

ARMS SALES MONITOR

Highlighting U.S. government policies on arms exports and conventional weapons proliferation.

Ten Ideas for the 106th Congress

Listed below are ten straightforward ways the 106th Congress could reduce subsidies, improve transparency, and strengthen accountability on U.S. arms transfers and military assistance. These steps would also help strengthen the U.S. government's position as it engages other countries to undertake similar reforms.

① ***Eliminate the Defense Export Loan Guarantee Program.*** The Defense Export Loan Guarantee Program (DELG) was established in 1996 to provide \$15 billion worth of guaranteed loans to qualifying countries for the purchase of U.S. military wares, theoretically at no net cost to the U.S. government. A December 1998 General Accounting Office (GAO) report outlined several problems with this little-used, money-losing program, but the Pentagon insists on keeping it functioning. High fees designed to cover administration costs and the risk of loan defaults have discouraged countries from signing up. With only one customer since its inception, the DELG has not received enough in fees to cover its costs. The defense industry's solution to the financial problems is to lower the fees, passing the costs on to taxpayers. Yet with over \$10 billion of foreign military debts forgiven since 1990 and \$14 billion currently owed, the U.S. risks losing even more money through this approach. The best solution is to shut it down.

② ***Prohibit offsets on exports financed in whole or in part by U.S. military aid.*** American arms manufacturers use "offsets" to beat out foreign competitors for export sales. (Offsets are side deals in which U.S. companies agree to return economic benefits to the purchasing country, usually in the form of co-production or marketing assistance for the importing state's goods.) Congress appropriates \$3-4 billion in Foreign Military Financing (FMF) grants annually, nearly all of which must be used to purchase American-made arms, meaning there is no foreign competition to beat out. Yet recipients of this U.S. military aid still demand and receive offsets on these sales. Permitting offsets on sales financed with taxpayer funds is grossly unfair to the general public, which already pays for weapons development costs and the purchase of the weapons by foreign states. Furthermore, offset co-production agreements hurt American defense workers by sending all or part of the manufacturing work overseas.

③ ***Repay taxpayers for public funds expended to research and develop weapons which are exported abroad and consolidate responsibility for collecting those funds.*** U.S. weapons makers benefit from federally funded research and development of their products for the Pentagon's use. Congress should require fees on all export sales of major military equipment to recover some of these costs, which also subsidize the price of exported arms. Not doing so robs the Treasury of hundreds of millions of dollars per year and constitutes a major form of hidden aid to foreign militaries and U.S. defense contractors. Currently, such fees are required only on FMS sales and are often waived. Yet even this modest attempt at paying back taxpayers is failing. A 1998 GAO investigation found \$183 million in outstanding FMS fees because the various military agencies failed to follow proper procedures. Those responsibilities should be transferred to a single agency to ensure that all fees are collected.

④ ***Amend Section 655 of the Foreign Assistance Act to include data on commercial sales deliveries and place the "655 Report" on-line.*** The "655" annual report on arms exports includes delivery data on government-to-government sales, but provides only export licensing information on direct commercial sales (DCS). Without information on which goods were actually shipped, Congress and the public have no reliable information on total U.S. arms exports. In addition, for complete transparency on U.S. arms transfers, the entire "655 Report" should be put on a government web site. An electronic version would cut down on the paper and time used to provide the report to the concerned public.

⑤ ***Amend Sections 36(a) and (b) of the Arms Export Control Act (AECA) and Section 655 of the Foreign Assistance Act to require notification and reporting on offsets.*** Little information is available about U.S. arms exporters' offset agreements with foreign customers (see idea #2). Such deals reduce, directly or indirectly, the economic return of U.S. arms exports. Descriptions and values of offset deals should therefore be made public at the time Congress is notified of seemingly lucrative sales. They should also be published in the year-end "655 Report" which tallies U.S. arms exports. Greater transparency on offsets will help belie the myth that arms exports are always good for American workers.

⑥ **Hold hearings on arms export licensing, end-use monitoring programs, and conventional weapons proliferation.** Congress regularly holds hearings on the threats posed by nuclear weapons and the export of information technology, but has not examined the threat of conventional weapons proliferation since 1994. Meanwhile, the U.S. has been exporting arms of ever-increasing lethality, many into regions of tension and conflict. Since 1994 the U.S. has agreed to export more than \$36 billion worth of government-to-government arms sales and has issued an estimated \$95 worth of export licenses for conventional weaponry. An increase in Congress' oversight role could also contribute valuable information to current efforts to reform military sales programs and revamp the Export Administration Act. See related articles, pages 3-4.

⑦ **Amend Sections 36(b) and (c) of the AECA to require congressional notification of all small arms and light weapons exports.** Under present law, Congress is notified of all arms exports worth over \$14 million for "major defense equipment" and over \$50 million for all other conventional weapons. Small arms and light weapons—the leading killers in today's conflicts—usually fall under these thresholds, denying Members of Congress the opportunity to oversee this category of exports. Congress should therefore receive notification of all proposed small arms, light weapons, ammunition, and explosives transfers, regardless of value. While lowering the notification threshold for all arms might overwhelm Congress with large numbers of spare parts notifications, requiring notification of small arms and light weapons would place reasonable and much needed oversight on these transfers.

