

U.S. ARMS SALES

TABLE OF CONTENTS

Belgium

Maynard Wayne Glitman	1988-1991	U.S. Ambassador to Belgium
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China

Harvey Feldman	1977-1979	Republic of China Affairs
----------------	-----------	---------------------------

Egypt

Douglass R. Keene	1975-1980	Office for Military Assistance and Sales
-------------------	-----------	---

France

John H. Kelley	1976-1980	Political-Military Officer, Paris
----------------	-----------	-----------------------------------

Greece

Robert V. Keeley	1985-1989	U.S. Ambassador to Greece
------------------	-----------	---------------------------

Indonesia

Robert B. Oakley	1977-1979	Bureau of East Asian Affairs
------------------	-----------	------------------------------

Iran

William H. Lehfeldt	1969-1974	Economic Counselor, U.S. Embassy, Tehran
------------------------	-----------	---

Samuel B. Thomsen	1973	Office for Military Assistance and Sales
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George S. Vest	1974-1977	Political Military Bureau
----------------	-----------	---------------------------

Paul H. Tyson	1978-1979	Staff Aide to Undersecretary for Security Assistance, Science and Technology
		Israel
Eugene H. Bird	1950	Israel-Jordan Desk
Samuel W. Lewis	1977-1985	U.S. Ambassador to Israel, Tel Aviv
		Jordan
Harrison M. Symmes	1965	Director of Near East Affairs,
		Morocco
Grant Smith	1978-1980	Morocco Desk
		Pakistan
Peter D. Constable	1971-1972	Pakistan, Bangladesh, and Afghanistan Desk
		Saudi Arabia
Francois M. Dickman	1972-1976	Country Director, Arabian Peninsula,
Hans Binnendijk	1977-1985	Senate Foreign Relations Subcommittee on Foreign Assistance
		Taiwan
Chas W. Freeman Jr.	1975-1976	Director, American Institute in Taiwan, Taipei
William Andreas Brown	1978	Deputy Chief of Mission, Taipei
Charles T. Cross	1979-1981	American Institute in Taiwan, Taipei
John Holdridge	1980-1982	Assistant Secretary for East Asian Affairs, Washington, DC

James R. Lilley	1980-1982	National Security Council
John J. Taylor	1980-1982	Political Counselor, Peking
Washington, D.C.		
Ronald I. Spiers	1962-1966	Director of Political-Military Affairs, Bureau for European Affairs
Christian A. Chapman	1968-1974	Arms Transfer Program, Political- Military Affairs
Harold H. Saunders	1968-1974	National Security Council
Thomas Stern	1973-1976	Deputy Assistant Director, Political- Military Bureau
Roger G. Harrison	1976-1977	National Security Council
Stephen J. Ledogar	1976-1977	Office of Security Assistance
Richard A. Ericson Jr.	1976-1978	Deputy Director, Political-Military Bureau
Daniel A. O'Donohue	1978-1981	Deputy Assistant Secretary, Political- Military Bureau
Richard Ogden	1981-1983	Director, Office of Security Assistance and Sales
David Blakemore	1983-1985	Political-Military Bureau,
Peter D. Eicher	1995-1998	Bureau of Democracy, Human Rights, and Labor

Maynard Wayne Glitman
U.S. Ambassador to Belgium
Brussels, Belgium (1988-1991)

Q: A subject that has been left off in most interviews, but which we should cover with senior officers, and particularly ambassadors, is their role in arms sales. How much was it used as a tool of making the country happy? How much was it a matter of selling American goods and what was the effect of these arms sales in the country?

GLITMAN: Well, in the case of Belgium, a NATO ally, it was a reason for us to try to make arms sales. Essentially, the reasons were two-fold. One, we were in an alliance together, and it's in our interest--and in the interests of the other countries--that in the Alliance all of us be equipped with the best materials, weapons, and arms systems available. So I did work hard, with the defense attachés and often directly with the defense minister and others to try to assure, for example, if the Belgians were trying to replace some electronic gear, that the American companies would have a fair shot at the market. The same circumstance applied (in a different way) for working out arrangements with the Belgians. They almost always wanted some Belgian company to have some part to play in this purchase. That was a relationship that had to be taken into account. I didn't negotiate these agreements myself, but the military did or officials would come from Washington. They were technical talk addressing the terms of what type of equipment would work best. I also worked hard to persuade the Belgians of the importance of keeping their equipment up to date. For example, I urged giving their pilots enough time to fly their airplanes. In that connection, I did fly on an American F-16. I was able to come back and tell the Defense Minister first hand, that their pilots were not meeting NATO standards. I think it is 120 hours of flying time a year. And my own personal reaction to being in that aircraft was that the complexity of the weapons systems was so great that the flying part had to be automatic. So if you were not flying a lot, you really couldn't do your job. I don't know if that persuaded him in any way, but it did have, I hope, some positive impact. He seemed to understand what I was saying.

I also accompanied the Chief of Staff and the Defense Minister on to the USS Eisenhower. Again, it was designed to demonstrate how we must have up to date equipment. We were not selling them any ships; that wasn't the point. But it was done to give them a sense of the U.S. presence. Some interesting things came out of that trip too, especially when I sensed some growing concern by some of the Europeans, about what was happening on the Mediterranean side of the European Union. This was particularly true regarding North Africa. That appreciation also came from that trip.

All of this activity was designed to give us a fair crack at it the arms sales market. We were trying to sell them helicopters, but the contract went to the Italians. It later developed that there were accusations made against the Defense Minister and some of his political colleagues, that they had perhaps been influenced too much by the Italians, shall we say. I don't know how the court case ended, but they did go to court. It was a sad ending in a way.

I think the basic point is that it's perfectly legitimate for American ambassadors and senior officials to try to support American industry in this manner. It's not as if we were forcing this equipment on them. If we didn't make the sale, the French or the Germans or the British or the Italians would. Our main point was to make sure that we got a crack at the market.

Harvey Feldman
Office of Republic of China Affairs
Washington, DC (1977-1979)

FELDMAN: One of our threats fell in the area of arms sales, which we used as a club in the nuclear arms issue. I think that the promised squeeze in this area was one of the principal reasons for the dismantling of the project. In general, arms sales was a problem because it was quite clear that there had been a pattern built up in the Kissinger era which continued under the Carter administration. This pattern called for the denial of any arms and military supplies to Taiwan that the administration believed would offend or create problems with the PRC. This was another example of the State Department's pension for premature capitulation, especially when it came to dealing with Beijing. Bureaucrats would sit down and decide for themselves if an action might offend Beijing; that would put an end to any proposal that ran into such guesswork. We didn't hold consultations with the PRC; this was only an intuitive feeling that the PRC would react negatively to a particular action. In the case of arms to Taiwan, this meant that the ROC Air Force was stuck with the F-104G (the Lockheed "Starfighter" which the Germans had called the "Widow Maker") and the F-5E and F.

The F-104G plane had been designed in the early 1950s; in fact, I was vice consul in Nagoya in 1958 when the Japanese made their first buy of this plane. It was a fine plane for its time; it had very good speed, but it was not maneuverable and it had no all-weather capability. The F-5 was a very nifty light-weight fighter, also of the 1950s era. It was very short range and also did not have all weather or night capability.. Neither of these planes could fire a stand-off missile. Both would have to come close to their target before firing and engage in a "dog fight." They had a fairly rudimentary capability of firing a "Sidewinder;" the ROC pilots had to climb on the enemy's aircraft tail; then the missile could be fired once it had accessed the heat of the enemy's plane exhaust. The version available to U.S. pilots enabled them to fire the "Sidewinder" from anywhere around the enemy plane; it was "smart" enough to hit the enemy from any angle.

So the ROC did not have an all weather fighter capability; it could not fire a "stand-off missile" and had a rather crude version of a "Sidewinder." Yet its principal defense need was in the air, over the Taiwan Straits and perhaps even over Taiwan itself. To break the bureaucrats' mindset on such issues was a real task. Even simple kinds of arms, such as a long range/slant range reconnaissance camera, was a fight. The ROC had been asking for such devices for many, many years; for one reason or another, the Department kept denying the request. This made no sense at all. Without such a camera to do aerial reconnaissance, you had to fly over what it was you were reconnoitering in order to get pictures. With a slant angle camera, the ROC pilots could remain over the Straits. So there was an awful amount of nonsense in our arms sales policy to the ROC. The assumption in much of the bureaucracy was that whatever the ROC wanted, it probably should not get. This was the mind-set that I found when I became country director.

When I discussed my role as chief of the political section in our embassy in Taipei, I mentioned the draw-down of American forces and the reduction of installations on the island. This process was still continuing when I became country director for the ROC. At this point the Taiwan Defense Command - the entity responsible for defending the island against attack - was down to a handful of people.

As I suggested before, the Carter administration maintained the policy of getting "into bed" with the PRC. The one major difference between the Kissinger approach and the Brzezinski one to the U.S.-PRC relations, was that Kissinger saw this issue as part of a global strategy. Brzezinski was really interested in some form of military-to-military relationship even though the PRC was militarily rather weak. But I don't think that Brzezinski ever saw this deficiency; he thought in terms of PRC military forces on Soviet borders actually distracting the USSR. He foresaw a far closer military-to-military relationship than anyone else had or did. So the question of arms supplies to Taiwan was even a more fraught problem as far as he was concerned. Brzezinski put all kinds of pressure on the State Department to simply deny whatever it was that the ROC wanted, unless it was something like rifles and hand grenades.

...The big issue, as I mentioned earlier, was the fighter plane. The ROC wanted F-16s, which had been brought on line earlier on the decade. It was the hottest plane in the U.S. Air Force inventory. I knew they would not get the F-16. Northrop was the builder of the F-5; so I met with its representatives. I asked Northrop what could be done to give the F-5 an all weather capability and to give it the avionics so that stand-off missile could be fired from the plane. The Northrop folk thought about my questions and came back telling me these features could be added without too much difficulty. It would replace the present two engines with a more advanced GE engine. The one to be used in the next U.S. fighter model - the F-18. It would require a slight enlargement and reconfiguration of the fuselage, but that was doable. Then the wings would have to be strengthened and given different hard points; the new avionics could be added and so could the new missilery. In fact, the new F-5 could be given the features that the ROC found lacking in the standard model. I asked whether the new design would still make the plane look like an F-5 so that it could be still sold as such a plane and be designated as an F-5G. Northrop saw no problem with that; the F-5E and F which were being sold looked different from the original A and B models.

I began a major drive to have the Department approve the F-5G. At the same time, I also pushed for better command and control facilities and equipment for the ROC Navy and for a more advanced missile - the "Harpoon" - which was an anti-ship missile which could be fired from shore or a ship. These three end-use items became the center of the arms sales package that I was preparing for White House approval. This was an exception to the normal arms sales approval process; in the case of sales to the ROC, all had to be approved by the White House.

The first battle was to obtain approval from my colleagues in the Department. There were a number of offices, including the PRC desk, which wanted to oppose sales of the magnitude I had in mind. I worked very hard on my friend Harry Thayer, then the PRC country director. I finally managed to get his concurrence. Then I had to convince Roger Sullivan, the deputy assistant secretary in charge of the Northeast Asia area. He finally also agreed. Holbrooke was prepared to submit the memorandum.

Then I had to tackle the toughest problem of all: Michael Oxenberg, the NSC staffer responsible for China affairs. It took me a long time to persuade Oxenberg just to allow this proposal to go to the president. He could have just returned the memorandum to the Department saying that the proposals were not consistent with U.S. policy. I suggested that if he disagreed with our recommendations, he could say so in his transmittal note to the president, but at least we should give the president an opportunity to make a decision.

I finally got the package approved by State, in a big high level meeting. I was not present at that meeting but I was briefed and read the minutes. Vance and Brown, the secretary of Defense, chaired this meeting. Les Gelb, the director of the Bureau of Political-Military affairs, and Dick Holbrooke attended. The decision of this meeting was that the memorandum could be forwarded to the White House. It then landed on the NSC's doorsteps. One of the NSC staff members was Jessica Tuchman Matthews, daughter of the famous author, Barbara Tuchman. Jessica is now the president of the Carnegie Endowment Institute. She added a memorandum of her own to my package opposing the sale of the F-5G. She called it a violation of presidential policy as the development of a new weapon system for export-only since it was a plane that the U.S. Air Force was not planning to buy. That was a violation of Carter's policy. The U.S. Air Force was not going to buy this or any version of the F-5 was that it was inferior to the F-16. Of course that was exactly the reason why we had recommended the sale. The F-16 would certainly not be approved, so it had to be a less capable plane. And if it was, USAF would not buy it. Catch 22.

The memorandum came back for the president disapproving the sale of the airplane and the sale of the "Harpoon." There was also a note from the president suggesting that we suggest to the ROC that it initiate discussion with Israel on the possible purchase of the Kfir, which was a modified version of an F-4 - a 1960s design. In any case, the Israelis were not going to sell any major weapons systems to the ROC because they were working very hard on improving relations with the PRC. So there was no way the presidential suggestion would fly. Carter did approve some of the more minor parts of the package, but the major items were turned down.

The memorandum had been sent to the White House sometime in June, 1978. It had taken me almost a year to get to that stage. It sat in the White House until the end of August; I think it was in early September when it came back with Carter's decisions. That was a real heart-breaker. After my tour as director of the ROC desk, the issue arose again during the Reagan administration. In January 1982, the advanced fighter proposal again was turned down because of fears of the PRC reaction. Instead, the ROC was given a co-production agreement to manufacture more F-5s (which they were already doing) and was told that the U.S. would assist them in designing a fighter plane of their own. Thus was born the Indigenous Defense Fighter (IDF). The ROC has in fact produced a couple of hundred of these planes. It is a greatly inferior airplane. For example it did not have an all weather capability and had some other major deficiencies. It is not much of a weapon.

Q: Is that what they are using today?

FELDMAN: No. The situation finally reached the point at which the discrepancy was so great that people at last began to see that this weakness was tempting the PRC to begin an air campaign over the Straits. So the question re-emerged in the Bush administration. At that point,

the choice was either an F-16 or an even more advanced plane. Matters came to a head in 1992; shortly before the Republican Convention, at which Bush was to be nominated as a candidate for president for a second term. General Dynamics informed the White House that if there were not be any approval of the sale of F-16s to the ROC, it would have to close the production line in Texas, where the F-16s were built. GD said it would close the line in June - the convention was scheduled for July; at the same time the company was going to buy ads in Texas newspapers explaining why it was taking such action. That gave the White House some pause and later in June, 1992 it announced it was considering an F-16s sale to the ROC. The production line was not shut down.

I should note however that the F-16s approved for Taiwan was not the latest version of the aircraft, but an earlier version called F-16 A&B. What the ROC finally got was an F-16A&B with an advanced package which brought it close to an F-16C&D, but allowed the administration to say it was an inferior model. The game goes on.

Let me go back to 1978 and talk about what else was going on. My memorandum on the establishment of new institutions to carry on ROC-U.S. relationships had gone to Holbrooke, as I have mentioned, in October 1977. There was nothing going on the "normalization" front. My work consisted of the usual duties of a country director. I traveled to Taiwan a couple of times - 1977 and 1978. I had the usual conversation with the government and the embassy. But nothing seemed to be moving on getting U.S.-ROC relations on sounder footing.

There were a couple of other things going on. For one, the Panama Canal Treaty was being renegotiated and secondly, the Middle East problems loomed large. It is very difficult for any administration to handle one major foreign policy challenge at any one time, much less two. It didn't have time for anything else, including "normalization." I think that in September the Panama Canal Treaty was ratified by the Senate; at the same time, Camp David took place. With these two triumphs behind him President Carter turned his attention to the China issues. I think that is probably one of the reasons why the F-5 proposal got turned down. I learned later that in September, 1978 negotiations toward "normalization" re-started in Beijing.

Douglas R. Keene
Assistance and Sales, Politico-Military Bureau
Washington, DC (1975-1980)

Q: Well then, it must have been about time for you to go back to Washington.

KEENE: Oh yes, it was.

Q: They always catch you.

KEENE: They catch you, no matter how hard you try. Yes, in '75 we came back, and I went to work for PM.

Q: Political-Military.

KEENE: Yes.

Q: What were you doing there?

KEENE: I was in an office called Security Assistance and Sales, and it was basically what it said--arms sales and military assistance and military training assistance. I got the Middle East as my portfolio to start.

Q: Almost everything we had in the Middle East was already pledged, wasn't it?

KEENE: Well, it was massive.

Q: It was huge going to Egypt and particularly to Israel, wasn't it?

KEENE: Well, at that time Egypt was in our sights, but we hadn't really started yet until after Camp David (site of peace talks and agreement).

Q: Oh, that's right.

KEENE: The biggest program in '75 was Iran--the Shah, followed by Saudi Arabia, and Israel, of course.

Q: Iran was later--our vast investment in promoting military sales and having Bell helicopter in other places working in Iran, we had such a huge American presence, that this is considered to be one of the causes of the sort of Islamic fundamental revolt, and there was, as I recall, quite a bit of concern of people saying, "What are we doing sending all of this stuff to Iran?" I mean, were you feeling that?

KEENE: Yes, definitely. There was a concern. There was an awful lot of money involved, so a lot of company pressures on the one hand. The Pentagon had some concerns of their own, but they also liked to sell that stuff because it kept their costs down. Congress was playing a bigger and bigger role; they were worried about it. It was a major issue at the time. Lots of decision memos went up to the secretary and beyond. Actually, in the office at that time, there was so much going to Iran, that there were two other guys working on parts of the Middle East--one did nothing but Iran. But as these guys' tours came to an end, I got their portfolios too. I eventually, after about six months or so, had it all. It was a very busy job; I liked it. It involved a lot of interagency stuff--contact with DOD (Department of Defense), NSC (National Security Council).

Q: How would you put the role of PM in all of this pressure, and all that? Were we a brake, a facilitator? Was the Department of Defense, pushing hard?

KEENE: Well, we tried to play the honest broker role. If we felt it was helpful and not destabilizing, we might attempt to facilitate it, but there were a lot of times when we did raise serious concerns about the balance of power and effect of the American presence, whatever the issue--inappropriateness of the weapons system. We had several fights like that, because Kissinger would bargain away anything for a little diplomatic advantage. I remember he tried to

sell Pershing missiles to Israel, for example. Also, fuel-air explosives; that was another controversial one.

Q: Did you get involved in the AWACS (Airborne Warning and Control System)?

KEENE: Yes. Sure did.

Q: I interviewed Senator Percy, who shot down in flames over AWACS. What were you doing with AWACS?

KEENE: Well, it was a major weapons sales, so the office was involved in it intimately from the beginning--as with that whole Middle East aircraft package, which was also very controversial: F-15s to Saudi Arabia, which came at a slightly different time. We tended to think AWACS to Saudi Arabia was all right, that in their hands, it would be more of a command and control system than any real threat to--it's all about the threat to Israel. That's what all this stuff is always about. So maybe we didn't care as passionately as some of the regional bureaus did; they were more affected by "clientitis" as they were and tried to be more objective.

Q: Who was the head of PM at the time?

KEENE: Well, I went through a couple of them: George Vest and Leslie Gelb and then Reggie Bartholomew.

Q: Was Jordan a factor at that time?

KEENE: Yes, there was a big controversial sale of I-Hawk anti-aircraft missiles, which just attracted unfavorable views in congress, and they finally compromised. The I-Hawk is inherently mobile, but they made the Jordanians emplace them in a fixed position. That's how that one was resolved. And the Jordanians wanted aircraft, too, but we didn't want to face that battle on the hill (Capitol Hill, i.e. congress).

Q: Did you have a relationship with the manufacturers?

KEENE: Yes, the office also reviewed commercial applications for export of international traffic of arms regulations; and so we would review all of their applications and make our recommendations back to the office of munitions control, which actually issued the licenses, or refused, whatever the case may be. So the guys from the companies would come in and state their case, frequently.

Q: It must have been a high pressure job.

KEENE: Yes, it was. There was a lot of those "secretary's got to have the memo tonight" sort of things. Staying late and working into the night. But I found the work very interesting, so it wasn't that burdensome.

Q: Did you get any feeling that the Israeli lobby was sort of monitoring everything that was doing, and ready to veto.

KEENE: Oh yes. They were very effective--very well organized and very well informed, and just very effective. They had a lot of influence, particular on Capitol Hill, so it's always a factor.

Q: How about Libya?

KEENE: Yes, I think nothing at the time was going to Libya. That was, I think, after they'd kicked us out of the--what was it, ...

Q: As far as I know--I haven't been following this for awhile, but it seems like there are something like twenty C-130s or something that have been sitting on the ground waiting to go to Libya for about 30 years.

KEENE: I think that's true.

Q: I hope we've pushed them off on somebody else.

KEENE: They are probably obsolescent by now. I think they were C-130As, and we're up to J or K by now. Yes, I remember that, now that you mention it.

Q: Well, the Egyptians weren't getting anything.

KEENE: Not at that time. They had started to throw the Soviets out, and I think we did start a small IMET military training program (International Military Education and Training); but they weren't getting any hardware.

Q: Were you sort of--your office, acting between, well some of the geographic--well, the Near Eastern bureau--were they pushing to get stuff in or pushing to get stuff off.

KEENE: Mostly to get it in. On the other hand, you have ACDA.

Q: The Arms Control and Disarmament Agency, saying no.

KEENE: Saying "no" a lot and. And they had fairly recently set up the office of undersecretary for security assistance so he got involved, and his office.

Q: Who was that?

KEENE: It wasn't the original one who was named Tarr, hence the T symbol for this office. The one I worked with the most was Lucy Wilson Benson, a Carter political appointee. But there was another one in there, too.

Q: Where was she coming down most of the time?

KEENE: Well, she was not real well informed, but well intentioned and could be educated. And after a while she got more and more liberal--that is, liberal in her view that more and more of these sales seem to get to be acceptable to her than when she began. I'm trying to think of the other one.

I also want to mention our involvement in the North Yemen-South Yemen civil war. We were very involved in formulating the weapons transfers that took place, briefing the President on where we were and coordinating weapons sales and military flights of materials to Yemen. This conflict is not well remembered but at the time it was seen as important in the Cold War context. Aden being a Soviet client state and the North as our ally. We put in a staggering amount of effort into that.

Things had been developing at a rapid pace for two or three weeks before the 7th floor took much notice and Under Secretary Newsom called a meeting. Informed we had already sent TOW anti-armor missiles to Yemen, he wanted to know who had approved that. I had to say I had. I was an FSO-3 at the time. I thought I'd be in deep soup, but he let it go.

Q: You left there when?

KEENE: '80.

Q: But you were there during the Camp David business; that must have sort of opened up the gates.

KEENE: It did, and we sent a mission to Egypt. I went on it, and developed with them a list of what we thought we could get away with at the time. We went during Ramadan, and it was finalized over an Iftar dinner, and it became known as the Iftar list, and it was the start of a really big supply of military equipment to Egypt and a switch away from the Soviet Union. Of course, we had to pay for most of it; they didn't have any money. Of course we also started a large AID program with them which continues to this day.

Q: When we sell a country a system like the F-16 or something, it's a huge operation--just not the plans, but it's the warehousing...if nothing else, the accounting. It's no longer somebody that sits and reaches into a bin a pulls out a part; I mean, it's all computerized.

KEENE: Yes, it is. Well, one of the mistakes we made, I think, the first thing we sold them was an F-4, which turns out to be an incredibly difficult airplane to maintain.

Q: It is? I didn't realize that.

KEENE: Yes, I didn't either.

Q: The F-4 is the phantom?

KEENE: And before we got to the 16s, that was the first one we sent them. Boy, a big maintenance facility had to be set up, and a lot of technicians had to go out there and train them. It turned out to be a very difficult undertaking.

John H. Kelly
Political-Military Officer
Paris, France (1976-1980)

KELLY: ...While on the subject of arms sales, I might say a couple of words about my role in the sale of US weapon systems. As I said, AWACs was our major possibility. I used to talk to members of the French General Staff and Air Force and parliamentarians, especially those who were members of the Defense Committees about that plane. The French were faced essentially with four choices of planes that would be able to survey large expanses. Since they saw themselves as a major force especially in Europe, Africa and the Middle East, the French did not seriously consider relying on any other nation to conduct the surveillance. They wanted "eyes and ears" to look out for long distances. One choice was to build one themselves, but the more they examined that option, the more problematical it became. They did have a domestically-produced limited capability, but its long range use was out of the question. If they wanted to buy into a long range surveillance capability, the French had three choices: the British-built Nimrod system, which was cheaper but inferior to the AWAC, an American system built by Grumman--the E-2 system--a naval system which had a longer range than the Nimrod, or the Boeing E3A-AWAC (Air warning and control command), which had the longest range of all and one that became the keystone of our own surveillance system. It played a major role in the Gulf and every major military operation in which the US was involved; it allows a commander to have information about what was happening on the ground and in the air 300-400 miles in the distance. I was not a high pressure salesman; I focused on the French desire to have a system and if they had reached that conclusion, then to suggest they might as well procure the best. I worked closely with Boeing's resident representative in Paris, who was a retired American Air Force General. We held a continuous dialogue with the French decision-makers and staffs. I did not get any urging from Washington; neither State nor DOD seemed to be indifferent to the sale; certainly not as interested as Boeing or the US Air Force was, but on the other hand, Washington did not put any restraints on us. The sale would have encompassed four or five aircraft, which was not a major sale. In any case, in those days, the US government was not as involved in foreign military sales as it subsequently became and is now. In fact, during the Carter administration, there was considerable discussion and in fact some actions designed to reduce US sales.

Robert V. Keeley
U.S. Ambassador to Greece
Athens, Greece (1985-1989)

Q: You mentioned arms sales. Tell us how you viewed arms sales as a tool for American diplomacy?

KEELEY: It has been one of our principal tools since World War II. We are in competition with other arms suppliers. There are a number of reasons for arms sales, only some of which are political. Arms sales help our manufacturers, assist in paying for R&D, boost our exports--if our businesses did not sell the arms, some competitor would. Sales of weapons overseas, particularly advanced ones, reduces the costs to our own forces because the development and production costs are spread over a larger production. If we sell 80 fighters to Greece and 160 to Turkey, which are added to the "normal" General Dynamics production for the U.S. Air Force, that obviously reduces the cost of each plane.

Arms sales have been repeatedly used to achieve diplomatic objectives. When I was in Greece, a major sale of F-16s was approved. The Greeks bought 40 F-16s and 40 Mirage-2000s in a major purchase. It had been an ongoing matter which the Greeks had been studying for five or six years. It just happened to come to a conclusion while I was there. I had nothing to do with the initiation of the project. I had something to do with the completion of it. The main matter that you have to weigh in using arms sales--it is weighed very little in our diplomacy--is whether the sale simply fuels an arms race in a specific geographic area. Often you receive a request from a country, A, for certain arms because it is afraid of a neighbor, B, who may have received arms from somewhere. The U.S. then sells arms to country A to balance what country B had gotten. Then country B receives another, additional arms shipment; then you have to give more to country A. The problem with dealing with a situation of this kind is that you have to get an agreement among all the arms suppliers. That is not limited to the U.S. and the old U.S.S.R., but it includes a lot of the Western powers. We compete with the French, the British, the Italians and even some neutrals. I went to an arms sales show while in Greece and I was astounded by the equipment being displayed which had been manufactured in Sweden, Czechoslovakia, Hungary, Switzerland and Norway, for example. There were things there that I had never heard of. All the manufacturers were pushing their wares. Anyone who had the cash could buy any of that stuff, no questions asked. There were no aid agreements, no control over uses, no reporting requirements. Admittedly, the weapons displayed were not the most advanced, like jet aircraft and missiles, but they were certainly very lethal. Unless you get the arms producers to cooperate, you can't get control over the sales problem.

Q: Did we gain any positive political advantage from the sale of the F-16s?

KEELEY: I think it was half positive and half negative. If we had refused to sell them, we would have been in very bad odor. The Greeks would have sought out other manufacturers--the French, for example. In fact, had they asked for 80 planes from us, we would have sold them. Papandreou made the decision, primarily for political reasons, that Greece would give some of the business to one of its European Common Market partners while reducing Greek dependence on the U.S., which had been the major supplier for all of the Greek forces since World War II. He wanted to spread the "gravy" around. In the end, the Greeks were unhappy with the French planes and much happier with ours. They would have been better off if they had bought just one type of aircraft in terms of maintenance, pilot training, spare parts, etc. The cost certainly would have been less.

**Robert B. Oakley
East Asian Affairs
Washington, DC (1977-79)**

OAKLETY: ...HR had the right to pass judgment on any proposed U.S. economic assistance proposals and on arms sales proposals to all countries in the world as well as loans from any of the international financial institutions. So Pat Derian had considerable sway over some of the diplomatic tools available to us; economic and military assistance were institutionally tied to human rights. Once a month Warren Christopher, the Deputy Secretary, would chair a meeting that would review all of the requests for assistance on arms transfers proposed by the regional bureaus, with HR sitting in judgment on the human rights situation in each proposed recipient. I used to represent EA at these meetings. We would go through the agenda country by country, reviewing all loans from international institutions, U.S. arms sales and economic assistance and other actions subject to human rights considerations. The bureau would make its argument, HR would agree or disagree and at the end, Christopher would render judgment. It was a fascinating process. By the end of the Carter administration, human rights groups gave our Bureau the signal honor of determining that we had been the Bureau that had more successfully resisted their wishes than any regional bureau in the Department. They considered that ARA [American Republic Affairs] and AF went along easily with the human rights advocates, but EA had held too fast to its view that making human rights the sole concern of U.S. policy would seriously damage our position in Asia without achieving any meaningful progress on human rights.

We were more cautious on our approach to human rights than HR would have wanted us to be and we believe it was the correct policy. For example, Holbrooke, Gleysteen and I worked out a policy for Indonesia which we considered far sounder than what HR was pushing. President Suharto sent the head of his military intelligence, General Murdani, to Washington in the summer of 1977 to ask us for two squadrons of F-5 aircraft. They had been promised to Indonesia by President Ford. I met the General and listened to his pitch. I then said to him that I understood his concerns, but that the Carter administration placed considerable more emphasis upon human rights than had any predecessor administration and that security goals were no longer the exclusive U.S. objective. I told him that under the new guidance, I wasn't sure how we would deal with his request. We talked a while and then the General said that governments had to keep their promises, even if made by the previous people. I told him that I agreed with him in principle, but that now we had a different President and administration. I added that I remembered that his President had not too much earlier said that he was about to release the 35,000 ethnic Chinese who had been arrested in 1965. They had been in jail for 12 years. The General looked at me and began to smile. He said: "Of course, you are not linking the sale of the F-5's to the release of the prisoners!" I answered: "Of course not! I was just making the same point that you had made. Presidents have to keep their promises! My next visitor as a matter of fact is the Operations Director of the International Committee of the Red Cross. As you know, they have a large role to play in the whole area of prisoners. Perhaps we can work something out with him."

Not long after that, the ICRC was invited by the Indonesians to visit the prisoners and ideas were exchanged about the "right" conditions under which the prisoners could be released. After that

we sent a memorandum to Secretary Vance recommending the sale of the two F-5 squadrons to Indonesia. I took it to Derian's office; she rejected our recommendation as being totally unacceptable; she viewed it as an immoral swap of fighter aircraft for people. I pointed out to her that the ethnic Chinese had been in jail for twelve years and that if we didn't do something, they would die in jail - was that human rights? She said that she would not be a party to this "travesty"; she suggested that her name be taken off the memorandum so she would not be recorded as for or against. We did that and sent it to the Secretary who approved it. A year later, the release of these prisoners was touted as one of the administration's great human rights achievements. That was fine with us because we had accomplished both of our objectives: national security and human rights. I think the Indonesian case was a good illustration of how, given the right people and a sensible approach, human rights objectives could be reached without damage to our other very important national security objectives. I am a firm believer in the validity of human rights being a central concern of U.S. policy. I have been both surprised and pleased by how it has taken root and is now a continual concern of all administrations in the U.S. and also by most other countries around the world. At the moment, we may be pushing it too hard and are suffering some backlash because we are perceived by some countries as being sanctimonious, trying to impose our own values on other cultures - suggesting thereby that our values are "better" than those of others. We are also being perceived by some as hypocritical because some see trends in our own society which could be criticized as violations of human rights - economic deprivation, racial biases, and social discrimination. Those people suggest that perhaps their approaches are better "human rights" than we practice and suggest that we should perhaps pay more attention to our domestic deficiencies than theirs. But I think the impetus that Carter and Derian gave the human rights agenda has served us well. The Reagan administration used it against some of the communist regimes around the globe in contrast to the Carter administration that focused primarily on pro-western authoritarian regimes. The Reagan approach may have been a cynical use of the agenda, but it nevertheless firmly embodied human rights as a basic tenant of U.S. foreign policy.

