No issue on our national security agenda is more urgent nor more fraught with danger than the United States’ deeply troubled and potentially violent relationship with the Islamic Republic of Iran.

The crisis between the United States and Iran is long standing. For better than the past quarter century, we and the Islamic Republic have been at odds. From the early days of the Iranian revolution, that government’s assertion of a radical Islamic identity and its determination to reassert Iran’s national standing and influence have given the United States, Iran’s neighbors and many others around the world cause for grave concern.

In recent years, Iran’s actions, and its position on questions which go to the heart of the stability of the Middle East, have continued to stoke suspicions and tensions. Since 2005, Iran’s decision to proceed with a nuclear enrichment program has been of special concern to the United States and the international community. Iran has been largely deaf to entities from the Security Council and governments around the world. Iran is endowed today with 5,000 centrifuges and is moving toward the capability to produce nuclear weapons. It has failed to satisfy world opinion that its nuclear intentions are benign.

Iran’s espousal of Hizbollah and Hamas is a direct threat to Israel’s security; the atmosphere between Israel and Iran has been further embittered by the Islamic Republic’s questioning of Israel’s right to exist and its President’s denial of the holocaust. All of us recall how close the region came to all out warfare as a result of the summer war in Lebanon. Iran’s ties to Hizbollah and Syria played an important part. In a word, Iran and Israel stand virtually with daggers drawn.

The United States stands today in dangerous proximity to Iran. Our ships sail near Iran’s coast and incidents on the high seas between the two of us are always a possibility. Given tensions in the Gulf, conflict resulting from an incident could spread rapidly and endanger international shipping and especially the export of the region’s hydrocarbons. Our soldiers are stationed on Iran’s borders in Iraq and Afghanistan. Iranians have often been associated with actions which endanger
American forces. The airwaves are filled with charges and counter charges of subversion and interference. In a word, we are too close to one another for comfort, especially since there are no adequate mechanisms for managing misunderstandings and incidents.

At the same time, we have come to realize that without Iran there is no way to address the most important issues the United States faces in the Middle East. As the region’s largest state, Iran plays a key role in Iraq, Afghanistan, in regional energy markets, in the security of the Gulf, in the question of non-proliferation and in the confrontation between Israel and the Palestinians. Iran’s relationship with the Palestinians, Shi’ite communities in the Middle East, with Syria and its reach into the Arab nations of the Gulf make Iran a truly important force in virtually every state and every issue in the Middle East. In fact, the questions which join the United States and the Islamic Republic of Iran are so broad and so interconnected that addressing them singly is not possible.

At the same time, I am convinced that the use of force will not solve any of the issues in contention between the United States and the Islamic Republic of Iran. Specifically, I believe that military strikes against Iran’s nuclear facilities would be the height of folly. I am unpersuaded a military strike would be decisive and the damage to our interests in Iraq, Afghanistan and the Gulf would be huge. The effect on United States’ standing in the Muslim world would be massive, wiping out the goodwill our new administration has generated. Our ability to deal across the board with Iran would be fatally compromised.

I arrive at these conclusions, having followed closely the situation in Iran and the history of our ties to Iran, since the fall of the Shah. I was never privileged to serve in Iran during my 37 years as a diplomat and representative of the United States. But I lived and worked in the Middle East and I was persuaded throughout my career than Iran was central to the calculation of our interests in the region.

How important Iran is to the United States came home directly to me in 1997 when I was asked to discuss with the Russian government the flow of missile technology from the Russian Federation to Iran. It became clear to me that there was no way to stop Iran from seeking missile technology unless we could address Iranian national security concerns and this would have meant dealing directly with the Iranian government. Talking with Russia alone was not sufficient and threats and sanctions did not and could not contain Iran’s determination to arm itself and deter the threats it believed it faced.
In meeting with your Committee today, I do not bring to the table privileged information, based on official intelligence. My sources are different. I have met frequently with Iranians, including members of the Iranian government over the past ten years. I have followed the literature and worked with institutions like the UNA-USA, the Rockefeller Brothers Fund and the Asia Society which have organized exchanges with Iranian officials and private citizens. The views I express at this hearing are entirely my own.

In the course of my remarks, I will make a case for engagement with the Islamic Republic of Iran. I will outline points we should consider in the weeks and months ahead as the United States shapes its diplomacy. As difficult as our recent history with Iran has been, I believe we and Iran are fated to engage one another and that engagement will begin in next year or so. I am an optimist, even though I recognize we and Iran have been estranged, frequently bitterly so. Unlike other crises in which nations and peoples are divided on grounds of principle, faith or ethnicity or assert overlapping claims to territory, our differences with Iran are largely political and can be addressed and resolved by political leaders.

In this regard, I welcome the decision of Secretary Clinton to appoint Dennis Ross as her advisor for West Asia. Mr. Ross will bring to his duties and the question of Iran, years of experience in the region. He is a man of deep intellect, an accomplished diplomat and one of the leading experts of his generation on the practice of foreign policy and statecraft.

