

FDD's National Security Summit

*Conversation between National Security Advisor Lt. Gen. H.R. McMaster and FDD CEO Mark Dubowitz*

JUAN ZARATE: Good afternoon.

Please be seated.

Welcome back to the afternoon session of FDD's National Security Forum.

My name is Juan Zarate, I'm the chairman of FDD's Center on Sanctions and Illicit Finance—if you were here this morning, I was privileged to be able to sit down with Director Pompeo, for what I thought was a really interesting conversation. I hope you did, as well.

Bear in mind that we are not just the people in this room—great, good looking crowd, by the way. But we're being live-streamed, so we need to be on our best behavior.

I have the distinct honor and privilege of introducing this afternoon session. And first of all, kudos to FDD and Cliff May, and the whole team, for assembling this discussion with two of the most important, if not the most important, figures in national security.

Certainly, with now the National Security Adviser, H.R. McMaster, with us this afternoon. So, a real honor and privilege, I think, for all of us to have General McMaster with us today.

I've been asked to introduce General McMaster, as well as Mark Dubowitz, who will conduct the interview. Mark Dubowitz, as you know, is the CEO of the Foundation for Defense and Democracies, one of the great minds in a—in the world of national security and, in particular, on Iran policy, the use of sanctions, the use of financial pressure and power in our national security. No doubt, he's going to do a great job with the interview.

But, let me introduce General McMaster, for those of you who don't know him. He, of course, is the 26th assistant to the president for National Security Affairs. He is the president's National Security Advisor.

General McMaster has led a life of service to this country in the Army, and in the military, graduating from West Point in 1984, taking command of various units and commands in Iraq, Afghanistan, in the United States on behalf of the Army and the U.S. military.

General McMaster is one of the great warrior scholars of our day. And I think it's a great privilege that he sits where he does, next to the Oval Office and at the side of the president.

As you know, he's the author of the "Dereliction of Duty", which is one of the great studies on military-political relations during the Johnson period. He holds a PhD in military history and is, again, one of the great scholars of national security.

Finally, just a point of privilege, I noted my relationship with Director Pompeo earlier today, I have a personal relationship with General McMaster. I've been privileged to know him his entire career.

And this is not just a great public servant, not just a great patriot, not just an incredible warrior scholar, but he's a great man. He's a great father, great husband and I've been privileged to call him a great friend.

And so, I think all of us as Americans, regardless of where you are politically, regardless of where you stand on national security issues, should be incredibly proud that we have somebody of H.R.'s caliber and character in the position of National Security Adviser, especially at a time of so many challenges.

So with that, allow me to introduce Lieutenant General H.R. McMaster, our National Security Advisor, and Mark Dubowitz for the afternoon discussion.

Thank you.

(APPLAUSE)

MCMASTER: OK, thank you, Juan, for that all-too-kind introduction. I'm a huge admirer of Juan's as well, and the groundbreaking work he did on countering threat and terrorist financing. And he's been a friend, mentor, example for me for, as he's mentioned, across my entire professional life. And it's just a real privilege to be here alongside him. I heard he said that he loves Mike Pompeo. I may be a little bit jealous, you know.

(LAUGHTER)

MCMASTER: I love Juan Zarate more. I love him more. I love Mark Dubowitz, and I love FDD, you know. And just, it is a real privilege to be with all of you, and I want to thank the Foundation for Defense of Democracies for hosting this event, and giving me the opportunity to be part of this discussion, and also, to say just a few words upfront about one of the president's

most recent decisions, which is to approve a comprehensive strategy for the problem set associated with Iran.

And I want to thank FDD for the work it's done over the years on so many critical issues, including the early work on the threat posed by radical Islamist ideology, and more recently, the threat from adversaries who use the Internet to wage economic warfare against the United States. We have drawn heavily on the scholarship and analysis of FDD, and other think tanks and academic institutions as well as we developed integrated strategies over the past months.

Of course, there's no shortage of topics to discuss, and I look forward to the discussion with Mark on a broad range of topics. But I thought I'd outline a few of them in general terms, and then talk about the Iran strategy.

First, we face the challenge of revisionist powers who are subverting the post-World War II Cold War—post-Cold War political, economic and security order that the United States helped to create and lead; an order that has prevented great power conflict for over 70 years, and expanded a free and prosperous community of democratic states.

Second, we face a challenge from rogue regimes; rogue regimes that flout international norms, pursue weapons of mass destruction, and export terror to extend their influence, and extort concessions from responsible nations.

Third, we face barbaric non-state actors who perpetuate ignorance, foment hatred, and use that hatred as justification for mass murder and unspeakable brutality against innocents. And they do this under a cloak of an irreligious, wicked ideology.

These disparate actors often appear on the same battlegrounds. They often operate in parallel, but at times, they cooperate when their interests align. For example, Russia and Iran aid, abet, and sustain the murderous Assad regime in Syria. That axis perpetuates a sectarian civil war that strengthens Islamist terrorists, who portray themselves as patrons and protectors of parties in that conflict.

Iran, in turn, uses that same conflict, and conflicts in Iraq and Yemen to pursue hegemonic aims, and threaten Israel and Saudi Arabia and others with their terrorist and militia proxies.

Yet, as urgent threats like these to U.S. and international security have increased, our strategic competency has actually diminished. I think we've been prone, in recent years, to what we might describe as an almost narcissistic approach to national security. Strategies are frequently based on what we would prefer, rather than what the situation demands. In recent

years, we have allowed incomplete plans, disconnected from the problems they were meant to address, to masquerade as strategies.

So what complex challenges, like the three I just highlighted briefly, to national security, and complex challenges like those that are manifest in Syria, demand, are real, integrated strategies to direct the purposeful employment of all instruments of power?

So as we establish first-order principles for President Trump's national security strategy, the importance of using every element of national power—diplomatic, informational, military, economic, law enforcement, intelligence—in an integrated way is at the top of that list.