William H. Lehfelddt
Economic Counselor, US Embassy
Tehran, Iran (1969-1974)

Q: I have some questions on the economic assets of arms sales. Did the Embassy's commercial and economic staff play much of a role in arms sales matters?

LEHFELDT: Not really, except in the sense that we were called upon to provide the analysis of the economy.

Q: Mostly annual review?

LEHFELDT: Both for the annual review and for just general economic analysis of the economy for the purposes of the U.S. government generally. We put out a six month semi-annual review that was published, an unclassified thing. And we were usually called upon to draft the economic justification for arms credits, and, you know, we made our points at that time, when it came to use of foreign exchange. We had lots of rules of thumb in those days, about how much foreign

exchange earnings, the percentage of foreign exchange earnings one should devote to servicing loans, foreign loans. And, of course, those rules of thumb have long since gone by the board all over the world, but generally speaking, in those days any country that was using more than twenty to twenty-three percent of its foreign exchange earnings annually to service foreign debt was considered to be in trouble.

Q: Much more than that?

LEHFELDT: Oh, yes.

Q: Now when you worked on these reports, did Armish-MAAG people scrutinize them?

LEHFELDT: Yes. We provided them to--well, General Twitchell and his successors and predecessors were always provided with our analyses. That is not to say that they necessarily had much real effect on situations, because these arms recommendations were primarily political considerations. Although in General Twitchell's day, he had a very strong feeling that there was a finite sort of rate of absorption for rational use of foreign military equipment and upgraded military equipment that an Army such as Iran's could possibly use, and use effectively. His thesis at the time was that we had to try to fit what we were providing them with what they could rationally absorb. So the economic justification found a good friend in that approach to arms sales.

But the Shah, of course, was not persuaded. And on the political level, certainly President Nixon was not persuaded.

Now this is in the pre-oil price...

Q: That's right. Before '73. Exactly. Did you ever run into an official named David Alne? From ISA?

LEHFELDT: Well, yes, I ran into him, but he had several--Dave Alne. Henry Kuss, who was one of his predecessors.

Q: They all played a role in arms sales considerations?

LEHFELDT: Yes, they all played a role. And I've forgotten who the latter ones were, but they took their advice from the Armish-MAAG missions. And after the oil price increases, of course, other considerations came in. What the Shah could afford to spend was--or what he wanted to spend, rather.

Q: You came to the Embassy in '69. Was the Export-Import Bank already playing a role in financing arms, arms sales?

LEHFELDT: Yes. Yes. Arms and others.

Q: Did any people from the Bank come to discuss...

LEHFELDT: Well, Henry Kearns would come out quite often, every year or so. Well, almost every year. And other bank officers would come out to assess the economy and talk to different people. And the World Bank always had its people out there too, looking around and assessing the economy, and those analyses fed back into the U.S. system as well.

Q: When it came to negotiations over, say, the interest rates, would your office take part in those?

LEHFELDT: No, the interest rates were out of our province. No, that's a function of domestic U.S. policy as much as anything else.

Q: Now in 1971 the U.S. was running its first trade deficit, since, I guess, the 1890s. In the late 'sixties, early 'seventies, the U.S. aero-space industry was somewhat in the doldrums. From your vantage point in the Embassy, to what extent did those kinds of considerations influence arms sales policy? Were those things that were discussed as having a bearing on arms sales?

LEHFELDT: Surely they had a bearing on arms sales, but not in that bald a depiction, because what we saw at that end was the competition between the various firms--the McDonnell Douglasses, the Northrops, the General Dynamics, the Grummans--for sales of a particular type of plane or system. There was one effort by Lockheed to sell--this was--well, I was still the Economic Counselor the C-5 to Iran, that would permit the reopening of the line for U.S. purposes. That was a slightly different focus, because the U.S. Air Force wanted some more C-5s, and in order to open the line, if the Government of Iran would pay for a good deal of it, yes, that would be helpful.

There was always the consideration that for every plane sold abroad, the average price of the planes, both to the foreign buyer and to the U.S. Air Force, would come down, because you were writing off the development cost over a time. And that was a consideration, but not a main one.

Q: When you were in the Embassy, did you provide assistance to companies who were trying to sell particular weapons systems to the--or was that more a function of Armish-MAAG?

LEHFELDT: That was more a function of the Political-Military section (of the Embassy) and Armish-MAAG, but, yes, they usually came down to talk to me. I say down because my office was on the first floor as opposed to the Political Section on the second floor. They usually came and talked to me, generally about the economic scene and about who was doing what to whom, just generally, and this involved the question of who was a good representative. They would oftentimes toss names at me to see how I would react. I tried to steer away from endorsing any of them. Some were better, more honorable, than others. Not all of them.

Samuel B. Thomsen
Office for Military Assistance and Sales
Washington, DC (1973)

THOMSEN: In '72 I became what I call the "arms merchant to the Middle East." I moved to the Office for Military Assistance and Sales, and my part of the world was NEA and AF, but it really was the Middle East.

Q: This is from when to when?

THOMSEN: July '73 until December '73 is really the right answer, it was a six month period because, although it had intended to be a two year assignment, in October I did a one month trip through the Middle East as a kind of get acquainted tour, and traveled with Rocky Suddarth, Roscoe Suddarth, ambassador to Jordan later. Rocky was in P-M and the two of us went to Lebanon in the days Beirut was still a beautiful city; to Amman, Jordan; and to Jeddah, Saudi Arabia. No, we actually went to Kuwait first and spent a week, we went on together to Jeddah and then I separated and went to Riyadh and to Dhahran, to Bahrain, to Muscat in Oman, then Tehran where I spent a week negotiating the most comprehensive military assistance contract that had ever been negotiated up to that time. It was called the Technical Assistance Field Teams (TAFT) and the Iranians paid for everything including the retirement for our military. But when I got back from that trip at the end of November, I was told that I was a part of a 100-man levy to go back to Vietnam to observe the cease fire which we expected imminently. That destroyed my wife's Christmas plans and party because I was on 48-hour notice. It was a great stress on the family. But we left finally at the end of February. So my P-M tenure was cut very, very short.

Q: Let's talk about the time you were with P-M dealing with Middle East arms sales. This would have included the aftermath of the '73 war. Did you get involved in that?

THOMSEN: I was there before that.

Q: What was the feeling within P-M, your own personal feeling about our arms sales particularly to Israel?

THOMSEN: Well, one of the studies I did, and I did as thoroughly as I could was to try to get control of what was going on, and the situation is about the same today as it was then, it was virtually uncontrollable. They had virtual carte blanche...

Q: You're talking about Israel.

THOMSEN: Yes, uniquely. Not everyone, but certainly they were hard to constrain. But I did a study, and I forget now exactly what the results were, but to show that the diversity and the breadth of their actions with regard to our armaments industry, they probably had a better handle on developments in our military hardware than we did. There was almost nothing they couldn't get if they wanted it.

Q: You always had the feeling that they were looking at the latest catalogues and ordering it. What would happen? What would P-M's role be in this, albeit maybe futile, but what were you doing?

THOMSEN: Well, it wasn't futile because for policy reasons we didn't try to constrain them. We, I think, had a kind of political sense that there wasn't much we could do. The P-M had, the munitions control office at the time, and had to approve all arms sales to any country, and it still does. But the kinds of judgments you would make about arms sales to countries around the world did not really apply in that situation. Literally they didn't apply. Reasonably they didn't apply. But politically they sure didn't apply. So there wasn't a lot of stress in trying to fight particular things. There were some situations in which it they looked like they were buying something we were doing and something the French were doing, and we just as soon they not do that and create an even better product that used French technology with our technology. And we'd try to convince them not to mix technologies to protect ours. They would talk to us seriously about that sort of thing.

Q: Did we have any other clients in the Middle East. Let's not include Iran. I want to talk about that a little later. At that point we didn't have relations with the Egyptians. No, we had an Interest Section.

THOMSEN: Jordan, Lebanon to a very minor extent. Certainly Saudi Arabia we had a lot of business with Saudi Arabia, and Muscat and Oman. The issue with Muscat and Oman: they had an insurgency with one of the two Yemens and I forget which one, and they needed 75 mm. artillery shells. We were very sympathetic because we wanted access to some of their air fields, so we were in a real trade-off situation. We wanted to become more influential with the Sultan of Kaboos. The British were there, when I arrived in October of '72 the British were still in force in Muscat and Oman, and were flying their sorties and were doing what was necessary to help them, and we were trying to begin playing a role there.

Q: Was there a problem in giving arms to the Saudis and that the Israelis could sort of veto what we did there?

THOMSEN: I didn't come across that. It could have been. What we were selling them at the time was F-5s which was our "freedom fighter," a neat little plane which Northrop put out. They had British Jaguars which were big ugly things. The F-5 would have been a better aircraft for them. We had a military assistance group in Riyadh, and the Corps of Engineers was in full force building these isolated military camps for them, fully air conditioned, beautiful facilities, that they were paying for and the Corps of Engineers was managing. The Saudi Arabian army was one thing but they had a kind of civil guard which was loyal to one of the other princes, and we spent a lot of their money, or we got money helping them, not so much train, as provision and equip.

Q: I was in Dhahran from '58 to '60 and the White Army was always considered a counter point to the regular military, so that was still going on.

THOMSEN: Absolutely.

Q: It's more a tribal issue.

THOMSEN: That's right, they were the tribals, and it was very much a political effort.

Q: Let's talk about the Iranian deal because I've had the impression that Nixon and Kissinger went to Iran and fell in love with the Shah, and said, anything you want, in many ways it was not a very good policy.

THOMSEN: It certainly proved not to be.

Q: In the first place, how did you see the situation at the time? What were your marching orders from Washington?

THOMSEN: Well, the marching orders were that they wanted to buy huge quantities of sophisticated American weapons. And our regional justification was that we were counterpoints to Iraq, and to the Soviets. And so we were to be sympathetic to their interests. But what I was doing was not involved in the sale of the weapons, and creating a system for bringing over the technicians to manage the equipment, and the TAFT, as it was called, the Technical Assistance Field Teams, was a concept that would call on the Iranians to pay for everything we could think of. I was the State Department representative, but Defense had their biggest guns from Defense Security Assistance Agency, who were there doing the heavy work. I was making sure that nothing went wrong, or that nothing would affect our political interests would be involved. So we were providing helicopter training, helicopter flight trainers, and maintenance trainers. They were going to buy our most sophisticated destroyers, and we were helping them build their naval installations, and we were going to make them pay, as I say, for everything down to the retirement for every soldier that went to Iran. The Defense Department could cross off that line item in their payroll.

Q: One of the criticisms was that as this went on we put so many Americans into the area, not just military, but mainly civilians like Bell Helicopter...

THOMSEN: That's true, a lot of contractors.

Q: ...a lot of contractors, Bell Helicopters, etc. etc. It helped raise a tremendous amount of resentment within the body politic of Iran, and was at least a cause for the uprising and revolution. Were you getting anything from the embassy about wondering what the hell we were doing?

THOMSEN: Well, I was at the early stages, I think, of that process so it may not have become as apparent as it might have later. But when I was there the embassy was very much supportive of what was going on. The political-military officer was Henry Precht. He was later DCM in Egypt, and became well known as head of the Iran desk during some of the Iran-Contra hearings. The embassy was very gracious and helpful to me. I think they saw my role as being helpful to them; they gave me a good range of briefings, economic as well. Bill Lehfeltd was the economic-commercial counselor. I had the sense that we regarded the Shah as being solidly in place, not being threatened, that Iran was a very important player on the southern flank. That the Shah was

competent to take advantage of the material that we were going to provide him. We weren't going to provide him with toys that he couldn't use properly. It was altogether a sound deal, and I don't think balance of payments was a critical issue, but that certainly the amount of money they were going to spend was going to be helpful to us, and wouldn't be ignored.

My recollection is that there was no sense of a domestic threat, no insurgency or coup rumors.

Q: Of course, I guess our military was interested because there's a certain economy of scale...the Iranians and stuff that we wanted too. If you manufactured so many tanks as opposed to many fewer tanks, you got a better per tank price.

THOMSEN: Exactly. And they were buying that stuff. That's what they were buying. They were buying our latest stuff, so the economy of scale was a likely factor, that's right. But I did travel around. I talked to our military, we did have a military advisory groups there at the time, and I did not get a sense, as I had as I mentioned in Vietnam earlier, from the younger officers that there was something wrong with what we were doing. That did not come through at all. We were giving good training, we were equipping, and that we were producing a fighting force that would be allied to us, and would be a valuable asset to us, and that we were doing it at their expense rather than having to pay for it ourselves.

Q: This is interesting because sometimes I've been involved with people who dealt with training programs and the feeling is, okay, we're doing all this, but you know these people can't fight their way out of a wet paper bag. But you weren't getting that.

THOMSEN: Well, I wasn't getting it, but I don't think I asked that question. I don't know that I ever got a very specific appraisal of what would happen if they had to fight. I was told that their pilots were excellent, and their tactical exercises, they performed very, very well. How you lead men in battle though is something you can't predict too well, and that's what I'm getting at. I'm trying not to suggest that we were judging how they would be in battle.

Q: In many ways we don't really know because after the revolution the Iranians did fight off the Iraqis but it was almost a tie.

THOMSEN: It was a tie...

Q: You were saying by the time the Iran-Iraq war was in full swing the Iranian army was...

THOMSEN: Many of the most effective senior leadership in the Iranian army and many of the tactical leaders had already been removed - either escaped, or been killed, or had been cashiered from the military as untrustworthy by the fundamentalists. So it was a different military force in that sense in terms of leadership than it had been earlier, although one of their technicians and a lot of their, I guess you'd call them managers, were still in place, and the infrastructure was still in place.

George S. Vest
Political-Military Bureau
Washington, DC (1974-1977)

Q: George, I'm working now with our oral history program to develop a set of interviews using--Tom Stern is working on this--to do a set of interviews on arms sales. Because this is something, again to somebody not involved in this, looks like we're doing an awful lot. We talk peace, peace, peace, but when the chips are down, our bargaining chips seems to be send some more tanks or airplanes to countries, particularly to the Middle East. We are proliferating weapons all over the place in competition or something with the French and the British and the Israelis and the Soviets. When you were there--we're talking about '74 to '77--how did the bureau view weapons being sold or given to various countries?

VEST: We had a general policy guidance which, generally speaking, was very permissive. I just have to say that was the normal approach.

Q: Well, what was the philosophy behind

VEST: The philosophy was a combination in the positive sense. We may not be able to give you money to influence you, but we can give you arms and that will influence you. And on the negative sense, if we don't do it, someone else will. I'm just extrapolating in the simplistic way. But there was very little question in that period that we should be involved in it.

Now for me it was an interesting evolution, because when in 1958 I was engaged with Norstad in the sale--or delivery in many cases, not the sale--of any amount of military hardware to restore our NATO allies to strength. So that was one kind of basis. But by the time I came back to it again in this period in the mid '70s, it was a tool for influence with no particular rationale as to restraint. It had become accepted as a tool of influence.

Q: Because I think it obviously is wide open to question. I mean, looking at it today, do you make for a better world by putting your money into swords and not into plowshares, and then dumping them in places where they can be used.

VEST: Exactly.

Q: So you're saying that there weren't people, a la George Ball, or somebody like this, saying, "Hey, wait a minute. What are we doing?"

VEST: Not in Henry Kissinger's time, not at all. It was not a part of his sort of rare politic.

Q: How much did the arms merchants play? I mean, did you find yourself being sort of their salesmen? Or were they influential? Was this mainly policy or was this arms?

VEST: If there were arms sales influences, they came in through the Pentagon. They didn't come to us in the Political and Military Bureau at all. And I know they did have their influence, because that was when I first began to be offered outside jobs. [Laughter] I won't mention which

arms companies and which aircraft companies came to me and asked me would I like to retire and work for them. My wife and I discussed it, and I said, "No, we don't need money." [Laughter] But, no, it didn't affect us.

Q: Did you have the feeling that the Pentagon, in savings of quantity or whatever you might say, was pushing the delivery of sales, or is it just the only thing they knew to play with and hand out guns?

VEST: Honestly, Stu, I had no real feeling one way or the other. The level of people that I was dealing with in ISA, when we talked about arms sales and deliveries and special terms and all the rest to go to this or that place, there was always a rationale attached to it. We want to strengthen this part of the world and we want to short circuit this or that and so on. So there was always a rationale given, but there was very little thought given to the fact that, well, maybe it would just be better not to spread those arms around at all. I mention the one time that we tried and it didn't get anywhere. The idea was clearly that whatever the Shah wanted, he should have.

Q: Well, I must say that, although I didn't follow these things. I mean, I was on the normal Foreign Service gossip circuit and all and it was in the papers and all, but there was real concern of what the hell are we doing in Iran, of dumping all these things there. This is not a very safe place. I mean, it wasn't a surprise, and there was great concern, both in public and sort of, at least in the Foreign Service, about putting this stuff there. But you were there, part of the pipeline. What did you feel about this?

VEST: As I said, we tried just once and then I was told very clearly, "Look, there's a policy decision." I thought it was foolish and short-sighted and I regretted it, but I'd have to say I didn't take it much further.

Q: Well, I was wondering. Were there any people who dealt with the Middle East who had come by and say, "George, my God. You know, Iran just isn't that stable a place"?

VEST: It's interesting. Out of everybody in that building in that period that I can remember, I remember only one person who came by--and maybe I didn't know some of the people who were worrying, obviously--but I just remember one person, who was in the policy planning staff, who was deeply upset and felt, "Look, we're getting ourselves way down into something very, very wrong and ultimately dangerous. We shouldn't be sending all of this there at this stage. We're feeding somebody who's not got the right balance." And this particular person in the policy planning staff in due course fell into disfavor, I noticed. In fact, he left the Government after that.

Q: Who?

VEST: I cannot think of his name right away. Oh, I know. Tom Thornton. But I didn't get it from anyone else. Nobody in the Bureau of Near Eastern Affairs ever came by emitting even a moo of discontent.

Q: How about the pouring of arms both into Israel, and then were you there when we were beginning to do it into Egypt?

VEST: We had many discussions about the fact that we seemed to be buying an arrangement between Israel and Egypt by virtue of giving them almost the most of our aid and an enormous amount of our military equipment and, among other things, also talking about nuclear reactors before we were through. There were big arguments, but they were, I would have to say, I was not allowed to be part of it. But this was a very large and very precise policy decision which the Secretary of State took at the level of his top advisors.

Paul H. Tyson

**Staff Aide to Undersecretary for Security Assistance, Science and Technology
Washington, DC (1978-1979)**

Q: How about the Pentagon; did you get a feeling that there was a war between the Pentagon and the State Department?

TYSON: There were on the arms restraint policy, but of course, Mrs. Benson chaired the Arms Export Control Board. This is really where you saw the "tough broad" side. There were times when she just rolled over the Pentagon. In spite of Carter having been an Annapolis grad and a naval officer, there were aspects of his defense policies that were not popular in the Pentagon. On other matters we actually worked fairly closely together: arms sales to the Saudis and so forth. There were the F-15 sales that had gone on just before and then, of course the minute they got that they were going in for extra wing tanks and other things like that. So on those issues State and DOD (Department of Defense) were working fairly in close coordination in trying to get it through the Hill.

Q: You left when in '79?

TYSON: December in '79.

Q: Were you there in time to see the impact of all this of the Soviet invasion of Afghanistan?

TYSON: Not so much the invasion of Afghanistan. Our office was much, much more involved with the collapse of the Shah of Iran because of all the weapon sales to Iran, particularly the issue of compromising the F-14s and the Tomcats and other things. Mrs. Benson was in telephone contact with General Heiser on that sort of thing; his trip out there to prop up the Shah. So it was really quite interesting to watch all of that unravel. And then of course the hostage situation happened in fairly short order. I'm not quite sure of the time, but?

Q: November, I think.

TYSON: Yes, I was still around for those types of things. So we were very, very concerned about Iran and we had what later became known as the "Ayatollah class of Frigates" under constructions. People forget just what a huge arms relationship we had with Iran.

Q: Well the story is that Benson and Kissinger came back from one of the later visits to the Shah and told him whatever they want, they can have. It was Iranian money, and oil money, and we'd sop it up. The Carter administration had done nothing to stop it.

TYSON: Well, there was another factor, too. Very often those sales, in spite of the export controls, made lower costs available to the Pentagon.

Q: Oh, yes. The Pentagon was always sort of pushing this. They don't really want the other people to be able to use them against us, but at the same time the cost per unit goes down.

TYSON: The one that was interesting was, I think the F-5G, which would've been an export-only model, and the Carter administration killed that, or at least it died. I think the F-14s and the Tomcats were some of the most important stuff though.

**Eugene H. Bird
Israel-Jordan Desk
Washington, DC (1950)**

Q: We were not supplying the Israelis with arms at that time?

BIRD: We didn't supply anything to anybody [in the Middle East]. We had the Tripartite Agreement [of 1950 with the British and the French], which said that the British, French, and the Americans, who were the only real arms suppliers at that time, agreed not to sell arms to the Middle East. [Supplying arms to Egypt] would have been a violation of that agreement. At that time no one thought of arms as being an important part of trade. It was only later on that pressure was applied to policymakers to see to it that [their respective country] got a "fair share"--and usually a dominating share, if it was the United States, Britain, or France--of the market for arms in any particular country or region, whether it be Saudi Arabia or wherever. [Approving arms sales] became almost an economic consideration, rather than a political or military matter.

At this point this was not quite true. It was quite the opposite, in fact. We were quite "moral" about our arms sales. [The view was that] the more arms in a given area, the greater the chance that there would be a "little war." And we didn't want a "little war."

We knew that, in fact, the Aswan high dam would have an impact. We knew that Nasser wanted that, above anything else. He wanted Western economic contacts, even though they talked about socialism, Arab socialism, and so forth. Nasser really wanted the West to be involved [in the Egyptian economy].

I was in the Department on the Israel-Jordan desk on the day that [Egyptian] Ambassador Hussein, I think it was, came in, expecting to [be told that the U. S. would support construction] of the [Aswan] high dam. I can't remember the exact date, though it would be easy to find out. It would have been in the summer of 1955. The reporters caught [Ambassador Hussein] on the way in [to the State Department]. He expressed great optimism that [an agreement] would be signed. Then he walked into the Department, where Secretary Dulles told him--and this was under pressure, I think, from pro-Israeli Senators, Congressmen, and so on. Dulles knew that he would

have a difficult time getting it [legislation approving an arms supply for Egypt] through Congress. I think that another reason was probably also connected with the arms list which Nasser had presented. Dulles told Ambassador Hussein that we were not going to support the construction of the Aswan high dam and that we thought that it would be an ecological disaster. So [Secretary Dulles] gave [Ambassador Hussein] a complete turn down. I remember Ambassador Hussein coming out of that meeting [with Secretary Dulles] absolutely astonished and depressed. He didn't have anything to say and didn't know what to say. He went back to Cairo and was never heard from again.

Nasser took that [the turn down on American support for the construction of the Aswan high dam] as a direct insult and humiliation, because they [the Egyptian Government] had been putting out the line that the West would support the construction of the high dam, that they had good relations with the West, and so forth. I think that this was the moment when Nasser decided really to confront the West and obtain military aid from the Soviet Union.

Q: Technically, the equipment was from Czechoslovakia.

BIRD: But the Czechs didn't have any ships, so the ships came from Odessa [in the Soviet Union]. They were sitting there [in Odessa] for several weeks. Within 48 hours after the decision [to supply the arms was made] they were unloading in Alexandria. All of that has been written about, but I saw it from this side back here.

I remember a little incident at one point just after the arms deal with the Russians [became known]. There had been an exchange of fire [in the Middle East]. The Israeli [Embassy] came in and exerted a great deal of pressure on Secretary Dulles. I was asked to come up with something that George Allen [then Assistant Secretary for Near East Affairs] could say to the [Israeli] Ambassador. I went back and found an [Israeli] request made in 1951 or 1952 for radar-guided, 90 mm antiaircraft guns. These things were great against B-17 "Flying Fortresses" [of World War II vintage] but would be useless against low flying aircraft. The Israelis had asked for a whole bunch of these, so I suggested that we approve selling these guns to them. I remember the look on the Israeli Ambassador's face when he came out of that meeting. I wasn't at the meeting itself but I [escorted] him immediately afterwards to the door [of the State Department] downstairs. He was furious. He was really mad, because, of course, he wanted F-84 jets [fighter aircraft] which we had a lot of, left over from the Korean War. He wanted a real statement. Instead, he got a propaganda, press announcement from the White House that we had decided to give defensive arms to Israel to defend herself against the MiG aircraft that were being provided to Egypt. That was the sort of thing that we had to do to try to slow down [the arms race] and get off that slippery slope.

Samuel W. Lewis
U.S. Ambassador to Israel
Tel Aviv, Israel (1977-1985)

LEWIS: ...Haig also said publicly on that visit something about Lebanon which clearly put the U.S. and Israel in the same corner along with the Maronite Christians. Only a few days before his comment was made, some Christian militia forces were trying to build a road from Zahlah in

central Lebanon to other Maronite areas, which would have encircled some Syrian forces. Syria reacted rather strongly against this plan; that was the beginning of escalating encounters between the Maronite Christians and the Syrians which took place over the next several months. These conflicts increasingly sucked in the U.S. administration as a mediator; it also deeply engaged the U.S. with the Israelis and the Lebanese Christians. Haig said, while in Jerusalem, that the U.S. viewed as unacceptable by any international standards the brutality used by the Syrians on the Maronites enclaves. In his private meetings, Haig was even stronger in agreeing with the Israelis about the Syrian threat. Haig had visited the region to obtain first hand information on the status of the autonomy negotiations and to establish relationships with the governments of the area. At the same time, the administration had decided and so announced a few days later, on April 21, to submit to Congress for approval an arms sales package to Saudi Arabia, which included five AWACs and some auxiliary fuel tanks for F-15s which had been sold a few years earlier--in contradiction to the assurances provided to Israel at the time of the original sale that fuel tanks would not be sold. The fuel tanks gave the F-15s a much greater range. The decision to proceed with this large sale to the Saudis had been made during the Carter administration; after the election, members of the Carter administration mentioned to their successors that the arms sales package would be difficult to get through Congress because of Israel's opposition and volunteered to send it then to Congress and take the onus, allowing the new administration to start with a clean slate. It was a rather gracious thing to do under the circumstances. But the Reagan team declined the offer and said they would look at it after it had taken office. When the new administration did take office, it found that a commitment to submit the sales package to Congress had been made to Saudis. The new team felt that its relationships to Israel were good enough that the Saudi package would be approved without too much opposition and therefore decided to proceed with the Congressional process. So Haig spent part of his time in Jerusalem briefing Begin on the administration's plans, pointing out its importance, the reasons why the new administration wished to proceed and why Israel should not object too strongly. The Israelis were not convinced, and the fight over that sales package went on for months in Congress, taking away a lot of the credit that the new administration thought it had picked up with Israel and its American supporters. It also cost the administration a lot of political chips to obtain approval of the sale. It was the first dark cloud on the Reagan administration-Israel relationships.

Q: Was the AWAC that much of a threat to Israel if they were in the hands of the Saudis?

LEWIS: You don't have to assume that the Saudis can use the weapon system themselves against Israel to stir up their fears. I should note that throughout my tour of duty in Israel, the issue of arms sales to Saudi Arabia arose periodically. Many were significant-F-15s, AWACs, and others. The arguments would always evolve in an almost set pattern; we would try to convince the Israelis that the Saudis could not conceivably be a threat; the Israelis would acknowledge that they didn't fear the Saudi government, but that once this highly effective modern technology was in the hands of any country like Saudi Arabia, there was no certainty that the equipment would not be operated by somebody like the Syrians. The Israelis would always produce "evidence" that would prove that if an Arab state-Israeli war were to break out, a benign Arab country might well be found in the anti-Israeli coalition or one might even transfer forces to the Arab combatant. We could never convince the Israeli that the arms bought by Saudi were totally non-threatening; they were debates within the Israeli military establishment about the issue and they didn't take the threat as seriously as they made it out to be when debating the matter with the Embassy or

Congressmen or the President. But the military did have a concern, particularly about the most advanced U.S. military equipment falling in the hands of any Arab government. They would have preferred, interestingly enough, to see the best Soviet equipment in Arab hands because they always took the view that they had American equipment and therefore did not want potential Arab adversaries to have the same equipment, because that permitted the Arabs to train on it and to learn its capabilities as well as its limitations. The Israeli military felt that its equipment would be better countered by other American equipment than by Soviet arms which they felt was inferior. So the Israelis fought the AWACs deal, but were ultimately beaten on it with a major effort by the administration, unnecessary in some ways.

Harrison M. Symmes
Director, Near East Affairs
Washington, DC (1965)

Q: We're talking about arms sales. To an observer now from the late 1980s, it seems like we have just so overloaded the Middle East with arms. The Soviets, of course, have done their thing. You're talking really about at the initiation of the beginning of this. Where did the pressure come from? Did we see what was happening? I mean, that if you do it for one that you've got to do it for the other. Are we sort of selling both sides a mess of pottage?

SYMMES: I'm certainly glad you raised that, because it's crossed my mind a couple of times. Very strange that in that early '60s period right on through the mid '50s, both we and the British had a policy of selling military equipment in effect to make money. In other words, this was a means of balancing our payments, believe it or not! [Laughter] The British were selling used but also, and primarily, new equipment. So they were looking for markets all over the place. The French similarly. We were primarily selling surplus equipment. As we developed new tanks, we were prepared to sell old ones. When we developed M-48s, we would sell Shermans or Grants or whatever. It was an established policy of the Pentagon and it was a man named Henry Kuss, deputy assistant secretary, who was in charge of getting rid of surplus military equipment. So there was that pressure to make money on it and the military, without any political axes to grind in any particular way, were very desirous of making these sales because when those sales were made then they could pay for updated, newer and sophisticated equipment. So there was that tremendous pressure. Therefore, when opportunities came up to sell say M-48s or aircraft to Israel, Jordan or Lebanon, these military salesmen from Northrop or the larger military aircraft firms and the tank firms were all over the landscape trying to promote sales. It was almost chaotic. So we had the administration desire, even willingness, to sell surplus equipment and we had the demands from these countries. So there was just a hell of a lot of pressure to make these sales at that time. We in Near Eastern Affairs didn't want to do it for a number of reasons. It was a siphoning off of resources that were needed for economic development for one thing.

Q: Are we speaking in siphoning off from these countries . . .

SYMMES: From their national budgets. From their overall funds. It was also, no matter how you looked at it, fuel for the Arab-Israeli rivalry, because even though the Israelis would tell you, and sometimes did, they didn't care if the Jordanians got some tanks or some aircraft, that it didn't

really matter to them because the Jordanians were ineffective and they knew that they weren't going to use it against them and so on, nevertheless, when the sale was made, immediately the American Jewish lobby was in to say, "Jordanians just got so and so and we're hopelessly outgunned," or blah, blah, blah. So you had the pressure on in public to make a similar larger sale to the Israelis to take up the slack. Even if the Lebanese got some outmoded tanks of some kind, immediately the Israelis would be in to say, "We've got to get so and so, because the balance has been upset." So we were against military sales for all those reasons.

