Naval War College Review

Volume 33
Number 6 *November-December*

Article 8

1980

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SET AND DRIFT

CONFLICTING TRENDS FOR ARMS TRANSFER RESTRAINT

by

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Throughout his Presidential campaign and in the initial year of his administration, Jimmy Carter reflected considerable popular concern that arms sales by the United States were an instrument of policy run amok. President Carter stated that the United States could not be "both the world's champion of peace and the world's leading supplier of the weapons of war." The President became determined to limit the use of arms sales as an instrument of policy based upon his assumption that the ever increasing flow of arms to the developing world seriously threatened international peace.[1] While there was a variety of views concerning the effect or importance of the use of arms transfers as an instrument of policy, it appeared that high-ranking members of the administration perceived the arms sales policies of the Nixon and Ford administrations to be indiscriminate, the continuation of which would have prodigious potential for global instability and increasing violence in the developing world. The two trends seen as most dangerous were the growing technological sophistication and military capability of the now modern arms transferred to the developing world and aggregate volume of world wide arms sales, which in 1977 totaled approximately $17 billion and was increasing at about 20 percent a year. Arms sales were perceived , at the very least, as decreasing, rather than contributing to, the ability of the United States Government to control events in areas of economic and strategic importance to it. The administration was intent on redirecting a trend that it perceived as moving in a direction potentially damaging to United States national security interests. To counter this trend, it embarked upon an ambitious program of unilateral and multilateral initiatives aimed at controlling arms sales worldwide.

The failure of this program may be attributed first to an underestimation of the value of arms sales both as an instrument of foreign policy and, in

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certain cases, as itself the foreign policy of the United States. Secondly, the program failed because of an overestimation of the ability of the administration to control events in the international system. An important fact that seemed lost in the initial efforts to control arms sales was that arms are transferred not only to increase influence with client regimes, or to enhance United States security in certain regions, or to prevent Soviet penetration, but because worldwide many nations think they need arms, demand arms, and have the capabilities to compel major suppliers to provide arms. As a consequence a positive response by the United States Government to a request for a specific weapons system is perceived by many nations as the policy of the United States Government toward them. Arms sales then are not just an instrument of policy, but become the policy itself.

Contradictory Trends for the Use of Arms Sales. By 1976 two somewhat contradictory developments of great relevance to arms sales had emerged. The first was a growing domestic pressure to restrain the use of arms sales. The Congress, in particular, had become increasingly critical of the United States foreign military sales program. Some members disapproved of grant aid, others voiced moral outrage about selling advanced weaponry to underdeveloped countries, many felt that it was folly to provide arms to increase United States influence. Great concern was expressed that the Department of Defense was "pushing" arms worldwide, or that United States commercial firms were selling arms without adequate controls or concern for the long-range national interest.

Congressional Pressures for Restraint. Over a five year period, culminating in 1977, the Congress increasingly intervened in arms sales decisionmaking and imposed a variety of restrictions on the security assistance program. These included specific lists of which nations could receive grant assistance, which could purchase weapons and which could receive military credit assistance. Limitations were placed on credit availability for weapons coproduction agreements. Prescriptions were provided on how the United States could transfer weapons. Specific types of regimes, such as violators of human rights, were prohibited from receiving security assistance. Restrictions were placed on the dollar volume of total sales that could be made to Latin America and Africa. Specific restrictions were placed on the number of United States military personnel that could be assigned to security assistance functions in each recipient nation, and the activities of these personnel were severely limited.

Worldwide Demand for Arms. The arms transfer restraint policy of the Carter administration was, in large measure, a response to this growing congressional distress. Yet, international conditions increasingly were changing in a direction that reduced the ability of the United States Government to control events. Those changes may be characterized by (1) an increased number of nations with security problems that were only marginally related to the East/West confrontation; (2) the emergence of nonindustrialized economic superpowers without the industrial capability to produce sophisticated weapons systems but with large amounts of capital and resources with which to bargain with arms producers; (3) arms supply competitors in Western Europe vulnerable to the nonindustrial economic superpowers and compelled by domestic economic considerations to sell arms; and (4) a perceived reduction in the ability of the United States Government to respond to friends' and allies' assessments of threats to them except through arms transfers. The American arms sales instrument or policy was thus placed in a high demand context.