The president's new strategy toward Iran is a good example. Instead of focusing almost exclusively on JCPOA, the new strategy—or the Iran Nuclear Deal—the new strategy considers the full range of Iran's destabilizing behavior and malign activities, including its material and financial support for terrorism and extremism; its complicity in the Assad regime's atrocities against the Syrian people; its unrelenting hostility to Israel; its repeated threats to freedom of navigation, especially strategically, in the Persian Gulf; its cyberattacks against the U.S., Israel, and America's allies and partners in the Gulf; its grievous human rights abuses; and its arbitrary detention of foreigners, including U.S. citizens, on specious and false grounds.

As the president made clear in his speech on October 13, our strategy integrates all elements of national power, and is oriented on neutralizing the government of Iran's destabilizing influence, and constraining its aggression, particularly its support for terrorism and militants.

Second, revitalizing our traditional alliances and regional partnerships as bulwarks against Iranian subversion, and to restore a more stable balance of power in the region, and this is an area where the president's leadership has paid off tremendously, as you've seen, with the growing together, the—of a mutual understanding, much closer relationships and common understanding of problems and common action with our traditional allies and partners in the region.

They are denying the Iranian regime, and especially the Islamic Revolutionary Guards Corps funding towards malign activities—this is where Juan's work is extremely important—and opposing IRGC activities that extort the wealth of the Iranian people; and countering threats to the United States and our allies from ballistic missiles, and other asymmetric weapons.

What we must do is we must rally the international community to condemn the IRGC's gross violations of human rights, and its unjust detention of American citizens and other foreigners. And last, we must deny Iran all paths to a nuclear weapon.

So this is the strategic direction that the president has given us. Our next challenge is to execute, and as I mentioned, rally all of our friends to the cause. As the Secretary of State said at the CSIS yesterday, states that use terror as an instrument of policy will only see their international reputation and standing diminish.

It is the obligation, not choice of every civilized nation to combat the scourge of terrorism. So as we develop the strategy, we began work wherever we could with our partners and allies. Now we're mobilizing every element of national power and efforts of our key partners to achieve our objectives.

Where new resources or authorities are required, we will seek them. Where organizations must be reconfigured and retooled, we will change them. And we will proceed to work hard hand in hand with our allies and partners and with members of Congress to defend America and advance our vital interests.

But we need your help. We need FDD's help and we need the help of all of you here. We need organizations like FDD to continue their scholarship on the threats that we face. And we need our media, our press, investigative reporters to look hard at countries like Iran and North Korea, and help inform the world about how these road regimes skirt sanctions, flout international norms, brutalize their own people and manage their neighbors.

With the knowledge that you and others help bring to light about these threats, America can act with confidence.

That confidence comes not only from knowledge of threats, but as we all know, it comes from knowledge of who we are as a nation. What we stand for, what we value. That confidence is essential to generating the will and the commitment to prevail in the competitions we face.

And is part of regaining that strategic competence. Thank you, and I really look forward to the conversation, Mark. Thanks, everybody.

(APPLAUSE)

DUBOWITZ: Thanks. Thanks, that's great. So first of all General McMaster, thank you. Thank you for being here. Your time is precious. Thank you for your service to our nation, and thank you for bringing an understanding of the nature and gravity of the Iranian threat.

I want to start with just a more broader topic of just how you develop integrative national strategies and what they mean to you.

I think you've given us some insight in your speech. But when you came in as National Security Advisor with a mandate to develop these strategies, tell us a little bit about your vision of integrative strategies, and in particular with respect to the Iran strategy.

MCMASTER: So we began with the president's guidance. Who said hey this White House, and by extension the National Security Council has become very tactical. And we are very much involved in areas of responsibility and actions and programs, initiatives that ought to be within the purview of the departments and agencies.

So he asked us decentralize where we can. And support the departments and agencies in executing our policies. But think. Think clearly about the problems and opportunities we face as a nation.

His guidance was also based in—I think all of our understanding that the balance has shifted against the United States in recent years and decades. And we have to understand how to compete more effectively.

Compete more effectively to advance and protect U.S. interests and to shift the balance back in favor of the United States in some of these critical competitions. And so to do that we have initiated and are well along in an effort to develop integrated strategies for our—what we're calling national security challenges.

First order challenges that are relevant to protecting and advancing American interests. Which we define as really four fundamental interests. First is to protect the American people and protect the American homeland. Second is to advance American prosperity. Third is to achieve peace through strength.

And the fourth is to advance American influence. And I would say the president's made great progress on all four of these, we can talk more about that if you'd like. But then we use these vital interests as the lens through which we view these national security challenges.

And then we craft overarching goals and objectives based on how these challenges relate to the American people. This is really foundational to an American first foreign policy and national security strategy. And what we do then is involve the president's national security cabinet in the framing of these problems.

In describing the situation, understanding how it's relevant to our vital interests, laying out overarching goals and objectives and then giving guidance from their perspective at the heads of their departments and agencies about how, how we can begin to get after this challenge.

In a way that advances and protects our interests, overcomes obstacles to progress, and seizes on opportunities. And that guidance then goes to departments and agencies who refine this guidance into an integrated strategy.

So you've seen this on North Korea, on south Asia, on—in the Iran strategy, on the Cuba—the president's Cuba strategy. So we could go on. So these are well developed, many of them are implementing now, have been in implementation for a while. And others are still in development.

But with that guidance from the National Security Council, the president's Cabinet up front, it allows those departments and agencies to begin executing and coordinating their efforts.

DUBOWITZ: Great. So General, let's start talking about one of those major first order challenges that you've described, which is Iran. There's obviously a big announcement on Friday, the president's speech laying out a new, comprehensive strategy.

And it's fair to say that a lot of the discussion has been telescoped down on exactly which condition of INARA is the president refusing to certify on? So I want to take the conversation up to a broader level.

You talk about using all instruments of national power, and I want to go through various theaters of operation where Iran represents a significant threat to the United States and our allies. What are you trying to achieve to begin within Iraq?

MCMASTER: OK, so in Iraq it's easy to say and may be hard to do. So what we would like to see in Iraq is a stable Iraq that is not aligned with Iran. And what we would like to do is continue to assist the Iraqis to do what the president has told us to work with allies and partners to do.