A word of background

Many have argued in recent years that Iran has an upper hand when it comes to dealing with the United States in the Middle East. Iranians know we are bogged down in difficult conflicts in Iraq and Afghanistan. Those who hold this view further argue that by destroying Saddam and ejecting the Taliban from Afghanistan, we have strengthened Iran immeasurably. Their argument runs that we have failed to force Iran to abandon its nuclear ambitions and our failure to move Iran has emboldened Iran’s leaders to defy the United States. The ground is not favorable, therefore, to diplomatic engagement, they assert.

I do not agree with this contention. In fact, I believe we and the Iranians approach each other with a mutual sense of vulnerability. No nation is more sensitive to its weaknesses than is Iran. Iran knows that it is isolated in its region and many of its neighbors are hostile. Internationally, Iran enjoys very little support. Iran’s religious
expression, Shi’ite Islam, is a minority faith and it survives in the Muslim world more by sufferance and accommodation than confrontation.

Iranians know their economy is weak and the current downturn in petroleum prices has left Iran vulnerable. GDP has shrunk; deficits have ballooned; unemployment runs high and inflation is rampant. Iranian politics are deeply contentious. While few Iranians contest the legitimacy of their Islamic Republic, many have doubts about their cleric’s ability to lead a modern nation state.

All Iranians recognize Iran’s body politic is riven with factions. In addition, Iranians look at their history with pessimism. For the past 200 years, they believe Iran has been a victim of foreign interference; Iran, they feel, has been humiliated. Iranians also know they would pay a terrible price if the Islamic Republic and the United States were ever to go to war. The memories of Iran’s huge losses on the battlefields with Iraq are painfully fresh in Iranian minds.

As we set out to engage Iran, it is essential to keep a core thought in mind: Iranians will not be humiliated. But Iranians are also realists. Iran is not only a great nation, borne of an ancient civilization; it is a proud one. Although Iranians espouse their religious faith with passion, I believe their leaders have long set aside pretentions to champion a Shi’ite revolutionary ideology. Of course, the majority of Iranians care about the fate of their co-religionists but they are more intent in seeing their nation recognized for its many accomplishments. They believe that they live in a hostile world and they must be able to defend themselves or deter their opponents. Iran wants its influence in the region restored in large part because a strong and respected Iran will be a secure Iran. Part of the reason for the hold of the Islamic Republic over Iranian opinion has been its ability to identify itself with the cause of Iranian national security and Iranian national dignity.

At the same time, Iran recognizes facts and among those facts is the United States. Whatever language they choose in public, Iran’s leaders know that the United States is a power in the Middle East and that Iran and the United States must, one day, come to terms with one another. In recent weeks, spokesmen for the Islamic Republic have begun to say it is in Iran’s interest that her government and the United States look for common ground and seek to manage disagreements. This disposition reinforces my view that there is promise in engaging Iran and moving soon to find a basis for pursuing diplomacy. Bluntly put, Iran has reacted well to the advent of the Obama administration.
But I argue that we must be realistic and cautious. There will be no rapid breakthroughs with Iran. Reaching understandings will take years and will be plagued with setbacks. Statecraft, as defined by Iranians, places great store on careful calculation and caution. It also recognizes the imperatives of power. No Iranian will approach a negotiation if he believes that he is playing a weak hand. In addition, the history of our relationship is such that Iran’s leaders will not take us at our word anymore than we will take Iran’s word at face value. Iran’s leaders hold deeply to the view that the United States is committed to “regime change”. That attitude runs as deep in Iran as do our suspicions of Iran’s nuclear ambitions. There is little confidence between the United States and Iran. Overcoming the divide will not occur easily nor quickly; neither can force the other to accept its point of view. Neither we nor Iran will accept promises; both of us will require facts.

How to proceed

In the proceeding paragraphs, I have attempted to set the stage for the conduct of diplomacy. Engagement with Iran, as with any power, is a means to an end – not an end in itself. We have to be clear about what we want to achieve before we engage our diplomacy and, for the moment, our objectives have not been defined. I hope that the deliberations of this committee will contribute to a definition of objectives. As a contribution to your debate, let me advance the following thoughts.

- **Be prepared to address all issues.** A diplomatic engagement with Iran will fail if we attempt to “cherry pick” the issues. The problems we an Iran face are numerous and they are interconnected. The Iranian side attaches special importance to national security and national honor. We and Iran cannot address Iraq without considering the Gulf; it is not possible to deal with the nuclear question without coming to grips with Iran’s conception of its security environment. In addition, the past quarter century is littered with cases of single issue engagements with Iran. Each time we and Iran have tried to close on one problem, we have found that its resolution led to a dead end and did not contribute to the resolution of other issues. The reason is simple – we and Iran have not agreed on a political context.

