

The Real World: Iran – N.Korea with oil?

ARIEL COHEN

Published: April 11, 2008



Ariel Cohen

Amid chilling rhetoric reminiscent of Europe of the 1930s, Iran's President Mahmoud Ahmadinejad has promised to give the West a "bloody nose" and "smash it on the mouth."

The threats came as Ahmadinejad announced that an additional 6,000 centrifuges will be deployed in clusters called "cascades" in the nuclear research city of Natanz. These will be in addition to the existing 3,000 Pakistan-designed centrifuges already there.

Centrifuges are capable of enriching uranium to low grade nuclear reactor fuel to produce electricity, or highly enriched nuclear weapons explosives.

Tehran plans to expand the number of new cascades of centrifuges, some of the advanced IR-2 design, to 54,000. This is an expensive and unnecessary effort in a country so rich with natural gas that it flares a good part of it. These Iranian gas flares contribute to global warming, are literally burning tens of millions of dollars a year, and are so large they can even be seen from satellites in space.

Tehran's centrifuge-based uranium enrichment is totally unnecessary for any peaceful purpose, as Russia is supplying low-level enriched uranium fuel for the nuclear power station it built in Bushehr, and Russia's capable nuclear industry could supply Iran with cheap uranium for decades to come.

Nevertheless, Iran has launched an expensive domestic program to mine and enrich uranium, which will be located in Ardakan, central Iran. According to Hossein Faghihian, deputy director of the Iranian Atomic Energy Organization, the Ardakan plant, which will produce a uranium precursor known as yellowcake, will open in a year. Yellowcake is processed into uranium hexafluoride, a feedstock for the Natanz enrichment facilities. This will be the second Iranian uranium enrichment plant; the first one is already open near the port city of Bandar Abbas.

Spent uranium fuel from a nuclear reactor, such as Bushehr, is currently exported back to Russia. Having its own source of uranium fuel would allow Tehran to turn processed reactor fuel into, among other things, potentially weapons-grade plutonium.

If Iran has a nuclear reactor not under IAEA control, they can easily irradiate spent fuel into bomb-grade plutonium. In addition, Tehran is developing an enrichment plant in Arak, which will provide it with an additional source of plutonium, experts told the Senate Finance Committee last Tuesday.

An expensive full-cycle nuclear industry in Iran goes well beyond legitimate energy needs. Moreover, in a country as rich in natural gas as Iran, it would have been cheaper by a factor of 10 to address any legitimate energy demands through the construction of gas-powered stations.

Instead, Tehran's nuclear ambitions are triggering wave after wave of economic sanctions, and endangering Iran's plans to supply gas to the Nabucco pipeline to Europe and build an Iran-Pakistan-India gas pipeline in the process.

Frank-Walter Steinmeier, foreign minister of Germany, and Donald Tusk, prime minister of Poland, are just two of the Western leaders who have recently expressed deep concerns about the Iranian nuclear program. And there are those who go beyond mere declarations.

The new Senate bill (S. 970), sponsored by Oregon Republican Gordon H. Smith, would impose sanctions on Iran and countries doing business with it. The bill enjoys bipartisan support, with about 70 co-sponsors divided between the two parties, thus guaranteeing its passage. If enacted, the bill would:

- Ban U.S.-Russian nuclear cooperation until Russia suspends all nuclear assistance and conventional weapons deals with Iran, and Iran halts all nuclear enrichment activities.

- Stop all trade with Iran, except food and medicine.
- Prohibit trade agreements with nations which are aiding its nuclear and ballistic missile programs, such as Russia, China and North Korea. It would also prohibit World Trade Organization (WTO) membership for Iran.
- Penalize U.S. subsidiaries of foreign companies for violating the laws against dealings with Iran.
- Eliminate tax incentives for oil companies that invest in Iran.
- Cut the U.S. contribution to the World Bank by the amount this institution lends to Iran, redirecting the freed-up funds to the U.S. Agency for International Development.

It is likely that at least some European countries, and possibly Australia and other U.S. allies, could join in a similar sanctions regime. The downside of these kinds of measures is that Russia, China, and possibly other European states would not participate.

Russia, in particular, advocates a package of incentives for Tehran at the forthcoming April 16 meeting on Iran sanctions in Shanghai, which the U.N. Security Council members plus Germany will attend. Yet, sooner or later even Russia and China may recognize that carrots aren't working, and that sticks, possibly big ones, may be necessary.

The clock may be running out for Ahmadinejad's irrational behavior. According to Ahmad Shirzad, a former Iranian MP and an expert on nuclear issues, Tehran must soften its position toward the U.N. Security Council.

"The next UNSC sanctions on Iran's nuclear program could be tougher and may lead to an economic crisis in the country. Iran does not need to enrich its uranium. The isolation of the country because of this unnecessary program is the wrong policy. Official Tehran should not be negligent about the anxiety concerning its nuclear program," Shirzad told the Azerbaijani news agency Trend.

The Soviet Union was once derisively called Upper Volta with nukes. Ahmadinejad is turning Iran into a North Korea with oil, a pariah state which its neighbors near and far are afraid of, and which is already paying a price – and one day may pay an even a higher one – for its leadership's dangerous ambitions and irresponsible behavior.

Ariel Cohen, Ph.D., is senior research fellow at the Heritage Foundation.