

# ARMS SALES MONITOR

*Highlighting U.S. government policies on arms exports and conventional weapons proliferation.*

## The U.S.-Israeli Arms Bond: Through Thick and Thin

### Arms Sales Proceed Despite Shattered Peace Process

Just before the Middle East peace process started to crumble under the weight of renewed Israeli-Palestinian fighting, the U.S. government announced plans to export to Israel eight AH-64D Apache attack helicopters, 35 UH-60L Blackhawk helicopters, and 14 Beechcraft light patrol aircraft, mostly paid for with U.S. funds.

As always, the U.S. government states that these arms sales will “contribute to the foreign policy and national security” of the U.S. by helping a country that “continues to be an important force for political stability... in the Middle East.” It is unclear how one of the most pressing U.S. foreign policy goals—ending the bloodshed in the Middle East and resuming the shattered peace talks—will be aided by this sale.

Nor is it apparent these days whether Israel can be counted on to use the arms in a manner that promotes regional stability. Reports from the media and human rights groups on site contend that U.S. origin Apache attack helicopters have been used to disperse rioters and have targeted residential areas in Hebron. Cobra attack helicopters were allegedly used in the Israeli attacks on radio stations, security posts, and Palestinian leader Arafat’s headquarters.

Several NGOs called on Sec. Albright to suspend these sales until Israeli use of U.S. weapons has been investigated, but there has been no response from the administration.

### Third Party Sales Dispute Smoothed Over

The future of U.S. arms transfers and military aid to Israel did hit a snag earlier this year over Israel’s planned sale of Phalcon early warning aircraft to China. U.S. officials protested the sale on the grounds that it would upset the balance of force with Taiwan and could pose a risk to U.S. aircraft in the region. Rep. Callahan (R-AL) threatened to reduce military aid to Israel by \$250 million if it did not cancel this lucrative sale. Although the aid was not cut, Israel did succumb to U.S. pressure and cancelled the deal.

To prevent similar strife in the future, Israel and the U.S. signed an agreement requiring Israel to consult more closely with the U.S. government on planned arms exports and technology transfers to China, India, Pakistan, and Russia (down from a list of 27 states in the original draft). In exchange, Israel will be granted “strategic ally” status, a way of strengthening strategic ties short of a mutual defense treaty. The accord, however, is non-binding and purposefully vague.

## U.S. Still #1 on Global Arms Sales

According to a report by the Congressional Research Service (CRS) released this summer, the U.S. kept its large lead in the global arms market in 1999, capturing 39% of new contracts and making 54% of the world’s arms deliveries. The U.S. market share in 2000 will probably be even higher because of several major weapons buys that have already been signed this year, including a massive \$6 billion sale of F-16s to the United Arab Emirates, a \$1.3 billion sale of F-16s to Greece, and the transfer of over \$1 billion worth of military helicopters to Israel (see article on left).

The Foreign Military Sales portion of the FY 1999 “Section 655 Report” on U.S. arms transfers provides more detail on U.S. transfers (see chart, p. 3). Human rights and internal repression continued to be placed on the back burner in many cases. For example, U.S. sales to Turkey increased by \$1 billion in 1999, including 12 different type of missiles and materials to locally produce F-16 fighter jets. Military training for Indonesia in FY 1999 more than quadrupled from FY 1998 levels, though training and arms transfers were finally cut off in September 1999.

Increasing arms sales are due in part to a recovery from the 1997 Asian financial crisis and a rise in oil prices after the fall in 1997-98. But the large U.S. share of the pie can be credited to the enthusiastic marketing activities of the Clinton administration. With the risk of interstate conflict declining, U.S. officials hawk arms by touting the need for interoperability with U.S. forces in peacekeeping operations and dangling the prospect of closer ties with the U.S. military. Such tactics have helped increase the share of U.S. arms exports going to developing states for the third year in a row.

The administration has also been out to convince Euro-

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pean allies that they should be devoting a larger portion of their budget to buying arms, preferably American. Recently, the administration made changes to its arms export regulations that enable NATO members, Australia, and Japan to buy U.S. weapons more quickly and with less restrictions. The U.S. government is even negotiating agreements with the UK and Australia that would allow them to buy U.S. arms without an export license.

