This hearing of the Senate Foreign Relations

Committee is called to order. We apologize to the audience and to

our first witness this morning for tardiness. The committee has

been privileged, however, to have an intelligence briefing on the

subject before us this morning with Ambassador Negroponte and

we are grateful for his availability and that of his staff. Members

will be moving from S–407 to this room quickly.

But before I commence my opening statement and recognize the

distinguished ranking member, I would like to recognize the presence

of a very important colleague, Senator Santorum, who has offered

legislation in this field. I would like to ask him to make his

presentation at this time because he has other duties and responsibilities

in addition to his coming before our committee.

We are privileged to have you and I would like to recognize you

at this time.

It will be placed in the record in full.

Well, thank you very much, Senator Santorum,

for that testimony, and likewise for your leadership and that of

other Members of the Senate who have been speaking out on this

issue. I think that the general consensus among members of our

committee in this hearing is the initiation of a very important

study of one of the most crucial problems of American foreign policy.

We must weigh carefully the elements of S. 333 and other suggestions

that members may have, including our administration. We

are attempting diligently to stay on the same wavelength with the

administration because these are delicate matters in which we all

have informed and sometimes strong opinions.

But yours is an important one, and I appreciate your introduction

of the bill. It has been referred to our committee and it will

be given very thoughtful and careful consideration.

Thank you for coming.

Let me now commence with my opening statement.

I will recognize Senator Biden. Would the witnesses like to

come to the table at this juncture, because you will be recognized

immediately after these statements.

[Pause.]

The Committee on Foreign Relations meets today

to examine the challenges posed by Iran’s campaign to acquire nuclear

weapons. After more than 2 years of negotiation, Iran’s recent

decisions to limit International Atomic Energy inspections and to

restart uranium enrichment present a fundamental challenge to

global stability and efforts to prevent nuclear proliferation.

If the international community cannot muster the cohesiveness

and determination to stop the Iranian nuclear drive, we will have

undermined the international nonproliferation regime, risked igniting

a regional arms race in the Middle East, and allowed a government

with close links to terrorist organizations to acquire nuclear

weapons.

Iranian leaders deceived the international community about their

nuclear activities for more than 18 years. They have rejected compromises,

and threatened to cut off oil and natural gas exports

should the international community impose sanctions. According to

State Department reports, the Iranian Government continues to be

one of the primary supporters of terrorism in the world. Iran has

provided funding, weapons, and training to Hamas, Palestinian Islamic

Jihad, Hezbollah, and other designated foreign terrorist organizations.

Shi’a-dominated Iran continues to infiltrate and harden divisions

among the ethnic and religious groups in Iraq, making the consolidation

of a unified Iraqi Government more difficult. Iran also supports

a Syrian regime that has been implicated by United Nations

investigators in the death of former Lebanese Prime Minister Rafik

Hariri. Iran’s President has explicitly threatened the existence of

Israel, and has denied the Holocaust, among other inflammatory

statements. Earlier this year, Iranian leaders incited Muslims to

destroy embassies and consulates in response to cartoons published

in the Danish press.

These actions have underscored for the world the risks that

would be associated with the Iranian Government’s acquisition of

nuclear weapons capability. When Senator Coleman, Senator

Voinovich, and I visited the United Nations in February, I told the

Security Council of the United Nations that if Iran does not comply

with the U.N. resolutions and arms agreements, the Security Council

must apply strict and enforceable sanctions. I emphasized that

decisions delayed over the course of months and years may be as

harmful as no decisions at all.

As options are considered, however, we must assess the effectiveness

of types of sanctions in achieving our objectives. We will ask

our witnesses today if they can prescribe a set of sanctions that

would both receive broad international support, but, more importantly,

also alter Tehran’s behavior.

I am hopeful that our government is thinking several diplomatic

steps beyond the immediate preparations for securing a positive

vote in the Security Council.

I look forward to the insights of our witnesses on other diplomatic

steps that the United States and its allies should be undertaking.

The world does possess economic and diplomatic leverage

on Iran, but exerting that leverage will require sacrifice from individual

nations, particularly those who buy oil and natural gas from

Iran. For this reason, United States diplomacy must reach beyond

the European nations that have been the primary negotiators with

Iran.

Our interest in considering sanctions is not in harming the Iranian

people. Sadly, they are victims of a repressive regime that is

increasingly corrupt and unresponsive. Iranians do not want their

country to be an outcast among the world’s nations. They deserve

a government that is legitimate and devoted to the people’s interests.

There are reformers inside and outside of Iran who want to

bring change. But we should be realistic about the possibilities for

political transformation or internal regime change.

