

IRAN WAR: The EU Oil Embargo: Setting the Stage for Military Escalation?

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When the European Union declared that it will impose an oil embargo on the Islamic Republic, it set the stage for a new escalation of the Western-created crisis over claims that Iran has an active nuclear weapons program.

In Tuesday's State of the Union address, President Obama declared amid thunderous applause and a standing ovation from Congress, "Let there be no doubt: America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal."

Similar to sanctions legislation signed into law by Obama on December 31, the EU-approved measures ban imports on future and *existing* contracts beginning July 1 of crude oil, petrochemical products; as well, the measures forbid the export of equipment and technology to Iran's energy sector.

The EU sanctions also hit Iran's Central Bank, freezing its assets. Also on Monday, the U.S. Treasury Department announced new sanctions on Iran's third-largest bank, Bank Tejarat; a sign that the administration intends to further isolate Iran from the global financial system.

[The New York Times](#) claimed that the EU's "phased" ban on oil purchases "was needed to help force a shift in policy and avert the risk of military strikes against Tehran."

France's Foreign Minister, Alain Juppé, told reporters that in order to "avoid any military solution, which could have irreparable consequences, we have decided to go further down the path of sanctions."

"It is a good decision that sends a strong message and which I hope will persuade Iran that it must change its position," Juppé said, "change its line and accept the dialogue that we propose."

Writing in [Asia Times Online](#), Pepe Escobar rejected the foolish notion that the West is interested in defusing the crisis.

"The EU defends its strategy-or economic war-as the only way to avert 'chaos in the Middle East.' Yet the economic war may end up sparking the full-blown war it is theoretically trying to avert; talk about an array of unintended consequences waiting in the wings."

"The EU insists on spinning its so-called 'dual track' approach towards Iran," Escobar averred. "Stripped of spin, dual track essentially translates in practice as 'shut up, bow to our sanctions, stop enriching uranium and sit on the table to negotiate on our terms'."

“Senior EU officials,” [The Guardian](#) disclosed, “concede that the move could be risky and send oil prices rocketing at a time of extreme economic difficulty in the west.”

Reflecting the growing danger to the world economy by this stunt, “oil prices rose on Monday after the European Union agreed to ban imports of Iranian crude,” [Reuters](#) reported.

“Brent March crude rose 72 cents to settle at \$110.58 a barrel, having reached \$111.36 intraday but unable to threaten front-month Brent’s 200-day moving average of \$112.19.” One analyst warned, “heaven knows what will happen between now and the first of July” when the EU’s date for full implementation of the embargo takes effect.

On Wednesday, the International Monetary Fund (IMF) warned “that global crude prices could rise as much as 30 percent if Iran halts oil exports as a result of U.S. and European Union sanctions,” [Reuters](#) disclosed.

Accordingly, if the Islamic Republic stops exporting oil to the EU and other countries that join the “attack Iran” coalition of the feckless, “it would likely trigger an ‘initial’ oil price jump of 20 to 30 percent, or about \$20 to \$30 a barrel, the IMF said in its first public comment on a possible Iranian oil supply disruption.”

“In addition the oil embargo, the EU also decided to freeze the assets of the Iranian central bank, arguing that the aim was to choke off funding for the nuclear programme,” according to [The Guardian](#). The EU’s move against Iran’s Central Bank follow policies put in place by the United States.

“The Iranian programmes are proceeding apace and represent a strategic threat,” an unnamed “senior diplomat” [The Guardian](#). “The aim is to have a big impact on the Iranian financial system, targeting the economic lifeline of the regime.”

[The Guardian](#) also informed us that “David Cameron, the German chancellor Angela Merkel, and the French president Nicolas Sarkozy, issued a joint statement calling on Iran to suspend its nuclear activities.”

“Our message is clear,” the statement read. “We have no quarrel with the Iranian people”—a diplomatic cliché that generally means: do what we say *or else*—“but the Iranian leadership has failed to restore international confidence in the exclusively peaceful nature of its nuclear programme. We will not accept Iran acquiring a nuclear weapon.”

