

11

6 March 1979

The insert required on page 22 is being prepared and will be furnished separately.

Attachment

Dr. Crossman
has insert

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
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1 STATEMENT OF THE HONORABLE LUCY WILSON BENSON,
2 UNDER SECRETARY OF STATE FOR SECURITY ASSISTANCE,
3 SCIENCE AND TECHNOLOGY

4 Ms. Benson. Thank you very much, Mr. Chairman. Thank
5 you in particular for your great courtesy in postponing the
6 start of the hearing this afternoon so that I could get here
7 from the ice storm I was in.

8 I appreciate this opportunity to appear before you. My
9 purpose this afternoon is to explain the Administration's
10 security assistance budget for fiscal year 1980 and to review
11 the President's arms restraint policy. With your approval,
12 I shall submit my formal presentation for the record.

13 I shall not repeat that presentation now but I would like
14 to emphasize certain points illustrating the central thrust
15 of the program as a whole.

16 First, the security assistance budget represents a major
17 interagency effort to strike a balance between a number of key
18 objectives: fulfillment of treaty obligations of the United
19 States; assurance that programs and the funding level proposed
20 for them are adequate for our national security interests and
21 the security of our allies and friendly nations; the practice
22 of the utmost austerity in keeping with the overall character
23 of the President's budget to the maximum extent consistent
24 with our security objectives; conformance with the President's
25 arms transfer restraint policy; promotion of respect for

1 internationally accepted standards of human rights and civic
2 decency; provision for certain urgent humanitarian concerns,
3 such as the refugee situations in Cyprus and Southern Africa.

4 Formulation of this budget required difficult, sometimes
5 painful choices, but we have satisfied the diverse objectives
6 we sought to advance.

7 Second, this budget, like those of preceding years, con-
8 sists of four components: grants of material, the MAP program;
9 military training, IMET; guarantees for foreign military
10 sales credits, FMS; and security supporting assistance, SSA.

11 As in previous years, the application of these security
12 programs is worldwide in scope. However, the basic focus of
13 these programs is upon the Middle East. Over three-quarters
14 of the total appropriation we seek is devoted to Israel and
15 the Arab states bordering Israel. Only about \$1 billion is
16 for all forms of security assistance to all other countries
17 and regions.

18 The reason for such concentration upon the confrontation
19 states of the Middle East is not just the austere funding
20 levels I mentioned earlier, but the overriding importance of
21 Middle East requirements as well.

22 Mr. Chairman and members of the committee, recent events
23 in the Middle East and Southeast Asia have reminded us that
24 attainment and maintenance of security are sometimes long,
25 difficult processes. As the Congress and the Administration

1 Chairman Zablocki. Before I call on Mr. Fountain, I
2 just want to reconfirm that I, as my colleague from Kansas,
3 Mr. Winn, have noted that while you were saying this informa-
4 tion was made available, the gentleman was nodding sideways.
5 I won't identify his name, but Bob apparently did not agree
6 with you.

7 Mr. Fountain?

8 Mr. Fountain. Thank you, Mr. Chairman.

9 Mrs. Secretary, I always hesitate to start questioning
10 because I have so many questions and we have time for so
11 few. Sometimes I figure I can best get the information by
12 taking the time on my own.

13 Before the committee last Friday, Mr. Karth stated
14 that the United States is no longer seen by our friends and
15 allies as a dependable supplier of other countries' defense
16 needs. I understand that you are chairman of the Arms Export
17 Control Board, and I would think you would be the first to
18 hear such complaints from our friends and allies, if we
19 really know who they are.

20 Have you had any complaints from any of our friends or
21 allies about our reliability in supplying their defense
22 needs?

23 Ms. Benson. We have had, Mr. Fountain, complaints from
24 friends and allies, more in fear of what might happen than
25 in actual fact what has happened. We have had diplomatic

1 problems caused, as I know you are aware, by the reductions
2 in budget amounts, FMS provisions for X or Y country. We
3 have had severe diplomatic problems over the decrease in
4 MAP funds, but we have not had a single complaint from any
5 country, as far as I know, about not being able to get
6 equipment they wanted because of the President's arms re-
7 straint policy.

