

## Remarks at the National Conference of Editorial Writers

**R. Nicholas Burns, Under Secretary for Political Affairs** Washington, DC April 2, 2007

**UNDER SECRETARY BURNS:** (In progress.) I deal in each part of the world and oversee our operations in each geographic bureau, so I'm happy to talk about anything that you're interested in. You'll find me knowledgeable on some issues, completely probably ignorant on others, but I'll try my best, because I know you've got wide-ranging interests.

I do want to say a few words about Iran because I've been asked to do that and I'll do that very briefly, because I know that we've got limited time. I'm available until about 1:10. I don't know what your schedule is. I think -- you probably want to have lunch at some point. I hope they give you time. You already had lunch?

**QUESTION:** Yeah. We're here in this room until 4 o'clock.

**UNDER SECRETARY BURNS:** Oh, my goodness. You're prisoners in this beautiful room? Are we trying to be cruel to these people by keeping them in this room for four hours?

Happy to talk to you about Iran; I am the person who has essentially been the point person on the Iran nuclear negotiations, the liaison with Russia and China and the Europeans for the last two years, and also involved in the other aspects of it. So if you want to go there with your questions, we can do that. If you'd like to talk about anything else globally, I'm happy to do it.

On Iran very briefly, this is a very interesting time, and I think we're at an interesting pivot point in our policy towards Iran. We firmly believe that our objectives should be to contain and block Iran's regional ambitions and its drive for a nuclear weapons capability. That's the basis of our policy, to contain and block Iran's ambitions. And the problem we've got right now is that Iran is a central figure in the four most important interconnected Middle East challenges that we have.

They're a central figure, of course, in Iraq, where we're convinced they provided some of the Shia militant groups with this EFP technology, this -- explosively formed projectiles. This is the armor-piercing technology that's been so difficult for

our troops. And an increasing number of our deaths in the latter part of 2006 in Iraq are attributed to that technology. So Iran, we don't believe, is actually -- is actually projecting the violence, but it's giving the technology to Shia militant groups who are doing it. So that's a major issue for us, and you've heard the President speak to it and I'm happy to address that.

Secondly, Iran, Syria, and Hezbollah are right now actively trying to undermine, a lot of people would say unseat, the Government of Lebanon, of Prime Minister Siniora, and we support that government.

Third, the Iranians are probably the most important opponent of a deal between Israel and the Palestinians. They have consistently spoken against a peace agreement between the two and they, as you know, fund Hamas.

And fourth, they're trying to achieve a nuclear weapons capability over the long term and that's a major preoccupation of ours because -- and I think I don't see many partisan differences here. I testified before the Foreign Relations Committee in the Senate on Thursday and it was really remarkable to contrast the reaction of the Democratic senators on Iran versus Iraq. On Iran, Senator Biden, Senator Obama, Senator Webb, Jim Webb of Virginia, they all said they pretty much supported what we're doing, which is to try to convince the Iranians not to become a nuclear weapons power and to try to establish an international coalition to block the Iranians from doing that.

So on those four issues, Iran is a central actor. There is also no question in my mind the Middle East is the area of most vital concern for the U.S. That's a change. I would say if we had met in any decade for the last 100 years prior to this one, anybody on my side of the table would have said, well, Europe's the most important place for the United States. That's where our national interests are most engaged, and I think right now we'd say that's changed over the last ten years ago at the end of President Clinton's presidency and certainly at the beginning of this one. And I served in his administration. I'm a career diplomat.

We were already transitioning away from a central focus on Europe because the Cold War had ended and the Balkan wars began to subside at the end of President Clinton's tenure. And now, I think our greatest concerns internationally are in the Middle East. So Iran is involved in them and that makes Iran a much bigger factor in our foreign policy than even it was two or three decades ago after the hostage crisis of 1979-80.

What we're trying to do is deal with the Iranians diplomatically and I mean that quite openly and directly and sincerely. We do not want another military conflict in the Middle East. That's not our objective. That's not what we're preparing. It's not what the focus of this policy is. The focus is to say, can we establish a diplomatic connection with the Iranians so that we might try to block them from achieving some of the ambitions we are convinced that they've got in mind.

So, for example, on Iraq, we did meet with the Iranians back on March 10th in Baghdad when the Iraqi Foreign Minister Zebari organized this meeting of Iran, Syria, the U.S., some of the Europeans, Egypt, Jordan, and we proposed another meeting of that group in April. Now the Iraqis haven't yet decided when they want the meeting to take place, but the United States is prepared to do it, and Secretary Rice is prepared to do it at her level. So we understand the need to talk to the Iranians about Iraq.

Second, on the nuclear issue, we proposed on June 1st of last year, 2006, we proposed along with China, Russia, Britain, France, Germany and the U.S., the six of us made a joint proposal to Iran. We said, "We'd like to have a negotiation with you on the nuclear issue. One condition from our side -- that is that you suspend your nuclear research

at your plant in Natanz" -- this is where they do the enrichment experimentation -- because it wouldn't make sense for us to agree to negotiations but then allow them to conduct nuclear research at the same time. And we said, "If you'll do that, we'll suspend the sanctions for the life of those negotiations." So it's suspension for suspension.