I'm sorry to say that what with the military salesmen's power in the Pentagon and with the access that the Israeli lobby had to these people, that by and large we were unable to hold the lid on that. At least for the time I was in NE. Now I tried to do it, particularly in the case of Jordan.

For one thing we had expended, proportionately, almost more of our economic aid funds on Jordan than on any other country in the world. In some ways we had made more of an impact. In other words, there was something we could point to, some economic development achievement we could point to almost as much as anywhere else in the world. There were things that were being done, like the East Ghor Canal Project and various kinds of agricultural projects, building tourist industry by sort of taking care of hotels and archeological sites. That kind of thing. So it was important for us given the nature of the Jordanian economy to keep that going. There was nothing else. They had no other resources.

And if they spent the money as the King was always wont to do on some new military bagatelle, then obviously it wasn't going to go for economic development. We'd taken, as I say, the decision to cut back on their supporting assistance -- the outright cash contribution. That decision had been taken before I got to NE.

Grant Smith
Morocco Desk, State Department
Washington, DC (1978-1980)

Q: Well, then, in '78, whither?

SMITH: In 1978, I returned to Washington to work on the Morocco Desk.

Q: And how long were you on that?

SMITH: Till 1980.

Q: What were the issues with Morocco in the '78-80 period?

SMITH: One of the biggest issues was, still is, the problem of the Spanish Sahara, the Western Sahara, and the Moroccan –

Q: Polisario movement.

SMITH: Yes, and the Moroccan incorporation of that, the attacks by the Polisario, the Algerian role, the question of U.S. arms sales to Morocco in that context. There was a huge issue of U.S. arms sales to Morocco, F-5 sales, as I recall - would we sell them, and how many would we sell them, what effect would that have on this dispute, what effect would it have on our relationship with Algeria?

Peter D. Constable
Pakistan, Bangladesh, and Afghanistan Desk
Washington, DC (1971-1972)

CONSTABLE: This became a junior feud in terms of military supply policy. After the '65 War when we embargoed arms sales to both India and Pakistan (it was more important in the Pakistan case, because we had been a principal supplier to Pakistan up to that point), we had restored some military sales to Pakistan.

It was a very modest program, and we weren't all that important to them. Certain kinds of spare parts were key, because we had supplied airplanes to them and so on. They had long since turned to China and to international markets as their major suppliers.

But when the trouble started and the crackdown occurred in East Pakistan, there was a huge hue and cry from the Congress and from the press: Why are we supplying any arms to these butchers? And it was a good question.

Rogers wanted to shut down any arms sales to Pakistan. And Kissinger was opposed. This went on for months and months. Rogers ostensibly prevailed and turned off any new sales.

Then there was the issue of the pipeline. He [ROGERS OR KISSINGER?] would say nothing was leaving, then The New York Times would discover some ship had sailed out of Baltimore Harbor loaded with arms for Pakistan. This was a lesson to me on how hard it is to control something within our government.

Nevertheless, the policy still allowed for certain limited sales. Rogers kept driving at this, and driving at this, and driving at this, trying to get this shut down. And Henry kept resisting, and resisting, and resisting. We were caught in the middle and not comprehending why the resistance was so great from the White House.

So I think the most important service that I did to Rogers and to Joe Sisco, who was then Assistant Secretary, was to figure out some tricky little way that we could close down the remaining things that we were shipping to Pakistan without getting the Pakistanis too mad at us.

Q: How did you do this?

CONSTABLE: Oh, I can't remember. It was a letter that I think Rogers sent to Yahya explaining why we had to do this and trying to put the best light on it. It was a drafting exercise, essentially, but the Pakistanis took it in good grace. What we were cutting off at that point was very marginal.

So we were able to finally say, and it satisfied Rogers, that we were not shipping any more military equipment to Pakistan.

Q: You'll have to remind me on the dates. When did Nixon make the announcement that he'd gone over to China?

CONSTABLE: That Kissinger had gone. You see, Kissinger went in August of '71. He flew secretly from Pakistan to Beijing. Nobody knew he'd done it until he got back and announced it a few days later, and at that time announced that Nixon would be going in January. Now if we hadn't been so dense, it was at that point that we should have understood a little bit better exactly what...

Francois M. Dickman
Country Director, Arabian Peninsula
Washington, DC (1972-76)

DICKMAN: I should mention that during the time I was ARP country director, I was heavily involved in issues relating to arms sales to the peninsula countries, especially Kuwait and Saudi Arabia. I worked closely with my Pentagon counterpart in the Office of International Security Affairs, which was headed by Deputy Secretary of Defense Jim Noyes. In 1972, there had been periodic border episodes between Kuwaiti and Iraqi forces with the latter building a road along the border. In March of 1973, Iraqi forces occupied a Kuwaiti border post and laid claims to the two mudflats of Waraba and Bubiyan, which command the approaches to Um Qasr, Iraq's only port on the Persian Gulf. The Kuwaiti's reaction was to declare a state of emergency and a request that we send a military survey team.

The team made a number of recommendations calling for air defense capability, tanks, and a quickly available air cover. A couple of months later, in response to Kuwait's request, we arranged to demonstrate some used Navy F-4 Crusaders that were being replaced and were immediately available. The Kuwaitis were also approached by the French, who were seeking to sell their much more sophisticated Mirage. After months of hesitation and despite Ambassador Bill Stoltzfus' effort to get the Kuwaitis to make up their minds, they finally decided to buy 38 Mirages from France. However, I should point out that we did sell the Kuwaitis the Hawk surface to air missile.

Although our moves to offer to sell arms to Kuwait generated some opposition among Israel's supporters in Congress, it was mild in comparison to the adverse reaction in the summer of 1973 when the Department agreed in principle to sell F-4 fighter aircraft to Saudi Arabia. The F-4 was a supersonic aircraft. Up to this time, we had supplied the Saudis with sub-sonic Northrup F-5s. By the spring of 1973, we had already concluded four military sales agreements to modernize and train the Saudi national guard, which serves as an internal security force, to build shore installations for the Saudi coastal navy, which included training, and to supply a variety of trucks and other vehicles to improve military mobility. I remember preparing a memorandum for Roy Atherton, who had replaced Rodger Davies. Rodger had been named to be our next ambassador to Cyprus. Roy was now the principal deputy NEA assistant secretary that I reported to. I do not

recall exactly what arguments I used in the memorandum, but it was enough to convince Roy that we should respond positively to the Saudi request for the F-4 Phantoms. Roy in turn persuaded Sisco. I think one of the winning arguments was that in light of our growing dependency on Saudi oil, we could not turn down what the Saudis considered to be the litmus test of our commitment to their security. If we turned them down, the Saudi leadership would conclude that it had no recourse but to buy Mirages from the French.

Once the decision to make the F-4 available to the Saudis had leaked out, objections were heard in the Congress and hearings were held in July 1973 before the House Foreign Affairs Committee. The criticisms directed at the Department came mainly from Congressmen Rosenthal and Gilman. They had no problem responding positively to supplying arms to the Shah or for that matter Israel, but they had a number of reservations when it involved sales to the Saudis. In the hearings, they asked what guarantees we had that the planes would not be diverted to another Arab country and thereby undermine Israel's military edge over its neighbors. They ignored the fact that only a small number of aircraft were involved. They also ignored that it would take a couple of years before these aircraft could be delivered and that under U.S. foreign military sales legislation, the recipient was obliged to not transfer equipment to a third party without prior U.S. approval. Besides, there was no mention that the Israelis had received the Phantom F-4s several years before and were expected to receive the top of the line F-16 in the next three years.

Every time we had this kind of hearing, it would generate a host of letters from members of Congress relaying questions from their constituents which asked about the future of our defense commitments to Saudi Arabia. Behind these objections were fears that our growing dependence on Saudi oil would impact directly on U.S. support for Israel. This required the time consuming preparation of replies, many of which Congressional Relations (or H) objected to, particularly if the reply sounded too much like boiler plate. It was one of the Directorate's most onerous tasks. We were seeking to spell out how the arms sales supported U.S. interests in the region, but H wanted the letters to be as pleasing as possible to the member of Congress' constituent.

...Dickman: Attention to arms sales picked up again after Congress became aware that the Saudis were no longer interested in the Phantom F-4s but now wanted to buy the F-15s. Articles appeared citing the size of the foreign military sales program to Saudi Arabia, which amounted to many billions of dollars but which were portrayed as being used only for the purchase of huge amounts of arms that could overrun Israel. While it was true that these were very large programs in dollar terms, over three quarters of the total was for training, warehousing, and facilities construction with the latter under the supervision of the U.S. Army Corps of Engineers. In 1975, Senator Kennedy of Massachusetts introduced legislation to impose a moratorium on foreign military sales to Arabian Peninsula countries. While the legislation did not pass, the result of the Saudi approach for the F-15s caused Congress to pass the Arms Control Act of 1975. This act required the Executive to submit 30 days in advance any proposed arms sale to another country whose value exceeded \$25 million. Later, it was reduced to \$7 million. If a majority in both the House and the Senate were opposed, the sale would not proceed. While no country was identified, it was pretty clear that it was directed at the Arabian Peninsula states since Congress had no problem in agreeing to give F-15s and 16s to Israel or AWACs to the Shah of Iran.

Hans Binnendijk
Senate Foreign Relations subcommittee on Foreign Assistance
Washington, DC (1977-1985)

BINNENDIJK: ...In fact, I went to work for Hubert Humphrey, who was the chairman of the Foreign Assistance subcommittee. He had returned to the Senate after his Vice-Presidential stint. He essentially ran the full committee from his seat as subcommittee chairman. It was a great pleasure for me to work with him in what turned out to be the last year of his life. I became his expert on Security Assistance--which became a great entry into all sorts of issues handled by the Foreign Relations Committee. It was the core of most of the foreign assistance legislation. All the arms sales request that were sent to the Committee for review fell on my desk. So it was a fantastic assignment.

The basic legislation--Arms Export Control Act--had been rewritten in 1976. We continued to refine the procedures through 1977 and 1978. As I said, I worked initially with Bob Mantel, then Chuck Meissner and later Dick McCall. All very fine public servants.

The key issue of that legislation was the Congressional role in the process. The new act gave Congress a far greater say in the arms sales and military assistance programs of the US government. So in 1977 we had a base for a new Congressional role, which we shaped and refined in subsequent years. For example, the 1976 act (Section 36b) required the administration to give Congress advance warning on any major sales programs. Congress also began to require a list of possible weapons systems that might be purchased by a recipient of military assistance. In Section 36b of the new act, a whole new process was established giving Congress the right to veto any proposed major weapons transfers--whether financed by the government or not. Although the new authority has not been used too frequently, it has played a major role in discussions of AWAC sales to Iran and Saudi Arabia and the sale of some other major weapon systems, especially to the Middle East--e.g. F-15s to Saudi, Hawks to Jordan. The Congressional role was seen as a break against a perceived run-away military equipment sales program. Humphrey was concerned by the rising levels of sales; they had been escalating for the past few years--partly as the result of "Vietnamization"--i.e. provide the Vietnamese with sufficient weapons to be able to defend themselves--the "Nixon" doctrine. There was also a policy of strengthening the Shah so that he could become in essence the policeman in the Middle East--a vacuum left by the British withdrawal which we could not fill ourselves; so we turned the job over to the Shah. That required major arms sales. In general, the basic policy of the 1970s was to send arms rather than our own military. Without necessarily objecting to the basic policy premise, the Foreign Relations Committee did become concerned with the rising levels of arms sales and got the Senate to impose a process which it hoped might slow down arms sales.

One of the major problems seen by the Committee revolved around the Middle East and the "arms race" there. The sale of arms to an Arab country always had to be accompanied by the question: "Will this be a threat to Israel?" Israel relied then and now on its technological advantages to off-set its numerical disadvantage.

The second major question had to deal with our technological superiority. Would a sale endanger that superiority by providing an opening for an unfriendly regime to get a hold of a weapon system and reverse engineer its technology enabling it to build an effective counter-weapon--or the use of the weapon against our own troops? Those were important issues for the Committee.

There were some members of the subcommittee who were essentially opposed to any sales of military weapons. But I think the majority of the subcommittee took a balanced approach to the individual sales. Humphrey ran the full committee and Sparkman was the chairman of the subcommittee on military assistance and sales. McGovern, Javits, Case were members of the subcommittee. Javits was a special ally of Humphrey.

I mentioned the Middle East as an area of great interest to the Committee. That led to lengthy discussions about arms sales procedures which led to legislative amendments and refinements. In addition, we were very interested in Carter's arms transfer policy which, although appearing to be very restrictive, was as forthcoming as that of his predecessor. That created considerable tension between theory and practice (or stated policy and implementation). We spent a lot of time trying to figure out what the Carter administration was really trying to achieve. I must say that my attitudes toward arms sales shifted during my stint as a Congressional staffer. I started with some real skepticism about the wisdom of an arms sales program; I even thought that it might be harmful to our foreign policy. In 1977-78, I wrote a report that took me to a number of European countries. In France, I met the Director of Arms Sales in the Foreign Office. Our general attitude toward the French program was negative; we thought that the French pushed their sales much too hard. The French were quite cold-blooded about their rationale; they had to bring down the unit costs of their weapons systems, which could be most easily done by increasing sales and therefore production. At the start of our meeting, he opened that day's edition of Herald Tribune, which had a headline indicating that the US had just agreed to sell F-15s to Saudi Arabia. It was hard then to berate the French for their program since that sale violated our own export restraint policy. It became clear to me that the French viewed arms sales as a means to keep the production of French arms to a level which made it feasible to arms the French army with equipment made domestically.

I also learned quickly on this trip that the adage "If we don't sell, others will" was quite true. It was evident to me that the Europeans, in addition to the commercial advantages, saw arms sales as a vital foreign policy tool. I became convinced that it could be that for us as well, if done carefully. So my attitude towards arms sales did change. I had started with an ideological view--e.g. arms sales were inherently "bad". I remember writing a paper for Senator Clark, which was published. In that paper, I expressed my views which at the time were quite similar to Clark's. I essentially supported a very restrictive view of arms sales--i.e. arms were just not another commodity, but could have lethal impact and therefore the US had to be very mindful of military balance, lest it thought an arms sales somehow encouraged one party or other to go to war. Mixed in with that was also the naive view--I was still young at the time--about "merchants of death" --i.e. arms sales may not be moral. As I suggested, that earlier youthful idealism evaporated within a couple of years as I watched the way the world worked. I became convinced that in certain situations, well thought out arms sales could prevent the break-out of conflict. And then there was the French experience. I think at the end of my "apprenticeship" I had a much more realistic and balanced view of arms sales.

As I said, at the time, Carter and his administration had instituted its own arms sales restraint policy. This policy was forcefully enunciated at the beginning of his term. Later on, he sent our arms sales teams; that seemed to me to be inconsistent with the stated policy. But I did not object to the dispatch of these teams; I thought their mission made sense. That apparent shift in the administration views also helped to bring me to a more sober position on arms sales.

As I mentioned, I was also intrigued by the question of whether an arms sales destabilized a region. The opponents of a sale often invoked this thesis. That was one of the arguments in opposition to military sales and assistance to Korea. The same was done in the case of Iran. At the time, we were trying to strengthen Iran to withstand pressure from Iraq which we viewed with some suspicion. I think that argument may have resonated with some Committee members in some cases; it didn't make any dent if the issue was aid to Israel. Personally, I think that there are situations in which arms sales can be destabilizing as there are cases when it can bring a balance of power to a region and reduce the potential of a conflict outbreak. So I look at this issue on a case by case basis.

The Foreign Relations Committee staff--Jeff Geoff and Bob Mantel--wrote a very good report, before I got to the Committee, on Iran, focusing on ability of that country to absorb all the new weapon systems as well as the economic impact of Iran's arms acquisition program on the Iranian people. It turned out that the Kemp-Mantel predictions turned out to be very accurate a few years later. That report touched on many issues involved in sensitive arms sales.

I think that the members of the subcommittee also became less opposed to arms sales as a general concept, although they were quite clearly disturbed by some specific cases. I mentioned earlier, the AWACs sale to Iran; that was a big issue, not because it might have jeopardize the security of the state of Israel (although in retrospect, it might just have done that) but because of concerns about technology transfer; i.e. the transfer of highly sophisticated technology might fall into the wrong hands--including the Soviets. That was Senator John Culver's baby; he really was concerned about that proposed sale.

In fact, I think that the intra-committee debate on arms sales became essentially a debate about our Middle East policy, including the question how to best protect our interests in the region without jeopardizing Israel's security. Much of the debate therefore had to do with Saudi Arabia and the F-15s sale, which really became the crunch point of the debate. Of course, the ideological debate was very much connected with domestic politics. Both the AWAC and the F-15s sales were my first opportunity to watch at close range the impact of one on the other. I watched AIPAC (the premier American lobby for Israel) and others lobby on arms sales to Arab countries. It became clear to me that these interest groups have direct access to Committee members and bear considerable weight. They had long standing personal relationships to Committee members; in some cases, they had common political interests--same constituencies. And there is always the factor of monetary contributions to campaigns. So I learned early that lobbyists were not people to dismissed lightly. The biggest change for me, psychologically, was to come from an academic background and from OMB--in both cases, I like to think, that issues are approached analytically where there is usually a "right" solution or at least a "right" approach- -to a politically charged world, like Congress, where analysis is only one factor in a

very complicated set of parameters that have to be taken into consideration. The world of the Hill was political; it was personal. I could not have existed in that atmosphere as just an analyst; I would have been chewed up. I had to pay considerable attention to the political dimensions of an issue. In some cases, the analysis was just done to support a predetermined outcome; in another cases, I like to think that the analysis led to the final judgment.

It was during the debate about this AWACs sale to Iran that I really came to appreciate how Hubert Humphrey worked. I staffed him on this issue and watched how he used his own forceful personality and contacts to create some mechanisms which would ease Culver's concerns--i.e. a conditional sale. That ability to satisfy all parties enabled the US government to proceed with approval of a sales contract--it actually never was consummated.

Culver was an extremely cautious person. He was probably very concerned about the risks of technology transfers. But it was also a very good political issue for him. He was a young senator, anxious to find a niche for himself and on the AWACs matter, there was an issue that he could pursue on his own. In this case, as I said, it turned out that he was probably correct; that is, if the technology had been provided the Iranians, it may well have fallen into unfriendly hands. It should also note that there weren't many defense production facilities in his state.

I had almost daily contacts with representatives of the defense industry. They would come to see me, but I also sought them out on occasions because I needed information from them. I would call them for technical details on one weapons system or another. They were always forthcoming, although when the information was proprietary, I would be asked what I intended to do with. They knew that we had become an important player in the process who could block any sales that might be proposed; that made them quite prepared to provide us the requested information. In high tech cases, like the F-15s and the AWACs, we had very good cooperation from Boeing and other manufacturers.

It was not very surprising that the defense industry tried to influence us. The provision of information allowed us on the staff to make their case with our principals. By and large, I thought that their Washington representation was fairly effective. The lobbying was conducted not only by the Washington offices of various manufacturers, but also by trade associations and other institutions who lobbied on behalf of their constituents.

I don't remember in this time period ever turning down a sale proposal outright. We did modify a number of them--most often during the 90 day waiting pre-submission. For example, that was the case of the F-15s for Saudi Arabia--an issue I remember well because I was one of the two staffers that worked on it for a long time--the other being Bill Richardson, later Congressman Richardson and now our Ambassador at the UN. Bill and I took a trip to Saudi Arabia, spending about a week there. We went to Tabuk--the Saudi airbase not too far from Israel. We wrote a report which resulted in a number of conditions being attached to the sale by Congress, including the prohibition of stationing the planes at Tabuk. We also required that the planes could not have enhanced fuel tanks which would have given them the ability to fly and hover over Israel from most of their airbases. The conditions were primarily intended to prevent the planes from being used against Israel. These were example of some of the restrictions that Congress placed on certain sales, giving it an important say in the arms sales process and providing a consensus behind specific sales.

The second contentious sale to Saudi Arabia was the Reagan administration's proposal for an AWAC sale. I managed both sales for the Foreign Relations Committee. There were different actors in each sale. In the F-15s case, Frank Church was the chairman. In the second case, it was Chuck Percy in charge. In both cases, as I have suggested before, the key issue was whether the sale would endanger the security of Israel, including the question of whether the sales would materially change the arms balance in the region. We faced the question of whether it would be possible to either neutralize the weapon systems in case of conflict or at least limit the damage that the systems might inflict--through some technical fix. I personally approached the issue with an appreciation of the importance of Saudi Arabia to our national interests and those of our European and Japanese allies. I felt that it was important to buttress Saudi Arabia in a rapidly changing political climate in the Gulf area. In the case of the fighter planes, our manufacturer had competition--e.g. the French Mirages. In the case of the AWAC, the British Nimrod was not in the same technical league. I think the competitive angle made some difference in the argument; it was certainly used by the proponents of the sales--e.g. it would be American technology over which we had some control. In case of the AWAC, there was strong argument made that we controlled the computer tapes and that we could suspend sale of that vital component if the airplane was used in ways contrary to our interests. Furthermore, it would be many years before the Saudis could support the AWAC from their own resources; in the meantime our crews would have to provide that support giving the US additional leverage. For many years, without US support, the AWAC could not fly. Similar arguments were made on the F-15s, although the facts were not as compelling. But looking back on all of these arguments, I think an important point was missed. In fact these two sales, painful as they might have been at the time politically for Senators like Chuck Percy--he probably lost the 1984 election because of his support of the Saudi sales--proved to be providential in 1990-1991 with "Desert Storm" because the two sales provided a commonality of equipment and a basis for the joint operations that resulted in Iraq's quick defeat. The infrastructure that the Saudis built for their AWAC and for their F-15s provide a base on which we built for our "Desert Storm" forces. We also gained a decade of relationships with the Saudi military and political leadership which was invaluable. I doubt that "Desert Storm" could have been conducted as effectively, or at all, had it not been for those two arms sales in '70s and '80s. Back in those decades, there were very few, if any, who foresaw a "Desert Storm", although in both cases, a threat from the north of Saudi Arabia was considered as probable--in the F-15s case, it was Iraq who was perceived as the potential aggressor and in the AWAC case, it was Iran that was foreseen as the potential problem. We felt that the Saudis should have been given the tools to defend themselves from the threat from the North. So we did a vague unease about the threats that Saudi faced, but I don't think anyone really foresaw anything like "Desert Storm."

Having seen the process from both the Executive and Legislative Branches, it was clear that the Congressional involvement made life more difficult for the bureaucracy--especially if there are a lot of politicians involved in the decision. But I think in retrospect and if one looks at the broader perspective, one has to conclude that there are sales that require broad national support--or at least force a decision to be made within a broad democratic society and politics. That was certainly true of the F-15 and AWAC sales to Saudi Arabia. This is an excellent example of how the Founding Fathers want the system of checks and balances to work.

There is no question in mind that arms sales are more than just a commercial transaction. They are an important aspect of our foreign policy. Let me again refer to our sales to Saudi Arabia. We sold major weapon systems, but we sold a lot more than that. Through the sales, we solidified a relationship between our countries. The Saudis built facilities for these weapon systems; they learned how to use American arms through various US training programs. I was and am a strong proponent of IMET (International Military Education and Training). I did work on inserting a human rights component in the military training program, but that was primarily to fine tune a highly cost effective instrument.

Chas W. Freeman Jr.
Republic of China Affairs
Washington, DC (1975-1976)

FREEMAN: ...Ronald Reagan essentially proposed, over the course of 1980, to reverse two elements of the normalization understandings with regard to Taiwan. First, he felt that an official relationship, of some sort, should be reestablished with Taiwan. And, second, he did not agree with the formulation that the Carter administration had carefully preconcerted with the Chinese on arms sales to Taiwan.

That formulation was that the United States would continue to sell carefully selected defensive weapons to Taiwan, on a restrained basis; that is, the weapons would be defensive, they'd be carefully selected, and there would be overall restraint in the level of sales. And he objected to that.

To jump ahead a little bit, when he came into office, both issues immediately arose. The issue of official relations arose in the context of invitations to officials from Taiwan to attend his inauguration.

As country desk officer, in a situation where the Carter administration, of course, had departed and the new administration was not in place, I was the most senior official in the U.S. government dealing with China. And I really had to scramble, with Bud McFarlane's help and Al Haig's help, to persuade the Reagan White House not to, in effect, restore an official relationship with Taiwan at the inauguration.

Subsequently, Reagan thought better of this, when he began to realize the importance of China to our overall international strategy, and specifically the things that the Chinese were doing with us with regard to Afghanistan -- the collection of intelligence on the Soviet Union and the like. And he backed away from that.

But, on the arms sales issue, he persisted in his view. It found expression, over the course of the early part of 1981 and subsequently through the summer and early fall, in the so-called F-X issue, the F-X being a fighter bomber aircraft, but basically an interceptor, that the Carter administration had authorized. This would have been the first such major-weapons system produced by the United States specifically for export, rather than for acquisition by our own armed forces.

This issue was a very political one. There were two companies competing for it: Northrop, which was based in southern California, and General Dynamics, which was based in Texas. The General Dynamics aircraft was a downgraded version of the F-16. The Northrop aircraft was a newly designed aircraft, in effect, major re-engineering, based on the old F-5.

Q: Which had been our principal export fighter?

FREEMAN: Exactly. That competition was left open during the campaign, because, of course, Carter wanted to appeal to the voters of both southern California and Texas, and didn't want to alienate one or the other. And he bequeathed this decision to Ronald Reagan.

Reagan solomonically decided not to tear the baby in half and to let both of them compete, which meant in effect, since everyone knew what the F-16 was, that General Dynamics was likely to get the business. And that, of course, is what happened. It also meant that Northrop, which had put a huge amount of money into developing the F-20, as they called it, their version of the F-X, was going to be in deep financial trouble if it couldn't make a sale to Taiwan. Taiwan was the key to Northrop's corporate strategy.

So there were powerful economic interests and political interests involved. The conjunction of Ronald Reagan's sympathy for Taiwan and his gut feeling that it was wrong to deprive a former ally and a friend of access to this very potent weapons system with the economic and political muscle that was behind it from Texas and California meant that he strongly favored selling this aircraft to Taiwan.

This was a clear challenge to the normalization understandings with Beijing, and ultimately, in the fall of 1981, resulted in the Chinese demanding a clarification of U.S. policy, setting off a negotiation from which, frankly, both sides lost, resulting in a joint communiqué on the issue of arms sales, which was issued August 17, 1982.

At any rate, when Holbrooke gave his speech, all this was, in a sense, before us. Ronald Reagan had begun, however, to make his rumbles about Taiwan, and although he wasn't yet the nominee for the Republicans, it looked very likely that he would be. So one of the motivations for Dick giving his speech was to put a cap on and define the Carter administration's policies on China clearly, which the speech did.

FREEMAN: ...So there were huge battles going on back in Washington, the precise details of which I didn't, of course, entirely know.

But this resulted, as I say, in very, very specific instructions with regard to wording changes and different approaches that we might take. Now we, in Beijing, made many of the suggestions that resulted in those instructions. We were occasionally overruled on our suggestions, but often they were accepted, although, I gather, not without a battle.

The break point in these negotiations was a personal communication from President Reagan to Mr. Deng, saying, "I just can't go any farther." That was the essence of it. And that came in about

July. Mr. Deng, I guess, at that point, and President Reagan, both decided to hold their noses and call off the fight.

We had a series of rapid plenary sessions between the ambassador and Han Xu that wrapped up the communiqué text in mid-August.

In the event, I think both sides ended up losing from these negotiations, which I considered, from the time they began, to be a really tragic and unnecessary exercise. Had we simply adhered to the understanding that we had had with the Chinese about arms sales to Taiwan, we could have, in my view, finessed the issue and never would have had to make an explicit statement about it.

The core of the compromise was that the Chinese had to accept that U.S. arms sales would continue to Taiwan, something which stuck in their craw, but explicitly to accept that, thus making the United States the only country that had Chinese permission, if you will, to sell weapons to what they regarded as a province in rebellion against the central government.

We, for our part, had to agree to cap the quality of the weapons we transferred at existing levels and to reduce the quantity of sales progressively, with a view to ultimately reaching some complete solution of this problem and ending arms sales entirely.

Now, on the Chinese side, I thought at the time that it was very unlikely they would be able to accept U.S. arms sales to Taiwan, politically, indefinitely. I thought that there would inevitably come a moment at which this very controversial, indeed inflammatory, undertaking would collapse under attack in China.

And on our side, our undertaking to cap the quality and reduce the quantity, it seemed to me, strained our ability to manage a policy that had as its very sensible premise the maintenance of a military deterrent in Taiwan sufficient to take a good bite out of an invading force from the Mainland. I say this because obviously the quality of weapons systems marches on. The nature of the threat would change as new weapons systems were introduced in the area, by the PRC in particular, but by others. Old systems would go out of production and have to be replaced, if at all, with newer systems. And quantity was never really defined. Was it dollar volume, or was it numbers of bullets, or what?

The intelligent policy always had been (and this is something I had pushed for, in fact, back in the '70s when I was on the Taiwan Desk, in anticipation of this sort of argument), rather than to make arms sales, to transfer technology, so that Taiwan, admittedly at somewhat greater expense, could produce major-weapon systems in Taiwan. And there would not be the visible export and all of the debates in Congress and publicity that we uniquely generate when we transfer weapons to some foreign purchaser. In fact, that was attempted, and it was the genesis of the so-called IDF (indigenous fighter) program in Taiwan, as a substitute for the F-20 (F-X). It was also attempted with other items, such as patrol boats and the like.

On the day that the communiqué was actually released in Washington and Beijing, I was far from jubilant. I was happy that we had reached a compromise, but I frankly found the compromise very distasteful, and I was quite pessimistic about its longevity.

I turned out to be a bit too pessimistic, because, in fact, the agreement survived until August of 1992, when George Bush, ironically, given his connections with the PRC, in order to appeal to the voters of Texas, authorized the largest arms sale in U.S. history, in this case 150 F-16s, made in Texas, to Taiwan.

That totally destroyed both the cap on quality and any restriction on quantity, and, in effect, shredded the communiqué. It released the Chinese from their undertaking to tolerate arms sales to Taiwan, as well. And it began the process that has produced a reemerging crisis in U.S.-China relations today (today being 1995, in November).

William Andreas Brown
Deputy Chief of Mission
Taipei, Taiwan (1978)

American Institute in Taiwan
Taipei, Taiwan (1978-1979)

BROWN: ...Okay. Back to Taiwan. As the Taiwan Relations Act came to be debated in Congress, our Chinese Nationalist counterparts had really done their homework. The resulting legislation was remarkable in its comprehensive coverage and in the implicit warnings that it gave to Beijing in terms of our view of peaceful resolution of relations between the PRC and Taiwan. We also made clear that a non-peaceful approach, or the use of force by the PRC against Taiwan, would be viewed with grave concern as seriously affecting vital American security interests. There was, of course, the epoch-making determination that we would sell defensive arms to Taiwan.

Now, as you look at James Mann's book and the other literature on this subject, the question of whether we would be able to sell arms to Taiwan in this new relationship was a paramount issue. When Brzezinski went forward with a proposal that, after a one-year pause in arms sales, during which the U.S.-Taiwan defense treaty would lapse, we would resume a modest level of arms sales to Taiwan. Deng Xiaoping read Brzezinski the riot act, and Brzezinski came back to the U.S. very much chastened in that respect. However, assurances had been given to the Chinese Nationalists, in the face of Deng Xiaoping's outburst of rage on this subject, that we would take into account PRC views but still deal modestly with the sale of defensive arms to Taiwan.

Then, of course, came the Taiwan Relations Act, which is the law of the land and not just administration policy. Next came the question of implementing this legislation. How do you initiate a defense relationship with no embassy, Defense Attaché, or formal system of communications? This was a highly complex and sophisticated business.

