

Progressive Foreign Policy Debrief

Intel for Advocacy

SL: Trump's new Iran sanctions: high gas prices, regime change, and war

TOPLINE TAKEAWAY

• Trump's Iran policy: Weaken America, increase insecurity, alienate our friends, embolden authoritarians, and increase humanitarian suffering.

TRUMP SET TO DOUBLE DOWN ON HIS STRATEGIC BLUNDER OF WITHDRAWING FROM THE IRAN DEAL

As the Trump administration reimposes some of the harshest sanctions on Iran next week, we wanted to send a reminder as to what this is really all about: regime change and quite possibly war.

Secretary of State Mike Pompeo has been trying to convince us that Trump's decision to pull out of the Iran nuclear deal was about changing Iran's behavior and getting a better agreement. But it has <u>since become clear</u>, even to <u>some of Trump's enablers</u>, <u>that removing Iran's leaders</u> from power is the Trump administration's ultimate goal.

Trump's policy of regime change in Iran has been evident from the very beginning of his administration, from when it first put Iran "<u>on notice</u>" in January of 2017, to the various bellicose <u>presentations</u> since from <u>senior Trump officials</u> and <u>their allies</u> that have ratched up tensions and ultimately led to Trump pulling out of the Iran nuclear deal.

At the same time, rich Gulf states like Saudi Arabia and the UAE, and well-funded right-wing think tanks like the Foundation for the Defense of Democracies (FDD) and United Against a Nuclear Iran are going all in to pressure Trump into regime change and/or war with Iran.

In fact, just this week, FDD teamed up with a reliably anti-Iran-deal think tank to produce a report that <u>recycles old news</u> to hype fears about Iran's nuclear program.

TRUMP WILL BE RESPONSIBLE FOR RISING OIL & GAS PRICES

Sanctions targeting Iran's oil and banking sectors are set to go into effect on Nov. 5 with the goal, Trump officials say, of putting maximum pressure on Tehran. It's highly unlikely that Trump

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will be able to muster the international support required to turn the screws as tight as President Obama was able to do. A nearly full oil and banking embargo on Iran to get its leaders to the table and negotiate what ultimately became the Iran deal required enormous international cooperation, particularly getting Europe, China, and India to significantly reduce its imports of Iranian oil.

Trump officials have been working hard behind the scenes to get the same players to zero out their purchases, but it doesn't appear that <u>they're willing to go that far</u>.

The Europeans, Russians, and Chinese also all want to maintain the Iran deal. But Trump will sanction any company, European or otherwise, that continues to operate in Iran. In response, the European Union is <u>working to establish a special financial mechanism</u> to facilitate trade between medium to small-sized companies and Iran (larger companies like Total, Siemens, and Peugeot are unlikely to participate because they have more to lose by continuing to do business in Iran, and thus getting shut out of the U.S. market).

At the same time, Trump is going easy on Saudi Arabia for the murder of Washington Post journalist Jamal Khashoggi, in large part because it <u>needs the Saudis</u> to increase oil production.

But the price of oil (and the cost to fill up your car) <u>has already increased since Trump</u> <u>announced</u> he'd reimpose sanctions on Iran in May. And while Trump has tried to blame OPEC, our friends at Diplomacy Works <u>noted</u> that's completely false and that Trump is indeed responsible.

The reality is that Trump <u>can't have</u> his maximum pressure campaign without the price of oil and gasoline rising. He'll be forced to make a decision and either choice is a big loser for the United States.

But it's not all just about oil, gas prices, and the folly of Trump's Iran policy. The Trump administration <u>claims</u> it supports ordinary Iranians, **but the reality is that it's also the Iranian people, particularly the poorest among them, who will suffer from renewed U.S. sanctions**. Iran's currency has already plunged in value -- 70 percent against the U.S. dollar -- in the past year because Trump's decision to withdraw and re-impose sanctions. The sharp drop in value, <u>according to the Financial Times</u>, "has pushed up import costs and stoked inflation, eroding purchasing power and leaving the most impoverished struggling to pay for basic goods such as meat, dairy products and fruit." And the tough times will only get worse after oil sanctions take effect.

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While humanitarian goods are supposed to be exempt from sanctions, new restrictions on banking are having a <u>negative impact</u>. Iranians are <u>scrambling</u> for the medicines they need and "it <u>remains unclear</u> how crucial items will continue to flow to the Iranian people."

ALIENATING OUR FRIENDS & CREATING A SELF IMPOSED NUCLEAR CRISIS

In addition to rising gas prices, Trump's reimposition of sanctions and his Iran policy in general <u>will continue to drive a wedge</u> between the United States and its European allies. Make no mistake, **reimposing these sanctions on Iran effectively means that the United States will be sanctioning Europe**, while at the same time letting the Saudis off the hook for Khashoggi's murder.

In addition to alienating Europe, former Obama administration official Colin Kahl noted in a recent <u>article</u> in Foreign Affairs that, "given the exceedingly low probability that the administration's Iran strategy will achieve its stated goals, **one suspects that its real aim is something else: regime change**."

Regime change is a real possibility, he adds, but the aftermath of which would be risky: <u>potential</u> <u>military control</u> or even chaos reminiscent of some of the worst outcomes from the Arab Spring. And what if Europe, China, and Russia fail to offer enough financial incentives for Iran to keep <u>adhering to the nuclear agreement</u>? Perhaps surprisingly, the JCPOA has been kept alive because of Iran's continued compliance with the agreement and Europe's commitment to it. However, the reimposition of the oil sanctions will continue to erode Iran's patience. Iran could very well respond with restarting elements of its program that have been frozen under the deal, **thereby significantly increasing the chances of a U.S. or Israeli military strike**.

"[T]he geopolitical collateral damage from Trump's withdrawal from the JCPOA has been considerable," Kahl writes. "Leaving the deal has undermined U.S. diplomatic credibility, put enormous strains on the transatlantic alliance, encouraged other world powers to collude to design mechanisms to <u>circumvent</u> the U.S. financial system, and pushed China and Russia closer to Iran (while also filling Moscow's coffers by increasing oil prices)."

The best course of action is for the United States to re-enter the Iran nuclear deal and re-internationalize a response to some of the challenges Iran presents. Any other course, particularly the one Trump is pursuing, is a recipe for division, economic uncertainty, or even war.

BURIED LEDES

Sen. Tim Kaine <u>surfaced</u> what the Pentagon is calling a "collective self-defense" doctrine, in what **could be used to expand our endless wars**.

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In the wake of Jamal Khashoggi's murder, a <u>handful</u> of Republican senators are **urging Trump** to suspend talks for a U.S.-Saudi civil nuclear agreement.

The Center for International Policy released a <u>report</u> this week **detailing how Saudi money influences U.S. foreign policy**.

Remember when Trump claimed a big arms deal with Saudi Arabia would <u>create hundreds of</u> <u>thousands</u> of U.S. jobs? **It will create jobs, but in Saudi Arabia**.

The Trump administration this week called for the Saudi/UAE-led war against the Houthis in Yemen to end. **But Congress must act now to give these words teeth**. See our statement on this <u>here</u>.

The anniversary of the liberation of Raqqa <u>quietly passed</u> Washington by last month. **The U.S.-led operation has left the city in ruins and few people seem to care**.

Sen. Bernie Sanders <u>recently</u> warned about an Axis of Authoritarianism spreading throughout the world and <u>it expanded to Brazil this week</u>.

And finally, **progressives are eager to tackle foreign policy issues** <u>should there be</u> a shift in power after Nov. 6. We'll have more on that next week.