In a day filled with joint statements by imperial shills, Treasury Secretary Timothy Geithner (Henry Kissinger’s *wunderkind* in Obama’s cabinet) and Secretary of State Hillary (bomb the Libyans back to the Stone Age) Clinton said that “the measures agreed to today by the EU Foreign Affairs Council are another strong step in the international effort to dramatically increase the pressure on Iran. This new, concerted pressure will sharpen the choice for Iran’s leaders and increase their cost of defiance of basic international obligations.”

Commenting on the slow-motion apocalypse in progress, Robert Fisk wrote in [The Independent](#): “Bring on the sanctions. Send in the Clowns.”

More Israeli Threats

How did America’s “stationary aircraft carrier in the Middle East” react?

According to [Debkafile](#), a right-wing publication privy to leaks from Israel's intelligence and military establishment, Defense Minister Ehud Barak said that a "new round of sanctions will not stop Iran's pursuit of a nuclear weapon ... stressing that Israel's hand was always near the trigger."

Barak's comments were "aimed at cooling the optimistic notes emanating from Washington, Europe and some Israeli circles Monday after the European Union foreign ministers approved an oil embargo against Iran from July 1 and froze its central bank's assets."

The Defense Minister said "that because Iran had not stopped developing a nuclear weapon Israel had not removed any options from the table. We say this 'very seriously,' he stressed."

Barak's noxious statements were amplified in a lengthy piece published this week in [The New York Times](#).

Titled "Will Israel Attack Iran?," Ronen Bergman, a political analyst with the *Yedioth Ahronoth* newspaper who, like *Debkafile*, has cozy ties to Israeli defense mavens, wrote: "After speaking to many senior Israeli leaders and chiefs of the military and the intelligence, I have come to believe that Israel will indeed strike Iran in 2012."

Speaking at the Davos economic summit on Friday, Barak warned "that a situation could be rapidly reached when even 'surgical' military action could not block the Tehran regime from getting the bomb. 'We will know early enough whether the Iranians are ready to give up their nuclear weapons'," [The Independent](#) reported.

"We are determined to prevent Iran from turning nuclear," Barak said. "It seems to us to be urgent, because the Iranians are deliberately drifting into what we call an immunity zone where practically no surgical operation could block them."

Barak's message to Washington and the "international community": "We're ready to attack, now!"

'Europe Will Burn in the Fire of Iran's Oil Wells'

The new sanctions, coupled with escalating threats from Israel and the West are hardly "bridge builders" aimed at resuscitating stalled talks, but in fact are *economic acts of war* designed to force Iran into a corner.

Rejecting demands to "dialogue" with guns pointed at their heads, Iranian lawmaker Mohammad Kowsari, the deputy leader of the parliamentary National Security and Foreign Policy Committee told [Press TV](#) that "in the event of US 'military adventurism' in the Strait of Hormuz, Iran will respond in the shortest possible time by making the entire world unsafe for Americans."

Kowsari reiterated Iran's long-standing promise to "definitely" close the strategic Strait of Hormuz "if there is a disruption in the sales of the country's crude, stressing that the "US and its allies will not be able to reopen the strategic waterway."

Hardly fazed by Western threats, and apparently ready to take "preemptive" measures of their own, Seyyed Emad Hosseini, a spokesperson for Iran's parliamentary Energy

Commission said on Friday that “Iran has the world’s third biggest oil reserves and cannot be eliminated from global energy equations,” [Press TV](#) reported.

Hosseini said that parliament “is considering a plan to completely stop oil exports to EU members which will initially paralyze the economies of Italy, Spain and Greece.”

“Iran is powerful [as a country] and oil sanctions imposed by European countries will only harm the European Union.” Hosseini added, “Europe will definitely lose its oil war with Iran because European countries are grappling with numerous domestic challenges and disruption of Iran oil flow will lead to the escalation of domestic pressure and crisis in EU member states.”

On Saturday, [Fars News Agency](#) reported that “members of the Iranian parliament finalized a draft bill on cutting the country’s oil exports to the European states in retaliation for the EU’s oil ban against Tehran.”