The administration maintains that loosening regulations is necessary to give the U.S. defense industry a leg up against European competitors. Strange, since the CRS report states that in 1999 alone, the U.S. sold almost \$12 billion of arms worldwide (excluding commercial sales), whereas major U.S. competitors such as Germany, Italy, France, and the UK exported only \$6.3 billion combined.

### And the Winner Is...

#### Top Arms Exporters to All Countries - 1999

1. United States	\$11.8
2. Russia	4.8
3. Germany	4.0
4. France	0.9
5. United Kingdom	0.8
6. Italy	0.6
All other Europeans	4.6
All others	0.9

#### Top Arms Importers among Developing Nations - 1999

1. South Africa	\$3.3
2. Egypt	2.6
3. Israel	2.3
4. China	1.8
5. Saudi Arabia	1.6
6. India	1.6
7. Pakistan	1.0
8. Singapore	0.7
9. Taiwan	0.5
10. United Arab Emirates	0.5

All numbers in billions of 1999 dollars. Data refers to new sales agreements.  
Source: Congressional Research Service

## U.S. Arms: Where Are They Now?

### GAO Blasts the Pentagon's End Use Monitoring Program

While the link between defense spending and U.S. national security was a prominent theme in the presidential race, no mention was made of the potential threat to U.S. security posed by the proliferation of U.S. arms and technology.

Both the State and Defense Departments are legally obliged to conduct "end-use monitoring" of arms sold under their respective export programs to ensure that there is no diversion or misuse of U.S.-origin weapons and that they are safely stored. Original export decisions, especially to less secure destinations, are based on the premise that such follow-up activity will take place.

Yet according to a recent report by the U.S. General Accounting Office (GAO), the Pentagon's Foreign Military Sales (FMS) end-use monitoring system is not being properly implemented. (*Foreign Military Sales: Changes Needed to Correct Weaknesses in End-Use Monitoring Program*, August 2000) Security Assistance officers in 40 out of 68 countries surveyed did not verify whether U.S. weapons were being properly used and safeguarded.

Among the many shortfalls described by the GAO, one severe problem is the lack of a mechanism for the State Department to inform field officers from the Pentagon's Defense Security Cooperation Agency (DSCA) when and where end-use monitoring should be carried out. For example, DSCA officers are not being given information on a country's past end-use violations, which should trigger more intensive scrutiny of a state's practices. Lack of adequate training of field officers on how and when to execute end-use checks also hampers the program.

Moreover, DSCA officers are paying little attention to the use of U.S.-origin weapons, even in the most obvious cases. For example, although the U.S. recently decreed that the "significant mili-

"Unified Command officials ... do not hold field personnel accountable for not performing the observation function for equipment transferred through the FMS program because of the lack of guidance from DSCA. The officials ... want field personnel to spend their time on their primary duty, which is to work with foreign governments on planning the acquisition of defense equipment."

*GAO Report on FMS End-Use Monitoring, August 2000*

tary upheaval" in Indonesia and Pakistan made them ineligible to receive U.S. defense goods and services, end-use checks of U.S. weapons already provided were not performed in either country to ensure that previously transferred items were not used in violation of U.S. law (e.g., in the commission of human rights abuses or other repressive activities).

Also alarming is the treatment of the most sensitive weapons systems, which have explicit requirements for end-use monitoring in the transfer agreements. Whereas in the past, U.S. personnel were required to perform 100-percent physical inventory checks of Stinger anti-aircraft missiles, the DSCA now relies primarily on the host country's inventory records, without any way to evaluate the accuracy of that information. Nor is the DSCA monitoring the security of Air-to-Air Advanced Missiles in the 9 states that signed agreements allowing such checks.

In this year's Security Assistance Act (see p. 5), Congress mandated that the President prepare a report on the status of the DSCA's efforts to implement its end-use monitoring program. According to congressional sources, plans are already underway to improve the system. Let's hope so.