We actually thought back on June 1, 2006, they were going to accept that offer. We thought the bar was low enough, but they didn't and they took about four-and-a-half months to debate it in Tehran. They came back in October and said no. We think they waited so long because it is a terribly divided government in Iran. It's not a monolithic political culture at all. There are lots of rival factions inside the government and we think the faction led by Ahmadi-Nejad was opposed, and we think there's another faction led by a guy named Ali Larijani, who is the Director of their National Security Council. He reports to the Supreme Leader Khamenei. We think that they were looking for a way to sit down and negotiate.

So because they couldn't negotiate with us we said, "Okay, if you can't negotiate, we're going to have to sanction you," and that's led to the last two UN Chapter 7 sanctions resolutions, December 23rd and then just 10 days ago. And those sanction resolutions now are opposing sanctions on Iranian banks involved in financing the nuclear industry on the IRGC, the Iranian Revolutionary Guard Corps command, which is this huge organization which is the tip of the spear of the Iranian special forces, the Qods Force, the same people who are in Iraq, and has now imposed sanctions on a number of other areas including an arms ban, a UN arms ban that prohibits Iran from delivering technology or exporting it to anybody outside of Iran, including Hezbollah and Hamas. So those sanctions are in place.

But we're not interested in just a series of punitive actions. We'd actually like to negotiate with them. So Javier Solana, the EU Foreign Policy Chief, is now actively trying to convince the Iranians to come to negotiations with the promise that we'd be there if the Iranians would agree. So there's a lot of movement right now both on connections with Iran over Iraq and potential connections over the nuclear issue.

Our strategy would be to try to apply multiple points of pressure against the Iranians to drive up the cost to them on their current behavior so that they'll have a greater incentive to negotiate. That's the strategy. And Russia and China are with us on this, as are the three Europeans who have been the traditional negotiating partner of Iran. And we've got a larger coalition in place; India has voted for these sanctions, Brazil, Egypt, South Africa, Indonesia, so all the largest countries in the non-aligned movement are on record supporting sanctions against Iran.

And the only countries that I can find that are actually supporting Iran are five-fold: Syria, Sudan, Belarus, Venezuela, and Cuba. Those five countries routinely speak up for the Iranians, but then everyone else is in this international coalition designed to pressure the Iranians. And we think that we're in a favorable position. When you've got all the greatest powers in the world together saying diplomacy is the way forward and we're going to sanction Iran if they don't come to the negotiating table, that's a powerful combination. We do not want this to be U.S. versus Iran. The Iranians would love that. But just as in North Korea, and we kind of see North Korea as a template for Iran, the six-party talks were successful, especially with China in convincing the North Koreans to make that agreement in mid-February of this year. We think the same dynamic can be at work.

So what are the multiple points of pressure? One is Security Council sanctions. We've got two resolutions. A second is financial sanctions outside the Security Council. So for instance, the Treasury Department has used its 3-11 Authority under the Patriot Act to sanction two Iranian banks, Bank Saderat and Bank Sepah, the two banks that have been financing not only Hamas and Hezbollah, but financing the nuclear industry. We've sanctioned them. So we've made it illegal for either of those banks to conduct business in dollars, which has hurt their international operations.

Third, Secretary Paulson and Secretary Rice and a number of us have been talking to banks and international financial institutions about the long-term credit problem of dealing with a country like Iran that is under UN sanctions, and we've seen over 20 private banks reduce their interactions, their commercial transactions with Iran, or stop it altogether. And some major European banks are among them; Credit Suisse, Credit Lyonnais, HSBC, and that has begun to constrict the flow of capital into Iran itself.

Next, we deployed two carrier battle groups in the Gulf. Now we've been in the Gulf since 1949, so it's not new that the United States would have a carrier battle group. It's a little bit unusual to have two at the same time; they're there now. We've got 170,000 troops in Iraq. They're there to support them. They're also there to keep the -- make the point that the Gulf is not an Iranian lake. It's an international waterway and we've essentially been the country, along with Britain, that's kept it open to the free flow of energy since '49 and we intend to continue to exercise that role.

And fifth, we've pushed them back in Iraq. We discovered about two years ago in 2005 that they were supplying a sophisticated explosive technology to the Shia groups. We sent them a written note in 2005 through the Swiss, our protecting power, asking them to stop. The British did the same thing and they didn't react to it. And then in September, October, November of last year an increasing number of our deaths were related to this. So you've seen us now detain two groups of Iranian paramilitary people, Qods Force, IRGC people, and we're still holding five of them and we have held them since the early part of January because they're actively involved in the network that's targeting our soldiers. And we think that the fundamental obligation we've got is to protect our soldiers in Iraq.

