

A NUCLEAR IRAN: CHALLENGES AND RESPONSES

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

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A NUCLEAR IRAN: CHALLENGES AND RESPONSES

THURSDAY, MARCH 2, 2006

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:40 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee) presiding.

Present: Senators Lugar, Biden, Boxer, Bill Nelson, and Obama.

The CHAIRMAN. 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.

STATEMENT OF HON. RICK SANTORUM, U.S. SENATOR FROM PENNSYLVANIA

Senator SANTORUM. Well, thank you very much, Mr. Chairman. I appreciate your indulgence in allowing me to testify and giving me priority status above the chairman and ranking member in being able to present such testimony. So thank you, and I appreciate you holding this hearing today. This is, as you are well aware, one of the most important issues facing this country and what we do in dealing with the problem—national security problem—that Iran is to this country.

I do not have to remind you, Mr. Chairman, you are very well aware of the Government of Iran's track record of being a supporter of terror and treating its own people in a terroristic manner. Iran is a state sponsor of terrorism. Iran created Hezbollah, actively support Hamas, the Palestinian Islamic Jihad, and the Popular Front for the Liberation of Palestinian-General Command. Iran has been implicated in activities associated with al-Qaeda in

the 1996 attack on U.S. military personnel at Khobar Towers in Saudi Arabia.

Troubling of recent note is Iran's continuing involvement in Iraq, with some very disturbing news as to their involvement with the Supreme Council for the Islamic Revolution in Iraq and the organization's Badr Brigades, which, of course, leads us to be concerned about the manipulation of the Iraqi police and military forces.

In addition to their actions on the terrorist front, the Government of Iran is no less known for its violations of human rights. The State Department's recent report on Iran notes the occurrence of summary executions, disappearances, extreme vigilantism, widespread torture, and other degrading treatment. I have had numerous people come and talk to me about the religious persecution that occurs in Iran.

One thing you can say about Iran, they are indiscriminate in discriminating. They discriminate against Christians, Jews, the Biha'i, other Muslim sects. This is a very religiously intolerant regime.

Again, another troubling aspect to Iran is their now very evident pursuit of a nuclear capability. This has been well documented and I will not redocument it.

Mr. Chairman, I have asked that my full statement be made a part of the record, where I provide all that documentation.

The CHAIRMAN. It will be placed in the record in full.

Senator SANTORUM. Thank you, Mr. Chairman. The recent 27 to 3 vote by the IAEA board to report Iran to the U.N. Security Council, in my mind, creates an opportunity here for the United Nations to look at sanctions as a way to chill to the fervent attempt by Iran to pursue their nuclear weapons capability. Obviously, it is not clear whether we can get the support of China and Russia and other members of the Security Council to support sanctions. Nevertheless, I think we should be pursuing that within the United Nations, and things such as a travel ban on Iranian leaders, a ban on international flights by Iran Air, a ban on receiving cargo carried by Iranian governmental-owned ships, and aggressive action to make sure the governmental leaders in Iran responsible for human rights abuses and executions are brought to trial. I think it is important that we stress with the United Nations that actions need to be taken.

I would also suggest that the Congress needs to take action to show support for our President's policies with respect to Iran. We need to show that we are willing to take action at this time, that we are not just calling for the United Nations to do something, but that the Congress itself recognizes the threat that Iran poses to the security of the world and certainly our own national security, and that we should act in support of constraining Iran's ambitions.

I, along with 60 other Members of the U.S. Senate, have supported S. 333, which is the Iran Freedom and Support Act. It calls for vigorous support for peaceful change in Iran. The Iran Freedom and Support Act, a bill I authored, has been referred to your committee and is currently under consideration, and I would urge you, Mr. Chairman, to report that legislation to the full Senate.

The legislation seeks to make it harder for the Government of Iran to have access to foreign investment and revenues to support

terrorist activities and to pursue nuclear activities. The bill also codifies sanctions, controls, and regulations currently in place against Iran by executive order. The bill declares that it should be the policy of the United States to support efforts for Iranian self-determination, in other words, free and fair elections.

Finally, the bill authorizes \$10 million for the assistance of pro-democracy efforts, although it is my intention to modify that in light of the fact that the State Department has come forward with a supplemental, hopefully inspired by this bill and others in the House, to fund prodemocracy efforts in Iran to the tune of \$75 million. So our intention is to actually up the ante to \$100 million. Some have asked whether this funding would make a difference in Iran and I would say the answer to that is really just to look at the composition and the demographics of Iran. A majority of Iranians were born after the Islamic Revolution in 1979. These young men and women have grown up under brutal oppression in conditions which they hate. These people are the folks that we must appeal to and try to enjoin in doing something about changing the governmental status within the country of Iran. These are folks who listen to Western media and broadcasts for news and they question the authority, as lots of young people do, and they are looking for greater individual freedoms. They are also technologically savvy and so there are ways in which to communicate and to gather support.

The funds authorized in my bill would support elements within Iran who are dedicated to democratic values and respect for human rights and particularly the rights of women.

So calling for free and fair elections, providing United States assistance, combined with the codification of sanctions, means that Iran's shaky economy could be exploited to advance the cause of freedom. Abbas Milani of the Hoover Institute notes that the private sector investments have virtually stopped, private banking is in severe crisis, and the government has been lowering interest rates.

Others note some of the regime's surprising vulnerabilities. Despite its massive oil reserves, Iran has little capacity to produce gasoline or jet fuel, two important refined petroleum products. Iran also lacks the ability to develop and exploit its vast natural gas reserves.

The international community needs to leverage these and other weaknesses to dissuade Iran's leaders from pursuing nuclear weapons. Together with smart sanctions, such as freezing the assets and confiscating the property of the regime's leaders, an overt policy declaration by the Congress that supports prodemocracy movements in Iran will encourage the forces of change within Iran.

Finally, I want to emphasize that the Iranian Freedom and Support Act is a nonviolent way to bring about change within Iran. You hear lots of talk about the military option being left on the table and we cannot take it off the table. I would agree with that, but I think that does not mean that we are paralyzed to act, that we need to do some things and the Congress can act to support the prodemocracy forces within Iran. The administration has recognized that this can be pursued. I hope the Congress would step for-

ward with this authorization and express its support for the Iranian democracy movement.

I want to thank you, Mr. Chairman, and the ranking member for the ability to come here and testify before your committee and certainly urge your support for S. 333. Thank you.

[The prepared statement of Senator Santorum follows:]

PREPARED STATEMENT OF HON. RICK SANTORUM, U.S. SENATOR FROM
PENNSYLVANIA

Chairman Lugar, Ranking Member Biden, and members of the committee, I appreciate your willingness to hold this hearing on recent developments in Iran, and I commend you for your efforts to highlight the many problems we are facing with the agenda of the Government of Iran. I also want to commend you on selecting a panel of outside experts who will add to the understanding of events transpiring in Iran and the ways that the international community can respond to these trends.

Let me begin by reminding the members of this committee of the Iranian Government's dreadful track record. From its inception, the Islamic Republic of Iran has supported acts of terror inflicted upon innocent persons, and has systematically thwarted efforts to achieve peaceful relations among Middle Eastern countries. Iran has long headed the "State Sponsor of Terrorism" reports issued by the U.S. Department of State. Iran's support for terrorism is known all too well by Americans.

Iran created Hezbollah, the terrorist gang behind the 1983 suicide terrorist attacks against U.S. military and civilian personnel in Lebanon, and actively supports Hamas, the Palestinian Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command, all murderous organizations with long histories of committing heinous acts against the civilized world. Iran, in cahoots with al-Qaeda, has been implicated in the 1996 attack on U.S. military personnel at Khobar Towers in Saudi Arabia. These groups kill civilians and work against the national security interests of the United States and our allies. Iran's reach into Iraq is also profoundly disturbing. Iran's connection to the Supreme Council for the Islamic Revolution in Iraq (SCIRI) and the organization's Badr Brigades means that Iran is able to manipulate Iraq's police and military forces.

Iran's human rights violations are no less chilling. As described in the recent publication, "Supporting Human Rights and Democracy: The U.S. Record 2004-2005," the Department of State reported that, in Iran, "Summary executions, disappearances, extremist vigilantism, widespread use of torture and other degrading treatment remained a problem." It then noted, "The Government continued to discriminate against and harass the Baha'i community and other religious and ethnic minority groups, including Jews, Christians and Sunni and Sufi Muslims." Finally, this report stated, "The government continued to severely restrict worker rights, including freedom of association and the right to bargain collectively." In short, the Government of Iran oppresses its people and deprives them of the liberties enjoyed by citizens of Western democracies.

Iran's nuclear aspirations are perhaps the most unsettling of all. While Iran is permitted to pursue peaceful nuclear research under the terms of the Nuclear Non-Proliferation Treaty (NPT), its record, including systematic deception over nearly two decades, leaves little doubt about the mullahs' real intentions. In November 2003, the International Atomic Energy Agency (IAEA) reported that Iran had been developing an undeclared nuclear enrichment program for 18 years and had covertly imported nuclear material and equipment. Furthermore, the IAEA reported that Iran had conducted over 110 unreported experiments to produce uranium metal and separated plutonium, and had possession of designs that clearly related to the fabrication of nuclear weapons components. In August 2005, following the election of the religious fanatic Mahmoud Ahmadinejad as Iran's President, Iran announced that the ongoing negotiations under the terms of the 2004 Paris Agreement brokered by the EU3 were "unsatisfactory." Iran then announced it was resuming the conversion of raw uranium into gas for enrichment, and, in January 2006, the Iranians removed the IAEA seals on its enrichment plant in Natanz, a facility aided by the pariah scientist Dr. A.Q. Khan of Pakistan.

The recent 27-3 vote of the IAEA Board to report Iran to the United Nations Security Council and the board's admonishment that Iran's many failures and breaches of its obligations to comply with the NPT and the absence of confidence that Iran's nuclear program is exclusively for peaceful purposes resulting from the history of concealment, should serve as a wake-up call for the world that Iran's nuclear ambitions cannot be ignored any longer. Iran's aggressive behavior and its con-

cealment of ongoing nuclear activities can only mean that the Government of Iran seeks to enrich uranium for use in nuclear weapons.

Unlike the junior Senator from New York, I believe that the EU3 negotiations were beneficial in that they demonstrated to the world—with the exception of Syria, Cuba, and Venezuela—that Iran's nuclear aspirations are not limited to peaceful nuclear research. These negotiations also set the stage for a successful reporting of Iran to the United Nations Security Council.

Although it is not clear that China, Russia, and other members of the Security Council will support sanctions against Iran, nonetheless, smart sanctions should be discussed and debated by the Security Council. We do not want to punish the people of Iran, who seek democracy, but rather the oppressive and murderous regime in Tehran. The Security Council, therefore, should consider:

- (1) A travel ban on Iran's leaders;
- (2) A ban on international flights by Iran Air;
- (3) A ban on receiving cargo carried on Iranian Government-owned ships; and
- (4) Aggressive action to see that government leaders in Iran responsible for human rights abuses and executions are brought to trial.

I have recently heard two very bothersome claims about Iran. The first was a television news anchor who stated, I am paraphrasing, "The prodemocracy movement in Iran is like the anti-Vietnam war movement was in the United States in the 1960s and 1970s—a mile wide and an inch deep." The other observation was made by a senior U.S. Senator who concluded, again paraphrasing, "There are no good options with regard to Iran."

I believe both are wrong. The prodemocracy movement is anything but feeble. The regime's own public opinion polls prove that the overwhelming majority of Iranians detest the regime, and want it changed. And many of our colleagues have worked hard to propose good options for dealing with the Iranian threat. Along with 44 co-sponsors, I have introduced S. 333, the Iran Freedom and Support Act. It calls for vigorous support for peaceful change in Iran. The Iran Freedom and Support Act has been referred to this committee for further review and consideration. I urge you to report the legislation to the full Senate for debate and consideration.

This legislation seeks to make it harder for the Government of Iran to have access to revenue and foreign investment—resources it can use to support terrorist organizations or pursue nuclear activities. The bill also codifies sanctions, controls, and regulations currently in place against Iran. The bill declares—as we surely should declare—that it should be the policy of the United States to support efforts by the Iranian people to exercise self-determination over their own form of government. Finally, the bill authorizes \$10 million in assistance for prodemocracy efforts.

This bill is a modest step forward in supporting those prodemocracy forces in Iran that seek greater freedom and a better life for the Iranian people. Given the administration's recent commitment to provide \$75 million to prodemocracy efforts within Iran, I intend to increase the level of funding authorized by my bill to \$100 million.

Some have asked whether the legislation would make a difference in Iran. I answer: Look at the demographics. A majority of Iranians were born after the Islamic Revolution of 1979. These young men and women have grown up under brutal and oppressive conditions, which they hate. These are the people to whom the United States must appeal and support. These are the people who listen to Western media broadcasts for news, question authority, seek greater individual freedoms, and are savvy toward new technologies of communication. Time and time again, I hear that the youth of Iran looks to the United States and actively seeks to enjoy the freedoms of the West. The funds authorized by my bill would go toward supporting these and other elements within Iran that are dedicated to democratic values, respect for human rights and the rights of women.

This public policy declaration and U.S. assistance, combined with the codification of sanctions, means that Iran's shaky economy could be exploited to advance the cause of freedom. Abbas Milani of the Hoover Institution notes that private sector investments have stopped, private banking is in a severe crisis, and the government has been lowering interest rates. Further, an estimated \$200 billion in financial capital has left the country recently. Millions of Iran's people are impoverished or unemployed, and they need to know that we will help them.

Others note some of the regime's surprising vulnerabilities. Despite its massive oil reserves, Iran has little capacity to produce gasoline and jet fuel, two refined petroleum products. Iran also lacks the ability to develop and exploit its vast natural gas reserves. The international community needs to leverage these and other weaknesses to dissuade Iran's leaders from pursuing nuclear weapons.

Together with smart sanctions such as freezing the assets and confiscating the properties of the regime's leaders, an overt policy declaration by the Congress that supports the prodemocracy movement in Iran will encourage the forces of change

within Iran. Another targeted sanction, suggested by Milani, would entail freezing the foreign assets of Iran's revolutionary foundations, through which the government's elites export their ill-gotten gains, and control business empires.

Finally, I want to emphasize that the Iran Freedom and Support Act is a non-violent way to affect change within Iran. Some have called for leaving all options—including military attack—on the table, but surely it is wise to support the people of Iran and provide financial assistance to prodemocracy groups inside and outside the country before we begin discussions on a military solution that is fraught with danger and unpredictable consequences for the entire region. I am encouraged to see that the administration has also made this a priority with the recent announcement to seek \$75 million in supplemental funding for fiscal year 2006.

Mr. Chairman and members of this committee, thank you for permitting me to testify at this hearing. I hope that the committee will give strong consideration to S. 333 and that it will report this legislation to the full Senate for debate.

The CHAIRMAN. 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.

Senator SANTORUM. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you for coming.

Senator BIDEN. Thank you, Senator.

The CHAIRMAN. 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.]

**OPENING STATEMENT OF HON. RICHARD G. LUGAR, U.S.
SENATOR FROM INDIANA**

The CHAIRMAN. 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 short-term 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.

**OPENING STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S.
SENATOR FROM DELAWARE**

Senator BIDEN. Thank you very much, Mr. Chairman. I will ask unanimous consent that my entire statement be placed in the record because it mirrors—there is not a single thing you said I disagree with and I would be somewhat repetitious—

The CHAIRMAN. It will be placed in the record in full.

Senator BIDEN [continuing]. And add one point. Gentlemen, thank you so much for being here. We are anxious to hear what you have to say. There is an old expression: Big nations cannot bluff. I am not worried, but I am concerned as we deal with what is, obviously, a serious security problem, that we have a realistic assessment as best we can of what the consequences of certain actions or inactions will be.

I am looking forward to you giving us some insight as to not only what options may be available, the prospects of keeping the international community together on this, but what the reaction, if you have a sense, among the Iranian people will be to certain of the things we may initiate as a nation.

My instinct tells me that we underestimate the support for a nuclear Iran among Iranians of all stripes. They live in a pretty tough neighborhood. I suspect, even the democrats with a small “d”, not necessarily pro-Western, there is not inconsiderable support for the nation. I would like your assessment, as we go along, as to what you think, beyond the frustration with the clerical domination of all levers of security power. How do they feel, the Iranians, even those

who strongly oppose the present administration, the present government there, about the acquisition of a nuclear capability, weapons capability?

What do you think the reaction would be to either sanctions that were consequential, if we could reach that conclusion internationally, and/or military action of any kind, from air strikes to physically embargoing their export of oil? So I hope you will talk about some of those things with us today and I look forward to your testimony.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR FROM
DELAWARE

Mr. Chairman, I thank you for scheduling this timely hearing and also for arranging the intelligence briefing that we received earlier this morning.

