Thank you, Mr. Chairman. I am pleased to be back

and I am particularly pleased to see you in the Chair. I have long

had a great respect for your work and I think you——

I am coming to you, Joe.

I think your decision to have these hearings is very important

and I welcome them. I also have had a lot of conversations with

your two colleagues and have a great respect for both of them, including

Senator Biden in his former chairmanship.

I will be brief. The first thing I would like to say is

I am not an Iranian expert, as the three of you know. My credentials

come today from the fact that I have led a series of discussions

we have been holding in a European country with Iranians

over the last year. They have been regular discussions. We have

had four-plus meetings.

On the U.S. side, participants include former diplomats, former

government officials, and in fact, a number of people who are real

experts on Persia and on Iran. It is a nonpartisan group.

I would welcome you, Mr. Chairman, Senators Biden and Hagel

or indeed any of the Senators to join these meetings. I think you

would find them enlightening, and you would be more than welcome.

I will do three things: summarize some of the attitudes that

would be helpful for this hearing, outline a few particular problems

that might be resolved, and then come to a few recommendations.

First on the attitudes of the Iranians. One of the major blocks

from what we hear, to movement from the Iranian side on policy

is that no matter what the issue, whether it is Iraq, nuclear,

Hezbollah, or a whole range of bilateral issues having to do with

U.S.-Iranian relations, the blockage comes from the fact that they

believe that the United States is not interested in changed policies,

but changed regime. Until they are satisfied that there is a decision

on the part of the United States to work with this Iranian government

in some form, it is going to be difficult for them to find

ways to cede on some of the issues that are very important to us.

Having said that, I think it is important to say that the Iranians

are also concerned about their own country, the stagnation, the inability

to resolve problems and all the things that we know about.

Yet nobody that I have talked to on the Iranian side or in the intelligence

community in this country believes that Iran is about to implode.

We are going to be dealing with it for a long time, as it

transforms itself. We have got to decide how to deal with Iran.

Second, the Iranians that we have talked to over the last year

feel more confident about themselves and their stature in the world

community than when we began the discussions. Much of it has to

do with the fact that the United States eliminated their two principal

enemies, the Taliban and Saddam Hussein. They find themselves

also possibly getting a twofer. We eliminate Saddam Hussein

and the Taliban and we so tie ourselves down in Iraq that we

can no longer be a threat to Iran. That is at least under consideration

in their thinking. Nonetheless, there is the concern about

U.S. intentions.

On the nuclear issues, I think what I would say principally is

that I agree with Bob Einhorn. Bob has been a very professional

and really quite brilliant participant in our discussions, and he has

essentially led the discourse we have had on nuclear questions. I

think he will be far more eloquent on the subject than I can be,

and you have his testimony.

I would say one thing, however, on the subject of nuclear. If we

follow your policy line, Mr. Chairman, as laid out in the Los Angeles

Times—and there is strong argument for it—it seems to me it

has to be structured in the context of an overall strategy. If we end

up, as you hint at the end of that article, that we may have to resort

to military force, it seems to me that doing that outside of the

context of everything else we want from Iran or what we would like

to achieve in the region would carry us in the wrong direction. By

taking a firm stance opposing support for the IAEA’s Western European

beginnings of this new discussion on nuclear issues it would

make it very difficult to even have a broad strategy to address

other issues with Iranis.

On Iraq, the Iranians over and over again have indicated to us

a desire to have official discussions with the United States. Discussions

were broken off last summer by the U.S. Government over

concerns that al-Qaeda terrorists operating from Iran might have

been involved in the action against U.S. targets in Saudi Arabia.

I think it was a mistake to have broken them off, and it is going

to be difficult to reinstate them.

Whatever we learn from the Iranians about Iraq, we will learn

more than we know now. We have had no discussions with them

about Iraq—the most critical element in U.S. policy that we have

had in the last 20 years. They are part of this neighborhood. They

live on the border of Iraq. They are deeply involved, and for us not

to probe officially consistently and directly what their intentions

are, what they know, how they will work with us I think is a grave

mistake and a deeply flawed policy.