So all these multiple points of pressure represent a push-back against the Iranians and I would say -- I'm subjective, but I would say that we have the Iranians somewhere on the defensive now with the sanctions, with a huge international coalition, with what we're doing in the Gulf and in Iraq itself, and we intend to keep them on the defensive. We do not want a military conflict and we're trying to signal in every possible way to the Iranians, "We want to talk to you, we want to negotiate." They seem incapable of doing that right now.

So I just wanted to give you that kind of overview of how we're dealing on the nuclear issue, the Iraq issue, on the issue of Iran's support for terrorism. They are essentially the central banker of Middle East terrorism and a major funder of the four principal Middle East terrorist groups. And so they have a big, big influence, Iran, in Israel, in Lebanon, in the West bank and Gaza, and so we're -- really got a policy that's focused on all those fronts with the Iranian government.

So I said that as an overview. Happy to talk about Iran or any other issue that you've got. Yes, sir?

QUESTION: Yes, Jim Mitchell, Dallas Morning News. On the question of -

UNDER SECRETARY BURNS: I am on the record, right?

STAFF: Yes.

**UNDER SECRETARY BURNS:** Yeah, okay. I just want to make sure. Happy to be on the record. I'll let you know if I want to go off the record.

**QUESTION:** Fair enough. On the question of the various factions within Iran, the issue of the moderates, such as they are, how deep, how broad, and how effective do you think U.S. foreign policy can connect with them?

**UNDER SECRETARY BURNS:** You know that's a really good question because we often talk about this meaning, is there a moderate faction? The problem we've got is if you look at what most people outside Iran would consider the most moderate politically, it would be Khatami, the former president who was in power before Ahmadi-Nejad, the so-called reformer who came to power when President Clinton was in office. A lot of us thought at the time there was going to be a sweeping reform movement. It didn't really happen. He was blocked by the hardliners.

The problem with the moderates is they supported the creation of a nuclear weapons research program. This began about 20 years ago, but it continued during the eight years of Khatami. They continued their efforts to fund terrorist attacks against us, so the Iranians targeted us in Beirut in '83 when our embassy marine barracks were blown up. You all remember that, an incredible loss of life. They also sponsored, through proxies, the terrorist attack against us in 1996 at Khobar Towers outside of Dhahran. I just happened to be in the Middle East that day with Secretary of State Christopher and we flew to Dhahran about -- got there three or four hours after the attack and I'll never forget it. We lost 33 men. We had 240 people wounded in the hospital. They blew apart the residence building that they were in. That was sponsored by Iran.

So when we talk about moderates, so-called moderates in Iran, they support terrorism against us. They support terrorism against the moderate Palestinians, against Israel, and against the democratically elected Government of Lebanon. So, so-called moderates; you can imagine what the right wing looks like on that political spectrum. So I think that's -- when we talk about moderates, we're not talking about people that we have shared norms and values with.

But it's not a monolithic political structure. I mean, Iran is an amazingly complex place, politically and intellectually, and there's a broad array of views in that society and government and we think the government is characterized by a lot of infighting right now. And unfortunately, we're not dealing with a potential negotiating partner that can make a lot of rapid decisions. Because they have so many different power centers, everything has to be worked out by a consensus. So that's my comment about the moderates.

**QUESTION:** Do we see -- from the United States Government's perspective, do we see this as -- as the seeds of an internal regime change and is it -- is the moderate faction to that point where the pragmatism or whatever else might drive change?

UNDER SECRETARY BURNS: You know, regime change is a loaded word.

QUESTION: Okay, well (inaudible) --

**UNDER SECRETARY BURNS:** Okay, two words in Washington, so I'm going to be careful what I say. Our policy -- I would say I believe our policy is to see a change in the actions and the behavior of the Iranian Government. I have not described our policy as trying to replace that government nor overthrow it.

QUESTION: No, I didn't mean it in that sense.

UNDER SECRETARY BURNS: It's to see a change in their actions and behavior.

**QUESTION:** No, I didn't mean it in that sense. I meant it in the sense that the internal pressures would create -- whether it's pragmatic or what, but you're turning the vice on a number of levels.

**UNDER SECRETARY BURNS:** Right.

QUESTION: So the question is, does --

**UNDER SECRETARY BURNS:** Will it work?

QUESTION: Will it work to relieve pressure? And if so, where's the relief?

**UNDER SECRETARY BURNS:** Right. No, you're right. That's the key question. Is this policy going to work? We think it has a chance of working. They -- there's no question that the central figure in Iran is Ali Khamenei, the Supreme Leader, and he is more important and more powerful than Ahmadi-Nejad. And he seems to be a fairly conservative sort who seems to be comfortable with these policies that are so pernicious to our -- to us and to our interests.

