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PROPOSED TANK SALE TO SAUDI ARABIA

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HEARING

BEFORE THE

SUBCOMMITTEES ON ARMS CONTROL, INTERNATIONAL
SECURITY AND SCIENCE, AND ON EUROPE AND
THE MIDDLE EAST

OF THE

COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

NOVEMBER 7, 1989

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¹ Material submitted by the State Department.

PROPOSED TANK SALE TO SAUDI ARABIA

TUESDAY, NOVEMBER 7, 1989

HOUSE OF REPRESENTATIVES, COMMITTEE ON FOREIGN AFFAIRS, SUBCOMMITTEES ON ARMS CONTROL, INTERNATIONAL SECURITY AND SCIENCE, AND ON EUROPE AND THE MIDDLE EAST,

Washington, DC.

The subcommittees met at 9:30 a.m., in room 2200, Rayburn House Office Building, Hon. Lee Hamilton (chairman of the Subcommittee on Europe and the Middle East) presiding.

Mr. HAMILTON. The meeting of the subcommittees will come to order. The Subcommittee on Arms Control, International Security and Science and the Subcommittee on Europe and the Middle East meet today in open session to discuss the proposed tank sale to Saudi Arabia.

On November 1, 1989, pursuant to Section 36(B) of the Arms Export Control Act, the Transmittal Number 90.07 notified the Committee on Foreign Affairs of a proposed \$3.1 billion sale of 315 M1A2 tanks together with: ancillary weapons and equipment, 30 M88A1 recovery vehicles, 175 M998 utility trucks, other trucks, ammunition, U.S. Government and contractor technical assistance, full logistical; and training support, and the design and construction of maintenance facilities ranging from organizational through depot levels.

We are pleased to have with us as our witnesses today: Richard A. Clarke, Assistant Secretary for Politico-Military Affairs, Department of State; Edward W. Gnehm, Jr., Deputy Assistant Secretary for Near Eastern and South Asian Affairs, Department of State; Arthur H. Hughes, Deputy Assistant Secretary for Near East and South Asian Affairs, Department of Defense; and Colonel Bo Eldridge, United States Army.

Mr. Clarke, I understand you have the only prepared statement. That statement will be entered into the record in full. We look forward to your summary of the statement.

Mr. Levine.

Mr. LEVINE. May the Members make opening statements?

Mr. HAMILTON. You certainly may.

Mr. LEVINE. Thank you, Mr. Chairman.

I do have an opening statement because of the significance of this issue. I appreciate your courtesy in providing Members the opportunity to make opening statements. I want to thank you and Chairman Fascell for convening this hearing on the proposed transfer of M-1 tanks to Saudi Arabia. This is a sale of enormous magnitude, which deserves careful public scrutiny.

FACTS OF UNITED STATES-SAUDI MILITARY TIES

I want the record to reflect some fundamental facts about the history, nature, and purpose of U.S. arms transfers to the Saudis, and about the congressional role in that process. These are facts which supporters of these sales tend to ignore, minimize or even at times distort when these issues are debated,

First, it is said that Congress refuses to meet "legitimate Saudi defense needs" and has blocked or opposed numerous arms sales to Arab nations. This is patently false. Over the past eight years, Congress has opposed or questioned only a fraction of sales to those states and to Saudi Arabia in particular. In fact, according to DSAA, the Saudis have purchased over \$30 billion of military goods and services from the U.S. in that time—including AWACS and F-15s. These numbers speak for themselves.

Second, it is regularly said that if we do not sell, we will jeopardize the U.S.-Saudi relationship and cause them to go elsewhere for arms. In fact, \$30 billion worth of weaponry over the past decade is nothing to apologize for; and the Saudis keep coming back for more. Furthermore, Saudi policy is to diversify their arms purchases. One need only look at their arsenal, and listen to the words of Saudi officials, to see that this is true. Finally, we are indispensable to Saudi security. It was our men who put their lives on the line to protect Gulf interests during reflagging. If Congress' actions were so detrimental during the last decade, the Saudis would have gone elsewhere for assistance, or gone it alone. They did not. They did, however, refuse to use their minesweepers beyond their territorial waters and refused to give our minesweeping helicopters basing rights on Saudi soil. So under those circumstances, I think it is appropriate to ask: who is jeopardizing whom.

THE SAUDIS AND THE PEACE PROCESS

Third, Mr. Chairman, every time an arms sale comes up, the Administration tells us how badly the Saudis want peace and how many quiet steps they have taken and will take to further that goal. On the basis of these assurances, Congress has let numerous sales proceed. The problem is the vast gulf between Saudi rhetoric and reality.

The Saudis: remain at war with Israel; lead and perpetuate the Arab economic boycott; routinely attempt to have Israel expelled from international organizations; have tried to blackmail Jordan from joining the peace process and Oman from forging closer military ties with the U.S.; subsidize the PLO, Syria, and Iraq even when they claim to be threatened by them; purposely hid from us their purchase of Chinese missiles; and most recently, voted yet again to deny Israel's credentials at the U.N. just last month; a "moderate" casting its lot with the most radical and rejectionist Arab countries. I doubt that even the most accomplished verbal acrobats in the Administration could define these actions as helpful to the process.

USE OF ARMS

Fourth, it is said that Saudi Arabia will use these arms defensively, and that they will pose no threat to Israel nor have any

impact on the regional balance. In fact, this glib assertion ignores history, ignores Saudi statements, and ignores America's own commitment to maintain Israel's qualitative edge against any combination of Arab adversaries.

In 1948, in 1967, and in 1973, the Saudis had at least a hand in combat against Israel. In 1973, in particular, Saudi troops fought on the Golan alongside Syrian soldiers, Saudi armored vehicles were used in combat on the Golan and Saudi tanks were used to bolster Jordan's line with Israel south of the Dead Sea. From 1973 to 1977, Saudi brigades were stationed in both Syria and in Jordan. These activities all took place before the massive Saudi modernization and rearmament program began in the late 1970s, which will make it harder, not easier, for Saudi Arabia to resist pressure from Syria and from other Arab states to participate in future wars against Israel. If, God forbid, they should occur.

More recently, reports have underscored how the Saudi defense buildup, which far exceeds their legitimate defense needs, is directed against Israel. And King Fahd has no problem clearing away any ambiguities on the subject; at the 1987 GCC summit, he asked Iran to "stop directing arrows at our hearts instead of helping us to liberate Jerusalem and the Arab Islamic territories in Palestine controlled by Zionist colonialism." That was two years ago from King Fahd, while at the same time he was seeking arms from the United States, saying they were not directed against Israel.

COLLECTIVE IMPACT OF SALES

These statements might be downplayed by the Administration and others but they are not so easily dismissed by Israel's defense planners, who must—because of combined Arab fronts in every other war—take into account the entire range of weaponry acquired by these states in recent years. Thus, no sale—whether AWACS, F-15s, or maybe even M-1s—can be looked at individually. Rather they must be looked at in the aggregate and combined with the enormous arms inventories of Iraq, Syria, and the other Arab countries. The result? A force greater and more powerful, in many respects, than NATO.

To say, then, as the Administration always does, that a particular sale has no impact on the qualitative edge is disingenuous at best. And to say that Israel can "keep up" totally ignores the economic disparities between the two sides. In short, sales of this sophistication both erode Israel's qualitative edge and increase its defense burden. The question is what the U.S. will do about it and about the broader arms race in the region.

ECONOMIC ARGUMENT

Fifth, and finally, it is said that we must make this sale because of the economic benefits which will accrue to the U.S. The Administration is not shy about reminding Members of Congress just who will have what built where. And even the Saudi government is now going from district to district in America suggesting this is a jobs program. But should this be the sole or even primary basis of U.S. policy? Of course it should not.

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ECONOMIC ARGUMENT

Fifth, and finally, it is said that we must make this sale because of the economic benefits which will accrue to the U.S. The Administration is not shy about reminding Members of Congress just who will have what built where. And even the Saudi government is now going from district to district in America suggesting this is a jobs program. But should this be the sole or even primary basis of U.S. policy? Of course it should not.

Economic considerations should be only one factor in whether we make a sale. The Mideast is a tinderbox to which we have contributed. Countries in that region are armed to the teeth. The U.S. therefore should be driven by a much more compelling foreign policy priority—i.e., slowing the regional arms race—than whether this sale will or won't reduce the unit cost of the M-1.

Those who say we should sell because, if we don't, someone else will, should carry that argument to its logical conclusion: we should always sell because there will always be another supplier, no matter what the weapon system, no matter how dangerous, no matter how destabilizing. That is absurd, dangerous, and may well be the natural instinct of some in the defense industry, but we, unlike many of our allies, have a responsibility to put principle and non-proliferation of sophisticated weaponry ahead of profit.

Mr. Chairman, perhaps this sale should and will proceed. If it does, let me make one point perfectly clear in closing, so that there is no misunderstanding on this issue. This sale should not be seen as a precursor to planes, as some in the Administration are already privately suggesting. I assure you that whatever the outcome of this M-1 debate, it will have no bearing on Congress' position toward a future fighter aircraft sale.

Mr. Chairman, I have a fuller statement I would like to place in the record.

Mr. HAMILTON. Without objection. Thank you.

[The prepared statement of Hon. Mel Levine follows:]

OPENING STATEMENT BY CONG. MEL LEVINE (D-CA) AT JOINT FOREIGN AFFAIRS
SUBCOMMITTEE HEARING ON PROPOSED TRANSFER OF M-1 TANKS TO SAUDI ARABIA.
NOVEMBER 7, 1989.

MR. CHAIRMAN:

I WANT TO THANK YOU AND CHAIRMAN FASCELL FOR CONVENING THIS HEARING ON THE PROPOSED TRANSFER OF M-1 TANKS TO SAUDI ARABIA. IT IS A SALE OF ENORMOUS MAGNITUDE, WHICH DESERVES PUBLIC SCRUTINY.

THE MAJORITY OF THIS COMMITTEE, ALONG WITH THE BIPARTISAN HOUSE LEADERSHIP, RECENTLY SENT A LETTER TO SECRETARY BAKER RAISING SEVERAL QUESTIONS ABOUT THE PROPOSED M-1 TRANSFER. ON OCTOBER 31ST, WE RECEIVED THE STATE DEPARTMENT RESPONSE. MUCH OF THAT COMMUNICATION IS CLASSIFIED, SO I CANNOT COMMENT ON IT DIRECTLY. SUFFICE IT TO SAY THAT I AM DISAPPOINTED WITH SOME OF THE ADMINISTRATION ANSWERS. I INTEND TO FLESH THOSE AREAS OUT--WITHIN APPROPRIATE BOUNDS--DURING THESE PROCEEDINGS.

MR. CHAIRMAN, I WANT THE RECORD TODAY TO REFLECT SOME FUNDAMENTAL FACTS ABOUT THE HISTORY, NATURE, AND PURPOSE OF U.S. ARMS TRANSFERS TO THE SAUDIS, AND ABOUT THE CONGRESSIONAL ROLE IN THAT PROCESS. THESE ARE FACTS WHICH SUPPORTERS OF THESE SALES TEND TO IGNORE, MINIMIZE OR EVEN AT TIMES DISTORT WHEN THESE ISSUES ARE DEBATED.

FIRST, IT IS SAID THAT CONGRESS REFUSES TO MEET "LEGITIMATE SAUDI DEFENSE NEEDS" AND HAS BLOCKED OR OPPOSED NUMEROUS ARMS SALES TO ARAB NATIONS. THIS IS PATENTLY FALSE. OVER THE PAST EIGHT YEARS, CONGRESS HAS OPPOSED OR QUESTIONED ONLY A FRACTION OF SALES TO THOSE STATES AND TO SAUDI ARABIA IN PARTICULAR. IN FACT, ACCORDING TO DSAA, THE SAUDIS HAVE PURCHASED OVER \$30 BILLION OF MILITARY GOODS AND SERVICES FROM THE U.S. IN THAT TIME--INCLUDING AWACS AND F-15S. THESE NUMBERS SPEAK FOR THEMSELVES.

SECOND, IT IS SAID THAT IF WE DO NOT SELL, WE WILL JEOPARDIZE THE U.S.-SAUDI RELATIONSHIP AND CAUSE THEM TO GO ELSEWHERE FOR ARMS. IN FACT, \$30 BILLION WORTH OF WEAPONRY IS NOTHING TO APOLOGIZE FOR; AND THE SAUDIS KEEP COMING BACK FOR MORE. FURTHERMORE, SAUDI POLICY IS TO DIVERSIFY THEIR ARMS PURCHASES. ONE NEED ONLY LOOK AT THEIR ARSENAL, AND LISTEN TO THE WORDS OF SAUDI OFFICIALS, TO SEE THAT THIS IS TRUE. FINALLY, WE ARE INDISPENSABLE TO SAUDI SECURITY. IT WAS OUR MEN WHO PUT THEIR LIVES ON THE LINE TO PROTECT GULF INTERESTS DURING REFLAGGING. IF CONGRESS' ACTIONS WERE SO DETRIMENTAL DURING THE LAST DECADE, THE SAUDIS WOULD HAVE GONE ELSEWHERE FOR ASSISTANCE, OR GONE IT ALONE. THEY DID NOT. THEY DID, HOWEVER, REFUSE TO USE THEIR MINESWEEPERS AND REFUSED TO GIVE OUR MINESWEEPING HELICOPTERS BASING RIGHTS ON SAUDI SOIL. SO WHO IS JEOPARDIZING WHOM?

THIRD, IT IS SAID THAT THE SAUDIS ARE CLOSE U.S. ALLIES COMMITTED TO PEACE, WHO THEREFORE DESERVE OUR LARGESSE. QUITE APART FROM THE WEAPONS WE HAVE ALREADY SENT THEM, AND FROM THEIR QUESTIONABLE PERFORMANCE IN THE GULF, THIS RAISES THE BROADER ISSUE OF ACTUAL SAUDI CONTRIBUTIONS TO THE MIDEAST PEACE PROCESS. EVERY TIME AN ARMS SALE COMES UP, THE ADMINISTRATION TELLS US HOW BADLY THE SAUDIS WANT PEACE AND HOW MANY "QUIET" ACTIONS THEY HAVE TAKEN--AND WILL TAKE--TO FURTHER THAT GOAL. INDEED, ON THE BASIS OF THESE ASSURANCES, CONGRESS HAS LET NUMEROUS SALES PROCEED. THE PROBLEM IS THE VAST GULF BETWEEN SAUDI RHETORIC AND REALITY.

THE SAUDIS: REMAIN AT WAR WITH ISRAEL; LEAD AND PERPETUATE THE ARAB ECONOMIC BOYCOTT; ROUTINELY ATTEMPT TO HAVE ISRAEL EXPELLED FROM INTERNATIONAL ORGANIZATIONS; HAVE TRIED TO BLACKMAIL JORDAN FROM JOINING THE PEACE PROCESS AND OMAN FROM FORGING CLOSER MILITARY TIES WITH THE U.S.; SUBSIDIZE THE PLO, SYRIA, AND IRAQ EVEN WHEN THEY CLAIM TO BE THREATENED BY THEM; PURPOSELY HID FROM US THEIR PURCHASE OF CHINESE MISSILES; AND MOST RECENTLY, VOTED YET AGAIN TO DENY ISRAEL'S CREDENTIALS AT THE U.N., A "MODERATE" CASTING ITS LOT WITH THE MOST RADICAL AND REJECTIONIST ARAB COUNTRIES. I DOUBT THAT EVEN THE MOST ACCOMPLISHED VERBAL ACROBATS IN THE ADMINISTRATION COULD DEFINE THESE ACTIONS AS HELPFUL TO THE PROCESS.

FOURTH, IT IS SAID THAT SAUDI ARABIA WILL USE THESE ARMS DEFENSIVELY, AND THAT THEY WILL POSE NO THREAT TO ISRAEL NOR HAVE ANY IMPACT ON THE REGIONAL BALANCE. IN FACT, THIS GLIB ASSERTION IGNORES HISTORY, SAUDI STATEMENTS, AND AMERICA'S OWN COMMITMENT TO MAINTAIN ISRAEL'S QUALITATIVE EDGE AGAINST ANY COMBINATION OF ARAB ADVERSARIES.

IN 1948--WITH EGYPT, IN 1967--WITH JORDAN, AND IN 1973--WITH SYRIA, THE SAUDIS HAD AT LEAST A HAND IN COMBAT AGAINST ISRAEL. IN 1973, SAUDI ARMORED VEHICLES WERE FLOWN TO SYRIA TO BE USED IN COMBAT ON THE GOLAN, AND SAUDI TANKS WERE USED TO BOLSTER JORDAN'S LINE WITH ISRAEL SOUTH OF THE DEAD SEA. FROM 1973-77, SAUDI BRIGADES WERE STATIONED IN BOTH SYRIA AND JORDAN. THESE ACTIVITIES ALL TOOK PLACE BEFORE THE MASSIVE SAUDI MODERNIZATION AND REARMAMENT PROGRAM BEGAN IN THE LATE '70S, WHICH WILL MAKE IT HARDER, NOT EASIER, FOR SAUDI ARABIA TO RESIST PRESSURE FROM SYRIA AND OTHER ARAB STATES TO PARTICIPATE IN FUTURE WARS AGAINST ISRAEL.

MORE RECENTLY, REPORTS HAVE UNDERScored HOW THE SAUDI DEFENSE BUILDUP, WHICH FAR EXCEEDS THEIR LEGITIMATE DEFENSE NEEDS, IS DIRECTED AGAINST ISRAEL. KING FAHD HIMSELF HAS NO PROBLEM CLEARING AWAY ANY AMBIGUITIES ON THE SUBJECT; AT THE 1987 GCC SUMMIT, HE ASKED IRAN TO "STOP DIRECTING ARROWS AT OUR HEARTS INSTEAD OF HELPING US TO LIBERATE JERUSALEM AND THE ARAB ISLAMIC TERRITORIES IN PALESTINE CONTROLLED BY ZIONIST COLONIALISM."

THESE STATEMENTS MIGHT BE DOWNPLAYED BY THE ADMINISTRATION AND OTHERS BUT THEY ARE NOT SO EASILY DISMISSED BY ISRAEL'S DEFENSE PLANNERS, WHO MUST

--BECAUSE OF COMBINED ARAB FRONTS IN EVERY OTHER WAR--TAKE INTO ACCOUNT THE ENTIRE RANGE OF WEAPONRY ACQUIRED BY THESE STATES IN RECENT YEARS. NO SALE--WHETHER AWACS, F-15s, OR EVEN M-1s--CAN BE LOOKED AT INDIVIDUALLY. RATHER, THEY MUST BE COMBINED WITH THE ENORMOUS ARMS INVENTORIES OF IRAQ, SYRIA, AND THE OTHER ARAB COUNTRIES. THE RESULT? A FORCE GREATER AND MORE POWERFUL, IN MANY RESPECTS, THAN NATO.

TO SAY, THEN, AS THE ADMINISTRATION ALWAYS DOES, THAT A PARTICULAR SALE HAS NO IMPACT ON THE QUALITATIVE EDGE IS DISINGENUOUS AT BEST. AND TO SAY THAT ISRAEL CAN "KEEP UP" TOTALLY IGNORES THE ECONOMIC DISPARITIES BETWEEN THE TWO SIDES. IN SHORT, SALES OF THIS SOPHISTICATION BOTH ERODE ISRAEL'S QUALITATIVE EDGE AND INCREASE ITS DEFENSE BURDEN. THE QUESTION IS WHAT THE U.S. WILL DO ABOUT IT AND ABOUT THE BROADER ARMS RACE.

FIFTH, AND FINALLY, IT IS SAID THAT WE MUST MAKE THIS SALE BECAUSE OF THE ECONOMIC BENEFITS WHICH WILL ACCRUE TO THE U.S. THE ADMINISTRATION IS NOT SHY ABOUT REMINDING MEMBERS OF CONGRESS JUST WHO WILL HAVE WHAT BUILT WHERE. BUT SHOULD THIS BE THE BASIS OF U.S. POLICY? OF COURSE NOT.

ECONOMIC CONSIDERATIONS SHOULD BE ONLY ONE FACTOR IN WHETHER WE MAKE A SALE. THE MIDEAST IS A TINDERBOX; COUNTRIES ARE ARMED TO THE TEETH. THE U.S. THEREFORE SHOULD BE DRIVEN BY A MUCH MORE COMPELLING FOREIGN POLICY PRIORITY--I.E. SLOWING THE REGIONAL ARMS RACE--THAN WHETHER THIS SALE WILL OR WON'T REDUCE THE UNIT COST OF THE M-1.

THOSE WHO SAY WE SHOULD SELL BECAUSE, IF WE DON'T SOMEONE ELSE WILL, SHOULD CARRY THAT ARGUMENT TO ITS LOGICAL CONCLUSION: WE SHOULD ALWAYS SELL BECAUSE THERE WILL ALWAYS BE ANOTHER SUPPLIER. THAT IS ABSURD, DANGEROUS, AND MAY WELL BE THE NATURAL INSTINCT OF THE DEFENSE INDUSTRY, BUT IT IS NOT THE IMPERATIVE DEFINED BY THE STATEMENT OF CONGRESSIONAL POLICY IN ART. I, SECT. I OF THE AECA, WHICH EMPHASIZES THAT, "IT REMAINS THE POLICY OF THE U.S. TO ENCOURAGE REGIONAL ARMS CONTROL...AND DISCOURAGE ARMS RACES." IN SHORT, WE, UNLIKE MANY OF OUR ALLIES, MUST PUT PRINCIPLE AND NON-PROLIFERATION OF SOPHISTICATED WEAPONRY AHEAD OF PROFIT.

MR. CHAIRMAN, PERHAPS THIS SALE SHOULD, AND WILL, PROCEED. IF IT DOES, LET ME MAKE ONE POINT PERFECTLY CLEAR SO THAT THERE IS NO MISUNDERSTANDING: THIS SALE SHOULD NOT BE SEEN AS A PRECURSOR TO PLANES, AS SOME IN THE ADMINISTRATION ARE SUGGESTING. I ASSURE YOU THAT THE OUTCOME OF THIS DEBATE WILL HAVE NO BEARING ON CONGRESS' POSITION TOWARD A FUTURE FIGHTER SALE.

I WANTED TO USE THIS TIME TO UNDERSCORE CERTAIN FACTS WHICH WILL BE APPLICABLE TO ANY ARMS SALE DEBATE. I THANK THE CHAIRMAN FOR LETTING ME DO SO.

Mr. HAMILTON. Mr. Smith has a statement.

Mr. SMITH of Florida. Thank you, Mr. Chairman.

I would like to commend both yourself and Chairman Fascal for holding this timely hearing on the Administration's proposal to sell 315 M-1A12 state-of-the-art tanks to Saudi Arabia. I welcome the Executive Branch witnesses today and look forward to learning more about the policy motivations that are driving this sale.

ARMS SALES TO PERSIAN GULF

For six years now we have witnessed two consecutive administrations pour billions of dollars of America's most sophisticated weaponry into the Persian Gulf, one of the most politically volatile and significant strategic areas of the world.

Yet there has never been a comprehensive policy on U.S. arms sales to the region.

