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COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

FY 1980 FOREIGN ASSISTANCE REQUEST

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Ret Loni Evans 3/15/79

Washington, D. C.

February 28, 1979

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United States Senate,
Committee on Foreign Relations
Washington, D. C.

Wednesday, February 23, 1979
(9:36 a.m.)

C O N T E N T S

STATEMENT

PAGE

The Honorable Lucy W. Benson,
Under Secretary for Security Assistance,
Science and Technology,
Department of State.

5

Lieutenant General Ernest Graves,
Director, Defense Security Assistance Agency,
Department of Defense.

12

The Honorable Barry N. Blechman,
Assistant Director, Weapons Evaluation and Control,
Arms Control and Disarmament Agency

15

J. Kenneth Fasick, Director,
International Division, General Accounting Office,

Accompanied by:

Frank C. Conahan, Associate Director
(Senior Level), International Division,
General Accounting Office.

64

Stanley J. Heginbotham, Assistant Chief,
Foreign Affairs and National Defense Division,
Congressional Research Service,
Library of Congress.

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1 FY 1980 FOREIGN ASSISTANCE REQUEST.

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5 United States Senate,
6 Committee on Foreign Relations,
7 Washington, D. C.

8 The Committee met, pursuant to notice, at 9:36 o'clock, a.m.,
9 in Room 4221, Dirksen Senate Office Building, the Honorable
10 Claiborne Pell presiding.

11 Present: Senators Pell (presiding), Stone, Zorinsky, Javits,
12 Percy, Helms, Hayakawa, and Lugar.

13 Also Present: William Bader, Staff Director; Albert A.
14 Lakeland, Jr., Minority Staff Director; Robert Barton, Hans
15 Binnendijk, Jerry Christiansen, Cliff Hackett, Mike Kraft, Mary
16 Locke, Dick McCall, Barry Schochet, Winslow Wheeler, John Carbaugh,
17 Chip Andrae, John Backer, Estrellita Jones, Carl Ford, Fred
18 Tipson, and Grayson Fowler -- Committee and Senators' Staffs.

19 - - -
20 Senator Pell. The Committee on Foreign Relations will
21 please come to order.

22 On behalf of Senator Church, who cannot be with us this
23 morning, I will read his opening statement and carry on.

24 The Foreign Relations Committee is meeting to consider the
25 Administration's Fiscal Year 1980 authorization request for

1 security assistance.

2 We are very pleased to have with us this morning Mrs. Lucy
3 Benson, Under Secretary of State for Security Assistance,
4 Science and Technology; Lieutenant General Ernest Graves,
5 Director of the Defense Security Assistance Agency; and Mr.
6 Barry M. Blechman, Assistant Director of the Arms Control and
7 Disarmament Agency for Weapons Evaluation and Control.

8 In addition, we will be receiving testimony from representative
9 of the GAO and the Congressional Research Service, who will
10 summarize two studies requested by our Committee last year. Mr.
11 J. Kenneth Fasick, Director of the International Division of the
12 GAO will discuss the results of GAO's arms transfer study. Dr.
13 Stanley J. Heginbotham, Assistant Chief of the Foreign Affairs
14 and National Defense Division of the Congressional Research Service
15 will discuss the implementation of the President's human rights
16 policy.

17 Under normal circumstances, we would have already received
18 testimony from the Department of State giving a general overview
19 of the Administration's foreign aid requests. However, hearings
20 scheduled last week with Deputy Secretary of State Warren
21 Christopher were postponed due to the weather and the Committee's
22 prolonged consideration of the Taiwan issue. Either the Secretary
23 of State, Cyrus Vance, or Secretary Christopher will be rescheduled
24 at a later date.

25 Our Committee decided to proceed on our regular foreign

1 assistance hearing schedule rather than risk any further delays
2 which would hamper our consideration of these programs.

3 Before receiving this testimony, we would like to make some
4 observations concerning our consideration of security assistance
5 issues. The issue of conventional arms sales poses particular
6 problems. Speaking on behalf of Senator Church, we intend to hold
7 future hearings which would be aimed at a comprehensive review of
8 the President's arms transfer policy. There are two basic reasons as
9 to why this review is necessary.

10 First, it appears there have been setbacks in the multilateral
11 arms transfer talks which were recently held in Mexico City, and
12 accounts lead me to believe that our extensive conventional arms
13 control policy may be in disarray. At best, the prospects for
14 future efforts at multilateral arms restraint seem uncertain.

15 The President's entire policy is based upon the assumption
16 that we will be able to achieve a certain degree of multilateral
17 cooperation. If this effort fails, and it indeed appears to be
18 failing, we will have to come up with an alternative policy.
19 Since the multilateral effort appears to be going poorly, it is only
20 prudent for the Committee to begin a re-evaluation which could
21 lead to the formulation of a new arms transfer policy.

22 Second, the turmoil in Iran suggests a basic reassessment
23 of the overall policy and its implied premise that the security of
24 the United States and particular regions of the world are tied to
25 unlimited or unquestioned arms sales. In addition, we have to

1 undertake a serious review of all future arms sales from the
2 standpoint of the potential for compromising United States and NATO
3 security if we are unable to prevent sophisticated equipment
4 from falling into Soviet hands.

5 Mrs. Benson, General Graves, and Mr. Bleckman, we
6 welcome you here this morning.

7 Are there any statements from the Minority side of the
8 Committee?

9 Senator Lugar. No, Mr. Chairman. Thank you.

10 Senator Pell. In that case, Mrs. Benson, would you please
11 proceed.
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1 STATEMENT OF THE HONORABLE LUCY W. BENSON,
2 UNDER SECRETARY FOR SECURITY ASSISTANCE, SCIENCE AND
3 TECHNOLOGY, DEPARTMENT OF STATE.

4 Ms. Benson. Thank you very much, Mr. Chairman and members
5 of the Committee.

6 I appreciate this opportunity to appear before you. My
7 purpose here is to explain the Administration's security assistance
8 budget for Fiscal Year 1980 and to review the President's arms
9 transfer restraint policy. With your approval, I shall submit
10 my formal presentation for the record and not repeat it now. But
11 I should like to emphasize certain points illustrating the
12 central thrust of these programs as a whole.

13 First, the security assistance budget represents a major
14 interagency effort to strike a balance between a number of key
15 objectives: fulfillment of treaty obligations of the United States;
16 assurance that programs and the funding level proposed for them
17 were adequate for our national security interests and the security
18 of allies and friendly nations; the practice of the utmost
19 austerity, in keeping with the overall character of the President's
20 budget, to the maximum extent consistent with our security
21 objectives; conformance with the President's arms transfer restraint
22 policy; promotion of respect for internationally accepted standards
23 of human rights and civil decency; provision for certain urgent
24 humanitarian concerns, such as the refugee situations in Cyprus
25 and Southern Africa.

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1 Formulation of this budget requires difficult, sometimes
2 painful, choices, but we have satisfied the diverse objectives
3 we sought to advance.

4 Second, this budget, like those of preceding years, consists
5 of four component parts: grants of material, or MAP; the military
6 training program, or IMET; guarantees for foreign military sales
7 credits, or FMS; and security supporting assistance, or SSA.

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

15 The reason for such concentration upon the confrontation
16 states of the Middle East is not just the austere funding levels
17 I mentioned earlier, but the overriding importance of Middle East
18 requirements.

19 We believe that few, if any, federal programs convey benefits
20 so in excess of the sums involved as do the security assistance
21 activities encompassed in the budget proposals you consider today.

22 I would like to say a few words about the President's
23 arms transfer restraint policy, which is now almost two years old.

24 It has been successful in both policy and procedural terms.

25 We have met the twin objectives of (1) achieving demonstrable

1 qualitative and quantitative restraint in transfers to the
2 developing world while continuing to meet the legitimate needs of
3 our allies and friends; and (2) developing a decision-making and
4 management process that includes better forecasting and
5 determination of priorities, thorough policy analysis of major sales
6 cases, and more accurate bookkeeping.

7 Let me briefly review the six qualitative controls which are
8 the heart of the policy.

9 First, the United States will not be the first supplier to
10 introduce into a region newly-developed advanced weapons which would
11 create a new or significantly higher combat capability.

12 Second, the United States will not sell such weapons until
13 they are operationally deployed with United States forces.

14 Third, the United States will not permit development of
15 advanced weapons solely for export.

16 Fourth, the United States will not permit co-production by
17 other countries of significant weapons, equipment, or major
18 components.

19 Fifth, the United States will not allow U.S. weapons or
20 equipment to be transferred to third countries without U.S.
21 Government consent.

22 Sixth, the United States will not permit United States
23 Embassy, military or industrial representatives abroad to promote
24 the sale of arms.

25 Virtually all of the turnoffs or turndowns of sales as a result

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1 of the policy were based on these controls. However, because the
2 policy explicitly provides for presidential exception to the
3 controls in extraordinary circumstances or to offset quantitative
4 or other disadvantages to friendly countries where there is a
5 threat to a regional balance, the controls have proved sufficiently
6 flexible to permit sales considered important to our national
7 security interest.

8 There is, as you know, a great preoccupation with the arms
9 transfer ceiling. Some allege that the 8 percent reduction in
10 FY 78 was achieved only by creative bookkeeping. Others claim
11 that the ceiling is an arbitrary restraint, unrelated to U.S.
12 national interests, that has prevented sales that ought to have
13 been made.

14 In fact, the ceiling is not a shibboleth, but a tool to be
15 used. It has been a valuable management tool which supplements
16 the more substantive qualitative controls. It forces the
17 decision-making machinery to think and act in new ways, reflecting
18 the shift in the burden of proof from the opposers of an arms
19 transfer to the proposers.

20 Moreover, by exempting NATO, Japan, Australia, and New
21 Zealand from the ceiling, ample attention was paid to security
22 needs and the President provided the safety valve of an exception
23 if circumstances warrant.

24 Obviously the ceiling cannot be reduced indefinitely in the
25 absence of fundamental political changes in the world or

1 multilateral cooperation. The President has stated that a key
2 factor in the determination of arms transfer levels for FY 80 and
3 beyond will be to the extent of cooperation we receive from
4 others.

5 For Fiscal Year 1978, the President set the dollar ceiling
6 at \$8.551 billion -- an 8 percent reduction from the relevant
7 arms sales total of the preceding year. The final year-end total
8 of the ceiling-related transfers was \$8.538 billion. Thus, there
9 was a decline in sales of over three-quarters of a billion dollars
10 from 1977 to 1978, adjusted for inflation. For the current fiscal
11 year, the President has established another 8 percent cut, which,
12 when adjusted for inflation, provides for a Fiscal Year 79 ceiling
13 of \$8.43 billion.

14 Finally, Mr. Chairman and members of the Committee, recent
15 events have reminded us that attainment and maintenance of security
16 are sometimes long, difficult processes. In his address at
17 Georgia Institute of Technology on February 20, President Carter
18 referred to our basic objective of supporting the efforts of our
19 friends to maintain their stability and independence. He pointed
20 out, "Many nations are troubled -- even threatened -- by the
21 turmoil in Southeast Asia, and in the Middle East. To stand by
22 our friends and to help meet their security needs in these dif-
23 ficult times, I will consult with the Congress to determine what
24 additional military assistance will be required."

25 Thank you very much. I welcome your views and questions on

1 this important subject.

2 Senator Pell. Thank you, Mrs. Benson. Your full statement
3 will be inserted in the record, as you requested.

4 (The prepared statement of Ms. Benson follows:)

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1 Senator Pell. General Graves, we are happy to hear from
2 you now.
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1 STATEMENT OF LIEUTENANT GENERAL ERNEST GRAVES, DIRECTOR,
2 DEFENSE SECURITY ASSISTANCE AGENCY,
3 DEPARTMENT OF DEFENSE.

4 General Graves. Mr. Chairman, it is a pleasure to appear
5 today in support of the Fiscal Year 1980 security assistance program.

6 With your permission, I shall submit my prepared statement
7 for the record. I would like, in just a few words, to summarize
8 its main points.

9 Senator Pell. It will be inserted into the record at the
10 conclusion of your remarks to the Committee.

11 Please proceed.

12 General Graves. Thank you.

13 I would like in just a few words to summarize its main points.

14 First, the Administration this year is proposing an amendment
15 to the Arms Export Control Act to facilitate NATO rationalization,
16 standardization, and interoperability. The proposed amendments
17 provide for simplification of foreign military sales administration
18 and mutual waiver of administrative fees for certain NATO cooperative
19 weapons programs.

20 The Department of Defense strongly supports these proposals
21 as strengthening the NATO alliance and our combined defense effort.