It also seems that the radical faction led by Ahmadi-Nejad has made a comeback of sorts over the last couple of years. His election represented that in August of '05. Despite some unhappiness with him over his economic policies, and there were student demonstrations against him which is quite unusual a month-and-a-half ago, and some criticism of him by the Supreme Leader's newspaper, also unusual, his faction is a strong faction, and the IRGC, or the Iranian Ready Revolutionary Guard Corps, they're the people who took the British sailors hostage. They are the people who provided -- who are providing the technology to the Shia militant groups to kill American soldiers. And they're the people who essentially run the nuclear industry and the ballistic missile industry. So that faction has not been put at a disadvantage in the last couple of years; they've been strengthened.

So I guess I'd say that we've seen a rightward shift in Iranian politics. Now, there are other power centers. Ali Akbar Rafsanjani, the former president before Khatami, he heads the Expediency Council, which is a council that oversees the work of the government. He's very powerful and he's a counterpoint to Ahmadi-Nejad. They don't like each other. They're rivals. So there's a lot of infighting among all these groups. And while we see a rightward shift, I think there's some general unhappiness that Ahmadi-Nejad appears to be steering the nuclear issue into a brick wall.

You know, we try to keep giving the Iranians exit doors. And any potential negotiation, you don't actually want to corner your adversary; you want to be able to talk to them. So we keep saying to the Iranians, "Look, there's an out. If you just do this or that, you'll be able to sit down and negotiate with us. We don't want this to lead to military conflict. We want to have a negotiation." But they're not picking up on it yet, which is frustrating to us and makes it difficult. I hope that answers your question.

Yes, sir.

**QUESTION:** I'm Fred Fiske from the *Post Standard* in Syracuse. You mentioned the military solution is not what we want; we want a diplomatic one. From Iran's perspective, wouldn't that be kind of acknowledging the obvious? And in fact, we

don't have the capacity to impose a military solution at this point.

We're tied up and doesn't that strengthen -- together with these five pressure points that you mentioned that we're applying to Iran, doesn't that embolden or doesn't that unite, as you say, the radicals to have this kind of pressure placed on them? And at the same time, isn't Iran a pretty self-sufficient country? I mean, they can survive without foreign credit and without a bank's cooperation and those sorts of things.

**UNDER SECRETARY BURNS:** Yeah, all good, very good considerations. I would say this, that if you ask the President or you ask me to define, in total, our policy, it would be that all options are on the table. We've never taken the military option off the table nor should we as a matter of tactics. But we're focused on diplomacy and we truly want diplomacy to succeed. We don't want a conflict. But we've never taken the military threat off the table. That's important. The Iranians are focused on that. They do fear us.

You know, we have 170,000 troops on one side of their border in Iraq. We've got 27,000 troops on the other side of their border in -- their other border in Afghanistan. They don't feel they're strategically safe right now. And it's also a society, like many others, that runs on conspiracy theories. We're not immune to that ourselves. And when we deployed the two carrier battle groups over the last month, there was a lot of talk inside Iran that we were ready to launch a strike against them, which we're not doing and we have no intention of doing. We have no intention of doing that. So I think it is useful for us tactically, as a matter of statecraft, to have them wonder about what our ultimate intention is and have them understand that we do have the military option, should it ever be necessary. We hope it won't be. We've got our hands full in Iraq. We hope it won't be.

On the issue of self-sufficiency, I would respectfully disagree. Iran is not like North Korea, a country that's willing to live in isolation. It's a country that desperately seeks credit, financial credit, trade. They have links to the Gulf Arab states, especially Dubai financial links. They're very interested in expanding trade with Europe and they see Europe now shutting down the trade spigots through these UN sanctions and the British especially, because of the hostage crisis, the prisoner crisis. The British have now started to shut down economic relations. They fear that.

And the level of frustration with the Iranians is pretty high. The Russians three weeks ago announced they'd stopped the delivery of nuclear fuel to the power plant at Bushare. They stopped work altogether. There was a public announcement by the Russian National Security Council and that really shook the Iranians. The Iranians only -- despite the fact that they're the second greatest holder of oil and gas in the Middle East, they only produce about 40 percent -- excuse me, 60 percent of their gasoline needs. They import 40 percent of their gasoline.

They don't have the refining capacity, so it's a country that's very dependent economically on Europe and the Arab world, and they worry that if they don't play their cards right, that these economic sanctions are going to grow and grow in intensity and hurt them. And that's our leverage over them. That's the leverage that we've got to bring them to the negotiating table, so we're trying to use it.

Yes.

**QUESTION:** Paul Choiniere, *The Day* newspaper, Connecticut. I have a two-part question.

**UNDER SECRETARY BURNS:** What part of Connecticut?

**QUESTION:** New London.

UNDER SECRETARY BURNS: Okay. So that's Red Sox territory. You see I got my tie on?

QUESTION: Well, it's kind of on the dividing line.

**UNDER SECRETARY BURNS:** I'm from Boston. We're duly aware that in all of New England, there's only one state with divided loyalties: It's Connecticut.