The world's effort to prevent Iran from developing nuclear weapons is entering a very delicate stage.

- Iran may accept the Russian proposal to turn Iran's uranium hexafluoride into nuclear reactor fuel, and agree not to engage in uranium enrichment or spent fuel reprocessing.
- If it does not do that, however, then the U.N. Security Council is likely to take up the issue and begin an effort to pressure Iran into meeting the demands of the International Atomic Energy Agency.

I support that effort and I believe we all have a vital interest in its success. Today's hearing may help us understand what that will take.

The outrageous and confrontational statements by Iran's President, calling for the destruction of Israel and denying the Holocaust, have helped to focus minds on the prospect of a nuclear Iran. The EU-Three have grown frustrated by Iran's antics and are moving to ratchet up pressure on Iran. And Russia and China voted to report Iran to the U.N. Security Council.

But pressuring Iran will not be easy. Tom Schelling warned us years ago that if you want to compel a country to do something, you must do more than threatening or applying pressure. You must also convince the country that if it complies, you will stop the pressure (rather than "moving the goal posts" and demanding still more).

Maintaining pressure won't be easy, either, because we need other countries to stand with us; we can't do this alone.

And we need to understand Iran:

- Why does Iran want nuclear weapons, or at least the capability to build them? What would it do with them?
- Are there significant differences of opinion among elite groups? Between the leaders and the led?
- What sanctions might work, if we define success as either convincing Iran to change its policy or making it much harder for Iran to complete its nuclear programs?
- Would sanctions divide Iran, or unite it in support of the current regime?
- Are there ways to reach out to Iran, without sacrificing longstanding American interests in human rights, Middle East peace, and counterterrorism?
- Are there ways to promote a dialog within Iran on whether nuclear weapons will contribute to Iran's national security or harm it?
- Are there ways to support the Iranian people, without undermining the democratic forces that we want to help?

There are no easy answers to these questions, but we have three fine witnesses today to help us grapple with these questions. I look forward to their testimony, Mr. Chairman.

The CHAIRMAN. 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.

STATEMENT OF HON. RONALD F. LEHMAN II, DIRECTOR, CENTER FOR GLOBAL SECURITY RESEARCH, LAWRENCE LIVERMORE NATIONAL LABORATORY, LIVERMORE, CA

Mr. LEHMAN. Chairman Lugar, Senator Biden, I am honored that you have asked me to join you again today. You have my written statement and if I build upon what you have said and what Senator Santorum has said I think I can be relatively brief and leave more time for discussion.

You have asked me to address several issues with respect to an international response to the ongoing Iranian nuclear weapons program. My basic message is, time is running out, but we have to manage the time that is available and that will require that we keep our focus.

More specifically, in the last month the board of governors of the IAEA has voted, nearly unanimously, to refer the Iranian non-compliance matter to the U.N. Security Council. This is a very important development. As you know, the Security Council has not yet acted on the issue of North Korean noncompliance. There are, however, a number of parallel diplomatic efforts under way. The European 3—the United Kingdom, Germany, and France—have been trying to engage with Iran. They reached an impasse, but my understanding is that after Iran was unable to agree to the Russian proposal that was being discussed this week, the EU3 will meet with Iran tomorrow and, as you know, the next board of governors meeting will be on Monday, March 6—begin on Monday, March 6—and that additional information will be then forwarded to the Security Council for action.

The United States has been supportive of these actions. But I think your question is, What do we really need to get done. There—I think there are three general points I would make. One is to emphasize what is really at stake, that this is, in fact, a serious matter. The second is to make clear what does need to be accomplished. Third is to provide viable options that can actually lead to practical solutions.

Iran is not the only challenge to the Nonproliferation Treaty and Iran's nuclear weapons program creates dangers to more than the treaty. Still, the issue of NPT compliance is critical. If the international community fails to act now, much more than the NPT could begin to unravel.

Senator Santorum has mentioned some of the problems in dealing with Iran and the other witnesses are going to discuss some of these issues. So let me simply say that we need to stress to the international community both the importance of the nuclear issue, but also how it fits into these broader considerations, both political and economic. The goal must be for Iran to give up its nuclear weapons program and to do so in a way that gives the international community real confidence that that has been done.

Iran has had under way a covert and illegal activity, much of which it has not acknowledged except under pressure from the IAEA and others. The IAEA continues to express concern over the lack of Iranian cooperation in resolving these matters.

Now, Iran in particular seeks to develop the ability to produce fissile material that could be used for nuclear weapons. Many people think that the issue is one of quantity, how much can they

produce. The problem is if they are permitted to do the research and development on enrichment it will not only give them the capacity to, then, quickly move toward industrial production for weapons, but it also will mask activities that could be under way that are covert.

So the international community—if I were going to say, what is the most positive technically related thing that has happened in recent months, it has been the almost uniform agreement among the international community that research and development must not be permitted if we are going to put an end to the risks that are associated with the program.

You have asked me to comment a bit on what could the Security Council do and I am going to give you some specifics. I do not want to manage negotiations. This is a complex dynamic process. But I want to give you some things that I think could be done that would be of some value.

One is that I think the Security Council needs to reaffirm its view, expressed at the head-of-state level by the Security Council in January 1992, that further proliferation is a threat to international security. The Security Council has been silent on this matter for too long.

The second is I think the Security Council should make clear the existing and essential principle of international law that a state in violation of its obligations cannot escape the consequences of its violation simply through withdrawal. International law cannot survive if withdrawal becomes the “Get-Out-of-Jail-Free” card for violations. This is something that I think that the Security Council needs to make clear.

In the case of North Korea and again in the case of Iran, the threat of withdrawal is used to intimidate. We should not be intimidated by it. We should understand that we do not care if they withdraw; they have got to live up to their obligations. That is an issue.

I think the Security Council should make it clear that if a party withdraws from the NPT, recognizing that sovereign states have a right to withdraw from treaties, that nevertheless withdrawal from the NPT is a matter of concern for the Security Council and ought to be considered immediately.

I think the Security Council could make clear that these principles apply not only to the future, but to the existing cases that we are dealing with. I think that it would be, in my view, inappropriate not to name Iran specifically, and, in fact, I think they should strongly endorse at a minimum the measures that the IAEA Board of Governors have already called upon Iran to implement. In this case we are talking about a suspension of all enrichment-related activity, including research and development. They need to deal with the fact that they have the research reactor that is moderated by heavy water, that could be used for a plutonium approach to weapons. And they need to implement the additional protocol.

The IAEA has called for additional transparency measures that go beyond the norm, and I will come back to this question. But I think that these are things that the Security Council could and

should endorse to make clear that the Security Council cares and has authority to act in this area.

I think that Iran, in my view, is in violation of its central obligations. I think the Security Council needs to step up to that. I think the Security Council should call upon the members of the United Nations to be supportive of the IAEA and the Security Council conclusions on Iran.

There are a number of points that I just want to make briefly. First, I want to commend the committee for bringing regional specialists here. As you know, one of my particular concerns is that in the post-cold-war era we have an even greater divide between the so-called functional experts, people who do nonproliferation as I do, and the regionalists. Everybody was something of a Sovietologist in the cold war, but now we are dealing with many more different cultures and I think the questions that Senator Biden raised at the beginning are very much at the heart of how do we understand these cultures so that we can deal with them more effectively.

I want to emphasize, again, that we can talk at length about all the technical aspects of discrepancies and nondisclosures and things, but I think the important point to remember is that we should not be blinded by the fact that Iran has under way a nuclear weapons program and we need to look at it from all of its perspectives.

The second thing is that you may remember that when we were working the North Korean problem we actually had an agreement that most people have forgotten, the North-South Denuclearization Agreement. We were actually rather proud of achieving that. But as you may remember, one of its provisions went well beyond the NPT. It called for no reprocessing and no enrichment on the Korean Peninsula.

Now, at the time I referred to that as an NPT-plus regime and the point I tried to make was that Korea is a particularly dangerous place and business as usual in Korea is not adequate, and, therefore, I thought the North-South Denuclearization Agreement was a very important achievement.

Now, interestingly enough, because we caught that North Koreans reprocessing there was a preoccupation with reprocessing and for a while people forgot that enrichment was also a concern. Then later, as we know, there was concern about enrichment. In Iran we have the opposite. People are focusing very, very much on the enrichment issue, and all I would like to say is do not forget reprocessing. The Iranians are putting a lot of effort into this and they are pursuing a number of different paths.

Senator Santorum and Senator Biden have mentioned some of the issues and you have mentioned, Mr. Chairman, some of the issues related to stronger measures such as sanctions. I have got some of that in my written remarks. I think I agree, we all want smart sanctions. We have got to figure out what smart sanctions are. In the end, I think we do have to recognize that there is a chance we will fail. If we do fail, we do have to consider how we strengthen our defenses and how we shape and tailor deterrence to deal with the situation.

My bottom line is this. I think people have not yet internalized how serious it will be if you have a nuclear-armed Iran. A whole series of paths will start to be pursued by a wide range of people. Some of that will be in the area of proliferation, but I think there will be political consequences, consequences for the international security architecture, how nations relate to each other, and there will be economic consequences.

I would not be at all surprised to see these feed on each other, and the result could be very serious economic downturns, recession, perhaps depression, in some parts of the world or on a global basis, increased war and violence in these troubled regions. So again, Ben Franklin talked about the horseshoe nail. The IAEA findings may seem like a horseshoe nail, but there is a real war out there and I think we need to recognize this is very serious.

Thank you, Mr. Chairman, members of the committee.

[The prepared statement of Mr. Lehman follows:]

PREPARED STATEMENT OF HON. RONALD F. LEHMAN II, DIRECTOR, CENTER FOR GLOBAL SECURITY RESEARCH, LAWRENCE LIVERMORE NATIONAL LABORATORY, LIVERMORE, CA

Mr. Chairman, distinguished members of the committee on Foreign Relations, I am honored that you have asked me to be here today. I appear as a private citizen and do not speak for any organization with which I am associated.

You have asked me to address four questions about Iran's nuclear program:

1. How can the United States work to ensure that, unlike North Korea, the United Nations Security Council acts in a meaningful and timely manner to deal with Iranian noncompliance?
2. Is the Iranian situation different from that of North Korea, both with regard to issues bearing on noncompliance and the potential for multilateral solutions?
3. What actions might the Security Council take with regard to Iran, both with respect to sanctions and incentives to bring Iran back into compliance and ease international tensions regarding its nuclear program?
4. What other steps might the international community take outside the Security Council?

With respect to the ongoing Iranian nuclear weapons program, the United States and the international community need to stay focused. This effort will not end quickly. At home and abroad, we must resist diversions as well as divisive pressures. At the same time, dialog such as this hearing is vital to exchange information and to build sound and shared assessments.

An effective international response to Iran's noncompliance with the Nuclear Non-proliferation Treaty (NPT) must be developed, particularly in the light of our experiences with North Korea. The key multilateral vehicle for dealing with the North Korean nuclear program is the six-power talks. The UNSC has not yet taken up North Korean noncompliance with the NPT. On Iran, however, the Board of Governors of the International Atomic Energy Agency (IAEA)—by a nearly unanimous vote—has referred the Iranian matter to the UNSC. After receiving additional information to be determined at the upcoming IAEA board meeting, Security Council consideration will begin. This follows efforts by three European Union members—Germany, France, and the United Kingdom—to persuade Iran to come into compliance. Russia also has made a proposal.

The United States has been supportive of these and other international efforts. Many diplomatic efforts are underway. In my opinion, to ensure that the Security Council acts "in a meaningful and timely manner," the United States and others need to:

- (1) Emphasize what is at stake;
- (2) Make clear what needs to be accomplished; and then
- (3) Provide viable options that lead to solutions.

Iran is not the only challenge to the NPT, and Iran's nuclear weapons program creates dangers to more than the treaty. Still, the issue of NPT compliance is critical. If the international community fails to act now, much more than the NPT could begin to unravel. If allowed to become nuclear-armed, Iran is unlikely to be the last new nuclear weapons state in the Middle East or elsewhere. Many nations will alter

their security arrangements and military postures to meet the new and more dangerous instability. Political advancement will be disrupted; a severe economic downturn is likely. Other witnesses today will underscore what is at stake. Security, prosperity, and freedom are at risk not only in the dangerous region of the Middle East, but also on a global basis. The United States needs to help everyone understand these likely consequences.

The goal must be for Iran to give up its nuclear weapons program, and to do so in a way that gives the international community real confidence that that has been done. Confidence in success will involve a lengthy process of engagement that addresses more than technical compliance with IAEA safeguards. In the meantime, we need to keep our eye on the development that caused the current urgency. Iran has been seeking to acquire the ability to produce nuclear weapons usable materials. Much of this effort has been covert and illegal, masked by an extensive program of denial and deception. Iran has acknowledged some of this history, piecemeal, only after being confronted with evidence, but the IAEA has again expressed concern that after 3 years of intensive Agency efforts, key uncertainties have not been addressed due to lack of transparency.

Iran wishes to continue the research and development necessary for an industrial scale production capacity of fissile material, and then it wants to begin such production. The problem, given the entire context of Iranian activities, is that to permit the research that gives Iran capabilities such as uranium enrichment with gas centrifuges, would be to provide both the basis for a parallel nuclear weapons program and the means to mask covert weapons activities or procurements and to break out of the treaty. The immediate step is to prevent the development or acquisition of such enrichment technology or other means to acquire weapons useable material.

Undoubtedly, the Security Council will not act initially with the full range of powers that it has. Early on, however, the Security Council should make clear its concern and authority. Here are some ways in which it might do so.

The U.N. Security Council needs to reaffirm its view, expressed by the U.N. Security Council Heads of State in January 1992, that further proliferation is a threat to international security. On the seriousness of proliferation, the U.N. Security Council has been silent for too long.

The U.N. Security Council should make clear the existing and essential principle of international law that a state in violation of its obligations cannot escape the consequences of its violation simply through withdrawal. International law cannot survive if withdrawal becomes the "Get out of Jail Free" card for violations.

Recognizing the right of sovereign states to withdraw from treaties, generally, the Security Council could make clear that any withdrawal from the NPT, in particular, is a matter that warrants immediate U.N. Security Council consideration.

The U.N. Security Council could make clear that these principles apply not only in the future, but also to concerns presently engaging the international community.

The U.N. Security Council could state that Iran, by name, falls under these principles.

The Security Council could endorse measures in IAEA Board of Governors resolution (GOV/2006/14 of February 4, 2006, which "deems it necessary for Iran to:

- "Reestablish full and sustained suspension of all enrichment-related and re-processing activities, including research and development to be verified by the Agency;
- "Reconsider the construction of a research reactor moderated by heavy water;
- "Ratify promptly and implement in full the Additional Protocol;
- "Pending ratification, continue to act in accordance with the provisions of the Additional Protocol which Iran signed on 18 December 2003;
- "Implement transparency measures, as requested by the Director General, including in GOV/2005/67, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include such access to individuals, documentation relating to procurement, dual-use equipment, certain military-owned workshops and research and development as the Agency may request in support of its ongoing investigations."

The Security Council could direct the IAEA to use all the tools available to it and to propose additional measures to help resolve matters of fact, and that the UNSC will support those actions including special inspections.

The Security Council could find that Iran has violated central obligations under the Nuclear Non-Proliferation Treaty.

The Security Council could call upon Iran to address the concerns of the international community by abandoning its nuclear weapons program and by doing so completely and transparently.

The UNSC could call upon all members of the United Nations to take measures in support of the Security Council decisions to bring Iran into compliance with the NPT and undo the dangers created by Iran's covert nuclear weapons program. Member states are already bound to take similar and related measures under U.N. Security Council Resolution 1540.

The U.N. Security Council could reiterate that the full range of options available to the U.N. Security Council may be warranted when a threat to international security arises.

Iranian actions are reducing the time available for the international community to prevent the appearance of a nuclear-armed Iran. More measures undoubtedly will be required of the international community and the UNSC. To gain international support, however, the first step must be for the UNSC to make clear to all where it stands. This would help provide a foundation upon which the international community can build an effective, united response.

Iran and North Korea have many differences in culture and context, the most obvious being the extreme nature of Pyongyang's isolation from world politics and economics, but both are serious threats to international security. Understanding the differences is important. One of the great challenges facing nonproliferation today is bridging the knowledge gaps between regionalists and functionalists, and I commend the committee for bringing both types of experts here today. For my part, let me concentrate on some of the lessons, I believe, should have been learned from the North Korean experience that are of relevance to Iran.

