

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

**IRAN'S CLENCHED FIST ELECTION:
WHAT'S NEXT FOR U.S. POLICY?**

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JESSICA MATHEWS: Good afternoon, all. I'm Jessica Mathews, president of the Carnegie Endowment for International Peace. Pleasure to welcome you here to this wonderful panel.

Three weeks ago when Iranians were just preparing to go to the polls, Karim Sadjadpour, one of our speakers today, wrote that they would surely be unfree, unfair and unpredictable. And if there was ever a right-on prediction, that one certainly hit the mark. What began before the election as a contest between four men, really two, has rapidly become a momentous battle over the future of the Islamic Republic and of the Islamic Revolution.

We have seen discussion about how votes were counted turn into a much deeper struggle over the future of this government. We've seen ambivalent police and revolutionary guard member. We've seen contradictory statements from the guardian council. We've seen protests swell and now shrink. And we've seen the Obama administration struggle to find the right balance in its public statements.

We're going to try to deal with all of that today. Where should the United States policy be? What actually has happened both with the election, but more importantly now with the struggle and what it means – what it tells us about divisions within a government that is already unbelievably layered and difficult to understand. And what we can expect moving ahead. And for that we have a terrific panel I think – hard to imagine a better one.

Nicholas Burns, former undersecretary of state for political affairs, who handled in that role U.S. policy on Iran until his retirement from the Foreign Service in April of 2008.

Immediately on my right is Abbas Milani, who is the Hamid and Christina Moghadam Director of Iranian Studies at Stanford University and a visiting professor in the department of political science. He's also a research fellow and co-director of the Iran Democracy Project at the Hoover Institution.

And Karim Sadjadpour, associate at the Carnegie Endowment, a widely respected commentator and analyst on the situation in Iran, covered the last election, 2004, in Tehran for the International Crisis Group, author of one of the most important studies on Ayatollah Khamenei.

And to moderate this glittering group, we have – we're very grateful to David Ignatius, a Washington Post widely respected columnist and an old Middle East hand, for agreeing to be in the chair.

And finally, I'd like to welcome the rest of our audience globally. We are – who are watching us live on the Web. And we'll be trying to take some of their questions as well as yours. So with all that, let me welcome all of you and our distinguished panel, and David, over to you.

Thank you.

DAVID IGNATIUS: Thank you, Jessica. This is a wonderful turnout, which testifies to the importance we all place in this subject matter. As I'm sure most of you know, President Obama is speaking at this moment in a press conference in which he is discussing Iran and other subjects.

Because he's already begun speaking or was scheduled to speak at 12:30, I just want to briefly share with you the early copy of what he was going to say about Iran so that you and our panelists will have some sense of where the president is at this hour in terms of his comments.

"First, I'd like to say a few words about the situation in Iran. The United States and international community have been appalled and outraged by the threats, beatings and imprisonments of the last few days. I strongly condemn these unjust actions and I join with the American people in mourning each and every innocent life that is lost. I've made it clear that the United States respects the sovereignty of the Islamic Republic of Iran and is not at all interfering in Iran's affairs. But we must also bear witness to the courage and dignity of the Iranian people and to a remarkable opening within Iranian society. And we deplore violence against innocent civilians anywhere that it takes place."

He goes on, but I think that's the essence of what he says. He says at the end of this initial prepared statement that the "tired strategy of using old tensions to scapegoat other countries won't work anymore in Iran. This is not about the United States and the West; this is about the people of Iran and the future that they and only they will choose."

So I just wanted to share that with people, a statement from the president at this hour. And now let us turn to our own discussion of this. I'd like to open with a question for Abbas Milani. You've written some superb articles in the last few weeks and you've written that Iran is facing the thing that the mullahs dreaded, which was a color revolution, as we put it. And that Ayatollah Khamenei and President Ahmadinejad have, in effect organized a pro-regime coup to head off this color revolution.

And I'd like to ask you to describe for us what you see as the order of battle, as military people like to say, in this confrontation and perhaps you could say a few words at the outset about the election itself and your own judgment as you look at the evidence about whether it was fraudulent.

ABBAS MILANI: First of all, I would like to thank the Carnegie Endowment for inviting me to this truly wonderful panel and thank you all for coming. I would also like to begin with a caveat. Everything I say is probably true as of half an hour ago. (Laughter.) Things might have changed. I did not check the computer. And if reality has changed right in front of our eyes, as we talk about the "yester reality," I apologize.

I do think this is the most serious crisis this regime has faced. And all the efforts of Mr. Khamenei to avoid a color revolution – we know that three years ago, he commissioned a study by some of his most trusted social scientists to map out for him all the early stages of all the color revolutions. He wanted to know what would eventually break out – what has eventually broken out into a color revolution and nip in the bud any such possibilities. But what despots forget is that reality is constantly changing and the color revolution constantly changes its form because it is ultimately grown by the people's own desire and creativity. They also forget that people are always – the collective people are always more clever than the regime's designs.

I think if you look at this election, only Mr. Khamenei and Ahmadinejad and a very small coterie of their supporters inside Iran and a truly handful of apologists for the regime outside Iran now believe that this election was fair and square. I think there is overwhelming evidence from

inside Iran that it was a stolen election. We're beginning to get more and more clear indications on how they stole it, how some 15 million extra ballots were printed. These were numbered ballots and they have been lost and not accounted for; how they refused to use, for example, clear see-through ballot boxes, which was mandated by law; how they refused to allow monitors; how in some of the most important polling stations that were given an overabundance of ballots they ran out at 10:00. Clearly they had better use for those things before ballot-box voting began.

So we are getting more and more evidence on how it was done, but I don't think there's any doubt that it was done – that it was a stolen election. For a while, my only doubt, my only ambiguity was whether it was a coup organized by the revolutionary guards and then presented to Khamenei as a *fait accompli*, making him an offer he couldn't refuse, in other words, whether Khamenei was a latecomer to the coup or whether he was a mastermind of the coup. Again, I think there is now more and more evidence that he was in it from the beginning. His son was probably very actively involved in it. Mr. Mojtaba was probably very actively involved in it.

So the fact that he is in it I think is now also fairly clear, but I think the major force behind it are the revolutionary guards. And I think this election is in some ways the continuation of the battle that began in the last election. In the last election, there was evidence that Mr. Khamenei, in order to make sure that Rafsanjani does not win the election, used the military, used the revolutionary guards, used the Basij to rig the election. Rafsanjani did not have popular support, could not come out and challenge Mr. Khamenei. He simply declared in a statement that the election was stolen and that he will file his complaint with God.

This time, Mr. Mousavi has decided to file his complaint with the people of Iran and the people of the world. And the same group that surprised everyone when Ahmadinejad won have now, I think, orchestrated this coup – that is, the group of commanders in the revolutionary guards that have been in alliance with Ahmadinejad. If you read what Ahmadinejad's supporters said after the victory, they talked about a well-planned, long, strategically calculated move for the guards essentially to seize power.

Ahmadinejad's arrival in the presidency has meant that virtually all the important positions of authority are now held by revolutionary guards. Every governor in the country is a revolutionary guard. Seventy-five to 85 percent of the ministers are revolutionary guards. The list is truly remarkable. So we virtually have a coup by revolutionary guard and on the other side we have a vast coalition that includes everyone from Rafsanjani, Karroubi, Khatami, Mousavi and virtually the entire secular opposition inside Iran and a great majority of the Iranian people.