For quite some time we have recognized the terribly alarming pattern with regard to how our government conducts the business of arming the Gulf states. American arms sales are motivated less by the national interests of the United States and more by the desires of the intended recipient country. The results of this phenomenon is that the American arms sale policy is rather ad hoc and in many instances at odds with our regional and other foreign policy objectives.

The Persian Gulf nations including Saudi Arabia have proven to be particularly adept at exploiting this situation by successfully imposing a mind frame on the Administration that each arm sale request is somehow a litmus test of America's staying power and commitment to Persian Gulf security. Until this Administration is able to extricate itself from this mind set, these types of arms sales will undermine our long-term interests in peace and stability.

America has nothing more to prove about its staying power in the Gulf or its commitment to the security of the Gulf states.

Congress has never had an interest in opposing every arms sale proposed by this Administration or the previous one. Since Mr. Bush took office in January, Saudi Arabia alone has received over \$1 billion in American weapons, notwithstanding this \$3.1 billion proposal. Over the past decade, U.S. foreign military sales agreements with the Saudis have amounted to over \$15 billion. For context, this number represents approximately 25 percent of U.S. arms sales worldwide in that period to one small nation with no significant, apparent, threat against it.

Allegations that Congress instinctively blocks these types of sales are absolutely baseless and fail to take into account Congress' constitutionally endowed responsibility to seek strict and vigorous Executive Branch accountability on behalf of the American public.

EXAMINING ARMS SALES

This sale, Mr. Chairman, like others, will be scrutinized for its ultimate value not only to the recipient country, but to the interests of the United States and its capability to forge ahead with its stated foreign policy objectives in the region and worldwide.

It must be measured in light of the strategic value of the items, their value in terms of the threat that is perceived and it certainly

will be presented to us by the Administration witnesses, and against the balance of arms in the whole region and whether or not they threaten some of our basic foreign policy objectives as stated for many years.

Nobody wants to see a weak, intimidated Saudi Arabia. This Congress has made sure that over the past years Saudi Arabia has gotten the weaponry that it needs to modernize and to maintain itself as a capable country in the region. But each one of these sales, without the overall comprehensive review that has never been done, without the kind of important information as to the impact of all of these arms sales on the overall arms race in the Middle East, we cannot but yet ask each time for scrutiny on these because we are being asked to approve in a vacuum and the Congress will refuse continually to do that.

So I appreciate, Mr. Chairman, your holding this important hearing. I want to echo the sentiments of my colleague, Mr. Levine. There are many significant postures on this arms sale. But the tank sale does not appear to be ultimately a threatening sale in capability against countries that we have committed to maintaining in the region.

But that does not mean, again, that every time we hold one of these hearings it is a foregone conclusion, nor does it mean that the next sale may be a foregone conclusion. But each one of these must be looked at separately for the benefit to the United States, its policy, the drive for peace in the region, and the security of the recipient country.

Thank you very much, Mr. Chairman.

STATEMENT OF CHAIRMAN FASCELL

Mr. HAMILTON. Thank you, Mr. Smith. The Chair has three statements he wants to put in the record by unanimous consent. One is the opening statement of Chairman Fascell, Chairman of the Subcommittee on Arms Control, International Security, and Science and, of course, Chairman of the full committee. The Chair would like to put that statement in prior to my own statement this morning.

Without objection, it is so ordered.

[The prepared statement of Hon. Dante Fascell follows:]

Opening Statement**Honorable Dante B. Fascell, Chairman****Subcommittee on Arms Control International Security and Science****November 7, 1989**

Today, the Subcommittees on Arms Control, International Security and Science and Europe and the Middle East are meeting jointly in order to initiate our formal review of the executive branch's decision to fulfill a request from the Government of Saudi Arabia to purchase 315 M1A2 main battle tanks from the United States. This proposal also includes requests from the Saudi Government to purchase 30 M88A1 recovery vehicles, 175 M988 utility trucks, ammunition, various non-major defense equipment, various technical assistance, logistical and training support, and the design and construction of necessary maintenance facilities.

As I understand it, the estimated value of this sale is \$3.1 billion. However, regardless of value, this sale carries with it, far reaching implications for long-term United States foreign policy efforts in both the Persian Gulf region, and the Middle East as a whole. The tanks in question are state of the art. In prior consultations, our military experts have informed us of the superior capabilities of the M1A2. They have also informed us of Saudi Arabia's desire to obtain the M1A2 in order to enhance its territorial security through modernization of its tank forces.

Today, we are extending this consultative process through the convening of this joint subcommittee hearing. Pursuant to section 36(b) of the Arms Export Control Act, the Committee was formally advised of the administration's intent to proceed with this request on November 2, 1989. The purpose of today's hearing is to provide the

administration the opportunity to make their case with regard to what they believe to be the merits behind the proposal. Hopefully, they will provide us with their views and insights relative to the rationale through which the executive branch determined the necessity to proceed with this proposed sale at this time. To assist us in this process we have appearing before us today:

The Honorable Richard A. Clarke, Assistant Secretary of State,
Bureau of Politico-Military Affairs;

Mr. Edward W. "Skip" Gnehun, Deputy Assistant Secretary Near
East and South Asian Affairs, United States Department of State;
and

Mr. Arthur Hughes, Deputy Assistant Secretary, Near East and
South Asian Affairs, United States Department of Defense.
Col. Bo Eldridge, USAF .

In assessing the views of these witnesses, it is important to keep in mind that Congress does retain the authority to review and approve, or disapprove arms transfers. What we are seeking today is detailed analyses with regard to the merits and risks that are associated with the administration's proposal to proceed with the sale of M1A2 tanks to Saudi Arabia.

Mr. HAMILTON. The Chair also has two documents from the Administration, one entitled "A Fact Sheet Proposed Sale of the M1A2 Tank to Saudi Arabia", dated October 1989 and a background information paper on the sale of Abrams tanks to Saudi Arabia, 1 November, 1989. Without objection, those documents will be entered into the record.¹

Mr. HAMILTON. The Chair recognizes Mr. Leach.

Mr. LEACH. Thank you, Mr. Chairman.

I have no opening statement. I want to stress from the minority's perspective that we certainly recognize virtually all the concerns that have been expressed and have some sympathy for them. I think it has to be understood that the Administration's assessment is that Saudi Arabia has made an irreversible decision to buy an upgraded tank and if the United States doesn't supply them, Britain or France and Brazil will.

That certainly should be a factor in our decision making of rather dramatic dimensions.

I yield back the balance of my time.

Mr. HAMILTON. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman, for holding these hearings. I look forward to hearing the testimony of the witnesses.

Mr. HAMILTON. Mr. Clarke, you and your colleagues may proceed.

STATEMENT OF HON. RICHARD A. CLARKE, ASSISTANT SECRETARY FOR POLITICO-MILITARY AFFAIRS, DEPARTMENT OF STATE

Mr. CLARKE. Thank you, Mr. Chairman.

It is a pleasure to continue our consultations with this committee and with the Congress as a whole, consultations which we have been engaged in for some time now on this sale. I understand the committee's time is short and therefore I will not read my statement into the record but I would ask that it be entered.

Let me just summarize the statement. We and the Saudis have been discussing for some time their military requirements, their plans for their ground forces and they have determined over the course of the last seven years that they have a requirement to modernize their tank force.

The bulk of their tank force today consists of aging AMX-30s which have limited capability and are hard to maintain. As a result of a survey of alternatives and working closely with us, the Saudis have determined that the tank which they prefer to buy is the M1 which the United States is producing.

We have agreed to a package, the bulk of which is 315 M1A2 Abrams tanks combined with a variety of other support vehicles associated with the tank.

HOW DECISION WAS MADE

We made that determination, that this was an appropriate sale, based on a number of considerations, applying the standard policy tests, which we always do, for arms sales in the Middle East.

¹ See appendixes 1 and 2.

Among the first questions, Mr. Chairman, we always ask ourselves with regard to arms sales in the Middle East is what effect would this sale have on the security of Israel. What effect would it have on our commitment to Israel to maintain its qualitative edge against any conceivable range of opponents?

We have judged, and the intelligence community has judged, that this sale would not in any significant or appreciable way change the overall Arab/Israel military balance. We would be glad to enter into a classified record the intelligence community's analysis of that balance and the fact that this sale will have no negative impact on it.

We have received, as always, a number of guarantees from the Saudis. Among those guarantees are that they would only use the tank in legitimate self-defense, that they would not transfer the tank to third parties without U.S. permission, and that they would not grant third country nationals access to the tank without U.S. permission.

JUSTIFICATION OF SALE

The second question we normally ask ourselves with regard to a sale in the Middle East is: is it justified in terms of the self-defense requirements of the recipient country? Is there a sufficient threat to warrant the procurement? In the case of Saudi Arabia we believe there is.

Saudi Arabia lives in a bad neighborhood. It looks in almost all directions at countries that have in the past and conceivably in the future could be hostile, countries which in many respects have greater military capabilities than the Saudis.

This does not mean that today they have bad relations with these countries. It does not mean that tomorrow these countries are going to attack them. It means that a prudent military planner, any prudent military planner, be he Saudi or American, would want a modern and capable tank force into the next century.

POLITICAL IMPACT OF SALE

The third question we normally ask ourselves is: what is the political impact of the sale? You have heard some comments today about the foreign policy of Saudi Arabia. I would beg to differ with those comments. We believe the foreign policy of Saudi Arabia has, on the whole, taken altogether, been a positive force for moderation in the Middle East.

The Saudis have been a major player in the reintroduction into the Arab fold of Egypt after its signing of the Camp David Accord. They have been a major force in encouraging moderation on the part of the PLO. Their backing of the Fahd Plan and Fez Plan for Middle East peace again is a sign of moderation. Their cooperation with us in Afghanistan points again to our joint interests in the area.

Finally, their extensive cooperation with us during the reflagging episode in the Middle East in 1987 including their use of Saudi minesweepers to protect American ships, despite what has been said here today, points again to the nature of our military cooperation and joint political interests.

ECONOMIC FACTOR

Finally, we do take into account economic interests, but only after we have asked ourselves the prior questions which I have outlined. If there is a military requirement for the sale, if the recipient country has foreign policy and political interests consonant with ours, if in the Middle East the sale does not threaten Israeli interests, then we do look at the economic benefit.

That economic benefit is considerable, as is outlined in the fact sheet I submitted.

So, Mr. Chairman, based on political criteria, based on economic criteria, based on security criteria, we believe this sale is in the interest of the United States and in the interest of stability in the Middle East. We have gone over it with a fine-toothed comb, far more so than we have with the average arms sale. We have satisfied ourselves that this one is definitely in our interests.

Now, Mr. Chairman, we will be happy to entertain any questions.

[The prepared statement of Hon. Richard Clarke follows:]

PREPARED STATEMENT OF
THE HONORABLE RICHARD A. CLARKE

Chairmen Fascell and Hamilton, Members of the Committee:

It is a pleasure for me to appear before you this morning to discuss the Administration's plans to sell 315 M1A2 main battle tanks and associated equipment to Saudi Arabia. As you know, the Administration advised the Congress informally of its plans to proceed with this sale on October 11th. The formal notification was delivered on November 2nd. The decision to notify was made only after a lengthy assessment of the impact of this sale on U.S. interests in the Middle East and the security situation there. As a result of our assessment, we have concluded that Saudi Arabia has a legitimate need for this equipment, the sale will not have a negative impact on regional stability, it will not pose a risk to Israel's security, and it will serve a number of important U.S. interests. My prepared remarks will focus on these conclusions. Mr. Chairman, with your permission, I would also ask that two background documents entitled "Background Information: Sale of Abrams Tanks to Saudi Arabia," and "Fact Sheet: Proposed Sale of M1A2 Tanks to Saudi Arabia," prepared by the Departments of Defense and State, be included in the record of this hearing.

I. General Background

Before discussing our rationale for this sale, I would first like to outline its dimensions. The total value of this sale is approximately \$3.1 billion of which about \$1.15 billion will go toward the purchase of the 315 tanks. The remainder will go for various types of support vehicles--recovery vehicles, tank transporters, support trucks, spare parts, construction, and other support services. A complete listing of the package's components and their estimated value is contained in the aforementioned background documents. As to the configuration of the tank that we will be providing to the Saudis, I will summarize by saying that it will be somewhat different from the model that the U.S. Army will use. Again, a more detailed description of the tank can be found in the background material. Finally, we plan to deliver these tanks to the Saudis during the period June 1993 through April 1996. The Saudis will begin receiving their tanks about one year after the Army begins receiving its M1A2s. This delivery schedule will not adversely affect deliveries to the U.S. Army.

At least as far back as 1982, when we first received a request for information, the Saudis have been considering the purchase of modern tanks to replace their obsolescent fleet of

approximately 300 French AMX-30s. During the summer of 1987, Brazil, France and the UK, as well as the U.S., participated in a tank "shoot-off" at the invitation of the Saudi Government. As a result of that competition, the Saudis determined that the U.S. Abrams tank best suited their needs. They subsequently advised us of their desire to purchase a total of 315. In the time frame for delivery, the only tank we will produce will be the M1A2; the A1 will have gone out of production.

II. Military Threats Faced by Saudi Arabia

In determining how to respond to the Saudi request, we first looked at the Saudis' need for these tanks. The Saudi ground forces face the daunting task of defending a country that approximates the size of the U.S. east of the Mississippi, and that contains several tempting targets: vast oil reserves--25% of the world's proven reserves--and the spiritually (and therefore within the Islamic world, politically) important holy cities of Mecca and Medina. This task is made all the more difficult as the Saudis must contend with potential threats from the east, the northeast and the south.

In the east, the Saudis face a revolutionary regime in Iran which has long expressed its enmity for the Saudi Royal

Family. During the active phases of the Iran-Iraq War, Iran sought to interdict shipping going to and from Saudi ports. At one point the Iranian Air Force actually threatened the oil fields in the Eastern Province. At another point, it appeared as if Iranian forces might break through Iraqi lines in southern Iraq and directly threatened Kuwait and the Saudi Eastern Province with their considerable land forces. Although ultimately defeated in this long war, Iran is now engaged in an active rearmament program and may again be a major conventional threat to Saudi Arabia in the mid-1990s--the same time frame in which the M1A2s in the proposed sale will be delivered. Though the active fighting has stopped, Iran is still active in terrorism and subversion against Saudi Arabia.

At present Saudi Arabia is working closely with Iraq and supported her during the Iran-Iraq War. Historically, however, Saudi Arabia has had to meet threats from all quadrants, including hostile regimes in the Tigris-Euphrates Valley. The Iraqi Army is a formidable, battle-tested instrument, and like any prudent state, Saudi Arabia must take into account worst-case scenarios to protect its security. It is simply a fact that the Iraqi Army is equipped with over 5500 tanks--ten times as many as the Saudis--a substantial number of which are top-of-the-line Soviet T-72s.

To the south lies the Marxist People's Democratic Republic of Yemen, or South Yemen, with which the Saudis have a continuing history of border disputes. Ongoing clashes in this region of undemarcated borders require the Saudi Government to position its forces defensively in this area. Rearmed by the Soviets since its 1986 civil war, the PDRY now has over 500 tanks--almost as many as in the entire Saudi inventory.

To deal with these potential adversaries, the Saudis must deploy their two armored brigades and four mechanized infantry brigades to multiple locations on their territorial periphery--thus diluting the impact of what is already a comparatively modest force. Given the manpower limitation on the size of their armed forces that is imposed by the small Saudi population--only about 3.5 million men, with close to half under the age of 15-- the Saudis believe that they must depend upon modern technology to offset what is clearly a significant armor threat around their borders.

In view of this situation--both because of the numbers of tanks that could threaten Saudi Arabia, and also because of the improving quality of that threat--we believe that the Saudi request for 315 M1A2 tanks is justified. We also believe that satisfying this Saudi request will contribute to

the stability of the region by enhancing the ability of the Saudis to deter outside threats.

III. Saudi Arabia's Political Role in the Middle East

The Saudis play a leading political role in the region. Most recently they have worked actively to arrange a settlement of the 14-year old civil war in Lebanon. It should also be recalled that Saudi Arabia worked to achieve Egypt's return to the Arab League with its ties to Israel intact and played an important role in encouraging PLO leader Arafat to make his statements recognizing Israel's right to exist, renouncing terrorism and accepting UN resolutions 242 and 338. In regard to the Middle East peace process, the Saudis helped shift the Arab consensus from the "rejectionism" of the 1970s to a search for a "just settlement" which included recognition of "the right of all states in the region to live in peace" as was embodied in the 1981 Fahd Plan. Since then, the Saudis have worked quietly to have these principles reaffirmed in the Arab summits at Fez, Algiers, and Casablanca. With the U.S. and Pakistan, Saudi support for the Afghan resistance has been instrumental in the Afghan people's struggle for self-determination against the illegal Kabul regime.

We believe that a militarily strong, and therefore confident, Saudi Arabia is more likely to continue supporting these and other moderate positions, than is a Saudi Arabia that is weak and exposed to pressures from its more radical neighbors.

IV. This Sale and Israel

We have also considered this sale in the context of our security commitment to Israel. Based on previous Saudi behavior and our understanding of their capabilities and security objectives, this sale will not pose a threat to Israel. The Saudis have never played a significant role in any of the Arab-Israeli Wars and are committed to a peaceful resolution of the Arab-Israeli conflict.

As was mentioned earlier, the Saudis must deploy their armored forces to cover multiple threats around their periphery. Our understanding is that the largest number of these tanks will be based in the east and northeast with a lesser number in the south and at Taif in the middle of the country. Only a limited number will be in Tabuk in the northwest where the Saudis have maintained a blocking force as a deterrent against attack on this traditional invasion route from the northern Levant or Fertile Crescent. Let me add that

we do not believe Saudi Arabia has any plans for use of these tanks against Israel.

Lastly, it would be exceedingly difficult for Saudi Arabia to attack Israel, even if it were so inclined. Not only are Saudi armored forces dispersed throughout the Kingdom, they are not postured, equipped, or trained to deploy rapidly across country and, therefore, cannot easily mass to pose a threat to Israel. The mountainous terrain of northwestern Saudi Arabia and the very difficult mountains of southern Jordan through which the tanks would have to pass (there is no common Israeli-Saudi border) are extremely ill-suited to tank warfare. Given the almost total absence of roads in those areas and the resulting choke points, the Israeli Air Force would have little difficulty dealing with any attempt to attack Israel from that direction. As with any sale of U.S. military equipment, the buyer agrees to use the items solely for self-defense. Any violation of such understanding could lead to an immediate cut-off of further deliveries of spare parts, ammunition, and other arms; and a withdrawal of U.S. advisors and technicians.

In addition, we do not believe this sale significantly degrades Israel's current ability to defeat the attack of any

likely combination of hostile forces in the region. In our view, this superiority is very clear to all Arab states, including the Saudis; the deterrent in Arab minds of a devastating Israeli strike is not going to change as a result of this sale. As a related concern, it has been suggested that the Saudis might loan these tanks to another state for use against Israel. Since such an action would violate the prohibition against the transfer of the equipment to a third party without U.S. government permission, it would trigger a cut-off of assistance. The recipient country would also face considerable difficulties as it would lack the logistical support system to maintain, and the trained personnel to operate, what is a very complex piece of equipment. For these reasons, we believe that such a loan would be highly unlikely.

While we do not mean to imply that the addition of 315 of the world's finest tanks will not result in a material improvement in Saudi capabilities, we do wish to emphasize that Israel enjoys, and will continue to enjoy, an advantage based on its ability to exploit technology, its superior command and control, maintenance and intelligence, and its high state of training and readiness in combined arms operations that result in a level of combat effectiveness that is unchallenged in the Middle East. This sale will in no way undercut the Israeli advantage.

V. U.S. Interests in the Middle East

Finally, I would like to address what I believe to be the most important reason for pursuing this sale: it serves U.S. interests and objectives. Let me first highlight the strategic interests which will be served. As you know, the U.S. and Saudi Arabia have a 45-year-old security relationship. A major facet of that relationship has been a U.S. willingness to provide the weapons that the Saudis require to meet their legitimate defense needs. It should be noted that although our sales of defense equipment and services to Saudi Arabia have, since the 1950s, totaled over \$50 billion, only about 12% (or \$5.7 billion) of that has gone to buy actual weapons systems. The rest has purchased non-lethal equipment, construction and other support services.

This sales component of our security relationship is important, not just because the Saudi ability to pay cash provides a significant economic benefit, but because it enhances the ability of our forces to operate with the Saudi military in time of need. Among the many things that enabled our forces to carry out the difficult EARNEST WILL Operations in the Persian Gulf in 1987 and 1988 was their ability to work closely with the Saudi Armed Forces. In addition to the Saudi

desire to cooperate with us in that venture, Saudi knowledge of U.S. procedures, as a result of training on U.S. equipment at U.S. military schools, facilitated the coordination of our efforts. Furthermore, the presence of significant quantities of the same types of equipment that are used by the U.S. Air Force and the U.S. Navy ensured that a logistical infrastructure was in place that could be tapped in the event that both our governments determined that to be necessary. In like manner, we believe that the sale of the M1A2 will greatly enhance our ability to work with the Saudi ground forces should the need ever develop. If we do not sell the M1A2, the Saudis will turn to a foreign tank such as the British Challenger II, thus eliminating the possibility of maintaining this link.

In addition to fostering a closer security relationship with the Saudis, we believe that this sale will serve U.S. strategic interests in other ways as well. Obviously, the sale will enhance the Saudi Arabia's ability to defend its vast oil reserves, a resource in which we will continue to have a major interest. As was mentioned earlier, we believe that the sale will enhance regional stability by enabling the Saudis to deter the adventures of their more radical neighbors and by reinforcing their willingness to adhere to a moderate foreign policy. By tangibly demonstrating our willingness to

assist them in meeting their defense needs, we will strengthen U.S.-Saudi cooperation in the continued pursuit of our shared objectives in the Persian Gulf area and elsewhere in the region. We believe a strong U.S. relationship with Saudi Arabia is not only in our interest but in the Israeli interest as well.

As a final consideration, we believe it important to note that this sale will yield significant economic benefits. This will be a \$3.1 billion cash sale which will involve no cost to the American taxpayer. In fact, quite the contrary, the U.S. taxpayer will benefit in several ways. Since there are no offsets, almost the entire amount will be credited against our balance of trade deficit. The estimated 57,000 man years of employment that will result from the tank sale alone--not counting the additional employment that will be derived from other equipment that will be sold--is also important as is the \$680 million in savings and revenue that will accrue to the Army and U.S. Government. Additional economic details are outlined in the two background documents that I mentioned at the outset.

In closing, I would like to emphasize that the Administration has carefully considered all facets of this sale. It is only because we believe that significant U.S. interests are served by it that we have elected to proceed. With that, I will be happy to respond to your questions.

Mr. HAMILTON. Thank you, Mr. Clarke.

The Chair is aware that at 10:00 a conference is beginning on the State Department authorization bill. Many of our colleagues will have to absent themselves to attend that, so it is a difficult morning with respect to this hearing.

The Chair recognizes Mr. Smith to begin questions. We will follow the five-minute rule.

SCRUTINY OF THIS SALE

Mr. SMITH of Florida. Thank you, Mr. Chairman.