Which is to destroy ISIS and to not permit another group like ISIS, another Takfireen or Salafi jihadist group to come back by doing three fundamental things. Deny them safe havens and support bases, cut off their funding, and defeat the ideology, right?

And eliminate this draw of vulnerable populations into these kind of organizations. And so the fight in Iraq is relevant to that, but it's also relevant to ensuring that Iraq emerges from this horrible period of conflict strong, right?

The United States has a strong interest in a strong Iraq. I would say that others who are operating within Iraq who were subverting Iraq, Iran in particular, are attempting to keep Iraq

perpetually weak and are applying to Iraq what you might call a Hezbollah model where you have a weak government, a government that is deliberately weakened and a government that is reliant on Iran for support while Iran grows malicious and in the illegal arm groups that lie outside of that government's control.

And malicious and terrorist groups that can be turned against that government if that government takes action against Iranian interest.

And so, this is a model you see sadly in the beautiful country of Lebanon, it is a model I think you see in Syria where about 80 percent of those that are fighting on behalf of the brutal and murderous Assad regime or Iranian proxies.

It is a model you see attempted to be applied in Iraq and it's something you can see maybe trying to play out in Yemen as well, they're trying to apply there.

So, it's easy to say, as I mentioned, hard to do. It takes a sophisticated sustained effort but it's a stable Iraq that emerges strong and is not aligned with—of course it's going to have a relationship with its neighbor—but not aligned with Iran.

DUBOWITZ: Now what do you say to the allegation that the president gives a speech on Friday, he is rolling out a comprehensive policy using all instruments of national power to undercut Iranian influence to neutralize their aggression in the region and on Monday Qasem Soleimani, the head of the Iranian Revolution Guard Corps Quds Force, shows up in Kirkuk?

MCMASTER: Yes. So, what you have is in Iraq is a greater level of complexity now associated with the Kurdish referendum and then the actions to follow the Kurdish referendum.

And so what we want to see in Iraq as I mentioned is a strong Iraq emerge and of course part of a strong Iraq is a strong Kurdish region where we have very long-time partners whose partnership we value tremendously, who you know, who bore the brunt of Saddam Hussein's brutality over many years and who we intervene on their behalf as everyone knows after 1991 and they used the safety and security we helped provide that region to build a—phenomenal communities in Sulaymaniyah, and Erbil and in Dohuk.

I mean these are southern European thriving cities when you go to the Kurdish region.

But what we need to do though is we have to work to mediate this conflict in a way that allows our Kurdish friends to enjoy the safety, security, and prosperity they built over so many years and not regress from that. But then also that keeps Iraq on a path to strengthening, right, and to not being aligned with Iran.

And so, this has led to a level of complexity. We did recommend to Mr. Barzani who we have great relationships with, great respect for, that this was not the time you know, as the region is emerging from this horrible trauma of ISIS and the fight against ISIS and the Iranian subversion within Iraq that complicates the heck out of things.

And you know, Turkey's difficult relationship with Kurdish populations and how that's playing out in northeastern Syria.

So, it was not the time to do this we thought.

So, but of course we are where we are now. As you know, Jalal Talabani passed away recently and may God rest his soul and condolences to his family and so part of what's complicating this is a power struggle within—in the PUK and the ability of the Iranians to take advantage of all of this, right.

I mean what does Iran do?

Iran is very good at pitting communities against each other. This is something they share with groups like ISIS, with Al Qaeda you know, they pit communities against each other because they use tribal and ethnic and sectarian conflicts to gain influence by portraying themselves as a patron or protector of one of the parties in the conflict and then they use that invitation to come in and to help to advance their agenda and in Iran's case I think it's a hegemonic design.

And it's based on improving and increasing their ability to threaten Israel, to threaten the United States and Saudi Arabia and so forth.

So, I didn't really give you a definitive easy policy answer to the complicated situation in northern Iraq now but I know that the president's sentiments are with both—with the Kurdish people and with the Iraqi people.

And what he wants to see emerge is a stable Iraq but a stable Iraq that is not aligned with Iran.

DUBOWITZ: And General, the—I mean the president's speech again is—at the core of it and core pillar of it is, 'we're going to neutralize Iran's influence,' so clearly there's been a very successful counter ISIS campaign and your administration seems to have been some great strides made.

But unfortunately, there is a vacuum, there is a power vacuum that the Iranians are filling and have filled both territorially and through using various influence—instruments of Iranian influence so what is the message to the Iranians today with respect to Iraq?

MCMASTER: The message has to be that Iran has to stop using illegal armed groups in Iraq to advance its own interest at the expense of the Iraqi people and at the expense of security, stability, in the region.

If you think about one of the greatest sources of strength for ISIS and groups like ISIS it is again their ability to portray themselves as protectors of, in this case, mainly the Sunni Arab community and one of the drivers of that conflict is Iran.

I mean Iran has perpetuated these conflicts in a way that has created a humanitarian and a political catastrophe across the region mainly in Syria but also in Iraq, the challenges inside of Iraq.

And so, the message has to be that none of us, the Iraqis, the United States, our partners in the region, our European allies can tolerate this degree of subversion and support for terrorist and militia—terrorism and militias.

DUBOWITZ: And to go from Iraq which is you know, a problem from heck, to Syria which is a problem from hell, what are you trying to—what are you trying to achieve in Syria?

MCMASTER: So what has to happen and Secretary Tillerson and everyone's been very clear on this, there has to be a political settlement in Syria that allows for all Syrian people to have a say in the nature of their government.

And the Assad regime rather than moving towards anything like that, it can only perpetuate the conflict.

And so, what can we do?

And what we can do is, we can work with our partners in Syria to defeat ISIS but defeat ISIS in a way that bridges into that long-term political settlement.

Now this is under the Geneva process, what are the prospects for this now?

Well it is pretty dim; you know, it's pretty dim.