⑧ **Amend Sections 502(b) and 581 of the Foreign Assistance Act to include military training programs not primarily designed to train foreign soldiers.** Military training programs for which the official primary purpose is not foreign training—such as the Joint Combined Exercises and Training (JCET) program—often escape the restrictions and oversight placed on traditional foreign military programs. But such programs usually include training for foreign soldiers in lethal combat skills, and some foreign soldiers trained in these programs have been implicated in serious human rights violations. Amending these sections of the FAA would subject such programs to the same human rights criteria and reporting requirements as other foreign military training programs.

⑨ **Standardize U.S. arms export systems.** The United States is the only arms exporter with two separate channels for selling weapons abroad—the Pentagon's Foreign Military Sales (FMS) or government-to-government program and the State Department's Direct Commercial Sales

(DCS) licensing system. Reconciling the DCS program with FMS reporting procedures, degree of oversight and attention, and funding mechanisms would create uniform arms export policies and stricter scrutiny of all U.S. arms exports. Reductions in bureaucracy and redundancy would save taxpayers' money. See related articles, pages 3-4.

⑩ **Ratify the OAS Convention against Illicit Manufacturing and Trafficking of Small Arms.** The OAS Convention, signed by the U.S. government in November 1997, is a crucial first step towards stemming the illicit trade in small arms and light weapons in the Americas. Hundreds of thousands of guns, rifles, and light artillery, most left over from the Central American wars of the 1980s, re-circulate through the hemisphere on the black market, fueling the drug trade and political and economic instability. The Convention will impose stringent, uniform standards on weapons marking (at manufacture, import, and export), export controls, and import and export licenses.

For more information on these ten initiatives, contact our office or see <http://www.fas.org/asmp/topten106.html>.

FAS Arms Sales Monitoring Project

Founded in 1945, the Federation of American Scientists is a public interest organization of natural and social scientists and engineers dedicated to the responsible use of science and technology. Now in its eighth year, the FAS Arms Sales Monitoring Project works for a reduction in global weapons production and trade.

Tamar Gabelnick, Acting Director of the Project, edits the newsletter with Research Assistants Anna Rich and Keith Tidball. You may reproduce and cite this publication freely. A subscription is available from the FAS Fund at 307 Massachusetts Ave, NE, Washington, DC 20002, phone 202/675-1016.

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Hague Appeal for Peace

From May 11-15, over 7,000 people from around the world came together in The Hague to promote an agenda of peace and justice. Nobel peace laureates Desmond Tutu, José Ramos-Horta, and Jody Williams joined other experts and leaders to speak on the themes of conflict prevention and resolution, disarmament and human security, international humanitarian and human rights law, and the root causes of war.

On May 11th, the International Action Network on Small Arms (IANSA) was officially launched in The Hague. IANSA will facilitate the collaboration of activists and non-governmental organizations working against the proliferation and misuse of small arms and light weapons. For more information, see IANSA's website: <http://www.iansa.org>.

Foreign Military Sales Reform

DoD Cozies Up Closer to Industry

In the last year, the Pentagon's Foreign Military Sales (FMS) program has come under heavy criticism from the defense industry and press for excessive bureaucracy, high cost, slow processing, and financial mismanagement. Traditionally, FMS have accounted for the majority of U.S. arms exports, but customers increasingly prefer the State Department's Direct Commercial Sales (DCS) program, which is quicker, cheaper, and entails less oversight (of course, FY 98 FMS sales were still a healthy \$8.6 billion).

The Defense Security Cooperation Agency (DSCA), the agency in charge of FMS and military assistance, has responded with an ambitious plan for reform and improved public relations with arms producers and sellers. After conducting extensive consultations with industry representatives, foreign customers, and government bureaucrats, the DSCA has concluded that the American defense industry faces "international competitors who are aggressively supported by their respective governments." The DSCA seems to have committed itself to equally aggressive support, promising to process arms deals faster and more easily. This effort coincides with the Pentagon's "Defense Reform Initiative," an "ongoing program to apply key lessons from business and industry" to the DoD.

Missing from the reform activity is concern about the risk of making the U.S. arms sales process *too* "user-friendly." Catering to weapons sellers and purchasers risks interfering with the DoDs' critical evaluation of which sales threaten national security.

From its rhetoric, the DSCA's certainly sounds more eager to facilitate arms sales than to worry about restraint.

U.S. Export Control Reform

Export Administration Act

The Export Administration Act (EAA), the law governing exports under Commerce Department jurisdiction—including "dual-use" goods which have both military and civilian uses—expired in 1994. Since then, export controls have been extended every six months by presidential emergency orders. Efforts are made regularly to rewrite the EAA, but each time they get bogged down by controversy. Sen. Enzi (R-WY), chair of the Senate Banking Committee's Subcommittee on International Trade and Finance, plans to introduce this year's version of the EAA, but there is no reason to think that it will fare better in 1999.

Export administration has, however, become a politically charged issue. Last year, to industry's dismay, Congress transferred licensing authority for communications satellites from Commerce to the more restrictive State De-

partment Munitions List because of concerns about satellite sales to China. Recent allegations that China acquired sensitive U.S. technologies further fueled Congressional anger at the administration and concern about export control.

For instance, a white paper on "process transparency" discusses the need for foreign governments and industry to have more insight into the FMS process but never mentions a corresponding obligation to make the arms sales process more transparent to the public. Furthermore, the DSCA's "Strategic Plan" identifies the U.S. government, foreign customers, and the arms industry all as "stakeholders" in the reform process—but not the U.S. taxpayers, who subsidize arms sales, or the world public, which is threatened by weapons proliferation.

