The "Greater Middle East" is currently providing the world with its main political and military storms. It is sometimes said that the quietest place is actually the eye of the storm. In fact, at present, perhaps temporarily, the Israeli-Palestinian conflict is relatively quiet. It is only simmering, not boiling. I will touch upon it briefly towards the end of my remarks and will concentrate on the bigger picture of the region and on what I consider to be the main dangers.

Any serious overview of the greater Middle East must start with Iran, undoubtedly the number one danger to the region and probably to the world. Iran is a large poor country, run by an ambitious, corrupt, dictatorial Shiite theocracy. Its land area exceeds the combined areas of France, Germany, Italy and the UK. Its population is almost as large as that of Germany. However, its absolute total GDP, including all the oil, is about half of that of little Austria, indicating that poverty and lack of education are the leading problems.

The Iranian regime is not at all popular among various layers of its own society, including the middle class, the students, the regular army (as opposed to the revolutionary guard) and what you might refer to as the "intelligentsia". The eventual collapse of the Ayatollahs regime appears to be a historical inevitability, but it may happen five or ten or twenty years from now. As always, in such situations, it is not possible to predict the date of such a collapse. A great deal can happen before it takes place, and much of it can be extremely dangerous.

Iran definitely gets a grade of 10 out of 10 as a terrorist country. It has been initiating and conducting major acts of terror in Lebanon, Argentina, Saudi Arabia, Germany, Iraq, in the Muslim Republics of the former Soviet Union and in numerous other places. It is ruthless and sophisticated as a sponsor of terror. Contrary to common belief, its terror arms are not limited to religious Shiite elements. Iran is also financing and supporting other terror networks, including some religious Sunni organizations as well as secular Muslim terrorists. The victims and the targets of Iranian-inspired
terrorism have been Americans, Sunni Muslims, Jews, Iranian dissidents, and others, including numerous accidental victims.

Iran is a predominantly Shiite Muslim country but it is not an Arab country, although it has an Arab minority. The Iranians are proud of their long history and they consider themselves substantially superior to their Arab neighbors. Like others in the greater Middle East, they look back to periods in which they were the dominant power in the region.

A brief glance at the map of the Middle East immediately indicates what could be the fastest road of poor Iran into affluence: Control of the neighboring Arab oil countries and their abundant resources. That same thought occurred to Saddam Hussein. But his ill fated adventures did not discourage Iran. On the contrary, they motivate Iran to be more patient and to plan its moves in a more far sighted strategic way. After all, had Saddam postponed his Kuwait invasion by a decade, he would have now been the invincible owner of nuclear weapons and he would have had the option of conquering Kuwait without any punishment. In such a case, he would not have stopped in Kuwait.

If you wish to play a dominant role in the Arab world, there is no better way to the hearts of its masses than declaring eternal animosity to the so called Big Satan, the United States, and the so called Little Satan, Israel. These imaginative labels have been coined by the current Iranian regime. If you desperately search for any real reasons for Iranian hostility towards these two countries, you will only find a faint excuse in the close relations of both to the hated regime of the Shah. But this chapter in history had ended more than twenty five years ago. It is very unlikely that the shrewd Ayatollahs would risk their entire economy and devote their national strategy to an emotional exercise of settling accounts from such a distant past. There must be a better reason for their declared hostility: acquiring popularity in the volatile Middle East.

A further look at the same map of the Middle East indicates that Iran is far away from Israel, has no real dispute with it and has no reasonable excuse to pursue such an animosity. But, it is a fact that the only member of the UN who ever officially announced the goal of totally destroying another member state, is Iran who repeatedly announced that its aim is a complete destruction and elimination of the State of Israel. You might wonder how it is possible that Syria, Egypt, Libya and the Palestinian authority have never dared to make such an explicit statement, even though some of them would love to see such an event happen, while Iran repeats this mantra. There is only one possible explanation: this is Iran's best ticket into a dominant position in the Arab world. It is clear that such a status, rather than anything related to Israel, is what truly interests Iran. No serious person would believe that if Israel suddenly disappeared, Iran would immediately become a peace loving member of the family of nations, denouncing any form of terrorism.

The Iranian regime allegedly has a moderate wing and a more conservative wing. This is largely a charade. The "moderates" have very similar views to the radicals on all relevant issues such as supporting international terror, limiting women's rights, the alleged need to destroy Israel, the claim of superiority towards the Arab nations and the mad rush to a nuclear capability. When many of us refer repeatedly to the need of
supporting moderate elements in the Muslim world, in order to win the battle against fanatic terrorists, we should be careful to applaud the true moderates rather than the so-called "moderates" of the Iranian regime.

Iran has already succeeded in acquiring significant influence in the Arab world. It already controls half of Lebanon, through the Hizbullah, which is directly dominated, financed and commanded by it. With the partial withdrawal of Syria from Lebanon, the Iranian military presence and economic stake in Lebanon are even stronger than before. In addition, Iran has acquired a substantial power base in Syria, being the only remaining friend of that isolated regime. It is also gradually acquiring significant influence in Shiite Iraq. We shall return to this point when we discuss Iraq.

