

**Statement of Michael Shifter
President, Inter-American Dialogue**

**Before the
House Foreign Affairs Committee**

**“Ahmadinejad’s Tour of Tyrants and Iran’s
Agenda in the Western Hemisphere”**

February 2, 2012

Madame Chairman and Members of the Committee:

I am grateful for the opportunity to share my views about Iran’s agenda in the Western Hemisphere, especially in light of President Ahmadinejad’s recent visit to four Latin American countries.

This is an issue that merits public discussion and needs to be taken seriously. No one has any illusions about the fundamental nature of the Iranian regime. One can debate about its capacity and strength – and its complex internal politics -- but few would dispute that the regime deserves the widespread condemnation it has received. Iran’s continued flouting of international law, support for terrorist groups, threats to Israel, and consistent violations of UN resolutions in its nuclear program have made it, justifiably, an international outcast. Its actions anywhere in the world should be watched closely.

Happily, in today’s Latin America Ahmadinejad will not find a very hospitable environment to extend his influence. In general, Latin America is living through a moment of enormous self-confidence and assertiveness in global affairs. The region may be seeking to be more independent from the United States but at the same time it is also interested in closer ties and greater cooperation on a range of issues. It has no interest in aligning itself strategically with Iran.

For a region that is today understandably proud of its hard-earned prosperity, democracy, and social peace, aligning itself with Iran would be irrational and counterproductive. The last thing Latin America wants to do is to risk going backwards, which is what any kind of political or security alliance with Iran would signify. There is absolutely no reason why Latin America should have supported Ahmadinejad’s recent gambit to build Iran’s support in the region.

As expected, Ahmadinejad visited four countries that are less and less relevant in the region's politics. The itinerary, which included Venezuela, Nicaragua, Cuba and Ecuador, showed that he himself did not have very high expectations for his trip. He was trying to reinforce the few ties he still has in the world, and to shore up his shrinking political support at home.

Based on available accounts, he fared even worse than anticipated. He had little to offer the governments he visited -- and they in turn had little to give to him. There is no evidence that the four societies welcomed his presence at all. For them, Ahmadinejad is a pariah.

It is noteworthy that Brazil was not part of Ahmadinejad's itinerary this time (as he was in 2009). The current government of Dilma Rousseff seems to be giving Iran the cold shoulder, despite a growing economic relationship between the two countries. Recent press reports suggest Iranian officials are less satisfied with their relationship with Brazil than under the previous government. In 2010, a more accommodating Turkish-Brazilian proposal on Iran's nuclear program strained relations between Washington and Brasilia. But Iranian-Brazilian relations seem to have weakened, highlighting a spreading moderation and pragmatism throughout the region.

Ahmadinejad's window and point of entry in Latin America has been Venezuela's Hugo Chavez. They have forged a geopolitical alliance that is aimed at curtailing US influence throughout the world. As major oil producers, they have used available revenues to pursue that overriding objective. They have also employed diplomatic resources to advance their aims. But it is clear that, after 13 years in office, Chavez is on the decline, and Ahmadinejad, after seven years, also has serious difficulties -- in his own country and region, and especially in the Western Hemisphere. Their foreign policy ambitions have been stymied.

Iran has clearly sought to expand its support in Latin America (it has opened six embassies since 2005). But with its economy in dire straits, its ability to do so is severely limited. Economic projects in country after country have failed to materialize. There have been myriad bilateral deals between Iran and Venezuela, including joint ventures to produce cars, tractors, and bicycles, and some cooperation in mining exploration and housing construction. But in Nicaragua, Iran pledged construction of a dam and a \$350 million deep-water port, as well as auto and cement projects -- and none has come into being. Economic cooperation between Ecuador and Iran remains virtually nil.

