

Is a Nuclear Deal with Iran Being Stalled Because the West Can't Pay Tehran's Money Back?

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Another deadline in the nuclear negotiation between Iran and the Permanent 5 +1 (or EU3 + 3) over the restrictions on the Iranian nuclear energy program was not reached on June 30, 2015. To some it may look like the United States and its allies have had a change of heart while others may think that Washington and its allies are trying to secure more concessions from the Iranians. The US and its European Union allies, however, are clearly trying to maintain the sanctions and trying to avoid returning Iranian financial assets and funds that they have withheld due to the sanctions regime against Iran. Could this be because Iran's frozen financial assets and funds have been illegally channeled elsewhere by the US and the EU?

The Stonewalling of a Nuclear Agreement

Since the Lausanne Agreement was reached in Switzerland, the US team negotiating with Iran has, so to speak, changed the goal posts for the nuclear negotiations. In other words, Washington has ignored the framework of the Lausanne Agreement that it made with Iran on April 2, 2015. Instead US Secretary of State John Kerry and the Obama Administration have asked for new concessions from the Iranians on things that an understanding was already reached about. These demands appear to be excuses or pretexts.

During the negotiations between the P5+1 and Iran a good and bad cop strategy has clearly been used by the US and France where either Washington has or Paris has stonewalled the negotiations. Even the split between the US Congress and the Obama Administration could be part of this two-track approach. Is the Republican Party faction in the US genuinely acting as a spoiler or does some level of establishment cooperation exist between it and the Obama Administration?

Are parallel foreign policies at work or not in the US? While the Obama Administration is engaged in a dialogue with Iran to get as much concessions from it as possible on its nuclear energy program, pressure is being exerted by the US Congress and the Republican Party, which are threatening to disrupt the nuclear negotiations and keep the sanctions regime against Iran. Regardless of what their strategy is or strategies are, the saber rattling definitely helps give an edge to the US negotiating team.

Obama Threatens to Walk Out While Sending Secret Messages

On the eve of the June 30 deadline, when the US Department of State confirmed that the

negotiations with Tehran were being extended for another week, US President Barack Obama made the threat of “walking away” from the negotiating table with Iran on June 29. “I will walk away from the negotiations if in fact it’s a bad deal,” Obama told reporters during a press conference with his visiting Brazilian counterpart, Dilma Rousseff.

As a response to the fog of war that has deliberate been created around the nuclear negotiations, on the same day that Obama threatened to “walk away” from the negotiations, the Iranian parliamentarian Mehrdad Bazrpash told Fars News Agency that the US leader had sent Iran another secret letter. The letter is believed to have been delivered to the Iranian side by Iraqi Prime Minister Haider Al-Abadi sometime during his visit to Tehran either on June 17 or 18, 2015. MP Bazrpash took the opportunity to point out that the contents of Obama’s letter were very different from the public position of Washington. The point is that Washington’s private messages to Iran are very different from what the Obama Administration is saying in public and that Washington’s public threats are meant to create the impression that it is negotiating from a position of strength.

In reality, it is the US that needs a nuclear deal with Iran. In the first place, the US only began negotiations with Iran when it saw that it had no means left to pressure Tehran. A war with Iran is too dangerous and unpredictable for the US. Moreover, it was becoming increasingly clear that the sanctions were going to crumble as the Chinese, Russians, and others began to show signs that they would normalize trade with Iran even if a nuclear agreement was not reached.

Washington needs a deal with Iran to deactivate tensions with Tehran. Deactivating or freezing tensions with Iran are important for Washington, because it will be able to focus more on Russia and China. An accommodation with Iran will allow the US and the EU to tighten sanctions on Russia. It will additionally help the European Union eventually substitute energy imports from Russia with energy imports from Iran. In this regard, one of Washington’s major objectives is to co-opt the Iranians against the Russians.

In Vienna the US Team Acted As If the US Never Signed the Lausanne Agreement

Although the nuclear negotiations for a final deal or what is called the “Joint Comprehensive Plan of Action” were extended until July 7, 2015 under what the negotiating teams have dubbed the “Joint Plan of Action” (JPA), a major stumbling block has been the release of the immense holdings of Iranian financial assets and funds that have been frozen or seized under the justification of sanctions. Months before the June 30 deadline, US Secretary of State John Kerry told the US Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs that the Iranians had well over one hundred billion US dollars that were seized and frozen. In addition, he testified that since 2012 that the US has denied the Iranians access to two hundred billion US dollars in lost exports and funds held in restricted accounts.

The Lausanne Agreement was reached by Iran and the P5+1 on the basis of an understanding between Iran, the US, and the EU that there would be simultaneous give-and-takes of equal substance. That means that sanctions would be dropped at the same time that Iran made nuclear concessions. Tehran has been very adamant about this point, refusing to make any concessions without having sanctions reciprocally dropped and having access to its appropriate financial assets.

During the negotiations at the Palais Coburg or Palais Saxe-Coburg Hotel in the Austrian capital of Vienna, the US government took backward steps and reversed its track. In Vienna, the US no longer recognized the terms of the Lausanne Agreement and the understanding that the US side had reached with the Iranians and committed itself to respecting. There was a return by the US team to arguing over the number of Iranian centrifuges that could be in operation, demands for restrictions on nuclear research and scientific development, demands for inspections of Iran's military bases, and a refusal not to prolong the economic sanctions against the Iranians.

Siphoning Iran's Money: Have Frozen Funds Been Funneled Elsewhere?

The US and the EU are no strangers to looting from others. When financial sanctions were imposed on Libya by the US and the EU, Libyan funds and the interest they accumulated were appropriated and even illegally used by these actors. In this regard there are important questions about why the US is trying to keep the sanctions on Iran or to end them in gradual phases.

Are Iranian financial assets and funds really frozen or are they also being utilized as loans or collateral? In other words, have Iran's frozen funds been channeled elsewhere by the US and the EU to make up for their own economic problems and the economic war against Russia? Do the financial liabilities of those holding Iranian funds exceed their financial assets? More simply asked: can the countries that froze Iran's money pay Tehran its money back or are they stalling, because they cannot return all the money that was frozen under sanctions?

The position of the US and France are excuses to avoid lifting the sanctions on Iran and to avoid returning Iranian funds. Their goal is to neutralize the Iranian nuclear energy program while keeping the sanctions and appropriating Iranian funds. This is why the frame of time for Washington's promises to remove the sanctions have no guarantees. What the US is doing is trying to impose legal obligations on Iran without giving any guarantees on the removal of sanctions. Washington's promises to remove the sanctions also gradually became longer, changing from six months to a year to over a year, and have had additionally conditions placed on them.

Aside from the strategic considerations and dimensions of the nuclear negotiations, it should come as no surprise if Washington is stonewalling a final agreement to help the US and the EU continue siphoning Iran's earnings. After all the US is in the midst of an economic war and fighting to keep the US dollar's position as the top currency of the world while the EU is experiencing economic decline. The EU, however, is in a predicament; even if it wanted to keep Iranian funds and continue the sanctions, it still needs to start large-scale trade with Iran to mitigate its economic decline and negative effects from the EU sanctions against Russia.

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