The next item on the Iranian agenda is the acquisition of nuclear weapons. We should remember that nuclear weapons are a sixty year old technology. It is older than lasers, transistors and photocopy machines. It is as old as radar, jet planes, and antibiotics.

Suppose that a country like Iran would like to produce today a car with the technology, quality and standards of performance of the very best car manufactured in the world in 1945. Would it succeed? The answer is clearly yes, but it is equally clear that it would not be a simple task and it would take time and several false starts. It would require numerous different technologies, certain raw materials, a number of extremely specialized experts, not all of whom can be locally trained, quality control, precision, a special industry of tools, and more. All of these things must be developed in parallel, some internally, some being purchased, some based on bootlegged or stolen information and, most difficult, there is a need for acquiring certain key materials.

It is important to realize that, when you develop such capabilities, you do not lose time if you temporarily freeze certain components of the program, which are not part of the so-called critical path towards completion. If you actually develop several parallel nuclear options, temporary freezes are even more affordable, without causing severe delays of the final goal. That is why the Iranians are cleverly negotiating with the European trio of UK, France and Germany repeated temporary freezes of various items, while they continue with other parts of the program, and they do not accept a permanent halt of any component of the program. Many experts estimate that the various temporary halts, so far, did not seriously delay the date in which Iran's nuclear capability will become a real threat. Remember also that nuclear weapons without a method of delivery, are useless and no one is delaying the development of the delivery systems.

Iran is a country of more than Seventy million people, literally swimming in oil, where the average person produces in a full year the same GDP that the average German produces in less than three weeks. Why would such an oil country wish to make enormous financial sacrifices in order to possess a nuclear arsenal? It seems that the main motivation of Iran, strangely enough, is defensive. Not that anyone would have planned to attack Iran, under normal circumstances. But, if you are the leading terrorist state, providing planning, financing and safe haven to global terror networks, your ideal protection would be a nuclear umbrella, even a modest, untested and primitive one. It does not make sense to suggest that Iran wants to conquer anything with nuclear weapons. Its leading offensive weapons are terror and incitement and it
has been very successful in acquiring influence by using them. But the ultimate freedom of deploying terror networks requires a state sponsor that is immune against attacks and that can be best guaranteed by acquiring nuclear weapons.

It will be a very costly historical mistake if the western world will let Iran proceed with its nuclear project. As is frequently the case, the key is in the hands of Europe, including Russia. We have seen in Lebanon what a united European-American coalition can do. A similar unity should be achieved on the much more dangerous Iranian situation. Iran can still be stopped without any military action, but this can only happen with an absolute unanimity between the two sides of the Atlantic, preferably including Russia and with a certain abstention of China. A failure will not only provide Iran with an insurance policy for its terror activities but will also encourage Egypt, Turkey, Saudi Arabia, Kazakhstan and others in the region, to embark on their own nuclear programs, as a countermeasure to Iran.

The future of Iraq and the results of its occupation by the American-led coalition are very much related to these issues. Regardless of the official reasons for the invasion of Iraq, and regardless of the real reasons, which may or may not have been the same as the official reasons, Iraq is now in American hands. This, together with the control of Afghanistan, means that Iran is entirely encircled by unfriendly neighbors, including the above two countries as well as the Muslim republics of the former Soviet Union and the Gulf States. It is not surprising that Iran is doing its best to destabilize all of these countries.

Iraq is a predominantly Shiite country. The Shiites were murdered and persecuted by Saddam Hussein and some of their leaders found refuge in Iran or have been connected to Iran in various ways. Any democracy or quasi-democracy in Iraq must rightfully lead to a Shiite dominated regime. Iran is trying to acquire as much influence as possible with the leading Shiite elements in Iraq. It does so, as always, by a variety of methods. First there is the private army of Mr. Sadr, who is clearly a protégé of Iran and is financed by it. The second element is the support Iran may be offering to some of the Sunni terrorists in Iraq, encouraging inter-sectarian violence. Third are the religious and diplomatic neighborly overtures, like the visit of the Iranian foreign minister last week. His televised embraces with the new Iraqi leadership may have been the leading bad news item of 2005, so far.

It is important to realize how disastrous a possible future Iranian dominance over Iraq can be. Given Iran's current dominance in Syria and Lebanon, such a pessimistic scenario would lead to a huge continuous Iranian empire, covering Iran, Iraq, Syria and Lebanon, with access to the Indian Ocean and the Mediterranean, with 110 million people and all of these countries and with an excellent starting position for dominating the entire Gulf as well as Saudi Arabia. If such an empire at the doorstep of Europe will also possess nuclear weapons and missiles within reach of Southern and Central Europe, the world will become a truly interesting place. Note that the only thing currently preventing such a nightmare is a free Iraq. No matter how and why the Iraqi adventure started, if it does not end well, we are guaranteed to have a very major disaster in the region.

