

U.S. Unilateral Sanctions Against Sovereign Nations Mean Genocide

by Ramtanu Maitra

March 25—Washington made known this week to 12 nations that are purchasing Iranian oil, that unless they significantly reduce those imports in the coming months, they could be subject to U.S. sanctions. What form such sanctions would take has not been announced. The 12 nations are China, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Nigeria, Colombia, Sri Lanka, Taiwan, and Turkey. Earlier, 10 EU nations and Japan were exempted from sanctions for at least six months.

It is evident that President Obama is planning to confront such large nations as China, India, and Indonesia, among others, to force them to toe his line, prior to unleashing his catastrophic plan to militarily attack Iran, or to allow Israel to do so. Although it is not certain that sanctions will actually be imposed on any of these 12 nations following the six months “grace period,” the threat itself may force citizens of the threatened nations to take a fresh look at what the United States has become. Those nations that will take the unpopular measures against Iran to appease Washington run the possibility of encountering an increasingly hostile domestic political environment.

U.S. policy makes one thing crystal clear: The object of the sanctions is genocide, not only against Iran (by bringing it to its knees economically), but also against any nation that stands up to the economic blackmail. Sanctions are no alternative to war, but a prelude to war, and must be resisted as such.

Target: Iranian Banks

It is a moot question whether these threats are intended entirely to pressure these countries to accept President Obama’s irrational policy, which is steadily heading towards a military confrontation with Iran, or to further weaken Iran, or whether there is more to it. On the one hand, bowing to such a unilateral policy dictated by Washington would compromise the powers-that-be in these nations, causing internal dissension.

Acceding to the unilateral U.S. action would also be an endorsement of the London-Paris-Washington-led regime-change mafia that carried out its murderous plan in Libya, and is now working to achieve a similar outcome in Syria and Iran.

Meanwhile, the U.S. Congress, a pale shadow of what the Founders of the American Republic intended it to be, is going ahead with every irrational foreign policy initiative laid down by this President. Members of both the House and Senate from both parties are planning to move forward soon with legislation that would expand financial sanctions against Iran to include all Iranian financial institutions—whether government-affiliated, private, domestic, or controlled from abroad. *The Cable* reporter Josh Rogin reported on March 6, citing multiple Congressional aides, this would effectively cut off every Iranian financial institution from the international community, subjecting any bank that conducts transactions with an Iranian bank or holds money for an Iranian bank to the risk of losing its own access to the U.S. market,

On March 15, a global communication network vital to the banking sector announced that it was breaking off ties with as many as 30 Iranian financial institutions—including the Central Bank—crippling their ability to conduct international business. It is the first time that Swift, a consortium based in Belgium and subject to European Union laws, has taken such a drastic step, which severs a crucial conduit for Iran to electronically repatriate billions of dollars’ worth of earnings from the sale of oil and other exports.

Currently, only the 18 Iranian banks designated by the U.S. Treasury Department and the Central Bank of Iran are subject to such sanctions, leaving more than 25 banks free to conduct foreign business. To “block that hole,” legislation is being developed by the office of Sen. Mark Kirk (R-Ill.) in coordination with other offices, including those of Rep. Brad Sherman (D-Calif.) and House Foreign Affairs Committee chairwoman

Ileana Ros-Lehtinen (R-Fla.). “This would really be a one-two punch combination if Congress extended sanctions to all Iranian financial institutions,” one aide involved in the legislation told *The Cable*.

Japan, the fourth-largest buyer of Iranian oil, has been exempted from sanctions. A week before the U.S. named the nations that face the threat of sanctions, Tokyo had acceded to the U.S. demands and had placed Iran’s third-largest bank on a blacklist for allegedly helping Tehran to develop a nuclear arms program.

Obama’s War Policy

The world has noticed by now that Nobel Peace Prize winner President Barack Obama has nothing to do with establishing peace anywhere. His policymaking resembles more that of a locker room knuckle-dragger. His incessant use of drones inside Pakistan along the Afghanistan-Pakistan borders, in Yemen, and in Somalia, for instance, have caused hundreds of deaths by “collateral damage,” which translates in plain English into deaths of innocents. For some reason, neither the White House nor the Congress considers these hostile acts inside foreign nations to be acts of war.

