

US launches economic war on Iran, roils Mideast and world geopolitics

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US President Donald Trump signed an executive order Monday re-imposing, effective today, sweeping US economic sanctions against Iran that had been suspended in January 2016 as part of the Iran nuclear deal.

The sanctions, which Washington is demanding all other countries join it in enforcing, are both illegal and tantamount to an act of war.

Moreover, they are accompanied by increasing US military pressure and threats of war against Tehran. Trump tweeted late last month that Iran would “SUFFER CONSEQUENCES THE LIKES OF WHICH FEW THROUGHOUT HISTORY HAVE EVER SUFFERED” if it ever “THREATEN[ED]” the US. In recent days there have been repeated threats, couched as warnings, from the Pentagon that Washington will take whatever military action is necessary to secure “freedom of navigation” through the Straits of Hormuz, the conduit for much of Iranian and Mideast oil.

Unlike the European Union, the US, under Obama, refused to rescind the brutal economic sanctions they had jointly mounted against Iran from 2011 through 2015, and instead agreed only to suspend them. It claimed the threat of the immediate “snap-back” of sanctions was needed to ensure Iranian compliance with the nuclear deal.

However, it is Washington that has brazenly broken the agreement. Trump has “snapped back” sanctions on Iran, even though the International Atomic Energy Agency (IAEA), the five other great powers that negotiated the nuclear accord, and even the US State Department are in agreement Tehran has fulfilled its obligations under the accord to the letter.

In May, when he announced the US was torpedoing the Iran accord, Trump still made an attempt, albeit a fatuous one, to argue that Iran was violating the “spirit” of the agreement. Yesterday he forsook any such pretense. He simply declared the agreement was not in the “national security interests” of the US and that Washington would wage economic war on Iran—what he called “applying maximum economic pressure”—until it was “renegotiated” to the US’ satisfaction.

The demands that Trump and the anti-Iran hawks he has elevated to top posts in his administration, National Security Adviser John Bolton and Secretary of State Mike Pompeo, have made for a new “agreement” would entail Iran’s bourgeois-nationalist regime effectively agreeing to unilateral disarmament, foregoing in perpetuity the development of a civil nuclear program, and accepting unbridled US domination of the Middle East. These

include: scrapping its ballistic missile program; granting the IAEA the right to inspect any Iranian military facility at any time; withdrawing all Islamic Revolutionary Guard forces from Syria and otherwise ending its “malign” activities; and ceasing logistical support for Mideast groups perceived as obstacles to US foreign policy, such as Hezbollah, Hamas and the Houthi rebels in Yemen.

As he signed yesterday’s executive order, Trump also threatened the rest of the world, including Washington’s ostensible European and Asian allies. Those who fail to abide by Washington’s sanctions and continue to trade and invest in Iran “risk severe consequences,” he declared.

Under existing US law, companies and countries that do not adhere to the unilateral and illegal US sanctions against Iran face massive fines, exclusion from the US market and, no less menacing, exclusion from the US-dominated world financial system.

The sanctions that come into force today embargo trade with Iran of commercial aircraft, cars and car parts, gold and other precious metals, coal, aluminum, and steel, as well as Iranian exports of carpets and pistachios.

Yesterday’s executive order also fulfilled all requirements under US law for the automatic imposition of a second wave of even more punishing sanctions on November 5. These target all foreign transactions of Iran’s central bank, with the aim of strangling the country’s external trade, and Iran’s oil exports, which fund the lion’s share of the state budget.

Japan, South Korea and India have all sought waivers from the impending US oil sanctions, similar to those that the Obama administration gave, under which they would steadily reduce, but not entirely halt, oil imports from Iran. The Trump administration, however, is refusing to give any waivers. It insists countries must wind down their oil imports from Iran between now and the beginning of November and that the US objective is to entirely choke off all Iranian oil exports, and do so as close as possible to the November 5 sanctions deadline.

According to the *New York Times*, “senior administration officials” boasted about the impact that the threat of sanctions has already had on Iran’s economy in a conference call with reporters yesterday. The Iranian currency, the rial, has fallen precipitously in value since Trump repudiated the Iran nuclear deal last May, and is now worth in US dollars terms about half of its April value.