The DSCA Strategic Plan is online at:

<http://www.dsaa.osd.mil/StratPlan/stratmain.htm>.

Arms Sales on the Internet!

As if Amazon.com wasn't good enough, soon it may be possible to browse major weapons systems online.

One aspect of the Pentagon's Defense Reform Initiative is the DoD Electronic Mall, an "Internet based system providing 'one stop shopping' for the DoD warfighter to quickly and easily locate and order items from commercial electronic catalogs." Hoping to provide the best in modern customer service to its foreign arms sales customers as well, the DoD is planning a "pilot program for integrating Foreign Military Sales into the E-Mall" for June 1999.

You can celebrate all of this at the official U.S. "Defense Security Cooperation Reform Day" hosted by DSCA at the Alexandria, VA Hilton on June 10, 1999. It costs \$120 for the general public; but there are discounts for industry representatives, and government employees get in free!

—Anna Rich

In recent Congressional hearings, government and industry representatives all called for major reform of export controls and the EAA. From the administration's perspective, operating under emergency orders threatens the Commerce's export authority and creates extra work. Outdated EAA rules, like restrictions on high-performance computers, force the agency to "devote time and scarce resources to controlling a ubiquitous technology."

Industry lobbyists voiced similar concerns about excessive bureaucracy and restrictions, threatening that "if we do not revamp the export control system, we will weaken the very industries that produce the technology on which U.S.

security depends.” Manufacturers also decry what they think is a U.S. tendency to adopt “unilateral” sanctions and export controls. But industry lobbyists criticize the administration’s existing attempts at multilateral export control, the 33-nation Wassenaar Arrangement. This mechanism is supposed to establish common controls for conventional weapons and dual-use items among arms exporters but has trouble making decisions.

Arms Export Licensing

Meanwhile, the State Department’s Office of Defense Trade Controls (ODTC), which grants export licenses for items on the U.S. Munitions List, is facing its own problems. With only about 20 licensing officers processing 45,000 licenses each year, ODTC is awash in paper, making it difficult to get licenses out quickly enough to satisfy industry and thoroughly enough to satisfy arms control advocates. Last fall, Congress granted ODTC more money, but the agency has not yet seen the money or hired any additional staff. The Aerospace Industries Association, a leading defense lobby group, put “modernization of the export control system” at the top of its list of priorities for 1999. (See #9 on the ASM top ten list).

ASMP Recommendations

A revised EAA should:

- Mandate regular end-use hearings to evaluate and monitor the effectiveness of all dual-use export controls (see #6 on the top ten list).
- Increase restrictions on and scrutiny of special equipment that is most likely to be used in lethal combat and lessen the focus on widely available equipment such as high performance computers.
- Avoid “foreign availability” provisions (which let U.S. exporters sell anything already available from other suppliers) in cases where exports might be put to direct lethal use.
- Ensure that all appropriate governmental bodies maintain a legal role in export control, including the DoD and the State Department’s human rights office. Decisions with implications for global security and human rights should not be left to the Commerce Department, which promotes the same items it regulates.
- Extend export license requirement for crime control instruments to NATO members that have been cited for human rights violations in the State Dept’s human rights report. Publish a list of all countries to which police items have been approved in Commerce’s annual report on foreign policy export controls.
- Raise the penalty for violations of dual-use export laws. The current penalty maximum of \$10,000 is a mere slap on the wrist to large exporters.

Other export control suggestions:

- Make U.S. arms export controls more effective and multilateral by associating with the EU Code of Conduct on arms transfers, with the stipulation that it be significantly strengthened.
- Prohibit use of Export-Import Bank funding for dual-use items.
- Place specific restrictions on highly sensitive or unique weapons-related technology. For instance, foreign weapons purchasers have been pressuring the U.S. to release classified computer “source codes” with weapons sales. These codes are a weapon’s “intelligence,” enabling alteration of basic specifications such as “friend or foe” identification—the sort of high level technology that should not go to potentially unstable governments.

Rules and Regulations

The U.S. Government has taken the first steps to bring U.S. small arms export policy in line with the model regulations of the **Organization of American States’** “Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Materials.” New controls on exports of firearms were published in the April 12 and 13 Federal Registers and affect the Commerce Control List and the International Traffic in Arms Regulations.

Part of the new OAS regulations repealed the “Canadian exemptions,” loopholes that for decades allowed U.S. arms manufacturers to send weapons to Canada without going through normal licensing procedures. Official investigations found that U.S. weapons sent to Canada were often re-transferred to countries barred from receiving U.S. arms, such as Iran. The new rules also require OAS member countries to produce an import certificate to purchase U.S. firearms (in addition to U.S. export licensing requirements). The Senate has yet to ratify the OAS treaty.

The Bureau of Export Administration has also revised the Commerce Control List to implement requirements of the **Wassenaar Arrangement**, the association of key arms exporters charged with cooperating to prevent conventional weapons proliferation. The new regulations, published January 15 and revised March 5 in the Federal Register, adopt the Wassenaar Arrangement’s list of “dual-use” items (exports with military and commercial uses) and requirement that participating states notify each other when licenses are denied or approved. —*Anna Rich*

Web Alert: You can now catch up with all the hottest export policy on the Bureau of Export Administration’s new no-fee website for the **Export Administration Regulations (EAR)** at <http://www.gpo.gov/bxa/>. Previously the EAR was available online only for a \$100 fee.