**QUESTION:** It is indeed.

**UNDER SECRETARY BURNS:** And you're in the Red Sox Nation half, which is a good thing. Just thought I'd -- (laughter). If you're from west of --

QUESTION: Talking important things now, we're here --

**UNDER SECRETARY BURNS:** Tonight's opening day for the Red Sox, exactly.

**QUESTION:** Two-part question. If I'm Iran, I would feel my negotiation position gets much stronger if I have a nuclear weapon, so it's sort of a Catch-22 situation with that. The second part of the question: What do we see as Iran's long-term strategic plan for Iraq and, you know, what is our plan to deal with that?

**UNDER SECRETARY BURNS:** Yeah, I think you're right. I mean, I imagine -- I'm a little bit humble about our ability to understand the Iranians. It's the most unusual diplomatic relationship we have. We've had nobody there since the day the hostages left on January 20th, 1981, no U.S. military, no U.S. diplomats, very few American journalists -- they kind of can go in and out -- very few members of Congress. So, you know, we're kind of on the outside looking in and we try our best to understand them. And I'd be happy to tell you about what we've tried to do to build up our Iran capacity in the government.

But our best sense is yours; that the Iranians want to acquire the ability to construct a nuclear weapon or to construct one in order to enhance their long-term power prospects in the Middle East. Ahmadi-Nejad says they want to be the most powerful country in the Middle East. They have the capacity to do it in terms of their population, in terms of their economy. It's an extraordinarily gifted country in terms of its people and they've got a great sense of their own history. That's their ambition.

And it's the policy of our government that they shall not have a nuclear weapon. That's a different policy than we hope they don't get one. President Bush has said our policy is to deny them a nuclear weapon. Now, we try to do that through diplomacy. My sense is that there's a great deal of support for them on Capitol Hill among the Democrats as well as the Republicans. I mean, there's a remarkable degree of consensus on Iran, at least right now, which stands in contrast to what's going on in Iraq on the Hill. And so yes, I think you're right. That's what the Iranians are after. They see

Pakistan having built up its international position because it's got nuclear weapons -- India. And they certainly probably look at Israel and say the same thing and so that's what they're after. I agree with that.

In terms of their -- and I think it's in our national interest to deny them that because the consequences of a nuclear-armed Iran in the Middle East, will that lead other countries in the Middle East, Sunni Arab states, to go nuclear in terms of weapons? It might. What would it do to the Israel strategic position when the United States always has to worry about that because we're a friend and protector of Israel? What would it do to our own strategic position in terms of our ability to have our allies produce oil and gas and export it freely and not to have that, you know, be tied up and contained and constrained by what the Iranians do? There are big strategic questions for us as a country in whether or not Iran gets nuclear weapons.

On your second question, it's fascinating to see the degree to which the Iranians try to interact in Iraq. I think we have to understand they're a neighbor, they're going to have influence there, much of the Shia leadership of the country took refuge in Iran during the Saddam years, so there are personal connections and sometimes friendships and political alliances between the Iranian leaders and the Iraqi leaders with whom we deal, so we understand that.

Our position is not Iran should be out of Iraq. Our position is we know they're going to be in Iraq; please be constructive. So don't just have a policy that favors one group, Shia. You should -- you, Iran -- this is our advice to them, you should have an interest in a stable Iraq and it can only be stable if the Sunni and Kurds are included in power-sharing arrangements on the oil and gas and in the government. And then obviously, we tell the Iranians, if you're going to spend most of your time trying to make life difficult for us and if you're going to give terrorist groups the ability to bomb our soldiers, these roadside bombs or armor-piercing bombs, we're going to have to come back at you and disrupt your networks.

And we're not looking for a fight, but we have twice, once in Irbil and once in Iraq, once in late December, once in early January, basically taken down two Iranian networks. We haven't killed anybody, but we've arrested them; we released the first group, we're holding the second group because we don't want them just to go back to the streets and start doing the same thing they were doing, which is going after our soldiers. So that's an important message for the Iranians, we think. We wish they would be more constructive than they currently are.

Yes, sir.

**QUESTION:** Dan Simpson, *Pittsburgh Post-Gazette*. I'd like to go back to your point about the Middle East having become the central focus of our foreign policy. My question is: Is that right? I mean, should that be? I mean, you, as Under Secretary of State for Political Affairs, are responsible for the whole shooting match. But, you know, that means that you put the Middle East ahead of China, Europe, our neighbors in Latin America, et cetera, et cetera, Russia. You know, so is that right and if so, why? Why is it right to be focusing principally on the Middle East?

**UNDER SECRETARY BURNS:** Well, it's a real good question and I'm glad I can explain myself and be a little bit more sophisticated in how I try to explain this. I'm convinced as a career diplomat that we've got to play on all fields. You know, we're a global power. And I'm also personally convinced that it's these transnational issues: climate change, international crime, international terrorism, trafficking of women and children, terrorism and WMD; I think those are going to be the most important challenges we face. So by definition, it goes to your question, we have got to be globally minded. We've got to help rebuild alliances. We've got to rebuild the great multilateral alliances because you

can't win on any of those issues acting alone.