We must recognize that IAEA findings of discrepancies, or failures to report on materials and activities, are not merely technical and historical. Nor are they to be dismissed or grandfathered. Complete disclosure and transparency is necessary to have any confidence that we are dealing successfully with the real nuclear weapons program.

Although Iran's ability to produce necessary fissile material is the major missing piece for the Iranian nuclear weapons program, we must not ignore other activities that Iran has underway as part of their nuclear weapons program and also their programs to develop ballistic missiles and other means of delivery.

In Korea, it was a covert reprocessing activity that created the crisis, but uranium enrichment was always a concern. Likewise, in Iran, we have become focused on near term enrichment capability, but we should not lose sight of the dangers associated with reprocessing in Iran.

We must recognize that because of the dangerous behavior and rhetoric of Iran, as in the case of North Korea, business as usual will be insufficient. In the case of North Korea, in 1991, we developed the North-South Denuclearization Agreement that prohibited both reprocessing and enrichment, providing something of an NPT-plus regime because of the difficult security context.

Undoubtedly, the process of negotiation and engagement will take time, but we must manage that time properly. For its part, Iran needs time to complete tasks related to its nuclear weapons program, and it will want to buy more time and create other windows through which it can work on its program. For example, Iran might readily forgo temporarily industrial scale activity for the period of time it needs to do more research to make that production capability effective. We need to understand the undesired consequences of partial measures that address some but not all of Iran's nuclear weapons efforts.

Likewise, difficult negotiations will create pressures to exaggerate small accomplishments or dismiss steps backward. We must be careful not to get so caught up in the process that we lose sight of the goal. In this regard, the experience with Libya is clearly a more attractive model than that with North Korea.

In dealing with North Korea, the lengthy negotiating process often left us in what might be called an NPT-minus situation with threats to withdraw from the NPT and on-again/off-again IAEA and other access and inspections. At the same time, the gradual erosion of the situation discouraged action because the threshold of additional danger at each moment was too small to motivate the international community to act even as the total danger grew. This was an experience with North Korea that we should try to avoid with Iran.

We must also understand that we, and others, have more tools than the IAEA. Efforts like the Proliferation Security Initiative provide important means to help with nonproliferation.

Everyone speaks of both carrots and sticks, but psychology and culture differ. Incentives and sanctions have been studied extensively. Sometimes they work. Sometimes they don't. This committee does not need for me to repeat the history or the literature. I would, however, like to highlight a few of the fundamentals that I think are most important in the case of Iran.

The United States already has extensive sanctions against Iran, but this is the exception rather than the rule among countries. We should consider the consequences if other nations were to do what we do. When broad sanctions or incentives become necessary, those provided by a distant actor may be less effective than narrow sanctions nearly universally enforced or targeted sanctions by a party of importance. In the case of Iran, Europe is an important consideration, but Russia and China may determine the effectiveness of both carrots and sticks. Both have extensive economic and political interests in Iran that could influence Iran positively. Unfortunately those same interests create pressures to lower the priority given to non-proliferation.

If measures are taken, the first and most important of them should be aimed at the resources, prosperity, and legitimacy of the regime's leadership and those who keep the oppressive leadership in power.

In summary, we need to recognize that Iranian noncompliance with the NPT, however technical, is not about technicalities or the fine print; it is about nuclear weapons in the hands of a regime that could dramatically destabilize the world creating conditions that lead to economic depression, WMD terrorism, and war. If we fail to prevent a nuclear-armed Iran, we are not without measures to try to deter or defend our allies, our interests, and ourselves. Yet, we would all be better off if we avoid getting into those dire straits.

The CHAIRMAN. 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.

**STATEMENT OF DR. PATRICK CLAWSON, DEPUTY DIRECTOR
FOR RESEARCH, THE WASHINGTON INSTITUTE FOR NEAR
EAST POLICY, WASHINGTON, DC**

Dr. CLAWSON. Thank you very much for letting me appear today and letting me put my statement into the record.

Given the fiasco about Iraq's weapons of mass destruction, we face an uphill battle in persuading people that the threat from Iran is real, and in waging that battle we would be well advised to understate our case and not to rely upon what our intelligence agencies tell us is almost certainly happening, but to the maximum extent that we can to emphasize what it is that Iran itself acknowledges that it is doing.

Here the new President of Iran, President Mahmoud Ahmadinejad, helps us a lot by his big mouth. His famous comment about Israel must be wiped off the map was made in an October conference, the title of which is often misreported. The actual title was "The World Without Zionism and America." Those last two words are not idle phrases from President Ahmadinejad because he really sincerely believes that his cothinkers were able to bring down one superpower, namely the U.S.S.R., and that they will be able to do that again, to America. This is a man who regularly says that Islam is not limited to a city or country; "if we intend to run the world we should prepare the way for it." He means that.

But there are also a lot of Iranian actions that we can point to. Let me just cite two areas, namely terrorism and their nuclear program. On terrorism, there are many things they do, whether it is in Iraq or with al-Qaeda, that our intelligence community tells us are reasons for great concern. But I would urge us to concentrate on that which the Iranian leaders themselves openly acknowledge that they are doing, so that we do not have to deal with complaints or suspicions about how good is our intelligence.

In particular, Iran openly acknowledges that it provides hundreds of millions of dollars in support for Hezbollah in Lebanon. Now, for a long time Hezbollah enjoyed a lot of good press, but as Lebanon has moved toward democracy and as Hezbollah has blocked those moves and has worked more openly with Syria to prevent Lebanon from achieving its full sovereignty, Hezbollah is finding itself in a more isolated position and, therefore, more vulnerable to pressure. I was struck by the fact that recently the United Nations complained about arms smuggling to Hezbollah, something that the U.S. Government for many years has complained about, but to find the United Nations complaining about it, that is a step forward.

Similarly, Iran has, for a long time, openly acknowledged that it is the principal supporter of Palestinian Islamic Jihad. Palestinian Islamic Jihad is a group that really does not have a whole lot of support inside the West Bank and Gaza Strip and relies upon the Iranians. So we can say that its terrorist activities are very much the Iranian responsibility. That is a different situation than with Hamas, which Iran would dearly like to work with more closely, but has always maintained a certain independence from Iran.

This same approach that I am suggesting about the terrorism issue I would also carry over toward the nuclear issue. As Mr. Lehman was explaining, there is excellent reason to think that Iran has a nuclear weapons program, but we do not need to get into that. We can just take Iran's statements at face value that all it is doing is building a full nuclear fuel cycle. There is no question about that. Iran shows to reporters what it is doing. Iran openly acknowledges this. This is openly known.

Then we can point out that people like the Nobel-Peace-Prize-winning Director of the International Atomic Energy Agency, Mohamed ElBaredei, says that there should be a global moratorium on these enrichment facilities because they are so dangerous that if they are completed they would put a country, "a few months away," from having a nuclear weapon. So we can simply say that, look, Iran, even if we will accept all your arguments that all you are doing is building a nuclear enrichment program, that is too dangerous. And, in particular, given your track record of lying to the IAEA for 18 years, we cannot accept that you have lived up to your half of the NPT bargain; that bargain being that states are allowed to have dangerous technologies in return for living up to their safeguards agreements and being open and honest about what they are doing. And since you have not been open and honest, Iran, well, sorry, but you cannot have this dangerous technology.

This approach, rather than emphasizing the intelligence information which suggests that Iran actually has a nuclear weapons program, would, I suggest, be more convincing to people in the region, people in Iran, and people around the world.

Similarly, when it comes to the question of the threats that Iran's nuclear program represents, as Senator Biden said, Iran obviously lives in a dangerous neighborhood and everyone knows that. We would do well to acknowledge that, while at the same time pointing out that, in fact, nuclear weapons have generally been a doomsday weapon, to be used in an ultimate scenario of great catastrophe, and it is very hard to see how Iran faces that

kind of a security problem. Iran's security problems are failed states around it, the rampant drug smuggling that comes in from Afghanistan, the spillover of terrorism that they are suffering from Iraq. These are Iran's problems and nuclear weapons are not useful for dealing with Iran's security problems.

Whereas, no matter what Iran's intentions are, if it acquires a nuclear capability it will inevitably be a greater player in Middle Eastern politics in a way that would upset many of its neighbors and, therefore, could well spark an arms race that would destabilize the entire region. It is disturbing to me that I have had Pakistani generals describe, in considerable detail and accuracy, the arrangements that Germany and the United States had during the cold war about the stationing on German soil of American nuclear warheads that were on top of missiles controlled by the Germans. We took the attitude that that was consistent with Germany's NPT obligations because we continued to control the warheads. If Pakistan were to store its warheads on Saudi soil on top of the Saudi long-range missiles under a similar arrangement that the United States and Germany had, I certainly would not feel more comfortable and I suspect that our Israeli friends would feel even less comfortable.

So there are many ways in which we can describe the Iranian threat that understate the case and I think would be more convincing as a result. When it comes to American responses—excuse me—the international community's responses as to what to do about Iran's programs, there as well I think it would be useful for us to understate the case. So I would put on the table some instruments of persuasion and not just instruments of dissuasion. In particular, during the cold war we found that confidence and stability-building measures were useful for both sides, and there are some confidence and stability-building measures which would be in the interest of the United States, but I think we could say to a candid world that these are also in Iran's interests. We might not persuade the Iranians to accept such things as an incidents-at-sea agreement to prevent episodes in the Persian Gulf or an exchange of military observers, but I do think this would help in the battle for hearts and minds if we, at least, made an offer of instruments of persuasion as well as dissuasion.

When it comes to the instruments of dissuasion, there has been much talk about the Security Council process and that is very important, but there are things that we can do parallel to the Security Council process that do not depend upon our waiting for the Security Council to act, and those would be wise measures for us to initiate now. So, for instance, there are a number of deterrence and containment steps that we could take that could help reassure neighboring countries and also affect Iran's calculus.

For instance, if we were to announce that we are prepared to sell to the Arab States, in the Persian Gulf, more advanced antimissile systems and air defense systems, that could raise doubts in the minds of the Iranian decisionmakers about their country's ability to reliably deliver its nuclear weapons and that could affect their calculations. It could also affect the calculations of regional states about whether or not they need to proliferate on their own.

Furthermore, Iranian hotheads regularly threaten to close the Strait of Hormuz if the West escalates pressure on Iran on the nuclear program. I would just remind you that our Defense Intelligence Agency regularly informs Congress that Iran has the capability to temporarily close the Strait of Hormuz. Well, that would suggest to me that we would do well to exercise how would we protect that vital strait and to move additional assets into the region to protect the strait and indeed ask some of our NATO partners to also help in that task. A multilateral exercise showing that the outside world is prepared to deter Iranian escalation of a crisis would again be useful in showing the international resolve about these matters.

But all these measures to press Iran and to deter it are stalling tactics, because so long as Iran has an Islamic republic it is going to pursue a nuclear weapons program. I happen to think that if Iranian reformers come to power they, too, would want nuclear weapons, but they would want good relations with the outside world even more. So I am confident that the Iranian reformers, if they came to power, would say: Well, if freezing the nuclear program is the price we have to pay for better relations with the outside world, then that is something we are prepared to do.

So it is in our interest to promote that kind of reform movement inside Iran. There is not much we can do. There are modest steps we can take, and we have absolutely no idea how successful that is going to be or on what time scale. Analysts have not accurately predicted any revolution anywhere in the world in the last 200 years. I do not think that they are going to be successful this time, either. When President Reagan visited Berlin and said "Mr. Gorbachev, tear down this wall," very few people thought that that wall would be gone within a few years. We have absolutely no idea about what time scale change will come to Iran and it would be unwise for us to assume that change will be successful.

But it would also be both the morally right thing and the politically prudent thing for us to do to take the modest steps that we can to encourage that change.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Clawson follows:]

PREPARED STATEMENT OF DR. PATRICK CLAWSON, DEPUTY DIRECTOR FOR RESEARCH,
THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY, WASHINGTON, DC

Given the fiasco about Iraq's weapons of mass destruction, it is only natural that many Americans are suspicious when the Bush administration warns that Iran is pursuing nuclear weapons. And against the background of many exaggerated claims about a direct Iraqi role in terrorism against the United States, it is to be expected that many Americans are skeptical about U.S. claims that Iran is the world's leading sponsor of terror. The U.S. Government has a tough task to convince Americans that Iran is a real threat. Undertaking that task is well worthwhile.

HIGHLIGHTING WHAT IRAN ACKNOWLEDGES DOING

One way to highlight the Iranian threat is to simply quote Iranian leaders. It is not hard to cite Iranian leaders' threatening rhetoric. The October 26, 2005, conference where President Ahmadinejad said, "Israel must be wiped off the map" was actually entitled "The World Without Zionism and America"—and those last two words are not empty rhetoric to a man convinced that his cothinkers have already brought down one superpower (the U.S.S.R.). Indeed, Ahmadinejad really means it when he says, "Islam is not limited to a city or country and every Muslim should have a global insight. If we intend to run the world, we should pave the way for

it.” (Iranian Labor News Agency, in Persian, January 6, 2006). Those inclined to dismiss this language would do well to heed German Chancellor Angela Merkel’s warning, “When National Socialism [Nazism] was on the rise, there were many outside Germany who said, ‘It’s only rhetoric, don’t get excited.’ There were times when people could have reacted differently, and in my view, Germany is obliged to do something at the early stages . . . We must prevent Iran from developing its nuclear program” (quoted in the Washington Post, February 4, 2006).

But let us go beyond words to look at actions. I will confine myself to two areas: Terrorism and the nuclear program.

Terrorism. There are many troubling indications of Iranian involvement in terrorism, such as the continued acknowledged presence of senior al-Qaeda leaders in Iran who are supposedly under arrest but who were able to order the May 12, 2003, Riyadh bombings on their phones. However, if the U.S. Government emphasizes these links with al-Qaeda, it risks running into international skepticism, because the information comes from intelligence sources. A much more fruitful approach is to highlight what Iran readily acknowledges.

Top of the list here is Hezbollah in Lebanon. Richard Armitage, then Under Secretary of State, warned, “Hezbollah may be the A-team of terrorists and maybe al-Qaeda is actually the B-team” (speech at USIP, September 5, 2002). Iran was responsible for creating Hezbollah and has supported it for 20 years with hundreds of millions of dollars, shipments of advanced weapons, and training in sophisticated terror techniques. During the period when Israel occupied southern Lebanon, Hezbollah portrayed itself as a movement in resistance to foreign occupation. That was part of its activities, but it was also actively engaged in terrorist attacks on Israeli civilians and Jews, such as blowing up the Jewish community center in Buenos Aires. Hezbollah’s self-portrayal as a resistance movement has worn thin since the 2,000 Israeli withdrawal from Lebanon. In the first years after the Israeli withdrawal, many around the world were prepared to turn a blind eye to Hezbollah’s armed activities. But that has changed as Lebanon has made great advances toward democratic independence, while Hezbollah continues to support Syrian interference in Lebanese affairs and uses its militia to threaten the stability of democratic institutions. Now, there is much scope for pressing the case against Hezbollah and its Iranian sponsors. Indeed, in recent weeks, even the United Nations complained about a January 31 arms shipment to Hezbollah by way of Syria, in blatant violation of U.N. Security Council Resolution 1559 which calls for disarming militias though the United Nations was too polite to note that the arms came from Iran.

Another Iranian-sponsored terror group that should be in the U.S. crosshairs is Palestinian Islamic Jihad (PIJ). Iran has worked hard to insinuate itself into Gaza and the West Bank. Fortunately, its puppet group PIJ has never taken off the way Hezbollah did—that is, PIJ has never sunk roots into the local communities. Precisely because PIJ is rather isolated, it is a good target for attack. The U.S. Government would do well to concentrate on criticizing Iran for its support of PIJ. That is much easier to do than to complain about Iran’s longstanding courting of Hamas, which it has provided with money, weapons, and training. State Department counterterrorism coordinator, Henry Crumpton, warns, “it is clearly an [Iranian] objective” to make Hamas into “another proxy” like Hezbollah which is “just an extension of the Iranian Government” (interview with Jerusalem Post, February 22, 2006). However, to date, Hamas has remained rather independent of Iran.

Also difficult to confront are Iran’s activities in Iraq. While U.S. officials have intelligence about Iranian arms shipments reaching insurgents, Iran can plausibly blame smugglers across the rugged border. And most Iranian activities in Iraq fall in a grey zone—troubling, yet part of the usual rules of the game by which governments compete for influence. Major aspects of this support entail broad financial backing for Iran’s friends in Iraq and an extensive propaganda apparatus, including the slick Al Alam television network.

