

US escalates illegal economic war on the people of Iran

Keith Jones

6 November 2018

Washington launched the second and far more punishing phase of its illegal, unilateral economic sanctions against Iran yesterday.

The new sanctions explicitly target more than 700 entities—banks, companies, the entire fleet of state-owned Iran Air, and various officials and businessmen. They are meant to choke off all of Iran's energy exports and freeze Iran out of the world banking system, so as to crash its economy. Shipping, ship-building and the ship-insurance industry are also targeted.

At the beginning of August, three months after American President Donald Trump had reneged on Washington's commitment to the 2015 Iran nuclear accord and insisted Iran submit to a new "made in the USA" agreement, the US imposed sanctions on Iran's auto sector and its trade in gold and base metals vital for industrial production and its acquisition of dollars.

At a Monday morning press conference, US Secretary of State Mike Pompeo boasted that the sanctions now in place are "the toughest ever," more sweeping and punishing than those the Obama administration and its European allies imposed on Iran between 2011 and 2015.

"The Iranian regime has a choice," declared the former CIA director and notorious Iran war hawk. "It can either do a 180-degree turn from its outlaw course of action and act like a normal country, or it can see its economy crumble."

Pompeo vowed that the US would continue its campaign of "maximum pressure" until Tehran submits to the 12 demands the Trump administration tabled last May. These include: forgoing in perpetuity a sovereign civil nuclear program; ending its military intervention in support of Syria's Assad regime; effectively abandoning its ballistic missile program; and ending all support for Hezbollah, Hamas and other US-designated "terrorist" groups.

In toto, these demands constitute an ultimatum that Iran disarm and place itself at the mercy of US imperialism and its regional allies.

Pompeo denounced Tehran for sponsoring international terror and other "malign" activities. Such claims are nothing new. They have been made, in some form or other, by every US administration, Democratic or Republican, since the 1979 Iranian Revolution toppled the US-backed monarchical dictatorship of the Shah. And they have been amplified over the past two decades as the US has waged and fomented a series of predatory wars across the greater Middle East, from Afghanistan to Libya, that have razed entire societies.

The US government and media have for years painted Iran as an aggressor and in this regard Pompeo did not disappoint yesterday. But it is the US that has threatened Iran with military attack time and again, has invaded Iran's neighbours Iraq and Afghanistan, and, beginning with Israel and Saudi Arabia, has armed its client states in

the region to the teeth and encouraged them in their belligerence against Iran.

Just three weeks ago, Pompeo was in Riyadh to counsel the Saudi absolutist regime on how to deal with international outrage over its brutal murder of the dissident Saudi journalist Jamal Khashoggi. Since then, Riyadh, with US logistical support, has intensified its savage war in Yemen, ensuring that what the UN has labelled the world's greatest humanitarian crisis deepens.

The Pentagon's Central Command, according to an article in Saturday's *Washington Post*, is pressing for the deployment of additional military forces to the Mideast to back up the Trump administration's "maximum pressure" campaign against Iran.

US unilateralism and criminality

At Monday's press conference, Pompeo announced that eight countries—China, India, Japan, Taiwan, South Korea, Greece, Italy and Turkey—have been given temporary "waivers" of up to six months on Washington's global embargo on importing oil from Iran.

In doing so, Pompeo stressed that the US is determined to reduce Iranian energy exports to zero in the near future and that those given waivers have already slashed their Iranian oil imports and have committed to making further cuts. They have also agreed to place the money they would have paid Iran in escrow accounts from which it can be withdrawn by Tehran only for the purchase of a limited number of "humanitarian" items.

Pompeo claimed the waivers had been granted to avoid a disruptive spike in world oil prices, and because some countries with refineries calibrated for Iranian crude need more time to find alternate sources of oil.

The US secretary of state was flanked at yesterday's press briefing by Treasury Secretary Steven Mnuchin. This is because the pivot of the US economic war on Iran is America's dominance of the world financial system and its capacity to wield the weapon of secondary sanctions, threatening companies and banks involved in trade with Iran, or those that merely have dealings with others that trade with Iran, with exclusion from the US market, massive fines and other penalties.

Pompeo and Mnuchin boasted that more than a hundred firms have fled Iran out of fear of the US sanctions, that some 20 countries have ceased importing Iranian oil, and that even before the US embargo formally began, Iranian oil exports had fallen by more than million

barrels a day, or around 40 percent.