Obama’s determination to impose sanctions to punish and force others to accede has been in public view for years. In a document¹ issued by the Washington-based Center for Strategic and International Studies (CSIS), the authors point out that in 2010, Congress passed the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISAD). That Act imposed sanctions on any person who makes an investment of \$20 million or more in Iran’s petroleum industry; any person who provides Iran with goods, services, technology, or information with a fair market value of \$1 million or more for the maintenance or expansion of Iran’s production of refined petroleum prod-



Embassy of Saudi Arabia

Saudi Arabia is the greatest beneficiary of President Obama’s policy of sanctions against Iran. Shown are Obama with and Saudi King Abdullah, at the King’s ranch in al-Janadriyah, June 3, 2009.

ucts; and/or any person who exports more than \$1 million worth of gasoline to Iran or provides \$1 million worth of goods or services that could contribute to Iran’s ability to import gasoline.

“Since 2010 the United States has focused on isolating Iran economically by targeting Iran’s financial and commercial system,” the CSIS document states. “In doing so, the U.S. has hoped to obstruct Iran’s connections to international markets and dismantle the means by which it conducts economic transactions. As a result, U.S. sanctions have affected a number of key sectors in Iran’s economy, as has the steady increase in the number and scope of other national and international sanctions.”

Why is the Obama Administration taking these unilateral actions? The neo-conservative war-party in Washington, of which the Obama Administration has become an indistinguishable part, claims that Iran is developing nuclear weapons, and that the only way to deal with it is to weaken Iran, force major nations to go along, and then militarily attack and dismantle the Iranian regime.

However, any number of people who are in the know have made clear that there is no indication that

1. Anthony H. Cordesman, Alexander Wilner, and Sam Khazai, “U.S. and Iranian Strategic Competition: The Sanctions Game: Energy, Arms Control, and Regime Change,” March 2012.

Iran is moving ahead with making nuclear weapons. If Tehran had such a plan, they point out, it was abandoned in 2003.

Alexander's Gas and Oil Connections, a trade journal based in the Netherlands, wrote in a recent editorial: "The world seems to be on an inevitable path to a war between the IFUKUS coalition [Israel, France, U.K., U.S.] and Iran. In a carefully orchestrated dance between threat-and-dismiss talks at high level, and media cooperation to whip up the frenzy and feed the populace the distorted facts to support 'the right cause,' the biggest war since WW2 is being prepared."

Based on lies and deceit, the journal continued, "Iran will likely become partly annihilated, with countless lives lost and affected by the nuclear fallout that will occur, and probably is intended, with its whole infrastructure in shambles, large parts of the country polluted by depleted uranium, causing cancers for many generations to come, and many other additional direct and lasting terrors."

Following the U.S. enactment of the CISAD bill, the FY 2012 National Defense Authorization Act (NDAA), signed by the President in January, includes language that allows sanctions against any international bank or financial institution that does business with the Iranian Central Bank (ICB), including purchases of crude oil.

The sanctions, of course, have not only been unilateral. The CSIS document points out that international sanctions have had growing importance since 2006, when the UN Security Council passed Resolution 1737 banning nuclear cooperation with Iran. The UN has now passed seven resolutions on Iran, four of which have imposed sanctions. The United States and Iran have competed for Russian and Chinese support throughout this process, while America's key European allies (Britain, France, and Germany) have played a growing role in shaping sanctions and the diplomatic process that has followed. Not only has the UN implemented new multilateral sanctions, but the European Union and the U.S. have crafted additional sanctions, and consistently pushed for broader international adoption of these optional constraints.

Cui Bono?

Why is the military annihilation of Iran is being planned in Washington by a Nobel Peace Prize-winning President? *Alexander's Gas and Oil Connections* has an

observation: "Is it because Iran is refusing to use the dollar and with that undermined its global position, and therefore needs to go? Or is it because Iran is just the next one to take over on the long road to total domination?"