For example, we had supplied the Chinese Nationalists under Chiang Ching-kuo with F-5's, plus various aircraft parts and so forth. Servicing F-5 fighter aircraft and other equipment usually involves setting up special communications channels with the Pentagon, through which a foreign state operates. There were specialists stationed on the ground, at both ends. Normally, joint

teams are set up by the host country and the Pentagon in the United States. These are not just ordinary, military offices. They are staffed by real specialists. You're dealing with millions and millions of dollars of spare parts and replacements.

We had to do or to re-do all of this, and it all had to be unofficial. In fact, everything had to be unofficial. All of the previous official relationships had to be entirely undone.

...BROWN: This situation escalated into a crisis in 1981, the outcome of which was United States-China Joint Communiqué (on Arms Sales), August 17, 1982. [For the text see John Holdridge, *Crossing the Divide*, Appendix C, pp. 277-279.] This was the period when John Holdridge was Assistant Secretary of EAP and Al Haig was Secretary of State, until his departure in June, 1982. This communiqué was a very important development. We stated in the communiqué that "arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level or those supplied in recent years since the establishment of diplomatic relations between the United States and China." The Chinese took this as immediately capping our arms sales to Taiwan quantitatively and qualitatively. There was no limit expressed in dollars and cents, but it was expressed in terms of a U.S. intention "to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution."

Beijing then pocketed this communiqué and pressed for the most rigorous implementation of it. As I arrived in the Bureau of East Asian and Pacific Affairs [EAP], we were faced with this problem. Taiwan in its view needed a great deal in terms of arms, both in quantity and in quality. For, during this period, we were seeing the beginnings of the significant modernization of the People's Liberation Army [PLA] of China, including the Chinese Air Force and Navy as well. We saw China, which had gone through the primitive stages of nuclear weaponry and so forth, pushing to develop these weapons further. It had a long way to go, but it was determined to go that way. So this was a policy dilemma. As I arrived in EAP, it was apparent that the trio of Wolfowitz, Armitage, and Sigur was basically very unhappy with the deal set out in the communiqué of August, 1982. They were determined that it be managed properly. The Chinese were constantly pressing us for statements, facts, and figures, and complaining about the implementation of the communiqué.

Meanwhile, our team in EAP canvassed the needs of Taiwan, stripping away the rhetoric of Taiwan and Beijing. In our national interest we determined that Taiwan still needed a very significant amount of arms, both in quantity as well as in quality. Of course, Taiwan had the means to pay for all of this and would have been delighted to pay for more.

At the working bureaucratic level we had inherited strict guidelines on these arms sales to Taiwan. For instance, "Thou shalt not sell an upgraded aircraft to Taiwan." It was during the period when John Holdridge was Assistant Secretary of EAP that we decided that we would not sell to Taiwan the F-X or the F-20, upgraded versions of the Northrop F-5-E fighter planes which they already had. The F-5E was a lighter aircraft which had now been significantly superseded by F-15s and F-16s. However, various aircraft manufacturers were marketing something called the F-X or the F-20, and Taiwan was keenly interested in them. As I arrived in EAP, Taiwan had

been told: "Sorry, you're not going to get it." So this posed a big problem, because Beijing was clearly working to upgrade the capabilities of its Air Force, Navy, and Army. The indications were that these improvements were intended to make it possible to strike Taiwan.

So we considered this matter further, and tremendous debates raged within the Washington agencies on this subject. At these Monday afternoon sessions, of which I have already spoken, we knew that we were right. However, other elements of the State Department thought that we were wrong and were strongly opposed to our views. They had the right to present their positions to the Secretary of State and they did. The same debate was taking place elsewhere in Washington, including in Congress and in the academic communities.

However, on a few occasions while the debate was particularly hot, Gaston Sigur would within the Monday Informal meeting context refer to a piece of paper. I saw but never read this piece of paper. He never passed it over to me to read the text of it. Gaston would read from this piece of paper, which was supposedly President Reagan's interpretation of the guidelines on the meaning of the August, 1982, Communique. This piece of paper contained a statement President Reagan had decided that a balance between Beijing and Taiwan would be maintained. If Beijing's forces, in terms of quantity and quality, pulled ahead of Taiwan's forces, the U.S. would do what was necessary to maintain a suitable balance in terms of Taiwan's ability to defend itself.

...BROWN: You should remember that in the background to all of this the Chinese still had a phobia about the "Great Bear" [that is, the Soviet Union]. We are talking now about the early 1980s. The Soviet Union still looked mighty powerful and threatening from a Chinese perspective. Therefore, playing on this circuit, we were dangling before the Chinese the possibility of limited arms arrangements with them. For instance, the Chinese had a fighter-bomber deployed up in Manchuria which was largely grounded and needed a very significant upgrade. In discussions with the Chinese we conveyed that we would be willing, on a limited basis, to look into the upgrading of these Chinese aircraft within limits. Naturally, the Chinese were plugging for the highest limits, but we were looking at the matter very carefully.

Another issue was this or that artillery shell, or this or that type of Navy equipment, such as a torpedo, or naval armaments of one kind or another. So we were engaged in discussions with the Chinese, in light of the fact that we were discussing equipment for Taiwan. Eventually, out of this came the first visits of senior Chinese military officers to the U.S. This included, later on, the visit of Jiang Aiping, the Chinese Minister of Defense. He was an older man who had a limp. Another visitor was the commander of the Chinese Navy. These were startling visits, after the Korean War. They were startling in view of the fact that these gentlemen visited the U.S. at all. They carried a tremendous amount of baggage with them as they came to the United States.

I can remember being in a very small group with Secretary of Defense Casper Weinberger and Chinese Defense Minister Jiang Aiping as Weinberger was laying out our missile programs and tests and the fact that the Soviets were monitoring our missile launchings near Kwajalein and elsewhere in the Pacific Ocean area. Weinberger was letting the Chinese in on very significant

developments and prospects for mutual cooperation. And Jiang Aiping and his associates were lapping this up.

Charles T. Cross
Director, American Institute in Taiwan
Taipei, Taiwan (1979-1981)

Q: Did any congressmen talk to you?

CROSS: Absolutely; Congress was after all the parent of the Taiwan Relations Act over the opposition of the Department, which in some details reflected the PRC view. The Department just wanted to sneak me over to Taipei and then we would see what would happen. But in the negotiations with the PRC, we insisted that we be permitted to sell "defensive" arms to Taiwan. That raised - and continues to raise - some contentious issues. Then came the question of what we would do with all the treaties that we had signed with Taiwan, which were numerous. For example, we had the standard treaty of Friendship, Commerce and Navigation. All trade between the U.S. and Taiwan as well as U.S. investment on the island was governed by that treaty. What would happen under the new circumstances?

These questions and many more like them forced Congress to step in and it drafted the Taiwan Relations Act [TRA]. I looked at the draft and saw that it would be easy for us to operate under it. As I said, the Department was unhappy with the TRA in general and about a statement at the beginning of the Act which stipulated that the security of Taiwan was very important to the U.S. That was the rationale for the arms sales. It also suggested that an attack on Taiwan could be viewed as an attack on the U.S. It was a very strong statement that raised objections from President Carter and the Department. But it was passed anyway and the president signed it. So I talked to a lot of congressmen, many of whom were unalterably opposed to normalization - for example Ed Derwinski, who later joined the Department. Jesse Helms was also strongly opposed. I think we should recognize how good Congress was on this issue. There was a fascinating interplay between Congress and the academic community, for example, that fought the Taiwan Relations Act tooth and nail. Most of the questions were not about arms sales, but how the "unofficial" relations would look. That was hard to explain to my colleagues in the Department and others; it was an unusual arrangement that required considerable pioneering. All of the issues concerning the role of the institute were worked out before I went to Taiwan.

I should mention on the arms sales, with which I was deeply involved, that the Department insisted that we not discuss arms sales in Taiwan. All negotiations on those questions would take place in Washington even though DoD sent a couple of first rate officers - retired - to Taipei. Washington was afraid that we would make recommendations that might be embarrassing. I said that I thought that restriction was unwarranted because it would predictably result in the Taiwan representatives in the U.S. talking to the arms manufacturers, the Congress and DoD, thereby generating lobbies that would really complicate the Department's decision making process. I thought that we in Taipei would be much freer to discuss the Taiwanese requests. We would take a vow of silence; we would just listen and not comment; we would send our recommendations which would not be difficult for Washington to deal with. In the process the Department was establishing, the pressure groups would have been all over the Department before we even had a chance to make our views known. But the restrictions on us were maintained.

The only real dispute we had with Washington was on the question of the follow-on fighter. The Taiwanese had the F-5, which had been the standard export fighter sold to many countries. They were not as capable as some of the more modern fighter planes available by then, such as the F-16 or the F-4. So any follow-on fighter that might be available had far greater capability than the F-5 which had intentionally been built for export and which by then was already many years old. The Taiwanese were partially, if not primarily, interested in a new fighter for symbolic reasons. They knew that their air force could never be adequate to match the PRC's in numbers; so their interest in requesting a new fighter was to see what the U.S. would do after the PRC entered strong objections to the sale as it certainly would. I strongly recommended that the discussions of a follow-up fighter be terminated as soon as possible, before we found ourselves in a major imbroglio with the PRC, the American plane manufacturers, Congress, etc. The decision-making process dragged on and on. President Carter established a new system which required the manufacturers themselves to develop an export model of lower capability than the best U.S. aircraft. These could be sold to countries like Taiwan who couldn't buy the most advanced model. However, Taiwan would still have to have permission from the U.S. government to buy. Both the Carter and the Reagan administrations dithered over their decision, with the PRC fussing all the time.

Our major task in Taiwan was to conduct all of the business of an embassy without being one. We had to do a lot of little things that irritated the hell out of the Chinese. Fortunately, I knew the Chinese well enough that I think we managed to soften the impact of our Taiwan operation; I think, therefore, that our operation became more acceptable than it might have been.

Q: But weren't your operations difficult to undertake lest they be viewed as part of "formal" relations?

CROSS: They were. For example, the Taiwanese wanted to address me as "Mr. Ambassador." I told them that was not acceptable; I might have been one once upon a time but was so no more. Then they tried to treat us socially as they would have any diplomatic mission - there were a few still left; so after a while we just didn't attend such things as national days unless other private Americans were also invited.

Our operations in Taipei had to be conducted with great skill and caution; much of the business was conducted indirectly. I had a couple of contacts which I used periodically for that process. One was Fred Chien, who was a vice foreign minister; he really became the U.S. desk officer. He could be difficult, but I accepted him for what he was, a hard working diplomat. I also worked closely with the advisor to the president, Admiral Ma Chi-chuang. I wasn't allowed to meet President Chiang. I deliberately did not seek any relationship with him. So we never met, even secretly, even though that might have been useful. But sometimes I met Admiral Ma one-on-one to discuss specific issues, such as the Institute's role in Taiwan's human rights - the KMT security services was beating up on the Taiwanese again. I knew that our view would be accurately conveyed to President Chiang. AIT kept plugging away at these issues, all behind the scene. We kept making the point that the regime didn't need to worry about the oppositionists; its reputation around the world was much more important. I think that our quiet approach did have a beneficial impact on the Taiwanese government's action on human rights in the end.

Q: Were we trying to discourage any movement, if there was one, for Taiwan independence?

CROSS: The KMT of course was pushing against that. There was nothing subtle about their goals; they were right up front against independence.

Q: Was there any noticeable difference in Chiang Ching-kuo over time on this issue?

CROSS: The only hints I saw really came after I left. While I was there, there was no public diminution of the KMT stated desire to return to the mainland or against independence. One person I knew well - a former Foreign Minister and later Secretary General of the KMT - spoke in terms of enough time having passed and that Taiwan should now move towards democracy.

Q: Did you have any particular problems with Washington's general desire to expand contacts with the PRC?

CROSS: I had endless problems with the people in charge of U.S.-PRC relations mainly because I think they viewed me as a strong proponent of Taiwan. In fact, I was really downplaying the issue. The main proponents of closer ties with the PRC were on the Desk and in the NSC. I wrote policy papers suggesting that we could not expand relations with the PRC beyond a certain point without giving Taiwan some assurance that their future was safe. One way of doing that was to make the advance fighter available. But Washington was continually concerned that the signing of an agreement for the sale of the advanced fighter - which, by the way, was not yet built - would be viewed by Beijing as a sign that we no longer believed that the two parts of China could be peacefully reunited. I felt that some people in the Department had the view that the PRC thought that U.S. arms sales to Taiwan was the main reason why unification was not happening.

Q: I guess Taiwan was really an embarrassment to the administration.

CROSS: Nixon's policy was quite clear. Taiwan was to be tolerated but would not be allowed interfere with the improvement of relations with the PRC. I think we could have handled the situation much better with both the PRC and the Congress, not to mention Taiwan itself. In fact, the Carter administration would often be viewed as being a hand-maiden of the PRC and doing its bidding. That really frustrated Congress.

Q: Did you have many congressional visitors?

CROSS: Indeed, and they all praised Taiwan for its stance. Of course, the Taiwan leadership had no equal in the world on how to milk these congressional visits. I think almost all of the visitors came with open minds. For example, John Glenn wasn't sold on Taiwan. He and Mansfield were leaders in the Senate pushing for improved relations with the PRC all along. When they would come through Hong Kong, I would discuss the situation with them. I also thought that we should have better relations with the PRC; that was one of the reasons why I took the Taiwan assignment. I wanted to help improve the U.S.-PRC relations, but I always ran into suspicions about my sympathies.

Q: I think you have illustrated one of the problems of our foreign policy. At the second or third level in Washington, you often see people who think they can manipulate the policy and the

outcomes and want to show their power. I am sure that the China desk found Taiwan an embarrassment which barred them from doing whatever they wanted with the PRC.

CROSS: Not only that, but the PRC was constantly telling us that we couldn't have anything that could be interpreted as diplomatic relations with Taiwan. Taiwan had a consulate general in Dallas and the PRC objected to including the names of the staff members in the official consular list. So the PRC was always on our backs trying to undermine our relations with Taiwan.

Q: Did you get much pressure from that part of the Chinese-American community that supported Taiwan?

CROSS: The Chinese-American community has supported Taiwan for such a long time that there is bound to be a close affiliation. But I must say that the Chinese-Americans were delighted with the opening to the mainland. They also supported American policy to preserve Taiwan. Most of them didn't speak Mandarin in any case, so communications with the mainland would have been difficult.

I should tell you one story which is very important. During all of the debates about the fighter aircraft, in the spring of 1978, I came back to Washington - at my own request - to talk to Secretary Haig. I wanted to talk to him because it was obvious to me that some people in the Department were willing to proceed with the sale of arms to the PRC on the assumption that then sales to Taiwan would be easier. I thought it was a terrible strategy. I am not sure that Haig was familiar with this ploy, but he did want to reduce the number of fighter aircraft that were to be sold to Taiwan. I thought that the American Institute people in Washington were very good, but I doubted that they had access to the leadership of the Department.

So I came back and had long discussions with John Holdridge, the assistant secretary for EA. We were good friends, having served together in Hong Kong. John told me very clearly that nothing at that point in time would stand in the way of the Cold War; that is to say, our relations with the PRC had always to be seen in the context of our competition with the Soviet Union. That clear message worried me even more; it did not portend well for U.S.-Taiwan relations. But there was nothing I could do about the facts of life. But one day, I was invited by Fred Chien and James Soong, who was then head of the Information Office and later a candidate for president. This was a family affair to take place at a resort on the coast; so Shirley and I went. We had a very nice time. On the last evening, after we had finished the social events, the two Chinese took me off into a private room where they told me that President Chiang wanted me to give a message to President Reagan. The essence of the message was that Chiang would not make any waves about the putative arms sales.

I asked why. I was told that Chiang had a personal message from Reagan which was the go-ahead for a Taiwan purchase of the advance fighter. I then asked what type plane was being considered. I was told that it would be a model adequate to Taiwan's defense needs, meaning the FX. It seemed to me that this strategy had been a very good one for the U.S.; it was putting the Taiwan issue on the back-burner. I called my deputy, Stan Brooks, and a couple of other staff members and told them that we had succeeded in our mission; Taiwan was going to get an

advanced fighter which should give them a sense that the U.S. was supporting them. I thought that then my job was done and I could return to the States.

So I left; a few months later, the Department turned down the request for sale of the advanced fighter for Taiwan. This was Holdridge's recommendation; he thought that the PRC might raise serious objections. In fact, as soon as we turned down the fighter, the PRC called in our representatives and told them that it would object to any arms sales to Taiwan. They threatened to withdraw their ambassador from Washington if the U.S. didn't agree to stop arms sales. That pressure finally resulted in the Taiwan communique of August 1982, which stipulated that we would not increase, either quantitatively or qualitatively, our arms sales to Taiwan. That was completely cynical because within two years, we upgraded our arms sales and then during the Bush administration, we sold F-16s to Taiwan. I still think that had we sold the advanced aircraft in 1979, when I went to Taiwan, we would have saved ourselves a lot of trouble because it would have closed an open wound between us and the PRC. At the same time, we could have restrained Taiwan from making some of its extreme comments because it knew that this aircraft would be delivered whenever it came off the assembly line. (See *Born a Foreigner*, pp. 263-270, on arms sales and dealing with the Taiwan issue generally)

John H. Holdridge
Assistant Secretary for East Asian Affairs
Washington, DC (1980-1982)

Q: How did the arms deal with Taiwan work itself out? What were you doing on that?

HOLDRIDGE: What we did in the first place was after a decent interval of time, Haig asked for National Security Council consent, that a study be made as to whether or not Taiwan really needed the F-5G. This goes back to an interpretation of the Taiwan Relations Act, one clause which said that the United States would sell or make available to Taiwan such items of a military nature required for its defense which in OUR judgment and the judgment of the Congress and the Administration are needed for the defense of Taiwan. That gave us an out. We asked the DIA to prepare the study on whether Taiwan really needed the F-5G. To jump ahead a few months, toward the end of 1981 the judgment was that Taiwan did not need the F-5G. The question was, then, under what circumstances would we convey the decision to China. In the meanwhile we had information from a very high ranking gentleman who later became Ambassador to the U.S. to replace Chai Zemin, that was Zhang Wenjin, an old colleague and I hope friend of mine, died some years ago, but a very fine representative and a very fine person. I met Zhang Wenjin in the United Nations GA, I used to go with Haig in the summertime, and in 1981 he (Zhang) let it be known that they'd lived with the coproduction of the F5-E and F series for quite some time, and could probably be able to stomach that, but to go on to a higher category of aircraft, he didn't think that would go over so well. He came down to Washington later on, I think it was October when I talked to him, and then he came down in November and called on Judge Clark. He made it explicit, we can live with the F-5E but we cannot live with the F-5G. About this time we were going through this drill of getting that study prepared. As I say, when the study came out it was determined that Taiwan with the F-5E, putting it up against what the Chinese on their side were able to muster, was more than adequately able to handle the threat from a MiG 21. The F-5G's

problem was that it did not have much in the way of loiter time, it was built as an interceptor. You get up, shoot your target down and then return to your base and then you refuel. Well the MiG-21 is essentially a fighter, and doesn't have that much range or fuel capacity, either. At that time the balance was being maintained and they could go ahead.

Q: Having served as long as you did in the National Security Council, during this period that you were Assistant Secretary, did you deal with the Reagan National Security Council?

HOLDRIDGE: I don't think we had any vast problems. We were able to get through a number of rather interesting decisions as a matter of fact. Not too long after I became Assistant Secretary of State the question came up that since Taiwan was continuing to receive articles of a military nature, the last year of the Carter administration eight hundred million dollars worth, (that was 1980), quite a sizeable chunk of cash. At any rate, we thought that we might try to balance things up a little bit more (this was an idea generated by my particular office the EA Bureau), and relax a bit on the sale of items of the military nature to the People's Republic of China, treat China as a "friendly, non-allied, country" and we could ease up on some of the things that China wanted. One of the things that China wanted was a set of computers to run their census. Those computers of course had a dual use; they could be used either as military computers or for totaling up the number of people in China. We had a whole series of meetings on this question of arms sales to China and also of the sale of these computers, involving a guy by the name of Lionel Olmer in the Department of Commerce whom I respected very highly. He seemed to have a certain amount of judgment. Also in this little deliberation were representatives from the Pentagon, DIA, their various intelligence components, and the CIA, and the fellow that we really ran up against, Steve Bryen in the Pentagon, he's still around, but he was dead set against giving the Chinese anything.

Q: He was from where? What department?

HOLDRIDGE: The Pentagon. I think he was from ISA.

Q: ISA yes, which is sort of the "little State Department" of the Pentagon.

HOLDRIDGE: We finally worked it out. It was worked out and agreed to by the NSC that China would be allowed to purchase certain types of military equipment of a defensive nature, and that if they provided us a list we would look it over and see what we could do. The idea was that Al Haig was going to be paying a visit to China in July 1981, at which time he would convey this information to the Chinese. And then we would ask the Vice Chief of Staff of the Chinese People's Liberation Army to come to Washington in the fall and to bring his list with him and then we would discuss the question. I think it was Nieh Rongzhen who is now the Chief of Staff, they hang around a long time in China. That's the way it was supposed to be worked out. The NSC was quite willing to go along with the recommendations that had been worked out at the appropriate level in the bureaucracy as far as I could tell, and Judge Clark was helpful in these things.

Q: As with any new administration, particularly the Reagan administration, when they're brand new the State Department would be the learning curve as they come in and sort of understand

the situation, actually you did have people like Al Haig who already had been involved, but did you find particularly on relations with China that you tried to proceed very incrementally because you had the equivalent of almost an unknown factor, i.e. Ronald Reagan, that you wanted to have understand the situation but knew he could get off the reservation very easily by press conferences?

HOLDRIDGE: We always felt we were walking on eggs. We did get Ronald Reagan to agree to a visit by Chai Zemin in the Cabinet Room of the White House in March 1981. I remember it vividly, I was there, and we worked out the Presidential position. Quite frankly, I think it was worked over by others as well. What Reagan conveyed was we wanted very much to maintain fruitful diplomatic relations with China and that we were aware of Chinese sensitivities on such things as arms sales and would abide by the previous joint communiques which had been reached, but we would not forget old friends such as Taiwan in an unofficial relationship. I think Chai Zemin went away relatively happy after that one. Then of course in July, Haig went to Beijing and in the meanwhile we'd worked out this little approach to try to put a little more balance in our relationship when it came to arms sales.

HOLDRIDGE: Well the main thing was to accomplish the Joint Communiqué on arms sales to Taiwan; that was the major element in our relationship with China at the time. I believe I mentioned that we had tried to improve our whole basic military relationship by treating China as a friendly, non-allied country to which we could sell certain items of a military nature, presumably defensive. The question of course came up on the arms sales to Taiwan, the Chinese harped on it and so did the Taiwanese. They had great expectations when Ronald Reagan took over as the President. They thought that he would be terribly forthcoming. Did I mention before the fact that we had indeed stiffed a delegation from Taiwan at the Republican inauguration ceremonies? Not too long after that however, I remember seeing an article in the New York Times quoting the Chief of Staff of Taiwan's air force as saying they were sure they were now going to get the upgraded F-5G later known as the F-21 Tiger Shark, and sort of presuming that the military relationship was now going to be just what Taiwan would want, given the parameters of the relationship which still had to be, as they understood it too, an unofficial one. They were hoping that things would indeed improve under the Reagan administration. Well China immediately picked up on that and so I found myself sitting in the middle, Taiwan on the one side and Beijing on the other slinging brickbats at us for either not coming forth quickly enough with the F-5G or on the other hand, exceeding the terms of what China deemed acceptable in terms of arms sales.

Q: Were there any in Congress who were in positions of some power who were absolutely opposed to doing anything with the People's Republic of China?

HOLDRIDGE: Oh, you've heard the name Jesse Helms?

Q: Yes. You might explain who Jesse Helms is.

HOLDRIDGE: Jesse Helms is the Senior Senator from North Carolina. He is the conservative's conservative, very pro-Taiwan. I mentioned John Carbaugh before, and how I presume, speaking for Jesse Helms, he said we were going to give Taiwan the F-5G, which would have made life complicated. In our last session did I describe contacts with Huang Hua in the fall of 1981?

Q: You better go over it again.

HOLDRIDGE: There was a meeting in Cancun, Mexico of heads of state. Ronald Reagan went down and of course Al Haig went along as Secretary of State, and as I recall Deng Xiaoping appeared there, and Huang Hua, the Chinese Foreign Minister was there, and Huang in a conversation with Al Haig said that China wanted a date certain for the cessation of U.S. arms sales to Taiwan. This rather shook Al. We weren't expecting things to get that vigorous. Of course it was something that China had lived with for quite awhile, but apparently it had been rankling below the surface, it may have had some political implications for Deng Xiaoping. In the fall, in the General Assembly in New York, I went up with Al Haig who was doing his thing as Secretary and Zhang Wenjin (who was very close to the top leadership and later became Ambassador to the United States) was in the Chinese delegation, and I talked to Zhang, called on him in his office in the General Assembly building, the Secretariat Building, and after a certain amount of hemming and hawing the gist of what he said was that China could live with the existing U.S. relationship on arms sales as long as we abided by the concept that China and Taiwan were one country, but that they could not abide a quantum jump in the quality or in the capability of aircraft we were selling to Taiwan; namely the F-5G. This whole thing goes right on back to the very beginning of the Reagan administration and the doggone people in Taiwan beating the drum. Working on their friends in Washington, articles in the New York Times and so on, expecting they were going to get this increase. Of course the increase in itself would have not been all that they were looking for, what they wanted was a breakthrough, in which they could get any darn thing they wanted from the United States. This goes back even a little bit further to the Taiwan Relations Act, in which we said that we would sell items of a military nature to Taiwan based on our judgment of Taiwan's needs. Our judgment meant the administration and the Congress. They thought that okay, under these circumstances with Ronald Reagan sympathetic toward their cause, they would have no real problem and that, they could go back to a much higher level of arms purchases. Ever since the normalization in 1979 the United States had tried to draw down a bit, although to be sure, at one point we reached the level of eight hundred million dollars in sales for one year. This was the last year of the Carter administration. In those days the dollar went farther than it does today.

Q: Were you, I mean not you obviously, but were you getting solid reports on what the People's Republic military was doing? Did you see during this period that you were dealing with a touchy issue, an effort on the part of mainland Chinese to do their own quantum jump in military capabilities?

HOLDRIDGE: They were trying to do it as much as possible with their own resources. They were not at that moment in the market for military aircraft from other countries. They were happily acquiring commercial aircraft from the British, from whom they got the Trident, they got the 707's from us, they got the DC-9's and later the MD-80 series. They were doing what they could on their own, but as far as military aircraft was concerned, they were working on home grown products including, the highest level they achieved, was the so-called F-8 and that was sort of a follow-on to the MiG-21. The problem being, though, that being a MiG type aircraft the air intake for the jet engine was in the nose and that made it impossible to mount the right kind of radars. We knew all about that, and we were willing to help. In fact, there was a team from the

United States that was actually out there looking at the F-8 and figuring out what could be done to make it a more effective fighter.

Q: For somebody who wouldn't be familiar with the terms, you're talking about a very moderate type of military air capability as compared to what the state of the art was at the time.

HOLDRIDGE: Certainly. We had already developed the F-16, which was an enormous leap forward from the top of the line which the Chinese possessed. The Chinese were not (as we perceived it) spending an awful lot of money on their defenses. Their priorities (and this goes back to Deng Xiaoping some years earlier) were the development of agriculture, then industry, with light industry taking precedence over heavy industry, then science and technology and education, and finally the military. The people in the military were the last in the order of priority. The Chinese were much more concerned with developing the economic and intellectual resources of the country.

Q: To close off 1982, were you able to polish off the arms agreement before you went on to other things?

HOLDRIDGE: Oh yes, definitely. I don't recall whether I mentioned in my previous session that I led this little group off to China myself in January 1982.

Q: I'm not sure, let's mention it.

HOLDRIDGE: The idea was that we thought we had to get something going along the lines of another Joint Communique which would establish the parameters of U.S. arms sales, and this was also tied into the F-5G situation. I guess I mentioned to you that we had a study made by the Pentagon presumably by DIA, the Defense Intelligence Agency, to determine whether Taiwan actually needed the F-5G for the defense of Taiwan, and the answer was "no." The F-5 E, F series from Northrop, the aircraft which is in service in so many different parts of the world, was considered adequate to take care of the highest threat which the Chinese were able to muster, which was the MiG-21. I might add here that Northrop was counting on the F-5G as their big jump, and they were very disappointed when they did not get the contract to sell F-5G's to Taiwan, but it didn't have any loiter time to speak of. It could fly from Taiwan to the mainland and stay approximately twenty minutes and then had to turn around and go back because of the fuel capacity. This is one of their arguments, well, gee, why not give it to them; the darn thing doesn't elevate their capabilities that much. But it had become a symbol both to the Chinese and to the Taiwan people as to U.S. willingness to expand the arms relationship with Taiwan. My job in going off in January 1982 was on the one hand to say that we would not go on to an advanced fighter for Taiwan, but would in turn continue the F-5E, F production line. That coproduction line had been going on for quite some time to the tune of several hundred million dollars involved through Foreign Military Sales channels. On the other hand we would replace some of the aging aircraft in Taiwan's inventory with aircraft which were available in the inventory, which didn't mean too much of a quantum jump. I had the problem of taking this message to Zhang Wenjin, an old friend of mine, going all the way back to the earliest meeting I ever had with the Chinese. That was with Zhang Wenjin on the airplane that flew us from Rawalpindi to Beijing back in 1971. In Beijing in January 1982, I sat across the table from him, I had this little

mission: Richard Armitage and Bill Rope from my office, and a couple of people from the Soviet side of the Department of State who wanted to talk about Chinese relations with the Soviet Union, but that was sort of extraneous, and of course Art Hummel was there, but I was the leader of the delegation in facing Zhang Wenjin, who immediately began to beat me around the head and shoulders about the U.S. arms sales to Taiwan. He was the one who incidentally mentioned the year before that China could abide the F-5E, F but not the F-5G and I think I did repeat this, that he had also said the same thing in much clearer terms to Judge Clark, who at that time was the Acting Secretary because Haig was off someplace. He came down from New York to Washington. This was before Judge Clark went over to be the National Security Advisor. It was pretty obvious what the Chinese position was. My job then was to not only tell the Chinese we weren't going to give Taiwan the quantum jump but that we would try to maintain the levels at approximately the same degree that was veiled for quite some time. Zhang Wenjin gave me a bad time across the conference table, and said something that really stuck in my mind. After he'd been berating me for selling arms to Taiwan, I said "But back in 1978, Mr. Zhang, your Chairman, Deng Xiaoping, accepted normalization with the United States with continued arms sales by the U.S. to Taiwan." He sat back and thought for a minute and he said "Ah, yes but that was for strategic reasons." I think I explained to you, didn't I, that I believed that what the Chinese really wanted was the United States involved at least in symbolic terms behind China at a time when China was about to take a poke at Vietnam, which was backed by the Soviet Union. So he said that they accepted this at the time for strategic reasons. I also gave him a draft, a set of principles in other words, a basis of a Joint Communiqué on arms sales to Taiwan.

Q: How did that go?