Nuclear weapons. There is no doubt Iran is building a “nuclear fuel cycle” which will let it dig uranium ore out of the ground and then “convert” it into a gas and “enrich” the uranium, increasing the proportion of the most weapons-usable type. Iran proudly shows nuclear fuel cycle facilities to reporters and to international experts. Rather than emphasizing the justifiable suspicions about Iran’s intentions, it may be more productive to take, at face value, Iran’s claim that it is only building a fuel cycle. Right now, only a few countries have a nuclear fuel cycle program, and most of them have nuclear weapons. Nuclear fuel cycle programs are so dangerous that President Bush has proposed, “The 40 nations of the Nuclear Suppliers Group should refuse to sell enrichment and reprocessing technologies to any state that does not already possess full-scale, functioning enrichment and reprocessing plants” (speech at National Defense University, February 11, 2004). In a similar vein, International Atomic Energy Agency (IAEA) Director General and Nobel Peace Prize win-

ner, Mohammed ElBaradei of Egypt, has proposed to “put a 5-year hold on additional facilities for uranium enrichment and plutonium separation.” Further, he states that “there is no compelling reason to build more of these facilities” anywhere in the world (op-ed in *Financial Times*, February 2, 2005).

Iran’s declared intentions—to build a nuclear fuel cycle—would give Iran the capability to make the “fissile material,” as specialists call it, which is at the heart of an atom bomb. Making the fissile material is the hard part of making a nuclear weapon. Assembling the actual bomb is not particularly hard for an industrial country like Iran; ElBaradei estimates that task would take Iran only “a few months” (*Newsweek*, January 23, 2006). Iran has no particular reason to actually do the bomb work yet; first, it has to complete the nuclear fuel cycle and make the fissile material. So it is possible that Iran has not started to work on how to put together a bomb because there is no need to do so yet.

To be sure, there are disturbing indications Iran is actively designing and researching how to build atom bombs and fit them on its missiles. The January 31, 2006, IAEA report warns about “alleged undeclared studies, known as the Green Salt Project, concerning the conversion of uranium dioxide into UF-4 (“green salt”), as well as tests related to high explosives and the design of a missile reentry vehicle, all of which could have a military nuclear dimension and which appear to have administrative interconnections.” U.S. intelligence possesses more information in the same vein. Indeed, French Foreign Minister, Philippe Douste-Blazy, has said, “No civil nuclear program can explain Iran’s nuclear program. So it is a clandestine military nuclear program” (*Financial Times*, February 17, 2006). But that is in the realm of inferring Iran’s intentions from limited evidence, much of it from intelligence sources. Having seen how poor intelligence can be—overestimating the Iraqi weapons programs, underestimating the Libyan and North Korean programs—we should not be surprised if the world is skeptical about claims that are based on necessarily incomplete intelligence; indeed, Iran’s latest response to the IAEA has been to dismiss these intelligence allegations as forgeries (*New York Times*, February 28, 2006). Therefore, Washington would do well to concentrate on what is known, which is that Iran is actively and proudly building a nuclear fuel cycle capability which will enable it to quickly build nuclear weapons if it so decides.

In addition, the U.S. Government should emphasize the IAEA Board of Governors’ complaints about “Iran’s many failures and breaches of its obligations to comply with its NPT (Non-Proliferation Treaty) Safeguards Agreement” (to quote the most recent resolution adopted on February 4, 2006). The IAEA reports lay out in detail how Iran has lied about its nuclear program for 18 years and how Iran continues to refuse to answer many of the IAEA’s questions about its activities. The point to be driven home is that the NPT is a bargain: Countries have the right to peaceful nuclear technology if they live up to the obligation to be open and transparent about their nuclear activities. Iran claims the rights, but it has not fulfilled its obligations. Framing the case that way is the most effective way of refuting Iran’s claim that its rights are being violated.

THE THREAT POSED BY IRANIAN ACTIONS

Iran’s activities pose many threats to U.S. interests. For instance, there is a serious risk that Iran could undermine the stabilization of Iraq. Michael Rubin has warned, “Step-by-step, Iranian authorities are replicating in Iraq the strategy which allowed Hezbollah to take over southern Lebanon in the 1980s . . . As in southern Lebanon, what cannot be won through bribery is imposed through intimidation” (*Wall Street Journal*, February 27, 2006).

But let me concentrate on the threat from the Iranian nuclear program. Here again, the U.S. Government would do well to understate the case, given skepticism based on the Iraq experience. It is useful to begin by acknowledging that Iran lives in a dangerous neighborhood and that nuclear weapons are sometimes a logical response to security threats. That would put Washington in a better position to argue that nuclear weapons make no sense for Iran’s legitimate security concerns. Nuclear weapons are appropriate as a doomsday weapon, and so they are a logical weapon for a small country facing larger neighbors who threaten to obliterate it—think Israel or Pakistan. But now that Saddam Hussein is gone from the scene, Iran is surrounded by weak and fragile states which have no interest in invading it. Iran’s real security concerns are from state failure, such as drug smuggling from Afghanistan and ethnic separatist violence from Iraq and Pakistan. Iran’s only problems with powerful states are because of the fights which Iran has chosen to pick with the United States and Israel—countries which would be happy to live in peace with Iran if it stopped its sponsorship of terrorism and opposition to the Middle East

peace process. In short, the U.S. Government should emphasize that Iran has security problems, but that nuclear weapons are not the answer to those problems.

Furthermore, regardless of Iran's motivations for establishing its nuclear program, nuclear advances would inevitably make Iran a bigger player on the regional scene. That is a matter of concern because Iran is not a status quo power. The theme of my recent history of Iran, "Eternal Iran: Continuity and Chaos" (coauthored with Michael Rubin; Palgrave Press, 2005), is that Iranians are proud nationalists, intensely aware of their ancient glories; they remember that a mere 200 years ago, Iran was twice its present size.

To understand how Iran would use its nuclear program to throw its weight around, consider what Iran would be able to do regarding Israel. A nuclear-ready Iran might argue that it has the right to be consulted on what constitutes an acceptable settlement between Israel and its Arab neighbors, claiming that the entire Muslim world is affected by the future of the holy places in Jerusalem. That would be bad enough—Iranian meddling would reinforce Palestinian radicals and complicate any effort to normalize relations between Israel and Middle Eastern countries. But a nuclear-ready Iran might take greater risks in its support of anti-Israel Palestinians, for instance, transferring to Hamas the same long-range rockets Iran has stationed in Lebanon (so far, those rockets remain under Iranian control, rather than being released for independent use by Hezbollah). And there is always the possibility—however faint it may be—that in a crisis, Iran might threaten the use of nuclear weapons, which it would undoubtedly present as a defensive measure designed to prevent Israeli aggression against helpless Arabs.

Even if Iran did not directly threaten Israel, it is likely that a nuclear-ready Iran would set off a regional arms race, making the Middle East a more dangerous place with serious consequences for world peace. Iran's neighbors are not going to sit still if Iran starts throwing its weight around. The grave risk is that they will respond by activating their own nuclear programs. It would be very bad news if Egypt decided that it needed to have the same nuclear fuel cycle capability Iran is pursuing. And there are rumors that Pakistan and Saudi Arabia have a secret deal that if Iran becomes nuclear-ready, Pakistan will ship to Saudi Arabia some nuclear warheads to put on the long-range Chinese missiles Saudi Arabia bought some years ago (missiles the Chinese use to carry nuclear warheads). Ostensibly, the Pakistanis would retain control of the warheads, allowing Saudi Arabia to claim that it was not violating the NPT.

U.S. RESPONSES

Let me confine my remarks to how to respond to the nuclear threat. Too much of the discussion about responses to Iran's nuclear program is concentrated on the extreme solutions: Either attack or appease. There is a wide range of intermediate policy options which hold much more promise.

To influence Iran, the United States needs instruments of persuasion and dissuasion. Most of the persuasion instruments proposed by Europe have been economic agreements which smell like disguised bribes. Since Iran is flush with oil income that has swelled its foreign exchange reserves to over \$30 billion, Tehran has dismissed these offers. A better approach is to concentrate on security measures, to counter the argument that Iran needs nuclear weapons because it has real security needs. There are many confidence- and security-building measures (CSBMs) and arms control measures which would provide gains for both Iran and the West. Examples of CSBMs would be an exchange of observers for military exercises in and near Iran, or an incidents-at-sea (INCSEA) agreement to prevent unintended naval confrontations. The point of making such offers would be first and foremost to impress world opinion with how reasonable the United States is being. After all, if NATO and the Warsaw Pact could agree on CSBMs at the height of the cold war, then Iran would look stubborn and uncompromising if it refuses such measures when offered by Washington. Whether Iran accepts these offers is not the main point; we are primarily in a battle for hearts and minds—mostly the hearts and minds of Europeans, Russians, and Chinese (though, of course, the hearts and minds of Americans and Iranians as well). The more the great powers take a unified stance blaming Iran for causing a crisis, the more pressure Iran will feel to concede.

As for instruments of dissuasion, there has been too much attention paid to comprehensive economic sanctions, which could damage Western economies if imposed while oil markets are so tight. Much more useful would be measures to emphasize Iran's isolation over the nuclear issue. In particular, Iran has suspended IAEA inspections which were authorized under the "Additional Protocol," adopted by the IAEA in 1997 drawing on the lessons of how Iraq and North Korea misled IAEA inspectors. (Iran, which has never ratified the Additional Protocol, agreed to follow

its provisions as part of the November 2004 "Paris Protocol" with the British, French, and Germans). Furthermore, Iran has refused IAEA requests to interview key scientists in its nuclear program. It would be entirely appropriate for the Security Council to first call on Iran to cooperate with the IAEA and then, if Iran refused, to order Iran to cooperate, using the Security Council's authority under chapter VII of the U.N. Charter, which compels countries to follow Security Council orders. A chapter VII resolution would be a huge step, because if Iran fails to comply, then the Security Council would presumably consider enforcement action, such as sanctions or ultimately military force (any consideration of sanctions now would be highly premature: Iran has yet to refuse to comply with a Security Council order).

If the Security Council issued an order to Iran, Tehran might well decide to comply. After all, when faced with a united United States-European stance in October 2003, Iran did agree to suspend its enrichment activities—an action which very few Iran-watchers anticipated. Not only that, but after Iran backed out of the suspension, it again climbed down, agreeing in November 2004 to an even more comprehensive suspension. This track record, in which diplomatic pressure persuaded Iran to suspend the key part of its nuclear program, gives reason for optimism about the current diplomatic process.

If, in fact, Iran refused to obey the Security Council orders, then the Council should sanction Iran. The aim of those sanctions should be to politically and diplomatically isolate Iran—which might not impress Ahmadinejad, but would worry many in Iran's ruling circles (bearing in mind that the Iranian President is not the key decisionmaker on foreign and security policy; that power rests with the revolutionary clerics, especially Supreme Leader Ali Khamenei). In several cases recently, the Security Council has imposed targeted sanctions, such as banning travel by key individuals, to drive home the high political price of unacceptable actions. In both Serbia and South Africa, the sanction felt most keenly by the public was the ban on international sporting competition. If young Iranians learn that their country's participation in the June 2006 Soccer World Cup is dependent on resolving the nuclear issue, there will be a dramatic increase in the interest they take in how the negotiations are going.

At the same time that the Security Council process is unfolding, a parallel track would be to adopt defensive security measures. These measures could increase the likelihood that Iran will back down, because they would show Iran that its security will be worse off due to its hard-line stance on nuclear matters. Furthermore, deterrence and containment measures, similar to those of the cold war, would have the further advantage of putting the West in a better position to use military force if the need were to arise. One step in this direction would be to sell Arab States in the Persian Gulf more advanced antimissile systems and air defense systems. Raising doubts in the minds of Iranian decisionmakers about the country's ability to reliably deliver its nuclear weapons could make their use prohibitively risky for Tehran in all but the direst of circumstances. Another step would be to assist Israel to deploy more Arrow countermissile batteries and to develop more sophisticated follow-on versions of the Arrow.

In addition, the West should act now to forestall Iranian threats to global energy supplies. Iranian hotheads regularly threaten to disrupt shipping in the Strait of Hormuz if the West escalates pressure on Iran about the nuclear question; to quote Iran's leading newspaper, "the arrogance (the United States) must receive the signal that a boycott of Iranian oil or in case of a bigger folly in connection with the military threat, it must give up the entire oil of the Persian Gulf" (Touhid Ahmadi, "Death Boomerang," *Keyhan*, February 22, 2006). A multilateral exercise to protect the Strait of Hormuz with minesweepers and other naval vessels, if conducted in the near future, would be a useful way to signal Iran that the West is serious and united in its willingness to use force to protect its vital interest in the gulf. At the same time, such an exercise would be entirely defensive and in no way suggesting that the West is preparing an attack on Iran.

But all these measures to press Iran and to deter it are stalling tactics. So long as Iran has an Islamic Republic, it will have a nuclear weapons program, at least clandestinely. The key issue, therefore, is: How long will the present Iranian regime last? Analysts have had a poor record at predicting when fundamental changes will take place. Who among us expected that when President Reagan said in Berlin, "tear down this wall," it would indeed fall within 3 years? So, too, it is not possible to tell when change will come to Iran, though it is quite clear that the Iranian people detest the present system. At the same time that it concentrates on the nuclear issue, the United States has an important interest—both strategic and moral—in supporting Iran's prodemocratic forces. It would be a grave setback to Washington's reform agenda in the region if the United States were perceived to have abandoned Iran's beleaguered prodemocratic forces by making a deal with hard-line autocrats

to secure U.S. geostrategic interests. On top of which, the reigning mullahs would almost certainly cheat on any such a deal, as they did during the Iran-contra affair when they released some hostages only to take others. The only sure route is the best moral route: Supporting Iranian democrats with what modest aid Washington can provide, such as increased television, radio, and Internet broadcasts.

A word about the international diplomatic efforts. There is much good news here, especially the strong European-United States unity about Iran policy in contrast to the profound differences in the 1990s. Still there is a real risk that Iran is stalling for time. Despite limited successes of diplomats, Iran's program keeps moving forward, even if slowly. The pessimistic reading of Iranian actions over the last 3 years is that Iran has agreed to freezes in its nuclear activities whenever it has encountered technical problems which require more research to resolve; when Tehran is ready to make the next step forward, it unfreezes and moves ahead until it bumps up against the next technical constraint. This reading would suggest that diplomacy may be doing little more than providing legitimacy for Iran without effectively limiting its nuclear program. In other words, there is a serious risk in continuously compromising in order to preserve international unity: Unless we stand firm on certain basic points, diplomacy could become Iran's enabler.

Some day, it may become necessary to take more direct action against the Iranian nuclear program. To quote IAEA director ElBaradei, "Diplomacy has to be backed up by pressure and, in extreme case, by force. We have rules. We have to do everything possible to uphold the rules through conviction. If not, then you impose them. Of course, this has to be the last resort, but sometimes you have to do it" (Newsweek, January 23, 2006). If force were to be necessary, the options are much broader than an air raid like that which Israel mounted in 1981 against Iraq's Osiraq reactor. For instance, Israel put a stop to Egypt's missile program in the early 1960s by arranging the sudden premature death of German scientists working on those missiles in Egypt. Iran's nuclear program is a series of sophisticated, large industrial plants which could encounter industrial accidents.

The bottom line is that Iran's nuclear program is an unacceptable risk to world peace; one way or another, it must be stopped.

The CHAIRMAN. Thank you. Thank you very much, Dr. Clawson. We would like to hear now from Dr. Ray Takeyh.

STATEMENT OF DR. RAY TAKEYH, SENIOR FELLOW FOR MIDDLE EASTERN STUDIES, COUNCIL ON FOREIGN RELATIONS, WASHINGTON, DC

Dr. TAKEYH. Thank you, Mr. Chairman, for inviting me. I will confine my comments to the domestic political debates that surround Iran's nuclear issue as I understand them. I would actually suggest that really more than any other issue in the recent years, the nuclear question has exposed the divisions within the Islamic republic on the nature of its international orientation. I think as some of the other guests said here today, I think all factions are united on Iran having a robust nuclear program, which in due course will give it the option to assemble the bomb. However, the decision to actually cross the threshold and assemble a weapon in defiance of the international community and in violation of Iran's own treaty obligations has generated a subtle, yet, in my view, a robust debate.

I would suggest that the primary supporters of a sort of a nuclear breakout option would be hard-line elements associated with the Supreme Leader's office, Ali Khamenei, a name who has not been mentioned yet today, curiously enough. Through command of key institutions such as the Revolutionary Guards and the Council of Guardians, they have inordinate impact on Iran's security issues and security planning.