Growing crisis in Iran

Facing mounting protests from widely disparate social layers, including the unemployed, teachers protesting low pay, and bazaar merchants and other better-off layers angered by currency controls, Iran's government last week fired the head of the central bank and on Sunday abandoned its attempt to limit trading in the rial to a fixed exchange rate.

In a nationally televised appearance last night, Iranian President Hassan Rouhani appealed for "unity" while warning of further economic dislocation. He denounced Trump's recent offer of "talks" with himself and other leaders of the Islamic Republic as a sham and a provocation, adding that the precondition for any meaningful talks must be the lifting of all sanctions and Washington's return to the UN-backed Iran nuclear deal.

"If you stab someone with a knife and then you say you want talks, then the first thing you have to do is remove the knife," said Rouhani.

"We are always in favour of diplomacy and talks," continued the Iranian president, who came to power in 2013 as a proponent of a rapprochement with Washington. "But talks need honesty. Trump's call for direct talks is only for domestic consumption in America ahead of elections ... and to create chaos in Iran."

The US drive to crash Iran's economy is both a massive escalation of the four-decade-long campaign American imperialism has waged to return Iran to the type of neo-colonial bondage that existed under the Shah and the continuation of the series of ruinous wars Washington has imposed on the Middle East since 1991 in a bid to exercise unfettered dominance of the world's most important oil-exporting region.

Democratic and Republican administrations alike have waged these wars and the associated campaign for regime change in Tehran, and both parties are united today in backing a more aggressive stance against Iran.

However, significant sections of the US military-intelligence establishment and Democratic Party oppose Trump's scuttling of the Iran nuclear accord. This is because they believe that US imperialist interests would be better served by focusing on the US military-strategic offensive against Russia and preparing for conflict with China, and that a more limited escalation against Iran, particularly in Syria, would suffice.

Geopolitical shock waves

Be that as it may, the imposition of punishing economic sanctions on Tehran has placed the US on the fast track toward military confrontation with Iran and demonstratively put the geopolitical prestige and power of the US in play, sending shock waves around the world.

The various great powers must now weigh how they respond to Washington's attempt to coerce them into imposing sanctions against Iran in flagrant violation of an agreement they helped

negotiate and to the growing likelihood of a military confrontation between Iran and the US. Such a war would quickly engulf the entire Middle East and threaten—as the fate of much of the world's oil reserves and dominance of the hinge that unites Europe, Asia and Africa would be at stake—to become the antechamber of a global conflagration.

Yesterday the foreign ministers of Germany, France and Britain as well as the European Union's foreign policy chief Federica Mogherini reaffirmed their support for the Iran nuclear deal. In a joint statement, they said it was "delivering on its goal, namely to insure that the Iranian [nuclear] program remains exclusively peaceful," and vowed to "protect European economic operators engaged in legitimate business with Iran."

Also Monday, the German- and French-led EU said that it will activate today an anti-sanctions law that makes it illegal for a European company to comply with extraterritorial US sanctions and bars European courts from enforcing US sanction penalties.

The EU's anti-sanctions stand is belied, however, by the large number of major and politically well-connected European firms, including the oil giant Total, the shipping company Maersk and the auto manufacturers Peugeot and Daimler, that have already announced they are exiting the Iranian market for fear of facing US penalties. Just three years ago, the French bank BNP Paribas paid an \$8.9 billion fine for violating US sanctions against Iran and Cuba.

What is incontrovertible is that Washington's actions will further exacerbate tensions between the US and Europe and lend new urgency to the drive of all the major European imperialist powers to rearm so as to be able to assert their own predatory interests, independently of and, when necessary, in opposition to the US.

China, which is already immersed in an ever-widening trade war with Washington, has already let it be known that it will not reduce, let alone halt, oil imports from Iran. According to Bloomberg, the only concession China, Iran's largest oil customer, would make to the US in talks last week was a promise not to ratchet up Iranian oil purchases as other countries reduce theirs in compliance with US demands.

Russia has denounced the US for repudiating the Iran deal, and US critics of Trump's policy are warning that it could strengthen Tehran's ties with both Moscow and Beijing. However, in recent months, Moscow has signaled that it is ready to assist the US and Israel in pushing Iranian forces out of Syria, including by giving a green light to Israeli air strikes on Iranian forces, as part of its own attempt to reach an accommodation with Washington.



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