President Bush is making enormous efforts to advance freedom and democracy in the Muslim world. This policy, while leading, so far, to some impressive achievements, is
extremely risky. If democracy means free speech, the rule of law, freedom of religion, equality for women, decent education to all, freedom of information and of movement, and a functioning judicial system, it is a noble goal and, once it is achieved, the relevant country or region will have made a huge step forward. If democracy means only free elections without any of the other ingredients, there is a very real danger that it may lead to a victory of the most extreme and most inciting elements. Those who support terror, who tell the most lies and who brainwash the public in the most outrageous way, are very likely to win such elections. We have seen it in Algeria. We have seen an example in the recent municipal election in the Palestinian Authority, where the Hamas did very well. We may, God forbid, see it in Egypt, if that kind of a superficial democracy is introduced there. In a way, the Ayatollah's regime in Iran is also the result of a similar exercise. The regime of the Shah was oppressive, brutal and dictatorial, but in a competition with the ruthlessness of the current regime it might actually take only second place.

Any one who visited Egypt knows that it is basically a police state. You see large numbers of policemen everywhere and the eyes of big brother are always watching. But the recent pressures on President Mubarak may have led not only to the emergence of some human rights activists but also to a renaissance of the Muslim Brothers, a fanatical organization, which was founded with the support of the Nazis, prior to World War II, and did not change much since then. The recent terrorist attacks in various tourist centers in Egypt give us a glimpse of the possibilities. A truly democratic Egypt is a commendable goal, but a non-democratic Egypt which elects a fanatic regime would be a major international disaster.

Similarly, the election in Iraq was a great triumph by the mere fact that the people stood up to the threats of the terrorists. However, it remains to be seen whether the resulting government will indeed be an exemplary democratic government or whether it might drift into the Iranian sphere of influence, possibly with Iraq splitting three ways into homogenous Shiite, Sunni and Kurd subdivisions. After all, Iraq, like most countries in the region, is an artificial colonialist creation of the 20th century, not a well defined historic unit.

A word about Lebanon: The murder of Mr Hariri, probably by the Syrians or their emissaries, has ignited a popular anti-Syrian wave of emotions and demonstrations. But the partial withdrawal of Syria from Lebanon was achieved only by the unified pressure of France and the United States. It is important to realize that the Syrian army has left Lebanon but not the Syrian intelligence units and secret services and definitely not the Iranian sponsored Hizbullah terrorists, who control much of the country. As long as they exist, Lebanon is not free and the job has not been completed.

We conclude with a few words about the Israeli-Palestinian situation. Prime Minister Sharon is absolutely determined to execute his disengagement plan in Gaza and the Northern West Bank. He is willing to sacrifice the support of half of his own party and of the entire right wing of the Israeli parliament, who traditionally supported him, relying on the support of his traditional political foes of the center and the left. His plans for the post-disengagement period are less clear, but the important part of the disengagement is the principle, not the actual two small pieces of land. The principle is that isolated Jewish settlements in a densely populated Arab area are untenable.
President Abbas, or Abu Mazen, as both Palestinians and Israelis refer to him, is definitely committed to the cessation of hostilities, not only in order to allow the disengagement to proceed but also as a strategic decision. Unlike Arafat, he really would like to achieve his goals in a peaceful way, having observed the devastating human cost of Arafat's follies. But the road to hell is paved with good intentions. The problem is that the Hamas is willing to hold its fire only until the disengagement will have been completed. Judging from the way it is now arming itself, it plans to claim victory and to resume hostilities on a greater scale than before.

Assuming that Abbas will not want to, or will not be able to, disarm the Hamas and the other terror organizations as he promised, it is a safe bet that, at some date near or around October of 2005, the Israeli-Palestinian front will again be ignited by the Hamas and by the Islamic Jihad, possibly also by other armed groups. At present they are largely funded and encouraged by the Hizbullah, i.e. by Iran. The resulting conflict will not be a repetition of the previous round. The Palestinians will be better armed and may cause higher casualties and damage in Israel, not by suicide murders but by shelling civilian areas from their own population centers. They will probably end up paying an even a higher price, simply because Israel will have no other option but to destroy them.

It would be far more advantageous for the Palestinians to continue to press for further Israeli withdrawals from most areas of the West Bank, observing a cease fire. But the Palestinians have proven for almost one hundred years that they never miss an opportunity to make a tragic mistake. Unfortunately, it appears that they are determined to prove that they have not changed.

Should we be pessimistic? Cautiously optimistic? If I use history as a yardstick, rather than yesterday's newspapers, I continue to be an eternal optimist. If we go back 25 years, we see Saddam Hussein building nuclear weapons, Jordan and Israel in a state of war, Lebanon largely controlled by Arafat, Palestinians refusing to utter the name Israel, Israelis not even dreaming about a two-state solution, and the Egyptian-Israeli peace making its first hesitant steps, still untested by difficulties. Today's situation, on all of these fronts, is far superior.

On the other hand, the emergence of global terror and the tumult in the greater Middle East have evolved during this period, not as a result of events at the eye of the storm but in spite of the substantial progress in the Israeli-Arab conflict. There is a clear decline in the economies, standard of living and personal freedom of the Arab masses, accompanied by religious incitement and terror, covering a large area, quite distant from Jerusalem.

A victory in the war on terror, progress in the Israeli-Palestinian dispute and, most important, education, women equality, human rights, economic progress and true democracy in the Muslim world are clearly the order of the day.