HOLDRIDGE: Actually it was a little strained but we had a dinner that night and I went over the whole thing again and told them that we had come to the conclusion that Taiwan really didn't need the F-5G and that we were going to try to work out something, we would hope with China, which would establish the terms under which arms sales to Taiwan would continue. I believe by that time Zhang had accepted the idea that there would be some kind of a piece of paper that would emerge at the other end of a long negotiating process which would be acceptable to both sides. The only trouble was that when I got back to the Embassy residence where I was staying, Art Hummel's place, the phone rang and it was Zhang Wenjin, and he said they had gone over the document which we proposed to release in Washington at the press office at the noon briefing the following day, which said something to the effect that we would replace aged or obsolete items in Taiwan's air inventory with aircraft from in effect, what the inventory happened to be at the time. Zhang said that seemed to be opening the door for an upgrading of Taiwan's military capabilities, and that was unacceptable. So I had to think very quickly on some way to handle this, and I said "Let's try this, we will replace those items which are of an aging or obsolete nature with items of an identical or of a similar nature." It occurred to me that the Germans had been trying for some time to get rid of a bunch of F-104's that had been killing their pilots. For some reason the Germans never learned how to fly the damn F-104. If you've looked at it, the F-104 has very short stubby wings and I suppose that if the engine cuts it must drop like a rock. But Taiwan was apparently able to run these things and kept on running them. I thought we'll just get the Germans to sell Taiwan these F-104's and we would probably find somewhere in our inventory some aircraft which could fit into this category of a similar or identical nature. With that out of the way, we went on to agree that there would be negotiations. I had brought this set

of principles along for a Joint Communiqué and they rejected that out of hand, because one of the things I tried to do in more specific terms was to draw a linkage between peaceful reunification of Taiwan with the mainland and U.S. arms sales. Remember, going back to 1981, Haig had told Huang Hua that there would be no increase in quantity or quality of what we would be selling to Taiwan and he also hinted at the fact that there might be a draw-down; that we would not exceed the maximum amount that had been sold in the previous administration. We would not give a date certain for a cut off. All of these things had to be cranked into the Joint Communiqué, and the Chinese rejected out of hand what I had offered them, but on the other hand they said that they would come back with a counter draft. As of January 1982, we began this long tedious process of trying to work out a Joint Communiqué establishing the *modus vivendi* for U.S. arms sales to Taiwan, which in theory still ought to be in existence today except George Bush broke the whole thing when he was looking for votes in Texas. Six billion dollars worth of F-16's didn't exactly fit the criteria. However, that began the negotiation process which carried on all the way through August.

James R. Lilley
National Security Council
Washington, DC (1980-1982)

Q: This was a meeting of the leaders of the principal economic powers.

LILLEY: I forget which one it was. It was a conference of leaders, and Huang Hua and the Chinese Ambassador to the U.S. pushed this whole concept of a limitation on arms sales to Taiwan in terms of quantity and quality. That had already gotten through us. Then, the next issue involved what was called the "F-X," a new fighter aircraft for Taiwan. It was similar to an F-16 A or B or an F-5G. The F-16 was made by General Dynamics, and the F-5G was or would be made by Northrop Aircraft. The assembly line at Northrop was running out of parts for F-5Es. Communist China had about 5,000 obsolete, MiG fighters, but it was time to improve Taiwan's inventory of fighter aircraft.

When this recommendation to President Reagan came through to the White House, the whole issue "leaked out," and there was an outcry from people who were very concerned about U.S. relations with the PRC and the way that Reagan was allegedly "messing them up." Articles on this issue hit the press and appeared in the "New York Times." The people who wrote these articles said that we shouldn't sell these aircraft to Taiwan, as such a sale would lead to a break in relations with the PRC.

I decided to take the whole issue and give it to the Defense Department "to do a study" as to whether the proposed sale of these aircraft would meet the defense needs of Taiwan. This procedure was in line with the Taiwan Relations Act. The question was: "Does Taiwan need a new fighter aircraft?" Charley DeSaulnier in the Defense Department prepared this study. I didn't trust CIA to do this study. I knew the CIA very well and didn't think that it would come up with an "objective" report. I had worked there and knew those people very well. In a word, they weren't "dispassionate" on this issue.

So Charley in the Defense Department did this study. He contacted me and said: "Jim, I'm not sure that you'll like this, but we really come out against the sale of this aircraft to Taiwan." I said: "Charley, this has nothing to do with whether I like it or not. I want to know what the objective situation is." In the report Charley made the case that Taiwan had a sufficient number of F-5E fighters to defend Taiwan. The assembly line at Northrop could be extended and continue to produce them. This aircraft was better than anything the Chinese communists had. The F-5E was a short-range, high performance aircraft. The study concluded that Taiwan didn't need a new type of aircraft, which would be unduly provocative. So this report went to the President, and the State Department immediately leaked it to "The Washington Post," under the headline that the Chinese Nationalists did not need a new fighter aircraft. The team at the State Department agreed with this view, and the "Washington Post" carried this story.

At this time I was getting ready to leave the United States for Taiwan to serve as Director of the AIT. A very high official of the Reagan administration came to me and said: "Well, do you accept the findings of the DIA report?" I said: "I really can't refute them." This man said: "Do you think that Taiwan needs a new fighter aircraft?" I deferred to the Defense Department on that question. Maybe I shouldn't have done this, but I did. Then the Defense Department arranged to announce that President Reagan had turned down the sale of the F-5G and the F-16A or B to Taiwan on the day I left for Taipei.

Q: When did the "August Communique" come out? What was reason for it?

LILLEY: When the Reagan administration entered office, the Chinese communists told us that the Carter administration had made a commitment to terminate arms sales to Taiwan. We couldn't find any record that such a commitment had been made. Then the Chinese communists hit both Secretary of State Al Haig and President Reagan, saying: "You've got to do something about these arms sales to Taiwan. They are intolerable to China as well as deeply offensive to us."

In the fall of 1981 the Reagan administration started negotiating with the PRC for some kind of joint communique to cover arms sales to Taiwan. With the agreement of President Reagan the two sides agreed to include this term of reducing the "quantity and quality" of arms sales to Taiwan in the agreed language. Then the Chinese communists started pressing for a "date certain" for the termination of all arms sales to Taiwan. There were people in the State Department who were arguing that we should agree to this. The Chinese communists indicated that the alternative to this was a "downgrading" of relations between the U.S. and the PRC. They had just "killed the chicken to scare the monkey." They had "downgraded" relationships with the Netherlands for selling two submarines to Taiwan. This was clearly a message for the U.S. In other words, "If you don't agree to a date certain for termination of arms sales to Taiwan, we will downgrade our relations with the U.S."

Memoranda on foreign affairs that came to President Reagan from the State Department passed through the NSC. By this time Judge Clark, who had formerly been in the State Department, had moved over to the NSC. We were then able to watch much more carefully the recommendations going through to the President through the NSC. As I understood it, the memoranda from the State Department took the position that either we would set a "date certain" for the termination of

arms sales to Taiwan or we would face the downgrading of relations with the PRC. By this time, as I was now in Taiwan, I didn't have access to these memoranda but I heard about them.

Q: The "downgrading" of relations between the PRC and the U.S. would have meant what?

LILLEY: Probably recalling Ambassadors and leaving the respective Embassies under Charges d'Affaires. This would affect us across the board in terms of trade and other matter. The Chinese communists always greatly emphasized trade. At that time, I think that we had a trade surplus with the PRC.

Anyway, termination of arms sales to Taiwan was being pushed very hard. In my position as Director of the AIT, I was being pushed very hard to see whether Taiwan would agree to this, if we could "sell" this proposal to Taiwan. I was brought back to Washington for consultations. The State Department pushed me hard on this issue. I returned to Taiwan and then wrote a message back to the State Department, saying: "This is the wrong thing to do, both in terms of the security of Taiwan and the Taiwan Relations Act." I said that we couldn't do this.

Meanwhile, President Reagan had already decided that he wasn't going to press ahead with the termination of arms sales to Taiwan. He said: "We'll risk a 'downgrading' of relations with the PRC." He got this message through to the PRC leaders at an authoritative level: "If you insist on our terminating arms sales to Taiwan, we're not going to do it." Then the administration worked out language on a decrease in the "quantity and quality" of arms sales to Taiwan, indicating that it would lead to some kind of final solution of the issue. They dropped all references to the termination of such arms sales to Taiwan and also insisted on peaceful means.

Then they worked on what they called the "six assurances" to Taiwan. I participated in the negotiation of these assurances in Taiwan, and there were also negotiations on this issue in Washington. These basically boiled down to the point that the United States would not pressure Taiwan to negotiate, the United States would not serve in an intermediary role, and the United States would not terminate arms sales to Taiwan. There were six such assurances. These points were all worked into a statement which John Holdridge made, subsequent to the communique of August, 1982. President Reagan's interpretation, as relayed through Gaston Sigur was: "Listen. This issue hit me at the last minute. I don't like it. I want you to understand that my intention is that in the implementation of this communique we will maintain a balance. If China becomes belligerent or builds up a power projection capability which brings insecurity or instability into the area, we will increase our arms sales to Taiwan, regardless of what the communique says about quantity and quality. That is my interpretation of the communique," he said. There is also a phrase in there that all of this is contingent on peaceful resolution of the status of Taiwan. So, if China made belligerent statements and started to obtain a power projection capability, China would be breaking the spirit of the communique. That was our argument, you see, and this was the Reagan interpretation.

John J. Taylor
Political Counselor, US Embassy
Peking, China (1980-1982)

TAYLOR: ...Because of these and other developments, common strategic interests between China and America were sharply on the rise, and Washington and Peking sought to reach an

agreement on full diplomatic relations. Immediately after the liaison offices in 1979 were turned into embassies, Deng Xiaoping made a spectacular visit to America. I remember vividly the picture of him riding a stagecoach around a Houston Rodeo, waving a cowboy hat. It was another stunning example of the dramatic reversals that occur in human affairs but that are seldom perceived as in the realm of the possible.

In the negotiations leading up to the exchange of diplomatic recognition, U.S. arms sales to Taiwan had been the most troublesome issue. At the time, we made it clear to Peking that we intended to continue sales for the time being. Finally the issue was finessed. Deng agreed to put the subject aside but with the warning that it would not be forgotten. The break with Taipei, however, angered conservatives in the States. Republicans in Congress, aided by Teddy Kennedy, who had decided to challenge Carter for the Presidential nomination in 1980, passed the Taiwan Relations Act. The Act declared that any effort to determine the future of Taiwan by other than peaceful means, including embargo and blockade, would be considered a threat to peace and a matter of grave concern to the United States. It also declared that the U.S. would continue to provide defensive arms to Taipei without regard to Peking's views. In some ways the TRA was a stronger security commitment to Taiwan than the U.S./ROC Mutual Security Treaty that would be nullified within a year.

But Deng was in no position to make a fuss about the TRA. In early 1979, the Chinese PLA moved across the Sino-Vietnamese border to teach the Vietnamese a "lesson" for their invasion of Cambodia. It was an undeclared but very bloody war. On our satellite photos we could see Chinese military graveyards in Kuangsi province near the border. We could calculate to some extent Chinese casualties. At the end of that year, the Soviet Union invaded Afghanistan. Moscow's pinchers again seemed to be moving closer around China's underbelly. The wars in Vietnam and Afghanistan were raging when I arrived in Peking in 1980 as the Embassy's political counselor.

Q: As I remember, the Chinese had more problems with the Vietnamese than they anticipated.

TAYLOR: That's right. The Chinese intended to teach the Vietnamese a painful but only a brief lesson. Whether the intended dictums were in fact learned is debatable. The Chinese paid a much larger price than anticipated; they lost tens of thousands of soldiers; it was a very bloody war, even if undeclared. China's second undeclared war with a communist country and former ally. The Chinese attack did not distract the Vietnamese from completing their occupation of Cambodia. The Vietnamese also continued to expel ethnic Chinese, another reason for the PRC's hostility. Perhaps a million Chinese who had lived for generations in Vietnam fled or were pushed out of the country at that time.

The Chinese did not meet their basic objective in this venture - Hanoi's withdrawal from Cambodia. They did, however, concentrate the attention of the PLA and the Chinese people on Vietnam and the Soviet threat. The Chinese media harped on the grave menace posed by Russia. Thus, the Sino-Vietnam war served another purpose for Deng. Despite the failure to win a decisive victory, it tended to solidify military support at home for him and to diminish Chinese public attention to the issue of Taiwan. Cooperation with America was viewed as increasingly important. Deng now had greater flexibility to build up the informal strategic alliance with the United States in order to contain the expanding power of the USSR. The semi-alliance also

provided a foreign policy frame work for liberalization of the economy. But in the fall of 1980, a large monkey wrench was headed for the growing but still fragile structure of Sino-US political and military cooperation. The threatening instrument was the election of Ronald Reagan, who in his victorious campaign had promised to restore "official relations" with Taiwan.

Talking with everyday Chinese in the parks, more than once I heard someone say when they learned I was an American, that they were happy the U.S. and China were friends and allies, "meng guo." In 1980, a de-facto Sino-American alliance existed. At PLA briefings for American military visitors, one would see maps like those at a Pentagon briefing at the height of the Cold War--lots of aggressive red arrows coming out of Russia--in this case many pointing at and around the PRC, others at Europe, the Middle East, and South Asia. Numerous U.S. military delegations visited China in those years. The new relationship was most dramatically manifest in Sino-American cooperation in aiding the resistance in Afghanistan - an effort that soon grew into a huge operation costing billions of dollars and involving tens of thousands maybe a few hundred thousand of Chinese-made weapons going to the Mujahideen through the good offices of the Pakistani intelligence service. Actually, it was a three-way partnership: Saudi Arabia in large part paid for the weapons. The Chinese had earlier agreed to the establishment of a US monitoring station near the Sino-Soviet border. The station's mission was to access Soviet missile development, testing, and deployment.

Q: Who was your first ambassador?

TAYLOR: When I arrived in Peking the ambassador was Leonard Woodcock, who had led the negotiations leading to full diplomatic relations. Woodcock had been leader of the Auto Workers Union of America . Carter appointed him head of the U.S. Liaison Office before it became an official embassy in name as well as substance. He was a wonderful man but a very quiet person. He could sit through an entire dinner and initiate no conversation himself and only respond briefly to questions. Still, it proved an effective negotiating style with the Chinese--the sage Buddha, as contrasted with the usual talkative American. It worked with General Motors and it seemed to work with the CCP. I thought of the exact opposite style demonstrated by a previous boss Phil Manhard, who talked until problems or opposition melted away. A key role in the negotiations, however, was played by his deputy, J. Stapleton Roy, an outstanding Foreign Service officer and China-born, China specialist. I had known Stape for twenty years. Woodcock assumed the title of -U.S. ambassador to China on January 1, 1979.

Q: Did Reagan's candidacy make the Chinese nervous in light of his conservative views?

TAYLOR: Very much so. Deng had established a close relationship with Carter and Brzezinski. As noted, next to Saudi Arabia and Pakistan, the PRC had become our most helpful ally on Afghanistan. Then came Ronald Reagan who during the campaign had said that if elected, he would maintain good relations with Peking, but that he would also re-establish "official ties" with Taiwan. His conservative foreign policy advisor, George Allen, along with Senator Barry Goldwater were very likely responsible for candidate Reagan taking this position. When Reagan was elected a few months after my arrival, we told our contacts at the Chinese Foreign Ministry that they should focus on Reagan's commitment to good relations with the PRC and not make any rash moves or demands.

Al Haig was the new secretary of state. His views on our relations with the PRC were very similar to those of Kissinger and Brzezinski. He believed that our relations with China were key to global stability and specifically the containment of the Soviet Union in its new expansionist phase. He made the China relationship a key element in our foreign policy. Thus, Haig very much wanted to accommodate the PRC on the arms sales issue. But he could not convince the White House. Allen agreed that the PRC was an important player, but did not feel that other U.S. objectives, including the defense of Taiwan, needed to be subordinated to that relationship. The Chinese knew Haig and his strategic views. I think this assumption about the high strategic value Haig placed on the relationship, figured in China's hardball approach to the arms sales issue. If they took the relationship to the brink over arms sales to Taiwan, they could count on Haig to try to move the US position as much as possible to accommodate their view. Haig could count on the support of Vice President George Bush on China policy. Bush, of course, had been head of the US Liaison Office in Peking when Henry Kissinger was still basking in the recognition of US-China detente as the grandest geopolitical move in the post-war era. As Reagan's number two, Bush had to be careful not to be too pushy on China policy, but clearly he also gave high priority to China's strategic importance.

The issue of arms sales to Taiwan had become focused on the question of whether or not the US would permit the sale of an advanced fighter aircraft (referred to as an FX type) to Taiwan to replace its aging tactical fleet. The CIA and the Defense Dept. concluded that Taiwan did not need an FX to assure its adequate air defense. But, unknown to Haig, when Lee Kwan-yew visited Reagan in the summer of 1981, Reagan asked him to convey a message to President Chiang Ching-kuo on Taiwan assuring him that Taiwan would receive "some sort of advanced fighter that would be acceptable to him." It seems safe to conclude; in fact almost certain, that George Allen and possibly Goldwater had planted this idea with Reagan. But they did not inform Haig.

The fall North-South Summit in Cancun provided the Chinese an opportunity to send "a shot across our bow" on this issue. Very possibly they had intelligence sources either in Taiwan or Singapore that informed them of the Reagan message to Chiang Ching-kuo. Reagan was at Cancun as was Zhao Ziyang, the PRC's new Prime Minister. In a meeting with Reagan, Zhao voiced strong opposition to the continued US sale of military equipment to Taiwan. The Chinese indicated in public and private that if the United States sold an FX fighter to Taiwan, Peking would downgrade relations with Washington. In a more sweeping demand, Chinese Foreign Minister Huang Hua insisted that the United States give a date certain for the end of its arms sales to the island.

At informal meetings in Peking with our Chinese colleagues, my staff and I stressed that politically it would be impossible for the President to agree to end arms sales to Taiwan on a given future date even if he wanted to, which was not likely. The Chinese emphasized the pressure that conservatives and anti-reformists in the Communist Party were applying to Deng Xiao-ping on this issue. Deng, they suggested, had assured his colleagues at the time of normalization that the arms sales question would be addressed shortly and that a favorable outcome would be achieved with Carter or his successor. We argued that our conservatives were tougher than theirs. They should not push too hard.

Through 1979 and 1980, Deng had held off pressing Carter on the arms sales question because he did not want to complicate Carter's electoral prospects. It was no secret; the Chinese very much wanted Carter to win. Also the Chinese war with Vietnam and then the Soviet invasion of Afghanistan made it most untimely for Peking to consider a crisis on the Taiwan question. Then in the summer of 1981, career diplomat and old China hand Art Hummel replaced Woodcock.

Because of an indiscretion in dealing with a Japanese gift, Bill Clark replaced George Allen at the NSC. The Reagan insiders had originally put Clark, a close friend of the President, in the State Department to be Haig's deputy. Although Clark had little or no foreign policy experience, the conservative leaders in Congress and those around the President in the White House believed Clark's close friendship with Reagan would be far more valuable than any expertise in moderating Haig and keeping tabs on him. But with Allen gone, Haig, for some time was able to take the lead on China policy. At the end of the year, the Chinese grew even stronger in threatening serious consequences should the sale of an FX fighter be approved. More alarming, they were repeating the demand that the United States had to give a date certain for ending all arms sales to the island.

In late 1981, Washington announced that it would not approve the sale of an FX aircraft to Taiwan but would okay production on the island itself of the much less advanced F-5E fighter. The F-5E, an upgrade of a 1960s plane, was not the fighter Chiang Ching-kuo considered adequate. Yet, with the Reagan promise in his pocket he remained silent. At this time, Haig also approved negotiations with the Chinese on a communiqué that would address the arms sales issue. I do not remember which side first suggested the idea of a communiqué. It was probably the Chinese. I also do not know if Haig obtained White House approval to begin the talks. My guess is he did not, assuming this was his prerogative, although he must have notified the NSC (Bill Clark).

As political counselor, I was involved directly in the negotiations, which on our side were led by Ambassador Hummel or in his absence by the new DCM, Chas Freeman. Chas was a tough and astute diplomat, who also was a genius in learning foreign languages. After the same two-year Chinese course the rest of us took, he was an interpreter-grade speaker. He even took notes during meetings in Chinese. Once or twice, Assistant Secretary John Holdridge was in town and chaired the negotiations on our side; Chinese Vice Foreign Minister Han Hsu led the Chinese side. Usually the Chinese would treat us to an opening harangue about American interference in Chinese affairs over the past hundred years. We would reply that the charges were intemperate and false and in no way contributed to finding a mutually acceptable solution to the issues at hand. We would then get down to exchanging positions on 1) how the Chinese could satisfy us as to their peaceful intentions in regard to Taiwan and 2) how we could satisfy the Chinese that our arms sales to Taiwan were not an obstacle to negotiations between the island and the mainland and would adjust as progress was made toward a peaceful resolution.

At some point, possibly this was in 1981, Haig sent a memo to President Reagan that underscored the strategic importance of the China relationship. In this memo, a copy of which I saw, Haig argued that Carter had messed up the Taiwan arms sales issue at the time of recognition and had thus threatened the critical geopolitical connection begun by Nixon. The

suggestion was that flexibility on the arms sales question was critically required because Carter (not Reagan) had stirred up the matter and provoked the Chinese.

In May, 1982, as the negotiations seemed to have run into a dead-end, Reagan signed letters to the three top Chinese leaders (Deng, Zhao, and Hu Yaobang) - an extraordinary, probably unique presidential gesture. These letters strongly reaffirmed America's commitment to the one-China principle and recognized "the significance" of Peking's 1981 nine-point proposal to Taiwan for unification. Most importantly, in the letter to Zhao, Reagan wrote that in the context of progress toward a peaceful solution of the Taiwan-mainland issue, "there would naturally be a decrease in the need for arms by Taiwan." Whether Bill Clark at the NSC saw these letters in draft is uncertain but they laid the foundation for the agreed upon communiqué.

Vice President George Bush then made a visit to Peking in May, where he had a long talk with Deng Xiaoping, which carried over into a Chinese feast for lunch. The elderly Deng tossed back four or five "gan bei's" of high octane maotai. Bush tossed down one or two shots and thereafter only touched the liquid to his lips. Bush's views were similar to those of Haig: we could restrict without any specifics whatsoever our future arms sales to Taiwan but only if China agreed that this action would be linked to China's strong commitment to a peaceful resolution. At one point in the meeting, Bush said that no one in the Administration saw such sales "going on forever." When Bush returned to Washington, he was helpful in the final maneuvering that squirmed through a final draft accord. About this time, Paul Wolfowitz, who was head of Policy Planning at State, sent a memo to Haig strongly opposing the communiqué. Haig ignored the complaint, but by this time pro-Taiwan Congressmen as well as officials in the White House were becoming worried that the negotiations would seriously restrict our arms sales to Taiwan and end up pressuring the Government in Taipei into negotiations with Peking on reunification. Wolfowitz was in their camp...

TAYLOR: ...On July 14, the day Schultz was sworn in as Secretary by Reagan, the President issued a statement in which he outlined six assumptions regarding the forthcoming communiqué. The director East Asian affairs at the NSC, Gaston Sigur, had phoned the Taiwan desk at State and asked it to draft something that would "ease the shock" of the communiqué on Taiwan. Most of the assumptions were affirmations of the Taiwan Relations Act. One notable assurance, however, stated that the United States "has not altered its position regarding sovereignty over Taiwan." The PRC immediately said that these assumptions or assurances were not valid or relevant.

Perhaps because of the announced "assurances" or an effort to test Shultz, the Chinese tried to open up the negotiations, demanding additional changes in the draft. Their changes would have removed the linkage between China's policy toward Taiwan and the promised US action on arms sales. Shultz decreed that linkage was essential. In Peking, Ambassador Hummel and Minister Han Hsu initialed the draft. In the communiqué the PRC affirmed that it was its "fundamental policy" toward Taiwan to bring about peaceful unification. Our side said that in light of this position, the United States would limit the quantity and quality of its arms sales to Taiwan and that such sales would "gradually diminish, leading over a period of time to a final resolution." When Jim Lilly in Taipei informed Chiang Ching-kuo of the wording of the forthcoming communiqué, he (Chiang) was not at all concerned. With Reagan and Goldwater's assurances in hand he could relax.

In his candid and outspoken memoirs, Shultz incorrectly writes as if the communiqué was negotiated largely under his watch and was not controversial at all. In his book, Schultz praises John Holdridge and Arthur Hummel for producing the communiqué, a document that the rightwing and the neoconservatives - and eventually George W. Bush - thoroughly hated. But Schultz seemed not know about the behind-the-scenes maneuvering that had been going on to overturn or neutralize the effect of the communiqué. Early the next year, Wolfowitz, who had become Assistant Secretary for East Asia, pushed for an arms sales package for Taiwan that would increase these sales to the island by over 60 percent to \$1.3 billion. This was Wolfowitz's first effort to neutralize the Communiqué by ignoring it. This came up during a meeting on Shultz's plane flying to Peking. The Secretary said, the Communiqué represented the word of the United States and the President and "we are going to carry it out." Wolfowitz started to say "But..." Shultz cut him off, "No buts"! Today in 2005, with Colin Powell gone from Foggy Bottom, there is no one to cut off Wolfowitz.

After the Communiqué became official on August 17, A US Government statement and Reagan himself in later public remarks asserted that the US commitment on limiting arms sales was linked to Peking's commitment to a peaceful resolution of Taiwan's future. That assertion was true, but the linkage was an informal one. Peking issued its own statement saying no linkage existed, implied or otherwise. Later in a published 1983 interview, Reagan misstated the essence of the communiqué. He declared that all the communiqué meant was that if the two sides peacefully worked out an agreement on reunification, there would be no need for arms sales to Taiwan, and, "nothing was meant beyond that." In September, the Chinese Communist Party declared its "equidistant" policy between the two superpowers. Rhetorically, the historic strategic relationship had ended. Deng Xiaoping, however, continued intensive military, intelligence, and covert cooperation with the United States.

Today (2005) U.S. arms sales to Taiwan have increased enormously in both quantity and quality. Proponents of this policy emphasize linkage - the scale and increasingly high tech nature of these weapons transfers are responses to Peking's threats aimed at Taiwan, such as the missile tests of 1996 and the large missile buildup over the past six years in Fukian province opposite Taiwan. The escalation of arms sales and military technology to Taiwan, however, predated the mainland's saber rattling. For example in 1992, George Bush in the midst of the presidential campaign, approved the sale of F-16s made in Texas to Taiwan, and before that the Administration had approved the "indigenous Taiwan fighter," a modified F-16 (See below). The Chinese military buildup on the coast since 1996 has, in my view, been a decidedly wrong-headed tactic for Peking. But it is probably accurate to say that this massive deployment was in good part stimulated by political developments on the island that year that indicated a new direction toward rejecting the One-China principle and affirming an independent status - a direction that Taipei did take in 1999.

Ronald I. Spiers
Director, Office of Regional Political-Military Affairs in the Bureau for European Affairs
Washington, DC (1962-1966)

SPIERS: ...In general, State's regional bureaus were not enamored of military bases. They had to face the political consequences of our presence in foreign countries. I mentioned earlier that I had three major differences with the White House during my career. The first two concerned arms control issues; the third concerned Iran. It was essentially a difference on arms sales, but with arms sales to Iran, came a major U.S. presence to teach the Iranians how to use these new weapons and to help them build the facilities necessary to base the weapon systems. We were getting ourselves in real trouble in Iran by pursuing an open ended policy which enabled the Shah to buy any weapons system he wanted because he had the resources. PM was responsible for commercial sales because they had to be licensed by our Office of Munitions Control. I made the case to Rogers that our sales would require such a massive U.S. presence in a society that was certainly not compatible with ours, that this would cause major frictions. Rogers made that argument to Nixon, but it didn't dissuade the President. He told the Secretary that the Shah could have anything he wanted. So our presence--PXs, movies, commissaries, leisure activities--became part of the Shah's difficulties because our presence appeared to the Iranians and particularly the fundamentalists to represent the most meretricious aspects of Western culture. It wasn't clear to me that the Shah was clear on where he was taking his country. Joe Sisco, then the Assistant Secretary for Near East Bureau, and I used to have continual arguments on this subject. He kept insisting that this was "our Shah" or "our policeman" and therefore should receive whatever he asked for. I, of course, had reservations, but the "open door" policy prevailed.

Q: What were your views about the American arms sales program in general?

SPIERS: I was somewhat displeased with the pressures that McNamara and Henry Kuss applied. They used the "gold flow" argument to increase our sales efforts. By "gold flow" they referred to the balance of payments problems; arms sales balanced our payments for imports. I favored totally arms sales to all of our NATO allies; I favored sales to other countries with which we had formal mutual defense alliances like Korea and Japan. But I had to gag at the pressures to sell to other countries in the Middle East, Latin America and Africa. They were potentially destabilizing. I prefer the organic approach to political issues; let the matters develop as naturally as possible rather than to press them to take a faster pace or move too far ahead. Kuss was just out to sell; he saw that as his role--the salesman of U.S. military weapons, equipment and facilities.

The pressure for U.S. manufacturers was easier to handle because in most cases they were in competition with each other. When I was Ambassador to Turkey, all the representatives of U.S. manufacturers would come to see me. I always told them that I favored the U.S. making the sales, but that I certainly could not favor one U.S. manufacturer or product over another. That was somewhat of a cop-out, but it took me off the hook.

I really didn't have any objections to the sales of weapons systems, because no one was discussing sales of nuclear weapons. I did think that there was too great an interest in the

Pentagon in selling high performance aircraft. In many cases, countries did not need the military capability of those advanced systems. I thought an F-5 would have been perfectly adequate to meet the defense requirements of many countries, but many countries were not interested because they viewed an F-5 as an inferior weapon system since the U.S. Air Force refused to buy any of them for itself. The plane began to look like an export model for the "great unwashed". I argued that the U.S. Air Force buy a wing of F-5s, both to help foreign sales and because I thought the F-5 had performance characteristics that should have interested our military. But the Air Force wanted everything gold plated--just as an Admiral can never have enough aircraft carriers.

Q: Did you have any views about the potential for destabilization that arms sales have been alleged by some to have?

SPIERS: I can only remember that issue being raised in the case of some assistance to certain Latin American countries and Iran. We lost the argument on sales to Iran; in Latin America, we were able to limit the types of weapon system that were sold. We kept highly sophisticated systems out of the area, both because they were not militarily justifiable and were certainly economically unaffordable.

This issue was raised frequently in the India-Pakistan situation. We tilted very much in favor of Pakistan, correctly, I believed. Furthermore, the Soviets were not showing any restraints in their sales to India.

Most of the Congressional testimony on military assistance and arms sales was provided by Tom Pickering, my principal deputy. We had an informal division of labor: he dealt with military assistance issues and I dealt with arms control and disarmament and base negotiations. Tom could do anything; he could have handled disarmament issues, but we just arbitrarily divided the work load as I have described. Pickering's problem was that he so fast and so quick that he tended to do everything himself. I sometimes had real problems with the office directors who would complain to me that by the time they started to do something, Pickering had already finished it.

Christian A. Chapman
Arms Transfer Program, Office of Political-Military Affairs
Washington, DC (1968-1974)

Q: What was your general impression of the desire on the part of the military to sell arms?

CHAPMAN: There had been a directive from MacNamara in the early '60s, to push sales as a way of helping out our trade balance, which was even then a matter of concern. By the end of 1969, many of us were troubled by a policy that had, in certain areas, destabilizing effects. One of the efforts of the Bureau and certainly one I felt strongly about was to dampen down this push for sales, and indeed I also sought to reduce grant military assistance because I thought that in many countries it encouraged the maintenance of defense establishments those countries really could not afford. But overall, as a matter of generality, what this interest in arms revealed was

the sense of insecurity felt worldwide. Not just against communism, but world-wide, among neighbors. In Latin America, Brazil, Argentina and Chile, for example. I thought Latin America as a particular egregious place in that it was difficult to conceive scenarios where there was a need for very sophisticated weapons at a time when the economic situation in many countries was not of the best. These were, we thought, misspent resources. So we tried to reduce the level of armaments going to these impoverished countries. Our greatest success was in keeping the F-4 Phantom (the hottest fighter plane around at that time) out of Latin America. The problem is that you provide one of these weapon systems to Brazil for instance and immediately Chile and Argentina want it. You provide to El Salvador, one of the Central American countries, another fighter plane with less potency, but all the other Central American countries want it.

Q: Were these weapon systems a way gaining friendships?

CHAPMAN: I think it is a caricature of it. It was asked by the political leadership of those countries, and the one that was the most difficult was the Shah of Iran. He really wanted to build up his forces into one of the major military powers of the world, second only to the Soviet Union and the United States. By the time of the revolution, in 1979, he had units that were better equipped than American units. For instance, in helicopters. I felt, and I was not alone, that it was a terrible waste of resources for that country.

