

# 'SWIFT Boating' Iran: Economic War a Prelude to Military Attack

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Despite, though likely *because*, Iran is ready to restart negotiations with the so-called P5+1 group (the five members of the UN Security Council plus Germany) over its civilian nuclear program, belligerent rhetoric and sharply-worded political attacks from Israel and the United States have escalated.

Indeed, as investigative journalist Robert Parry pointed out on the [Consortium News](#) web site, arch neocon Senator Joseph Lieberman "is leading a group of nearly one-third of the U.S. Senate urging that the red line on war with Iran be shifted from building a nuclear weapon to the vague notion of Iran having the 'capability' to build one."

"In other words," Parry warned, "the next preemptive war could be launched not against Iran for actually building a bomb or even trying to build a bomb but rather for simply having the skills that theoretically could be used sometime in the future to build a bomb. The 'red line' has been moved from some possible future development to arguably what already exists."

Last week Iran's top nuclear negotiator Saeed Jalili wrote European Union foreign policy chief Catherine Ashton, reiterating that the Islamic Republic's willingness to return to the negotiating table "is tied to the P5+1's constructive approach to Iran's initiatives," [Press TV](#) reported.

In that letter, Iran voiced their "readiness for dialogue on a spectrum of various issues which can provide ground for constructive and forward-looking cooperation," and that talks should be approached "on step-by-step principles and reciprocity."

U.S. Secretary of State Hillary Clinton, flanked by Ashton at a Friday press conference that was pure Kabuki theater said "We think this is an important step, and we welcome the letter," [The Washington Post](#) reported.

"I'm cautious and I'm optimistic at the same time for this," Ashton told reporters after a gabfest with Clinton at the State Department.

"It also demonstrates the importance of the twin-track approach," Ashton told [The New York Times](#), "referring to the international effort to intensify sanctions while leaving the door open for a diplomatic resolution of concerns about the possibility of Iran developing nuclear weapons."

In essence what Ashton is saying is: We have a gun pointed at your head and can pull the

trigger at any time; better to capitulate now and give up your right to enrich uranium for your civilian program rather than run the risk of war.

Undeterred by implicit Western threats, Iran's Foreign Minister Ali Akbar Salehi "has reiterated Tehran's determination to continue with its peaceful nuclear program, insisting on the nation's willingness to even deal with 'the worst-case scenario'," [Press TV](#) reported Sunday.

Speaking at a news conference Salehi asserted, "Since we believe that we are right, we do not have the slightest doubt in the pursuit of our nuclear program. Therefore, we plan to move ahead with vigor and confidence and we do not take much heed of [the West's] propaganda warfare. Even in the worse-case scenario, we remain prepared."

Lambasting the West's contradictory posture, hailing Iran's willingness to renew talks with the P5+1 nations on the one hand, while raising "baseless allegations" over Iran's civilian nuclear program on the other, Salehi observed that "they [the West] have an arrogant nature, they have not learned to engage in political interactions with prudent and humane manners."

The Foreign Minister however "expressed optimism" that "Western countries, as a whole will amend their policies towards Iran."

On Monday a team of IAEA inspectors arrived in Tehran, [BBC News](#) reported. Chief inspector Herman Nackaerts said their "highest priority" was to clarify the "possible military dimensions" of Iran's nuclear program.

Although the Agency had described their last visit in January as "positive," saying that Iran was "committed to resolving all outstanding issues," as in the case of Iraq a decade ago, an unnamed U.S. official told [The New York Times](#) that the meeting was "a disaster" that demonstrated Iranian "foot-dragging."

The IAEA's board of governors "is scheduled to convene on March 5 in Vienna, the same day on which Prime Minister Benjamin Netanyahu is due to give a speech in Washington at a meeting of the annual policy conference of the pro-Israel lobby AIPAC, the American Israel Public Affairs Committee," [Haaretz](#) disclosed.

Talk about coincidences!

### **'SWIFT-Boating' Iran**

In her remarks last week, U.S. Secretary of State Hillary Clinton said that any resumption of talks "will have to be a sustained effort that can produce results." Translation: "Iran will give in to all our demands—or else."

The "or else" wasn't long in coming.

In fact on Friday, the *same day* that Ashton and Clinton expressed "cautious optimism" over a resumption of P5+1 talks, the Brussels-based Society for Worldwide Interbank Financial Telecommunication, or SWIFT network, "bowed to international pressure," [Reuters](#) reported, "and said it was ready to block Iranian banks from using its network to transfer money."

So much for "confidence building" measures ahead of negotiations!

Washington's latest move to strangle the Iranian economy, follow efforts by the U.S. and EU to enact crippling sanctions that would punish countries and financial institutions if they do not cut-off purchases of Iranian oil.

However, the [Associated Press](#) reported last week, "American attempts to get major Asian importers of Iranian oil to rein in their purchases are faltering as allies South Korea and Japan give U.S. officials a polite brushoff."