A very basic aspect of hard-liners' ideology is that Iran is in constant danger from a wide variety of predatory external forces and, therefore, requires military self-reliance. This is a perception that

was molded by a revolution that sought to refashion the regional norms. That mission has failed, but the perception nevertheless remains.

Obviously, as has been mentioned, Iran's nuclear calculations have been hardened by the rise of the new President, Mr. Ahmadinejad, and many other Iran-Iraq war veterans who are beginning to assume positions of power. Although the Iran-Iraq war ended some almost 20 years ago, I guess, for many within this generation it was their defining experience that conditioned their strategic assumptions. Even a cursory examination of Ahmadinejad's speeches reveals that for him the war is far from a faded memory; it is a real historical enterprise.

This has led many, including the President, to perceive that, given the Western insensitivity to Saddam's war crimes and his use of chemical weapons against Iran, combatants and civilians alike, Iran's security cannot rest on disarmament treaties or global opinion. Given their paranoia and suspicions, the hard-liners insist that America does not necessarily object to Iran's proliferation, but it objects to the character of the regime, and that proliferation is the latest issue that the Americans are using to coerce and pressure Iran. This argument has some degree of validity at a time that the President is in India blessing its nuclear weapons program irrespective of its compliance with the NPT. So that plays into that particular rhetoric; that particular perception.

Moreover, they suggest even if we give in on the nuclear issue, the Americans would then find another issue to coerce us with; therefore, why bother making any concessions at all on what is, after all, a critical national program. Beyond such demands, the international community's demands that Iran permanently and irrevocably relinquish what it perceives to be its rights under article 4 of the NPT, namely to have some sort of enrichment capability, has led the leadership to be nationalistically aroused. A country that has been historically subject to foreign intervention and capitulation treaties is inordinately sensitive to its national prerogatives and sovereign rights. For Iran's new rulers, they are not being challenged because of their provocations and their treaty violations, but because of superpower bullying and hypocrisy.

In a peculiar manner, I think you begin to see their nuclear program and Iran's nationalism being fused in their imagination. Therefore, the notion of compromise and acquiescence has a limited utility to Iran's aggrieved hard-line nationalists.

The Islamic republic is nothing if not factionalized and there are other factions that play in the nuclear issue. The Western perception that somehow the nuclear issue is determined by a narrow band of conservatives is, in my view, flawed. Supreme Leader Khamenei has broadened the parameters of the debate and included elites from all the relevant political constituencies. The reformers out of power, the pragmatic conservatives struggling against their reactionary brethren, professionals from the national security establishment are all allowed to have a seat at the table and voice their views.

Given the provocative nature of the nuclear program, Khamenei seems to be hoping that the burden of any ensuing international

confrontations would be shared by all political factions alike, as opposed to being the sole responsibility of the conservatives only.

Therefore, even the systematic consolidation of power by the conservatives since the February 2004 parliamentary election has not silenced voices calling for restraint within the decisionmaking process. Who are they? I think Patrick alluded to some of them. But in contrast to hard-liners, the pragmatic elements within the Islamic republic suggest that Iran's ongoing integration in the international community and the global economy mandates certain restrictions on its nuclear ambitions. It is tempting to see this issue as a divide between reformers and conservatives, but it enjoys support from such conservatives as Hashemi Rafsanjani, the head of the Expediency Council, and many other reformers who are very critical of the conservatives and are associated mainly with the Islamic Participation Front and other such reformist organizations and parties.

Again, this particular faction does not call for dismantling of the nuclear edifice and the nuclear apparatus, but it merely calls for development of Iran's nuclear program within the confines of the NPT, which are rather broad. Given Iran's long-term commitment to NPT, the prevailing international scrutiny, a provocative policy could invite multilateral sanctions and lead Iran's commercial partners, the Europeans, the Japanese, and others, to embrace United States policy of pressuring and isolating Iran. Therefore, the nuclear issue has to be considered in the wider context of Iran's international relations.

In recent months, as Iran's remarkably reckless diplomacy has led to a series of IAEA resolutions criticizing it and referring it to the Security Council, the members of this group have called for restraint, even suspension of various of Iran's nuclear activities. Rafsanjani has taken the lead in admonishing the new President to be cautious and many of the reformers have already come out and called for actual suspension of the program and resumption of dialog with the Europeans as a confidence-building measure.

Hovering over this debate, as hovering over all debates in Iran, stands the Supreme Leader, Ali Khamenei. As mentioned, I think his instinct is to support the reaction elements within the state in their call for defiance and pursuit of the nuclear option. However, in his role as the guardian of the state he must consider the nuclear program in the context of Iran's commercial and international relations. Thus far, despite his ideological compunction, he has somewhat pressed the state toward restraint. The fact that Iran continues to negotiate with Russia and others, is open to negotiations, and has not resumed full-scale activities despite its capability of doing so reflects his willingness at this time to subordinate ideology to pragmatism. That may change as there are internal pressures pressing the leadership toward further defiance.

The question then becomes what is to be done. I have proposed this idea in a number of forums. It has a poor reception in almost every one, so I will try it one more time, with the same degree of confidence that it will be unacceptable here.

Today we are where we are. Iran's portfolio is at the Security Council. That is not reversible. But when the portfolio went to the Security Council in February, the administration suggested that we

have a 1-month pause before the Security Council begins its deliberations, which will be some time, I suppose, in the middle of March. I would actually extend that pause for another 6 months, all the way to September, and in the meantime I would establish a contact group to essentially address Iran, in the same manner that the six-party talks are beginning to negotiate with the North Koreans.

In the end, there is no Russian solution, there is no European solution to Iran's nuclear program. Despite our reservations and prohibitions, the United States has to be involved in these negotiations for the proliferation problem to be resolved conclusively. Therefore, this particular seven-party format, which would involve the United States, the EU3, Russia, China, and Iran—that makes seven—would approach Iran with its own negotiating template, namely, in exchange for various security dialogs and even commercial and economic relationships, Iran would have to conclusively and irrevocably relinquish its enrichment rights, because I think, as other guests have said to you today, an enrichment capability means an essentially accelerated weapons capability should a state desire it.

If Iran rejects this concerted last diplomatic effort, then the United States can return after a 6-month period to the Security Council with a greater consensus and greater assurances that the United Nations would impose tough multilateral sanctions against Iran. Examining the past history of countries that have renounced nuclear weapons or nuclear weapons programs, as this one is, the predominant theme is that these renunciations took place only after these countries experienced a substantial lessening of their external security environment and were greater partners in the global economy.

And I will stop there. Thank you.

[The prepared statement of Dr. Takeyh follows:]

PREPARED STATEMENT OF DR. RAY TAKEYH, SENIOR FELLOW, MIDDLE EAST STUDIES,
COUNCIL ON FOREIGN RELATIONS, WASHINGTON, DC

After the International Atomic Energy Agency on February 4 voted to report Iran to the U.N. Security Council because of its concerns over its nuclear program, the rituals of diplomacy persist. The international community sees the Security Council move as ratcheting up the pressure in order to deter Iran from moving closer to a potential weapons capability. But the Islamic Republic is seemingly determined to acquire a sophisticated nuclear infrastructure that will avail it a weapons option at some point in the near future.

Today, Iran stands at crossroads. For nearly 3 years, Iran was involved in delicate negotiations with Britain, France, and Germany, regarding the direction of its nuclear program. The failure of those talks have not lessened the scope of international diplomacy, as the Russians are now struggling to craft an agreement that prevents Iran from completing its fuel cycle capabilities. Ultimately, the course of Iran's nuclear policy may be decided less by what Europeans say, than by what Americans do. The nature of Iran's relations with the United States and the type of security architecture that emerges in the Persian Gulf are likely to determine Iran's decisions. It is neither inevitable nor absolute that Iran will become the next member of the nuclear club, as its internal debates are real and its course of actions is still unsettled. The international community and the United States will have an immeasurable impact on Iran's nuclear future. A more imaginative U.S. diplomacy can still prevent Iran from crossing the nuclear threshold and assembling a bomb.

UNDERSTANDING THE NATURE OF THE IRANIAN REGIME

More than any other issue, the nuclear question has exposed the divisions within the clerical establishment over Iran's international orientation. To be sure, Iran's

many factions are united on the need to sustain a vibrant nuclear research program that, in due course, will offer Tehran the option of manufacturing a bomb. However, the prospect of actually assembling a weapon in defiance of the international community and in violation of Iran's longstanding treaty commitments has generated a subtle yet robust debate.

From the outset it must be emphasized that for all the factions involved in this debate the core issue is how to safeguard Iran's national interests. The Islamic Republic is not an irrational rogue seeking such weaponry as an instrument of an aggressive, revolutionary foreign policy designed to project its power abroad. This is not an "Islamic bomb" to be handed over to terrorist organizations or exploded in the streets of New York or Washington. For Iran this is a weapon of deterrence and the relevant question is whether its possession will serve its practical interests?

The paradox of the post-September 11 Middle East is that, although Iran's security has improved through the removal of Saddam and of the Taliban in Afghanistan, its feelings of insecurity have intensified. The massive projection of American power in the region and the enduring antagonism between Washington and Tehran constitute Iran's foremost strategic dilemma and its primary motivation for the acquisition of the "strategic weapon." At a time when the American politicians routinely and loudly contemplate regime change in Iran, it is hard for the leadership in Tehran to categorically dispense with a nuclear program that can serve as its ultimate guarantor. However, as with nearly every other important issue currently being debated in the Islamic Republic, the notion of crossing the nuclear threshold is hardly a settled topic.

The primary supporters of the nuclear breakout option are hard-line elements associated with the Supreme Religious Leader, Ali Khamenei. Through command of key institutions such as the Revolutionary Guards and the Guardian Council, Iran's reactionary clerics have enormous influence on national security planning. A fundamental tenet of the hard-liners' ideology is the notion that the Islamic Republic is in constant danger from predatory external forces, necessitating military self-reliance. This perception was initially molded by a revolution that sought not just to defy but refashion international norms. The passage of time and the failure of that mission have not, necessarily, diminished the hard-liners' suspicions of the international order and its primary guardian, the United States. *Jumhuri-ye Islami*, the conservative newspaper and the mouthpiece of Khamenei, sounded this theme by stressing, "The core problem is the fact that our officials' outlook on the nuclear dossier of Iran is faulty and they are on the wrong track. It seems they have failed to appreciate that America is after our destruction and the nuclear issue is merely an excuse for them."

In a similar vein, *Resalat*, another influential conservative paper, sounded out the themes of deterrence and national interest by claiming, "In the present situation of international order whose main characteristics are injustice and the weakening of the rights of others, the Islamic Republic has no alternative but intelligent resistance while paying the least cost." Given such perceptions, the Iranian right does not necessarily object to international isolation and confrontation with the West. Indeed, for many within this camp, such a conflict would be an effective means of rekindling popular support for the revolution's fading elan.

Iran's nuclear calculations have been further hardened by the rise of war veterans such as Mahmoud Ahmadinejad to positions of power. Although the Iran-Iraq war ended nearly 20 years ago, for many within the Islamic Republic it was a defining experience that altered their strategic assumptions. Even a cursory examination of Ahmadinejad's speeches reveals that for him the war is far from a faded memory. In his defiant speech at the U.N. General Assembly in September 2005, Iran's President pointedly admonished the assembled dignitaries for their failings: "For 8 years, Saddam's regime imposed a massive war of aggression against my people. It employed the most heinous weapons of mass destruction including chemical weapons against Iranians and Iraqi's alike. Who, in fact, armed Saddam with those weapons? What was the reaction of those who claim to fight against WMDs regarding the use of chemical weapons then?"

The international indifference to Saddam's war crimes and Tehran's lack of an effective response, has led Iran's war veteran turned President to perceive that the security of his country cannot be predicated on global opinion and disarmament treaties.

Given their paranoia and suspicions, the hard-liners insist that American objections to Iran's nuclear program do not stem from its concerns about proliferation, but its opposition to the character of their regime. They argue that should Iran acquiesce on the nuclear portfolio, the perfidious Americans would only search for another issue with which to coerce Iran. "The West opposes the nature of the Islamic rule. If this issue [the nuclear standoff] is resolved, then they will bring up human

rights. If we solve that, they will bring up animal rights," emphasized Ahmadinejad. As such, there appears no sufficient reason to compromise on a critical national program since such concessions will not measurably relieve American pressure.

At the core, all disarmament agreements call upon a state to forgo a certain degree of sovereignty for enhanced security. Once a state renounces its weapons of mass destruction programs it can be assured of support from the international community should it be threatened by another state possessing such arms. This implied tradeoff has no value for Iran's hard-liners. Once more, the prolonged war with Iraq conditions their worldview and behavior. Iraq's use of chemical weapons against Iran with impunity, if not the tacit acceptance of Western powers, has reinforced Iran's suspicions of the international order. Jumhuri-ye Islami stipulated, "As a rule, it is futile to enter any deal with the West over issues related to the country's independence and national security." For many of the Islamic Republic's reactionary clerics, the only way to safeguard Iran's interests is to develop an independent nuclear deterrent.

Beyond such perceptions, the American demands that Iran relinquish its fuel cycle rights granted to it by the Nuclear Non-Proliferation Treaty has aroused the leadership's nationalistic impulses. As a country that has historically been the subject of foreign intervention and imposition of various capitulation treaties, Iran is inordinately sensitive of its national prerogatives and sovereign rights. For the new rulers of Iran, they are being challenged not because of their provocations and previous treaty violations, but because of superpower bullying. In a peculiar manner, the nuclear program and Iran's national identity have become fused in the imagination of the hard-liners. To stand against an impudent America is to validate one's revolutionary ardor and sense of nationalism. Thus, the notion of compromise and acquiescence has limited utility to Iran's aggrieved nationalists.

Despite their bitterness and cynicism, the theocratic hard-liners are eternal optimists when it comes to the international community's reception of Iran's nuclear breakout. Many influential conservative voices insist that Iran would follow the model of India and Pakistan, namely the initial international outcry would soon be followed by acceptance of Iran's new status. Thus, Tehran would regain its commercial contracts and keep its nuclear weapons. The former Iranian Foreign Minister Akbar Velayati noted this theme when stressing, "Whenever we stand firm and defend our righteous stands resolutely, they are forced to retreat and have no alternatives." The notion of Iran's mischievous past and its tense relations with the United States militating against the acceptance of its nuclear status by the international community is rejected by the right.

However, should their anticipations fail, and Iran become subject of sanctions, it is a price that the hard-liners are willing to pay for an important national prerogative. Ahmadinejad has pointedly noted that even sanctions were to be imposed, "The Iranian nation would still have its rights." In a similar vein, Ayatollah Jannati, the head of the Guardian Council, has noted, "We do not welcome sanctions, but if we are threatened by sanctions, we will not give in." The notion of the need to sacrifice and struggle on behalf of the revolution and resist imperious international demands is an essential tent of the hard-liners' ideological perspective.

In the Islamic Republic's informal governing structure, the national security decisions are subject to input by many figures, even those not necessarily with a portfolio. The former Prime Minister, Mir Hussein Mussavi, for instance, who has been out of power for nearly two decades is, nevertheless consulted, intimately, about Iran's nuclear course. It appears that despite Western perceptions that the nuclear issue is decided by a narrow band of conservatives, Khamenei has broadened the parameters of the debate and has included relevant elites from across the political spectrum in the nuclear deliberations. Thus, reformers out of power, moderate conservatives struggling against their reactionary brethren as well as professionals from key bureaucracies are allowed to stress their point of view. Given the provocative nature of the nuclear program, Khamenei seems to be hoping that the burden of any ensuing international confrontation would be assumed by all political factions, as opposed to being the responsibility only of the conservatives. Thus, the systematic consolidation of power by the conservatives over the state does not necessarily mean that voices of restraint are excised from the decisionmaking process.

In contrast to the hard-liners, the pragmatic elements within the Islamic Republic's officialdom insist that Iran's on-going integration into the international order and the global economy mandates accepting certain restrictions on its nuclear program. Although it is tempting to see this issue as divided between reactionaries and reformers, the coalition pressing for reticence features both conservatives, such as Rafsanjani, who is currently the head of the Expediency Council, and the reformist politicians attached to the Islamic Participation Front. The proponents of this strategy do not call for the dismantling of Iran's nuclear edifice, but for the development

of a breakout capacity within the flexible guidelines of the NPT. Given Iran's long-term commitment to the NPT and the prevailing international scrutiny, a provocative policy could invite multilateral sanctions and lead Iran's valuable commercial partners, such as the European Union, to embrace the U.S. policy of isolating and pressuring Iran. Thus, for this constituency, a hedging strategy can sustain Iran's nuclear program while maintaining its international ties.