Check out the full report on-line at <http://www.fas.org/asmp/resources/govern/ns00208.pdf>

## Foreign Military Sales Deliveries FY 1999

The figures below come from the annual report to Congress required in Section 655 of the Foreign Assistance Act. While the report is due by February 1 of each year, this half of the report was issued in April (the Arms Sales Monitor only recently received a copy since the Pentagon has refused to release it to the public, despite a new law mandating that it be put on the web). As the Pentagon failed to post its report, the Arms Sales Monitoring Project has made it available on its own site at: <http://www.fas.org/asmp/profiles/655/655rep.html>. The State Department's portion on commercial sales licenses is also not yet publicly available.

Country	FMS Deliveries	Country	FMS Deliveries	Country	FMS Deliveries
Africa		Americas (cont'd.)		Europe (cont'd.)	
Benin	\$8,000	Grenada	116,000	Italy	105,818,000
Botswana	401,000	Guyana	67,000	Kazakhstan	21,000
Cameroon	58,000	Haiti	518,000	Latvia	407,000
Cape Verde	41,000	Honduras	4,658,000	Lithuania	1,363,000
Central African Rep.	1,000	Jamaica	136,000	Luxembourg	1,751,000
Chad	1,412,000	Mexico	1,799,000	Macedonia	4,671,000
Cote d'Ivoire	213,000	Panama	48,000	Moldova	644,000
Djibouti	243,000	Paraguay	30,000	Netherlands	312,571,000
Eritrea	423,000	Peru	1,943,000	Norway	216,161,000
Ethiopia	465,000	Peru (counter-narc)	310,000	Poland	2,124,000
Gabon	34,000	St. Kitts & Nevis	150,000	Portugal	12,584,000
Ghana	1,173,000	St. Lucia	201,000	Romania	1,427,000
Guinea	61,000	St. Vincent & Grenadines	263,000	Slovakia	983,000
Kenya	1,975,000	Trinidad & Tobago	577,000	Slovenia	133,000
Lesotho	2,000	Uruguay	398,000	Spain	238,839,000
Madagascar	45,000	Venezuela	31,710,000	Sweden	2,025,000
Malawi	571,000	Subtotal	\$190,439,000	Switzerland	830,625,000
Mali	965,000			Turkey	1,555,492,000
Mozambique	2,000	E. Asia/Pacific		Ukraine	194,000
Namibia	467,000	Australia	\$186,137,000	United Kingdom	126,951,000
Rwanda	449,000	Brunei	17,000	Uzbekistan	25,000
Sao Tome & Principe	7,000	Cambodia	664,000	Subtotal	\$4,992,112,000
Senegal	1,129,000	Indonesia	8,854,000		
Seychelles	500	Japan	443,619,000	N. East/S. Asia	
South Africa	371,000	Korea	516,623,000	Bahrain	\$42,733,000
Uganda	1,263,000	Laos	385,000	Bangladesh	674,000
Zambia	12,000	Malaysia	48,275,000	Egypt	500,529,000
Zimbabwe	40,000	New Zealand	8,572,000	Israel	949,431,000
Subtotal	\$11,831,500	Philippines	19,700,000	Jordan	48,506,000
		Singapore	526,411,000	Kuwait	280,446,000
Americas		Taiwan	2,339,279,000	Lebanon	7,000,000
Antigua & Barbuda	\$214,000	Thailand	144,938,000	Morocco	4,791,000
Argentina	10,362,000	Subtotal	\$4,243,474,000	Oman	6,600,000
Bahamas	18,000			Qatar	415,000
Barbados	267,000	Europe		Saudi Arabia	4,949,111,000
Belize	169,000	Albania	\$746,000	Sri Lanka	5,000
Bolivia	58,000	Austria	6,105,000	Tunisia	8,578,000
Bolivia (counter-narc)	4,409,000	Belgium	249,963,000	United Arab Emirates	96,205,000
Brazil	34,024,000	Bosnia-Herzegovina	614,000	Yemen	870,000
Canada	64,121,000	Bulgaria	2,298,000	Subtotal	\$6,895,894,000
Chile	2,462,000	Czech Republic	1,256,000		
Colombia	19,163,000	Denmark	157,245,000	International	
Colombia (counter-narc)	5,548,000	Estonia	314,000	Various Countries	\$11,000
Costa Rica	37,000	Finland	106,241,000	Org. of African Unity	1,100,000
Dominica	222,000	France	245,097,000	Org. of American States	643,000
Dominican Republic	154,000	Georgia	19,000	Other Int'l Org.	52401500
Ecuador	1,315,000	Germany	280,519,000	Subtotal	\$54,155,500
Ecuador (counter-narc)	371,000	Greece	525,311,000		
El Salvador	4,601,000	Hungary	1,564,000		
		Iceland	11,000	World Total	\$16,387,906,000