So the battle, I think, is between a majority of the Iranian people that is led by these figures, the reformers Rafsanjani, the secular opposition, the religious democratic opposition and the other side is a mobilized, armed to the teeth, extremely brutal war machine that is some 20 to 30 percent of the Iranian population. I don't think we have seen the end of this. I think the even flow of demonstration is, at this stage, as much a tactical move as a reflection of people's tiredness. So how the battle will play out I think needs to – we need to wait for the next few days and few weeks.

MR. IGNATIUS: Let me, Dr. Milani, ask you to take that a step further. Obviously we're watching and waiting, but what advice would you offer, if you could, to Mousavi, to those in his camp, to those trying to organize protests in the street for this next phase. And you've described the

order of battle clearly and the armed power that opposes them. What is the wise course for this movement now in this next phase?

MR. MILANI: If you look at the battle, it is truly an unfair battle, not just because one side has the arms and the other side doesn't. That's one aspect of it. The more important aspect of it is that one side has no respect for human rights and human life. One side is willing to kill and the other side has respect for the value of human rights.

Mousavi is constrained by the fact that he does not want his supporters to die. He also knows that if the movement becomes a violent movement, it will lose its popular support. He has been overcautious, I think, in my mind rightly so because the calculus is either push hard and lose a lot of the moderate, middle class forces and folks that are coming out, or go steady with the hope of maintaining this mass support.

My advice to him would be precisely go steady, go deep, maintain this popular support, organize mass disobedience. There is nothing a regime can do, in spite of its brutality, in spite of all the machinery they have bought from Germany or China to control the Internet, all the bullets they have bought. If there is a million people silently marching in the street, there is nothing this regime can do to it. And the few first marches showed this.

So my hope is that by organizing more of these marches – peaceful, civil disobedient marches – they would begin to bring more cracks in the ranks of the revolutionary guards. I am not convinced that the revolutionary guards are completely in line with this coup. There are people within the revolutionary guards who are connected to Rafsanjani. Fewer still are connected to Rezai. Rezai has a very important role to play. He had sat on the middle. He hasn't committed himself one way or the other, but the fact that he hasn't joined Ahmadinejad is a very important indication.

So revolutionary guards are not in complete monolithic (ph) synch with the coup masterminds and my hope is that by the dignity and power of this civil disobedience, more and more of guards and their commanders can see the light and see that killing their fellow citizens is not in the short-term interest or in the long-term interest. And the fact that now an ayatollah, the most important ayatollah living in Iran, Ayatollah Montazeri, has issued a fatwa and declared that beating people, torturing people, becoming part of the oppressive machinery against peaceful demonstrations is a sin. And some of the revolutionary guards are genuine Muslims. If more and more of this kind of a fatwa is issued, it is going to be difficult for some of the guards to actually kill and beat on their people.

So my hope is that continuing this process will further chip away at cohesion of the machinery of suppression.

MR. IGNATIUS: One more brief and pointed question before we leave the order of battle, if you will. And that is, does this movement of protest have the backbone – to be blunt – to stand up to what's coming? In the past, as we've seen and in student demonstrations and other demonstrations since the revolution, we've seen flows of protests and then ebbs. What about this time?

MR. MILANI: I'm reminded of Gramsci's famous statement. He said, "I am tactically pessimistic, but strategically very optimistic." I have absolutely no doubt in my mind that the

coalition that has done what it has done so far, the coalition that has already essentially ended the Islamic Republic as we know it – have no doubt about it: the Islamic Republic today, regardless of who wins tomorrow, is not going to be the Islamic Republic of the pre-election. Khamenei has now been defied openly. Khamenei has been publicly called a liar, a dictator. People have shouted for his death. These things are not going to allow him to regain the mantle of authority that he once had.

So they already have taken one major step in defeating this regime. But strategically I have no doubt that this regime cannot contain this movement. This regime does not have solutions to Iran's problems and it is going to change.

In the short term – short term – they might use brutality to contain it, but it will be like containing a volcano only to have it erupt more powerfully later. So I think they do have the backbone. And the thing that, again, I think makes this time different than all the other past confrontations between the regime and the opposition is that this time important elements of the establishment are with the people. If you look at theories of transition to democracy, one of the most necessary preconditions for transition to democracy is split within the bad guys. That split can be used by the good guys to make this transition possible. Never before has there been such a breach within the pillars of the establishment. This is even more profound I think than Bani Sad.

Bani Sad was an appendage, an outsider to the clerical establishment and they easily destroyed him. Now we're talking about Rafsanjani. Now we're talking about Montazeri. One – the person – he just put on the web the secret meeting of the Council of Experts meeting that made that made Khamenei the leader, making it very clear that the kingmaker was Rafsanjani. The kingmaker, if he can make a king, can un-king a king.

So this time, I think they do have the backbone and in some ways they have already, I think, accomplished some of what they wanted.

MR. IGNATIUS: Let me turn now to Karim Sadjadpour. As many of you know, Karim has written really quite brilliantly, authoritatively about Ayatollah Khamenei. Karim has said that Khamenei has sought power without accountability, and that moment seems to be over. But I think we'd all be interested in your assessment of the supreme leader, of how he's playing his hand of what his hand is, and how as we move into the next phase of this crisis – and I'd appreciate your judgment about what that will look like – how you think the supreme leader will try to recapture balance and the measure of legitimacy.

KARIM SADJADPOUR: Thank you first so much for coming and thanks to Abbas and Nick and David for joining today. I thought – to answer, to get at your question, I would start with an anecdote, which I've never recounted publicly before. And last summer – around this time last summer, I was in Oslo and a former Iranian president, whom I'm going to name, happened to be there as well. And he gave a speech. And publicly in his speech he said there are those in both capitals, both Washington and Tehran, who don't want to have relations. It's not in their interest to have a normalization of relations between the United States and Iran.

And afterwards, I happened to be sitting next to this former Iranian president at the dinner table and we had a long conversation. And I kind of pressed him a little bit on that point. And I said, I live in Washington, so I have an idea of who those people are in Washington who are not interested in having a relationship between the United States and Iran. But to whom are you

referring in Tehran? Who is it that does not want to have a relationship with the United States? Against whose interests is it opposed in Iran? And he said to me somewhat subdued, quietly that Mr. Khamenei once told me that we need this enmity with the United States.

And this essentially confirmed for me what I was already thinking after I had done this long publication of Khamenei, reading all of his major and minor speeches over the last two, three decades. That Khamenei was chosen to replace Khomeini, in his view, because he was going to be the person that would remain loyal to the ideals of the revolution and loyal to Khomeini's vision for Iran.

But at the same time, as I said, he wields power without accountability and he does not want to be seen as the impediment to the U.S.-Iran relationship. He recognizes that the vast majority of Iran's population – and I would even argue the vast majority of Iran's political elite – recognize that this death-to-America culture of 1979 is counterproductive and bankrupt today.

And just to go back to what's, I think, transpired with this election was that I don't think Khamenei ever imagined that Mousavi's campaign would pick up the steam that it did. I think had they anticipated that this green movement could turn into what it would; they would have prohibited Mousavi from running. So – and I think that Khamenei recognized that a Mousavi presidency would be much different than a Khatami presidency or an Ahmadinejad presidency. Whereas those two individuals were clearly Khamenei's subordinates, Mousavi was at one time, in the 1980s, when he was prime minister and Khamenei was president, he was if not equal to Khamenei, he was higher up in Islamic Republic political hierarchy. And I think a Mousavi presidency and an Obama presidency at the same time would make it very clear to everyone that Ayatollah Khamenei is the impediment.

And again, because he likes to wield power without accountability, he doesn't want to be seen as this impediment that's standing in the way of U.S.-Iran relations.

