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## THEY SAID IT

As Iran edges closer to acquiring a nuclear bomb and its missiles extend an ever darker diplomatic shadow over the Middle East and Europe, Iran is likely to pose three threats. First, Iran could dramatically up the price of oil by interfering with the free passage of vessels in and through the Persian Gulf as it did during the 1980s or by threatening to use terrorist proxies to target other states' oil facilities. Second, it could diminish American influence in the Gulf and Middle East by increasing the pace and scope of terrorist activities against Iraq, Saudi Arabia, other Gulf states, Israel, and other perceived supporters of the United States. Finally, it could become a nuclear proliferation model for the world and its neighbors (including many states that otherwise would be more dependent on the United States for their security) by continuing to insist that it has a right to make nuclear fuel under the Nuclear Nonproliferation Treaty and then withdrawing once it decides to get a bomb. To contain and deter Iran from posing such threats, the United States and its friends could take a number of steps: increasing military cooperation (particularly in the naval sphere) to deter Iranian naval interference; reducing the vulnerability of oil facilities in the Gulf outside of Iran to terrorist attacks, building and completing pipelines in the lower Gulf region that would allow most of the non-Iranian oil and gas in the Gulf to be exported without having to transit the Straits of Hormuz; diplomatically isolating Iran by calling for the demilitarization of the Straits and adjacent islands, creating country-neutral rules against Nuclear Nonproliferation Treaty state members who are suspected of violating the treaty from getting nuclear assistance from other state members and making withdrawal from the treaty more difficult; encouraging Israel to set the pace of nuclear restraint in the region by freezing its large reactor at Dimona and calling on all other states that have large nuclear reactors to follow suit; and getting the Europeans to back targeted economic sanctions against Iran if it fails to shut down its most sensitive nuclear activities.

*Getting Ready for a Nuclear-Ready Iran*, Strategic Studies Institute of the U.S. Army War College, November 2005.

## WILL GEORGE GO WOBBLY ON IRAN?

One of the things I have noticed as I have watched the recent debate over Iraq between the hawks and the doves is that both sides seem to think that the outcome of this confrontation is going to represent some sort of historic turning point in the Bush presidency. The doves are challenging Bush's wisdom and leadership concerning Iraq and want "the troops out." The hawks maintain that "it's working" and want "to stay the

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course.” Politicians and pundits alike seem to think that the stakes in this confrontation are very high. Some seem to believe that the Bush presidency is at risk.

I believe that’s nonsense. I think it is highly unlikely that Murtha, Pelosi, Reed, et al. are going to significantly affect the success or failure of the Bush presidency. Yon Pelosi may have a lean and hungry look but she is no Cassius, and the other two leaders of the Democratic opposition are not made of the stuff of Brutus and Casca. They and their colleagues are bit players in the Bush drama, or as Cassius might have put it, “underlings.” And my guess is that they will remain so. As Bill Clinton proved time and again, the power of the modern American presidency is greater by far than that of a handful of angry legislators, no matter how resolute they are.

Furthermore, I am not at all convinced that history’s judgment on the current Bush presidency rests on the outcome of the Iraqi venture. After all, the President’s lease on the world stage has three more years to run, which is a very long time indeed in this day and age when one of the world’s largest and arguably most volatile religions is going through a period of monumental upheaval similar to that which Christianity experienced during the Reformation; when small groups of angry individuals are technologically capable of killing thousands of people and wreaking havoc on entire nations; and when fears of global pandemics are all too real.

This is, after all, a time when some say that “future shock,” defined as “too much change in too short a period of time,” is about to give way to something called “technological singularity,” which is defined in Wikipedia as a time “when technological progress and societal change accelerate due to the advent of superhuman artificial intelligence, changing our environment beyond the ability of pre-Singularity humans to comprehend or reliably predict.”

Now this pre-Singularity human sincerely hopes that there are no new surprises in store for President Bush during the next three years; that this period will be

marked by global tranquility and progress toward a world united by increasing prosperity and a shared desire for peace. I think, however, that this is unlikely. In fact, I think there is a very good chance that the remainder of President Bush’s term will witness some significant surprises, which together or singly could easily have as great an impact on history’s view of his presidency as the war in Iraq, however that conflict happens to turn out.