FY 1998 U.S. Arms Transfers

The United States sent or agreed to send arms to **154 countries** during fiscal year 1998 (countries which received less than \$1,000 worth of weapons in all categories were not included in the list below). For information about specific items sold, please see the ASMP website or contact our office.

Foreign Military Sales (FMS) "agreements" represent Pentagon negotiated government-to-government arms sales and include military construction. FMS "deliveries" indicate the amount of weapons actually shipped during that year and include surplus U.S. weaponry given away or sold at substantially reduced price. Direct commercial sales (DCS) are negotiated between the industry and recipient country; the State Department issues export licenses prior to all such sales. These figures for DCS deliveries are estimated by the State Department based on the value of licenses issued; they likely significantly undercount actual DCS deliveries (see ASM 39 for more information about estimating DCS sales). Data on FY98 DCS licenses authorized should be available in mid-June.

All amounts represent dollars in thousands

Country	FMS Agreements	FMS Deliveries	DCS Deliveries
Africa			
Benin	1,552	10	
Botswana	599	578	852
Burundi		3	
Cameroon		329	101
Cape Verde		117	> .5
Chad	100	443	> .5
Cote d'Ivoire		342	7
Djibouti		366	
Eritrea	916	349	91
Ethiopia	10,159	569	
Ghana	1,200	18	338
Guinea	338	336	
Guinea-Bissau		184	
Kenya	591	3,944	100
Lesotho		20	
Madagascar		10	
Malawi	569	125	
Mali	672	54	
Mauritius		5	10
Mozambique		22	
Namibia	375	464	64
Rwanda	60	2	
Sao Tome & Principe	190		
Senegal		4,005	23
Seychelles		58	
Sierra Leone		15	
South Africa		421	4,723
Tanzania	24		1
Uganda	618	451	1,002
Zambia		2	82
Zimbabwe		145	50
<i>Sub-total</i>	<i>17,963</i>	<i>13,387</i>	<i>7,444</i>

	FMS Agreements	FMS Deliveries	DCS Deliveries
West Hemisphere			
Antigua & Barbuda	2	341	1
Antilles			256
Argentina	5,093	7,298	25,626
Bahamas	60	47	
Barbados	7,642	514	14
Belize	18	67	152
Bermuda			114
Bolivia	454		384
Bolivia (counternarc.)	1,120	7,035	
Brazil	24,618	43,560	22,584
Canada	96,760	118,890	112,301
Chile	1,371	2,110	5,737
Colombia	8,653		5,217
Colombia (counter-narc.)	2,034	8,748	
Costa Rica		138	327
Dominica		307	1
Dominican Republic	116	324	1,003
Ecuador	3,548	1,761	2,040
Ecuador (counternarc.)	76	345	
El Salvador	7,723	7,016	1,631
Grenada		497	7
Guyana		3	29
Haiti	531	606	22
Honduras	3,315	4,659	878
Jamaica	217	591	77
Martinique			6
Mexico	1,313	2,722	21,321
Nicaragua			9
Panama		16	1,553
Paraguay	116	193	45
Peru	4,220	1,013	2,479
Peru (counternarc.)	472	928	
St. Kitts & Nevis		216	89
St. Lucia		234	9

	FMS Agreements	FMS Deliveries	DCS Deliveries
St. Vincent & Grenadines		289	> .5
Suriname			34
Trinidad & Tobago	303	388	136
Uruguay	462	902	1,765
Venezuela	5,968	30,853	54,569
<i>Sub-total</i>	<i>176,205</i>	<i>242,611</i>	<i>260,416</i>
East Asia & Pacific			
Australia	216,233	343,623	238,304
Brunei		47	4,906
Cambodia	1,516	878	1
China*			750,000
Fiji			2
Hong Kong			611
Indonesia	283	5,212	10,694
Japan	348,039	419,892	86,024
Korea, Republic of	266,929	955,848	242,398
Laos	435	732	
Malaysia	970	72,581	29,161
New Zealand	13,830	10,879	35,772
Philippines	3,425	41,832	37,064
Singapore	150,343	236,109	17,408
Solomon Is.			78
Taiwan	440,921	1,489,671	200,000
Thailand	43,659	151,626	412,252
Tonga		23	
<i>Sub-total</i>	<i>1,486,583</i>	<i>3,728,953</i>	<i>2,064,675</i>
Europe & NIS			
Albania		586	1
Andorra			7
Austria	1,603	22,209	4,992
Belgium	20,580	193,849	30,683
Bosnia-Herzegovina	168	5	17,667
Bulgaria	3,523	79	408
Croatia			1,591
Cyprus			2
Czech Rep.	5,886	2,404	65,175
Denmark	10,476	159,079	18,737
Estonia	5,243	580	252
Finland	1,820	165,581	141,621
France	20,621	44,899	71,607
Georgia	1,499		95
Germany	258,718	1,440	200,644
Gibraltar			1
Greece	531,357	414,397	47,608
Hungary	5,648	2,090	1,956
Iceland		1	5,544
Ireland			3,341
Italy	94,816	43,061	86,024
Kazakhstan	1,746		367