## The Results are In: Foreign Operations Appropriations for FY 2001

Congress passed the Foreign Operations Appropriations Act for FY 2001 on October 25, 2000. The amount of money for security assistance does not differ dramatically from the sums requested by the administration (see ASM 43, April 200). Yet in another law, Congress *authorized* an increase in military aid and training over the next two years. The foreign relations committees were concerned about “steadily decreasing” amounts of money to support military-to-military relationships with the U.S., though funding for most categories of security aid actually increased significantly from FY 2000.

### Foreign Military Financing

Congress appropriated \$3.545 billion in Foreign Military Financing (FMF) to underwrite the purchase of U.S. weapons and services by foreign governments. Israel and Egypt were allotted a combined \$3.28 billion of the FY 2001 FME. Normally, FMF must be used to buy American weapons, but Israel can spend up to 26% of this subsidy on Israeli-produced weapons. Other identified recipients are Jordan, Tunisia, Georgia, and Malta. Tunisia’s portion includes \$5 million of drawdowns of defense articles and training from the Defense Department’s stocks. Georgia’s allocation includes \$4 million of drawdowns.

### Economic Support Fund

The administration received \$2.3 billion for the Economic Support Fund (ESF). While not specifically targeted to arms purchases, \$1.7 billion of FY 2001’s ESF funding goes to Israel, Egypt, and Jordan, and has historically been considered “security assistance.” The \$10 million appropriated to the National Democratic Alliance of Sudan is non-lethal aid—such as blankets, medicine, fuel, and non-military vehicles—to protect civilians against attacks, slave raids, and aerial bombardment by Sudanese government forces and their militia allies.

### Int’l Narcotics Control and Law Enforcement

The State Department will receive \$325 million in FY 2001 to carry out law enforcement, institution building and economic incentives to grow alternative crops in drug-producing states, as well as weapons and training for several Latin American countries.

### International Military Education and Training

Congress allotted \$55 million for the Pentagon’s International Military Education and Training program (IMET). IMET generally involves training foreign soldiers in the operation of U.S. weapons systems, military doctrine, military management, and human rights. Guatemala and Indo-

nesia qualified for only Expanded IMET, which does not include combat training. An “emergency” supplemental \$2,875,000 of IMET was approved for states in the Balkans and Southeast Europe.

### Other Provisions of Interest

Some positive trends continued in this year’s Foreign Operations Appropriations bill. Section 571 again requires a joint State and Defense Department report on military training, including foreign policy justifications for training and an explanation of benefits gained by participating U.S. military personnel. Section 563 keeps the “Leahy Law” restriction prohibiting foreign aid from going to military units credibly alleged to have committed gross human rights abuses. In addition, any aid approved for Indonesia will only be released after the administration certifies that the Indonesian government is taking a number of concrete steps to improve human rights and stability in the East Timor region.

On another positive note, this year’s Foreign Operations Act includes \$2 million for small arms destruction programs. A provision on third world debt reduction prevents benefits from going to states with excessive military expenditures or that are engaged in gross violations of human rights.

### Security Assistance - FY 2001

Foreign Military Financing	\$3,545,000,000
Israel	1,980,000,000
Egypt	1,300,000,000
Jordan	75,000,000
Tunisia	8,500,000
Georgia	8,000,000
Malta	3,000,000
Economic Support Fund	\$2,295,000,000
Israel	840,000,000
Egypt	695,000,000
Jordan	150,000,000
East Timor	25,000,000
Mongolia	12,000,000
Nat’l Dem. Alliance of Sudan	10,000,000
Indonesia (Econ. Rehabilitation in Aceh)	5,000,000
Int’l Military Education & Training	\$55,000,000
Peacekeeping Operations	\$127,000,000
Int’l Narcotics Control and Law Enforcement	\$325,000,000
Nonproliferation, Anti-terrorism, and Demining	\$311,600,000
Supplemental IMET for Balkans and SE Europe	\$2,875,000

## Legislative Update

### Emergency Supplemental Appropriations

After several months of intense lobbying, President Clinton finally won passage of the FY 2000 Emergency Supplemental Appropriations Act, which includes \$1.32 billion in aid to the drug-producing Andean states. Of those funds, \$860.3 million will go to the Colombian military and police to fight drug producers and the leftist rebels that protect them.