Now, with regards to post-June 12, post-election Khamenei, there's something essential to Khamenei's modus operandi, essential to his worldview, both his orientation towards domestic affairs, but also to foreign affairs, especially relations with the United States. And that is Khamenei has long believed that you never compromise when you're under siege, never compromise when you're being pressured because that's not going to allay the pressure. That's going to project weakness and invite even more pressure.

So I was not the least bit surprised that after all of this that's transpired, he came out on Friday prayers first last week and very defiantly endorsed Ahmadinejad again and endorsed the legitimacy of these elections because he thought that if he backtracks or he concedes, he's going to project weakness. And what's interesting is that these people who are in power now have the hindsight of having been successful revolutionaries themselves 30 years ago in their struggle against the shah.

And there was an incredible quote I once found from Rafsanjani. And he said something very telling to me. He said that the shah thought that when he went on television and he admitted to past transgressions – this is late 1978 – and the shah went on television and admitted to past transgressions and past sins and said, "I've heard the voice of your revolution," the shah believed that that was going to pacify the crowds and appease the crowds and silence the unrest. But on the contrary, that's when we smell blood and that's when we pounce and we were emboldened.

So I believe Khamenei is firmly aware of this. This is the world that he's living in. That he doesn't want to concede anything. And he's firmly attached himself to Ahmadinejad because he believes if he backtracks that could be the end of reign as supreme leader.

That being said, Abbas made some very good points. And that is that I think Khamenei must be cognizant of the fact that he's never ever had the same clout as Ayatollah Khomeini. Whereas Khomeini was a bona fide grand ayatollah who had the legitimacy of his peers, Khamenei was made an ayatollah overnight when he was chosen to succeed Khomeini and he's always been insecure vis-à-vis his clerical peers. And his rule has been quite Machiavellian in the sense that I think he would rather be feared than liked.

And I think he is cognizant of the fact that if he orders a massive crackdown on the population that sure the first, second and maybe third tier of the revolutionary guard leadership may have been handpicked by Khamenei, but we're talking about an entity of 120,000 men. And there's pretty good evidence in the past to suggest that the revolutionary guards, the rank and file of the revolutionary guards were sympathetic to former President Mohammad Khatami. And even the shock troops which he has – which he wields as a tool of power, I think even he trusts their absolute devotion to his rule and certainly to Ahmadinejad's presidency.

So I think he's living in between these two worlds, where on one hand he doesn't want to appear compromising and project weakness because he thinks the entire system could unravel, but on the other hand he's carefully calibrating kind of the use of force because he recognizes that in 1978 what transpired was that the more people of the shah killed, there was more mourning ceremonies and these protests simply mushroomed. And as time passed, the legitimacy of the regime – the shah's regime – eroded in the eyes of people. And that's exactly what's happening right now.

As Abbas was saying, this is unprecedented that people take to the streets chanting – (in foreign language) – Khamenei, death to Khamenei. This is unprecedented in the history of the Islamic Republic.

MR. IGNATIUS: Karim, we know from reading the newspapers that the White House has solicited your advice on this crisis, which speaks well for them. Without asking you to betray private conversations or without directly asking you to do that – (laughter) – maybe you could give us the flavor of the advice that you would offer now and in coming weeks. Again, I want to speak about the next phase of this crisis because this is not a short term – this is a long ball game, as it were. We're in the first inning. We've just finished the Star Spangled Banner or the Iranian version. What advice would you offer as you think about where this is going?

MR. SADJADPOUR: Well, let me first talk about the next phase and then talk a little bit about the U.S. role, and Nick Burns is much better suited to talk about that than myself. But people have commented that the scale of the demonstrations has decreased over the past week, and are wondering – as you asked Abbas – does this opposition movement have the backbone? Do they have what it takes? And I think it's important for people to understand the physical layout of the city of Tehran because it's much more akin to Los Angeles than it is Manhattan, meaning this is a huge city, widely dispersed. It's not a small, concentrated area. And so to get to where you need to go, you have to get onto highways and major thoroughfares. And one thing this regime does very well is crowd control and repression. They have repression down to a science.

And when I was based in Tehran, I used to notice that what they would do to prevent large masses of the population from congregating in one area is they simply block off the roads. They block off the highways and thoroughfares. So you can't get to where you need to go. So what's taking place now isn't that the depth of popular rage and the sense of injustice that people have been feeling has in anyway subsided. I don't see that it's subsided and in fact it's probably even increased. But because the regime has prevented people logistically from congregating in large areas en mass, we're seeing pockets of protests throughout the City of Tehran. And this is much easier for the Basij militia to handle. Instead of facing a crowd of 200,000 or 300,000 people, they're now facing dozens of crowds of hundreds and thousands throughout the city.

But how I – I think we're entering a new phase of the opposition, as Abbas mentioned. And a couple of things, one, we're dealing with a group of individuals, these Basij militiamen, who are truly – they're indiscriminate in the use of violence. And I've been to these protests before in Tehran. These guys can be quite terrifying. I'm talking about kind of the most militant of the Basij militia. I would describe them as a cross between the Hells Angels and al-Qaida. They're truly thirsty for blood. And what we've seen the last week, these harrowing images and videos of young girls being shot and killed, elderly people being beaten, a seven-year-old child – I saw an image – that was beaten up. So truly what they're up against is quite harrowing. And I think they recognize it and that's why I said they're entering a new phase of the opposition.

And that is instead of flexing their muscles on the street, they're going to target the major arteries of this economy, which is the oil industry, the petroleum industry, the merchant classes, the bazaar, labors strikes, bus drivers. And they have already called for a mass strike, and I see this persisting. And this isn't – as opposed to kind of demonstrations past where it was student movements – Tehran student movements against the regime, I think the sense of outrage and injustice now encompasses a wide swath of Iranian society. And I don't see them giving up or ceding what they feel was a just position – is a just position anytime soon.

Now, in terms of the role of the United States, let me recount another kind of brief personal story over the last week, which will give you an idea, I think, of what the Iranian regime has in mind. And I've received some text messages from an Iranian official who – threatening text messages in the middle of the night. And he says – and he's saying to me that, among other things that we defended our sacred land against Saddam once and we can do it again. Trying to pit this is as a battle between the Iranian government and foreign powers – this is the way they want to frame this to the world – that these demonstrators who are rising up are somehow lackeys of imperial powers. And the Iranian state media is referring to them as terrorists. This poor 26-year-old girl, she's described as terrorist by the Iranian media. So this is the way they want to frame it.

And I'll tell you the historically analogy which concerns me most is Iraq, 1991. And when I bring up Iraq, 1991, to all of you, I think the first thing that people think of is not Saddam Hussein slaughtering his own population, but it's George Bush Senior's betrayal, this perceived betrayal. And I really fear that if we become more directly involved in this internal – momentous internal Iranian drama, we're going to walk into a trap which the regime themselves have set for us.

And I think the Obama administration is very cognizant of this. I don't think anyone in Tehran – I don't think the regime has managed to win over any of the protesters by framing the argument as such. But again, I think that we should continue on course, the same course that we had

the last week, which is to condemn the egregious abuses of human rights, but to refrain from inserting ourselves into this momentous internal Iranian drama which is unfolding.

MR. IGNATIUS: Let me turn now to Nick Burns, former undersecretary of state and ambassador, who was really the man directly responsible for our policy toward Iran during the Bush administration, and ask you, Nick, to talk about the Obama administration's policy, what you think they've gotten right and wrong.