8 That does not mean to say that there are not countries
9 we have turned down and they have not been unhappy. There
10 have been a great many turn-downs and turn-offs during this
11 period of time for reasons of the President's arms restraint
12 policy. However, I feel compelled to notice that we did over
13 \$13 billion worth of arms exports last year, and it is very
14 hard for me to see how anyone feels, particularly American
15 industry would feel, that they have been unfairly dealt
16 with.

17 Now, Mr. Karth has spoken with me, and various members
18 of his association have spoken with me numerous times. We
19 have had repeated meetings with representatives of the indus-
20 try over these problems. I believe that when one looks at it
21 one sees that we are still doing a booming business in arms
22 exports.

23 It is true, however, that our arms transfers to Latin
24 America have declined. And that is, of course, where Mr. Karth
25 is really most seriously concerned. In part this was

1 inevitable because the Latin American countries have them-
2 selves sought to avoid over-dependence upon a single country
3 like the United States, and it has been in part to our long-
4 standing policy to refuse to sell highly sophisticated weapons
5 to Central America.

6 That goes back 20 years. And in part it is due to the
7 legislative requirement that human rights be taken into
8 account. Sales to Argentina and Chile are prohibited. I have
9 had many complaints about the Argentina situation. Sales to
10 several other Latin American countries are severely restricted
11 for human rights reasons, and Mr. Karth is correct when he
12 says this.

13 But this is where we have two conflicting policies of
14 the United States: one, the desire to do business with other
15 countries in areas which would be permissible were it not for
16 the human rights policy; and on the other hand, the human
17 rights policy. It has to be weighed and balanced in every
18 case, but we have no choice in the case of Argentina and
19 Chile, which is a legislated requirement.

20 Mr. Fountain. I will skip over one or two questions that
21 I wanted to ask, one about Iran and what evaluations have been
22 made since that situation developed as it did with respect to
23 other countries. But I note in your testimony you say on
24 page 6 that you weighed the human rights practices of each
25 proposed recipient country at each step of a very vigorous

1 budget process, and your requests are consistent with the
2 President's policy guidance and all statutory requirements
3 concerning human rights practices and security assistance.
4 I am familiar with some of the language which the Cong-
5 ress put in legislation, and I am beginning to wonder if
6 it should be there.

7 I would like to invite your attention to the statement
8 which former Secretary of State Dean Rusk made before Mr.
9 Bingham's Subcommittee on International Economic Policy and
10 Trade just last Thursday, February 15th, I believe, and here
11 is what he said. "When we look at the present world situa-
12 tion, we can count about 30 countries which might be called
13 constitutional democracies whose institutions and attitudes
14 toward political values are reasonably congenial to us.
15 We can be very critical about some aspects of almost every
16 one of the rest of the 150 nations in the international
17 community. I would strongly advise against a drift into
18 self-imposed economic isolationism by weighing trade in
19 terms of approval or disapproval of the institutions of the
20 other trading nations."

21 I wonder if what happened in Iran and what is happening in
22 other parts of the world is prompting any reevaluation of
23 statements which have been made on the subject of human rights,
24 as much as we would like for all people everywhere in the
25

1 world to have what we refer to as human rights, as to
2 whether or not we may have overemphasized our demands for
3 human rights in relation to our policies and relations with
4 our friends and allies.

5 Ms. Benson. Mr. Fountain, as you well know, there
6 are at least two, certainly two principal schools of thought
7 on the subjects of human rights and whether or not we should
8 make judgments about the actions of people or governments in
9 other countries. I believe that, as the President has said,
10 the commitment of this country to basic human decency is
11 very important and that we would like to see our foreign
12 relations and foreign affairs, inasmuch as we can, reflect
13 our own basic ideals.