But we and our partners are not without considerable leverage in Syria and if you think about really how dire the situation is in Syria think about all the people who have been killed by the combination of ISIS and this brutal regime.

How many have been wounded? How many are displaced external to the country or internal to the country? How much of the infrastructure in the country? About \$200 billion of infrastructure in Syria destroyed.

We should ensure that not a dollar, not a dollar goes to reconstruct anything that is under the control of this brutal regime.

And so, we need to use the leverage we have to incentivize the—a political solution in Syria that protects all Syrian people, that ends this humanitarian crisis, that sets conditions for the return of those who were displaced and allows for a higher degree of security in the region and security that comes from also denying Iran its designs in Syria.

So those who are obstructing any kind of progress towards that kind of a political solution ought to be called out for it and ought to bear responsibility for enabling the Assad regime and I would say Iran and Russia are those who ought to be called out for continuing to perpetuate—for perpetuating this conflict.

DUBOWITZ: So you don't buy into this argument that somehow Russia which as you said has been primarily responsible with Iran for the Assad regime's brutal destruction of that country and the murder of half a million people, that somehow the Russians—as long as the international community helps reconstructs Syria, pours in hundreds of millions of dollars into territories that are under Assad's control, that the Russians can deliver the Iranians?

MCMASTER: Well, I don't know if anybody can deliver the Iranians. I think what the Iranians have to understand that they are going to pay a price, they're going to pay a price in terms of isolation, diplomatic, financial isolation, if they continue on the path that they are on.

In terms of Russia, this is you know, you could imagine this is one of our national security challenges and the president has given us very clear guidance on our relationship with Russia.

He has as you've seen taking a very strong stand in the Middle East and in Ukraine for example, in confronting Russia's destabilizing behavior.

But what he wants us to do as well is to make sure we deter any kind of a conflict with Russia. We don't think this would be in anybody's interest.

But the third area that he told us to focus on is to foster areas of cooperation and of course Secretary Tillerson has had the lead in this area and you see some initial glimmers here with de-escalation zones in Syria, we'll see how they are executed and so forth.

But there are so many areas where the United States and Russia could, could cooperate that are in – that are in our mutual interest.

I mean another easy one, and easy one is on North Korea. While we recognize that China has you know, the vast majority of course of economic power and influence over North Korea, Russia has considerable influence as well and if they were to use that in a way that's consistent with this campaign of maximum pressure, this effort to convince Kim Jong Un and his regime to move towards denuclearization of the Peninsula as really a last chance to avoid severe consequences, Russia could play a productive role there.

I think it's becoming clear to Russia that it's not in its interest to perpetuate this conflict in Ukraine and its imposing cost on Russia, economic cost, credibility cost, and so these are all areas that we could work with Russia on.

And would—and I know the president and the Secretary of State, the whole team would welcome the opportunity to do that.

DUBOWITZ: And General, the president's speech focused pretty intensively on the Revolutionary Guard Corps and one of the takeaways from the actions on Friday was the designation of the Guard Corps in its entirety as a terrorist organization using Treasury authorities—

MCMASTER: Right.

DUBOWITZ: —antiterrorism authorities of the Treasury Department actually used in 2007 to also designate the Quds Force in its entirety so as a beginning predicate of a roll-back strategy against the Guard Corps, what are you trying to achieve with respect to the IRGC and its maligned activities?

MCMASTER: OK, what we have to do is recognize that this is a hostile organization that has victimized, I mean countless people across the greater Middle East and beyond, has planned terrorist attacks here, elsewhere in the Western Hemisphere.

So, what do we have to do?

What we need, we need a strategy along with our allies and partners to cope with the IRGC.

What the IRGC is is that it is a terrorist enabler. It is a network that is involved in a broad range of illicit activities to advance its—the Iranian regime's malign agenda.

And so, what are the elements of the strategy?

Well first of all we have to understand the problem and we have to pull the curtain back. I think one of the most important things that we could do, FDD is doing, others can do this, is to pull the curtain back on what Iran is doing in the region and show it to the world and have them pay a price in terms of their reputation for what they are doing to perpetuate violence.

And then we have to ask some big questions right, we can't just jump in and start doing things. We have to say, "OK, what is the IRGC," and all of us can work on this, understanding what this organization is more broadly.

And then what is its goal?

And expose that, understand its strategy. What is the strategy of the Iranian regime and the IRGC in particular?

We need more work on how it's organized and we're working with our intelligence community on this, to understand obviously nodes in this network and what they do to enable terrorists and militias and criminal activity across the world really. But then to understand relationships between those nodes, within the organization and with outside organizations.

What are their connections to licit businesses, to financial institutions, to those who provide them cover for action, the ability to move freely, to achieve anonymity and work within legitimate state institutions and functions and subvert those institutions for their own designs?

So, it's not just the network itself, but its relationships and then we have to understand relationships of authority and difference in antagonism within and in relation to this network.

And then we have to see flows, flows—and this is where law enforcement could be a huge lever; international law enforcement, U.S. law enforcement, often underutilized as a tool of foreign policy and national security strategy.

Financial tools thanks to Juan and others now are more routine but some of the most overworked and valuable people in our government are in the Treasury Department. They are

doing an amazing job, we need more of them and I mean they're just a great team and we have to learn from what they do in OFAC and apply it more broadly across more departments and agencies.

Justice is getting more involved. You know, the—our Attorney General has established a team, they're using an established team to really reinvigorate the Department of Justice's role in national security.

And so, you—we have to be able to see flows through these networks internationally of people, money, weapons, narcotics right, other illicit goods, illicit fuel and other items that they smuggle and used to enrich themselves.

I mean what the IRGC does, they are a great narcotics trafficking organization that has been able to use the opium and heroin trade coming out of Afghanistan to enrich themselves while they poison the world and to use that money to commit murder, right.

I mean so we have to—we have to take a holistic approach at it, see flows through the networks internationally and then ask questions like, what are their sources of strength and support and what are their weaknesses? And then work hard at isolating them from sources, strength, and support, and attacking weaknesses. And these are physical sources, support, and physical weaknesses.

