Thank you, Mr. Chairman. And thank you

for inviting me before the Senate Foreign Relations Committee

today. I realize, 35 years ago, it was here that I had my first job

beyond the corner drugstore and Baskin-Robbins. So, it’s good to be

back.

What I thought I’d focus on in my oral

remarks is the prescriptive side of what we’re talking about today,

in part because it would be so hard to do better than what we’ve

heard analytically.

I agree: The United States should offer to talk with the Government

of Iran, not as a reward, but simply as a recognition that

ignoring it has not weakened or isolated Iran. To put it bluntly,

regime change is a wish, not a strategy, and we need to have a

strategy.

In doing that, the United States should resist setting preconditions

on negotiations over Iran’s nuclear program or other

troubling aspects of its foreign or domestic policy. What matters

most in a negotiation is not where you begin, but where you come

out, and we should not lose sight of that.

We should also—and I think here I’m seconding my good friend

Frank Wisner—resist Iranian calls for preconditions or for apologies

by the United States. The focus of any negotiation should be:\

the present and future. And if the Iranians insist on apologies by

the United States, I would simply take it as a sign they are not

serious.

It’s true that we should have a comprehensive agenda, but

among the things we should be resisting, I would suggest, is linkage.

We should be open to making progress where we can. To put

it another way, we don’t have to have progress everywhere in order

to have progress anywhere. It may well be that Iraq and Afghanistan

are two places the United States and Iran can realize some

accommodation, despite the fact that we may well be unable to in

the nuclear realm or vis-a-vis, say, Hamas. My own experience,

by the way when President Bush put me in charge of coordinating

our policy toward Afghanistan after 9/11, was that the United

States and Iran could make some progress working together in that

country.

As others have said, and I echo it, United States policy needs to

be multilateral, with the IAEA, the other major powers, and Iran’s

neighbors; there’s no serious unilateral option for the United

States. And the goal should be to get international agreement on

what we want from Iran and what we are prepared to do for Iran,

but also on what we are prepared to do to Iran if we can’t get that

agreement.

There’s probably a division of labor between what happens bilaterally

between the United States and Iran if such talks are undertaken,

and what happens multilaterally. And I would simply say

that it then becomes important that the United States makes sure

the various tracks are coordinated. It’s a similar challenge that the

United States faces with the North Korean negotiations. It ought

not to be insuperable.

Russia will be a particularly important element of any talks. It

ought to be a priority of the United States to gain Russian cooperation

on Iran. And, as has been reported, and I support this, the

United States should be willing to set aside its plans for missile

deployments in Central Europe and Eastern Europe if we can gain

Russian support for our Iran policy. Foreign policy by the United

States needs to be about priorities. And to put it bluntly, the Iran

issue is a priority for us.

I would be wary of a containment policy of Iran in the region.

It could simply, I believe, reinforce tensions between Shias and

Sunnis within countries, which would not be in our interest. I also

believe that, to the extent the choice in the region becomes one of

supporting either Iran as opposed to Sunnis, the sorts of people

who will come to the fore in the Sunni world will not be people we

are going to applaud or welcome. Sunni extremism, as we have

learned the hard way, is just as much a threat to United States

interests in the region as can be Shia extremism or Iranian-backed

imperial policies.

Let me turn to the nuclear program for a few minutes. There are

three choices. There’s the military choice, there’s the acquiescence

choice, and there’s the diplomatic choice.

The military choice is a classic preventive attack. And I underscore

the word ‘‘preventive.’’ We are not yet at a moment where we

would have to contemplate preemptive strikes. No Iranian capability

or use of that capability is imminent. So, the military option

that is before the United States is a classic preventive strike to try

to stop or interrupt what you might describe as a gathering threat.

The question is what such a strike could accomplish. It is impossible

to destroy what you don’t know about, and it’s not always possible

to destroy what you do know about. So I believe we need to

be sober about what a military strike could accomplish.

