



# IRAQ



## What the Iran 'nuclear issue' is really about

By: Chris Cook on: 22.01.2006 [11:37 ] (1258 reads)

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## What the Iran 'nuclear issue' is really about

By Chris Cook

It is said that there is the reason they give; and then there is the real reason. Nowhere is this more true, perhaps, than in Iran.

My experience with Iran began four and a half years ago in June 2001 when, through my Iranian business partner, I wrote to the then governor of the Iranian central bank, Dr Mohsen Nourbakhsh.

This letter was written on the basis of my experience as a former director of the International Petroleum Exchange and in the aftermath of allegations I made in relation to market manipulation on the IPE the previous year, which were dismissed by a commissioner appointed by the exchange. I still regret that I used the description "systematic" rather than "systemic" of this alleged manipulation, but that is another story.

In this letter I pointed out that the structure of global oil markets massively favors intermediary traders and particularly investment banks, and that both consumers and producers such as Iran are adversely affected by this. I recommended that Iran consider as a matter of urgency the creation of a Middle Eastern energy exchange, and particularly a new Persian Gulf benchmark oil price.

It is therefore with wry amusement that I have seen a myth being widely propagated on the Internet that the genesis of this "Iran bourse" project is a wish to subvert the US dollar by denominating oil pricing in euros.

As anyone familiar with the Organization of Petroleum Exporting Countries will know, the denomination of oil sales in currencies other than the dollar is not a new subject, and as anyone familiar with economics will tell you, the denomination of oil sales is merely a transactional issue: what matters is in what assets (or, in the case of the United States, liabilities ) these proceeds are then invested.

After a couple of years of apparent inaction, my colleague and I were invited to put together a consortium to tender for a project to create such an exchange and, after a presentation at the central bank in Tehran in May 2004, we were successful, as reported in The Guardian at the time. We subsequently learned that the delay had been due to initial opposition from the Saudis and this opposition was withdrawn after the attacks of September 11, 2001, and the subsequent US-led invasion of Iraq.

A major feasibility study was carried out in the summer of 2004 - for which we still have not been paid by the Iranian Oil Ministry - and after this, the process became bogged down in turf battles between the Oil Ministry and the Ministry for the Economy.

We met president Mohammad Khatami in December 2004 to resolve this problem and then spent considerable time with his close advisers, from whom we received powerful backing. Progress was made, to the extent that an exchange entity was incorporated and premises purchased on Kish Island in the Persian Gulf.

In the second quarter of 2005 the real opposition from within the Oil Ministry - from factions opposed to shedding any light on the sales regime - was becoming apparent. However, as the battle was about to be joined, Khatami's period in office came to an end and the presidential election in August intervened.

Neither we, nor anyone we knew, expected the result of the election, still less the events after it. Three

times over a period of three months an oil minister was nominated by the new president, Mahmud Ahmadinejad, from among his trusted colleagues and three times they were turned down by the majlis (Iranian parliament), until finally an experienced insider was appointed in early December. Only now are further levels of appointments being made by the new minister.

Ahmadinejad is on record as saying that he favors transparency in the Iranian oil market. As anyone familiar with the City of London and Wall Street will know, transparency is the enemy of private profit, and it is this factor that was behind the delays in developing the bourse project.

However, we remain hopeful that the strategy we recommended, which is based upon (a) gradual and organic introduction of pricing built upon the neutral function of transaction registration and (b) a simple (and Islamically sound) partnership-based "clearing union" synthesis of bilateral trading and a multilateral guarantee, will in due course be taken forward.

One of the most interesting aspects of the process was that during our brief spell of contacts with decision-makers, some insight into current Iranian policy was possible - in particular, the nuclear question. In our conversations we were left in no doubt that it suits both the US and Iran for the issue to be seen to be that of the Iranian "threat" from nuclear weapons.

In fact the issue is a proxy for Iraq: try looking in the media prior to the events in Fallujah, Iraq, for anything more than desultory mention of this "issue". But once factions in Iran funded Muqtada al-Sadr to the tune of \$50 million and the US body count started to rise, then the issue began to attain its current level of importance.

Now that pro-Iranian Shi'ite elements are taking a primary role in the emerging government in Iraq, we see the nuclear temperature rising further.

The realpolitik is of course that those in power in the US and Iran have the reason they give - and the real reason - for what they do: and for the US, the real reason is and has been for many years energy security above any other consideration.

*Chris Cook is a former director of the International Petroleum Exchange. He is now a strategic market consultant, entrepreneur and commentator. Reprinted with permission from [www.energybulletin.net](http://www.energybulletin.net).*

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21 comments

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Article and comments

Yeah ...

by hiles69@msn.com on 22.01.2006 [07:47 ]

... entrepreneur ... some one who would sell his own grandmother for a profit.

