

## Trump is holding a knife to us, says Rouhani as Iran sanctions imposed

Carla De Wintours

August 8, 2018

Iranian President Hassan Rouhani yesterday accused the US of waging "psychological warfare" with a wave of reimposed sanctions.

The United States has brought back into effect harsh penalties that had been lifted under a historic, multi-party nuclear agreement that President Donald Trump abandoned in May.

The first of two rounds of sanctions kicked in at 12:01 am, targeting Iran's access to US banknotes and key industries, including cars and carpets.

"If you're an enemy and you stab the other person with a knife, and then you say you want negotiations, then the first thing you have to do is remove the knife," Mr Rouhani said in an interview on state television.

## Currency

"They want to launch psychological warfare against the Iranian nation. Negotiations with sanctions doesn't make sense."

Iranians are already seeing the effects of the sanctions, with Iran's rial currency losing around half its value since Trump announced the US would withdraw from the 2015 nuclear accord.

Mr Trump's contempt for the nuclear deal dates back to his time as presidential candidate and on May 8, he made good on a pledge to pull America out of the international agreement.

He blasted the agreement yet again on Monday, calling it a "horrible, one-sided deal (that) failed to achieve the fundamental objective of blocking all paths to an Iranian nuclear bomb".

The president's unilateral decision to withdraw came despite other parties to the agreement - Britain, China, France, Germany, Russia and the EU - pleading with him not to abandon the pact aimed at blocking Iran from acquiring nuclear arms. It highlights the US leader's go-it-alone style and his distaste for multilateral agreements.

In an executive order on Monday, Mr Trump said the sanctions seek to pile financial pressure on Tehran to force a "comprehensive and lasting solution" to Iranian threats, including its development of missiles and regional "malign" activities.

The European Union's diplomatic chief Federica Mogherini said the bloc, as well as Britain, France and Germany, deeply regretted Washington's move.

"We are determined to protect European economic operators engaged in legitimate business with Iran," she said in a statement.

Many large European firms are leaving Iran for fear of US penalties, and Mr Trump warned of "severe consequences" against firms and individuals that continued to do business with Iran.

The impact of the return of sanctions has ramped up tensions inside Iran, which has seen days of protests and strikes in multiple towns and cities over water shortages, high prices and wider anger at the political system.

Severe reporting restrictions have made it impossible to verify the swirl of claims coming through social media.

Mr Trump said he was open to reaching a deal with Iran "that addresses the full range of the regime's malign activities, including its ballistic missile programme and its support for terrorism".

John Glaser, director of foreign policy studies at the Cato Institute, noted that the US sees the sanctions "as a tool to pressure Iran to come back to the negotiating table to rehash the nuclear deal on terms more to Trump's liking". He added: "That is not going to happen."

The second phase of US sanctions, which takes effect on November 5 and will block Iran's oil sales, is due to cause more damage.

However, several countries including China, India and Turkey have indicated they are not willing to entirely cut their Iranian energy purchases.

Iran's Foreign Minister Mohammad Javad Zarif told reporters global reaction showed the US was diplomatically "isolated" but acknowledged the sanctions "may cause some disruption."

Mr Rouhani's government has taken emergency measures to stem the collapse of the rial ahead of the return of sanctions.