14 We do not make judgments in practice; only on human
15 rights bases. We weigh human rights situations in other coun-
16 tries very carefully, along with other issues such as our
17 own national security and the security of our friends and
18 allies. I do not disagree with what Dean Rusk said, but at
19 the same time I do not disagree with what we are trying to
20 do in this Administration to increase the respect shown for
21 individual human beings by other countries.

22 There is a very careful line that has to be drawn between
23 interfering in the internal affairs of other countries. On
24 the other hand, it seems to me that it is a legitimate thing
25 to do to consider whether or not we will conduct certain kinds

1 of businesses with other countries if we really strongly
2 disapprove of their human rights practices.

3 Now, we are not talking here just about the representa-
4 tive forms of government, and Mr. Rusk, of course, is quite
5 right. There are very few countries which are really free;
6 even fewer which really have self-government the way the
7 United States does, for all of its imperfections. But we
8 are talking about problems of torture, problems of practices
9 which only in very rare instances, if ever, have we employed
10 in this country, which are extremely unpleasant. And I be-
11 lieve the policy has to be weighed along with other policies.

12 Mr. Fountain. I want to ask another question. My time
13 is about up. I would like to put into the record at this
14 time another excerpt from his statement. He says: "Our
15 standards are high." That is after he made that statement.
16 "We certainly want to" -- I am sorry. This is not Secretary
17 Rusk's statement. This is a quote, but I think Mr. Karth
18 probably is attempting to elaborate on what Dean Rusk says,
19 and I am quoting from Mr. Karth. I at first thought it was
20 Secretary Rusk.

21 "Our standards are high. We certainly want to shine
22 as a beacon to other nations in the world, encouraging them
23 to aspire to our standards, helping, indeed pushing them in
24 this direction." And then he makes this next statement, which
25 I think is to some extent consistent with what Dean Rusk is

1 implying: "But if we limit our trade and relationships to
2 countries only who achieve those standards, we will have
3 few trading partners, friends or allies. So attempts to
4 export our own morality may be doomed to failure."

5 I cannot help but feel that as important as it is
6 to talk about human rights and to maybe improve the situation
7 here in our own country as much as we can, and to let all the
8 world know that we stand for human rights, that when we are
9 dealing on a substantial basis with a lot of nations whose
10 people have no human rights and making substantial sales to
11 them and, in some instances, what turn out to be grants,
12 that it ill behooves us to pick on other nations where it may
13 be in our own interest and refuse to make sales to them be-
14 cause of our dislike for their failure to provide some sem-----
15 blance of human rights to the people in their own country."

16 So I am inclined to some extent to agree with Dean
17 Rusk has said.

18 Thank you, Mr. Chairman.

19 Chairman Zablocki. Mr. Hamilton.

20 Mr. Hamilton. Thank you, Mr. Chairman.

21 Mrs. Benson, what is your legal authority for denying
22 information to the GAO?

23 Ms. Benson. My instructions from the Secretary of
24 State.

25 Mr. Hamilton. Well, that is not the law, Mrs. Benson.

1 an efficient and effective defense establishment, even
 2 though in these countries they are very small. The emphasis
 3 in the training is on improving professional and managerial
 4 skills. It is applicable to military as well as nation-building
 5 activities.

6 IMET is one way, though it is a small way and ^{does} not seem TT
 7 a pervasive way, one way we have in demonstrating U.S.
 8 interests in developing countries where the military has a
 9 considerable role to play in their structure at the present
 10 time.

11 Chairman Zablocki. Thank you, Secretary Benson. I
 12 am very pleased to have that on the record because I am sure
 13 this issue will be discussed when the legislation will be on
 14 the floor.

15 General Graves, if I may come to you for just a moment,
 16 in view of the Administration's policy of no further military
 17 sales, defense articles and services, to Argentina, what is
 18 the requirement of a 17-person military group there in Ar-
 19 gentina? I understand you have 17 military personnel in
 20 Argentina, and our policy is not to sell any defense articles.
 21 Why 17?