Mr. Clarke, I frankly was a little curious about your last remark and that is that you have in fact gone over this with a fine-toothed comb more than you would have the normal arms sale.

I would like to be assured that every arms sale gets a very fine scrutiny and it is not proposed until everybody is assured and convinced, at least in the Administration, that it is in the best interest of the United States and our foreign policy objectives.

Why should Saudi Arabia be any different than arms sales somewhere else?

Mr. CLARKE. Arms sales to the Middle East in general have been controversial in the past and therefore this arms sale has had more high level time devoted to it than let's say the sale of jeeps to Colombia.

Mr. SMITH of Florida. Do we know where all the jeeps that we sold to Colombia are?

Mr. CLARKE. I don't know.

Mr. SMITH of Florida. Do we know where all the weapons we sold to Saudi Arabia are now?

Mr. CLARKE. I think we have a good idea where they are. We have a large military presence in our MAG unit. We see the Saudi units all the time. We have the right to inspect to see where our arms are and to view certification of all of that.

UNACCOUNTED FOR ARMS

Mr. SMITH of Florida. Are you aware that last year an Administration witness testified before us that 15 percent of the arms we sold them are unaccounted for?

Mr. CLARKE. No, I am not aware.

Mr. SMITH of Florida. You ought to go back and check, Mr. Clarke, because that is a reality that has been testified to by the Administration that on our count and their count we are about 15 percent short in inventory.

Let me ask you, Mr. Gnehm, does the Administration adhere to the policy that the U.S. should insure that Israel maintains a military advantage, a qualitative edge over its allies?

STATEMENT OF EDWARD W. GNEHM, JR., DEPUTY ASSISTANT SECRETARY FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Mr. GNEHM. Yes, sir. It is the policy of the United States Government to maintain the qualitative edge of Israel. That is a factor that weighs heavily in our considerations.

Mr. SMITH of Florida. Is it true that Israel's neighbors, except for Egypt, continue to be in a technical state of war with Israel?

Mr. GNEHM. Technically, yes.

IS SALE A THREAT TO ISRAEL?

Mr. SMITH of Florida. Does this Administration consider this sale as any threat to Israel's security?

Mr. GNEHM. No, it does not.

Mr. SMITH of Florida. If you do not perceive this to be a threat and you want to maintain Israel's qualitative edge, because it is impossible to maintain a quantitative edge, why is it that we have never seen an overall comprehensive review done in the last few years done in a form Congress can read and understand about the impacts of the arms sales and the impact of acquisition of other arms from other sources by the countries in the region?

Mr. GNEHM. Sir, several years ago, I think it was about four, I don't have the exact date, there was a Middle East arms transfer survey done by the Administration at the request of Congress.

It was a very extensive study done over almost a four or five month time frame.

Mr. SMITH of Florida. How long ago?

Mr. GNEHM. It was while I was serving in Jordan. It must have been 1984 or 1985 when that very comprehensive report was done. It involved use of outside consultants, and internal expertise in the government. It did take into account the kind of transfers by other countries into the region. We have continued to update that report in our own considerations of on-going sales.

In a formal sense there is not a 1989 report, but in very real terms that evaluation goes on. We would be prepared to share that with you at your convenience.

Mr. CLARKE. If I may elaborate on that, we have specifically asked the intelligence community to prepare a report in light of this sale. They have done so. We will be glad to share that on a classified basis with the committee.

BALLISTIC MISSILE THREAT

Mr. SMITH of Florida. I would like the committee to receive that if they are willing to share it. If we got it, we could probably make at least as cogent or maybe even more intelligent decision with reference to arms sales.

Let me read you something, Mr. Gnehm, from Dr. Louis Burris who is an expert on Middle East strategic issues. This appeared in the Atlanta Constitution. "Israeli security is endangered by a lack of strategic depth. Requiring substantial distance between its own forces and those of its enemies, Israel has precious little room to maneuver. If Syrian, Iraqi, Libyan, Saudi Arabian ballistic missiles capable of carrying chemical warheads and nuclear warheads—the Chinese system was a nuclear-ready system in China when it was on line—are being added to massive stocks of conventional weapons.

"Taken together this perilous and unique configuration of threats to Israel points to another major regional war."

Since all of Israel's neighbors except Egypt are considered confrontational, wouldn't you think that Israel has to concern itself with the collective arsenals of its neighbors and frankly, if all these states got together with their completely confrontational kinds of

weapons against Israel, would there be anything left frankly for us to help in just a few days time?

Mr. GNEHM. I think, sir, that writer put forward a very narrow and simplistic appraisal. He obviously had an objective in doing it that way. The qualitative edge of Israel remains fundamentally important and central to us and obviously to Israel.

I do not want to get into talking about the details of Israeli defense and defense strategy as many writers are more capable of doing that than I, but it is true that, when Israel looks out from where it sits at the threats it faces, it looks at the confrontation states, those states which border Israel, in terms of the kind of military capability that they have.

Clearly the threat from Syria and to some lesser extent Iraq looms large in their planning. When I say this particular sale is not going to threaten the security of Israel, let me be a little more clear in that answer because I would add some other remarks.

The first is that a sale of this nature is admittedly, going to improve Saudi tank capability. This is the best tank we produce. That is why we want to sell it and that is why the Saudis want to buy it. But when you look at the equation, when you look at the threats—and I will respond to that question too if you would like—the threats they face and what they have to defend, the provision of 315 tanks is not unreasonable for the country to request or for us to provide.

In the Arab-Israeli equation we do not consider Saudi Arabia a confrontation state nor do the Saudis. They have said that repeatedly. Their emphasis has been on a negotiated settlement with Israel. They advocate that in public forums and they do so in private.

ENDING STATE OF WAR

Mr. SMITH of Florida. Have we ever asked them to at least drop their technical state of war with Israel, at least as a message to us and the Israelis that they are not a confrontational state?

Mr. GNEHM. We have addressed that a number of times.

Mr. SMITH of Florida. They have refused since AWACS; isn't that correct?

Mr. GNEHM. It is true, but the decision was made as a collective Arab League decision in 1948.

Mr. SMITH of Florida. Thank you.

Mr. HAMILTON. Mr. Gilman.

SAUDI ROLE IN REGION

Mr. GILMAN. Mr. Gnehm, you mentioned that the Saudi state has always been defensive rather than offensive. Actually though when we look over the facts and look over what occurred in the past we find that back in 1978 at the Arab summit at Baghdad the Saudis joined the other Arab states in condemning the Camp David Accords.

The Saudis severed that relationship with Egypt and Saudi troops were sent into help Syria. The Saudi troops invaded Israel in 1948, fought alongside Egyptian forces in the South. In 1973 they sent to the Golan the mechanized infantry brigade. In 1973 they

were engaged in fighting Israel. They also dispatched armored forces to Jordan during the 1973 war.

Diplomatic sources in Riyadh are quoted as saying the Saudis are preparing a plan to blockade Elat in any further war with Israel. That was a 1977 report. Prince Sultan bin Abdal Aziz told newsmen covering graduation ceremonies for Saudi cadets, "We are at the disposal of the Arab nation and we are to be used in the battle against the common enemy."

The history shows the Saudis are always available to support not only the PLO, as they have been doing financially over the years, but they are always prepared to send brigades and assistance militarily as well as financially to those other nations that have been engaged in armed conflict with Israel. Do you wish to make a comment?

Mr. GNEHM. Sir, only to this degree, that as with so many facts, there are other facts. There is more to the story than what has been referred to this morning. If you recall in 1948, which was quite some time ago now, there was an Arab League war at that point, an Arab League effort. There may have been some contingencies involved. But when you refer to Golan, Jordan and other movements of Saudi forces, it is also correct to point out that those forces arrived in the Golan after the war was over.

There was some movement of Saudi forces into the southern Jordan Valley in 1967. They saw no fighting at all. They did not participate in any of the fighting. Saudi Arabia has generally come to the aid of Arab states, but more often than not, it has been diplomatically and, as you pointed out in Baghdad, with some funds. It has always been in an attempt to support moderation and, to pick up on the history from where you left off in Baghdad, there have been tremendous Saudi efforts. King Fahd himself proposed a plan for peace in the Middle East which he then took to a summit conference in Fez. The Arabs endorsed and adopted the Fez plan. This plan was not something we found altogether acceptable but it had elements that were very important including a recognition and a call for all the states in the region to live peacefully and in security.

This represented an implicit recognition of Israel's right to exist which has, of course, been our policy and our staunch supported goal throughout. We have seen repeatedly, Saudi efforts, and private counsels as well, trying to bring the moderate forces in the Arab world toward peace and negotiation. This is something we wish to encourage.

SAUDI STATEMENTS

Mr. GILMAN. What about the Saudi Defense Minister's statement made in the Arab News in January of 1986, a more recent comment, where he told a PLO audience in Jidda that the Saudi army is a Palestinian army? We continually hear comments of that nature. When we talk about the Saudis being moderate, we rarely find the statements of moderation being made publicly.

When we talk about Saudi being a friend of the United States, we find they refused the U.S. request to base American fighters at Dhahran to protect our own ships in the Gulf. They refused to

allow their own minesweepers to participate in mine clearing operations in the Gulf during our conflict there. They did not permit our U.S. Navy vessels to conduct operations out of Saudi ports.

So where is the friendly relationship and the cooperation by the Saudis with our own military people? When called upon to help us out, the sources said the Saudis, previously unwilling to extend landing rights to U.S. combat planes, will allow carrier-based jet fighters and anti-submarines to land for refueling and other logistical aid under what sources called emergency or "in case of need" conditions and Riyadh denied that statement.

They did not permit those rights. Where is the friendly atmosphere that we talk about among the Saudis when it comes to a time of need?

Mr. CLARKE. Mr. Gilman, if I may respond, both Skip Gnehm and myself were heavily involved in the 1987 Gulf reflagging episode. I must beg to differ with your account of the Saudi role. The Saudis were enormously helpful. They did allow us to base U.S. forces in Saudi Arabia during that episode.

They did provide AWACS protection. They did provide F-15 protection. They did use their minesweepers in support of our convoys. So I would be glad to provide documentary evidence of that.

Mr. GILMAN. I would welcome having that. The press reports seem to indicate otherwise. I would welcome any document reports that you have and, Mr. Chairman, I would like to make that part of our record so we can clarify that.

Mr. HAMILTON. Without objection, it is so ordered.¹

Mr. GNEHM. Sir, if I might add a brief remark here, it was critically important at the time that we not highlight in the press and in the public domain where our forces were, where they were getting replenishment and supplies, because we did not want either our own forces to be more vulnerable or to jeopardize Saudi security as a consequence of other belligerents who might choose to go after them.

SAUDI ROLE IN 1987

Mr. GILMAN. Did they not decline the U.S. request to base American fighters to protect our ships in the Gulf in 1987?

Mr. CLARKE. I don't remember we made such a request. I do remember that their F-15s based at Dhahran provided CAP cover for our ships.

Mr. GILMAN. You are not answering the question. Did they deny the United States' request?

Mr. CLARKE. We never asked.

Mr. GILMAN. We made no request?

Mr. CLARKE. There was no request made for the U.S. to base fighters at Dhahran.

Mr. GILMAN. You are saying this press report is inaccurate?

Mr. CLARKE. That is true.

Mr. GILMAN. Would you check your records and verify that?

¹ The Subcommittee received a classified response which is retained in Subcommittee files.

Mr. CLARKE. Yes, sir. We did request that we have the right to base naval aircraft at Dhahran and they concurred in the request and we did base naval aircraft there.

Mr. GILMAN. Was there any request to permit U.S. Navy vessels to conduct operations out of Saudi ports?

Mr. CLARKE. Yes, sir, and they agreed to that.

Mr. GILMAN. So this press report that says they did not permit our vessels is inaccurate?

Mr. CLARKE. It is inaccurate.

Mr. GNEHM. I visited some of our naval ships in a Saudi port at that time.

M1A2 VERSUS M1A1 TANK

Mr. GILMAN. Why are we providing the M1A2 tank for Saudis as opposed to the M1A1 tank which we sold to Egypt and to others in that area?

Mr. CLARKE. We provided the M1A1 to Egypt because that was the tank that was being produced at the time. By the time we are able to sell these tanks to the Saudis, and they are not going to be able to get there until about 1993, the only tank that we will have in production will be the M1A2.

Mr. GILMAN. Just one more question: With the transporters that you are providing, I think there are some 29 or so, does that enable the Saudis then to move this equipment quickly not only to their borders but across their borders to other areas?

Mr. CLARKE. It does not allow them to move anything quickly. The tank weighs 70 tons. The 29 transporters we are providing are designed to move tanks back to repair and logistic facilities. As part of the Letter of Offer and Acceptance which the Saudis will sign, there will be a commitment that they will not use their tanks except in legitimate self defense. If they were to move them across their borders, we would have to be consulted and if it was not in legitimate self defense we would have to take measures.

Mr. GILMAN. What sort of measures do we take? Slap them on the wrist at that point?

Mr. CLARKE. We stop assistance and we pull out the 500 Americans who make them work.

Mr. GILMAN. They cannot operate them without the Americans?

Mr. CLARKE. I think as you saw in Iran, when the United States pulls out its assistance, its contractors, its military and draws up the logistic supply line, the Iranians had a force of hundreds of tanks and hundreds of aircraft which stopped working after a very short time.

Mr. GILMAN. Thank you.

Mr. HAMILTON. Mr. Levine.

1987 USE OF SAUDI FACILITIES

Mr. LEVINE. Mr. Chairman, before getting into my questions, I would like for the record to supplement a couple of points made by Mr. Gilman in his colloquy with these gentlemen. I was also in Saudi Arabia at the time you were referring to, Mr. Gnehm. In terms of whether or not any request was ever made by us to base fighters in Dhahran, it was my understanding in conversations I

had at that time with U.S. naval officials that the reason we made no request was because it had been made clear to us that, had we made such a request, it would have been denied. I think the record should reflect that essential point.

In terms of a number of the comments you made, the fact of the matter is that, as I indicated in my opening statement, the Saudi rhetoric simply does not meet reality. Unfortunately, we have tried—and I know this Administration and past administrations have tried—to encourage our Saudi friends to be much more cooperative with us in the peace effort in the region.

The AWACS sale in 1981 was based on an explicit assurance by President Reagan to the Congress in a letter at that time to then-Majority Leader Baker that the Saudis would provide “substantial assistance” in the peace process. Let me submit for the record, as a sad conclusion at this point in time, as to how unsuccessful we have been in obtaining this “substantial assistance” that I know you have sought in good faith.

U.N. VOTE ON ISRAEL

First, there is the U.N. vote that took place just last month on whether to allow Israel to present its credentials at the U.N. I know this Administration and past administrations have sought to have the Saudis drop their opposition even to seating Israel at the U.N.

Even the Soviet Union dropped its opposition in 1989. Yet in this resolution the Saudis, along with a decreasing number of states such as with Libya, Syria and some of the most rejectionist states, insisted on continuing to oppose Israel’s credentials at the U.N. This is contrary to American efforts and contrary to hints that we received from the Saudis over the course of the past year that in order to demonstrate their commitment to the peace process, they might change their tune at the U.N.

Mr. Chairman, I would like to submit for the record the U.N. vote.

Mr. HAMILTON. Without objection, it is ordered.¹

SAUDI STATEMENTS AT CASABLANCA

Mr. LEVINE. Let me also quote for the record two statements supported by the Saudis at the Arab Summit in Casablanca in June 1989. These statements, unfortunately, again juxtapose, Saudi conduct with Saudi rhetoric to the West. First the Saudis voted for a resolution on June 1st which stated, “The Arab Summit stands firmly behind the Palestinian position in rejecting the Israeli proposal of elections.”

The United States has been trying so forcefully and with such efforts on behalf of the Secretary of State and the President to engage the various parties in the Middle East in this initiative. And yet, we have the Saudis going on record opposing this in June of 1989 despite intense American efforts to obtain peace in the region.

¹ See appendix 3.

At that same summit, the Saudis voted for a resolution calling for the right of return as "inalienable rights for all Palestinian people."

I must say I really regret the need to continue to place these statements in the record year after year. For it is my continuing hope that one year we will come to a hearing such as this and see Saudi statements and see Saudi conduct complying with the assurances that we have received by President Reagan and Majority Leader Baker. We in Congress relied on President Reagan's assurances and, unfortunately, despite hints and implications and entreaties by one administration after another, the Saudi votes and statements and conduct at the U.N. remain the same.

THREATS TO SAUDIS

Mr. LEVINE. I have a number of questions. I would like to begin with questions focused upon the military threat. Mr. Clarke, you testified in your opening statement that this is a bad neighborhood. It goes without saying that it is an unstable neighborhood. There are international and domestic threats in this region. Why do the Saudis need these tanks? What is the threat? You indicated they may not have bad relations today with some players in the region but you never know who they are going to have bad relations with in the future.

Over the course of the last decade, despite the fact that we have sold \$30 billion worth of arms to Saudi Arabia, when have they been needed or when have they been used? I know there were two Iranian intrusions and the Saudis were fortunately, and we were entirely supportive of this, successful in shooting down the two Iranian planes. Why on earth do they need 315 tanks? Where is the land war? How does this impact the cumulative balance in the region in terms of whatever threat the Saudis might face? What is the threat? Why do they need them? How are they going to be used?

Mr. CLARKE. I think the threat is substantial. To their northeast they face a country which has been hostile to them in the past, a country which has over 5500 tanks, most of them very modern, sophisticated tanks.

Mr. LEVINE. You are talking about Iraq?

Mr. CLARKE. I am talking about Iraq.

SAUDI ARABIA AND IRAQ

Mr. LEVINE. I would like to analyze these threats instead of going through the boiler plate. Do you believe Saudi Arabia could repulse an Iraqi invasion if in fact the Iraqis, with the kind of force it has available, were determined to invade Saudi Arabia?

Mr. CLARKE. I believe if Saudi Arabia has a high quality force, a small force but, nonetheless, a high quality force, it would be able to deter an attack. If the deterrence failed, it would be able to slow that attack down until the United States and other friendly forces were able to do something.

Mr. LEVINE. So your assumption as to this aspect of the threat is that it would either be a deterrent to an Iraqi invasion or a defense

that would provide enough lead time for Saudi Arabia to seek help from other countries?

Mr. CLARKE. I think that is right.

Mr. LEVINE. Could you spell out the relative strengths of the Saudi ground forces versus the Iraqi ground forces in explaining this assumption?

Mr. CLARKE. If you are going to say the Saudis have 500 tanks and the Iraqis have 5500 tanks and therefore the Saudis should not even try to defend themselves, I reject that line of attack.

I think you know very well that the Iraqis can not throw all of their 5500 tanks at the Saudis at any given time. They have to maintain tanks on their other borders.

Any battle front is only so wide. Any nation which has the money and the people to have an army wants an army to defend themselves.

IRAQ AS PRINCIPAL THREAT

Mr. LEVINE. So the principal threat is Iraq, correct?

Mr. CLARKE. The principal military force in the region is Iraq. It could be a threat in the future. The Saudis are looking out into the future. These are tanks that will be used well into the next century.

Mr. GNEHM. If I might add to that, I don't think it is appropriate to focus on Iraq as the principal threat because in truth at the present time Saudi-Iraqi relations are good. I don't think that should be misstated or denied either by me or you.

Mr. LEVINE. In fact, it would be accurate to state, would it not, that Saudi-Iraqi relations are considerably closer than Saudi-Israeli relations and that you totally discount the possibility of the Saudis using these against the Israelis with whom they remain in a state of war. But your primary or, at least, the initial response to the reason why the Saudis need these tanks is a potential threat from Iraq with whom they are at this time very close allies.

It is difficult to understand the juxtaposition.

Mr. GNEHM. You have not let us finish. I understand the thrust of your question to Mr. Clarke to be that you were going to be taking countries seriatim and you stopped to get Mr. Clarke to respond with more detail on one country.

I think it is much more important to frame this in its proper context. Saudi Arabia sits on the Arabian peninsula. As any country does, it looks over its history of 30 or 40 years; it looks at its current situation in the neighborhood and its history. It has faced over those years threats on a variety of different fronts.

It is not out of the memory of the Saudis that in the 1960s the major threat to Saudi Arabia was Egypt and it was Egyptian forces in the Yemen as well as threats by Nasser to subvert the holy places in the western part of the Kingdom that dominated Saudi thinking.

Mr. LEVINE. You are certainly not positing an Egyptian threat at this time?

FUTURE THREATS

Mr. GNEHM. No, but if you look around at the recent years, you will find the Saudis have had to consider threats from a variety of different sources as the political and military situation in the region changed. Yemen has been a problem for them in the past, so has Iraq. You cannot discount the threat to Saudi Arabia by Iran. It was only months ago that many in the intelligence community, as well as others throughout the world, were watching the Iraq-Iran war, and recognized that there was a very substantial possibility that Iranian forces would break through Iraqi lines. If so, there was nothing then between the Iranian forces then and Kuwait and the Eastern Province of Saudi Arabia, where the vast oil deposits which we rely on exist. There was no substantial force to block such a breakthrough.

To that extent the Saudis, through the GCC, formed a special rapid deployment force which they put right there in a blocking position. You could well argue that that force could not have withstood an onslaught of all that Iran had at that time but they were certainly going to put everything they had there and try.

Mr. CLARKE. If I may expand on that, it is perfectly reasonable for a country to look out into the future and ask not what are the intentions of my neighbors, but what are their capabilities? Their intentions today may be benign. Their intentions can change very rapidly. Regimes can change very rapidly. It is perfectly reasonable for a country in that sort of neighborhood to look around its perimeter and say that it needs a defensive capability for ground forces. 315 tanks is not an offensive threat. It is a defensive capability.

It is perfectly reasonable to buy a capability like this for the next 20 years to have a capable army to deter attack.

SAUDI ARABIA HAS STRENGTH

Mr. LEVINE. I see my time is up. Mr. Secretary, I hear your arguments. Let me submit in response the following: As Mr. Smith indicated in his opening remarks, nobody on this subcommittee or in the Congress wants to see a weak and intimidated Saudi Arabia. Nobody wants to see Saudi Arabia unable to deter whatever threats may be posed by the countries to which you have referred against its legitimate self-defense needs.

But I submit to you, gentlemen, that we have already sold some \$30 billion worth of weapons to Saudi Arabia. With all due respect, having listened to your answers and having heard your evaluation of the threat, I still do not understand the significant military value these tanks will provide to Saudi Arabia. Frankly they appear in the context of the fact that the Saudis already are heavily armed, and they also appear, in the context of the threats you are outlining, as not only perhaps overly sophisticated and very dangerous toys, but as weapons that might end up hurting the Saudis more than they help them.

That is my principal concern about these tanks. Look at Iran. What happened in Iran? We armed Iran to the teeth claiming all kinds of outside threats. Where was the threat to Iran? It was internal. What happens if there is an internal threat to Saudi Arabia and they become so heavily armed to the teeth that some form of

an extremist or fundamentalist group ends up taking over Saudi Arabia and it ends up with \$40 billion worth of arms able to use them in any possible way?