But, second, and perhaps just as important, whatever it could

accomplish, we should not delude ourselves that the scenario would

stop there. Iran would surely retaliate, using tools that are available

to it in places where it can exercise or deploy those tools—I

would think in Iraq and Afghanistan—and also possibly in ways

that would dramatically increase the price of energy. I would simply

say that coming against the backdrop of where we are economically,

we need to think hard about that.

I also believe, based on my own experience, that despite the

occasional whisperings of certain Arab governments that they

would welcome such a strike, I am not persuaded that, in reality,

they would. One should always be careful about what governments

are willing to tell us privately, but not say publicly. We should not,

therefore, assume that we would have anything like the widespread

support in the Arab world that certain individuals in the

Arab world suggest.

And last, after a preventive strike, the Iranians would then go

about reconstructing their nuclear option, with even greater determination

and greater domestic support to do so, and they would

probably then go about it in a way where a second preventive

strike would be that much more difficult. So even under the most

optimistic scenarios, a successful preventive strike would not solve

the problem, by any means, either as regards Iran’s nuclear program

or its foreign policy more broadly.

So, let me turn to the second option, that of tolerating or acquiescing

in some type of an Iranian large-scale enrichment capability,

what you might call a ‘‘near-nuclear-weapons option.’’ Even if it

didn’t go any farther than that, it would have consequences and

costs. I believe it would increase Iranian assertiveness around the

region, which is already quite great, as we’ve seen over the last

half-dozen years. It would prompt other countries to follow suit, as

has already been described. It would also leave Israel and Iran on

something of a hair-trigger. Imagine if you had the sort of crisis

that you had several years ago in Lebanon between Israel and

Hezbollah. In a context in which Iran had a near or actual nuclear

weapons capability, the potential for instability, and, conceivably,

the introduction of nuclear threats or nuclear use into the Middle

East could not be dismissed.

More broadly, if Iran developed some sort of a near nuclear capability,

we would obviously want to introduce greater sanctions and

threats to deter it from crossing redlines. For example, the redline

from going to low-enriched uranium to high-enriched uranium.

Weaponization would be yet another redline, as would testing.

We also want to think about setting down certain understandings

about what would happen if Iran carried out a transfer of materials

or capabilities. And obviously there is the question of use.

And on our side, on top of all of that, there are things that we

would do to enhance defense in the region. This would involve such

things as missile defense, selective security guarantees to local

states, declaratory policy toward Iran about such issues as mobilization

of nuclear forces, crossing various redlines, transfer, or use.

Essentially, we would be in the business of nuclear management,

with all the policy elements that that would introduce into our foreign

policy.

Given that, the best course is obviously a diplomatic one that

would lead Iran to suspend, or, better yet, give up, its national

enrichment program. We would offer political, economic, energy,

and strategic incentives for Iran to do so, again along with threats

about what would happen if it did not do so. These would, again,

be put forward multilaterally.

It is unlikely that we will succeed down this path, given how

popular the so-called ‘‘right to enrich’’ is within Iran, and given

how far along Iran is.

I believe a negotiation really will need to focus on whether Iran

is allowed to have some enrichment activity. Or, to put it another

way, on how the right to enrich is defined. What is the scale and

what is the degree of transparency? What is the degree of IAEA

access? I would simply say our response ought to be calibrated to

this so that sanctions relief, such as it is, would be directly linked

to what it was Iran agreed to, in terms of scale of a program, state

of a program, and transparency of a program.

I would like to make two final points. The first relates to the timing

of all of this. I believe the United States now ought to use the

time to put together a preferred national position, and then ought

to use the next few months to sell it internationally. If there is an

effective road to Tehran, it most certainly passes through such

places as Moscow, London, Paris, Berlin, and Beijing. And so, it

may actually then render moot this question of timing—when we

would put something forward vis-a-vis the Iranian election. My

own sense is, it will take several months for us to line up the sort

of necessary international support that we would need. This is

probably just as well. I am uneasy about introducing new proposals

in the context of the Iranian election cycle, though I also totally

agree with the dangers of thinking that we can somehow play Iranian

politics in ways that’ll work in our favor. So, again, my focus

would be on lining up international support.