In the recent months, as Iran's reckless diplomacy has generated a series of IAEA resolutions condemning its conduct and calling for its referral to the U.N. Security Council, the members of this group have called for restraint, even suspension of various nuclear activities. Rafsanjani has taken the lead in admonishing Iran's new President by stressing that "we have reached a sensitive point. There is need for prudence on both sides. The reformers have gone further, as Mohsen Armin, a leading figure of the Organization of the Mujahedin of the Islamic Revolution, called on the government to "suspend nuclear activities voluntarily and resume talks in order to build confidence and protect Iran's right to conduct peaceful nuclear activities in the future." For the more moderate elements of the nuclear program has to be seen in a wider context of Iran's international relations.

Unlike their reactionary brethren, the more pragmatic elements appreciate that given Iran's "exceptional" nature and the eagerness of the United States to publicize all of its infractions as a means of multilateralizing its coercive policy, a defiant posture may not serve it well. The influential moderate politician Mohsen Mirdamadi stipulated, "The reality is that our recent achievement in the area of nuclear technology has been part of our strength and created new opportunities for us in the international arena, but we should not turn this into a new threat. We should be careful not to bring the United States and Europe together." To be sure, other states have surreptitiously developed nuclear weapons, however, they did so with superpower acceptance—even complicity—and an international environment that was not suspicious of their intent. Iran does not enjoy such advantages, as its revolutionary past and its continued engagement with terrorist organizations makes many states wary of its motives. Tehran simply does not have the luxury allotted to Pakistan or India. All this does not imply a propensity to renounce a weapons capability but recognition of the need for restraint and the importance of the international community and its opinion.

Iran's pragmatists are increasingly being drawn to the North Korean model, as Pyongyang has adroitly managed to employ its nuclear defiance to extract concessions from the international community. Through a similar posture of restraint and defiance, threats and blandishments, perhaps Tehran can also utilize its nuclear card to renegotiate a more rational relationship with its leading nemesis, the United States. The conservative publication *Farda* postulated such a move, stressing that "the credibility that these weapons have had and continue to have at the global level, their importance is in the support they give to bargaining in international negotiations and advancement of the country's national interests." The influential conservative politician Muhammad Javad Larijani, echoed this theme by stressing, "If out national interests dictate, we can go to the bowels of hell to negotiate with the devil."

Hovering over this debate, once more, stands the Supreme Leader Ali Khamenei. As mentioned, Khamenei's instincts would be to support the reactionary elements in their call for defiance and pursuit of the nuclear option. However, in his role as the guardian of the state, he must consider the nuclear program in the context of Iran's larger international relations. Thus far, despite his ideological compunctions, Khamenei has pressed the state toward restraint. The fact that Iran continues to negotiate with the Russians and did suspend critical components of its program for over 2 years, reflects his willingness to subordinate ideology to pragmatism. Indeed, President Ahmadinejad's acceptance of the negotiations, despite his campaign rhetoric, denotes his willingness to accede to the direction set out by Khamenei.

All this may change, as Iran does need to make critical decisions regarding its nuclear program. In assessing a state's nuclear path, it is important to note that its motivations cannot be exclusively examined within the context of its national interests and security considerations. Whatever strategic benefits such weapons offer a state, they are certainly a source of national prestige and parochial benefits to various bureaucracies and politicians. As such constituencies emerge, a state can potentially cross the nuclear threshold even if the initial strategic factors that provoked the program are no longer salient. The emergence of bureaucracies and nationalistic pressures in Iran is generating its own proliferation momentum, empowering those seeking a nuclear breakout. Time may not be on the side of the international community, as inevitably the pragmatic voices calling for hedging are likely to be marginalized and lose their influence within the regime.

The question then becomes, What is to be done? The focus of U.S. diplomacy should not be on Ahmadinejad, as his pathologies are immutable. However, should Washington and its European allies craft a generous package of security assurances and measurable sanctions relief in exchange for Tehran's suspension of the critical components of its nuclear infrastructure, it may succeed in peeling away important clerical powerbrokers from the cause of nuclear arms.

In the end, there is neither a Russian nor a purely European solution to Iran's nuclear conundrum. Despite its aversions and prohibitions, the United States has to be involved in negotiations with Iran for this issue to be conclusively resolved. At this point, Washington should contemplate establishing a contact group that would involve seven parties: United States, Russia, China, Britain, France, Germany, and Iran. The seven-party format would provide the Bush administration with enough political cover that it could state publicly that it has not bestowed legitimacy or recognition on the Islamic Republic. This would be similar to the stance Washington has taken vis-a-vis Pyongyang in the six-party talks.

These talks would offer Iran nuclear fuel guarantees that could place the fuel with a trusted third party. But fuel assurances alone would not be enough incentive to convince Tehran to suspend its uranium-enrichment program. In addition, the security dialog approach should provide Iran with tangible economic incentives designed to help its ailing economy. Furthermore, Iran's right to peaceful nuclear technologies would be recognized. However, in return, Tehran would agree to cease its enrichment activities as well as other work that could lead to production of weapons-usable fissile material. In addition, Iran would ratify and implement the additional protocol to help provide verifiable evidence that these activities have been suspended.

If Iran rejects this concerted diplomatic effort, then the United States will have an easier time reaching a consensus through the United Nations to enact tough multilateral sanctions. Examining the past history of countries that have renounced nuclear weapons or potential weapons programs, the predominant theme is that these renunciations took place only after those countries experienced a substantial lessening of external threats.

The CHAIRMAN. 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, fear-mongering, all the rest of it? Do you have any suggestions where we might look?

Dr. TAKEYH. Yes. A lot of this stuff is actually—Iran's budget and so on—is actually printed and on various Web sites. It is an opaque society, but there is some degree of transparency.

Iran's economy is vulnerable to rigorous multilateral sanctions, particularly involving its petroleum-gas sector, not just in terms of other countries not purchasing Iranian oil, but also in terms of investments in Iran's dilapidated oil industry. I think Iranians estimate they require about \$70 billion investment in their oil and gas industry over the next 10 years in order for them to continue their current level.

The CHAIRMAN. So, the withholding of that is significant all by itself.

Dr. TAKEYH. Yes, in order to continue their level of production and perhaps even increase it.

In terms of actually sanctions working on issues other than oil and gas, which I think would be very difficult sanctions for the international community to accept because of the dramatic impact on the global economy, it is important to recognize that a lot of foreign investors stopped actually going into Iran in June 2005 when President Ahmadinejad was elected. Once he was elected, if you are a German pharmaceutical company or a Chinese company you are not looking at a President, who is disdainful and suspicious of foreign investment and says he does not want it, as necessarily a hospitable place to do business.

If you are an oil company, you have to deal with the situation because Iran is an important producer and has a very rich repository. But much of the foreign investment has already shrank, and a lot of the internal investment is already leaving the country.

Now, Iran is actually, I would say, in the long term, is in economically bad shape, in the short term is in economically good shape. That is the paradox of it. It has a substantial oil stabilization fund, which the President of the country is trying to raid and it is being resisted by the Parliament. It has actually—its projected economic growth for next year I think they figure will be 7 percent. But long term, of course, Iran has demographic problems. It has problems with its oil industry. It has problems managing its situation. So in the immediate level I do not think Iran is increasingly vulnerable.

Second of all, the last thing I would say is, I do not actually believe that the international community would accept an oil embargo on Iran, and when administration officials sit in places like this and you ask them, what sort of sanctions are you contemplating, they say: Oh, we have a menu of options. So far the United States has been able to get Iran's portfolio transferred from one international organization to another. It is because we have not asked the international community—the Japanese, the French, the Germans, and the Indians—to actually put their economic, commercial interests at stake. We have asked them for procedural acquiescence: Could you vote for us on this issue with the assurance that we are not going to ask for a whole lot?

Now we are getting into a crossroads. Now we are going to the Security Council and we eventually are going to ask our partners, the coalition, that they will have to accept our sanction policy and put their commercial contracts and treaties at stake. It is entirely possible that international unity may evaporate at that stage. I am not certain, but I would not bet on it.

Now, Patrick is an economist and he is dying to answer this question, with years of training as an economist—

The CHAIRMAN. 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.

Dr. TAKEYH. Which is not inconsiderable.

The CHAIRMAN. Yes, and maybe that is helpful.

Patrick, would you come in at this point.

Dr. CLAWSON. Mr. Chairman, the last time that the Iranians thought that the world was acting to stop their flow of oil was back during the Iran-Iraq war in 1988, and the Iranian response was to sprinkle mines throughout the Strait of Hormuz and to threaten shipping. They have regularly practiced the capability to do that again and their hotheads regularly announce that if we were to impose an embargo that that is what we should anticipate happening.

If Iran were, in fact, to try to impede shipping through the Strait of Hormuz, as I mentioned, the DIA Director says that they could do it for a period of time. That would have a very considerable impact on world oil markets. Even though the Director of the International Energy Agency, Claude Mandel, says that our world strategic stockpiles are good enough that we could go through a period like that and be able to stabilize markets, I think he is being very optimistic.

So the key question is whether or not Iran would take aggressive actions against the shipping of other countries in the event of such an embargo.

The CHAIRMAN. Well beyond its own predicament.

Dr. CLAWSON. Exactly. And that is where the question of whether or not we have in place assets that can protect the strait, not just whether we can move them there in the next couple months, but are they there already, will become a crucial question. The answer, frankly, is that there are not the assets in place to get the Strait of Hormuz open and protect shipping. Yes, we could move those assets there. But boy, during the couple of months that that would take it would be a very interesting time to be in the oil business.

The CHAIRMAN. 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.

Senator BIDEN. I wish you would keep going, Mr. Chairman, because, look, this is—one of the frustrating things about this discussion is that we have an awful lot of very bright people with very few answers to anything. Not just you at the table, but across the board.

Everybody starts off with the proposition that we cannot tolerate a nuclear Iran. Wonderful. That is a great proposition. I agree with that. We cannot tolerate it. Then everybody says: OK, well, what are we going to do about it? And it ranges from, well, we are going to do what I think the administration is correctly doing; we are going to make sure, at a minimum, we are not the bad guy if anything has to happen because we have cooperated fully with the Europeans, with the Russians, with the Chinese, with the United Nations, with every agency available, to demonstrate that we are not a bunch of cowboys out there just as gunslingers. I think that is important. It is not an unimportant thing.

Then you say, OK, but you know this administration that exists in Iran today, I do not think a single one of you believe there is any possibility it is going to cease and desist from seeking a nuclear capability in the near term absent some significant hurdle that it faces, and being sanctioned by telling them they are going to have their assets seized, which they have already moved, we are not going to let them travel, does anybody think that is going to alter their behavior in terms of this march forward that we are talking about?

So, then we get down to, OK, there are two options that may affect behavior. One is a sanction regime, the other is a military option. Then we pursue the military option and we find out that the military option would require a significant—I understand General Clark is making a speech today and is putting on, which he has every right to do, his former hat as the Supreme Allied Commander and giving his assessment of what would be required— x number of sorties, x number of divisions, blocking the strait, et cetera.

Then we talk about sanctions. The only ones that would reasonably have any impact, most people think, are if you dealt with oil and gas, because the analysis that many people have done, I suspect you have done as well, is that if we could unite the world in doing that and we could take the hit, the hit on Iran would be consequential, maybe more significant on the world but very significant on them. But there has never been any measure of that.

But everybody says, well, we are not going to be able to get the world to do that, but we are going to stand by the policy we will not tolerate a nuclear Iran.

So let me say that one of the things we said all prior to—and I remember, Ron, we talked about this, and your great help with the committee in trying to set up post-reconstruction capabilities within countries, et cetera. We talked at length about—you have all been in many discussions about what we talked about before we moved on Iraq. This is just pure Biden. No foreign policy can be sustained in this country without the informed consent of the American public. Flat-out, cannot be sustained.

There is no information available to the American public on what the heck we mean by we cannot tolerate and what the consequences of either a military option would be for Americans or the consequences of what an embargo of consequence would mean for the Americans.

So, I hope if we do nothing more in this committee, rather than judging whether or not the world community would go along with an embargo, or judging whether or not the world community would accept military action on the part of the United States, what would it entail for the United States of America? It may very well be if we really mean what we say, that we will not tolerate a nuclear Iran, that the American public might very well choose the economic hardship over the military confrontation. They should get a choice in this. They should get a say in this. They should have some input in this through their elected representatives.

Obviously, I never speak for the chairman, but I suspect that is one of the reasons why he keeps pursuing this, if the options were employed, notwithstanding no one thinks the options can be employed. And the irony is, you may find we have more hydrogen-run automobiles in a heartbeat than in Tom Friedman's gas tax. I am not being facetious.

My mother, God love her, she is 89 years old—88 years old, almost 89—lives with me, and she has said from the time I was a kid: Joey, out of everything bad something good will come if you look hard enough. All kidding aside, gas goes to \$5 a gallon, awful, awful, incredible dislocation. In relative terms, relative to the rest of the world we are relatively no worse off than anybody else in the world. And guess what, we might have a real energy policy, not a joke, not a joke.

Now, I am not proposing that. So what I would like you to do—and I am not going to say any more. I would like each of you to speak to—get real with us, will you? Do not be academics with us. Tell us what would the consequence be? Dr. Clawson, you are an economist. What are the consequences? What do you think would happen if we could convince the world to have an oil and gas embargo?

Granted, I would not bet my daughter's graduate school tuition on it, but what would happen? What does it mean? And if any of you would also respond to the military option. We are told in various fora—and I am not revealing anything from any classified briefing we have had—this is not taking out Iraq's nuclear effort like the Israelis did. But you know, I could picture if this were, quote, an "all-out war" where we could bring Iran to its knees mili-

tarily at least. We could, in fact, have an embargo so no ship ever breached their ports. We could do a lot of damage to their various nuclear facilities without taking them all out. We could make it very difficult over the next 3, 4, 5 years for them to get to that point.

So I guess what I am saying is, I worry about the rhetoric that "we cannot, under any circumstance, tolerate a nuclear Iran," without knowing what the price we may have to pay if that is, in fact, the goal to accomplish that end.

So can you, doctor, speak with me a little bit about the economic consequences to Iran as well as us, and can the rest of you talk in the few minutes that I have left about the prospects and the consequences of the use of military power to deal with this?

Thank you.

Dr. CLAWSON. I have done a fair amount of work for DOE on supply disruptions and if we are able to protect the Strait of Hormuz, if we judiciously use our strategic petroleum reserve, if we do not encounter problems from Venezuela, Nigeria, or Russia, then we would be able to keep the price \$80 a barrel, something like that, and it would be touch and go for a few years, but we could—if all of those conditions are met, we could be staying at \$80 a barrel.

But we would be extraordinarily vulnerable to additional oil supply shocks under those circumstances, be it al-Qaeda attacks, things in Saudi Arabia, the like. And it would take several years before Iran would really feel the pinch because, as Ray mentioned, they have got this very large reserve fund at the moment, over \$30 billion in foreign exchange reserves. So it would take several years before Iran would feel the pinch, but they would then indeed feel a very profound shock and that would be a big problem for them.

On the military side, not my specialty, but let me just suggest that the potential for covert action, and that if we look around the Middle East, the way in which the Israelis stopped the Egyptian missile program in the early 1960s and the initial Israeli efforts against the Iraqi programs were to arrange premature deaths of scientists involved and to take other covert actions.

The Iranian industrial facilities are highly complex industrial facilities that have been subject already to lots of industrial accidents. If the rate of accidents rose dramatically and that slowed down the Iranian program, that could have quite an impact.

So, I would hope that if we ever got to that point of military action the first thing we would try would be things less confrontational like covert actions, because I worry that if we start attacking them they are going to attack us back. When the United States Navy thought that it caught the Iranians red-handed sprinkling mines in the Persian Gulf in 1988 and so we decided to take action against them, we forgot that they could take action against us and suddenly we were in the largest surface naval confrontation since the Korean war. The Navy had not even calculated that the Iranians might react. So the big risk that I would say about any air raids against Iran is the Iranians are going to fight back.

Dr. TAKEYH. I will just deal with the military option as such. I would actually suggest again that we do not have a military option in terms of disabling or I would even say slowing down the pro-

gram. You always hear defenders of the military option or those who articulate it say, well, it will not destroy the program, but it will slow it down. I am actually prepared to contest that.

If Iranians are engaged in redundancy, which every determined proliferator does, what does that mean? That means 10 plants doing the same thing. You destroy nine of them, you do not necessarily shorten the nuclear timeline. In order for a military strike to work, the United States would require not good intelligence, but perfect intelligence. Now, I was not at Mr. Negroponte's briefing, but I do not think I have to be to know we do not have that sort of intelligence.