"Emerging giants India and China may even increase their purchases," AP disclosed.

Indeed, as a close ally of Tehran "China has also dug its heels in—in fact, far deeper than either South Korea or Japan. Beijing turned a blind eye to efforts by American Treasury Secretary Timothy Geithner to get it to cut back on Iranian imports during a January visit."

"Earlier this month," AP reported, "the Communist Party newspaper People's Daily described Western efforts to pressure Iran with an oil embargo as 'casting a shadow over the global economy'."

In this light, the move to cut-off Iranian banks from the SWIFT network will have far-reaching ramifications and will surely intensify Washington's geopolitical machinations targeting their Asian capitalist rivals.

In an email published by *Reuters*, the private company declared that "SWIFT stands ready to act and discontinue its services to sanctioned Iranian financial institutions as soon as it has clarity on EU legislation currently being drafted."

The Iranian response quickly followed the announcement. Last week, Iran said it would "immediately" order a preemptive embargo of crude oil exports to six recession-hit European nations—Portugal, Italy, Greece, Spain, France and the Netherlands.

"It took virtually no time for Iran's Oil Ministry and then the Foreign Ministry to deny it," [Asia Times Online](#) analyst Pepe Escobar wrote.

"But only the deaf, dumb and blind wouldn't understand the message; blowback for the ridiculously counter-productive European sanctions/oil embargo package will only plunge vast swathes of Europe further into deep economic pain," Escobar observed.

Making good on a pledge approved by Parliament earlier this month, the Iranian Oil Ministry announced it has cut oil exports "to British and French firms in line with the decision to end crude exports to six European states," [Press TV](#) disclosed Sunday.

Oil Ministry spokesperson Alireza Nikzad-Rahbar said that Iran would have no problem exporting and selling crude oil to its customers.

"We have our own oil customers and replacements for these [British and French] companies have already been chosen and we will sell the crude oil to new customers instead of the British and French companies," Nikzad-Rahbar averred.

On Monday, Iran's Deputy Oil Minister Ahmad Qalebani "hinted at the possibility of a halt in oil exports to Spain, the Netherlands, Greece, Germany, Italy and Portugal," [Press TV](#) disclosed.

“Undoubtedly if the hostile actions of certain European countries continue, oil exports to these countries will be stopped,” Qalebani said.

Call it round two of a new tit-for-tat oil war where *almost* everyone loses.

As financial jackals and capitalist hyenas lusting after publicly-owned assets in cash-strapped EU states such as Greece, Italy and Spain move in for the kill, Washington’s one-two punch against Iran *and* recession-hammered EU workers will have the salutary effect of hastening “reform,” i.e., the immiseration of millions of proletarians “transitioning” to their new role as low-paid wage slaves in a global order lorded over by Wall Street and the City of London.

In a [Press TV](#) interview, two Italian lawmakers voiced “their serious concern about Tehran halting oil exports to some European states.”

Democratic Party Senator Francesco Ferrante told the Iranian news outlet that “Rome is currently importing a great deal of its needed oil from Iran.”

“As a result, Italy will suffer more than other countries from the decision of cutting oil supplies to European states taken by the Iranian government,” he added.

Ferrante said that “Italians’ everyday lives will be affected as fuel prices are likely to go up [as a result of Iran oil cut]. The [oil] cut will also have negative consequences on Italian companies.”

Another senator, Stefano Saglia from Italy’s People of Liberty Party, told *Press TV*: “Without a doubt, Italy is the European country that will be damaged the most from this situation as Iran and Italy have always been close business partners.”

And with a massive strike wave earlier this month against harsh austerity measures imposed on Italy’s combative working class by the unelected government of Prime Minister Mario Monti, the European Chairman of David Rockefeller’s Trilateral Commission and a leading member of the shadowy Bilderberg Group, an Iranian oil boycott could send the Italian economy over the cliff.

As a result of escalating tensions, [Forbes](#) reported on Friday that the price of crude oil “has gone on a nice rally in February and a perfect storm has brewed that promises to take it higher.”

“Markets have underestimated how tight global oil markets truly are,” *Forbes* disclosed. So much for U.S. fantasies that Saudi Arabia or the Gulf monarchies will make up any shortfalls that arise from removing Iranian oil from international markets.

“Supply-side issues, particularly the problems around Iran, and demand-side issues, especially very strong Asian and Chinese demand, will help take prices higher. A weak U.S. dollar adds a final drop that could take U.S. prices to \$118 a barrel by the fourth quarter of 2012, according to Barclays.”

“West Texas Intermediate contracts for March delivery, currently trading at \$103.52 a barrel, have gained on eight of the last ten trading days while Brent, the international benchmark, recorded six positive sessions over the same time frame and was at \$119.62 as of 4:20PM in New York on Friday,” *Forbes* reported.