My last point is that whatever it is we line up, we ought to do

it, ultimately, publicly. It’s odd for me to say this, because, as

someone who’s spent a lot of his career as a diplomat, we like to

do things in private, but this ought to be done in public as much

as possible. And the reason is twofold. It is important to let the Iranian

people see the reasonableness and the attractiveness of what

could be theirs if they agreed to play the international game, so to

speak, by the rules. And it’s important, also, that the Iranian Government

be pressured by the Iranian people to explain why it has

sacrificed Iran’s future, why it has compromised what could be

Iran’s standard of living, to pursue this nuclear dream. Let the

regime have to justify that against the backdrop of inflation that

is above 30 percent, against rising unemployment, against the

backdrop of low oil prices. It should be made public to let them

explain their choice.

Going public has another advantage: It helps here, and it helps

around the world. If we can demonstrate that what we are offering

Iran is reasonable, I would suggest it will make it less difficult for

us to rally the sort of international support we want. If it comes

to escalation, whether sanctions or what have you, it’s important

that we, in a sense, take the high road, that we show that we have

passed the ‘‘reasonable’’ test, and that it is Iran that has essentially

rejected a fair and reasonable course offered to it.

Thanks you very much.

Is that question to me?

Let me just say one thing, Mr. Chairman,

that’s implicit in your question. Redlines have consequences. When

the United States says something is a redline, when the United

States says a course of action is unacceptable, those are not words

that we ought to use lightly. If we do, we simply devalue the currency,

and that will have consequences, not simply vis-a-vis Iran,

but vis-a-vis every other thing we do in the world diplomatically.

What I would do is avoid anything that

would undo that position. There’s no reason to invite or give a

green light to Iran going down that path. What I would do,

though—coming back to something I said before—is have a relationship

between Iran’s progression down a nuclear path and what

it would expect, were it to cross certain thresholds. Right now,

what we have is Iran at what you might call an industrial-scale

low-enriched threshold. It has crossed that threshold, it reached

that threshold.

And if they stay there and do not roll that

back, what I would try to do is negotiate an international package

of sanctions that would stay in place, so long as they stayed at that

level and did not roll it back. And I would also make clear what

would be the incentives for them to step back.

I would then have additional packages of sanctions and other

measures that would be introduced were they to go through other

potential steps. For example, an even greater scale of enrichment,

as Mark laid out, or——

Right.

Right, including, for example, when we

would try to get a U.N. Security Council resolution that would call

for a ban on the export to Iran of refined petroleum, one of the

things that Iran’s economy, as you know, needs. And a followup to

that, almost akin to some of the Iraq resolutions from 1990–91,

would be to provide the authority for all necessary means to

enforce such a ban on petroleum exports to Iran. So I would be prepared

to suggest——

I would think that’s the sort of policy review

we should go through domestically and that we might want to sell

internationally. And, as I say in my written statement, one of the

things we’ve got to do if we’re going to down this path with Iran,

is, we can’t do it in isolation from a serious strategy to try to

reduce American use of, and consumption of, oil. To leave ourselves

as exposed as we are reduces our ability to do the sort of escalatory

measures we’re just discussing here.

As I listened to both you and Senator Kerry,

and to my colleagues here, I increasingly think, for the United

States, diplomatically, the single biggest question in the nuclear

realm that will meet us in the next few months is whether we are

prepared to accept a limited Iranian right to enrich. If we basically

insist that they have zero enrichment, I believe there is a negligible

chance we can ever get them to accept that, or that we could ever

set in motion a debate in that country where, no matter what was

offered to them, it would be a desirable deal. And I also believe a

zero-enrichment insistence would make it very difficult for us to

build the requisite degree of multilateral international support for

the kind of sanctions escalation we’re thinking of.

