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Statement on Returning Without Approval to the House of Representatives Legislation on Missile Proliferation Sanctions

June 23, 1998

I have committed my administration to an unceasing effort to halt the transfer of missile technology to nations that conduct or condone terrorism and otherwise violate international norms. The stated purpose of H.R. 2709—the "Iran Missile Proliferation Act of 1998"—is to further this effort. To the contrary, if enacted, it would damage the U.S. national interest, making it harder to achieve the goals it is intended to serve. Therefore, I am vetoing this bill.

The battle against proliferation is most effective as a cooperative enterprise. It will be successful if other, like-minded governments join in enacting and enforcing the strictest possible export-control policies. As my veto message makes clear, this bill mandates the sweeping application of sanctions according to inflexible and indiscriminate criteria. It would require the imposition of sanctions based on an unworkably low standard of evidence. Sanctions could be wrongly triggered against individuals and businesses worldwide, including against companies that did not know the true end user of their products. The sanctions are also disproportionate. A minor violation would carry the same penalty as a major one. As a result, the bill would generate tensions and discourage cooperation with the very nations whose support we must enlist.

From my conversations with Members of Congress, I sense a growing awareness that the vast machinery of U.S. sanctions law has not served our interests well and is in serious need of an overhaul. Adding yet another flawed sanctions bill is not the way to start, especially since this one is redundant. Existing law provides a sufficient basis for imposing sanctions when we need them.

I am particularly concerned about the impact that the bill would have on our on-going effort to work with the Russian Government to stem the flow of technology from that country to Iran's missile program. This is a very real problem, to which this administration has accorded the highest priority over the past year and a half. As a result of my own work with President Yeltsin, reinforced by the efforts of the Vice President, the Secretary of State, and other officials, the Russian Government recently has adopted new legal and administrative measures to deal with this problem. While the hard work of implementation must continue, we have seen concrete progress, which we seek to encourage, not undercut.

This bill will make it more difficult to continue our work with the Russian Government in this area. Moreover, the imposition of unilateral American sanctions could damage our interests in working with the Russian Government in other vital areas, such as arms control, law enforcement, counternarcotics and combating transnational crime. This bill would hinder, not help, our overall national interests.

Message to the House of Representatives Returning Without Approval Legislation on Missile Proliferation Sanctions

June 23, 1998

To the House of Representatives:

I am returning herewith without my approval H.R. 2709, the "Iran Missile Proliferation Sanctions Act of 1998."

H.R. 2709 would require sanctions to be imposed on foreign individuals and companies if there is "credible information indicating that" they transferred certain items or provided certain types of assistance that contributed to Iran's missile program, or attempted more than once to transfer such items or provide such assistance. These sanctions would last at least 2 years and would prohibit sales of defense articles and services; exports of certain dual-use items; and United States Government assistance.

My Administration unequivocally supports the critical objectives of fighting terrorism and taking steps to halt the transfer of missile technology to nations whose foreign policy practices and nonproliferation policies violate international norms. This legislation, however, is indiscriminate, inflexible, and prejudicial to these efforts, and would in fact undermine the national security objectives of the United States. Taken together, the flaws in H.R. 2709 risk a proliferation of indiscriminate sanctioning worldwide.

Such indiscriminate sanctioning would undermine the credibility of U.S. nonproliferation policy without furthering U.S. nonproliferation objectives. Indeed, the sweeping application of sanctions likely would cause serious friction with many governments, diminishing vital international cooperation across the range of policy areas—military, political, and economic—on which U.S. security and global leadership depend.

Specifically, H.R. 2709 would require the imposition of sanctions based on an unworkably low standard of evidence: "credible information indicating that" certain transfers or attempted transfers had occurred. Such a low standard of evidence could result in the erroneous imposition of sanctions on individuals and business entities worldwide—even in certain instances when they did not know the true end user of the items. The bill would also hinder U.S. efforts to enlist the support of other countries to halt the objectionable activities by imposing an unreasonable standard for waiving the bill's sanctions. In addition, the sanctions proposed by the legislation are disproportionate. A minor violation (e.g., the transfer of a few grams of aluminum powder) would carry the same penalty as a transfer of major proliferation significance. This, too, undermines U.S. credibility and increases foreign opposition to U.S. policy.