Second of all, Iranian nuclear facilities are dispersed, they are hardened, they are urbanized. We have to prepare to take civilian casualties.

Third of all, some people suggest, well, maybe redundancy is very cost wasteful; maybe the Iranians have not done it. If you are sitting in Teheran and every day the President of the United States says the military option is not off the table, I think you are engaging in redundancy.

So we do not really have a military option. Now, whacking the scientists, Patrick can speak about that. I think the Iranians have enough scientific knowledge and scientific software to be able to continue the program.

In terms of Iran's nuclear calculations, I do not believe they are immutable. I am unprepared to suggest that it is inevitable that Iran will become the next member of the nuclear club. I think we are in a very difficult situation and whichever path you go down to you have to go big. If you are going to go down the path of coercion you have to be prepared to have multilateral sanctions enacted by the United Nations, adhered to by the international community over a prolonged of time. If you are going to go down the road of concessions, you have to be prepared to offer American economic, political, security concessions to an unsavory regime.

The hour is too late for IAEA resolutions and the hour is too late for pistachios and carpets. It has to be big, whichever direction you go to. But I think both those directions can have an impact on Iran's nuclear determinations.

Senator Biden [presiding]: Thank you very much.

Mr. LEHMAN. I agree that it is not too late, but it is going to be quite a challenge. You focused on the question of the price and I think the price will be determined by how we play the game. I agree it is going to take a substantial price even up front.

There are sort of two ways to think about this. One is that it is a sort of pay me now or pay me later. I do think we need to understand the consequences of postponing action. The price later may be very, very high and we will wonder why we did not do something earlier.

But there is another key factor the other witnesses Ray and Pat have mentioned. That is to a large degree the price is going to be determined by how much others are with us. Now, the good news right now is that much of the international community is with us, and, in fact, even on these somewhat arcane issues such as the R and D on enrichment they get it. They understand now that there is a real issue here.

So you have asked about, the chairman asked about, the economic calculations. I have seen a lot of data. I have not seen a good comprehensive study. I would caution that, of course, it is going to be scenario-based because the various options play in a dynamic political world. So who is with us, how firm are they, how serious are they, will determine what kind of sanctions you can get, what impact it will have.

Now, all the sanctions history is sort of a subset of the old question of who has got more leverage, the debtor or the creditor. I would translate that into the carrot and stick issue. So, for example, with Russia and its nuclear activities or China and its oil, on the one hand that puts them somewhat beholden to Iran. On the other hand, it gives them leverage on Iran, and if they are really sincerely going to be with us—and I have to note that, despite all of the efforts to work with the Iranians this week, the Russians have still, at least judging from the press reports, have hung firm on the matter of principle.

So, I think that I would not—I think you are absolutely right, Senator Biden. If we walk in to the world and say, here is what we have decided, we have decided cut off all the oil now, there is going to be sticker shock up front. On the other hand, if you build the case and try the options and play the game well, I do not rule out that people will do the calculation and if that becomes necessary people may well step up to it.

Senator BIDEN. Thank you, Mr. Chairman.

Dr. Clawson, not now, but for the record, is it possible to get a copy of the analysis you made about oil? Or is that classified?

Dr. CLAWSON. Let me find out, sir.

Senator BIDEN. Or maybe you can just come and talk to me.

Dr. CLAWSON. I would be happy to come and talk to you.

Senator BIDEN. Thank you.

The Chairman [presiding]: Thank you very much, Senator Biden.

Senator Nelson.

Senator BILL NELSON. Let Senator Obama go ahead.

The CHAIRMAN. All right, you yield to Senator Obama.

Senator Obama.

Senator OBAMA. That is very kind of you, Senator Nelson. Thank you very much.

Thank you, Mr. Chairman. Thank you, members of the panel. It is obviously a very important issue.

Let me return, let me take the other side of what I thought was a terrific point made by Senator Biden. We have generally, across the board, said that a nuclear Iran is unacceptable. I happen to share that view. But let me play devil's advocate here, as I think it is worth at least exploring the other side or examining why it is not acceptable.

There was an article by Barry Posen, last week, arguing that you essentially can maintain a containment posture to a nuclear Iran that might not be optimal, but might be preferable to the scenarios in which we have a significant oil embargo or we are engaging in military action. What is clear in this situation is there are no good choices. There are just better or worse choices.

I was wondering if you could specifically, any of you, all of you, one of you, specifically address that argument that, in fact, when

you weigh the costs and benefits, discouraging Iran, that that is a manageable process?

Dr. TAKEYH. I actually think a nuclear Iran is really an international calamity. Barry Posen actually calls himself a realist and makes that argument. That would contest the realist credentials.

Should Iran become the second state that developed a nuclear weapons capability while being a member nation of the NPT, that would effectively eliminate the Nuclear Nonproliferation Treaty as a means of regulating global proliferation norms. The NPT is a problem in the sense that it is a treaty that requires modernization, it is a treaty that requires to be brought up to date. But it has served a very valuable purpose in maintaining some sort of a nuclear nonproliferation regime and it has limited the number of states that have actually crossed the threshold. That would end the NPT. It would no longer be a treaty of any degree of credibility and that will have a dramatic impact, I suspect, for international security.

Second of all, an Iran with a nuclear weapons capability or even nuclear weapons, it is not unreasonable to believe that it will be a more aggressive state regionally because it will perceive certain immunities from having such a deterrence, and, therefore, it might be more of a revisionist state, it might be more of an aggressive state, within a volatile region, within a volatile subaspect of the region, the Persian Gulf, which I think is also disastrous.

There are so many unpredictable consequences about the potential regional arms race. A region that should dedicate its resources to its economic betterment, given its demographic problems, will divert further resources to military hardware and that does not do the region as a whole any degree of benefit.

So, I think this is an eventuality, this is a proposition that we should try to avoid at all costs.

Dr. CLAWSON. I would just suggest, sir, that in my short lifetime the Middle East has been racked by so many horrific wars, and it would be such an act of optimism to think that if, in fact, the Middle East had a number of nuclear-armed states that nuclear arms would not be used. And the cost of that would be extraordinary for the world and extraordinary for the United States.

I would just get very, very nervous about a Middle East in which there were a fair number of countries that were nuclear ready. Unpredictable changes in government, dictators doing bizarre things; this region excels in fanatics of all sorts. Mr. Posen's proposal is to gamble where the losses would be counted in the hundreds of thousands or millions of lives.

Mr. LEHMAN. To say that it is unacceptable for Iran to have nuclear weapons correctly invites the question: So what do you do about it? I think we just need to recognize, as Pat and Ray have said very eloquently, this will be very, very bad. So the result for us is not to go slice our wrists. The result is we are going to have to do something about it.

I just came back from the gulf and I just want to echo what Ray and Pat have said. The dynamics are so complex there. You are going to have some of the states in those regions that are coming to us and basically asking us to make commitments that this body may not wish to make. At the same time, if you are not prepared

to make those commitments they are going to go in a different direction, in some cases acquiring their own daddy rabbits, their own protectors, or their own weapons, or make their own accommodations.

This is an incredibly volatile region. So yes, we should not just make declarations of moral outrage. We have got to recognize we have got to roll up our sleeves.

Senator OBAMA. I think the point you made, the last point, was borne out when I was visiting the region as well. The situation in Iraq obviously heightens the concerns of some of the other states about Iran's growing influence. It is hard for me to imagine that they would not respond in ways that would be very destabilizing for the region over the long term. I just wanted to get that on the record. It is part of what I think Senator Biden indicated. It is necessary for us, I think, not to just state these things, but to lay out precisely what the concerns are here.

Dr. Takeyh—did I pronounce that properly? Given your comments about the NPT, I am just curious. The President is visiting India. What signal do you think we are sending to the Iranians about whether or not they can get away with something? I think that there is a general perception, you know, North Korea played this game, have not been—have not suffered dire consequences. Now we are looking at a potential deal with India, and which they developed nuclear weapons. Pakistan developed nuclear weapons and now the Bush administration considers them the strongest of allies.

There is this sense that there is a short-term memory here and I am just wondering whether, specifically, since there is some indication that the administration may be trying to close this deal so that when he appears with Prime Minister Singh that there is some statement about it. Do you want to give me some sort of—

Dr. TAKEYH. Sure. It is a very bad signal. Patrick mentioned in his testimony that we should pay attention to what Iranian leaders are saying, and what they are saying is that the India-Pakistan model can be applicable to them. Namely, after initial international outcry, if we just stand firm we can regain our commercial contracts, so in essence we can keep our nuclear weapons as well as our commercial treaties.

In my written testimony I have submitted a number of citations actually by Iranian officials who say this, that steadfastness and strength will eventually lead to evaporation of international unity and then normalization of our commercial relationship.

I will say that absolving Pakistan of its nuclear sins because it is, a “valuable ally in the war against terrorism”—I actually managed to say that without laughing, which is a remarkable degree of self-discipline—and now most recently the acceptance of India's nuclear program irrespective of that country's snubbing of the NPT for a long time—it is very difficult to make the case to the international community and to Iranians themselves that we are serious about proliferation.

That is why Iranians say: You people do not care about proliferation; it is only about the character of the regime, and, therefore, why should we make any concessions anyway, and in due course

we are going to regain our international commercial relationships. So this is not a good day for the proliferation cause as such.

Mr. LEHMAN. This is one where I have a disagreement, having dealt with the Indians and the North Koreans and the Iranians all these years. There is almost no relationship we have with anybody in the world that does not result in a talking point for them. I agree we have to listen to how they play the game, how they speak to their domestic audiences; how they speak to their international audiences. And, frankly, we are not very good, often, at rebutting what are basically rhetorical devices for covering up what they are doing.

All of these parties have done that. When we tried to engage North Korea—when the Clinton administration tried to engage North Korea under the Agreed Framework—the Iranians used that as a major, major attack on why the United States was still urging restraint in nuclear dealings with Iran while they were engaging with North Korea, which was in violation of the NPT. That is a far stronger argument, even though it still is a subterfuge for the fact that Iran is violating the NPT, than the argument that we are trying to engage the Indians, who are not a party to the NPT, to try to get them to move in the right direction in terms of supporting NPT, supporting restraint, or at least ending their war on the NPT and supporting a broader approach to nonproliferation.

Now, I am no apologist for the Indians. I am certainly no apologist for the Pakistanis. But I am not about to give the Iranians cheap arguments.

Senator OBAMA. I think the question is not so much cheap arguments. Two points. One is, we are actually moving forward. There is an administration decision that is being made right now with respect to India, so this is not retrospective. The question is, How does that fit in with our posture toward Iran?

The second point, I guess, and it is a broader point, and then I will stop because I am out of time and I do not want to abuse the graciousness of my colleague, Senator Nelson, is it strikes me that we have some disarray in terms of how we think about the NPT; its structure. There is not sufficient coherence as far as I can tell in terms of how we are approaching a lot of these problems. It needs to be updated. We missed that opportunity just recently, and I think this underscores how important it is for us to think about Iran specifically, but also think more broadly about how do we make sure that the NPT is meeting current challenges and closing loopholes, something that we have been failing to do.

Thank you, Mr. Chairman.

Dr. CLAWSON. Senator, if I may just make a quick comment on that. It may be a problem for our nonproliferation policy, but the Iranian leaders' view that friendly countries to the United States can get away with lots of things, whereas hostile countries get penalized, is, in fact, something which is helping us with regard to the Iranians, in that they have concluded that they are subject to particularly harsh penalties because they are unfriendly to us.

So that may be a problem for our overall NPT policy, but for solving this particular Iran policy the Iranian conclusion that if you are friendly to the United States you can get away with bloody blue

murder, but if you are opposed to the United States you cannot spit on the sidewalk, actually helps us in the relations with Iran.

Senator OBAMA. Well, what it certainly does is it makes Iran unable to anticipate or predict entirely what our intentions are.

The CHAIRMAN. Senator Nelson.

Senator BILL NELSON. Of course, a big difference between India and Iran is that Iran has a declared policy to want to eliminate another country and with such a state policy, to give them the means by which to achieve it is a big difference. Any comment?

Dr. TAKEYH. In terms of elimination of Israel? Well, if I am Pakistani I am sort of concerned about India's nuclear proliferation from an equally existential perspective.

I do not believe Iran should have nuclear weapons. I do not believe it should have nuclear weapons capability. I do not think it is inevitable for it to have either. I think there are many things that the international community can do to prevent that. I think that if Iran crosses the threshold it is a failure of American imagination, it is a failure of international resolution, it is a failure of international diplomacy, and all those things are avoidable.

I never understood the argument that, well, Iran is going to have these weapons, so let us just think about containment. To me that is a profoundly un-American argument. This is the country that built the Panama Canal and beat Hitler, and we are just going to acquiesce to Iran having weapons capability? I think there are diplomatic routes out of this still. The hour is late, but it is not too late.

Senator BILL NELSON. I want to ask you about that. And, Mr. Lehman, if you would chime in, too. You see a diplomatic route out of this and yet Iran has rebuffed the European proposal for negotiations. It has now turned down, according to the morning newspaper, the Russian proposal for a second time. So what is the route using negotiations?

Dr. TAKEYH. Well, I would have to offer my seven-party talks again. In my written testimony I have a proposal. As I said, it has poor reception everywhere. It is here today. It draws on a very imperfect model, the six-party talks with North Korea. That is almost always difficult to offer that, as Patrick said, as a smashing success.

But I do think that for these negotiations to work, if they are going to work—and they may not; I am prepared to accept that they may not work; I offer no panaceas—the United States would have to be involved in these negotiations. If you accept my assumption—you may not—that Iran would like these weapons not for global domination, but as a weapon of deterrence against a range of external threats, most centrally the United States, if you accept the argument that this is a weapon of deterrence as opposed to power projection, then lessening of the country's security concerns, security anxieties, could diminish its nuclear appetite.

The only country that is capable of doing that at this moment is the United States of America. The European negotiations that you talked about, what security guarantees can Germany make? The European negotiations took place on the three baskets: The security discussions, economic discussions, and technology transfer. The Europeans were incapable of offering what Iran wanted on any of

those three. Security guarantees—Iran is not surrounded by German troops; they are surrounded by American troops. Economic concessions—Iran's inability to be integrated in the global economy stems from American prohibitions and its own doing, as opposed to European sanctions. Technology transfer—it is inconceivable for Iran to have high-level technology without American approbation.

So the United States is central to this project, to this process, and if it is uninvolved then these negotiations are inevitably going to fail. They may produce interim suspensions, but they will not resolve the issue in a conclusive manner.

Now, should the United States become involved in a seven-party format, eight-party format, whatever contact groups you want? Would they necessarily succeed? It may fail. That is why I think any negotiations within Iran has to be a very limited timeframe, 6 months, 4 months, and not beyond that. They should not drag out, as the North Korean talks.

I am not saying it will work, but you will never know if you do not try it.

Senator BILL NELSON. Mr. Lehman.

Mr. LEHMAN. Senator, you asked me to address this question of the path and I will do my best. The biggest problem we have in dealing with the nonproliferation regime and its core, the Non-proliferation Treaty, is that you are trying to apply universal rules and principles to what are different circumstances. So I think Senator Obama is correct; there is a lot of confusion about how you do that. But I would argue there are coherent policies and paths and that we can understand what those are.

I think that Iran is a good example of the need to shape the process to deal with the culture, the security conditions, the economic interactions, and we have got to do that.

Now let me say, I am somewhat lukewarm about the contact group proposal myself, but let me explain my thinking and maybe Ray and I will come to a common view. Let me use the example of North Korea. It is a dangerous region. We had a package. It was the NPT-plus with the North-South Denuclearization Agreement, the IAEA safeguards, the South Koreans are going to have inspections in the North and vice versa. It really looked like it was going somewhere.

Then what happened? Well, we discovered that, despite all of that, the North Koreans were still running the program and, in fact, had developed a very large reprocessing facility which they had just begun to use. Everybody seemed united. We just had this great head-of-state summit, a Security Council resolution that further proliferation was not unacceptable but a threat to international peace, which is the code word for we really mean it.

Now, a year later what happens? The Security Council will not endorse Hans Blix's request to do a special inspection in North Korea. What happens to all of this plea for multilateralism? The answer was: Turn to the United States and say: Uncle Sam, hey, why don't you guys go deal with this?

So we got off track because the international community said basically, is this not something they have got to deal with the United States? And we lost the support. We ended up—we tried again and again by various means, some better, some worse, but all well in-

tended, to try to address, as I think Ray correctly says we have to, the broader security and economic issues in North Korea.

In the end, why did we end up in six-party talks? The answer was that basically the United States, by itself, cannot solve the problem. It requires the help of other people and we have to be a part of that.