The domestic demand to restrain arms sales emerged, paradoxically, at a time when increasingly the United States Government was incapable of treating arms transfers as merely one instrument of United States national security policy. Arms sales had grown too useful for too many purposes. As one official said: "Why did we sell to Iran? Because they wanted the weapons and we needed the oil."

Elements of the Restraint Policy. The administration's restraint policy consisted of two elements, each highly dependent upon the success of the other. The first was a unilateral effort to reduce arms transfers to the developing world. The second was an effort at negotiated multilateral arms export restraint. The unilateral effort consisted initially of an $8.6 billion ceiling on the volume of new commitments under the Foreign Military Sales Program and the Military Assistance Program as well as a number of prohibitions against:

— initial introduction into a region of newly developed or advanced weapons systems that would create a new or significantly higher combat capability, or the sale or coproduction of such weapons until they were operationally deployed with U.S. forces;

— development or significant modification of advanced weapons systems solely for export;

— coproduction agreements for significant weapons, equipment, and major components;

— retransfers of certain weapons, equipment and major components;

— promotion of arms sales abroad by agents of the United States or commercial firms without prior policy level authorization by the Department of State.

It was made clear from the beginning, however, that unilateral restraint was premised on progress in negotiating multilateral arms sales restraint. As the President stated on 19 May 1977, "I am initiating this policy of restraint in the full understanding that actual reductions in the worldwide traffic in arms will require multilateral cooperation."

The administration's multilateral effort consisted of attempted negotiations with European arms sales competitors and formal negotiations with the Soviet Union. The discussions with the Europeans were not promising. The British and French in particular expressed great skepticism, and for the most part took the position that they were not interested in a multilateral restraint regime until the Soviet leadership demonstrated a willingness to cooperate. Negotiations with the Soviet Union were conducted from December 1977 until December 1978 and consisted of four formal rounds. During the first round the Soviet delegation to the negotiations did nor appear enthusiastic. As Leslie Gelb, chief of the United States delegation and Director of the State Department's Bureau of Politico/Military Affairs stated, "it was unclear whether the Soviets would agree to meet again." Six months later, however, a second round of negotiations resulted in a joint communique in which the Soviets acknowledged that multilateral arms transfer restraint was a serious item for negotiation. At the third round of negotiations the Soviet delegation agreed to the United States position that the talks should be made concrete through negotiating arms sales restraints ro specific regions of the globe. At the fourth and final round, the talks collapsed over the issue of which regions.

Why the Multilateral Effort Failed. While the domestic political environment was essentially responsible for the United States Conventional Arms Transfer Talks (CATT) initiative, the international environment was a major reason for its failure. It is important to examine the reasons for this failure because it was the foundation upon which the President had premised his unilateral restraint policy.

The failure of CATT rests largely with policy reversals of the Carter administration. A central question concerning the collapse of the talks is why the administration sent a delegation to the fourth negotiating round with instructions that contradicted the earlier United States position, namely, that arms transfer restraint should be discussed on a regional basis. The United States delegation, however, was instructed to discuss only Latin America and Africa, the "US regions," and to break off negotiations if the Soviet delegation mentioned any others. Following a number of inter- and intra-agency conflicts and debates, the President had decided not to permit a discussion of restraint to the Far East or Middle East.

With respect to the Far East, the position that prevailed was that there was nothing with which to bargain with the Soviets. It was expected that the Soviets would raise the issue of limiting sales to Korea, an important ally that depended upon the United States for most of its arms. The Soviets, on the other hand, rarely sell to North Korea; moreover the North Koreans are relatively self-sufficient with respect to arms production. A second major concern was that a discussion of limiting sales to the Far East might complicate the delicate negoriations over normalization of relarions with the People's Republic of China, then in the final stages. Assistant to the President for National Security Affairs Zbigniew Brzezinski reportedly was adamant on this point and convinced the President that any mention of China in CATT would be detrimental to this major initiative. There was also concern that a discussion of arms sales restraint to the Middle East and Iran might accelerate the deteriorating position of the Shah and undermine the delicate economic relations with Saudi Arabia.

