

RECENT ARMS SALE TO KUWAIT

[Editor's note. In August 1988, the governments of the United States and Kuwait entered into a \$1.9 billion FMS agreement for the sale to Kuwait of 40 F/A-18 aircraft and 300 Maverick AGM-65G air-to-surface missiles. Prior to approval of this sale, various concerns were raised in Congress regarding the merits of the sale. The possibility of Congressional passage of a joint resolution disapproving the sale increased as the Congressional review period proceeded. Indeed, in an amendment to H. J. Resolution 4637, (the annual Foreign Operations Appropriation bill) the Senate voted to prohibit the sale of any Maverick D or G model missiles to Kuwait. (*Congressional Record*, 7 July 1988, pp. S 9018-20.) To address the various concerns expressed by the Congress, Secretary of State Shultz sent a special letter to Congress on 3 August 1988 designed to solicit support for the sale. That letter, as received by Representative Dante Fascell (D, FL) and published in the *Congressional Record* (11 August 1988, pp. E 2775-6) is reprinted below in the entirety.]

The Secretary of State
Washington, DC
August 3, 1988

The Honorable Dante Fascell
Chairman, Committee on Foreign Affairs
House of Representatives
Washington, DC.

Dear Mr. Chairman:

On July 7, 1988, the Administration notified the Congress of the United States of its intention to sell forty F/A-18 C/D aircraft to the Government of Kuwait. The sale, valued at approximately two billion dollars, includes appropriate associated munitions, spares, support equipment, services, and training. In the course of the debate and deliberations by the Congress on the merits of the sale, a number of questions have arisen that I would like to address here.

Kuwait highly values its twenty-five year political, economic, and security relationship with the United States. It is a multi-faceted relationship that reflects common philosophies and regional and international goals. Kuwaiti investment in the United States and the West is a testament to both U.S. and Kuwaiti commitment to the health of free market economies; Kuwait consistently supports negotiated, peaceful solutions to regional and extraregional conflicts; Kuwait has been at the forefront of efforts to combat terrorism; Kuwait has been a major source of economic assistance to developing countries around the world; and, Kuwait has been an active partner in our naval presence in the Gulf, diplomatically and logistically.

Kuwait has underscored its commitment to this relationship through its request for a US-origin aircraft as the mainstay of its air force, and its defense. It seeks a current generation aircraft to replace an aging fleet of US-origin A-4s. The Government of Kuwait has stated, and we accept, that these planes are for the legitimate, and very real, self-defense needs of the State. Kuwait is located in a volatile environment and faces both near-term and long-term air, sea, and land threats. As the Minister of Cabinet Affairs stated to the House Foreign Affairs Committee on July 14, Kuwait would prefer to invest its money solely in social and educational development for its people. That is unrealistic. Unfortunately, despite its own history of peaceful coexistence with its neighbors, Kuwait must be able to provide a credible deterrent to potential adversaries.

Kuwait also has defined and recognized collective self-defense responsibilities with the other members of the Gulf Cooperation Council [GCC], as sanctioned by the UN Charter and

encouraged by the United States. The efforts by the GCC to enhance the self-defense ability of all member states is in the U.S. and Western interest. It bespeaks also a mature understanding and willingness to assume a shared burden, with us and others, for the stability and the security of the vital Gulf region. The multi-functional F-18 was chosen by Kuwait as most appropriate to meet these legitimate needs. It is for these reasons that the Administration supports the request.

The Administration has been in close consultation with the Government of Kuwait throughout the selection process for the F-18, and its associated munitions. We have also examined carefully with the Kuwaiti Government the use, basing, and transfer issues involved in such a sale. The Kuwaiti Government is fully aware of the conditions of sale of any U.S. defense system, as contained in a Letter of Offer and Acceptance. In addition, the Government of Kuwait in 1976 signed a technical security arrangement regarding safeguarding classified military articles, services, and information. Kuwait has a perfect record of compliance with the terms of this agreement--as well as all previous LOAs. Based on our extensive conversations with the Kuwaiti Government, Kuwait's commitments to us and our ability to verify their compliance, I would like to provide you with the following assurances and understandings.

