

# Amid Hormuz blockade, US Treasury threatens to sanction Chinese banks trading with Iran

Alex Lantier  
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The Trump administration's cease-fire in its war of aggression against Iran is rapidly proving to be the setting for another escalation of a global conflict that is now underway. The US blockade of the Strait of Hormuz is setting into motion in particular an explosive confrontation between the United States and China, with far-reaching economic ramifications, that threatens to escalate into a wider, global war.

This week, US Treasury Secretary Scott Bessent said the Treasury could impose "secondary sanctions" on any bank found to hold Iranian money, cutting the bank out of the US financial system and access to the US dollar. Like the blockade of the Strait of Hormuz—which cuts off vital oil, gas and fertilizer exports on which the world economy depends—this amounts to a declaration of financial war on countries trading with Iran. This measure is codenamed Economic Fury, echoing "Epic Fury," the US military's code name for the war on Iran launched this February.

At an April 15 press conference introducing Operation Economic Fury, Bessent said: "We have told companies, we have told countries that are buying Iranian oil that if Iranian money is sitting in your banks, we are now willing to apply secondary sanctions, which is a very stern measure. And the Iranians should know that this is going to be the financial equivalent of what we saw in the kinetic activities," that is, the physical, military conflict.

Bessent made clear the main current target of these threats is China, the world's second-largest economy and largest manufacturing power, which now buys 91 percent of Iran's oil. He said, "We believe this blockade in the straits, there will be a pause of Chinese

buying. But I will tell you that two Chinese banks received letters from the US Treasury. ... We told them that if we can prove that there's Iranian money flowing through your accounts, then we are willing to put on secondary sanctions."

These remarks make clear that its war of aggression against Iran is part of a broader struggle for world domination, in particular directed at China and control of Eurasia, which threatens to explode into a global conflagration between the major nuclear-armed powers.

Beijing has responded by calling for restraint on all sides—making no condemnation of US aggression against Iran and Trump's genocidal threat to annihilate Iranian civilization. According to China's state-run *Global Times*, Foreign Ministry spokesman Guo Jiakun said: "The root cause of the disruption at the Strait of Hormuz is the military conflict. To solve the issue, the conflict must stop as soon as possible. All parties need to remain calm and exercise restraint. China will continue playing a constructive role."

After Bessent's threats to strangle Chinese banks, Guo issued a statement pointing to their illegal character: "China opposes illegal unilateral sanctions without authorization of the United Nations Security Council."

Currently, the situation in the Strait of Hormuz remains unclear. Many ships are trapped inside the Persian Gulf with or without cargo, after several weeks of war has shattered much of the region's critical energy infrastructure. Washington, for its part, has released a barrage of reports bragging that Bessent's threats have discouraged Chinese ships, for now at least, from defying the US blockade.

US Central Command, which oversees US military

operations in the Middle East, reported that China is respecting the blockade. It said 10 ships had complied with US orders to turn back or remain confined in Iranian waters. Of these ships, eight remained in port, while two others got underway but then turned back after reports emerged that Chinese banks could be sanctioned for financing their operations.

The US war against Iran aims not only at regime change, undoing the 1979 Iranian revolution and reimposing a US puppet regime in order to grab Iran's oil and gas—as Trump has called to do. It also aims to assert direct control over vital energy supplies of China, Asia and the world, without which modern life is impossible. Via a blockade threatening to impose industrial depression and famine on workers internationally, Washington is setting out to assert its control over Asian and global economic life.

While the Hormuz blockade threatens China, it is even more devastating for Asian countries with smaller petroleum reserves or who depend more on the Persian Gulf for energy imports. South Korea, Vietnam, Thailand, the Philippines, Bangladesh and Pakistan have imposed energy rationing or work-from home and shortened workweeks for layers of workers. This threatens not only a collapse of the world's industrial activity, but also of its food supplies.

In an essay for the Soufan Center think-tank, Professor Julie Chernov Hwang writes: “Cambodian, Thai, Filipino, and Vietnamese farmers are struggling due to shortages of fertilizer and the high price of diesel that is required to operate irrigators, rice planters, and tractors. The higher cost of these inputs, combined with low profit margins, may lead farmers to plant less rice this year or perhaps not plant a crop at all.”

Gloating mafia-style about the grip the Trump administration hopes the naval blockade of the Strait of Hormuz will give it over the economy of China and Asia, Trump said of Chinese President Xi Jinping: “He's somebody that needs oil. We don't.”

Trump went on to brag that this meant that Xi would no longer dare arm Iran. “He responded to a letter that I wrote because I had heard that China is giving weapons to, and you're seeing it all over the place, to Iran. And I wrote him a letter asking him not to do that. And he wrote me a letter saying, essentially, that he's not doing that,” Trump told Fox News interviewer Maria Bartiromo.

For Washington, preventing China from arming Iran before the Pentagon resumes military action against Iran is no doubt a major objective. However, it is clear that US imperialism is pursuing a far broader financial and military agenda, organized around the defense of its own, fading global hegemony. It is setting into motion military conflicts and social upheavals extending far beyond the Middle East and that are indeed engulfing the world.

Beijing has, for now, responded cautiously to the US blockade and the financial strangulation measures against it. Undoubtedly, however, there are explosive discussions at the summit of the Chinese regime of what diplomatic and military action to take in response to the US war against Iran—in particular, if US warships acting to enforce the Hormuz blockade seize or fire upon a Chinese vessel.

There are reports of Chinese ships reinforcing military installations in the South China Sea, in particular around the disputed Scarborough Shoal, another significant naval chokepoint in its own right, alongside the Strait of Hormuz.

But ultimately there is no military solution to the crisis of the entire capitalist system unleashed by the volcanic eruption of American imperialism. The escalating financial and military conflicts between the great powers reveal how the war in Iran could escalate into a global economic collapse and a nuclear conflagration. The decisive question is preparing and building a movement in the international working class against imperialist war, genocide and fascism, and to take power out of the hands of the capitalist oligarchy that is plunging the world towards a catastrophe.



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