I might just add for you and for members of the audience through Karim's and Jessica's staff I have a kind of rough transcription of some of the comments that President Obama has made in the Q&A phase of his news conference just now. He was asked does the offer to talk to Iran remain open. And he said more or less we're still waiting to see how Iran plays out. What we've seen over the last couple of days is not encouraging regarding the path Iran is taking. We're going to see how this plays itself out before making any judgments about how to proceed. And then this is the interesting part. There is a path for Iran, where they are part of a larger community, where they have responsibilities, where they operate to norms.

So Nick, with that additional data point, talk to us about U.S. policy and what you think has been sensible and not so sensible.

NICHOLAS BURNS: Thank you, David, and I also wanted to thank Jessica and Carnegie for inviting us today. I'm surrounded by, I think in Abbas, Karim and David, three of the finest experts in our country on Iran and on the Middle East. So it's really a pleasure to be here. I don't know what I have to add after what everyone has said because I would agree with what Karim and Abbas have been telling you. But on the U.S. role, I believe that President Obama has handled this crisis superbly. I don't even think it's close. I don't think he's received enough credit for the fact that he's been very thoughtful, measured. You've seen that his statements have become over the last eight to nine days progressively stronger in line with events, which was certainly reasonable to me and appropriate.

And I think for the American president to essentially stand up for the protesters, which he has done, and to identify with them, which he has done, and to criticize the government of Iran for the brutal tactics in the streets, which President Obama has done, he's criticized it – that's where the American people and that's where the American people should be.

But what he hasn't done, he hasn't played politics with the issue. I think it would have been, just from my perspective, to President Obama's domestic political advantage to have anticipated the right-wing attack that has come, the partisan attack on him and to have calculated, well, I'm going to be very tough and I'll start, last Monday or Tuesday, with very strong, aggressive public statements denouncing the Iranian regime and essentially put the United States into the middle of the conflict, but respond to the domestic critics who've been saying that President Obama and his strategy of engagement and of thinking diplomatically first is weak and naïve. That's the charge against him.

And that did he do? He resisted playing politics with the issue at home.

I think we've learned a lot about President Obama over the last week and frankly, from my perspective, a lot that's very reassuring to have him as our president. He's been very measured. That was important. We've been together, some of us, on these various news shows and it was a very

murky situation in the first two or three days following the vote. It wasn't clear, as clear as it is now, I think. And I agree with Abbas that this was a stolen election. It wasn't as clear the day after the election.

So the fact that President Obama would be serious, measured and thoughtful I think is reassuring.

We've also learned that he has a long-term view in mind. And David just read out a very important statement. Looking over the current horizon, past the current crisis perhaps, with whatever government is in Tehran, whether it's a Mousavi led government or an Ahmadinejad led government, to remind people that there are issues here that the two countries, especially our two countries, protagonists in this extraordinary 30-year drama between the United States and Iran, we have to be able to find a time and a place to discuss those issues.

So I admire what he's done. I think he's right in what he's done.

What about the alternative? What if he had taken a more aggressive stance? It would have put us squarely into the middle of this. It would have given Ahmadinejad the pretext to say this is all about the Americans. This is all inspired by the Americans. And it would have done – as Karim has just suggested, he, Ahmadinejad, would have been able to appeal to the Iranian people – “We need to defend our country against gross and insensitive outside interference.” I'm sure that is what Ahmadinejad would have done had we had another president or had President Obama adopted a different set of tactics more political from the very beginning. Sometimes megaphone diplomacy doesn't work.

Now, in my experience as a career diplomat there are times when the only way you can reach and influence a foreign government – I have some colleagues here who served with me like Bob Beecroft of the United States Foreign Service – sometimes you have to go to the megaphones diplomacy and the microphones and denounce a government and in the shame culture of international politics, try to build up international political leverage against that government. That may have been true. A lot of the people attacking President Obama are saying, well, what about President Reagan and Mr. Gorbachev bringing down that wall.

Well, it was very different time, very different country, really no access of the people of the Soviet Union at the time to media, to express themselves. But here – and we really haven't talked about it much – one of the extraordinary features of what's happened over the last eight or nine days that the Iranian people are not being cowed. The repression of the Internet, the repression of the newspapers, the state control of the media has not prevented Iranians from speaking to all of us through the blogs and through Twitter and the e-mails that get through from time to time. We've seen extraordinary videos on YouTube.

And so just to assert, as President Obama has done, we have an interest as democratic people in the fate of other peoples. We wish them to be democratic and free. But to say but it's not about us it's about them and if we insert ourselves into this, we hurt them. And that's the final thing I'd say: an aggressive strident approach over the last week would have hurt the reformers and helped Ahmadinejad.

It's interesting. I don't see from most of the foreign policy experts, academic, think-tank experts much criticism of President Obama. It tends to be political and partisan in nature. And I think we ought to look at where that's coming from.

The only other thing I'd say is in the long term, what President Obama and his spokespeople keep saying is – they're very careful not to set deadlines and not to make statements that they might regret later. The conventional playbook that all of us have in our desks as diplomats in a situation like this, you bring the playbook out and you say, "well, there's three things now that the Iranian government must do or else we'll never talk to them again." And we've seen when we do that that sometimes that's years and years and years.

So the last thing I wanted to put on the table is this. It's been 30 years. That was my entire career as a diplomat. I was a young intern in Mauritania in 1980. It was the start of my career when our hostages were languishing in prison in Tehran, when the revolution was tested by Saddam. That's a long time ago. And since then, nobody in my generation of American diplomats learned Farsi or served in Iran or set foot in the country of Iran. I was in the incongruous position of being the point person on Iran from 2005 to early 2008 and I never met an Iranian government official because we were not permitted to and they were not permitted to meet us.

I don't know what's going to happen in this crisis. I hope that the reform movement and the protesters will prevail. I don't know if that will be the case. But I do know that whatever happens, we have to keep our sights, as Americans, not just on the people demonstrating – and we should support them – but in the longer term interest that we have to prevent a war with Iran; to try to find a way to resolve our problems hopefully peacefully and diplomatically at some point; to make sure that Iran doesn't become a nuclear weapons power that will transform the balance of power in the Middle East against us and our friends. And not to just find a way to engagement, but ultimately the goal that we should have is reconciliation – not with Ahmadinejad, not with the Basij, but with the Iranian nation.

And I think by preserving some space, which is what President Obama has done, he's preserved our flexibility to keep our sights set on that longer term goal of a peaceful relationship with a democratic Iran in the future.

MR. IGNATIUS: Let me pick up on that last point and ask one brief last question for Nick before turning to the audience for your questions of this panel.

Nick, in the months to come, as Khamenei and Ahmadinejad seek to re-stabilize the country and reconsolidate power, they will crave the legitimacy that, in a sense, only the United States could confer. In other words, they are likely, in private or even in public, to chase after us a bit offering concessions so as to draw us into negotiations that would be very popular in Tehran.

And I wonder if you'd just think out loud a moment about that. Should we be wary of that? Should we have our eye on regime change and delegitimizing the very people who pursue us or something different?

MR. BURNS: Well, I think that's really the key policy question that the Obama administration is going to have to address and I would say that we've got to be very careful not to give undue legitimacy and credibility to the Ahmadinejad regime, not when people are on the streets

protesting, taking – risking their lives by going out in the streets as we've seen young women, young men do – people of all ages actually over the last week.

So patience, which is not always an American virtue – patience, letting events unfold, not proceeding too quickly – and I take from the rough reports that we have from President Obama's press conference that he is counseling this kind of patience. He didn't commit himself to engage with the Ahmadinejad regime as I can see from this brief excerpt right now. It clearly would be a mistake for us to rush to negotiations on the nuclear issue or any other issue.