At one point, I tried to question one of the requests that had been put in for a very expensive and sophisticated type of equipment that required very well technically trained people. One of the concerns I've always had is by providing very sophisticated weapons, we drain from the society some of the best educated and ablest people to maintain and operate these weapon systems. The Iranian ambassador happened to be an old friend of mine and invited me to lunch to sound me out. I very gingerly explained some of my reservations. Well he reported this back to Tehran and within a matter of days, I got a rocket back from the American Ambassador who had been approached by the Shah and the Shah had told him, "What is this bureaucracy that is trying to hold up my request?"

Q: I have had interviews with people who had been at our embassy and said that Nixon and Kissinger through there ...

CHAPMAN: had given a blank check to the Shah.

Q: Basically, don't question anything. Let them have it.

CHAPMAN: That is exactly right.

Q: I have to say that within the bureaucracy as a foreign service officer I had nothing to do with this. I was thinking, "Are we out of our minds, dumping all this stuff in that country?"

CHAPMAN: Nixon and Kissinger went farther than any other administration, but the fact is that seven Presidents of the United States rolled dead in front of requests from the Shah for over thirty years. The argument was made that we had to maintain the confidence of the Shah, we had to maintain a relationship with him, help build Iran into a strong country, and in any event, if we

didn't sell him these widgets, the Shah would go to England, France and the Soviet Union for his military supplies. And in fact, he did. This is the bind in which we found ourselves.

Beyond all strategic and political considerations, the French and British had military industries that could not be sustained by just their internal markets. They had to export. Israel also needed to export certain types of military equipment. These countries- and others later on, Brazil, China, had to export and they made big efforts in this regard. Anywhere we said, "Well I don't think they should have this weapon system", the country would go to Paris or London and get it. The French went so far in Latin America as to send aircraft carriers bearing all their wares, and put on big displays. By the '60s we no longer controlled the arms trade.

Q: Were you looking at this as business or policy.

CHAPMAN: I was looking at it as policy, because I thought in many places it heightened tensions, it diverted resources from more important items, like the building of the economies of underdeveloped countries. It diverted the talents of human resources, and I thought this was a bad allocation of resources in many countries.

I sought very hard to make people think about the consequences of providing major weapons systems. One I developed a questionnaire to force people to analyze the economic consequences for providing weapons. Because once you have a widget, you have to maintain it. It is expensive. And to show how that would be maintained by the economy of a recipient country.

Q: Were you a gadfly?

CHAPMAN: The desks at State and at the Pentagon were pretty well saying, "This is what the country wants, this is what it should get." I was very much of a gadfly, getting people to think about it.

Q: What about the Pentagon and ISA?

CHAPMAN: The ones I dealt with didn't question these requests very much. They would just shrug their shoulders. After all, the recommendations on the level of support came from the MAAG's.

Q: Weren't there two minds to this. On the one hand you don't want to have to fight against your own weaponry if relations go wrong, as in the case of the Persian Gulf, and on the other hand a savings in quantity.

CHAPMAN: That's exactly right. In fact the military opinion was much more nuance than divided. You had military officers who were very responsible and understood very well the consequences of some of these arms transfers. You had the services, for instance the Air Force, who had a very real interest in selling some of their planes because it meant that the unit cost of the airplane went down as they were sold abroad. This was a very real factor. But in ISA where you had serving officers who were detached from the services, you had a more dispassionate point of view. But the Pentagon, as an institution, was interested in maintaining good

relationships with foreign military establishments through, among other things, the sale of weapon systems. Moreover, the Pentagon had an economic interest in the sale of major systems because as I said it brought down the prices of their systems but also provided for a long-term relationship through the needs to provide maintenance, including spare parts.

Q: What was the problem with spare parts?

CHAPMAN: One of the things I was pushing for was to shift from grant to sales, in order to confront countries like Greece with the question of the cost of these systems. When you give something to someone for free, it's fine and dandy, but there is no appreciation of the impact on the local economy. But when you have to buy something, it is another matter. I made a special effort to shift from grants to sales.

Q: How did we view Greece and Turkey. It was obvious from over there that the Greeks had only one thing in mind. A war with Turkey. The Turks had to think in broader terms. How did we feel about that?

CHAPMAN: We didn't like the automatic formula of providing eight to Turkey and five to Greece. But we were not very successful in breaking that. I think the effort in this area was to maintain both those countries first of all as able allies of NATO, and secondly to dampen down their fears and hatred of each other.

I can't remember the specific about spare parts. But overall the policy we were trying to push was to make countries responsible for their military defense.

Q: Were you there when they just cut off arms to the Turks, in 1974?

CHAPMAN: No I had just left there.

Q: This was the period of Henry Kissinger. Was there a strong hand coming out of the White House?

CHAPMAN: Oh yes. He considered military assistance and arms sales as an important tool of overall diplomacy. But he did not appreciate some of the consequences of some of the decisions. The most dramatic was the decision to provide major help to support the Cambodians when Lol Nol broke away in 1970. Sihanouk was traveling in Moscow and Lol Nol took over the government. The decision was made to support him and to divert a hundred to two hundred million dollars worth of assistance to support him. That had to be gotten from all of the other country programs. So we had to scrub the whole military assistance program worldwide, to come up with the sum. I went to Alex Johnson (the under secretary for political affairs), and said, "This is the decision but these are the consequences. It is going to create a lot of problems with the Philippines and other countries." But that's something that Kissinger considered as a bureaucratic problem and not a political one. Yet it did have political consequences, in terms of our relations with a lot of countries, Korea for instance. Philippines.

Q: Were the desks screaming to you?

CHAPMAN: Oh yes. But I had a pretty good command of these programs and I was able to control all the desks pretty well.

Q: Someone looking at this bureaucratically they would look to your office.

CHAPMAN: That's right.

Q: What about Israel? We didn't provide the weapons for the 67 war, but afterwards.

CHAPMAN: Israel, even then, was treated with profound cynicism. Because it was all handled at a very senior level. And what the Israelis wanted they got, pretty well. In 1969 Secretary of State Rogers and Sisco, the Assistant Secretary of State for the Middle East, tried to limit the airplanes to Israel. It was called the Rogers Plan and immediately became a big emotional issue. Finally Israel got what it wanted.

Q: You were there during the 1973 war, weren't you?

CHAPMAN: And this was handled as a supply problem for the Pentagon. It was completely outside any policy framework. We were dealing with regular programs, and what happened in 1973 was a crisis. The decision was taken to the White House and the Pentagon delivered the weapons.

Q: Were you getting any reverberations. I understand the military was very unhappy ..

CHAPMAN: Because they were drawing down from their own inventories to give to Israel. The hottest and latest weapons.

Q: State had no influence.

CHAPMAN: No. The Secretary was for it. The Administration made the decision. There was no choice.

Q: Any concern of selling arms and creating peace.

CHAPMAN: I felt quite comfortable with that issue because I don't think that absence of arms necessarily leads to peace. I think it is very important in many cases to remain well armed. As for instance in Western Europe.

I think we said at the beginning that our generation has been branded with the memory of the 1930s and World War II. That World War II could have been avoided if the Western democracies had been stronger, firmer and better armed. So I had no problem with general policy of arms transfers. It was a matter of providing appropriate arms to given countries. I had no problems providing arms to Israel, within certain limits, Greece and Turkey, Korea, but we had limited budgets and you had to do it judiciously. I had more problems with Latin America, where it was difficult to make a case that standing armies were really essential.

Q: In many ways they seem to be used internally if for nothing else, to provide a way up for lower and middle classes.

CHAPMAN: That's exactly right. It was a social mobility force. One other factor that did weigh with me, I confess, that is very seldom brought out, is that it is very easy from a desk in a nice office to say, "Well we won't sell arms to x, y and z countries," but the consequences of such a decision may mean closing down a factory in this country. Putting workers out of work. To my mind it was a very real issue to make a decision like that, knowing that the requesting countries could go to England and France and some to the Soviet Union to get what they wanted.

I think a rather dramatic example of this is the recent example of Saudi Arabia. We hemmed and hawed so long in providing reconnaissance airplanes to Saudi Arabia that they got tired and went to England. And we just passed up a \$35 billion contract. \$35 billion could keep quite a few American workers working. So that was a factor that added to the difficulty of making decisions.

**Harold H. Saunders
National Security Council
Washington, DC (1968-1974)**

Q: Let me raise some specific issues that you dealt with during this period. I would like to start with the question of arms sales. You mentioned how helpful the new NSC systems analysis staff was in evaluating Israeli request? What was your perspective on arms sales, both to Israel and to other countries in the Near East and South Asia area?

SAUNDERS: Let me start with the Israeli request for F-4 aircraft that was approved in 1970. This request was made to us during the Johnson administration. Johnson had recognized that the introduction of aircraft, which were state-of-the-art at the time, into the Middle East could have some destabilizing effect in the area. The most he was willing to do for the Israelis before he left office was to say that we would, in our procurement process, place orders on long-lead time items so that we could reduce the time between the decision, if positive, to sell and the actual delivery time. By 1970, production of the F-4s was at the hand and Nixon had to make the decision whether to sell them.

The question of the Middle East balance goes back to the early Kennedy period. Truman, for all of his support of Israel, had made the decision that the United States would not supply arms to Middle East countries. That policy essentially stood until the Kennedy administration. Then relatively modest sales of tanks and other ground equipment were approved. The sales expanded somewhat under Johnson. Then came the 1967 war and in its aftermath, the United States began a significant arms assistance program to Israel. The debate in the early 1970s, which had in fact taken place several times in earlier periods, focused on whether the US would make it more possible for Israel to make the political concessions necessary to reach peace with its Arab neighbors if it felt strong and secure or whether it would more likely move in undesirable political directions if it felt that it was militarily over-matched. The Nixon/Kissinger conclusion was that Israel would be more likely to be forthcoming in the peace process if it felt secure and strong.

The second question then became how to achieve the political goal without creating a dangerous arms imbalance in the region. It was our assumption that any significant imbalance would be redressed by Soviet assistance to its "clients". That would have turned the Middle East into an area where the super-powers would have competed for dominance through an arms race. So we still had the goal of restraint in mind, less perhaps for Middle Eastern reasons than for US-Soviet relationships. In fact, that competition did develop, when, after the F-4s were delivered, during the "war of attrition", the Israelis began deep penetration raids into the Nile Valley region in Egypt. At a certain point, the Egyptians finally decided to seek assistance from the Soviets for defensive weapons. The Soviets agreed to provide surface-to-air missiles and moved them into Egypt. That provoked a major crisis in US-Soviet relations. The arms race in the Middle East became very much a part of the US-Soviet antagonism; it may in fact have been the predominant factor. In the "war of attrition", the real struggle was an electronic one between US aircraft and the Soviet anti-aircraft weapons, very much like the one that took place over North Vietnam. The Nixon/ Kissinger notion was that the Arab countries had to recognize that the Soviets could not provide enough arms and equipment to enable them to cope with American technology in Israeli hands. Kissinger would say that his policies during this period, as he became increasingly involved in US policy in the Middle East, was to convince the Arabs that they not only could not achieve their goals by using the Soviet Union against the United States, but their goals could only be achieved through collaboration with Washington. That was the way he described his objective to his immediate staff and colleagues.

As far as arms sales to Iran were concerned, there are a number of points that should be made. My own recollection of that process begins when I had to provide Kissinger with the State and Defense recommendations on positions to be taken with the Iranians during one of our periodic consultations with them on their military procurement wishes. During the Johnson administration, when we still had significant economic and security assistance programs in Iran, a review mechanism was established to insure that the costs of military procurement would not overburden the country's economic development, which had a higher priority. At the beginning of the Nixon administrations, the departments forwarded their recommendations for another round of discussions with the Iranians. Kissinger flatly rejected the recommendation; he did not want the United States to be in a position to tell the Shah how to run his country. My guess is that Kissinger, while an NSC consultant and an as an observer of US foreign policy, had acquired a sense that the US was too intrusively involved in essentially domestic issues of foreign countries. So when the opportunity arose, Kissinger put an end to the review process. Sometime later, I accompanied him to the Iranian Embassy in Washington to meet with the Shah during one of his visits to the United States. This may have been at the time of the Shah's first visit to Washington after Nixon's inauguration. The Shah and Kissinger discussed strategic issues, including Vietnam, the Soviet relations, China and other global matters. Kissinger, as well as Nixon, regarded the Shah as a kindred mind, a strategic thinker; they were comfortable with allowing the Shah to decide what should be done in Iran. In light of my later experiences as Assistant Secretary for NEA, when the Shah was deposed, I believe that the seeds for that downfall were sown during the early Nixon/Kissinger period.

I don't think we were responsible for the Shah's fate, but we might have taken a different approach. I remember a story told to me by Walt Rostow. Soon after he had left government, he

visited the Shah to collect some material for his book on "The Stages of Political Development". He and the Shah discussed the issue in the Iranian context. In that conversation the Shah mentioned that the political base in Iran had to be broadened; otherwise he felt that his son would never ascend to the throne. That indicated that the Shah was well aware of his political position and was wrestling with the problem in 1969.

As I reflected on the early Nixon period and the so-called "blank check" policy, I would ask myself whether, had Nixon taken a different approach to arms sales, would that would have made a difference to the Shah's reign? Nixon could have, in his first conversation with the Shah, told him that all leaders had domestic political problems. He could have explained how difficult it was for him to obtain support for his efforts to restructure the US relationships with the Soviet Union. He could have told the Shah that he, Nixon, spent considerable amount of time worrying about developing support from the American body politic for his various policy initiatives. From that beginning, Nixon might have been to develop a dialogue with the Shah about the need and the means to develop public support. This may sound very simplistic, but the fact was that the Shah looked to American presidents as standards and he wanted to measure up to them. He wanted to be in their league. If such a conversation could have taken place in 1969, the Shah might have returned to his country more concerned about his popular support and his need to broaden his political base. Such a discussion might have led the Shah to give greater priority to his need for more public support. I must hastily add that some people, particularly in academic and foreign policy circles, might well laugh me out of town for these sentiments. But I feel that connection between leaders is an important factor in foreign policy, then such a discussion might have proven useful and valuable. The "blank check" policy permitted the Shah to do the easiest things--e.g., building his military forces. Of course, he fancied himself as a military strategist and that made his predilection to military matters even more accentuated. Nixon and Kissinger told the Shah that they would publicly say that our Gulf policy would be based on the twin pillars--Iran and Saudi Arabia-- and the cooperation between those two countries, but they also told him privately that they recognized that the Saudis did not have the capability to carry an equal share of the burden. Furthermore, the Shah was informed that the US had no intention of filling the British shoes in the area, even though the British were rapidly leaving. That in fact meant that the United States was relying on the Shah to maintain stability in the Gulf.

There was another component of the policy and that was the Soviet Union. This was particularly relevant to the clandestine aid to the Kurds which we provided through the Shah. That policy was articulated in the same way as we had done often in the Arab-Israeli context through the use of military sales. Nixon and Kissinger felt that Iraq had to be shown that "being a friend of the Soviet Union didn't pay off"--I think I am quoting accurately. The other side of that coin was, of course, that being a friend of the United States would pay dividends. The assistance to the Kurds--regardless of one may think of it now in retrospect--was a way to maintain the Kurdish rebellion to the discomfort of the Baghdad leadership. It was not a situation in which the Soviet Union could help; only the United States could have had some impact. This was another illustration of how the Nixon administration used its relationship with the Shah in the context of the Cold War.

You also have to remember that this was a period during which it was hoped that the United States and the Soviet Union would reach some agreement on strategic arms limitations. The Shah's cooperation was very useful to us in that context because he gave us permission to install

listening posts along his border with the Soviet Union so that we could monitor Soviet practices. Ultimately these posts were very useful in the verification of the agreements that were reached.

This is not to say that military sales are just another "commodity" available to the US in pursuit of its foreign policy objectives. Such a characterization tends to ignore something that I always felt laid at the core of decisions to supply arms to other countries. I was always very conscious that whenever we had any requests for arms, we were dealing with people who were the stewards of their countries' future and survival. In many cases, leaders came to us because they believed that their countries were under serious threat. Whether their analysis was self serving or overly cautious was not material. That was their perception and as leaders of their countries, they were responsible for providing for their people's safety and security--just as our president is for us. In those cases, the provision of arms made military equipment much more than a mere "commodity", although it had some aspects of it. But the "bottom line" factor had to be that the decision to provide arms was perceived as a matter of life or death in many cases. So we may have used arms sales as a means to foster our objectives, but that was by no means the only rationale. Furthermore, if one looks at the arms sales policies of the principal producers, I doubt that many, if any, of the others worried so much about the impact of their sales as we did. We really did care about destabilizing arms balances and I think we were more responsible in making our decisions than most of the other producers. We did not trivialize arms supply nor did we use them primarily merely as a "currency" or, generally, as economic assistance to American manufacturers. There were a couple of periods when we did actively promote arms sales to reduce our balance-of-payments deficits, but that was before the period we are now discussing. The economic issues did not play a significant role in policy making.

Thomas Stern
Deputy Assistant Director, Political-Military Bureau
Washington, DC (1973-1976)

STERN: I spent much of my time, particularly in the first part of my tour as Deputy Assistant Director, working with Hill staffers on a new Foreign Military Sales Act. Jim Michael, then the Assistant Legal Advisor for Political-Military affairs, and I were the principal State Department representatives what in effect was a joint Legislative-Executive Branch Task Force. This working group met for months. In retrospect, I have always considered that our efforts were inadequate in terms of protecting the prerogatives of the President and the Executive Branch. This was the beginning of the micro-management of foreign affairs by the Congress which by now has led to legislation so restrictive and so detailed that an Administration does not have sufficient flexibility in the conduct of foreign affairs or in the appropriate allocation of resources. By the time we had finished rewriting the Act, it permitted Congress to involve itself in the details of the conduct of foreign policy. That is not, in my mind, what Congress was set up to do. It is to provide policy guidance, but not to execute. Not only did the rewritten Act raise some fundamental Constitutional questions, but it also required such Congressional scrutiny that it almost mandated a geometrical increase in the size of Congressional staffs. If Congress is going to ask for more reports and more involvement in the conduct of foreign relations, then it has to have a staff to implement the new responsibilities it has assigned to itself. It was not a wise policy. Jim and I recognized the direction the Congress was taking us, although at least I did not

realize the extent that the new Act would lead to micro-management. However, unfortunately, there was not much interest or support from our superiors in the Department. I think they looked at the rewriting effort primarily as a technical matter; they really didn't care to become involved in the "nuts and bolts"; they did not come the realization that the "devil is in the details". Furthermore, no one wanted to get into a hassle with Congress on the questions of arms sales. It was not a subject that would have had much resonance in the country, nor probably much support for an Administration which would have been painted as one that did not want any supervision of its role as an arms peddler. One of the immediate results from this new legislation was that Congress had to be given 30 days notice before any sale over a certain amount could be consummated. It had the right to veto such sale if it so desired. That eventually led to some horrendous compromises, such as selling anti-aircraft weapons, but only if they were not movable. The trend that started in 1973/74 eventually also led to much more "earmarking" of funds to an extent that today an Administration has practically no leeway in its assistance allocations, nor can it really respond to emergency situations since its allocations are frozen by Congressional mandates. It clearly makes foreign policy much more subject to domestic political pressures. The micro-management and the resulting increase in the Congressional staffs has by today become the bane of existence of the Executive Branch. I note with some amusement that some of staffers that were involved in the 1973 negotiations, such as Dick McCall, are now working for the Executive Branch and seem not to enjoy the process that we started in 1973/74.

Congressional staffers have always been very powerful. Going back to Crockett's days, the director of the State Department's appropriations subcommittee was treated almost as gingerly as the chairman himself. That was probably also true for Fulbright's man and well as Hayes'. But with the increasing involvement of Congress in the conduct of foreign affairs, all senior staff members have become vital to the Executive Branch and are treated as royalty. Staffers have become very intrusive in the process as best illustrated I think by Helms' people during the Reagan-Bush period. As I said, we recognized in 1973/74 that were giving away "part of the store", but I didn't have any idea how much that was really to become and I am sure neither did our bosses. I think they might have reacted somewhat differently if our crystal ball had been clearer. Since we lacked support from the top and were under some pressure to bring our negotiations to a conclusion, so that a "Foreign Military Sales Act" could be enacted, we gave away a lot executive prerogatives and, as I said, in retrospect, far too many.

Q: During the period we are discussing, there were many countries around the world that were run by dictators. Did we pay much attention to the type of government to which we were rendering assistance?

STERN: Within the Administration, our principal interest was whether the government was on our side in the Cold War. Outside the government, many voices were raised opposing our policy. Inside the Department, I don't remember any debate about the kind of government that was receiving assistance. Human rights were not yet on our scope. In Congress, you could always count on at least one member of a committee cross-examining us on why we provide assistance to country X or Y, which had dictatorial regimes. Since anti-communism was still widely supported in the country, the answers were straightforward and usually did not engender any debate. Many of the Administration witnesses had some qualms about the internal policies of some of the recipient governments, but the Cold War was still our principal focus and all other

considerations were secondary. We did eliminate assistance to police forces or semi-police forces and tried to make sure that our weapons were not used to suppress domestic discontent. Of course, we also had a restriction on using our weapons for aggressive attacks outside the border of a country. Those restrictions if they had been rigidly adhered to would have greatly limited the use of our weapons. We also did not permit the sale of our material to other countries without our permission. The weapons were basically for self-defense and for that purpose alone. The policies were not always adhered to, but I don't remember that we ever took any punitive actions against countries that violated our laws and regulations.

The more difficult philosophical question was whether the United States should be providing arms or money for the purchase of arms at all. No one objected to our sales to NATO or Israel or Korea. But we had great difficulties defending security assistance or arms sales to African countries and some Latin American ones, not because many of them had dictatorial regimes, but because there were tensions in the regions and many people expressed the fear that we were increasing them by our military assistance policies. The fact of the matter is that there had never been, and I am not sure there is yet, a good study made on the impact of arms on regional stability. There had been one study made, whose thesis I used widely both in Congressional testimony and in appearances before public groups. That thesis indicated that when two countries were evenly matched in military power, there was less likelihood of an outbreak of hostility. When there was a major disparity in the military balance, there was also little chance for hostilities. But when there was a disparity, if the weaker power began a militarization program, then the chances for hostilities breaking out were good. One example was India-Pakistan where war broke out as the Pakistanis were trying to modernize their forces. I think you could make the same case in the German-Franco-English military relationships of 1939. I don't know whether the thesis was really valid, but it was the only academic work on the subject that I was familiar with. What we essentially said was where there was a balance of power, the chances of hostilities were minimized and our military assistance programs were directed to maintain such balances. Of course, there were situations such as Greece-Turkey which meant providing assistance to both sides. In other cases, such as Pakistan, we were engaged in balancing what the Soviet Union was providing the other side (i.e. India). But I have never seen any good studies on the relationships of hostilities and military assistance or whether there are generalizations one can draw from history on the causes of hostilities. In 1973, neither the pro nor the con military assistance sides had much historical basis for their arguments.

One of the most vivid recollections I have of Congressional testimony came the first time I appeared before Hubert Humphrey and his Senate subcommittee on foreign assistance. I had a long statement written, one that I had worked on for weeks because it was to be Administration's principal statement on Security Assistance. It went in some detail both about our general philosophy and some of the country programs. I started to read it and about half way through, Humphrey interrupted me and said: "Mr. Secretary, you are going much too fast. You are reading your statement much too quickly!". I answered: "I am sorry, but if you had read it as many times as I have and had worked with it as long as I have, you would also want to finish it as quickly as possible. I am sick and tired of it!". I was always amused that I was addressed as "Mr. Secretary". I was a lowly Deputy Assistant Director, but I guess it made the record look better and the members of Congress felt better because it made it sound as if they had a high ranking official testifying.

I must say that my tour in PM ranks high in my career. It had a lot of interesting challenges. One of the problems we had was that we could never discuss our negative decisions on arms requests. We did deny some requests both for arms themselves and for financial assistance, but we could not really discuss them in open sessions because it would have been an embarrassment to the requesting country. When we testified, we were always asked whom we had turned down. We had to answer that we couldn't say in an open session which obviously left the impression that we approved everything that was before us. That was not the fact. On the commercial side, we pre-empted sales efforts by some American firms by denying them a license to even brief some foreign military establishments.

On the sales side, the only countries that went un-challenged were Iran and NATO. Iran had absolutely a *carte blanche*.

Q: To my mind, that was one of Kissinger's main failings. For some reasons, he turned a blind eye to the Shah's insatiable appetite for weapons.

STERN: At that time, our foreign policy in the Middle East rested on the "two pillar" theory. One was Iran and the other was Saudi Arabia. For reasons that I have never fully understood, the Shah could procure anything he wanted. What I don't think Kissinger fully recognized was the large number of Americans that were required to set up the military establishments in both Iran and Saudi Arabia. We were involved in building infrastructure, in training, in maintenance, in everything to do with running a large military establishment. The Americans were U.S. government officials, American military personnel and private American contractors. We over-ran these countries. The Americans were obviously quite useful to the Iranian and Saudi governments; they could not have acquired and maintained and built their military capacity without large American assistance. Neither country had the technical capacity to handle the kind of build up that they sought. But it is not very clear that all this massive assistance was very useful to our national security because thousands of Americans living in a culture so foreign and different from what they were accustomed to tended to raise tensions with the local populations. The contractors, particularly in Saudi Arabia, tried to insulate their personnel from the local populations by building self-sustaining little cities in the desert, as ARAMCO had done, but there was bound to be some contact with the native people. These were not always positive as you might well expect. Many of our people were hard working, hard playing construction types and they would have had great difficulties with Muslim restrictions. Our presence therefore was not always a positive factor; it may in fact been one of the negatives that brought the Shah down. I never had a sense that there was any strategy behind Iran's procurement; it if it was new toy, the Shah wanted it. And he got it.

But with the exception of Iran, all other requests whether for arms or security assistance was, were scrutinized rather thoroughly. We turned down a number of requests for Latin America, particularly for advanced jet fighter planes. We tried to minimize the modernization of the air forces in Latin America. They didn't need the newer planes for defense purposes; they didn't have the infrastructure or manpower to fly and maintain a new fleet. There were some requests that just didn't make any sense at all. As a general proposition, the Defense Department usually supported requests, partly because in some cases, the larger the orders a manufacturer might have, the lower the cost per unit. Fortunately, the Department of State had the final word unless the

case was appealed to the NSC, which happened rarely. I also remember that we denied security assistance to Lebanon, which even at that time was a powerless force and its modernization might just have increased the internal frictions among the various religious sects. It certainly, even with modernization, could not have held off the Israelis or the Syrians, so we saw no justification for providing assistance. There were some other examples of our denials, but I just wanted to make it clear for the record that the Department, and PM specifically, gave each request, for security assistance or commercial arms sales, a thorough review.

We in PM did not win all the battles, but most of them. I had an officer director, Dan James, who was ideologically very much opposed to security assistance. He was a wonderful foil because I could always count on him to oppose most requests by the Bureaus for funds for military assistance. It is always useful to have a "devil's advocate" on your staff. I did not accept his arguments in most instances, but he did stimulate all of our thinking and at least was some sort of a brake on the insatiable appetites of the Bureaus.

One day, I was in my office, minding my own business, when Roy Atherton, then Assistant Secretary for the Near East, came by with a few members of his staff and asked whether I would like to go along with him right then for a meeting with the Secretary. I didn't have the slightest idea why the meeting was being held or what the subject matter was and Atherton did not enlighten me. But I went and walked into Kissinger's office. The first thing the Secretary did, in his usual charming way, was to say: "What is he doing here?" pointing at me. Roy explained that the issue to be discussed was a security assistance matter and he thought that I should be involved. It turned out that Kissinger wanted to see whether it would be possible to use some security assistance funds to finance a factory in Egypt to produce spare parts for Soviet military equipment. The Soviets had become disenchanted with their former clients (or vice-versa) and had ceased to provide military equipment to the Egyptians, who were left with a lot of weapon systems which could not be used for the lack of spare parts. I assumed that Sadat had asked Kissinger whether we could finance production line (and most probably technical advisors) that would produce at least spare parts if not complete systems so that his troops could be armed. When it became clear to me what the subject of the discussion was, I then understood why Atherton had asked me along. He and his staff did not want to say "No" to the Secretary. So when the question was asked, everybody turned and looked at me. In light of the silence, I said: "No, Mr. Secretary, I don't think that can be done". That did not go over very well. Kissinger scowled; he was not pleased with the answer. I didn't have the law in front of me, but I was pretty sure that the Congress would not have viewed the use of the taxpayers' money for such purpose with any great enthusiasm. Furthermore, I thought it would probably be public relations disaster when the media would have uncovered it. That episode was in part an illustration of the Department's view of security assistance. It did view it as money for "improving relations" between the United States and the recipient country. We were never able, in some cases, to answer satisfactorily, at least in my mind and to Congress, what the U.S. got in return. If we had a military facility, that was easy. If it strengthened our alliances, such as NATO and South Korea, that was easy. We used to talk about "stability", about UN votes, freedom of navigation, landing rights, etc. but the arguments in some instances there were not concrete quid-pro-quo for the assistance and the justifications were soft. The funds were just general "sweeteners" to make the life of our representatives overseas a little easier. I don't want to leave the impression that this was the case for the majority of the program; it was not. We had sufficient justifications, whether

it was for base rights, or modernization of allied forces, or equipping foreign forces that were under some threat of attack. But there were a number of smaller programs that were suspect.

Q: What about military assistance to Israel? You were in PM when the 1973 war was fought. What was the impact of that event on security assistance? I remember that our military was very unhappy when we moved their equipment, particularly from Europe, to help the Israelis.

STERN: I had just reported to PM a couple of months before the war started. I am not sure that I was even responsible for security assistance when the war began. But I did know that we had an annual very rigorous review program with the Israelis to review their security assistance requirements. A team of their Treasury and military experts would come to Washington for a few days and the U.S. government would review both their financial condition and their military requirements. It was the only country which was subjected to that kind of thorough scrutiny. These sessions were very much like budget hearings chaired by PM with Defense and Treasury representatives in attendance. Then I think there were separate sessions with DoD and Treasury as well. So it was as thorough a process as we had. We had a sort of a "benchmark". We wanted Israel to be both economically and militarily sufficiently viable to insure its continued independence, but we were also careful about creating any feeling among the Arabs that an arms race was being fostered in the Middle East. I think that was always one of our objectives which became more complicated when we began to assist the modernization of the Saudi Arabia forces. Iran was never much of a problem because the Israelis had close contacts with the Shah and I think viewed him as a supporter, or at least as a stabilizer, in the area. Jordan was the real problem because it was the neighbor which felt most threatened by the Israelis. We walked a fine line when we provided arms to the Israelis and the Jordanians. We tried to provide a level of military assistance which would permit the development of a recognized self-defense capability, but one that would not be so overwhelming that its neighbors would feel threatened. It was a difficult challenge, particularly when it came to air power. To maintain a "proper" balance got us into some difficulties. I mentioned Jordan's concerns. To balance some of Israeli air advantage, we decided to provide Jordan with some surface-to-air missiles and launchers. The Israelis objected vigorously and there were many members of Congress who supported them. We finally compromised and provided the Jordanians launchers that were not mobile; that is, we took the wheels off and the launchers were then fixed in one spot. These negotiations took months and were at the time a cause célèbre. Our Saudi program was also the subject of much debate, which was partially resolved by building only air force bases far removed from Israel. Not all of these events took place during my tour in PM, but we had enough of these kinds of issues to make life interesting. The Saudi bases were not financed by the United States, but we had to license the technical assistance that was required. So we were, and still are, quite intrusive in the Middle East. Syria and Iraq were not a problem for us because they were essentially clients of the Soviet Union, from where they got much of their equipment as well as from France, I believe. Neither country in the early 70s was much of a threat militarily because oil had not yet become such a major foreign exchange earner.