But there are also psychological and informational and economic and financial sources of support and weaknesses that work into a strategy.

So, we are already doing it.

OK, we are already working on this but we are becoming more agile. We're going to access more and more tools that we have at our disposal within the U.S. government but this is where FDD and others can help, help with our understanding of the problem and what we can do about it and obviously our multinational allies and partners are a huge part of this effort.

DUBOWITZ: So General, I want to sort of pick up on that part of it because the IRGC as you know, control something like 20 percent of the Iranian economy. They are huge influencers in all of the key strategic sectors of Iran's economy that many of our allies are interested in doing business in. What is your message to the international business community that today is looking for opportunities to engage with the Iranian economy?

MCMASTER: Well the message would be, “don’t do business with the IRGC; don’t enrich the IRGC; don’t enable their murderous campaign; don’t enable their threat to our friends in the region and to—especially Israel but also Saudi Arabia and others.”

And so, it’s in everyone’s interest to really work hard on business intelligence to understand who are the beneficial owners of these companies who were you know, opening up checkbooks and do business with in Iran.

And so, what we’ll want to do is take an approach that is analogous to President Trump’s approach to Cuba where he said, he’s, “We’re not going to do business with GAESA.”

We’re not going to do—we’re not going to enrich the Castro regime and allow them to tighten their autocratic grip on the Cuban people and continue to choke them and deny them the freedom and liberty that they deserve.

We will do business with actually legitimate—a legitimate Cuban private sector you know, such as it is and that maybe we can incentivize and emerge in—but we cannot afford to do business with the IRGC.

And because all of us, the world, will pay for it later.

DUBOWITZ: So the IRGC you’ve described as a transnational criminal organization as well as obviously an organization responsible for Iran’s nuclear program, missile program, their malign activities in the region, their human rights abuses.

Let me focus on that last piece of that because that because hasn’t got I think enough attention over the years, from previous administrations or from our allies.

As you know, the Guard Corps is responsible not only for aggression abroad but this really egregious repression at home.

What are you thinking, what’s the administration thinking with respect to human rights issues and—

MCMASTER: Yes.

DUBOWITZ: —internal issues within Iran, help protect the Iranian people—

MCMASTER: Yes.

DUBOWITZ: —from the IRGC and its repression?

MCMASTER: Right. Well I think the President was really clear in his speech, you know, and that one paragraph where the President talked directly to the Iranian people I think ought to be amplified.

As you mentioned, much of the speech was about—it was about a holistic Iran’s strategy and everything focused on you know, again there’s—part of this, maybe this narcissism that we suffer from you know, where we focus on the INARA legislation, our report to each other, you know inside of the United States, when this was a speech about a strategy to really counter this you know, this country and this organization—the IRGC—that’s a threat to everyone.

And so, I think the—what’s to focus on in the speech is, is that talk to the Iranian people who were oppressed by you know, by the IRGC, the Basij. They are also oppressed by these Bonyads. I mean that – these are essentially criminalized patronage networks that suck the resources out of the Iranian economy to enrich themselves and to keep the Supreme Leader’s autocratic grip on power.

And so, the more that this can be exposed internationally, but also to the Iranian people. I mean what would be better—what could be better—than an Iranian regime that is no longer fundamentally hostile to everyone, right? Including its own people.

So, the President has great respect for the Iranian people, their rich culture, their heritage, and it was very important to him in the speech to distinguish between the regime and the Iranian people.

DUBOWITZ: And I know my colleague at FDD John Hannah wrote a piece on this on sort of an interesting observation that his UNGA speech, his U.N. General Assembly speech, that there were I think 11 out of the 17 sentences on Iran were actually very much focused on the Iranian people, on human rights issues, on the growing gap between the rulers and the ruled and you know, these speeches as I imagine are—they go through a vigorous process of review and it’s—I assume that it’s not accidental that there were 11 sentences devoted to the Iranian people themselves and the brutal repression—

MCMASTER: Yes.

DUBOWITZ: —that they suffered for decades.

MCMASTER: Well, you know, these are the President’s speeches and you can tell you can hear his voice in all of these.

And if I could just—if you want to look at I think his speeches to understand his foreign policy, he has made some—just really, I think are truly landmark speeches.

One was in Saudi Arabia in front of—in front of 55 or so Muslim majority—leaders of Muslim majority nations, very, very important speech.

Another he made on the same trip, that first overseas trip in Poland, that laid out a vision for the transatlantic relationship and our commitment to that relationship and respect for the need to respect really the ideals that we share in our nation but that we share broadly you know, with Western civilization and really all civilized peoples, what all people aspire to.

His speech on the South Asia strategy, I think is very important to pay attention to.

These are substantive speeches that lay out a clear direction for our foreign policy.

The Iran speech, I'd say is part of this—of this group of speeches that explain to the American people how the President is prioritizing their interests and their security and how we're doing that through a coherent approach to these national security challenges.

DUBOWITZ: And we talked about the Guard Corps again as a transnational criminal organization, the severe threat to our allies, to the Iranian people, to U.S. national security.

What are you trying to achieve with the Hezbollah part of the strategy?

You mentioned the role that Hezbollah is playing in the Iranian almost business model of trying to replicate Hezbollah throughout the region.

What is the Hezbollah strategy?

MCMASTER: Well I mean it's similar to strategies that are against other directed at other networked organizations that are fomenting violence and oppression.

The Hezbollah strategy is similar in a lot of ways in terms of getting visibility on their finances.

We've done this in our government in the past you know, and we need to reinvigorate our efforts there.

There is a big though informational dimension to this as well.

So, as you know, Hezbollah really relies on its legitimacy through its ability to portray itself as an advocate for the disadvantaged Shia Lebanese population but its actions in recent years especially since you know, you say really picking up since 2012 with the onset of the Syrian civil war, has been to act as a proxy for the Iranian's and the IRGC.

So, I think a lot of what can be done about Hezbollah is to expose it for what it is. You know, to write about its behavior, to catalog its behavior, to show what it's doing to its own people, to—in Lebanon but then to the world broadly.