We do not have indications that the unelected regime faces shortterm

political competition from a popular movement. But, nevertheless,

we should seek opportunities to speak directly to the Iranian

people and to improve our means of communicating with

them. We should understand that, having lived through a brutal

and devastating war with Iraq in the 1980s, most Iranians fear a

return to war. This fear is being exploited by the government in

its campaign to justify nuclear weapons and to distract Iranians

from the economic hardships that they have faced for decades.

Although Iranians are patriotic and proud of their identity, few

have invested their loyalties in the unelected clerics who control

power. Our message to the Iranian people, many of whom have a

positive view of the United States and the West, should be that we

do not want war. Rather, we want to see an economically reinvigorated

Iran based on increased personal freedoms and interactions

with the outside world. Pursuit of nuclear weapons by the Iranian

regime is distancing the Iranian people from this goal.

We are pleased to welcome this morning an outstanding panel

with deep experience on Iranian issues. Dr. Ronald Lehman is director

of the Center for Global Security Research of the Lawrence

Livermore National Laboratory. Dr. Patrick Clawson is the deputy

director for Research at the Washington Institute for Near East

Policy. Dr. Ray Takeyh is the senior fellow for Middle Eastern

Studies at the Council on Foreign Relations. We look forward to

their analysis and their recommendations.

Before we proceed, however, I would like to recognize the distinguished

ranking member of the committee, Senator Biden, for his

opening statement, and then I will recognize the witnesses in the

order that I have mentioned you. I will mention at the outset that

your full statements will be made a part of the record. You need

not ask permission that that be the case. It will be the case, and

we will ask you to proceed in any way you wish to bring enlightenment

to us.

Senator Biden.

It will be placed in the record in full.

Thank you very much, Senator Biden.

The Chair now calls upon the Honorable Ronald Lehman for his

testimony. We are pleased, as always, to have you before the committee.

Thank you very much, Mr. Lehman, for your testimony.

I would like now to call upon Dr. Patrick Clawson, deputy director

for Research of the Washington Institute for Near East Policy.

Dr. Clawson.

Thank you. Thank you very much, Dr. Clawson.

Well, thank you very much, Dr. Takeyh.

We will have a round of questioning now by members of the committee

with a 10-minute limit and then we will have a second

round if that is required. I will commence the questions.

Following through on your proposal, Dr. Takeyh, that we have a

6-month hiatus and talks which now incorporate in your formula

Iran and China and Russia—and perhaps that is the right size

group—I suppose you could explore whether there are other parties.

But the Europeans certainly represent maybe not only themselves

but also others who might be affected by economic relations

with Iran. Certainly China and Russia are involved. Conceivably

India might be a party if one were brainstorming, largely because

of the potential for a multibillion dollar, multiyear deal that they

have been fashioning with Iran.

But the purpose of my exploring this with you is to say that I

am wondering whether your group or anyone represented at the

table or elsewhere has done any systematic research on the economic

effects of an attempt to have a total embargo on Iran of its

exports. Now, granted there might be questions about the enforceability

of that, who really stops all the flow here, there, and yon,

and I grant that. But, nevertheless, let us say, hypothetically, that

the nuclear situation was serious enough that the world said after

whatever stage, 3 months, 6 months, a year, a year and a half, that

we have to do something that is meaningful. But at the same time

each of the countries, each of the parties involved that you have

discussed around the table, will be making a calculation of what

the effect might be upon their economies as well as on the economies

of others who are customers or partners of their situations in

trade.

We would certainly be making such calculations, or at least the

futures markets on oil and natural gas would be making calculations,

as they do whenever rumors begin to float. I make this point

because it appears to me that each of the countries involved and

their publics need to have a certain amount of discussion during

this period of time, as to the consequences of their economies and

everybody else in the world.

In addition, we need to have a more careful analysis of the economy

of Iran. That may be harder to come by, but at the same time

there are surely people who have thought about those issues and

have, at least, plus or minus assumptions.

I mention all of this because my fear is not that people are being

glib about sanctions, but at the same time people also may be glib

about the fact that this is just not going to happen, that as a matter

of fact you go to the Security Council and nations begin to take

a look at the deals they have already made or the potential for energy

security or lack of it. So it becomes convenient, ultimately, to

say this is a bridge too far.

So, if we are going to have the 6-month pause that you suggest,

and that may be a good idea, I would like for this not only to be

maybe a parallel to the six-party talks with North Korea, which go

on and off; at the moment off. We do not know when they will come

on again. I would like some concerted study and debate in this

country, as the report clearly would be.