American military supremacy

by look\_deeper on 22.01.2006 [08:33 ]

This article is making the point that the US are unlikely to be please about the planned Iranian oil bourse, however the US is concerned that as a growing regional power, Iran is challenging the hegemony it exercises over the greater middle east.

American military power is completely unrivalled in world today. Militarily they can go wherever they like, and do what ever they please. Politically, that's another matter, but it didn't stop the right wing cabal that runs the US today invading Iraq. Both the EU, Russia and China and pretty much the rest of the world appeased the US, all they could do is sit back and watch, completely helpless and impotent. When the British started to equivocate over the legality of the war, pressing for a UN resolution etc, the

Americans in no uncertain terms told them to either join in or fuck off. Americans have decided to use their unchallenged military power to further their economic interests. After WW2 they accounted for 50% of the worlds GNP, today it's 20% and falling. In 1990 Iraq threatened American economic interests in the Middle East, it had to be dealt with. The war that ensued did not end in 1991; the US imposed crippling economic sanctions against Iraq and commenced an ongoing bombing campaign that continued right up to the 2003 invasion. Today Iran is the new Iraq. The Americans plan to pursue the same policy, first enact crippling economic sanctions, and when the country is sufficiently weak enough, invade and install a puppet regime. The theocratic Iranian regime is in a race against time to acquire nuclear weapons understanding that only WMDs can prevent the threat of American invasion and forced regime change. The Americans have a number of military options available to choose from. If they choose, they can bomb Iran back to the Stone Age using conventional weapons. They can also choose to test out their new bunker busting mini-nukes on Iranian nuclear facilities. They have 12 huge battle fleets that cruise the worlds major shipping lanes. If they choose they can quite easily mount an economic blockage of Iran and interdict its shipping. Iran cannot wage war without oil and gas exports – its economy will collapse just like Iraq following the imposition of sanctions. Does China or Russia have a battle fleet anchored in the Gulf today? These countries or any other countries for that matter cannot project naval power nor can they project air power. If either China or Russia choose to veto UN sanctions then the US can choose to blockade Iran, bomb its gas pipelines, interdict its shipping etc, because it has the military power to do so. If China or Russia choose to veto UN sanctions than the US may choose to weld the big stick against these countries. The existing policy of containment of China may change to open aggression, on economic and political grounds. The EU has already appeased the US on Iran a country which delivers 25% of its oil needs, I think both China and Russia are likely to follow.

look\_deeper.....

by EnglishWorkingclassDissident. on 22.01.2006 [12:52 ]

interesting view and said with authority however, you dont give an ounce of credit to Irans ability to defend itself, which it will with everything its got, as for the persian gulf being blockaded, I think you'll

find Iran turning it into a LAKE first, hopefully with the 7'th trapped inside it, then all the spin off chaos that will result ie iraq, saudi, afghan ect ect.....a lttle more thought needed I think.

ENTREPRENEUR.....

by EnglishWorkingclassDissident. on 22.01.2006 [12:56 ]

In my neck of the woods, its a fancy term for SPIV.

Wrong

by Seele on 22.01.2006 [17:14 ]

@look-deeper

1.) No, the US cannot choose to bomb Iran back into stoneage.

-> As this would equal an direct attack on chinese economic interests, what would then lead to chinese activity in terms of weapon sales to a lot of people who don t like the US really much as well as direct chinese financial support of some of those groups.

Unlikely that the US will be so stupid to risk that. I thought that before, when Iranian Shi ite told me the opposite. I did a little resear4ch then, and he was right. Bombing Iranian oil facilities to stoneage would be like attacking a chinese harbour.

2.) They can t decide to just bomb Iran with nuclear weapons

-> They can do it, of course, but they need a reason to do so, and that Iran might possess the ambition to develop nuclear weapons is definitely nothing that would politically enable the US or Israel to attack Iran

with nuclear weapons. They will need to fake another 9/11 or XXL Hariri Lebanon style hoax in order to create such a reason.

### 3.) US military isn't completely unrivalled

Look, the Chinese have over 1.4 trillion people ( in German 1.4 Mrd). So even if the Chinese government does only give everybody of them a knife in order to defend their country with it, yet the whole US army wouldn't be able to occupy China even partly, but instead get chopped to pieces faster than one washes his hair. And now realize that China does produce nearly every weapon it needs itself. Believe me, there is nothing the US can do in order to destroy the Chinese militarily.

