

THE WEATHER

Partly sunny;
thunderstorms.

90/79

Details, page 3B

The Miami Herald

THE FOREMOST DAILY NEWSPAPER OF FLORIDA

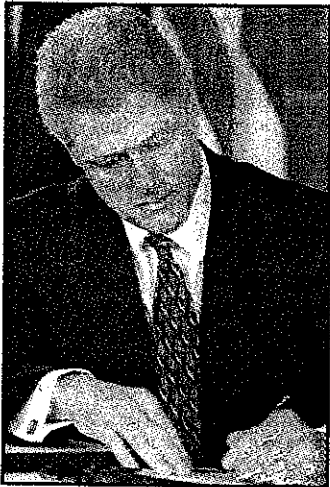
86th YEAR, No. 250

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TUESDAY, AUGUST 6, 1996

A move against Iran, Libya

Europe miffed over U.S. law allowing sanctions against foreign businesses



Associated Press

SIGNING LAW: 'Terrorism is the enemy of our generation and we must prevail,' President Clinton said.

From Herald Wire Services

WASHINGTON — Aggravating tensions with America's allies, President Clinton ordered sanctions Monday against foreign companies that invest in Iran and Libya. "You simply can't do business with people by day who are killing your people by night," the president declared.

Germany and France denounced the move as a barrier to international trade. The 15-nation European Union also protested. And Iran predicted that the new law would fail because of the allies' objections.

The United States already is

European Union nations import about 20 percent of their crude oil from Iran and Libya.

being criticized by Canada, Mexico and other allies for a measure that Clinton signed into law that penalizes foreign businesses that invest in property that the Cuban government confiscated from

current American citizens.

Leon Brittan, European Union vice president and chief trade negotiator, said Europe shares America's shock at the bombing of the U.S. Air Force installation in Saudi Arabia and the possible downing of TWA Flight 800. But he criticized the legislation Clinton signed Monday, saying:

"It established the unwelcome principle that one country can dictate the foreign policy of others and disturbs the unity of purpose between allies that is so necessary if we are to stamp out

PLEASE SEE TERRORISM, 6A

DOLE'S DEAL: Republican sweeping tax cuts during a

Dole



Associated Press

CEREMONY: President Clinton hands a pen to Victoria Cummock, leader of a group of relatives of victims in the 1988 bombing of Pan Am Flight 103. With her are Rosemary Wolf and George Williams.

Allies miffed over law allowing U.S. sanctions against their firms

TERRORISM, FROM 1A

terrorism successfully together."

Then, delivering a barely shrouded threat to ignore the U.S. law, he added: "The EU has already said it will act to defend its rights and interests if they are jeopardized by this legislation."

The EU imports about 20 percent of its oil from Iran and Libya and its oil companies have extensive investments in both countries.

Clinton said Monday that he expected the allies to eventually come around to his way of thinking. But he also said, "Where we don't agree, the United States cannot and will not refuse to do what we believe is right."

With Americans still awaiting answers to the TWA disaster of July 17 and the Olympics bombing of July 27, Clinton spoke out against terrorism in an Oval Office bill-signing ceremony and in a speech at George Washington University.

"Terrorism is the enemy of our generation and we must prevail," the president said. He singled out Iran and Libya as "two of the most dangerous supporters of terrorism in the world."

Clinton was joined at the White House by relatives of victims of the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland. Also present were two

of the Americans who had been held hostage at the U.S. Embassy in Iran up until the end of the Carter administration in 1981.

Clinton said the sanctions bill would heighten pressure on Libya to extradite two suspects in the Pan Am explosion.

And Victoria Cummock, president of Families of Pan Am 103 and a Coral Gables resident, responded, "Today marks an important day in America's war against countries that use terrorism as an instrument of national policy against American citizens and the free world."

The new law, which cleared Congress on July 23, requires the president to penalize foreign firms that invest \$40 million or more annually in the energy sectors of Iran and Libya. "The act will help to deny them the money they need to finance international terrorism or to acquire weapons of mass destruction," Clinton said.

However, the law would not cover existing contracts; instead, it affects only future investments, the administration said.

That seemingly would prevent immediate sanctions involving a French company, Total SA, which has been active in both Iran and Libya. Total angered U.S. officials by taking over development of two giant offshore oil and gas fields in Iran

after Washington barred Conoco and other American companies from the project.

Total also has been among foreign oil companies trying to buy the assets of U.S. producers in Libya. White House deputy press secretary David Johnson said, "It stops them in their tracks."

Iran immediately capitalized on the rift between the United States and its allies, contending that the law was "doomed to failure."

Iran's Foreign Ministry spokesman, Mohammad Mohammadi, reiterated Iran's rejection of the terrorism allegations, claiming that Clinton was resorting to lies to justify the bill and implying he had a separate agenda in pushing it.

"The international community is aware of Clinton's intentions to gain a monopoly over the world's energy sources and fertile economic markets," Mohammadi said.

The sanctions measure was separate from legislation that stalled in Congress last week to tag explosives with chemical markers and to expand wiretap authority in suspected terrorist cases.

"I am disappointed and more importantly the American people are disappointed that that job was not done," Clinton said.