Mr. Scott

Mr. SCOTT. Thank you, Mr. Chairman.

Welcome, Ambassador Burns.

Is the Iranian Government developing a nuclear weapon?

Mr. SCOTT. Okay. Let me ask you this: What is your basis for

that view?

Mr. SCOTT. And so we basically have come to the conclusion they

want a nuclear weapon, they are going to get a nuclear weapon.

Our approach is to move through two fronts, economic sanctions

and diplomacy.

Now, with that in mind, I want to ask you two questions. One

is, if economic sanctions is the way to go, why is it that the administration

has not enforced the Iran Sanctions Act? And then secondly,

my indication tells me that according to the Associated Press

report yesterday, the United States reports that Iran’s exports,

United States exports to Iran, have increased nearly twentyfold

during the Bush administration, from 8.3 million in 2001 to 146

million in 2007. So if we are not enforcing the Iran sanctions, and

on top of that we have a twentyfold increase on our own trade with

them, can you respond to this sort of schizophrenic approach to

trade policies with Iran?

Mr. SCOTT. My time is running out, but I do want to get to the

other area. Iran has, as a result of some of the sanctions being applied,

European Union, United States and others—it seems they

have turned to Asia, to the Asian market. And the question arises,

how can we aggressively engage these Asian markets to stop an

economic relationship with Iran? I am particularly concerned with

China and Singapore and South Korea. For example, the increase

in foreign investment was totaled at $2 million in 1994, but has

risen to $10.2 billion with Iran. It just seems to me that we are

moving to a showdown here, sort of a monstrous gunfight at the

O.K. Corral. I mean, something has got to give.

34

And my last point is—my time is running out—is given all of

this, given the schizophrenia, given this is not working, and my

opening question to you, you said in the affirmative that they are.

Why, given all of this, are we refusing to sit down and talk with

them with some sort of flimsy excuse we are waiting on the uranium

development process has not reached a point, when, in fact,

this thing is almost at a critical point? One, when would it make

sense for us to talk to Iran? Wouldn’t, if we get to a point where

you got a military option on the table, we talk to them?