And as you know China is a nuclear power as well, so there is no US nuclear option if it comes to a conflict with this nation.

The US is for sure capable to attack every country in the world, but when attacking China or Russia - it would for sure lead to US total defeat.

You may disagree...

by stopwar on 22.01.2006 [17:44 ]

but there are some who say that Iran was perceived by some in the west as becoming too powerful in the 1970s. It is possible that the overthrow of the Shah was backed by aspects of both UK and US intelligence - even though the latter put him there in the first place.

The government that succeeded the Shah probably wasn't what they bargained for - if this is true it must be

one of the best examples of blowback there is. Israel under threat in a way it never was under the Shah.

Now Iran is becoming powerful again, the strategy appears again to be to put it back a few decades. But they've already tried regime change once - so there's only one thing left... Or they could accept Iran as an equal world trading partner - the threat to Israel must only be rhetoric since they became a nuclear power.

The USA would suffer heavily from an attack on Iran.  
by Iranian-Shi'ite on 22.01.2006 [19:23 ]

Iran began its domestic arms manufacturing industries while it was under sanctions.

Sanctions will not hinder Iran from improving its weapons technologies.

Iraq did not have the missile deterrent that Iran has.

Iraq had a few scud missiles, but they did not have logistical data on where to aim those missiles.

Iran has far more missiles, far more powerful missiles, the ability to create its own missiles, and a greater range on its missiles, and a greater speed and accuracy on its missiles.

Furthermore, Iran has unmanned aircraft that can find targets for its missiles.

Iran is able to produce its own surface to air weaponry, its own surface to sea weaponry, etc.

There are no sanctions on Iran yet; and Iran has been making a great deal of money in the last few years since the price of oil has gone up.

Iran can invest this money into research and development of its weapons programs even more.

Do you remember during the first gulf war when an Iraqi Scud landed on a US base and killed some 65 US soldiers? Iran could do that hundreds of times over since Iran can find US bases and Iraq was firing blind.

Furthermore, Iran can gather together 20 thousand volunteer suicide bombers with a snap. Saddam did not have access to that during the first Gulf war.

A war against Iran would turn out very differently than the war against Iraq.

Second of all, any US attack on Iran would be followed by a joint Syrian, Hizbollah, Hamas attack against Israel.

The short term loss to Israel and the USA would be thousands of lives and billions of dollars.

The long term loss is unpredictable.

Seele  
by Iranian-Shi'ite on 22.01.2006 [19:30 ]

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"No, the US cannot choose to bomb Iran back into stoneage. -> As this would equal an direct attack on chinese economic interests, "

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Iran, China sign excavation agreement  
Tehran, Jan 19, IRNA

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Iran and China signed here Wednesday an agreement in excavation Wednesday.

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The agreement was signed between Managing Director of Iran's North excavation Company Heydar Bahmani and Deputy Managing Director of China's COSL, Jo min Goa.

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COSL will be responsible for maintenance, repairs, and management of semi-floating Iran-Alborz platform to be set up in the Caspian sea for a three year period.

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Bahmani added that Iran, China cooperation in all areas, notably energy is on the rise.

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He said that the Chinese company is also ready to provide Iran with additional services in implementing the project, hence the contract value may increase in the future.

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China with high economic growth needs higher energy resources.

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China has imported over five billion of crude oil from Iran last year.

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The Chinese ambassador to Iran Lio Tan said that both Iran and China are faced with bias from major powers and should accelerate their development.

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The Chinese Ambassador said the trade between Iran and China exceeds dlrs 10 billion and China is to become Iran's primary trade partner in the near future.

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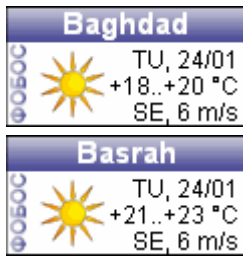
He said the Chinese embassy will do its part and be a bridge between the two sides to resolve their issues and improve bilateral trade.

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He highlighted the importance of mutual cooperation in the energy, power, metallurgy, telecommunications,, shipbuilding, transportation and water sectors.

Weather



Ambassador Tan said abundant natural resources, big market, geographical location and educated workforce are among relative advantages of Iran, stressing expansion of mutual cooperation.

<http://www.irna.ir/en/news/view/menu-237/0601199417001317.htm>

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Only in hollywood

by Econ on 22.01.2006 [20:28 ]

'American military power is completely unrivalled in world today'

America wasted it resources and is not fighting a different type of war that it is designed to fight.

American can sustain itself for 3-weeks of aerial bombings, shock and awe nonsense and then its military is useless as Iraq has shown.

