

# Russia Hits Back on “Sanctions from Hell”

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*Today, the dangers of military escalation are beyond description.*

*What is now happening in Ukraine has serious geopolitical implications. It could lead us into a World War III scenario.*

*It is important that a peace process be initiated with a view to preventing escalation.*

*Global Research condemns Russia’s invasion of Ukraine.*

*A Bilateral Peace Agreement is required.*

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*An innocuous tweet from Russia’s Permanent Representative to International Organisations in Vienna Mikhail Ulyanov earlier today in the afternoon said that he met with the EU Coordinator at the Vienna talks on Iran nuclear issue Enrique Mora and “raised a number of questions which need to be duly addressed now in order to ensure smooth civil nuclear cooperation with Iran.”*

A couple of hours later, he again tweeted,

“The [#ViennaTalks](#) continue. I had today a useful meeting with Deputy Foreign Minister of Iran for Economic Diplomacy Mr. Mehdi Safari.”

Other reports suggest that Russia has put forth a new demand at Vienna that its trade, investment and military cooperation with Iran would not be hindered by US sanctions. Russia seeks written guarantees in this regard at the highest level from the Biden administration. Apparently, Russia put forth this demand a couple of days back.

A few hours ago in the evening, Foreign Minister Sergey Lavrov confirmed this development. Disclosing this at a press conference in Moscow, Lavrov explained that against the backdrop of the latest western sanctions, Russia wants to have a “very clear answer” from the US in

the context of bilateral Moscow-Tehran relations and the Iranian nuclear deal.

In Lavrov's words,

"We need guarantees these sanctions will in no way affect the trading, economic and investment relations contained in the Joint Comprehensive Plan of Action for the Iranian nuclear program. We have asked the American counterparts, who rule the roost here, to provide us with guarantees **at least at the level of the secretary of state** [that] the current process launched by the United States will by no means affect our right to free and full-fledged trading, economic, investment, military and technical cooperation with Iran." [Emphasis added.]

Furthermore, Lavrov also openly backed remaining Iran's demands, saying that Tehran's expectations are "quite fair." Whether Lavrov spoke in consultation with Tehran, we don't know.

The development comes as the 8th round of negotiations on the restoration of the Joint Comprehensive Plan of Action (JCPOA) and the United States' return to the fold of that multilateral agreement is nearing completion. The negotiators are working on a draft final document. Iran and the IAEA also agreed today on a roadmap with the UN nuclear watchdog to resolve all outstanding questions about the country's nuclear program by late June, which removes one big stumbling block.

Lavrov calmly pointed out that the sanctions on Russia create a "problem" from Moscow's perspective. He noted sarcastically,

"It would have all been fine, but that avalanche of aggressive sanctions that have erupted from the West — and which I understand has not yet stopped — demand additional understanding by lawyers, above all."

So, Lavrov insisted:

"We want an answer — a very clear answer — we need a guarantee that these [US] sanctions will not in any way touch the regime of trade-economic and investment relations which is laid down in the Joint Comprehensive Plan of Action."

On Iran's part, Foreign Minister Hossein Amir-Abdollahian had told EU foreign policy chief Josep Borrell only yesterday,

"I am ready to fly to Vienna when the Western sides accept our remaining red lines... We are ready to finalise a good and immediate agreement. Most of Iran's requests have been considered."

But today, the most anxious person to clinch the deal at Vienna is none other than President Joe Biden himself. After derailing the Russia-Europe energy relationship, Biden is witnessing that the prices for gas are skyrocketing in Europe, and Washington has no solutions to the grave situation that is developing. The spot market price for gas has zoomed to 8 times the price at which Russia had been supplying Germany. (Russia has announced that w.e.f Thursday, it has shut down the Yamal-Europe gas pipeline which is the trunk route transporting gas to German market.)

On the whole, the situation in the energy market is becoming very complicated, as western oil companies which had invested in Russia are forced to quit due to the sanctions. These include big players such as BP which has a 20-percent stake in Russian giant Rosneft, Shell with 27.5 percent stake in the Sakhalin-II LNG facility and a 50 percent stake in the Salym Petroleum Development, ExxonMobil (Sakhalin-1) and so on.

Apart from the impairment these companies will suffer running into tens of billions of dollars, their exit will also strain Russia's ability to maintain such high production levels and continue to meet its commitments under the OPEC+ agreement. Now, the already-tight global market for crude – which saw Brent crude top \$115 per barrel in early Thursday trading – can ill-afford these downstream hits from the sanctions against Russia. Evidently, crude prices still have nowhere to go but up from here. Expert opinion is that if oil price touches \$125 per barrel, US economy slides into recession.

Russia has not so far made any direct indications that it will restrict energy exports, though the rhetoric is heating up. Deputy Prime Minister Andrey Belousov warned on Friday that western companies, including energy firms, that are ditching Russia will be considered pushing their Russian subsidiaries to “deliberate bankruptcy,” which under Russian law draws criminal prosecution.

To solve Europe's problem of high prices, Biden recently swallowed pride and mentioned buying cheap Iranian oil as a response. Western analysts opine that Biden is in a mood to appease the “Iranian hawks” at Vienna. That is to say, US desperately needs both a lucrative energy deal and Iranian cooperation in Vienna. Israeli observers are apprehensive that the Biden administration might go ahead with easing or lifting restrictions on Iranian oil exports even without signing the Vienna agreements!

One big reason behind this panic is that the Biden administration is profoundly concerned about the strong growth of motor fuel prices in the US lately. But on the other hand, any visible US appeasement of Iran at this critical stage will be a sign of weakness, and, surely, Biden will come up for trenchant criticism in the domestic opinion.

Indeed, Lavrov has factored in all these developments while demanding that “at least” Antony Blinken should give a written guarantee. Moscow is paying back for Blinken's boorishness. Of course, it will be a devastating loss of face for Biden to cave in publicly. Of course, the most awful thing will be that it is not only precedent setting but makes a complete mockery of America's weaponisation of the dollar!

Europeans too must be wondering what is going on. They have passively sacrificed self-interests vis-a-vis Russia on the basis of Biden's demands! Nord Stream 2 stands abandoned!

This is going to be a catch-22 situation. For, Russia's green signal is an imperative for the JCPOA deal to be approved within the framework the joint commission of Iran and the international quintet (Russia, Britain, Germany, China and France.) Besides, Iran will surely expect a formal approval for any deal from the UN Security Council.

On the other hand, if the negotiations at Vienna get prolonged, Iran's enrichment activities at the accelerated pace will continue and a point of no return may be reached very soon, in a matter of weeks at the most, which will put the Biden administration in an even bigger bind, as the spectre of a nuclear Iran haunts West Asia and Europe.

To be sure, the blowback to the US sanctions has begun. This is of course only the beginning. Trust Russia to go further and further up on the escalation ladder. Russia would have no conceivable reason to cooperate with the US from now onward. (See my blog [Ukraine sparks EU, US rush to Iran deal](#), March 1, 2022)

However, if the chronicle of Russian-American relations is anything to go by, trust Biden to start making entreaties using back channels to Moscow.

Actually, in response to a question at a press briefing in Moscow today evening about the current state of Russia-US relations in view of the developments in Ukraine and the pressure of sanctions, Kremlin spokesman Dmitry Peskov remarked cryptically that "We are maintaining certain channels of a dialogue with the United States." He didn't elaborate.

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