	FMS Agreements	FMS Deliveries	DCS Deliveries
Latvia	4,696	1,140	253
Lithuania	4,081	740	315
Luxembourg	742	1,808	5,703
Macedonia (FYR)	10,516	1,940	
Moldova	781	3	4
Monaco			2
Netherlands	193,582	346,729	104,946
Norway	79,945	129,115	42,969
Poland	9,615	2,027	5,589
Portugal	18,049	22,579	7,361
Romania	4,883	1,887	91,470
Russia			16,204
Slovakia	5,039	1,118	1,636
Slovenia	5,735	174	2,706
Spain	67,256	135,505	87,303
Sweden	2,388	8,652	95,956
Switzerland	8,925	106,897	75,386
Turkey	240,518	541,204	201,000
Ukraine	1,133	35	14
United Kingdom	96,175	109,945	869,045
Uzbekistan	1,579		1
<i>Sub-total</i>	<i>1,719,338</i>	<i>2,461,758</i>	<i>2,306,186</i>
Near East/ South Asia			
Algeria			32,304
Bahrain	286,253	62,831	6,755
Bangladesh	31,708	1,055	886
Bhutan			10
Egypt	1,026,540	611,796	33,972
India	5	48	
Israel	628,399	1,617,819	21,819
Jordan	16,689	48,587	4,847
Kuwait	92,357	324,858	29,081
Lebanon	7,865	8,054	175
Morocco	2,114	7,300	6,826
Nepal			422
Oman	1,972	5,970	849
Pakistan	37	68,879	
Qatar		633	2,098
Saudi Arabia	2,340,532	4,307,585	20,137
Sri Lanka	3	98	1,410
Tunisia	2,282	5,623	35,937
United Arab Emirates	69,822	27,112	4,345
<i>Sub-total</i>	<i>4,506,578</i>	<i>7,098,248</i>	<i>201,873</i>
Classified	629,950		10,000
International Orgs.	35,300	100,677	28,836
Total	8,571,917	13,904,213	4,879,430
<i>Sources: FMS deliveries, 655 Report (Defense Dept.); FMS and DCS deliveries, Congressional Presentation documentation (State Dept.).</i>			

*All licenses for China indicate commercial satellite exports.

	ership development skills		Oman	Foreign internal defense, unconventional warfare, perpendicular survey, parallel survey, chart making	\$67,000
Eritrea	Small unit tactics, concealment, advanced rifle marksmanship	\$104,000		Foreign internal defense, long distant transport, small craft operations, launch & recovery, underway weapons firing	\$58,000
FYRO Macedonia	Small unit training, marksmanship, squad size patrol recon, ambush drills, raid, special ops plan, tactical decision making process, deliberate planning process, operations orders, warning orders	\$117,000	Papua New Guinea	Small unit tactics, ambush, raids, fire support planning, area/zone recon	\$74,400
Greece	Foreign internal defense, air ops, personnel and equipment airdrops, nvg low level, air intercepts, nvg takeoffs/landings, inflight refueling, coastal threat penetration	\$36,000	Paraguay	Airborne ops, medical training, patrolling, marksmanship, grenade training, airmobile training, hide site construction	\$88,000
	""	\$6,000	Poland	Foreign internal defense, maritime operations underway, patrolling/navigation, recon, marksmanship, medical training	\$19,000
Indonesia	Combat sapper-demolitions safety, firing systems, calculations/placement, expedient demolitions, engineer reconnaissance, construct defense ops, mine warfare, obstacle breaching, field training exercise	\$93,000		Scout swimming, marine ops, maritime navigation, beach reconnaissance, small boat ops, language immersion training	\$36,800
	Mountain infantry training	\$79,200	Qatar	Small unit tactics, ambush/raid	\$78,100
	Foreign internal defense, ground/air communications, helicopter landing zone surveys, outdoor survival training, movement to contact, ambush, raids, fire support planning, area/zone recon	\$14,000	Romania	Unconventional warfare, winter operations, survival, movement techniques, small unit tactics	\$7,000
	Air ops, weapons fire, marine ops,	\$65,000	Rwanda	Peacekeeping, leadership, establish/operate lodgements, convoy escort, route security, secure an area of operations, maintain a zone of separation, monitor borders, manage civilian movement	\$77,900
	Combat sapper operation	\$52,000	Sri Lanka	Foreign internal defense, sortie generation, safety assessment, air ops assessment, aircrew training, maintenance training	\$0
Kenya	Democracy seminar, command and control, mission of the military, law of warfare, military discipline and justice, civil-military relationship	\$52,000		Foreign internal defense, maritime ops	\$155,000
	Infiltration	\$16,100		Foreign internal defense, small arms tactics, movement techniques, immediate action drills, raids/ambush, warning/opord, combat first aid, leaders recon, marine ops, medical operations	\$213,000
Korea	Foreign internal defense, helicopter infil/exfil, fast rope, day/night fly-away, rescue/security team, static line airdrops,	\$5,000	Swaziland	Infantry, medical,	\$82,300
	Foreign internal defense, helicopter shipborne ops, water infil/exfil, helicopter air refueling	\$4,000	Thailand	Foreign internal defense, inflight refueling, halo airdrops, static line drops, leaflet drops, high speed bundle drops, fighter intercept training	\$211,000
Latvia	Foreign internal defense, nvg low level, personnel and equipment airdrop, self contained approaches, nvg landings/takeoffs, assault landings	\$56,000		Marine ops	\$143,000
Lithuania	Defensive military ops in enemy held areas, building fighting positions, crew served weapons, small unit ops, patrolling, mission planning, op orders, command and control, leadership training	\$46,000		Foreign internal defense, inflight refueling, halo airdrops, static line drops, bundle drops,	\$211,000
	Foreign internal defense, maritime ops, patrolling, navigation, recon	\$8,000	Tonga	Small unit tactics	\$87,300
	Infantry tactics, weapons training, marksmanship, patrolling	\$49,000	Trinidad-Tobago	Light infantry tactics	\$114,000
Malawi	Light infantry, immediate action drills, first aid, marksmanship, patrolling, movement techniques, warning orders, recon	\$56,000		Foreign internal defense, marksmanship, communication, mission planning, human rights, water survival, medical, patrolling, boat handling, board and search, prisoner handling	\$24,000
Maldives	Foreign internal defense, small unit tactics, patrolling, immediate action drills, marksmanship, demolition	\$44,000	Uruguay	Close quarters battle, room/building clearing, pistol/rifle marksmanship, team assault skills, command and control techniques, medical skills training, breaching techniques, language training	\$48,000
	Small unit tactics, marksmanship, demolitions	\$10,500	Uzbekistan	Mountain operations	\$0
Morocco	Foreign internal defense, equipment airdrops, air intercepts, assault landing, inflight refueling, self contained approaches	\$22,000	Vanuatu	Small unit leadership, patrolling, mission planning	\$6,100
Mozambique	Peacekeeping, leadership, operations orders, small unit leadership, land navigation, weapons school, movement techniques, leadership development	\$51,100	Venezuela	Marksmanship, close quarters combat, medical, breaching, command & control, linear targets, building climbing, sniper training, integrated assaults, human rights	\$14,000
Nepal	Medical training	\$60,900			