22 General Graves. ~~[Well, sir, I can give a more detailed~~
 23 ~~answer for the record, but~~ ^{\$44 million in} we are continuing to deliver ma-
 24 teriel that was sold in earlier years ^{through the foreign military sales program.} ~~to some of these people]~~
 25 ~~The Military Group personnel are responsible for~~ ^{are involved in} the management of that materiel. ~~[I think that]~~

1 ^{the} although we have ~~this~~ policy of not selling additional
2 material, ^e ~~that~~ the proper management of the material ^{e being delivered} is
3 ~~still~~ important. ^{Further,} ~~and the desire to~~ maintain ^{ing} ~~some~~ contacts
4 with the military there, in order hopefully to be able to
5 influence events favorably, justifies the continuation of
6 the group.

7 ~~[In other words]~~ ^{the} state of our relations has not
8 reached the point where we would cut off all contact. It
9 is correct that we are not making new sales. We are contin-
10 uing to deliver material which was already sold in the
11 past.

12 Chairman Zablocki. As you know, this committee has put
13 a limitation on the number of MAAGs and number of personnel
14 in a grouping in any MAAG country. The 17 personnel in the
15 military group in Argentina, what are they labeled? Is it

16 ~~[General Graves. Sir, they are actually]~~
17 ~~[Chairman Zablocki. It is not]~~ a MAAG in Argentina?

18 General Graves. It is called a military group, ~~[I~~
19 ~~believe]~~

20 Chairman Zablocki. Military group?

21 General Graves. Yes. The number of U.S. people actually
22 there is eight, and the others are local nationals that are
23 supporting their activities.

24 Chairman Zablocki. There are eight U.S. nationals in
25 the military group, and the other nine are --

General

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1 ~~Mr.~~ Graves. Mr. Chairman, the breakdown of the 17
2 people is six U.S. military, ~~with~~ two U.S. civilians -- that
3 is the eight U.S. personnel -- and nine local nationals.
4 The congressional limitation is that there shall not be more
5 than six U.S. military unless the Congress specifically
6 authorizes a MAAG of a larger number. ~~So~~ the six military
7 are based on ~~the request of the ambassador or~~ the recommen-
8 dation of the ambassador that there be manning of six
9 military ~~see~~ in the Military Group.

10 Chairman Zablocki. My questions are not to imply that
11 I am in disagreement; however, we do want to be clear on
12 this matter. Particularly in recent weeks, it has become
13 even clearer to some of us that we will have, for example in
14 Taiwan, the United States personnel whose hats will be changed
15 and uniforms changed, and they will be no longer foreign ser-
16 vice officers. But they will be doing the same type of acti-
17 vities, engaging in the same type of activities as foreign
18 service operators or DOD personnel.

19 So we are in a Mickey Mouse world today. We want to be
20 sure that this legislation that we have mandated in DOD as far
21 as MAAG and the limitation of U.S. personnel is not just a
22 facade where you have two or four or six in civilian uniforms
23 and you say, well, we only have six, as the law mandates, but
24 you might have more in civilian clothes, so to speak.

25 Be that as it may --

1 General Graves. I believe that that is not the case
2 here, sir. There are six military. There are two U.S.
3 civilians.

4 Chairman Zablocki. What is the task of the civilians
5 in this particular military grouping?

6 General Graves. ~~I would have to get the details for you~~ ^{T7}
7 ~~sir.~~ ^{Col Thomas}

8 Chairman Zablocki. I am sorry I selected Argentina.
9 There may be some other countries in which we have a similar
10 situation.

