

US House approves legislation prohibiting cash payments to Iran

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Washington: In an election-year broadside, the Republican-led House has approved a legislation that prohibits the administration from making cash payments to Iran.

The legislation also has a provision that the Congress be notified before any future claims settlements with Tehran are conducted.

The measure won ample support from Republicans aiming to rebuke the Obama administration for paying Iran USD 1.7 billion in cash earlier this year to settle a decades-old arbitration claim.

The Associated press reported that the bill passed by a wide margin, 254-163.

Democrats, on the other hand, accused Republicans of trying to score political points with the bill.

Since the initial payment was made the same day Tehran agreed to release four American prisoners, GOP lawmakers decried the payments as ransom, a charge the White House has rejected.

Citing Iran's status as a leading state sponsor of terrorism, Republicans have contended the untraceable cash will be used to finance terrorism around the world.

Although the bill targets Iran, lawmakers also passed an amendment that would bar the US from paying cash to other designated sponsors of terrorism and North Korea.

"Cash does not leave a paper trail," said Rep. Ed Royce, R-Calif., the Foreign Affairs Committee chairman and the bill's sponsor. "Cash is the currency of terror."

The Obama administration has threatened a veto of the bill, calling it "an ill-advised attempt to respond to a problem so-called 'ransom' payments to Iran that does not exist."

House Democrats accused Republicans of trying to score political points. Rep Eliot Engel of New York, the top Democrat on the Foreign Affairs Committee, said holding Tehran's money until Iran released the Americans "was a pretty shrewd bargain." But by using the word ransom, Engel said, Republicans turned the bill "into a political hot button a poke in the eye of the administration."

An initial USD 400 million payment in euros, Swiss francs and other foreign currency was delivered on pallets on January 17, the same day Tehran agreed to release the prisoners.

The remaining USD 1.3 billion was paid in cash instalments made on January 22 and February 5.

The administration has said the arbitration payment and prisoner release were separate, but later acknowledged that the cash was used as leverage until the Americans were allowed to leave Iran.

Republicans on a House panel pressed Treasury Secretary Jack Lew yesterday about the cash payments at a Financial Services Committee hearing on the condition of the financial system. The exchanges became heated.

- With AP Inputs