U.S. Foreign Military Training

Training Transparency?

Section 581 of the Foreign Operations Appropriations Act of 1999 requires a joint State-Defense Department report on all military training provided to foreign military personnel under programs administered by both Departments during fiscal years 1998 and 1999. The administration is required to provide the foreign policy justification and goal of each training program, its cost, the number of foreign students trained and their units of operations, and the location of the training. In addition, this report was to include the operational benefits U.S. forces receive from each training activity and the U.S. military units involved.

The Section 581 Report issued in March fulfills the letter but not the spirit of the new law. Though training programs are identified, only the bare minimum of information is presented, and the justification for these programs is not elaborated upon.

Yet close examination of the 581 Report reveals some troubling trends in foreign military training. For example, one finds inconsistencies between program descriptions and the types of units assigned to perform the training. According to the report, a number of countries are scheduled to receive training in humanitarian demining in 1999. This program uses a "train-the-trainer" approach, which trains local personnel in a three-step strategy of technical assessment, specific site surveys, and ordnance removal.

The description of demining programs, however, lists the participation of Civil Affairs and PSYOPS (Psychological operations) units in addition to standard demining units. One of the objectives of PSYOPS is to influence the thoughts, emotions, and motives of foreign governments, organizations, groups, or individuals. These units achieved notoriety in past conflicts for their "effective" use of psychological manipulation techniques while assisting host nations to defeat insurgencies. Whether the U.S. is teaching these

techniques or employing them, they don't seem at all relevant to demining activities, which leads to the inevitable question: what are they doing there?

– Keith Tidball

U.S. Training: Impact on Chiapas

(Reflections on an ASMP trip to Chiapas, March 1999)

The new annual "581 Report" on State and Defense Department training programs details the millions of dollars spent to educate foreign soldiers in U.S. military strategies and combat techniques. It does not, however, describe how such training is applied once the students return home. Mexico provides a damning example of the negative impact such training can have on human rights and the resolution of internal conflicts in recipient states.

After the 1994 Zapatista rebellion in Chiapas—Mexico's poorest and mostly indigenous-populated state—a series of negotiations took place between Mexican officials and EZLN (the Spanish acronym for the Zapatista army) representatives, with the Catholic church acting as mediator. After several rounds of talks, both sides signed the San Andrés accords on indigenous rights and autonomy. In early 1995, the Mexican Congress duly authored implementing legislation, including language to amend the constitution to recognize indigenous rights. But President Zedillo of the Institutional Revolutionary Party (PRI) rejected the text, offering another version that differed in critical ways from the San Andrés accords. This attempt to unilaterally alter the provisions of the accord was not accepted by the EZLN.

Understanding that they could not win a political battle against the widely popular Zapatista movement, the Mexican government decided instead to seek a military victory. It stationed about one-third of its military forces in Chiapas to systematically harass and intimidate the indigenous peasant population. The pretext for the military presence was the

Country	Training Title	Student Units	# Students	U.S. Units
Chad	Humanitarian Demining	Chadian Engineers	65	3rd Special Forces GP, 96 Civil Affairs BN 4th PSYOP GP, 191st Ord BN Mobunit, 821st TAACOM
Estonia	Humanitarian Demining	Estonia Defense Force Engineers	40	10th Special Forces GP, 96 Civil Affairs BN 4th PSYOP GP, 191st Ord BN Mobunit 8
Lebanon	Humanitarian Demining	Lebanese Armed Forces Engineers	25	3rd Special Forces GP, 96 Civil Affairs BN 4th PSYOP GP
Mozambique	Humanitarian Demining	Mozambique Army (FADM) Engineers	120	3rd Special Forces GP 191st Ord BN Mobunit 821st TAACOM
Rwanda	Humanitarian Demining	Rwanda Defense Force Engineers	40	3rd Special Forces GP, 96 Civil Affairs BN 4th PSYOP GP, 191st Ord BN Mobunit
Zimbabwe	Humanitarian Demining	Zimbabwe Defense Force Engineers	60	3rd Special Forces GP, 96 Civil Affairs BN 4th PSYOP GP, 821st TAACOM