H.R. 2709 does not specifically refer to Russia, but it will affect that country. The legislation does not allow flexibility sufficient to reflect the progress made by the Russian government in formulating policies and processes whose goal is to sever links between Russian entities and Iran's ballistic missile program. At the urging of the United States, President Yeltsin, the Prime Minister, Russian security services Chief Kovalev, and Russian Defense Minister Sergeyev have all made clear that proliferation of missiles and weapons of mass destruction is a serious threat to Russia's security. They have called for strict control of sensitive technologies and stressed the strict penalties that will be imposed for violations of Russian law. On January 22 of this year, the Russian government issued a "catch all" executive order providing authority to stop all transfers of dual-use goods and services for missiles and weapons of mass destruction programs, and on May 15 published detailed regulations to implement that order. They have recently developed and circulated a list of end users of concern in Iran, Libya, North Korea, and Pakistan. In the course of regular and active discussion of this issue with the Russian government, the United States has raised problem cases involving cooperation between Russian entities and the Iranian missile program. We have seen progress in this area, and a number of these cases are no longer active concerns.

Precisely because Russia needs to take effective enforcement steps to control the flow of technology, the United States needs to be able to work cooperatively with the Russian government to assure further progress. H.R. 2709 would undercut the cooperation we have worked to achieve with the Russian government without helping us solve the problem of technology transfer. The legislation's unilateral nature could also hurt our increasing cooperation with Russian government agencies in other vital areas such as law enforcement, counter-narcotics, and combating transnational crime. Furthermore, Russia would interpret this law as an infringement of its sovereignty, affecting our ability to work with Russia on broader U.S. policy goals and on regional and global issues.

Finally, Title I of H.R. 2709 is not needed. Existing law, such as the missile technology control provisions of the Arms Export Control Act, provides a sufficient basis for imposing sanctions to prevent missile proliferation to Iran and elsewhere.

I also note that it is disappointing that the Congress attached Title II, the "Chemical Weapons Convention Implementation Act of 1997," to this problematic and counterproductive bill. Because Chemical Weapons Convention (CWC) implementation legislation has not been enacted, the United States has not yet fully carried out its obligations under the CWC. The CWC implementing legislation has strong bipartisan support, and should be passed by the Congress as a free-standing bill without further delay. I note, however, that sections 213(e)(2)(B)(iii), 213(e)(3)(B)(v), and 213(f)

of Title II could interfere with certain of my exclusive constitutional powers, and I urge the Congress to correct these constitutional deficiencies.

For the reasons stated, I am compelled to return H.R. 2709 without my approval.

WILLIAM J. CLINTON

The White House,
June 23, 1998.

Message to the Senate Transmitting the Niue-United States Maritime Boundary Treaty With Documentation
June 23, 1998

To the Senate of the United States:

I transmit herewith, for advice and consent of the Senate to ratification, the Treaty Between the Government of the United States of America and the Government of Niue on the Delimitation of Maritime Boundary. The Treaty was signed in Wellington May 13, 1997. The report of the Department of State is enclosed for the information of the Senate.

The sole purpose of the Treaty is to establish a maritime boundary in the South Pacific Ocean between the United States territory of American Samoa and Niue. The 279-mile boundary runs in a general east-west direction, with the United States islands of American Samoa to the north, and Niue to the south. The boundary defines the limit within which the United States and Niue may exercise maritime jurisdiction, which includes fishery and other exclusive economic zone jurisdiction.

Niue is in free association with New Zealand. Although it is self-governing on internal matters, Niue conducts its foreign affairs in conjunction with New Zealand. Niue has declared, and does manage, its exclusive economic zone. Therefore, the United States requested, and received, confirmation from New Zealand that the Government of Niue had the requisite competence to enter into this agreement with the United States and to undertake the obligations contained therein.

I believe this Treaty to be fully in the interest of the United States. It reflects the tradition of cooperation and close ties with Niue in this region. This boundary was never disputed.

I recommend that the Senate give early and favorable consideration to this Treaty and advice and consent to ratification.

WILLIAM J. CLINTON

The White House,

June 23, 1998.

Message to the Senate Transmitting the Belize-United States Stolen Vehicle Treaty With Documentation
June 23, 1998

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of Belize for the Return of Stolen Vehicles, with Annexes and Protocol, signed at Belmopan on October 3, 1996. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of stolen vehicle treaties being negotiated by the United States in order to eliminate the difficulties faced by owners of vehicles that have been stolen and transported across international borders. When it enters into force, it will be an effective tool to facilitate the return of U.S. vehicles that have