Let us say one estimate would be that the price of oil would go

to $150 a barrel, at least temporarily, given disruptions and the

close call now of how much reserve there is in the world, and we

begin to calculate that as itinerant politicians are going back and

forth to our States and visiting with people. They see gasoline at

the tank at $5 a gallon or whatever it might be at that point and

they say: Why do you not do something about this? Why are you

sitting there debating? Well, we are doing; we are discussing, and,

as a matter of fact, maybe we have already enacted sanctions

against Iran. The oil is not there any more, and as a result these

are the consequences.

It may be that as the American people understand the dilemma

that nuclear weapons in the hands of Iran means to us, whether

it be our troops in Iraq, any prospects we ever have in the Middle

East, helping anybody for that matter, whether we even have a

presence in the Middle East after all of that—these are issues that

surround this that I do not think are getting much of an airing.

That is one reason for having this hearing. We will have some

more to begin to discuss what we are really talking about, what the

consequences to us and others are, quite apart from the Iranians.

My question to you, first of all, is where, if this committee were

interested in having this kind of discussion, just among those of us

around this table, would we find data, information, estimates that

could lead to an informed debate, as opposed to exaggerations, fearmongering,

all the rest of it? Do you have any suggestions where

we might look?

So, the withholding of that is significant all by

itself.

Well, let me just, before he does, say that I think

that you are on track. We are now, we are at a point in which we

are going to the Security Council March 6. You are suggesting a

little bit of a time-out period for a larger negotiation, because when

we press the Chinese or the Russians or anybody else they might

say with regard to their economic situation: No, this is a bridge too

far; procedure is one thing, actual economic pain is another.

This is why I want to try to quantify, what are the actualities

of this kind of thing? What kind of situation would we have in the

world if we were to do this? Because you are quite correct, our administration

and everybody else, the administration I suppose of

Germany or Britain, would say that all options are on the table

and that includes all kinds of sanctions, military activity and what

have you. But as a matter of fact, what are the consequences of any

of these things, short of military activity, just the often mentioned

embargoes and sanctions?

I think we want to get some facts out here so that we are not

glib in talking about options on the table, off the table. Your point

is that thus far we have got some procedural acquiescence.

Yes, and maybe that is helpful.

Patrick, would you come in at this point.

Yes, and maybe that is helpful.

Patrick, would you come in at this point.

Well, it would. The reason I ask these questions

is not to be provocative. We are coming up to some difficult deci-

sions. The American public needs to understand the consequences

of all of this. We need to understand them. We have to make

choices and votes. The information you have given is very important

about the Strait of Hormuz. Iran has possibilities to disrupt

other trade.

We will leave to everybody’s judgment as to what kind of surplus

oil there is in the world, but every briefing we have had has suggested

that is zero. You are right up against it. This is the reason

that even an attack on the Saudis last week sent a spike for a day

or 2 with regard to oil futures markets, with just the supposition

that such a thing could happen at one very, very large refinery in

Saudi Arabia.

Senator Biden.

All right, you yield to Senator Obama.

Senator Obama.

Senator Nelson.

Well, thank you very much, Senator Nelson.

Let me just add to my colleagues’ questions. The Indian agreement

has come into the discussion a bit because this is a current

event which is very important. Each of you have sort of a different

slant on what ought to occur there. One argument with regard to

helping India with fissile material and nuclear technology is that

this may have a substitution effect with regard to their need for

Iranian hydrocarbons, in essence, and that case could be made for

a number of nations around the world.

If you are serious about lessening the bargaining power of Iran,

why, we already talked without great specifics about our own country,

how rapidly we get into alternative fuels, hybrid cars, clean

coal technology, all the rest of it. Some of us take that very seriously

for the very reason that we are talking about Iran today. Essentially,

without there being that degree of serious purpose on the

part of the American public and American politicians, the Iranians

make some assumptions from that.

So my reason for dwelling on facts for the American public is

that, ultimately, there must be a constituency for the actions that

our foreign policy has here. We are talking in academic terms

about possibilities, but the President, Members of the Senate and

House, and some of you will have to discuss with actual constituents

what are the consequences of Iran having nuclear weapons.

Dr. Lehman has discussed these pretty graphically not only after

his recent trips, but in the past. The potential for a number of nuclear

states in a very small area, given the instability of those regimes

or the volatility of leadership and so forth, is potentially catastrophic

for them. But, likewise, then we discuss, What are the

consequences for us? Are there some Americans who would say,

well, if that is the nature of those countries and they attack each

other, that is very sad in a humanitarian sense, but it is over

there; it is not here? That used to be a big tenet of our assumption.

Maybe that still is true.

We have had some colloquies with business leaders at a roundtable

once again about energy this week here in this body. Many

people still do not really assume that the price of gasoline at the

pump is not $2, but more like $20 after you factor in the military

we have in the area, and all the commitment of our national defense

budget to that. What if Americans decided we really are tired

of military involvement in the area? The Iranians would have nothing

to worry about. We are pulling everybody out. So that that is

a different set of assumptions. For the moment they cannot assume

that. We are there and quite a presence, right next door as well

as in other situations.