One crucial question, however, is whether, given the nature of the regime, Iran's involvement in the region should be regarded as benign. On this score there are admittedly ample grounds for skepticism, given the regime's demonstrated support for terrorist activities and organizations such as Hezbollah. In Latin America, Iran has been credibly accused of involvement in the bombing of the Israeli embassy (1992) and the AMIA Jewish community center in Buenos Aires (1994) that killed 85 people. (Argentina has warrants out for Iran's current defense minister and other officials.) In October, the United States accused Iranian authorities, working through Mexican drug cartels, of directing a plot to assassinate the Saudi ambassador in Washington.

A number of serious allegations have been made about Iran's current activities in Latin America. The first is that Iranian agents are sponsoring training camps for terrorists. Another allegation has to do with Iranian support for prospecting uranium in Venezuela and Ecuador. These charges have not, however, been substantiated. There is no convincing evidence that such activities are taking place. This is noteworthy in light of what are presumably vigorous efforts by US intelligence agencies to gather pertinent intelligence.

More plausible are repeated accusations of money laundering through the region's banks, to help finance Hezbollah's activities. The drug question, and associated money laundering, is a widespread and serious problem throughout much of the Western Hemisphere that requires sustained and coordinated efforts among law enforcement agencies. Any available information about this problem, and Iran's possible role, should be pursued energetically.

How should the US respond to this situation? The Obama administration has taken a few modest, limited steps. In May, it imposed financial sanctions on Venezuela's state-owned PDVSA oil company for violating US law by doing business with Iran. On January 8th, the US expelled the Venezuelan consul in Miami based on reports of involvement in a possible cyberattack on the United States. In December President Obama gave an interview with the Venezuelan newspaper *El Universal* that clearly signaled his displeasure with Venezuela's ties with Iran.

There have been calls for a more aggressive and hardline US posture towards the role of Iran in Latin America. It is not clear, however, what an alternative position would entail and what it would accomplish. Invoking the Monroe Doctrine in this day and age would be very misguided and would alienate our closest Latin American friends. It would ultimately be self-defeating.

It would further be a mistake to base a policy course merely on speculation and conjecture. It is important to adhere to the highest standards of evidence in assessing Iran's role and what the US should do in response. Otherwise, there is a risk that policies could end up being counterproductive and only strengthening Iran's influence in the region.

The United States, both the administration and the Congress, should keep a close and careful watch on Iran's role in the Western Hemisphere. It is important not to be naïve or lax regarding its potentially threatening activities, in light of what is known about its history and the nature of the Iranian regime.

Most crucially, US officials should be consulting in a quiet and discreet way with our allies in the region about this matter. Governments like those of Brazil, Chile and Colombia would most certainly resist the installation and spread of any threatening, militant forces in Latin America. It is one thing to have economic and diplomatic relations with Iran and quite another to permit, say, the training of terrorists. There is in fact a tension and contradiction between the two. If Iran is courting allies in Latin America it would have little reason to sow mischief in a region that prizes order, democracy, and peace.

Such high-level consultations by US officials would be consistent with viewing Latin America not as a threat to our interests, but rather as a series of opportunities. The region has a lot to offer the United States and is interested in deepening cooperation.

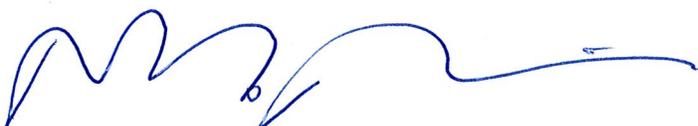
This is a propitious moment for the United States to engage more deeply with governments committed to effective economic and social policies and democratic politics. The governments that Ahmadinejad visited are not influential in the region today. They are marginal, and becoming even more so. There is no credible evidence that they pose a security threat to the United States.

While the US should have a full and accurate understanding of what is happening throughout the hemisphere, it should give its highest priority, and the bulk of its attention, to the countries on the move, the ones best-positioned to advance our national interests.

United States House of Representatives
Committee on Foreign Affairs

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1. Name:	2. Organization or organizations you are representing:
Michael Shifter	Inter-American Dialogue
3. Date of Committee hearing:	
Thursday, February 2, 10:00 am	
4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?	5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. If you answered yes to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.	
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