But what we have never done on North Korea is get the international community to stand firm and say this is what it is all about. So, before we go off and get Uncle Sugar to take the heat, I think what we need to do is get the international community to say: All right, are you here or not? And if this is the end of the Nonproliferation Treaty, if it is over, we know what to do about that. But let us find out now.

Senator BILL NELSON. But we have not been able to get the international community to step up to the plate.

Dr. CLAWSON. I disagree with that, Senator. I actually think that in the current negotiations the French position is tougher than ours. Indeed, I would say that the position being taken by the E3, the EU3 big countries—Britain, France, and Germany—in these negotiations is pretty darn good, pretty darn tough.

Senator BILL NELSON. But not Russia. Russia just gives Iran an excuse to delay.

Dr. CLAWSON. I thought the Russians were just going to play an obstructionist role and I was, frankly, quite shocked when the Russians instead said: All right, we are going to make a real effort.

Certainly, my discussions in Moscow, this fall, found there is a broad understanding in the policy elites in Moscow that a Russian nuclear program is a real problem for them and they are making a real effort to try and solve it. That is kind of surprising. The Russians are not being so helpful on lots of things these days, but at least they are making a real effort on this one.

So I think it is rather surprising the last few years how much the E3 has stepped forward to try and solve this and taken a tough stance and not given in. The E3 is refusing to negotiate with the Iranians right now. That is an unnatural stance for them, to refuse to negotiate. They say Iran has to reinstate the freeze.

Senator BILL NELSON. So, Dr. Clawson, you would endorse Dr. Takeyh's seven-nation—

Dr. TAKEYH. I do not think he would.

Dr. CLAWSON. Well, actually it already—what I find amusing about this is it already exists, and that Secretary Rice after all attended that dinner with the Foreign Ministers of the six countries that he is talking about that was arranged in London by Jack Straw. It already exists. The Foreign Ministers of those six countries are already conferring with each other about what to do about Iran and reaching agreement. They are conferring as a collective group. If the Iranians want to meet with them, they can.

Senator BILL NELSON. I like your optimism. It is the only positive thing that I have heard. You are talking about the Russians and there is some degree of optimism there, but when it comes to the Security Council, what are the Russians going to do at the next Security Council meeting? So the picture gets murkier and murkier.

Thank you, Mr. Chairman.

The CHAIRMAN. 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.

Dr. CLAWSON. Senator, if I may say so, my impression is from conversations with leaders from most of the countries involved in the negotiations, is that their concerns are, at least, as much the Nonproliferation Treaty and the nonproliferation system as they are the particular character of the Iranian regime, and that one of the reasons that there has been such an active role played by some countries that, otherwise, you might expect to be much more in the back seat about these matters is because of the depth of their commitment to the global nonproliferation regime.

We, in fact, do not serve our own interests well when we think that it is commercial concerns by countries like Russia and China, much less France and Germany and Britain, that are driving their position on this matter. Really it is a genuine concern about solving this global proliferation problem which is at the heart and core of the decisionmaking in all of the countries involved.

The CHAIRMAN. You really believe the publics in those countries, quite apart from their leadership, have the same interest in the NPT?

Dr. CLAWSON. No, I do not think most of the public is engaged and thinking about it. There has not been the kind of process that you described in many of the countries. There has in some. Intriguingly, in a country like Germany there is much more public concern about the NPT than there are in some other countries. So that is one of the reasons why there is considerable German public support for taking a strong stance on this matter.

The CHAIRMAN. Mr. Takeyh.

Dr. TAKEYH. I think you are absolutely right in one sense, Senator. We have to be honest with our allies and public about the costs of confrontation and the sacrifices that that would involve. In terms of our allies, we have to let them know that they will have to put their commercial interests at stake and that is the price to be paid if we are going to go down the path of coercion, confrontation, and isolation of Iran.

We have to be honest with our public that perhaps that confrontation will lead to economic consequences in terms of oil short-

ages, that we will have an increased level of expenditures for gas, and that has all kinds of industrial implications in America, not just in terms of transport services.

We have to also be honest that a confrontation with Iran may play itself out in Iraq, where the Iranians have an infrastructure that is capable of extending our casualty rates, retarding the development and reconstruction and rehabilitation of Iraq and, therefore, prolonging the American occupation of that country.

So this is a very dangerous road we are going on and everyone has to understand the stakes and everyone has to understand the sacrifices that are involved. I do not believe a confrontation is inevitable, but if you are going to go down that route then you have to prepare your allies and the public for its consequences and repercussions.

In terms of Iran, international community, and the United States, I do not believe we should offer concessions to every other country in order to gain compliance, their agreement with us on Iran. I do not believe we should exonerate India of its nuclear proliferation sins in order to gain a vote in the IAEA. I do not believe we should stop criticizing the lack of democracy in Russia and the retardation of any democratic process in order to gain some sort of Russian leverage. I do not believe we should subordinate all our security and political concerns to Iran. But we should deal with Iran in a more realistic way.

The CHAIRMAN. 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?

Dr. TAKEYH. I do not believe at the end of the day we are going to get international compliance with measurable economic sanctions against Iran, the type of intrusive economic sanctions that will make an impression on that country's nuclear deliberations. So these concessions we are making ultimately are unlikely to be successful in terms of the ultimate objective of disarmament of Iran anyway.

The CHAIRMAN. Mr. Lehman.

Mr. LEHMAN. All of the nations whose actions will be essential to be successful with Iran have multiple interests. They have economic risks, security risks. They are going to balance all of these things.

Having said that, I am struck by not so much the difference in the three witnesses, but the similarities of our views and by the fact that that is what I find if I go to Europe, that is what I find elsewhere, is that more and more at sort of the policy wonk level there is more and more cohesion about what it is that we need to think about. So I think if the West holds firm we have got a real shot at this.

Now, I have said "the West." What I mean is the Europeans, Northeast Asia, us, North America. But I think that we need to remember that still two key players are Russia and China, and we cannot pander, but at the same time there are several things that matter to Russia and China that play in the Iranian case. Some of

those are related actually to security, but the most obvious and public have been the economic. But I think we also ought to remember that there are political factors. They already have nuclear weapons. Their status problem is they want to be players, and they can decide, do they want to be players who gain their status by being in opposition or do they want to be players because they can make meaningful contributions to something that everybody supports. I think that is the theme and the approach that we ought to take.

Thank you, Mr. Chairman.

The CHAIRMAN. 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.

[Whereupon, at 12:43 p.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF DR. RAY TAKEYH TO QUESTIONS SUBMITTED BY SENATOR BARBARA BOXER

Question. In December 2002, the world discovered that Iran had secret, undeclared nuclear sites, including a uranium enrichment facility and a heavy water production facility. Since that time, inspections carried out by the International Atomic Energy Association have confirmed Iranian efforts to enrich uranium, separate plutonium, and import materials from the likes of the Pakistani nuclear smuggler, A.Q. Khan.

Yet despite these developments, the Bush administration did not develop a viable policy on Iran, but instead launched a war of choice against Iraq. Tragically, 3 years later, it appears as though the big winners of the Iraq war are the mullahs in Iran.

By launching a war against Iraq—a country with no nuclear weapons program—we have strengthened Iran's position in the Middle East and hurt our ability to respond.

Not only is the U.S. military bogged down in an increasingly violent war in Iraq—which has severely weakened the U.S. ability to exert pressure on Iran—but Iraq's Government is now headed by a pro-Iranian slate of Shiite political parties.

Iran's Foreign Policy Chief proudly touted this fact in a recent interview with Time Magazine, saying that "when the Americans supported Saddam, all the present leaders [of Iraq] were our guests, including Talabani, Barzani, Jaafari, Hakim, and all those. The reason for our friendship is that it goes back many years." And, the friendship is getting stronger.

In a historic move, Iraqi Prime Minister Ibrahim al-Jaafari paid a visit to Iran last year, in which he laid a wreath on the tomb of the Ayatollah Khomeini—the man behind the hostage crisis and several terror attacks against Americans.

The Iranian Government also offered a \$1 billion credit line to Iraq and the two countries signed military agreements.

While the Iraqi Government asserts that these agreements are solely for peaceful purposes, there is no doubt that Iran supports Shiite militias, including the lethal "Badr brigades" which have been implicated in horrific reprisal attacks against Sunnis.

It has also led to sophisticated weaponry—such as massive roadside bombs—finding its way into Iraq at a horrible cost for U.S. troops.

The U.S. Director of National Intelligence recently said that Iran's goal is to cause the United States to experience "continued setbacks" in its drive to stabilize Iraq. And we know that last week's violence in Iraq pushed the United States to the brink of all the "setbacks" it can handle.

Do you agree with experts such as University of Michigan Professor Juan Cole who says that the biggest winner in the Iraq war is Iran?

Answer. I do agree with Professor Cole that the biggest winner in Iraq today is Iran. However, there is not need for a zero-sum game, namely everything that is in Iran's advantage is necessarily to the disadvantage of the United States. The fact of the matter is that the goals of the United States and Iran do somewhat coincide

in Iraq. Iran seeks to maintain Iraq's territorial cohesion, prevent the Sunni domination of its politics and empower the Shiite community. The Iranian theocracy does not seek to export its revolution next door, but merely ensure better set of interlocutors next door. Given that much of the turbulence in the Persian Gulf era for the past three decades has been due to poor relations between Iran and Iraq, better relations between those two countries is not necessarily bad for America.

Question. Two weeks ago, I suggested to Secretary of State Condoleezza Rice that the United States has a "tin ear" to the Middle East.

Prior to the Iraq war, the Bush administration suggested that the Iraqi people viewed the United States as their "hoped-for liberator." But almost 3 years later, the violence in Iraq is continuing to escalate: 2,298 U.S. troops have lost their lives, and 73 percent of Iraqis believe that there will be greater cooperation among Iraq's political factions when the United States leaves the country.

Meanwhile, U.S. policies have helped galvanize hard-liners and nationalist sentiment in Iran, contributing to the election of Mahmoud Ahmadinejad over former President Hashemi Rafsanjani. I'm afraid this suggests that we may not be fully in touch with the sentiments of the Iranian people.

My question to you is: Where are the Iranian people on the question of nuclear weapons? Is there widespread support within Iran to strike a deal with the international community and permanently forgo the development of nuclear weapons?

Jim Muir—the BBC's Tehran correspondent has suggested that "many [Iranians] would be proud if they did join the nuclear club," and that the issue of obtaining a nuclear bomb has "become an issue of national pride."

How broad is popular support for a nuclear capability within Iran? Is that support for a bomb, or solely for a peaceful nuclear capacity?

Answer. It is a popular refrain in Washington today that Ahmadinejad has been the best thing that has happened to America. In fact, the Bush administration's diplomacy of threats and coercion is also the best thing that has happened to Ahmadinejad. He has cleverly used the nuclear issue and America's belligerence to consolidate his powerbase, deflect attention from the domestic deficiencies of the regime and undermine his more moderate foes. The nuclear issue and its nationalistic appeals can only help the hard-liners.

Question. While I enthusiastically support U.S. aid to prodemocracy efforts within Iran, I think that it is terribly important that this money be used wisely given our record on initiatives such as these, and I am specifically referring to the debacle with Ahmad Chalabi and his Iraqi National Congress.

As you will recall, the Bush administration paid Chalabi over \$32 million over a 4-year period, and the information that he provided, much of which was used to justify the invasion of Iraq, turned out to be useless, misleading, and even fabricated. Furthermore, Mr. Chalabi, the exile "of choice" to Deputy Secretary of Defense Paul Wolfowitz, also may have provided sensitive information to Iran.

In light of President Bush's recent request for \$15 million to support, among other things, "Iranian political organizations," how can we ensure that we do not run into another Chalabi-type debacle?

How can we ensure that this money is spent wisely?

Answer. Below, please see a piece that a colleague and I did in the Los Angeles Times on the faulty assumptions of Secretary Rice's democracy promotion efforts in Iran.

[From the Los Angeles Times, Feb. 26, 2006]

THE WRONG WAY TO FIX IRAN

(By Charles A. Kupchan and Ray Takeyh)

The Bush administration quietly orchestrated a major shift in U.S. policy toward Iran this month, requesting \$85 million from Congress to help bring about regime change in Tehran. Washington is now seeking not just to contain Tehran's nuclear ambitions but also to topple the Iranian government.

The war in Iraq has made all too clear the high cost of using military force to attain regime change. Accordingly, the administration is taking a page from Eastern Europe, where the United States used radio broadcasts and direct assistance to opposition groups to help undermine authoritarian governments and promote democracy. Administration officials explicitly cited Poland's Solidarity movement as a model.

Although democratizing Iran is a worthy objective, the administration is making a mistake in embracing a strategy for regime change based on the European experience. Conditions in Iran bear little resemblance to those that accompanied the

downfall of dictatorial regimes in Europe, making it likely that the administration's new strategy will backfire and only strengthen Tehran's hard-liners. Instead of isolating Iran and seeking to undermine the regime from the outside, Washington should engage Iran, bringing about a natural process of political reform from within.

Across Eastern Europe, the opposition movements that toppled communism—and have more recently brought democracy to places such as Georgia and Ukraine—were avowedly pro-American. Dissidents were only too happy to receive assistance from Washington and to identify themselves with U.S. policy. Alignment with the U.S. remains a valuable political asset for Europe's new democracies.

Not so in Iran. A pronounced suspicion of the U.S. spans the political spectrum. The Bush administration's rhetorical—and now financial—support for the Iranian people only makes life more difficult for the democratic advocates it is intended to buttress. Iranian conservatives continue to respond to U.S. "interference" by cracking down on dissidents whom they portray as a "fifth column." Even those reformers with pro-American inclinations have been forced to cover their backs by denouncing American belligerence.

In Eastern Europe, the regimes felled by democratic revolt were brittle and illegitimate; they had long been discredited in the eyes of their citizens. In contrast, Iran's current regime enjoys considerable popularity. President Mahmoud Ahmadinejad has been quite adept at wrapping himself in the mantle of nationalism. The Bush administration fails to appreciate that its coercive diplomacy on the nuclear issue is undercutting its effort to drain support from Iran's leaders.

The centralized regimes of Eastern Europe also maintained tight control over the media, so U.S. broadcasts and the covert distribution of information played a vital role in fostering democratic debate. Such measures will prove far less effective in Iran, where access to cellphones, the Internet and satellite TV is widespread. Although Iran does not have a free press, domestic debate is reasonably pluralistic.

The U.S. has a stake in Iran's internal power struggles, and the administration is right to want to undermine Iran's reactionary clerics. However, the best way to do so is to offer the Iranian people not radio broadcasts in Farsi but the realistic prospect of integration into the international community. Doing this gradually, starting with the World Bank and the World Trade Organization, the U.S. can encourage Tehran to embrace decentralization, accountability and transparency—political practices that ultimately will bring down Ahmadinejad and his firebrand conservatives.

Moreover, Washington would be investing in a repository of goodwill within Iran, essential to nurturing a new generation of reformers that sees the U.S. as a prospective partner rather than the Great Satan. Coercive threats are needed to persuade Tehran to abandon its efforts to acquire the technology to produce nuclear weapons. But those threats must be accompanied by credible promises of political normalization should Tehran veer from its belligerent policies. Otherwise, only the hard-liners—who rely on external demons and isolation from the international community to justify their monopoly on power—benefit.

Eastern Europe's would-be democrats knew that the West was waiting for their countries with open arms, encouraging them to take the earliest opportunity to discard their repressive regimes. In a region still beset by deep distrust of American motives, Iran's progressives now need the same assurance.

Question. During a "World without Zionism" conference in Tehran last October, Iranian President Mahmoud Ahmadinejad called for Israel to be "wiped off the map."

The Director of National Intelligence, John Negroponte, testified on February 2, 2006, that Iran "already has the largest inventory of ballistic missiles in the Middle East." We have known for some time that Iran is capable of striking Israel with these missiles.

And, according to the Nuclear Threat Initiative, a large number of Iran's ballistic missiles currently possess the capability to deliver chemical, biological, or radiological dispersion warheads.

I am not just concerned about Iran's advancing nuclear program and the possibility that it may possess nuclear weapons 5–10 years from now. I am concerned about the threat posed by Iran, today, to both Israel and U.S. forces serving in the region.

How serious is this threat?

Answer. It has always been my perception that Iran seeks a nuclear weapons capability as a means of ensuring a viable deterrent posture against an evolving range of threats, particularly the United States. I don't believe that Iran seeks a nuclear

weapon in order to destroy Israel. During the past three decades Iran has been relentlessly hostile to Israel, but it is a hostility expressed through sponsorship of militant Palestinian groups and Hezbollah, as opposed to a more direct military confrontation.