Nasser Soudani, the vice chairman of the parliamentary Energy Commission told *Fars* that “the bill has 4 articles, including one which states that the Islamic Republic of Iran will cut all oil exports to the European states until they end their oil sanctions against the country.”

Soudani told *Fars* earlier this week when the oil cut-off bill was introduced, “Europe will burn in the fire of Iran’s oil wells.” Take *that*, Cameron, Merkel and Sarkozy!

Driving home the point, [Bloomberg News](#) reported Friday that “Fitch Ratings cut the credit ratings of Italy, Spain and three other euro-area countries, saying they lack financing flexibility in the face of the regional debt crisis.”

In addition to Italy and Spain, the ratings agency also downgraded the credit worthiness of Belgium, Slovenia and Cyprus. And with Greece currently negotiating with creditors on how to avoid a default, soaring oil prices would severely impact the ability of EU countries to climb out of the economic ditch and is a further sign that the 2008 capitalist economic crisis is accelerating.

Commenting, [Asia Times Online](#) political analyst Pepe Escobar again warned: “According to the EU sanctions package, all existing contracts will be respected only until July 1—and no new contracts are allowed. Now imagine if this preemptive Iranian legislation is voted within the next few days. Crisis-hit Club Med countries such as Spain and especially Italy and Greece will be dealt a deathblow, having no time to find a possible alternative to Iran’s light, high-quality crude.”

“Not surprisingly,” Escobar averred, “the losers lost in these Cold War tactics anachronistically applied to a global open market are the Europeans themselves.”

“Greece,” *Asia Times* pointed out, “already facing the abyss—has been buying heavily discounted oil from Iran. The strong possibility remains of the oil embargo precipitating a Greek government bond default—and even a catastrophic cascade effect in the eurozone (Ireland, Portugal, Italy, Spain—and beyond).”

Not that any of this matters to the Americans who are exacerbating the manufactured “Iran crisis,” partially as a hammer to beat down their EU competitors—under the tattered flag of Western “unity”—while gambling that war and their delusional hope for “regime change” in Iran will bring them one step closer to energy hegemony in Central Asia and the Middle East.

Eyes Wide Shut

Which brings us back to Iran's "red line."

"Tehran has repeatedly said that it would close Hormuz only if—and we should repeat—only if Iran is blocked from exporting its oil," *Asia Times* warned.

"This would represent a deathblow to the Iranian economy—totally dependent on oil exports—not to mention the regime controlled by Supreme Leader Ayatollah Ali Khamenei. Regime change is the real agenda of Washington and its European poodles— but that cannot be spelled out to global public opinion," Pepe Escobar noted.

Speaking to reporters on Thursday, Ali Akbar Velayati, a senior adviser to Ayatollah Ali Khamenei, told [Press TV](#) that "in the absence of Iranian supply, oil prices will go up and they (the Western states) know it. However, Iran will never allow itself to be in a situation in which it cannot sell oil but other regional states can."

And how did the global godfather react to Tehran's warning? Why with more bellicose rhetoric of course! The United States and their "partners" have pledged to "do what needs to be done" to keep the strategic waterway open, U.S. ambassador to NATO Ivo Daalder warned.

The ambassador added: "These situations, the choices are very, very difficult. I have not looked at the exact military contingency plans that there are ... But of this I am certain: the international waterways that go through the strait of Hormuz are to be sailed by international navies including ours, the British and the French and any other navy that needs to go through the Gulf; and second, we will make sure that that happens under every circumstance."

The Defense Department announced last week that it will maintain a fleet of 11 nuclear-armed aircraft carriers despite budget constraints, as a threat to Iran but also to geopolitical rivals China and Russia.

[Russia Today](#) reported that "with Washington's decision to deploy a second carrier strike group in the Gulf, the EU's attempt to pressure Iran economically could greatly increase the likelihood of all-out war in the region."

Ramping things up even further, [Interfax](#) reported Thursday that the U.S. "plans to deploy a third convoy of warships led by USS Enterprise to the Gulf in March."