The US will not invade another country as Iraq has shown how low-cost IEDs can neutralize America's high tech military junk.

IN order to invade to steal oil, you need boots on the ground which would mean a perpetual draft of US citizens (oil protection workers), a major economic lesson the US is learning in Iraq.

America military supremacy has been exposed as nothing but a myth created in hollywood.

Look what the Iraq war has done.

The US was only able to invade Iraq after 14 years of genocidal sanctions, daily no fly zone bombings and after the UN had disarmed Iraq.

The US has NEVER won a political battle following military intervention, as soon as US troops leave Iraq and Afghanistan everything the built will be dismantled.

Even with all that the US still cannot control Iraq, much less the road from the airport to their heavily fortified Green Zone prison.

American troops can't freely walk around anywhere in Iraq and are confined to fortified bases, not exactly the way you would expect from a super power. Even in Vietnam, US troops were able walk around Saigon.

NOT IN IRAQ.

The Iraq war has turned into a \$ 2 trillion debacle that the US cannot sustain and clearly the Iraq war has been economically (and militarily) self-defeating for the US.

Look how higher oil prices have destroyed the US transport industry with GM and Ford about to file for bankruptcy and Delphi already in bankruptcy.

Before the US even thinks about attacking Iran it should tabulate the economic damage that the Iraq war has already done.

The US doesn't have 14 years to wait for Iran sanctions to work and doesn't have the resources to take on Iran.

How is the US going to fund another \$6 trillion war with Iran: by borrowing from China or printing up more worthless dollars?

The Iraqi Resistance has shown how to defeat a stupid superpower who believe the US military (bloated, ineffective and inefficient) can used to reverse US economic decline.

First, you let the dumb Super Imperial Army in your gates, then you cut off their exit routes leaving them trapped in a long, costly and bloody guerilla war that they can never win.

The US generals are so desperate in Iraq that they have to speak through congressman Murtha about their plight. The US generals in Iraq dare not tell their political leadership that they have been defeated, they have to hide their failure behind Murtha, bying time to find so face-saving way to hide the defeat.

The entire world is bored with America and its nuclear arsenal, the only thing they have left after sqaundering their resources on one war too many and useless military bases around the globe.

"If China or Russia choose to veto UN sanctions than the US may choose to weld the big stick against these countries"

What bigstick is this? What exactly does the US have that Chinese and Russian can't find elsewhere?

China is America's banker and China would hardly fund the US so that the US can attack China.

Russia has a ton of oil and is nuclear power that the US can do nothing about.

America's once military dominance was based on it economic power, now that the ecoomic power has dwindled, the military is useless.

The US military cannot be used to reverse America's economic decline, despite what the ignorant jews believe.

Iran

by Mike-Malaysia on 23.01.2006 [03:51 ]

If attacked I feel will not launch everything it's got IF the initial attack by the ZUSUK is of low level initially. Such a fierce counterstrike, would be an invitation to stronger ZUSUK counter measures.

My take on this is that the Iranians will launch as many missiles at the zionist scum for every srike that his them. It leaves the door open to stopping any further conflict.

If Iran fights back with everything its got, then It's signing its own death warrant as the ZUSUK military machine that survives the attack (will be >99% of it) homes in on a now defenseless Iran.

Realisticially, Irans ability to fight is very very weak in terms of an air-only campaign (which is all the ZUSUK can do right now - the UK,US,zionists public (in decreasing order) would NOT support any ground troops. Its only in a ground war that Iran would never be beaten.

Iran I feel has no way to win this. It must accept the processing in Russia deal. But what it shoulddo then is process secretly to build its own bomb to stop the ZUSUK from bullying it in the future - as will happen, with increasing verocity as the global oil supply dwindles ever further.

- Video footage from Iraq -  
by Seele on 23.01.2006 [05:41 ]

By now there really seems to be a new trend in IR IED development and power. As it seems that now every 5th in 10 IED attack taped and downloadable from IR websites shows an IED attack resulting in total destruction of the targeted Humvee. Look:

IR 1920 Revolutions Brigade's IED destroyes Humvee in IRaq (Jan 05)

[://www.flurl.com/uploaded/33\\_IR\\_1920RB\\_47953.html](http://www.flurl.com/uploaded/33_IR_1920RB_47953.html)

Rashedeen Army IED totally destroys Humvee (mid January 2005)

[://www.flurl.com/uploaded/Alrashedeen\\_IED\\_48705.html](http://www.flurl.com/uploaded/Alrashedeen_IED_48705.html)

Have fun !

