



# Executive Memorandum

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## STAY THE COURSE ON SANCTIONS AGAINST IRAN'S MISSILE PROGRAM

*JAMES PHILLIPS*

Iran, the world's foremost exporter of terrorism, is working hard to acquire nuclear, chemical, and biological weapons that will vastly increase its ability to intimidate its neighbors. To deliver these hyperlethal weapons, Tehran is developing ballistic missiles with extensive foreign assistance, primarily from Russia. Congress moved to counter this development by passing the Iran Missile Proliferation Sanctions Act (IMPISA), which would allow the imposition of economic sanctions on foreign companies and government agencies that assist Iran's ballistic missile program. President Bill Clinton, however, vetoed this legislation on June 23, ostensibly to avoid straining relations with Russia but also to improve prospects for better relations with Iran. Congress now has an opportunity to restore the IMPISA to signal both Iran and Russia that the United States is determined to protect both its own security interests and those of allies that would be threatened by Iran's missiles.

**Iran's Missile Program.** Iran has made steady progress in developing medium- and long-range missiles with foreign assistance. The Central Intelligence Agency predicts that Iran's Shihab-3 missile, with an estimated range of at least 800 miles, will undergo its first test flight by early 1999. This missile, which could carry nuclear or chemical warheads, will give Iran the capability of striking U.S. military forces in the Middle East, as well as Israel, Saudi Arabia, Turkey, and other American allies in the region. A longer-range version, the Shihab-4, which is believed to be three years away from flight testing, will give Iran the ability to attack targets at

least 1,240 miles away. This will pose a threat to NATO allies as far west as Germany.

Iran's Shihab missiles are based on blueprints of the No-Dong missile provided by the North Korean government, but Russia has played a critical role in helping Iran to develop the missiles since at least 1994. Several hundred Russian engineers and technicians have provided crucial expertise, hardware, and technical support. Although the Russian government repeatedly has pledged to clamp down on the sale of missile technology to Iran, authorities seem to be unable or unwilling to stop the leakage.

U.S. intelligence agencies report that the lucrative Russian-Iranian missile trade continues. On March 22, Azerbaijani customs officials on the Iran-Azerbaijan border seized over 20 tons of Russian stainless steel missile components bound for Iran. The continued transfer of such dangerous technology raises disturbing questions about whether the Russian government merely is paying lip service to its pledge to halt the transfer of missile technology to Iran or is even capable of policing its own companies and research

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institutes. This laxness is particularly egregious considering that such missile technology transfers violate the 1987 Missile Technology Control Regime and the 1987 Intermediate-Range Nuclear Forces Treaty, both of which Moscow is committed to observe.

**Congress Takes the Lead.** To reduce the flow of foreign missile technology and know-how to Iran, Congress passed the Iran Missile Proliferation Sanctions Act by overwhelming bipartisan majorities: The Senate passed the IMPSA by a vote of 90 to 4 in May, and the House followed suit in June by a vote of 392 to 22. The act requires the President to submit a report to Congress identifying foreign companies, research institutes, or other entities that have been implicated by “credible evidence” in aiding Iran’s efforts to develop ballistic missiles. Three types of sanctions would then be applied against offending entities: denial of munitions licenses, denial of licenses for dual-use technology, and denial of U.S. foreign aid. The IMPSA in effect would force Russian and other foreign companies to choose between short-term profits from dealing with Iran and potentially far more lucrative long-term economic relations with the United States.

Despite overwhelming bipartisan support for the bill in Congress, President Clinton vetoed it on June 23, claiming that the act was “indiscriminate, inflexible, and prejudicial” to efforts to contain the spread of missile technology. Clinton complained that the bill would require “sweeping application of sanctions according to inflexible and indiscriminate criteria.” The language of the bill, however, specifies that the President would determine what constitutes “credible evidence” needed to trigger sanctions and that the President could waive the imposition of sanctions for reasons of national security. Finally, the charge that the IMPSA is an indiscriminate foreign policy tool rings hollow because the bill is targeted against specific compa-

nies, not countries, for a narrowly defined purpose: to slow the spread of dangerous missile technology to Iran.

Clinton Administration officials contend that the IMPSA will embarrass the Russian government and undermine Russian–American cooperation on stemming missile proliferation and other issues. But Russian cooperation on blocking the flow of missile technology to Iran has been woefully inadequate. The IMPSA merely punishes Russian companies for violating the declared policy of the Russian government and for violating two international agreements undertaken by that government.

Another factor behind the President’s veto is that the IMPSA could impede the Administration’s efforts to open a dialogue with Iran. The veto came less than a week after Clinton expressed hope for “a genuine reconciliation with Iran.” Although Tehran has softened its anti-American rhetoric since the May 1997 election of President Mohammad Khatami, Iran nevertheless continues its hostile policies. According to the State Department’s most recent annual survey of international terrorism, Iran remained the most active state sponsor of terrorism in 1997.

**Conclusion.** If President Clinton’s veto of the IMPSA is allowed to stand, Iran will benefit from the unstaunched flow of missile technology from Russia and other countries. Tehran, moreover, is likely to see the veto as an act of weakness. Washington cannot afford to relax sanctions merely to obtain illusory changes in Tehran’s rhetoric. The United States must continue to use economic sanctions to pressure Iran, and those who would help Iran build its military power, until Iran has halted its hostile policies. The only way to achieve this is to restore the Iran Missile Proliferation Sanctions Act.

—James Phillips is Director of Administration of The Kathryn and Shelby Cullom Davis International Studies Center at The Heritage Foundation.