

Obama signs toughest-ever US sanctions on Iran
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President Barack Obama signed into law the toughest ever US sanctions on Iran, which he said would strike at Tehran's capacity to finance its nuclear program and deepen its isolation.

The measures, on top of new UN Security Council and European sanctions, aim to choke off Iran's access to imports of refined petroleum products like gasoline and jet fuel and curb its access to the international banking system.

"With these sanctions - along with others - we are striking at the heart of the Iranian government's ability to fund and develop its nuclear programs," Obama said at a White House ceremony, before signing the sanctions into law.

"We are showing the Iranian government that its actions have consequences, and if it persists, the pressure will continue to mount, and its isolation will continue to deepen.

"There should be no doubt - the United States and the international community are determined to prevent Iran from acquiring nuclear weapons."

The US Senate and House of Representatives approved the legislation -- which backers described as the toughest ever unilateral US sanctions against the Islamic republic -- by crushing 99-0 and 408-8 margins last week.

The United States spent months assembling an international coalition for new United Nations Security Council sanctions on Iran, which passed last month.

The measures, the fourth such set of UN penalties levied on Iran, are meant to punish Tehran for refusing to halt its uranium enrichment work, the most sensitive part of its atomic drive.

In response, Iranian President Mahmoud Ahmadinejad said Monday he would postpone nuclear talks as a "penalty" to world powers as a result of the latest UN sanctions.

The new US sanctions are effectively designed to force foreign firms to choose whether to do business with Iran or the United States.

Companies sever ties with Iran

The law shuts US markets to firms that provide Iran with refined petroleum products that the oil-rich nation must import to meet demand because of a weak domestic refining capability.

It also takes aim at firms that invest in Iran's energy sector, including non-US companies that provide financing, insurance, or shipping services.

It could also see non-US banks doing business with certain blacklisted Iranian entities - including Iran's elite Islamic Revolutionary Guard Corps and several banks - shut out of the US financial system.

Some foreign companies have already begun to sever ties with Iran because of the new law.

But observers, though, have questioned how successful the new law, and similar measures being adopted in Europe, and by other close US allies will be, given that Iran has been looking for other sources of supplies.

Obama noted that Iran had spurned the offer of dialogue that he had made last year on coming to office.

"To date, Iran has chosen the path of defiance," he said.

"That is why we have steadily built a broader and deeper coalition of nations to pressure the Iranian government."

World powers led by Washington have accused the Islamic Republic of seeking to build nuclear weapons and are demanding it freeze its uranium enrichment activity, which can be a key step towards developing an atomic arsenal.

Iran denies its nuclear program has a military use.

"The government of Iran still has a choice," Obama said in the prepared remarks.

"The door to diplomacy remains open. Iran can prove that its intentions are peaceful. It can meet its obligations under the (Nuclear Non Proliferation Treaty) and achieve the security and prosperity worthy of a great nation."

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