Pompeo also said a sanctions waiver is to be given to those involved in repurposing two of Iran's nuclear facilities to bring them into compliance with the Iran nuclear accord, or Joint Comprehensive Plan of Action (JCPOA).

All the other signatories of the accord—Russia, China, Britain, France, Germany and the European Union—are adamant that Iran has fulfilled all its obligations under the JCPOA. So too, is the International Atomic Energy Agency, the UN body charged with verifying Iranian compliance.

Russia has vowed to assist Iran in breaking the US sanctions and, although it is one of the world's leading oil exporters, has reportedly agreed to buy Iranian oil using rubles that Tehran would then use to purchase Russian goods.

Noting that Russia is itself the target of US economic sanctions, Russian Energy Minister Alexander Novak told the *Financial Times* last Friday, "We do not recognize the sanctions introduced unilaterally without the United Nations. We consider those methods illegal per se."

The European powers, which played a pivotal role in the Obama administration's campaign against Iran, are also vowing to uphold the JCPOA and challenge the unilateral US sanctions.

Germany, France and Britain are angered that the Trump administration has derailed what had been a European corporate stampede to exploit lucrative business opportunities in Iran. They fear the catastrophic economic and geopolitical consequences of another US-provoked Mideast war and calculate that under conditions of intensifying global trade war and strategic competition, they must push back against Washington's unilateralism, including its use of secondary sanctions, so as to pursue their own imperialist interests and intrigues.

The European Union is establishing a Special Purpose Vehicle (SPV) to conduct trade with Iran, outside the US-dominated financial system, and has invited other countries, most notably Russia and China, to participate. However, the SPV is still far from up and running because of trepidation among the European powers about the implications of such an open clash with Washington.

Trump administration officials, meanwhile, have had no compunction about threatening to strong-arm their European rivals by aggressively sanctioning those involved in any future SPV transaction.

Iran vows to mobilize its "resistance" economy

Iran's bourgeois nationalist regime is vowing to withstand the US economic war on Iran, noting that Iran has been subject to various US sanctions for the past 39 years.

Large crowds participated in demonstrations Sunday marking the anniversary of the launch in 1979 of the student occupation of the US embassy, an action taken to protest US President Jimmy Carter's decision to allow the deposed Shah to travel to the US, and CIA intrigues against the anti-imperialist upsurge in Iran. Many participants bore handmade signs mocking Trump and vowing defiance of the US threats.

Even Western media reports have pointed to the palpable popular outrage at the US drive to further impoverish the Iranian people—including denying them access to vital medicines—and at

Trump and Pompeo's fatuous claims to stand with "the people" against Iran's clerical-bourgeois regime.

That said, there is no question the Iranian regime is beset with crisis as it seeks to maneuver between a rapacious, crisis-ridden US imperialism and an increasingly militant working class angered by years of austerity and the decades-long rolling back of the limited social concessions the mullahs made as they consolidated their power in the early 1980s, while ruthlessly suppressing all working class left-wing organizations.

Iranian President Rouhani, with the backing of Supreme Leader Ayatollah Khamenei, sought rapprochement with the US and European imperialist powers though the Iran nuclear deal in order to strengthen their hands against the working class, while pushing through neo-liberal reforms.

But the European investment boom fell short of expectations, then ended abruptly with Trump's announcement that the US was pulling out of the JCPOA and "snapping back" sanctions. Since then, Iran's economy has been in a tailspin, with the Iranian currency losing some 70 percent of its value.

Domestically, the rulers of the Islamic Republic have responded by redoubling their calls for "national unity," portraying mounting working class opposition to poverty and social inequality as disloyal. Internationally, Tehran cleaves to the European imperialist powers and touts Iran as a better guarantor of the world order than the Trump-led US. It oscillates between countering US threats of military action with boasts of Iran's own military capabilities, and signaling its readiness, if Washington rolls back the sanctions, to negotiate an agreement supplementary to the JCPOA.

"It doesn't have to be a different administration," Iranian Foreign Minister Javad Zarif told *USA Today* on the weekend, "but it does require a different approach," in explaining what would be required for Tehran to resume talks with Washington.

The Trump administration's criminal Iran agenda—its repudiation of the JCPOA and unleashing of economic war on Iran—marks a new stage in the breakdown of global inter-state relations. It has placed Washington and Tehran on a collision course, threatening to ignite a Mideast-wide war and enormously exacerbating tensions among the imperialist and great powers.



To contact the WWS and the
Socialist Equality Party visit:

wws.org/contact