DUBOWITZ: What's interesting on that point, one of our friends Congressman Mike Gallagher from Wisconsin actually has introduced legislation that essentially would target Iran and Hezbollah for using Lebanese civilians as human shields.

I mean as we all know, Hezbollah has been using civilians, putting armaments and heavy weaponry on the hospitals and kindergartens and homes, and this legislation would really shine a spotlight on the fact that Hezbollah is not just working for, you know, disadvantaged Shia in southern Lebanon, if anything it's putting those disadvantaged Shia—

MCMASTER: That's right.

DUBOWITZ: —at risk.

MCMASTER: Absolutely. I mean how could that be? How could that be in the interest of the Lebanese people to have you know, hundreds of thousands maybe, you know, many, many, tens of thousands of rockets and missiles pointed at Israel?

And what do you expect Israel to do under that kind of a threat?

And if they act on the threat, if they use it for blackmail or coercion, if—on behalf of the Iranian's, I mean what you expect Israel, the Israelis to do?

And how is that going to help the Lebanese people?

And not just the Lebanese Shia population in southern Lebanon but the devastating effect it could have on that beautiful country, that has been through so much since the '70s and has emerged in a way that is getting its feet back under it, that it is, you know, it is showing promise for the future.

So, this is what Iran does right? It's—it denies people their dreams and aspirations and enmeshes people in these cycles of violence.

And why this is important is because when you see the kind of violence, the heartbreaking humanitarian catastrophe in Syria and Iraq and elsewhere, what you see is that violence creates conditions where nobody is really being educated, right?

Where are the children? They're not going to schools. It's heartbreaking. They are just—they are in refugee camps and we are providing a lot of this since obviously we and partners.

I mean, gosh, I mean Jordan is doing so much, so much to alleviate this; Lebanon is as well; others in the region; Turkey has borne the brunt of a lot of this.

And so we have to do everything we can to support those who are providing relief in this catastrophe.

But what Iran relies on and what groups like ISIS, these attack-fearing groups, rely on is, they rely on ignorance. Because you need a certain degree of ignorance to foment hatred. And then use that hatred to perpetuate violence against innocent people.

And that, in turn, creates conditions where no one's being educated and communities are pitted against each other and they're vulnerable to the demagoguery of these people.

So it's, fundamentally, we have to work to break that cycle. And those who are perpetuating that cycle, at the top of that list are, you know, groups like ISIS, al Qaeda and its affiliates, and then, right with them, is IRGC. Hezbollah.

DUBOWITZ: So General McMaster, a real direct question. I mean, so what is wrong the Iran nuclear deal?

MCMASTER: OK.

(LAUGHTER)

Well, should I—I've got—I, you know, I brought a card with me, of some of the president's top quotes about the Iran nuclear deal. Which I—

(LAUGHTER)

—use to refresh my memory. But you might—instead of saying, "Iran nuclear deal," just say, "worst deal ever." Right? So one of our European allies, I was talking with him today, actually. And they were getting sort of tongue-tied around the full wording of JCPOA. I said, "Hey, just say, 'worst deal ever.'"

(LAUGHTER)

And so, I mean, there are fundamental flaws with it. I mean, part of it was the payment up-front. And so some people said, "Hey, you know, it's—they got all the money up-front. They get all the money up-front. This is a gift that gives over time, right?"

And so if you—if Iran was pumping what, one billion—I mean, no, million barrels a day. Now it's, like, getting up close to 2.5 million barrels a day. What are they doing with that money? You know, what is—what are they doing with their defense budget? What are they doing to foment violence across the region and beyond, with that money? With their missile program.

So it's the benefit that went to the regime that was out of proportion to the benefit to the international community. What is—what has Iran done since then, right? This is what the president calls "the spirit of the deal," right? They are not acting within the spirit of the deal.

And then other fundamental flaws are what lay outside the deal. That behavior of the IRGC but also the missile program, which is continuing unabated, right? Now, the—and also the anemic capacity to be able to verify compliance with the deal. And so look at the regime's behavior since 1979, right? Are you going to bet the farm on their goodwill and that they're going to adhere to an agreement?

And so the noise that they've been making about, "Oh, you can't come to military sites." There's nothing in the deal about that. So, Section T has to be implemented in terms of monitoring of the JCPOA.

And then, of course, there's the fundamental flaw of the sunset clause, right? So Iran continues to advance its technological understanding of how to develop a nuclear weapon, how to develop its nuclear technology, and use this deal as just—as cover for, then, announcing a threshold capability or doing a mad dash to a nuclear capability.

So, I mean, I could go on. I mean, but these are just some of the problems with the deal. And what the president decided is, is that the, though, is that the best approach, now, recognizing all these flaws—he get—how can he certify to Congress, right? Under the proportionality clause of INARA that this is in our interest, he can't do that.

And so what he would like Congress to do is, instead of having legislation that has us reporting to each other, let's have some legislation that can address some of these flaws. That can, at least from a unilateral perspective, lay out a marker on where we think this should evolve. And then work with our allies and partners to rigorously enforce, get IAEA capacity up, enforce this thing. But hold Iran accountable for its behavior that lies outside the deal.

And so there's been a lot of misunderstandings, and you've seen that the president decertified their compliance. That wasn't what it was. It was that—it is—what the relief that Iran has gotten, and the way that this is being implemented, is not proportional. Is not proportional to what we've—what we achieve, in terms of greater security, from this horrible regime.

So, yeah. I'm sorry, I know we're almost out of time and I want to give back to you, Mark.

But it is a fundamentally flawed deal that the president has decided to do his best to try to rectify in the interest of the security of the American people. And to work with allies and partners who now should see this as an opportunity, now—and they do—as an opportunity to work together on the broad range of Iran's destabilizing behavior, to address the flaws in this deal while we work on rigorous monitoring and enforcement.

DUBOWITZ: OK. So it's a pressure strategy, decertify and then an opportunity to fix the deal, to strengthen the deal—

MCMASTER: Right.