Abbreviations: PSYOP – Psychological operations; GP – Group; BN – Battalion; ORD – Ordinance (explosives); Mobunit – Mobile unit; TAACOM – Theater Army Area Command.

worsening of inter-communal conflicts, which are themselves the product of Mexican strategy. The Mexican military created, armed, and trained paramilitary groups aligned with the ruling PRI party, militarizing existing tensions and exacerbating disputes by—for example—giving both sides unique rights to the same land or natural resources.

Mexico's shift in strategy paralleled a significant rise in participation in U.S. military training courses. The number of Mexican soldiers trained at the infamous School of the Americas (SOA) more than doubled from 1996 to 1997, to 305 students, or a third of all those enrolled in the SOA. Mexicans also made up about one third of the student body at the Inter-American Air Forces Academy in 1997. Counter-narcotics training also shot up in 1997 and 1998, with \$13 million budgeted for training of Mexican soldiers (around 2,500 students) in 1998. Yet as Representative Blunt (R-MO) pointed out in a House hearing on the Chiapas conflict last July, "... [U.S.] training [to Mexico] is focused on counter-narcotics, though clearly that training is transferable. If you are trained, you are trained."

According to human rights workers in Chiapas, high level Mexican officials were instructed in the strategy of "low-intensity warfare," a title which belies the physical and emotional damage to its victims. The Mexican government adapted U.S. training guidelines to the situation in Chiapas and labeled the tactic: "irregular warfare," a term which re-

flects the departure from Mexican law. Mid-level officers were taught the techniques of this counter-insurgency strategy, including the creation of paramilitary groups and other forms of psychological warfare.

Since 1995, peace negotiations have remained at a standstill while violence has increased in Chiapas. Paramilitary troops trained and armed by the Mexican military have intimidated, threatened, and killed villagers not aligned with the ruling PRI. The government's tacit support for this approach along with impunity for their violent tactics culminated in a massacre of 45 unarmed men, women, and children in Acteal in December 1997. This long and brutal massacre took place over several hours while police stationed within earshot did not intervene. Paramilitary groups in the region continue to threaten the survivors and prevent them from harvesting their crops, despite the augmented presence of military in the area.

In sharp contrast to this violent approach, the Zapatistas have chosen to build civil society support for their cause. In March 1999, 5,000 Zapatista delegates conducted a national survey on the peace process. Over one million Mexicans responded overwhelmingly in favor of the San Andrés accords. However, the results of this democratic process carry no weight with the Mexican government.

—Tamar Gabelnick

Middle East Arms Proliferation

Cohen's "Door-to-Door" Sales

In March 1999, Defense Secretary William Cohen turned into a door-to-door salesman, marketing defense equipment to nine Middle East countries "in the interest of promoting security and stability in the region." This trip resulted in the negotiation of a number of arms deals, detailed at right. However, as described in an earlier edition of the *Arms Sales Monitor* (see ASM No. 38), large infusions of arms into the Middle East may in fact destabilize the region by accelerating the high-pitched arms race and increasing mutual distrust.

Secretary Cohen explained in a press briefing in Egypt that not only was the U.S. eager to sell arms in the region, he had to comply with the requests of friendly Middle Eastern governments because otherwise they "would take it as an insult" and seek another supplier. Meanwhile, some in the Arab media accused Cohen of "exploiting the issue of the so-called Iraq-Iran danger" in order to sell more arms in the Gulf. —Keith Tidball

The "Doors"	The "Deals"
Bahrain	27 AIM-120B (AMRAAM) @ \$386, 000 ea.
Egypt	24 F-16 aircraft approx. \$1.2 billion 200 M1A1 tanks Patriot 3 surface-to-air missiles Total package: approx. \$3.2 billion
Israel	50 F-16 C/D approx. \$2.0 billion Anti-missile project discussed
Jordan	Early warning systems discussed Mobile units for border security
Kuwait	Early warning systems
Oman	Early warning systems
Saudi Arabia	AIM-120B (AMRAAM) undisclosed number
United Arab Emirates	AMRAAM/F-16 package previously negotiated
Qatar	Early warning systems Communications equipment Armor pre-position facility Naval port facility

Note: These deals were negotiated but have not yet been finalized.

Legislative Update

The Good...

Reps. Chris Smith (R-NJ) and Lane Evans (D-IL) introduced H.R. 1063, the **International Military Training Transparency and Accountability Act**, which would prohibit all military aid and training to foreign countries that have already been banned from receiving international military education and training (IMET) or other military assistance. This initiative is a response to the administration's circumvention of congressional intent in Indonesia; its military was banned from receiving IMET funds due to human rights abuses, but was secretly allowed to participate in "joint exercises" with the U.S. military.