We should see what happens. We should continue to speak out in support of the people in the street and let the events take their course. And then we'll have to assess where things stand at some point in a future. I don't know if it's a month from now or a year from now, but once we're satisfied ourselves that the situation has concluded, that there is a result, then we'll have to figure out what the best way forward is for the United States but not before. It will be tempting.

I think, David, the thrust of your question is quite correct. Iran is going to be very weak of whatever government. Iran is a country with a suffering economy, high unemployment, high inflation, not getting the most out of their oil and gas markets. It's a country that's going to find itself in an increasingly difficult predicament in Iraq, and you see that happening already. These predictions a year or two ago that Iran would be the king maker in Iraq haven't really turned out to be true because of the surprising and welcome independence of the Iraqi government in Baghdad.

I think that if Ahmadinejad survives this crisis and continues to be president, and I obviously hope that will not be the case, but if he does there's going to be tremendous and increased suspicion of him by the international coalition of countries that are concerned about the prospect that Iran is trying to become a nuclear weapons power; increased suspicion because now the true nature of this regime has been revealed. A lot of us knew what it was before. Now it's plain for everybody to see.

So I do see a weakened Iran, and we have to be very careful not to be tempted to get to the negotiating table too soon to take advantage of that weakness because we don't want to give him and his regime – Ahmadinejad – credibility and legitimacy unless we absolutely, positively know that there's no prospect for the reformers to succeed.

MR. IGNATIUS: Now, turn to the audience for your questions. I see a gentleman here and then, madam, turn to you. Go ahead please. And please identify yourselves, keep your questions short and direct them to one of our panelists.

Q: My name is Abdulwahab Alkebsi. I'm with the Center for International Private Enterprise. Quickly, I want to add my – or commend the endowment for another fantastic panel. Thanks a lot. Very quickly, we seem to be talking about – in the same breath about two divergent forces in Iran. One the one hand we have what Abbas and other analysts have called like the beginning of a color revolution, which to me at least seems to be still without leadership, without even a face. Maybe Neda is a face and icon but other than that, we don't see it having leadership or a face.

On the other hand, we have a huge conflict within the institution itself, the Islamic Republic, manifested in Mousavi, Montazeri, Rafsanjani, Khatami, but they're still working within the

institution. Who is leading whom in this struggle? And is the coalition real or is it just benefiting each other right now?

MR. IGNATIUS: Abbas, do you want to handle that?

MR. MILANI: Sure. I think for all practical purposes, Mousavi is now the de facto face of this movement. He is, as he says himself, very humbly in his statement, he says, I am the creation of this movement. I did not create it. He has, however, responded I think brilliantly, and he has surprised many people – many of his closest aids thought he would have folded the hand by now but he conversely has done I think a masterful job of remaining exactly where he should be: not ahead of the curve, not behind the curve.

We know of meetings between Mousavi, Khatami, Rafsanjani. We also know – we didn't talk about this, but there are increasing rumors that Rafsanjani is trying to organize a session of the Council of Experts and augment at least – if not remove, augment the leadership by adding to other people and creating the committee leadership. Rafsanjani is on record as having supported this. He published parts of his memoirs a few months ago; very interestingly perfectly timed where he said, we were supposed to have a collective leadership upon the death of Ayatollah Khomeini and then we changed our mind and Khamenei became our choice. So there is that possibility.

And then, there is another possibility that no one – we haven't talked about here. Rafsanjani has another alternative that he can use. Rafsanjani is head of something called Shura-ye Tashkis-e Maslahat. Tashkis-e Maslahat was an idea created by Khomeini which essentially fundamentally reshapes the concept of velayat-e faqih. Up until that time, the velayat-e faqih was created to enforce Shariah.

After that, Khomeini very clearly said, Shariah is in the service of the velayat-e faqih and if I, as the leader, decide that a pillar of Shariah is not in the interest of the state, I will suspend it, which was a remarkable state. I mean, it is truly a complete turning upside down of what the concept was.

The Shura-ye Tashkis-e Maslahat was then created to stand below the leader, but above all the different branches of the government, and adjudicate their differences. When there was a conflict, Shura-ye Tashkis-e Maslahat can sit in and its word is final. If Shura-ye Tashkis-e Maslahat now convenes and says that we think that the votes are rigged, it will create a very interesting situation for Mr. Khamenei and for the revolutionary guard.

MR. IGNATIUS: Karim, a brief comment?

MR. SADJADPOUR: Yes. Abbas' comments were spot on and I would simply add that the relationship between Mousavi and the people is really symbiotic. The scale of the demonstrations, the sheer amount of people we have in the streets I think allow Mousavi the political capital to remain defiant. And Mousavi's defiance I think has strengthened the backbone of the population.

This was different than what happened during the Khatami era because the population sensed that their leader had a weak backbone. He wasn't going to stand up for them at the end of the day. So I think their resolve wavered. But this is very interesting about Mousavi. And I think he's exceeded all expectations – that he may not be incredibly charismatic or a wonderful speaker but he's earned enormous respect from the people for his strength and his defiance and his backbone.

MR. BURNS: I just wanted to contribute one brief thought. I agree with Abbas and Karim. We cannot discount however the strength of Ahmadinejad and his alliance with the Basij and the revolutionary guards. As we look at how this might play out, the country is clearly divided. There is a base of support for Ahmadinejad in the country, not so much in the cities. And he clearly – I think we've seen, as other people have pointed out over the last week, almost a militarization of Iran's government in structure and policy over the last several years. He's clearly been smart in figuring out an alliance with these people. So I sympathize with the reformers and the protesters, but they're up against a very strong and very willful government. And so that's going to be a big factor as we go ahead.

MR. IGNATIUS: Yes, please.

Q: Thank you. This is Tulin Daloglu with Haberturk. It's a daily Turkish newspaper. I want to follow up on Ambassador Burns' concluding remarks in the first round that you said that we do not want to give this regime any legitimacy or any credibility and want to see that, you know, first things play out and see.

But the regional countries do have a different take, especially Iran's immediate neighbors like Turkey, Iraq and Azerbaijan. It's, I guess, on the Azerbaijanis who sent a telegram but the other two Iraqi presidents, Mr. Talabani, and the Turkish president, Mr. Gul, have telephonically congratulated Mr. Ahmadinejad for his election victory. So I just wonder whether you can play this out in terms of as to how the regional countries do have a responsibility and where the region is going to and how they want to really see Iran.

Thank you.

MR. BURNS: Thank you very much. What I tried to say in my concluding remarks was that there may come a time where the United States has to engage the government of Iran. There could be issues we're facing: Iran's support for Shi'a militants in Iraq, Iran's support for Hezbollah and Hamas, Iran's clear drive towards a nuclear weapons future.

We can't ignore these issues but now is not the time. I don't think you'll see the American government try to engage the government of Iran on any of these issues as long as we think that there is – this crisis has not played out and there's a chance for the protesters and reformers to make some headway. We owe it to them, to the people on the streets not to give the type of short term legitimacy to Ahmadinejad that he would love to have. He would like nothing better than to see a replication in Turkey, in the UAE, in Saudi Arabia, in Kuwait.

What the Russian did today, and that is the Russian government recognized formally the Ahmadinejad election, I was so sorry to see that. Russia is a key country, neighbor, a pivotal country in the nuclear talks I think making the wrong tactical decision.

Now, regional countries have to make their own decisions. We, Americans, shouldn't preach to them. But it can't be that Sarkozy and Merkel and Brown and Obama are the only leaders of major countries making critical statements of the Iranian government. And this is such a critical time. It's such an unusual time, the strongest protest movement in 30 years, the strongest challenge to the brutality of the regime in 30 years that other countries in the region, I think, need to be critical

in public because maybe the hardliners in Iran will listen to them more than they'll listen to President Obama or to Nicolas Sarkozy.