While administration concern about particular United States relations in the Far East and Middle East was the immediate cause of the breakdown of negotiations, there were broader conditions that made the chance of a negotiated arms export restraint regime with the Soviet Union minimal. With respect to arms sales, the Soviet Union and United States, for the most part, have exclusive clients. There are very few regimes that have received arms from both. These include Peru, Libya, Northern Yemen, Afghanistan, Pakistan, Nigeria, and Zambia. Moreover, the uncommon interests of the United States and the Soviet Union are further revealed by the postures each took in attempting to create an agenda for the negotiations. The United States was prepared to discuss limiting arms transfers to Africa and Latin America, primarily to limit future Soviet penetration into these areas. The Soviets proposed a "neighbors" concept as a framework for negotiations whereby each superpower would refrain from transferring arms to the neighbors of the other. The Soviets were also interested in limiting sales to the Middle East and Far East, thereby undermining the United States position in an area of great and longstanding strategic importance to it.

The second general reason for the failure of multilateral restraint is that the negotiations really should have been conducted with America's primary competitors, the West Europeans. They, however, took the position that they would not negotiate until progress had been made with the Soviet Union on this issue. Then, as now, it is difficult to imagine any interest in restraint among Western European arms exporters (particularly Britain and France) as arms sales perform major economic functions for several troubled national economies. These relate to maintaining national employment—a tough domestic political issue in nations that have labor movements of significant political clout—and, more directly, to economy of scale problems in the manufacture of weapons for their own forces. Production run costs are reduced through arms exports. Britain exports 25 to 35 percent of all the defense equipment it manufactures; France exports 55-60 percent of all the defense equipment it produces.

In addition to these internal economic and political constraints on European cooperation, the Carter administration committed a serious tactical error in bargaining by imposing unilateral restraint upon the United States before negotiating with the British and French. The British and French Governments could not have been displeased that their primary competitor had decided to limit its competition with them. Their prospects were for a growing share of the arms sales market which by 1979 would reach approximately $25 billion, an increase of almost 50 percent from 1977.

In addition to these external conditions, from its inception CATT was subjected to intense domestic pressure. First, many members of Congress demanded immediate indicators that the administration was both committed to and capable of securing multilateral restraint. Second, there was a corresponding pressure within the administration to demonstrate tangible results from negotiations with the Soviets. These pressures, stemming from a basic skepticism about the wisdom of restraint, were sufficiently strong to create a time limit of one year on CATT. Both supporters and opponents of the restraint initiatives within the administration were convinced that tangible results from CATT would be necessary to support the continued viability of unilateral restraint.

It is unlikely that CATT will be revived. Presently, the Soviet invasion of Afghanistan has created a climate that makes continued formal arms control with the Soviet Union unlikely, particularly on issues as politically sensitive as multilateral arms export restraint. Both the invasion and collapse of the initial CATT negotiations have placed increased pressure on the unilateral restraint policy, a policy that was being eroded by events in any case.

Why the Unilateral Effort is Likely to Fail. While the ceiling was conceived by the administration to be an obvious signal to other arms suppliers that the United States was interested in limiting worldwide arms sales, and was a means of compelling recipient nations to plan more adequately for future weapons acquisitions, the ceiling process suffered major problems from the beginning. First, as the ceiling included many exemptions it did not appear to many people outside the administration as a genuine form of restraint on commercial sales; sales to NATO members, Japan, Australia, and New Zealand, and military construction were exempted. These exemptions constituted a sizable proportion of total U.S. sales. For example, military construction sales in recent years have amounted to nearly $2 billion per year, and commercial sales annually amount to more than $2 billion. Second, and ironically, the ceiling did not permit the administration the flexibility to accommodate for the fact that arms requests from friendly nonindustrialized nations would vary from year to year according to perceptions of threat or need. Third, the administration was already incredibly constrained because of congressional cuts in the grant Military Assistance Program (MAP), International Military Education and Training Program (IMET), and Foreign Military Sales Program (FMS) credits. The collapse of sales to Iran, which had constituted about 30 percent of the space under the ceiling, has in reality made the ceiling a meaningless instrument of restraint.