Following Monday's report that Iran may be poised to halt oil shipments to additional EU states, "crude for March delivery rose as much as \$2.20 to \$105.44 a barrel in electronic trading on the New York Mercantile Exchange, the highest intraday price since May 5," [Bloomberg News](#) reported.

"The more actively traded April contract gained \$1.64 to \$105.45. Prices increased 4.6 percent last week and are up 6.1 percent so far this year." Additionally, "Brent oil for April settlement on the London-based ICE Futures Europe exchange climbed as much as \$1.57, or 1.3 percent, to \$121.15 a barrel.

According to Christopher Bellew, "a senior broker at Jefferies Bache Ltd. in London, who correctly predicted last week that the price of Brent crude would advance to \$120 a barrel," increasing tensions in the Persian Gulf "continues to support prices," *Bloomberg* noted.

Commenting on the deteriorating situation, NusConsulting Group analyst Richard Soultanian told *Forbes* that "Market prices currently reflect a significant risk premia for the potential of a supply disruption from a geopolitical event," i.e., a "preemptive" attack on Iran. "However, the amount of risk premia currently included does not fully account for an actual event/supply disruption."

In plain English, should a U.S./Israeli/NATO attack force Iran's hand into closing the strategic energy chokepoint, the Strait of Hormuz, as a defensive response to Western aggression, global energy prices will skyrocket and quickly wreck havoc on recession-plagued capitalist economies.

According to Barclay analysts, "Our view remains that policy and circumstances are now both running fast enough for policy accidents and unintended consequences to play a role. In other words, in our view, the probability of the situation becoming 'hot' in some way that affects the oil market is now significant and perhaps rising, in a way which makes the maintenance of too entrenched a short position in the market increasingly difficult."

Will the SWIFT cut-off work? "Hardly," according to *Asia Times*. "It will certainly represent more devastation unleashed over 'the Iranian people'-the vague entity of choice against which the US has 'no quarrel.' More than 40 Iranian banks use SWIFT to process financial transactions, and Iranians use it like everybody else in a globalized economy."

However, Pepe Escobar writes, "it will drag SWIFT's carefully maintained reputation for trust and neutrality through the mud; imagine other member countries' reaction to the fact they can also be totally marginalized according to the US's whims."

The "message" was delivered to the Europeans "Mafia-style" Escobar averred, "in person" by David Cohen, U.S. Treasury Department Undersecretary for Terrorism and Financial Intelligence.

On Friday Cohen told *The Washington Post* that cutting-off Iranian access to SWIFT "would build on earlier U.S. efforts to exclude Iranian banks from international commerce."

"It's another good turn of the screw," Cohen said.

Really?

"If the Washington/Tel Aviv-promoted hysteria is already at fever pitch," *Asia Times* warned,

“wait for March 20, when the Iranian oil bourse will start trading oil in other currencies apart from the US dollar, heralding the arrival of a new oil marker to be denominated in euro, yen, yuan, rupee or a basket of currencies.”

“That may be the straw to break the American camel’s back.”

Sometime in March, the USS Enterprise, along with a large contingent of U.S. Marines will join two other aircraft carrier battle groups and NATO warships and enter waters off Iran’s coast.

Earlier this month, the Enterprise and NATO military units, including forces from Britain, France, Italy, the Netherlands, Australia and New Zealand concluded maneuvers, including large-scale amphibious landings against an unnamed “hostile power.”

The menacing tone of U.S. rhetoric was matched by the deployment of American firepower. The [Associated Press](#) reported last week that U.S. Fifth Fleet Commander, Vice Admiral Mark Fox said that the Navy has “built a wide range of potential options to give the president” and is “ready today” to confront any hostile action by Tehran.

“We’ve developed very precise and lethal weapons that are very effective, and we’re prepared,” AP reported. “We’re just ready for any contingency.”

As the [World Socialist Web Site](#) recently pointed out, what Fox and other Pentagon big wigs have “outlined is the classic scenario for a US provocation that could provide the pretext for war—the appearance of ‘Iranian’ mines, an inflammatory media campaign and a US attack on Iranian naval assets that rapidly escalates into all-out conflict.”

“The US has a history of manufacturing naval episodes to serve as a casus belli,” Peter Symonds warned. “The notorious Gulf of Tonkin incident in 1964, in which Vietnamese PT boats allegedly attacked a US destroyer, was exploited to obtain congressional approval for a massive US military intervention in Indochina.”

Today, with the U.S. Congress and the Obama administration marching in “lockstep” with Israel as it plans to launch a “preemptive” war of aggression against Iran, and as the administration allies itself, once again, with the Afghan-Arab database of disposable Western intelligence assets, also known as Al Qaeda, in its “regime change” program targeting Iran’s ally, Syria, a major global conflict is a provocation away.

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