So, my own position is that we ought to think very hard about

defining an acceptable, limited Iranian enrichment capability. We

would do that and say, ‘‘If you limit enrichment to this, and if you

accept this degree of transparency and inspection, we can then

offer you the following incentives. We may still keep in place some

limited sanctions, because our preference would be that you go

down to zero. And if you don’t accept this’’—going back to Senator

Kerry’s question, which is also really in yours—‘‘as you go down

certain paths, the mix of incentives and sanctions would change in

a way that would not be to your liking.’’ But, I really do believe

some willingness to accept the so-called—or, quote/unquote ‘‘right

to enrich’’ is essential, both for winning the argument in Iran, that

what we’re offering to them is worth their taking, and for winning

the argument in places like Moscow and Beijing.

And I’m sad to say I think we’ve reached that point. We can

argue whether, 7 or 8 years ago, we might have been able to head

off ever reaching that point. But, I believe that is where foreign

policy is now.

I don’t believe Iran can stop what’s probably

the most promising possibility for a diplomatic breakthrough

between Israel and its neighbors, which is Israel and Syria. The

Syrian Government is in a position, if it wants—and there’s some

reason to believe it might—to enter into serious negotiations with

Israel that could end the state of war between those two countries.

Iran wouldn’t like it, but I do not believe Iran is in a position to

prevent it. Of all the situations in the Middle East, it’s the one

that’s most ripe for diplomatic progress. Iran has many more cards

to play, obviously, vis-a-vis the Palestinians; but there, I’d simply

say Iran cannot prevent the United States or the European Union

or anybody else from building up Palestinian policing capabilities

or improving the economic situation on the West Bank. Nor can

Iran prevent President Obama from giving a major speech in which

he articulates what the United States believes a fair and reasonable

Middle East settlement might look like, which, in turn, would

give the moderates in the Palestinian world a powerful argument

for explaining to their own people why moderation works and the

guys with the guns will get them nowhere.

So, yes, Iran has tried and will continue to try to frustrate the

Middle East peace process, but they do not have a veto over what

can happen.

Yes, let me suggest why I don’t share your

certainty about Israeli behavior. One reason is, if you look at some

historic Israeli comments about Iran’s nuclear program, Iran has

already reached the point that some Israelis said would be a redline

and would be unacceptable, which is to have an industrialstrength

enrichment program. So, all I’m saying is, the Israeli

debate is somewhat fluid.

Second of all, Israel, in the past, has made calculations that we

never thought possible. I was involved in one of those incidents, as

you will recall, which was in 1991, when Iraqi missiles struck

Israel, and Israel, at the behest of the United States, did not exercise

its obvious right of self-defense. So, again, all I’m saying is, I

would not assume that Israel has made up its mind on these

things.

I also believe, as Ambassador Wisner said, that some of the

things the United States offers to Israel could affect Israeli calculations,

in the way of defense, possible contributions to Israel’s own

capabilities, and so forth.

Last, though, I think it’s a healthy thing that we don’t know the

answer to the question you’ve raised, and nor do the Iranians. And

if I were an Iranian political leader or planner, I would not assume

or rule out in any way that Israel might attack. There’s a decent

possibility they could, which is one of the reasons I said in my

statement that I believe the most likely scenario is one where Iran

stops short of a point that would dramatically increase the possibility

of the scenario you suggest. If Iran goes to HEU, to highly

enriched uranium, if Iran tests, if it weaponizes, it increases, to an

unknown degree, the probability of the scenario you are suggesting.

I believe, as a result, it is far more likely that Iran will decide, for

the foreseeable future, to park, if you’ll pardon the untechnical

word, its capability in this realm at the level of large-scale low

enrichment, in part because of the uncertainty about how Israel

and the United States might react.

Well, I’d say two things about China. Well,

maybe three. One is, China has a different relationship with Iran,

as you know, than does Russia, and has a different set of calculations.

Another, which is good for us, is that China has no interest

in the price of oil going up, as a large importer, which gives China

a stake in energy security and the peaceful working-out of this

issue. And going back to the previous comments, if China is concerned

that certain scenarios could lead to uses of force, it will concentrate

some minds in Beijing.

Second, China does not want to be the odd man out on the U.N.

Security Council. We have reason to believe we can get the British

and French to line up with us on most approaches. It’s why I put

such an emphasis, as do others, on Russia. I believe that if we can

get Russia to line up, Beijing will be extremely reluctant to be the

odd man out.