These arms will make it much more difficult for Saudi Arabia to stay out of a war if there is a Syrian-Israeli conflict, for example, because Saudi Arabia's Arab neighbors are going to say: "Our brothers have to join us." They are so heavily armed and have such a sophisticated capability that it would be very, very difficult for them to say no.

So, with all due respect, listening to your responses and looking at these weapons systems, I don't think these points add up. I don't think this sale is likely to be so destabilizing that it is appropriate to vigorously oppose it. But I think it is bad judgment and it makes the region less stable rather than more stable.

Mr. HAMILTON. Mr. Goss.

HOW ARE ESTIMATES MADE

Mr. Goss. I was curious about the basing estimates that have been made on this. In listening to your conversation and response to my colleagues' questions about where the perceived threat is and seeing the statements that have been made by the basing estimates, what are those estimates based on? Is that something we can reasonably rely on? Is that something we have some real reason to believe it is going to happen?

Mr. CLARKE. Congressman, the entire sale of tanks is a product of a long consultation with the Saudis between our military personnel and their ground forces and their Ministry of Defense. We have had conversations with them about why they think they need them, where they would put them, and we base our understanding of their plans on those conversations.

Mr. Goss. So basically, it is just their conversations?

Mr. CLARKE. It is our joint planning. As we would do in any military sale, we would have joint planning through our military personnel and we have in this case.

Mr. Goss. That leads us to believe that most of the tanks are going to be put somewhere between the Saudis' interest and the Iraqis'.

Mr. CLARKE. It leads us to believe most of the tanks are going to be in the northeast. That doesn't mean just against some conceivable Iraqi future threat should political events change. But it also means against an Iranian threat. As Skip was outlining just a little while ago, it was not that long ago, Congressman, that we were all afraid that the Iranian ground forces were going to break through right near the Kuwaiti-Saudi border area. It is in that area in the northeast that we, based on our conversations with them, expect the bulk of this force to be based.

Mr. Goss. It is an expectation. It is a plan, there is nothing written in concrete that says that is what is going to happen.

Mr. CLARKE. No, it is based on the normal sorts of dialogues we have though our Military Advisory Groups and diplomatically.

SPARE PARTS

Mr. GOSS. There are two other areas that are causing concern beyond the expressions that have been made. The question of spare parts. I know there is a production capability in Egypt for the A1. Does that apply for the A2 also?

Mr. CLARKE. The production capability in Egypt is somewhat limited. It is largely an assembly capability. The parts mostly come from the United States and are assembled in Egypt. There will be no parts for the A2 sent to Egypt.

Mr. GOSS. So that gives some control to this part of the world.

Mr. CLARKE. We have control over that part. They understand that. Their record has been impeccable on third country transfers. They also understand the grave consequences that would incur to a country like Egypt if they violated those agreements with us.

THIRD COUNTRY TRANSFERS

Mr. GOSS. With regard to third country transfers, what assurances do we have with the Saudis?

Mr. CLARKE. If the sale goes ahead, we will have written assurance.

Mr. GOSS. How will that be enforceable?

Mr. CLARKE. It is enforceable in the same way that all these third country assurances are. We have people on the ground, civilian and military, who are observers. If we find the agreement has been violated, we have the right, and we have exercised it on a few occasions in the past, to cut off further spare parts.

Mr. GOSS. Is this particularly bad timing because of the election problem or because of Lebanon? Is there anything you see where there is going to be a ripple effect?

Mr. CLARKE. I don't see this sale as a major event in the Middle East or that it will have any effect beyond the eventual improvement of the Saudi deterrent capability.

HOW WILL IRAQ REACT

Mr. GOSS. You don't think that the Iraqis will feel compelled to upgrade?

Mr. CLARKE. Congressman, I don't think the Iraqis see the Saudis as a threat to them. We don't mean to say that there is an arms race between the two. What we are pointing out is that Iraq has a very large armored force and some day in the future, if political circumstances change, they might be a threat; they are not today. But a prudent military planner would have to take that into account.

Mr. GOSS. Do you know when was the last time the Saudis lost a tank in hostilities?

Mr. CLARKE. I don't think they have ever lost a tank in hostilities.

Mr. GOSS. That was my misunderstanding. Thank you.

Mr. HAMILTON. Mr. McCloskey.

IMPACT OF SALE

Mr. McCLOSKEY. Mr. Clarke, I wonder if you could talk about the medium and long-range political significance of approval or disapproval of this sale as to our relations with both states?

Mr. CLARKE. Both states?

Mr. McCLOSKEY. Israel and Saudi Arabia. What are the real political and international implications? These things are usually construed as being of watershed nature that if it doesn't go one way or another, depending on the proponents' point of view, it will be a disaster for all time. What sort of disasters are we looking at here?

Mr. CLARKE. I am not going to engage in hyperbole. If you look at the effect on the Israeli security this sale, it is a pretty de minimis effect.

Mr. McCLOSKEY. Say that again.

Mr. CLARKE. If you look at the threat posed by this sale to Israel's security or if you look at the effect on our political relations with Israel of this sale, I think there is not any.

IMPACT ON ISRAEL

Mr. McCLOSKEY. You are saying there are no political impacts of this sale on our relationship with Israel?

Mr. CLARKE. I think there is absolutely no political effect. I don't think the Israelis would doubt for one minute our continued support. I don't think they would doubt for one minute our continued pledge to maintain their security against any conceivable alliance of Arab opponents.

Mr. McCLOSKEY. So there is no downside with the Israelis, none?

Mr. CLARKE. I don't see any downside with the Israelis. As regards the effect if we did not go ahead with Saudi Arabia, I think you would have to see it not as a single case but as an overall pattern. We have in the past not been able to sell certain weapons to Saudi Arabia. If we were unable to sell this particular weapon it would be part of an overall pattern of refusals and in the past some approvals.

It would obviously have a negative effect on our political influence and political relations. It would have a major effect on our security cooperation with the Saudis.

Mr. McCLOSKEY. Perhaps in your formal statement which I didn't get until I came in this room, but in your informal comments you talked about the conditions under which these tanks could be used or in effect would be prohibited as far as the Saudi understanding.

But this would only be for legitimate self-defense, not transferable to third parties, not granting third parties access, et cetera. Has legitimate self-defense been defined here? In their minds or stated or implicit definitions, can legitimate self-defense be rallying to the support of an imperiled Arab neighbor in conflict with Israel? Could that be construed as self-defense?

Mr. CLARKE. Congressman, under the agreement that we will make with Saudi Arabia, it is up to the United States to determine what is legitimate self-defense. If an American weapons system is

being used in the legitimate self-defense of a recipient nation or not, it is not up to the recipient nation to make that determination.

USE IN A CONFLICT

Mr. McCLOSKEY. You are saying we would have the ability on a preemptive basis to totally prohibit them from using a weapons system in a particular conflict?

Mr. CLARKE. If the Saudis were going to use a weapon system in a conflict where there was any doubt at all, for example, if they were going to use it outside their territory, they would consult with us.

Mr. McCLOSKEY. They will consult with us?

Mr. CLARKE. They would consult with us; we would consult with them. We would initiate it, if necessary. We, under the law, make the determination if it is in legitimate self-defense.

ISRAELI POSITION

Mr. McCLOSKEY. Has the Israeli government made any formal or informal public or private statements on this sale?

Mr. CLARKE. I may not be aware of all of them. I think they have made the standard public statement that they oppose the sale of any weapon system to an Arab state other than Egypt.

Mr. McCLOSKEY. You are saying there is no negative impact with them so in effect one way or another you are saying they at least tacitly do not oppose or approve this sale then?

Mr. CLARKE. Congressman, I will let you be the judge. I don't want to be put in a position where I am a spokesman for the Israelis. I don't think they believe this is a major threat, that it contributes in any significant way to a threat to Israel.

Mr. McCLOSKEY. What about the substance and tone of Mr. Levin's original statement with the specific quote from King Fahd, et cetera, citing among others as the desirability of Arab forces marching into Jerusalem and that sort of thing. Do you not see that that poses a credibility problem for them in the U.S. Congress?

Mr. CLARKE. I think in the American culture it might. I think in the Middle Eastern culture it is understood for what it is. I think it would be better to judge Saudi performance based on the balance of deeds. I think if you look at the overall balance of its deeds, it has been a force for moderation, not as much as you or I might like, but it has been a force for moderation.

It has tried to contribute to peace in the Middle East.

Mr. McCLOSKEY. Thank you.

Mr. HAMILTON. Mr. Lukens.

SAUDI TANK INVENTORY

Mr. LUKENS. Correct me if I am wrong, they have currently about 550 tanks, most of which are French AMX's which are about 30 years old. Now what number of the 550 are the AMX's?

Mr. HUGHES. A little under 300.

Mr. LUKENS. A little over half their force is 30 years old and the others are the M-60's and A-1's and A-3's, I think.

Colonel, since you are a military man, a tank officer, what kind of a quantitative and qualitative upgrading would this be? Qualitatively speaking, how much of an improvement will this be?

Colonel ELDRIDGE. We feel the M1A2, when fielded, will be the finest tank in the world. So obviously it is a qualitative upgrade in terms of equipment.

Mr. LUKENS. On a scale of 10, giving them the current capability of six, what does this do to their tank force?

Colonel ELDRIDGE. I would say it would bring it up to a nine or 10, although the equipment is just part of the total equation. The figure is based on retirement of the AMX's, upgrade of the remaining M60A1s to M60A3 configuration, and receipt of the M1A2s.

Mr. LUKENS. Since we are not transferring a great deal of technology with the tank, are they free to improve the tanks themselves once they get them?

Colonel ELDRIDGE. No, sir.

Mr. LUKENS. So they cannot do the heavy shielding. So you have them up to a nine. Without the shielding would it be that effective?

Colonel ELDRIDGE. In comparison with what they have, yes sir. The armor it has will be equivalent to the majority of the M1A1's we have in the field today.

IRAQ'S TANKS

Mr. LUKENS. Iraq has 5500 tanks. A high percentage are T-72's, which the current tanks the Saudis have could not touch. That is a correct statement; is it not?

Colonel ELDRIDGE. That is correct.

Mr. CLARKE. The exact number is classified, but the number is a significant percentage of the force.

Mr. LUKENS. Is 3000 one-half?

Mr. CLARKE. A bit less than half.

Mr. LUKENS. One-fourth perhaps. but still that gives them a 1500 to 500 edge so at the current time with current equipment they could overrun with impunity?

Colonel ELDRIDGE. The Saudis don't have a tank now that could stop the T-72.

SAUDI POLICIES AND ACTIONS

Mr. LUKENS. Now the broader question my colleague has addressed with great perception—and I will switch now from the military into the civilian, I am really concerned about the Saudi actual policy as opposed to some of their statements. I think they have come a long way in attempting to help us build peace for all people in the Middle East, not just the citizens of Israel but all the other countries.

We know it is a difficult and delicate problem. They have made some statements that have been positive and then turned around and, as my colleague from California pointed out, voted the wrong way in the U.N. Very few countries vote with us anyway in the U.N. so that doesn't bother me too much.

Some of the biggest recipients of the U.S. foreign aid stiff us daily. It is a 94 or 95 percent average of non-support or non-alignment with the U.S. So it doesn't bother me.

I am really concerned about the progress overall that the Saudi Arabian Government has made in moving ever so slightly toward the balance of peace in the Middle East. Can you give me some indication of recent moves in the last two or three years that make us feel more comfortable with this thing, or make us feel more comfortable with this sale?

Mr. GNEHM. Yes, sir. I appreciate your asking that question.

Mr. LUKENS. My time will run out quickly so you better answer as quickly as possible.

Mr. GNEHM. Maybe the Chairman will indulge us. This is a very important question. In truth one has to realize that Saudi Arabia has been an extraordinarily active country in diplomacy. They have been doing many things that we are very much in support of and we find them very much in support of us.

Let me start with the Middle East question.

EXAMPLES OF SAUDIS' ROLE

Mr. LUKENS. Could you give me some examples?

Mr. GNEHM. In terms of the Egyptian moves back into the mainstream of the Arab League and the Arab World. If you recall Egypt was ostracized as a result of its signature on the Camp David Accord. Saudi Arabia worked in the councils on the Arab side of the equation to try and get Egypt back in, which they did successfully.

I can only point out to you that Egypt is now a member of the Arab League and a part of the Arab process again with its ties to Israel fully intact. Countries that had years ago, going back into the 1970's, as was mentioned earlier, repudiated Egypt and severed relations, now have their ambassadors in Egypt going to diplomatic receptions along with the Israelis.

This is a very important psychological change in the region, an important development. We have seen in the past year or so that the Saudis have encouraged a variety of parties, including Palestinians, to be moderate in their approach to proposals that were on the table. That is not to say that the Saudis came out in public and asked the PLO or another organization to completely endorse a proposal by one or the other party. That doesn't happen in the Middle East. The parties are all engaged in diplomacy and in politics. They are trying to maneuver and juxtapose their positions so they will be strong if and when, God willing, negotiations get underway.

Just to conclude, the Saudis have in fact been playing a positive role. The public rhetoric is clearly important to you gentlemen today as you have recalled statements that were made in public. This forum today is also a public forum in which the Saudis, other Arabs, the Israelis and a variety of groups within this country, listen to the rhetoric this morning. I know why the questions were posed. They are important questions and the answers are equally so.

But when you think of Saudi Arabia and its role today, one simply must recall that, in Afghanistan over the last decade, the Saudis have played a tremendous role in support of the mujahedeen and in support of the resistance efforts against the Soviets.

You cannot help but mention Lebanon and the enormous active and public efforts that the Saudis have made to try to bring about a resolution to the internal problems in Lebanon.

Egypt I mentioned. On the question of terrorism equally active. The Saudis are vocal publicly in international forums against terrorism and work strongly both with their intelligence service and in cooperation diplomatically with us in international forums on these subjects. So let's not lose sight of the very important relationship we do have with Saudi Arabia and the important subjects where they work very closely with us.

SAUDIS' ROLE IN THE GULF

Mr. LUKENS. It is significant, the assistance the Saudis gave us during the Persian Gulf crisis. We are very grateful for that. I want to go on record stating that. I count myself as a major supporter of the state of Israel's right to exist and right to freedom and peace just as any other country in that area has the same rights.

I am a little concerned about this sale. I am more concerned about the balance of power which you gentlemen all testified today is not being substantially altered, either from the American interests which is my primary motivation, or from the Israeli point of view.

Thank you very much.

Mr. HAMILTON. Mr. Bosco.

BENEFITS TO UNITED STATES

Mr. BOSCO. Thank you, Mr. Chairman.

I also am interested in looking at this sale from the standpoint of how it benefits the United States, which I assume has to be our goal all the way through this process. Given that these tanks and other equipment could be purchased from other countries, I assume it is your rationale that it is better to use this opportunity to solidify or assist our relations with the Saudis for our own purposes.

Could you itemize what military requests have been made of the Saudis, say, in the last 15 or 20 years that our country has specifically and mention whether they have been granted or denied?

Mr. CLARKE. Mr. Bosco, that is an encyclopedic question.

Mr. BOSCO. Perhaps then you could detail the major ones.

Mr. CLARKE. I think the major requests that we have made were in 1987. They were for the right to operate naval ships out of their ports and that was granted. They were for the right to operate naval aircraft out of their air fields. That was granted.

They were for the right to have Saudi Arabian Air Force AWACS fly in support of American convoys and provide Saudi F-15 cover for U.S. operations. Those were granted.

Mr. BOSCO. Would you say that the granting of those requests, and this is a value judgment, was done more for Saudi Arabia's benefit or for the United States? It obviously was a very troublesome period of time where countries faced many conflicting pressures. Would you say these requests were granted as a favor to our country?

Mr. CLARKE. I am not sure you can make that distinction. The good aspect about our relationship with Saudi Arabia is that when we act in the Persian Gulf and the Arabian Sea, we act in our mutual interest and we share in a mutual security interest in the region. It is for that reason that it stands behind our entire defense relationship.

I don't think you can take a particular deployment or act of assistance and say that one was more in their interest or in our interest. The overall balance is in our mutual interest.

UNITED STATES MILITARY REQUESTS OF SAUDIS

Mr. BOSCO. Aside from the 1987 requests that were granted that were in both our interests, can you think of other military requests?

Mr. GNEHM. I can mention two. There was an episode in the Red Sea in the early 1980's when a Libyan ship dropped some mines in the Red Sea. The Saudis responded with their naval support helping us to work on minesweeping operations in the Red Sea.

Mr. BOSCO. Those mines would presumably have been effective against their ships as well as ours.

Mr. GNEHM. Yes, sir, a very important mutual interest. Again, in 1979 or late 1978, there was an invasion by South Yemen of North Yemen in which the Yemenis came to us requesting military assistance and to the Saudis.

We worked together hand-in-glove. Going back to the transfer question, when the President of the United States determined to provide some tanks to Yemen and do it on short notice, we worked with the Saudis. They transferred a number of their tanks previously purchased from us, with our permission, in fact at our request, to North Yemen.

That made the deliveries occur over a matter of a couple of weeks as opposed to years off of production lines. We have worked on the training program. The Saudi funding of some of the assistance programs in the region has been in support of our goals as well as theirs, i.e. basically, stability, sir.

SAVINGS TO UNITED STATES

Mr. BOSCO. Can you tell me how this sale would save the United States Government, and I think particularly the Army, some \$600 million?

Mr. CLARKE. It saves the United States money in a number of ways. First of all, it employs a number of people. Our conservative estimate, I think, is that it generates 57,000 man years of employment. Obviously, those people being employed are not on unemployment and, are paying taxes.

Mr. BOSCO. Aside from those benefits?

Mr. CLARKE. Direct benefits to the Defense Department include the fact that we are able to maintain two production lines for the M1A2 and are able to achieve economies of scale in that production.

Let me ask Art Hughes to outline the specific savings.

Mr. BOSCO. I also like to see the Pentagon achieving economies of scale.

Mr. HUGHES. For the U.S. Army's buy of the M-1s, their own inventory, the economies would be roughly \$150 million to \$180 million.

If the sale goes through to Saudi Arabia, we expect there would be other countries which would also be interested in buying the Abrams tank. If a reasonable estimate of those sales would go through, we could approach \$.5 billion of savings to the Department of Defense in its own purchase of tanks.

Mr. BOSCO. I can see where these sales benefit whoever is producing the tank, but is it really true that when we sell X number more that our government gets the advantage of this economy of scale? Do you have studies to that effect?

Mr. HUGHES. Yes, sir.

Mr. CLARKE. If you look at the white paper we entered into the record, it is outlined on page six exactly how much it saves the United States Army and the U.S. Treasury as direct payments.

Mr. BOSCO. So if we can sell another 500 elsewhere, we will be paying even less for them ourselves?

Mr. CLARKE. I think that is correct. If you look at the example of the F-16, the sales we made around the world of the F-16 paid for the entire cost of research and development of that aircraft.

Mr. BOSCO. Thank you very much.

Mr. HAMILTON. Mr. Owens.

SENSITIVE TECHNOLOGIES

Mr. OWENS. Would you give us a little more detail on the sensitive technologies which are associated with this proposed sale?

Mr. CLARKE. We provided that information on a classified basis to the committee. We would be glad to discuss it in closed session or point out where in the classified record that answer is already.

Mr. OWENS. I have read the classified record. There is nothing about that then that you can talk about in open session?

Mr. CLARKE. I am afraid I cannot talk about it.

Mr. OWENS. Let me pursue the secondary question which is what we are doing to protect that sensitive technology.

Mr. CLARKE. Well, it depends on what technology we are talking about.

Mr. OWENS. The sensitive technologies that we are not talking about is what the question is directed toward.

Mr. CLARKE. Congressman, you are putting me in an awkward position here.

Mr. OWENS. Can that be classified information that we are doing anything to protect the sensitive technologies that we cannot talk about?

Mr. CLARKE. There are certain technologies that we are protecting by not providing.

Mr. OWENS. I am talking about the classified technologies that we cannot talk about which we are providing.

Mr. CLARKE. There are two types of sensitive technology, A, that which we have chosen not to provide and B, that which we do provide.

As to B, we have a general security of military information agreement with the Saudi Arabian government which provides us with total access to our weapons which we have transferred so that we can, on any day, look at them and find out how they are being used. We have American civilian and military personnel who will be with that equipment so we have the right to insure that it has not been transferred, that they are taking adequate security safeguards to insure that there is no espionage or no theft of the equipment.

ACCESS TO TECHNOLOGIES

Mr. OWENS. Are the sensitivities, are the technologies available only to Saudi national personnel? Much of the Saudi force is non-Saudi; isn't that correct?

Mr. CLARKE. It is not true that much of the Saudi force is non-Saudi. There have been in the past some other units in the country, a very small number of people. The answer is yes, the technology is not available to third country nationals.

Mr. OWENS. Will they be serviced pretty much exclusively by American personnel? You said that is one way we control the use of the tanks, correct?

Mr. CLARKE. They will be serviced initially by American military and contract personnel.

Mr. OWENS. That then is ultimately given over, obviously, to the Saudi nationals?

Mr. CLARKE. There is a gradual draw down of the American role over a period of probably as much as 10 years. Even after that, the United States maintains, through the general security of military information agreement, access to the tanks to make sure that they have not been compromised in any way.

Mr. OWENS. Have you then and would you reiterate whether you are assuring the committee that no third country nationals will be allowed to work on the M1A2 without specific U.S. approval?

Mr. CLARKE. No third country nationals will be allowed to work on the M1A2 without specific U.S. approval.

CSS-2 MISSILES

Mr. OWENS. Thank you.

Let me ask you about the CSS-2 Chinese missiles and whether they are now deployed.

Mr. CLARKE. The CSS-2 missiles are in the process of becoming operational. I don't think that we would judge that the force has achieved an operational status, but deployed, yes, they are in the country.

Mr. OWENS. Deployed in this layman's technology, understanding the technology is in place and operational?

Mr. CLARKE. No, we would not judge that the system is yet operational.

Mr. OWENS. How far away is it from being operational?

Mr. CLARKE. It is a little hard to say, sir. They are not exactly moving along at the rate that we would.

Mr. OWENS. We know that no other country, of course, can do it as well as we could.

Mr. CLARKE. I don't know that.

Mr. OWENS. That has been your position.

Mr. CLARKE. No, it is not my position at all, sir. The answer to your question is that we have some judgments about how long it will take. Those judgments have slipped. I would have said when I first discovered these things in February of 1988 that they would have been operational by now. They are not. I think that every few months when we look at it our judgment as to when they will be operational slips a little more off into the future.

Mr. OWENS. The judgment is what?

Mr. CLARKE. I don't think I can say in open session what the judgment is. We will be glad to provide it on a classified basis.¹

Mr. OWENS. Are there Chinese technicians in the country helping them deploy the CSS-2?

Mr. CLARKE. There have been.

Mr. OWENS. There are not now?

Mr. CLARKE. I think they are still there.

Mr. OWENS. Are the Saudis going to rely on Pakistanis and others to service them?

Mr. CLARKE. I don't think the Pakistanis would provide much help with the CSS-2. They have no experience with it. Although we have not discussed this with the Saudis, I imagine they will rely on the Chinese and for some period into the future and will eventually try to train some Saudis.

