



# Middle East Institute

## Finding the Fulcrum? Euro-Atlantic Relations and Iran

By Dr. John Calabrese

Middle East Institute

July 21, 2004

The United States and the European Union (EU) have long suffered from the same maddening frustration: the inability to induce significant, lasting changes in either the domestic or external aspects of Iranian behavior. Nor, owing to perceptual gaps as well as to differences in priorities and tactics, have Washington and Brussels succeeded in forging a coherent joint strategy for dealing with Iran. In fact, far from serving as an example of Euro-Atlantic solidarity and policy coordination, Iran has been a source of friction within the Atlantic Alliance and to some extent within the European Union as well. The conventional wisdom holds that, were Washington and Brussels ever to join forces, they might accomplish together what each has striven, futilely, to achieve on its own.

The received wisdom is now being put to the test. During the past year, US and EU policies towards Iran have converged to a degree that is unprecedented. This striking development could not have come at a better moment. For one thing, the United States and its European allies, arguably, no longer enjoy the luxury of time. In years past, the risks and costs of waiting for the regime in Tehran to compromise, cave, or crumble, were tolerable. Now, however, the clock is ticking, as with each passing day Iran moves a step closer to acquiring nuclear weapons capability — Iranian denials notwithstanding. For another, the Transatlantic relationship, itself, is badly strained. Habits of cooperation and healing, honed over more than half a century, have so far proven inadequate to mend the rift over Iraq.

Conceivably, this dark cloud might have a silver lining: that US and EU policies toward Iran, given their present trajectories, might be the cause of the next major Euro-American confrontation seems improbable. Moreover, with Washington and Brussels closing ranks on the nuclear issue, that they might bring about a change in *this* aspect of Iranian behavior seems plausible. But how likely? For that matter, how closely aligned, and for how long, are US and EU perspectives and policies on Iran? Further, in the event that combined US/EU pressure on Iran regarding the nuclear issue yields just partial or temporary cooperation by Tehran, what would be the implications?

In an effort to shed light on these questions, I will develop three arguments. First, the EU has made significant progress in building an institutionalized framework for relations with Iran that, in its current form, addresses some of the key concerns voiced by critics of engagement. Second, over the past year, the US and EU approaches to Iran, specifically regarding the nuclear issue, have narrowed appreciably, primarily as a consequence of a European course adjustment. Third, despite this policy convergence, it appears that Washington and Brussels have yet to find the fulcrum — Iran remains immovable.

## I.

The moderate degree of Transatlantic solidarity that had prevailed for the better part of the first decade of the Islamic Republic of Iran began to dissipate with the end of the Iran-Iraq War in 1988 and the death of Ayatollah Khomeini the following year. When, upon taking office in 1993, the Clinton Administration, sought to integrate Iran policy into a broader US strategy for the Persian Gulf by initiating a policy of “dual containment,” the US-EU duel over Iran began in earnest. Since the Clinton foreign policy team had inherited from its predecessors a raft of sanctions instruments, the adoption of dual containment did not immediately change US Iran policy in any material way. But it did send a signal that the new US Administration had no intention of subscribing to the EU approach of engaging Iran. Indeed, just a few months earlier, the European Council had issued the Edinburgh Declaration establishing “critical dialogue” as the official EU policy towards Iran.

The Transatlantic rift over Iran did not occur in a vacuum. Recall that it took place against the backdrop of the collapse of the bipolar structure of international relations, and thus amidst much soul-searching on both sides of the Atlantic as to the reordering of their interests, roles, and responsibilities. Recall also that it took place at an important juncture in the evolution of the European Union: the adoption and coming into force of the Maastricht Treaty, in which the long-held Europeanist aspiration to sketch out an independent security and defense identity was crystallized. And recall that an alignment of national interests — Germany, (the EU member with arguably the most credibility in, and closest contacts with, Tehran), joined by Britain and France — supplied the thrust for, and decisively shaped the content of, the common European approach to Iran.<sup>i</sup>

The launching of critical dialogue represented the general consensus in Europe that Iran was moving in the right direction — towards moderation. The EU dialogue with Iran, which consisted of twice-yearly meetings of the EU Troika with senior Iranian Foreign Ministry officials, operated on the basis of *diffuse linkage*, where further improvements in relations were based on changes in Iranian behavior (neither of which were spelled out, at least not publicly); and *loose coordination*, whereby EU members retained maximum individual latitude to proceed at their own pace to develop a political relationship with Tehran.<sup>ii</sup> Consistent with the overall tenor of European policy, which at the time focused on “soft security” issues (e.g., immigration, drug trafficking, and organized crime), human rights and terrorism topped the EU’s agenda for critical dialogue, while WMD proliferation was a less prominent consideration.

From the US vantage point, critical dialogue was regarded as a process with no real substance — likely to influence Iranian behavior only at the margins, while undercutting the American sanctions effort and giving European firms a competitive edge over their American counterparts. This is the climate in which the United States escalated its effort to isolate Iran. In May 1995, President Clinton issued Executive Order 12959 banning all US trade and investment activities in Iran. In August of the following year, the US Congress enacted the Iran and Libya Sanctions Act (ILSA), which provided for sanctions against foreign companies that assist the development of the Iranian petroleum industry. Both actions were taken in spite of official protests by the European Union. Coupled with Helms-Burton sanctions legislation (dealing with Cuba), ILSA ignited a firestorm of European opposition.<sup>iii</sup>

The rancorous Transatlantic policy dispute over Iran tended to obscure the fact that, early on, there was dissatisfaction with critical dialogue among Europeans as well. Some were unhappy with the process itself, such as the infrequency of contacts with Iran and the fact that the dialogue provided an excessively narrow scope for interaction with Iranians. Others had specific policy differences with Iran. Stemming from the *fatwa* against author Salman Rushdie (which was not officially revoked until September 1998), Britain, for example, did not exchange ambassadors with Iran until mid-

1999. Denmark withdrew from the critical dialogue in August 1996 in protest over lack of progress on the human rights front. Perhaps the most celebrated instance in the souring of European opinion on critical dialogue as a policy instrument was the case of the Mykonos restaurant bombing in Berlin. The April 1997 ruling in the case, in which for the first time the Iranian political leadership was identified as being directly responsible for the murder (five years earlier) of Iranian dissidents, resulted in an unprecedented display of EU solidarity (i.e., the withdrawal of all 15 European ambassadors from Tehran and the suspension of critical dialogue).<sup>iv</sup>

While some Washington insiders and policymakers saw the Berlin verdict as a vindication of the US policy of isolating Iran, it was not generally regarded as such in Europe. The EU was not shamed into embracing a sanctions-centered approach. Meanwhile, at the bilateral level, while German-Iranian relations declined, France became more intensively engaged with Iran, both diplomatically and economically. At the EU level, the Mykonos case prompted a reassessment of policy options regarding Iran, but the question of abandoning the cardinal principle of the European approach to Iran — that engagement is preferable to isolation — was never seriously entertained. In spite of differences amongst themselves over Iran, EU members remained steadfastly committed to keeping the door open to Tehran.