"It is no coincidence of course that it is a large land with very rich resources. But as they don't obey the rules of the game as set out by certain people, they need to go. Is that it?"

"After the war, no one will ever be able to prove that the Iranians did NOT work on a nuclear bomb, as they have been consistent in saying, not even wanting it. The reason it will not be able to prove that they did NOT work on an N-bomb, will be because most probably the IFUKUS coalition, with or without FUKUS, will use one or more of the many nuclear bombs on store, to penetrate the mountains in which the nuclear installations of Iran are kept."

The journal points out that preparation for such a war is in full progress: "The story now goes that an old frigate is taken from the scrap-yard and brought to the right place and is being done up to be the target of a false-flag operation, which will need to look like, or at least that is what the media will tell us, that Iran has attacked and destroyed a whole frigate, with so many casualties (the names are already being gathered), and therefore the IFUKUS coalition has the right to 'counter'-attack Iran."

On the other hand, there is some indication that the unilateral U.S. sanctions, acquiesced to by many nations, have begun to take their toll on Iran. Benoit Faucon of Dow-Jones Newswires, based in London, wrote in a recent report that Iran's crude-oil exports appear to have dropped sharply for the first time this year according to an authoritative consultancy—the strongest sign so far that sanctions targeting Tehran's most important revenue stream are working.

To ratchet up pressure on Iran, the EU in January agreed to ban purchases of Iranian crude oil starting on July 1, while the U.S. is pressuring Asian buyers to cut their Iranian oil imports.

A report by Swiss oil-shipping specialists at Petro-Logistics S.A. foresees a decline in Iran's oil exports of 300,000 barrels a day this month to 1.9 million barrels a day, according to a person familiar with the document, as buyers cut purchases ahead of a European Union embargo on Iranian oil.

But Iran does not agree with these assessments.



EIRNS/Stuart Lewis

The American people will not be among those those who profit from the U.S. sanctions policy. Already high gas prices can be expected to soar this Summer.

Iran's crude-oil exports have been broadly stable at around 2.2 million barrels a day, as the country offered flexible contract terms. Iranian Vice President Mohammad-Reza Mir-Tajeddini told reporters last week that the embargo on Tehran's oil sector has been defeated "in practice." The remark came a few days after the U.S. exempted 11 countries from sanctions. Mir-Tajeddini said the exemption of these shows a "clear retreat" by the United States.

But Iran's biggest buyers—China, India, and South Korea—are still on the sanctions list, and Iran will be depending on their steadfastness. China alone receives about 22% of Iran's oil exports.

If Iran is not hurting that much, and exemptions are indeed a "clear retreat," then who is benefitting from the sanctions? No doubt, there are some, but the American people are not among them. Americans will be paying through the nose this Summer when buying gas, but that was their decision, by not standing up to yet another irrational policy steamrolled through by their President. Beyond that, it is a certainty that the oil price rise worldwide will jeopardize those nations where millions of people barely eke out a living. The difference could be an increase in malnourishment, lack of water supplies, and food shortages.

But the oil price rise is a boon to friends of IFUKUS. For instance, on March 24, *USA Today* quoted Presi-

dent Obama in an interview with AAA: "Right now the key thing that is driving higher gas prices is actually the world's oil markets and uncertainty about what's going on in Iran and the Middle East. And that's adding a \$20 or \$30 premium to oil prices, and that affects obviously gas prices." Meanwhile, Brent crude, which is used to price oil imported by U.S. refineries, rose by \$1.99 per barrel to end at \$125.13 in London.

Saudis to the Fore

The greatest beneficiaries of Obama's policy are the other oil-exporting Persian Gulf countries, and Saudi Arabia in particular. Saudi Arabia and Qatar are not part of IFUKUS, but they finance some of its dirty jobs. For example, they provided arms to the rebels who toppled and killed Libyan

President Muammar Qaddafi, and are doing their bit in Syria to arm the opposition, many of whom are jihadi-mercenaries from other countries, while also keeping Bahrain's isolated al-Khalifa monarchy in power against popular demands for democracy. Both Saudi Arabia and Qatar are monarchies, but as long they keep helping London, Paris, and Washington to change the "independent Arab" regimes (those disliked by IFUKUS), they will continue to be identified as "democratic" countries with no human rights problems.