The final version of the bill, signed into law on July 13, includes 18 UH-60 Blackhawk helicopters and 42 UH-1H "Huey" helicopters. Two Blackhawks and 12 Hueys are specifically designated for the Colombian police. The number of Blackhawks was later reduced to 13 so that better armed and equipped helicopters could be sent for the same cost.

Although the law includes human rights conditions, a waiver allows the President to skip certification based on those principles if doing so is in the "national security interest." As expected, President Clinton issued a determination on August 23 waiving all of the human rights conditions except for one that had already been met.

Fortunately, it appears that the "Leahy Law"—which prevents military aid and training from going to military units involved in human rights violations—is being upheld. This September, aid was suspended to two brigades for allegedly permitting or participating in violence against civilians. The brigades receive small amounts of aid and training as part of the "joint southern task force," which works alongside U.S.-armed and trained counter-narcotics battalions.

With both Gore and Bush supportive of Plan Colombia, it is highly likely that more money will be requested for FY 2002. Already this year, a group of 17 House members, including House International Relations Committee Chair Rep. Gilman (R-NY), wrote a letter to Speaker Hastert (R-IL) requesting an additional \$99.5 million for the Colombian National Police. While the funds were not included in the foreign operations bill, at the time of printing it was unclear whether they would make it into another appropriations bill. Looks like we're in for the long haul.

### Security Assistance Act: Something for Everyone

The Security Assistance Act, signed into law on October 6, is both good and bad news for arms control advocates. On the positive side, the Act counteracts the administration's disturbing decision last spring to drop the licensing requirement from most arms exports to close allies. The administration announced plans to negotiate agreements with select states, beginning with the UK and Australia, that would grant them this privilege in exchange for improvements to their export control systems.

Members of Congress were concerned that in the rush to complete these "license exemption" agreements before the administration leaves, the original reforms intended to

be exacted from those states would be tossed aside. In addition, Members felt that political commitments to improve export controls would be virtually meaningless. The Act therefore specifies that any agreement on license exemptions must be legally binding and must bring partner states up to U.S. standards on arms re-exports, end use certification and monitoring, scrutiny of weapons traders, the scope of controlled weapons. Any agreement would also have to meet the approval of the Attorney General to ensure enough information on exports be collected to uphold arms export laws. Finally, the law mandates that the regular congressional notification process on arms transfers be followed even for license-free exports.

The Security Assistance Act will also improve transparency on U.S. arms exports by requiring that data on *deliveries* of commercial arms exports be included in the annual "655 report" to Congress. Currently, only State Department *licenses*—which may be for much higher quantities than what is actually shipped—are listed. To completely close the transparency loophole, the State Department should also be required to gather and report on the actual contracts resulting from licenses they have issued.

To encourage the Defense Department (DoD) to progress on its failing arms export end-use monitoring program (see p. 2), the law requires an update report within 180 days. In another boon for accountability, the law requires DoD to keep records on foreign personnel receiving military training, including their names, type and dates of instruction, and subsequent position and location.

Of course all that glitters is not gold. The Security Assistance Act is usually written to authorize the transfer of excess U.S. naval vessels; this year Brazil, Chile, Greece, and Turkey were either granted ships or authorized to buy them on a lease-to-own basis.

This year the Security Assistance Act also includes security aid authorization, taking the place of the foreign aid authorization bill that rarely passes. While only the first part of a process that also requires allocation of funds, the Act raises the level of authorized funding for Foreign Military Financing (FMF) by \$12 million in FY 2001 and \$89M in FY 2002; raises international military training funding by \$5 million in FY 2001 and another \$10 million in FY 2002; and increases the amount of excess U.S. weapons that may be transferred under the "emergency drawdown" program from \$150 to 200 million. The law targets increased FMF and IMET to new and prospective NATO members; more IMET also goes to Greece and Turkey. Israel and Egypt will gradually receive less economic aid, though Israel will get a corresponding increase in military aid. The Act also encourages increased arms transfers to the Philippines.