Events in Iran supplied the proponents of engagement with a gift they had not expected. The wide margin of victory that swept President Muhammad Khatami and the reformist faction into office in May 1997 was greeted with surprise and cautious optimism not only in European capitals, but in Washington as well. A month later, in a speech to the National Arab-American Association in Washington, DC, then-Acting US Assistant Secretary of State for Near Eastern Affairs David Welch welcomed the election result as “the sign that Iran will permit democratic expression.” He added that, “the U.S. will continue to work with our allies to bring our approaches to Iran closer together.”<sup>v</sup> At a meeting with EU representatives at the State Department on October 1, 1997, American officials reportedly stressed the need for a “common front.”<sup>vi</sup> But *how* to harmonize the American and European approaches? And, what would such a front actually entail?

The escalation of the sanctions dispute rendered these questions moot. The overriding goal of both the American and the Europeans became averting a Transatlantic trade war over Iran. With *crisis prevention* taking precedence over *policy coordination*, the entire month of October was spent not in hammering out a joint US-EU strategy for dealing with Iran, but in intense negotiations between American officials and EU Trade Commissioner Sir Leon Brittan aimed primarily at a truce in the US-EU sanctions war.<sup>vii</sup> Meanwhile, by the end of 1997, the European side had already begun to swing back toward a conciliatory posture with respect to Iran. The first clear evidence of a partial *rapprochement* was the return of European ambassadors to Tehran in November, though the ban on ministerial visits remained in place for several more months as EU members debated amongst themselves whether, and how, to remodel Iran policy.

In casting for a new framework, EU members sought to address some of the shortcomings of critical dialogue, not least responding to Iranian charges that critical dialogue had been both “offensive” and “unsuccessful.” Foreign Minister Kamal Kharrazi, for example, made clear that an alternative needed to be found to critical dialogue, which, he claimed, had served simply as a vehicle for the Europeans to challenge Iran on specific issues.<sup>viii</sup> How auspicious that, in refashioning Iran policy, the Europeans then, as now, found themselves caught between Washington’s insistence that they apply more pressure and Tehran’s insistence that they apply even less.

In February 1998, citing “constructive leadership” by Iran, the EU announced the resumption of Cabinet-level visits.<sup>ix</sup> The following month, EU Foreign Ministers agreed that the European Union should renew contacts with Iran. Thus began the process of institutionalizing EU-Iran relations.

Here, an important contextual element must be mentioned. The Treaty of Amsterdam, agreed in 1997 and ratified in 1998, gave the European Commission (EC) an enhanced role in EU policy formation. The Commission, which favored engaging Iran, thus became the institutional locomotive of the EU's Iran policy. Yet, it is also important to note that member states remained the ultimate arbiters of how far and how fast the relationship with Iran would evolve. A consensus on this was difficult to obtain. Germany and Great Britain sought to proceed cautiously, while France and Italy pushed for more rapid normalization.<sup>x</sup> Germany and Netherlands insisted that any agreements reached with Tehran be contingent on improvements in the Iranian government's human rights record. Britain supported the Germans and Dutch in this, but insisted on expanding the political coverage to the issues of fighting terror and WMD proliferation. In the course of this debate, the seeds were sown for two significant changes in the EU's Iran policy: (1) the conditioning of expansion of economic ties on progress on the political front and (2) the emergence of WMD proliferation as the top priority on the EU's Iran agenda.

While EU members were grappling with these issues, the European Commission was busy at work developing a framework that could accommodate their various viewpoints and priorities. The framework that eventually took shape has three main components: (1) a "comprehensive dialogue," (2) a human rights dialogue, and (3) negotiations for the conclusion of a Trade and Cooperation Agreement (TCA) and a parallel political agreement. The comprehensive dialogue, the first of these elements to be put into effect, was initiated in 1998. As the name suggests, *comprehensive* dialogue is an augmentation of, not a radical departure from its forerunner. Like critical dialogue, it is envisaged as an opportunity to exchange views, and it consists of biannual meetings by the EU Troika with Iranian senior officials. However, comprehensive dialogue does have two distinguishing features. The first is its expansive coverage, for the dialogue encompasses a broad range of issues at the global (e.g., WMD proliferation and terrorism), regional (e.g., Iraq and the Middle East Peace Process), and bilateral (e.g., drugs and refugees) levels. The second is the creation of EU-Iran technical working groups, tasked with mapping strategies for boosting cooperation in several different sectors: the Working Group on Energy, the Experts Meeting on Drugs, the Experts Meeting on Refugees, and the Working Group on Trade and Investment.

The catalyst for further EU action was the February 2000 *Majlis* elections in Iran, in which reformist candidates aligned with President Khatami won a substantial majority of seats. Partly in response to this encouraging development, but also reacting to the campaign to silence dissent that was initiated by the Iranian judiciary two months later, the EU Council of Ministers (in November 2000) issued a directive to the Commission (EC) to draft proposals for supporting and reinforcing the reform process in Iran. Three months later, the EC produced a brief recommending that the European Union:

1. conduct more frequent bilateral contacts;
2. strengthen dialogue on foreign and security policy;
3. seek ways to develop people-to-people contacts;
4. intensify the exchange of working groups; and
5. *when conditions are right*, negotiate a TCA [italics added]

The stickiest point was trying to determine whether the conditions were "right" to negotiate and conclude the TCA. In preparations for launching negotiations with Iran, two competing camps emerged within the European Union. A majority of nine (Spain, Belgium, Italy, Greece, Austria, Finland, Sweden, Ireland and France) followed the EC proposal, which favored a "community-type" agreement, i.e. a simple trade accord under EU competence and subject to ratification by the European Parliament. In the second camp were those countries (Netherlands, Germany, Britain, Portugal and Luxembourg) which preferred an integrative or mixed agreement, i.e. one which

contained a political chapter on terrorism and human rights (in addition to covering trade), and over which the EU and member states exercised joint responsibility, thus necessitating ratification by both the European and national parliaments.<sup>xi</sup>

The divisions between, and even within, these two camps reflected disagreements over tactics, divergent national interests, and power disparities. The economic incentive of concluding a trade agreement with Iran was important, but not determinative. After all, Germany (by far Iran's leading trade partner in the EU) and Britain (whose exports to Iran were rising) were vociferous champions of the *mixed* approach — a negotiating framework with economic *and* political elements. British and German officials argued in favor of proceeding cautiously and developing a negotiating process “with teeth.” Additional considerations came into play, such as the implications of success or failure to conclude an agreement with Iran for the overall development of the common European foreign policy, not to mention concerns about extending the competence of the EU.<sup>xii</sup> Given this welter of motivations and concerns, it is rather remarkable that the Council of Ministers reached any agreement at all.

