

AC GC

Advanced Commodities Global Consulting

www.ac-gc.net

Energy War with Iran

An immediate existential threat to Human civilisation

Phoenix

Version 1.3.1

September 2010

Contents

Contents.....	2
1 Introduction	5
2 Executive Summary.....	7

CONFIDENTIAL

The following is the personal view of Robert Babak Madadi Howard, Analyst at Advanced Commodities Global Consulting (www.ac-gc.net). This article does not constitute financial advice. No warranty is made regarding the accuracy of its contents. You should always perform your own due diligence. (classification: C/Controlled)

Copyright Robert Babak Madadi Howard 2010

Disclaimer

The information contained in this report is solely the opinion of the author and does not constitute advice for the reader. You should always perform your own due diligence and seek the advice of a relevant qualified professional.

The contents of this report are entirely based on publicly available information. All analysis was derived from first principles, just as Isaac Newton derived his theory of gravity by watching an apple fall from a tree. In fact nothing in this report is entirely new or unknown. This report merely serves to connect the dots among disparate known facts already in the public domain. While the final outcome maybe a quantum leap in strategic understanding, all the pieces were there to be discovered by anyone who happened to look in the right places, much like the laws of physics.

Although this report was started only two days after returning from Iran in August 2010 and after meeting with senior Iranian officials no information in this report is sourced from those meetings. This report is entirely the personal opinion of the author based on public sources and its contents were formulated before travelling to Iran.

While the author did very briefly mention the topic of a US war with Iran with [Dr. James Schlesinger](#) Chairman, Mitre Corporation, former US Secretary of Defence and Energy and former Director of the CIA during an ASPO conference in 2007, no information of any relevance was either discussed or transferred between either of the parties. To the best of the authors knowledge until now neither Dr Schlesinger nor the US government or any other government are even aware of the nature of the multidisciplinary research carried out by the author for this report.

Several aspects covered in this report were briefly discussed with [Matthew Simmons](#) of Simmons International in 2008 during an energy conference (Energy War with Iran, US net oil production and the impact of declining mineral grades on oil production). Although it is well known that Matthew Simmons attended annual CIA think tank meetings on oil and energy related issues it is the author's personal opinion that none of these topics were subsequently discussed by Matthew Simmons with other parties.

This report is dedicated to the memory of Matthew Simmons and the lives that he touched by his courage and determination.

"If I can see far it is because I stand on the shoulders of giants".

Important Note: This is a controlled report and as such the full report it is only available to government officials, senior executives, senior decision makers and relevant analysts. This report is not intended for the general public.

CONFIDENTIAL

1 Introduction

It is often stated that if attacked Iran would use its proxies throughout the Middle East to attack western interests. Further we are told that Iran has threatened to close the straits of Hormuz if attacked. However when one looks more closely at this world view more questions are raised than answered.

It is public knowledge that with just ten B2 stealth bombers each carrying almost one hundred small diameter bombs the US air force could easily destroy every piece of infrastructure in Iran¹². Iran would not be able to detect much less prevent such an attack utilising stealth weapons. Every oil and gas production and distribution facility, refinery, electrical power station, manufacturing complex, shipping port, airport, bridge, tunnel and military base could be attacked and destroyed with impunity in minutes. Once Iran's infrastructure is destroyed she would be devastated and knocked into Stone Age. As a result Iran would be unable to fight or resupply its proxy forces in the Middle East or elsewhere in the world. This would allow the OECD/NATO forces to easily hunt down and destroy Iran's proxies safe in the knowledge that Iran would be unable to resupply them. This type of attack is such a simple task that many of the medium European powers such as the UK, France and Germany could achieve the same effect using long range stealth standoff weapons deployed on their fighters. And yet there has been no attack on Iran to date.

If Iran tried to close down the straits of Hormuz the powerful western navies and air forces could easily destroy Iran's navy and clear the straits. The perfect time to carry out such an attack was in 2008-9 when officially there was a world liquid fuels spare capacity of 6-8 million barrels per day which may have absorbed any loss of supply from such a disruption to shipping. And yet there has been no attack on Iran to date.

In the 1950s when the US fought with North Korea general Douglas MacArthur showed the power of US manoeuvre warfare by invading North Korea at Incheon and cutting off North Korean logistical supplies. The North Korea's armies were quickly defeated. It was only China's intervention which prevented total defeat for North Korea. The US finally won control of South Korea by threatening China with a nuclear attack. This shows that if the US and her allies destroyed Iran's civilian and military infrastructure they would also disable Iran's proxy forces by neutralising their source of logistical re-supply and be assured a stunning strategic victory throughout the Middle East. They would then be able to control the Middle East's remaining oil supplies until they ran out. Western forces have without hesitation invaded Iraq and Afghanistan for a far lesser prize. So the question is why have the OECD/NATO countries not attacked Iran?

¹ Target Iran - Air Strikes, "Using the full force of operational B-2 stealth bombers, staging from Diego Garcia or flying direct from the United States", GlobalSecurity.org, accessed 10th Sept 2010, <http://www.globalsecurity.org/military/ops/iran-strikes.htm>

² Israel Prepares to Attack Iran With WMD's, Could Trigger World War III, by Michel Chossudovsky, The Market Oracle, Sept 7 2010, "Within Iran there are more than 450 major strategic targets", Accessed 10th Sept 2010, <http://www.marketoracle.co.uk/Article22491.html>

In the 1960's when the US was fighting in South Vietnam they could easily have invaded North Vietnam and won the war but they did not dare do so. Why? Because by then China had a nuclear deterrent and if China had intervened on the side of North Vietnam as they had in Korea then there would have been nothing to stop them. Unknown to the US public the US was checkmated by a hidden factor, namely China's own nuclear deterrent.

Which brings us back to why the OECD/NATO has not attacked Iran until now. Could there be a hidden Iranian deterrent at work which is not common knowledge. This one unspoken issue maybe constraining the scope of western action and be framing all high level policy and debate on Iran. It may be the critical linchpin on which the fate of Iran, the Middle East and the whole world rests. Unfortunately if this deterrence exists it is unstable and the instability is increasing exponential as the deterrence nears the end of its natural process. If this unspoken critical point is not dealt with correctly the results for humanity could be catastrophic.

Some even go so far as to suggest that Iran already has a nuclear deterrent. It is only when one knows how potentially destructive the real deterrent is that it becomes obvious that a nuclear, biological and chemical arsenal pales in comparison to the real threat. When Iran's government repeatedly says that they do not need a nuclear deterrent the chilling cold logic of global Mutual Assured Destruction (MAD) becomes obvious. In many ways it would be far safer for the world if Iran could somehow be persuaded to rely on less destructive conventional nuclear, biological and chemical arsenals.

Unfortunately over the years both groups have been locked into an ever worsening series escalation and counter escalation without a way out until the final inevitable destruction of human civilisation.

At Advanced Commodities Global Consulting we were busy working out the details of a solution to another threat to human civilisation when we became aware of this imminent threat to humanity. This is why we can understand that the current threat emerged as a side effect of the problem that we were working to resolve. As a result we understand both the complexity of the problem and the way out of the current increasingly dangerous dead end.

Better still the solution has the potential to be self funding and immediately generate vast fortunes as it jumpstarts a new industrial revolution, but that is the story of another report.