So I think we've got to basically reject unilateralism, reject our 230-year flirtation with isolationism and we've got to be reengaged in the world, you know, rebuild NATO, have a close relationship with the EU, ASEAN -- the organization of American states, the African Union, these are all regional partners that we can work with on any number of issues. So I'm not suggesting that we somehow concentrate 90 percent of our effort in the Middle East. In fact, you know, we're trying right now to surge, if you will, in Latin America. The President's been there. We have all sorts of cabinet officers going. We've got a new strategic relationship with Brazil on biofuels that they just -- President Lula and President Bush just talked about Saturday at Camp David. I think we're more involved in Africa now than we ever have been before since decolonization in the early '60s.

Certainly, as a national security perspective, the development of our relations with Nigeria and South Africa, Kenya, Senegal, Ethiopia is a much more important priority to this Administration than it was to any other in which I've worked, and I go back to 1980 in the U.S. Government. And there's no question, looking ahead, that there's one country that's going to be a dynamic actor with us, positive or negative; it's going to be China. India might be become our most important democratic strategic global partner -- Japan, Australia, I mean you can -- you name it.

**QUESTION:** There's lots.

**UNDER SECRETARY BURNS:** I would make a case for a global foreign policy. But you have to make choices, too. So if you're asking me -- and I made the point so I'll just say -- but you try to make choices, okay, so where does the Secretary of State spend the majority of her time in 2007? It's got to be the Middle East. We're fighting a war in Iraq. We have 170,000 American kids there. We've got this huge challenge from Iran. We've got the interest in trying to resuscitate, if we can do it, the Israeli-Palestinian talks. And we've got this sea of anti-Americanism in the Arab world.

I would say if you had to choose one part of the world where our vital interests were most engaged, it's the Middle East. But that does not mean that China is not important and that Latin America is not important, that Africa's not important. But it does mean that I think, from my personal perspective, we're seeing a great shift away from a Euro-focused American foreign policy towards an American foreign policy focused on the Middle East, South Asia, East Asia, Latin America, Africa, more than just Europe. And it's a happy story because if you -- I kind of -- the way I understand it is, you know, from the day that Woodrow Wilson put a million Americans in the Western front, which was April 2nd, 1917, to the day that President Clinton put 50,000 people into Kosovo in '99, we were a country focused primarily on Europe.

And because Europe is now relatively united, peaceful, stable and democratic, we succeeded with the Europeans in ending four or five hundred years of intra-European wars in which we got involved in the 20th century: World War I, World War II, Cold War, Balkan wars. So it's a great achievement of our foreign policy. It's bipartisan. Every administration can take credit for it going back to Teddy Roosevelt's, Woodrow Wilson's. And it does mean that we are now free to have our European policy be focused on what can we and the Europeans do together in the Middle East, conflict resolution. What can we do together in terms of HIV/AIDS prevention in Africa or treatment, poverty alleviation in Northeast Brazil or in sub-Saharan Africa?

So our European policy is now a function of our global policy. And I see a really dramatic shift over the last -- the course of this last decade and it's a happy one. But it also doesn't mean that history has ended as Frank Fukuyama tried to tell us in 1989. He was working here and he left the policy planning staff to go off and write this book and he came back and

he published it and he was -- celebrated the end of history and got 15 years of rising global tensions.

So it just means, I think, that our strategic focus has to be more India, China, South Africa, Nigeria, Venezuela, Brazil, Argentina, I mentioned Indonesia. I mean, these countries are much more important to us as partners than they were a generation ago because of this shift.

**QUESTION:** And not oil?

**UNDER SECRETARY BURNS:** Yeah, and one just -- a sales point, we've actually -- we shifted nearly 300 foreign service jobs, foreign service positions, diplomatic positions from Europe to these countries over the last two years. I went to Calcutta in June of 2005 and I asked our -- and this is how it started. I asked our consular general, "How many people live in your consular district, which is East Bengal?" He said 300 million people, which is the population of the United States, who live in this one consular district. You know, we've got four consulates in India. I said, "How many people do you have in this consulate who go out and engage them?" He said three.

Then I went to Delhi and it turned out that the size of our political section in Delhi was as big as the size of our political section in Oslo, Norway; a billion people versus 4 million people. So I came back and said to Secretary Rice, "We haven't yet adjusted to the end of the Cold War." And so she led this effort and we've -- and you know, we're a very small service. We have 6,000 diplomats worldwide -- that's it, 6,000 -- and 250 embassies and consulates.

And she shifted nearly 300 of us from Brussels and Berlin and Moscow to Lagos and Pretoria and Jakarta and Delhi and Beijing and Caracas, because our business with those countries is much greater now than it was before and we have relatively less than this overriding focus we had on Europe since the end of the Second World War. It's really kind of interesting how bureaucracies sometimes are slow to adapt, but we're trying to -- amidst the shifts, we're trying to.