Reps. Sam Gejdenson (D-CT) and Cynthia McKinney (D-GA) worked together on a compromise **Code of Conduct** bill that combines Gejdenson's international code—which asks the President to "attempt to achieve" an international arms sales code of conduct with Wassenaar Arrangement countries—with important portions of McKinney's U.S. Code of Conduct. This legislation would incorporate definitions for the original Code criteria (democracy, respect for human rights, non-aggression and transparency) and would require the State Department to include in its annual Human Rights report an assessment of states' compliance with these criteria. This text has been passed by the House International Relations Committee as an amendment to the Security Assistance Act (H.R. 973) and the Foreign Relations Authorization Act (H.R. 1211). McKinney's full U.S. Code of Conduct will soon be introduced in the House as a stand-alone bill.

The Security Assistance Act also contains a variety of minor provisions which would increase **transparency and accountability in U.S. arms sales**. These include requiring: delivery data on direct commercial sales (DCS); descriptions of offsets in Congressional notification of proposed arms deals; an expanded prohibition on bribes in offsets; recoupment of administrative fees for leased defense items; expansion of the "655" Report on U.S. arms exports to include weaponry financed by U.S. loans or guarantees; and an increase in penalties for arms export violations. Not so good is an authorization of substantial surplus weapons giveaways to central European and former Soviet states, Greece, South Korea, and Thailand.

In the wake of the Littleton tragedy, President Clinton announced his sponsorship of a variety of **gun control** proposals, which would also help keep American small arms out of the global black market (see ASM 38 for background information). The Senate initially rejected a proposal

to require background checks for firearm sales at gun shows, but the negative backlash forced another vote, which passed 51-50 (with Vice Pres. Gore's tie-breaking vote). Other amendments to the Juvenile Justice bill, passed by the Senate 73-25, would ban the import of high-capacity ammunition clips, require safety locks to be sold with handguns, and require background checks on pawn shop sales.

Rep. Joe Moakley (D-MA) introduced this year's bill to close the U.S. Army's **School of the Americas**, a military training program for Latin American forces which has gained disrepute by the serious human rights abuses committed by many of its graduates (H.R. 732).

the Bad...

The "Defense Jobs and Trade Promotion Act" (H.R. 796), sponsored by Rep. Sam Johnson (R-TX), would provide the same **tax breaks on arms exporters' profits** that are given to other industries under U.S. tax code. In order to level the international playing field for American businesses, the 1976 tax law created a tax break on profits on most exported goods. The law excluded U.S. weapons producers because they were deemed sufficiently competitive. Johnson claims that defense companies deserve the same tax break to "improve international competitiveness"—despite the fact that U.S. defense firms claim over 50% of the global arms market today.

...and the Scary

Sens. Jesse Helms (R-SC) and Bob Torricelli (D-NJ) have introduced the **Taiwan Security Enhancement Act** (S. 693), which would increase U.S.-Taiwan military contacts, mandate increased arms sales to Taiwan—including certain high-tech weapons—and force the Clinton administration to justify any denial of arms to Taiwan. Their aim may be more to provoke China than defend Taiwan, since Taiwan is already a top U.S. customer. Whatever the prospects for the legislation, arms exports to Taiwan are likely to increase: recent news reports say the U.S. is ready to approve a \$1.7 billion arms package for Taiwan, including a controversial missile defense deal.

All this despite the apt warning of Deputy Assistant Secretary of State Susan Shirk, who said in her April 14 testimony: "Neither the P.R.C. nor Taiwan would be served by over-emphasis on military hardware [...] In this age of highly sophisticated weaponry, I think we are all sometimes prone to equate security with military capability. But a durable peace will rest less on arms than success in addressing differences through dialogue on a mutually acceptable basis."

Turkish news media report that 37 Senators, again led by Sen. Helms, wrote a joint letter to Clinton urging him to ease restrictions on **weapons sales to Turkey**. Turkey has threatened to switch suppliers unless the U.S. complies with all requests for arms sales, forgives its Foreign Military Sales (FMS) debts—worth more than \$6 billion—and lifts all restrictions on the use of weapons. These threats seem to be working: Congress has allowed a proposed sale of 50 Black Hawk helicopters to Turkey, a deal worth approximately \$560 million. Concerns about Turkey's human rights

record have led the U.S. to deny or delay several arms deals in the past (See ASM 39).

Congressional proposals to **arm the Kosovo Liberation Army** have come from Sens. Mitch McConnell (R-KY) and Joseph Lieberman (D-CT) (S. 846) and Rep. Eliot Engel (D-NY) (H.R. 1408). So far the administration has not been receptive; White House Spokesman Joe Lockhart said such a proposal "runs counter to what we're trying to do right now, which is actually demilitarize." —*Anna Rich*

Recent Government Documents

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How to Find the Reports Cited Here

Senate bills, reports, and public laws are available by writing to the Senate Document Room, B-04 Hart Building, Washington, DC 20510; House bills and reports are available from the Legislative Resource Center, B-106 Cannon Building, Washington, DC 20515.

Published hearings can be obtained for free directly from the committee which conducted the hearing or purchased by mailing requests to the Superintendent of Documents, Government Printing Office (GPO), Congressional Sales Office, Washington, DC 20403. Contact information for all of the above is also available via the internet at <http://thomas.loc.gov>.

Congressional Research Service (CRS) reports must be requested through your member of Congress' office.

Commerce, Defense and State Department reports are available through each respective organization's Public Affairs office or on the web.

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