22 Second, the Administration's proposed manning of our overseas
23 security assistance management organizations, our MAAGs, is more
24 austere even than last year. I believe that we have reached
25 rock bottom. Considering MAP, IMET, FMS credit financing, and

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1 FMS cash sales, the program is a very large undertaking. It is
2 in our national interest to assure that we have effective overseas
3 management.

4 Further, I have observed that our overseas personnel in the
5 MAAGs can make an important contribution to our policy of arms
6 transfer restraint.

7 Mr. Chairman, this concludes my summary.

8 Senator Pell. Thank you very much.

9 (The prepared statement of General Graves follows:)
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1 Senator Pell. Mr. Blechman, we are happy to hear from you,
2 sir.

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1 STATEMENT OF THE HONORABLE BARRY N. BLECHMAN,
2 ASSISTANT DIRECTOR FOR WEAPONS EVALUATION AND CONTROL,
3 ARMS CONTROL AND DISARMAMENT AGENCY.

4 Mr. Blechman. Thank you, Mr. Chairman. Like the other
5 members of the panel, I will submit my full statement for the
6 record, with your permission, and I would like to summarize it
7 at this time.

8 Senator Pell. It will be printed in full in the record
9 after your remarks.

10 Mr. Blechman. I think it is useful to remind ourselves
11 that the roots of President Carter's arms transfer policies lie
12 in the attitudes of the American public toward arms sales and
13 in the legislation which resulted from those attitudes. The public
14 opinion polls show us time and again that the American people
15 strongly favor restraint in arms transfers. The largest portion
16 of respondents to these polls state consistently that, as a
17 general policy, the United States should not sell weapons to other
18 countries.

19 For example, an NBC/AP poll taken this past December
20 showed that 57 percent opposed all arms sales. The last time
21 NBC/AP asked that same question in March, 47 percent opposed arms
22 sales. The same or similar results have been obtained by other
23 national polling organizations consistently for several years now.

24 I think these findings are particularly noteworthy in
25 view of the broad public opinion trend in recent years favoring

1 military instruments of policy; apparently, attitudes towards
2 arms sales stem from different perceptions of America's security.

3 These public attitudes have led to substantial legislation
4 calling for restraint even prior to the adoption of the present
5 Administration's policy.

6 For example, the Foreign Relations Authorization Act for
7 Fiscal Year 1976 made ACDA a full partner in the arms transfer
8 decision-making process, requiring for the first time that decisions
9 to transfer arms be made in coordination with the Director of ACDA.
10 As you are well aware, the Arms Export Control Act of 1976 and
11 its subsequent amendments placed additional restrictions on U.S.
12 weapon transfers and expanded ACDA's role in the process.

13 In evaluating the Administration's security assistance and
14 arms transfer policies, we must also keep clearly in mind the
15 purposes that they are intended to serve. Within the latitude
16 permitted under the law, these policies seek to balance the public's
17 basic disposition toward restraint against the demands posed by
18 the international environment. Our policies recognize that arms
19 transfers sometimes serve important military and political purposes.
20 Many of these purposes are reflected in the congressional
21 presentation document on security assistance.

22 Our purpose is not to end all arms transfers. We cannot
23 realistically seek such an objective.

24 For example, as the President has made clear, transfers to
25 our major security partners--the NATO allies, Japan, Australia,

1 and New Zealand -- cannot be subject to the same controls as are
2 applied to our transfers elsewhere. Other weapon transfers neces-
3 sary to our own security and the security of our friends and allies
4 must go ahead as well.

5 In short, the Administration's arms transfer policy has been
6 and must be designed to reduce the risks of transfers without
7 jeopardizing the security of our friends and allies.

8 Our policy represents a first step toward restraining those
9 particular arms transfers which can affect regional stability
10 adversely, stimulate or aggravate local arms races, lead us
11 into confrontations with other powers, or unduly hamper the economic
12 and social development of poor nations.

13 The policy recognizes that in many cases, for the U.S. as well
14 as for other suppliers, the political influence gained through
15 arms transfers is short-lived and tightly constrained. In some
16 instances, when a recipient believes its vital interests to be
17 at stake or when there is a change of regime, we and other suppliers
18 find that our arms may be used in unexpected and unwanted ways.

19 Thus, central to the policy are the series of qualitative
20 controls which Mrs. Benson has listed for you. We also have
21 established a ceiling on the dollar volume of U.S. Government
22 transfers of weapons and weapons-related items to nations other
23 than our major security partners.

24 ACDA recently conducted an examination of our first year's
25 experience with this ceiling. We found that, quite apart from

1 its impact on the volume of U.S. arms sales to non-exempt countries,
2 it was a useful management tool. It has had the salutary effect
3 of compelling consideration of prospective demands for U.S.
4 arms as a whole and determining relative priorities among them.

5 On balance, I believe we have made substantial progress
6 toward restraint during the past year. While it is not possible
7 to put a dollar value on the sales we have turned off or turned
8 down, they represent a significant amount. However, I know of no
9 case where we were not able to meet a legitimate request.

10 In my judgment, our new management procedures make possible
11 the careful and effective scrutiny of the risks and benefits of
12 proposed sales and the relative priority which should be given
13 to particular transfers.

14 I might add that my agency has played an important role in
15 the formulation and implementation of this policy. By statute,
16 ACDA advises the Secretary of State, the National Security
17 Council and the President on the arms control implications of
18 prospective transfers-- the extent to which a proposed
19 transfer would, first, contribute to an arms race; second, increase
20 the possibility of outbreak or escalation of conflict; and third,
21 prejudice the development of bilateral or multilateral arms control
22 arrangements.

23 In order to apply these legislated arms control control
24 criteria, we have developed a set of procedures and guidelines,
25 and I have attached a copy of those to my written statement.

1 In 1978, ACDA reviewed 1,070 prospective arms transfer
2 cases. That is about 10 percent of the total number. These
3 included 713 applications for commercial export licenses, 251
4 requests from foreign governments for military equipment, and 106
5 proposed notifications to the Congress required by the Arms Export
6 Control Act.

7 We raised some objection to 166 of those cases, about 15
8 percent of the number we reviewed. Our objections prevailed
9 in more than 90 percent of these cases. In some instances, these
10 objections were partial, involving the number of weapons in the
11 proposal, a particular feature of the weapon system, or only
12 certain of the proposed recipients, rather than the proposal as
13 a whole. But in other cases, we voiced an objection to the
14 transfer altogether.

15 In summary, Mr. Chairman, I believe that the President's
16 arms transfer restraint policy has worked relatively well during
17 this past year. On the one hand, responding to the mandate of the
18 Congress and the American public, we have begun to restrain the
19 heretofore uncontrolled proliferation of conventional weaponry
20 in the developing world. On the other hand, we have continued,
21 when necessary, to transfer arms to help friends and allies, as
22 an element of our overall national security policy. This is the
23 kind of balanced policy which I believe is necessary and which is
24 clearly in the nation's interest.

25 Thank you, Mr. Chairman.

(The prepared statement of Mr. Blechman follows:)
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1 Senator Pell. Thank you very much, indeed, Mr. Blechman.

2 I think that we sometimes think the extension of military
3 assistance will secure the friendship, support and undying loyalty
4 of the recipients. I think both we and the Soviets have had a good
5 many rude experiences to the contrary. I am thinking in our
6 case of Ethiopia and just recently of Iran. I am sure the
7 Soviets would think equally regretfully of Egypt, Somalia and
8 China, who were originally armed by the Soviets.

9 I think we should bear in mind that there is no relationship
10 between insuring the political loyalty of a loyal and the
11 military assistance that is extended to it.

12 My own view, as Mrs. Benson knows, has always been a little
13 skeptical because I think so often for reasons of prestige nations
14 want to have new weapons systems. It is a sort of one-upmanship
15 or "keeping up with the Joneses."

16 I remember many years ago I took a trip to the Far East.
17 There was one chief of state who asked that he be given one of the
18 old cruisers that we had at the time. The only reason he wanted
19 one was because his neighbor wanted a destroyer, and he wanted to
20 be one up.

21 I think sometimes we get a little carried away with this
22 principle.

23 Well, please forgive this ramble of mine. I will ask you
24 a few specific questions now. We will keep to the ten minute rule
25 and will thus be able to have a second round, if it is needed.

1 It is the Committee's understanding that despite contingency
2 plans, there was no effort made to destroy the sensitive American-
3 made weapons in Iran.

4 Is that a correct statement?

5 This is addressed to any of the panel who is most informed.

6 Ms. Benson. Let me start an answer to that and I would be
7 glad to have General Graves add to it.

8 I think, first of all, we have to understand that the equipment
9 in Iran belongs to the Government of Iran. Of course we are
10 concerned about its integrity. But we know of no instance in which
11 that equipment has been compromised in any way.

12 I think it would not have been possible under international
13 law, to which we generally try to adhere, for us to have destroyed
14 or otherwise removed the equipment from Iran.

15 Perhaps General Graves would like to add to that.

16 General Graves. I think also we have observed that the
17 Iranians have been very zealous in their security of this equipment.
18 Now it is true that we have not had every item of equipment under
19 constant surveillance. But the whole tenor of the Iranian approach
20 was to safeguard this equipment as being their equipment. They
21 wanted no interference with it by anyone, including Americans.

22 So, the security situation appeared to us to be favorable
23 and not justifying such an action.

24 Ms. Benson. Senator, I might add that Mr. Khomeini made it
25 very clear on at least two different equations that any tampering

1 with that equipment would be considered an act of sedition and
2 would be punished according to Islamic law for treason.

3 I believe General Graves made the point well that the
4 Iranians have always taken extremely good care of this equipment
5 and we hope that they will continue to do so.

6 Senator Pell. Well, as we all know, the situation there,
7 to put it gently, is "in flux." It could change, of course.

8 A recent news report stated that a manual on sensitive
9 weapons may already have been compromised. Is there any truth
10 in that allegation?

11 Ms. Benson. No, not to our knowledge.

12 General Graves. We have no information to confirm that
13 report.

14 Senator Pell. Thank you.

15 What would be the impact on NATO and also on Japanese
16 defenses if the F-14, the AWG-9 radar, the PHOENIX missile and
17 the HARPOON missile were compromised?

18 General Graves. Let me say that the compromise of this
19 equipment would primarily facilitate countermeasures by a
20 potential enemy. If we knew for certain that it had been
21 compromised, then it would be necessary for us to undertake some
22 sort of development program to further refine the guidance
23 systems in order that they could not be defeated. Such a program
24 would take a number of years.

25 Since we have no evidence that there has been a compromise,

1 we are not ^{yet undertaking} [planning] any such program, but we have looked at the
2 issue. It would take a substantial development program to revise
3 the electronics, if there were a compromise.

4 Senator Pell. Despite the fact that most American arms
5 sales in the pipelines to Iran were cancelled, Iran still has
6 contracts for us to produce two of the Spruance class destroyers.
7 Do you think we ought to go ahead with selling the sophisticated
8 Spruances under the circumstances?

9 Ms. Benson. Senator, we have been working very hard to
10 divert many of the Iranian contracts. Two of the Spruance destroyers
11 which Iran had on order have been cancelled. There are indications
12 that they intend to cancel the remaining two, but we have not yet
13 received formal notification.

14 Senator Pell. That does not answer my question.

15 Do you think it is a good idea that they receive these
16 sophisticated destroyers -- that is, presuming they remain on
17 our side, and we have seen from history that that does not always
18 happen?

19 Ms. Benson. I think it is a little bit premature to make
20 that decision. Those Spruance destroyers are a long way from being
21 completed. We have adequate time to analyze whether or not
22 the Government of Iran, which, as you say, is in a fluid condition,
23 should have those ships exported or not. We are a long way from
24 exporting them.

25 Senator Pell. I happened to spend last Friday afternoon

1 going over a Polaris submarine, the Casimir Pulaski, and there
2 was an Iranian submarine nearby. My recollection is it had the
3 Iranian flag flying and there were a lot of Iranian trainees
4 who are presently being fed from hand to mouth.

5 What is the plan with regard to these submarines and these
6 young Iranians who are being trained?

7 General Graves. Iran originally arranged to purchase three
8 ~~tank~~ ^{tang} class submarines, which would be refurbished by us. ~~One of~~
9 the three has been cancelled. The other two are proceeding. As
10 you observed, there are trainees in this country.

11 We have not received any indications from the Iranians that
12 they intend to suspend that equipment.

13 Senator Pell. But they are not sending money to feed their
14 crews, are they?

15 General Graves. There is a problem there, but the new
16 government is very much aware of the problem. We know from meetings
17 with them that they are going to deal with this.