So will Turkey meet that challenge? Will the Arab States meet that challenge? Will Japan and South Korea, both major trading partners of Iran, meet that challenge? I don't believe China and Russia will for obvious reasons. But I'm hopeful that some of these other democratic countries and some of the Arab regimes may play a sophisticated international game of poker with the Iranian regime rather than just rushing to recognize them when that wouldn't be appropriate.

MR. IGNATIUS: Karim?

MR. SADJADPOUR: I just wanted to point out I would say personally I was very deeply disappointed in Turkey's position – Turkey's stance. And also I've been getting – I've been reading on Twitter and Facebook these feeds from Iran, from the Iranian people in Iran who are really outraged by the position of the Turkish government, which immediately came out and endorsed the results of this election.

And one correspondence I was reading the other day said that it's quite hypocritical for President Erdogan to issue such outrage over Gaza, for example. He threw a big tantrum with our friend David here in Davos about the injustice in Gaza and immediately rushed to endorse the results of this election in Iran. I find that shameful.

MR. IGNATIUS: I'm going to collect several questions and then ask our panel to comment. I've seen three hands up here, these three gentlemen, and there's a gentleman back here who had – yes, you with the – so please go ahead. Identify yourselves. We'll collect all of them and turn back to the panel.

Q: My name is Ari Hari (ph). I'm with Inter Press Service and I just had a question if I could ask our two Iranian panelists quickly. I understand this point about Khamenei not wanting to back down, but what else does he have to gain by doing this, because it occurs to me by either throwing Ahmadinejad under the bus or even having taken just a more evenhanded stance he could have preserved his leadership for maybe until the day he died?

And also, Dr. Milani mentioned the role of his sons, and if I could ask Ambassador Burns really quickly, the Obama statements in Cairo about 1953, the first apparent presidential statements on the coup, seem to have been really important and affected the psychology of at least the Iranian-Americans that I'm talking to a lot. And I was wondering if it's possible to have some sort of an honest reckoning and acknowledgement of more recent covert programs – I know that's something that's been reported in the press, maybe you can't talk about because of your former position in government. Thank you.

MR. IGNATIUS: The gentleman – two gentlemen behind you please, briefly.

Q: Yes. I'm Bob Dreyfuss. I'm with the Nation magazine and I just got back from a couple of weeks in Iran and I talked to a lot of people there across the board, from conservatives, Ahmadinejad supporters, to centrists to reformists. I could not find a single person who said that both Khamenei and Ahmadinejad don't have a fundamental interest in making a deal with the United States.

And so, I wonder, especially – Karim, you said that Khamenei doesn't want to become an obstacle or an impediment. What's the logic of not engaging immediately? I mean, I'm extremely sympathetic. I looked into the eyes of the people there many, many times who want change, but what's the logic of not engaging immediately if indeed they respond positively to Obama's offer, which as far as I know is still on the table? It just doesn't make any sense to me.

And the last part of the question is, and I know that there are vested interests, let's say in the Guard, who have economic enterprises from smuggling to other things that would be undercut by an improvement in U.S.-Iran relations and would want to resist those ties for those reasons. But I don't know whether those are – I certainly don't have any idea whether those are dominant or could be rolled over if the leadership wanted to make some kind of deal.

MR. IGNATIUS: And the gentleman right behind and you and then we'll turn to the panel to take those three.

Q: Thanks. Mike Haltzel from Johns Hopkins SAIS. Terrific panel. Thank you. I wanted to also ask about President Obama's Cairo speech earlier this month. Aside from the apology for the Mossaddeq '53 overthrow, do you think his overtures toward the Islamic world have in some way emboldened people on the street in Iran? I mean, it's been asserted that they had a positive – from our standpoint – impact on the Lebanese election. I wonder if there's been any impact on the masses in Tehran.

MR. IGNATIUS: Good question. Let's turn to the panel starting with Abbas and then Nick and then Karim.

MR. MILANI: I think Khamenei's speech last Friday is the biggest error of his political career. It might well be the end of his political career. I think for all practical purposes, it is the end of his spiritual leadership role. He might stay in power, but you cannot be a spiritual leader and have your words and commands constantly challenged.

It used to be said not long ago that when the spiritual leader talks, his words are, quote – (in foreign language) – end of discussion. When he speaks, it is the end of discussion and everybody folds their hands and accepts what he says. And it used to be that way. Not anymore. It is the beginning of discussion every time he's spoken since.

What's his interest in doing this? I think his interest was that if he was in fact – and there is increasing evidence that he was – part of the attempt to steal the election, he needed to go forward with it. Now, he could have stolen the election and still left some room for himself to maneuver. That's why I think it was such an egregious mistake of his. He could have said, let's wait.

If you look at his leadership, it has been incredibly erratic since the revolution – I mean, since the election. Interesting Freudian slip. (Laughter.) And you know, if you map it out, it is remarkably contradictory. He has changed his position so many times within 10 days that you get a sense that he doesn't operate well in moments of crisis. He did not expect this. It's like a father who suddenly realizes that the son is bigger than him and is challenging him. He's no longer a minor. And the theory of the velayat-e faqih is founded on the idea that the people are minors and need to be guarded for.

In terms of the neighbors, I think one point we have to remember – this is not necessarily true of Turkey, but the smaller neighbors of Iran in the Persian Gulf might not be that unhappy about all of this turmoil. A weakened Iran is not an Iran that is a threat to Saudi Arabia; it's not an Iran that can claim hegemonic designs for the Gulf. So whatever they say publicly, I think privately there might be some sense of relief. Let me stop.

MR. IGNATIUS: Nick?

MR. BURNS: I'll address the two questions including Mike's question about the Cairo speech and the impact that it may or may not have had on the situation in Iran.

And first, I'd just like to say I think that President Obama was certainly high minded and he took a higher road in acknowledging that the 1953 coup against Mossaddeq is a big factor in the way that many Iranians view the United States of America. I don't know if that was an apology so much as I read it more of a recognition, as an issue that we have to deal with in the psychology of the relationship and the bitter division between not only the governments but in some cases the countries of Iran and the United States.

But you know, I guess my question to someone like Ahmadinejad would be, or hardliner would be: okay, you got your history. We've got our history. We had 52 American hostages taken prisoner and held for 444 days. You – Iranian government – created Hezbollah. How about the attacks on the Marine barracks in Beirut in 1983 and our embassy, Khobar Towers, the Shi'a militant attacks against our troops in Iraq in 2005, 2006, 2007 inspired by Iran? So we've got our history, too. Are you going to start acknowledging that the Americans have in this two-way street relationship some grievances as well?

I don't think it's going to work if the Iranian right-wing thinks that we're just going to apologize for America's past engagement with Iran. We shouldn't do that. We should acknowledge together we have the most difficult history imaginable between two countries, and I think everybody on this panel has been part of it in one way or another over the last – and many of you have for the last 30 years. I think it would be a mistake to think that we can consume ourselves with discussions of the past. I think we should put it behind us.

And whenever we engage with Mousavi or whoever, Ahmadinejad, whoever, it's going to have to be a forward looking agenda because we'll spend the next 30 years debating the past if we make that the agenda.

The agenda is – I think what the president said in his statement today: can Iran rise to the challenge of being a civilized government, to act in a civilized way with its own people and with the rest of its region and the world? That's the big challenge that I, as an American, I'd put to the Iranian government.