The agreement that the Council did reach — *nearly four years after* the initiation of the comprehensive dialogue — was unveiled at the Luxembourg Summit in June 2002.<sup>xiii</sup> The decision at Luxembourg made clear two unique aspects of the TCA. The first is that, if and when agreement on a TCA is reached, the EU's relations with Iran will not be on a par with those of Europe's southern Mediterranean neighbors (as stipulated in the 1995 EuroMed Partnership Framework). In practical terms, this means that should a TCA with Iran be concluded, European Council decisions regarding political and anti-terrorism issues will *not* require European Parliamentary ratification; substantial EU transfer of funds will *not* be made to Iran; and a free trade area with Iran will *not* be on offer (though the EU might be prepared to extend to Iran non-preferential but reciprocal MFN status). Second, trade/economic and political/terrorism matters related to the TCA are to be treated as “interdependent, indissociable, and mutually reinforcing elements.”<sup>xiv</sup> That is, the individual instruments are to be concluded and to enter into force *as a single package*.<sup>xv</sup> [Italics added.]

The last point warrants further discussion. At Luxembourg, the EU approach to Iran officially shifted to that of *conditional* engagement. Since then, European officials have repeatedly emphasized that the negotiations on economic and political matters, while for practical reasons conducted separately, are nonetheless integrally linked. In the words of EU External Affairs Commissioner Chris Patten: “Progress in one area of co-operation with Iran cannot be disassociated from all other areas.”<sup>xvi</sup> Similarly, in a February 2004 speech to the European Parliament, Mr. Patten asserted: “The Iranians know perfectly well that all those issues — political, nuclear, trade and human rights — are umbilically linked. We cannot simply ignore problems in one area and think that we can move forward rapidly in all others.”<sup>xvii</sup> By thus seeking to give EU Iran policy “cross-pillar coherence,” European leaders were at the same time embracing an approach that US officials not only favored, but had strongly urged upon them.

After the EU and Iran agreed that talks would be held every two months, with meetings alternating between Brussels and Tehran, the TCA negotiations finally did get off the ground. In the first round of discussions held in Brussels in December 2002, the two sides outlined the framework for future meetings. The issues they agreed to tackle included the prevention of terrorism, active participation in the settlement of regional conflicts, abolition of all forms of torture, respect for non-proliferation of WMD, and respect for human rights (including women's rights). They also agreed to work together to align Iran's trade policies/rules with those of the World Trade Organization (WTO) in areas such as quota management, standards for imports, health issues, intellectual property, public procurement and services. In addition, they defined spheres of mutual interest and cooperation such as energy, transportation, environment, drug trafficking, and immigration.<sup>xviii</sup>

During the four years in which the EU set about recasting its relationship with Iran, the US approach to Iran oscillated between talk of the possibility of cooperation and tentative gestures of goodwill on one hand, and vague threats on the other. The Iranian reformists' success at the polls in 1997 touched off a policy debate in Washington, much as it had in European capitals. Critics of the US approach to Iran charged at the time that the Administration was overstating the Iranian threat, that the US and Iran had important interests in common, and that Iran had become an irritant in US-European relations. By early 1998, a consensus had developed within the Clinton Administration in favor of some form of political dialogue or confidence-building measures with Iran. But the Administration's gestures, which never amounted to much, were in any case not reciprocated. Neither for the first time, nor for the last, the two sides walked away empty-handed and embittered.

Upon taking office in January 2001, the Bush Administration indicated that it planned to conduct a thorough review of Iran policy. With the review still underway, however, Congress reauthorized ILSA for another five years. Nevertheless, some space for cooperation between Washington and Tehran was created when, following the September 11<sup>th</sup> terrorist attacks, the United States began military operations in Afghanistan. Initially, the two sides found some common ground. Eventually, however, contradictory tendencies in Iranian behavior with respect to Afghanistan and other regional issues gave hardliners in the Bush Administration the upper hand. In his State of the Union speech one year after entering the White House, President George W. Bush for the first time referred to Iran as a member of an "axis of evil."<sup>xix</sup> Thus, during the very period in which the EU was embarking on an effort to develop and deploy a new framework for constructive engagement with Iran, the US Administration was growing more impatient with the reform process in Iran and more bellicose in its rhetoric. But, to suppose that harsh rhetoric translated into a coherent US policy is mistaken. While the rhetoric reconfirmed a preference for regime change, the actual substance of US policy remained fundamentally unchanged.

## II.

To the extent that US and EU policies towards Iran have converged, it is the European Union that has moved closer to the American position, rather than the other way around. As shown, the cornerstone of the EU's "global approach" to engaging Iran — the tying of the TCA to tangible improvements in Iranian policies — is a clear indication that the European approach has been bending towards US preferences for quite some time. More recently, American officials have acknowledged that the EU has shown "greater willingness to condition improvement in its economic relations with Iran on concrete, verifiable, and sustained improvements in Iranian behavior."<sup>xx</sup> They leave little reason to doubt that US-EU policy convergence on Iran is primarily a function of a course adjustment by the Europeans.

Yet, American pressure has not been the exclusive determinant of the EU's course adjustment regarding Iran. This adjustment has taken place incrementally, nudged along at different intervals by various external factors. The most compelling factors to have recently shaped EU Iran policy, resulting in tighter US/EU policy convergence, are: (1) the backlash by Iranian "conservatives," and further consolidation of their power; (2) the deep divisions in Euro-Atlantic relations over going to war in Iraq; (3) the heightening of European concerns about the nuclear proliferation threat; and (4) the synchronization of the EU, US/EU, and IAEA calendars.