Iran’s stubborn insistence on pursuing development of a nuclear weapon is a case in point. Recently, the head of the Atomic Energy Agency, Mohammed Elbaradei, publicly stated that Iran is possibly no more “than a few months” away from the development of a nuclear weapon. Not surprisingly, a headline in yesterday’s *Sunday Times* of London read: “Israel readies forces for strike on nuclear Iran.” The first two and the final two sentences of that piece, co-authored by Uzi Mahnaimi in Tel Aviv and Sarah Baxter in Washington, read as follows:

Israel’s armed forces have been ordered by Ariel Sharon, the prime minister, to be ready by the end of March for possible strikes on secret uranium enrichment sites in Iran, military sources have revealed. The order came after Israeli intelligence warned the government that Iran was operating enrichment facilities, believed to be small and concealed in civilian locations....

If a military operation is approved, Israel will use air and ground forces against several nuclear targets in the hope of stalling Tehran’s nuclear programme for years, according to Israeli military sources. It is believed Israel would call on its top special forces brigade, Unit 262 — the equivalent of the SAS — and the F-15I strategic 69 Squadron, which can strike Iran and return to Israel without refueling.

For those who did not see our comment on Iran’s nuclear program in the December 6 issue of our friend Ed Yardeni’s daily “Morning Briefing,” it went as follows:

Though most serious observers have been well aware of Iran's intentions to weaponize its nuclear energy program for years, confirmation [by Mohammed Elbaradei] of those intentions will likely heighten tensions in the region. This could possibly result in some level of armed conflict. The greatest pressure is, of course, on President Bush, who not only has to grapple with the idea of a nuclear-armed Iran, but also with the fact that the United States' principal ally in the region, Israel, has been openly threatened on several occasions by various Iranian officials, including President Mahmoud Ahmadinejad.

Recall that Israel defended itself once before from regional nuclear aggression by a hostile neighbor with the destruction in 1981 of Iraq's Osirak nuclear plant. The usual suspects will undoubtedly suggest that even Ahmadinejad would not be stupid enough to start a nuclear war with Israel and therefore any concern about an Iranian first strike is unnecessary.

However, we believe such rationale is faulty because it hinges on the presumption that Ahmadinejad will behave rationally, a presumption that we believe is untenable. In our estimation, relying on the rationality of a man who, according to "The Scotsman" [Scotland's national newspaper], publicly "claims [that] a celestial green 'light' descended on him when he addressed world leaders at the United Nations," to protect and aid him in his cause constitutes an exceptionally risky bet at best. Therefore, the likelihood of an Israeli defensive pre-emptive strike and a resultant regional war or of a US led confrontation with the Islamic Republic has almost certainly gone up considerably over the last 24 hours.

Now, once again, I sincerely hope that a military confrontation with Iran can be avoided. But, once again, I am not optimistic. Israel cannot and will not

allow a nation such as Iran to have nuclear weapons. The risk is simply too great, given the nature of the Iranian regime, whose president publicly declared recently that Israel should be "wiped off the map." As Israel's Foreign Minister Silvan Shalom put it recently, "Israel can't live in a situation in which Iran has the atomic bomb."

On the other hand, it seems highly unlikely that Iran will voluntarily give up its nuclear weapons program, given the fanatical nature of the Iranian leadership, which seems to believe that the moment is approaching when the great war with the evil ones will take place, paving the way for the return of the Medhi, or the 12<sup>th</sup> Imam, which will inaugurate an era of peace and justice for the Shi'ite community. As Steve noted several weeks ago in an article entitled "Islam And The Pursuit Of The Millennium," this mythical 12<sup>th</sup> Imam disappeared from the earth in the 7<sup>th</sup> century and is currently believed to be hiding in the bottom of the Jamkaran well in Ifahan, to which my only response is, "hide on, sweet Prince."

Time will tell what will come of this. And it likely won't be a very long time. In the meantime, I think it would be accurate to say that President Bush is about to be confronted with a strategic problem that is more complicated and potentially more hazardous to the world and to his presidency than any he has faced since he came into office. And this would include not only the recent criticism by the ninnyhammers in the Democratic Party over his conduct of the Iraqi war, but also the problems that confronted him in the days immediately following the events of 9/11.

Will he publicly demand that Israel hold its fire and threaten economic sanctions against the Jewish state if it fails to agree? Will he sit back and watch if Israel decides to go it alone? Will he threaten Iran with military action if it fails to comply with demands that it provide incontrovertible proof that it has abandoned its nuclear weapons program? Will he follow up on this threat if Iran ignores his warnings? Or will he try to buy time by pretending that it can all be handled by the United Nations via economic sanctions, trusting that Israel will go along?

And then there are the related questions. What will other Muslim nations do if Israel strikes at Iran? What will Iran do? How will the radical Shiites in Iraq react if their putative American friends launch a military attack on their Shiite neighbors in Iran, alone or as a partner with Israel? Can the leaders of those large Muslim states, like Egypt, Jordan, Saudi Arabia, continue to have reasonably friendly relations with America, if America attacks Iran, alone or as a partner with Israel?