18 There was an interruption of support funding for these
19 people. But, as I said, we know from conversations with the
20 representatives of the new government that they are very well
21 aware of this problem and they have a definite intention to deal
22 with it.

23 With the change in government, of course, there has to be
24 a re-establishment of their organization here in the United States
25 which does provide for the pay and administration of these training

1 personnel.

2 Senator Pell. In the meantime, who is paying for their
3 board and lodging?

4 General Graves. To the best of my knowledge, they are
5 getting by on either the money that they have been given already
6 or, if they are lodged with the U.S. Government, then that cost
7 would be borne by the trust fund money which we have for FMS
8 sales to Iran.

9 Senator Pell. To really boil down this series of questions,
10 what we would like to know is whether the United States intends
11 to cut off the flow of arms to Iran or not.

12 Ms. Benson. We have negotiated an understanding with the
13 Bakhtiar government of Iran, which is being upheld by the present
14 government of Iran, for a reduction in their contracts of a rather
15 major scale.

16 We will, if Iran continues to wish to purchase arms, consider
17 those requests as we would consider such from any government,
18 according to our standard procedures of reviewing, analyzing, and
19 approving or not approving requests to buy arms.

20 The Iranians government is very interested in reducing
21 the contracts which existed with the previous government, and we
22 are working hard on that.

23 General Graves and his office of the Department of Defense
24 and the Department of State have devised a program by which we can
25 redirect contracts and reduce contracts for Iran according to the

1 terms of the understanding which we have.

2 So, I would not want to say that we are going to cease
3 instantly, because we do have outstanding contracts with the
4 Government of Iran and we can only assume, unless they say they
5 do not want to go on with them, that these are still valid.
6 Where possible, we are reducing and redirecting those contracts.

7 Senator Pell. Thank you.

8 General Graves. Mr. Chairman, I might just add that they
9 have a very large amount of U.S. equipment which can only be
10 supported if we continue a sales relationship with them.

11 Senator Pell. Thank you.

12 I have a question now concerning a different area of the
13 world, though one that is not too far distant.

14 The Administration has requested a \$76 million increase in
15 assistance for Turkey and has requested a reduction of \$12 million
16 for Greece. At the same time, Turkey's use of American weapons,
17 in violation of American law, in Cyprus continues exactly as it
18 did before.

19 How do you justify this request for an increase to Turkey?

20 Ms. Benson. The increase in the proposed program for Turkey
21 is in three areas. We are recommending \$200 million in FMS,
22 \$98 million in security supporting assistance, and \$2 million in
23 IMET. The increase is designed to help the Turkish forces improve
24 their level of readiness to perform their NATO tasks, while
25 maintaining a military balance in the region.

1 For Greece, we are proposing \$159.8 million in military
2 assistance, both FMS and IMET, and \$202 million for Turkey
3 altogether.

4 In approximation of previous ratios of U.S. assistance to
5 those two countries, we consider the amounts as consistent with
6 the congressional intention of insuring the present balance of
7 military strength in the area. The \$98 million SSA program
8 proposed for Turkey is designed to deal with a specific economic
9 need that Turkey has, and very fortunately that same level of
10 economic need does not exist in Greece. So we have not proposed
11 that money for Greece.

12 We have not proposed military MAP for either country for
13 next year.

14 Senator Pell. Thank you all. My time has expired.
15 We can return to that subject later.

16 Senator Percy.

17 Senator Percy. Thank you, Mr. Chairman.

18 Secretary Benson, we welcome you here this morning, as we
19 do General Graves and Mr. Blechman.

20 Let me finish up a question that I have for you on Iran.

21 It is the Committee's understanding that despite contingency
22 plans, there was no attempt to destroy sensitive U.S.-made
23 weapons in Iran. Is that true? Could you tell us why no action
24 was taken? What would be the results and the impact on NATO
25 and on Japanese defenses if the F-14 AWG-9 radar, the PHOENIX

1 missile, the HARPOON missile, and other weapons were compromised?
2 It is our understanding that there may have been sensitive
3 manuals already compromised.

4 Senator Pell. Senator Percy, if I might interrupt you,
5 this was asked before you came in.

6 Senator Percy. Oh, it has. Thank you.

7 Well, I did not hear the answer. Would you please just
8 answer my first question as to why no attempt was made?

9 Ms. Benson. No attempt was made, Senator, because the
10 equipment of which you speak is owned by the Government of Iran.
11 It was purchased by the Government of Iran and is owned by the
12 Government of Iran. We do not have a legal right to destroy or
13 to remove.

14 It was also made very clear by Mr. Khomeini that any tampering
15 by anybody with that military equipment would be considered an
16 act of sedition.

17 Senator Percy. When you visited Pakistan, Mrs. Benson, did
18 you also visit India at the same time?

19 Ms. Benson. No. I visited Pakistan and Turkey last November.

20 Senator Percy. Oh, I see.

21 Would you give us some picture as to what the requests
22 are that have been made of us by Pakistan and India and what is the
23 Administration's attitude toward those requests. What is the
24 Administration asking Congress for in this area?

25 Ms. Benson. The relationship with India is a very minimal

1 relationship. Purchases which India has sought to make have been
2 cash purchases. In fact, I don't remember, but I can certainly
3 find out and send it to you for the record what India has
4 bought recently. It has been very small.

5 They have purchased a great deal of their military equipment
6 over the past years from the Soviet Union. They have recently
7 agreed with the British to purchase 200 sophisticated fighters,
8 the Jaguar, and have entered into a co-production agreement with
9 Britain on this fighter.

10 For Pakistan, we propose only an IMET program under the
11 security assistance program. In other words, there is no FMS
12 financing at the present time.

13 We have been talking with Pakistan now for over a year
14 about their military needs. When I was out there, I went over
15 with their military leaders and their procurement officers the
16 things which were in the process of being discussed. They
17 were on an old list of Pakistan. They are in the process now
18 of going over their list. We have told them that we are willing
19 to sell to them for cash F-5E fighters, but not a more highly
20 sophisticated fighter. They have not yet requested anything in
21 a formal way, so there is nothing actually in process. It is still
22 in the discussion stage.

23 They are interested in a number of other things, like TOW
24 helicopters and tanks, though there is nothing unusual in the
25 military equipment which they are requesting.

1 Their economic situation, however, is such that it is highly
2 unlikely that they would be able to afford to pay cash themselves
3 and will need the assistance of friendly nations for financing.

4 Senator Percy. With what has transpired in Iran and
5 Afghanistan, do they have legitimate concerns for their own
6 security that we can assist them with?

7 Ms. Benson. Yes, Senator, it is our judgment that the
8 concern of Pakistan is legitimate. Its armed forces are in a
9 weakened condition in terms of their equipment. It is old and
10 much of it is very much out of date, particularly their airplanes.

11 They perceive a very deep threat from the Soviet Union,
12 from Afghanistan, and now to some extent from Iran because of
13 the turmoil in that country; but that more affects their ability
14 to keep peace among the tribes on the two borders between Iran
15 and Pakistan than a threat of invasion.

16 They perceive a threat from India which is a very emotional
17 problem between those two nations.

18 We do agree with them that they have defense needs, legitimate
19 defense needs. But we have made it very clear to the Pakistanis
20 that we will not contribute to an arms race in the subcontinent,
21 which is why we have refused to consider a more advanced fighter
22 airplane for Pakistan.

23 We tried very hard to persuade the Indians not to buy
24 the Jaguar, but they were unpersuadable. We are hoping,
25 if the Pakistanis decide they are going to have an aircraft,

1 that they will be satisfied with the F-5, which is a good
2 interceptor. But of course, it is not the latest word. But it is
3 infinitely cheaper than the latest word.

4 Senator Percy. I was in North Yemen in November. The
5 President expressed deep concern about what was going on in South
6 Yemen. They feel that they have a very legitimate concern and
7 Saudi Arabia has expressed that concern to us and its willingness
8 to underwrite the cost of defensive weaponry for North Yemen.

9 I understand that the Administration has agreed to sell
10 North Yemen 12 F-5E's, 64 M-60 tanks, 100 armored personnel carriers
11 and 2 C-130 aircraft, which would be transfers from Saudi Arabia.

12 Would you tell us what the implications are of the recent
13 fighting and what we understand to be the nature of the confrontation
14 on the borders of North and South Yemen? What effect does that
15 fighting have upon the request that has been made of us? What
16 is the intention of the Administration with respect to providing
17 defensive weaponry for North Yemen?

18 Ms. Benson. Yes, Senator Percy.

19 Let me say at the outset that we are, of course, deeply
20 concerned over this fighting, as is Saudi Arabia deeply concerned.
21 We are very concerned over the presence of South Yemeni military
22 units in North Yemen.

23 The situation on the ground is quite confused, but the
24 South Yemen government has admitted that its forces are occupying
25 North Yemen territory. So there seems to be no cause for

1 disagreement on that score.

2 We do know that there are a number of Soviet advisers
3 in South Yemen, somewhere between 800 and 1,000, somewhere
4 between 500 and 700 Cuban advisers, and roughly 100 East German
5 security advisers. Half of these are military advisers.

6 We have no information that these advisers have crossed into
7 North Yemen territory, but obviously their supportive role has an
8 impact on the military situation.

9 As part of our ongoing relationship with Saudi Arabia and
10 the Yemen Arab Republic, to which you referred, we did agree
11 three years ago to assist in the development of a modest defense
12 capability based on Western equipment to be financed by the
13 Saudis and to replace obsolete Soviet equipment in North Yemen.

14 This equipment, which has been or is in the process of
15 being delivered, includes, in addition to the things you mentioned,
16 LAW antitank guns, VULCAN antiaircraft guns, recoilless rifles,
17 and support vehicles.

18 Following the assassination of the North Yemen president
19 last June and the coup by the pro-Soviet elements within the
20 Aden regime, we agreed in cooperation with the Saudis to seek
21 congressional approval for additional military equipment for
22 the YAR. You have just read in your question what that will
23 include.

24 Deliveries will be phased over a period of time. The
25 assistance program is designed to meet the Yemen Arab Republic's

1 most pressing defensive needs. We are not involved in an
2 arms competition in Saudi Arabia or with the Soviet Union,
3 which has provided significant quantities of equipment to the
4 PDRY over the past ten years. But we are concerned that the
5 government of the Yemen Arab Republic be able to provide for the
6 security and integrity of its country.

7 We are hoping that a diplomatic, rather than a military
8 effort, will be successful in stopping this present conflagration.
9 But we don't know that it will be.

10 We have been talking with the Yemenis and with the Saudi
11 Arabians about what either one or both of us can do to assist
12 Yemen at this particular time. We have not made any specific
13 decisions, other than what is already before the Congress.

14 Senator Percy. I appreciate that explanation very much
15 and my own judgment was that if a request being made of us
16 were justifiable, it would be a way of indicating to Saudi
17 Arabia that we intended to support them.

18 I want to thank you very much. I also wish to comment
19 that in the places that I have been which you have visited, or
20 the Ambassadors to whom I have spoken who have had you visit
21 their countries have been extraordinarily pleased with your visits.
22 They have commented upon the thorough understanding which you
23 have of the problems there and that your visits have been
24 eminently worthwhile.

25 Thank you very much.

1 Ms. Benson. Thank you very much, Mr. Chairman.

2 Senator Percy. Thank you, Mr. Chairman.

3 Senator Pell. Senator Stone.

4 Senator Stone. Thank you, Mr. Chairman.

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5 Mrs. Benson, as I understand it, the Administration is
6 proposing for Afghanistan \$20 million of of development aid,
7 of which \$17 million is AID development, \$1.7 million is PL-480,
8 \$1 million is Peace Corps, and \$339,000 is narcotics contribution.
9 This compares with a Fiscal Year 1979 program of \$17.5 million,
10 of which \$14.9 million would be AID development programs.

11 Are those figures right?

12 Ms. Benson. Well, I am not sure that we are looking at
13 the same kinds of figures. I have figures for 1979 bilateral
14 assistance of \$14.9 million. Is that what you said.

15 Senator Stone. That is what I said, yes.

16 Ms. Benson. We are proposing for Fiscal Year 1980,
17 \$17 million on development assistance, AID development
18 assistance.

19 Senator Stone. That's right.

20 Ms. Benson. Actually, as far as security assistance
21 is concerned, we were proposing in our initial preparation
22 of the budget, \$310,000 for IMET training for Afghanistan. This
23 proposal, of course, antedated the tragic events connected with
24 the death of Ambassador Dubbs. We have now cancelled the
25 proposed 1979 IMET program with Afghanistan.