When the EU initiated the comprehensive dialogue in summer 1998, the reform movement in Iran had arguably reached its apex. But less than two years later, President Khatami and his supporters were already on the defensive. Nonetheless, proponents of engagement remained determined to employ EU policy as a means of buttressing Iranian reformers. Using its trademark technique of

accentuating the positive, the EU sponsored a resolution in the UNHCR in 2000 that noted considerable improvements in Iran's human rights record, with the caveat that there remained much work to be done. Yet, at about the same time (as previously mentioned), the Iranian judiciary began a systematic campaign to stifle dissent. Thereafter, positive breakthroughs on the human rights front — the granting of entry to human rights *rapporteurs*, and the holding of “frank discussions” with members of the Iranian judiciary — were few and far between. There was little, if any, tangible progress in areas that the EU had designated as being of special concern, i.e. on the issues of discrimination and torture. EU officials sought the definitive end of the practice of stoning and the adoption of an anti-torture bill, but to no avail.

Similarly, the EU could do little to slow, much less reverse, the fortunes of the embattled Iranian reformers. President Khatami and his supporters in the *Majlis* suffered a string of setbacks on both the legislative and electoral fronts. Legislative initiatives to curb the power of the judiciary were overruled. Poor voter turnout in the 2002 *Majlis* elections was an indication that popular enthusiasm and confidence in President Khatami was ebbing. In the run-up to the February 2004 elections, the candidate vetting system was manipulated by hardliners, resulting in the exclusion of over 200 (mostly reformist) office-seekers. EU Commissioner for External Affairs Chris Patten referred to this as “a backward step for democracy.” British Foreign Minister Jack Straw deplored the disqualification of reformist candidates, as did his Spanish counterpart Ana Palacio.<sup>xxi</sup> EU Foreign Ministers expressed in writing their regret that “the exclusion of reformist candidates from the elections ... has made a truly democratic choice impossible for the Iranian people.” These reactions, like the comments of EU High Representative for the CFSP Javier Solana on the eve of his January 2004 visit to Iran, were evidence of a mood swing — a clear shift away from what once had been generally upbeat assessments of the political trends in Iran.<sup>xxii</sup>

While European confidence in the prospects for political reform in Iran was plummeting, European concern about WMD proliferation and ballistic missile development was rising sharply. There is no doubt that the promulgation of the US National Security Strategy (2002) and the enunciation of the Bush Doctrine played a major role in the latter development. However, WMD proliferation was propelled to the top of the European security agenda by other factors as well. This boost in priority was also a function of broader changes in the geopolitics of Europe, the most significant of which was the imminent expansion of the European Union. Enlargement eastward has drawn the EU frontier that much closer to the Gulf sub-region — and thus, to Iran. The EU Security Strategy adopted by the Council on December 12, 2003 acknowledges the importance of this development, stating that “[t]he integration of acceding states increases our security but also brings the EU closer to troubled areas.”<sup>xxiii</sup> Of the various “troubles” emanating from the new European “near abroad,” WMD proliferation and advances in their means of delivery are viewed as the most salient of issues, requiring urgent attention.

The fact that the EU has focused on the nuclear threat and on Iran in particular stems from yet another set of factors. Over the past two years, there have been a slew of revelations and admissions about the North Korean (DPRK), Pakistani, and Libyan nuclear programs, from which Europeans have drawn their own lessons. With respect to Iran, in 2002 alone, a number of different sources confirmed the existence of several Iranian nuclear installations — at Arak (heavy water), Isfahan (uranium hexafluoride) and Natanz (uranium enrichment). Europeans did not need American coaxing to recognize the implications of this accumulation of bad news — that the non-proliferation regime is weak, and that the Iranian nuclear program is far more extensive than most had realized.

The EU's (perhaps belated) recognition of the urgent need to focus on the proliferation challenge put European and US strategic priorities, at least nominally, on the same footing. The Euro-Atlantic

dispute over the WMD justification for going to war in Iraq, the subsequent failure to find weapons stockpiles there, and the revelations about faulty intelligence after the war, have made it more urgent, but perhaps less certain that American and European officials can find the will and the means to face the proliferation challenge together. The war in Iraq presented the European Union with a challenge: find a way to develop a European security strategy that is realistic about the nuclear threat and robust enough to respond to it, or run the risk of runaway US power and further Euro-Atlantic discord. In addition, the war presented an opportunity — for Britain, France, and Germany — not only to repair their relations with one another, but also to assert effective leadership, individually and collectively, within the (enlarged) European Union. Iran thus became an important focal point of both Transatlantic and intra-European politics. The nuclear issue emerged at the center of the Euro-Atlantic debate over policy toward Iran, at a critically important juncture in the effort to repair the non-proliferation regime.

Though the calendar did not determine policy outcomes, it most certainly forced the action. Recall that the IAEA was to issue a report on the Iranian nuclear program in May 2003. The IAEA Governing Board was scheduled to meet the next month to discuss the report's findings and recommend appropriate action. Planned for the same month, in fact just days apart, were two other important calendar events: the EU Summit in Thessalonika and the US-EU Summit in Washington.

At Thessalonika, the EU adopted its new strategic doctrine. This followed months of deliberations, marked by the publications of the so-called “Solana document”<sup>xxiv</sup> (which laid the groundwork for the EU's new strategic concept) and the *Basic Principles for an EU Strategy Against the Spread of WMD*. The *Basic Principles*, which tracks closely with the Solana document, expressly states that proliferation of WMDs and their means of delivery constitute a growing threat to international peace and stability. It notes that the EU cannot ignore these dangers and must seek an effective multilateral response.<sup>xxv</sup> At the conclusion of the Washington Summit, American and European officials issued a joint declaration on the proliferation of weapons of mass destruction, in which the two sides pledged (1) to work together to strengthen the international system of treaties and regimes against the spread of WMD; (2) to seek to ensure strict implementation and compliance, saying “we are committed to dealing effectively with those who ignore them or cheat”; (3) to support non-routine inspections; and (4) to recognize that other measures in accordance with international law may be needed to combat proliferation.<sup>xxvi</sup> The coalescing of the EU's new security strategy, together with the apparent success of US officials and their European counterparts at the Washington Summit, sowed the ground for the handling of the Iranian nuclear issue. Iran thus emerged as both the catalyst and the test case for Euro-Atlantic cooperation on proliferation.