And finally, if it comes down to an eleventh hour decision on whether to go to war or back down, what will the President do, given that American forces are stretched fairly thin at the present time; that he will not be able to count on the support of the Democrats and their followers but can anticipate heavy criticism from them for allowing things to come to such an end; and that any attack on Iran would have to feature heavy, high-level bombing, which would mean heavy civilian casualties in a Muslim state?

A related question might be whether the President will remember and heed the advice given to his father by Margaret Thatcher just over 15 years ago, on the day after Saddam Hussein's military rolled into Kuwait, namely "Don't go wobbling on me, George."

I am in the forecasting business, but I don't feel comfortable forecasting this one. As noted above, the intellectuals at the Army War College appear to have thought long and hard about this issue and did not see fit to place the war option in its summary of ideas. So Israel did it for them.

Presumably there is a great deal of diplomatic activity going on behind the scenes, between the United States and Israel; between the United States and its allies and friends throughout the world, including those in the Middle East; and between Iran and its friends, including Russia, China and some large European nations. Presumably everyone is working toward the avoidance of war. And one can hope that they will be successful, even if it is not clear at this time how that success might come about. Then again, history

is full of instances when leaders of nations acted irresponsibly and no one was able to do anything about it until it was too late. Indeed, that is the stuff of which history is made.

## THE REAL THREAT FROM CHINA.

It is nearly universally acknowledged among pundits, analysts, foreign policy experts, and the rest of the political intelligentsia that whatever problems the United States may have with radical Islam and its terrorist death-cult, the real threat to American global hegemony will come from China.

Long after Osama bin Laden and Abu Musab al-Zarqawi have been relegated to the proverbial dustbin of history, the dragon in the East will continue to breathe fire and will exert its influence in places formerly influenced principally by the United States. With its perpetually astounding economic growth; massive population; immense geographic span; shrewd foreign policy; and ruthless pursuit of energy resources, particularly among the "rogue" nations shunned by the West, China has become one of the world's most significant players and will emerge as the second – perhaps even the dominant – superpower over the next half century. Or so the story goes.

President Bush's visit to Asia last month occasioned yet another round of gushing about China's imminent rise and the United States' equally imminent relative decline by the world's raft of Sino-philes. Newspapers worldwide were filled with analyses and commentaries suggesting that it is only a matter of time before the American President and his Chinese counterpart will meet again, only this time as equals, sharing the title of "most powerful man in the world." As Martin Jacques, writing in London's *Guardian*, put it, "China has arrived and will increasingly shape our future, not just its own."

Some of the analysis written over the last several weeks has even gone so far as to suggest that parity between the world's lone superpower and its would-

be rival is actually closer than most would guess and that China might even be the stronger of the two, at least militarily. Upon Bush's return, *Insight* magazine published a story detailing this sentiment, which is apparently widespread throughout Asia and the Pacific. *Insight* put it thusly:

The overwhelming assessment by Asian officials, diplomats and analysts is that the U.S. military simply cannot defeat China. It has been an assessment relayed to U.S. government officials over the past few months by countries such as Australia, Japan and South Korea. This comes as President Bush wraps up a visit to Asia, in which he sought to strengthen U.S. ties with key allies in the region.

Most Asian officials have expressed their views privately. Tokyo Governor Shintaro Ishihara has gone public, warning that the United States would lose any war with China. "In any case, if tension between the United States and China heightens, if each side pulls the trigger, though it may not be stretched to nuclear weapons, and the wider hostilities expand, I believe America cannot win . . ."

There is little question that Governor Ishihara raises some interesting and some troubling points as to why, in his opinion, China would win a war with the United States. Among these is his contention that "the U.S. military could not counter a wave of millions of Chinese soldiers prepared to die in any onslaught against U.S. forces" because it would be "forced to withdraw" after 2,000 casualties. His reference was, of course, to the defeatism of Howard Dean, the "realism" of Chuck Hagel, and the demonization of American troops by John Kerry, which collectively seem to have convinced the world that the United States doesn't have the stomach to stand and fight.

But the well-known inclination of modern American politicians to surrender notwithstanding, the presumption that China could win a war with the United States is, at least right now, borderline

preposterous. China may be light years ahead of where it was just a couple of decades ago, but it is still a long way behind the United States in just about any measure of comparison.