Mr. OWENS. When I was in Saudi Arabia last April the Saudis assured me they were not seeking any chemical or other warheads for these missiles. Can you verify that that is our understanding?

Mr. CLARKE. That is what the Saudi government has told us at the highest levels. It is also, as far as we can tell, an accurate statement.

IMPLICATIONS OF DENIAL

Mr. OWENS. Lastly, and I have used my time up, too, what do you think the implications for the U.S.-Saudi relationships are if this does not go through?

Mr. CLARKE. As I said to Mr. McCloskey, I think any one sale denial does not have the huge, enormous effect that causes us to lose diplomatic relations or military cooperation, but I think a pattern of refusals would reduce our diplomatic relations and cooperation.

I think a pattern of refusals would severely reduce our military influence and our military cooperation with the Saudis over time.

Mr. OWENS. Given the history of the last three to four years, would this be a pattern if this sale were turned down?

Mr. CLARKE. I think it would contribute to a pattern. This would not be the first weapons system that we denied them.

Mr. OWENS. Thank you.

Mr. HUGHES. Sir, I would like to point out that the inter-operability of equipment between the Saudi and U.S. forces was a plus in the Gulf situation. That is another good reason to maintain our relationship as a reliable arms supplier.

¹ The Subcommittee received a classified response which is retained in subcommittee files.

Mr. OWENS. Thank you, very much.

CSS-2 MISSILE AND TANK SALE

Mr. HAMILTON. Mr. Secretary, just to pick up on Mr. Owens' questions with regard to the CSS-2, why do we sell tanks to the Saudis when they are undertaking a destabilizing missile program?

Mr. CLARKE. Mr. Chairman, I think we have expressed repeatedly our belief to the Saudis that they should not have introduced the CSS-2 into the region.

But seen from their perspective, they were anticipating attacks from Iran. They were witnessing both Iran and Iraq using ballistic missiles against each others' civilian populations, hundreds of ballistic missiles thrown against each others' cities. The SCUD missiles in the Iranian inventory could have been deployed within range of Saudi Arabia's largest oil refineries and oil terminals.

They felt they needed a capability of deterring that use.

Mr. HAMILTON. We believe those missiles to be destabilizing, do we not?

Mr. CLARKE. Yes, sir.

Mr. HAMILTON. We don't think it helps things for the Saudis to put them in there, do we?

Mr. CLARKE. We would rather they would not have done it.

Mr. HAMILTON. Why don't we link those two things, and say we will give you the tanks if you stop that missile program?

Mr. CLARKE. It is unlikely that they would comply with that linkage.

Mr. HAMILTON. Do we know that for sure?

Mr. CLARKE. No, we don't, that is my judgment.

Mr. HAMILTON. It is a guess on your part.

Mr. CLARKE. It is my judgment. Secondly, I think it is probably wrong to pick out any single act like that and link our policy or link our sales to the Saudis based on that. We are not doing the Saudis a big favor here by selling them the M1A2 and I think the implication of your question is that we are.

MISSILES ARE DESTABILIZING

Mr. HAMILTON. The implication of my question is that the missiles are one of the most destabilizing factor in the Middle East today. We want them to stop and we think they are highly dangerous.

Mr. CLARKE. I think missiles in general are, but I don't think the Saudi missiles are the most destabilizing factor, but missiles in general are.

Mr. HAMILTON. It is not unusual for the United States to assert whatever leverage we have to stop countries from developing what we consider to be a highly destabilizing effort on their part. I think we have to use whatever leverage points we have to bring about these things.

Mr. CLARKE. No, I don't think we should use whatever leverage we have. We have to judge the significance of what we object to against our overall relations.

Mr. HAMILTON. So you don't think these missiles are all that destabilizing?

Mr. CLARKE. I think it would be more destabilizing to the Middle East if the United States terminated its military relationship with Saudi Arabia.

Mr. HAMILTON. I am not arguing that.

Mr. CLARKE. I think if the United States refused to sell weapons to Saudi Arabia and explicitly linked that refusal to the Saudi CSS-2 program, it would significantly reduce our military cooperation with Saudi Arabia.

DISCUSSING CSS-2 MISSILES WITH SAUDIS

Mr. HAMILTON. In the discussion of the sale of the tanks, did the CSS-2 missiles ever come up? Did we every mention the missiles at all?

Mr. CLARKE. Within the Executive Branch we have discussed it.

Mr. HAMILTON. Of course, within the Executive Branch, but I am talking about when you talked to the Saudis.

Mr. CLARKE. I don't think we have done what you suggest and explicitly linked the two. We have repeatedly told the Saudis that we don't think they should go ahead with the CSS-2.

Mr. HAMILTON. Have you done that in the context of the tank sale?

Mr. CLARKE. No, sir, no more than we have told the Israelis that we don't think that they should be going ahead with their missile program and we should cut off our military aid to Israel because they have a ballistic program.

You cannot look at individual missile programs, either Saudi or Israel, and say because of that we should reduce significantly our military cooperation.

U.S. POLICY ON MISSILES

Mr. HAMILTON. We have heard from you folks again and again that the high national priority of the United States in the Middle East is to stop these missiles in the Middle East. If war is really going to break out and if you are really going to have a mess over there, these missiles are going to cause it.

I have the impression, prior to your remarks a few moments ago, that perhaps our highest priority in the Middle East is to stop missile proliferation.

Why then would it not be reasonable for the United States—let's drop the work linkage for a minute—to at least discuss it with the Saudis at the time we are talking to them about the tank sale? You indicated you did not do that.

Mr. CLARKE. I said we did not link it. We have discussed their missile sales with them. We discussed it with the country that supplied those missiles. As we made clear in testimony last week, we are spending an enormous amount of time, effort and capital trying to stop missile proliferation. But we would be reducing our influence if we tried to link the two.

Mr. HAMILTON. My impression is, from the position you have stated, that no country is going to take us seriously on this missile business if we refuse to do a little linking here and there.

In other words, if we always meet their demands and say okay we will sell you the tanks and we are going to keep the tank sale

separate from the missile sale, the two are not related and we don't want to link them at all.

If we take that position all the way through, it seems to me that we put ourselves in a position where countries that are acquiring these missiles are not going to take us very seriously. The Saudis are not taking us seriously. They are going ahead, as you said a moment ago, they are putting these missiles in and making them operational.

They are going ahead with these missiles. So they are not taking our rhetoric seriously.

Mr. CLARKE. Mr. Chairman, I have testified last week before this committee on the issue of missile proliferation. I think in closed session I outlined a number of places where countries have taken us seriously, where two countries have canceled major missile development programs because they took us seriously.

Mr. HAMILTON. And the Saudis?

Mr. CLARKE. The Saudis, sir, I think were considering a number of other missile deployments beyond the CSS-2. I see no indication they are going ahead with those additional deployments.

Mr. HAMILTON. But they are going ahead with the CSS-2 and they are not taking us seriously there, right?

Mr. CLARKE. I think they take our protests seriously.

Mr. HAMILTON. But they don't pay attention to them.

Mr. CLARKE. They pay a great deal of attention to them.

Mr. HAMILTON. But they have not done anything about it.

Mr. CLARKE. They have not canceled the program.

Mr. HAMILTON. They are going ahead with them and they are making them operational, and they are going to deploy them.

Mr. CLARKE. That is right.

IMPACT OF SALE ON BALANCE

Mr. HAMILTON. They are not paying much attention to us, Mr. Clarke.

Now the Administration, in the literature, says that the 315 tanks to Saudi Arabia "will not materially reduce Israel's substantial advantage." I am interested in that word "material". Does this sale or doesn't it reduce Israel's advantage?

Mr. CLARKE. It does not reduce Israel's advantage, Mr. Chairman, but I don't want to be put in the situation where I say 315 of the world's best tanks are not a significant military force.

The fact is that they could not be used in any significant way against Israel if only because of geography, because of the road networks in the area, the Israeli capability of deterring, attacking, preempting that force, attacking it long before it got anywhere near Israel.

Mr. HAMILTON. Well, what does the word "material" mean?

Mr. CLARKE. I think in that context it was a bow in the direction—

Mr. HAMILTON. Why not just say it will not "reduce", why do you put the word "material" in there?

Mr. CLARKE. I will be glad to strike the word "material". I think the word "material" was there as a bow in the direction of the fact

that 315 of the world's best tanks is not a force that is entirely insignificant.

Mr. HAMILTON. Now hold on here. It just doesn't stand to reason, does it, to sell 315 of the world's finest tanks in the world to Saudi Arabia and say that it does not reduce Israel's advantage. That statement on the face of it is almost absurd.

Mr. CLARKE. I don't think that is right, Mr. Chairman.

Mr. HAMILTON. 315 tanks are 315 tanks.

Mr. CLARKE. If 315 tanks were arrayed on the Israel border, I would have to agree with you. Given the fact that they are going to be deployed throughout Saudi Arabia, I would have to disagree.

Mr. HAMILTON. But they can get them to a conflict.

Mr. CLARKE. Not very easily, sir, and not if the Israelis don't want them to.

OTHER SALES AND TOTAL IMPACT

Mr. HAMILTON. When you add together this 315 tank purchase with the 200 M2 Bradley fighting vehicles and the 280 Brazilian armored cars purchased, and the possible second new tank purchase by the Saudis, aren't you in effect giving significant enhancement of Saudi mobility in armored equipment?

Mr. CLARKE. I would say we are giving them significant mobility. The tanks are not an extraordinarily mobile force in that environment.

Mr. HAMILTON. Now look, if you are an Israeli military planner and you see the Saudis putting together all this new equipment, isn't that something an Israeli military planner has to take into consideration and isn't it something that he has to compensate for, to plan on? He cannot just accept the conclusion you stated a moment ago that these tanks do not reduce Israel's substantial advantage.

Mr. CLARKE. I think an Israeli military planner and as you know, Mr. Chairman, I have spent a lot of time talking to Israeli military planners, an Israeli military planner would not think that tanks in Saudi Arabia would pose a significant threat to Israel, whether they were M-60's or M-1's. There is a long way to go before they get to Israel and Israel has extraordinarily capable means of taking them out on those few narrow roads that lead up toward that area.

I don't think the Israelis would think the M-1 would ever get anywhere near them.

STATIONING AT TABUK

Mr. HAMILTON. If a M1A2 tank were stationed in Tabuk, how far does it have to travel to reach Eilat in Israel?

Mr. CLARKE. About 200 kilometers on one narrow road through the mountain passes.

Mr. HAMILTON. What is the distance as the crow flies?

Mr. CLARKE. Tanks don't fly, but—

Mr. HAMILTON. That is an important addition to the record.

Mr. CLARKE. 200 kilometers as the crow flies, longer as the tank drives through mountain passes.

Mr. HAMILTON. 200 kilometers as the crow flies and much longer by road, correct?

Mr. CLARKE. That is correct. They are very vulnerable going through the mountain passes down that one road.

U.S. USE OF TANKS IN CRISIS

Mr. HAMILTON. In the letter of offer for the sale, are there going to be any provisions that would allow for the tanks or the other equipment to be available to the United States in a crisis situation?

Mr. CLARKE. That is not explicitly in the letter of offer.

Mr. HAMILTON. Isn't that ordinarily or frequently in a letter of offer?

Mr. CLARKE. No, sir.

Mr. HAMILTON. Is it ever in a letter of offer?

Mr. CLARKE. No, sir.

Mr. HAMILTON. Never in a letter of offer?

Mr. CLARKE. No, sir.

Mr. HAMILTON. It is never in a letter of offer?

Mr. CLARKE. I have never seen it in one. I don't think we ever put it in one.

Mr. HAMILTON. I see. Why don't you? It seems like it would be a pretty good provision; wouldn't it?

Mr. CLARKE. It sounds like a good idea. We will look at it.

Mr. HAMILTON. You might want to put it in the next one. But you stand on your testimony?

Mr. CLARKE. Yes, sir, I have read hundreds of these letters of offer and I have never seen that in one.

MI-A2 VERSUS MERKAVA

Mr. HAMILTON. How does the M1A2 tank we are selling to Saudi Arabia compare with the Merkava tank in the Israeli inventory?

Colonel ELDRIDGE. The tanks are comparable but they are designed differently. In the case of Israel, to take advantage of lessons learned from the 1973 War and the following on the lessons learned in Lebanon. The Merkava is 66 tons while the M1A2 is 68.5, but the A2 is more mobile because the Merkava is relatively underpowered.

The fire control system is similar. If you were to go one on one in a technical match-up, I would say the A2 would be a superior tank.

Mr. HAMILTON. Much superior?

Colonel ELDRIDGE. I would say superior. I have a classified comparison, an analysis I could provide in closed session, where we did a break out in 14 categories.

Mr. HAMILTON. Are they superior to the Soviet tanks, the T-72, that are in some of the Arab state inventories?

Colonel ELDRIDGE. Yes, sir.

DEPLOYMENT OF TANKS

Mr. HAMILTON. Where do the Saudis currently place their tanks?

STATEMENT OF ARTHUR H. HUGHES, DEPUTY ASSISTANT SECRETARY FOR NEAR EAST AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF DEFENSE

Mr. HUGHES. Mr. Chairman, in keeping with the threat as the Saudis perceive it, and from historical factors, their concept and strategy is to defend the entire perimeter of the country starting in the northeast, as Mr. Clarke has said, at Hafar al Batin and then down in the south and southwest and up around into the north-

st.

Mr. HAMILTON. How many are stationed at Tabuk?

Mr. HUGHES. Approximately 110 tanks with active units.

Mr. HAMILTON. With this addition they will be increasing strength; will they?

Mr. HUGHES. They have the AMX-30's at Tabuk. We believe the AMX-30's, since they are approaching obsolescence, will probably be taken out of service and replaced with the A-2's.

Mr. CLARKE. Tabuk is where their armor school is located.

Mr. HAMILTON. Are about half of the tanks based near Yemen? Is that about right?

Mr. HUGHES. That is about right, yes, sir.

TANKS IN NORTH AND SOUTH

Mr. HAMILTON. You have all this talk about the threat from Iraq earlier today. You listed Iraq as the number one threat, as I recall. Yet half of the Saudi tanks are at the other end of the country.

Mr. CLARKE. That is precisely why they want to buy these M1's. They have indicated to us that they want to build up a large force in the northeast.

Mr. HAMILTON. If the immediate threat is the northeast, why don't they get their tanks up there right away? Why do they keep them down south?

Mr. CLARKE. They had a Peninsula Shield Force created during the war between Iran and Iraq that was a deployment by all the Gulf Cooperation Council in the northeast, in Saudi Arabia. They created that two brigade force up there during the Iran-Iraq war and I think they now realize they need to increase it.

That is where they have been putting their emphasis for the last several years, in the northeast.

UPGRADE OF M60A1's

Mr. HAMILTON. The 150 M60A1's they have are being upgraded to M60A3's. That is being carried out on an 18 month program that began this year and will be completed in January of 1991.

What is involved in that tank upgrade, more fire power and armor?

Colonel ELDRIDGE. When you convert the M60A1 to A3 configuration, what you are basically doing is taking fire control components similar to the M1 and putting them into the M60 turret. It still has a 105 millimeter gun and the same chassis, same armor.

Mr. HAMILTON. Does that make the M60A3 a high quality tank?

Colonel ELDRIDGE. It makes it better than the M60A1 but not as good as the M1 which preceded the A1 and A2.

Mr. HAMILTON. What is your delivery schedule on the M1A2's?

Mr. HUGHES. A total of 315 will be delivered at the rate of 105 a year starting in 1993 through 1995.

Mr. HAMILTON. How long will it take the Saudis to integrate these tanks into their force? Will they be integrated the year they get the tanks?

Mr. HUGHES. No, sir. We expect that would take place over at least five years or so.

Mr. HAMILTON. Are these tanks going to the Army or the National Guard?

Mr. HUGHES. To the Army, sir.

U.S. PRODUCTION

Mr. HAMILTON. How much of the production is in the United States?

Mr. HUGHES. 100 percent.

Mr. HAMILTON. All of it is done here? Our production lines here, when these tanks begin to come off the line, how many will go into the U.S. inventory and how many will go into the Saudi inventory?

Mr. HUGHES. The sale to Saudi Arabia will not disrupt the Army acquisition schedule.

Mr. HAMILTON. What is the answer to the question?

Mr. HUGHES. I don't have that available.

Mr. CLARKE. The U.S. procurement plan for M1A2 calls for approximately 600 tanks per year, 105 a year for the Saudis and 500 a year for the United States.

That is the procurement plan.

Mr. HAMILTON. This tank doesn't go to any other country?

Mr. CLARKE. There is no other country which has requested it yet no other country for which we are processing anything.

Mr. HAMILTON. Mr. Levine.

UNITED STATES INTERESTS AND SAUDI INTERESTS

Mr. LEVINE. Thank you, Mr. Chairman.

Mr. Chairman, I think that the colloquy that you had with Secretary Clarke was an important and constructive colloquy with regard to what happens when there is a direct conflict between Saudi interests and American interests in Saudi Arabia.

It goes without saying that, when you listen to the responses you received from the Administration in the context of the CSS-2 missiles which the Saudis placed in Saudi Arabia under our noses—all the while misrepresenting to the United States what they were doing and now refusing to pull them out—we see again an example of the Saudis deciding they are going to pursue their own interest in the region as they perceive them contrary to what we believe to be Saudi interests and what we believe to be the interest of peace and stability in the region and despite Saudi assurances to the contrary.

Frankly, gentlemen, that is one of the reasons so many of us have such deep concerns about the qualitative cumulative nature of these arms transfers between the United States and Saudi Arabia. Secretary Clarke, you indicated that this sale would have no impact on Israel because, as you put it, Israel can stop them from reaching Israel if Israel wants to stop them from reaching Israel.

But I suggest when you combine the 315 Saudi tanks which, as you indicate, are the best in the world, with the AWACS which we have already sold to Saudi Arabia which give the Saudis unique ability to take a look at any type of aircraft the Israelis or any others in the region might be deploying, and the F-15's we have already sold to Saudi Arabia, then even if Israel might be able to stop some or most of these tanks from reaching Israel, they would

have to do it at a considerable cost to their defense forces if, in fact, a confrontation were in the making.

FRUSTRATIONS IN CONGRESS

This leads me to one of the frustrations we have with regard to the analysis that is so frequently presented by the Administration. I have now served four terms in Congress, and all four terms on this subcommittee. In every term I have been in Congress and on this subcommittee I have heard testimony from you and your predecessors as to why this sale or that sale or another sale will not have any material or any other kind of impact on Israel's qualitative edge in the region.

It is interesting that in eight years in the Congress the Administration has testified that not a single missile, not a single plane, not a single tank, not a single bullet will have any impact on Israel's security in the region. At some point in time that simply does not remain credible. That is one of the great frustrations that we have.

It may be that this particular sale will not, in and of itself, alter the balance in the region. One of the reasons I introduced and the committee passed and the Congress has now passed as part of the House-passed version of the foreign aid bill, a requirement that the Administration provide annual reviews of the qualitative impact of the range of arms sales in the region, is because we continue to get the standard boilerplate which does not reflect the reality. I will not insult your intelligence by asking you to suggest to me that the combination of AWACS, F-15's, and now 315 tanks won't cause Israel any expenditure of forces or any difficulties in terms of responding to that threat.

I would like to go back to your testimony with regard to the balance of deeds. I think it is very important. When Mr. Gnehm was talking about those deeds that the Saudis have performed which are consistent with the peace process and which helped move that process forward, you identified four. I would like to review them.

COMMENTS ON TESTIMONY

First, you said that Saudi Arabia has been involved in leading Egypt back into the fold, into the Arab world, that Egypt had been ostracized for a decade. But you did not mention that it was Saudi Arabia which helped take the lead in ostracizing Egypt for that entire decade.

When Egypt signed a peace agreement with Israel in 1979, immediately leaping to the fore was Saudi Arabia. I will stipulate that Saudi Arabia has joined with other Arab nations now in admitting Egypt back into the fold, but isn't it somewhat disingenuous to treat this as some form of miraculous or praiseworthy act when in fact it was Saudi Arabia who caused the problem in the first place?

Second, you say that in the course of the peace process the Saudis have encouraged parties to be moderate with regard to their proposals. Yet, I read into the record two resolutions enacted at the Arab summit in Casablanca in June 1989, in which Saudi Arabia formally and strongly on the record opposed the Shamir peace initiative and supported the right of return. I have a very difficult

time reconciling those two statements with the notion that the Saudis have been helpful on the peace process.

Third, you talked about the Saudis solid track record in Afghanistan. I buy that. That is very true. I think the Saudis have been very helpful and very constructive in Afghanistan. We have been extremely appreciative of that and we have responded to that in a variety of ways.

Fourth, Lebanon, I think the Saudis do deserve some credit in Lebanon in 1989 but that too has to be placed in context because it was the Saudis who were urging Washington to scrap the historic May 15, 1983 agreement in Lebanon that would have obtained disengagement and peace in Lebanon. I don't think anybody can credibly suggest that the situation in Lebanon would not be a lot better, a lot more stable in 1989 if the 1983 agreement had been adhered to. And it was the Saudis who were in the forefront of leading the Arab States to abandon that agreement.

These four—which are the only four you have placed on the record so far—are so-called steps toward peace and yet three of them are quite suspect. How do those stack up when you talk about a balance of deeds, with Saudi Arabia continuing to be in a state of war with Israel? Saudi Arabia continuing to lead an economic boycott against Israel despite repeated pressures and pleas from the U.S. Government that this is contrary to peace in the region? Saudi Arabia's continuing to vote in the United Nations even when Russia is no longer voting to deny Israel her credentials, despite frequent American entreaties for Saudi Arabia to change that vote?

SAUDI FUNDING IN AREA

Saudi Arabia continuing to fund Syria. Saudi Arabia continuing to fund the PLO. Saudi Arabia, and this gets to the question of credibility on the threat, Saudi Arabia is still funding Iraq which you say is the major threat to Saudi Arabia? It is somewhat perplexing that Saudi Arabia is providing the resources to the country that you think the is the major threat.

Saudi Arabia funding the Palestinian uprising. Saudi Arabia blackmailing Jordan not to move toward peace with Israel over the course of the past several years. And Saudi Arabia rejecting every single American attempt to move the peace process forward.

I hate to continue to detail this litany but the tragic fact is that despite implications and hints to the contrary, and despite implications and hints that Saudi Arabian behavior will change, unfortunately, when you stack up the balance of deeds in terms of the most basic American interests in this region, the balance is a deficit, not a surplus.

I think this needs to be placed on the record when you are taking a look at the sale of 315 tanks that is not an abstract sale but combined with F-15's, AWACS, and a range of military sales that add to \$30 billion that we have provided over the course of the last decade, the vast majority of which have been supported on a bipartisan basis in the U.S. Congress by myself, and by my colleagues, by people in both houses and both parties.

I would welcome any comments to that.

BALANCE OF SAUDI POLICIES

Mr. CLARKE. I will be glad to.

First of all, I think it is necessary to look at the balance of Saudi diplomatic activity. Congressman, I am not going to convince you that that balance deserves an A or a B or a C grade.