We did try to enforce some limits on the modernization of the Israeli army before the '73 war. That permitted us to talk with some justification about a balance of power in the Middle East. There were Israeli requests that we did not satisfy. For example, we would never provide cluster bombs because they were obviously offensive weapons. Furthermore, there were requests for

sophisticated weapons that would have to be taken out of the inventory of our armed forces and before 1973, we did not do that, as far as I knew.

There was always a question of who would be the first, second, third etc. recipient of American production. That was not an Israel issue alone, but applied to many of our arms sales. I used to be briefed by representatives of our military production companies (e.g. Northrop, General Dynamics, General Motors) on their production plans. Almost always, our own military received first priority. Sometimes, Defense had to share some of the production with foreign buyers, particularly NATO and some other close allies. A shortage of production capability required us to referee at times, although I don't remember that ever being a major problem. But in most cases, the foreign buyer just got into line and had to wait his turn. Production was a problem especially for advanced aircraft; other weapons systems could be pretty much accommodated to meet both production capabilities and the delivery demands of the foreign buyer. As I said before, I can flatly say that economic considerations, that is the economic welfare of American companies, was never an issue that we considered either in making resource allocations or approval of arms sales. We were accused of doing so, but it was never true.

So as Deputy Director of PM, I became acquainted with a number of American arms manufacturers. I became especially well acquainted with the Northrop Company for a number of reasons. One was that one of their Washington representatives was a former military officer with whom I had served in Bonn. Secondly, and more importantly, Northrop was the only American weapon system manufacturer who had developed a system with its own resources essentially and exclusively for export purposes. I am referring to the F-5 family of fighter planes. All other manufacturers were using government funds for R&D work and whatever export sales they made were a by-product of their production for the American military. Northrop, on the other hand, explored the needs of non-NATO countries and developed a plane which met their defense requirements. I regretted the fact that our government did not support the F-5 program more. Our Air Force refused to buy that plane for its own use, although eventually I think it did buy a few to simulate the Soviet air force. But essentially our military turned its nose up at the thought of buying a plane which had been designed to meet the needs of smaller countries. Foreign countries therefore viewed the F-5 as an inferior weapon system because the US air force did not procure for its own inventory. It preferred F-4s and later F-16s and F-20s. These were weapon systems which the non-NATO countries really didn't need. They were far too advanced for them and the F-5 was a perfectly adequate system for the defensive purposes of most countries. The major difference was, at the time, the flying range which was not really an issue even for a country like Korea. In fact, the F-5 was a very good platform which would have served some of our own Air Force's needs quite satisfactorily. And it was a lot cheaper than other fighter planes. But the F-5 did not meet DoD's requirements and therefore was not on its procurement list. That gave concern to other countries some of whom opted to buy French or British when we would only approve the sale of F-5s. As I found out later, while we were supporting the F-5 program as tailor-made for the needs of most countries, the Air Force members of Military Assistance Advisory Groups may have been giving contrary advice to their foreign military counter-parts. It was to DoD's advantage to increase the production of F-4s, F-16s and F-18s because that would reduce the cost of each plane produced. So there were some officers who were undoubtedly pushing other planes besides the F-5s for that reasons even though we had made it clear, I think, that as a general policy we would much prefer to sell the F-5s in most cases. So we had a

difficult time getting other countries to request F-5s, although Northrop did make many sales. In fact, it was the State Department that was Northrop's strongest supporter because it manufactured a weapon system that quite adequate for the most countries' defense requirements and one that was considerably cheaper than the high-tech gadget-loaded planes that other American and European manufacturers produced. The Northrop story had never been fully told; it consists of a lot of errors, particularly when it came to some of their sales processes, which included bribes (disguised as commissions), but the company had also a lot of hits. I later became acquainted with its CEO, Tom Jones, who was a very intelligent person; the Northrop story is one that should be told in full sometimes because it illustrates the best and the worst of American business.

Q: That comment brings to my mind an interview I had with Ann Swift, who was the Political-Military officer in the Philippines. She may have picked up the American military attitude because she said in somewhat disparaging terms that the F-5 looked great on the runway. She was suggesting, I think that since it was not a Defense Department product, it could not have much good.

STERN: I think she was wrong on the substance. As I said earlier, DoD used a few F-5 planes to play the role of the Soviet fighters in simulated combat situations. The F-5 was a perfectly adequate platform for most countries around the world; its main deficiency was range, but for defensive purposes, that is not a major issue in most cases. I am sorry that we in the Department did not insist more strongly on selling F-5s rather than the higher tech planes. In fact, in many cases, we had to strip down the F-4s, F-16s and F-18s both to guard some secret parts of the plane and to reduce its combat capabilities. In retrospect, I am not sure that the U.S. government policy on combat aircraft sales was the best that could have been developed.

Q: Let me go back to the Israel situation in the Fall of 1973. Did you get involved in the resupply effort which according to some people siphoned off a lot of new equipment from our forces, particularly from Europe?

STERN: My involvement was at the margins. Kissinger kept the Department pretty much in the dark. What we knew was primarily through Sey Weiss from his Pentagon contacts. They complained both about the depletion of their stock and about the delay in the shipments. I learned later that Kissinger and Schlesinger, each for their own reasons, were at odds about the shipping issue with NSC Advisor wishing to delay the deliveries and DoD wanting to get material into Israeli hands as quickly as possible. But all I know about that issue is what I read about it later. Sey may have talked to Kissinger on one or two occasions about the issue, but we were not really involved nor were much of the Department.

Q: After the war, was there a sea-change in our assistance program to Israel? Or did that come after Camp David?

STERN: That came after Camp David particularly in respect to financial assistance. After the '73 war, we may have become somewhat less rigorous in our review of Israeli financial and military needs. We went through the exercise, but it was pretty much a pro forma operation. The major increase in assistance came after Camp David.

Just a summary, I might say that Security Assistance and arms sale programs served as a useful tool of our foreign relations. There were undoubtedly excesses: the Iranian program, the Saudi Arabia program (although much of that happened after my departure from PM), some of our African programs, even if small, some of our Latin American programs, also relatively small, but in general the programs gave us a level of influence that we could not have gained otherwise and I don't think that it can be credibly charged that our programs fostered hostilities or even raised tensions which would not have existed otherwise. The Latin American programs had to be given special attention because many of the regimes were dictatorial and we were not in the business of supplying arms so that the populations could be repressed. I think our military did a very good job in setting up training programs for the Latin military, which may have eventually paid off when many of the military forces in the region decided that they really didn't have a role in the political life of their countries. There are still some temptations, but we have come a long way on this issue in the last twenty years. One might make a case that by supporting the Pakistanis, we raised Indian concerns, but there were so many factors in that dispute that to single out our military assistance as a major one would be over-stating the case. We tilted much more towards Pakistan in the early '80s although even while I was in PM, there was a policy of trying to maintain some balance between the Soviet-supplied India and Pakistan.

It is never popular to be involved in programs that may cause deaths and it was particularly difficult for me in light of my Quaker education. But sometimes you have to accept human nature as it is; not everyone in this world is a pacifist and a "good" person and if a government is determined to buy arms, it will do so. Under those circumstances, I much preferred that they be American arms because we were careful about what we provided and because we used the arms to influence the foreign government in not using them. People used to scoff at our position that if "we didn't supply arms, others would". But it was a fact that was shown over and over again. I never did understand the people who preferred to close their eyes and preferred a policy of neglect rather than trying to use whatever influence the U.S. might have had to reduce the tensions in an area and the possibility of outright hostilities.

I might just add one footnote to the military assistance program that has never gotten the appropriate attention. Although we used to give at least a cursory glance, we never explored sufficiently the absorptive capacity of the recipient country. We paid some attention to the financial costs and the economic consequences of our military assistance programs, but very little to the question whether the foreign military forces could in effect really use this equipment. DoD was always certain that it could train anybody and everybody to use the equipment. I think that there were several situations where the equipment was far too sophisticated for the recipients and I know of some instances when our equipment just rusted in warehouses. Also I suspect that in some cases the equipment could not be used because some spare parts were missing and the country could not afford to buy them.

Q: I think it was Bob Dillon who was the DCM in Egypt who described going to an Egyptian military base and finding that the complex American equipment required such a sophisticated supply system that the Egyptians couldn't cope with it. So it was probably both a maintenance and a supply problem.

STERN: That story doesn't surprise me. I have no doubt that some of our assistance was wasted, but we tried to compensate somewhat for the problem by setting up Military Assistance Advisory Groups (MAAGs) who bore some responsibility for assuring that the American equipment was properly maintained and used. Also the manufacturers tried to help in some situations. Despite all of that, I am sure there were circumstances in which both we and the recipient country's personnel were overwhelmed by magnitude of the problem. One of the countries that had difficulties was Iran which did not lack for American support, but the magnitude of the procurement and the sophistication of the equipment was just too great. You could see that quite clearly after the Shah's overthrow and the Iran-Iraq war. Of course, the fact that we cut off Iran from spare parts resupply had considerable impact, I am sure. We were always careful to hold spare parts acquisition to a minimum; we didn't want large stock-piles if we could help it because as long as the recipient had to depend on our provision of spare parts, we had considerable leverage. In some cases, new equipment was procured by recipient countries too quickly to be absorbed efficiently. We never had a rigorous evaluation process of this absorptive capacity which would give us in the Department of State some feel for the condition of the equipment that had been procured by the foreign government. I am not sure that it would have made much difference because the acquisition mentality of many governments was boundless, but we might have been able to steer some away from the most egregious wastes.

Our process for the determination of the allocation of the resources was a pretty good one. We had an inter-agency steering group which we used to hammer out agreements. It was called SAPRC (Security Assistance Review Committee) which had been established by Ron Spiers, the previous PM Director, and Tom Pickering, my one of my predecessors. I thought that worked very well. There were a lot of agencies represented on the committee, which met at least during two periods each year. The disagreements were worked out there; seldom did we have to raise an issue to higher levels. PM's major differences were with the regional bureaus and not other agencies. They always wanted more and were not able or were unwilling to prioritize their requirements despite our efforts to force them to do so. Their "wish" list was always far beyond that we could afford and when we asked that the amounts be brought down to manageable proportions, there were always scream of anguish from one desk or another. At times, we just had to make an arbitrary decision on a country allocation.

The three years in PM were very interesting and challenging. There were a lot of interesting problems. I learned a lot about bureaucratic processes, Congressional relations, the consequences of power vacuums at the top of bureaucracies. I was undoubtedly not qualified for some of the assignments, particularly at the beginning, but I somehow survived.

Roger G. Harrison
National Security Council
Washington, DC (1976-1977)

Q: Today is the 16th of January, 2002. Roger, we're in what, 1976?

HARRISON: Yes, let me get back to 1976. In 1976 I was just finishing at the bureau of political military affairs, is that right? Yes. That's right; I was just about to go to the White House. Tom

Stern had arranged that and it came out of the blue. Tom knew there was an opening over there because David Radisson was departing in a job in something called the planning department, which had been a powerful base for Dick Kennedy. The story that was current after I got to the White House was that Dick Kennedy and Brent Scowcroft had had a power struggle from which Scowcroft had emerged victorious. Kennedy had left and the idea had been then to make sure that the planning staff did not become another power center for someone else, another powerful personality. Scowcroft had been elevated to deputy assistant to the president and then to assistant to the president. When I got to the White House he was assistant to the president and NSC advisor for the first time. They elevated the deputy of the planning staff; a man named Clint Granger, to the directorship of the planning staff and took away many of his functions. There were three other members of the planning staff when I arrived there. Don McDonald who was active duty colonel in the air force, an ex-Phantom pilot from Vietnam, and Terry Dargis, and there was a State Department position there. Clint was also, Clint Granger was also a colonel and still on active duty at the time. What I was given to do was, for the most part, foreign military sales related issues and therefore, I worked closely as well with Bob Oakley who at that time was the head of the middle east office at the NSC and also his deputy who was Arthur Houghton, because most of the arms sales issues revolved in one way or another around the Middle East. One of our major issues for example, was the Israeli military aid levels and another was the beginning of the sale of non-lethal equipment to Egypt.

Q: This was before Camp David? Way before?

HARRISON: This was before Camp David. This is post the Yom Kippur War and Sadat is now the leader of Egypt and there is an opening from him to the West that the Soviets have been expelled from Egypt, can we begin building that relationship and arms sales is one of them? Symbolic ways that you can begin to restore the relationship. This was all before Sadat's trip to Jerusalem, obviously which made all that a lot easier. But in these days there was still a lot of opposition. The pro-Israeli lobby was already very active and had been in trying to curb the arms relationship with Saudi Arabia and they took Egypt down as well. Even though the signals that we were getting at that time from Tel Aviv were that they were not -- the government was not -- necessarily opposed to the improvement of U.S. Egyptian relations, within bounds obviously we were sometimes frustrated at these signals, by the activities of the lobby they felt they were trying to be more assiduous than the government itself wanted it to be.

Q: This often happens particularly with I don't know if you can quite call it immigrant groups, but they are 110%. The foreign governments tend to be more realistic about relations, where immigrant groups and all tend to be more hard line. It's a lot easier to be hard line if you're without responsibility.

HARRISON: Right. The competition within the national ethnic groups tends to be won by the more extreme members. In moderation, it's difficult to rally support around, as it is politically in general.

Q: We've seen that with the Cuban Americans the past few decades.

HARRISON: Absolutely, and in the absence of any countervailing force or lobbying force in our government they tend to carry the day legislatively and so on. Then as now it was difficult to marshal a congressional majority. There was already a requirement at that time, just actually beginning then, that Congress be notified of arms sales and then have about 30 days it seems to me it was, it might have been 60 days, to object. It was a silent procedure. If they didn't object the administration could go ahead and complete the arms sales, but obviously out of the ones involved in the Middle East, this was a more difficult process. I was also in charge of getting the clearance from the administration to go forward to the Hill in this process for arms sales for the rest of the world, which was as many political military issues were, a province of the planning staff rather than any geographic offices.

Q: I mean, arms sales, where was initiative coming from within the American government? Was it the Pentagon, was it State?

HARRISON: It was a combination actually. The Pentagon had an interest because they were watching some production lines closing down. This was not a time, this was before Reagan so it was a time of restraint. Vietnam had ended and so in '75 I guess. This was a couple of years after that, so production lines were shutting down. They were looking to extend production runs and arms sales. One way of doing that, of course, they were under pressure from companies who were looking to a cooperative relationship they had with the Pentagon, were looking to continue production of some of these systems; the C130 was always a crucial one here.

Q: We're still building them.

HARRISON: I think we will forever. They're built in the south and since the south has risen again, legislatively speaking. The Pentagon was generally supportive of these kinds of sales. The State Department was interested in improving relations on the Arab side of the equation of weaning the Egyptians -- of completing that process -- away from the Soviets. Obviously there is a vacuum; the Soviets had gone by this time. Still great suspicion between us and the Egyptians, so there's a kind of an inching forward, which the State Department is trying to encourage. So, it was really a contest between the administration and the legislative branch. President Ford at this point, Nixon resigned at least a month or so before I got to the NSC. The new president, as far as we could tell from the NSC at least from the staff at the NSC, was generally in favor of an opening to the Arab countries as well. Of course, a consummate politician had come up through the House of Representatives, kind of sensitive to the kind of counter occurrence you run into on the Hill. We were inching forward and we had to choose our spots and one of them was C130 sales to Egypt.

Q: You might explain what a C130 was.

HARRISON: Oh, C130 was a four engine turbo prop transport plane, kind of a workhorse that's been around for 30 or 40 years now. It's produced in Marietta, Georgia. It used to be the constituency of Newt Gingrich, which kept it running for a long time. The Air Force every year says it doesn't want anymore. Every year more are produced. But a useful transport plane, proven over a long period of time.

Q: A lot of countries have them now.

HARRISON: A lot of countries have them and I'm not sure they're still the plane of choice or not for the emerging world, but it certainly was at that time. It had a great capability and all kinds of things and also, here is the other key point. When you bought American weapons systems you got a logistical tail end, an American presence that was welcome. The Soviets were never very good at that. Never very good at the aftermarket service of their weapons systems and the weapons systems themselves were never as reliable. They were expensive to maintain and the Russians tend to be more obnoxious guests in your country than we did. But, the political connection which all of this brought was what many of these countries were looking for as well. It was extending U.S. sway and that's one of the reasons the State Department was in favor.

...Q: What about arms to Iran? Was this sort of these things like arms that usually you didn't question, you just chopped on?

HARRISON: There wasn't, that's right, there was no particular political objection to it. In these cases there's a lot of economic force behind these sales proposals and some of them can be quite large. So, there's a standing constituency for arms sales. You have to muster some geopolitical or some objection or some lobbying objection in order to overcome that kind of force and in Iran's case, that wasn't present. In fact, as you know, although we were ambivalent about the Shah, that's where we'd made our bets and we, we kept shoving more chips in the center on that issue. Later Gary Sick had come to the NSC at that point as Arthur Houghton's replacement and then continued into the new administration and became a key figure in that Iranian policy once the Shah began to weaken in the fall. Henry Precht over at State in the PM bureau, Precht and Sick were kind of the two major staff members doing that, but all of that was after my time.

Q: I was just wondering because as I recall when the Shah was in full power there was some questioning within newspapers and others and I think people I knew in the State Department, saying what the hell are we doing. I mean, we're a little concerned about what the Shah might do. This seemed to be a bit much.

HARRISON: It was not an issue and I'm only relying here on my lack of any memory of any issues coming up with Iranian arms sales in those days, which isn't to say that none did, but that they were not prominent enough to have stuck with me all these years later. Whereas, what we did on foreign military sales and what we did on Israel arms sales and the Israeli FMS budget which Kissinger used to like to threaten as a way of exercising some political control over Israel over how much money they were going to get. That was an issue that came up in every budget cycle because in those days it was still, it has become institutionalized now. It is the same amount every year and there's a strict kind of ratio between Israel and Egypt and all of that. In those days it was very much in flux. The issue was how much it was going to be and whether it should be institutionalized. The view that I took was that it should be phased out over time, that if it were institutionalized it would become a necessary part of the Israeli defense financing system. All kinds of decisions would be made on the presumption of its continuation and therefore would have to continue. The political force would continue and it would increase and it

would lessen the necessity within the Israeli armed forces assistance society as in general to make hard political decisions and military decisions, which in fact they should be making. That what we should try to do is set a schedule by which it would be phased out over some period of time. In fact, that's what happened with the last Ford budget. There was some sympathy in the front office, but it never had much political impact except, and this had no impact at all. Every outgoing president has nonetheless to devise a budget for the coming fiscal year because the deadline on the budget submission is such that it's incumbent on the outgoing administration to provide figures. This is sometimes used as a political tool because everyone realizes it has no political standing. The new administration, whoever it is-- especially another party-- is going to submit another budget which is the one that's going to be applied. For example, Carter could try to wrong foot Reagan by putting a 7% defense budget increase in his outgoing budget which is what Reagan said he would do, so that Reagan would be in a position where the democrats could claim of never having increased the budget really. That was already the budget proposal when he came in, but he trumped them by increasing it by 14%. His 7% plus 7%, which took our Defense Department colleagues by surprise and caused them to get a lot of dusty old plans out of the cabinets that were trying to justify spending all that money, as Stockman well illustrated. So, what Ford did was cut Israeli FMS (Foreign Military sales) at his last budget. That went up to the Hill, but it was a largely symbolic and soon forgotten gesture. As you know all of that has become institutionalized as we predicted 25 years ago that it would be. All the things that we said would happen, happened and the hard decisions that the Israelis would have had to make were less pressing and I think this was a disservice to them and the peace process.

Q: Did arms to South Africa raise any questions?

HARRISON: Yes, they did. That was obviously a very hot issue in those days. The embargo on our sales to South Africa, but those issues were fought on the margins in dual use items and whether certain things that might be considered from one of point of view legitimate exports were actually being imported by the defense establishment. All of that gain is very much played in a shadow world. Of course, the South Africans were using all other kinds of ways to get their military equipment that bypassed our formal procedure. Illegally exporting various things as well although that's sincere penalties attached to that, that's too expensive, but they still do it. People have to risk jail to do it. That's always astounding how many will. Yes, although I think the real, the policy was engagement in those days that we should be strict with South Africans, but nevertheless keep the channels, try the dual track approach which inclined the policy to be more open to dual-use kind of items than otherwise would have been and then. When the Carter administration came in and Andy Young took on some of these responsibilities this all was discredited. So, being moral, then the policy became much sterner toward South Africa than it had been with the outgoing folks. So, that's generally how I spent those 18 months, frustrating because you couldn't really get a lot of good guidance. I had to say that Bud McFarland and Bill Highland later and Scowcroft -- if you could manage to corner them somewhere, and that meant physically doing that -- were always very gracious and forthcoming. My African stint was only three or four months, but it happened during Entebbe so I was the first.

Stephen J. Ledogar
Security Assistance, State Department
Washington, DC (1976-1977)

LEDOGAR: ...Soon, I was off on reassignment in mid-1976. I had managed to turn one of my trips to Reykjavik into an opportunity to stop into Washington to see what was available and to talk to a couple of senior officers. I wound up with an offer of a job in Security Assistance. So, by this time, it's the end of the Ford administration. Kissinger is Secretary of State. I came back to Washington during the presidential campaign of '76. One of the foreign policy planks that Jimmy Carter was running on was that U.S. arms sales had gone "amuck" and the United States had reached an immoral level of international arms transfers. Under the Nixon/Ford era we had gotten to the point where, in Henry Kissinger's words, "The Shah of Iran can have anything he wants." Even before the election, opposition to the high level of U.S. arms sales was already brewing. Congress reacted by passing the Security Assistance and Arms Control Act of 1976 which introduced some curbs to the power. This suddenly thrust the issue of arms transfers onto center stage both in the campaign but also within the Ford administration. There were certain things in the new law that had to be complied with immediately. I was offered a choice between two jobs, both in the field of arms transfers: either in the Political-Military bureau, (PM) as head of an office there, or in the Office of the Under Secretary for Security Assistance.

LEDOGAR: ...With Carter's arrival came a determination to take a whole new approach to U.S. international arms transfers. The new crowd felt that arms trade and arms aid were really an immoral and sordid commerce. We shouldn't be engaged in it to the extent we were. Carter said we had to cut way back. To discipline ourselves, he said, we should put a collective ceiling on the total dollar amount of the arms we were willing to transfer, as well as national sub-ceilings for individual countries. All kinds of crazy stuff. Military grant aid to our Cold War allies was considered by Carter to be just as bad as cold-blooded sales to right-wing dictators. It was an extremely interesting period.

Q: With these constraints, what about Israel? Was that not part of the game?

LEDOGAR: No, in dividing up the Security Assistance pie, Israel always had its full share fenced off. That was seen to by its many friends in Congress. When you started talking about who was going to get how much of whatever was left, it was always with Israel already taken care of.

But the trouble was the advocates of restraint got a lot of emotion involved. Some would ask, "Why do we ever sell guns and flamethrowers and all sorts of terrible things?" The answer, of course, is because Security Assistance is to help people to defend themselves. In many ways, it's an honorable thing to help out a friend who is in distress and danger. Some people can't afford to provide for themselves. Others would argue, "Yes, but what you're really doing is, you're trying to sell enough of these terrible machines so that the dollar cost to U.S. military of each piece of equipment goes down, and then the United States can better afford more equipment." The pros and cons...back and forth. There still is a lot of emotion attached to arms sales: "merchants of death" and all this jargon.

LEDOGAR: ... The problem with the new departure of the Carter Administration calling for arms transfer restraint was that instinctively Cyrus Vance and Les Gelb and his people tried to carry it out simply by putting into effect Carter's idea of an annual ceiling on the total value of U.S. arms transfers. Little thought was given to applying stricter criteria on proposed transfers, case-by-case. In practice, a ceiling becomes a floor very quickly in this kind of situation. If you say that "We're not going to transfer more than eight billion dollars worth of arms next fiscal year," everybody says, "Oh, yes? What's my share? How much of that goes to NATO? How much goes to Iran?" Then people want to make sure that if their share is X million dollars, that they get it early and they spend it early. Pretty soon, you find out that rather than hitting eight billion by the end of the year, you're up at eight billion halfway through the year and there are a lot of unfilled requirements. It just doesn't work out to try to tie your own hands artificially for the purposes of self-imposed discipline.

Q: Jimmy Carter came in saying he was going to control this "merchants of death" thing, to cut down on lethal arms sales, sales just for sales sake. Was anything really done with this? Were they really about to put much of a crimp in sales?

LEDOGAR: Well, not really. Several things kind of overtook events. The Shah of Iran was overthrown. There were a couple of other developments. I know of a couple of big sales that were killed. But I was quickly out of it and into another aspect of political-military affairs and not able to keep up with the... I was tapped four or five months into Ms. Benson's tenure to come take over the Office of NATO Affairs in the European Bureau, RPM.

Richard A Ericson Jr.
Deputy Director, Politico-Military Bureau
Washington, DC (1976-1978)

Q: Before we get to that, looking at American efforts around the world, I would like to just catch what our attitude was at that time towards arms sales. It has always struck me as basically being a destabilizing thing of trying to push more arms into places for all sorts of reasons.

ERICSON: There was push, of course. The whole history of Northrop Aviation, for example, is probably one of push because they were not terribly successful in going for Air Force contracts with their various fighter aircraft and so they developed fighters of lesser capability for other countries and then lobbied hard to get the money by the Congress so that they could make the sale under a grant or loan program.. That is just one example; of course, there are many American companies who were developing military items which they tried very hard to sell overseas. But there was a lot of pull too, don't misunderstand. With your experience in Korea, for example, you would recognize that the major aspect of our relationship with Korea was defense and the Koreans looked upon us as their defender. This didn't mean in the halls of the UN alone, it meant along the DMZ and in the whole military sense. And this was true with respect to a lot of countries. If, for example, we were negotiating with a country for an expanded relationship, or we had made a new friend or what have you, the first thing the leader of that country, no matter who he might be, would say was, "Hey, I have this neighbor. This neighbor has Soviet equipment. He threatens me. Now that we are buddies, you must help me to defend myself. I want....." The idealists are always surprised to discover that governments anywhere place a high

priority on fulfilling their obligation to defend their people and their territory. Americans are fortunate - we are bounded by two oceans and two peaceful neighbors and we are a very powerful nation. Even so, we are not spared this impulse for self-defense, as the size of our defense budget illustrates. You could repeat this through Africa, and Asia, Latin America, wherever you looked you had something of that kind. So there was an awful lot of pull for military equipment from the governments with which we had good relations.

Within the United States and the State Department at that time, it was evident that the MAP or grant program had long since passed its peak and many thought it should be eliminated as soon as possible. It was a post-war, early cold war phenomenon and by now things had settled down to the point where the major problems had been fairly well taken care of and it had outlived its usefulness. It was becoming too much of a strain and unpopular with the American public, and particularly with their representatives in Congress who...a politician risks nothing by criticizing an overseas program that is not going to hurt any of his constituents, unless he happens to come from a district where a particular military item is made and would be faced with some loss of jobs if we stopped giving away that particular item. Anyway, politicians are very difficult to handle on military assistance programs, because they are so vulnerable to attack.

Anyhow the MAP program was pretty much in decline. There were still some countries getting MAP. I can't remember how many there were or where they were, but Turkey, for example, was one. Greece, as its counterpart, of course, was another. The MAP component in Korea was declining very, very rapidly because they were proving economically capable of financing a greater proportion of the military equipment they acquired from us from their own resources. It was quite obvious that if we didn't cut it down severely, Congress would eliminate the MAP program within a few years.

The Foreign Military Sales program on the other hand, under which Congress authorizes and appropriates funds to be lent by the Defense Department to other countries for the procurement through Defense of specified military equipmentthe equipment was provided permanently, but the financial aspects were to be considered loans and signed as such by other countries. That program had been proliferating and was certainly a major area of dispute between the Administration and the Congress because of its size, complexity and the way that some of the activities seemed to imply support for undemocratic regimes or human rights violators, or just one side of a regional rivalry over the other. Congress, believe it or not, does have foreign constituencies. You learn that very quickly.... for example, when you get involved in a situation of Greek versus Turk or Israeli versus virtually any Arab you want to mention, or this country in Africa versus that one, or Pakistan versus India. It was disputes of this kind that provided most of the entertainment and strain for me during the next couple of years.

Q: Let's take the most obvious one, Israel. I would think it would be almost a given that you would say, "Whatever Israel wants we are not going to fight it because it is too much of a political hassle because Congress will get into it." What was the feeling when you arrived there?

ERICSON: You stated it pretty accurately. Of course Israel had been through its wars. It had fought two wars with various Arab entities a couple of earlier decades. The United States has a passionate interest in preserving the only democratic country in that part of the world and it is

beset by enemies. It is a very small country and does devote an enormous amount of its resources to defense and expects the United States to finance and provide a great deal of its military equipment, and it did. There were two countries on military sales issues that were largely exempt from any Congressional restrictions that might apply. One was Israel and the other was Greece, both of which had extremely effective domestic lobbies, well organized and vocal and able to press any number of buttons in Congress to get positive response on their behalf. And no Congressman ever had to be told about the voting power of the Jewish or Greek elements in his own constituency. So these two were sort of sacrosanct...in treating with Israel more than Greece, of course, but the Greek lobby in the United States is surprisingly effective given its size, much smaller than the Israeli lobby but nonetheless very well positioned and effective. Congress in treating with Israel, of course, and in approving everything that was proposed for Israel, left itself open to efforts by others to receive something similar in the way of good treatment, not to be constantly criticized. In other words it raised Congress' awareness of the importance of this kind of issue to other countries and probably led them to accede to more on behalf of other countries than would otherwise have been the case. In the sense, sometimes those of us who had to support claims from other countries were happy to have the Israeli situation to point to. On the other hand, it became a little galling when some of the Israeli demands became excessive to realize they were going to be approved because no one in the administration wanted to irritate the Israeli and no Congressman wanted to risk losing support from a strong element in his own constituency.

For example, Israel's efforts to get support from us to develop their own tank, their own fighter aircraft, etc. It doesn't make much sense for a country that dependable market other than its own forces to go into the development of highly sophisticated, terribly expensive weapons. The desire for self-sufficiency is all very well, they can't have self-sufficiency in these things because they cannot begin to provide, for example, in the aircraft, the electronics, the armament, the engines. Take any part of a fighter aircraft and Israel cannot economically justify putting it together. Their best recourse is to buy it from other sources or have it provided from other sources. It is wasteful to assist projects like this, but we did.

Q: Was it a given that you would give all to Israel?

ERICSON: Well, Israel, of course, had an enormous so-called purchasing mission in the United States quartered in New York but very active in Congress, in Washington and throughout the country for that matter. People were very well informed usually as to what it was Israel wanted. In most countries the process of developing military assistance programs was for the other country to get a political feeling that we would be willing to provide...this was exemplified, of course, usually by the presence of a MAAG mission in country. Their military would work with our MAAG people in the development of their needs for the coming fiscal year, usually as a component of a longer-range plan, which all had to be tied into the coming budget cycle, of course. Then the MAAG would submit it to Defense and Defense would vet the requirements with an overall view of the situation in that area and the country's particular needs, approve it or not and send it to State. State would then vet it from the political point of view. We would put the whole worldwide thing together within the limits of the Presidential budget request and it would get a generalized okay at that stage. Congress and the White House usually were not aware of what the demands were going to be, unless there was something really important

coming up, until the worldwide program had been submitted to them. In Israel's case, Congress knew very well from the very beginning what it was Israel was going to be asking for, prepared for it and was prepared to favor it. There was another thing about the Israeli program. After grant aid to Israel had been pretty well phased out, and this had happened about this time...we practiced what I thought was a bit of sophistry with respect to the Israeli program. We were saying that grant aid was phased down or out and that Israel was on the Foreign Military Sales program. In other words it would borrow the money from the Defense Department to pay for these things and it would pay that money back. Well, there were loopholes in the Arms Export Control laws which permitted the administration to vary both interest rates and repayment grace periods from country to country. Basically the interest rate on a Foreign Military Sales loan was the going Treasury rate as of the day of signature. Israeli', however, always got a preferential interest rate. Such that, given inflation and so forth the amount of money that Israel was going to have to repay when the loans became due was a little more expensive than an outright grant but not a lot.