While the synchronization of the IAEA, US/EU, and European Union calendars created the opportunity for Euro-Atlantic policy coordination, it fell to the EU's major powers and the Bush Administration to actually produce it. As in the past, Britain, Germany, and France together (the so-called “EU-3”) played a critical role in shaping the EU approach to Iran. At *their* initiative and largely as the result of *their* combined influence, the European Council issued the so-called “October warning,” calling upon Iran to clarify the status of its nuclear program by October 31, 2003. It was *their* joint letter that prompted the meetings in Tehran where *their* foreign ministers secured pledges from Iran to cooperate fully with the IAEA, to sign the Additional Protocol, and to suspend uranium enrichment.<sup>xxvii</sup> It was British, French, and German officials who, acting in concert, held the line on Iran within the European Union — producing and lobbying for the acceptance of a revised text of the EU Council declaration on Iran, issued in December 2003, which stopped short of an explicit statement on the resumption of TCA talks (as the Italian Presidency, supported by Austria, had proposed).<sup>xxviii</sup> In fact, the Belgian and Greek foreign ministers had gone even further, seeking a specific date for resumption of TCA negotiations, an effort that was likewise thwarted by the EU-3 (joined by several EU accession countries).<sup>xxix</sup> And, it was *their* delegations who came down hard on



Iran following the IAEA report in June 2004.<sup>xxx</sup>

Over the past year, then, European diplomacy on Iran has proven to be more supple, more assertive, and more unified than in the past. But the Bush Administration, too, has shown some nimbleness and flexibility. However reluctantly at first, Washington ceded the initiative to, and supported the efforts of the EU-3. In references to Iran, US officials backed away from vague, gratuitous threats. In his July 31 news conference, President Bush asserted that the problem of Iran's nuclear activities could be solved peacefully. In testimony before the US Senate Committee on Foreign Relations on October 28, 2003, Deputy Secretary of State Richard L. Armitage stated: "We think it is appropriate, for instance, that the European Union has conditioned progress in its Trade and Cooperation Agreement with Iran on movement in these areas [WMD and missile programs]."<sup>xxxix</sup> He further stated, "... not every policy issue needs to be dealt with by force."<sup>xxxix</sup> Though the US-Iran "quiet dialogue" in Geneva remains suspended, the US has made a number of positive gestures: the dispatch of emergency aid to Iran following the earthquake in Bam (December 2003); the closure of the MUK radio station in Baghdad (January 2004); and the approval by the Coalition Provisional Authority (CPA) of the construction of a pipeline across the Shatt al-Arab, which would enable Iraqi oil to be refined at the Iranian facility at Abadan. Even if, in taking such steps, US officials were merely seeking to make a virtue of necessity, these actions were positive. They contributed, if only marginally, to a de-escalation of tension with Iran; and they helped foster a climate somewhat more conducive to Euro-Atlantic cooperation on Iran.

It is therefore clear that US and EU policies on Iran have perceptibly narrowed, and that this policy convergence stems largely from a course adjustment by the European Union. With the *conditioning* of the further expansion of economic ties on progress on the political front, the European Union seems to have fundamentally restructured its framework for relations with Iran. In its design and implementation, this new framework appears to have answered the charges of those critics who have long held that the European strategy of engaging Iran either has no substance or has no teeth.

Yet, the origins and evolution of this course adjustment are seldom mentioned, much less fully explored, by those few American analysts and commentators who have taken note of it. Though capturing wide public attention only *after* the war in Iraq (mainly the result of the high-profile joint diplomatic effort by Britain, France, and Germany to head off a possible crisis over Iran's nuclear program), the process of adjustment began long before it. And, while American power and the conduct of US foreign policy have undoubtedly exerted a great deal of influence on the timing and direction of this course adjustment, a number of other factors have helped propelled it. Some, like the waxing and waning of the reformist movement in Iran, are related to the United States only tangentially, if at all. Others, like the diplomatic initiatives of the EU-3, are indicative of the residual, if not still dominant, intergovernmental character of the European Union's CFSP. They are also indicative of the common interest and determination of these three major European powers both to shape EU policy towards Iran, and to guide the EU's emergence as an assertive non-proliferation actor on the international stage.

### III.

That US and European policies toward Iran seem finally to have shifted into close alignment and are together focused on the nuclear issue are welcome news. But not all the news is this encouraging. As the United States and the EU-3 have closed ranks, relations between Iran and the Euro-Atlantic community as a whole have become more polarized.

European-Iranian bargaining, ostensibly aimed at building mutual confidence, has resulted instead in an apparent clash of expectations. In February 2004, the EU-3 and Iranian authorities struck a deal whereby Tehran pledged to suspend the manufacture of uranium enrichment centrifuges in

exchange for a promise by the European side to deliver nuclear fuel. Whereas the Iranian side had perhaps envisaged the deal as a means to gain European support for closing the nuclear dossier at the IAEA, the European side had perhaps seen it as a means to persuade Iran to give up the nuclear fuel cycle altogether. Yet, throughout the first half of 2004 work at the uranium conversion facility at Isfahan and the heavy water reactor at Arak continued. Meanwhile, the March and June IAEA reports and Board of Governors decisions, far from bringing the subject of Iran's nuclear program to closure, raised more questions about it.

The June resolution by the IAEA Board of Governors sparked a defensive, even defiant reaction by Iranian officials. In a letter written to the EU-3, Iran announced its decision to resume the manufacture of centrifuges. This announcement, in turn, prompted EU-3 officials to confer with each other, and then to join with Washington in issuing a EU-US statement reaffirming support for the June IAEA resolution and urging Iran to "rethink its decision."

As the summer weeks have passed, the tension has been rising. A string of incidents have further poisoned the climate: the seizure of eight British servicemen by Iran on the Shatt al-Arab waterway (the maritime border with Iraq), the Iranian judiciary's abrupt and controversial ending of the trial in the death of Canadian journalist Zahra Kazemi, and the disclosure by the National Commission on Terrorist Attacks Upon the United States that Iran appears to have provided logistical support to Al Qaeda operatives sometime between October 2000 and February 2001.

And so, after much baiting, bargaining, and browbeating, it appears that the drama unfolding has boiled down to this: a titanic contest of wills — the collective will of the West versus that of Iran. At stake: nothing less than the credibility of the IAEA as an institution and quite possibly the non-proliferation regime itself. With the stakes this high, one would naturally expect that American and European officials will do everything they can to present a united front, and that, facing such pressure, Iran will be guided by prudence to make frank and full disclosures about the details of its nuclear program and to honor all of its NPT obligations. However, there is no guarantee that Euro-Atlantic solidarity will persist. Nor is it a sure thing that the West will prevail in the effort to persuade Iran to give up its nuclear ambitions.