But I think it deserves at least a B. When you look at the Saudi diplomatic performance throughout the region, in Pakistan, Afghanistan, the Gulf, on the peninsula and, yes, in the peace process, I think they deserve a good grade.

It is not a coincidence that Egypt has been welcomed back into the Arab fold. It is not a coincidence that the PLO has moderated its position on the existence of Israel.

You state Saudi Arabia is continuing to provide Syria with financial support. There is no intelligence available to the United States today that says that is correct. All the information that we have says that it is not correct that the Saudis continue to provide aid to Syria.

You state that we need to use the tank sale or our overall military relationship with Saudi Arabia to get them to stop buying the CSS-2. I don't think it makes sense for the United States to say to Saudi Arabia, to say to any friend who is engaged in missile proliferation that we disapprove of that, if you don't stop a specific act of missile proliferation, we will punish you by reducing our military relationship. I don't think we ought to do that with Israel, which is developing missiles, I would rather not see them develop, nor should we do it to Saudi Arabia.

It is like shooting one's self in the foot because of one specific act that is not in my opinion at least a major or destabilizing act. The presence of missiles in the Middle East is destabilizing but I don't put the CSS-2 or Israeli Jericho 1 or 2 high on that list.

You say you are waiting for the day when the Administration will say that the military balance has slipped against Israel. Mr. Chairman, I am not waiting for that day. I think the United States has a commitment to Israel, constantly to improve its military capabilities so that it never slips relative to any conceivable group of Arab threats.

The reason that year after year, despite weapons going to Syria and Iraq and other countries that are plausible threats to Israel, despite all of that, the reason the military balance has not changed is because of our continuing flow of extraordinarily advanced military technology to Israel and our very beneficent funding of the Israeli military force. We are not going to let it slip. We are going to maintain the military balance. We are not maintaining it against threats from Saudi Arabia. We are maintaining it against threats from Syria and Iraq.

There are lots of weapons going to Syria and Iraq which I would be perfectly in agreement, threaten Israel. That is why we are constantly working with the Israelis as we are in the Arrow TBM program, as we are in the recent discussions of the Apache attack helicopters, to improve Israeli capabilities against the real threat which is Syria and Iraq.

As to the claim that we have spent \$30 billion or given Saudi Arabia \$30 billion worth of arms, the fact of the matter is that only

about 10 percent of that is arms. The vast bulk of that money which you cite, Congressman, is infrastructure, bases, buildings, building a military structure where there was none before. Only about 10 percent of that is actual weaponry.

A LIST OF ARMS SALES

Mr. LEVINE. If I could follow up the Secretary's comprehensive response, which I appreciate. I think it is important to get these issues on the record. Without detailing every arms sale, Mr. Chairman, I request unanimous consent to place in the record a list of some U.S. arms sales to Saudi Arabia over the course of the past decade. I would simply suggest, Mr. Secretary, when you say we are only talking about some ten percent of the \$30 billion being in arms sales, let me read a small listing of these.

Two sales alone comprise \$8 billion which in and of itself is some 30 percent of the \$30 billion. These are AWACS and Boeing 707 Ariel refueling aircraft. You add to that half a billion dollars of 200 Bradley fighting vehicles and half a billion dollars of 12 F-15C&D attrition aircraft and \$300 million of jamming pods and \$400 million of helicopters and \$100 million of Sidewinder missiles, and \$60 million of additional Sidewinders, 100 of Harpoons, 125 TOW anti-tanks, \$20 million of Stingers, \$170 million of battle tanks and \$33 million of Howitzers, and you get my drift. This is considerably more than ten percent of \$3 billion.

Mr. Chairman, with unanimous consent, I would like to submit this for the record.

Mr. HAMILTON. Without objection it is so ordered.¹

SAUDI PAYMENTS TO SYRIA

Mr. LEVINE. I would also like to challenge several other statements you made in your response. I regret we have to get into the accuracy of some of this but it is relevant to place this on the record. I suggest the Administration come back to this subcommittee and respond to a September 26, 1988 New York Times report on page 2, which says that only Saudi Arabia of all those states maintains regular payments to Damascus which totaled \$500 million a year since September 1978.

I would like to know whether that continues to be the case.

[The information follows:]

Saudi Arabia fulfilled its obligations to provide aid to Syria and other Arab states under the Baghdad Plan of 1978 which expired in late 1988. We have no evidence that the Saudis have provided any aid to Syria since fulfilling those obligations.

I also think it is not fair or accurate for you, Mr. Secretary, to suggest that I or anybody else on the subcommittee is suggesting that we are just waiting for the day for you to be able to say the military balance has slipped. That is not what I said. You know that is not what I said.

I said I spent eight years in this Congress hearing boiler plate answers that tell the Congress that whether it is a weapon system that involves the most sophisticated fighter aircraft on the face of the earth or the top of the line tank on the face of the earth, or the

¹ See appendix 4.

range of airborne or reconnaissance aircraft, or TOW missiles, Sidewinders, Stingers, Harpoons, that it doesn't effect the military balance vis-a-vis Israel. That is simply not a credible statement.

At some point in time this subcommittee is entitled to an analysis of just how the cumulative impact of those weapons systems affects the balance of power in the region.

I do want to say that I think the consultative process and the candor in the consultative process with regard to this sale is a significant improvement over what we saw during the years of the Reagan Administration. I don't want that to go unstated in public in this hearing. I think you have significantly improved the process and I think that the analysis and the answers we have received with regard to this sale are materially better than those we have received both in terms of process and in terms of substance, as opposed to the years under the Reagan Administration.

But frankly, even in that context, what we are getting in terms of the regional balance of power remains boiler plate. That doesn't mean we will necessarily oppose this sale. I have not made a decision. It needs detailed thought and analysis based on the testimony you are providing today. These responses are not candid or adequate when you take a look at the cumulative weaponry in the region. That is exasperating after listening to similar responses during seven years on this subcommittee.

I want you to know why I am as frustrated and exasperated as I am. I don't think we are getting a candid assessment of the cumulative impact of the arms in the region and the balance of power. That doesn't mean when you put this sale in context and combine it with the Harpoons, Bradleys, and other weapons that at some point in time there is an impact on the balance of power. None of us are saying we want to see the day when that balance of power slips. We supported the Administration's commitment to insuring Israel's qualitative edge.

CUMULATIVE IMPACT OF ARMS SALES

But at some point in time, a policy of unrestricted military sales to all Israel's neighbors who remain at war with her will either require the United States to open our Treasury or our war chest in order to provide possibly more weapons to Israel than we feel comfortable with, or it will significantly reduce Israel's ability to defend itself.

Nobody from the Administration has been candid about that either in the context of this sale or others.

On the peace process, you say Saudi Arabia lives in an unstable and unfriendly neighborhood. I don't doubt that. In many respects they are faced with challenges none of us want to see them live with. Israel always lives in an unfriendly neighborhood, a neighborhood where to this day, all her neighbors save one, exist in a state of war with her.

There is no higher American priority in the Middle East than achieving peace. Peace is not to be achieved through escalation of regional arms races. It is to be achieved by building confidence and trust among the parties in the region. I know we have tried for decades to get Saudi Arabia to drop its state of war with Israel. This

year we tried hard to get Saudi Arabia to abstain from voting against Israel at the UN and we failed.

I don't see why we don't say to our friends in the region, we expect more of you. That is America's first priority. It involves the tinder box in the region exploding and affecting the entire balance of power between East and West. And we have not yet obtained those minimal steps, dropping a state of boycott, dropping a vote against credentials in the United Nations, which we reasonably should have expected two decades ago.

If we want to see peace in the region, we have every reasonable expectation to believe our other friends in the United Nations, Saudi Arabia included, will take the minimal steps to encourage Israel. In the absence of that this stalemate will continue and there is a burden on Saudi Arabia that has not yet been met.

U.S. POLICY ON ARMS SALES

Mr. CLARKE. We have not been pursuing a sales policy. We have tried to stop some of the arms flows to Syria. I think if you look around not only at the intelligence community—as I said, we have a specific intelligence community assessment, which I will share on a classified basis with the Committee.¹ But if you look at independent and reliable outside views, no one has suggested that the military balance has shifted against Israel. I don't think it has.

One of my jobs is the American Chairman of the U.S. Israeli Strategic Cooperation Committee. In that capacity, it is one of my jobs to worry about Israel's advantage over any range of conceivable opponents. If I thought Israel's military balance were slipping I would not be testifying in favor of this sale, I would be asking you to appropriate more money for Israel.

Mr. Levine, with all due respect, I am being perfectly candid.

COMMENTS ON OVERALL POLICY

Mr. LEVINE. Mr. Secretary, I appreciate and respect your candid response. I do believe you are being perfectly candid. I am not suggesting that the balance has shifted. I am suggesting that I have now sat through innumerable proposals for arms sales to a range of countries that neighbor Israel and I have never yet heard any Administration spokesman from any department of this Administration or the prior Administration be willing to admit that any of these weapons that we say are the most sophisticated and lethal state of the art weapons on the face of the earth have any impact whatsoever on the regional balance of power with regard to Israel.

I also did not mean to suggest, and I appreciate your calling me on this, because I want to frame it somewhat differently, I did not mean to suggest that we are pursuing a policy of unrestricted sales to every one of the neighboring countries. But if we are not, a number of other nations, including us, are.

We have to factor, as you say, into the balance of Iraq, Syria and any range or grouping of potential adversaries to Israel. When you take a look at the combination of weapons that are increasingly available to the countries in the region, when you take a look at

¹ The Subcommittee received a classified response which is retained in subcommittee files.

Iraq as a potential threat for Saudi Arabia, which frankly, I find certainly not immediate, how can Israel not take into account Iraq as a potential threat to Israel?

Israel and we, as Israel's best friend, and ally, in the region, need to factor in the potential cumulative impact of arms in Iraq, arms in Syria, arms in Jordan, arms in Saudi Arabia, and arms in those other countries that may use them against Israel.

I am simply suggesting, Mr. Secretary, that when we have these hearings year in and year out and continue to sell these arms year in and year out, as we do, at some point in time it would be helpful to the subcommittee to get the cumulative balance in either closed or open session, and factor in the range of countries, the range of weapons, and the cumulative impact of all those countries and the supplies they have obtained not just from the United States, but from other countries as well.

INTELLIGENCE REVIEW

Mr. CLARKE. In addition to this particular and specific intelligence community assessment on this sale, the intelligence community has a regularly scheduled national intelligence estimate on the Arab-Israeli military balance, which is available through the Intelligence Committee here.

Another version of that national intelligence estimate is, I think, going to be prepared next year. It is not as though the Administration does not regularly monitor this situation. Perhaps the reason that in hearings where we are advocating sales of particular weapon systems, you never hear that we think these weapons systems are contributing to the arms imbalance is because we are not selling weapons that are doing that. The weapons that are doing that are going to Iraq and Syria and they are not the ones we bring forward.

In response to the issue of how much of the dollar value of the arms is, in fact weapons, I would like to enter into the record a chart which I will provide which says of the \$48.293 billion of military sales that we have had with Saudi Arabia, 11.7 percent consists of weapons and the ammunition for those weapons; 8.5 percent for command and control; 2.8 percent for training services; 40.2 percent for logistics; 31.6 percent for construction, and 5.2 percent for other purposes.

I might have exaggerated slightly when I said 10 percent for weapons, but not by very much.

Mr. HAMILTON. Mr. Bosco.

BALLISTIC MISSILE ISSUE

Mr. Bosco. Briefly, I wanted to go back to the point of ballistic missiles. I think it is generally our country's policy not to support ballistic missiles in that region. We don't support Israel's assistance to South Africa in their ballistic missile program either. So I think there is plenty of concern about ballistic missiles to go around.

Would it be your thought that if we were to link the sale of weapons to Saudi Arabia based on their ballistic missile program,

or purchases thereof, that we would have to do the same with Israel?

Mr. CLARKE. I hope we would not have to do it in either case. In the Saudi Arabia case, if we linked it, the Saudis would simply go elsewhere. If we linked it in the Israeli case, we would reduce the military edge we want to keep.

Mr. BOSCO. What is our position on ballistic missiles in Israel?

Mr. CLARKE. Our position with regard to Israel is the same as it is with regard to most countries in the Middle East.

MAKING LINKAGES

Mr. BOSCO. If we were to link this issue in the Middle East, would we not have to link it for all? I mean, how could we have any foreign policy that made sense by telling the Saudis that we disapproved of their having ballistic missiles and therefore would not sell them arms and then tell the Israelis, that "We disapprove of your having ballistic missiles but we will sell you arms."

Mr. CLARKE. That is right, Congressman. The U.S. has a consistent position on missile proliferation. That is that we don't think anybody ought to be procuring, acquiring, developing on their own, ballistic missiles of that sort of range. That is why we have adopted the missile technology control regime and that is why in the INF Treaty we are blowing up our own missiles of that range. We don't think anybody ought to be doing it.

But the real question is, is that single issue enough to break off the military relationship. I think the Administration would judge in the case of Saudi Arabia and in the case of Israel, the fact that they are procuring these missiles, despite the fact that we have told them we would rather they not, is not sufficient grounds for breaking off our military supply relationship.

Mr. BOSCO. Were we to start this policy, I imagine the scope of this policy would spread rather quickly at least theoretically?

Mr. CLARKE. I think if we started this policy we would lose influence throughout the Middle East very rapidly.

OTHER POSSIBLE PURCHASES

Mr. HAMILTON. Just a few other questions, gentlemen. I know you have had a long morning here.

The Saudis, are they looking at a mixed purchase of tanks here? They want some of the Brazilian tanks, too, do they not?

Mr. CLARKE. They have not made a decision on the Brazilian tanks.

Mr. HAMILTON. They have not told us whether they are going to buy the Osorios or not?

Mr. CLARKE. They told us that they have not made a decision.

Mr. HAMILTON. Do you have any judgment about that?

Mr. CLARKE. The likelihood of their buying some would be greatly increased if this sale does not go ahead. I don't know what they will do if it does go ahead.

Mr. HAMILTON. What are the capabilities of Osorio in comparison with the M1-A1?

Mr. HUGHES. It is much less of a tank. The Osorio will also have a 120 millimeter gun. But it is only 40 tons, so the crew protection

and the sophistication of the fire control system would be somewhat less.

Mr. HAMILTON. What about the British Challenger, are they not going to go ahead with that?

Mr. CLARKE. Not if we go ahead with this one. There is an interesting effect on the Challenger II program. If the Saudis were to buy the Challenger II because they could not acquire the M1-A2, that would start production of the Challenger II. That would, I think rule out the very real possibility that we could sell the M1-A2 to the United Kingdom. So we would have the triple effect of not selling to Saudi Arabia not selling to Britain, and introducing into the world market a competitor tank for the M-1.

I think the gross effects of that could be well over \$1 billion, just with those two sales.

CHALLENGER II ISSUE

Mr. HAMILTON. Are you suggesting that if the Saudis do not buy the Challenger II, does that mean the United Kingdom will not build the Challenger II?

Mr. CLARKE. We are engaged in a negotiation with the United Kingdom. That is the impression we have. We would like them to buy the M-1A2.

Mr. HAMILTON. If the Saudis do not buy the British Challenger II, then we think the British might buy the M1-A2?

Mr. CLARKE. The chances of the British going ahead with the Challenger II, if they don't have the Saudi sale, are very low. The chances of the British going with the M1-A2 are very high if there is no Challenger II foreign market.

Mr. HAMILTON. There is no depleted uranium ammunition in this sale, am I correct?

Mr. CLARKE. There is no depleted uranium ammunition as part of this sale.

Mr. HAMILTON. And the amount of ammunition that we are providing, is that about the same as the amount associated with these tanks in the United States Army inventory?

Colonel ELDRIDGE. Yes, sir. The ammunition provided is the 100 rounds of training ammunition per tank per year which is the same as our own program. For combat ammunition, it breaks out to about 240 rounds per tank, which is about a standard basic combat load.

DEPLETED URANIUM ARMOR

Mr. HAMILTON. Will the Saudi M1-A2 tank have depleted uranium armor?

Mr. CLARKE. Mr. Chairman, I think the answer to that question is the question of what equipment is on or off the tank has been provided in a classified response. I would like to keep it on the classified basis which we have provided to the committee.

Mr. HAMILTON. Can you answer that difference that kind of armor makes with regard to the survivability of the tank if that is it?

STATEMENT OF COL. BO ELDRIDGE, U.S. ARMY

Colonel ELDRIDGE. The M1-A2, with the full suite of depleted uranium armor and the survivability enhancements, is designed to

stand up to the FST-2. The M-1A2, if it did not have depleted uranium armor, would still be able to stand up satisfactorily to the T-72, which is the regional threat.

Mr. HAMILTON. What was the first one you mentioned?

Colonel ELDRIDGE. The FST-2 is the future Soviet tank 2.

Mr. HAMILTON. That is the future Soviet tank?

Colonel ELDRIDGE. Yes. That is not in the region.

Mr. HAMILTON. Any other questions?

CSS-2 MISSILES USE

Mr. LEVINE. Mr. Owens asked me to ask a followup question for him. He was sorry he had to leave.

In the context of your CSS-2 colloquy, Secretary Clarke indicated there was no intent to put either chemical or nuclear warheads on the CSS-2s.

Mr. Owens asks, if that is the case, why do they want the CSS-2s?

Mr. CLARKE. They wanted them, as I suggested, to deter Iranian use of the SCUD missile against their oil refineries in coastal cities. The SCUD missile does not have a chemical or nuclear round in the Iranian inventory. These weapons that were used in the Iran-Iraq War against cities were basically used as weapons of mass terror. Their accuracy is such that you can count on them hitting somewhere in a city but not much beyond that. But with the HE, high explosive warheads that they have, when they do hit, they can knock down whole blocks of buildings.

Mr. LEVINE. I received a private report last week that someone in the Administration indicated privately that the Saudis were unhappy with the Tornado contract that they currently have, and that they are interested in not having the entire Tornado contract filled if they can obtain a state of the art high quality fighter aircraft from us. Do any of you know anything about that?

Mr. CLARKE. I can agree with the first part, that they are not exactly happy with the Tornado, that it doesn't measure up to all the advertised specs. As far as our conversations with the Saudis about any future fighter aircraft sales, we have not had any detailed conversations with them. We are aware that they are interested in replacing the F-5, but we have not had detailed conversations about either.

They are not very far along in their own decision making, their own evaluation. When it comes time to provide the Javits report, at the end of January we will be providing the Congress with information on the status of the Saudi procurement decision. But right now it is not very far along.

TORNADO SALE

Mr. LEVINE. But that is not on anything pertaining to the Tornado contract at this time.

Mr. CLARKE. We have had not conversations with them at all about the Tornado contract.

Mr. LEVINE. Let me follow up a point that was reported to me that was raised at an Administration briefing with regard to this sale. I was told the second argument advanced in an Administra-

tion briefing with regard to this sale was the economic or jobs issue.

That has not been a substantial part of the hearing today and I think that is appropriate. But I am interested in knowing, in light of the Administration's reference to that as point two in support of this sale at an earlier briefing, I would like to know whether the Administration believes that economics should be the primary rationale for arms sales to the Saudis and other Arab states.

Mr. CLARKE. We do not. We think the primary rationale for any weapons sale should be its contribution to regional security. After we determine that, we do look at the economic impact, but only after that decision has been made.

SAUDI ROLE WITH CONTRACTORS

Mr. LEVINE. Do we either accept or endorse or support the efforts of the Saudi Embassy in Washington to visit various military contractors around the country and say that this sale means jobs? Do we think this is appropriate conduct for a foreign diplomat?

Mr. CLARKE. I don't know they are doing that. I take it that you can have information that they are doing that.

Mr. LEVINE. How do you feel about that, assuming that they are, and I can assure you that they are.

Mr. CLARKE. I would prefer that foreign governments not try to influence our decision making at all but I think it is a pretty common custom around here.

Mr. LEVINE. Do we have a position on this particular practice?

Mr. CLARKE. The Administration has no position.

Mr. LEVINE. The Administration has not encouraged this practice, correct?

Mr. CLARKE. Absolutely not.

Mr. LEVINE. Has it occurred with any consultation or and knowledge of the Administration?

Mr. CLARKE. As far as I am aware, and I think I would be aware, we have not had any consultations with the Saudis about this. In fact I did not know it was happening.

Mr. LEVINE. What about the Pentagon?

Mr. HUGHES. No, sir.

DENIALS TO ARAB STATES

Mr. LEVINE. Was there ever a time when we have refused to sell military equipment to an Arab state when they have asked for it?

Mr. CLARKE. Yes.

Mr. LEVINE. Can you give me an example or two?

Mr. CLARKE. We did not provide the Jordanians with fighter aircraft recently when they asked for them. We did not provide them with mobile air defense missiles when they asked for them. We did not provide the Saudis with the aircraft that they were interested in when they instead bought the Tornado and the two different types of training aircraft that went with them in that package.

Mr. LEVINE. Can you tell me what they requested in that sale and what we did not provide?

Mr. CLARKE. In detail I am not sure I can. Maybe Skip can.

SAUDI DESIRE FOR AIRCRAFT

Mr. GNEHM. In the aircraft part of the package, the Saudis have always been interested in having more F-15's. That goes back to the original sale. There has never been any doubt of it on the Hill as well.

It was, in fact, legislation that prohibited further sales beyond 60. It was our unwillingness to change that decision that led the Saudis to go elsewhere.

I want to add a footnote to this question, that there are always a number of requests that come from a variety of governments for access to technical data to evaluate a weapons system, which is a very early step in the process. Many of these are denied because we are not willing to proceed with sales. To suppose we are always coming up here with a sale that we say doesn't have an impact, ignores the weeding out process. The consultative part of the process with Congress has an impact on that as well.

A lot of things fall out very early on in the process that never reach this point of the process.

Mr. LEVINE. That is reassuring.

Mr. CLARKE. Typically what happens is an American contractor will, after receiving an expression of interest, come to our bureau and request a marketing license and we will deny that license so the request from the country will never come.

ABILITY OF ISRAEL TO KEEP UP

Mr. LEVINE. Secretary Clarke, you indicated earlier that Israel will be able to keep up and if you were at all concerned that Israel was not going to be able to keep up, you would be here testifying on behalf of additional arms for Israel. Israel has had to forego numerous aspects of its military modernization program already.

I submit that it has had to forego those aspects simply because it cannot keep up and simply because the economic burden is already too great. We don't give these weapons to Israel, we sell them. Some come from foreign military sales dollars but Israeli purchases are also purchases.

It seems to me that when we are talking about this type of a purchase in the context of all the purchases that have gone before, we are talking about at least an implicit endorsement of an arms race in the region.

I hope that you can convince me and the subcommittee that that is not true. I know that you are not seeking an arms race in the region, but unfortunately as I see it and as I know as a number of my colleagues see it, this cumulative process looks like we are at least implicitly endorsing an arms race and one in which ultimately, frankly, Israel will not be able to keep up. By already forgoing modernization and by making the kind of judgments and decisions and cutbacks that Israel is already being forced to make, then given America's stated commitment and yours earlier today to maintaining Israel's qualitative edge, how do we factor in the difficulty that the Israelis have in terms of keeping up with the qualitative and cumulative impact of arms, not necessarily explicitly from us, as you indicate, but from the range of parties that supply arms to the entire group of Israel's potential adversaries?