Secretary Armitage in his quite excellent presentation did discuss

all the commonalities of U.S.-Iranian policies within Iraq. One

of the matters that I would like to go further on is the question

that was posed by Senator Feingold on the MEK-al-Qaeda relationship.

We have heard that the U.S. proposed to Iran last March, before

the war, that there be a linkage of some sort between our handling

of MEK and the Iranian handling of al-Qaeda. Whether that is true

or not, that is at least what we hear from the Iranians. The fact

is there became a link and the Iranians thought there was one. In

the final official meetings that they had that were held in Geneva

in June before they were broken off by the U.S., I understand that

there was some specific discussions of what the Iranians would do

that would be more forthcoming with regard to al-Qaeda.

Following that, the United States took actions against the MEK,

but up to very recently there are continuing reports in Iraq that

the Defense Department is continuing to associate with the MEK.

Whether this is Iranian misinformation or whether it is an Iranian

device to forego this presumed arrangement for them to be better

behaved on al-Qaeda, the Iranians believe that there is continuing

Defense Department interest in holding the MEK in abeyance as

a potential for undermining the Iranian Government.

Now, I think the MEK issue has to be addressed in some forum.

We are also persuaded that the Iranians, if we have direct discussions

with them, would at least explain what they have done with

those over 2,000 al-Qaeda representatives whom they have reported

to the U.N. they have managed. We strongly believe that

discussions in some form would be possible in this area.

Finally, on Hezbollah and al-Qaeda, the Hezbollah issue is huge.

It is the terrorist organization with probably the largest reach of

any in the world. It is not as active as al-Qaeda, but it certainly

is more broadly reaching. As one develops a strategy toward Iran

that makes some sense for us and for U.S. interests, one has to relate

that to how we develop the strategy toward Hezbollah. A strategy

toward Hezbollah like the one we have toward al-Qaeda will

not work. There has to be an effort to try to recognize the fact that

Hezbollah does have a dimension to it that al-Qaeda does not have,

which is their political and social work in Lebanon.

I have already talked about al-Qaeda.

Finally, let me go to our several recommendations.

First, the United States must develop a strategy on how to handle

Iran that will allow the United States to associate the multiple

questions—the multiple problems we have with Iran in a coherent

strategy. Obviously, I am an engaging person and I want to see us

engage Iran. It seems to me that over time that is the only strategy.

The alternative strategy of taking it piece by piece will result

in us falling into a trap that will define the rest of our strategy,

which I think is a mistake.

Second, the confrontational approach, as Senator Biden said,

seems to be taking us nowhere right now. The likelihood of us undertaking

an ultimately military strategy begun by sanctions perhaps

is not high, given our involvement with Iraq.

We recommend now that there be strong support for the IAEA

and Western European involvement in discussing the nuclear

issues. When the discussions begin with the Western Europeans,

we should be involved in those discussions and we should try to encourage,

as much as possible, the Iranians to pursue a course that

will have their suspension of enrichment and processing be a longterm

suspension. It could go on indefinitely.

Third, we believe that we need to set up an environment in

which to discuss with Iran the issue of Iraq. We think that the setting

could be the five permanent members of the Security Council

plus the United States and Iran. The issue would come up about

the other neighboring states, but we think this is an appropriate

setting. And the U.N. Secretary General could arrange for that.

In that discussion, we believe there should be a return to the

issue of al-Qaeda and some firm assurances given and demonstrated

that the MEK will be completely disassociated from U.S.

interests.

We believe that small steps should be begun in other aspects of

the U.S.-Iranian relationship, which have already been mentioned

by most of you.

Congressional exchanges should be pursued. We think there is

still that opportunity. We know some of you favor such exchanges.

