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Europe and Iran Wielding a Small Stick

By Stanley A. Weiss

PARIS— Listening to a senior Iranian diplomat here answer questions about his country's relations with the West, it's no wonder that European governments appear to have lost patience with Tehran.

What about President Mahmoud Ahmadinejad's threats to wipe out Israel? "Brave and courageous," the diplomat tells me.

Iran's controversial nuclear program? "Entirely peaceful."

Europe's tougher stance against the Islamic Republic? "Because of pressure from the Americans and the Jews."

The refusal of European leaders to meet with Ahmadinejad during his first visit to Europe—for a United Nations food summit meeting in Rome—seems to confirm headlines proclaiming continental firmness: "Europe Backs Iran Sanctions." "Bush, Sarkozy United on Iran." "Look Who's Tough on Iran Now."

True, with British and French support the UN Security Council has imposed three rounds of sanctions on Iran for its refusal to stop enriching uranium, which could fuel a nuclear weapon. European exports to Iran are down as governments reduce export credits and banks curtail their ties with Iran.

President George W. Bush is rightly pilloried for refusing to join nuclear talks with Tehran or offering the one carrot (a security guarantee) that might persuade the mullahs to rethink their nuclear calculations. Russia, China and India are blamed for energy mega-deals that help prop up a bankrupt regime. But Europe's latest moves recall Hemingway's warning: "Never confuse movement with action."

Sometime this month, the EU foreign policy chief, Javier Solana, is expected to travel to Tehran with a package of political and economic incentives—largely identical to the ones Iran rejected two years ago. Not included, however, is "the biggest stick of all—the Europeans getting very serious about sanctions," says Robert Gallucci, the former U.S. diplomat and chief negotiator during the 1994 North Korean nuclear crisis.

France's Nicolas Sarkozy says a nuclear Iran is "unacceptable" and has warned French companies against doing business in the Islamic Republic. But those companies have invested tens of billions of dollars in Iran, and the energy giant Total continues to consider a multi-billion-dollar deal to develop Iran's natural gas reserves, the world's second largest.

Germany's Angela Merkel has pledged to "take another look" at trade with Iran. But even as Berlin has cut export credits, some 1,700 German companies sustain a \$5 billion trade relationship with Iran.

Britain's Gordon Brown says Tehran shouldn't doubt "the seriousness of our purpose." Meanwhile, London offers export credits that support more than \$1 billion in annual British-Iranian trade.

With the return of Silvio Berlusconi, Italy wants to join nuclear

talks with Tehran while protecting its \$7 billion trade relationship, which makes Italy Iran's biggest European trading partner.

Though Royal Dutch Shell and Spain's Repsol have reportedly delayed or cancelled natural gas projects in Iran, major energy firms from Italy, Germany and Switzerland forge ahead with lucrative oil and gas ventures, ensuring that the European Union remains Iran's largest trading partner, with some \$22 billion in annual trade.

"Europe's policy is schizophrenic - just enough support for sanctions to stave off U.S. pressure for worse, but not so much as to derail relations or business with Iran," says Lord Charles Powell, a former foreign affairs adviser to Margaret Thatcher. "They give the appearance of action and buy time for possible political changes in Iran and Washington."

Europeans could be forgiven their fears, feeling "trapped" and "held hostage" between Washington and Tehran, as one leading expert on Iran told me. Iran's ambassador to France, Ali Ahani, has warned that Sarkozy's "alignment" with Washington could cause "regrettable" consequences for French companies in Iran. Playing on European economic insecurities—including memories of Russia's cutoff of natural gas to Europe two years ago—Ahmadinejad has warned: "You, Europe, need us more."

Europeans also "fear that the current policy will drive Iran closer to Russia," Bijan Khajepour, a Tehran-based analyst, told me. "The emergence of an OPEC-style gas cartel with Iran and Russia as the leading members will work against European interests."

But Europeans' worst nightmare—even more than a Persian bomb—remains an American or Israeli bombing of Iran's nuclear facilities. As an American visiting Paris, I've been asked repeatedly: "Bush isn't really going to attack Iran, is he?"

Iranian retaliation, including disruption of oil supplies, could further squeeze Europe, already rocked by protests over record fuel prices.

Sarkozy made headlines last year when he spoke of avoiding a "catastrophic alternative: an Iranian bomb or the bombing of Iran." Left unsaid, however, was—if forced to choose between the two—which catastrophe he is prepared to accept.

"Europeans don't relish a nuclear-armed Iran," says Powell. "But in the last resort and despite Sarkozy's rhetoric, most European governments think that living with a nuclear-armed Iran is no worse than a nuclear-armed Pakistan and something we may just have to do."

As Bush considers his next moves on Iran, he should be under no illusion that Europe shares his determination to avert a nuclear Iran—no matter what the cost. Europe's new leaders may speak loudly, but when it comes to Iran, they still carry a small stick—or no stick at all.

The author is founding chairman of Business Executives for National Security, a nonpartisan organization based in Washington. This is a personal comment.