
U.S. Conventional Arms Transfer Policy: Press Briefing

by

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As you know, the White House has announced the release of the Administration's policy on conventional arms transfers. I'd like to make a short presentation on the Administration's policy, Presidential Decision Directive (PDD 34).

- The PDD codifies policies that the Administration has been following in this area for the past two years for decisions on individual arms transfers.
- Does not represent a new departure from our current national security and foreign policy goals.

First, the conventional arms transfer policy, defined in PDD-34, is based on two fundamental emphases:

- We seek to promote restraint, both by the U.S. and other suppliers, in transfers of weapons systems that may be destabilizing or dangerous to international peace.
- At the same time, we approve transfers to meet legitimate defense requirements that support our national security and foreign policy interests abroad.
- The Administration's record in the past two years reflects these two emphases.

This policy also is predicated on the reality that the end of the Cold War has not meant the end of dangers to the U.S., or to our interests abroad.

- In this still insecure world, conventional weapons remain legitimate instruments for self-defense and important elements of U.S. national security policy.
- Because not every state can produce the full range of weapons necessary for legitimate defense needs, trade in weapons is inevitable.

Our policy also recognizes that conventional weapons, particularly with the advances of modern technology, can do enormous harm in the hands of hostile states or groups, and appropriate restraint measures can serve our national security interests.

- Unneeded or destabilizing weapons can also exacerbate tensions and place significant economic burdens on some states that seek to obtain and support large militaries.
- These facts argue for continued regulation and restraint in the transfer of weapons and related technology.

Reflecting the continued role of conventional arms transfers for U.S. national security interests, our approach reflects continuity with past arms transfer policy. However, this Administration has given a new emphasis—in its foreign and national security policies—to regional security and stability. Examples:

- Our nonproliferation efforts, which are focused on regions of particular tension;
- Our defense strategy, which is based on planning for two major regional contingencies.

We will be placing the same type of regional emphasis and focus on our conventional arms transfer decisions.

U.S. Goals

The major goals which our conventional arms transfer policy will serve are:

- 1) Ensuring that our military forces can continue to enjoy technological advantages over potential adversaries.
- 2) Helping allies and friends deter, or defend against, aggression while promoting interoperability with U.S. forces when combined operations are called for.
- 3) Ensuring regional stability in areas critical to U.S. interests while preventing the proliferation of weapons of mass destruction and their missile delivery systems.
- 4) Promoting peaceful conflict resolution and arms control, supporting regional stability, avoiding human rights violations, and promoting other U.S. foreign policy objectives such as the growth of democratic states.
- 5) Supporting the ability of the U.S. defense industrial base to meet U.S. defense requirements and maintain long-term military technological superiority at lower costs.

The Global Arms Transfer Market

This Administration's record in transfers reflects an understanding of the need for restraint coupled with the realization that transfers to allies and friends bolster our own security. Let me now briefly review basic trends in global arms transfers, to give you the context for our conventional arms transfer policy.

U.S. government arms sales agreements under this Administration have returned to levels below our historical average—approximately \$12 billion a year.

Meanwhile, U.S. arms deliveries have remained basically flat, a trend we expect to continue.

- Sales during this Administration have been primarily to NATO allies and other major friendly states such as Israel.
- U.S. market share has grown not because the U.S. is selling more weapons but because other suppliers—notably the Soviet Union—have disappeared from the market.
- The global market for arms has also shrunk because domestic procurement budgets have decreased.
- We expect that demand for U.S. arms will remain steady through the remainder of the decade.

The central fact in the international trade in arms is that the global market in conventional arms—measured in deliveries—has declined dramatically.

- Especially notable is the dropoff in sales by the states of the former Soviet Union.
- Over this same period, U.S. conventional arms deliveries stayed relatively steady.

Arms Transfer Policy Criteria

This Administration will allow a sale only if it meets a set of rigorous criteria. The list is rather long, but some of the most important are:

- consistency with international agreements and arms control initiatives;
- the appropriateness of the transfer as a response to legitimate U.S. and recipient-country security needs;
- the transfer must be consistent with the U.S. interest in regional stability;
- a transfer must afford protection to sensitive technology, as well as protecting against unauthorized transfer to a third party;
- we will examine closely the human rights, terrorism and proliferation-related record of the recipient, and the potential for misuse of the export in question; and
- we will also examine closely the impact of any proposed transfer on U.S. military capabilities, and on the technological advantage enjoyed by U.S. forces.

Support for U.S. Industry

Our arms transfer decisions will not be driven by commercial considerations. However, once a decision has been made on national security grounds to approve a transfer, it is important that U.S. firms receive the support of this government to make the sale. The Administration will provide the following support to U.S. industry:

- task our overseas mission personnel to support marketing efforts of American companies bidding on defense contracts;
- support official Department of Defense participation in international air and trade exhibitions;
- actively involve senior U.S.G. officials in promoting sales of particular importance to the United States; and
- seek legislation to repeal the statutory requirement to recoup nonrecurring costs on government-to-government sales, and align retransfer restrictions applied to government-to-government sales with those now applicable to commercial sales.

A fundamental point here is that we see support for a strong, sustainable U.S. defense industrial base as a key national security concern of the United States, rather than a purely commercial matter.

Maintaining this industrial base against the uncertainties of future international development is a necessary investment in America's security.

Arms Control and Restraint

At the same time, a critical part of our policy is the control and restraint of arms and their transfer. We also seek to increase the transparency of arms transfers.

- Restraint and transparency are not ends in themselves.
- They are tools to help reduce mistrust, tension, instability, and ultimately, the destructive cost of conflicts when they occur.

We have made and continue to work on a number of initiatives to establish a new, global pattern of restraint on transfers of conventional arms:

- We will continue to negotiate the COCOM successor regime.
- On transparency, the U.S. will also push to increase participation in the UN Register of Conventional Arms.
- Since the categories of weapons contained in the Register may not be the most relevant to some regional situations, the U.S. will also support regional initiatives to enhance transparency in conventional arms.
- We will also continue to expand our successful programs in export control assistance to Central and Eastern Europe.
- Finally, we will continue our efforts with new emerging suppliers such as South Africa, to provide them with information on how to adopt and apply responsible arms transfer policies.

Supporting Responsible U.S. Transfers

The U.S. system of reviewing and considering arms transfers is the most rigorous and open in the world.

Arms transfers will continue to be made on a case-by-case basis.

We believe that the Administration's conventional arms transfer policy will achieve all of these goals, in the service of U.S. national security and foreign policy objectives.