

# **WILL IRAN'S 'PETROEURO'** **THREAT LEAD TO WAR?**

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**Note from Pastor Kevin Lea follows this article.**

Beginning in 2003, Iran began demanding oil payment in euros, not dollars, although the oil itself was still priced in U.S. currency. Now, Iran is seriously considering establishing an Iranian Oil Bourse, with the goal of competing with the New York Mercantile Exchange, NYMEX, and London's International Petroleum Exchange, IPE.

Right now, the NYMEX and IPE use three oil "markers" to establish price - West Texas Intermediate crude, Norway Brent crude and the UAE Dubai crude. With the establishment of an Iranian Oil Bourse, Tehran wants to create a fourth oil marker, this one priced in the euro.

In 2000, as Saddam Hussein continued to sell the United Nations on what became the "oil for food" scandal, Iraq received U.N. permission to sell Iraqi oil for euros, not dollars. Saddam even received permission from the U.N. to convert the \$10 billion oil-for-food reserve fund from dollars to euros.

Many administration critics argue today that the real reason for invading Iraq in 2003 was not to remove WMD from Iraq or to establish freedom but to preserve the dollar dominance of the world's oil market. These same critics argue today that the real reason for the ramp-up of concern over Iran has nothing to do with Iran's secret nuclear weapons program or with President Ahmadinejad's threats to destroy Israel but everything to do with oil.

If the Iranians persist in creating a market mechanism to settle world oil transactions in the euro, the United States will attack just to preserve the oil market for the dollar.

Today, about 70 percent of the world's international foreign currency

reserves are held in dollars. If the petroeuro begins to challenge the petrodollar, this percentage could diminish drastically.

The United States depends on the dollar foreign-currency reserves in order to sell the Treasury debt that sustains budget deficits. What if foreign-exchange portfolios from oil sales fell to 60 percent being held in dollars – would that cause a crisis in the U.S. economy? Or would it take 55 percent? Most Americans are completely unaware of this threat Iran represents to the U.S. economy.

The Iranians, however, are fully aware of what they are threatening, and so are top economic experts within the administration.

The Islamic world also has realized that America is at risk because we no longer have a gold-backed currency. For years, former Malaysian Prime Minister Mahathir Mohamad has championed a move for the Muslim nations of the world to establish the gold dinar as the standard currency for settling international oil transactions. In November 2002, the West Malaysian Royal Mint reissued the gold dinar that was in common use in the Muslim world during the Ottoman Empire.

The idea would be to challenge the dollar by arguing that a fixed-value currency backed in gold is more resistant to devaluation than a floating dollar such as the U.S. has had since the administration of Richard Nixon.

In writing "[Black Gold Stranglehold: The Myth of Scarcity and the Politics of Oil](#)," Craig Smith and I argued that the United States should seriously consider establishing a gold-backed international-trade dollar to preserve stability and value in the international oil market. Clearly, any threat to petrodollar holdings could undermine social programs in the U.S., including Medicare and key welfare programs such as Temporary Assistance for Needy Families.

How close is Iran to opening the Iranian Oil Bourse? The Iranian Oil Bourse is scheduled to be opened in March. Curiously, that is the same month Israel has quietly set as a deadline for a diplomatic resolution of the Iranian nuclear crisis.

Last year, President Bush was ready to concede to his liberal Democratic Party critics, allowing the EU-3 and the IAEA to lead the negotiations with Iran. Our guess is that if Iran does open an oil

bourse as planned in March, Bush will take the gloves off.

The Bush administration might play with a nuclear Iran, comfortable with intelligence estimates that Iran needs much more time to produce a bomb. Maybe Iran should look more closely at the lesson of Saddam Hussein. We didn't find the WMDs our faulty intelligence claimed were in Iraq, but Hussein was trading in petrodollars, with the full blessing of the U.N.

If Iran does open an oil bourse in March 2006, we should expect the warplanes will soon thereafter begin to fly.

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*Note from Pastor Kevin Lea: Jesus said that the last days would be typified by wars and rumors of wars (Matthew 24:6). There are certainly enough rumors of wars these days to make one think maybe this is the time Jesus was talking about.*

*The Bible prophecy student should note that Iran (known as Persia in the Bible) is a last-days player in a war against Israel. According to Ezekiel 38 and 39, Iran joins with Gog and Magog (today known as the former southern Soviet republics), Libya, Ethiopia (which today is the area of Northern Sudan and parts of Ethiopia), and Togarmah (modern Turkey) in a planned attack against Israel. According to the prophesy, as the armies are making the final move against Israel, they are destroyed by fire and brimstone, hailstones, an earthquake and by "friendly fire."*

*If we are living in the days immediately preceding this assembly of armies, then it can be predicted that any assault now by the West or Israel against Iran will either fail or be insufficient to adequately reduce Iran's war making capability against Israel since the Bible clearly states that Iran (Persia) plays a part in this Ezekiel alliance.*

*The following should also be noted about the Ezekiel 38-39 war (again assuming the current saber-rattling is leading up to its*

*fulfillment):*

1. *Iraq (Babylon) is not named, nor is Syria (Assyria). These two nations are antagonist of Israel and have been throughout the centuries. Why are they not taking part? Is it because Syria has been destroyed by Israel in a precursor war prophesied in Isaiah 17 (hear our recent sermon on Isaiah 17- [www.calvarypo.org/audio\\_files/S-635-KL.mp3](http://www.calvarypo.org/audio_files/S-635-KL.mp3)) ? Has Iraq (and the American troops in them, if still there) been weakened by civil war or possibly by a missile attack from Iran or Syria?*

2. *America is not a player. When the armies of Ezekiel 38 are amassing, the rest of the nations of the world give a verbal protest but do not try and stop the planned assault against Israel.*

*Ezekiel 38:13 ----- 'Have you come to take plunder? Have you gathered your army to take booty, to carry away silver and gold, to take away livestock and goods, to take great plunder?''''*

*This week President Bush vowed that America would defend Israel if attacked by Iran. **IF** we are living in the days building up to this conflict, then something must happen to prevent America from fulfilling this promise to Israel.*

*Do Islamic sleeper cells become activated as soon as they see a surgical strike against Iran's nuclear facilities? Are they armed with nuclear, chemical or biological weapons? Does America collapse financially because Iran goes through with its plan to trade oil in Euros? Or does a "natural" disaster remove America from super power status? Only God knows, but something prevents America from being Israel's big brother in this future conflict, and that something will likely be painful to us Americans.*

3. *Finally, Israel also seems to be unable to stop the troop buildup. I believe something must also drastically change in Israel for this to occur. Today, if the listed nations were all gathering together to invade Israel, then Israel would be compelled to launch a preemptive strike in order to assure the survival of the Jewish state.*

*It is commonly reported that Israel has over 200 nuclear warheads that are reserved for just such a threat. But Ezekiel prophesies that God Himself miraculously removes the threat when He destroys the armies.*

*Is it possible the Ezekiel war will follow the Isaiah 17 war, where*

*Israel has expended all its weapons to destroy Syria in retaliation for Syria's attack on northern Israel (which, according to Isaiah 17, destroys Israel's northern military bases)? Again, time will tell, but things are going to be changing in the Middle East, and if there is any truth to the above article, it may be soon.*

*Our website ([www.calvarypo.org](http://www.calvarypo.org)) has in depth Bible studies (in MP3 format) on the prophesied Ezekiel war and Isaiah 17 war. They can be found by going to sermon archives, then Topical (MP3) and then scroll down through the list to find the applicable study.*