Mr. CLARKE. Congressman, I am not sure it is an important distinction but we do, in effect, give the weapons to Israel. They may be purchases but they are entirely funded by U.S. tax dollars whereas the Saudi purchases are not. The Israelis have foregone some military plans but not significant plans. There is not a major weapons system that the Israelis have had in their five-year procurement plan that they have been unable to procure.

If they ever had a weapons system that they had in their procurement plans that we and they agreed was necessary and they were unable to fund it, we would be up here asking for money to make sure it was funded. We work closely with them with the Joint Assistance Planning Group, JASP, to make sure their five-year plans do meet their needs and are adequately funded, and we think they are adequately funded today.

ASSURANCES PROVIDED IMPORTANT

Mr. LEVINE. Mr. Chairman, I think that we have received a number of extremely important assurances on the record here today. I want to thank you very much for your thoughtfulness in convening this hearing.

I want to compliment the Administration witnesses. As you may have gathered, we do not entirely see eye to eye on all the underlying premises and conclusions but I do want to say and emphasize for the record that this process is a considerably better one than the one we have had before.

Even though I express my frustration at what I view as boilerplate, which is my principal concern, I think we are seeing an improved process and I think the Administration has been very helpful and considerably more responsive than it has been in past years.

I want to thank the Administration for that.

Thank you, Mr. Chairman.

Mr. HAMILTON. Thank you, Mr. Levine for your participation. I think it has been an excellent hearing. I would like to request that you review carefully your testimony with respect to the destabilizing impact of those missiles. The impression I have been left with as a result of the testimony here is that you have downgraded the destabilizing impact of those missiles from testimony that I have heard previously.

I may not be accurate in that but I would appreciate if you would review your testimony to see if you are particularly satisfied on that particular point and, if you are not, then to make corrections for the record.

So we have had a good hearing and we have appreciated your participation.

The hearing is adjourned.

[Whereupon, at 12:10 p.m., the joint hearing was adjourned.]

APPENDIX 1

**Fact Sheet: Proposed Sale of the M1A2 Tank to Saudi Arabia
Submitted by the Department of State**

Why Sell the M1A2 to Saudi Arabia? The Sale Is in the US National Interest.

Strategic:

- Preserve 45 years of *military cooperation* and *interoperability*
- Assist in defense of *25% of world's oil reserves*
- Maintain US influence in a *vital region*
- Enhance *regional stability*

Foreign Policy:

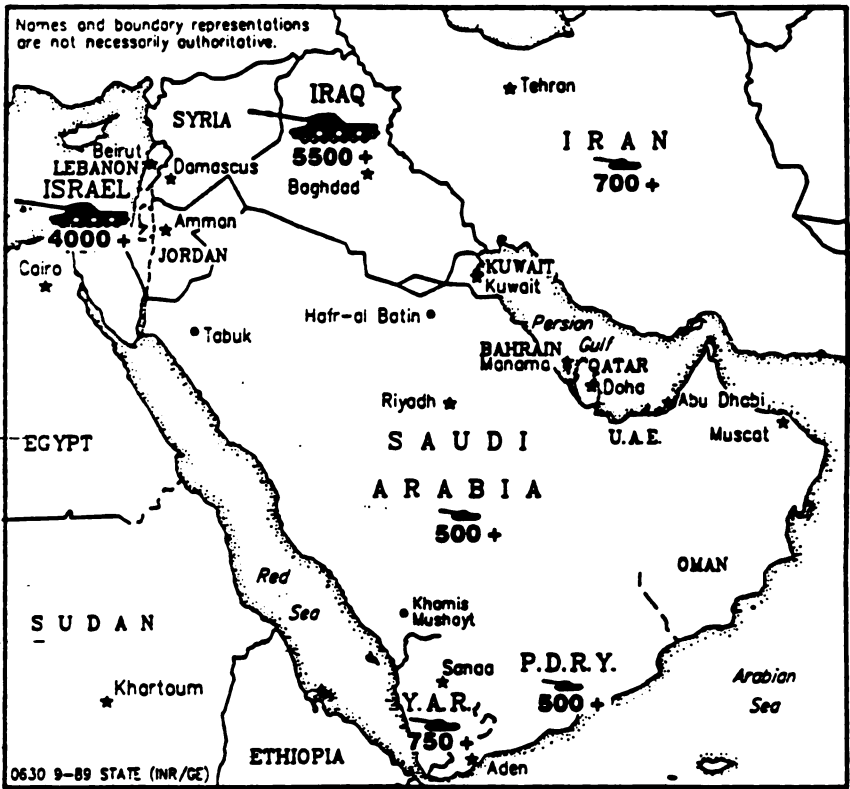
- Promote cooperation in pursuit of shared objectives
 - Persian Gulf
 - Afghanistan
- Strengthen a force for *moderation* in region

Economic:

- \$3 billion to US *balance of payments—cash sale*
- Over 50,000 man-years of *US employment*
- Over \$600 million in *savings to Army and USG*
- *Foreign vendor* will make sale if we do not

(69)

Selected Tank Levels



Israel	M48A5, M60/A1/A3, Merkava, Centurion, T-62, T-54/55
Iraq	T-72, T-62, T-54/55
Iran	M-47, M-60, Chieftain, T-72, T-62, T-54/55
Saudi Arabia	M60/A1/A3, AMX-30
PDRY	T-62, T54/55, T-34
YAR	M60/A1, T-62, T-54/55, T-34

Overview of the M1A2 Sale

Item	Quantity	Value (\$M)
Major Defense Equipment (MDE):		
M1A2 Abrams Tanks (w/ ancillary equipment)	315	1148
M88A1 Recovery Vehicles	30	45
M998 Utility Trucks	175	7
Non-Major Defense Equipment:		
Trucks and Transporters, Logistics and Training Support, Ammunition, Technical Assistance, Design and Construction of Facilities		1872
Total Value:		\$3072 million

- Delivery in the mid-1990s

Estimated Economic Benefits of Sale

Total Value of Sale: **\$3.1 billion**

Economic Benefits (tank and basic support)

Total US Income: **\$1.8 billion**

US Man-Years of Employment: **57,000**

Number of States Benefiting: **40**

USG Revenues: **\$530 million**

Savings to the US Army: **\$150 million**

- 100% effect on US balance of payments, i.e., \$3.1 billion in exports
- Tanks built entirely in the US
- Full payment in cash; no cost to taxpayers
- Will help sustain economic production levels at Lima and Warren Tank Plants

Competitors

Country	Main Battle Tank
Brazil	Osorio
Britain	Challenger II
France	AMX-40

**MANUFACTURER'S MOST RECENT ESTIMATES OF
TOTAL ECONOMIC BENEFITS OF SAUDI TANK SALE
(TANK ONLY)
(with major contractors)**

ALABAMA	\$13.9 million	434 man-years
Huntsville Huntsville Electronics Division Test equipment		
CALIFORNIA	\$124.5 million	3,899 man-years
El Segundo Hughes Aircraft Rangefinder		
San Jose FMC Corporation		
CONNECTICUT	\$209.9 million	6,559 man-years
Stratford Textron Lycoming Engine		
GEORGIA	\$37.8 million	1,181 man-years
ILLINOIS	\$30.8 million	961 man-years
INDIANA	\$121.7 million	3,803 man-years
Indianapolis Detroit Diesel Allison Transmission		
South Bend AM General M998 Utility Truck		
MASSACHUSETTS	\$11.0 million	343 man-years
Northampton Kollmorgen Sights		
MICHIGAN	\$387.7 million	12,115 man-years
Troy General Dynamics Land Systems Division Headquarters		
Warren General Dynamics Tank		

MICHIGAN (continued)

Warren
Cadillac-Gage
Turret Drive

Sterling Heights
General Dynamics
Electrical Equipment

NEW JERSEY **\$34.9 million** **1,090 man-years**

Clifton
Singer-Kearfott
Datalink

NEW YORK **\$50.4 million** **1,573 man-years**

Watervliet
Watervliet Arsenal
Gun Barrel

OHIO **\$148.4 million** **4,636 man-years**

Lima
General Dynamics
Tank

OKLAHOMA **\$7.6 million** **238 man-years**

PENNSYLVANIA **\$49.2 million** **1,537 man-years**

Scranton
General Dynamics
Suspension

SOUTH CAROLINA **\$11.2 million** **348 man-years**

TEXAS **\$61.5 million** **1,776 man-years**

APPENDIX 2

SALE OF ABRAMS TANKS TO SAUDI ARABIA

FOREWORD

President Bush has informed the Congress of his intent to sell Saudi Arabia 315 M1A2 Abrams tanks, along with support equipment, spare parts, ammunition, and training, in response to a request by the Saudi Arabian Government. It is United States policy to provide for the legitimate security and defense needs of our moderate Arab friends. This sale will demonstrate to the Saudi Government as well as to others in the region that the United States supports Saudi Arabia's reasonable, responsible efforts to improve its national security. It will enhance the deterrent value of Saudi forces that guard natural resources of critical strategic importance to the United States and the West. It will preserve the interoperability between Saudi and US forces that proved so valuable and successful during the Persian Gulf operations resulting from the Iran-Iraq War. It will reinforce the mutual trust and confidence that have existed between Saudi and American forces for 45 years. Finally, it will provide a \$3 billion boost on the export side of the US balance of payments ledger, tens of thousands of man-years of employment, and over \$680 million in savings and revenues to the US Treasury.

Saudi Arabia is determined to upgrade its armored forces to deter the very real threats in that dangerous part of the world. By proceeding with this sale, the United States will reap important strategic and economic benefits that would otherwise go to another foreign supplier.

The cooperation between the United States and Saudi Arabia during the Iran-Iraq War was the most recent proof that our relationship *has* been beneficial to America as well as to Saudi Arabia. We need to continue to build upon this successful cooperation and further strengthen this important relationship.

THE US-SAUDI RELATIONSHIP

Shared Interests and Objectives

Saudi Arabia is a longtime friend of the United States with whom we have worked closely to achieve mutual objectives.

The United States has fundamental national interests in the stability and security of Saudi Arabia and the Gulf region. Saudi Arabia now provides 15 percent of our oil imports and has over a third of all the excess oil production capacity in the world. Its vast oil reserves will become increasingly important in the 1990s. A strong, confident Saudi Arabia will be able to provide for its own defense and contribute to broader stability throughout the Gulf region by deterring potential aggression.

The Saudis supported US diplomatic and military policies in the Persian Gulf during the war between Iran and Iraq. They have consistently supported our military presence in the Gulf, doing so with concrete assistance for our operations there. They have consistently stood firm in the face of radical Iranian activities.

Saudi Arabia is playing a leading role in Arab League efforts to bring peace to Lebanon, efforts the United States Government strongly supports. The Saudis want to see a negotiated settlement of the Arab-Israeli problem and were instrumental in Egypt's readmission to the Arab League with Egyptian ties to Israel intact.

We have worked together with Saudi Arabia to support the *mujahedin* in Afghanistan. The Saudi contribution was crucial to achieving the withdrawal of Soviet forces from Afghanistan.

The Saudis play a major role in the International Monetary Fund, the World Bank, the World Food Program, and other economic development programs of interest to the United States.

With the world's largest reserves of oil, the Saudis have an interest in being a stable, long-term supplier of oil to the West. Accordingly, they are a force for stable oil supplies and prices. US oil imports are increasing, a trend that is expected to continue. We therefore share with Saudi Arabia the need for stable prices and supplies and for the security and stability of the Gulf.

The Defense Relationship

The US-Saudi defense relationship goes back more than four decades through the administrations of ten Presidents. King Abdul Aziz granted permission for Allied aircraft to overfly Saudi Arabia during World War II and for the United States to build an airfield at Dhahran, now a major Royal Saudi Air Force base. A close security relationship developed in the 1950s, with a mutual defense assistance agreement signed in 1951 and Saudi defense purchases

The US-Saudi Relationship

from the United States beginning in 1955. Since that time, the United States has been Saudi Arabia's principal defense partner. Problems and instabilities in the region impressed on Crown Prince Faisal the need for a capable, modern defense force, and he set out to develop one with American advice and equipment when he came to the throne in 1964. In the succeeding two-and-a-half decades, close Saudi-American cooperation has made possible the development of a credible defensive force.

Although this relationship is not just a matter of hardware, defense sales have been at the heart of US-Saudi defense cooperation. This program of cash sales offers three major policy benefits to the United States.

- The equipment and training provided improve the Saudis' ability to defend themselves and, in cooperation with other members of the Gulf Cooperation Council, the region.
- Providing US-made materiel and teaching American military doctrine ensure that the United States and Saudi Arabia are able to operate together effectively in response to threats to mutual interests.
- The program provides a channel for communication and access with Saudi military and civilian officials at all levels.

The wisdom of this program was vividly demonstrated during the decade of the Iran-Iraq War, as US and Saudi armed forces cooperated extensively to deal with the threat to our common interests. The trust developed through the defense relationship was the foundation upon which this cooperation could be based. Defense equipment sold by the United States, particularly the F-15 Eagle fighter and the E-3A AWACS aircraft, enabled the Saudis to play a direct role in protecting themselves, US forces, and neutral shipping in the Gulf. Years of close contact between American and Saudi military personnel made it possible for them to operate together effectively. The close ties also led the Saudi Government to make major contributions to the logistic support of US operations.

A strong US-Saudi security partnership is key to maintaining close and effective relations. Unfortunately, this partnership has eroded in recent years as a result of US inability to respond to legitimate Saudi requests. The Saudis have therefore turned increasingly to other suppliers, who have moved eagerly to take over from the United States as Saudi Arabia's principal defense sales partner. It is not in the interest of the United States, Saudi Arabia, or Israel for us to be supplanted by other arms suppliers. Competing suppliers do not necessarily share the broader US policy objectives of a defense supply relationship, nor do they require the safeguards and assurances that go with every American defense equipment sale. Furthermore, replacement of American equipment with foreign equipment carries with it changes in specifications, training methods, logistic support philosophies, and operational doctrines that will make it more difficult for US and Saudi forces to operate together in defense of common interests.

Saudi Arabia is too important to the national interests of the United States to allow this trend to continue. We cannot allow our relationships with our friends in the Gulf to weaken and expect to rebuild them overnight should a threat arise to US interests.

THE ABRAMS TANK SALE: THE BASIS

The Saudi Defense Challenge

The rationale for selling the Abrams tank to Saudi Arabia is rooted in certain realities of the Saudi defense challenge. Saudi Arabia has an area of 816,000 square miles--roughly the size of the United States east of the Mississippi--and 2716 miles of land boundaries. Its major population and industrial centers are widely dispersed, with the principal concentrations being Riyadh, the Jeddah-Mecca-Taif area, and the Jubail-Dammam-Dhahran area on the Persian Gulf. Within its territory are more than one quarter of the world's proven oil reserves and the two holiest cities of Islam.

To defend this large area, the Saudis must draw on a relatively small population. The Saudi armed forces are therefore smaller than those of any of the major regional powers. Furthermore, the Saudis face threats from a variety of directions, complicating their defense task.

Armored Force Modernization and the Abrams Tank

The present Saudi tank force is seriously in need of improvement. The majority of the force is made up of French-built AMX-30 tanks. This tank was designed thirty years ago and is obsolescent. The remainder of the tank force consists of US-built M60-series tanks in the A1 and A3 configurations. The M60A1 entered service with the US Army in 1962. The M60A3 is an upgraded version introduced in the late 1970s. The Saudis are in the process of modernizing their remaining M60A1s to A3s. While the M60A3 is a capable tank, its 105-millimeter gun cannot deal effectively with the most modern tank threat in the region.

No tank in the present Saudi armored force is capable of defeating the Soviet-built T-72 one-on-one. The T-72 is already in the Iraqi inventory in large numbers, while the Iranians are reportedly using T-72s captured during the war. The deterrent value of the present Saudi tank force is obviously declining as potential adversaries continue to improve and expand their own arsenals. The Saudis are both outgunned and outnumbered, as the table shows. They seriously need to upgrade their armored forces and they will.

There are several possible candidates to fill the Saudi requirement for a modern tank. In 1987, the M1A1 Abrams, the Brazilian Osório, the French AMX-40, and the British Challenger were evaluated in the Saudi desert. As a result of that test, the Saudis have expressed an interest in buying 315 Abrams tanks. The Abrams was designed specifically to be superior to the T-72. It would give the Royal Saudi Land Forces improved mobility over severe

TANK FORCES OF THE GULF REGION

	Iran	Iraq	Saudi Arabia	North Yemen	South Yemen
High Quality					
T-72	few	400			
M60A3			100		
Medium Quality					
Chieftain	some	100			
T-62	150	1200		50	some
M60A1	some		150	64	
T-55 Type	some	3500 +		450	some
AMX-30			300		
Low Quality					
M47/M48	some				
Scorpion	some				
PT-76		200			
T-54		100		136	some
T-34				100	
TOTAL	1100	5500 +	550	500	470

Source: Jaffe Center for Strategic Studies, *The Middle East Military Balance, 1987-88*

terrain, advanced fire control technology to offset their numerical disadvantage, enhanced crew survivability, and a reliable, maintainable tank that would optimize the use of their technically trained soldiers. The Abrams tank proposed for sale to Saudi Arabia is a version of the M1A2 adapted to meet Saudi Arabia's peculiar requirements. The difference between the M1A1 and the M1A2 is described on pages 12-13.

THE ECONOMIC IMPACT

Income and Employment

The cash sale of 315 M1A2 tanks to Saudi Arabia would have important economic benefits for the American economy, particularly in the communities where the Abrams tank, its components, and the support equipment included in the sale are produced. According to the prime contractor's latest estimates, the tank and its basic support alone (which make up less than half the value of the sale) would generate over \$940 million in direct income and almost the same amount of indirect income, for a total increase in national income of more than \$1.8 billion.* This part of the package offers nearly 33,000 man-years of direct employment opportunities and 24,000 man-years of indirect employment opportunities. Again, these totals do not include additional income and employment from the sale of ancillary equipment and additional support and services that are included in the proposed package.

Altogether, 40 states would see economic benefits, with the greatest impact in Michigan, Connecticut, Ohio, California, and Indiana. Each of these five states would receive more than \$100 million in income and more than 3,000 man-years of employment. A table showing the main beneficiaries of the sale is provided at the end of this section. The sale should be especially important to Michigan and Ohio, where the declining US defense budget has required that consideration be given to closing one of the two plants producing the M1-series tank (Warren and Lima). A Saudi sale combined with US Army procurements could generate enough work to operate both plants economically.

As with all other elements of the US defense supply relationship with Saudi Arabia, sales of the M1A2 tanks will be on a cash basis.

Effect on the Federal Budget

The US Government would realize at least \$680 million in savings and revenues from the sale of the tanks alone. The Army would see savings in its own tank procurement program of more than \$150 million over a five-year period. Saudi Arabia would pay the US Treasury its fair share of the nonrecurring research and development and production costs the Army has incurred in the Abrams tank program, amounting to some \$75 million. In addition, the Saudis would pay the Treasury \$62 million for the use of the US Government-owned plants and equipment used to produce the tanks. Finally, federal tax revenues are estimated at \$395 million.

* "Indirect income" refers to economic activity generated as manufacturers and their employees spend a portion of the income directly coming from the sale. The Bureau of Labor Statistics estimates that every dollar of direct income generates an additional 96¢ in indirect income. The distinction between direct and indirect employment is similar, except that the multiplier is 0.75 rather than 0.96.

THE SALE AND ISRAEL

Israel enjoys a substantial military advantage over any foreseeable combination of hostile forces in the region. The sale of 315 tanks to Saudi Arabia will not materially reduce this advantage, which the United States is committed to preserving.

Israel's military advantage is more than a matter of comparing numbers of tanks. Several other important factors must be considered.

The first is Israel's proven ability to use its forces effectively. Modern warfare requires close cooperation between air and ground forces and between diverse branches of any army. The Israeli Defense Forces are excellent in this regard. Furthermore, Israel has the intelligence, logistics, and command, control and communications (C3) capabilities to respond quickly and effectively to any threat. These skills are the true source of Israel's qualitative edge to a much greater extent than mere numbers of hardware.

Secondly, it would be exceedingly difficult for Saudi Arabia to attack Israel, even if it were so inclined. Saudi armored forces have always been deployed defensively, dispersed throughout the Kingdom to face potential threats from different directions. They are not postured, equipped, or trained to deploy rapidly across country, and therefore cannot easily mass to pose a threat to Israel. The mountainous terrain of northwestern Saudi Arabia and the very difficult mountains of southern Jordan through which the tanks would have to pass (there is no common Israeli-Saudi border) are extremely ill-suited to tank warfare. Given the almost total absence of roads in those areas and the resulting choke points, the Israeli air force would have little difficulty dealing with any attempt to attack Israel from that direction.

It is important to note that Saudi Arabia is committed to a peaceful solution to the Arab-Israeli conflict. The Saudis actively pressed for Egypt's readmission to the Arab League with the Egyptian-Israeli treaty intact. Saudi armed forces have not been used offensively since the unification of the Kingdom in the 1920s and 30s.

The United States, Israel, and Saudi Arabia

The United States and Israel have a close and mutually advantageous strategic relationship. An important basic aspect of this relationship is the broader US ability to work closely and effectively with moderate Arab countries in the region like Saudi Arabia. Our relations with Israel and with the moderate Arab countries are not mutually exclusive but rather mutually supportive in our pursuit of peace and stability in the region.

Finally, the United States puts strict conditions on all its arms sales restricting their use for other than self-defense and prohibiting their transfer to third countries without US consent. The Saudis have an excellent record of honoring their commitments to protect American materiel and technology from unauthorized transfer or disclosure. The other countries that offer ad-

The Economic Impact

**MANUFACTURER'S MOST RECENT ESTIMATES OF TOTAL ECONOMIC
BENEFITS OF THE SAUDI TANK SALE (TANK ONLY)
(With Major Suppliers)**

STATE	TOTAL INCOME	TOTAL EMPLOYMENT
ALABAMA	\$13.9 million	434 man-years
CALIFORNIA Hughes Aircraft, El Segundo Rangefinder	\$124.5 million	3,899 man-years
CONNECTICUT Textron Lycoming, Stratford Engine	\$209.9 million	6,559 man-years
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INDIANA GM-Allison, Indianapolis Transmission	\$121.7 million	3,803 man-years
MASSACHUSETTS	\$11.0 million	343 man-years
MICHIGAN General Dynamics, Troy Land Systems Division Headquarters Cadillac-Gage, Warren Turret Drive	\$387.7 million	12,115 man-years General Dynamics, Warren Tank General Dynamics, Sterling Hts Electrical Equipment
NEW JERSEY Singer-Kearfott, Clifton Datalink	\$34.9 million	1,090 man-years
NEW YORK Watervliet Arsenal Gun Barrel	\$50.4 million	1,573 man-years
OHIO General Dynamics, Lima Tank	\$148.4 million	4,636 man-years
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Finally, the United States puts strict conditions on all its arms sales restricting their use for other than self-defense and prohibiting their transfer to third countries without US consent. The Saudis have an excellent record of honoring their commitments to protect American materiel and technology from unauthorized transfer or disclosure. The other countries that offer ad-

The Sale and Israel

vanced military equipment do not always place such conditions on their sales, nor do they share the United States' firm commitment to Israeli security.