HP News Services reported last week that Japan and Spain had reduced Iranian oil imports and switched to Saudi crude, providing the first evidence that some of Iran's largest customers are reducing their reliance, ahead of the stifling sanctions this Summer. "Saudi exports surged recently [to 9 million barrels of oil a day] because some customers are preparing for what might happen with regards to Iran," a senior Saudi oil official said this week.

Reuters' Matthew Robinson and Jonathan Saul reported on March 16 that Saudi Arabia is preparing to extend this year's unexpected surge in oil sales to the United States, according to tanker industry sources and government data, adding to speculation about the response of the world's top oil exporter to sanctions against Iran and a rise in prices.

"Contrary to expectations that the modest recent

rise in the kingdom's output was bound for fast-growing Asian markets," the journalists wrote, "preliminary data shows that shipments to the United States have quietly risen 25 percent to the highest level since mid-2008, when the OPEC kingpin was driving up production to knock oil prices off record highs near \$150 a barrel.

"The surge appears set to continue. Vela, Saudi Arabia's state oil tanker company, has booked at least 9 very large crude carriers (VLCCs) capable of carrying 2 million barrels of crude each from the Middle East Gulf to the U.S. Gulf [Gulf of Mexico] since the start of March, the biggest such wave of fixtures in years, analysts say.

"Evidence of the abrupt boost in sales, which has gone largely unnoticed in the market, will likely provoke speculation about whether it is more political or commercial in nature."

It is not unlikely that some of the windfall profits of the Saudis, Qataris, and others, will be used to buy arms for those seeking regime change in Syria or other sovereign nation-states, or even as campaign donations to support the political leadership in the IFUKUS countries.

How Strong Are the Target Nations?

Of the 12 nations that are on President Obama's sanctions list, **China** is the one that is most likely to be able to withstand all the pressure exerted from Washington, London, or Paris. At the same time, it will buy more oil from the anti-Iran Gulf nations as its demand for oil grows.

China, the world's second-most-powerful economy with an abundant surplus of cash, rejected Obama's unilateral sanctions with contempt. On March 22, the *People's Daily*, the official Communist Party newspaper, said in a commentary that the U.S. move was misguided and selfish and China had every right to import oil from Iran.



Saudi Embassy

Saudi Arabia has promised to plug any shortage of oil supplies to the international market and to raise production to full capacity if needed. Shown: Saudi super-tankers in the Arabian Gulf.

"One stand-out feature of unilateralism is this: that one's own rules become the world's rules. Everyone must respect them, and if you don't, then you will be punished," the paper said, adding that previous unilateralism by the United States had led to the quagmires of Iraq and Afghanistan.

"The facts have proved again and again that unilateralism is not the way to resolve the world's problems, and that it will only complicate and exacerbate the situation, and not only not douse the flames but may even fan them."

Foreign Ministry spokesman Hong Lei told reporters in Beijing on the same day that "China's oil imports from Iran were based on the country's economic development needs and do not violate any UN resolutions or damage the interests of third parties.... China opposes any country imposing its domestic law on another country. We oppose the practice of saddling unilateral sanctions on a third country."

The second-most important buyer of Iranian oil is **India**. Indian Petroleum Minister S. Jaipal Reddy, Finance Minister Pranab Mukherjee, and Foreign Secretary Ranjan Mathai have said that India will continue to buy Iranian oil to meet its growing energy needs, Bloomberg News reported on March 15. While the Indian government has an excellent record of enforcing UN sanctions on Iran, India has objected to unilateral U.S. sanctions, according to U.S. officials.

“We abide scrupulously by UN authorized sanctions,” Indian Foreign Ministry spokesman Syed Akbaruddin told Bloomberg in a telephone interview. While restrictions imposed by individual countries “have an impact on commercial interactions, from a legal perspective there is nothing that binds us to follow them.”