1 Senator Stone. In connection with the \$310,000 international
2 military training program, would you be in a position to submit
3 a formal request for withdrawal to the Committee, because we
4 have not received one yet.

5 Ms. Benson. Yes, of course. I will do that.

6 Senator Stone. That will help.

7 Ms. Benson, probably the Committee will feel as I feel,
8 which is that any assistance at all to Afghanistan in advance
9 or in absence of their complete and full apology for what happened
10 to our Ambassador would meet with great resistance here at
11 this level. It might assist you to pass that word back to
12 your agency. In addition to our national feelings, most of us
13 here knew and loved Spike Dubbs. I, for one, am certainly not
14 about to vote for one dime for them unless and until we have the
15 appropriate apologies and any other remediation that the
16 Administration feels is appropriate.

17 Ms. Benson, in connection with the current conflict in
18 North Yemen, which of these items that the Administration proposes
19 to sell would assist North Yemen currently in the current
20 conflict, should the conciliation of the Arab League not
21 succeed?

22 Ms. Benson. Well, I think all of it would assist them,
23 Senator Stone.

24 The trouble is that it is not all ready to be delivered.

25 Senator Stone. What is ready?

1 Ms. Benson. Let me refer that question to General Graves.

2 Senator Stone. General, what do you say?

3 General Graves. Sir, the earlier program included LAW
4 antitank missiles.

5 Senator Stone. Excuse me, but what was that?

6 General Grave. The earlier program included LAW antitank
7 missiles. "LAW" is the nickname for this missile. It is a
8 light antitank weapon.

9 LAW antitank missiles, VULCAN guns and various vehicles
10 are included. We are accelerating the delivery of the LAW
11 antitank missiles, which can be used against South Yemen's tanks.
12 We are accelerating the delivery of the VULCAN guns. These
13 are 20 millimeter automatic weapon.

14 Senator Stone. Is that ready right away for delivery?

15 General Grave. There are some in country already, and
16 we are delivering the balance by air. Both these weapons would
17 be suitable to be employed against any incursions by the South
18 Yemenis.

19 Senator Stone. General, I think that any airplane deliveries
20 of anything that you are going to sell anyway and that could be
21 used by Northern Yemen currently would help the conciliation
22 efforts. Capacity to resist always helps mediation. If there
23 ever were a time to show direct and immediate response to
24 resistance to the -- well, I will use a Chinese phrase -- to
25 the "hegemony" efforts, now is the time. Wouldn't you agree?

1 General Graves. Yes, sir, and we are doing that. We are
2 airlifting those materials.

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3 Senator Stone. Thank you.

4 Ms. Benson, are we providing appropriate assistance for
5 Egypt in connection with its African needs and any other needs
6 in this proposal?

7 Ms. Benson. Do you mean military?

8 Senator Stone. Yes.

9 Ms. Benson. Let me say what the proposal for Egypt
10 does include before I say what it does not include.

11 It includes \$750 million for security supporting assistance
12 and \$1 million for IMET training, the same as in 1979. We have
13 not provided, as of now, for any FMS credits for Egypt, which
14 we have not done before, either.

15 Of the SSA, \$200 million would be for commodity imports
16 to enhance economic stability; \$300 million would go to rebuilding
17 infrastructure relative to industrial and agricultural production;
18 and \$250 million would be used to improve the life of the
19 poor, for new jobs and improvement in basic village services, such
20 as water, sewage and electricity and health care.

21 The IMET is designed to create a cadre of trained officers
22 who have been primarily previously trained by the Soviets.
23 The emphasis in that training will be on professional and
24 management training.

25 We are talking with the Egyptians and have been for some

1 while about a military relationship. We did agree, of course,
2 last year to F-5E's for Egypt and for C-130's. We are presently
3 discussing with them and have promised to help them do a study
4 of their military needs.

5 Senator Stone. Ms. Benson, I have just one other question
6 on the North Yemen situation.

7 One of the lists of items has to do with the advanced M-60
8 tanks. Does that appropriately fit within the first guideline
9 of the President's transfer policy, in light of the fact that
10 South Yemen apparently does not have that kind of tank -- or
11 do they?

12 General Graves. Well, sir, South Yemen has a large number
13 of Soviet tanks. Of course, we have provided the M-60 tank to
14 Saudi Arabia.

15 Senator Stone. Well, that takes care of the regional
16 situation. You are not introducing something advanced into the
17 region. This is the same thing.

18 General Graves. That's right, sir.

19 Mr. Blechman. Senator, I might add that in considering
20 a request like this, you would have to balance the quality of the
21 piece of equipment with the quantity that is arrayed against it.
22 In certain situations, a large quantity of a less advanced
23 item might indeed be more potent than a smaller quantity of a
24 more advanced item. Both aspects have to be taken into
25 consideration.

1 Senator Stone. In connection with the sale of civilian
2 versions of equipment which has military use, has the Administration
3 thought of consulting with Congress about that kind of thing
4 in advance of the commitments or approvals to sell?

5 Ms. Benson. Senator, I don't know what you are referring
6 to, so I am a little uncertain how to answer the question.

7 Senator Stone. Well, let me give you an example, Mrs.
8 Benson.

9 Last year, we apparently sold Syria four L-100's, which
10 is the civilian version of the military transport C-130. That
11 did not go through Congress and you did not notify Congress.

12 If you do that again, are you going to notify Congress?

13 Ms. Benson. That is a sale that I think was conducted on
14 an export permit from the Department of Commerce.

15 Senator Stone. That's right. Have you thought of notifying
16 Congress when something like that happens?

17 Ms. Benson. No, we haven't, and there is no reason why
18 we can't except that the State Department is not -- nor is the
19 Defense Department -- necessarily knowledgeable of Department of
20 Commerce export licenses. If it is an item on the military
21 list, the munitions list, it automatically comes under the
22 Department of Defense and the Department of State. We don't
23 always know about it, but there is no reason why we could not
24 devise a way in which we would know about it.

25 Senator Stone. I see that I am out of time, but I would

1 like to ask this one final question.

2 Although there are some differences in the doors, the
3 electronic systems, and other features, is it not the case that
4 these planes surely can be used just as a C-130?

5 Ms. Benson. They could be used for transport, but they
6 could not, without the back door, be used very easily for
7 dropping things like bombs. But they could indeed be used for
8 transport.

9 Senator Stone. Like military cargoes.

10 Ms. Benson. Yes -- but they would have a little difficulty
11 getting most military equipment in through the regular type
12 doors.

13 Senator Stone. (presiding) Thank you.

14 My time is up.

15 Senator Javits.

16 Senator Javits. Thank you, Mr. Chairman.

17 Mrs. Benson, I will not be able today to question you on
18 the specifics of the arms sales or the other supplies about
19 which you have testified. But I will examine them carefully, and
20 if I have any questions, I will take the next opportunity here
21 to do so, or I will put them in writing and will ask you to
22 answer them for the record.

23 Today, however, I do want to question you on a matter which
24 is very close to me and in which I think there has been highly
25 unsatisfactory performance so far on the part of the State

1 Department. This is the amendment to Section 23 of the Arms
2 Export Control Act, calling for a report by the President -- and
3 the only report we have is from you; now I love and admire you,
4 but you are not the President. Maybe in this case you should
5 be. It calls for a report from the President to the Chairman
6 of this Committee and to the Speaker of the House covering
7 all sales, that is, arms sales, other than those to NATO,
8 Japan, Australia, or New Zealand, of major defense equipment
9 which qualifies under Section 36(b)--to wit, which you have to
10 give notice of: \$7 million for major defense equipment
11 items and \$25 million for defense articles or services -- and
12 "which are considered eligible for approval during the fiscal
13 year beginning on October 1 of such year." The current fiscal
14 year began October 1, 1978.

15 Now, when you sent us this letter, you defined what you
16 were sending us not in accordance with the requirements -- to
17 wit, the sales which are considered eligible for approval during
18 the fiscal year. Your criterion, not the one in the law, was,
19 and I quote: "The most accurate and up to date information on
20 the defined arms sales which may be considered for notification
21 to Congress."

22 Now we have very carefully reviewed the items which you have
23 sent us and the enclosed classified document and we find very
24 grave discrepancy. We find countries omitted, we find sales
25 omitted, and then we find in another document which you submitted

1 somewhat later -- to wit, the congressionally anticipated arms
2 sales for Fiscal Year 1980 -- very different figures. We
3 find the figures for 1979, which we have just mentioned, very
4 different from the figures for the same year mentioned as part
5 of your Fiscal Year 1980 security assistance congressional
6 presentation document. We find discrepancies in countries.
7 For example, Yugoslavia, Bahrain, and Singapore are listed on
8 one list, on the congressional presentation documents, and are not
9 in your letter. We find Lebanon, for example, again listed
10 but not in your letter. We find a serious discrepancy on the
11 two lists respecting Israel, \$900 million, and Saudi Arabia,
12 \$5 billion, and South Korea, \$1 billion. Then we find the
13 1980 congressional presentation document cancelling some of the
14 things which were on the 1979 report.

15
16 Now we consider this very unsatisfactory. The purpose is
17 clearly spelled out in the conference report, the November 15
18 report, finally gets a grip on arms sales. Though the
19 Administration is making a good deal of the fact that it is
20 cutting down arms sales, though not by terribly much, from
21 \$9.2 billion in the preceding year to \$8.4 billion in 1979,
22 and the fact is that if you add -- which is excluded by law --
23 NATO, Japan, Australia and New Zealand and construction sales,
24 they have actually increased from \$11.2 billion in Fiscal 77
25 to \$13.6 billion in 1978, and to over \$14 billion in 1979.

1 So, as I said, we consider this highly unsatisfactory
2 compliance, at least I do, and I would like to ask for your
3 explanation.

4 Ms. Benson. Senator, may I say at the outset that this
5 Administration has attempted in every way possible to fully,
6 completely, and honestly comply with the requests of that
7 amendment, Section 25. I believe that if we were to sit down
8 together and go over this, you would see that the differences
9 which you find and of which you cited several examples between
10 the CPD and the list which was submitted by the President-delegated-
11 to-the-Secretary-delegated-to-me. We will change that procedure
12 if you desire.

13 Senator Javits. Now let's stop at that point. You will
14 change it? The President will report to us hereafter?

15 Ms. Benson. Well, I can only say that I will propose that.
16 I cannot say what the President will do.

17 Senator Javits. Well, I hope it will not be necessary for
18 me to move a resolution of this Committee asking the President
19 to comply with the law.

20 Does the State Department challenge that the amendment
21 says that the President shall report?

22 Ms. Benson. No, the State Department does not challenge
23 that.

24 But, sir, I think you would find, if we were to sit down --
25 and I would be very glad to do that and so would General Graves --

1 that we are talking about two different accounting systems.

2
3 In the case of the CPD, this is an overall proposed budget,
4 which does not necessarily relate dollar for dollar exact sums
5 to arms exports, arms sales, which may be made in a year. Those
6 sums are for past purchases already approved there for management
7 costs and all kinds of different things.

8 Your list is a request for weapons and weapons-related
9 exports under 36(b).

10 The DOD estimates all FMS sales, whether they are 36(b)
11 cases or not, in the CPD. So, there is not meant to be, nor
12 can there be, an exact dollar for dollar relationship between
13 the 36(b) proposals which we may make during a fiscal year,
14 and the CPD, which is a budget figure.

15 I am sure that you would find, Senator Javits, that the
16 report in answer to your amendment is as complete and full as
17 we were humanly able to make it.

18 Senator Javits. Well, now, that is a very different
19 criterion from the one you set in your letter. It is one thing
20 to say, "We are reporting all sales under this act" -- to wit,
21 the words of the amendment -- "insofar as we are humanly able
22 to make it and we cannot humanly make it complete for the
23 following reasons."

24 This is very different from what you sent us, which said,
25 "It is the most accurate and up to date information on the
defined sales which may be considered for notification to Congress."

1 Let me explain why.

2 The purpose of this amendment is precisely to tie down
3 the Administration in advance as to what we are going to sell,
4 because that is the policy question, and to whom. This is
5 because in my judgment, these unbelievable arms sales to Iran
6 are part of the reason why we are in such trouble in that
7 whole situation. I believe the reason we have to grab hold of
8 this thing and why this amendment is so fortuitous and so much
9 in advance of our trouble -- and our trouble is always that
10 we are caught flatfooted after the event -- is these enormous
11 arms sales which the Shah was able to use to shut us out of
12 contact with oppositionist elements in Iran so that our
13 intelligence was absolutely blind because he insisted that we
14 only should talk to him or his people.

