US blocks IMF loan for Iran’s fight against COVID-19

By Bill Van Auken
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US officials this week made it clear that Washington is using its de facto veto power on decisions of the International Monetary Fund (IMF) to block a request from Iran for a $5 billion emergency loan needed to fight one of the worst outbreaks of the COVID-19 pandemic on the planet.

Iran submitted the request for urgent consideration on March 14, but has yet to receive a reply. Meanwhile, the number of coronavirus cases, as of Friday, had reached over 68,000, and the number of deaths had climbed to more than 4,200. Both figures are believed to be major underestimates of the real toll of the deadly virus.

The impact of COVID-19 in Iran has been sharply amplified by a US “maximum pressure” sanctions regime that is tantamount to a state of war. Severely tightened by the Trump administration since November 2018, when it unilaterally abrogated the nuclear treaty reached three years earlier between Tehran and the major powers, the sanctions have crippled the country’s economy while cutting off supplies of medicines and medical equipment.

Dismissing Iran’s request to the IMF, a State Department spokesman told CNN: “The world’s leading state sponsor of terrorism is seeking cash to fund its adventurism abroad, not to buy medicine for Iranians. The regime’s corrupt officials have a long history of diverting funds allocated for humanitarian goods into their own pockets and to their terrorist proxies.”

Similarly, a US Treasury Department official stated, “The United States is aware of Iran’s request for financing from the IMF and, as in the past, we remain opposed to funding going to Iran that could be used to foster the regime’s malign and destabilizing activities. Unfortunately, the Iranian central bank, which is currently under sanction, has been a key factor in financing terrorism across the region and we have no confidence that funds would be used to fight the coronavirus.”

With the largest voting power on the IMF’s board, Washington has the ability to veto any decision it opposes. It is common for the board not to bring proposals to a vote if US opposition is clear.

Last month, the IMF board denied a similar request for an emergency $5 billion loan from Venezuela, which is also under a punishing US sanctions regime aimed at starving the country into submission and toppling the government of President Nicolas Maduro. The board denied the request claiming that there was no “clarity” over whether the “international community” recognized Maduro’s administration or the right-wing US-backed politician Juan Guaidó as the legitimate government.

The cynicism of this position is clear. The Maduro government controls all the agencies that provide medical care and aid, while Guaidó controls nothing. Behind the absurd claim, the IMF’s intention was transparent: nothing should be done to soften the blows from the US blockade of the oil-rich South American country, no matter how many lives are lost.

Since the killing of Venezuela’s request for an IMF loan, Washington has ratcheted up its aggression, placing a $15 million bounty on Maduro’s head based on unsubstantiated charges of involvement in drug trafficking and sending a flotilla of US warships toward the Venezuelan coast.

In a cabinet meeting in Tehran Wednesday, President Hassan Rouhani charged Washington with “medical terrorism” against Iran. Referring to the blocking of the IMF loan, he added, “This will linger as a historical disgrace for the American ruling elites, who continue to mount pressure on the Iranian nation under the current circumstances.”

Both Rouhani and the head of Iran’s central bank, Abdolnaser Hemmati, have stressed that Iran is a founding member of the IMF and has not asked for any form of loan from the agency in 50 years.

Both the United Nations and the World Health
Organization (WHO) have called for the lifting of sanctions to facilitate a global struggle against COVID-19. UN Human Rights Commissioner Michele Bachelet warned this week that US sanctions were “impeding medical efforts” and could lead to the “collapse” of Iran’s health care system.

Washington is predictably unmoved by such appeals. US imperialism sees the coronavirus pandemic as another instrument in its global war for hegemony.

US Secretary of State Mike Pompeo brushed aside questions about the sanctions against Iran at a White House press conference Wednesday, stating “I’ve heard people talking about sanctions. The world should know there are no sanctions that prevent humanitarian assistance, medical supplies, pharmaceuticals from going to Iran.” He also claimed that the US had offered to send humanitarian aid to Iran.

The US administration knows that this is a bold-faced lie. While the language of US sanctions legislation exempts food along with humanitarian and medical supplies, the implementation of the “maximum pressure” campaign renders these exemptions meaningless.

Washington has branded Iran’s central bank a terrorist entity, threatening secondary sanctions against anyone engaging in financial transactions with the country. Additional sanctions prevent Iran from accessing the SWIFT (Society for Worldwide Interbank Financial Telecommunications), further crippling its ability to conduct international financial transactions. Whatever exemptions exist on paper, companies and banks fear that any transaction with Iran will open them up to US retaliation.

The US Office of Foreign Assets Control (OFAC), the principal agency in Washington responsible for enforcing the anti-Iranian sanctions, approved just 14 percent of the requests for licenses to export humanitarian goods to Iran in 2017 and 2018. Moreover, the number of such applications has fallen from 220 in 2016 to just 36 in 2019, indicating the intimidating effect of the sanctions regime.

The impact of the COVID-19 pandemic comes on top of the brutal erosion of the Iranian health care system under the impact of US sanctions, with doctors, hospitals and pharmacies unable to obtain essential medicines, supplies and equipment, leading to the deaths of Iranian men, women and children from cancer and other diseases.

As for the claim that Washington offered assistance to Iran, the reality is that at the end of last month Pompeo touted the fact that the US had offered a grand total of less than $275 million worldwide to aid in the fight against the coronavirus. The amount it was offering to Iran was less than one-tenth that figure. Such mock “charity” is a ludicrous insult in light of the estimated $200 billion dollars that US sanctions have bled from Iran’s economy by cutting off its principal source of revenue, oil exports, and blocking foreign investment. The paltry US “aid” would have served only as a Trojan Horse in Washington’s drive for regime-change.

Meanwhile, as with Venezuela, the spread of the virus—including through the ranks of the US military—has not stopped US imperialism’s military threats against Iran. Following up on President Donald Trump’s April 1 threat that Iran would “pay a very heavy price, indeed!” if US troops occupying Iraq came under attack, the State Department’s assistant secretary for the Middle East, David Schenker, said Thursday that what he described as Iranian-backed militias continued to pose a “significant” threat to US troops occupying Iraq.

He added that Washington was “enormously disappointed” with the Iraqi government’s failure to provide sufficient protection for US occupation forces. The Pentagon has brought a pair of Patriot missile batteries into Iraq, without the permission of the Iraqi government, whose parliament voted in January for a resolution demanding the complete withdrawal of US-led foreign forces from the country.

US imperialism’s foreign policy is an extension of its domestic policy. Just as the US ruling oligarchy is determined to utilize the pandemic to impose ever greater levels of exploitation upon American workers at home, so too it is seeking to employ the disease as a weapon to pursue its predatory interests abroad.

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