DUBOWITZ: —to work with allies in Congress to actually figure out a way forward. But the president was pretty clear in his speech and he actually doubled down on this to a reporter afterwards. He made it pretty clear that—I wouldn't say, "pretty clear"—he made it very clear that if that were not to happen, if Congress were not able to fix the deal, if the Europeans were not able to help fix the deal, that he would terminate the deal.

MCMASTER: Absolutely. I mean, the president, I think, everybody gets a pretty clear message from him. That he's not going to do anything that is not in the interest of the American people. And so, so he will always prioritize what is in the interest of the safety, security, prosperity of the American people. And that's what he'll base his decision on.

DUBOWITZ: And you're confident that our allies, particularly our European allies, will come along with this strategy of pressure and fix?

MCMASTER: I think they already are coming along. So I think if you see some of the actions of our European partners to—and Canada and others, to improve the capacity of the IAEA. To make clear, we're not going to listen to this Iranian bluster about, you can't do this, you can't do that, heck, yes, we can do that. And that's what we're going to do to enforce the agreement."

You have seen more and more of our allies and partners joining us on sanctions against Iran's destabilizing behavior. Our Treasury Department, now, and our State Department, are working with allies and partners as part of the implementation of the congressional legislation that gives—now, that gives the president and Treasury more authorities to sanction Iran's behavior.

So we absolutely see a willingness to work with us on this. And, you know, what we owe back to the president is a report. A report on how well we're doing. And what we owe the president is options, right? We—what we've done with the National Security Council is, we've worked together to present options to the president.

And then once he makes a decision, we assist in implementation across all department and agencies. They do the implementation. And then we report back how we're doing, and what options are to revise that strategy.

So none of these strategies are, you know, signed off by the president and then filed away forever, they're living documents that we are continually assessing.

DUBOWITZ: Great. General, thank you very much. I mean, a great analysis and assessment of the integrative strategy on Iran. I think we've got some questions.

Is that Courtney Kube from *NBC*?

KUBE: Thank you very much, General. Courtney Kube from *NBC News*. I'm hoping you might jump to a different continent and talk about Niger. I know that the attack there is still under investigation, but can you just fill us in on what you know about what happened that day?

With your extensive military background, do you look at something like that and think was there an intelligence failure that led to this terrible ambush? Do you know anything about why Sergeant Johnson might have been left behind?

And then in your new role now in the White House, what happens when one of—an operation like this is underway? Does that come to your desk? Does it go to the President's desk in advance for approval? Thanks.

MCMASTER: So I—of course I've got to defer to the Department of Defense. And they will be able to give you authoritative, definitive answers to all these questions. And when something like this happens, obviously the report does come to us.

And as we say in the military, I mean—you know the first report is always wrong, right? So there's a period of time where there's always ambiguity, you know, back here in Washington as to what's going on literally halfway around the world.

You know, so on the mission there, is—it is a mission will be—the Defense Department will describe what the mission circumstances were of that action and of the deaths of those soldiers.

And all that will come out. What happens in every one of these instances, anything that happens like this is there is a full investigation. And the investigation really has a couple of aims, right? One is to inform the American people, inform the Congress. Inform across our government as to what really happened. They have a high degree of clarity and common understanding. And you know it might seem like this has been a long time, but that—it really was not that long ago.

And this investigation is underway to provide that kind of definitive answer. Answers that are provided oftentimes short of that full investigation turn out, in retrospect, to have been inaccurate. It just causes more confusion.

Certainly an all important audience for that is—are the families, who will get fully briefed once we know, once we know what really happened. But the second purpose is to ensure that we get better, right?

We learn from every experience, and we challenge all assumptions under which we might have been operating on a mission.

And that we improve our ability to operate effectively and we improve our ability to reduce risk to our incredibly courageous, you know soldiers, sailors, airmen and Marines who are involved in these missions.

But of course as everybody knows, I mean there's no combat mission, there's no enabling mission operating by, with, and through indigenous forces that is risk free, right? And so there will be more on that.

I'm not the person to give you those answers, but those are the right questions to ask. And I know the Department of Defense will answer those as soon as they can do it confidently and properly.

KUBE: When you say it comes to your desk, do you mean in advance though for approval, or do you mean afterwards as sort of after you actually get a report on it?

MCMASTER: No, so all of—all of operations that are conducted are conducted based on approved policies, right? And approved authorities. And those are, as I mentioned under constant revision.

Situations don't remain the same, right? I mean so it's—in any of these, not in Niger in particular, but in any operation in particular, once you begin an operation, you interact with a complex environment and you interact with enemies and adversaries.

And no progress in any of these missions is linear, right? From hey, we're going to plan this and we're going to get to this objective.

And so enemy actions, countermeasures, initiatives all play into it. And so all of these in broadly the efforts to defeat transnational terrorist organizations that threaten us and our allies and American citizens abroad, those are under constant review.

DUBOWITZ: So, Nancy?

MCMASTER: Hi Nancy.

YOUSSEF: Hi General. I wanted to talk to you about—

DUBOWITZ: Nancy, do you just want to introduce yourself?

YOUSSEF: Oh I'm sorry, Nancy Youssef with *The Wall Street Journal*.

MCMASTER: I know her.

(LAUGHTER)

YOUSSEF: I wanted to ask you about a comment that John McCain made this week that he had an easier time getting information from Ash Carter and the Democratic administration on things like Afghanistan and the situation in Niger that he has from Secretary Mattis and this administration.

I was wondering if you could speak to that in terms of how you see communication between the staffs and the White House, and are there areas where you think there needs to be improvement?

MCMASTER: Sure, it hurt my feelings.

(LAUGHTER)

MCMASTER: You know I love and respect Senator McCain. And so we, I think from the NSC perspective have done quite a bit in consultation with the staffs and members of Congress.

I mentioned the process that we undertake, that we reframe problems. What that has allowed us to do is be a lot, a lot, a lot more collaborative. And to use expertise that exists really in places like FDD, in think tanks, in academia, but on the Hill.