Yes.

**QUESTION:** Tom Donlan with *Barron's*. To some extent, that -- the whole preoccupation of the 20th century with Europe could be seen as protecting the good guys from the bad guys; that is, we protected democratic countries from dictatorial fascists and communists. And the question sort of arises, whom are we protecting in our new perception of the Middle East as the most important area for our concern?

**UNDER SECRETARY BURNS:** Yeah, I guess I'd say in a larger sense, we need to think about our foreign engagement differently. It's not so much that we're protecting countries against some identifiable evil country the way it was in the Soviet times. That's how we saw it, I think we were probably right to see it -- or Hitler. I think it's really what Tom Friedman talked about in *Lexus and the Olive Tree*; I think it's a seminal book where he says, "The whole nature of challenges to us is different. It's these transnational problems. It's climate change. It's terrorism and WMD. It's trafficking women."

So you want a strategic relationship with South Africa on HIV/AIDS, on climate change, on conflict resolution in Africa itself, where South Africa is a leader. You want the same kind of relationship with Indonesia, but it's a little bit different. There, you want it against Islamic terrorism as well as against global climate change. And so on and on, I think it's more that since we don't live in a world where we can protect ourselves, the Atlantic and Pacific don't protect us

anymore. Technology has outpaced statecraft. We have got to set up alliances and coalitions and you've got to empower the UN to operate against global challenges of a -- whether it's pandemics, whether it's Avian -- the Avian Flu crises of the future or science, scientific problems like climate change or internal conflicts like regional wars where you need to team up with countries to try to limit them or to send peacekeeping troops or to send money to help refugee populations.

I think the whole structure of how we look at foreign policy has flipped a little bit in that respect. Now I'm not saying that you won't see a 21st century version of Hitler or Stalin emerge. You could. But right now, I see more amorphous challenges that are transnational that I think are at the heart of our foreign engagement. Does that answer your question?

**QUESTION:** My question was a little bit more simplistic. There are people who are friendly to us and there are people who are not friendly to us. There are people who share our values and people who don't share our values. Where are the -- where is the constituency for our kind of values --

**UNDER SECRETARY BURNS:** In the Middle East?

**QUESTION:** -- in the Middle East? That is, how would we ever tell we won because even the people that we support don't like us, would be another way of -- another highly --

**UNDER SECRETARY BURNS:** I wouldn't put it that way. I think in the case of the Middle East, I would say the country that's the focus -- the negative focus is Iran right now and what's the -- so what's the constituency? On our part, it would be the Sunni Arab countries, none of which want to see Iranian power expand further than it already has, and Israel. Israel -- I think if you talk to most Israelis, they see Iran right now as probably the greatest crisis they've -- they see it as an existential crisis to the state of Israel. They see this on the order of -- you know, a lot of Israelis are comparing this to this threat they faced by German -- Nazi Germany in the sense that the avowed position of the president of Iran is to wipe Israel off the map of the world and he's the same guy who's a Holocaust denier.

So I was in Israel in January, went to this Herzliya Conference, this annual security conference. Israelis all across the political spectrum said the same thing, "The biggest crisis we've faced in decades is Iran. They feel it." Now you can be sure that we are very much locked up with the Israelis in letting them know what we're doing because we want to see a diplomatic way forward here. And the Israelis understand that and we tell the Israelis, "Look, we're as engaged as you are. We're as worried as you are. And we're going to be very protective of the state of Israel."

And I think that's the interesting union of Israeli interests and Sunni Arab interests, neither of which want to see an expansion of the power of the Iranian Government. It's Sunni versus Shia in that sense.

Yes.

**QUESTION:** Fran Dauth from the *Star-Ledger* of New Jersey, which is in Yankee territory.

(Laughter.)

**UNDER SECRETARY BURNS:** I'm sorry. You know, usually, we have -- there's a litmus test. We don't allow Yankees fans in this building. (Laughter.) Make an exception.

**QUESTION:** Steve Chapman of the *Chicago Tribune*. You mentioned Khobar Towers. It's my understanding that since Khobar Towers, the Iranians have not been implicated in any direct acts of terrorism against American targets. I mean, leaving aside Iraq for the moment, is that true and if so, how do you account for it?

**UNDER SECRETARY BURNS:** I believe it's true that that was the last major terrorist attack against Americans in which we know for sure the Iranians were involved. Now I can't -- I don't think I -- we know for sure whether the Iranians have been involved in others, but Iraq's a big exception and to put it back on the table again, we know for sure, a hundred percent certainty, that they've been providing the technology, the actual bombs, the EFPs to these Shia militant groups.

We're not alleging that the Iranians are actually firing those armor-piercing projectiles at our troops. We think the Shia are doing that. We have not set -- I'll be very careful not to say that we think that the Supreme Leader and top eschelon have ordered this. We don't know for sure. But we know for a hundred percent sure that they're providing the technology. We told them to stop two years ago and they didn't, so -- you know, they're directly implicated in attacks on our soldiers, in our view.