Notice: Both attacks with definitely fatal results on the humvee's inhabitants were not announced by the US, as the US military did not announce IED attacks with more than 1 dead between 12.01. and 22.01.2006. So one can guess the US failed to announce the fatalities shown in the above video footage showing devastating IED strikes on U.S. Humvees.

thank you seele  
by al-sedati on 23.01.2006 [07:10 ]  
nice videos, i wish more videos aviable soon..

Policy for USA in Iraq  
by Yasis on 23.01.2006 [07:43 ]

*The US will not invade another country as Iraq has shown how low-cost IEDs can neutralize America's high tech military junk.*

USA can still invade small countries like Grenada or Panama I think.  
But I think that USA prefers to topple governments through covert means for now. Georgia, Ukraine, Haiti are good examples.

I think that a wise policy is to make sure that the U.S. military stays fighting in Iraq for at least 10-20 years, until the minimum 2020.

This will drain the resources of the USA.

Which is why it is of prime importance that the Iraqi Resistance keeps on engaging and frustrating USA.

In such a condition, only third parties like Russia, China and others can benefit.

I hope that USA stays in Iraq for another 10-20 years. Israel stayed in the southern part of Lebanon for 18 years. Palestine has been occupied by Israel for close to 40 years now.

Best is that USA stays in Iraq for 50 or even longer. By that time, China, Russia and others can easily give the knockout blow to USA when the time is ripened.

dreams?

by Yasis on 23.01.2006 [07:45 ]

If USA attacks DPRK now, I will be glad.

But I fear that that big an idiot is not in the whitehouse at the moment.

hmmm.....

by Yasis on 23.01.2006 [07:52 ]

*But I fear that that big an idiot is not in the whitehouse at the moment.*

Unless of course if there are external forces that may want to bring such a war about.

A second Korean war. But Kim Jong Il is no fool. If he had wanted to attack USA, the best time was in March 2003, the same month when USA was invading Iraq and thus a lack of war resources to fight DPRK.

No, I have no faith that Kim Jong Il would want such a war or that he could be manipulated to fight one.

no offence, Yasis,  
by verve on 23.01.2006 [13:48 ]

but I prefer the skank bait move to your country and give the Iraqis a fucking break. 'Hopin' the skanks stay in Iraq for another 10-20 years', give yer head a shake dude.

meaningless rants  
by Yasis on 23.01.2006 [14:40 ]

Yes, I admit that it is a cynical policy to ask the Iraqi people to do the fighting for the rest of the world. To ask the Iraqi people to tie down the USA for another 10-20 years, so as to allow other countries a break.

This is like asking others to do the dirty work for you.

And I'm sure that North Koreans don't appreciate getting into a war with USA so as to "soften" up USA to allow China, Russia and others to move in for the kill later and reap the benefits of a defeated USA.

All this is very cynical. I was thinking in terms of the "long term and more larger strategic picture" of how to finish off USA.

Nothing complicated too. Just encourage USA to get involved in more wars that it cannot win. Drain away their resources and hope that some other country will take advantage of the situation and finish USA off once and for all.

I realised that other people would have to pay the price for the complete obliteration of USA from the political map. The end of USA.

So regard the above posts by me as meaningless rants.

A solution to the USA problem  
by Yasis on 23.01.2006 [14:49 ]

However, even if USA is defeated in Iraq, it will still remain a power.

As long as this entity USA exists, it will continue to cause and be a trouble for other countries.

Maybe 20, 50 years later, USA would invade and occupy another country again. It can't be helped.

The problem can only be solved by the total and complete end to the political existence of USA.

To bring this about, I think that the policy recommended by me, although somewhat extreme, is a good shot at that goal.

How else to solve this problem of USA and its foreign policies?

@ yasis

by zahira on 23.01.2006 [15:11 ]

it is very easy to deal with your suggestion. The US is already in debt to so many countries that if even one of those countries called in their loan, the US would be thrown into economic fallout. The only collateral that is existent in the US is the land. So what and how do you think they will pay their debt? More than likely these other countries would own the US and the US would be taken over by its debtors.

Just a thought ... forgive me if I am way off base.

US is the "paper tiger"

by makarov on 23.01.2006 [21:22 ]

All of their power is in the green paper aka "US dollars" that is still being exchanged for goods all over the worldwide. Run away from the goddam bucks, don't accept them, press on your governments to do this and let them pay for their debts whatever they have!

Yasis - in reference to the solution

by Seele on 23.01.2006 [21:25 ]

@Yasis & ALL

I have written an article last week on the issue, what is needed in order to destroy the Capitalist'S Empire !

Link:

[://iraqwar.mirror-world.ru/article/76872](http://iraqwar.mirror-world.ru/article/76872)