Finally, the law prohibits the sale of Stinger ground-to-air missiles to Persian Gulf states except to replace, on a one-to-one basis, those missiles at the end of their shelf life.

### More Subsidies for the Arms Trade

The U.S. weapons industry is about to profit from a trade dispute between the U.S. and the European Union. U.S. law now provides a tax break on income from certain exported goods. But this spring, in a suit brought by the EU, the World Trade Organization ruled that this type of tax break violated WTO rules. New law must now be written to bring the U.S. system into compliance with the WTO ruling. HR 4986, the FSC Repeal and Extraterritorial Income Exclusion Act, was designed to do just that, though signs are that the EU will challenge this law too.

Unfortunately, this bill provided a long-awaited opportunity for proponents of the arms industry to change part of the original system that "disfavored" weapons exporters. In 1976, the government decided that the arms industry was so strong and so well supported by other subsidies that it should only receive 50% of the tax break on foreign-earned income. Other industries, such as oil and timber, were also excluded from this benefit. The drafters of H.R. 4986 decided to remove the limit on arms exporters' qualifying income, while keeping the previous restrictions on all other industries. Amendments by Rep. Doggett to keep the 50% benefit, and Rep. Pete Stark (D-CA) to deny any tax benefit to arms makers, were rejected. The bill is likely to be attached to an appropriations bill with no further amendments allowed.

### Efforts to Stop the Trade in "Conflict" Diamonds

The trade in diamonds has been increasingly tainted by possible links to the bloodshed in Sierra Leone and Angola. Rebel soldiers in both countries have gained control over large diamond mines, enabling them to buy weapons and prolong their particularly brutal assaults on civilians and government forces. The international community is trying to develop a way to stop the sale of diamonds from those regions while not interfering with the legitimate trade from those and other African states.

At a conference in July 2000, diamond industry representatives agreed on a system that would allow them to certify the source of rough diamonds. Rough cut diamonds would be sealed in tamper-proof containers before leaving a country and would be accompanied by certificates signaling government authorization of the export. The plan was approved by 36 countries in a conference in London in late October. Some proponents of stricter controls were disappointed, however, that the conference did not endorse a UN treaty to regulate the diamond trade.

To speed things along in the U.S., Rep. Hall (D-OH) introduced HR 5147, the Consumer Access to a Responsible Accounting of Trade—or "CARAT"—Act. The bill, which will not advance this year, would prevent diamond imports without proper certification of origin, either via a U.S. or internationally-developed identification system.

### Turkey Helicopter Update

This past July, the government of Turkey finally announced that it would begin contract negotiations on the purchase of 145 attack helicopters with the U.S. firm Bell Helicopter Textron, selling the AH-1Z KingCobra. The announcement ends a 2 ½ year evaluation process, during which the decision had been put off for various financial and political reasons (including a devastating earthquake in the fall of 1999 and political upheaval surrounding the election of a new president this spring).

At the same time, Ankara has left open the possibility of purchasing helicopters from the second runner-up—a Russian-Israeli consortium—in case negotiations with Bell Textron fail or the U.S. administration and/or Congress signal their intention to prevent the sale. The chief point of contention in the contract talks will be the amount of local production and technology transfer. Turkey intends to create a full helicopter production capacity at the Turkish Aerospace Industry's plant near Ankara, which until recently had been producing F-16s for Lockheed Martin. According to a congressional aide, the U.S. Marines are actually encouraging this development so that they can buy components for their own KingCobras at lower cost.

Congressional opposition to the sale has also been brewing, especially among the Hellenic and Armenian Caucus members. Further opposition could develop over the level of sensitive technology that Bell Textron may eventually agree to transfer. In addition, the State Department had pledged in early 1998, when the bidding process began, that it would not grant an export license for the helicopters unless Turkey had made significant progress on a number of human rights benchmarks. Since contract negotiations are likely to last until this spring, however, it will be up to the next administration to decide whether human rights will be given as much priority in their license decision.