However, the Indian position is not etched in granite. India’s fiscal year begins in April and there is every indication that New Delhi will be taking measures to meet Washington’s requirements, to avoid sanctions. That means reduction of oil purchases from Iran and increasing oil purchases from other Gulf countries.

On March 25, *World Reporter’s* Sanskar Shrivastava wrote that Washington has warned India of retribution if India does not follow the economic sanctions against Iran. Understanding India’s hunger for energy, as one of the world’s fastest-growing economies, Shrivastava said, America suggested that India buy oil from Saudi Arabia or Iraq. India turned the proposal down, saying it maintains its own relations with Iran and cannot terminate them. India has started making payments to Iran for its oil purchases in gold and Indian rupees instead of dollars.

But India remains vulnerable to Washington’s threats because the ruling United Progressive Alliance (UPA) is a weak government and is becoming weaker by the day. It has to face general elections in 2014 and its leaders believe that unless they show continuing growth of GDP, they will be shown the door by the ruthless Indian electorate. Some in the leadership are openly fearful that if Obama cuts off outsourcing of work to India, the growth rate will decline. On the other hand, the loss of Iranian oil and the ability to subsidize fuel prices could also adversely affect the electoral outcome for the ruling coalition.

In addition, Prime Minister Manmohan Singh, a former IMF official, is beholden to Washington, particularly to President Obama. There is no question that he would be ready to walk an extra mile to keep Washington off his back. Moreover, India spent quite a bit of money and effort with the help of the American Israel Public Affairs Committee (AIPAC) to develop a strong lobby on Capitol Hill. But instead of getting help from the lobby to stand up to Obama’s sanction threats, New Delhi is being subjected to pressure from this lobby to appease the Obama Administration.

On the other hand, India has extensive relations

with Iran, and some in the Manmohan Singh Administration realize that this relationship could be affected if New Delhi capitulates to Washington’s threats. India is working to connect Iranian ports with Afghanistan and Central Asia by rail and road, to facilitate trade in the region; it is also helping Iran to develop stronger infrastructure at the Chabahar port, which would allow India to trade with Afghanistan and Central Asian nations north of Afghanistan.

But India has voted against Iran twice in the International Atomic Energy Agency (IAEA). Iran remembers that, and it did not sit well with the Iranians, to say the least.

Among other oil-importing nations on the U.S. sanctions list, **South Korea** is a prominent one. With more than 28,000 U.S. troops housed there, Seoul will find fending off U.S. demands well-nigh impossible. Already with the reduction of imports in January and February, South Korea has reversed a trend toward increasing Iranian oil purchases. In 2011, its Iranian imports rose 20%.

South Korea has had no problems finding oil to substitute for its Iranian imports, Finance Minister Bahk Jae-wan told reporters today. “We already have secured enough alternative oil,” he said.

South Korea received 87% of its total crude imports in the first two months of this year from the Middle East—mainly Saudi Arabia, Kuwait, Qatar, the United Arab Emirates, and Iran—up from 85% a year earlier, Korean National Oil Corp. data shows.

Cutting imports from Iran might drive up costs, said Son Young-joo, energy analyst at Kyobo Securities Co Ltd. “I don’t think the shortage of Iran crude oil supply itself will do much harm to South Korea,” he said. “The only problem I see is the cost, as Iran crude oil was about US\$2 (RM6.16) to US\$3 a barrel discounted compared to other countries’ products.”

Taiwan, another close U.S. ally, has been named as a potential target of sanctions, but it will halt its imports as of July, a source at the state-run refinery CPC said on March 22. Anyway, Taiwan is a small buyer of Iranian crude, purchasing only 19,000-22,000 bpd. It has no plans to ask for the U.S. waiver to sanctions, as it would simply buy crude from other countries, CPC president Lin Mao-wen told Reuters.

Saudi Arabia said this week that it would plug any shortage in supplies to the market and was ready to raise output to its full capacity of 12.5 million bpd if needed.