

THE JEFFERSON JOURNAL

...a commentary from

THE THOMAS JEFFERSON INSTITUTE FOR PUBLIC POLICY

Virginia: Open for Business With Iran?

By Michael W. Thompson

9/18/2015 – The Iran nuclear deal will soon become reality even though a bi-partisan majority in Congress opposes it as does a vast majority of the American people.

Significant arms agreements, especially between adversaries on the world stage, have always been by treaty, requiring a two-thirds vote of approval by the U.S. Senate. This has ensured broad support for these critically important arrangements. By executing this Iranian deal as an “agreement” and not a “treaty,” the President avoided that vote requirement.

This unsettling method of codifying what should have been a treaty comes even as the Pew Research Center – no rightwing institution – showed that only 21 percent of Americans support the deal.

There are good reasons Americans oppose this agreement: Iranian president Hassan Rouhani said Iran would not comply with the agreement’s provisions on U.N. missile sanctions; Iranian defense minister Hossein Dehqan declared that Iran will not allow inspectors to visit all military sites and then only with permission; and Iran, with a \$420 billion GDP, will see an immediate cash inflow of \$150 billion that had previously been frozen – funds that will allow this rogue nation to continue supporting terrorist organizations world-wide.

The agreement removes economic sanctions, permitting U.S. corporations to open trade with Iran and operate in that country through foreign subsidiaries. For the first time since the embargo was put in place 20 years ago – an action that brought Iran to the bargaining table in the first place – there will be a wide range of permissible business activities with Iran by U.S. companies. These companies will help Iran increase its economic and military power.

Iran continues to be the world’s foremost sponsor of terrorism (providing weapons to and sheltering terrorists, and serving as “banker” for terrorist organizations), has an official policy to destroy Israel, calls America “the great Satan,” holds American hostages (including *Washington Post* reporter Jason Rezaian), and oppresses women as well as people of all faiths. This is unacceptable behavior. Those actions and policies should not be encouraged through economic trade between Iran and the U.S.

But declaring the deal an “agreement” and not a “treaty” opens a new possibility for those in Virginia who don’t trust Iran and don’t want to see U.S. companies strengthen this renegade state. You see, a “mere agreement” allows individual states to impose economic sanctions against Iran. Indeed, this is already happening.

9035 Golden Sunset Lane ■ Springfield, Virginia 22153 ■ 703/440-9447 ■ info@thomasjeffersoninst.org

Today, 25 states have divested themselves of holdings with companies doing business with Iran, an authority long recognized in law and confirmed by Secretary of State John Kerry. Additionally, the 2010 Comprehensive Iran Sanctions, Accountability, and Divestment Act gives state and local governments express legal permission to divest from companies doing business with Iran's energy sector. Many also bar any state and local government contracts with those same companies that do business with Iran.

There is precedent for imposing such sanctions here in Virginia. Governor Doug Wilder in 1990 ordered Virginia state agencies and institutions to divest themselves of business investments in companies doing business in South Africa. By 1991, such divestment actions had also been taken by Fairfax County and the cities of Alexandria, Charlottesville, Hampton, Portsmouth, and Richmond as well as the University of Virginia.

F.W. de Klerk, the last South African president of that apartheid regime, admitted the nation-wide movement to boycott his country had an effect, commenting: "When the divestment movement began, I knew that apartheid had to end."

While 25 states have ended financial dealings with Iran, *Virginia is not one of them*. The Commonwealth allows state and local investment (including money from multi-billion dollar pension funds and college endowments) in companies doing business with Iran.

Our General Assembly should join 25 other states by disinvesting in any companies that deal with Iran and by refusing to do state business with companies that do the same.

By calling this an agreement instead of a treaty, the President avoided Senatorial ratification but an agreement cannot bind the states as would a treaty. When it comes to investing their own funds, states are free to do as they please.

And this being an election year for state legislators makes Virginia a perfect place to give voice again to the people.

In the weeks remaining in this year's state elections, every candidate for State Senate and Delegate should be asked: "Will you vote to prohibit the investment of Virginia state funds in companies doing business with Iran?" Our voters need to know if those seeking state office want to build Iran's economic and military power and encourage that country's terrorist actions. Or will they support Virginia cancelling all dealings with companies doing business with Iran.

Virginia is proud to be open for business.

But not for terrorists. And not for Iran.