### Commerce Moves on Human Rights

In a move long sought by human rights advocates, the Bureau of Export Controls at the Commerce Department changed its rules in September to require export licenses to all destinations except Canada for restraint devices (like handcuffs) and discharge weapons (such as stun guns), as well as the technology to produce them. The license review process must take into account the level of civil unrest in the country and the government's human rights record.

In addition, restraint devices will now be separated from police protection equipment (such as helmets and shields) in the Commerce Control List. Giving them a separate category number will help researchers distinguish those items with higher risk of misuse when surveying figures on Commerce controlled exports.

## Buying Influence: The Defense Industry and Elections 2000

Election season provides the best opportunity to measure the influence the defense industry seeks to obtain through its large pocketbook. Though not among the largest of campaign contributors (the only defense PAC that made the top 50 donors list was the Lockheed Martin Employees PAC at #29), they carefully target their funding to those who can do their bidding for them in Washington. And the millions of dollars they have poured into various campaign coffers is certainly enough to buy high level access when they need it.

In the Presidential race, for example, George Bush topped the defense industry's recipient list with \$140,471 as of October 1, 2000. (These funds include individual, PAC, and soft money contributions.) Joseph Lieberman, the Democratic Vice Presidential candidate and Senate contender, came in second with \$107,700. As a Senator from the arms producing state of Connecticut, clearly arms manufacturers feel they have a friend in Sen. Lieberman. His position on domestic gun control, for example, has been skewed in deference to the political weight of Colt's Manufacturing in his state. Despite talk of raising military spending by \$100 billion, however, Democratic presidential nominee Al Gore has "only" received \$34,000 from the weapons industry.

So what are the big weapons makers trying to buy with their contributions? A look at the top recipients provides some clues. The largest Congressional recipients were members of the House and Senate Armed Services Committees, who are traditionally hostile to any arms control language in the Defense Authorization bills they are responsible for. The arms industry also gave heavily to members of the Appropriations Committees (Defense or Foreign Operations Subcommittees) who appropriate money for U.S. arms purchases and subsidies for foreign weapons sales. Many members of the House International Relations and Senate Foreign Relations—those responsible for developing policy

### Defense Industry Campaign Contributions

Election Cycle	Total Contributions	Contributions from Individuals	Contributions from PACs	Soft Money Contributions	Donations to Democrats	Donations to Republicans	% to Dems	% to Reps
2000*	\$10,745,192	\$1,374,385	\$6,089,658	\$3,281,149	\$3,940,334	\$6,787,907	37%	63%
1998	\$10,634,490	\$1,400,775	\$7,087,662	\$2,146,053	\$3,417,211	\$7,210,849	32%	68%
1996	\$13,964,340	\$1,638,292	\$8,350,411	\$3,975,637	\$4,880,053	\$9,072,473	35%	65%
1994	\$9,427,714	\$1,148,753	\$7,484,786	\$794,175	\$5,564,144	\$3,856,570	59%	41%
1992	\$8,035,404	\$1,239,587	\$6,038,864	\$756,953	\$4,250,344	\$3,781,754	53%	47%
1990	\$6,472,900	\$527,916	\$5,944,984	\$0	\$3,047,265	\$3,425,035	47%	53%
<b>Total</b>	<b>\$59,280,040</b>	<b>\$7,329,708</b>	<b>\$40,996,365</b>	<b>\$10,953,967</b>	<b>\$25,099,351</b>	<b>\$34,134,588</b>	<b>42%</b>	<b>58%</b>

\* As of October 1, 2000

Source for both tables: Center for Responsive Politics. Based on data from the Federal Election Commission.

on arms transfers—were also included in the recipient list, though they were generally given much smaller amounts.

Years of high level donations probably played a role in securing a higher tax break on arms exports (see article on Foreign Sales Corporations, p. 6). In addition, "modernizing" the U.S. export control system is one of the Aerospace Industries Association's "Election 2000 issues." They advocate liberalizing the export of all weapons and technology "already on the commercial market." The arms industry already had a big hand in recent changes to U.S. arms export rules that will diminish U.S. oversight on arms transfers to NATO allies, Japan and Australia.