*substitute
insert*
11 General Graves. Generally speaking, the U.S. military
12 performs professional work, management work. The civilians
13 generally do administrative work, although one or two of
14 them may be technical experts in a particular line of work.
15 The local nationals, of which there are nine in Argentina,
16 do housekeeping duties and also do clerical work. But, of
17 course, they generally do not have access to any classified
18 information. Therefore, it is necessary to have some clerical
19 help with a group who are U.S., generally in a group of
20 this type.

21 I will have to check, but my own guess would be that
22 the two U.S. civilians are secretarial assistants that would
23 have access to classified information, and the nine local
24 nationals would be housekeeping and possibly also some
25 clerical help. But, of course, they would not have access

Chairman Zablocki: What is the task of the civilians in this particular military grouping?

General Graves: The two U.S. civilians assigned to the U.S. Military Group, Argentina, perform secretarial^{and} administrative functions. These personnel have access to U.S. classified information. In a military group of this type, it is necessary to have U.S. secretarial^{and} administrative personnel in addition to local national clerical^{and} housekeeping personnel. There are nine local nationals authorized in the Military Group. Eight of these personnel perform housekeeping functions such as drivers, clerks, secretaries, etc., and one person is used as a customs assistant. The six U.S. military personnel perform professional work, -- management functions. These personnel advise and assist the U.S. Ambassador on security assistance matters; manage logistic, transportation and fiscal aspects of programs to include delivery of equipment in the "pipeline," and perform accounting responsibilities for previously supplied equipment. They also provide liaison and serve as the U.S. Embassy point of contact between the U.S. Department of Defense and the Ministry of Defense and Armed Forces of Argentina.

House Foreign Affairs Committee
Subcommittee on International Security
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1 happen, but has it not already happened?

2 Ms. Benson. The only instance, Mr. Chairman, or the
3 major instance, I should say -- I off-hand do not think of
4 any other instances -- has been the case of Argentina, where
5 our refusal because of the action of the Congress, the
6 embargo on the export of military supplies to Argentina,
7 has cut out that market absolutely. There is no question
8 about that. Argentina has turned to France, in particular,
9 as well as to other European countries, for military sup-
10 plies, for arms. There is no question about that.

11 Many people feel very badly about that particular
12 industry, particularly Argentinians themselves who have valued
13 the relationship with the United States over this year. I
14 have had many visitations by Argentinian businessmen as well
15 as other people about this problem. Mr. Karth is right in
16 that respect. However, I think that there has been some
17 cooperation which there has not been a great deal of talk
18 about, very informal cooperation.

19 Our allies have participated with us in some agreements
20 that none of us would sell X to Y. They are very leery about
21 engaging in any formal relationship for arms restraint, and
22 that is where their lack of wholehearted cooperation shows
23 up, because they have not yet wanted to get into a formal
24 relationship.

25 The President has said that we will have the ceiling for

1 the second year, and he has very specifically said that
2 the ceiling for any subsequent years would depend upon what
3 happened in our efforts at multilateral cooperation.

4 I think to answer Mr. Karth's question and perhaps
5 yours most directly, we will have the ceiling for two years.
6 I do not know if we will have the ceiling for a third year.

7 Chairman Zablocki. You have mentioned that perhaps there
8 is too much concern over the quantitative ceiling. Has any
9 sale been refused only because of the ceiling control?

10 Ms. Benson. No.

11 Chairman Zablocki. Not any?

12 Ms. Benson. No.

13 Chairman Zablocki. I do not have the President's
14 speech in Atlanta last week, but if my memory serves me
15 correctly, he has stated he intends to come to Congress for
16 a supplementary amount of military security sales sometime
17 later in the year. Can you advise and enlighten us? Is
18 that understanding correct? To what extent and amount, and
19 to what countries, if there are any at the present time
20 being considered?

21 Ms. Benson. I cannot at the present time because it is
22 too soon.

23 Chairman Zablocki. Is it still in an interagency stage?

24 Ms. Benson. It is not even in an interagency stage at
25 this point. What the President said was to stand by our

Chairman Zablocki: What is the task of the civilians in this particular military grouping?

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