghassem Mesbahi, supplied the court with decisive evidence to support this point.
13 The information on the German court's ruling comes from a transcript of the Mikonos verdict summary, as published in Frankfurt/Main Frankfurter Rundschau, April 12, 1997.
14 The alternative Hizbollah network has allowed Iran to extend the reach of its terrorist activities. This is illustrated by the case of Steven Smyrek. Smyrek is a German citizen who converted to Islam and was recruited by Hizbollah's European operatives. He trained in Hizbollah camps in Lebanon and then returned to Europe. Soon after, Smyrek boarded a plane for Israel, with the intention of committing a terrorist attack. Before he could carry out his intended attack, however, Israeli authorities apprehended him. Smyrek is currently in an Israeli prison, awaiting trial. German authorities are preparing a case against him in preparation for an extradition request from Israel.
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15 Filasteen al Muslima, March 1991
17 Al Sha’ab, December 28, 1993, Al Sharq al A wsat, October 26, 1997, Jane’s Intelligence Review, November 1, 1997
18 Jordan Times, June 16, 1997
19 Al-Watan Al-A rabi, January 2, 1998
20 Amman Shihan, May 5, 1998
21 On April 28, 1998, Israel TV in Arabic reported that Palestinian Authority officials were concerned about Yassin’s fundraising during his visit to States in the Arabian Gulf.
22 Tehran IRNA, May 2, 1998
23 Tehran IRNA, April 29, 1998
24 Kayhan International, May 2, 1998
26 Paris Radio Monte Carlo, May 2, 1998
27 Ibid.
28 Al Hadaf, April 30, 1998
29 Al-Sharq Al-A wsat, October 26, 1997
30 Israel TV, Jerusalem Channel 2, January 24, 1998
31 Al Hadaf, April 30, 1998
32 Amman Shihan, April 18, 1998
33 Ibid.
34 Beirut Al-Shira’, July 28, 1997
35 Reuters, February 28, 1996
36 Ibid.
37 Milan Corriere D ella Sera, June 29, 1996
38 Tehran IRNA, November 3, 1997
39 Jane’s Intelligence Review, November 1, 1997
40 Opposition leader Brigadier General ’Abd al Aziz Khalid Uthman, quoted in Al Akhbar, February 19, 1997
41 EIU Country Profiles, January 5, 1998
43 The Eritrean Islamic Jihad (EIJ) is attempting to overthrow the democratically elected government of Isayas Afewerki. EIJ is allied with the Islamic Government in Khartoum.

44 Jane's Intelligence Review, November 1, 1997
45 Jane's Intelligence Review, March 1, 1998
47 Paris Al-Watan Al-Arabi, October 10, 1997
48 Tehran IRIB Television First Program Network, January 26, 1998
49 Ibid.
50 Tehran IRNA, May 27, 1997
51 Tehran First Program Network, February 11, 1998
52 Tehran IRNA, February 15, 1998
53 Tehran IRNA, April 5, 1998
54 Tehran IRNA, February 14, 1998
55 Tehran IRIB Television, March 2, 1998