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The Bush–Merkel Summit: Washington Must Pressure Berlin Over Iran

Nile Gardiner, Ph.D.

When German Chancellor Angela Merkel meets with President George W. Bush at Crawford, Texas, on November 9–10, the Iranian nuclear crisis will be at the top of the agenda. The discussions between the two leaders are expected to be wide-ranging—from Darfur to Afghanistan to the human rights situation in Burma—but will be dominated by the growing confrontation between the West and the Mullahs of Tehran over Iran's nuclear ambitions.

The Bush–Merkel summit follows a highly successful visit to Washington by French President Nicolas Sarkozy, who this week addressed a joint session of Congress, declaring that a nuclear-armed Iran would be unacceptable. President Bush must build on the powerful momentum generated through his discussions with the French leader and call on all European Union member states, including Germany, to join the United States in a tough sanctions regime aimed at halting Iran's drive to develop nuclear weapons capability. The President must also reiterate that the United States and its allies will use force if necessary against Iran's nuclear and military infrastructure if Tehran does not back down.

Tough New U.S. Sanctions. The chancellor's visit to the United States takes place against the backdrop of tough new sanctions imposed by the Bush Administration against Iran's Islamic Revolutionary Guard Corps, including its elite Quds force as well as several affiliated companies; Iran's Ministry of Defence; and several state-owned Iranian banks: Bank Melli, Bank Saderat, and Bank Mellat.¹ They are being imposed in retaliation for Iran's pro-

liferation activities and its support for terrorism, including for insurgents in Iraq.

The sanctions are targeted at the heart of Tehran's military leadership and defense infrastructure. They are the toughest measures imposed against the Ayatollah's regime since it came to power in 1979 and are intended as a shot across the bow not only of Iran but also of its closest military and economic backers, Russia and China.

The new sanctions are also an indication of Washington's growing frustration with the U.N. Security Council, where strong economic and political measures against the Iranians have been consistently blocked by Moscow and Beijing. The White House is rightly making a broader appeal for tougher sanctions outside of the U.N. system, especially among allies in the European Union.

Germany Is the Weakest Link in Confronting Iran. Europe holds the key to increasing the economic pressure on the Iranian regime. Iran derives roughly 35 percent of its total imports from the European Union, and European exports to Iran are worth more than 12 billion euros a year.² Germany is Iran's biggest trading partner, with exports worth more than 4 billion euros in 2006, and could wield extraordinary leverage over Iran.

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(202) 546-4400 • heritage.org

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In a recent report, the Réalité EU think tank³ compiled information from several sources, including the German–Iranian Chamber of Commerce in Tehran, and found that a staggering 5,000 German companies do business with Iran, including heavyweights such as Siemens and BASF. Two-thirds of Iranian industry relies on German engineering products, and the German Engineering Federation (VDMA) boasts of German machine construction exports to Iran worth 1.5 billion euros in 2005, with an increase in 2006. The Federal Government insures around 65 percent of exports to Iran (second only to China) and provides guarantees worth billions of euros a year.

At present, Germany remains the weakest link in the West's confrontation with Tehran. Despite the huge economic clout that Berlin wields with Iran, the Merkel administration has not been at the forefront of international efforts to force the Iranian regime to give in to international pressure. In contrast to Nicolas Sarkozy's emphatic denunciations of Iranian President Mahmoud Ahmadinejad's highly provocative statements, Angela Merkel has appeared weak-kneed and indecisive.

Berlin has played a central role in EU negotiations with Tehran, including a recent meeting between Foreign Minister Frank-Walter Steinmeier and new Iranian nuclear negotiator Saeed Jalili in Hamburg. Such negotiations, however, have proven to be fruitless and have simply encouraged Tehran to increase its own demands while continuing its nuclear build-up. The EU policy of "constructive engagement" toward Iran, championed by Merkel and her predecessor Gerhard Schroeder, has been a spectacular failure, which has simply emboldened the dictatorship.

Tehran will seek to divide the West's response to its aggressive efforts, weakening the likelihood of sustained international sanctions outside of the United Nations. Iran's rulers know that they can rely

on both Russia and China to block sanctions at the Security Council and are hoping that internal divisions within Europe will prevent the imposition of Europe-wide measures. Iran is banking on a classic "divide and rule" strategy; it is important that Berlin not fall into this trap.

The West Must Stand up to Tehran's Nuclear Ambitions. With its extensive support for international terrorist groups such as Hezbollah and Hamas, its open threats to wipe Israel "off the map," and its ambitions to become a nuclear power, the Iranian regime poses the biggest state-level threat to international security in a generation. The powers of the West must unite to confront Iranian intimidation.

In his meeting with the chancellor, President Bush must pressure his German counterpart to join the United States, as well as France and Great Britain, in supporting a tough European sanctions regime. If Merkel were to announce a complete investment freeze by Germany toward Iran, it would have a significant impact in increasing pressure on Tehran to back down.

The consequences of failing to deal with the Iranian threat would be immense: a nuclear-armed rogue state ruled by fanatical Islamic extremists that will have no qualms about using its power to dominate the Middle East or to arm a wide array of proxy international terrorist groups. This vision of the future cannot be allowed to come to pass. Germany should reject appeasement in favor of an assertive policy of zero tolerance for Iran's nuclear ambitions. This is a time for tough resolve from the German chancellor and other key leaders in Europe and *not* a moment to project weakness and indifference in the face of a brutal terrorist regime.

—Nile Gardiner, Ph.D., is the Director of the Margaret Thatcher Center for Freedom at The Heritage Foundation. Heritage intern Erica Munkwitz assisted with research for this paper.

1. For background, see "U.S. Turns Up the Heat on Iran," *The Wall Street Journal*, October 26, 2007.
2. "Europe and the Mullahs: How the EU Subsidizes Trade with Iran," *The Wall Street Journal*, February 20, 2007, at www.opinionjournal.com/editorial/feature.html?id=110009689.
3. "Germany's Economic Ties to Iran," Réalité EU, September 17, 2007, at www.realite-eu.org/site/apps/nl/content3.asp?c=9dJBLNkGiF&b=2315291&ct=4420179.