15 My time is up, Ms. Benson, but we are going to pursue this.
16 I would like to end by saying the following.

17 I would be glad to sit down and go over this with the
18 Department, provided that the Department writes me a letter first
19 in which it says first that these reports will hereafter be
20 made by the President, as the law requires, and second, what
21 will be the criteria, so that we can agree on that first.

22 Now if you cannot humanly do that, we may have to amend
23 the law. We could go into that. But I will not accept as
24 compliance with the law some new rubric that you invented or
25 that somebody in the State Department invented, because that

1 defeats its purpose, as I have stated.

2 Ms. Benson. Senator Javits, it is not our intention to
3 defeat your purpose. It is our intention to cooperate fully
4 in seeking to enable you to achieve your purpose.

5 Senator Javits. Thank you. We will see about that based
6 upon what the State Department lets me know.

7 Thank you, Mr. Chairman.

8 Senator Pell (presiding). Senator Zorinsky.

9 Senator Zorinsky. Thank you, Mr. Chairman.

10 Ms. Benson, I would like to ask a question concerning the
11 agreement for the payment by Saudi Arabia for the 50 F-5's that
12 are being sold to Egypt, the stated price of agreement
13 being \$525 million.

14 I have seen reports from the inception of the package
15 deal a year ago that due to inflation the cost had escalated
16 anywhere up to \$750 million.

17 Do you know what the billing price was from the manufacturer
18 for the 50 F-5's that are destined for Egypt, regardless of
19 what agreement was made as to the \$525 million payment by Saudi
20 Arabia?

21 Ms. Benson. Senator, we can get that figure for you if
22 General Graves does not have it on the top of his head. But,
23 if I may say so, that will not answer your question. The reason
24 it will not answer your question as to the reason for the
25 differences is that included in the proposed overall cost of

1 50 F-5's for Egypt are the training costs, the maintenance
2 costs, the setting up of maintenance systems cost, and costs for
3 a great deal else that goes along with transferring a weapon
4 system of any kind, whether it be tanks or aircraft. It is more
5 expensive with aircraft. The difference in the price, it is
6 true, does have to do with inflation; but it has more to do with
7 just how much of various possible items does the proposal cover,
8 aside from the 50 aircraft.

9 I would like to ask General Graves to explain that more
10 fully because he is thoroughly familiar with the details.

11 Senator Zorinsky. Well, the purpose for the question is
12 at the time the Senate was voting on this last year, we were
13 led to believe that Saudi Arabia was paying for the package,
14 not for \$525 million worth of planes.

15 Ms. Benson. Well, it is not \$525 million worth of planes:
16 it is \$525 million worth of planes and support services that
17 go with the aircraft.

18 Senator Zorinsky. Well, my question is has that figure
19 held firm since its inception a year ago?

20 Ms. Benson. General Graves.

21 General Graves. Senator Zorinsky, the formal notification
22 of Congress included a cost estimate of \$590 million. When we
23 sent our site survey team to Egypt, there were several factors
24 developed. One was a desire for a higher level of contract
25 support of maintenance on the part of Egypt than we had

1 contemplated. The other was to add certain additional equipment,
2 including an inertial navigation system to the aircraft, which
3 we had not contemplated. There was also a need for substantially
4 more ground support equipment.

5 All of this raised the estimated cost to \$731 million.
6 This was a much higher amount than the Government of Saudi
7 Arabia had understood would be required. Of course, since our
8 formal notification was \$590 million, they had reason to believe
9 that that was the scope of the program.

10 Since that time we have had discussions with Egypt^{and} with
11 Saudi Arabia, and Egypt and Saudi Arabia have agreed on a
12 program scope of \$525 million. This will include the 50 planes;
13 it will include what we consider to be adequate training and
14 adequate maintenance support.

15 The scope of ground support equipment will be reduced
16 from what was contemplated under the \$731 million. We will
17 eliminate a simulator and some other training equipment which
18 is quite expensive.

19 I would have to say that I believe that the Saudi government
20 and the Egyptian government have lived up to the spirit of the
21 original notification of Congress, that the Saudi government
22 is paying for^{an} adequate 50-aircraft package.

23 Senator Zorinsky. Well, let me phrase my question this
24 way. Are we paying for any difference?

25 General Graves. No, sir, we are not.

1 Senator Zorinsky. Well, in the spirit of our taxpayers
2 dollars, I think your spirit should be looked at also.

3 Thank you.

4 Mr. Blechman, I would like to ask you a question. A
5 recent Committee staff study concludes that President Carter's
6 arms export restraint policy may face major revisions by the
7 Executive Branch if efforts to multilateralize the restraints
8 fail to produce results. It is further concluded that these
9 multilateral efforts face substantial difficulties. The
10 conventional arms transfer negotiations cannot yet be considered
11 a failure, but time appears to be running out on them.

12 Mr. Blechman, you are one of the chief negotiators for
13 the conventional arms transfer talks with the Soviets. Could
14 you comment on these conclusions?

15 Mr. Blechman. Yes, sir.

16 We have had a mixed record in our pursuit of multilateral
17 agreements.

18 We have had four rounds of negotiations with the Soviet
19 Union on this subject. I would say that generally, over the
20 year, we have made more progress with the Soviets than had been
21 predicted. It is true that we ran into difficulty in the last
22 round in Mexico City and did not obtain as much progress at
23 that particular round as we had hoped. But overall, looking at
24 the full year, we exceeded our expectations with the Soviets.

25 Our efforts with other suppliers have frankly not gone

1 very far. The view of other Western suppliers is that we should
2 first explore thoroughly the possibility of obtaining Soviet
3 participation in a restraint regime before we seek to include
4 them in negotiations.

5 We have also sought to get recipient countries to reach
6 some agreement in this area. There we have had some success, as
7 in the United Nations Special Session on Disarmament, and there
8 have been recent efforts and initiatives in Latin America which,
9 perhaps, will lead toward restraint.

10 Having said that, it is certainly true that we do not have
11 any tangible agreements so far. We have begun a dialogue and we
12 feel we have made some progress in that regard. We will have
13 to take a look by the end of this year, as required by legislation,
14 in fact, at the progress in the talks and will review our policy
15 accordingly. It is not our intention to continue the unilateral
16 policy unaltered without some progress from other suppliers
17 and recipients toward restraint.

18 Senator Zorinsky. A major conclusion of a recent Committee
19 staff study is that the Fiscal Year 1979 arms sale ceiling may
20 be meaningless because of sales reductions to Iran and Taiwan.
21 The study states that the ceiling is likely to become a target.

22 Do you plan to modify the Fiscal Year 1979 ceiling to
23 account for these sales reductions to Iran and Taiwan?

24 Ms. Benson. Senator, no, we do not at the present time plan
25 to do this.

1 We need, first of all, to be able to assess the impact
2 on the ceiling figure of the change in the Iranian proposals,
3 which we are not yet able to do. Secondly, there is really no
4 need to change the ceiling. If we come in under the ceiling
5 by X million dollars because Iran did not purchase what had been
6 included, proposed for this year, why then it will just be that
7 much less. There is no particular need in the middle of the
8 year or in the middle of anytime to change the ceiling. I myself
9 think, and the Department thinks, that it would create a good
10 deal of confusion.

11 The President announced the ceiling as being \$8.4 billion,
12 and if we come in at \$7 billion instead of \$8.4 because we
13 did not export arms to Iran, it won't make any difference in the
14 long run. I think it would be a confusion to the public and
15 probably to a great many people working in the program if at
16 every change in the international situation we changed the
17 ceiling.

18 Senator Zorinsky. So you feel through self restraint, the
19 differential will reflect in the end figure?

20 Ms. Benson. I think it may well. We may also decide
21 to use that money for other arms exports which we might have
22 made in a subsequent year. It gives us a certain amount of
23 greater flexibility. But it does not mean that we will use
24 that flexibility. We just have not yet time to assess the
25 impact on the ceiling as a result of what has happened in Iran.

1 Senator Zorinsky. Thank you.

2 Thank you, Mr. Chairman.

3 Senator Pell. Senator Helms.

4 Senator Helms. Thank you, Mr. Chairman.

5 Mrs. Benson, I read your statement with great interest and
6 I have made some marginal notes. I may well, Mr. Chairman,
7 file some written questions to which I would like to have answers
8 in writing.

9 Senator Pell. I am sure that will be agreeable to the
10 Administration and that it will comply.

11 Ms. Benson. Certainly.

12 Senator Helms. I thank the Chairman.

13 I have only one questions and it may be, at best, ancillary
14 to the subject.

15 I am curious -- and I address this to the whole panel --
16 about the terrorists trained in Cuba who are now throughout
17 Latin America. Argentina comes to mind as one example of their
18 location. They go out into the hills and have what I understand
19 to be a vast operation. They come into the cities, such as
20 Buenos Aires, and they throw bombs and kill innocent people
21 and do that sort of thing.

22 I think for the last three years -- and I stand to be
23 corrected on this -- Argentina has been trying to buy helicopters
24 from us to have some sort of surveillance of these activities
25 and to limit the extent of the terrorism by these people.

1 Yet the United States has steadfastly refused to permit the sale
2 of the helicopters.

3 Would you be willing to comment on that?

4 Ms. Benson. Certainly, Senator. I would be glad to.

5 As you know, the Kennedy-Humphrey amendment to the 1977 act
6 excluded Argentina from any form of security assistance, effective
7 September 30, 1978.

8 Senator Helms. That I understand.

9 Ms. Benson. As a result of that, anything which is on the
10 munitions list we are not able to export to Argentina.

11 Senator Helms. But the Senator did that at the urging of
12 the State Department. At least that was my understanding from
13 him at the time.

14 What I want to know from you is do you agree with that?
15 Does the State Department agree with that position now?

16 Ms. Benson. I believe, in fact I know that we took the
17 position at the time, Senator, that we felt embargoes of all
18 kinds directed at specific countries removed a flexibility
19 which we would like to have by making it impossible for us to
20 export an item if we thought that was a particularly good thing
21 to do and [enabled] us to work with the Argentinians in this
22 case, or whatever country it might have been. The State Department
23 I believe historically has always opposed embargoes. I remember
24 very distinctly that we were hopeful that the amendment would not
25 pass.

1 Senator Helms. Isn't that amazing. How do you suppose
2 the Senator was confused on that point?

3 Ms. Benson. Well, unfortunately we cannot ask him. It
4 was Senators Humphrey and Kennedy.

5 Senator Helms. Well, it was probably Senator Kennedy who
6 engineered it. It sounds like him.

7 Ms. Benson. We do, of course, presently by law, exclude
8 arms exports to Argentina and Chile and a number of other arms
9 transfers are rather severely restricted for human rights
10 reasons.

11 Senator Helms. So your position, or the State Department
12 position, is that you would like some of us to remedy that
13 situation, then. Would you support a change in the situation
14 so that you would have more flexibility?

15 Ms. Benson. I think we would have to discuss that, Senator.
16 Whether or not this is the time to remove the embargo once
17 having been put on, what kind of signal it conveys when you propose
18 removing it, and other factors would have to be considered.

19 I would like to take that question for the record, if I
20 might.

21 Senator Helms. I wish you would. It seems to me to be
22 paradoxical that we would allow a situation of that sort to exist.

23 (The information referred to follows:)

24 COMMITTEE INSERT
25

1 Senator Helms. There is not much aggression that can be
2 committed with a helicopter, you know.

3 Ms. Benson. Well, as a matter of fact, a helicopter
4 can do quite a lot of damage.

5 Senator Helms. But not the kind of helicopter they are
6 talking about, the surveillance type.

7 I have one other question.

8 Are you satisfied with the extent to which the aid requests
9 are prepared in terms of the human rights records of the various
10 countries? How much consideration is given to the human rights
11 records of the various recipient nations?

12 Ms. Benson. Senator, a great deal of consideration is
13 given to human rights throughout the course of all of our
14 decision-making processes, both as far as the proposed budget
15 for security assistance is concerned and in connection with
16 arms export proposals. The Bureau of Human Rights in the
17 Department of State is a part of the Arms Export Control Board and
18 is a part of the working group which prepares both the budget
19 proposals and the arms export proposals. It is not, of course,
20 our exclusive concern. There are many things which we have to
21 consider in making decisions about security assistance and arms
22 transfers, the primary one, of course, being our national
23 security and the security of our friends and allies. So, each
24 case is considered very seriously when human rights are concerned,
25 and in some cases one kind of decision is made and in other

1 cases another kind of decision is made, depending upon the overall
2 analysis of the given situation.

3 Senator Helms.. I thank you for your candor. I do want to
4 discuss with you and/or others giving some more flexibility.