There are cracks in the EU's common front. First, EU members remain somewhat divided over how to manage the proliferation challenge. Specifically with respect to Iran, they differ, for example, over what assurances and material assistance to provide to Tehran to secure a "nuclear bargain." So-called "white angels" (e.g., Ireland) stand shoulder-to-shoulder with other EU members in their vigilance about non-proliferation, but have strong reservations about providing assistance to Iran's civilian nuclear sector. This reportedly contributed to the fact that the compromise arrangement with Iran (begun in August 2003) was not tabled for consensus policy formation for almost three months. Regarding the overall EU approach to WMD proliferation, in which the nuclear aspect of EU-Iran relations is subsumed, member states continue to disagree about whether to make non-proliferation clauses standard and essential for *all* agreements.

Second, while the traumatic divisions over Iraq have forced European officials to "look outward," Europeans nonetheless remain primarily "inward looking." European leaders have lately been preoccupied, as they will continue to be, with managing the enlargement process and struggling to develop the EU Constitution. This is likely to have at least some bearing on the level of priority and the amount of sustained attention that can be summoned to deal with Iran. And, until such time as the machinery of the CSFP is further developed, primary responsibility for shaping EU Iran policy will remain with the EU-3. However, enlargement to 25 is likely to make it more cumbersome for these key players to generate an EU-wide consensus, and could even make it more difficult for them to act in concert.

While the EU-3 might succeed in preserving an EU common front with respect to Iran in spite of these and other differences, there is no guarantee that Washington and Brussels will continue to stand shoulder-to-shoulder on the Iranian nuclear issue. The unified stand to date masks some important underlying differences. First, take the Libyan case as an example. American officials and their European counterparts seem to have arrived at the same general conclusion that it is possible to win without war. Yet, US and European officials have tended to draw lessons from the Libyan example that confirm their own deeply held convictions, either that unyielding pressure or that patient diplomacy bolstered by positive incentives bring results.

Third, EU members remain unshakable in — some would say, shackled to — a philosophy of gradualism and a policy of engagement. It is difficult to conceive of a scenario where they would agree to sever all relations with Tehran or to impose stiff punitive sanctions across the board. Meanwhile, at least some US officials continue to flirt with the idea of pursuing regime change, though without having crafted a coherent and credible policy for effectuating it. On May 6, 2004, the US House of Representative passed a non-binding resolution (by a vote of 376-3) urging all NPT signatory countries to “use any and all appropriate means to deter, dissuade and prevent Iran from acquiring nuclear weapons” — an initial effort to create a legal framework for additional sanctions and possible “military options.” Thus, while utilizing the multilateral channel to address the Iran nuclear issue, the United States has not abandoned its traditional approach of seeking to isolate Iran. Nor has it ruled out the possibility of preventive military action or, for that matter, initiating a campaign aimed at overthrowing the regime.

Fourth, efforts by European and US officials to work together to resolve the Iran nuclear issue peacefully are taking place at a time when their confidence in each other is at its nadir. President Bush has stated repeatedly, as have other members of his administration, that there is no template or cookie-cutter approach to dealing with the WMD proliferation challenge. Further, in referring to Iran, they have insisted that they are committed to multilateral diplomacy (though they have not ruled out the use of force). Yet, there is no Euro-Atlantic consensus on when multilateral diplomacy will have been judged to fail such that the use of force would be warranted. In the absence of such a consensus, it is somewhat surprising that, over the past year, American and European officials have managed to deal as well as they have with the Iranian nuclear issue.

Fifth, it may not be possible to wall off the struggle to deal with the Iranian nuclear program from the persistent tensions and divisions over larger questions (e.g., the criteria, legitimacy, and authority for the use of force). The EU is on record as being committed to work with the United States and as being open to the use of the full spectrum of policy instruments, but emphasizes “political and diplomatic preventative measures” as the “first line of defence.” The EU position is that coercive measures must be taken in accordance with the provisions of the UN Charter, that while the use of force “could be envisioned,” it is the UN Security Council which “should play a central role,” serving as the final arbiter on the consequence of non-proliferation.<sup>xxxiii</sup> From the European perspective, US insistence on “strict compliance,” “firm deadlines,” “trigger mechanisms,” “performance benchmarks” for determining whether Iran will face diplomatic or other sanctions is worryingly reminiscent of the path that led to the Euro-Atlantic crisis over Iraq.<sup>xxxiv</sup>

In the face of Euro-Atlantic solidarity and mounting US/EU pressure, Iranian officials seem unmoved and immovable. By all appearances, they are united in the conviction that the nuclear program is an “inalienable right.” Iran’s Spiritual Guide, Ali Khamenei stated that it is “essential” for Iran to master the nuclear fuel cycle.<sup>xxxv</sup> Foreign Minister Kamal Kharrazi asserted that, “We will not accept any new obligations.” According to Mr. Kharrazi, demands that Iran give up the nuclear fuel cycle constitute “additional obligations.” He further stated that, “Iran has a high technical capability

and has to be recognized by the international community as a member of the nuclear club. This is an irreversible path.” On subsequent occasions, he referred to Iran’s making use of its nuclear technology as an “absolute right.”<sup>xxxvi</sup>

Even as, with each IAEA reporting cycle, a clearer picture emerges of the extensiveness of Iran’s nuclear program, several crucial pieces of the Iranian nuclear puzzle remain hidden from view.<sup>xxxvii</sup> If Iran is clandestinely pursuing a nuclear weapons capability (as most analysts now seem to believe), what is the security rationale for doing so, especially after the removal of Saddam Hussein from power and the failure after to the war to uncover WMD stockpiles in Iraq? If the Iranian leadership’s chief aim is deterrence, is the primary goal of its deterrence strategy simply to ensure the regime’s survival? Is the Iranian leadership using the nuclear program less as insurance for its own safety, and more as a bargaining chip?

While American and European officials ponder these questions, IAEA inspectors continue their probes — their next report due to be released just a few weeks from now and the next IAEA Board of Governors meeting scheduled for September. Iranian officials have given few clear indications as to what they expect and what, if anything, they plan to do between now and then. Iran’s Secretary of the National Security Council Hasan Rowhani recently stated that, “...I stress that Iran needs its ties with the European Union.”<sup>xxxviii</sup> President Khatami insists that Iran will continue to negotiate with the EU-3.<sup>xxxix</sup>

For the most part, however, Iran seems prepared to wait out the process. At least in the near term, time just might be on Iran’s side. At any rate, Iranian officials might have several reasons to think so. First, they have had enough experience and exposure to the West to recognize not just the forces that are driving the EU and US to coordinate their policies, but also the issues that divide them. Iranian officials have reportedly been busy at work discussing with France and with Russia future cooperation on nuclear power generation, while issuing assurances that Tehran will meet its international nuclear obligations.<sup>xl</sup> One can expect that Iran will continue to seek to exploit these divisions.