MR. IGNATIUS: Karim?

MR. SADJADPOUR: First, about President Obama. I think people are making too much of the speech in Cairo. I just think it's President Obama's election in general which has had a real effect

in Tehran and the argument that I make is that whereas I think the Bush-Cheney approach kind of united Iran's disparate political factions against the common threat.

What we're seeing is that Obama's overtures have really accentuated the deep divide which already existed within Iran between those who want to continue this death-to-America culture of 1971 and the vast majority of Iranians who recognize it's time to move on.

I was meeting with a fairly senior Iranian official a couple of months ago in the Middle East. And he said to me privately – this is someone from a relatively conservative faction – he said that we in Tehran realize that if we can't make nice with a president named Barack Hussein Obama, who's preaching mutual respect on a weekly basis and sending us Nowruz greetings, the problem lies in Tehran, not Washington.

So I think that there, I believe, an Obama effect. I don't want to aggrandize it or exaggerate it, but I do believe that there was a real effect and I wouldn't say it's the Cairo speech. I think just in general.

Just a point about Mossaddeq in 1953. I think we need to set the record straight about this. And Abbas has written about this as well. The current political elite of the Islamic Republic were on the wrong side of history in 1953 as well. They didn't like Mossaddeq. They wanted the shah to come back because the shah was far more indulgent of the clergy than Mossaddeq was, who was a secular, democratically minded prime minister. So I think there's too much talk that we need to apologize to this regime for 1953, because again, they were on the wrong side of history as well.

And just a quick point, you know, there's a street in Tehran called Khalid Al-Islambouli Street and Khalid Al-Islambouli is the guy who killed Anwar Sadat and this is a reason why there's no relations between Egypt and Iran.

And several years ago, there's an Iranian official you can find who was quoted on the record as saying that, first, if you want us to change Khalid Al-Islambouli Street, first change Mossaddeq street in Cairo. There's a street in Cairo called Mossaddeq Street and the Iranian regime asked them to change the name of that street. So it gives you an idea of how disingenuous they are when they invoke this 1953 coup.

Now, just lastly, about Ayatollah Khamenei. I'm in the minority here when it comes to what I think Khamenei is interested in. But this was – three months of my life where all I did was read Ayatollah Khamenei's speeches and edicts and writing, and I think I found on a weekly basis you denounce the United States, maybe actually believe it after a while. Maybe it's not just rhetoric. And I saw his response to Obama's Nowruz overture. It didn't give the least bit impression that he's someone who's interested – who wakes up in the morning and says, how can we have a friendly relationship with the United States?

And I think he's not an idiot. There was a quote I found from him once saying that we know that if we were to change our approach towards Israel and to Palestine that the U.S. would change its approach toward Iran. And yet he's unequivocally supporting a president who continues to deny the Holocaust and be belligerent toward Israel.

So would he be interested in the United States coming to Iran and saying, okay, we're going to acquiesce on your nuclear program, on your support for Hezbollah, on your rejection of Israel and let's have a cold peace. I think he would be okay with that.

But is he willing to make the type of compromises necessary to reach a modus vivendi with the United States? I have no evidence that he's willing to – he's interested in that type of a deal.

And I always say that for me there's three symbolic pillars left of the Islamic Republic: (in foreign language), death to America, (in foreign language), death to Israel and the hijab for women. And I think that he believes that if he abandons these pillars, the entire system could unravel.

MR. IGNATIUS: We've reached the end of the allotted period. We had questions that were submitted by people in Beirut –

MR. SADJADPOUR: We have until 2:00 p.m.

MR. IGNATIUS: Oh, Karim has said we have until 2:00 p.m. Is that right? Our allotted period is longer. I'm actually – I'm going to use one of these questions that was submitted from overseas and then I'll turn it back to the audience and try to get a couple more from you. But this really is for our streaming video audience.

Gary in Beirut, Lebanon, asks: "What are the implications of this crisis in Iran for Hezbollah?" And I would ask by extension, for Hamas, for Syria. And I'd make this a double-edged question for our panel. On the one hand, what's the possibility that the Iranian leadership in this moment of crisis would seek a diversion by creating a distraction elsewhere where suddenly it's firing missiles in Israel, Israel is retaliating and then the issue is Israel.

And on the other side, what's the possibility that a weakened Hamas and Hezbollah worried that their patrons are – their patrons' days are numbered might be very amenable to creative moves on our part to draw them away, I think, particularly of Syria and Hamas.

Would anyone on the panel like to take that up? Abbas?

MR. MILANI: You know, the issue of Hezbollah is, I think, particularly important. There's an interview by Nasrallah. He talks about the creation of Hezbollah. He says, Khomeini called him to Tehran and said, we support the creation of Hezbollah. We will offer whatever logistical help you need and then he appointed Khamenei as the liaison person between the Iranian government and Hezbollah. And Nasrallah says, throughout the course of the Khomeini years, Khamenei was our liaison person – would go to him and he would always accommodate.

When he became the spiritual leader, he said, I went back to Iran and congratulated him and said, okay. Now, appoint a liaison person. He said, no. I want to remain the liaison person. That's how important Hezbollah has been to him personally.

And if he is embattled – and I think, in my mind, he is very seriously embattled and weakened – it will weaken the position of Hezbollah. Iran's economic problems have already, I think, limited the amount of aid they can provide. Iran's weakened economy certainly limited the help they provided to Hamas, for example, after the end of the last engagement with Israel. In

Lebanon, they came up with \$1 billion cash and Hezbollah went house to house and paid everybody \$10,000 to rebuild their houses as there was no cash available, as far as I know, in Gaza for it. So I think it is going to impact what these groups can do.

But I think there's one other point that we must remember. And I think this also goes back to the point Ambassador Burns was making. We must never, I think, forget that these groups – these Arab groups are happy to take Iran's money but when push comes to shove they are going to be Arab groups and they're going to be following Arab interests. And in many cases, they despise Iran the same way that Iranians despise them.

The case of Muqtada al-Sadr and his racist comments about Iranians is a good example. Even Syria, which is an Iranian creation, the minute they went back to Iraq, they realized that if they want to politically grow and survive, they need to create distance between them and Persians because of Arab nationalism. So I'm not sure any of these surrogate groups, when push comes to shove, will fire a bullet on behalf of only the Iranian cause.

MR. IGNATIUS: Nick?

MR. BURNS: Very quickly, I think that we may look back and see that the rejectionist front had its high-water mark in the summer of 2006 during the Lebanon war against Israel – the rejectionist front: Hamas, Hezbollah, Palestinian Islamic Jihad, Syria, Iran. There are fissures in it that I see right now.

I think Obama has very skillfully played upon those fissures. With his very hard-line stance against the Israeli settlements in the West Bank, he's taking issues away from the rejectionist front. With his very, I think, sensible reaching out to Syria – we've had two visits by senior American diplomats to Damascus since Obama was inaugurated. I think this policy of engaging our adversaries is actually – it's not naïve as the critics would say, the right-wing critics. It's actually very skillful creating some – skillfully creating some openings for the U.S. In this formally, very formidable block of terrorist groups and countries that we thought a couple of years ago was going to be powerful for many years, it may not be the case.

MR. IGNATIUS: Karim?

MR. SADJADPOUR: I would just simply add that I think what's happening right now, some prospect of fundamental reform in Iran is an existential threat to Hezbollah. And this is why you see a lot of accusations. I have not seen them verified, but dozens of accusations, if not hundreds that there are Hezbollah fighters today on the streets of Iran and Tehran which are helping to suppress this uprising.