Third, the United States and China have a developed and, shall

we say, integrated relationship. And China, right now, is suffering

significantly as a result of the American economic slowdown. Its

unemployment rates are going up and they’ve had to essentially

stop the movement or resettlement of people from rural areas into

urban ones. They are obviously going to worry about the political

consequences of a lack of economic growth, given that their last

quarter had no economic growth. All of those things argue against

Iran scenarios that could place greater stress on the world economy.

For all of those reasons, reinforcing the arguments you’ve heard

today, we ought to take a serious diplomatic effort at bringing the

Chinese on board. I’m not suggesting it’s going to be easy in any

way. And as Frank Wisner said, we may have to dilute what it is

we want. But I believe it is well within the realm of possibility,

particularly if the Obama administration makes clear to the Chinese

that this is a priority for the United States, and China’s

behavior on this issue will be at the head of the list of how this

administration will come to judge China and its willingness to take

our vital national interests into account.

The best thing we can do, Senator, is to

come up with an offer that demonstrates to the Iranian man or

woman on the street how his or her standard of living would go up

significantly if Iran accepted the sort of limits the international

community wants to place on its nuclear program and that this

could be done consistent with Iran’s pride, its national honor. Or,

to put it another way, that their government is following a course,

if they continue down the nuclear path, that is sacrificing the quality

of life for every Iranian. Iran is not a democracy, but there is

a degree of open debate. There are democratic elements, if you will,

in Iranian society.

Future Iranian leaders will have to deal with this sort of pressure

from below. Our public diplomacy ought to be the exact replica

of our private diplomacy. So, we shouldn’t think of public diplomacy

as something differently there. In this case, it ought to be

exactly the same as what we say, and I believe that will help us

with Iran. And, as I said before, it will help us here at home, and

it’ll help us in Moscow, and, coming back to your previous question,

in Beijing.

I would describe it as necessary, but possibly

not sufficient. There’s a logic to it, in any event. I think it was Secretary

Gates who also noted the linkage, that if the missile system

is largely designed to counter an Iranian missile that might be carrying

a nuclear warhead, if we can get Russian help to place a

limit on the Iranian nuclear program, the rationale for the missile

program obviously fades significantly. But, I don’t think we could

get what we want from the Russians on this, in isolation from the

rest of the United States-Russian relationship.

And that, then, returns to something your former colleague, Vice

President Biden, said when he talked about resetting the button on

the United States-Russian relationship. The administration will

have to think about how hard we criticize the Russians over what’s

going on domestically there, whether we’re willing to support WTO

accession, the question of how we handle, not just Georgia, but

Georgian and Ukrainian desires to become members of NATO, and

so forth.

We are going to have to look at this against all those factors.

Also, there is the question of United States-Russian nuclear negotiations.

It’s going to have to be done in the fullness of the relationship.

But, the short answer is, if we were to make clear the linkage

with the missile deployment proposal, and if it were done in the

context of an overall improvement in United States-Russian relations,

yes, then I think this is manageable.

Well, I think what’s come out of the conversation

this morning, Senator, is a general view that those sanctions

and incentives ought to be linked fairly directly to Iranian

behavior in this area.

You could almost think of it as a sliding scale, that if they continue

down the path of, say, continued low enrichment, there would

be one mix of sanctions; and if they were to cross certain other

thresholds, they would then be met with an escalation of sanctions.

Conversely, if they dialed back their capabilities, placed real limits

on the scale of enrichment and accepted intrusive inspections that

gave the world confidence, the mix of benefits and sanctions would

turn more in the favor of the benefits. So, it’s almost useful to

think of it as multiple redlines, almost a spectrum, and then a rheostat

of approaches that blend desanctioning and sanctioning.

Such an approach has the advantage of having at least the

potential to garner some international support, which is essential.

It might also play well in Iran, because it makes more stark the

consequences of policy choices by the Iranian Government, and we

want them to have to think about those consequences and put

them on the defensive and force them to think about, in advance,

the difficulty of defending the choices we don’t want them to make.