There was also the matter of grace periods. Countries receiving loans under the FMS program were eligible for a grace period before they had to begin repayment. If you look at Israel's loans, the grace period was ten years at a minimum usually and sometimes a good deal longer. The original intent was for a couple of years of grace, but not anything like ten or more years. The loans to Israel were very generous with respect to both interest rates and grace periods. They were probably justified, and I personally would have supported the terms. But no one ever admitted or questioned the comparative generosity of the terms, either in the administration or the Congress. The question was simply never raised and the reason for this silence was political.. Israel was getting very close to grant terms when that program was phasing out.

Q.As you took over this office, were there any areas that caused you concern that maybe we were pumping too much in or was the military unhappy at what was going to a place or trying to push more for any area?

ERICSON: I don't know how they felt about places like Israel, or the tensions between Greece and Turkey. The military, of course, at some point gets compartmentalized. The military attitude towards these programs begins with their MAAG on the spot and goes back through the Defense Department involving the various armed services but concentrating in the Office of the Assistant Secretary for International Security Affairs, where the administrations political attitudes begin to be strongly reflected. In the military, as in the Foreign Service, you get people who, when they are stationed in Saudi Arabia, for example, and they want something, become involved in developing the request. By and large they are pretty sympathetic to their hosts from the beginning and end up as pretty strong advocates. So you would have that situation with the military, the Pentagon. And, of course, the Pentagon has its own agenda. They don't mind seeing the production lines busy on many types of weaponry because it helps them with their own procurement, replacement and parts costs. Anyway, there are a lot of angles that enter into this.

But you asked if I recall any instance when the military was unhappy because we were putting too much in? No, I don't recall any such situation. It was usually the opposite ...and the same was true of our embassies and regional bureau people.

Q: Were there any places that we were putting in that you, as a Foreign Service officer and analyzing the political situation thought that things were getting a bit excessive here and there?

ERICSON: Well, one situation that jumps out immediately, of course, is Saudi Arabia. Now, we had a very confused agenda with regard to Saudi Arabia indeed, because every time you twitched in the direction of Saudi Arabia you had the Israeli lobby up in arms opposing anything you were trying to do. This always seemed a little irrational to me because it never has really been shown that the Saudis had ever really actively participated in the disputes between the Arabs and the Israelis, not in the military sense. They gave political support to their Arab colleagues and they may have helped some financially in some ways, but there was never a suspicion of the use of Saudi forces militarily to support action towards Israel. The defense people in Saudi Arabia were quite careful to make sure, and it was a principle that was pretty strictly adhered to, that the Saudis were not provided anything that could be used directly against Israel from Saudi territory. Obviously if you could transport a tank to the Jordan border, why you could use it against Israel, but you would have to have the means of getting the tank there in the first place. But the aircraft and such missiles they wanted were almost entirely defensive in character. They were never given bombers, for example, with the range to get to Israel, or even fighters with a ground delivery capability. So it always seemed to me that we never had a rational debate in the Congress over Saudi procurement - the real merits of any Saudi request were always obscured by concern that Israel might be affected. This was politically a very popular attitude. Nonetheless, the Saudi appetite, they had a lot of money in those days with the oil money pouring in and they embarked on an enormous modernization and expansion program. Not just in the military sense but in the economically and socially as well. They were rebuilding entire cities. Our Koreans friends, incidentally, based on their Vietnam experience in engineering, were a major beneficiary of the Saudi activity. They were all over Saudi Arabia, contracting to build airfields, harbors, whole new cities to house their military complex. But it seemed to me personally that Saudi Arabia was biting off so much more than it could chew of every part of the meal. They didn't have the human resources to absorb all this. I think that in the end it has been proven that they really hadn't - just as it has been proven that Saudi Arabia and other Arab nations have real enemies other than Israel. But, nonetheless, Saudi Arabia was of enormous importance to the United States at this time because its petroleum resources gave it power to threaten the industrial economies of the world. So we did what we could to keep the program as well contained, sensible as possible, but we did accede to some Saudi demands which I think were beyond what they really needed.

Q: How about Iran?

ERICSON: We, of course, were very generous to the Shah and had been. The Iran program was one of the very largest in the world and it was an FMS sales - cash sales, not loan or grant - program. The human rightists hadn't gotten terribly active about Iran, they were the ones who provided most of the opposition to arms transfer programs in the United States, and our relations with the Shah were very, very good. But I cannot place in time exactly when the Iran situation turned really sour and affected our position in that part of the world.

Q: When were you in PM?

ERICSON: I was in PM from 1976 to 1978.

Q: The Iranian thing was turning sour just about the time you left, I think.

ERICSON: As I recall the Shah was still getting reasonably good reviews when I left. I remember the hostage situation was during the Carter Administration, that was 1979. So it was still a very large program and not one that was causing a great deal of political opposition in the United States.

Q: We will move back to the personal side. Carter was elected in November, 1976. What developed then?

ERICSON: The Republican Administration by and large had been sort of pro foreign assistance, at least in the military sense. . Kissinger as Secretary of State did see a need for helping our friends and allies to further their security interests, etc. So the attitude was by and large positive on the military aid programs during that period. When Carter came in, he came in running against virtually everything the Republicans had been doing and against Washington and bureaucracy itself, as we all recall...I think one of the major points of his platform was to run against Washington...At least in PM this attitude was very faithfully reflected when the Carter Administration took over. The conventional arms transfer program was one that the Carter Administration felt it was much too large and had gotten out of control. Also, there seemed to be a feeling that weapons transfers were inherently immoral - evil in themselves. For policy reasons in which there was included a high moral content, the sale of all weapons of destruction by the United States would be limited, would be decreased to absolute proven necessity and they were going to be very aggressive about it. Of course, they were going to undertake this with people who had as little experience as possible previously with the direction of the programs in PM and the Department as a whole. They also introduced a very strong human rights aspect into American foreign relations and in many respects this came down to an equation that if you had good human rights situation in the country, why the chances of you getting military assistance were very, very good, and if the human rights situation were adjudged bad, why this would have a strong influence and might well prevent the approval of your program.

Daniel A. O'Donohue
Deputy Assistant Secretary, Political-Military Bureau
Washington, DC (1978-1981)

O'DONOHUE: On the military assistance side, the Carter administration wanted to restrain arms sales. There were several issues involved. First of all, if the proposed sale amounted to \$10 million or more and didn't involve sales of military equipment to a NATO country, Japan, or Korea--and Australia and New Zealand might have figured in it, too--you had to get the personal approval of the President. Well, as a matter of fact, this process had its cumbersome aspect. You didn't put them up to the President one by one. You put together a "package" of smaller sales. I would comment that, among the many people that I had to deal with on this--and there might be up to 40 clearances to obtain on this--the President of the United States was neither the most difficult nor the slowest to obtain approval from.

In a sense, these approvals were silly. Most of the sales were routine and were things that I myself should have been approving, much less anyone above me. However, that is what we had to do.

Another matter that we handled was the effort made to develop a "follow on" to the F-5 aircraft. [A fighter-bomber developed by Northrop Aircraft.] At one time in the Korean context, you will remember, the manufacturer attempted to develop a less sophisticated jet aircraft to be sold to countries facing "lesser threats." They would be easier to maintain. The F-5A was the first model. The F-5E, which ended up being a fairly good airplane, was the last model. However, how would we handle Taiwan in the light of our agreements with the PRC? So the Northrop embarked on a process to get agreement on an aircraft which would be more sophisticated than the F-5E. It would not be a "state of the art" aircraft but better than the F-5E. Eventually, the President rejected this "F-X" plane which Northrop was going to build for Taiwan. So we were left with this "generic" idea and what could we do with it. So we made a great effort and put out a study covering a "generic," rather than a designated airplane. We said that these were the limits to capacity. Northrop saw this proposal as a means of selling this aircraft that they had been working on to other countries like Pakistan, Korea and Egypt.

So General Dynamics which built the F-16 came in and said, "Well, this concept seems to imply that you can build "up to this level." What about building "down to this level?" That is, taking the F-16 and producing a lesser version of it. Of course, that was the death knell to the idea of an improved F-5 if, indeed, this idea had any validity. The answer was, "Of course they could." In fact, no country in that day and age--18 years ago--wanted a "second class" aircraft. Once you got the F-16 on the table, even with a lessened capacity, it so muddied the water that that was the end of the concept.

Richard Ogden
Director, Office of Security Assistance and Sales
Washington, DC (1981-1983)

Q: Were you picking up the feeling that the Carter Administration was not that friendly towards the military?

OGDEN: I think there was a sense of frustration in the military about the Carter administration: first, because of budget restrictions, but also because of the drawn-out crisis over the hostages in Iran. When Reagan was elected in the fall of 1980, I would say most military officers were content and hopeful for increased budget funding. That certainly proved to be the case.

Q: Obviously, you were concerned about wither and whither after 1981.

OGDEN: After the War College, I became Director of the Office of Security Assistance and Sales in the Bureau of Political-Military Affairs. Rick Burt was the Assistant Secretary at that time. Les Brown was my direct boss. This was the period of the Reagan doctrine. We were seeking to strengthen regional powers in the expectation that this would contribute to regional peace and stability.

Q: Could you explain what security assistance meant at that point?

OGDEN: Sure. Security assistance involved the provision of arms to allies and friends around the globe. This might include major weapons like aircraft or tanks, or the simple provision of spare parts. Congressional approval was required for the sale of big systems. For example, I remember that when I arrived, the sale of F-15s to Saudi Arabia was a big issue in Congress. It was an important new step for the Reagan administration.

Q: Did you find that you were in a re-energized bureau at this time?

OGDEN: It was certainly a very active and important bureau at the time. Our office played a key role in preparing the security assistance budget for each region. We helped in the assessment of the strategic balances. And we worked closely with the Pentagon on the approval of the sales of specific weapons systems.

Q: Let's talk about some of those.

OGDEN: Well, during the Lebanon crisis of that period we were trying to support the Lebanon armed forces. Specifically, the issue was the provision of M-48 tanks to the Lebanon armed forces. As I recall, the State Department supported the transaction. The army, however, had strong concerns about taking the M-48s out of army inventory. This was an example of a difference of perspective that often accompanied an arms sale. In some cases, the Pentagon would favor the sale and the State Department would have concerns.

Another controversial case I recall involved the sale of a communications satellite to the Arab league. Several congressmen were concerned about the implications of the sale in the event of hostilities in the area. I believe the sale was finally approved. In that case, the belief was that if we didn't make the sale, some other western power would simply get the business.

Q: This was not too long after the Camp David Accords and all. Was there a feeling that a disproportionate amount of military assistance was going to Israel and to Egypt?

OGDEN: Israel and Egypt were by far the largest recipients of our aid. I am sure some people thought the amount was disproportionate but, on the other hand, those two countries were so important. Promoting good relations between Israel and Egypt was the key to maintaining peace in the Middle East. We had some interesting issues with Israel, too. For example, Israel at the time had a program to develop its own fighter aircraft called the Lavi. It wanted to reduce its dependence on the purchase of American made F-15 and F-16 fighters. The U.S. had a difficult time deciding whether or not to support the Lavi program. On the one hand, it would promote Israel's high tech sector. But Israeli purchases of American fighters were important to maintaining production capacity in this country and also gave us increased leverage with Israel. In the end, I believe Israel gave up the Lavi program as being too expensive although I am not sure.

Q: I've heard in other contexts that one of the major problems in particularly dealing with Israel was that they would take an American military product and put their embellishments on it and then sell it off to somebody else.

OGDEN: This was an issue, not only with Israel but with all recipients of security assistance. The U.S. tried hard to restrain and control the sale of its equipment to third countries but sometimes items slipped by us. For example, I recall that on one occasion, our military attaché in Sudan noticed some American tanks appearing in Sudan. When we investigated, we found out that these tanks had been sold to Saudi Arabia. The Saudis, apparently, had shipped the tanks to Sudan without obtaining the necessary US approval. But I don't think this happened too often, because countries knew that illegal third country sales would affect their future access to security assistance.

Q: Was there a careful balancing act of not introducing too many sophisticated weapons to Latin America?

OGDEN: We were very careful about that. I remember on one occasion, Peru came in with a request to purchase F-16 fighters. The issue provoked quite a bit of debate. Some felt we should support Peru, and that if we didn't make the sale the Soviets or some other country would. Others felt there was no valid threat to justify the sale. Moreover, the transaction would just use foreign exchange better spent on development. I don't believe that we approved that sale.

Q: Let's move on to lower Africa. There really wasn't much call for fancy equipment for countries so poor.

OGDEN: In lower Africa, we were dealing more with military-to-military exchange programs. That was also one of the things that our office covered. We had programs to bring African military officials to the U.S. for courses and training. There were not big sales of equipment.

Q: Did we find ourselves, we were trying this balancing act also we had solid commercial interests. Yet the British and the French had a very strong reason to want to sell their stuff. Were we on a competitive basis with that?

OGDEN: We tried not to be competitive. We had a lot of contacts with the British, French and other suppliers seeking to avoid competition. We were especially careful to try to avoid competition in areas like Latin America and Africa. On the other hand, I can't deny that there was competition. I think foreign countries particularly liked the U.S. security assistance program because the equipment was good and the program of maintenance and support which the U.S. armed forces provided was important to them.

Q: You were doing this until when?

OGDEN: I did it from 1981-1983.

Q: Did you find that the American military had concerns, one about some of the sales and two about draining their own stock or potentially building up a possible hostile combat forces?

OGDEN: The chief concern of the military was over the transfer of sensitive technology which might be embedded in a military weapon. I would say the military generally took a harder line on that issue than the State Department. I don't think the military was so concerned about the issue of drawing down stocks. If that was a concern, the sale normally was not approved. The M-48 tank sale to Lebanon did raise inventory questions and was approved only as a response to a crisis. There wasn't much concern about building up hostile forces. Our aid went mainly to friends like Egypt or Saudi Arabia. We hoped these countries would share the burden of maintaining peace and stability in their region.

Q: Obviously, we were in some areas in competition with the Soviets. The Soviet equipment hasn't turned out terribly well when it is up against American equipment.

OGDEN: I think you're right.

Q: I was wondering if that was a selling point?

OGDEN: Well, on the whole, I don't think we needed to make that point. Most large recipients of security assistance were not very interested in buying Soviet equipment. Of course, the issue did come up in a few cases like India or Peru.

Q: Well, the Indians were basically buying Soviet stuff or getting gifts.

OGDEN: That would be an example.

Q: Were we looking at that time at Pakistan as a recipient of mainly military aid as not trying to over challenge India?

OGDEN: As I recall, we had some significant programs with Pakistan. We might have sold Pakistan F-16s during that period.

Q: How did you find the staffing of the Political-Military Bureau then?

OGDEN: The staffing was very strong. Close colleagues of Rick Burt in the Bureau included Bob Blackwell, Richard Haas and Arnie Kantor.

Q: Was Political-Military considered to be a good career path?

OGDEN: I think so. The SAS Director job fit my background pretty well because there was a significant economic/budgetary aspect to the work. And I was familiar with military and strategic planning work from the War College.

Q: On the budget side, were we concerned that countries don't overstrain their budgets by getting these military things?

OGDEN: Of course, that was a factor that we considered. But most of these Foreign Military Sales were made on the basis of long term credits that were actually very favorable for recipients. We avoided sales to very poor countries unless there was a very significant threat.

Q: Did you ever find someone from the Pentagon coming and saying, "Hey, we've got a surplus in a certain type of anti-aircraft gun, can you get a market for us?"

OGDEN: No. But the Pentagon certainly had a big interest in the program. Foreign purchases of U.S. military equipment helped to sustain U.S. production levels.

David Blakemore
Political-Military Bureau
Washington, DC (1983-1985)

Q: What about Latin America? It has been sort of a cornerstone of American policy to keep Latin America from turning into an arms bazaar. For years we tried to keep jets out of Latin America. During this '83 to '85 time, how was Latin America treated?

BLAKEMORE: If you are talking relatively, we had more restraint in Latin America than we did anywhere else in the world. El Salvador was getting a lot of stuff, a lot of aid in terms of financial amounts and a lot of equipment but not particularly sophisticated. You may remember that President Jimmy Carter had broken the long-time policy of no advance jet sales to Latin America by selling the Venezuelans the F-16. It might have been maybe four or five years before I got there. We were quite restrained with Latin America. There was a lot less effective pressure brought to bear there than elsewhere with the exception of whatever El Salvador appeared to want. The odd country at the time was Argentina in the aftermath of the Falklands War.

Q: Was there any attempt to use military sales pressure, if you feel it, on the political desks to say: Chile unless you have a better form of government we are not going to sell you this or that, and other places too?

BLAKEMORE: I don't remember it being particularly effective in some places you can think of that had unattractive governments like the Sudan, Somalia, Korea, Taiwan, Indonesia. The less strategic a country is considered to be, the more likely we are to follow our human rights principle in making arms sales decisions, I would say. But if the Pentagon and others believed that the country was strategic, like Somalia, it didn't matter. It didn't appear to matter what the human rights record might have been.

Q: Why Somalia and in particular Sudan?

BLAKEMORE: The strategic position on the Red Sea with regard to possible conflict over the Saudi oil fields I think. I think that was the rationale.

Q: Ethiopia at that time was a Soviet hot spot?

BLAKEMORE: That's right and so there was a certain balancing act with regards to Ethiopia as well.

Q: Later we became involved in trying to put down essentially tribal unrest in Somalia with no great success. One of the accusations is we should be in there because we gave them all this equipment although the pictures I saw showed them running around with AK-47s, a Soviet product. What about what we were putting in there in those days?

BLAKEMORE: I don't have any memory of what we were selling Somalia. As I said before, Somalia and Sudan came to my attention not because it was anything unusual in terms of the equipment we were selling but because of the amounts of military assistance money they were getting. There was certainly not enough to go around for legitimate purposes I think. They got more than their share.

Q: When you say military assistance money, what does this mean? One always thinks that with military assistance you've got to buy something and the United States has got pretty good stuff. It really meant buying military equipment, didn't it?

BLAKEMORE: Yes but military assistance means financing. Military assistance has to do with financing not with equipment itself. There are different forms of military assistance available. Essentially three as I recall: there is MAP, I don't know what the acronym stands for but it may be Military Assistance Program, but it is grant money.

Q: Which is used for what?

BLAKEMORE: Equipment purchases. Also used for equipment purchases is FMS money. It is for military sales but it is financing and financing on such long terms, -it has been a long time but I want to say 30 year terms- which makes it virtually free if you assume normal rates of inflation.

The final piece and in many ways the most interesting and valuable I think is IMET, International Military Education and Training is that acronym. A very small amount of money, but money that will allow foreign military officers to come to the United States for various kinds of training. I think over the years, this is the argument that has been used and it is often true, that it's used in countries where the military has an undue influence in the political scene or maybe is in charge of the political scene. It is in the interest of the United States to expose officers to the values that are taught at the Command and General Staff College for example in Kansas. That is the kind of thing that the IMET money goes for.

Q: The other money that you are talking about, the MAP and FMS, essentially all this money is supposed to end up as equipment, isn't it?

BLAKEMORE: That's right.

Q: Was your office keeping track of what they were buying?

BLAKEMORE: No that was the Pentagon's function. If a country, let's say the Sudan in those days might have received 40 million dollars a year in military assistance in MAP grant money, all of the weaponry that they planned to buy with that money had to be approved by the State Department. It was mostly non-controversial stuff, small arms and tents and whatever. The actual keeping track of it, the accounting, the purchasing, is handled in the Pentagon by the DSAA, Defense Security Assistance Agency. They do all the purchasing on behalf of the foreign government.

Q: Did you get caught in the buy that happened even later on during the Gulf War of the bureau of human rights saying "No, you can't sell gas masks because that is used for police to put out tear gas. If the army and the police have tear gas and the good demonstrators don't, you are helping them." This idea of helping police action, was this a problem for you?

BLAKEMORE: It came up occasionally. I can recall I think Guatemala as a case where it came up but it certainly was not a central concern or roadblock to what people were trying to do.

Q: So human rights were not a big player?

BLAKEMORE: Certainly not at that point, no.

Q: How about in congress or groups in the United States, did you feel problems in that?

BLAKEMORE: No not a serious level.

Q: How did Admiral Howe relate to the desks of the geographic bureaus? Did you have any feel for that?

BLAKEMORE: He had a very tight relationship with the Israeli desk I can recall. But his personal interests and concerns, I was very thankful to note, had to do with strategic issues. Strategic weapons reduction talks that were going on or he thought might be going on were his central concern so I didn't get a lot of direct involvement with him which was fine with me.

Q: Did you feel any repercussions from the arms control disarmament agency? They were working to rid the world of arms while you were selling arms.

BLAKEMORE: It's true. They were putting forth plans consistent with the kind of idealism I talked about at the beginning of our discussion of this particular position but they weren't having any impact on anything.

I have to tell one story about my experience in this bureau. There is a provision in the law which in an emergency allows the U.S. government to divert weapons and equipment from active duty U.S. forces and get them to the foreign country with the idea that some financing in the form of military assistance, or whatever, would be used to replace those items of equipment or weaponry in the U.S. inventory.

Chad was having some trouble you may recall during that Reagan administration, the first one, with Libya. It was a true emergency in the sense that they needed help quickly at one point. The law calls for the Congress to be notified of the intent to divert equipment from U.S. forces and there is a waiting period of how many days, I can't remember. If there is no effective objection from the Congress, the stuff is shipped. We were using this mechanism to ship some stuff to Chad in a hurry.

I can remember one Friday night one of my officers who handled Africa was having a heated conversation with someone on the NSC staff or the White House staff and put me on the phone. It was a lieutenant colonel by the name of Oliver North on the phone that I had never spoken to, although I knew who he was. He asked what the delay was in getting the equipment out to Chad. He wanted to see it move immediately. I said, "well Colonel North that is fine. We have notified the Congress and we have to wait so many days and then we will get it moving. We understand the urgency." North's reply was, "fuck the Congress. Send the stuff now." Which we did. I like the story because it provides an early insight about Lieutenant Colonel North they are all so learned about in the Iran-Contra affair.

Q: This is during the time of the Afghan War. Did this come into your purview or was this elsewhere?

BLAKEMORE: It was elsewhere because we only dealt with governments. Of course some of the stuff we were sending to Pakistan was relevant in that context but that would be the only way.

Q: Were there any other countries that you can think of that seemed to be getting disproportionate amounts of equipment?

BLAKEMORE: Zaire. Mobutu was still the darling of the CIA at that point. The last bastion of something, I don't know what.

Q: What was the feeling about Zaire? He had, at least it proved to be and I think everybody agreed at the time, an absolutely ineffective military force. There was huge corruption. What were you doing?

BLAKEMORE: We were giving him money to make sure that he still felt positively towards the United States and Angola was very much in ferment at the time and we were supporting Mr. Savimbi who was as I recall, based in part in Zaire. There was no good reason I don't think.

Q: Was the feeling that with Zaire you were basically giving money but was there supposed to be equipment?

BLAKEMORE: No, you can't give money without the equipment following.

Q: What kind of equipment would be going there?

BLAKEMORE: I think pretty basic stuff, most of it. Lower levels of technology in terms of aircraft. I can't remember if we even sold them any aircraft. Going back to the division between

the financing side and the weapons approval side of my office it was the financing side that was involved in Zaire.

Q: Did you have anything to do with the famous duo, the Greece-Turkey relationship? They are both members of NATO but I was wondering how that impacted on your office?

BLAKEMORE: Security assistance levels don't vary much from year-to-year. There tends to be a pattern and every year there is some tinkering and some effort to make a fairly small shift from one country to another but it is hard to do. I don't recall any significant efforts to change either the Greek or the Turkish levels in my time but what I did learn was how much the Pentagon was in the camp of Turkey in that dispute. I think that explains why in part the Turkish share of assistance was so much higher. I am trying to remember whether there were any controversial weapons sales to either of those countries. Probably aircraft but I don't remember. It was too long ago.

Q: Do you recall any instance of sort of saying, oh, hell, let so and so have this toy of some system that was probably essentially too fancy or inappropriate but it would look good for military parades in the country, or something of that nature.

BLAKEMORE: There were a couple of systems that took on the aura of being a badge of having made it in the military world. The F-16s were certainly primary among them. The L model of the AIM-9 air-to-air missile was another one. The M-60 tank was another one. But in terms of particular countries, I mentioned before some of the recipients of the F-16 that I didn't think I understood why they had them: Thailand would be one, Indonesia, I think Singapore. After you sold to a couple of those countries it began to be clear why the others needed it, because of the ones you sold to begin with.

Q: Was there any concern that you would hear from lower level military people saying that we are arming these people and then we are going to have to fight our equipment? Or were we careful to make sure that whatever they got wasn't going to be good enough to fight ours? Was that a deliberate policy?

BLAKEMORE: We didn't sell top-line equipment to many countries outside NATO except Israel. There is no way to avoid risking your own forces when you make these sales. If you are selling the Stinger missile, the now famous surface-to-air missile, once somebody has got those in his hands, it is potentially dangerous to anybody who happens to be operating aircraft in that vicinity. I don't think I heard much of that kind of reflective conversation from the Pentagon people.

Q: I was trying to think of what was happening around the world at this particular time. Did you feel very much in competition with particularly the French? Was this one of these things where if we don't sell it to them they will buy the Stare fighter plane from the French? Was this in our thinking at the time?

BLAKEMORE: Occasionally yes. I am trying to think. The fighter aircraft was one area. It was the Mirage 4 or 3 I think. I don't recall a significant problem. It did come up occasionally and it was of course leverage that customer governments would use.

Q: What was the feeling about Soviet equipment?

BLAKEMORE: The Pentagon at the time had a lot of contempt for the quality of the Soviet equipment, with a few exceptions. One of the major exceptions being artillery. They had a lot of respect for the quality of Soviet artillery. There was a lot of puzzlement as to why we were never able to build really competing quality. In general I think there was a lot of confidence, certainly in the superiority of U.S. aircraft.

Q: Did naval equipment come up much?

BLAKEMORE: It did. Not ships very often but certainly naval missiles. There was a sophisticated ship-to-ship missile, the Harpoon, that was one that people were interested in. I don't think anybody other than the Koreans and the Israelis in my time got that.

Q: Was there concern over some of the equipment because there was a French missile, the Exocet, which was used with great effectiveness during the Falklands War against the British? Did you find Americans kind of wondering, what are we doing? Was this in the back of people's calculations?

BLAKEMORE: Do you mean whether the Exocet was a superior weapons system?

Q: Not so much, but particularly with these missile systems, concerns that someday we may have to deal with this ourselves.

BLAKEMORE: Absolutely. As I was saying about the surface-to-air missiles, and I know that there was contention in the Air Force now that I think about it about selling more advanced systems, versions of the AIM-9 air missile. Pilots were very eager to be certain that any conceivable enemy would not have a sophisticated version of that because it is a very good weapon. I can remember some discussions about sales of the M model of that missile that were very controversial. I can't remember what the countries were. Even the Israelis may have been controversial on that one. I think they were.

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EICHER: ...Another of the big issues that took a lot of my time, I recall, was arms sales. It's interesting that human rights are taken into account when considering arms sales, as a result of congressional action. Usually, when the human rights bureau had some clout on an issue it was because the Congress had written some law saying specifically that the human rights bureau must have a say in it, or that the U.S. couldn't do this or that unless the human rights situation

was satisfactory. Or, if there wasn't a legal provision, it was often included in the law's report language, so that the Department felt like it might get in trouble with the Congress if it ignored the human rights bureau. There was a legal provision that we should not sell military equipment to states which are gross human rights violators or systematic violators; I can't remember the exact language. There was also a provision that the president could waive the human rights restrictions for national security reasons. So, we spent a lot of time arguing with the other bureaus about whether we could sell F-16s, or whatever military equipment, to country X or Y.

Indonesia was one of the big countries that I spent a lot of time on, with the East Asia Bureau, discussing arms sales. There were some very serious human rights problems in Indonesia and we thought that under the circumstances, and the law, we should not be selling arms to the regime there. The East Asia bureau had the usual arguments about the country being a strategic ally. There was also pressure from the Pentagon and a couple of congressmen, I think, because there was also the potential for really big arms sales that they didn't want to lose. We finally came up with a compromise where we permitted the sale of naval vessel. I think they wanted to buy a couple of destroyer but prohibited the sale of small arms and police equipment, including things like stun guns and handcuffs and electric prods. The idea was that they weren't going to use battleships to torture or oppress people, although you could still make the case that by selling major military equipment, you were upholding an oppressive regime. Nonetheless, we in the Human Rights Bureau found it to be a reasonable kind of compromise since it was one of those unusual instances where we prevailed in banning the sales of many types of equipment to a regime that might use it in questionable ways. The Congress also seemed to think we had come up with a good solution that more or less satisfied everyone.

We didn't win too many of the arms sales battles but we did have a few victories. In addition to Indonesia, I think we blocked some sales to Pakistan. We were regularly overridden, however, on countries like Egypt and Saudi Arabia, those arms sales were so longstanding and broadly supported that I don't even remember there being any more than cursory discussion about them. There was also a big Latin American arms sale issue that I was deeply involved in. There was a new amendment to some law; I can't remember for sure what law it was, but I think it was called the "Leahy amendment." In any event, this amendment said that the United States could not sell military equipment if it might be used by specific units of foreign militaries that had been involved in human rights violations. I can't remember if the amendment was applicable worldwide or just to Latin America, but the focus was certainly Latin America and, in particular, Colombia. Colombia was a very special and delicate problem because the government was facing a huge threat from rebels who were also narcotics traffickers, or associated with narcotics traffickers, supplying most of the cocaine going into the U.S. The U.S. was supporting the government against the rebels and the criminal drug cartels. But the Colombian government's record was far from clean. There were government-supported paramilitary groups, and some government troops, committing lots of horrendous human rights violations. The Leahy amendment tried to get at the problem of supporting the government but ending human rights violations by saying that even if we waived existing human rights provisions against selling arms to Colombia, we would still be prohibited from selling equipment that would be used by any unit of the Colombian army that had been involved in human rights violations. This was kind of a revolutionary proposal; it had never been tried before. So, we had to come up with a system under which the embassies would actually be required to monitor which U.S. weapons went to

which units of a foreign military and to report on which specific units of a foreign army might have been involved in atrocities. This turned into quite a negotiation with both the Political Military Bureau (PM) and the Latin American Bureau. At first, PM claimed to be the action bureau and just stalled for a long time before producing a draft instruction that really didn't do any more than inform posts about the new legal provision. I finally had to come up with a new draft myself that instructed posts to put a new tracking system into place and to get certifications from the host country that our equipment would not go to specific units that we suspected of abuses, and to monitor what units were getting what equipment, and then tracking the behavior of units involved in the counter-insurgency. There was a lot of resistance, especially from PM, but with the Latin America Bureau's general support, that this would be too much work and that it wouldn't be practical, and so forth. In the end, however, this was one that the Human Rights Bureau won by virtue of saying "look, the Congress passed a law. We have to do it." So I worked on that and it was interesting. I felt a certain sense of accomplishment after the new procedures were put into place. I don't recall exactly how it turned out in practice in the short term, but I think it helped. If nothing else, the Colombians knew we were looking over their shoulders in much greater detail and there could be consequences unless they cleaned up their act. Over the longer term, as I understand, they really did get a grip on the paramilitaries and they have cleaned up their act.

Q: I was going to say, weapons are fungible, as they say.

EICHER: Well, you could say that, yes. A country could give the U.S. equipment to a "clean" unit and have them pass on their AK-47s to a unit we had blacklisted. Anyway, every little bit helped, we thought.