"The country's second aircraft carrier Abraham Lincoln and its battle group entered the Gulf via the Strait of Hormuz last Sunday, accompanied by UK and French warships."

Last Saturday, Secretary of Defense Leon Panetta told sailors aboard the USS Enterprise, that "the ship is heading to the Persian Gulf and will steam through the Strait of Hormuz in a direct message to Tehran," the [Associated Press](#) reported.

While Iran reiterated its threat to close the narrow Strait, through which 20% of the world's oil passes, Tehran has done so as a defensive response to an aggressive military build-up along their borders, the assassination of scientists, terrorist bombings of defense facilities, surveillance overflights by U.S. and Israeli drones and economic sanctions by the West that could crater their economy.

“That’s what this carrier is all about,” Panetta blustered. “That’s the reason we maintain a presence in the Middle East ... We want them to know that we are fully prepared to deal with any contingency and it’s better for them to try to deal with us through diplomacy.”

Yet despite Israeli threats to “go it alone,” they do not possess the assets capable of mounting a decisive military offensive against the Islamic Republic.

On Thursday, [Time Magazine](#) reported that an unnamed “senior security official” told Netanyahu’s cabinet last fall that the prospects for “success” were “not altogether encouraging.”

“‘I informed the cabinet we have no ability to hit the Iranian nuclear program in a meaningful way,’ the official quoted a senior commander as saying. ‘If I get the order I will do it, but we don’t have the ability to hit in a meaningful way.’”

Short of launching a preemptive *nuclear first strike* on Iran, the Israelis will heel when the master whistles. Only the United States has the requisite military assets capable of inflicting damage on the Islamic Republic, but they are well-aware of the risks an Iranian counterstrike would pose.

As [Global Research](#) analyst Mahdi Darius Nazemroaya cautioned: “U.S. naval strength, which includes the U.S. Navy and the U.S. Coast Guard, has primacy over all the other navies and maritime forces in the world. Its deep sea or oceanic capabilities are unparalleled and unmatched by any other naval power. Primacy does not mean invincibility. U.S. naval forces in the Strait of Hormuz and the Persian Gulf are nonetheless vulnerable.”

Noting the findings of a Pentagon war game, Millennium Challenge 2002, Nazemroaya wrote that “even the small Iranian patrol boats in the Persian Gulf, which appear pitiable and insignificant against a U.S. aircraft carrier or destroyer, threaten U.S. warships. Looks can be deceiving; these Iranian patrol boats can easily launch a barrage of missiles that could significantly damage and effectively sink large U.S. warships. Iranian small patrol boats are also hardly detectable and hard to target.”

During that \$250 million war game, the “scenario hypothetically pitted the Blue Team (representing US warships) against a Red Team that launched a coordinated assault using swarming boats and missiles—the kind of tactics Iran might employ,” [The Christian Science Monitor](#) reported.

Red Team commander, Lt. General Paul K. Van Riper, told [The New York Times](#) back in 2008 that “the sheer numbers involved overloaded their ability, both mentally and electronically, to handle the attack.”

“The whole thing was over in 5, maybe 10 minutes,” Van Riper told the *Times*. “It is not a matter of size or of individual capability, but whether you have the numbers and come from multiple directions in a short period of time,” the general cautioned.

“Iran’s strategy of asymmetric warfare recognizes that, since the 1979 Islamic Revolution, Iran has little chance of winning any face-to-face military contest with powerful enemies like the United States,” the *Monitor* noted.

“Instead,” journalist Scott Peterson averred, “Iran aims to ‘exploit enemy vulnerabilities through the used of ‘swarming’ tactics by well-armed small boats and fast-attack craft, to

mount surprise attacks at unexpected times and places' which will 'ultimately destroy technologically superior enemy forces,' writes Iranian military expert Fariborz Haghshenass in a 2008 study based on published doctrines of the Islamic Revolutionary Guard Corps (IRGC)."

"Part of Iran's strategy includes decentralized decision-making."

A "former European diplomat" told the *Monitor* that "the entire [IRGC] structure—if you look at how air defense is organized, the land forces, the combination of the Basij [militia] and the [IRGC]—this is all geared toward what they call the Mosaic Strategy, where you have individual military units who have a great deal of independence to decide what they can do without referring back to the center."

