These have been busy days for Iran's leadership. On January 28, the regime hanged two government opponents and sentenced 10 others to die. It has arrested and jailed some 500 opponents since December. Last week, it shut off access to Gmail and Google Buzz, as it already has done with Twitter, to prevent opposition forces from organizing. On the 31st anniversary of the Islamic Revolution, it jammed the streets of Tehran with supporters and security forces. Oh, and Mahmoud Ahmadinejad announced that Iran has begun enriching uranium to 20% purity, making it a "nuclear state."

Maybe now we can all agree that "engagement" with Iran has failed. So where does the Obama Administration go from here? It seems to be moving on multiple, not always coherent, fronts.

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Last Wednesday, the Treasury Department imposed sanctions on a commander of Iran's Revolutionary Guards Corps along with several IRGC-related companies said to be involved in WMD programs. And this week, Secretary of State Hillary Clinton warned that Iran may be evolving into a military dictatorship, with the Revolutionary Guards essentially running the show.

The U.S. is also trying to get the U.N. Security Council to agree to a new round of sanctions on Iran, over continued Chinese opposition. A Western diplomatic source tells us we can probably expect another essentially symbolic U.N. resolution in the coming weeks.

Then there is Congress, which in the past two months has voted overwhelmingly for legislation that targets companies doing energy business with Iran. The two bills must now be reconciled, but the State Department has previously sought to postpone the measures on grounds that they would constrain its room for diplomatic maneuver and could hurt the Iranian people.

Our sources tell us the Administration may now reluctantly be willing to let Congress play bad cop as it pursues its sanctions options at the U.N. and, separately, with the Europeans. That's fine as far as it goes, and we hope the Administration understands that the Congressional bills opposition. A Western diplomatic source tells us we can probably expect another essentially symbolic U.N. resolution in the coming weeks.

Time is running out.
would also have a major impact on the Revolutionary Guard, which dominates Iran's energy business and takes a huge cut from the $6 billion-plus annual gasoline trade, according to the Foundation for Defense of Democracies.

Then again, we doubt even this Administration thinks that these sanctions alone can alter the regime's behavior, much less force its collapse. Instead—and in the absence of a credible threat of the use of U.S. military force—the Administration seems to be gambling its Iran policy on a set of assumptions that look increasingly wishful.

One of these assumptions is that there may still be a "grand bargain" to be struck with the Iranian leadership, notwithstanding its refusal to do so last year amid President Obama's overtures. The Administration also allowed itself to imagine that Iran's protest movement would force the regime to take a more conciliatory nuclear line. It seems to have done the opposite.

Another assumption is that Iran has encountered serious technical difficulties in its nuclear program, out of some combination of incompetence and perhaps sabotage. We certainly hope that's true. But the driving fact is that Iran seems to have repeatedly surmounted these obstacles over the years, and last year it surprised U.N. inspectors by producing more low-enriched uranium than anticipated. Enrichment only becomes easier as it moves to higher states of purity. And yesterday, the U.N. nuclear agency said it is worried that Iran may already be working on a nuclear warhead.

Then there is the whispered assumption that a nuclear Iran would be "containable." But leaving aside the view that a religiously fanatic regime can never safely be trusted with a bomb, a nuclear Iran would open the Pandora's box of nuclear proliferation in Saudi Arabia, Egypt and Turkey. For an Administration that has made nuclear nonproliferation a centerpiece of its agenda, allowing Iran to go nuclear would seem an odd way to advance that goal.

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All of this suggests the need for a new U.S. strategy that drops the engagement illusion and begins to treat Iran as the single biggest threat to Mideast and U.S. security. Sanctions can be part of that strategy, but they will need to be more comprehensive than anything to date. They must also be ramped up rapidly because they will need time to be felt by the regime. The U.S. should give up on the U.N., which will only delay and dilute such pressure, and build a sanctions coalition of the willing.

The U.S. can also speak and act far more forcefully and clearly on behalf of Iran's domestic opposition. The regime's recent crackdown suggests that the chances of regime change in the near term are remote, but popular animosity against Iran's rulers still seethes underground. The U.S. should assist that opposition in any way it can, especially with technology to help communicate with each other and the world.

Finally, the option of a military strike will have to be put squarely on the table. Sanctions have little chance of working unless they are backed by a credible military threat, and in any case Israel is more likely to act if it concludes that the U.S. won't. The risks of military action are obvious, but the danger to the world from a nuclear Iran is far worse.

After a year of lost time, Mr. Obama needs to put aside the diplomatic illusions of his campaign and make the hard decisions to stop the Revolutionary Guards from getting the bomb.