5 Ms. Benson. I would be glad to discuss that with you at
6 any time.

7 Senator Helms. I think there are a number of Senators
8 who would be prepared to help you on that question if we could
9 be assured of a flat-footed stance on the part of the State
10 Department. If you are going to be ambivalent on it and try to
11 get along with that element, well, we can't do much for you.
12 But I think it really borders on the absurd, the position you are
13 in in Latin America, in many countries which want to be our
14 friends. They may not all have governments which are precisely
15 our cup of tea; but nonetheless, they are far better than a
16 lot of countries which we are embracing.

17 I thank you very much.

18 Ms. Benson. Thank you, Senator.

19 Senator Pell. There is an article that Mrs. Benson wrote
20 which, with unanimous consent, I would have inserted into the
21 record at this point. The article is on security and was
22 written for the "International Security" magazine.

23 Ms. Benson. Thank you.

24 (The information referred to follows:)

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FOR THE RECORD

Wording change has already been requested from the Committee to eliminate requirement for insert from DSAA on page 57. Will be changed to furnish information to Senator Pell.

CRS does not now plan to include their report in the proceedings.

D. WALKER

4/2/79

1 Senator Pell. It is clear that the upcoming American-
 2 Soviet negotiations in Helsinki on conventional arms transfers
 3 will be important to the future of the President's arms transfer
 4 policy. Can we have your assurance that the Administration and
 5 you will definitely consult carefully with our Committee
 6 before those negotiations take place?

7 Ms. Benson. Yes. We will do so, Senator Pell.

8 Senator Pell. Thank you very much.

9 A provision of the 1973 International Security Assistance
 10 Act requires that international military education and training
 11 programs be designed to increase awareness of nationals of
 12 participating countries of the basic issues involving internation-
 13 ally recognized human rights. At our Committee's request, the
 14 Congressional Research Service held a seminar on the implementation
 15 of this provision. We have just received a report reflecting
 16 the conclusions of the seminar and related research. General
 17 Graves, I would ask you to review this report in connection
 18 with the implementation of the human rights provision passed
 19 last year and to provide your comments for the record, if you
 20 would. (INSERT)

21 General Graves. We would be very pleased to do that.
 22 Members of my staff did participate in the seminar and we are
 23 very supportive of this effort, Mr. Chairman.

24 Senator Pell. Good.

25 (The information referred to follows:)

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1 Senator Pell. There are a series of questions that we
2 will wish answered for the record. But some of them may be
3 answered by the regional administration witnesses tomorrow.
4 I will therefore not ask them now. But the record will be
5 kept open and we will need the answers to those questions when
6 they are submitted. Also, the right of every member of the
7 Committee is protected to submit questions for the record.

8 I do have one further question at this time. That
9 relates to the Greek-Cyprus matter we were discussing earlier.

10 I notice that the Cyprus refugee relief request is only
11 \$2 million, \$13 million less than last year's level. Do you
12 believe that this assistance for Cyprus is no longer necessary?
13 What is the reason for such a substantial reduction?

14 Ms. Benson. Senator, we do believe that the need is
15 substantially reduced and for several reasons. The economy
16 in Cyprus, the economic recovery is very nearly completed in
17 the area controlled by the Government of Cyprus. The needs of
18 the refugees, the Cypriot refugees, have greatly diminished in the
19 past year.

20 We have looked into this very carefully and we feel quite
21 certain that the \$2 million which we propose will be adequate,
22 probably more than adequate for this year.

23 The Administration, as well as the Congress, remains
24 concerned about the people of Cyprus and we are very interested
25 in promoting a just and lasting peace. We do believe that

1 \$2 million is adequate.

2 You will remember that last year we proposed \$5 million
3 for aiding refugees in Cyprus and the House raised it to \$15 million
4 So, actually the \$2 million is quite consistent with our previous
5 proposal.

6 Senator Pell. It is, but not in the judgment of the
7 Congress. It may well be raised again.

8 Ms. Benson. I suppose that it may be.

9 Senator Pell. In this regard, too, I would hope that the
10 Administration would take a little more of a critical attitude
11 in regard to the fact that Turkey continues to illegally occupy
12 Cyprus, in violation of international law, and continues to
13 illegally use weapons in Cyprus in violation of American law.
14 As long as it does that, speaking as one Senator, I will take a
15 very skeptical look at the request for military assistance
16 for them until they comply with international law.

17 The request for Portugal includes \$30 million for grant
18 military assistance, which is the fourth yearly installment
19 in what was to have been a three-year program to upgrade
20 the NATO-designated brigade.

21 How is that program coming along? Is that brigade presently
22 militarily effective?

23 Ms. Benson. It is coming along, Senator. It is not completed
24 yet. When the brigade was planned in 1976, it was anticipated
25 that it would be equipped, including its own air transportation,

1 by Fiscal 1979. It is coming along, but the brigade still
2 lacks its final C-130, as well as some important items of ground
3 equipment.

4 The proposed FY 1980 program will enable Portugal to
5 finish this up and to secure the additional items it needs for
6 the brigade and to continue in the modernization of its forces
7 in NATO participation.

8 Senator Pell. I am reminded, incidentally, that it was
9 my amendment that increased the aid for Cyprus last year,
10 so my feelings on that issue are consistent.

11 The request for Portugal also included \$50 million in
12 economic support funds. Is that request connected with the
13 continuing Azores base negotiations?

14 Are these base negotiations completed? What is their
15 status?

16 Ms. Benson. The base negotiations are not completed.
17 There was, as you know, a change of government in Portugal and
18 things were suspended for a rather long time while they solved
19 that particular problem.

20 But we have made progress in getting back together again.
21 The Foreign Minister and Secretary Vance made a joint press
22 statement not long ago on this subject, confirming our mutual
23 desire to get back together on this. We now have firm
24 indications that the new Prime Minister is prepared to conclude
25 the treaty. We expect to resume negotiations shortly.

1 Senator Pell. If trouble were to break out in the Near
2 East and we wanted to send military planes there for any reasons,
3 such as to transport goods, do we have any complete rights of
4 overflight with any of our allies, with any countries, or is it
5 always under sufferance of the individual nations? We do not
6 now have the right to go into the Azores, do we? We do not have
7 the right to go into these different countries. Where do we
8 have the right to enter, as we will, if anywhere?
9

10 Ms. Benson. I don't know.

11 I would like to take that question for the record, if I
12 might, unless General Graves has the answer to it.

13 General Graves. I think it would be best to give you a
14 precise answer for the record.

15 Senator Pell. Thank you.

16 (The information referred to follows;)

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State will submit

1 General Graves. Let me say, however, that many of the
2 countries are very forthcoming, and particularly Portugal
3 has been consistently cooperative with respect to the support
4 that was done.

5 Senator Pell. I notice, for instance, that Spain refused
6 refueling privileges for a squadron of U.S. F-15's recently
7 which we deployed to Saudi Arabia. Where did they go to get
8 refueled?

9 Ms. Benson. That is not quite correct, Senator, if I
10 might say so. The Spanish Government felt it had to take that
11 to its chief decision-making body, and there was not time for
12 it to do that in time for us to land and refuel on the way over
13 when the planes went to Saudi Arabia.

14 However, before we actually left, before the F-15's actually
15 left, the Spanish Government notified us that it had no objections
16 to the planes landing in Spain, as a matter of fact, and several
17 of the F-15's stopped over in Spain on their way back to the
18 United States. Two of the aircraft stopped in Spain on their
19 way to Saudi Arabia with mechanical trouble.

20 So, it really was a question of the processes of making
21 a decision that was the problem, and not the actual landing
22 of the plane.

23 Senator Pell. Thank you.

24 Thank you very much, Ms. Benson, General Graves, and Mr.
25 Blechman.

1 Thank you all for being with us.

2
3 Our next witness is Mr. J. Kenneth Fasick, Director of the
4 International Division of the General Accounting Office.

5 I see that, as usual, the GAO comes well equipped with
6 its own nametags. That is a marvellous idea.

7 Mr. Fasick, would you proceed as you will. I notice
8 that you have a rather long statement which, I can assure
9 you, will be inserted in full in the record if you care to
10 abbreviate it.

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1. STATEMENT OF J. KENNETH FASICK, DIRECTOR,
2. INTERNATIONAL DIVISION, GENERAL ACCOUNTING OFFICE,
3. ACCOMPANIED BY: FRANK C. CONAHAN, ASSOCIATE DIRECTOR
4. (SENIOR LEVEL), INTERNATIONAL DIVISION, GENERAL ACCOUNTING
5. OFFICE.

6. Mr. Fasick. Thank you, Mr. Chairman. What I would like
7. to do is to summarize my statement and excerpt some of its
8. more pertinent points.

9. Senator Pell. Fine.

10. Mr. Fasick. We are pleased to be here today to provide the
11. Committee with our evaluation of the implementation of the
12. current policy of restraint with respect to conventional arms
13. exports and the decision-making process for individual sales
14. cases and the congressional oversight role in the process.

15. Our evaluation is being made jointly for this Committee
16. and the Subcommittees on Europe and the Middle East, and on
17. International Security and Scientific Affairs of the House
18. Foreign Affairs Committee. We presented testimony on our evalua-
19. tion last Friday to the House Subcommittee on International
20. Security and Scientific Affairs.

21. We expect to issue a comprehensive report on our study
22. some time in the very near future.

23. Arms transfers in this decade have assumed extraordinary
24. importance for suppliers and recipients alike. Developments
25. responsible for this increased importance include the following.

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1. Customers are now demanding and getting highly sophisticated
2 and lethal weapons. The rapid escalation of arms transfers to
3 nonindustrialized countries has contributed to this importance.
4 The recent and rapid growth in arms production capacity of
5 the industrialized countries is contributing to it. And, there
6 are greater numbers of countries producing arms today.

7 For several years, the Congress encouraged restraint in
8 exporting America's more sophisticated conventional weaponry.
9 The President also concluded that this virtually unrestrained
10 spread of conventional weaponry threatened the stability of
11 every region of the globe and was a threat to world peace.
12 Various observers have noted that dozens of conflicts and wars
13 occurring since World War II all were fought on Third World
14 territory. Primarily, and at times exclusively, they were fought
15 with weapons imported from the industrialized countries.

16 As this Committee is very well aware, the President did
17 come out with his arms control policy in May. As has been
18 pointed out by earlier witnesses today and by the Chairman, it
19 applied to all countries except those with which the U.S. has
20 major defense treaties -- that is, the 14 NATO countries, Japan,
21 Australia and New Zealand.

22 A fundamental aim of the restraint policy is to set an
23 example of unilateral restraint for other nations to follow.
24 This aim has received worldwide attention. Its declaratory
25 value cannot be underestimated. Thus, the real test of the

1 policy in terms of setting examples for others to follow may
2 hinge on the degree to which unilateral restraint is achieved
3 and can be demonstrated in the future. In this respect, we do
4 not believe that credible accomplishments have yet been achieved.

5 A basic problem in establishing such credibility is the
6 absence of a clear-cut definition by the Executive Branch as to
7 precisely what it hoped to accomplish.

8 In terms of reducing overall U.S. arms transfers, arms
9 sales requests, or global transfers, all available evidence suggest:
10 that achievements under the restraint policy have been limited.
11 Total U.S. arms sales increased to the highest level in history
12 in 1978. Similarly, U.S. hopes for a decline in arms sales
13 requests were not realized. With respect to global transfers,
14 the U.S. does not have a satisfactory data base to measure such
15 transfers.

16 The U.S. is alone among the many arms suppliers to openly
17 publish its arms transfers. The limited available evidence points
18 to the fact that other nations to date have been ready and willing
19 to sell if the U.S. refuses to sell.

20 One goal of the restraint policy is a limited overall
21 reduction in the value of U.S. arms sales agreements for all
22 countries covered by the policy. The formal ceiling for 1978
23 was ultimately achieved by "mortgaging the future" or breaking
24 up approved sales cases to fit parts of the case under future
25 ceilings. For example, the controversial F-15 aircraft case for

1 Saudi Arabia was approved by Congress with an estimated value of
2 \$2.5 billion, but only \$1.5 billion was included in the Fiscal Year
3 1978 ceiling. The remainder was pushed forward to be included
4 under future ceilings.

5 To our knowledge, this practice is now an often used procedure

6 One method employed by the Executive Branch to measure and
7 demonstrate achievements of the restraint policy is reporting
8 turndowns and turnoffs of arms sales requests. Our examination
9 of the evidence led us to conclude that claims of turndowns are
10 questionable, primarily because there is no systematic record
11 kept of such turndowns and there is no consistent criteria applied
12 or established,

13 We found that a potential \$2 billion sale of ships had been
14 turned off, but was not reported for fear of creating a U.S.
15 domestic controversy over the economic impact.

