NATIONAL INTEREST *Trying to Do Everything, Doing Nothing Well*

Justin Logan February 17, 2012

One of the perennial laments about American strategy offered by people like me is that Washington seems incapable of setting out clear priorities in its foreign policy. Everything is urgently important. The business section of today's *New York Times* highlights <u>the unfortunate results of this orientation</u>. You may have heard by now that the United States and other allied countries are currently trying to strangle the Iranian economy to the point where the regime in Tehran feels enough pain—or, more accurately, fears for its survival enough—that it is forced to comply with the preconditions for negotiations and come to the table. This is deemed a Very Important Objective by the Washington foreign-policy elite.

But what you may have forgotten is that the United States is currently undertaking a "pivot" away from the Near East and toward the region where Washington believes the future of international politics lies: the Asia-Pacific. In pursuit of that objective, the United States is currently trying to pull together a coalition of junior partners to help diplomatically and militarily surround China so as to hem it in, should it have any ambition to take charge of the security environment in its region. This, too, is a Very Important Objective.

And before you get ahead of yourself, don't forget about Poor Little Georgia, which got a chunk of its territory annexed after it lost a war to Russia in 2008. As President Bush pointed out, America's vital interests and its deepest beliefs are now one. And surely our deepest beliefs don't involve leaving a flawed-butpromising democratic nation to the tender mercies of a predatory and authoritarian Moscow regime, do they? So let's agree that keeping Georgia safe is a vital interest.

The problem with this approach is that it's very hard to pursue these difficult objectives at once. As the *Times* piece points out, the sanctions coalition against Iran conflicts with a number of these other objectives: *new threats to Iranian oil flow could have at least one beneficiary: Russia...*

For Russian oil companies like Rosneft and Lukoil and the Russian-British joint venture TNK-BP, the international tensions that began over Iran's nuclear development program last autumn have meant a windfall. Analysts estimate that Iran jitters have added \$5 to \$15 a barrel to the global price of oil, which means an extra \$35 million to \$105 million a day for the Russian industry. And the taxes the Russian government has received from those sales have been a political windfall for Prime Minister Vladimir V. Putin as he campaigns to return as Russia's president. The extra money has helped further subsidize domestic energy consumption, tamping down inflation.

"It's good for Putin," Mr. Mercer said. "In the United States, when oil prices go up, the president's ratings go down. In Russia, it's the opposite."

So our Iran policy helps Russia and Putin, and that's bad. But wait:

at least one exemption [to the Iran sanctions] under discussion is meant specifically to limit the strategic benefits for Russia, which has been an outspoken critic of American and European strictures against Iran.

The United States and European Union are negotiating an exemption that would continue to provide the former Soviet state of Georgia — a nation that is now a Western ally — an alternative to Russian natural gas. The workaround allows payments to an Iranian company, Naftiran Intertrade, that has a share of the Shah Deniz natural gas field in the Caspian Sea.

The field, managed by the Western petroleum giant BP, is a supplier to Georgia. It is also a potential source for the proposed Nabucco pipeline, which would be managed by a consortium based in Vienna and backed by some Western European governments to create European competition with Gazprom. But the pipeline, seen as a maneuver to weaken Russia's hand in European energy politics, has been stalled in the planning phase for years.

So we're carving out an escape hatch for Iranian natural gas to get to Georgia, because we have friends in Tbilisi. Oh, and what about that pivot to Asia? Any trouble on that front?

China, meanwhile, is expected to circumvent the Iranian sanctions with tacit American approval by settling its oil purchases with Iran through banks that have no dealings in the United States. India, for its part, has negotiated to barter wheat for oil, or pay Iran directly in rupees.

Hmm. Oh, and what about our war in Afghanistan, which has already cost hundreds of billions of dollars, with the meter currently running somewhere between \$8 and \$10 billion per month? What's going on over there? Maybe the *Post* has something on that:

ISLAMABAD, Pakistan — At one end of the flower-festooned table sat the president of Iran, Mahmoud Ahmadinejad, perhaps the world's most relentless America basher.

At the other end sat Hamid Karzai, Afghanistan's leader, who owes his nation's survival to the United States.

And in the middle was Pakistani President Asif Ali Zardari, whose country's complex relationship with Washington swings from pole to pole.

If there existed any conflict among the chief executives of the three neighboring Islamic nations, they certainly weren't showing it Friday at the close of a trilateral summit in Pakistan's capital. At a news conference Zardari hosted in his splendid official residence, the theme was fraternal unity as the trio pledged to work for peace and prosperity in a region raging with war and terrorism.

It's almost as if there are tradeoffs among our objectives.