Second, from the Iranian perspective, global energy trends are favorable. Concerns over security of supply, strong demand, and high capacity utilization have pushed the price of oil to more than \$40 per barrel. OPEC, whose members are pumping oil at their highest levels since the 1979 “oil shocks,” enjoys a strong position in the market. The Energy Information Administration (EIA) of the US Department of Energy projects an increase of 19% in OPEC’s net oil export revenues for 2004 over the previous year. Iran’s own position within the cartel, buoyed by continued good relations with Saudi Arabia, is also strong. Iranian oil export earnings are substantial. Besides providing a boost to the economy in its own right, this revenue is likely to have a cushioning effect should Iran be slapped with additional sanctions. Perhaps, then, Foreign Ministry spokesman Hamid Reza Asefi’s remark that Iran is not afraid of the threat of such sanctions should not be dismissed as mere bravado.<sup>xli</sup>

Third, Iran has a degree of strategic confidence today that it did not have a year ago. Not only have two foes — the Taliban and Saddam Hussein — been swept from power, but the costs to the United States of its occupation of Iraq have made the presence of American forces nearby, or on virtually every Iranian front, less immediately threatening. Far from seeming cowed, some Iranian officials have issued rather bold statements. Take, for example, remarks by Defense Minister Ali Shamkani: “If there is a military attack, that would mean that the IAEA has been collecting this information to prepare for an attack. Naturally, after such an action, it would be necessary to renounce all of our nuclear commitments.”<sup>xlii</sup>

Fourth, the Iranian regime, particularly the conservative elements, seems more deeply entrenched than ever. The power of President Khatami has been further diminished. The reformers' representation in the *Majlis* has been severely attenuated. The reform movement itself is fragmented. Popular discontent does not appear to have resulted in an organized, mobilized political opposition. Ayatollah Khamenei and Expediency Council Chairman Ali Hashemi Rafsanjani today speak confidently of further "unifying the leadership" in order to present the Iranian people with a coherent policy agenda.

Fifth, the Iranian nuclear program might already have progressed to the point that it no longer needs external assistance.<sup>xiii</sup> If this so, then Iran, given the massive investment, is likely to be that much more determined to retain as much of its nuclear infrastructure as possible, or at the very least, to bargain hard to extract the highest price (watching closely how the North Korea situation unfolds) in exchange for relinquishing parts of it.

Finally, with the US presidential campaign in full swing and election day only three months away, there would seem to be a reduced likelihood that the Bush Administration would choose or allow itself to stumble into a confrontation. For those European leaders who, themselves, are hoping for a change in administration in Washington, the temptation is also strong to postpone the reckoning.

\*\*\*\*\*

Over the past 18 months, the United States has prodded the IAEA and Tehran to clarify the details of the Iranian nuclear program. In so doing, the Bush administration has made this the defining issue of US-Iran and EU-Iran relations, as well as an important test of Euro-Atlantic solidarity and of key aspects of the international non-proliferation regime.

The United States and Europe share the goal of a non-nuclear Iran. American officials and their European counterparts (though not for identical reasons) have joined forces to increase pressure on the Iranian leadership to cooperate fully and expeditiously with the IAEA's investigative process. By opting for the multilateral approach, the United States set the issue of Iran's nuclear program on a regular timetable, and committed itself to a process wherein European diplomacy has been demonstrably assertive and significant.

Until now, each successive stage in the IAEA cycle has brought with it the expectation of an outcome different from the last. But, over time, frustration has been mounting on all sides. While all three sides — the United States, EU member countries, and Iran — continue to seek closure and remain committed in principle to the IAEA process in order to get there, patience is wearing thin. As US and Iranian officials trade accusations, the next round of IAEA reporting and deliberations draws ever nearer.

In the weeks and months ahead, the United States and its European allies will, in dealing with Iran, face a challenge that neither Washington nor Brussels had mastered on its own — a challenge that seems daunting even now that they appear to have joined forces. The Bush administration must calibrate how hard to push and how high to set the bar. The EU-3 must determine how much to bend towards, rather than lean on, the United States in order to ensure that both Washington and Tehran, though for different reasons, remain engaged multilaterally.

There is the chance that pursuing the nuclear issue in the absence of a broader political framework could be the pathway to a positive breakthrough in US-Iran relations. At the same time, however, there is a risk that following this path could lead to a confrontation.

If some of the rhetoric emanating from Washington and Tehran is to be believed, each side might be approaching the limits of its threshold of tolerance. For the United States, this could mean pushing even harder for referral of the Iranian nuclear issue to the UN Security Council. For Iran, it could mean opting out of the NPT altogether. Yet, for the time being, neither course of action seems very likely. It is more likely that, come September, all three sides will find it in their interest to keep the IAEA nuclear dossier on Iran open — thus deferring the matter to a second Bush administration or its successor. Even in that event, it is far from certain that the United States will be able to develop a coherent Iran policy into which to integrate its approach to the Iranian nuclear program. It also unclear that in the absence of such a policy it will be possible to maintain the same, or a similar degree of, Euro-Atlantic solidarity on Iran as that which now exists. And most important of all, it is unclear that the United States and Europe together can find and then apply effectively what until now has eluded them — leverage that actually induces changes in the internal and external aspects of Iranian behavior. Though the United States and Europe have yet to find the fulcrum, their continuing, together, to search for it is less risky than any of the alternatives.