And I recommend that we begin planning for a U.S. interests

section in the Swiss Embassy in Tehran. I happen to have negotiated

the opening of the U.S. staffed U.S. interests section in Havana

when I was Acting Assistant Secretary for Inter-American Affairs,

I do not believe there was any suggestion at the time that

it reflected an approval of that Cuban Government. We must have

access to Iranian society. How do you democratize? I have said here

that democracy is most infectious when it is related to human contact,

and that is what we must have with Iran. Information alone

over the radio is not enough.

Mr. Chairman, that is all I have to say right now.

Two things on that, Mr. Chairman. First, in our discussions

with the Iranians on that subject, we hear from some of

them that a connection of a sort of nonaggression agreement a la

Korea with Iran would not be appropriate because the Iranians

maintain officially they have no intention of getting nuclear weapons.

Therefore, if we linked in any public or direct way such a nonaggression

pact, it would suggest that the Iranian nuclear capacity

is only for the purpose of national security.

The second point I would make is that as a result of the recent

agreement that was reached with the West Europeans on nuclear

issues, there will not only be the IAEA process which will be undertaken

right away, but there will be meetings between the three

Western European Governments and Iran on an overall look at this

nuclear question. My understanding is the Iranians would agree to

have the United States participate in those meetings.

In that context, there could be a discussion of a nuclear-free zone

in the Middle East, which has been discussed quite a bit I am sure.

Mr. Cordesman knows much more about that than I do. Such discussions

would provide the context in which non-aggression or regional

security might come up. But the Iranians at this stage

refuse, unlike the Koreans, to say they have any intention of having

nuclear weapons.

Let me make a different point. When we have suggested

that to the government on that issue——

When we have suggested to the U.S. Government

that we undertake discussions directly with the Iranians on Iraq,

the answer from U.S. officials was, ‘‘no, because we believe in democracy.’’

The point being that by discussing directly with the

Iranians, the U.S. Government risks providing legitimacy to a government

that is illegitimate.

Senator you asked the question, ‘‘do I think it is possible.’’

I think the only discussion that is possible during this administration

is in some multilateral setting in which we are part

of a group in which the United States and Iranian representatives

go off to the water cooler and talk in this international environment

about problems we have in common. That has worked. As

Bob said, that has worked in the past, but as far as I know, the

discussions have only worked in a multilateral environment. That

is what Secretary Armitage said, and it seems to me that is the

limit to what this government right now will be able to do.

Willing. I agree, as you know, with virtually everything

you have said on how important it is, to talk with them. You

too, Senator, in your outline, said we are going to have a military

presence in that part of the world for a long time. I agree with Mr.

Cordesman on that. There is no question about it. It is going to

look almost like our involvement with NATO in Western Europe.

We are going to be the only big force in the region for a very long

time. The fact that we do not know anything about Iran, except

through technical means and occasional conversations, is unacceptable.

Mr. Cordesman and a few others of his generation are the last

remaining Iranian specialists we have. They were there during the

Shah. We need a whole new generation of people who have lived

in Iran, who have worked there, who understand the country, and

can reflect the reality. And we are not dealing with realities today.

We are dealing with reflections.

Let me make one clarification on the subject of how

we have negotiated in the past with Iran. It is still my understanding

that even though we had off-line bilateral discussions, it

was always in the context of a U.N.-organized, multilateral meeting.

As far as I know, to your question, Senator Biden, would this

government be willing to state they want direct discussions now

with Iran to begin the process of engaging that country, I do not

think they would be willing to do that. That is what you asked.

I think it would be wise, and I think it would be wise

to do it. I also agree with Mr. Cordesman and others that this is

not easy, that you cannot be romantic about Iran. They are going

to be a threat in that region for a long time probably no matter

what happens internally. But we know nothing about the Iranians

and have no contact with them, we have to depend on the types

of information that we have, which I think, as Mr. Cordesman also

said, is terribly flawed. I think all of us would support a recommendation

from you, Senator, Mr. Chairman, that the administration

begin the process, however they have to do it, of engaging

directly on some of these really critical issues with the Iranian

Government.