TECHNICAL INFORMATION

Composition of the Saudi Package

The proposed Abrams tank package for Saudi Arabia consists of:

● 315 M1A2 tanks (with ancillary equipment)	\$1,148.1 million
● 30 M88A1 tank recovery vehicles	\$45.0 million
● 175 M998 utility trucks (HMMWV)	\$7.0 million
● 224 heavy tactical trucks (HEMTT)	\$35.0 million
● 29 heavy equipment transporters (HET)	\$8.5 million
● 268 five-ton trucks	\$18.3 million
● Spares and support equipment	\$904.9 million
● Contractor logistics support	\$369.2 million
● Ammunition	\$300.0 million
● Facilities design and construction	\$142.9 million
● Training aids and devices	\$79.8 million
● U.S. military training services	\$7.2 million
● Program management office	\$6.3 million
GRAND TOTAL	\$3,072.2 million

M1A2 Tank

The M1A2 is a 68½-ton main battle tank with the mission of defeating enemy forces using firepower, movement, and shock action. It is a fully tracked vehicle possessing armor protection, shoot-on-the-move capability, and a high degree of maneuverability and tactical agility. It provides its four-man crew with the capability to engage enemy ground targets with a variety of accurate point and area fire weapons.

The M1A2 is manufactured at Warren, Michigan, and Lima, Ohio, by General Dynamics Land Systems. Major components of the tank are also produced at Warren, as well as at Sterling Heights, Michigan; Scranton, Pennsylvania; Stratford, Connecticut; Indianapolis, Indiana; El Segundo,

Technical Information

California; and Watervliet, New York. The first production tank of the M1 series was completed in 1980 and the first production M1A1 in 1985.

The M1A2's firepower is a function of its weapon system, sights and vision systems, fire control, and stabilization. The 120 mm gun is used to engage tanks and infantry combat vehicles. The secondary armament consists of one .50 caliber and two 7.62 mm machine guns. The three machine guns are intended for use against troops and low-flying aircraft; the .50 caliber machine gun can also be used against lightly armored vehicles. The 7.62 mm gun is produced by FN Manufacturing of Columbia, South Carolina, and the .50 caliber gun by Saco Defense Systems Corporation of Saco, Maine.

Line-of-sight stabilization gives the M1A2 a highly accurate fire-on-the-move capability. A digital ballistic computer provides quick aiming correction based on automatic and manual inputs such as wind velocity, vehicle cant, and gun tube deflection. The thermal-imaging sight improves target acquisition under all weather and visibility conditions. A laser rangefinder provides accurate target distance data for the ballistic computer.

The M1A2 tank is driven by a 1500-horsepower diesel-powered gas turbine engine, an automatic transmission, and two final drives. This power plant provides high speed to minimize exposure and quick acceleration for evasive maneuvers. Top speed is regulated to 43 mph on hard surface roads. The M1A2 has advanced torsion-bar, long-stroke rotary shock-absorber suspension, enabling the tank to move over cross-country terrain at speeds up to 33 mph.

Survivability is the most essential characteristic of the Abrams tank. Crew survivability is enhanced by compartmented storage of fuel and ammunition. The crew and engine compartments are protected by an automatic fire extinguisher system. The probability of visual detection is decreased by the tank's low silhouette and reduced noise signature. External smoke grenade launchers and integral engine smoke generators provide rapid concealment.

The M1A2 is the next generation of the Abrams tank. It will be an improved version of the M1A1 now in production, containing the following proposed upgrades:

- *Appliqué armor* added to protect the tank against future Soviet-made weapon systems.
- A *commander's independent thermal viewer (CITV)* enables the tank commander to acquire new targets in the dark while the gunner is engaging others. The CITV also permits the commander to hand-off targets for the gunner to engage independently.
- An *improved commander's weapon station* provides improved visibility and ballistic protection, an enlarged hatch, and protection against directed energy weapons.

Technical Information

- *Position-navigation system* improves position location, heading reference, and range and bearing to waypoints.
- *A carbon dioxide laser rangefinder* provides an improved all-weather target engagement capability, improved safety for friendly troops, and range calculations rapid enough to engage helicopters.
- *A systems integration package* consolidates operational functions to reduce the burden on the crew.

The Saudi version of the M1A2 will differ somewhat from the version produced for the US Army. Some modifications will be made to meet the Royal Saudi Land Forces' peculiar environmental needs or for interoperability with other Saudi equipment. In addition, the Saudis may elect to purchase several items that the US Army has decided against installing in its own M1A2s, such as:

- *a driver's thermal viewer* to enable the driver to see through smoke, fog, and dust and to drive in darkness.
- *an inter-vehicle information system*, allowing improved communication between tanks.

Some items designed to meet the US Army's special needs may be omitted.

M88A1 Recovery Vehicle

The M88A1 is a fully armored, fully tracked vehicle with the mission of providing recovery, maintenance and repair, and engineer support to armored forces. The 56-ton vehicle has a hydraulically powered blade at the front, a boom capable of lifting 20 tons, and two hydraulic winches. It carries a four-man crew. The vehicle is powered by a Teledyne Continental diesel engine and has a top speed of 30 mph. The M88A1 is already in service with over 20 countries, including Saudi Arabia, Oman, Kuwait, and Jordan. It is produced by BMY of York, Pennsylvania.

M998-series High Mobility Multipurpose Wheeled Vehicle (HMMWV)

The HMMWV is, as its name suggests, a multipurpose vehicle which comes in numerous versions. Essentially, it is a militarized 4×4 light truck with a maximum payload of about 1½ tons. Its primary role in this sale will be to carry parts, other supplies, and personnel in support of Saudi armored units. The HMMWV seats a driver and three passengers in the front cabin. It is powered by a V-8 diesel engine and has a three-speed automatic transmission, power-assisted steering, and hydraulic disc brakes. Its top speed is 60 mph and it is capable of negotiating a 60% gradient, a 40% side slope, or a 22-inch vertical obstacle. The M998-series of vehicles is produced by AM General at South Bend, Indiana.

Technical Information

M977-series Heavy Expanded Mobility Tactical Truck (HEMTT)

The HEMTT is a ten-ton, 8×8 truck manufactured by the Oshkosh Truck Corporation of Oshkosh, Wisconsin. It is slightly more than 33 feet long and is powered by a V-8 diesel engine manufactured by Detroit Diesel. The HEMTT is capable of climbing a 60% gradient and can travel about 300 miles without refueling. The first production model of the HEMTT was delivered to the US Army in 1982. It will be provided in a mix of cargo, wrecker, and refueler versions.

M746 Heavy Equipment Transporter (HET)

The HET is a 22½ ton, 8×8 prime mover which will probably be procured for this sale from either Oshkosh Truck Corporation or PACCAR Corporation of Seattle, Washington. Its purpose is to haul a tank aboard a semi-trailer. The HET is powered by a 12-cylinder diesel engine made by Detroit Diesel and can travel approximately 200 miles without refueling. Its top speed is 38 mph. The 70-ton trailer to be sold in this package is produced at St. Louis, Missouri, by Southwest Mobile Systems.

M939-series 5-ton Truck

The M939 is a 6×6, five-ton truck. The current version, the M939A2, is built by BMY Corporation at Marysville, Ohio. It is powered by a Cummins 6-cylinder diesel engine and equipped with an Allison five-speed transmission. The M939-series truck is used primarily for hauling cargo and personnel, but comes in other versions such as a van and an ambulance as well. Distinctive features of the truck are its built-in boom for tire replacement and the provision of connections for engine diagnostic equipment.

Spares and Support Equipment

The package includes a three-year supply of spare parts to be delivered in several installments over the tanks' delivery period. The first installment will cover 18 months of average demand, with the other 18 months provided in later deliveries. The package also contains the maintenance and support equipment required to support the tank and the other items in the program.

Contractor Logistic Support

About 300 contractor employees will work on this program within Saudi Arabia. They will participate in initial program surveys and provide training, maintenance, supply management, and related services.

Technical Information**Facilities Design and Construction**

Provision is made in the case for US Army Corps of Engineers services to design and construct training and maintenance facilities in support of the Abrams tanks.

Ammunition

The package provides two years worth of training ammunition based on US Army training programs, plus a basic combat load of combat ammunition.

	(# of Rounds)
<u>120 mm Main Gun</u>	
M830 HEAT (high explosive antitank) (combat)	24,600
APFSDS-T (armor piercing, fin-stabilized, discarding sabot- tungsten) (combat)	51,000
M831 TP-T (target practice-tracer)	17,010
M865 TPCSDS-T (target practice, cone-stabilized, discarding sabot-tracer)	45,990
<u>M2 Machine Gun</u>	
.50 cal combat	1,890,000
.50 cal target practice	2,467,200
<u>M240 Machine Gun</u>	
7.62 mm combat	22,165,856
7.62 mm target practice	2,867,200

Ammunition for the 120 mm gun is produced by Honeywell at Brooklyn Park, Minnesota, and by Olin at Red Lion, Pennsylvania. Olin's Winchester Division at East Alton, Illinois, is the principal manufacturer of .50 cal and 7.62 mm machine gun ammunition.

Training Aids and Devices

The package includes conduct-of-fire, gunnery, and maintenance simulators as well as the other materials needed to train the Royal Saudi Land Forces in the effective use and upkeep of the M1A2 tank and its components. Major suppliers of this equipment are General Electric (Daytona, Florida), ECC International (Orlando, Florida), Burteck Corporation (Tulsa, Oklahoma), Perceptronics (Woodland, California), and Teledyne Brown (Huntsville, Alabama).

US Military Training Services

This component of the package provides for reimbursement to the US Army for the costs of mobile training teams and technical assistance field teams sent to Saudi Arabia to support the sale.

Technical Information**Program Management Office**

In any sale of this scope, it is normal practice to establish a program management office to ensure the smooth completion of the sale. The Saudi Arabian Government will bear the costs of this office.

QUESTIONS AND ANSWERS

- How much military equipment has the US been selling Saudi Arabia?

— Since 1953, the United States has sold Saudi Arabia about \$50 billion worth of defense articles and services. Only a little over a tenth of that was weapons and ammunition. Over two-thirds of our sales were support services, such as construction, maintenance services, spare parts, and training. Construction alone accounted for more than a third, as the Saudis, with US assistance, have built from scratch a military infrastructure for a country the size of the United States east of the Mississippi River. Until the mid-1960s the Saudi military was a small force with outmoded equipment. In a relatively short time, they have had to develop forces capable of deterring the serious threats in their region and defending their oil reserves.

- How have the Saudis supported US strategic interests in the region?

— Saudi Arabia actively worked with the United States militarily and diplomatically to protect our mutual interest in keeping the Persian Gulf open and ending the Gulf War. For example, Royal Saudi Air Force AWACS and F-15 aircraft operated in conjunction with the US Air Force and Saudi naval vessels provided supporting patrols in Saudi waters. Saudi Arabia has been an influence for moderation in the region, supports a peaceful settlement of the Arab-Israeli dispute, and has worked closely with the United States to support the struggle against Communism in Afghanistan.

- Has Saudi Arabia contributed to Middle East peace efforts?

— Saudi Arabia supports a peaceful resolution of the Arab-Israeli dispute. In the 1981 Fahd Plan, the Saudis called for a "just settlement" based on principles which included "recognition of the right of all the states in the region to live in peace." The Saudis have worked to have these principles accepted or reaffirmed by the Arab summit conferences at Fez, Algiers, and Casablanca.

- Isn't the real threat to Saudi Arabia internal instability and not external aggression?

— The Kingdom of Saudi Arabia faces very serious outside threats. The defense equipment we supplied to the Saudis in the early 1980s has been successfully employed to deter Iranian aggression and pressure. The Gulf War showed just how dangerous a neighborhood the Saudis live in. There has been no serious internal threat to Saudi authority since the Kingdom was unified in 1932. Saudi Arabia has weathered Iranian attempts at subversion, the 1979 Mecca incident, and the collapse of world oil prices with remarkable ease. The Kingdom is one of the most stable countries in the Middle East.

Questions and Answers

● Hasn't Saudi Arabia kept oil prices artificially high at the expense of American consumers?

— Saudi Arabia believes its long-term economic interests are best served by stable prices, not the wide swings of the 1970s and early 1980s. Saudi Arabia has sought to balance external demand for low prices with domestic demand for development and higher living standards. The Saudis have attempted to use their enormous production capacity to moderate price fluctuations.

● Is there any danger that this advanced weaponry will fall into the wrong hands? For instance, might the Saudis transfer their tanks to Syria or some other radical Arab country? What about terrorists, or Soviet spies?

— Every US arms sale contains a condition forbidding transfer of American equipment to any third party without US Government approval. The Saudis have an excellent record of honoring these requirements. They also have an excellent record of safeguarding American technology and the weapon systems we have sold them. Saudi security procedures are extremely tight and, for certain sensitive systems, the US has insisted on even more stringent precautions. Moreover:

- Syrian or other troops are not trained to operate or maintain the M1A2. It takes time for any army to learn to use such a piece of equipment. Neither the Syrians nor other radical Arab states would have access to spare parts, ammunition, support equipment, or maintenance facilities, or to the American technicians required to support the tanks.

- Terrorists have little use for anything so obvious as a tank, and it is most doubtful that they could find a four-man crew who would know how to operate it.

- There is no Soviet-bloc presence in Saudi Arabia. With Saudi Arabia's tight immigration and security procedures, there is little risk that Soviet agents could get their hands on M1A2 technology as a result of this sale.

● There were some newspaper advertisements in 1988 that the economic repercussions on the United States of the British arms deals with Saudi Arabia were minimal. Did we lose jobs as a result of the British sales?

— The British estimate that 25,000 to 30,000 British jobs were saved as a result of the \$7 billion "Al Yamamah I" Tornado fighter aircraft program established in 1985. The 1988 "Al Yamamah II" program was even bigger, reportedly as much as \$30 billion. While a US sale of equivalent equipment would not have exactly the same value, it would certainly be in the tens of billions of dollars, and every billion dollars in US foreign military sales is estimated to result directly in 35,000 man-years of employment. The US content of certain components of the Al Yamamah deals does generate some activity in the American economy, but direct US sales would have virtually 100% US content and generate much more employment than the small US content of the

Questions and Answers

British sales. Each Tornado fighter, for example, contains less than a half million dollars worth of American components.

- Are the Saudis honoring the assurances on the use of the AWACS we sold them in 1981?

— Yes. The Saudis are complying with the assurances; as Congress's General Accounting Office reported in October 1988.

- Is Iran really still a threat to Saudi Arabia now that its army has been weakened by its war with Iraq, a war that is now over?

— There is a cease-fire in the Iran-Iraq war but no peace settlement. While Iran's forces were weakened by the war, they are still more powerful than those of Saudi Arabia and are in the midst of a rebuilding program. Iran has a large population, a revolutionary religious orientation, and an avowed hostility to the Saudi ruling family.

- What about Iraq? Aren't they and Saudi Arabia friends?

— Saudi-Iraqi relations are good at present. However, the Iraqis, who have traditionally sought a predominant role in the Arab world, have often been at odds with the Saudis in the past. Iraq emerged from the war with Iran with a large, well-equipped, and battle-tested army.

- Is the Saudi military build-up directed against Israel?

— The Saudis have strengthened their military capabilities considerably since the 1970s in response to the dangers of the region in which they live. But this build-up has not given Saudi Arabia disproportionate military strength and it has not been directed at Israel. Saudi Arabia faces threats on many fronts. The most significant US sales since the mid-1970s have been used primarily to defend the Kingdom against threats from the east and south.

- Won't US sales of sophisticated weapons to Saudi Arabia enable the Saudi armed forces to play a major role in any future war against Israel?

— Saudi Arabia is publicly committed to peaceful resolution of the Arab-Israeli dispute. Its armed forces are trained, equipped, and deployed as a defensive force. Israel has and will continue to have a significant advantage over any foreseeable combination of hostile forces in the region.

- Just how much do the Saudis spend on defense? Is it true their defense budget is continuing to grow every year?

— Saudi Arabia's defense budget has declined steadily in constant dollars since 1983 and in current dollars since 1985. According to the International Institute for Strategic Studies, the Saudi 1988 defense budget was \$13.57 billion. Only a small portion of this annual budget goes for investments in new weapons and facilities. As in most all-volunteer armed forces, the majority pays for military salaries and operations and maintenance costs.

APPENDIX 3

United Nations General Assembly Roll Call Vote on Attempt
to Deny Israel's Credentials, dated October 17, 1989
Submitted by Rep. Mel Levine (D-California)

SER. NO: 14
VOTE NO: 1
ITEM: ITEM 3
SYMBOL:

UNITED NATIONS GENERAL ASSEMBLY
FORTY-FOURTH SESSION
PLENARY MEETING MEETING #32
RECORDED VOTE ADOPTED

DATE: 17 OCT
TIME: 11:12

DRAFT: MOTION BY DENMARK

RESOLUTION

95 YES
37 NO
15 ABSTAIN

SUBJECT: MOTION NOT TO TAKE ANY ACTION ON A/44/L.9

AFGHANISTAN	N DEM YEMEN	N LAO PDR.	Y ST. VINCENT-GRE
ALBANIA	Y DENMARK	N LEBANON	Y SAMOA
N ALGERIA	N DJIBOUTI	Y LESOTHO	Y S TOME PRINCIP
N ANGOLA	Y DOMINICA	Y LIBERIA	N SAUDI ARABIA
Y ANTIGUA-BARBUDA	Y DOMINICAN REP	N LIBYAN A J	SENEGAL
Y ARGENTINA	Y ECUADOR	Y LUXENBOURG	Y SEYCHELLES
Y AUSTRALIA	Y EGYPT	A MADAGASCAR	Y SIERRA LEONE
Y AUSTRIA	Y EL SALVADOR	Y MALAWI	Y SINGAPORE
Y BAHAMAS	Y EQUAT GUINEA	N MALAYSIA	Y SOLOMON ISLAND
N BAHRAIN	Y ETHIOPIA	N MALDIVES	N SOMALIA
BANGLADESH	Y FIJI	Y MALI	SOUTH AFRICA
Y BARBADOS	Y FINLAND	Y MALTA	Y SPAIN
Y BELGIUM	Y FRANCE	N MAURITANIA	Y SRI LANKA
Y BELIZE	GABON	Y MAURITIUS	N SUDAN
Y BENIN	GAMBIA	Y MEXICO	Y SURINAME
Y BHUTAN	A GERMAN D R	N MONGOLIA	Y SWAZILAND
Y BOLIVIA	Y GERMANY, F R	N MOROCCO	Y SWEDEN
Y BOTSWANA	N GHANA	Y MOZAMBIQUE	N SYRIAN A R
Y BRAZIL	Y GREECE	Y MYANMAR	Y THAILAND
N BRUNEI DAR-SALAM	Y GRENADA	Y NEPAL	Y TOGO
A BULGARIA	Y GUATEMALA	Y NETHERLANDS	Y TRINIDAD-TOBAG
N BURKINA FASO	N GUINEA	Y NEW ZEALAND	N TUNISIA
Y BURUNDI	Y GUINEA-BISSAU	N NICARAGUA	Y TURKEY
A BYELORUSSIAN SSR	Y GUYANA	N NIGER	A UGANDA
Y CAMEROON	A HAITI	Y NIGERIA	A UKRAINIAN SSR
Y CANADA	Y HONDURAS	Y NORWAY	A USSR
CAPE VERDE	Y HUNGARY	Y OMAN	N U A EMIRATES
Y CENTRAL AFR REP	Y ICELAND	N PAKISTAN	Y UNITED KINGDOM
Y CHAD	A INDIA	Y PANAMA	A U R TANZANIA
Y CHILE	N INDONESIA	Y PAPUA N GUINEA	Y UNITED STATES
A CHINA	N IRAN (ISLAMIC R)	Y PARAGUAY	Y URUGUAY
Y COLOMBIA	N IRAQ	Y PERU	VANUATU
N COMOROS	Y IRELAND	Y PHILIPPINES	Y VENEZUELA
CONGO	Y ISRAEL	A POLAND	N VIET NAM
Y COSTA RICA	Y ITALY	Y PORTUGAL	N YEMEN
Y COTE D'IVOIRE	Y JAMAICA	N QATAR	Y YUGOSLAVIA
N CUBA	Y JAPAN	Y ROMANIA	Y ZAIRE
Y CYPRUS	N JORDAN	A RWANDA	A ZAMBIA
A CZECHOSLOVAKIA	Y KENYA	ST. KITTS-NEVIS	N ZIMBABWE
DEM KAMPUCHEA	N KUWAIT	Y SAINT LUCIA	

APPENDIX 4

List of Major U.S. Arms Sales to Saudi Arabia Since AWACS
Submitted by Rep. Mel Levine (D-California)

\$3.1 billion	315 M-1A2 Main Battle Tanks with related equipment and support
\$500 million	200 M-2 Bradley Fighting Vehicles
\$502 million	12 F-15 C/D attrition aircraft
\$325 million	95 AN/ALQ-171 Jamming Pods
\$400 million	UH-60 and Bell 406 helicopters
\$98 million	995 AIM-9L Sidewinder air-to-air missiles
\$60 million	671 AIM-9P4 Sidewinder missiles
\$106 million	100 Harpoon anti-ship missiles
\$26 million	2,358 improved TOW anti-tank missiles.
\$40 million	200 basic Stinger guided missile systems with 400 Stinger missiles.
\$26 million	2,538 improved TOW anti-tank missiles.
\$176 million	100 M-60A3 battle tanks equipped with 105mm guns, laser rangefinders, and thermal night-fighting sights.
\$33 million	42-155mm M198 towed howitzers with required support equipment and spare parts.

\$126 million	Ammunition consisting of 155mm projectiles, propellant charges, fuzes, and percussion primers.
\$271 million	523 armored vehicles, including 33 M578 and 19 M88A1 tracked recovery vehicles, 24 M106A2 and 62 M125A2 mortar carriers, 18 M109A2 155mm self-propelled howitzers, 80 M577A2 command post carriers, 111 M992 field artillery ammunition support vehicles, 156 M113A2 armored personnel carriers, and 20 M113A2 armored ambulances. To support the mechanization of two additional Saudi Arabian Land Forces (SALF) infantry brigades.
\$40 million	2,111 improved TOW anti-tank missiles.
\$350 million	10 RF-5E reconnaissance aircraft, 5 F-5E and F-5F fighter-bombers, reconnaissance cameras, spare parts, and technical support.
\$22 million	2,010 improved TOW anti-tank missiles.
\$110 million	101 ship sets (202 tanks) of conformal fuel tanks (CFTs) for F-15s.
\$220 million	1,177 AIM-9L Sidewinder air-to-air missiles.
\$2.4 billion	8 Boeing 707 aerial refueling aircraft, including an initial purchase of 6 aircraft and an option to purchase 2 additional aircraft.
\$5.8 billion	5 E-3A aircraft (AWACS), associated spares and support equipment for three years, three years of contractor provided logistics, maintenance, and training support in Saudi Arabia.



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