16 On the other hand, we found one item on the list furnished
17 to the Congress was not turned down until 9 months after the
18 list was submitted. Several other items on the list were
19 turned down prior to the current "restraint" program. In two
20 cases, items were sole or released even though they had previously
21 been reported as turndowns.

22 On balance, if criteria were established and records were
23 systematically kept, turndowns and turnoffs might be one credible
24 method for the Executive Branch to show the impact of restraint
25 over time.

1 These are our observations with respect to the decision-
2 making process within the Executive Branch.

3 Our basic observations are the following. First, the
4 Defense Department dominates the decision-making when policy
5 guidance is lacking from the Department of State. When there
6 are specific and overriding policy objectives for a given country,
7 State clearly asserts its leadership role. For example,
8 State plays an active role in considering sales requests from
9 Taiwan because of the potential impact of the normalization of
10 relations with the People's Republic of China.

11 Second, the review process tends to build a momentum for
12 positive approval. What we mean by this is from the moment of
13 the first interest through the step-by-step process of informal
14 discussions, briefings, surveys, studies, official visits, test
15 rides or firings and negotiations, the process is geared toward
16 seriously responding to a buyer's perceived needs. The incremental
17 nature of this process also tends to continuously reinforce
18 expectations that requests will be approved.

19 Third, decision-making is reactive. The reactive nature of
20 the process is perhaps best illustrated by the reluctance on
21 the part of the U.S. in most cases to turn down a formal request.
22 We would rather negotiate and talk in terms of deferrals or give
23 some other reasons.

24 Decisions on requests are made through a process of building
25 a consensus, which is sought within organizational units,

1 within agencies, and between departments. Dissenting views
2 within agencies are filtered out but disagreements between agencies
3 are carried forward in the form of options. Consequently,
4 every attempt is made to reach agreement before asking a higher
5 authority to settle the issue, which could occur at the National
6 Security Council or at presidential level.

7 All participants, realizing that the goal is consensus,
8 test the thinking of the other participants in the process.
9 A number of officials said their reading can influence the position
10 they take or the vigor with which they pursue it. ACDA, for
11 example, could view its role as the voice of arms restraint within
12 the Executive Branch. ACDA officials pointed out, however, that if
13 they "cried wolf" on every sales request they received, their
14 credibility and effectiveness would be severely reduced.
15 Consequently, ACDA carefully picks and chooses the requests on
16 which it will voice strong opposition.

17 Another key characteristic of the arms review process is
18 compromise. Compromise is exhibited by U.S. officials who feel a
19 need to be responsive to allies' perceived defense needs.

20 For example, State Department regional bureau and embassy
21 officials tend to take predictable positions on cases. They see
22 turndowns as complicating U.S. relations with the prospective
23 buyer and therefore tend to support a country's request or to find
24 an alternative.

25 The foreign requestor is sometimes willing to settle for an

1 acceptable alternative. One country which had been turned down
2 on a number of jet aircraft requests finally accepted a U.S.
3 counter-proposal for a purely defensive capability.
4

5 On the other hand, another country adamantly refused to
6 accept what it perceived to be a lesser capability. The U.S.
7 eventually agreed to sell the desired system. The perceived
8 importance of compromise frequently results in less than clear-cut
9 decisions. Even turndowns are couched in language such as
10 "why don't you come back later," "we are still considering the
11 request," or "we are giving you something in between."

12 In short, the review process strongly implies a positive
13 response or at least that a request is turned aside positively
14 with a deferral or counter-offer.

15 The May, 1977 restraint policy announcement was a bold
16 departure from the past. A comprehensive study served as the
17 foundation for the policy and identified several weaknesses
18 in the then-existing system of arms sales decision-making. The
19 Arms Export Control Board was created to help correct this
20 weakness. This was a step in the right direction.

21 However, the policy has caused little change except for the
22 establishment of an overall ceiling and the formalization of
23 existing practices. If unilateral restraint is to be effective
24 in setting an example for others to follow, much more needs to
25 be done.

The restraint policy was intended as the barest outline of

1. how to achieve restraint. To date, the Executive has not
2 focused sufficient attention on the difficult task of systematical-
3 ly fitting a worldwide restraint policy to the needs and realities
4 of U.S. relations with specific countries; nor has the Executive
5 developed fully its policy aims, a comprehensive plan for achieving
6 or realizing these aims, or a system for measuring and evaluating
7 the accomplishments of the policy.

8 Stronger leadership on the part of the State Department
9 in the completion of these unfinished tasks is needed.

10 There is little evidence to date to suggest that other
11 supplier countries are willing to join with the U.S. in its restrain
12 effort. If the U.S. takes the actions necessary to achieve effectiv
13 unilateral arms restraint, a basic policy questions arises for the
14 Executive as well as the Congress. How long can and should the
15 U.S. suffer the political and economic costs of restraint if other
16 nations not only refuse to cooperate, but also move in to make the
17 sales the U.S. refrains from making?

18 For many years, most U.S. arms were given away as military
19 assistance. Because the taxpayer was footing the bill, there
20 was a built-in control to the authorization and appropriation
21 process. As the industrialized and developing nations achieved
22 an increased ability to purchase arms, U.S. arms grant programs
23 shifted to sales. In effect, this change transferred authority
24 over arms transfers from the Congress to the Executive.

25 The feeling of being left somewhat in the dark when matters

1 of such importance gave rise to the demand for more congressional
2 involvement and for a clearer understanding of what policy
3 criteria this government applied in judging the merits of individual
4 requests. We believe the information flow on arms sales to Congress
5 continues to be less than adequate to permit the Congress to fully
6 and effectively exercise its policy formulation and oversight
7 responsibilities.
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9 That completes my summary, Mr. Chairman.

10 (The prepared statement of Mr. Fasick follows:)
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1 Senator Pell. Thank you very much, indeed. I think you
2 are to be greatly complimented on the report you have prepared.
3 I realize that you were working on it for a number of months,
4 I think nine. It is a good report.

5 In Mrs. Benson's opening statement this morning, she
6 stated that the President's arms transfer policy has been
7 successful "in both policy and procedural terms."
8

9 Some of us on the Hill are a little more skeptical of
10 its success.

11 What is your own view, in essence, in this regard?

12 Mr. Fasick. Well, as we pointed out from a purely
13 arithmetical point of view, we think the ceiling has been
14 "managed." On the other hand, it would be difficult for us to
15 say that the President's restraint policy has not had some effects
16 in restraining arms sales. To quantitatively measure this,
17 though, would be very difficult for us or for anyone else,
18 I think.

19 Senator Pell. Your study, as you mentioned, concluded
20 that when policy guidance from State is lacking, DOD still
21 dominates the arms sales decision-making process.

22 How frequently, in your view, does State provide the
23 guidance that controls Defense, and is Defense usually in the
24 driver's seat, even with the creation of the Arms Export
25 Control Board?

Mr. Fasick. I would judge, based upon our study, that in

1 most cases the Defense Department would still be in the driver's
2 seat. It is a reactive system which works generally through
3 the Defense system. As I pointed out, however, on the more
4 sensitive issues, State does step in and does assert itself.

5 Frank, did you want to add anything to that?

6 Mr. Conahan. I think if you take a look at the entire
7 process, the initiation of a sale precedes the formal notification
8 by as much as two to three years. During this time, the sale
9 has been reviewed by our government and principally by military
10 people. They have brought an awful lot of influence to bear
11 on how that sale will ultimately come out.

12 Senator Pell. On page 10 of your study you concluded
13 that the Executive Branch's review process tends to build a
14 momentum for positive approval, as you mentioned in your statement.

15 What can be done to rectify the situation?

16 Mr. Fasick. One area that we think this Committee or the
17 Congress may wish to consider is legislating a requirement that
18 more precision and a better country by country program is
19 developed, against which each individual sale can be related
20 and weighed.

21 By doing this, it would not be so much a reactive system
22 as it would be one in which the Congress itself was a partnership
23 in the development of an overall plan for a country, for a region,
24 indeed, for the world.

25 Senator Pell. Thank you.

1 Finally, you say that a fundamental aim of the restraint
2 policy is to set an example of unilateral restraint for other
3 nations to follow. A recent study of our own staff concludes
4 that European officials are usually skeptical about American
5 implementation of its own policy.

6 So, if European officials are unwilling to participate in
7 the restraint effort, do you think we have anybody to blame
8 but ourselves?

9 Mr. Fasick. No, I don't think we have anyone to blame
10 but ourselves.

11 As I pointed out, I think that the concept of setting up
12 a ceiling, its declaratory value, was important. Our concern
13 is that it well known throughout the world, I think, that the
14 credibility of that ceiling and the criteria that was used to
15 portray having lived within it is very questionable, and as our
16 consequence our credibility with these countries is very limited.

17 Senator Pell. Thank you very much, indeed. There are a
18 few more questions that we would like to ask you for the record.
19 Would you please answer those questions as soon as possible.

20 Also, renewed congratulations to you on your study. It
21 has merit.

22 Gentlemen, thank you.

23 Mr. Fasick. Thank you, Senator.

24 Senator Pell. Our final witness this morning is Mr.
25 Stanley J. Heginbotham, Assistant Chief, Foreign Affairs and

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1 National Defense Division, Congressional Research Service, Library
2 of Congress. He will discuss the implementation of the
3 President's human rights policy.

4 I believe that Mr. Heginbotham's work is also based on a
5 study that this Committee requested.

6 Mr. Heginbotham, I notice that you have a fairly lengthy
7 statement. You may care to have it inserted into the record
8 and summarize it for the Committee.
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STATEMENT OF STANLEY J. HEGINBOTHAM, ASSISTANT CHIEF,
FOREIGN AFFAIRS AND NATIONAL DEFENSE DIVISION,
CONGRESSIONAL RESEARCH SERVICE, LIBRARY OF CONGRESS.

Mr. Heginbotham. Thank you, Mr. Chairman. I would just like to briefly note the highlights of our study on "Human Rights and U.S. Foreign Assistance," prepared at the request of this Committee.

In 1976, Congress passed legislation declaring that, "a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries."

The joint efforts of Congress and the Executive to implement this goal are the focus of this report.

The Carter Administration's human rights initiatives were built on an extensive history of congressional interest and involvement in human rights policy. Frustrated with the apparent unwillingness of the Nixon and Ford Administrations to make human rights conditions abroad a significant consideration in its foreign policy, Congress passed legislation prohibiting, with some qualifications, foreign assistance transfers to any country whose government engaged in a consistent pattern of gross violations of human rights.

The Carter Administration has made it clear that it wants to go beyond the identification of a limited number of egregious violators and use its influence incrementally to improve human

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rights conditions in a wide range of countries.

A high level decision-making body, the Inter-Agency Committee on Human Rights and Foreign Assistance, under the Chairmanship of Deputy Secretary of State Warren Christopher, became the focal point of its human rights efforts. The so-called Christopher group avoided the extensive formulation of principles to guide its decision-making. Rather, each case seemed to be reviewed on its merits and individual decisions did not seem to produce principles on which subsequent cases could be decided.

The resulting process has been time consuming and contentious. Small and seemingly insignificant aid transfers became the focus of lengthy discussions.

Frustration with this process, and often with the results it produced, was frequently expressed to us by working-level officials. Many in regional bureaus and aid program agencies argued that the Human Rights Bureau officials considered only human rights and were blind to other foreign policy considerations.

Those in the Human Rights Bureau on the other hand expressed concern that many in the regional bureaus were affected by clientism and were more interested in maintenance of cordial relations with other governments, even those controlled by repressive regimes, than with advancing broader U.S. foreign policy interests.

There was general acceptance on both sides, however, of the view that the Christopher group and the Deputy Secretary in

1 particular was making a conscientious effort to find a very narrow
2 middle ground between two competing sets of demands.

3 The case by case approach followed by the Administration,
4 combined with its reluctance to articulate -- indeed, apparently
5 even to formulate -- principles guiding individual decisions,
6 contributed to public and congressional concern over the consis-
7 tency with which the policy was being pursued.

8 In an effort to explore such questions, it seemed useful
9 to us to differentiate between two types of consistency.
10 Consistency as commensurate response requires that the U.S., in
11 reacting to human rights violations worldwide, gauge the severity
12 of its response to the severity of the violations. The Carter
13 Administration has effectively rejected this type of consistency
14 as an impractical basis for decision-making.