**QUESTION:** But given that the character and ideology of the regime has not change -- did not change after 1997 until the Iraq war, how do you account for that period in between in which they apparently didn't do anything?

**UNDER SECRETARY BURNS:** Well, I don't give them too much credit for it because they have been the major funders of Hezbollah. Now Hezbollah has gone after Americans. They've been the major -- they created Hezbollah. The IRGC created it back during the -- in the '82 war, the Israeli-Lebanon war. And they've been the major funder now of Hamas, so -- and the Palestinians along with Jihad and the PFLP General Command. So those are the four major terrorist groups, all of which operate against American interests, so I don't give much of a pass.

**QUESTION:** Excuse me, has Hezbollah hit any American targets since the Beirut bombing?

**UNDER SECRETARY BURNS:** Well, Hezbollah is the organization that shoots at all of our -- we don't take account of just our own interests. We're looking at our interests, Israeli interests, Lebanese interests, moderate Palestinians, our friends in that part of the world. And the Iranians pay people and fund terrorist operations against each of them. So I'm not -- I'm kind of avoiding a specific answer because I don't want to mislead you.

I don't -- you know, we have to do some kind of a catalogue of every terrorist attack against Americans in the last 10 years. And I think the -- you know, there are people in the intelligence community who can do that better than I can as to whether or not Iran has not been involved in anything against the United States. So I'm just trying to be cautious and not trying to mislead you, not wishing to mislead you. But I know for sure that the Iranians have been supplying money and arms to all of the principal terrorist groups that hit all of our friends. And so that's of concern to us. But I think you're right that Khobar Towers was the last big attack against the United States directly by Iran. I think you're right about that.

**MODERATOR:** That's it. I think everyone's done.

UNDER SECRETARY BURNS: Okay. Anything we didn't cover? Maybe one last question if anyone's got one. Yes, sir.

**QUESTION:** Jonathan Gurwitz, *San Antonio Express-News*. What -- how does the United States ratchet up the pressure? What are the next steps to deal with an intransigent Iran?

**UNDER SECRETARY BURNS:** On Iraq, it's to try to get them back to this Iraq roundtable that we started a month ago, so to have Iraq, Syria, Iran and some of the other neighbors sit down with the United States and talk about what we can do to end the support to the sectarian groups for violence.

On the nuclear issue, Javier Solana, the EU foreign policy chief, is actively engaging the Iranians now to see if there's a way they can decide to sit down with us and begin a negotiation on the nuclear issue. Those are the two main points ahead. They're both diplomatic. Neither of them involves the U.S. military. Neither of them is pointed towards war with Iraq -- Iran. For what it's worth, I think that we can -- I think we have a shot at avoiding a conflict if we're patient. Diplomacy doesn't play out well unless you give it time.

And it's going to take some time to be patient and see these diplomatic steps play out and not consider that we had to rush into any decision. We have some time. There are various projections for when Iran will become nuclear-capable, but we've got some time to play with before even the most conservative of those kicks in.

QUESTION: A real short follow-up --

**UNDER SECRETARY BURNS:** If Iran does have to import 40 percent of its petroleum and then it claims that it's only trying to develop nuclear power, nuclear capability for its own power, is it just being hopelessly naïve to sort of pretend to take Iran at its word and proceed along that track too? Sort of to say, "Well, we'll help you get power for peaceful uses."

Well, they misled the IAEA -- this is the IAEA saying this, not the U.S. Government -- for 18.5 years on secret nuclear research. They didn't tell the IAEA about it. So in my two years working with the Europeans, Russians, Chinese, Indians on this, I've not met a single representative of any government who believes that the Iranian nuclear program is benign, is for peaceful purposes. I mean, the Russians and Chinese assume it's for a nuclear weapon and it's a big assumption.

We don't believe Iran has that capability now. We're not saying that. But our working assumption internationally is they intend to get it. So what we've done is -- this is President Putin's idea and we've supported it. The U.S., Russia, China, and the Europeans have said, "We'll go build you, Iran, a civil nuclear power system. We'll build it. We'll give you the technology, we'll make the commercial contracts." And the Russians have been leading, saying, "But we won't let you have access to the sensitive parts of the fuel cycle on Iranian territory, enrichment reprocessing. We'll do that offshore, we'll send in the fuel, we'll take back the spent fuel."

This is a Putin proposal which we have supported now for about a year-and-a-half, so it takes away the Iranian argument. Ahmadi-Nejad tells his own people, "The international community wants to deny us the right to civil nuclear power," and it takes away that argument and it's the basis of our offer to negotiate. We're happy to help build them a system, but we won't give them the ability to produce fissile material or nuclear warheads, obviously. That's what we're going to deny them, we hope.

Thank you very much. Best of luck.





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