Because so many of these Hill staffs are so knowledgeable. We bring them in very early in the framing effort and in the development of strategies. And if Senator McCain says we need to do a better job communicating with him from our departments, from the NSC, we're going to do it.

I mean, we'll do it. This is something—this is a problem we can solve.

DUBOWITZ: Great. So maybe one more question. Connor?

FINNEGAN: Connor Finnegan with *ABC News*, thank you for doing this, as well. I wanted to ask about North Korea. They've now said that they won't negotiate until they perfect their nuclear capability. And as Director Pompeo said, that could be a number of months.

We know that sanctions take time to really have an effect. So are you out of time? Are you running out of time to really deal with this issue until it gets too late? Thank you.

MCMASTER: Well it's a great question. And you know the answer is we're not out of time, but we're running out of time. We are running out of time. So this is a problem set that we have to take on with a great sense of urgency.

The president's been extremely clear on his perspective on North Korea. He is not going to accept this regime threatening the United States with a nuclear weapon. He won't accept it. So there are those who have said well what about accept and deter?

Well accept and deter is unacceptable. And so this puts us in a situation where we are in a race to resolve this short of military action. Everybody knows it. I mean we all know it across the departments and agencies. Our allies and partners know it, China knows it, Russia knows it.

And so what we need to achieve now is really an unprecedented level of international cooperation. I think the prospects for that are pretty good for that level of cooperation because of the President's leadership. I mean he—at his first meeting with President Xi, as he said, they established a very good relationship.

But that was a very substantive meeting. And there were three really fundamental outcomes of that meeting that were—that we've been building on since then. The first is that this is a recognition that the problem of North Korea armed with nuclear weapons is not an issue between the United States and North Korea.

It's an issue between North Korea and the world. Remember the old Chinese talking points, before President Xi, were, hey, this is really an issue between, you know, you and North Korea, sort it out. So, that's a big change, a really big change.

The second thing, that was significant out of this, is that it was clear that the only acceptable objective is denuclearization. The only acceptable objective is denuclearization.

So, this is a rejection, again, of really what we used to hear a lot, right? From China and others, you know, the suspension for suspension, or freeze for freeze, and what we recognize – it's because, as you eluded to in your question, we're running out of time.

So, we can't take the same failed approach in the past, of entering into long, drawn-out negotiations, without any prospect for initial steps, at least, toward denuclearization. Long, drawn-out negotiations during which North Korea continues to advance its missile program, and its nuclear program.

Long, drawn-out negotiations that then deliver a weak agreement, and then North Korea, then, immediately breaks that agreement. And that agreement, what does it do? It locks in the status quo as the new normal.

We can't afford it anymore. As Ambassador Haley said, you know, "we've been kicking this can down the road and we're out of road." So, that was the second big thing that came out of it.

And the third big result of Mar-a-Lago, that we've been following up on is a recognition that China does have a great deal of coercive power over North Korea. I mean, 90 percent of the trade, right? The ability to straggle the regime.

Which, you know, might sound unpalatable, right? I mean, in terms of, you know, threats of instability there, refuge, so forth, but you know what's worse, right? What's worse: that or war? And so, so I think that we have opportunities that's the president's created with a clear policy, with a relationship with not just China—focused on China a little bit here, to show the shift in thinking where opportunities exist to implement the strategy.

But relationships internationally, what you've seen is really great work by the State Department in, in engaging countries around the world to say, "Hey look, it's time for everybody to do more."

And what you're seeing is countries cutting off diplomatic relations, kicking out ambassadors and embassy staff, shutting down a lot of these, you know, guest workers, which are really a slave laborer or indentured servitude by North Korean laborers outside of the country.

Cutting down on a lot of the illicit activities associated with the regime that gives it the hard currency that it needs. More rigorous enforcement of sanctions, right? So there's a lot.

I mean, some of our Southeast Asian partners have done really great work, here. Some of our partners in Africa, certainly in Europe.

So, if you're Kim Jong Un, you should see a much different prospective when you look out from Pyongyang, and a recognition that if you think that this weapon's going to make you secure, it's having the opposite effect. It's making you less secure and it's time for you to take a different tact.

DUBOWITZ: So, General, I mean what we've heard from you, today, is North Korea is close to a lethal end state. The Iranians are on a patient pathway to a lethal end state and the administration is developing integrative strategies to try and respond to both those end states before it's too late. Is that fair to say?

MCMMASTER: I mean, you know, is it cocktail hour?

(LAUGHTER)

No, because I have to say, you know, that sounds pretty depressing. But these are opportunities, right?

(LAUGHTER)

These are opportunities—

(LAUGHTER)

—these are opportunities to—

DUBOWITZ: That was a segue to cocktail hour, actually, it was—

(LAUGHTER)

—free drinks in the bar.

MCMASTER: This is an opportunity, obviously, to take a clear-eye view of things, okay? So, if you think about it, what was the previous strategy on North Korea?

It was just kick the can down the road, right? I mean, hope it doesn't—hope this threat doesn't emerge. Well that—that's not a strategy. That's a fantasy, right?

What was the Iran strategy? The Iran strategy was JCPOA, right? I mean, that was it. That was the strategy. And the myopic pursuit of that enabled Iran in its designs across the region.

So I think we shouldn't be—we should be happy, right? We should be happy for the president's leadership and the fact that he has directed the national security team to work across our government with allies and partners to develop strategies that are not based in wishful thinking; that are based in reality and that will deliver improved safety and security and prosperity for the American people.

DUBOWITZ: General McMaster, thank you very much. I want to invite my colleague John Hannah to come up and give some closing remarks. John has served in three administrations, the highest levels of national security.

We just need to provide a short summary of what we've heard today. But before he does, I just wanted to thank you for your service. Thank you for the opportunity to get to know you, and provide whatever technical analysis and research we can to be helpful.

And thank you for making the time today to explain the strategy to us and to the American people.

MCMASTER: Thanks, Mark. Appreciate the opportunity.

DUBOWITZ: Thank you so much.

(APPLAUSE)

END