15 Consistency as policy coherence, in contrast, requires that a
16 set of general principles, consistently applied, guide decision-
17 making. Though such a set of principles has not been fully
18 articulated publicly by the Administration, we found that a
19 significant measure of consensus has begun to emerge among working
20 level officials as to certain generalizations that seem to shape
21 the making of human rights-related decisions.

22 First, severe violations of integrity of the person should
23 receive high priority in U.S. policy concerns.

24 Second, levels of human rights performance can be expected
25 to differ from country to country.

1
2 Third, human rights initiatives should be suspended or
3 curtailed when they threaten other significant U.S. interests.
4 Relations with countries that are critical to U.S. well-being
5 should not be jeopardized by human rights initiatives. Moreover,
6 short-term efforts to bring about significant changes in bilateral
7 relations should not be compromised by ill-timed human rights
8 efforts.

9 The appearance of consistency further requires that when
10 a country is exempted from human rights initiatives, other
11 countries with which clear parallels can be made should also be
12 exempted.

13 Fourth, the leverage available to the United States with
14 respect to specific countries should be a significant factor
15 in determining the amount of human rights attention they receive.

16 Fifth, human rights initiatives will be responsible to
17 incremental changes in levels of violations as well as to
18 absolute levels.

19 Sixth, though public pressures and direct leverage can be
20 effective instruments of human rights policy, quiet diplomacy and
21 indirect hints of linkage between human rights conditions and
22 U.S. support are often likely to be more successful.

23 Seventh, in determining the appropriateness of different
24 policy instruments for human rights purposes, consideration should
25 be given to the direct effect an action would have on human rights
conditions in a country, to the likely cost of an action to U.S.

1 interests and to the amounts of leverage an action affords the
2 United States.

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3 In general, these criteria have led to increasing reliance
4 on the manipulation of bilateral aid program levels and
5 transfers of police and military equipment that might have
6 internal security uses. They have led apparently to more limited
7 use of negative votes on multilateral bank loans and less
8 frequent rejections of Export-Import Bank loans and Overseas
9 Private Investment Corporation insurance and guarantees.

10 Using these guiding notions, then, one can develop a
11 plausible interpretation of U.S. human rights initiatives that
12 shows a significant measure of policy coherence.

13 Confusion and uncertainty still surround some important
14 issues, however. Priorities in human rights goals beyond eliminatic
15 of severe violations of integrity of the person are unclear.

16 Criteria for establishing levels of expectation of human
17 rights performance in different countries remain ill-defined.
18 And the grounds for determining when other policy concerns should
19 take precedence over human rights considerations are highly
20 ambiguous.

21 Within these broad areas of uncertainty, initiatives seem
22 often to be shaped by chance and by bureaucratic politics.

23 In short, there remain significant areas where more syste-
24 matic procedures and greater clarity in goals and criteria
25 could substantially strengthen the coherence of human rights policy.

1 Assessments of the impact of the first two years of Carter
2 Administration human rights initiatives must be qualified. Recent
3 developments in Iran and Nicaragua serve to emphasize how limited
4 our understanding of political processes in the Third World
5 is and how volatile the liberalization of repressive regimes
6 may be. The significance of a decision to release large numbers
7 of political prisoners, for example, can only be determined from a
8 time perspective much greater than one or two years.

9 Nevertheless, some generalizations seem possible.

10 Reviews of human rights conditions in the fifteen countries
11 on which we focused attention do suggest a broad pattern of
12 tentative and marginal improvements in human rights conditions.
13 The question of the extent to which these changes are a product
14 of U.S. human rights policy is much more difficult to answer.

15 Certainly, however, the record on direct and explicit
16 use of foreign assistance as leverage to bring about specific
17 improvements in human rights conditions is hardly encouraging.
18 In only five or six instances did we find evidence that actual or
19 explicitly threatened reductions in aid played a significant
20 role in bringing about changes in human rights conditions. Direct
21 pressures seem often to provoke counterproductive reactions.

22 This is not to say, however, that the use of leverage has
23 been without positive consequence. A number of cases, drawn from
24 countries as diverse as Guinea, the Dominican Republic, Indonesia,
25

1 Korea and Tanzania, illustrate a general pattern in which a country
2 that is interested in obtaining some form of benefit from the
3 United States makes an effort to improve its human rights
4 conditions.

5 In most of these cases, there is at least some evidence that
6 the foreign government recognized that in the past, U.S. aid
7 decisions directly had been affected by human rights conditions
8 and that improvements in human rights conditions could well
9 improve their chances of obtaining further support.

10 The ways in which leverage from foreign assistance combines
11 with quiet diplomacy to produce impact on human rights conditions,
12 then, are subtle, ambiguous, and sometimes mysterious.

13 Even where there is reasonably firm evidence that there is
14 a motivation, that the final effects be on U.S. foreign assistance,
15 State Department officials generally avoid taking credit for the
16 change, lest the national leader concerned be offended.

17 The congressional impact on U.S. human rights policy seems,
18 on the basis of our interviews, to have been significant, but
19 sometimes in unexpected ways. A number of officials emphasized
20 the strength that accrued to the policy from its joint Congressional
21 and Executive support.

22 Though the Administration has avoided identifying countries
23 with governments that engage in consistent patterns of gross
24 violations of human rights, legislation containing this language
25 seems, nevertheless, to be a significant legal consideration in

1 policy deliberation.

2 A range of issues in human rights policy provides scope for
3 possible future congressional attention.

4 First, in hearings and oversight activities, members may
5 wish to press Administration representatives for greater clarity
6 and specificity in defining principles guiding U.S. human rights
7 policy.

8 Second, members may wish to explore and encourage the
9 Administration to explore means of strengthening the foundations
10 of respect for human rights throughout the world.

11 Third, members may wish to reassess the legislative requiremer
12 for country reports on human rights conditions. Though many
13 argue the importance and value of these documents, others stress
14 the inherent tension that results when a diplomatic establishment
15 is required to publish documents that are critical of domestic
16 political conditions in countries with which it is supposed
17 to maintain friendly relations.

18 The possibility of transferring the reporting function to
19 another type of institution has been suggested as one means of
20 reducing this tension. Concern has also been expressed that the
21 mandate for coverage of countries excludes severe violators,
22 including many communist countries and some that no longer receive
23 U.S. aid because of earlier conflicts over human rights
24 conditions.

25 Further, members may wish to reassess existing legislation

1 prohibiting assistance to governments of countries that engage
2 in consistent patterns of gross violations of human rights.

3 Finally, of course, members may wish to reassess, in light
4 of more than two years of experience, the much broader question
5 of whether, or to what extent, it is appropriate to try to use
6 foreign assistance as a mechanism for influencing human rights
7 conditions in other countries.

8 Some will argue that the marginal and uncertain impact of such
9 efforts is inadequate reward for the complications in bilateral
10 relations, the costs in bureaucratic time and conflict, and the
11 distortions in aid programs that are the by-products of those
12 efforts.

13 Others will maintain that the impact on human rights
14 conditions marks the beginning of a significant trend and that
15 the credit that will accrue to the United States for its
16 contribution to this process will far outweigh transient
17 diplomatic costs.

18 Senator Pell. Thank you very much, indeed.

19 (The prepared statement of Mr. Heginbotham follows:)
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1 Senator Pell. Yours was certainly a comprehensive study
2 and I congratulate you on it.
3

4 I have not had a chance to go through it. Do you make
5 any mention in it of the Helsinki Commission and the work that
6 we have been doing? I am speaking now as Co-Chairman of it.

7 Mr. Heginbotham. No, Mr. Chairman. We really focused
8 on foreign assistance related issues and have not gone into
9 European related problems for the most part.

10 Senator Pell. I see.

11 In studying the decision-making process and the dispute
12 between the regional bureaus and the Human Rights Bureau, did
13 you get any impression of a trend that human rights considerations
14 were being given either higher priority or lower priority in the
15 course of the last 12 months?

16 Mr. Heginbotham. My sense, Mr. Chairman, is that the
17 Human Rights Bureau was very aggressive in pressing a number
18 of areas in the first year, that the Christopher group has, in a
19 sense, effectively defined certain areas that it is not going
20 to essentially support human rights initiatives on, and as a
21 result, the focus of the Human Rights Bureau efforts have been
22 somewhat narrowed. I think there was enormous concern at the
23 amounts of time being consumed and a growing sense of impatience
24 in the higher decision-making levels of the Department. I
25 think both sides have stepped back and reassessed which cases

1 they can most effectively pursue. So the focus has, in some
2 respects, been narrowed.

3 Senator Pell. Give me an example of an area that has
4 been removed from consideration by the Human Rights Bureau.

5 Mr. Heginbotham. One of the areas that we cite, for
6 example, was the general acceptance that the negotiations for
7 normalization with the People's Republic of China made it
8 difficult, again for consistency reasons, to talk about Taiwan,
9 to talk about Korea, and to talk about Vietnam. So these areas
10 were set aside.

11 Similarly, in the Middle East there was acceptance of the
12 fact both that Saudi Arabia was critical to U.S. interests
13 and therefore would not be a primary focus of human rights;
14 that the Egyptian-Israeli negotiations were another central
15 and immediate concern, and those two countries would not be
16 the focus; but that then, in addition, a number of other Arab
17 countries with which parallels to Egypt and Saudi Arabia could
18 be drawn, would also be largely exempted from human rights
19 pressures.

20 Senator Pell. I believe your study suggests that quiet
21 diplomacy and hints of indirect linkage between human rights
22 conditions and U.S. support are often more likely to succeed
23 than public pressures. Would you list some specific cases?

24 Mr. Heginbotham. This gets very difficult, but I think
25

1 we did list several in which there was a strong sensitivity.
2 For example, this occurred in Guinea and Indonesia and Korea,
3 where it was felt that direct pressures might well create
4 counter-reactions from the administrations that would produce
5 negative results, whereas the regimes would be responsive to more
6 subtle indications of concern with human rights interests.

7 Senator Pell. In connection with the abuse of human
8 rights in Cyprus, have you had much of an impact on the Turks?

9 Mr. Heginbotham. Sir, we have not really attempted to
10 explore that issue at all in the study. That was not one of
11 the areas on which we focused, I'm sorry.

12 Senator Pell. Is Turkey one of the areas that had been
13 removed from consideration because of military reasons?

14 Mr. Heginbotham. No, not necessarily. But we did limit
15 our focus, simply for purposes of controlling our research
16 task, to the regional areas of East Asia, the Pacific, Latin
17 America and Africa. So we did not cover the Near East, South
18 Asia, or Europe in our study.

19 Senator Pell. In discussing the annual human rights reports
20 which the State Department prepared for Congress, you raised the
21 idea of removing the reporting function from State and assigning
22 it to some other type of institution.

23 Do you think such an institution might have greater or lesser
24 access to assessments in the field and greater or lesser
25 cooperation from the regional bureaus, which have been accused of

1 becoming too sympathetic with their clients?

2 In that regard also, I would like to crank into your
3 answer your reaction of giving Amnesty International, a third
4 party group, some responsibility in this regard.

5 Mr. Heginbotham. Let me begin with your last question.

6 My understanding of Amnesty International's research
7 activities is that they are directed primarily to the requirements
8 of their own adoption groups and that these requirements force
9 upon them a certain range of biases, if you will, in coverage.
10 They are clear about that fact, I think.

11 They also limit the scope of their research to a fairly
12 narrow range of violations of integrity of the person.

13 I think there are serious questions that have to be raised
14 as to what kind of alternative institution might provide a
15 reasonable option to having the State Department produce these
16 reports. There is a large contingent of personnel in the
17 field in these countries that are collecting on a part-time
18 basis, year-round, human rights condition reports. They in many
19 cases, do not have extensive time to do first-hand field
20 investigation, though they often supplement materials available
21 from other sources with such investigation.

22 I believe that any alternative organization would have to have
23 a very sizeable staff and very serious problems would be raised
24 as to the funding and balance of such efforts.

25 I think there is another trade-off between the extent to

1 which the research and efforts of such an organization would
2 focus on concerns that were of direct relevance to U.S. human
3 rights initiatives and efforts or would be more broadly focused
4 around a wider range of international human rights concerns.

5 Senator Pell. Thank you very much, indeed. I trust that
6 you will be willing to answer for the record any questions that
7 any of my colleagues on the Committee wish to offer to you.

8 Renewed congratulations on your excellent report. We will
9 go over it. Thank you for your work in this field.

10 This brings this hearing of the Committee to a close. The
11 Committee is adjourned.

12 (Whereupon, at 11:45 o'clock, a.m., the Committee was
13 adjourned, to reconvene upon the call of the Chair.)
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