## Notes

---

i. Peter Rudolf, "Critical Engagement: The European Union and Iran," in Richard Haass (ed.) *Transatlantic Tensions* (Washington, DC: Brookings Institution Press, 1999), p. 72.

ii. *Ibid.*

iii. The British put in place blocking legislation designed to frustrate the application of the law to their trade and investment. Several months later, the EU passed similar legislation designed to prevent European companies from complying with ILSA and threatened formal counter-action in the World Trade Organization (WTO).

iv. At the foreign ministers' meeting that convened on April 29, 1997, the EU was split over how to respond to the Berlin ruling. Not all EU members followed through on their pledges to downgrade diplomatic relations. The withdrawal of ambassadors occurred not in response to the verdict, but only after the Iranians refused to allow the Danish and German ambassadors to return to Tehran. And, while German-Iranian political and economic relations were in decline, France was becoming increasingly active in Iran, especially on the economic front.

v. *Deutsche Presse-Agentur*, May 12, 1997.

vi. *European Report*, October 4, 1997.

vii. See, for example, *Agence France Presse*, October 6, 1997.

viii. *European Report*, February 18, 1998 and *Agence France Presse*, March 1, 1998.

ix. *Associated Press*, February 23, 1998.

x. *Financial Times* (London), February 24, 1998.

xi. See *Financial Times*, May 13, 2002; *Agence France Presse*, May 13, 2002; [EUObserver.com](http://euobserver.com), May 15, 2002.

xii. *BBC Summary of World Broadcasts*, April 12, 2002.

xiii. The Council issued a mandate and guidelines to the European Commission and the European Presidency to open TCA negotiations with Iran commencing on December 12, 2002 in Brussels. The TCA negotiations were to be structured along two parallel tracks, one dealing with trade and commercial matters, and the other with political questions and with terrorism. Negotiating responsibilities for trade and commercial matters were lodged with the EC's Directorate General (DG) for External Affairs and the DG for Trade. The European Presidency was charged with leading negotiations on political dialogue (to be formalized in a joint resolution) and on terrorism (to be formalized in an exchange of letters). See *European Report*, No. 2693, June 19, 2002; No. 2701, July 17, 2002; and *Commission of the European Communities RAPID*, IP: 02/1862, December 11, 2002.

xiv. European Commission, December 12, 2002 at [http://europa.eu/int/comm/external\\_relations/iran/news/ip02\\_1880.htm](http://europa.eu/int/comm/external_relations/iran/news/ip02_1880.htm)

xv. *European Report*, No. 2701, June 17, 2002; *Commission of the European Communities RAPID*, IP: 02/1862, December 11, 2002.

---

xvi. Quoted in *European Report*, No. 2785, June 18, 2003.

xvii. Speech by The RT Hon. Chris Patten to the European Parliament, Strasbourg, February 12, 2004 at [http://europa.eu/int/comm/external\\_relations/iran/news/ip04\\_240.htm](http://europa.eu/int/comm/external_relations/iran/news/ip04_240.htm)

xviii. See *Agence France Presse*, December 12, 2002; *Commission of the European Communities RAPID*, IP: 02/1880, December 12, 2002; *European Report*, No. 2736, December 14, 2002; and *Financial Times*, December 16, 2002.

xix. See Daniel Brumberg, "The End of a Brief Affair? The United States and Iran," Carnegie Endowment for International Peace Policy Brief, no. 14 (March 2002), available online at <http://www.ceip.org/files/pdf/Policybrief14.pdf>

xx. Acting US Secretary of State Charles Ries, Bureau of European and Eurasian Affairs, Testimony Before the US House of Representatives Committee on International Relations, June 25, 2003. Available online at [http://www.house.gov/international\\_relations/108/ries0625.htm](http://www.house.gov/international_relations/108/ries0625.htm)

xxi. *European Report*, No. 2846, February 25, 2004.

xxii. *Ibid.*

xxiii. "A Secure Europe in a Better World" available at <http://ue.eu.int/uedocs/cmsUpload/78367.pdf>

xxiv. Jean-Yves Haine, "The EU's Soft Power: Not Hard Enough?" *Georgetown Journal of International Affairs* (Winter/Spring 2004), p. 76.

xxv. *European Report*, No. 2827, December 10, 2003.

xxvi. *European Report*, No. 2788, June 28, 2003. For the text of the EU-US Joint Statement on the Proliferation of Weapons of Mass Destruction, see <http://www.eurunion.org/partner/summit/summit0306/WMDStatement.htm>

xxvii. *The Guardian*, October 21, 2003; *European Report*, No. 2811, October 15, 2003; *Associated Press*, October 17, 2003; and *European Report*, No. 2814, October 25, 2003.

xxviii. *Agence France Presse*, December 9, 2003.

xxix. *European Report*, No. 2827, December 10, 2003; and *The Financial Times*, December 12, 2003.

xxx. For the final version of the text of the June 18, 2004 resolution on Implementation of NPT Safeguards, adopted by the IAEA Board of Governors, see <http://www.iaea.org/Publications/Documents/Board/2004/gov2004-49.pdf>

xxxi. US Deputy Secretary of State Richard L. Armitage, Testimony Before the Senate Committee on Foreign Relations, October 28, 2003, available online at <http://www.state.gov/s/d/rm/25682.htm>

xxxii. *Ibid.*



---

xxxiii. See text of the *EU Strategy Against Weapons of Mass Destruction Proliferation*, European Council, December 12-13, 2003 at <http://ue.eu.int/uedocs/cmsUpload/st15708.en03.pdf>

xxxiv. *Agence France Presse*, November 13 and 18, 2003; *The Washington Times*, November 19, 2003; *The Guardian*, November 19, 2003; *The Financial Times*, November 19, 2003; and *European Report*, No. 2822, November 22, 2003.

xxxv. Quoted in *Agence France Presse*, June 21, 2004.

xxxvi. See, for example, a summary of remarks made by Mr. Kharrazi reported by the Iran News Agency (IRNA), appearing in the BBC Summary of World Broadcasts, July 16, 2004.

xxxvii. On questions about the “demand side” of the Iranian nuclear equation, see George Perkovich, “Dealing with Iran’s Nuclear Challenge” (April 28, 2003), especially pp. 1-9. available online at <http://www.ceip.org/files/projects/npp/pdf/Iran/iraniannuclearchallenge.pdf>

xxxviii. Quoted in Iran News Agency (IRNA), appearing BBC Summary of World Broadcasts, June 19, 2004.

xxxix. *Agence France Presse*, July 14, 2004.

xl. Regarding Iranian efforts to woo France, see BBC Summary of World Broadcasts, July 6, 2004; with respect to Russia, see the account of Hasan Rowhani’s meetings with Russian Foreign Minister Igor Ivanov in *Deutsche Presse-Agentur*, July 5, 2004.

xli. See, for example, *Agence France Presse*, July 11, 2004.

xlii. Quoted in *Agence France Presse*, July 7, 2004.

xliii. See remarks by Chairman of the State Expediency Council and former President Ali Hashemi Rafsanjani, reported in the BBC Summary of World Broadcasts, June 29, 2004.