### Top Defense Donors for Elections 2000 Cycle

Rank	Organization	Amount	Dems	Repubs
1	Lockheed Martin	\$1,874,712	40%	60%
2	General Dynamics	\$1,073,611	40%	60%
3	Raytheon Co	\$697,670	37%	63%
4	United Technologies Corp	\$561,870	48%	52%
5	Northrop Grumman Corp	\$462,630	31%	69%
6	Science Applications Int'l Corp	\$461,825	40%	60%
7	Newport News Shipbuilding	\$433,154	30%	70%
8	TRW Inc	\$397,809	20%	80%
9	Textron Inc	\$359,230	37%	63%
10	Boeing Co	\$307,659	40%	60%
11	General Electric	\$250,350	45%	54%
12	General Atomics	\$204,500	40%	60%
13	BAE Systems North America	\$202,940	41%	59%
14	Avondale Industries	\$190,550	0%	100%
15	Litton Industries	\$179,500	24%	76%

## Government Documents

The following recently published government documents may be of interest. GAO reports (beginning with GAO or NSIAD) are available online at <http://www.gao.gov/reports.htm>. CRS reports must be requested from a member of Congress.

*Colombia: U.S. Assistance and Current Legislation.* Congressional Research Service, June 16, 2000.

*Conventional Arms Transfers to Developing Nations, 1992-1999.* Congressional Research Service, Richard E Grimmett. August 18, 2000

*Conventional Arms Transfers: U.S. Efforts to Control the Availability of Small Arms and Light Weapons.* GAO/NSIAD-00-141, July 18, 2000.

*Defense Trade: Analysis of Support for Recent Initiatives.* NSIAD-00-191, August 2000.

*Defense Trade: Contractors Engage in Varied International Alliances.* GAO/NSIAD-00-213, September 7, 2000.

*Defense Trade: Data Collection and Coordination on Offsets.* GAO-01-83R, October 26, 2000.

*Defense Trade: Identifying Foreign Acquisitions Affecting National Security Can Be Improved.* GAO/NSIAD-00-144, June 29, 2000.

*Defense Trade: Status of the Department of Defense's Initiatives on Defense Cooperation.* NSIAD-00-190R. July 19, 2000.

*Drug Control: Challenges in Implementing Plan Colombia.* Jess T. Ford, GAO Dir., Intl Affairs and Trade, House Com. on Govt Reform, GAO-01-76T, October 12, 2000.

*Export-Import Bank: The U.S. Export-Import Bank's Financing of Dual-Use Exports.* GAO/NSIAD-00-231R, Sept. 1, 2000

Check out the new Government Documents page on our web site, with links to these documents and many more: <http://www.fas.org/asmp/resources/govtdocs.htm>

*Foreign Military Sales: Air Force Controls Over the FMS Program Need Improvement.* GAO/AIMD-00-101, May 2000.

*Foreign Military Sales: Changes Needed to Correct Weaknesses in End-Use Monitoring Program.* GAO/NSIAD-00-208, August 24, 2000.

*Foreign Military Training and DoD Engagement Activities of Interest, Volume I.* Joint Report to Congress, <http://www.state.gov/www/global/arms/fmtrain/index.html>.

*Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 Dec. 1999.* CIA, August 2000, [http://www.cia.gov/cia/publications/bian/bian\\_aug2000.htm](http://www.cia.gov/cia/publications/bian/bian_aug2000.htm).

*World Military Expenditures and Arms Transfers 1998.* Dept. of State, April 2000, [http://www.state.gov/www/global/arms/bureau\\_ac/wmeat98/wmeat98.html](http://www.state.gov/www/global/arms/bureau_ac/wmeat98/wmeat98.html).

### FAS Fund Arms Sales Monitoring Project

Founded in 1945, the Federation of American Scientists Fund is a public interest organization of natural and social scientists and engineers dedicated to the responsible use of science and technology. Since 1991, the Arms Sales Monitoring Project at the FAS Fund has worked for a reduction in global weapons production and trade.

Tamar Gabelnick, Director of the Project, edits the newsletter with contributions by Research Assistant Pamina Firchow. You may reproduce and cite this publication freely. A subscription is available from the FAS Fund at 307 Massachusetts Ave, NE, Washington, DC 20002, phone (202) 675-1016.

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