Another element of the unilateral restraint policy that quickly came into conflict with the realities of the international system was the prohibition against the production of advanced weapons solely for export. That is, it denied the United States Government a means by which to adapt flexibly to the unique geographical, technological, and developmental conditions existing in the Third World. The administration placed itself in a position whereby American weapons were, in many cases, either too sophisticated for certain recipients, or did not meet the current perceived needs of those recipients. As a consequence of this dilemma (as well as concern that this stricture provided new sales opportunities for the Soviet Union and for Western European exporters and thus decreased the ability of the United States Government to restrain worldwide sales rather than increase its capabilities for restraint) the administration found itself supporting the development of a jet fighter aircraft solely for export.

The administration's prohibition against third country transfers may also come under increasing pressure in the future. The collapse of détente and the growing pressure to improve the military capabilities of NATO may force greater attention to rationalization, standardization and interoperability (RSI) at the expense of this constraint. This may result because the United States' NATO allies anticipate recovering a large portion of their developmental and production costs through exports. They have indicated that they would be less willing to enter into standardization agreements if the United States prohibited third country transfers.

Conclusion. It can be said that the Carter restraint effort was a victim of two conflicting demands; a demand for limited use of arms transfers as an instrument for American foreign policy at a time when the international demand was for increased arms transfers. The promoters of restraint only partially defined the problems of arms transfers. It is clear they were right: arms transfers of certain types, to certain regimes or to certain regions could be dangerous for world stability and for the long-run national interest of the United States; arms transfers have not provided the United States with the access to or influence over the recipient regimes often claimed by previous administrations. But the problem was greater than these dangers: arms transfers had assumed a centrality in American foreign policy because the United States had so few other instruments to promote foreign policy goals, and increasingly many nations defined their daily relations with United States in terms of a positive response by the United States to a request for arms.

The Nixon Doctrine became a central element of foreign policy, even of Carter's foreign policy, because for a variety of reasons the United States was unwilling and incapable of responding to perceived threats to friendly governments in any way other than through arms transfers. Increasingly, the one tangible and salient way the United States could demonstrate commitment to Iran, Saudi Arabia, Israel, Egypt, Jordan, South Korea, Pakistan, Taiwan, Spain and Turkey, to name a few friendly countries, was through arms transfers. The one way the United States could get agreement among conflicting nations was to promise arms as compensation for concessions made. Recall the aid promised Egypt and Israel after the Camp David accords. A major instrument by which the United States could encourage moderation in oil pricing policy was to deliver arms to those nations with the power to limit prices. The United States could offset international payments deficits with oil producing countries by trading items those countries desired for the oil we desired. Increasingly, arms transfers became a major means of countering Soviet penetration in Africa and Asia. Increasingly, arms transfers became a means for discouraging certain nations from developing nuclear weapons. In a troubled economy, arms transfers have become an important instrument for generating employment, a means of reducing developmental costs.

The haunting question for the Carter administration was what other instruments could be used as effectively as arms transfers to deal with the growing list of international problems the United States confronted. Despite his desire for restraint and his public and diplomatic support for restraint, the President learned that because of the limited number of instruments available to him for dealing with international problems, arms transfers were simply too useful for too many purposes to be extensively curtailed. As a consequence, his administration spoke with two voices. America's friends, competitors, and enemies were amazed and even angered by the contradiction. The contradiction made it nearly impossible to obtain cooperation from other suppliers or from recipients for restraint of arms transfers to the Third World.

NOTE

1. See Paul Y. Hammond, David J. Louscher, and Michael D. Salomon, "Controlling U.S. Arms Transfers: The Emerging System," *Orbis*, Volume 23 Number 2 (Summer 1979); "Growing Dilemmas for the Management of Arms Sales," *Armed Forces and Society*, Volume 6, Number 1 (Fall 1979); and "The Failure of CATT: Bureaucratic Perspectives on Policy Innovation," paper presented at the Convention of the International Studies Association, Los Angeles, California, 22 March 1980.