BASING

The Government of Kuwait has assured us that the F-18 will be based solely in the State of Kuwait. The Prime Minister and Crown Prince confirmed this assurance to the Administration and the Congress during his official visit last month. We accept those assurances as consistent with Kuwait's desire to provide for its own first-line defense. Given the population and military inventory superiority of each of its neighbors, it would be illogical for Kuwait to base them elsewhere and denude itself of this defense arm. Furthermore, given the unique nation of the support equipment necessary for the aircraft--equipment not available elsewhere in the region--it would be impossible, as a practical matter, to support the aircraft if they were based out of Kuwait.

REFUELING CAPABILITY

The Government of Kuwait has assured the Administration that it does not seek a refueling capability for the F-18, either as a part of this sale or independent of it. Furthermore, Kuwait does not meet the U.S.G. global criteria for the sale of refueling capability. And, finally, should circumstances warrant a review of this, Congress retains, under Section 36(b) of the Arms Export Control Act, the option to disapprove any potential proposed sale in the future.

TRANSFER OF AIRCRAFT AND/OR MUNITIONS

The Government of Kuwait has assured us that it fully understands and accepts the provisions of the standard Letter of Offer and Acceptance, which is specific, inter alia, on prohibiting the unauthorized transfer of US-origin equipment to a third party. Over the history of our security relationship, the Government of Kuwait has assiduously abided by the terms of that agreement.

There are practical inhibitions to transfers of aircraft or munitions. First, to transfer either would strip Kuwait of its defense shield and leave it vulnerable to attack. Second, the support equipment necessary cannot be duplicated or purchased elsewhere; its transfer would be readily detected. Third, other states would not be able to use the equipment. They would lack the infrastructure, and the training.

On the specific question of the transfer of munitions, especially the Maverick G missiles, they could not be used by states lacking the aircraft and software appropriate to the missile system. For example, an aircraft designed to carry the Maverick A/B has both different hardware and, more importantly, software than needed for the G models. Neither can be adapted easily and without

detection. It is for similar reasons that the A/B models are not appropriate to this aircraft. Significant design and computer modifications would have to be made to the F-18 to accommodate the A/B.

SECURITY AND ACCOUNTABILITY OF EQUIPMENT

The Government of Kuwait has assured us that all necessary steps will be taken to protect the aircraft, its systems, and its technology from unauthorized diversion. As stated earlier, the Government has signed, and scrupulously adhered to the terms of the technical security arrangements of 1976. In twelve years, there have been no violations of this arrangement, nor has loss of classified equipment or information ever been alleged or documented.

Compliance with and adherence to the arrangement, and other U.S. regulations, is monitored by U.S. Liaison Office personnel assigned to Kuwait. Periodic evaluations and inspections are also undertaken by the Defense Investigative Service's Office of Industrial Security, International. Unauthorized diversion of missiles would encounter the same technical problems in use as stated earlier--without an aircraft designed for delivery of the missile, it is useless.

The Administration shares Congressional sensitivity to the issue of unbridled arms proliferation, especially in volatile regions. We are actively engaged in multilateral efforts to limit and control the spread of high technology--such as IRBMs. However, U.S. restrictions on arms sales are stricter than those of other arms sellers, thus allowing us to address the legitimate defense needs of vulnerable friends while simultaneously preventing unwarranted arms sales.

The proposed sale of forty F-18 aircraft, we believe, stands on its own merits. It addresses legitimate defense needs of a valued and longstanding friend. It addresses U.S. national security and political interests in a vital part of the world. Understandably, Congress has expressed concerns and raised questions regarding the sale. We welcome the dialogue and believe, based on the assurances we have received from the Government of Kuwait, our ability to monitor these assurances, and the above noted practical realities, that we have responded fully to them. I would hope that the Congress will join with the Administration in support of this important and worthy sale.

Sincerely Yours,

George P. Shultz