MR. IGNATIUS: I have time really just for two more questions. There's a young lady in the back and then this gentleman with the goatee I was going to recognize earlier. Please state your names and brief questions.

Q: Hi. I'm Maryam Jamshidi. I'm an attorney in D.C. I have two questions; I'll just ask one of them. It's about the Assembly of Experts and the reports that Rafsanjani has been mobilizing votes or support from within that group for either ousting or somehow limiting Khamenei's power.

Realistically speaking, I know the assembly does have quite broad constitutional power to elect and supervise the supreme leader's activities.

But from a practical point of view, especially over the last 30 years of the Islamic Republic, what role do you actually think the Assembly of Experts could play or is willing to play in restraining Khamenei at this point? Do you think that given the interdependence and interconnections within the Iranian government, realistically speaking, the Assembly of Experts could do anything at this point?

MR. IGNATIUS: And the gentleman in front of you, please.

Q: Clay Ramsay, a program on International Policy Attitudes. We seem to have moved on from the discussion of the election itself because of the consensus that it's fraudulent. But of course, the regime can falsify an election either because it knows it's going to lose, or because it goes into a panic. It doesn't like the margin it's seeing and so goes ahead and cheats.

So I would like to ask the panelists in Iran's population, countrywide, what do you assume is the real balance of forces between supporters of Ahmadinejad and supporters of Mousavi, or do we simply not know?

MR. IGNATIUS: Interesting question. Let's conclude. Concluding comments from the panel starting with Karim and going to the left.

MR. SADJADPOUR: Okay. Very briefly. I spoke to someone who's very close to the Rafsanjani family who lives in Dubai and he told me something interesting – that Rafsanjani has been going to Qom to try to kind of lobby these senior grand ayatollahs within the Assembly of Experts and the Assembly of Experts is a body of I think 80-some clerics. And their average age is deceased. (Laughter.) It's truly a very ancient group of individuals.

And so you know, what I've been told from him is that he hasn't been able to assemble a majority yet. And it's not because these grand ayatollahs necessarily respect Ayatollah Khamenei or have a great affinity for him, but they fear the results – they fear the consequences, fear the consequences of going – agitating against Khamenei and they're reliant on Khamenei economically.

So he said that, you know, he hasn't yet been able to assemble a majority, but if the tides start to shift, it's possible, because, as I said earlier, Khamenei doesn't have the same allegiance. People don't devote the same allegiance to Khamenei as they did Khomeini.

Now, on what is the balance of Iranian society? And as Nick Burns always says, I think very aptly, we need to be humble in our proclamations about Iran. Even myself was based a couple of years and traveled throughout the country; I don't proclaim to know precisely.

But what I will tell you is that in 2005, in the first round of the election, Ahmadinejad got 5.7 million votes. They got 5.7 million votes out of an electorate of about 40 million. Mohammad Khatami got 24 million votes in his first round election. So it gives you an idea of the breakdown.

And as I always tell people that I covered Ahmadinejad's election very carefully and not one person told me that, you know, I want this guy as our president because he's a Holocaust-denier or

he's going to be belligerent toward Israel. It was all about he was going to put the oil money on people's dinner tables. And as senator – the late great Senator Moynihan once said, you can have your own opinions but you can't have your own facts. And this regime even by official numbers, the inflation rate has doubled 30 percent.

So I find it very difficult to believe that people would say, you know, Mahmoud has doubled inflation and wrecked the economy. Let's go out and vote for him in record numbers, a 50 percent increase in the turnout. And I'll just leave you with what Tom Friedman wrote is that, if I win a two-to-one election – if I genuinely win a two-to-one election against anyone, I'm happy for a recount against anyone, anytime. So thank you.

MR. IGNATIUS: Nick?

MR. BURNS: Well, I'm going to be a little bit humble because the three people on the panel know more than I'll ever know about Iranian history and culture to answer this question adequately. The only thought I could contribute would be to – Karim and I were on a panel, on a show with Robin Wright yesterday and she's written some very compelling articles I think for Time and the LA Times over the last week.

And one of the things that Robin pointed out in an article I read last night is that the current crisis is playing out on a broad historical canvas. And there's been a century long struggle in Iran to define modern Iran from the constitutional crisis of 1910–1911 through the occupation in World War II, through '53, through the shah, through the Islamic Revolution. It's a bitterly and fundamentally divided country.

And so I'm humble in the sense that we know so little about that country: 30 years, no businesspeople there, Americans, no journalists there, no diplomats there. It looks like we're just – we're peering into a very murky situation, but with profound stakes for the people.

Another reason for us to be careful, prudent, measured, serious and a little bit restrained before we play our full hand, another reason why I think the president, our president, President Obama has been effective, the last point that builds on this, when I was in government, there was an assumption among those who felt we had to confront Iran militarily that Iran was a monolithic political entity, that Iran was out to dominate the Middle East in a negative way, out to use its future nuclear weapons capacity against American interests.

Now we see over the last week, it is anything but a monolithic political entity. And we're seeing this extraordinary revolution of sorts play out and I just don't know where it's going to end, but it does argue for us to be a little bit humble about being able to predict what's going to happen and then we'll be in a position and have enough credibility to be able to react effectively to pursue our own interests and hopefully in concert with democrats and reformers when that time comes.

MR. IGNATIUS: Abbas, last word.

MR. MILANI: Well, this might be my only chance to say this. When Ambassador Burns was in the government, was under secretary, he was kind enough to invite me to his office a few times. And every time I came out of his office – this was during the Bush administration – I asked myself,

how can the policy be so wrong when they have so wise a person managing the Iran desk?
(Laughter.) It just never made sense to me. Really. And you know –

MR. IGNATIUS: Nick just said that's a long story.

(Laughter.)

MR. BURNS: It's another story.

MR. MILANI: Being a good Persian, I always thought it's a British conspiracy. (Laughter.) You know, much has been made about this poll that was published in a good paper about maybe Ahmadinejad won the election. I actually looked at that poll carefully. If you go read it, you get the answer to your question.

Ninety percent of those polled saw the economy as their biggest concern. Only less than a third thought that their economic situation had improved during Mr. Ahmadinejad and these are the members of the Basij and the revolutionary guards who have been raking it in. Eighty percent of the people said they want improved relations with the United States. Fifty-two percent of the people said Iran should recognize the state of Israel. Over 80 percent of the people said Iran should make adequate guarantees – offer adequate guarantees to the United States about its intentions in the nuclear program in return for scientific and technological help.

This is the portrait of Iran by an independent poll. That's not a community that elects Mr. Ahmadinejad by a two-to-one margin. And almost every one of these main pillars of ideas, they're standing in the exact opposite. I think the regime has the support of about 22, 25 percent of the people. And that is the group that is organized; it is a group that is very, very dedicated to the (gig ?). It is a \$100 billion gig.

They're sitting on \$100 billion a year and they are stealing it blind and there is no accountability. The amount of corruption in this regime is incomparable with the shah's rule. It's absolutely incredible. Khamenei decides one day to allow the revolutionary guards to sell parts of Iran's oil independently on the market. The shah never did anything like this. The Iranian oil was managed by Iran's oil company. This guy thinks he owns the country and gives it out to these people at will.

So that 22 to 30 percent, 25 percent, that is raking it in, I think are the only people who support this regime. The rest, that 75 percent, I think are waiting for another sign that the regime's ability to kill has diminished and you will see, I think, an eruption far bigger than what we saw last week.

MR. IGNATIUS: That's a good note to end it on. My apologies to people whose questions I couldn't get to. Please join me – this was a wonderful panel – in thanking the panelists.

(Applause.)

(END)