But some in the American body politic would say that we ought

not to be there or that we ought to have a timetable of weeks,

months, and so forth to be out of there altogether.

So what I am trying to assess from each one of you is how we

get to the kinds of arguments that are going to have to be made

about potential action here that is credible to ourselves, as well as

to our allies, who see some constancy in this, and finally to the Iranians

or others who might have designs on nuclear material and

nuclear weapons over there.

You have been helpful in that respect, but I am still trying to

come to grips with the issue. I am raising the same questions with

members of our administration, as opposed to generally discussing

options that are on or off the table, to get very specific about the

potential costs. So that when I go to my constituents in Indiana I

may say, this is a very, very serious problem. The consequences of

our dealing with it in this way or that way are likely to have these

ramifications for your lives, for your business, for whether we have

growth in Indiana or in the United States or not. On the other

hand, our failure to deal with them may lead to a seemingly interminable

set of destructive activities that will also have an effect

upon your business, your lives, whatever may be involved.

In other words, we have got to broaden the conversation in this

country because we are coming up to some very difficult decisions

and if they are made without constituent support and without

broad information the staying power or the credibility of this is not

going to be what it needs to be. Given the stretching of our Armed

Forces as we now have them, the fact that we are running a $400

billion deficit, domestically, in the country, $700 billion in terms of

foreign trade, this is sort of a backdrop of the world economy and

of ours, specifically, as we approach each of these particular steps.

So I do not want to dwell on this excessively, but we appreciate

your testimony, to try to initiate our own study for the benefit of

ourselves, but likewise for the public that may be interested in the

questions we are raising.

Now, I suppose I want to ask, specifically—we have talked about

the seven-power negotiations, the fact that at the Foreign Ministry

level some of this may be proceeding now, as it is in North Korea.

One of the things we have learned in our committee hearings is

that we may not have made great progress with the North Koreans,

but it is possible that American diplomats have made a lot of

progress with the Chinese diplomats. Because we had some proximity

to other negotiators around the world, we were taking, seriously,

problems together.

The assumption, that right away we would come to the same national

interest, was probably naive, but I note the fact that we are

beginning to identify more common national interests with the Koreans,

both North and South with the Chinese, certainly with the

Japanese, and even with the Russians on occasion as they come

into this thing. That might be the case with Iran likewise. It may

be that it has been healthy.

I saw a group of people, the comparable group from Great Britain

yesterday, their version of the Foreign Relations Committee.

We met over in S–116 for a while and we talked a lot about Iran

as well as other things. The fact is that we are coming to a better

idea of the parameters of this problem, of the consequences for all

of us, by having these contacts.

I applaud Secretary Rice for her push to get us involved more

with the European 3 and with all of the examination of this in a

way that, perhaps, we were not as much as we should have been

before.

So the negotiation route still, I think, has some promise, but only

if it is informed by the facts, the consequences that are more

broadly understood, by us as well as the Iranians and by our

friends who are involved, and maybe by other interests that come

in. There are ways that we can be helpful to the Indians or the

Chinese or the Japanese or anybody who also has a stake here. It

may be our negotiation on other issues in which they have interests

that may have to enter into this, as opposed to the purity of

just Iran and Iran, specifically. I invite your thoughts on that final

point. Are there other interests in the world that are going on presently,

that in some way might affect our effectiveness in getting

this international coordination, in getting the votes at the United

Nations, as a matter of fact, in being effective diplomatically, as opposed

to finally saying at the end of the day, we may fail, because

I am not sure what that means, what failure at this point means.

Does it mean that we accept the fact that Iran has a program and

that they are going to eventually proceed to do whatever they are

going to do, and if we say OK, we will define deterrence as our object

and if you do something very bad we will hit you? Is that really

the end of the day? And if so, give us at least some final thoughts,

if you can, each of you a summary, of how you see this hearing?

Dr. Clawson.

You really believe the publics in those countries,

quite apart from their leadership, have the same interest in the

NPT?

Mr. Takeyh.

Just following up on that, though, What do you

finally mean? In other words, as each of these countries becomes

disenamored with us or whatever our policy is and indicates that

for various reasons, even procedurally, it is not as convenient to

vote right now or to move ahead, does this not leave us more and

more isolated in the process as we continue?

Mr. Lehman.

Well, we thank all three of you for your papers

as well as for your forthcoming responses. This is an area that the

committee will continue to explore, as you would hope, I am sure,

and we look forward to consulting with you.

Thank you for your appearance. The hearing is adjourned.