Indeed, although the Red Army is the world's largest and although the Chinese have, over the last several years, dedicated greater resources to building their military capability, Chinese military spending and military capacity still trail that of the United States by sizeable margins. Officially, the Chinese government spends some \$30 billion a year on its military. Pentagon estimates suggest that the "official" number is roughly a third of total military spending. Whatever the case, the Chinese military budget is no more than 20% of the American military budget, which is quickly approaching half-a-trillion dollars a year. The fact of the matter is that even after the post-Cold War build-down, the United States still boasts the world's most formidable military. And anyone who doesn't know this simply has not been paying attention.

Does this mean, then, that China is no threat and that its ambition and belligerence should be dismissed as insignificant? Of course not. China is most definitely a threat – both to the United States specifically and the world in general. It's just not the kind of threat that most of the experts believe, regardless of whether they view China's rise with anticipation or trepidation.

In truth, the threat from China comes not from its ability to challenge the United States on a global scale as an equal or a near equal, but from the inherent instability of a society that is torn between the ancient and the modern. The Sino-enthusiasts sing the nation's praises and maintain that it is a stable, developed society, not too dissimilar from the modern states of Asia. And they seem to believe that it will behave accordingly. But it is not a stable developed society. Indeed, it is anything but.

I have written many times in the past about China's barely concealed social problems, many of which are acute and would be considered disasters-waiting-to-happen if they were found in other, developed or developing nations. Thanks to the work of renowned demographer Nicholas Eberstadt, China's problems

with regard to its rapidly and artificially graying population and its “sex ratio imbalances,” both of which are the byproducts of the infamous “one child” policy, are fairly well known. But they are merely the two best known of China’s many deep social ills.

For years now, the wealth gap between China’s upwardly mobile urban dwellers and its virtually indigent rural residents has been expanding exponentially. There have been isolated and sporadic clashes between rural Chinese and the government regarding the perceived disparity between urban and rural, rich and poor. But recently the clashes have grown more and more frequent and more and more serious. According to CNN, “By the government’s count, China had more than 70,000 cases of rural unrest last year. Protests are growing more violent, with injuries on both sides.”

Many of these clashes, including last week’s explosive confrontation in the Southern village of Dongzhou, which left as many as 70 villagers dead at the hands of Chinese soldiers (the official government body count is 3), involve the government seizure of property for “public use,” often power plants, shopping malls, or, as in Dongzhou, wind mills. Though the American media has generally seemed uninterested in these confrontations, they are nonetheless significant. If nothing else, they are indicative of simmering social unrest and widespread unhappiness with the economic revolution that most outsiders tend to view as an exclusively positive development. Indeed, if such a combination of riots and military response took place anywhere in the developed world, it would rightly be seen as a portentous sign of serious and potentially regime-altering social ills.

And things are likely to get worse in the near-to-mid-term future. As I mentioned earlier, the aforementioned Nicholas Eberstadt’s pioneering work on the ramifications of China’s “one child” policy has played a fundamental role in outsiders’ understanding of the enormous social burdens facing the Chinese state over the next couple of decades. Over the last couple of years, he has also focused heavily on the potentially devastating impact that HIV/AIDS may have on the nation’s of what he terms “Eurasia,” namely Russia, India, and China.

Though it’s been difficult to get an accurate accounting of the number of Chinese AIDS cases and AIDS-related deaths because of the government’s secrecy and deceptiveness, Eberstadt has nonetheless been able to estimate both the actual number of cases and the expected number of future cases. And if the estimates he suggests are anywhere near close to accurate, then China has a significant problem on its hands that will grow so bad over the next 10 to 20 years that it can be expected to affect the country’s economic and social development. According to Eberstadt:

In August 2001, health authorities in Beijing announced that 600,000 Chinese were HIV positive as of 2000. A little later, in July 2002, UNAIDS estimated that the total number of people living with HIV/AIDS in China was 850,000 -- a figure with which Beijing, at the time, concurred. Just two months thereafter, however, the Chinese Health Ministry raised the official estimate to one million.

Other sources suggest that the total may be even higher. (Indeed, according to some claims, the province of Henan alone might already have 1.2 million HIV carriers.) A June 2002 UN report suggested that China’s HIV population was between 800,000 and 1.5 million people. The U.S. intelligence community, for its part, estimates that China has one million to two million HIV carriers. Nor is this the upper boundary of informed guesswork. In June 2002, an unnamed U.N. official told *The New York Times* that there could be as many as 6 million HIV cases in China today; if that claim proves accurate, China would currently have the largest HIV population of any country in the world.