- **Top down; not bottom up.** The only way to engage Iran is to begin with a political understanding between our leaders. That understanding must be based on a mutual recognition that the United States has legitimate interests in the Middle East and that Iran is a regional power with its own national interests. “Live and let live” is key to a political understanding with Iran. We must set aside pretensions to regime change. We and Iran can operate on the
basis of different principals and still respect one another. Debates over human rights and democracy, for example, can take place without either side questioning the other’s legitimacy. If we need an example of “top down” diplomacy, we have only to look at President Nixon’s and Chairman Mao’s decision to engage. Once the two leaders had reached a basic understanding of the principals which would guide relations between our two countries, our diplomats were able to address the specific questions which divided us. That example should be instructive in the case of Iran. To launch successful diplomacy our President and Iran’s Supreme Leader must “shake hands” and, in doing so, create a political context for our engagement.

- **Building confidence.** Engaging Iran will require constant attention to the issue of confidence. We do not trust each other; we will only deal with facts. This said, words matter. Removing regime change from our vocabulary and our legislation is a good signal; the Iranians should drop offensive language they use in our regard. We should return to the principle we negotiated in Algiers in 1981 when we agreed that the United States would not interfere in Iran’s internal affairs. In the Algiers Accord, we also agreed to address questions which divided us. Financial claims are an example but one could add to it direct air flights, restrictions on diplomatic travel, counter narcotics cooperation and confidence building contacts between naval forces in the Gulf. Reviving the Algiers Accord would also provide for expanded cultural, educational and scientific exchanges. As we proceed in our engagement with Iran, there will be reason to establish an interests section. At the end of the day, diplomatic relations must be restored. In the immediate future, we should drop restrictions on contacts between American diplomats and representatives of the Islamic Republic.

- **Avoid domestic politics.** Some argue that the United States should not seek to negotiate with Iran before it holds its presidential election. I disagree. Putting the question in these terms implies that we have favorites in Iran’s political race. Our interests lie in dealing with the government and nation of Iran; Iranians will pick their leaders. I recommend that we begin without delay to design a policy of engagement with Iran and explain it to our friends and allies; that we send the appropriate signals and make the necessary contacts to begin talking without regard to the timing of the Iranian presidential contest. In all likelihood, by the time needed to prepare our diplomacy, Iran’s election and the runoff will have taken place.
• Setting objectives. As a matter of priority, we need to decide how to approach the nuclear issue, Iraq and Afghanistan. With regard to nuclear enrichment a fresh examination of our objective is in order. It is not possible to eliminate Iran’s program. Since 2005 we have made no progress in convincing Iran to give up its program. Unilateral and multilateral sanctions have been painful to Iran but insufficient to force a change of policy. Instead, Iran every day moves closer to developing a nuclear weapons capability. Trying to force Iran to forego enrichment is, to my way of thinking, a losing proposition and we are not likely to secure strong international support. Neither Russia nor China have their hearts in further sanctions.

• Iran attaches great importance to its nuclear program for reasons of national prestige, economics and national security. If it is nothing else, the program is highly popular. If we are to stop Iran from crossing the weapons’ threshold, we have to move quickly. I am persuaded by the arguments advanced recently in the New York Review of Books by former Ambassadors Luers and Pickering and Jim Walsh that we should attempt to convince Iran to accept the international supervision and ownership of nuclear enrichment facilities, even if they are located on Iranian soil. The way to start would be an agreement to suspend sanctions on our part and a suspension of enrichment on Iran’s part.

• Similarly in Iraq and Afghanistan, we need to advance Iran’s interest in stability along its borders. Iran wants the al-Maliki regime in Iraq to succeed but it recognizes the need for reconciliation among Iraq’s ethnic and religious groups. In Afghanistan, a return of the Taliban to Kabul is inimical to Iranian interests, a disposition we can harness to our advantage. In fact, Tehran today is sending signals it wishes to discuss Afghanistan. For openers, we must make it clear the United States seeks no permanent base for its forces in either country.

• Involving other nations. A negotiation with the Islamic Republic is not simply about the United States and Iran. The interests of Israel, the Sunni Arabs, our European allies and Russia and China are in play. It is essential that we explain carefully to them what we intend to achieve with Iran and how we intend to go about it before we engage the Iranians. If we fail to make ourselves clear, we will lose the important international support we require to conduct a sustainable relationship with Iran as well as sustain confidence in cooperation with the United States as we pursue other regional and international goals. In a word, we must never allow Israel nor the
neighboring Arab states to believe we are prepared to negotiate with Iran behind their backs.

Americans have put off decisions about Iran for too long. But the stakes have gone up sharply in recent years and the risks of miscalculation and therefore violence are too great. We have learned that sanctions and threats will not move Iran nor will we be able to carry the international community if our policies do not provide for political engagement with Iran. Most of all, the past quarter century should have taught us that we cannot impose our will on Iran. We can only work to find common ground based on a mutuality of respect and interests. I hope that these hearings will contribute to an early and sustained engagement with Iran. Only then will we know if that common ground exists.