"When the Red Team sank much of the Blue navy despite the Blue navy's firing of guns and missiles," the *Times* grimly observed, "it illustrated a cheap way to beat a very expensive fleet. After the Blue force was sunk, the game was ordered to begin again, with the Blue Team eventually declared the victor."

Nazemroaya warned, "Iran would react to U.S. aggression by launching a massive barrage of missiles that would overwhelm the U.S. and destroy sixteen U.S. naval vessels—an aircraft carrier, ten cruisers, and five amphibious ships. It is estimated that if this had happened in real war theater context, more than 20,000 U.S. servicemen would have been killed in the first day following the attack."

Undeterred by warnings from their own military experts, Washington and Tel Aviv are heading towards the edge of the cliff and seem eager to jump.

On Friday, [Russia Today](#) disclosed that the mysteriously "delayed" Austere Challenge 12 joint missile defense exercise with Israel "originally slated for this spring, will be scheduled for October 2012."

Amid conflicting reports that first had the Obama administration, and then the Israelis, postponing the exercise, allegedly because "a series of events," according to [Inter Press Service](#), "impelled the Barack Obama administration to put more distance between the United States and aggressive Israeli policies toward Iran." On the other hand however, [Debkafle](#) averred that Netanyahu called it off "as a mark of Israel's disapproval for the administration's apparent hesitancy."

Well, it's on again.

As *Russia Today* reported, the drill will "signal a surge of American troops to Israel by the thousands" and Iranian authorities "fear that the exercise will try out more than just the missile capabilities of the allies. Also being put to the test is Iran's patience."

"Now after a brief delay," *RT* averred, "America will send thousands of troops and its anti-missile defense systems to Israel, albeit a few months later than planned."

"With the exercise back in the books, it could mean that an eventual war between the US and Iran is still in the works—and now the world has a timeline to see it through."

Indications are that Washington's timeline is shrinking as the Pentagon accelerates plans to rush new weapons into the deployment phase.

[The Wall Street Journal](#) reported Saturday that “Pentagon war planners have concluded that their largest conventional bomb isn’t yet capable of destroying Iran’s most heavily fortified underground facilities, and are stepping up efforts to make it more powerful.”

“The 30,000-pound ‘bunker-buster’ bomb, known as the Massive Ordnance Penetrator, was specifically designed to take out the hardened fortifications built by Iran and North Korea to cloak their nuclear programs.”

However, “initial tests indicated that the bomb, as currently configured, wouldn’t be capable of destroying some of Iran’s facilities, either because of their depth or because Tehran has added new fortifications to protect them.”

“The push boost the power of the MOP is part of stepped-up contingency planning for a possible strike against Iran’s nuclear program,” the *Journal* disclosed.

Having already spent some \$300 million for 20 bombs, designed by military-industrial-complex heavyweight Boeing, the Pentagon sought an additional \$82 million this month in a secret request to Congress.

Warning of the “grave consequences” of a U.S.-led attack on Iran, last week Russian Foreign Minister Sergey Lavrov described “the scenario Russia and the global community could face if things in the Middle East, especially in Iran, get out of hand,” [Russia Today](#) informed us.

“As for the chances that this disaster (a military attack against Iran) could occur, this question would be better addressed to those who keep mentioning this as an option that remains on the table,” Lavrov said in a comment apparently intended for Israel and the United States. “The consequences will be really grave, and we are seriously concerned about this.”

Pointedly, the Foreign Minister said “this will not be an easy walk, and it’s impossible to calculate all of the possible consequences.”

Earlier this month, Russia’s Deputy Prime Minister and former NATO envoy, Dmitry Rogozin, warned that “Iran is our close neighbor, just south of the Caucasus. Should anything happen to Iran, should Iran get drawn into any political or military hardships, this will be a direct threat to our national security.”

Braggadocio aside, unlike the Millennium Challenge 2002 exercise, American forces will not have the luxury of a “do-over” if events really do spin out of control.

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