Thank you very much, Mr. Chairman. It is a pleasure

to be back. No matter what position, your lights start just as

bright as ever.

Let me just comment in passing on this map that you have been

looking at all this time. I think it would be a lot more meaningful

if that map had some dates on it. I am not disputing the fact of

incidents, but I think it is relevant to see how these incidents have

occurred in the timeframe, and in particular to look at very closely—

and I do not have access to this intelligence, but to press our

intelligence sources for information on who died last year at the

hands of Iranian services and where.

But that said, I have submitted a brief statement for the record.

Let me make even briefer comments. I think the time is at hand

for a reevaluation and possibly some moves by the United States

concerning our relations with Iran for two reasons, the political developments

in Iran over the past year, and the increasing tensions

with some of our closest allies over the way we are dealing with

that country.

That said, there are constraints both in Washington and in

Tehran over how to move in a new direction. Suspicions continue

in both capitals about the other’s intentions over what they are trying

to do.

Now, President Khatami set the scope for contacts, no official exchanges.

He has encouraged the cultural educational representatives

to come, journalists to visit. Washington has been positive in

its response, though hoping for official exchanges.

One of the three main charges we have had against Iran has

been its support for violent opposition to the peace process. I would

draw the subcommittee’s attention to two statements of the past

several months, one on Lebanon and one on the peace process more

broadly.

When the Iranian foreign minister said about Hizbollah that its

mission would be over when the Israelis withdrew from Lebanon

scarcely—I mean, quite welcome news, I would think, in Washington,

to have that statement of principle out there, and that would

imply, obviously, a cutoff in Iranian training, funding, equipping of

that militia.

And the second was concerning the Israeli-Palestinian negotiations.

If they are able to reach an agreement—and he did say acceptable

to the Palestinians, and obviously there will not be an

agreement unless it is acceptable on both sides—that would not

cause any problem for Iran. They would accept what the Palestinians

accepted.

We have talked and heard a good deal of references to terrorism.

I would like to look at certain other areas where I think the Congress,

working with the administration, should at least have a look

at possible moves by us.

We are caught in the position right now of saying those words

are very nice, but what about some actions. Well, they are saying

just the same thing in Tehran about us. President Clinton’s statement

was welcomed, his messages to Tehran over the radio have

been welcomed, but where is the American actions?

And four actions I would like to suggest, four things to keep in

mind. One is—and it may sound to you as far out, but to give some

thought to an arms control regime for the Persian Gulf, Iran, Iraq,

and the six States of the Gulf Cooperation Council. Whether we

can play a useful lead role, I am not sure, but I think it will take

considerable input on our part to get it going.

But that area remains dominated by fear, fear on the part of

each State of its neighbor, and part of it certainly is fear of the

weapons of mass destruction. Now, the Iranians have expressed interest

in the past in a nuclear-free zone. Some Iranians have alluded

to having a weapons of mass destruction free zone in the

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Gulf. Let us examine how that might be built upon and see how

much substance there is behind those statements.

The statement today out of Tehran shows a deep concern about

the Indian testing, and I am sure that is related to what Secretary

Cohen referred to just yesterday as the potential chain reaction

should Pakistan follow in Iran’s steps. Well, the Pakistani-Iranian

relationship is edgy, and you would see the chain reaction moving

in that direction.

Second, on the pipelines, that question is under very intense

study here and in the executive branch. I would ask that everyone

take a step back and recognizing how negative the state of mind

set here is about Iran—this is not necessarily forever, but a pipeline

is for a good long time in the future, and once that line is decided,

in place, it is going to determine political and economic relations

for a generation.

So unless the companies themselves are pressing for a decision,

unless they have to move because of the nature of their investments,

the timing of their investments, I would hope that Washington

would not move preemptively at this point in time, closing the

door on a possible moving across Iran.

Third, the long-running Hague Tribunal in effect trying to settle

Iranian-American claims against each other has had considerable

success over the years. It ought to be closed down with a global settlement,

and we should be ready again to test how serious the Iranians

are about their interests in a global settlement.

I understand they represented it at The Hague, at this tribunal,

as hinted that they might be interested in an overall settlement,

a fair package.

And finally, obviously the Iranian situation is of deep concern to

Israel. It is of deep concern, not just to our Government, and I

would urge that we stay in close touch with Israel, in close touch

with AIPAC to explore ways to identify and build on trends which

would be favorable to our interests, to Israeli interests.

There has been public debate in Israel some months back about

the possible improvement of Iranian-Israeli relations. AIPAC certainly

played a key role in past congressional consideration of sanctions

on Iran and its support for any change in direction would obviously

be desirable.

Thank you, Mr. Chairman.

No, just so. It does not mean their support for terrorism

is over and done with, by no means.

Right, and can you graph out the intensity of the

incidents since 1979?

I think there is no question the time will come. He

did not feel it was possible when we restated our readiness to meet

with an authorized representative. He is not in sole control, and so

cannot make much more statement than that.

But how soon does he need to deliver, and what does he need to

deliver? It is jobs. The economic situation is not good, and the economic

situation is probably not—its deterioration is not to be credited

to American sanctions.

I mean, there is mismanagement, there is problems and, above

all, for this past several months, and unfortunately for the foreseeable

future, there is stagnant oil prices, and with an economy that

is so heavily dependent on its oil production and exports, he had

a tough job to fulfill some of the hopes that were placed in his election

a year ago this month.

I think it would be a major, major element in his

success as president, but if we lift the sanctions, and I do not sense

any great tearing urgency in the Congress or the administration——

Well, he could be a transitory figure between the

early days of the revolution and what lies ahead, but he had made

some statements which I think are encouraging from the standpoint

of American interest, and I hope we can find a way to move

ourselves—and I do not think we have moved in any significant

way yet, so when I hear this concern that we are going to overturn

the apple cart and totally change our course, that is the least of

the dangers.

But the oil prices, that is not our control. He would do better economically

if American sanctions did not exist and, perhaps more

importantly, if Americans were not discouraging the World Bank

and the IMF from investments in that country. I mean, we do have

a major influence there.

This is just a concept. At this point it needs a lot

of study, a lot of fleshing out. There are some pegs out there, such

as the Iranian statements on interest in a nuclear or weapons of

mass destruction free zone.

How serious? We are not going to know until they are probed.

I mean, you are in the odd situation where they deny they have

any nuclear program. Iraq says they disposed of all of their weapons

of mass destruction in the running gun battle with the

UNSCOM on that issue.

But with depressed oil prices, and the fact that you do not have,

as far as I am aware, any weapons of mass destruction in the GCC

States, there may be some common ground here. Anyway, we are

going to be carrying out some discussions within my own organization

at the council.