Given China’s enormous population, these huge HIV numbers still translate into relatively low rates of prevalence: a million HIV carriers would mean a rate of about 0.13 percent; 2 million, about 0.25 percent; and even with the astronomical figure of 6 million, China’s HIV prevalence rate would

be only somewhat higher than the current 0.7 percent rate in the United States. But whatever the true rate is, there can be no doubt that totals are rising swiftly. Chinese authorities and UNAIDS, for instance, both suggest that the prevalence of HIV in China has been increasing recently by about 20-30 percent per year; the U.S. Centers for Disease Control and Prevention also note that at current rates the number of victims could double in 30 months . . .

China without AIDS would, by this method [a health-based analysis of economic output], experience a predicted increase in output per working-age person of more than 50 percent during the next 25 years. But even a mild epidemic would cut that growth by half -- or, to put it slightly differently, even an epidemic with a peak HIV prevalence rate of 1.5 percent would cut more than half a percentage point a year off China's long-term economic growth rate. Under an intermediate epidemic, output per working person would barely rise between 2000 and 2025. And under the most pessimistic of the scenarios, Chinese productivity over that same period would actually decline . . .

[F]or China, health-based predictions of economic output suggest relatively modest output growth of 80 percent between 2000 and 2025. The mild epidemic scenario would be predicted to cut that growth by more than a third; an intermediate epidemic, by much more. The more pessimistic scenarios would suggest even more dramatic economic repercussions for the Chinese economy.

To be sure, Eberstadt's predictions are tenuous at best and may be considered unduly alarming. Nevertheless, they serve to confirm that China has some serious social/demographic issues that have been largely ignored by analysts in the West. Between the rising

percentage of "unmarriageable males," the rapidly and artificially aging population, severe economic dislocation and inconsistency of economic growth, and now a looming HIV/AIDS crisis, expectations of China's imminent rise seem more than a touch overly optimistic.

The problem with all of this, and the reason why China represents a threat to the United States and to the world, is that the Chinese, like the optimistic Sino-philes in the West, appear to believe that their ascension to super-power status is inevitable. And when this "inevitability" no longer appears quite so inevitable, there will be repercussions.

What precisely those repercussions will be it is hard to predict. But if history is any guide, then the Chinese government's response to growing internal problems and related social unrest will be to attempt to divert attention to foreign soil.

While most respectable China-watchers undoubtedly believe that the Chinese would not be so foolish as to provoke a confrontation with the United States over Taiwan, those presumptions rest on the idea that the Chinese government will behave rationally. Yet when faced with mounting civil unrest and the possibility of that unrest escalating into something more serious, the regime may choose to act irrationally, or, more precisely, to define the rational course of action differently than outside observers define it. The Chinese regime may, in other words, roll the dice, particularly if it believes what many others in the region appear to believe, namely that a country in which half of the political elites are unwilling to sacrifice 2000 soldiers to advance domestic security and stability in the Middle East will likewise be unwilling to risk losing one of its cities in defense of a tiny island half a world away.

Needless to say, such a calculation would be a mistake. Not only is the United States obligated by treaty to come to Taiwan's defense, but it looks more and more as if any battle over the island would expand beyond the principals and would set the stage for a major regional conflict. A recent report by the National

Bureau of Asian Research, for example, suggests that Japan has of late taken a far more aggressive posture toward defending Taiwan, which was a Japanese colony from 1895 to 1945. Among other things, the report (which was highlighted yesterday in a column by former *New York Times* Asia correspondent Richard Halloran) concludes, “if a military confrontation occurred between the United States and China over Taiwan, U.S. policymakers can rest assured of Japan’s support.”

Given all of this, it is possible that the Chinese will choose to pursue their foreign interests elsewhere. It is also possible that they will attempt to defuse their domestic problems in other ways, which we cannot predict. And that I guess is the point. Most Western analysts and pundits think they have China all figured out and think they know precisely where it is going and how it will get there. But they don’t. No one does.

As with Mark’s accompanying description of Iran, China represents a serious threat to global stability and a threat that westerners will have a difficult time predicting. Part of this difficulty is

related to imperfect information about the state of domestic affairs in China, a condition fostered by the regime’s secretive and occasionally duplicitous nature. Part of the difficulty is related to Western observers’ unwillingness to look at the entirety of the information available and to assess potential problems that contradict the rosier scenarios. But the largest part is a function of the inability to predict whether the Chinese regime will define its “rational self interest” in a way that we in the West believe is rational.

It is possible, of course, that China’s rise will take place exactly as the Sino-philes expect, that The People’s Republic will take its spot as a global super power later this century. I, for one doubt it. As I noted in my most recent piece on the subject last April, I think the flash point in China will come “sooner rather than later” and I don’t think it will be a flash point born of the regime’s strength, but of its weakness.

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